



EIGHTEENTH GUAM LEGISLATURE  
1986 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

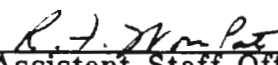
This is to certify that Substitute Bill No. 616 (COR), "AN ACT TO ADD VARIOUS SECTIONS TO 10 GCA RELATIVE TO THE DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES' MEDICALLY INDIGENT PROGRAM AND FOR OTHER PURPOSES," was on the 13th day of March, 1986, duly and regularly passed.

  
\_\_\_\_\_  
CARL T. C. GUTIERREZ  
Speaker

Attested:

  
\_\_\_\_\_  
ELIZABETH P. ARRIOLA  
Senator and Legislative Secretary

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This Act was received by the Governor this 18<sup>th</sup> day of March,  
1986, at 9:50 o'clock A.m.

  
\_\_\_\_\_  
Assistant Staff Officer  
Governor's Office

APPROVED.

  
\_\_\_\_\_  
RICARDO J. BORDALLO  
Governor of Guam

Date:

3/29/86 (8:35 AM)

Public Law No. 18-31

EIGHTEENTH GUAM LEGISLATURE  
1985 (FIRST) Regular Session

Bill No. 616 (COR)  
Substitute by the  
Committee on Health, Welfare  
and Ecology-2

Introduced by:

H. D. Dierking  
T. S. Nelson

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AN ACT TO ADD VARIOUS SECTIONS TO 10 GCA  
RELATIVE TO THE DEPARTMENT OF PUBLIC HEALTH  
AND SOCIAL SERVICES' MEDICALLY INDIGENT  
PROGRAM AND FOR OTHER PURPOSES.

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

2 Section 1. New §§2913 through 2913.81 are added to 10 GCA to read:

3 "\$2913. The following shall serve as governing the Department of  
4 Public Health and Social Services Medically Indigent Program.

5 ELIGIBILITY STANDARDS

6 §2913.10. Program Requirements. To be eligible for coverage, an  
7 applicant for the Medically Indigent Program must be a resident of Guam who  
8 applies for and qualifies for assistance as determined by the Medically Indigent  
9 Program eligibility standards according to the following three sets of criteria:  
10 Income Limitations, Resource Limitations and Residence Requirements.  
11 Eligibility shall begin in the month the application is received. Coverage of  
12 eligibility can be retroactive to three months back (90 days) except for services  
13 requiring program prior authorization. An applicant must also be one who:

14 (a) is not eligible for Medicaid coverage under Title XIX of the  
15 Social Security Act; or

16 (b) has neither medical insurance coverage nor the financial ability  
17 to pay for medical insurance coverage or for medical services as  
18 determined by the program; or

19 (c) has medical insurance coverage but such coverage is inadequate  
20 to cover the cost of medically required treatment and who is otherwise

1 qualified for the program as a result of inadequate income or resources.  
2 Any supplemental coverage is limited to the Medically Indigent Program  
3 coverage and limitations.

4 The free hospitalization and medical care of persons afflicted with  
5 tuberculosis, or lytico or bodig (Amyotrophic Lateral Sclerosis or  
6 Parkinsonism Dementia), and insulin injections for diabetic patients,  
7 and irreversible renal failure shall continue under the Medically  
8 Indigent Program without regards to income and resources. Residency  
9 requirement is waived for persons with tuberculosis.

10 §2913.11. Last Resort for Medical Services. The Medically Indigent  
11 Program is intended to be the last resort for the provision of medical services  
12 for those persons who cannot pay for medical services. Therefore, a person  
13 with medical insurance must refer claims to his insurance company first before  
14 the bills can be submitted to the Medically Indigent Program. Those services  
15 provided by federal or other territorial programs should be utilized first as the  
16 Medically Indigent Program is the 'payor of last resort'.

17 §2913.12. Potential Medicaid Clients. Potential Medicaid clients  
18 must apply for assistance to the appropriate categorical program and must be  
19 denied before they apply to the Medically Indigent Program.

20 §2913.13. Income Limitations. Medically indigent households who  
21 fall within the following gross income limitations will not have to pay any  
22 out-of-pocket expenses on services covered by the Medically Indigent Program  
23 (except for the \$2.50 co-payment for prescribed drugs and the \$5.00  
24 co-payment for use of the Guam Memorial Hospital's emergency room for  
25 outpatient services).

<u>Family Size</u>	<u>Gross Monthly Income Allowed</u>
1	\$ 410
2	542
3	648
4	754
5	845
6	935
7	1,027

1	8	1,106
2	9	1,184
3	10	1,264

4           §2913.14.   Additional Members.   For each additional member over  
5 ten (10), sixty dollars (\$60) will be added to the Gross Monthly Income allowed.

6           §2913.15.   Client's Liability Based On Partial Coverage.   If an  
7 applicant applying for assistance under the Medically Indigent Program has a  
8 gross income which exceeds the gross income limit of its category as described  
9 above, and exceeds that limit by an amount not greater than three hundred  
10 dollars (\$300), he is still eligible for partial coverage.

11          §2913.16.   Liability Guide.   The following is a table of the  
12 percentage of a client's liability (per visit, hospital admission, encounter) for  
13 each range of available income per month above the income guideline:

14	Available Income Per Month	Percentage Liability Guide
15	<u>Above Income Guide</u>	<u>(Client's Liability)</u>
16	\$ 1 - \$ 50	7%
17	52 - 100	15%
18	101 - 150	22%
19	151 - 200	30%
20	201 - 250	37%
21	251 - 300	45%

22          (a) Off-Island Limit of Liability.   The liability of a client shall not exceed  
23 Two Thousand Five Hundred Dollars (\$2,500) per referral for services rendered  
24 to clients who are referred off-island for medical care regardless of the  
25 percentage of their cost share liability rate.

26          §2913.17.   Liquid Resources.   The maximum allowable liquid  
27 resources of all members of a medically indigent household shall not exceed the  
28 limitation established below for each household size.

29          §2913.18.   Assets.   In determining the liquid resources of a  
30 household applying for the Medically Indigent Program, the following shall be  
31 included as liquid assets unless otherwise exempted in this section:

32          (a) cash on hand

- 1 (b) check or savings account amount
- 2 (c) stocks or bonds
- 3 (d) shares in Credit Union
- 4 (e) lump sum payments
- 5 (f) time certificates

6 \$2913.19. Excess Cash Resources. Excess cash resources which  
 7 will be used for medical treatment-related expenditures are exempted in  
 8 determining liquid resources.

9 \$2913.20. Resource Limitations. The liquid resource limitations are  
 10 the following:

11	<u>Family Size</u>	<u>Resource Level</u>
12	1	\$1,200
13	2	1,500
14	3	1,650
15	4	1,800
16	5	1,950
17	6	2,100
18	7	2,250
19	8	2,500
20	9	2,650
21	10	2,800

22 Add one hundred fifty dollars (\$150) per person for household members  
 23 over ten (10).

24 \$2913.21. Vehicle, Real Property And Other Resources. The  
 25 Medically Indigent Program will allow two (2) vehicles. The fair market value  
 26 (Blue Book Value or Market Value equity less amount owed) should not exceed  
 27 five thousand dollars (\$5,000) for each vehicle.

28 (a) One additional property other than the one being lived in will be  
 29 allowed. The value of this additional property shall not exceed twenty-five  
 30 thousand dollars (\$25,000) as appraised by the Department of Revenue and  
 31 Taxation.

32 (b) Any transfer of the property holdings by gift or, knowingly,  
 33 without adequate or reasonable consideration, shall be presumed to constitute a  
 34 gift of property with the intent to qualify for assistance and such act shall

1 disqualify the owner for assistance for future claims. Such an applicant may  
2 not apply for assistance and shall be ineligible for the period of one year.

