

*Territory of Guam*  
*Territorio Guam*

OFFICE OF THE GOVERNOR  
UFISINAN I MAGA'LAHI  
AGANA, GUAM 96910 U.S.A.

SEP 14 1989

*Mary Seg*

The Honorable Joe T. San Agustin  
Speaker, Twentieth Guam Legislature  
Post Office Box CB-1  
Agana, Guam 96910

Dear Mr. Speaker:

Transmitted herewith is Bill No. 817, which I have signed into law this date as Public Law 20-48.

Sincerely,

*Joseph F. Ada*  
JOSEPH F. ADA  
Governor

Attachment

200430

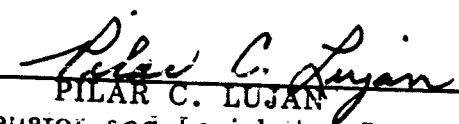
TWENTIETH GUAM LEGISLATURE  
1989 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

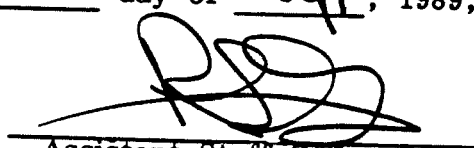
This is to certify that Bill No. 817 (COR) , "AN ACT TO APPROPRIATE FUNDS FOR THE MEDICALLY-INDIGENT PROGRAM", was on the 28th day of August, 1989, duly and regularly passed.

  
\_\_\_\_\_  
JOE T. SAN AGUSTIN  
Speaker

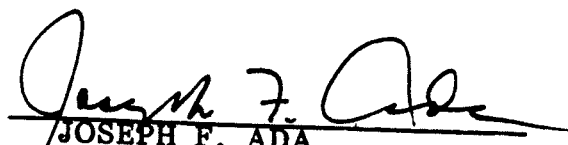
Attested:

  
\_\_\_\_\_  
PILAR C. LUJAN  
Senator and Legislative Secretary

-----  
This Act was received by the Governor this 2 day of Sept, 1989,  
at 1:53 o'clock p.m.

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

APPROVED:

  
\_\_\_\_\_  
JOSEPH F. ADA  
Governor of Guam

Date: September 14, 1989

Public Law No. 20-48

TWENTIETH GUAM LEGISLATURE  
1989 (FIRST) Regular Session

Bill No. 817 (COR)  
As amended by the  
Committee on Ways and Means  
and further amended by the  
Committee on Rules

Introduced by:

M. Z. Bordallo  
T. S. Nelson  
C. T. C. Gutierrez

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H. D. Dierking  
J. T. San Agustin  
E. P. Arriola  
J. P. Aguon  
D. Parkinson  
F. J. A. Quitugua  
E. D. Reyes  
G. Mailoux  
P. C. Lujan  
M. C. Ruth  
D. F. Brooks  
M. D. A. Manibusan  
J. G. Bamba  
E. R. Duenas  
E. M. Espaldon  
F. R. Santos  
T. V. C. Tanaka  
A. R. Unpingco

AN ACT TO APPROPRIATE FUNDS FOR THE  
MEDICALLY-INDIGENT PROGRAM.

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6

BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:  
Section 1. Seven Million Two Hundred Seventy Thousand Dollars  
(\$7,270,000) are appropriated from the General Fund to the Department of  
Public Health and Social Services for payment of patient billings and related  
off-island travel expenses for the Medically-Indigent Program, for the fiscal  
year ending September 30, 1990.

TWENTIETH GUAM LEGISLATURE  
1989 (FIRST) Regular Session

ROLL CALL SHEET

Bill No. 817

Date: 8/28/89

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

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

	<u>AYE</u>	<u>NAY</u>	<u>NOT VOTING</u>	<u>ABSENT</u>
J. P. Aguon	✓			
E. P. Arriola	✓			
J. G. Bamba	✓			
M. Z. Bordallo	✓			
D. F. Brooks	✓			
H. D. Dierking	✓			
E. R. Duenas	✓			
E. M. Espaldon	✓			
C. T. C. Gutierrez	✓			
P. C. Lujan	✓			
G. Mailloux	✓			
M. D. A. Manibusan	✓			
T. S. Nelson	✓			
D. Parkinson	✓			
F. J. A. Quitugua	✓			
E. D. Reyes	✓			
M. C. Ruth	✓			
J. T. San Agustin	✓			
F. R. Santos	✓			
T. V. C. Tanaka	✓			
A. R. Unpingco	✓			

