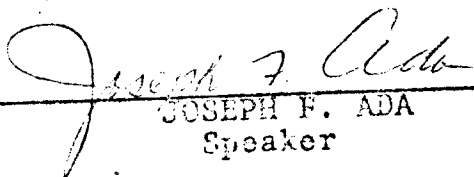


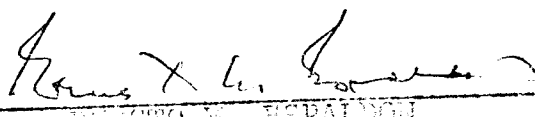
FOURTEENTH GUAM LEGISLATURE
1977 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR


This is to certify that Substitute Bill No. 8, "An Act to add a new Chapter XIII to Title X of the Government Code of Guam to enable medicaid recipients to enroll in prepaid health plans", was on the 6th 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 21st day of
December, 1977, at 10:35 o'clock a.M.


RUTH F. WON PAT
Assistant Staff Officer
Governor's Office

APPROVED:

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

DATED: DEC 31 1977

11:52 A.M.

P.L. 14-94

FOURTEENTH GUAM LEGISLATURE
1977 (FIRST) Regular Session

Bill No. 8
(As Substituted by
the Committee on
Health, Welfare
& Ecology)

Introduced by R. F. Taitano

AN ACT TO ADD A NEW CHAPTER XIII TO TITLE
X OF THE GOVERNMENT CODE OF GUAM TO ENABLE
MEDICAID RECIPIENTS TO ENROLL IN PREPAID
HEALTH PLANS.

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

2 Section 1. A new Chapter XIII known as the "Guam Medical
3 Assistance Plan" is hereby added to Title X of the Government
4 Code of Guam to read as follows:

5 "CHAPTER XIII

6 Guam Medical Assistance Plan

7 Section 9940. Statement of policy. The Legislature
8 declares that medicaid recipients receiving medical
9 assistance under Title XIX of the Social Security Act
10 should be given the opportunity to be enrolled in prepaid
11 health plans as a means of affording them comprehensive
12 health care and related remedial and preventive services.

13 Prepaid Health Plan (PHP) as used herein means a
14 multi-specialty group practice or an individual practice
15 association developed to provide medical services on a
16 prepaid basis.

17 The Department of Public Health and Social Services
18 shall contract with a qualified prepaid health plan pursuant
19 to this Chapter and shall award such contract on a nonbid
20 basis.

1 Each prepaid health plan shall furnish to the depart-
2 ment such information and reports as the department may
3 find necessary in performing its functions under this Act.
4 Such information and reports shall include, but shall not
5 be limited to, statistical information regarding utilization
6 of services, age and sex, specific mortality and morbidity
7 rates, services supplied, manpower resources and costs
8 of health care and administration, compiled from a basic
9 data system as the department may require. The prepaid
10 health plan and the department shall maintain such records
11 and afford access thereto to verify the information and
12 reports which may be required under this Act. The depart-
13 ment shall annually conduct a survey of beneficiaries to
14 determine their satisfaction with the services provided by
15 the prepaid health plan.

16 All health care services available under this Act shall
17 be equivalent to the level and basic scope of services
18 required under public assistance programs. It is the
19 objective of this legislation that health care, as provided
20 in Guam under Title XIX of the Social Security Act, be
21 available and accessible at all times to all qualified
22 recipients. It is further the intent of this Act that
23 such care shall be of the highest quality.

24 Section 9941. Responsibility. The department shall,
25 in carrying out the intent of this Act, contract with a
26 multi-specialty group practice or an individual practice
27 association through a prepaid health plan to establish pilot

1 programs which demonstrate the value or lack thereof of
2 such a program in delivering or financing health care
3 services in such a manner. Each pilot program shall be for
4 a specified duration not to exceed four (4) years and each
5 pilot program shall be evaluated annually for its efficiency,
6 effectiveness and quality. The department shall pursue the
7 feasibility of establishing the following as pilot programs:

8 A per person risk assuming contract with one or more
9 organization which provide payment to a specified class or
10 classes of providers.

11 Persons eligible for services under the public assist-
12 ance program shall be assigned by the department to a pre-
13 paid health plan which affords any qualified medicaid
14 provider within the territory of Guam an opportunity to
15 participate in the plan under reasonable restrictions
16 approved by the department; provided, however, such persons
17 shall be entitled to request and receive a medicaid card
18 if assignment to a plan does not meet with their satisfac-
19 tion.

20 For purposes of this Section 'risk assuming' means the
21 pilot program contractor agrees to assume the risk of utili-
22 zation of services or costs of services, or both.

23 The Department shall establish, through contracts,
24 health service delivery systems as pilot programs to
25 determine whether high-quality comprehensive medicaid
26 benefits can be provided at a reasonable cost on a prepay-
27 ment basis on such a system. The pilot programs shall have
28 at least the following characteristics:

29 The program shall be operated either by the department
30 directly or through contracts with prepaid health plans.

1 The program shall enroll Medicaid recipients and be
2 funded by the department on a prepayment capitation basis.
3 Such rate of payment shall be determined annually and shall
4 be ten percent (10%) less than valid claims incurred by the
5 department for covered Medicaid recipients projected on an
6 annual basis as reflected by the accrued average monthly
7 claims for the previous six (6) months plus all anticipated
8 increases in costs in the contract year. The rate shall
9 not include any costs of the department for claims or
10 administrative fees to fiscal intermediaries. The per capita
11 amounts determined shall be based on sound actuarial data
12 and be recognized to vary between the categories of aid to
13 families with dependent children, aid to the totally
14 disabled, aid to the blind, old age security, or such other
15 categories as may be determined by the Director of the
16 department.

