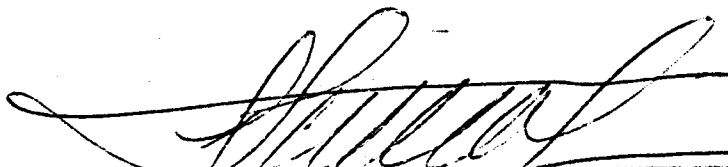


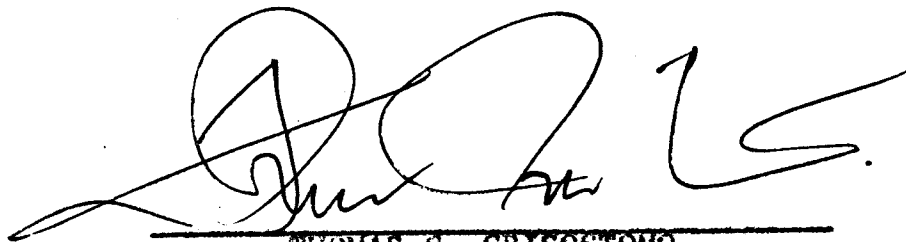
SIXTEENTH GUAM LEGISLATURE
1982 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

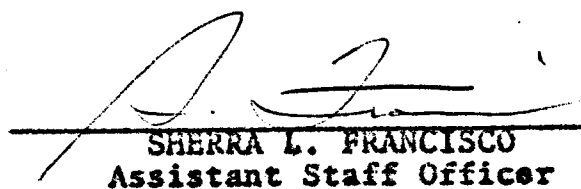
This is to certify that Substitute Bill No. 203, "An Act to create the Guam Memorial Health Plan as a public corporation and amending certain provisions of law pertaining to Guam Memorial Hospital Authority", was on the 11th day of June 1982, duly and regularly passed.


THOMAS V. C. TANAKA
Speaker

ATTESTED:


THOMAS C. CRISOSTOMO
Senator and Legislative Secretary

This Act was received by the Governor this 21st day of
June, 1982, at 3:35 o'clock P.M.


SHERRA L. FRANCISCO
Assistant Staff Officer
Governor's Office

APPROVED:


PAUL N. CALVO
Governor of Guam

DATED: 7/2/82 10:30 AM
P. L. 16-98

SIXTEENTH GUAM LEGISLATURE
1982 (SECOND) Regular Session

Substitute Bill No. 203

Introduced by: A. C. Lamorena III, P. F. Perez, Jr.
C. A. Kasperbauer

AN ACT TO CREATE THE GUAM MEMORIAL HEALTH PLAN
AS A PUBLIC CORPORATION AND AMENDING CERTAIN
PROVISIONS OF LAW PERTAINING TO GUAM MEMORIAL
HOSPITAL AUTHORITY.

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

2 Section 1. Subsection (1) of Section 49003 of the
3 Government Code is repealed.

4 Section 2. A new Chapter I-A is added to Title XLVII of
5 the Government Code to read:

6 "CHAPTER I-A

7 Guam Memorial Health Plan

8 Section 49020. Definitions. As used in this Chapter:

9 (a) 'Board' means the Board of Trustees of the Guam
10 Memorial Health Plan;

11 (b) 'Corporation' means the Guam Memorial Health Plan;
12 and

13 (c) 'Director' means the Director of the Guam Memorial
14 Health Plan.

15 Section 49021. Establishment. In order to provide
16 medical services and assistance to those persons on Guam
17 who require assistance, there is created a public corpora-
18 tion to be known as the 'Guam Memorial Health Plan'.

19 Section 49022. Duties. It shall be the duty of the
20 Corporation to operate a self-sustaining health maintenance
21 organization which shall offer health services at the
22 lowest possible premiums to people of the territory of
23 Guam.

