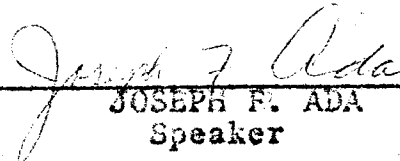


FOURTEENTH GUAM LEGISLATURE  
1977 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

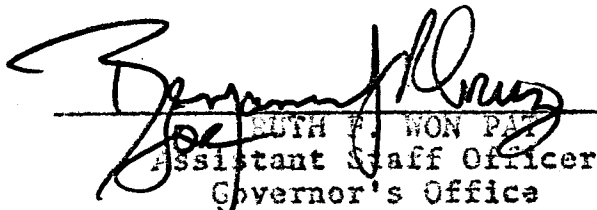
This is to certify that Substitute Bill No. 527, "An Act to amend certain sections of the Guam Health Act of 1977", was on the 20th day of December, 1977, duly and regularly passed.

  
JOSEPH F. ADA  
Speaker

ATTESTED:

  
ERNESTO M. ESPALDON  
Legislative Secretary

-----  
This Act was received by the Governor this 22nd day of December, 1977, at 555 o'clock P.M.

  
BETH A. WON PAT  
Assistant Staff Officer  
Governor's Office

APPROVED:

/s/ RICARDO J. BORDALLO  
RICARDO J. BORDALLO  
Governor of Guam

DATED: December 27, 1977  
6:30 P.M.

Public Law No. 14-91

FOURTEENTH GUAM LEGISLATURE  
1977 (FIRST) Regular Session

Bill No. 527  
(As Substituted by  
the Committee on Health,  
Welfare & Ecology)

Introduced by

E. M. Espaldon  
T. V. C. Tanaka

AN ACT TO AMEND CERTAIN SECTIONS OF THE  
GUAM HEALTH ACT OF 1977.

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

2 Section 1. Ratification. The Legislature will ratify  
3 that certain contract of sale entered into on October 28, 1977  
4 whereby the Medical Center of the Marianas (MCM) is to be pur-  
5 chased by Guam Memorial Hospital Authority (GMHA), provided, how-  
6 ever, that such ratification will be withheld unless all of the  
77 following conditions are first met:

8 (1) Provision for an interim lease of the MCM  
9 facilities by GMHA with GMHA having the right to take  
10 immediate exclusive possession of MCM, provided that credi-  
11 tors of MCM which have a lien or security interest in its  
12 premises, equipment, including lease equipment, inventory,  
13 proceeds or accounts receivable agree in writing to sub-  
14 ordinate in GMHA's favor during the term of the lease what-  
15 ever interest such creditors may have to income earned by  
16 GMHA or to any proceeds or consumable inventory.

17 (2) Amendment of the contract of sale by striking the  
18 sentence on line 5, page 6 of the contract which begins with  
19 the word 'In' and ends on line 9, page 6 with the word  
20 'amount'.

21 (3) Provision for conveyance in fee simple absolute  
22 to GMHA of the real property upon which MCM is situated.

1           (4) The sale price shall be determined by negotiation  
2 between MCM and GMHA. The sale price shall take into con-  
3 sideration the fair market value of MCM and the fee simple  
4 title to the land on which the hospital is situated together  
5 with all appurtenances thereto as determined by an indepen-  
6 dent qualified disinterested appraiser but in no event  
7 shall the sale price exceed the sum of \$25 million.

8           (5) Written documentation of the willingness of  
9 Antonia L. G. Camacho and the Sisters of Our Lady of Mercy  
10 of Belmont, North Carolina, to assign their leases with  
11 MCM to GMHA.

12           (6) A provision that prior to GMHA's depositing any  
13 funds with the escrow agent, MCM obtains written agreement  
14 with each of its secured creditors as to the sum certain  
15 owed by MCM to such creditors with such written agreement  
16 providing for the immediate release of the creditor's lien  
17 or security interest upon payment of such sum certain and  
18 escrow instruction instructing the escrow agent to pay off  
19 secured creditors in accordance with said agreements.

20 Section 2. Subsection (b) of Section 49003 of the Govern-  
21 ment Code is amended to read:

22           "(b) Establish a schedule of fees to be charged for  
23 care and services at or by the hospital, including care  
24 and services for the mentally ill pursuant to Chapter III  
25 of this Title, which schedule shall include rules and  
26 policies for abatements and discounts to insure that no  
27 person is denied complete medical care and services by  
28 reason of his partial or complete inability to pay there-  
29 for. The schedule of fees shall be sufficient to recover

1 the operating costs and fixed costs and to generate such  
2 revenue as is necessary to make the hospital self-sustaining.  
3 The cost of medical care and services rendered to any person,  
4 under the Old Age Assistance for the Aged Program, Aid to  
5 Dependent Children Program, Aid to the Blind Program, and  
6 Aid to the Permanently and Totally Disabled Program of the  
7 Social Security Act, at the request of the Division of  
8 Public Health and Social Services, as well as those persons  
9 determined as unable to pay for medical care and services  
10 shall be paid by said division.