3 §2913.22. Residence Requirements. Transients, visitors, and  
4 persons in Guam for the main reason of obtaining medical treatment are not  
5 eligible to apply. Applicants to the program must be U.S. citizens or aliens  
6 lawfully admitted for permanent residence and residing permanently in Guam.

7 §2913.23. Insurance. If insured, any household member at the  
8 time of application must maintain his or her insurance.

9 §2913.24. Uncovered Medical Procedure. In situations where a  
10 client's health insurance will not be able to cover a particular condition or  
11 procedure and it is within the scope of services covered under the Medically  
12 Indigent Program, the person may apply. If found eligible, only the uncovered  
13 procedure will be covered by Medically Indigent Program.

14 §2913.25. Discontinuance of Insurance. Any household member who  
15 is discontinued from insurance coverage for reason beyond his or her control  
16 may be included under Medically Indigent Program coverage if eligibility criteria  
17 are met. Voluntary discontinuance of insurance coverage will disqualify the  
18 person(s) from participation under Medically Indigent Program for six (6)  
19 months from date of termination.

20 §2913.26. Application. Every applicant is required to complete the  
21 information sheet and application form as required by the Department of Public  
22 Health and Social Services.

23 §2913.27. Treatment of Eighteen (18) Year Old Applicants. An  
24 individual who is eighteen (18) years of age and who is not a dependent for tax  
25 purposes of another household may apply to the Medically Indigent Program.  
26 An eighteen (18) year old who is still attending high school or college and  
27 living at home shall be included under his parent's application to the Medically  
28 Indigent Program and the family's income. Those living with relatives will be  
29 handled on a case by case basis.

30 §2913.28. Emancipated Adult. There are situations where a minor  
31 will move out of his or her parent's home for various reasons. The minor may  
32 apply as an emancipated adult providing that an affidavit statement be  
33 submitted by the minor indicating that he or she is living a life as an adult  
34 apart from his or her parents, and is 'self-sufficient'.

1           §2913.29. Eligibility Periods. Eligibility periods shall run from six  
2 (6) months to one (1) year. Households with at least one (1) member from the  
3 age of seventeen (17) through fifty-four (54) years of age shall be given a  
4 certification of six (6) months. A household with all members who are fifty-five  
5 (55) years old and over with unearned income shall be given a year's  
6 certification period. Lesser certification may be assigned if deemed necessary.

7           §2913.30. Head of Household.

8           (a) In a single-member household, the person shall be the head of  
9 household.

10          (b) In a household where there is only one parent, that parent shall  
11 be the head of household.

12          (c) In a household where both the male and female parents have  
13 earned income, the parent with the higher income shall be the head of  
14 household.

15          §2913.31. Verifications.

16           (a) Birth Certificates and Social Security Card:

17           (1) A birth certificate and social security card are required for  
18 each member of the household applying for assistance.

19           (2) Birth certificates may be substituted by a passport,  
20 baptismal certificate, an Alien Registration Receipt Card (green  
21 card), or a Government of Guam Identification Card if birth  
22 certificates are not available.

23           (3) In the absence of a Social Security Card, a receipt of the  
24 application for Social Security Card should be sufficient,  
25 however, the member shall provide the program with a photocopy  
26 of the Social Security Card after its receipt. This requirement  
27 may be waived by the Eligibility Unit Supervisor providing that  
28 the client's Social Security Number is indicated on the  
29 Government of Guam I.D. or on social security documents.

30           (b) Alien Registration Receipt Card. The Alien Registration Receipt  
31 Card will be required for all resident alien applicants.

32           (c) Certificate of Naturalization. The certificate of Naturalization  
33 shall be required to determine proof of U.S. citizenship for all  
34 naturalized U.S. Citizen applicants.

1 (d) Affidavit - Emancipated Adult. An applicant who is a minor who  
2 no longer lives with his/her parents or guardians and is living an  
3 independent life may apply on his/her behalf to the program provided  
4 that he/she files an affidavit attesting to living an adult life and is  
5 self-sufficient.

6 (e) Income.

7 (1) Last two check stubs shall be provided as part of income  
8 verification.

9 (2) An employment verification from the employer must be  
10 obtained showing the average hours worked and hourly rate the  
11 employee has earned for the last three (3) months.

12 (3) Self-employed individuals, other than those farming and  
13 fishing, with income over one hundred dollars (\$100.00) a month  
14 must provide the latest gross receipts, tax receipts and the  
15 latest 1040 forms. If no 1040 forms can be provided, an  
16 affidavit indicating expenses for the same month shall be  
17 furnished. For fishermen or farmers, a notarized statement of  
18 income will be required and proof of being exempted from filing  
19 the gross receipts tax must be obtained from the Department of  
20 Revenue and Taxation and submitted to the Medically Indigent  
21 Program. Those others with income less than one hundred  
22 dollars (\$100.00) a month will be required also to submit a  
23 notarized statement of earnings.

24 (f) Property. Property appraisal shall be provided on the additional  
25 property (other than the one being lived on). If appraisal is in  
26 excess of twenty-five thousand dollars (\$25,000) applicant is  
27 disqualified.

28 (g) Vehicle. Appraisal value for vehicle(s) shall be required from  
29 an automobile appriaser if the value cannot be determined through the  
30 'Blue Book'. Equity value for each vehicle should not exceed five  
31 thousand dollars (\$5,000.00) each. If equity value is in excess of  
32 five thousand dollars (\$5,000.00), applicant is disqualified.



1 (h) Cash Resources. Photocopies of passbooks and bank statements  
2 are required if applicants indicate amount in the application form.

3 §2913.32. Permanent Resident Alien. Aliens who have resided in  
4 Guam less than three years and who are applying for assistance shall provide  
5 information and required documentations concerning the sponsor's income and  
6 resources as a condition for eligibility. The income and resources of a  
7 sponsor(s) and the sponsor's spouse, if living together, shall be treated as  
8 unearned income and resources. This requirement applies to all permanent  
9 resident aliens the first three (3) years upon entry to Guam.

10 §2913.33. Issuance of Program Card. An identification card will be  
11 issued listing all eligible family members. Each household will be assigned a  
12 unique number. Cards will indicate the period of Medically Indigent Program  
13 coverage, other medical insurance coverage, applicable liability rates, and  
14 selected primary physicians and specialist(s).

15 §2913.34. Denials. Applicants are denied when:

16 (a) Ineligibility is established.

17 (b) An applicant fails to provide necessary information to determine  
18 eligibility.

19 (c) Program loses contact with the applicant before eligibility is  
20 determined.

21 §2913.35. Selection of Primary Physician.

22 (a) Applicants may select from a list of designated physicians, the doctor  
23 they would like as their primary physician.

24 (b) The applicant is held to receiving care from the designated primary  
25 care doctor. If the primary physician is not available, applicants will  
26 refer to listing of designated primary physicians and visit the available  
27 physician of their choice. If an applicant feels the need to change to  
28 another primary physician, the applicant will fill out a request for a  
29 change in primary physician which requires reason(s) for requesting a  
30 change.

31 §2913.36. Investigation.

32 (a) From a sufficient sample of applications, a comprehensive review of  
33 these applicants will be made to insure the validity of such applications.

1 (b) Any individual receiving assistance under this Article for which he  
2 was not eligible on the basis of false declaration as to eligibility on behalf  
3 of any other person receiving assistance under this Article, for which  
4 such other individual was not eligible, shall be liable for repayment and  
5 shall be guilty of a misdemeanor or felony depending on the amount paid in  
6 his behalf for which he was not eligible, as specified in the Criminal and  
7 Correctional Code. Such an applicant shall be ineligible for program  
8 services for a period of one (1) year.