21 0

~~ANNUAL GOVERNMENT EXPENSE~~

# Twentieth Guam Legislature



163 Chalan Santo Papa St.  
Agana, Guam U.S.A. 96910  
(671) 472-3407/8/9/10

Chairman, Committee  
on Ways & Means  
Vice-Chairman, Committee  
on Tourism & Transportation

**CARL T. C. GUTIERREZ**  
Senator

**August 23, 1989**

The Honorable Joe T. San Agustin  
Speaker  
Twentieth Guam Legislature  
163 Chalan Santo Papa  
Agana, Guam 96910

Via: Chairman, Committee on Rules

Dear Mr. Speaker:

The Committee on Ways and Means, to which was referred Bill No. 817, "**An act to appropriate funds for the Medically-Indigent Program**", has had the same under consideration and now wishes to report back the same with the **recommendation to do pass as substituted.**

The Committee votes are as follows:

To do pass	<u>12</u>
Not to pass	<u>0</u>
To report out only	<u>0</u>
Off-island	<u>0</u>
To place in Inactive File	<u>0</u>
Other	<u>0</u>

A copy of the Committee Report and other pertinent documents are enclosed for your perusal.

Sincerely,

  
**CARL T.C. GUTIERREZ**

Enclosures

TWENTIETH GUAM LEGISLATURE  
COMMITTEE ON WAYS AND MEANS

VOTE SHEET ON  
SUBSTITUTE BILL NO. 817  
"An Act to appropriate funds for the Medically-Indigent Program"

WITH THE RECOMMENDATION TO DO PASS

<u>Committee Members</u>	<u>To do Pass</u>	<u>Not to Pass</u>	<u>Abstain</u>	<u>Other</u>
<i>[Signature]</i> CARL T.C. GUTIERREZ, Chairman	✓			
<i>[Signature]</i> JOHN P. AGUON	✓			
<i>[Signature]</i> J. GEORGE BAMBA	✓			
<i>[Signature]</i> DORIS F. BROOKS	✓			
<i>[Signature]</i> HERMINIA D. DIERKING, Vice-Chairperson	✓			
<i>[Signature]</i> ERNESTO S. ESPALDON	✓			
<i>[Signature]</i> MARILYN D.A. MANIBUSAN	✓ 8/23/89 mdm			
<i>[Signature]</i> TED S. NELSON	✓			
<i>[Signature]</i> DON PARKINSON	✓			
<i>[Signature]</i> FRANKLIN J.A. QUITUGUA	✓			
<i>[Signature]</i> MARTHA C. RUTH	✓ 8/22/89			
<i>[Signature]</i> JOE T. SAN AGUSTIN, Speaker	✓			

TWENTIETH GUAM LEGISLATURE  
COMMITTEE ON WAYS AND MEANS

REPORT ON BILL NO. 817  
"AN ACT TO APPROPRIATE FUNDS FOR THE  
MEDICALLY-INDIGENT PROGRAM"

Introduced by: T.S. Nelson; H.D. Dierking; J.T. San Agustin; E.P. Arriola; J.P. Aguon, D. Parkinson; F.J.A. Quitugua; E.D. Reyes; G. Mailloux; P.C. Lujan.

**PREFACE:**

The Committee on Ways and Means held a public hearing on Thursday, July 20, 1989, at 9:00 a.m. in the Legislative Session Hall.

Members present at the hearing were: Senators Carl T.C. Gutierrez, Chairman; Ted S. Nelson; Doris Brooks; and Elizabeth P. Arriola. Not present were: Senators Herminia D. Dierking; John P. Aguon; Don Parkinson; Franklin J. Quitugua; J. George Bamba; Ernesto S. Espaldon; Marilyn D.A. Manibusan; Martha C. Ruth; and Speaker J.T. San Agustin.

**NOTIFICATION:**

Letters were sent to the Governor; the Attorney General; the President of the Commissioners Council; the Director of the Department of Public Health, and the members of the Committee on Ways and Means.

**BACKGROUND:**

Bill 817 is an act to appropriate funds for the Medically Indigent Program (MIP) for payment of patient billings and related off-island travel expenses for that program.

**TESTIMONY:**

Appearing to testify in favor of Bill 817 was Jesse Catahay representing the Director of the Department of Public Health and Social Services, and Mr. Michael Reidy, Director of Bureau of Budget and Management Research. Mr. Reidy expressed the hope that the amount appropriated might be enough. Mr. Catahay was in favor but requested that these funds also be used for related expenses of the program. The program needs more manpower, needs to increase the repayment to providers and expand the service to the indigent.

