



October 7, 1994

MEMORANDUM

Committees:

CHAIRPERSON:

Rules

VICE CHAIRPERSON:

Ways & Means

MEMBER:

Economic-
Agricultural
Development,
and Insurance

Education

Electrical
Power and
Consumer
Protection

Federal and
Foreign Affairs

General
Governmental
Operations and
Micronesian Affairs

Health,
Ecology and
Welfare

Judiciary
and
Criminal Justice

Tourism and
Transportation

Youth, Senior
Citizens and
Cultural Affairs

TO: The Committee on Health, Ecology and Welfare

FROM: Chairperson, Committee on Rules

SUBJECT: Letter

The following Letter was received by my office and is being forwarded to you for your information.

LETTER FROM ELIZABETH C. ABBOTT, ASSOCIATE REGIONAL ADMINISTRATOR, DIVISION OF MEDICARE, DEPARTMENT OF HEALTH & HUMAN SERVICES, REGION IX, SAN FRANCISCO, CALIFORNIA, CONCERNING A PROPOSED BILL SUBMITTED BY GOVERNOR ADA TO AMEND SECTION 2913.10(c) OF TITLE 10 OF THE GOVERNMENT CODE TO PROVIDE THAT GUAM ESRD PROVIDERS WILL CONTINUE TO RECEIVE MEDICARE PAYMENTS ONLY IF THE TERRITORY'S FREE-CARE STATUTE IS AMENDED TO INCLUDE A MEANS TEST, SO THAT THOSE PATIENTS WHO HAVE THE FINANCIAL ABILITY TO PAY FOR THEIR OWN MEDICAL CARE ARE REQUIRED TO DO SO.

HERMINIA D. DIERKING

Attachment

Committee On:
HEALTH, ECOLOGY, & WELFARE
Received By: [Signature]
Date: 10-12-94 Time: 3:20pm



DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Care
Financing Administration

Refer to: MCR-T-MAS

Region IX
75 Hawthorne Street
San Francisco, CA 94105

SEP 27 1994

REFER TO LEGISLATIVE SECRETARY
REFER TO LEGISLATIVE SECRETARY

RECEIVED
OFFICE OF THE SPEAKER
DATE: 10-4-94
TIME: 3pm
RECD BY: [Signature]

The Honorable Joe T. San Agustin
Speaker, 22nd Guam Legislature
155 Hesler Street
Agana, Guam 96910

Dear Mr. Speaker:

This letter is in reference to the September 21, 1994 letter forwarded to you by Governor Joseph F. Ada concerning a proposed bill to amend Section 2913.10(c) of Title 10 of the Guam Code (Guam Public Law 18-31). In our view, revising the existing Guam statute is crucial. Failure to do so may result in suspension of Medicare program payments to various health care providers throughout the Territory, and payments already received may be considered at risk and subject to overpayment recovery action.

As you know, since early 1993 Mr. Robert Bath, our Pacific Area Representative, has been working with the Government of Guam to revise a current provision of your Territorial law to resolve this crucial issue. Guam law Section 2913.10(c) of Title 10 allows for end-stage renal disease (ESRD) medical care to be fully subsidized by the Government of Guam without regard to an individual's ability to pay. Sections 1862(a)(2) and 1862(a)(3) of the United States Social Security Act (42 USC 1395y) prohibits Medicare payment for any items or services (1) for which the patient furnished such items or services has no legal obligation to pay; or (2) which are paid for either directly or indirectly by a governmental entity. In anticipation of a resolution of this conflict, the Medicare program has continued to reimburse facilities and practitioners for ESRD-related services. To date, the Government of Guam has not acted to correct this problem.

We anticipated that this issue would be resolved by June 1, 1994 and that, with a statutory amendment, Guam ESRD providers could continue to receive Medicare payments in accordance with Federal law. However, because the Guam Legislature was not in session during late May and June 1994, Representative Robert A. Underwood requested a 120-day extension to the June 1 target date, or until October 1, 1994. Guam officials wanted to more thoroughly investigate the ESRD situation and determine what measures or policy issues should be addressed in order to resolve the situation. We were told that both the Governor and Guam Legislature would work diligently and continue their good-faith efforts to amend the statute. Consequently, we did not stop sending Medicare payments to providers.

October 1 is rapidly approaching. If and when Medicare payments are discontinued, the full burden of payments will fall to the Government of Guam. When Medicare reimbursement ceases, the Government of Guam will be responsible for additional medical assistance payments through the Medically Indigent Program of approximately \$1,000,000 per year. Additionally, we want to strongly emphasize, another \$8,000,000 in previous payments for ESRD-related services are potentially subject to Medicare overpayment recovery. Medicare payments for other illnesses in Guam's free-care program may also be at risk.

Mr. Speaker, the time to act is now. Guam ESRD providers will continue to receive Medicare payments only if the Territory's free-care statute is amended to include a means test, so that those patients who have the financial ability to pay for their own medical care are required to do so. We encourage you to persuade the Guam Legislature to enact the legislation forwarded to you by Governor Ada. We believe that this matter is profoundly urgent to the people of Guam and deserves your utmost attention.

Should you, your staff or colleagues need further information, please feel free to contact Michael A. Souza of my staff at (415) 744-3643 or Robert Bath in Honolulu at (808) 541-2732.