9 §2913.37. Termination of Assistance. The following shall constitute  
10 grounds for the termination of assistance:

11 (a) False declarations in seeking program eligibility.

12 (b) Failure to report changes in household status as required in  
13 §2913.78 of this Article.

14 §2913.38. Coordination of Benefits.

15 (a) Medically Indigent Program recipients who are eligible for  
16 Medicare Part B must purchase Part B coverage.

17 (b) In the event that a recipient is afflicted with an illness or injury  
18 for which a third party insurance carrier or other health care plan is  
19 responsible or liable for, the Medically Indigent Program shall only pay for  
20 those services which are not covered by the third party insurance carrier  
21 or other health care plan.

22 §2913.39. Reimbursement Fee Schedules. The Administrator of the  
23 Medically Indigent Program shall have discretionary authority to establish the  
24 necessary provider reimbursement fee schedules of the program. Said  
25 schedules will be developed in conjunction with the Administrator's duties to  
26 secure the necessary provider relationships to ensure the availability of adequate  
27 medical care and assistance to all program recipients.

28 AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL  
29 CARE AND SERVICES PROVIDED

30 §2913.40. Inpatient Services.

31 (a) The Medically Indigent Program shall cover only the following  
32 inpatient services and no other inpatient services.

1 (1) Maximum of sixty (60) days inpatient hospitalization per illness.  
2 If confinement is medically necessary after sixty (60) days, prior  
3 authorization is required from the Medically Indigent Program.

4 (2) Semi-private room and board or private rooms when medically  
5 necessary.

6 (3) Coronary and intensive care.

7 (4) Nursery intensive and intermediate infant care.

8 (5) Surgery and Anesthesia.

9 (6) Operating and delivery room.

10 (7) Laboratory tests.

11 (8) Diagnostic radiology.

12 (9) Kidney dialysis treatment.

13 (10) One doctor's visit per day either by hospital resident (attending  
14 physician) or an intern (consultant) in intensive care and coronary  
15 care unit.

16 (11) Emergency room services.

17 (12) Physical and occupational therapy when prescribed by physician  
18 and provided by a qualified and registered therapist.

19 (13) Inhalation therapy.

20 (14) Care for tuberculosis or lytico/bodig (Amyotrophic Lateral  
21 Sclerosis or Parkinsonism Dementia). Care is limited to condition  
22 related services.

23 (15) Insulin injections for diabetes.

24 (16) Care in an Intermediate Care Facility.

25 (b) The Medically Indigent Program shall not cover the following inpatient  
26 services:

27 (1) Cosmetic surgery.

28 (2) Private duty nursing services.

29 (3) Personal comfort or convenience items.

30 (4) Any service or item requiring prior authorization which has not  
31 been obtained or has been denied, e.g., physical therapy, medical  
32 supplies, etc.

33 (5) Mental disorders and psychiatric services.

1           §2913.41. Outpatient Service.

2           (a) The following outpatient hospital services shall be covered:

- 3           (1) Hospital-based physician services.
- 4           (2) Laboratory and diagnostic tests.
- 5           (3) Diagnostic radiology.
- 6           (4) Emergency room for warranted emergencies. Five Dollars (\$5.00)
- 7           co-payment required.
- 8           (5) Drugs which are prescribed by physicians and cannot be bought
- 9           without a prescription.
- 10          (6) Medical and surgical supplies.
- 11          (7) Operating room.
- 12          (8) Dialysis treatment.
- 13          (9) Physical and inhalation therapy (prior authorization is required).
- 14          (10) Insulin injections for diabetes.
- 15          (11) Lytico-Bodig related services. (Amyothrophic Lateral Sclerosis
- 16          or Parkinsonism Dementia).

17          (b) The following outpatient hospital services shall not be covered:

- 18          (1) Routine or annual physical examination.
- 19          (2) Non-emergency use of the emergency room of the hospital shall
- 20          not be covered. Non-emergency use of the emergency room for the
- 21          purposes of this exclusion shall be defined as the use of the
- 22          emergency room for non-urgent or non-life threatening medical
- 23          problems. All program recipients seeking care at the hospital
- 24          emergency room for purposes other than the treatment of urgent or
- 25          life-threatening medical problems shall be fully responsible for the
- 26          cost of all care and services rendered.
- 27          (3) Section 2103 drugs on Food and Drug Administration listing.

28          §2913.42. Physician, Laboratory And X-Ray Claims.

29          (a) coverage:

- 30          (1) Medical and surgical services. (Except over-the-counter drugs).
- 31          (2) Injections and drugs dispensed by the physicians.
- 32          (3) Services and supplies incidental to physician services.
- 33          (4) Kidney dialysis.

1 (5) One hospital visit per day except consultation in ICU or CCU  
2 which requires justification.

3 (6) Laboratory and diagnostic x-ray procedures ordered by  
4 physicians.

5 (7) Insulin injections for diabetes.

6 (8) Lytico-Bodig related services (Amyotrophic Lateral Sclerosis or  
7 Parkinsonism Dementia).

8 (b) The following services will not be covered:

9 (1) Cosmetic surgery.

10 (2) Vaccine supply for diseases available free at Public Health.

11 (3) Chiropractor's services

12 (4) Acupuncture.

13 (5) Any services or items requiring prior authorizations which have  
14 not been obtained or have been denied by the Medically Indigent  
15 program.

16 §2913.43. Skilled Nursing Care Services. Skilled Nursing Care  
17 shall be covered. The program shall provide Skilled Nursing Care coverage for  
18 one hundred eighty (180) days per year for recipients. However, the following  
19 services are not covered under SNF:

20 (a) Personal comfort items.

21 (b) Private duty nursing services.

22 (c) Unskilled services.

23 §2913.44. Optometrist Services. Optometrist services are covered  
24 for eye refractive examination (not to exceed one (1) examination every two (2)  
25 years) only if provided for by Optometrists authorized by the Medically  
26 Indigent Program.

27 §2913.45. Eyeglasses. Eyeglasses as are medically necessary shall  
28 be covered, provided that all available community resources for such eyeglasses  
29 are exhausted and with limitations. A co-payment of twenty-five (\$25.00) per  
30 eyeglasses and prior authorization are required. Lenses and standard frames  
31 are limited to once every two (2) years and are paid following the fee schedule.

32 §2913.46. Audiological Evaluation. Audiological evaluation shall be  
33 covered if required by an ENT specialist. Payment will be made on negotiated  
34 fee schedule.

1           §2913.47.   Dental Services.   Emergency dental services (restoration,  
2 extraction, and root canal treatment) which are necessary to alleviate severe  
3 pain are covered for all persons age seventeen (17) and above.

4           §2913.48.   Hearing Aids.   Hearing aids to correct significant  
5 disability as are medically necessary shall be covered, provided that all  
6 available community resources for such hearing aids have been exhausted. A  
7 co-payment of one hundred dollars (\$100.00) per hearing aid and prior  
8 authorization are required. Replacement will be limited to one (1) such aid  
9 every five (5) years. Hearing aids are paid following the fee schedule.

10          §2913.49.   Prosthetic Devices.   Prosthetic/Orthotic devices except  
11 orthopedic shoes are covered for children (0-19 years of age). Prior  
12 authorization is required.

13          §2913.50.   Family Planning Services.   Voluntary sterilization for  
14 females and males who are mentally competent and are twenty-one (21) years old  
15 and above are covered. Prior authorization is required.