11 Section 3. Section 49004(a) of the Government Code is  
12 amended to read:

13 "(a) All powers vested in the hospital, except as  
14 provided herein, shall be exercised by the Board which shall  
15 consist of thirteen (13) members, called Trustees. The  
16 Governor shall appoint one (1) member each to be chosen  
17 from among their number by the Chamber of Commerce, the Guam  
18 Medical Society, the Guam Bar Association, the Guam Business  
19 and Professional Women's Club, the Guam Association of  
20 Retired People, the District Government Council, the Minis-  
21 terial Association of Guam, the Guam Nurses Association, the  
22 Labor Council of the Western Pacific, the Guam Certified  
23 Public Accountants Association, the Pacific Chapter of JCI,  
24 the Young Men's League of Guam and the Pharmaceuticals  
25 Association and their respective successors. A Trustee  
26 shall serve a term of five (5) years from the expiration  
27 of the term for which his predecessor was appointed. All  
28 vacancies occurring in the office of Trustee shall be filled  
29 by the Governor in the same manner as full-term appointments,

1 but only for the unexpired term of the Trustee whose vacancy  
2 is being filled. The Board shall elect a President and a  
3 Vice President from among its membership every two (2)  
4 years."

5 Section 4. Subsection (b) of Section 49004 of the Government  
6 Code is amended to read:

7 "(b) Seven (7) Trustees shall constitute a quorum of  
8 the Board for the transaction of business. The concurrence  
9 of a majority of members present shall constitute official  
10 action of the Board. The Board may adopt rules and regula-  
11 tions governing the conduct of its affairs."

12 Section 5. Subsection (a) of Section 49006 of the Government  
13 Code is amended to read:

14 "(a) The Board may also appoint a secretary, a trea-  
15 surer, a comptroller and an attorney who shall serve at the  
16 pleasure of the Board and whose duties and compensation  
17 shall be fixed by the Board. The Board may appoint one or  
18 more assistants to any such office. Any of such offices  
19 may be consolidated in any one person."

20 Section 6. A new Subsection (e) is added to Section 2 of  
21 Public Law 14-29:

22 "(e) Notwithstanding any provision in this section to  
23 the contrary, the hospital may dispose, as it sees fit,  
24 of worn out personal property or fixtures and may further  
25 sell or exchange property other than real property in the  
26 ordinary course of its business."

1           Section 7. The Governor shall make all of the initial  
2 appointments to the Board of Trustees provided in Section 3 of  
3 this Act no later than May 1, 1978. The Board of Trustees in  
4 office on the effective date of this Act shall continue in  
5 office until a new Board is appointed and qualified, provided that  
6 the terms of the members of the Board of Trustees in office on  
7 the effective date of this Act shall absolutely terminate on  
8 May 1, 1978 and such members shall no longer be empowered to  
9 conduct the affairs of the Authority in any manner whatsoever.

10           Section 8. Special provision. The Board is directed to  
11 lease from Medical Center of the Marianas (a non-profit corpora-  
12 tion) that certain medical facility known as the Medical Center  
13 of the Marianas and as soon as practicable begin using such  
14 facilities for operations. The lease entered into shall terminate  
15 upon the purchase of the facility known as the Medical Center  
16 of the Marianas by Guam Memorial Hospital Authority.

17           Section 9. The Governor is directed to use his best efforts  
18 to secure the Twenty-Five Million Dollars (\$25,000,000) autho-  
19 rized to be appropriated to purchase MCM as authorized by  
20 Public Law 95-134.

21           Section 10. Section 5 of Public Law 14-82 is amended to  
22 read as follows:

23           "Section 5. The Guam Economic Development Authority,  
24 through its Board of Directors, shall execute a loan agree-  
25 ment with the Medical Center of the Marianas for an amount  
26 not to exceed One Million Five Hundred Thousand Dollars  
27 (\$1,500,000). The Authority shall require MCM to use the  
28 funds as a supplement to income from operations for the  
29 purpose of paying salaries and other operating expenses  
30 and prohibit use of the loan to pay debt service."

1 Section 11. Section 1 of Public Law 14-84 is hereby amended  
2 to read as follows:

3 "Section 1. The following sums are hereby appropriated  
4 from the General Fund to the Guam Constitutional Convention  
5 for the purposes expressly stated herein:

6 For Contractual Employment Services,  
7 not to exceed \$20,160

8 For Printing and Publication of the  
9 official proceedings, records and  
10 documents of the Guam Constitutional  
11 Convention, not to exceed \$14,000

12 For Office supplies and Materials,  
13 not to exceed \$ 400

14 For a Public Education Program,  
15 limited to printed educational matter  
16 and media presentation not to exceed \$28,000

17 (a) It is not the intent of this section to alter or  
18 amend in any way Section 15200.10 of the Government Code  
19 of Guam. All available balances from the appropriation  
20 made herein existing as of June 30, 1978 is hereby returned  
21 to the Unappropriated Surplus of the General Fund."

22 Section 12. Section 4 of Public Law 14-84 is hereby amended  
23 to read as follows:

24 "Section 4. Section 15200.14 of the Government Code  
25 of Guam is repealed and reenacted to read:

26 'Section 15200.14. Referendum. The proposed Constitu-  
27 tion as so approved or modified by the Congress shall be  
28 submitted to the qualified voters of Guam for acceptance  
29 or rejection through an islandwide referendum to be held  
30 concurrently with the General Election held in 1978 as  
31 provided in Section 2065 of the Government Code of Guam.'"