

#110 REFERRED TO  
LEGISLATIVE SECRETARY  
RECEIVED BY LC  
Date & Time: 4/25/95 11:30  
PRINT NAME: LC



CARL T.C. GUTIERREZ  
GOVERNOR OF GUAM

OFFICE OF THE SECRETARY  
Date: 4/24/95  
Time: 12:21  
Received By: Sau Hill  
Print Name: Sau Hill

APR 22 1995

The Honorable Don Parkinson  
Speaker  
Twenty-Third Guam Legislature  
424 West O'Brien Drive  
Julale Center - Suite 222  
Agana, Guam 96910

Dear Speaker Parkinson:

Enclosed please find a copy of Bill No. 185 (LS), "AN ACT TO APPROVE THE ADDITION OF FIFTY-SEVEN (57) PHARMACEUTICAL ITEMS TO THE HOSPITAL'S FEE SCHEDULE", which I have **signed** into law today as **Public Law 23-07**.

Very truly yours,

  
Carl T. C. Gutierrez

Attachment

230372


TWENTY-THIRD GUAM LEGISLATURE  
1995 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

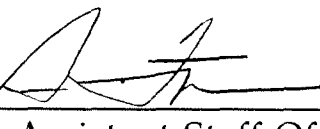
This is to certify that Bill No. 185 (LS), "AN ACT TO APPROVE THE ADDITION OF FIFTY-SEVEN (57) PHARMACEUTICAL ITEMS TO THE HOSPITAL'S FEE SCHEDULE," was on the 7th day of April, 1995, duly and regularly passed.

  
\_\_\_\_\_  
DON PARKINSON  
Speaker

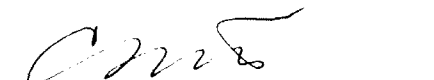
Attested:

  
\_\_\_\_\_  
JUDITH WON PAT-BORJA  
Senator and Legislative Secretary

-----  
This Act was received by the Governor this 17<sup>th</sup> day of April,  
1995, at 11:35 o'clock A.M.

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

APPROVED:

  
\_\_\_\_\_  
CARL T. C. GUTIERREZ  
Governor of Guam

Date: 4-22-95

Public Law No. 23-07

TWENTY-THIRD GUAM LEGISLATURE  
1995 (FIRST) Regular Session

Bill No. 185 (LS)

Introduced by:

Committee on Rules

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At the request of the Governor

AN ACT TO APPROVE THE ADDITION OF FIFTY-SEVEN (57) PHARMACEUTICAL ITEMS TO THE HOSPITAL'S FEE SCHEDULE.

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

2           **Section 1.** The Guam Memorial Hospital has identified fifty-seven (57)  
3 additional pharmaceutical items to add to its current fee schedule. Such  
4 pharmaceutical items have been rendered to patients but prior hereto have  
5 not been adjudicated by statute. The following fees for pharmaceutical items  
6 are hereby approved as additions to the Guam Memorial Hospital's current  
7 fee schedule.

8	<u>Medication</u>	<u>Recommended Price</u>
9	1. Acetaminophen 325 mg/10 ml	\$ 0.33
10	2. Acetaminophen 650 mg/20 ml	\$ 0.50
11	3. Acetazolamide 250 mg	\$ 0.25
12	4. Acetylcysteine, Mucomyst 10%, 10 ml	\$ 48.18
13	5. Aluminum/Magnesium Simeth/II-30 ml	\$ 0.72
14	6. Ammonium Chloride 100mg/20 ml	\$ 3.97
15	7. Antihemophilic Factor 8, 1 unit	\$ 385.72
16	8. Aristocort Forte Parenteral 40 mg/ml	\$ 6.84