16          §2913.51.   Home Health Services.   The following Home Health  
17 Services shall be covered:

18           (a) Medical supplies, when prescribed by physician, are covered. A  
19 prescription from the attending physician including diagnosis and an  
20 itemized list of supplies must be submitted to Medically Indigent  
21 Program before a prior authorization can be issued. The following  
22 are covered:

23           (1) Dressing supplies (combined 4x4s, 2x2s gauze pads, elastic  
24 bandages, porous tapes, etc.).

25           (2) Colostomy and ileostomies (original sets, replacement and  
26 on-going care supplies).

27           (3) Urinary appliances (sterile foley catheters, irrigation sets,  
28 catheterization sets, bags, tubes, etc.).

29           (4) Supports and abdominal binders (not to include braces).

30           (5) Syringes and needles.

31           (b) Medical Equipment.

32           (1) The following medical equipment is covered:

33           (a) wheelchairs

- (b) walkers
- (c) crutches
- (d) hospital beds
- (e) bedside rails
- (f) bedpans
- (g) oxygen related equipment

(2) A prescription from the attending physician including diagnosis and the anticipated period of use along with a referral from the Home Care Program must be submitted to the Medically Indigent Program before a prior authorization can be issued.

§2913.52. Drug Prescription Coverages. The following drug prescriptions shall be covered:

- (a) Outpatient prescribed drugs are provided in accordance with the Drug Formulary.
- (b) The dispensing fee per prescription per item prescribed is two dollars and seventy-five cents (\$2.75). If the pharmacist has in his inventory drugs with ingredients which cost less than the maximum allowable charge of acceptable quality, he is required to charge the Medically Indigent Program at the lower cost.
- (c) Medically Indigent Program clients will have to pay a two dollars and fifty cents (\$2.50) co-payment charge per prescription filled. Those with liabilities must pay two dollars and fifty cents (\$2.50) plus their liability share.
- (d) Prior authorization is required for drugs not listed in the Drug Formulary.

§2913.53. Physical, Occupational and Inhalation Therapy. Prior authorization is required for physical, occupational, and non-emergency inhalation therapy. Any extension of physical or occupational therapy beyond the period of six (6) weeks will require prior approval by the Medical Consultant.

§2913.54. Services Provided by Public Health. The Medically Indigent Program shall not reimburse Public Health for services provided by Public Health Programs.

EXCLUSIONS

§2913.55. Services Not Covered By The Medically Indigent Program.

- (a) Voluntary abortions.
- (b) Unskilled services.
- (c) Cosmetic surgery.
- (d) Acupuncture.
- (e) Private duty nursing services.
- (f) Personal comfort or convenience items.
- (g) Any service or items which are not medically required for the diagnosis or treatment of a disease, injury or condition.
- (h) Non-emergency use of emergency room.
- (i) Section 2103 drugs on Food and Drug Administration listing.
- (j) Over-the-counter drugs.
- (k) Vaccine supplies provided free by Public Health.
- (l) Fertility procedures.
- (m) Orthopedic conventional shoes.
- (n) Rehabilitation services.
- (o) Podiatrists services.
- (p) Local transportation services.
- (q) Services for any inmates or residents of a public institution.
- (r) Drug and Alcohol treatment on outpatient basis.
- (s) Circumcisions which are not medically indicated.
- (t) Mental disorders and psychiatric services.
- (u) Speech and language therapy.
- (v) Physical examinations.

SERVICES REQUIRING PRIOR AUTHORIZATION

§2913.56. Admission For Elective Surgery. Prior authorization is required for patients admitted to the hospital prior to the date of surgery. A justification by the attending physician must be submitted to the Medically Indigent Program.

§2913.57. Inpatient Hospital Services more than sixty (60) Days. The Medically Indigent Program covers a maximum of sixty (60) days hospitalization per illness. If confinement is medically necessary after sixty



1 (60) hospital days, a justification from the attending physician is required  
2 before the Medically Indigent Program will issue an authorization for continued  
3 hospital coverage.

4 §2913.58. Physical Therapy, Occupational Therapy, And  
5 Non-Emergency Inhalation Therapy Provided At The Guam Memorial Hospital  
6 Outpatient Department. Medically Indigent Program recipients in need of the  
7 above services must submit to the Medically Indigent Program a copy of the  
8 attending physician's treatment plan, which includes the patient's name;  
9 diagnosis; type of frequency; and the suggested regime. An authorization for  
10 the coverage of the services will be issued by the Medically Indigent Program  
11 upon completion of review of the treatment plan.

12 §2913.59. Medical Supplies and Equipment. The Medically Indigent  
13 Program covers supplies and equipment to be used by a recipient at home only  
14 if the patient is actively enrolled under the Home Care Program of the  
15 Department of Public Health and Social Services. A prescription from the  
16 attending physician including diagnosis, an itemized list of supplies and  
17 equipment, and the anticipated period of use must be submitted to the Medically  
18 Indigent Program before an authorization can be issued.

19 §2913.60. Cat Scan (Head or Body) Provided On An Outpatient  
20 Basis. Before authorization for coverage is issued, a justification for the need  
21 of the service by the attending physician must be submitted to the Medically  
22 Indigent Program.

23 §2913.61. Drugs. Medically Indigent Program covers (outpatient)  
24 prescribed drugs in accordance with the Drug Formulary. Drugs not listed in  
25 the formulary must receive prior authorization. A referral from the physician  
26 and a prescription must be submitted before an authorization can be issued. A  
27 two dollars and fifty cents (\$2.50) co-payment must be paid by the Medically  
28 Indigent Program patient. If a patient has a liability co-share rate, they must  
29 pay the two dollars and fifty cents (\$2.50) in addition to their liability amount.

30 §2913.62. Eye Refractive Examination. Prior authorization is  
31 required for eye refractive examinations. Coverage shall not exceed one (1)  
32 examination every two (2) years.



1 (b) Those with insurance must continue with their insurance coverage.

2 (c) Voluntary discontinuance of insurance will disqualify the person(s)  
3 from participation under the Medically Indigent Program for six (6)  
4 months from the date of termination.

5 §2913.69. Medical Review. All off-island referrals will be reviewed  
6 by the Medically Indigent Program Medical Consultant after the applicant is  
7 found eligible and all necessary documents have been submitted. Referrals will  
8 be reviewed if the treatment is medically necessary and the care is not available  
9 on Guam. Medically Indigent Program Medical Consultant shall consult with the  
10 other Medical Review Board members as required. If the Medical Consultant is  
11 not available other Medical Review Board members may review and determine the  
12 appropriateness of the off-island referral.

13 §2913.70. Coverage. When referral for off-island treatment has  
14 been determined appropriate, services will be pre-authorized by the Medically  
15 Indigent Program. Any new services or need for further services must be  
16 pre-authorized before payments can be made. Off-island service providers  
17 requesting supplemental assistance, procedures, and/or services shall contact  
18 the Medically Indigent Program. Medical summaries shall be attached to the  
19 bills.

20 §2913.71. Air Transportation. Round trip air transportation will  
21 be provided to Medically Indigent Program recipients, Medicaid recipients,  
22 Services for Handicapped Children Program recipients, and other clients who  
23 meet the program criteria. One parent (or guardian, if the parent is unable to  
24 accompany the child) will be covered if the client is a minor, 17 years of age or  
25 below. Air transportation and per diem will also be provided to medical escorts  
26 (registered nurse or physician) certified by the off-island Medical Review Board  
27 as being necessary to accompany and assist the patient while on referral. The  
28 referring physician shall provide a written request of the reasons for the  
29 medical escort.