17 The programs shall provide the full range of services
18 offered under the public assistance program and shall meet
19 all statutory requirements and all regulatory and contractual
20 requirements established by the department for the program.

21 The programs shall emphasize the innovative use of
22 health personnel including midlevel medical, nursing, and
23 dental professionals in ambulatory settings.

24 Medicaid recipients enrolling in a pilot program pur-
25 suant to this Act shall be offered a choice of qualified
26 primary care physicians employed or under contractual
27 arrangements with the prepaid health plan to be the recip-
28 ients' designated primary care physicians.

1 Section 9942. Plan. Prepaid health plans contracti
2 under this Act shall guarantee and provide assurances to
3 the Department that all services contracted for shall be
4 readily available and accessible and that further, all
5 medical services covered under the contract which are re-
6 quired on an emergency basis be available on a 24-hour,
7 seven day a week basis, either in the prepaid health plans
8 own facilities or through arrangements with another provider
9 which has been approved by the department. The department
10 is hereby directed to establish standards of care and to
11 conduct testing and review procedures to assure compliance
12 with such standards.

13 It is in the public interest that medical assistance
14 of the proper quality and quantity be provided in the most
15 effective and economical manner consistent with such high
16 quality medical standards. It is further the objective
17 of this Act that there shall be proper utilization of all
18 health care services.

19 All administrative powers and duties with respect to
20 prepaid health plans, including determination of per capita
21 payment rates, approval of prepaid health contracts and
22 pilot programs which provide health care services pursuant
23 to prepaid health contracts is hereby vested with the
24 Director of the Department of Public Health and Social
25 Services herein referred to as Director.

26 The Director is hereby empowered to establish a basic
27 schedule of benefits for prepaid plans conforming to the
28 scope and duration of medicaid health services as set
29 forth in Federal requirements for the territory of Guam to
30 enumerate standards of participation for such prepaid health
31 plans and pilot programs.

1 In the administration of this Chapter and in the
2 negotiating of contracts thereunder, the department shall
3 give due consideration to the reputation of the prepaid
4 health organization in providing such benefits, to the
5 accessibility and availability of its facilities and
6 resources for health care to enrolled persons under this
7 Chapter, and to new and innovative concepts in the delivery
8 of health care services.

9 No contract between the Director and a prepaid health
10 plan shall be approved unless the plan and its facilities
11 meet quality program standards. These standards shall re-
12 quire the prepaid health plan to demonstrate to the Depart-
13 ment that it has adequate financial resources, physical
14 facilities, organizational and administrative capacities,
15 and a sound program design to discharge its contractual
16 obligations.

17 The prepaid health plan will maintain financial records
18 in accordance with applicable Federal guidelines and will
19 also have annual audits performed by an independent certi-
20 fied public accountant. Certified financial statements shall
21 be filed annually as soon as practical after the close of
22 the plan's fiscal year and in any event within a period not
23 to exceed one hundred twenty (120) days thereafter. For
24 good cause, the Department may grant exceptions to the time
25 within which annual financial statements are to be submitted
26 to the Department.

27 The prepaid health plan shall be liable for all valid
28 out-of-area emergency services which are required by the
29 contract and rendered by another provider. Payment for
30 such services shall cover treatment of emergency conditions
31 provided plan has been notified within seventy-two (72)

1 hours of occurrence until such time as the patient may
2 reasonably be transferred to the prepaid health plan's
3 facilities.

4 The prepaid health plan shall establish procedures for
5 continuously reviewing the quality of care, the utilization
6 of services and facilities and costs. Information derived
7 from such review shall be made available to the Department.

8 If the enrollee has an unresolved grievance, a fair
9 hearing shall be made available under appropriate provisions
10 of the Government Code of Guam to resolve all grievances
11 regarding care and administration of the plan. Findings
12 and recommendations of the Director based on the results
13 of the fair hearing shall be binding on the plan and the
14 enrollees.

15 The Director shall report annually to the Legislature
16 on the experience with the prepaid plan with specific
17 reference to consumer satisfaction and dissatisfaction,
18 quality and utilization.

19 Section 9945. Program availability. Any provider of
20 medical assistance under the Guam Medical Assistance Plan
21 which has entered into a contract with the Department of
22 Public Health and Social Services pursuant to this Chapter,
23 may make the benefits known to enrollees by means of re-
24 levant methods and materials. This material may be dis-
25 seminated to enrollees by the Department at the contractor's
26 expense. The contractor shall be responsible for all pre-
27 sentations by such representatives and for all ethical and
28 professional content of the plans materials. Examples of
29 all printed or illustrated material prepared by the con-
30 tractor shall be submitted prior to dissemination.

31 Section 9945. Title. This Act may be cited as the
32 Guam Medical Assistance Plan."