Sincerely,



Elizabeth C. Abbott
Associate Regional Administrator
Division of Medicare

220853



DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES
GOVERNMENT OF GUAM
P.O. BOX 2816
AGANA, GUAM 96910



OCT 14 1994

Dr. David L.G. Shimizu
Chairman
Committee on Health, Ecology
and Welfare
Twenty-Second Guam Legislature
324 West Soledad Ave.
Suite 202
Agana, Guam 96910

Dear Dr. Shimizu:

Thank you for allowing me to testify to Bill 1153:

An Act to Amend Section 2913.10 of Title 10 of Guam Code Annotated to Require Persons Afflicted with Tuberculosis, Lyticl, Bodig, Diabetes, and Irreversible Renal Failure to Meet a Means Test in Order to Obtain Government of Guam Payments for Hospitalization and Medical Services for Such Diseases.

This bill will allow us to maximize the use of federal programs and payments to fund health care services, while ensuring that all persons receive treatment for these five illnesses, including those who are either uninsured or underinsured.

I am in full support of the amendment to the current MIP statute which will revise the eligibility for Medically Indigent Program (MIP) coverage.

As you know, federal funds cannot be utilized to pay for medical services for free care illnesses of Medicaid/Medicare program recipients. Title XVIII (Medicare) of the Social Security Act Sec.1862 [42 USC 1395y] provides:

- (a) Notwithstanding any other provision of this title, no payment may be made under part A or part B for any expenses incurred for items or services-
- (1) for which the individual furnished such items or services has no legal obligation to pay, and which no person (by reason of such individual's membership in a prepayment plan or otherwise) has a legal obligation to provide or pay for;
 - (2) which are paid for directly or indirectly by a governmental entity (other than under this Act and other than a health benefit or insurance plan established for employees of such an entity);



Dr. David L.G. Shimizu
Re: Bill 1153
Page 2.

In FY 1993, the Free Care Program enrolled a total of two thousand two hundred thirty five (2,235) recipients which was 47.52% of the total MIP recipients. For more details, please see attachment "A". Attachment "A-1" shows statistical data on the same for the first three (3) quarters of FY 1994.

The Government Of Guam is averaging \$3M expenditures per annum for the medical costs of the five illnesses. The most expensive among the illnesses is end stage renal disease (ESRD). The Government expenditure is averaging \$2M to \$2.2M per annum. Please refer to attachment "B" for more details. Attachment "B-1" shows statistics for the first three quarters of FY 1994.

There is a total of one hundred fourteen recipients afflicted with ESRD. More detailed information on ESRD recipients is given in Attachment "C, C-1".

If the MIP statute is not amended to take out the free care provision, Medicare will stop reimbursing for free care provided. Payments made thus far by Medicare to twelve private service providers and two facilities on Guam for free care services may be subject to payment recovery. We are estimating that on a yearly basis, Medicare is averaging a \$1M payment annually for medical care costs of end stage renal disease, one of the five free care illnesses on Guam.

The Medicaid Agency in Guam pays for the premium of Medicaid recipients who are eligible to Medicare Part B coverage. The rationale for doing this is for the Guam Agency to realize some savings. Medicare pays 80% and MIP pays 20% of Part B services for participating beneficiaries.

If the MIP statute remains unchanged, the Government will have to appropriate approximately an additional \$1M annually to the MIP budget. The Government will have to anticipate a retropayment of approximately \$8M to the federal government which was allegedly illegally paid to the different Guam ESRD service providers because end stage renal disease services are currently available at no cost to the residents of Guam.


Dr. David L.G. Shimizu
Re: Bill 1153
Page 3.

Guam will lose and will continue to lose the significant amount of federal dollars available from Medicare and Medicaid programs. The Government will have to pay for the full cost of medical services for the Free Care Illness Program recipients.

The amendment will allow the Government to maximize the use of available federal funds through the Medicaid/Medicare programs. With the amendment to the law, the program will need the services of an actuary to design a means test for the program to base coverage on ability to pay and a 90-day period thereafter to develop regulations in support of the proposed changes.

Thank you for the opportunity to comment on this very critical issue that Bill 1153 has addressed.

Sincerely,


KAREN A. CRUZ
Acting Director

BUREAU OF HEALTH CARE FINANCING
 MEDICALLY INDIGENT PROGRAM
 STATEMENT OF FREE CARE ILLNESS PROGRAM PER 10 GOA, CHAPTER 2
 PUBLIC WELFARE, SECTION 2913.10, PAGE 91 RECIPIENTS
 FISCAL YEARS 1992 AND 1993

ATTACHMENT A

BY ILLNESS CATEGORIES	FY 1992	FY 1993	% INCREASE (DECREASE)
Lytics/Bodig	90	132	46.67%
Insulin Injection	1,248	1,934	46.96%
Tuberculosis	30	56	86.67%
Dialysis	147	213	44.90%
Total Free Care Recipients	1,515	2,235	47.52%
Total MIP Recipients	4,906	7,571	57.53%
% of Total Free Care over Total MIP Rec.	31.52%	29.52%	-2.00%

Tabulation A, Categories of Recipients:

