



GEDA

Guam Economic Development Authority

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September 23, 2016

33-16-2049
Office of the Speaker
Judith T. Won Pat, Ed.D

Speaker Judith T. Won Pat, Ed.D.
The 33rd Guam Legislature
155 Hesler Place
Hagatna, Guam 96910

Date: 9/29/16
Time: 2:11 PM
Received By: [Signature]

Subject: Request for Information (RFI) 16-001 To Determine Public Interest to the Management and Operation (s) of the Guam Memorial Hospital Authority

In order to comply with Public 33-143 Section 2, the Guam Economic Development Authority respectfully submits the responses received in connection with RFI 16-001.

The Government of Guam, through the Guam Economic Development Authority issued a Request for Information (RFI) for the purpose of soliciting and determining public interest relative to the management and operation (s) of the Guam Memorial Hospital Authority, as authorized by Public Law 33-143.

The purpose of the RFI was seeking information on whether private ownership by a hospital investment group(s), in whole or in part, will provide cost-effective management of medical care services for the people of Guam.

The RFI was issued on June 24, 2016 and closed on August 30, 2016. The RFI was advertised in the Guam Post and twice in Modern Healthcare magazine.

The RFI solicited information related to any of the following opportunities, but was not limited to:

- a. the transfer of the management and operation of GMHA in its entirety to either a for-profit or non-profit entity;
- b. the transfer of limited management and operation of only specific GMHA operations and assets;
- c. a public/private collaboration in the operation of the hospital;
- d. a public/private collaboration in the renovations to the existing hospital structure or building a new hospital facility;
- e. the re-use of existing GMHA facility and/or property;
- f. an assessment of Guam's healthcare industry and market and gaps in overall healthcare services;

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- g. information related to the level of available federal and non-governmental funding mandated by law and how any change in GMHA's operational structure would impact the availability of federal and non-governmental funding;
- h. an assessment of Guam's healthcare information and research infrastructure;
- i. the continued provision of quality hospital services accessible to all the people of Guam;
- j. information relative to an annual health care summit that will gather industry leaders, policymakers, regulators, providers, payers and patient representatives to discuss what it takes to make innovation affordable and medicine safe and accessible;
- k. a feasibility study for a universal regional health insurance plan to include the Federated States of Micronesia (FSM) and Republic of Marshall Island (RMI);
- l. a feasibility study for a universal regional health insurance plan to include Guam, Commonwealth of the Northern Mariana Islands, FSM, and RMI;
- m. a feasibility study for a health and insurance plan to cover indigent programs (Medically Indigent Program and Medicaid); or
- n. Management of a government funded health plan, including Medicare, Medicaid and MIP, to better serve the population needs of Guam.

Three (3) responses were received from Eikon LLC, Strategic Global Management, Inc. and Cormin Global Consulting Group. Summaries of each proposal follows:

1). Eikon, LLC (Miami, Florida)

Eikon is the international affiliate of the professional supply chain and group purchasing organization, *Intalere*.

Eikon is willing to collaborate in the operation of the hospital, its information technology systems and supply chain services.

Proposed Scope of Work:

1. A public/private collaboration in the renovations to the existing hospital structure or building a new hospital facility.

The *Intalere Healthcare Facility Management* team includes experts in construction, renovation and interior design, energy solutions and plant engineering. They have years of practical and managerial experience and are available to assist with healthcare supply chain management including product selection, sourcing solutions and product specification.

- Guide interactions with contractors, architects and interior designers to maximize contract utilization and savings throughout the project.

- Assist in either the renovation of the existing GMHA or in the full construction of a new facility.
 - Will provide a recommendation as to which direction the Government of Guam should take in this endeavor, managing the project from start to finish.
2. **An assessment of Guam's healthcare industry and market and gaps in overall healthcare services;**

Found that a comprehensive assessment like this is an invaluable place to begin an overhaul of this nature. Problems are never held in isolation so if the issues in one part of the ecosystem need to be fixed, the entire ecosystem needs to be understood and improved to support the necessary change. Their approach is broken into the following phases:

Mobilization

- Confirmation of project scope and objectives.
- Initial review of relevant documents and DIMETRI data.
- Identification of key Stakeholders and Interviewees.