Dr. Espaldon, in her written testimony, stated that "There are other funding needs for the program that perhaps the proposed appropriation

can be addressed which include manpower needs, office equipment for these additional manpower, purchase of computer control units, expansion of services, and increase of reimbursement rates to physicians."

In closing, Dr. Espaldon stated that an "Additional appropriation of \$10,000 for off-island air fare will assist in meeting a potential shortfall on this category."

Senator Arriola inquired if this appropriation would be for the next fiscal year. Mr. Reidy said if this is not sufficient they will have to come back again. They will have to reexamine the manpower needs.

Senator Brooks said the payment of MIP bills is not clear. Mr. Catahay said some clients don't apply or the forms are not filled out properly. Also MIP does not cover emergency service. The fees for services rendered also have specific ceilings. Mr. Reidy stated that this should be sufficient for Fiscal Year 1990 if they get all of the receivables due. They are presently servicing about 3,000 individuals. About twenty-five percent (25%) of the population of Guam is receiving some form of welfare assistance. There are about 19 cases of catastrophic illness pending.

There being no further testimonies and questions, the Chairman adjourned the Committee hearing on Bill No. 817.

#### **SECTION ANALYSIS:**

Please refer to "Profile on Bill 817."

#### **COMMITTEE FINDINGS:**

The Committee on Ways and Means, to which was referred Bill No. 817, finds that:

1. The Department of Public Health and Social Services supports the passage and enactment of Bill No. 817, as amended by the Committee on Ways and Means.
2. The Department of Public Health and Social Services requests that an additional \$10,000 be included for air-fare to assist in meeting the potential shortfall of this program.
3. The Twentieth Guam Legislature's Committee on Ways and Means fully supports the Medically Indigent Program and therefore recommends that the Legislature supports its passage and enactment.



**COMMITTEE RECOMMENDATIONS:**

The Committee on Ways and Means, to which was referred Bill No. 817, "An Act to appropriate funds for the Medically Indigent Program," has had the same under consideration and now wishes to report back the same with the **recommendation to do pass as amended by the Committee.**

PROFILE ON BILL 817

Brief Title: "Medically Indigent Program."

Main Sponsors: Senators Ted S. Nelson, Herminia D. Dierking, and Joe T. San Agustin.

Date Introduced: Monday, July 3, 1989.

Assigned Committee: Referred to the Committee on Ways and Means by the Committee on Rules on Wednesday, July 5, 1989.

Public Hearing: Thursday, July 20, 1989 at 10:30 a.m. in the Legislative Session Hall.

Official Title: "An Act to Appropriate Funds for the Medically Indigent Program."

Co-Sponsors: Senators Elizabeth P. Arriola, John P. Aguon, Don Parkinson, Franklin J.A. Quitugua, Eddie D. Reyes, Gordon Mailloux, Pilar C. Lujan.

Recommendation: To do pass as amended by the Committee on Ways and Means.

A CLOSER LOOK

Section 1. Appropriates seven million dollars from the General Fund to the Department of Public Health and Social Services for payment of patient billings and related off-island travel expenses for the Medically Indigent Program.

To better understand the funding requirements, the following information is presented regarding patient claim payments.

Funding at the beginning of the year:	\$2,300,000.00
Supplemental appropriation:	<u>\$4,234,747.00</u>
Total:	\$6,534,747.00
Less total expenditure to date:	<u>\$4,346,707.61</u>
Balance:	\$2,208,089.39
Less estimated amount of claims expected by September 1989:	\$1,600,000.00








Less estimated amounts of FY'89 bills to be paid in FY'90:	\$1,400,000.00
Projected Shortfall:	(\$ 791,960.61)

Therefore, the projected shortfall being far less than the proposed appropriation amount, the Committee has increased the figure by one million dollars.

TWENTIETH GUAM LEGISLATURE  
1989 (FIRST) Regular Session

Bill No. 817  
As amended by the  
Committee on Ways and Means

Introduced by:

T.S. Nelson   
 C.T.C. Gutierrez   
 H.D. Dierking   
J.T. San Agustin  
 E.P. Arriola  
 J.P. Aguon  
 D. Parkinson  
 F.J.A. Quitugua   
 E.D. Reyes  
 G. Mailloux  
 P.C. Lujan  
 DEBROOK   
 MC. RUTH   
 M.V. Manibusan 

AN ACT TO APPROPRIATE FUNDS FOR THE  
MEDICALLY-INDIGENT PROGRAM.