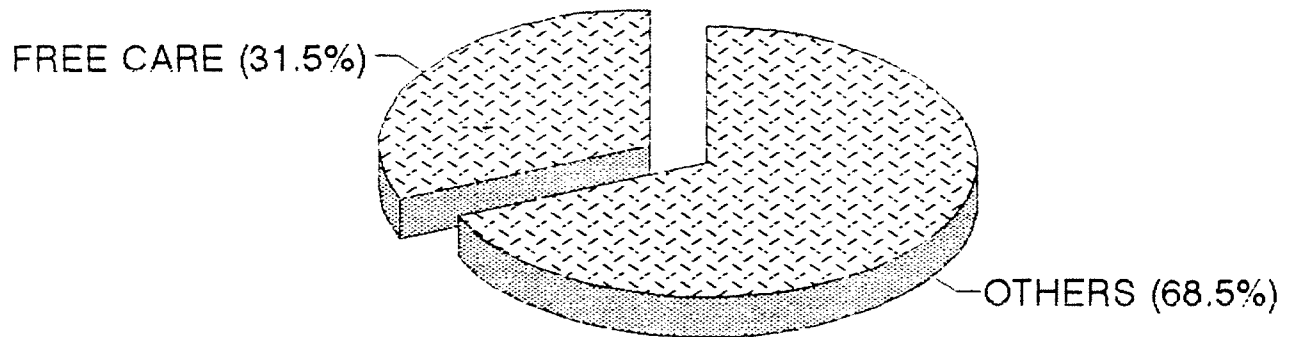
Fiscal Year '92:

Of the total 4,906 recipients, 1,515 or 31.52% are Free Care Illness Program recipients.

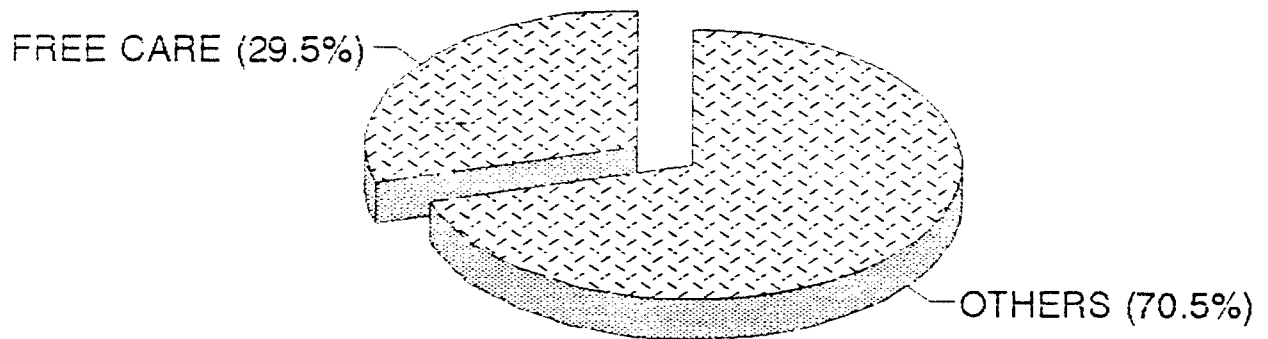
Fiscal Year '93:

Of the total 7,571 recipients, 2,235 or 29.52% are Free Care Illness Program recipients.

MEDICALLY INDIGENT PROGRAM RECIPIENTS - FISCAL YEAR 1992



**MEDICALLY INDIGENT PROGRAM
RECIPIENTS - FISCAL YEAR 1993**



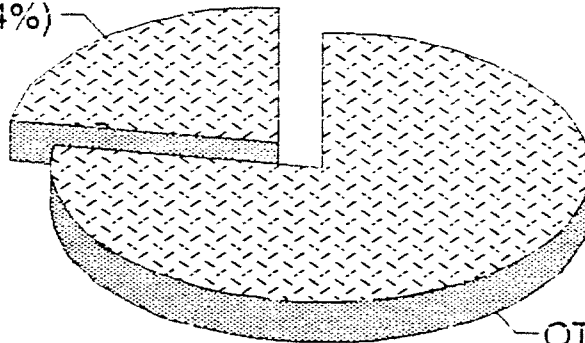
BUREAU OF HEALTH CARE FINANCING
 MEDICALLY INDIGENT PROGRAM
 STATEMENT OF FREE CARE ILLNESS PROGRAM PER 10 GSA, CHAPTER 2
 PUBLIC WELFARE, SECTION 2910.10, PAGE 91 RECIPIENTS
 FISCAL YEAR 1994 - 3 QUARTERS

ATTACHMENT A-1

BY ILLNESS CATEGORIES	QUARTERLY AVERAGE
Lytico/Bodig	105
Insulin Injection	1,539
Tuberculosis	26
Dialysis	116
Qtrly. Total No. of Free Care Rec.	1,786
Quarterly Total of MIP Recipients	6,177
% of Free Care over Total Qtrly. MIP Rec.	29.91%

MEDICALLY INDIGENT PROGRAM
RECIPIENTS - 3 QUARTER FY '94

FREE CARE (22.4%)



OTHERS (77.6%)

BUREAU OF HEALTH CARE FINANCING
 MEDICALLY INDIGENT PROGRAM
 STATEMENT OF FREE CARE ILLNESS PROGRAM PER 10 GOA. CHAPTER 2
 PUBLIC WELFARE, SECTION 2312.10, PAGE 91 EXPENDITURES
 FISCAL YEARS 1992 AND 1993

ATTACHMENT 3

BY ILLNESS CATEGORIES	FY 1992	FY 1993	% INCREASE (DECREASE)
Lytico/Bodig	\$266,390	\$513,976	94.33%
Diabetes (Insulin Injection)	\$293,791	\$351,205	19.54%
Tuberculosis	\$30,886	\$6,384	-79.33%
Dialysis	\$2,085,042	\$2,333,196	11.90%
Total Free Care Expenditures	\$2,676,109	\$3,209,761	19.94%
Total MIP *Misc. Expenditures	\$9,471,423	\$10,611,204	12.03%
% of Free Care Exp. over Total MIP Exp.	28.25%	30.25%	1.99%
Total MIP Funding	\$12,050,000	\$10,986,888	-9.65%
% of Free Care Exp. over Total MIP Funding	22.21%	29.48%	7.27%

Tabulation B, Expenditures per Categories:

Fiscal Year '92:

Of the total MIP medical payment of \$9,471,423.00, \$2,676,109.00 or 28.25% went into the free care illness payment.