30 §2913.72. Recipients with Liabilities. Those recipients with  
31 cost-sharing rate requirements will be responsible for their share of costs and  
32 must make payments directly to service providers for the appropriate rate of  
33 payment on each bill received. The recipient's liability for off-island care per  
34 referral, however, shall not exceed two thousand five hundred dollars

1 (\$2,500.00) regardless of cost-share percentage. Once the two thousand five  
2 hundred dollars (\$2,500.00) limitation of liability has been reached the Medically  
3 Indigent Program will assume the full cost of medical care rendered to the  
4 recipient referred off-island.

5 §2913.73. Supplemental Assistance. A client may be covered under  
6 an existing insurance program and may be eligible to apply to the Medically  
7 Indigent Program for supplemental assistance.

8 §2913.74. Mortuary Expenses. In the event a client expires during  
9 the course of treatment, mortuary expenses will be covered for Medicaid clients  
10 and those clients who receive both medical and air transportation assistance  
11 under the Medically Indigent Program. Program coverage is limited to mortuary  
12 fees, container for shipping remains and shipping costs. Funeral caskets are  
13 not covered by the Medically Indigent Program.

14 §2913.75. The Following Services Will Not Be Provided In Regard  
15 To Off-Island Care.

- 16 (a) Elective cosmetic surgery.
- 17 (b) Experimental treatments.
- 18 (c) Fertility procedures. Sterilizations. Abortions.
- 19 (d) Off-island living expenses.
- 20 (e) Organ transplant.
- 21 (f) Special appliances and materials.
- 22 (g) Other services covered by local or federal government.

#### 23 RESPONSIBILITIES

24 §2913.76. Primary Physicians. The client may select from a  
25 designated list a primary physician upon being found eligible for the Medically  
26 Indigent Program. The client is held responsible to see his/her designated  
27 physician.

28 §2913.77. Change In Primary Physician. A change in primary  
29 physician may be approved upon the client's written request to the Medically  
30 Indigent Program. This change will take effect on the first of the following  
31 month.

32 If the selected primary physician is not available, the client may see  
33 another physician who has signed an agreement with the Medically Indigent

1 Program, but must provide a statement that his primary physician was not  
2 available on a certain date and time.

3 §2913.78. Reporting Requirements. The client shall report within  
4 ten (10) days to the Medically Indigent Program any changes in their  
5 households such as the following:

6 (a) Moved to another house.

7 (b) Someone moved into the household.

8 (c) Someone moved out of the household.

9 (d) Someone in the household has given birth.

10 (e) Someone in the household terminated from employment.

11 (f) Someone in the household received a raise in wage or salary.

12 (g) Someone in the household obtained a job.

13 (h) Someone in the household reached the age of nineteen (19) or  
14 sixty-five (65).

15 (i) Someone in the household becomes disabled.

16 §2913.79. Penalty For Failure To Report Changes. The above list  
17 is not inclusive. Therefore, all changes shall be reported. Failure to report  
18 changes may result in ineligibility from one (1) to six (6) months for further  
19 assistance from the program and possible recourse for any improper payments.

20 §2913.80. Emergency Treatment. Medically Indigent Program  
21 recipients shall pay Five Dollars (\$5.00) for each visit to the Guam Memorial  
22 Hospital Emergency Room. The use of the Guam Memorial Hospital Emergency  
23 Room shall be limited to the following situations:

24 (a) Urgent medical problems:

25 Examples of urgent medical problems are:

26 (1) Fractures

27 (2) Possible poisoning

28 (3) Pain in abdomen or chest

29 (4) Sudden shortness of breath

30 (5) Burns on arms, hands, etc.

31 (6) Heat prostration

32 (7) Objects in eyes, ears, nose, etc.

33 (8) Cuts or other injuries

1 (b) Life threatening medical problems:

2 Medical problems that threaten lives are:

- 3 (1) . Multiple injuries from major accidents  
4 (2) Chest or abdominal wounds  
5 (3) Drowning  
6 (4) Severe shock  
7 (5) Continued unconsciousness for more than five minutes  
8 (6) Burns over more than half the body

9 §2913.81. Appeals Process. A fair hearing can be requested  
10 pursuant to the Administrative Adjudication Law.

11 (a) Fair Hearing.

12 (1) A fair hearing shall be provided to any applicant/client who  
13 requests a hearing because his or her application for medical  
14 assistance is denied.

15 (2) A hearing shall be granted by any action resulting in  
16 suspension, discontinuance, or termination of assistance.

17 (b) Appeals Process.

18 (1) Notice of a denial, discontinuance, or reduction in benefits will  
19 be made in writing to the client ten (10) days in advance and stating  
20 the reason and effective date. The Medically Indigent Program may  
21 be contacted to schedule fair hearing. Medically Indigent Program  
22 shall offer an agency conference (informal hearing) to claimants who  
23 wish to appeal an action. Agency conference shall be attended by  
24 Program Supervisor and the applicant or representative. An informal  
25 conference may resolve dispute. Claimants then may withdraw fair  
26 hearing request.

27 (2) The client has a right to have another person of his own  
28 choosing to assist with his/her case.

29 (3) If client chooses to go through a hearing, an opportunity will be  
30 granted for a hearing conducted by an impartial hearing officer.

31 (c) Notification of time and place of hearing. The time, date and place of  
32 the hearing shall be arranged so that the hearing is accessible to the  
33 claimant at least ten (10) days prior to the hearing. Advance written

1 notice shall be provided to all parties involved to permit adequate  
2 preparation of the case. Notice shall:

3 (1) Inform claimant of the time, date and place of the hearing.

4 (2) Advise the claimant or representative of the name, address, and  
5 phone number of the person to notify in the event it is not possible  
6 for the claimant to attend the scheduled hearing.

7 (3) specify that the agency will dismiss the hearing request if the  
8 claimant or its representative fails to appear for the hearing without  
9 good cause.

10 (4) Explain that the claimant or representative may examine the case  
11 file prior to the hearing.

12 (5) Advise the availability of legal services, Public Defender Service  
13 Corporation.

14 (d) Hearing Official. Fair hearing shall be conducted by an attorney who  
15 does not have any personal stake or involvement in the case; and was not  
16 directly involved in the initial determination of the action which is being  
17 contested.

18 (e) Responsibilities of the hearing official

19 (1) Administer required oaths or affirmations.

20 (2) Insure all relevant issues are considered.

21 (3) Request, receive and make part of record all evidence  
22 determined necessary to decide the issues being raised.

23 (4) Regulate the conduct and course of the hearing consistent with  
24 due process to insure an orderly hearing.

25 (f) Hearing decisions

26 (1) The claimant shall be notified in writing of the decision and the  
27 reasons for the decision.

28 (2) After a hearing decision which upholds the agency action, the  
29 claimant shall be notified of the right to pursue judicial review of the  
30 decision."

31 Section 2. 10 GCA §2906 is amended to read:

32 "§2906. Resources. For the purposes of this Article, the term  
33 'resources' shall include all real or personal property or any combination of  
34 both held by an individual. If the holdings are in the form of real

1 property, the value shall be the assessed value determined under the most  
2 recent territorial property tax assessment less the unpaid amount of any  
3 encumbrance of record. If the holdings consist of money on deposit, the  
4 value shall be the actual amount thereof. If the holdings are in any other  
5 form of personal property or investment, except life insurance, the value  
6 shall be the conversion value as of the date of application.

7 The value of property holdings shall be determined as of the date of  
8 application and, if the person is found eligible, this determination shall  
9 establish the amount of such holdings. Exemptions of resources may be  
10 determined by the Director in establishing the program's rules and  
11 regulations."

