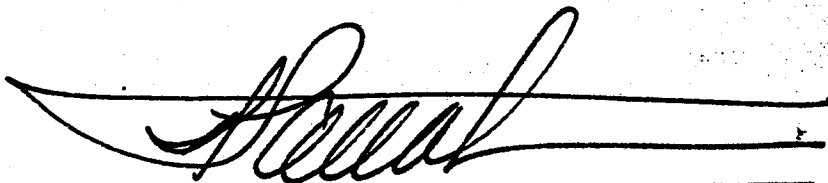


SIXTEENTH GUAM LEGISLATURE
1981 (FIRST) Regular Session

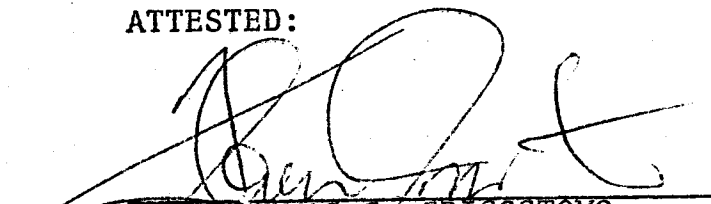
CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 210, "An Act making appropriations to Guam Memorial Hospital Authority and the Department of Public Health and Social Services and authorizing the transfer of certain lapsed, unencumbered or unexpended appropriations to satisfy the appropriations", was on the 10th day of April 1981, duly and regularly passed.




THOMAS V. C. TANAKA
Speaker

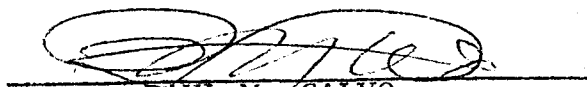
ATTESTED:


THOMAS C. CRISOSTOMO
Legislative Secretary

This Act was received by the Governor this 20th day of
April, 1981, at 3:30 o'clock P.M.


SHERRA L. FRANCISCO
Assistant Staff Officer
Governor's Staff

APPROVED:


PAUL M. CALVO
Governor of Guam

DATED: 4/29/81 9:40 A.M.
P.L. 16-007

SIXTEENTH GUAM LEGISLATURE
1981 (FIRST) Regular Session

Bill No. 210
(As Substituted by
the Committees on
Governmental Operations,
Health, Welfare & Cultural
Affairs & Ways and Means)
(As Substituted by the
Committee on Rules)

Introduced by: A. C. Lamorena III

P. F. Perez, Jr.
C. A. Kasperbauer
J. H. Underwood
F. R. Santos
F. F. Blas

AN ACT MAKING APPROPRIATIONS TO
GUAM MEMORIAL HOSPITAL AUTHORITY AND
THE DEPARTMENT OF PUBLIC HEALTH AND
SOCIAL SERVICES AND AUTHORIZING THE
TRANSFER OF CERTAIN LAPSED, UNENCUMBERED OR
UNEXPENDED APPROPRIATIONS TO SATISFY
THE APPROPRIATIONS.

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

2 Section 1. One Million Dollars (\$1,000,000) is appropriated
3 from the General Fund to Guam Memorial Hospital Authority. The
4 appropriation made in this Section shall be satisfied by the
5 transfer from any available lapsed, unencumbered or unexpended
6 appropriation made from the General Fund in Sections 3 and 4 of
7 Public Law 15-142. The Guam Memorial Hospital Authority shall
8 use the funds appropriated in this Section to pay current or
9 prior fiscal years' accounts payable and to make critical repairs.

10 Section 2. One Million Dollars (\$1,000,000) is appropriated
11 from the General Fund to Guam Memorial Hospital Authority. The
12 appropriation made in this Section shall be satisfied by the
13 transfer from any available lapsed, unencumbered or unexpended
14 appropriation made from the General Fund in Sections 3 and 4 of
15 Public Law 15-142. The Guam Memorial Hospital Authority shall use
16 the funds appropriated in this Section to pay current or prior
17 years' accounts payable and to make critical repairs.

1 Section 3. Five Hundred Thousand Dollars (\$500,000) is
2 appropriated from the General Fund to Guam Memorial Hospital
3 Authority. The appropriation made in this Section shall be
4 satisfied by the transfer from any available lapsed, unencumbered
5 or unexpended appropriation made from the General Fund in Sections
6 3 and 4 of Public Law 15-142. The Guam Memorial Hospital
7 Authority shall use the funds appropriated in this Section to
8 pay current or prior years' accounts payable and to make critical
9 repairs.

10 Section 4. Six Hundred Fifty Thousand Dollars (\$650,000) is
11 appropriated from the General Fund to Guam Memorial Hospital
12 Authority. The appropriation made in this Section shall be
13 satisfied by the transfer from any available lapsed, unencumbered
14 or unexpended appropriation made from the General Fund in Sections
15 3 and 4 of Public Law 15-142. The Guam Memorial Hospital
16 Authority shall use the funds appropriated in this Section to
17 pay current or prior years' accounts payable and to make critical
18 repairs.

19 Section 5. Five Hundred Thousand Dollars (\$500,000) is
20 appropriated from the General Fund to the Department of Public
21 Health and Social Services. The appropriation made in this
22 Section shall be satisfied by the transfer from any available
23 lapsed, unencumbered or unexpended appropriation made from the
24 General Fund in Sections 3 and 4 of Public Law 15-142. The
25 department shall use the funds appropriated in this Section to
26 pay unpaid medicaid billings owed to Guam Memorial Hospital
27 Authority.