Of the \$2,676,109.00 payment, \$2,085,042.00 or 77.91% went into the payment for dialysis and related services alone.

Of the total MIP funding of \$12,050,000.00, 22.21% went into the payment for Free Care Illnesses.

Fiscal Year '93:

Of the total MIP medical payment of \$10,611,204.00, \$3,209,761.00 or 30.25% went into the free care illness payment.

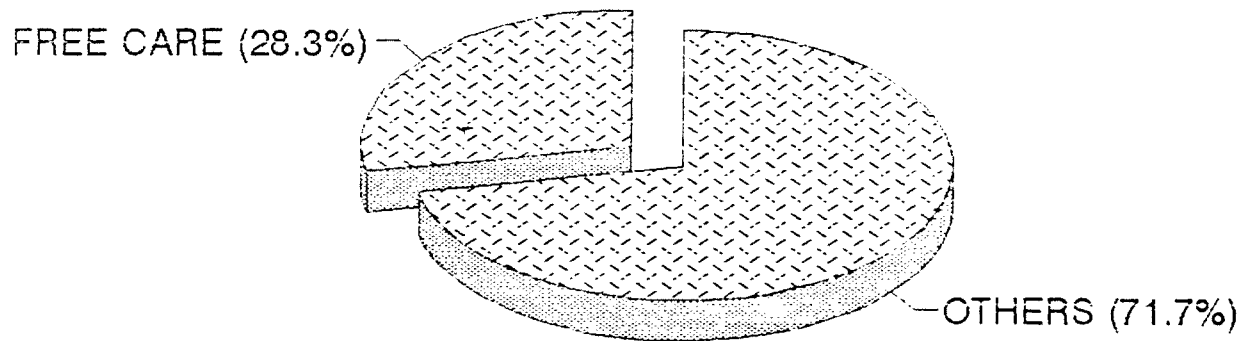
Of the \$3,209,761.00 payment, \$2,333,196.00 or 72.69% went into the payment for dialysis and related services alone.

Of the total MIP funding of \$10,986,000.00, 29% went into the payment for Free Care Illnesses.

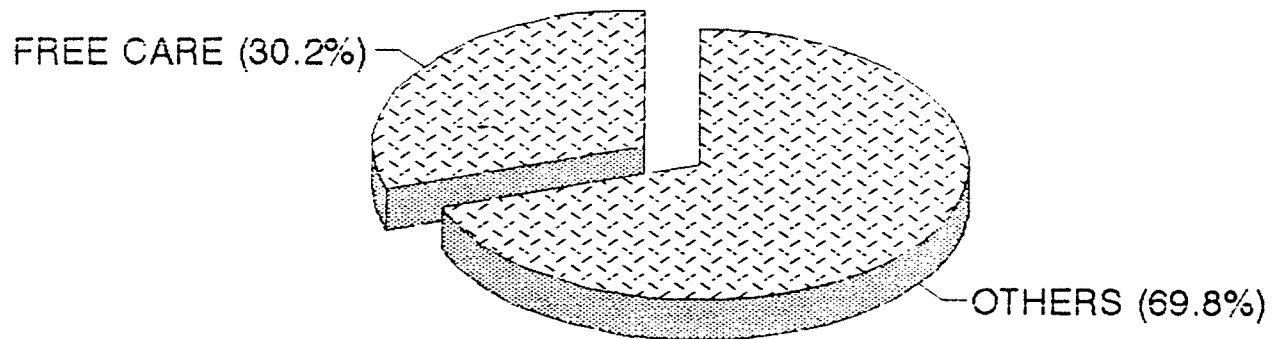
There is an increase of \$243,154.00 or 12% over 1992 MIP-Free Care Illness expenditures.

Apparently, from the foregoing presentation, there is a pooling of expenditures towards the payment of medical services for End Stage Renal Disease (ESRD). It will be noted from the tabulation that the next in rank to ESRD expenditures in a diminishing order is Insulin Injection, Lytico/Bodig and Tuberculosis for F.Y. '92. In F.Y. '93, almost the same pattern is seen except that this time, Lytico/Bodig outranked Insulin Injection.