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

3 Section 1. Seven Million, Two Hundred Seventy Thousand  
4 Dollars (\$7,270,000) are appropriated from the General Fund to the  
5 Department of Public Health and Social Services for payment of  
6 patient billings and related off-island travel expenses for the  
7 Medically-Indigent Program.

TWENTIETH GUAM LEGISLATURE  
1989 (FIRST) Regular Session

Bill No. 817

89 JUL -3 AM 11:16

Introduced by:

T. S. Nelson

H. D. Dierking

J. T. San Agustin

E. P. Arriola

J. P. Aguon

D. Parkinson

AN ACT TO APPROPRIATE FUNDS FOR  
THE MEDICALLY INDIGENT PROGRAM

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

- 1 Section 1. The sum of Six Million Two Hundred Seventy
- 2 Thousand Dollars (\$6,270,000) is appropriated from the General Fund
- 3 to the Department of Public Health and Social Services for payment
- 4 of patient billings and related off-island travel expenses for the
- 5 Medically Indigent Program.

**COMMITTEE ON WAYS AND MEANS**  
**PUBLIC HEARING**  
**9:00~~a~~m., Thursday, July 20, 1989, Legislative Session Hall**

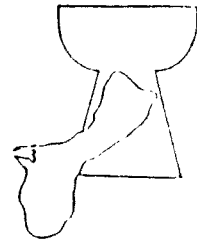
**A G E N D A**

- Bill No. 810** An act making an appropriation to the Workmen's Compensation Fund.
- Bill No. 811** An act to appropriate funds for improvement of a recreational facility in the village of Barrigada.
- Bill No. 812** An act to appropriate funds for the purchase of school buses.
- Bill No. 813** An act to appropriate funds for development of a sports and recreational complex in the Harmon area.
- Bill No. 814** An act to appropriate the sum of One Hundred Ninety-Seven Thousand Dollars from the General Fund to the Sanctuary, Inc., for providing shelters for "status offenders."
- Bill No. 815** An act to appropriate the sum of Three Hundred Fifteen Thousand Dollars for improvement of sports facilities in Yona and Baza Gardens area.
- Bill No. 816** An act to appropriate funds for improvement of recreational facility in Toto village.
- Bill No. 817** An act to appropriate funds for the Medically Indigent Program.
- Bill No. 818** An act to appropriate funds for travel expenses for youth sports organizations.
- Bill No. 819** An act to appropriate funds for improvements to public parks.
- Bill No. 820** An act to appropriate funds for improvement of the Chalan Pago Baseball Field.



SENATOR

**HERMINIA D. DIERKING**  
**TWENTIETH GUAM LEGISLATURE**



COMMITTEES:

CHAIRPERSON  
Rules

VICE CHAIRPERSON  
Ways & Means  
Energy, Utilities &  
Consumer Protection

MEMBER:

Economic Development

Federal, Foreign &  
Legal Affairs

Health, Welfare &  
Ecology

Judiciary & Criminal  
Justice

Education

Tourism & Transportation

Youth, Senior Citizens,  
Cultural Affairs &  
Human Resources

General Governmental  
Operations

July 5, 1989

MEMORANDUM

TO: Chairperson, Committee on Ways and Means

FROM: Chairperson, Committee on Rules

SUBJECT: Referral - Bill Nos. 802, 803, 804, 805, 806, 807,  
808, 809, 810, 811, 812, 813, 814, 815, 816,  
817, 818, 819, 820, 821, 822, 823, 824, 825,  
826, 827, 828, 829, 830, 831, 832, 833, 834,  
835.

The above bills are referred to your Committee. Please note that the referrals are subject to ratification by the Committee on Rules at its next meeting.

*Herminia D. Dierking*  
HERMINIA D. DIERKING

Enclosures



DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES

GOVERNMENT OF GUAM  
P. O. BOX 2816  
AGANA, GUAM 96910

JUL 19 1989



Senator Carl Gutierrez  
Committee on Ways and Means  
Twentieth Guam Legislature

Senator Gutierrez:

Thank you for affording me the opportunity to comment on Bill No. 817 which appropriates Six Million Two Hundred Seventy Thousand Dollars (\$6,270,000) to the Department of Public Health and Social Services for payment of patient billings and related off-island travel expenses for the Medically Indigent Program.

I am here to render support on this bill, however, I am very surprised of the amount being appropriated solely for patient billings and related off-island travel expenses for MIP. The \$6,270,000 is an amount for patient billings for most part of the year.