28 Section 6. Five Hundred Thousand Dollars (\$500,000) is
29 appropriated from the General Fund to the Department of Public
30 Health and Social Services. The appropriation made in this Sec-
31 tion shall be satisfied by the transfer from any available

1 lapsed, unencumbered or unexpended appropriation made from the
2 General Fund in Sections 3 and 4 of Public Law 15-142. The
3 department shall use the funds appropriated in this Section to
4 pay unpaid medicaid billings owed to Guam Memorial Hospital
5 Authority.

6 Section 7. Five Hundred Thousand Dollars (\$500,000) is
7 appropriated from the General Fund to the Department of Public
8 Health and Social Services. The appropriation made in this
9 Section shall be satisfied by the transfer from any available
10 lapsed, unencumbered or unexpended appropriation made from the
11 General Fund in Sections 3 and 4 of Public Law 15-142. The
12 department shall use the funds appropriated in this Section to
13 pay unpaid medicaid billings owed to Guam Memorial Hospital
14 Authority.

15 Section 8. The Guam Memorial Hospital Authority shall
16 prepare a final report to the Legislature and to the Governor no
17 later than July 20, 1981 its action regarding:

18 (1) Establishment of financial/accounting systems
19 control especially in those areas specifically identified in
20 the Peat, Marwick and Mitchell audit report dated July 14,
21 1980 and related reports. The Administrator shall allocate
22 funds to prepare a plan for establishing appropriate finan-
23 cial/accounting controls within twelve (12) months.

24 (2) The Administrator shall examine and evaluate the
25 following areas and prepare a report to include recommenda-
26 tions to the Board of Trustees for instituting and implemen-
27 ting a plan which will address each area. The Board of
28 Trustees shall act on the Administrator's recommendations in
29 addition to the financial/accounting systems identified in
30 the Peat, Marwick and Mitchell report.

1 (i) Policies regarding bad debts, contractual
2 adjustments, doubtful receivables, care to off-island
3 indigents, and the cost impact of such policies with
4 emphasis in increasing the hospital's receipts.

5 (ii) Implementation of "fee for services" policy.

6 (iii) Establishment of overall inclusive rates for
7 all or certain hospital services to simplify patient
8 billing and improve bill collection efforts.

9 (iv) Eliminate all discounts presently given to
10 hospital users.

11 (v) Limitation on the opportunity for hospital
12 users to debate hospital billings in future agreements
13 with hospital users, with a plan to phase out present
14 policies.

15 (3) The Guam Memorial Hospital Authority. The Guam
16 Health Coordinating Council and the Guam Health Planning
17 and Development Advisory Council shall review and discuss
18 the following issues and submit recommendations to the
19 Governor and Legislature within ten (10) months:

20 (i) The merits of the practice of billing for
21 private physician services with the Authority serving
22 in the role of a financial intermediary.

23 (ii) The desired government of Guam role with
24 respect to the provision of public health services,
25 hospital services, mental health services and long-term
26 care services.

27 (iii) Who should "appropriately" bear the cost of
28 specific health services and catastrophic illnesses.

1 (iv) Examine the statutes governing Guam Memorial
2 Hospital Authority to ascertain whether it is adequate
3 to enable the institution to meet its objectives as a
4 hospital or whether there are issues which need to be
5 addressed in order to insure that the hospital accom-
6 plishes its program and financial goals and objectives.

7 (4) The Guam Memorial Hospital Authority shall submit
8 to the Governor and Legislature not later than the 25th of
9 each month beginning May, 1981, a financial statement of the
10 hospital to include the following:

11 (i) Revenue and Expense Report,

12 (ii) Cash Flow Report,

13 (iii) Balance Sheet, and

14 (iv) Separately account and report on Guam
15 Community Mental Health's accounts and services.

16 (5) The Board shall provide a monthly status report
17 of the progress of each of the recommendations that require
18 action on the part of Guam Memorial Hospital Authority. The
19 report shall be submitted to the Speaker no later than ten
20 (10) days after the end of the previous month."

21 Section 9. The funds appropriated by this Act shall be used
22 to prorately satisfy the schedule of accounts payable as of
23 February 28, 1981 submitted by Guam Memorial Hospital Authority
24 to the Legislature.

25 Section 10. Subsection (e) of Section 49003 of the Govern-
26 ment Code is amended to read:

27 "(e) Enter into contracts and agreements and execute
28 instruments necessary in the exercise of its power, subject,
29 however, to the provisions of Section 49009 of this Act
30 and to approval as to form and legality by the Attorney
31 General."

1 Section 11. The Attorney General shall review all existing
2 contracts and agreements entered into by the Guam Memorial
3 Hospital Authority and advise the Board of Trustees of any pro-
4 visions that he finds to be illegal.

5 Section 12. (a) The provisions of Sections 1, 5, 8, 9, 10
6 and 11 of this Act shall take effect immediately upon enactment.

7 (b) The provisions of Sections 2 and 6 of this Act shall
8 take effect on June 5, 1981.

9 (c) The provisions of Sections 3 and 7 of this Act shall
10 take effect on August 5, 1981.

11 (d) The provisions of Section 4 of this Act shall take
12 effect on September 4, 1981.