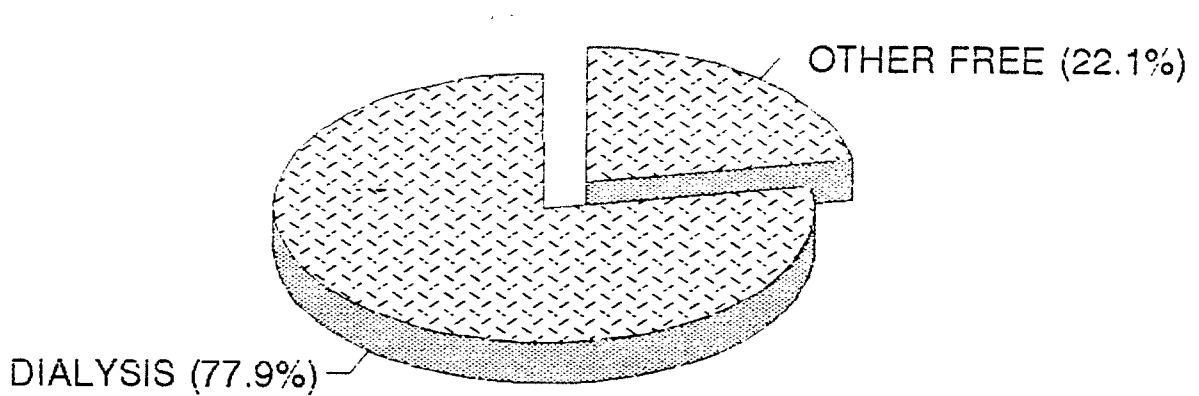
**MEDICALLY INDIGENT PROGRAM
EXPENDITURES - FISCAL YEAR '92**



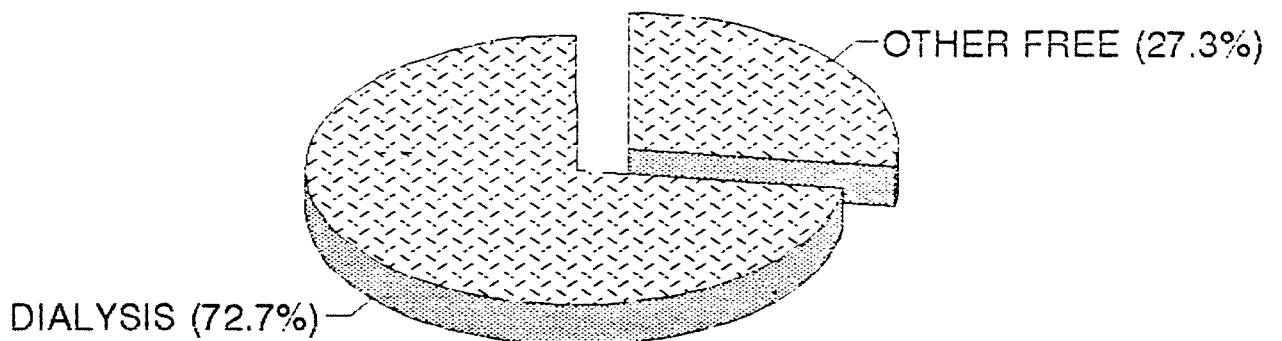
MEDICALLY INDIGENT PROGRAM EXPENDITURES - FISCAL YEAR '93



MEDICALLY INDIGENT PROGRAM
FREE CARE EXPENDITURES - FY '92



MEDICALLY INDIGENT PROGRAM
FREE CARE EXPENDITURES - FY '93

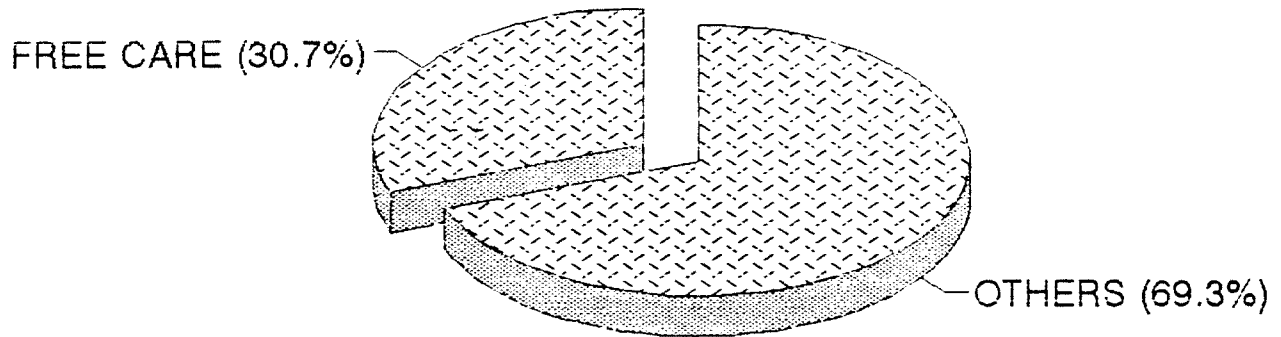


DEPT. OF HEALTH CARE FINANCING
 MEDICALLY INDIGENT PROGRAM
 STATEMENT OF FREE CARE ILLNESS PROGRAM PER 10 G04, CHAPTER 1
 PUBLIC WELFARE, SECTION 1913.10, PAGE 91 EXPENDITURES
 FISCAL YEAR 1994 - 3 QUARTERS

ATTACHMENT B-1

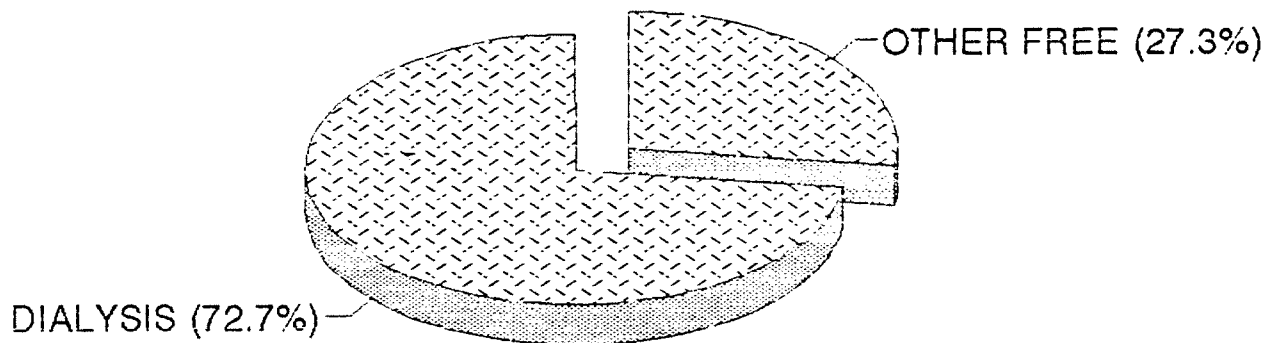
BY ILLNESS CATEGORIES	1ST QUARTER	2ND QUARTER	3RD QUARTER	TOTAL
Lytic/2odig	\$262,617	\$69,036	\$186,908	\$518,561
Diabetes (Insulin Injection)	\$163,358	\$134,729	\$84,613	\$382,700
Tuberculosis	\$19,440	\$31,188	\$19,771	\$69,399
Dialysis	\$771,386	\$596,260	\$913,334	\$2,281,480
Total Free Care Expenditures	\$1,216,301	\$1,131,213	\$1,203,626	\$3,551,140
Total MIP *Misc. Expenditures	\$3,996,112	\$3,731,921	\$3,845,865	\$11,573,798
% of Free Care Exp. over Total MIP Exp.	30.44%	30.31%	31.30%	30.66%