To understand our funding needs, I submit the following information regarding patient claim payments:

1. a.	Funding at the beginning of Year:	\$2,300,000.00
	b. Supplemental appropriation:	<u>4,234,747.00</u>
	Total:	\$6,534,747.00
2.	Less Total expenditure to date:	<u>\$4,326,707.61</u>
	Balance:	\$2,208,039.39
	Less Estimated amounts of claims expected by September 1989	\$1,600,000.00
	Less Estimated amounts of FY' 89 bills to be paid in FY'90	\$1,400,000.00



Projected shortfall:

(\$ 791,960.61)

As you know the projected shortfall is far less than the proposed appropriation amount.

There are other funding needs for the program that perhaps the proposed appropriation can be addressed which include manpower needs, office equipment for these additional manpower, purchase of computer control unit, expansion of services, and increase of reimbursement rates to physicians.

#### MANPOWER

The utilization review of claims is a critical function in claims processing. There is only one Medicaid Specialist presently available to review claims to determine appropriateness of charges. Before the establishment of the Medically Indigent Program there were two Medicaid Specialist which were individually assigned to review hospital and physicians claims. The workload has since doubled with the establishment of MIP and the Catastrophic Illness Assistance Program (CIAP). To adequately conduct utilization review, two (2) additional medicaid specialists are required. Three (3) assistant payment workers conduct eligibility determinations presently. Their individual caseloads are 450 each which is double the recommended caseload size of 200 cases per worker. These individuals have been working over-time to cope with their excessive caseloads. Four (4) additional assistant payment workers (APW's) are needed to alleviate the workload of the present APW's.

These additional staff will require additional desks, chairs, calculators, computer terminals (CRT's) and control unit to connect these CRT's to the main frame computer with the Department of Administration. The control unit would require a telephone dedicated line and installation costs.

#### REIMBURSEMENT RATES TO SERVICE PROVIDERS

The last increase in reimbursement rates to physician service providers was in 1985. Presently, the program is only paying about 67% of the average market cost for their services. An inequitable reimbursement rate could mean future access problems to medical services for our clients and possible negative differential treatments. An increase in reimbursement rates to physicians is long overdue.

## EXPANSION OF SERVICE COVERAGE

MIP clients are presently paying co-share expenses for some services provided. Additionally, a portion of MIP clients are paying a percentage of their medical bills (co-share). Additional funding would allow the eventual deletion of these co-sharing requirements.

Present items that are not covered such as physical examination, prosthetic devices, etc.. may now be covered with additional funding.


## AIR FARE FOR OFF-ISLAND REFERRALS

Additional appropriation of \$10,000 for off-island air fare will assist in meeting a potential shortfall on this category.

The additional funding would assist in meeting anticipated shortfalls in medical claims. However, the program is presently facing grave needs in manpower, service provider reimbursements and expanded coverages to meet expressed needs of the program. I hope that the bill be amended to meet these additional requirements.

The Twentieth Legislature's continued support to the Medically Indigent Program is greatly appreciated.

Si Yuus Maase.

  
\_\_\_\_\_  
Leticia V. Espaldon, MD  
Director, DPHSS

7/19/89  
Date



DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES

GOVERNMENT OF GUAM  
 P. O. BOX 2816  
 AGANA, GUAM 96910

JUL 19 1989



Senator Carl Gutierrez  
 Committee on Ways and Means  
 Twentieth Guam Legislature

Senator Gutierrez:

Thank you for affording me the opportunity to comment on Bill No. 817 which appropriates Six Million Two Hundred Seventy Thousand Dollars (\$6,270,000) to the Department of Public Health and Social Services for payment of patient billings and related off-island travel expenses for the Medically Indigent Program.

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The Twentieth Legislature's continued support to the Medically Indigent Program is greatly appreciated.

Si Yuus Maase.

*Leticia V. Espaldon*  
Leticia V. Espaldon, MD  
Director, DPHSS

7/19/89  
Date

# Twentieth Guam Legislature

163 Chalan Santo Papa St.  
Agana, Guam U.S.A. 96910  
(671) 472-3407/8/9/10



Chairman, Committee  
on Ways & Means  
Vice-Chairman, Committee  
on Tourism & Transportation

**CARL T. C. GUTIERREZ**  
Senator

August 2, 1989

Honorable Speaker Joe T. San Agustin  
Speaker, Twentieth Guam Legislature  
163 Chalan Santo Papa  
Agana, Guam 96910

Dear Mr. Speaker:

The Committee on Ways & Means wishes to report out its findings on BILL NO. 817 AN ACT TO APPROPRIATE FUNDS FOR THE MEDICALLY INDIGENT PROGRAM.