1 Section 49023. Powers. The Corporation shall have
2 all the powers necessary and convenient to carry out and
3 perform the purposes and provisions of this Chapter,
4 including the following, in addition to other powers granted
5 in this Chapter, and may:

6 (1) sue and be sued;

7 (2) have a seal and modify it;

8 (3) enter into and execute contracts and instruments
9 of every kind and nature, necessary or convenient to the
10 exercise of its powers and functions;

11 (4) make and from time to time modify, and repeal
12 articles of incorporation, bylaws, rules and regulations,
13 not inconsistent with this Chapter, providing for the
14 internal organization and management of the Corporation,
15 for the administration of its affairs and operations, and
16 for carrying into effect the powers and purposes of the
17 Corporation;

18 (5) borrow money from public and private sources
19 which shall not be considered public indebtedness of the
20 government of Guam and give such security, therefore, as may
21 be required;

22 (6) apply for and accept advances, loans, grants,
23 contributions, gifts, donations, appropriations of funds
24 and any other form of financial assistance from any sources,
25 public or private, for the purposes of this Chapter, and
26 enter into and carry out contracts in connection therewith;
27 and

28 (7) acquire any personal or real property, by lease,
29 option, purchase, gift, grant, donation, or bequest.

1 Section 49024. Board of Trustees. All powers vested
2 in the Corporation, except as otherwise provided in this
3 Chapter, shall be exercised by the Board.

4 Section 49025. Board of Trustees. (a) The Board of
5 Trustees shall consist of seven (7) members who shall be
6 appointed by the Governor with the advice and consent of
7 the Legislature. The quorum of the Board shall consist of
8 five (5) trustees. Action by the Board shall require the
9 affirmative vote of five (5) trustees. Vacancies on the
10 Board shall be filled for the unexpired term of the
11 retiring member. The Board shall elect a chairperson,
12 vice chairperson and a secretary/treasurer, among its
13 members.

14 (b) The Board shall meet within ten (10) days after
15 five (5) members take office for the purpose of adopting
16 articles of incorporation and bylaws. The Corporation
17 shall be a non-stock public corporation.

18 (c) Trustees shall not be members of the Guam
19 Memorial Hospital Authority, employees of the Corporation,
20 providers of services or supplies to the Corporation,
21 employees or shareholders of any health maintenance orga-
22 nization or health insurance business on Guam.

23 Section 49026. Director. The Board shall appoint
24 a Director. The Director shall be a member of the
25 unclassified service of the government of Guam. The
26 Director shall have responsibility to carry out the pur-
27 poses and duties of the Corporation in accordance with the
28 direction of the Board. Payment for services to the
29 Director shall be on a salary basis as established by the
30 Board.

1 Section 49027. Personnel. The Director may appoint
2 such other personnel and fix their duties, under and in
3 accordance with the personnel and compensation laws of the
4 government of Guam, for the purposes of the Corporation.

5 Section 49028. Fiscal Authority Accounting, Expen-
6 ditures.

7 (a) There is established a fund to be known as the
8 'Guam Memorial Health Plan Fund', which shall be maintained
9 separate and apart from other funds of the government and
10 independent records and accounts shall be maintained in
11 connection therewith. Every quarter, the financial state-
12 ment of the fund shall be transmitted to the Speaker of
13 the Guam Legislature.

14 (b) All money received by the Corporation, from
15 whatever source derived, shall be deposited in the Guam
16 Memorial Health Plan Fund in a financial institution
17 licensed to do business on Guam, insured by Federal Depo-
18 sitors Insurance Corporation or Federal Savings and Loans
19 Insurance Corporation.

20 (c) All expenditures from this fund shall be
21 restricted to expenditures directly related to the opera-
22 tion of the Corporation.

23 (d) Administrative expenses of the Corporation
24 shall not exceed 13.5 per cent of the total gross premiums
25 for each year. Administrative expenses shall include all
26 expenses other than provider costs.

27 (e) The Board shall adopt and maintain a uniform
28 system of accounting. Every year the Board shall obtain
29 a certified audit of the accounts. The audit shall be

1 submitted to the Governor and the Legislature. If the
2 Territorial Auditor or the Federal Comptroller performs
3 a thorough audit of the Corporation for the same period, the
4 Board need not obtain a certified audit.

5 (f) A revolving account shall be established with a
6 portion of the fund and it shall be known as the
7 'Catastrophic Contingencies Account'. At no time shall the
8 money in the account exceed One Million Five Hundred
9 Thousand Dollars (\$1,500,000). Expenditures from the
10 account shall be used only to provide authorized subscriber
11 benefits whose cost has not otherwise been provided for
12 and the account shall not in any way be used for the
13 administration of the plan.