12 Section 3. 10 GCA §2902 is repealed and reenacted to read:

13 "§2902. Medically Indigent Program. There is established within the  
14 Department of Public Health and Social Services, under the Division of Social  
15 Services, a new program unit entitled the 'Health Care Financing Administration'  
16 which shall be composed of the Guam Medicaid Program and the Guam Medically  
17 Indigent Program. The Medically Indigent component is established for the  
18 purpose of:

19 (1) Defining eligibility for financial assistance with health care costs,  
20 consistent with Section 2903 of this Article;

21 (2) Determining a scope of services which will be covered by payments  
22 under this program.

23 (3) Establishing a cost-sharing program for persons with the ability to  
24 pay for a portion of their health care costs, which shall be based upon family  
25 size, monthly income and resources as these terms are defined in this Article;

26 (4) Establishing procedures to verify the validity of need and eligibility  
27 of persons applying for assistance under this program; and

28 (5) Designing implementation procedures for this program."

29 Section 4. 10 GCA §2912, as enacted pursuant to Public Law 18-8, is amended  
30 to read:

31 "§2912. The Department shall adopt rules in accordance with the  
32 Administrative Adjudication Law to administer the catastrophic illness program.  
33 The rules shall be adopted no later than August 1, 1986 and a report of the  
34 adoption shall be sent to the Legislature. The program shall provide for care



1 of victims of catastrophic illnesses whether such care is provided on Guam or at  
2 off-island medical facilities."

3 Section 5. Item A of Part III (Medically Indigent Program) of Section 2 of  
4 Chapter VI of P.L. 18-15 is amended to read:

5 "PART III

6 MEDICALLY INDIGENT PROGRAM

	General	Other	Federal	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>TOTAL</u>
7				
8				
9	A. Medically Indigent Program			
10	1. Personnel Services	\$176,132		\$176,132
11		(11.0 FTE)		(11.0 FTE)
12	2. Travel & Transportation			
13	a. Local Mileage			
14	Reimbursement	-0-		-0-
15	3. Contractual Services			
16	a. Medical & Pharmaceutical			
17	Consultants	\$ 2,000		2,000
18	b. Equipment Maintenance			
19		8,000		8,000
20	c. Advertisement	352		352
21	d. Printing	5,000		5,000
22	e. Systems Development	20,000		20,000
23	f. Postal Services	1,075		1,075
24	4. Supplies & Materials			
25	a. Regular Supplies	2,400		2,400
26	b. Fuel & Lubricants	145		145
27	5. Equipment			
28	a. Office Equipment	800		800
29	6. Utilities			
30	a. Telephone	<u>1,800</u>		<u>1,800</u>
31	TOTAL	\$ 217,704		\$217,704"

1           Section 6. Section 13 of Public Law 16-114 is hereby amended to read as  
2 follows:

3           "Section 13. Two Hundred Thousand Dollars (\$200,000) is appropriated  
4 from the General Fund to the Department of Parks and Recreation for the  
5 purpose of improving the soccer-football field in Tamuning. "

EIGHTEENTH GUAM LEGISLATURE

ROLL CALL SHEET

Bill No.: 616 (PL. 18-31)

DATE: 3/13/86

Resolution No.: \_\_\_\_\_

QUESTION: \_\_\_\_\_

<u>SENATOR</u>	<u>AYE</u>	<u>NAY</u>	<u>NOT VOTING</u>	<u>ABSENT</u>
J. F. Ada +	✓			
J. P. Aguon	✓			
E. P. Arriola		✓		
J. G. M. Bamba	✓			
F. F. Blas +	✓			
H. D. Dierking	✓			
E. R. Duenas +	✓			
C. T. C. Gutierrez	✓			
F. J. Gutierrez	✓			
A. C. Lamorena III	✓			
P. C. Lujan		✓		
M. D. A. Manibusan				✓
<del>_____</del>	<del>_____</del>	<del>_____</del>	<del>_____</del>	<del>_____</del>
T. S. Nelson	✓			
D. Parkinson +	✓			
F. J. Quitugua	✓			
J. M. Rivera +	✓			
J. T. San Agustin +	✓			
F. R. Santos	✓			
T. V. C. Tanaka				✓
A. R. Unpingco				✓

(Note: before announcement  
 ment PCH changed  
 see note to "nay")

15      1      +      3  
 2      0



# EIGHTEENTH GUAM LEGISLATURE

## HERMINIA D. DIERKING

SENATOR

CHAIRPERSON

Committee on Health, Welfare & Ecology

COMMITTEES:  
VICE CHAIRPERSON  
COMMITTEE ON  
TOURISM,  
TRANSPORTATION  
AND COMMUNICATION

MEMBER:

Committee on Energy, Utilities  
and Consumer Protection  
Committee on Education  
Committee on Ways and Means  
Committee on Rules

GUAM OFFICE  
P.O. Box CB-1  
Agana, Guam 96910

*Rec'd Sec  
Copy*

November 26, 1985

The Honorable Carl T.C. Gutierrez  
Speaker  
Eighteenth Guam Legislature  
P.O. Box CB-1  
Agana, Guam 96910

Dear Mr. Speaker:

The Committee on Health, Welfare and Ecology to which Bill No. 616 was referred, has had such under consideration; and hereby transmits to the full Legislature Bill No. 616 as substituted by the Committee on Health, Welfare and Ecology with a recommendation for passage of the Act in its entirety.

The Committee voting record for the passage of Bill No. 616, is as follows:

TO DO PASS	<u>-2-</u>
NOT TO PASS	<u>-0-</u>
TO REPORT OUT ONLY	<u>-5-</u>
TO PLACE IN INACTIVE FILE	<u>-0-</u>

A copy of the Committee Report and all pertinent documents are attached for your information.

Sincerely yours,

HERMINIA D. DIERKING

6



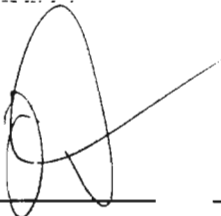
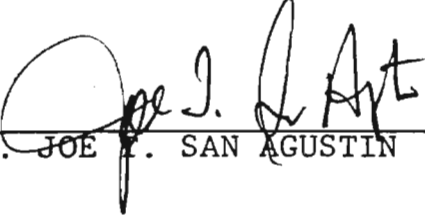
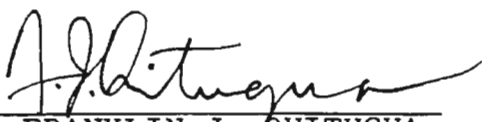

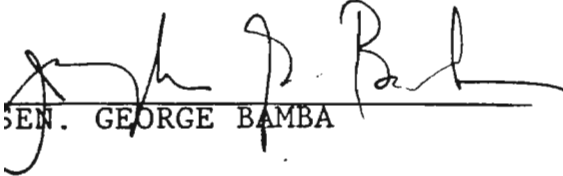
VOTE SHEET

COMMITTEE ON HEALTH, WELFARE AND ECOLOGY

BILL NO. 616  
AS SUBSTITUTED

AN ACT TO AMEND THE DEPARTMENT OF PUBLIC HEALTH  
AND SOCIAL SERVICES' MEDICALLY INDIGENT PROGRAM  
RULES AND REGULATIONS, FILED WITH THE LEGISLA -  
TIVE SECRETARY ON AUGUST 1, 1985 AND FOR OTHER  
PURPOSES.