TO PASS:

10

NOT TO PASS:

\_\_\_\_\_

ABSTENTIONS:

\_\_\_\_\_

REPORT OUT ONLY:


\_\_\_\_\_

OFF-ISLAND:

1

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

Sincerely,

  
CARL T.C. GUTIERREZ  
Chairman, Committee  
on Ways & Means

Twentieth Guam Legislature  
 Committee on Ways & Means  
Voting Sheet

BILL NO: 817

AN ACT TO APPROPRIATE FUNDS FOR THE  
 MEDICALLY INDIGENT PROGRAM.

	<u>TO PASS</u>	<u>NOT TO PASS</u>	<u>TO REPORT OUT ONLY</u>	<u>TO PLACE IN INACTIVE FILE</u>
<i>C. Gutierrez</i> Senator Carl T. C. GUTIERREZ Chairman	✓			
<i>H. Dierking</i> Senator Herminia D. DIERKING Vice-Chairman	✓			
<i>John P. Agumon</i> Senator John P. AGUON Member	✓			
<i>George Bamba</i> Senator George BAMBA Member	✓			
<i>Doris Brooks</i> Senator Doris BROOKS Member	✓			
<i>Ernesto Espaldon</i> Senator Ernesto ESPALDON Member	✓ <sup>9/29/89</sup>			
<i>Marilyn Manibusan</i> Senator Marilyn MANIBUSAN Member	✓			
<i>Ted S. Nelson</i> Senator Ted S. NELSON Member				
<i>Don Parkinson</i> Senator Don PARKINSON Member	✓			
<i>Franklin J. A. Quitugba</i> Senator Franklin J. A. QUITUGBA Member	✓			
<i>Martha C. Ruth</i> Senator Martha C. RUTH	✓ <sub>8/22/89</sub>			

TWENTIETH GUAM LEGISLATURE  
1989 (FIRST) Regular Session

Bill No. 817

Introduced by:

89 JUL -3 AM 11:16

T. S. NELS

C.T.C. GUTIERREZ

H. D. Dierking

J. T. San Agustin

E. P. Arriola

J. P. Aguon

D. Parkinson

*Gutierrez*

*J.A. ...*

*Ruth*

*M.E. RUTH*

*M.D. Manibuan*

*W...*

AN ACT TO APPROPRIATE FUNDS FOR  
THE MEDICALLY INDIGENT PROGRAM

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

- 1 Section 1. The sum of Six Million Two Hundred Seventy
- 2 Thousand Dollars (\$6,270,000) is appropriated from the General Fund
- 3 to the Department of Public Health and Social Services for payment
- 4 of patient billings and related off-island travel expenses for the
- 5 Medically Indigent Program.

*JGBAM*





DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES

GOVERNMENT OF GUAM  
 P. O. BOX 2818  
 AGANA, GUAM 96910

JUL 19 1989



Senator Carl Gutierrez  
 Committee on Ways and Means  
 Twentieth Guam Legislature

Senator Gutierrez:

Thank you for affording me the opportunity to comment on Bill No. 817 which appropriates Six Million Two Hundred Seventy Thousand Dollars (\$6,270,000) to the Department of Public Health and Social Services for payment of patient billings and related off-island travel expenses for the Medically Indigent Program.

I am here to render support on this bill, however, I am very surprised of the amount being appropriated solely for patient billings and related off-island travel expenses for MIP. The \$6,270,000 is an amount for patient billings for most part of the year.

To understand our funding needs, I submit the following information regarding patient claim payments:

1. a.	Funding at the beginning of Year:	\$2,300,000.00
	b. Supplemental appropriation:	<u>4,234,747.00</u>
	Total:	\$6,534,747.00
2.	Less Total expenditure to date:	<u>\$4,326,707.61</u>
	Balance:	\$2,208,039.39
	Less Estimated amounts of claims expected by September 1989	\$1,600,000.00
	Less Estimated amounts of FY' 89 bills to be paid in FY'90	\$1,400,000.00

Projected shortfall:

(\$ 791,960.61)

As you know the projected shortfall is far less than the proposed appropriation amount.

There are other funding needs for the program that perhaps the proposed appropriation can be addressed which include manpower needs, office equipment for these additional manpower, purchase of computer control unit, expansion of services, and increase of reimbursement rates to physicians.