1	9. Bacitracin 500 u/GM, 0.9 gm	\$ 0.14
2	10. Benzoin Comp. Tincture 473 ml	\$ 8.27
3	11. Cyanide Antidote	\$ 321.00
4	12. Dacroise Eye, Irrigating 118 ml	\$ 8.96
5	13. Dantrium 70 ml	\$ 152.19
6	14. Empty Tubex 1 ml	\$ 1.52
7	15. Empty Tubex 2 ml	\$ 1.52
8	16. Enkaid 25 mg	\$ 0.94
9	17. Ophthalgen 7.5 ml	\$ 13.20
10	18. Guaifenesin, Robitussin 100 mg/5 ml	\$ 3.06
11	19. Hydrophilic 1 lb	\$ 7.41
12	20. Hyperab 2 ml	\$ 128.45
13	21. Hyperab 10 ml	\$ 426.40
14	22. Iodine Povidone, Efodine 1% / 1.5 g	\$ 0.14
15	23. Kaolin/Pectin 30 ml	\$ 0.74
16	24. Labetalol, Normodyne HCL 300 mg	\$ 2.13
17	25. Lidocaine Hydrochloride 2%/2 ml	\$ 1.49
18	26. Manganese 0.1 mg/ml, 10 ml	\$ 1.49
19	27. Metopirone 250 mg	\$ 2.89
20	28. Mineral Oil 10 ml	\$ 2.34
21	29. Nesacaine 3%/30 ml	\$ 46.25
22	30. Norvasc 10 mg	\$ 4.48
23	31. Norvasc 2.5 mg	\$ 2.62
24	32. Norvasc 5 mg	\$ 2.62
25	33. Papaverine HCL Injection, 30 mg/10 ml	\$ 10.25
26	34. Pentothal Ready-to-Mix, 250 mg	\$ 9.23
27	35. Phenobarbital Elixir, 30 mg/7.5 ml	\$ 1.87

1	36. Kayexalate 453.6 gm (Bottle)	\$ 357.51
2	37. Kayexalate 1 gm	\$ 0.94
3	38. Potassium Chlor. Oral, 15 mg/11.25 ml	\$ 0.72
4	39. Potassium Chlor. Oral, 30 mg/22.5 ml	\$ 0.72
5	40. Potassium Chlor. Oral, 40 mg / 30 ml	\$ 0.72
6	41. Primaxin Injection 500 mg	\$ 62.45
7	42. Matulane 50 mg	\$ 1.60
8	43. Robitussin 10 ml	\$ 0.77
9	44. Robitussin-DM 10 ml	\$ 1.43
10	45. Sodium Lactate 10 ml / 20 ml	\$ 10.78
11	46. Empty Container Sterile Vial 10 ml	\$ 2.92
12	47. Empty Container Sterile Vial 30 ml	\$ 5.40
13	48. Surgilube 3.0 gm	\$ 0.08
14	49. Triple-Dye .65 ml	\$ 1.98
15	50. Vincristine Sulfate 1 mg	\$ 97.77
16	51. Water for Injection 10 ml (Sterile)	\$ 1.48
17	52. Xylocaine 20 ml / 1.5%	\$ 24.06
18	53. Xylocaine MPF 1% / 5ml	\$ 5.56
19	54. Xylocaine MPF 2% / 10ml	\$ 17.28
20	55. Xylocaine with Epin. MPF 1% / 30 m	\$ 17.04
21	56. Xylocaine with Epin. MPF 2% / 20 m	\$ 18.61
22	57. Zinc Gluconate 100 mg	\$ 0.08

# TWENTY-THIRD GUAM LEGISLATURE

1995 (FIRST) Regular Session

Date: 4/7/95

## VOTING SHEET

Bill No. 185

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

Question: \_\_\_\_\_

NAME	AYE	NO	NOT VOTING/ ABSTAINED	ABSENT/ OUT DURING ROLL CALL
ADA, Thomas C.	✓			
AGUON, John P.	✓			
BARRETT-ANDERSON, Elizabeth	✓			
BLAZ, Anthony C.	✓			
BROWN, Joanne S.	✓			
CAMACHO, Felix P.	✓			
CHARFAUROS, Mark C	✓			
CRISTOBAL, Hope A.	✓			
FORBES, MARK	✓			
LAMORENA, Alberto C., V	✓			
LEON GUERRERO, Carlotta	✓			
LEON GUERRERO, Lou	✓			
NELSON, Ted S.				✓
ORSINI, Sonny L.	✓			
PANGELINAN, Vicente C	✓			
PARKINSON, Don	✓			
SAN AGUSTIN, Joe T.	✓			
SANTOS, Angel L. G.	✓			
SANTOS, Francis E.	✓			
UNPINGCO, Antonio R.	✓			
WONPAT-BORJA, Judith	✓			