Introduced by: H.D. DIERKING

<u>SENATORS</u>	<u>TO DO PASS</u>	<u>TO NOT PASS</u>	<u>TO REPORT OUT ONLY</u>	<u>TO PLACE IN INACTIVE FILE</u>
 SEN. HERMINIA D. DIERKING, CHAIRPERSON	✓			
 SEN. ELIZABETH P. ARRIOLA, VICE-CHAIRPERSON			✓	
 SEN. DON PARKINSON			✓	
 SEN. JOE F. SAN AGUSTIN			✓	
 SEN. FRANKLIN J. QUITUGUA	✓			
 SEN. MARILYN D.A. MANIBUSAN			✓	
 SEN. GEORGE BAMBA			✓	

COMMITTEE ON HEALTH, WELFARE AND ECOLOGY

COMITTEE REPORT

BILL NO. 616

SUBSTITUTED BY THE COMMITTEE ON  
HEALTH, WELFARE AND ECOLOGY

A Public Hearing on Bill No. 616, as introduced, was held on September 27, 1985 at 2:00 p.m. in the Legislative Session Hall.

Committee members in attendance were Senator Herminia D. Dierking, Chairperson, Senator Franklin J. Quitugua and Senator Joe T. San Agustin.

BACKGROUND

On August 1, 1985 the Department of Public Health and Social Services filed the Medically Indigent Program Rules and Regulations with the Legislative Secretary for adoption. These rules and regulations are intended to serve as the administrative guidelines for operations of the program, and were promulgated as a replacement for the interim program guidelines established by Executive Order 84-18. These rules and regulations subsequent to filing were adopted on September 15, 1985 without legislative action.

Bill No. 616 as introduced, is an act to amend the Medically Indigent Program rules and regulations adopted on September 15, 1985. The Bill attempts to address several benefit changes to allow for broader program coverage, and administrative provision changes designed to facilitate the administration and operations of the program in accordance with the legislative intent in establishing the program.

Bill No. 616 was publicly heard on September 27, 1985 at 2:00 p.m. in the Legislative Session Hall. At this public hearing and through subsequent discussions with the program administrator, it became apparent that additional changes beyond those addressed by the Bill were necessary in order

to achieve the administrative and operational improvements to the program as suggested by the Bill. As a result of these findings, the Committee on Health, Welfare and Ecology decided to substitute the original Bill with a new version which incorporated the additional amendments to the administrative program rules and regulations for the program.

Substitute Bill No. 616 differs from the original bill in that several new benefit changes are suggested for incorporation into the rules and regulations, and several of the administrative provisions of the program have been changed to address noted deficiencies. In addition, the substitute version of the Bill addresses a major change in the administrative placement and operations of the program within the Department of Public Health and Social Services. This major change provides for a merging of the Medically Indigent Program and the Medicaid Program as a single entity to be called the "Health Care Financing Administration" within the Division of Social Services. Such a merger would enable the two programs to maximize the use of available program resources and facilitate operations. In addition, this new organizational arrangement will allow for the future attraction of Federal funding resources as the current locally funded Medically Indigent Program will enable the Department to seek additional funding resources in conjunction with the Medicaid funding match ratio. Lastly, the substitute version of Bill No. 616 incorporates the necessary budgetary changes required to allow for the merger of the two programs within the Department.

#### TESTIMONY

Testimony on Bill No. 616, as introduced, were provided by four persons at the Public Hearing on September 27, 1985. (See attachments D through G).

Joaquín Camacho, Administrator of the Guam Memorial Hospital Authority, presented written testimony raising three major objections to the provisions of the Bill. These objections involved the coordination of benefits clause, which requires the providers to collect from third party payors prior to their collection for the MIP program, the co-payment requirements for the certain medically necessary services which are viewed as a disincentive for patients to procure necessary services, and the exclusion of the Intermediate Nursing Care (ICF) services as a program benefit. In addition to these objections the Hospital also provided a listing of objections to the Rules and Regulations as adopted. These included the following:

- 1) A suggestion that the eligibility should be retroactive to 90 days from the date of application.
- 2) A concern that the required Medicaid denial prior to the MIP application is too time consuming for applicants.
- 3) A suggestion that the Emergency Room co-payments be eliminated.
- 4) A suggestion that the eligibility guidelines and the verification process is too cumbersome and difficult to implement.
- 5) Objections to the non-payment of non-reusable hospital supplies.
- 6) Requests for the inclusion of medically necessary cosmetic surgery, SNF services beyond 180 days, and recovery room charges as benefits.
- 7) A recommendation for the continuance of the physical examination benefits as a preventive measure.

Rachel Hintzen of FHP, Inc. also provided written testimony on Bill No. 616, as introduced. Her testimony indicated that FHP supports the Bill which limits the liability of the indigent and clarifies available program coverage. She further stated that FHP would like to see adequate funding for



the program, which would resolve many of the problems currently being experienced by the hospital.

Michael Duenas, Administrator of the Guam Health Planning and Development Agency provided written testimony on the Bill. Mr. Duenas' comments centered around concerns of the proposed deletion of age restrictions for certain benefits which would facilitate the dropping of age restricted benefits under the Medicaid program, the provision of personal liability limits for off-island care which would allow private health insurance companies to shift this amount of risk to the Government, and the continued provision of free medical care through the MIP which would not improve the quality of care available to island residents.

Finally, Dennis Rodriguez, Director of the Department of Public Health and Social Services provided written testimony that the Department would pledge to support the bill if there could be assurances that the legislative body will continue to increase appropriations to enable the MIP to cover the expanded services addressed in the Bill.

Following these testimonies the Public Hearing was adjourned.

#### COMMITTEE FINDINGS

The Committee on Health, Welfare and Ecology hereby finds the following with regards to Bill No. 616.

1. Bill No. 616, as introduced, does not address all the necessary changes required to improve the scope of benefit coverage and to facilitate the administrative aspects of the program. Such a finding has resulted in the Committee's development of a substitute version of the Bill in order to address these deficiencies.
2. Substitute Bill No. 616 comprehensively recommends changes to the

benefit structure, administrative provisions, and operational aspects of the Medically Indigent Program as it exists today.

3. The recommendations encompassed by substitute Bill No. 616 will improve the benefit coverage available to indigent program recipients as well as facilitate operations of the program within the Department of Public Health and Social Services.

#### COMMITTEE RECOMMENDATIONS


The Committee on Health, Welfare and Ecology recommends passage of Bill No. 616 as substituted.

#### LIST OF EXHIBITS

- A. Substitute Bill No. 616
- B. Section by Section Analysis of Bill No. 616 As Substituted
- C. Original Bill No. 616
- D. Testimony of Joaquin C. Camacho, GMHA
- E. Testimony of Rachel Hintzen, FHP
- F. Testimony of Michael Duenas, CHPDA
- G. Testimony of Dennis Rodriguez, DPHSS
- H. MIP Rules and Regulations

Bill no. 016 (COR)

INTRODUCED BY:

  
H.D. DIERKING

AN ACT TO AMEND THE DEPARTMENT OF PUBLIC HEALTH  
AND SOCIAL SERVICES' MEDICALLY INDIGENT PROGRAM  
RULES AND REGULATIONS, FILED WITH THE LEGISLATIVE  
SECRETARY ON AUGUST 1, 1985.

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

2 Section 1. Legislative Intent. The legislative intent of  
3 this Act is to ensure that the medically indigent program  
4 rules and regulations are promulgated in a manner which takes  
5 into account the intent of the legislature in creating the  
6 program including the transfer of free care provisions  
7 previously enacted into law and the provision of medically  
8 required treatment to those unable to pay for the cost of  
9 such care. As the rules and regulations promulgated by the  
10 Department will have the effect of law once adopted, this act  
11 also intends to ensure that the rules are presented in a  
12 clear and conscise manner so as to facilitate an  
13 understanding of the program's restrictions and scope of  
14 services by participants and providers alike.

15 Section 2. The Department of Public Health and Social  
16 Services' Medically Indigent Program rules and regulations  
17 filed with the Legislative Secretary on August 1, 1985 are  
18 amended to include the following provisions.