MEDICALLY INDIGENT PROGRAM EXPENDITURES - 3 QUARTERS FY '94



MEDICALLY INDIGENT PROGRAM

FREE CARE EXP. - 3 QUARTERS FY '94



FREE CARE ILLNESS PROGRAM PARTICIPANTS

The following is a selective analysis of our implementation of 10 GCA Chapter 2 Public Health Section 2913.10 on the free medical care and hospitalization of clients with End Stage Renal Disease.

Total Number of End Stage Renal Disease (ESRD) Clients Enrolled in the Free Care Program as of September 30, 1994 -----114

No. of clients by Type of Service:

Hemodialysis at the GMH-Hemodialysis unit-----76
 Peritoneal Dialysis at Pacific Dialysis
 Corporation (PDC) -----38
 Total -----114

No. of ESRD Clients by DPHSS Insurance Coverage:

Free Care Program - no means testing done-----92
 MIP - means tested-----22
 Total-----114

Free Care Clients by Insurance Coverage----- 92

Medicare Only-----27
 Private Health Insurance----- 6

BCBS-----1
 GMHP (Fed-Employee)-----1
 HML (Private Employee)-----1
 FHP (Fed-Employee)-----2
 FHP (Private Employee)-----1

GOG-Employee Health Plan-----16

GMHP (GOG-Employee)-----6
 FHP (GOG-Employee)-----6
 STW (GOG-Employee)-----4

Medicare and Private Insurance-----29

Private Employees-----10
 GMHP-----6
 BCBS-----1
 Aetna-----1
 UIU-----1
 HML-----1

Federal Employees-----	19
GMHP-----	6
FHP-----	9
HML-----	2
Champus-----	2

Medicare and GOG Health Plan-----	13
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GMHP-----	7
STW-----	3
FHP-----	3

No Health Insurance-----	1
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MIP Clients Who Met the Means Test, And Are Assisted Even Without a Free Care Program-----	22
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Medicaid and Private Insurance-----	1
Medicare-----	7
Medicaid and Medicare-----	5
Medicaid Only-----	6
No Private Insurance-----	3

Without the Free Care Program, the following number of clients will continue to receive assistance from appropriate health plan coverage:-----	91
--	----

Medicare-----	69
MIP/Medicaid-----	22

Without the Free Care Program, the following will not have assistance:-----	23
---	----

Private Employee Health Plan-----	6
BCBS-----	1
GMHP-----	1
HML-----	1
FHP-----	3

GOG Employee Health Plan-----	16
-------------------------------	----

GMHP-----	6
FHP-----	6
STW-----	4

No Health Insurance-----	1
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Bill No. 1153 (LS)
Amendatory Bill

YES NO

Date Received 10/14/94
Date Reviewed 10/14/94

Department/Agency Affected: Department of Public Health and Social Services
Department/Agency Head: Leticia Espaldon, M.D.
Total FY Appropriation to Date: 72,500,000

Bill Title (preamble) : AN ACT TO AMEND SECTION 2913.10 OF TITLE 10 OF GUAM CODE ANNOTATED TO REQUIRE PERSONS AFFLICTED WITH TUBERCULOSIS, LYTICO, BODIG, DIABETES, AND IRREVERSIBLE RENAL FAILURE TO MEET A MEANS TEST IN ORDER TO OBTAIN GOVERNMENT OF GUAM PAYMENTS FOR HOSPITALIZATION AND MEDICAL SERVICES FOR SUCH DISEASES.

Change in Law: To amend Section 2913.10, Title 10 GCA

Bill's Impact on Present Program Funding:
Increase Decrease Reallocation No Change

Bill is for: Operations Capital Improvement Other (Program Admin)

FINANCIAL/PROGRAM IMPACT

ESTIMATED SINGLE-YEAR FUND REQUIREMENTS (Per Bill)

PROGRAM CATEGORY	GENERAL FUND	OTHER	TOTAL
Public Health	1/		

ESTIMATED MULTI-YEAR FUND REQUIREMENTS (Per Bill)

FUND	1st	2nd	3rd	4th	5th	TOTAL
GENERAL FUND	1/					
OTHER						
TOTAL						

FUNDS ADEQUATE TO COVER INTENT OF THE BILL? YES/NO-IF NO, ADD'L AMOUNT REQUIRED \$ 1/

AGENCY/PERSON/DATE CONTACTED:

ESTIMATED POTENTIAL MULTI-YEAR REVENUES

FUND	1st	2nd	3rd	4th	5th	TOTAL
GENERAL FUND	1/					
OTHER						
TOTAL						

ANALYST *Leticia Espaldon* R. VERFALEN

DATE 10/14/94

DIRECTOR GIOVANNI T. SCAMBELLURI

DATE 10/14/94

1/ Although Bill entails fiscal impact, such information cannot be determined at this time.