14 Section 49029. The Corporation shall not retain any
15 management firm for the purpose of managing the Corporation.

16 Section 49030. Exemption from Taxation. The Corpora-
17 tion and all property acquired by or for the Corporation
18 and all revenues and income earned by the Corporation are
19 exempt from the taxation by the territory for those taxes
20 that are imposed by the territory, including but not limited
21 to the territorial income tax and the gross receipt tax.

22 Section 49031. Contracts and Purchases. (a) The
23 Board shall prescribe rules and regulations for purchasing
24 and procurement by the Corporation, consistent with the
25 provisions of the Administrative Adjudication Act.

26 Section 49032. There is transferred to the Corporation
27 all items of property and personnel now assigned to the
28 Guam Memorial Health Plan by the Guam Memorial Hospital
29 Authority.

1 On the first day of the month following the incorpo-
2 ration of the Corporation, all working capital, cash,
3 accounts payable and receivable, all financial books,
4 records and all other rights, obligations, assets,
5 liabilities, contractual agreements, choses in action
6 and privileges pertaining to the properties and operation
7 of existing Guam Memorial Health Plan shall be transferred
8 to the Corporation.

9 Section 49033. Termination. The Corporation shall
10 cease to exist twenty-four (24) months after the effective
11 date of this Act. The Board of Trustees shall adopt a
12 plan for selling the Corporation to a cooperative associa-
13 tion of subscribers or to any other qualified purchasers."

14 Section 3. Proceeds from the sale as provided in Section
15 49033 of the Government Code are appropriated to the Guam Memo-
16 rial Hospital Authority to fulfill its duties pursuant to
17 Section 3 of Public Law 14-29.

18 Section 4. Subsection (e) of Section 49003 of the Govern-
19 ment Code is repealed and reenacted to read:

20 "(e) Perform such acts as may be reasonably necessary
21 to accomplish the purpose for which it was formed, subject,
22 however, to the following conditions:

23 (i) The purchase of all supplies and materials
24 and the construction of all works shall be subject to
25 the provisions of Section 49009 of this Chapter.

26 (ii) No contract requiring an expenditure of
27 more than Ten Thousand Dollars (\$10,000) shall be
28 entered unless the Attorney General shall have
29 approved its form and found that its purpose is within
30 the powers of the hospital;".

1 Section 5. Subsection (n) of Section 49003 of the Govern-
2 ment Code is amended to read:

3 "(n) Contract with a corporation to exercise any or
4 all the powers of the Administrator and of those officers
5 authorized by Section 49006 of this Chapter, if the Board
6 so chooses. Any such contract shall be subject to the
7 provisions of Subsection (e) (ii) of this Section."

8 Section 6. Subsection (d) of Section 49006 of the Govern-
9 ment Code is amended to read:

10 "(d) The Attorney, who must have been admitted to
11 practice before the highest court of Guam, shall advise
12 the Board and the Administrator on all legal matters to
13 which the hospital is a party or in which the hospital is
14 legally interested, and may represent the hospital in
15 connection with legal matters before the Legislature, boards
16 and other agencies of the territory and before courts in
17 any jurisdiction. The power granted to the attorney by
18 this subsection shall not be in derogation or diminution
19 of the duty imposed upon the Attorney General by Section
20 49003(e) of this Chapter."

21 Section 7. Subsection (d) of Section 49009 of the Govern-
22 ment Code is amended to read:

23 "(d) The provisions requiring bids or notices shall
24 not apply to the procurement of personal services.
25 Contracts for personal services involving an expenditure of
26 more than Ten Thousand Dollars (\$10,000) shall be in writing
27 and shall be subject to the provisions of Section 49003(e)
28 of this Chapter."

1 Section 8. The provisions of Sections 1, 2 and 3 of this
2 Act shall take effect sixty (60) days following enactment.

3 Section 9. The provisions of Sections 4 through 7 of this
4 Act shall take effect July 31, 1982.

5 Section 10. Section 11 of Public Law 16-7 is repealed.
6 This Section shall take effect July 31, 1982.