Information Gathering and Review

- Initial round of interviews.
- Review of workflows and policies.
- Review of contractual relationships/arrangements.
- Review of scheduling and staffing plans.
- Review of volume/procedural data.
- Documentation of initial findings.

Evaluation of Opportunities

- Benchmarking analysis.
- Analysis of additional data.
- Review of initial recommendations.
- Prioritization of opportunities.

Finalization and Review of Deliverable

- Summarize observations, findings and recommendations.
- Prioritization of recommendations.
- Develop roadmap outlining priorities and actions.

3. **Information related to the level of available federal and non-governmental funding mandated by law and how any change in GMHA's operational structure would impact the availability of federal and non-governmental funding.**

Standard reimbursement information along with federally mandated funding impact on GMHA's structure will be assessed. The recommendations around structure will be undertaken with an eye to optimizing the profit-potential of the operation. "Without profit there is no mission."

4. **An assessment of Guam's healthcare information and research infrastructure.**

This assessment will follow the same process as above and will again be bolstered by the DIMETRI platform to compare "what is" versus "what is possible" and best in-class.

5. **The continued provision of quality hospital services accessible to all the people of Guam.**

The idea is not to build a system that thrives. This is reverse engineered based on the desired clinical outcomes of the population. The acceptable spectrum of quality of care varies from

region to region but since Guam is a regional hub, relied upon by much of the Central and Northern Pacific, we would hope to build quality systems to support best in class clinical

outcomes that positively affect the region. We have done this many times before and could certainly do the same for the Government and people of Guam.

6. Information relative to an annual healthcare summit that will gather industry leaders, policymakers, regulators, providers, payers and patient representatives to discuss what it takes to make innovation affordable and medicine safe and accessible.

Eiikon delivers summits of this nature several times a year around the United States. These gatherings have been hailed as some of the best-led engagements in healthcare today.

Ability to deliver on this scope of work is outlined in proposal (available upon request).

2). Strategic Global Management, Inc. (Riverside, California)

Strategic Global Management Inc. and its affiliates form a healthcare conglomerate composed of seven hospitals (with a sale pending on an eighth hospital), three medical groups, and an array of various ancillary services based in southern California.

Provided information about their experience, qualifications and interest to be a public private partner with GovGuam in its desire to enhance the clinical, operations and financial performance of the Guam Memorial Hospital Authority.

Strategic has a proven track record of acquiring financially distressed hospitals and successfully turning them into stable, efficient providers of quality hospital services. Strategic has expertise in addressing the various challenges faced by public, non-profit, district, private and for-profit entities.

3). Cormin Global Consulting Group (Charlotte, North Carolina)

Cormin Global Consulting Group (CGCG) is a minority owned for-profit international healthcare consulting firm. Provided information on their experience, qualification in managing and consulting with private facilities, public facilities, start-up operations and working with local and international government agencies.

CGCG is prepared to assist with the transfer of management and operations of GMHA, assist with the renovations to the existing hospital structure or the construction of a new facility, assess and develop Guam's information and research infrastructure, conduct an assessment Guam's healthcare industry and market and gaps in overall healthcare services, organize an annual regional health care summit, the continued provision of quality hospital services, conduct a feasibility study for a regional universal health insurance plan, and provide management of a government funded health plan to better serve the people of Guam and surrounding islands.

Services include:

- Strategic Planning and Development
- Customer Service
- Human Resources Development
- Physician Recruitment and Retention
- Management and Operations Services
- Information Technology Development and Implementation
- Board Training and Development
- Managed Care Negotiations
- Policy and Procedure Development
- Contract Group Purchasing
- Supply Chain Excellence

Conclusion

Based on the responses received, GEDA has determined that there are at least three (3) companies that may respond to a Request for Proposal (RFP) for a public-private partner (PPP). We recommend that the direct stakeholders come together in the development of this RFP and request for Legislative support through legislation detailing the basis of this PPP prior to the issuance of the final RFP.

Pursuant to Public Law 33-143, this compilation/results must be formally transmitted to the *I Maga'lahaen Guahan* and *I Liheslaturan Guahan* no more than thirty (30) days after the receipt of information to the RFI or by September 29, 2016. We formally submit this report to GEDA management for further review and analysis.

Please do not hesitate to contact me should you wish to discuss in more detail.

Senseremente,


Jay Rojas
GEDA Administrator

Cc: Senator Dennis G. Rodriguez