19 Section 3. A new Rule 1.0 (d) is added to read:

20 1.0 (d). The free hospitalization and medical care of  
21 persons afflicted with tuberculosis or lytico or bodig  
22 (Amyotrophic Lateral Sclerosis or Parkinsonism-Dementia),  
23 insulin injections for diabetic patients shall continue under  
24 the Medically Indigent Program without regards to the income,  
25 resources, and residency requirements.

1 Section 4. A new Rule 1.6 (a) is added to read:  
2 1.6 (a) The liability of a client shall not exceed ten  
3 thousand dollars (\$10,000) for services rendered to clients  
4 who are referred off-island for medical care regardless of  
5 the percentage of their cost share liability rate.

6 Section 5. Rule 1.27 (b) is amended to read:  
7 1.27 (b). As stated in Public Law 17-83, an applicant who  
8 makes false declarations to the program shall be guilty of a  
9 crime. Such an applicant shall be ineligible for program  
10 services for a period of one (1) year.

11 Section 6. A new Rule 1.28 is added to read:  
12 1.28 Termination of Assistance. The following shall  
13 constitute grounds for the termination of assistance:

- 14 a) False declarations in seeking program eligibility.
- 15 b) Failure to report changes in household status as  
16 required in Rule 6.2.

17 Section 7. A new Rule 1.29 is added to read:  
18 1.29 Coordination of Benefits. In the event that the client  
19 is afflicted with an illness or injury caused by a third  
20 party for which a third party insurance carrier or other  
21 health care plan is responsible or liable for, the Medically  
22 Indigent Program shall be subrogated to the extent of the  
23 amount of any such services provided to the client.  
24 Providers must seek reimbursement from the third party  
25 rather than from the Medically Indigent Program.

26 Section 8. Rule 2.1 (b) (1) is deleted as physical  
27 examinations are provided under rule 2.11.

1 Section 9. Rule 2.1 (b) (2) is amended to read:

2 2.1 (b) (2). Non-emergency use of the emergency room of the  
3 hospital shall not be covered. Non-emergency use of the  
4 emergency room for the purposes of this exclusion shall be  
5 defined as the use of the emergency room for non-urgent or  
6 non-life threatening medical problems. All program  
7 recipients seeking care at the hospital emergency room for  
8 purposes other than the treatment of urgent or life-  
9 threatening medical problems shall be fully responsible for  
10 the cost of all care and services rendered thereat.

11 Section 10. A new rule 2.2 (a) (10) is added to read:

12 2.2 (a) (10). Emergency deliveries of Public Health Maternal  
13 and Child Health patients by physicians other than those  
14 under contract to the program.

15 Section 11. Rule 2.5 is amended to read:

16 2.5 Eyeglasses. Eyeglasses as are medically necessary shall  
17 be covered, provided that all available community resources  
18 for such eyeglasses are exhausted and with limitations.  
19 Coverage will be provided to clients not eligible under any  
20 local organization, federal program, or agency. A co-payment  
21 of \$25.00 per eyeglasses and prior authorization are  
22 required. Lenses are limited to once every year. Standard  
23 frames are limited to once every two (2) years.

24 Section 12. Rule 2.7 is amended to read:

25 2.7 Speech, Language, and Hearing Evaluation and Therapy.  
26 Coverage is limited to medically necessary services. Prior  
27 authorization by the Medically Indigent Program is required.

28 Section 13. Rule 2.8 is amended to read:

1 2.8 Dental Services. Emergency Dental Services  
2 (extractions) which are necessary to alleviate severe pain  
3 are covered for all persons age 17 and above.

4 Section 14. Rule 2.9 is amended to read:

5 2.9 Hearing Aids. Hearing aids to correct significant  
6 disability as are medically necessary shall be covered,  
7 provided that all available community resources for such  
8 hearing aids have been exhausted. Coverage will be provided  
9 to clients not eligible under any local organization, federal  
10 program or agency. A co-payment of \$100.00 per hearing aid  
11 and prior authorization are required. Replacements will be  
12 limited to one (1) such aid every five (5) years.

13 Section 15. Rule 2.11 is amended to read:

14 2.11 Physical Examinations. Routine physical examinations  
15 are covered once every two (2) years. Prior authorization is  
16 required.

17 Section 16. Rule 2.13 (b) (1) is amended to read:

18 2.13 (b) (1) Medical Equipment. The Medically Indigent  
19 Program covers only the following:

- 20 a) Wheelchairs
- 21 b) Walkers
- 22 c) Standard hospital beds
- 23 d) Oxygen refills

24 Section 17. Items (a), (j), (q), and (w) of Rule 3.0 are  
25 amended to read:

26 3.0 (a). Abortions unless medically necessary.

27 3.0 (j). Non-emergency use of the emergency room as defined

1 in Rule 2.1 (b) (2).

2 3.0 (q). Physician services for deliveries and cesarean  
3 sections of Public Health Maternal and Child Health  
4 clients covered by Public Health, except in the  
5 case of emergencies.

6 3.0 (w). Non-emergency dental services for other than the  
7 relief of severe pain.

8 Section 18. Rule 4.7 is amended to read:

9 4.7 Speech, Language, and Hearing Evaluation and Therapy. A  
10 referral justifying the need for evaluation or therapy must  
11 be submitted by the specialist physician in order for  
12 authorization to be given.

13 Section 19. Rule 4.8 is amended to read:

14 4.8 Hearing aids. A medical prescription for the hearing  
15 aid will be required from the specialist physician  
16 before authorization will be given. A co-payment of \$100.00  
17 will also be required. Evidence of an exhaustion of  
18 community resources will also be required.

19 Section 20. Rule 4.9 is amended to read:

20 4.9 Eyeglasses. A medical prescription for the eyeglasses  
21 will be required from the specialist physician  
22 before authorization will be given. A co-payment of \$25.00  
23 per glasses is also required. Coverage for lenses is limited  
24 to once every year. Standard frames are limited to once  
25 every two (2) years. Evidence of an exhaustion of community  
26 resources will also be required.

27 Section 21. Rule 4.10 is amended to read:

28 4.10 Physical Examinations. Prior authorization is required

1 for physical examinations. Coverage is limited to once every  
2 two (2) years.

3 Section 22. Rule 5.0 (c) is amended to read:

4 5.0 (c) Voluntary discontinuance of insurance will  
5 disqualify the person(s) from participation under the  
6 Medically Indigent Program for six (6) months from the date  
7 of termination.

8 Section 23. Rule 5.3 is amended to read:

9 5.3 Air Transportation. Round trip air transportation will  
10 be provided to Medically Indigent Program clients, Medicaid  
11 clients, Services for Handicapped Children Program Clients,  
12 and other clients who meet the program criteria. One parent  
13 (or a guardian, if the parent is unable to accompany the  
14 child) will be covered if the client is a minor, 17 years of  
15 age or below. Air transportation and per diem will also be  
16 provided to medical escorts (registered nurse or physician)  
17 certified by the off-island Medical Review Board as being  
18 necessary to accompany and assist the patient while on  
19 referral. The referring physician shall provide a written  
20 request of the reasons for the medical escort.

21 Section 24. Rule 5.4 is amended to read:

22 5.4 Clients with Liabilities. Those clients with cost-  
23 sharing rate requirements will be responsible for their share  
24 of costs and must make payments directly to service Providers  
25 for the appropriate rate of payment on each bill received.  
26 The client's liability for off-island care however, shall not  
27 exceed ten thousand dollars (\$10,000.00). Once the ten



1 thousand dollars (\$10,000) limitation of liability has been  
2 reached the Medically Indigent Program will assume the full  
3 cost of medical care rendered to the client referred off-  
4 island.