DEPARTMENT OF HEALTH HUMAN SERVICES

Health Care
Financing Administration

Refer to: Health Care Financing Administration
Pacific Area Representative
300 Ala Moana Blvd., Room 6322
P.O. Box 50081
Honolulu, HI 96850

Region IX
75 Hawthorne Street
San Francisco, CA 94105

October 13, 1994

Senator David L.G. Shimizu
Chairman
Committee on Health, Ecology and
Welfare
Twenty Second Guam Legislature
324 West Soledad Avenue
Suite 202
Agana, Guam 96910

FAXED
10/14/94

0830 am

RECEIVED

Dear Senator Shimizu:

The Health Care Financing Administration very much appreciates the opportunity to provide this testimony regarding Bill 1153, AN ACT TO AMEND SECTION 2913.10 OF TITLE 10 OF GUAM CODE ANNOTATED TO REQUIRE PERSONS AFFLICTED WITH TUBERCULOSIS, LYTICO, BODIG, DIABETES, AND IRREVERSIBLE RENAL FAILURE TO MEET A MEANS TEST IN ORDER TO OBTAIN GOVERNMENT OF GUAM PAYMENTS FOR HOSPITALIZATION AND MEDICAL SERVICES FOR SUCH DISEASES.

It is the opinion of the Health Care Financing Administration that passage of new Guam legislation is essential for certain Guam health care providers to continue to receive Federal Medicare program payments for services provided to persons afflicted with the specifically mentioned diseases.

Current Guam law allows for fully subsidized (free) hospitalization and medical care for persons afflicted with these certain diseases without regard for an individual's ability to pay for such care. Sections 1862(a)(2) and 1862(a)(3) of the United States Social Security Act (42 USC 1395y) prohibit Medicare payment for any items or services (1) for which the patient furnished such items or services has no legal obligation to pay; or (2) which are paid for either directly or indirectly by a governmental entity. Under current Guam law Medicare payments for these services are not allowed.

As you know, Mr. Chairman, the Health Care Financing Administration has been working with the Government of Guam for an extended period of time to resolve this crucial issue. We believe Bill 1153, as written, will help to resolve the matter and permit Federal Medicare payments to continue to various Guam health care

providers, most notably the Guam Memorial Hospital. If it becomes necessary to discontinue Medicare payments the full burden of payments will fall to the Government of Guam. When Medicare reimbursement ceases, the Government of Guam will be responsible for additional medical assistance payments through the Medically Indigent Program of approximately \$1,000,000 per year. Additionally, another 8,000,000 in previous payments are potentially subject to Medicare overpayment recovery.

Guam health care providers can continue to receive Medicare payments for the specifically named services only if the Territory's free-care statute is amended to include a means test so that those patients who have the financial ability to pay for their own medical care are required to do so.

We appreciate the opportunity to provide this testimony and continue to be available for any further assistance that may be required to bring this issue to a close.

Sincerely,



Robert G. Bath
Pacific Area Representative

cc: Michael S. Piazza



GUAM MEMORIAL HOSPITAL AUTHORITY

850 GOV. CARLOS G. CAMACHO ROAD
OKA, TAMUNING, GUAM 96911
TEL: 646-5801 thru 5; 646-6710 thru 19
FAX: (671) 649-0145



**"Testimony on Bill 1153: An Act To Amend Section 2913.10
Of Title 10 of Guam Code Annotated To Require Persons
Afflicted With Tuberculosis, Lytico, Bodig Diabetes and
Irreversible Renal Failure To Meet A Means Test In Order
To Obtain Government of Guam Payments For Hospitalization
And Medical Services For Such Diseases"**

Good Morning Mister Chairman and Members of the Committee:

My name is PeterJohn Camacho, Hospital Administrator. I am presenting written testimony on Bill 1153, relative to amending Section 2913.10 of Title 10 of Guam Code Annotated. The Authority supports Bill 1153.

The Authority requests that the Committee consider deleting two words found in section "d", line 23 of page 3. This provision as written will mean that we would be losing potential revenue from those eligible patients. We request that the words "and directs" be removed. The Hospital, upon provision of a service must be able to recoup the cost for providing that service. The Authority needs to be able to proceed with collecting reimbursement for the service that was rendered.

Again, the Authority supports Bill 1153 with the one consideration. Thank you for the opportunity to present our concerns.


PETERJOHN DIAZ CAMACHO, MPH



Flyer submitted by Mrs. Rosario representing patients of Pacific Dialysis Corporation during Public Hearing on October 17, 1994.

ESRD PATIENTS
NEED YOUR HELP
WE CAN NOT
AFFORD TO PAY
HIGH COST OF
MEDICATION

SEP 29 '94

TWENTY-SECOND GUAM LEGISLATURE
(SECOND) Regular Session 1994

Bill No. 1153 (LS)

Introduced by:

CHAIRPERSON, COMMITTEE ON RULES

H. Deering

At the request of the Governor

AN ACT TO AMEND SECTION 2913.10 OF TITLE 10 OF GUAM CODE ANNOTATED TO REQUIRE PERSONS AFFLICTED WITH TUBERCULOSIS, LYTICO, BODIG, DIABETES, AND IRREVERSIBLE RENAL FAILURE TO MEET A MEANS TEST IN ORDER TO OBTAIN GOVERNMENT OF GUAM PAYMENTS FOR HOSPITALIZATION AND MEDICAL SERVICES FOR SUCH DISEASES.