MANPOWER

The utilization review of claims is a critical function in claims processing. There is only one Medicaid Specialist presently available to review claims to determine appropriateness of charges. Before the establishment of the Medically Indigent Program there were two Medicaid Specialist which were individually assigned to review hospital and physicians claims. The workload has since doubled with the establishment of MIP and the Catastrophic Illness Assistance Program (CIAP). To adequately conduct utilization review, two (2) additional medicaid specialists are required. Three (3) assistant payment workers conduct eligibility determinations presently. Their individual caseloads are 450 each which is double the recommended caseload size of 200 cases per worker. These individuals have been working over-time to cope with their excessive caseloads. Four (4) additional assistant payment workers (APW's) are needed to alleviate the workload of the present APW's.

These additional staff will require additional desks, chairs, calculators, computer terminals (CRT's) and control unit to connect these CRT's to the main frame computer with the Department of Administration. The control unit would require a telephone dedicated line and installation costs.

REIMBURSEMENT RATES TO SERVICE PROVIDERS

The last increase in reimbursement rates to physician service providers was in 1985. Presently, the program is only paying about 67% of the average market cost for their services. An inequitable reimbursement rate could mean future access problems to medical services for our clients and possible negative differential treatments. An increase in reimbursement rates to physicians is long overdue.

#### EXPANSION OF SERVICE COVERAGE

MIP clients are presently paying co-share expenses for some services provided. Additionally, a portion of MIP clients are paying a percentage of their medical bills (co-share). Additional funding would allow the eventual deletion of these co-sharing requirements.

Present items that are not covered such as physical examination, prosthetic devices, etc.. may now be covered with additional funding.

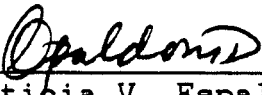
#### AIR FARE FOR OFF-ISLAND REFERRALS

Additional appropriation of \$10,000 for off-island air fare will assist in meeting a potential shortfall on this category.

The additional funding would assist in meeting anticipated shortfalls in medical claims. However, the program is presently facing grave needs in manpower, service provider reimbursements and expanded coverages to meet expressed needs of the program. I hope that the bill be amended to meet these additional requirements.

The Twentieth Legislature's continued support to the Medically Indigent Program is greatly appreciated.

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Leticia V. Espaldon, MD  
Director, DPHSS

7/19/89  
Date

BUDGETARY FISCAL IMPACT ON THE FOLLWING BILLS

ADOPTED GENERAL FUND REVENUES P.L. 20=3	\$ 309,993,010
LESS: APPROPRIATIONS TO DATE: P.L. 19=10 P.L. 19-24 TO 20=31	
GENERAL OPERATION=EXECUTIVE	\$ 224,681,503
GENERAL OPERATION=JUDICIAL	7,527,190
GENERAL OPERATION=LEGISLATIVE	10,063,581
SPECIAL APPROPRIATIONS	59,775,910
CAPITAL IMPROVEMENT PROJECTS	24,040,138
TOTAL APPROPRIATION	326,088,322
TOTAL SURPLUS/(DEFICIT)	\$ (16,095,312)

ILL	ITEM	AMOUNT
	758 PUAG SEWER LINES ORDOT-CHALAN PAGO SCH	906,150
	759 PUAG SEWER LINES BARRIGADA	785,000
	760 PUAG SEWER LINES ORDOT-CHALAN PAGO	1,870,000
	800 LAND COMPENSATION NAPUTI MERIZO	57,800
	824 LAND COMPENSATION NAPUTI MERIZO	57,800
802	IMPROVEMENT FACILITIES IN AGAT	260,000
803	AHRD PERSONNEL REQUIREMENTS FY90	144,213
	804 GMH OPERATING BUDGET FY90	6,635,059
*	805 RETIREES COLA (\$419)	1,201,970
806	MENTAL HEALTH BLDG AND EQUIPMENT	1,625,000
807	R&T TAX COLLECTION FORCE	300,000
808	COMMISSIONER'S COMMUNITY DEVELOPMENT FUND	855,000
	809 PH&SS CATASTROPHIC ILLNESS	500,000
810	WORKMEN'S COMPENSATION FUND	400,000
811	BARRIGADA MULTI-PURPOSE COURT	115,000
	812 SCHOOL BUSES	550,000
813	SPORTS & RECREATIONAL COMPLEX HARMON	1,570,000
	814 SANCTUARY INC. FY90	197,000
815	SPORTS FACILITIES IN YONA & BAZA GARDENS	315,000
816	TOTO MULIT-PURPOSE COURT	9,000
817	MEDICALLY INDIGENT PROGRAM	6,270,000
	818 YOUTH SPORTS TRAVEL	50,000
	819 IMPROVEMENTS TO PASEO & YPAO PARK	1,785,000
820	CHALAN PAGO BASEBALL FIELD	200,000
	727 PRINTING REVOLVING FUND	70,000
	778 GUAM FIRE CAPITAL OUTLAY AMBULANCE	29,000
821	GCC FACILITY RENOVATION	512,000
822	GUMA MANHOBEN PROGRAM FY90	232,000
823	MULTI-PURPOSE COURT UMATAC	150,000
825	RECREATIONAL FACILITIES INARAJAN	330,000
826	RECREATIONAL FACILITIES MERIZO	180,000
827	RETIREMENT FUND ANNUITIES	9,400,800
828	RECREATIONAL FACILITIES AGANA	200,000
829	RECREATIONAL FACILITES DEDEDO	780,000
830	GUAM CLAIMS FUND	500,000
831	IMPROVEMENTS TO YPAO BEACH PARK	125,000
832	RECONSTRUCTION CAMP WATKINS & FARENHOLT AV	2,000,000
833	SCHOOL RENOVATIONS & IMPROVEMENTS	3,000,000
834	MAINTENANCE & UPKEEP OF THE FIELD HOUSE	100,000
835	TEXTBOOKS ADVANCE APPROPRIATION \$5,611,791	
* 847	GUAM POLICE RADIO COMMUNICATION	215,000
	TOTAL	44,482,792