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

Section 1. Legislative Findings. The Legislature hereby finds and determines that it is in the public interest to maximize the use of federal programs and payments to fund health care services for the treatment of persons afflicted with tuberculosis, lytico, bodig (Amyotrophic Lateral Sclerosis or Parkinsonism Dementia), diabetes, or end stage renal disease (ESRD) who are unable to pay for such treatment and who are either uninsured or underinsured. The Legislature finds that it is the position of the federal government that it is necessary to make changes in Guam law concerning Government of Guam funding of health care for these five diseases in order to maintain federal funding therefor. Further, the Legislature finds that the federal government has taken the position that Medicare-certified ESRD providers, physicians and practitioners on Guam should not be entitled to receive Medicare program payments for ESRD services rendered because such services are included in the free-care provisions of Guam law.

Section 2. Legislative Intent. The Legislature hereby intends: to maintain federal funding for the treatment of eligible persons afflicted with tuberculosis, lytico, bodig (Amyotrophic Lateral Sclerosis or Parkinsonism Dementia), diabetes or end stage renal disease (ESRD); to maximize participation in federally funded health care programs; to ensure that those afflicted persons who have the economic means, personally, or through private health insurance, to finance their health care treatment for these five diseases, do so; and to ensure that all persons receive health care treatments for these five diseases, including those who do not

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1 qualify for federally funded or private insurance health care programs, who are
2 unable to pay for such treatment, and who are either uninsured or underinsured.
3

4 Section 3. §2913.10 of Title 10 Guam code Annotated, is hereby repealed
5 and reenacted to read as follows:

6 "§2913.10. Program Requirements. To be eligible for coverage, an
7 applicant for the Medically Indigent Program must be a resident of Guam
8 who applies for and qualifies for assistance as determined by the Medically
9 Indigent Program eligibility standards according to the following three sets
10 of criteria: Income Limitations, Resource Limitations and Residence
11 Requirement except that no Residence Requirement shall be imposed for
12 persons with tuberculosis. Eligibility shall begin in the month the
13 application is received. Coverage of eligibility can be retroactive to three
14 months back (90 days) except for services requiring program prior
15 authorization.

16 (a) Eligibility. An applicant must also be one who is or would be
17 legally obligated to pay for medical services rendered to such person but,
18 through indigence or other financial circumstances, is unable to pay for
19 such services and either:

20 (a) (1) is not eligible for Medicare or Medicaid coverage under
21 Title XVIII or XIX of the Social Security Act; or

22 (b) (2) has neither private medical insurance coverage nor the
23 financial ability to pay for medical insurance coverage or for medical
24 services as determined by the program; or

25 (c) (3) has Medicare, Medicaid or private medical insurance
26 coverage but such coverage is inadequate to cover the cost of medically
27 required treatment and ~~who~~ such person is otherwise qualified for the
28 program as a result of inadequate income or resources.

29 (b) Limitation. Any supplemental coverage provided pursuant to this
30 Article is limited to those items or services for which coverage is not
31 otherwise provided by any primary insurer. Supplemental coverage may
32 include amounts due for co-insurance obligations, deductibles, and other
33 services for which a specific primary coverage may not have been available
34 at the time the medical service was rendered, and is further subject to the
35 coverage and all limitations of the Medically Indigent Program. Coverage
36 and limitations.

1 ~~The free hospitalization and medical care of persons afflicted with~~
2 ~~tuberculosis, or lytico or bodig (Amstrophic Lateral Seleresis or~~
3 ~~Parkinsonism Dementia), and insulin injections for diabetes patients, and~~
4 ~~irreversible renal failure shall continue under the Medically Indigent~~
5 ~~Program without regards to income and resources. Residency requirement~~
6 ~~is waived for persons with tuberculosis.~~

7 (c) Additional Coverage. The Government of Guam, through
8 the Medically Indigent Program (MIP) shall pay for health services for
9 tuberculosis, lytico, bodig, diabetes, or ESRD for persons who are
10 unable, with due diligence, to obtain adequate public or private
11 health insurance coverage for such care, and who lack the means or
12 financial ability to pay for their own care. DPHSS shall identify the
13 persons now in the MIP free care program and ensure that those
14 who are unable, with due diligence, to obtain adequate public or
15 private health insurance coverage for such care, and who lack the
16 means or financial ability to pay for their own care, receive the
17 necessary care, either through the MIP program, GMHA, or other
18 appropriate health care program. "The Department of Public Health
19 and Social Services (DPHSS), in accordance with the Administrative
20 Adjudication Law, shall adopt regulations necessary to implement
21 and administer the provisions of this section.

22 (d) Waiver of Charges. The Guam Memorial Hospital
23 Authority (GMHA) is authorized and directed to waive its charges for
24 health services for tuberculosis, lytico, bodig, diabetes, or ESRD for
25 persons who are unable, with due diligence, to obtain adequate
26 public or private health insurance coverage for such care, and who
27 lack the means or financial ability to pay for their own care. GMHA,
28 in accordance with the Administrative Adjudication Law, shall adopt
29 regulations necessary to implement and administer the provisions of
30 this section.

31 Section 4. Severability. If any provision, clause or phrase of this Chapter,
32 or the application thereof to any person, legal entity or circumstance is held
33 invalid, such invalidity shall not affect other provisions or applications of this
34 Chapter which may be given effect without the invalid provision or application, and
35 all provisions of this Chapter are therefore declared to be separable.

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Section 5. Effective Date. The provisions in this amended Section 2913.10
are effective thirty days after this Act becomes law.