6/15/87

ASTERISK DENOTES PART OF GOVERNORS EXECUTIVE BUDGET REQUEST FOR FISCAL YEAR 1990.

TOTAL PROPOSED APPROPRIATIONS AMOUNT TO \$44.5 MILLION WHICH FURTHER EXACERDATE THE DEFICIT OF APPROPRIATION VS REVENUES THIS FISCAL YEAR. APPRRIATIONS FOR OR THE ITEMS SHOULD BE MADE AGAINST THE FISCAL YEAR 1990 REVENUES.

FISCAL NOTE  
BUREAU OF BUDGET & MANAGEMENT RESEARCH

BBMR-F7

Bill No. \_\_\_\_\_ Date Received JULY 17, 1989

Amendatory Bill Yes  No  Date Reviewed JULY 18, 1989

Department/Agency Affected: \_\_\_\_\_

Department/Agency Head: \_\_\_\_\_

Total Fiscal Year Appropriation: \_\_\_\_\_

Bill Title (concise): BILL 758, 759, 760, 800, 824, 802, 803, 804, 805, 806, 807, 808, 809, 810,  
811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 727, 778, 821, 822, 823, 825, 826, 827, 828,  
829, 830, 831, 832, 833, 834, 835, 836 & 847.

Change in Law: \_\_\_\_\_

- |  |   |
|--|---|
| Bill Attempts to:  | Bill is for:  |
| <input checked="" type="checkbox"/> Increase Program Funding           | <input checked="" type="checkbox"/> Operations          |
| <input checked="" type="checkbox"/> Decrease Program Funding           | <input checked="" type="checkbox"/> Capital Improvement |
| <input checked="" type="checkbox"/> Reallocate Present Program Funding | <input checked="" type="checkbox"/> Other               |

FINANCIAL/PROGRAM IMPACT

PROGRAM CATEGORIES	Minimum Estimated Required Funds (For Five Years)		
	GENERAL FUND	FEDERAL	OTHER
GRAND TOTAL			

ESTIMATED MULTI-YEAR FUND REQUIREMENTS

SOURCES	1st	2nd	3rd	4th	5th
General Fund					
Federal Fund					
Other Fund					
GRAND TOTAL					

ESTIMATED MULTI-YEAR REALIZED REVENUES

SOURCES	1st	2nd	3rd	4th	5th
General Fund					
Federal Fund					
Other Fund					
GRAND TOTAL					

*Paul Leon Guerrero*  
PAUL D LEON GUERRERO  
PROGRAM ANALYST  
*Michael J. Reidy*  
MICHAEL J. REIDY

Date Review Terminated: JULY 18, 1989

Introduced

TWENTIETH GUAM LEGISLATURE  
1989 (FIRST) Regular Session

AUG 24 '89

Bill No. 817

89 JUL -3 AM 11:16

Introduced by:

- T. S. Nelson
- H. D. Dierking
- J. T. San Agustin
- E. P. Arriola
- J. P. Aguon
- D. Parkinson

*[Handwritten signatures and initials over the list of names]*

*Wm*

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