TOTAL 20 \_\_\_\_\_ 1

PL 23-01



TWENTY-THIRD  
GUAM LEGISLATURE  
324 W. SOLEDAD AVENUE  
AGAÑA, GUAM 96910  
TEL: (671) 472-3543/44/45  
FAX: (671) 472-3832

SENATOR LOU LEON GUERRERO, RN, MPH

CHAIRPERSON  
COMMITTEE ON HEALTH, WELFARE, AND SENIOR CITIZENS

April 5, 1995

The Honorable  
Don Parkinson  
Speaker, 23rd Guam Legislature  
Agana, Guam

via: Committee on Rules

Dear Mr. Speaker:

The Committee on Health, Welfare & Senior Citizens to which was referred Bill 185, RELATIVE TO THE ADOPTION OF THE ADDING FIFTY-SEVEN (57) PHARMACEUTICAL ITEMS TO THE HOSPITAL'S FEE SCHEDULE herein reports back and recommends **To Do Pass**.

Votes of committee members are as follows:

- To Pass
- Not To Pass
- To The Inactive File
- Abstained
- Off-Island
- Not Available

Sincerely,

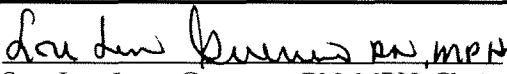
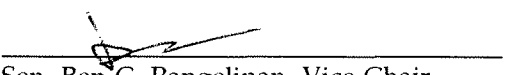
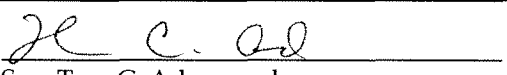
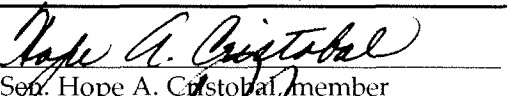


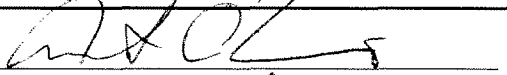
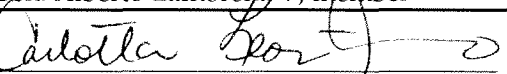
Lou Leon Guerrero, RN, MPH

attachments

**Committee On Health, Welfare, And Senior Citizens  
VOTE SHEET**

on

Bill 185, RELATIVE TO THE ADOPTION OF THE ADDING FIFTY-SEVEN (57)  
PHARMACEUTICAL ITEMS TO THE HOSPITAL'S FEE SCHEDULE.

COMMITTEE MEMBER	TO PASS	NOT TO PASS	ABSTAIN	INACTIVE FILE
 Sen. Lou Leon Guerrero, RN, MPH, Chair	✓			
 Sen. Ben C. Pangelinan, Vice Chair	✓			
 Sen. Tom C. Ada, member	✓			
 Sen. Mark C. Charfauros, member				
 Sen. Hope A. Cristobal, member	✓			
 Vice Speaker Ted S. Nelson, member	✓			
 Sen. Angel L.G. Santos, member				
 Sen. Judith Won Pat-Borja, member	✓			
 Sen. Anthony C. Blaz, member				
 Sen Felix P. Camacho, member				
 Sen. Alberto Lamorena V, member	✓			
 Sen. Carlotta Leon Guerrero, member	✓			



Twenty-Third Guam Legislature

Bill no.: 185

Introduced at the Request of the Governor

"Relative to the Adoption of the Adding Fifty-Seven (57) Pharmaceutical Items to the Hospital's Fee Schedule"

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

Section 1. A new subsection (g) is added to section 80105 of 10 GCA to read:

"Section 80105(g). The Hospital has identified fifty-seven (57) additional pharmaceutical items to add to its current fee schedule. Such pharmaceutical items have been rendered to patients but have not been adjudicated by statute. These fees being recommended for adoption are as follows:

<u>Medication</u>	<u>Recommended Price</u>
1. Acetaminophen 325 mg/10 ml	\$ 0.33
2. Acetaminophen 650 mg/20 ml	\$ 0.50
3. Acetazolamide 250 mg	\$ 0.25
4. Acetylcysteine, Mucomyst 10%, 10 ml	\$ 48.18
5. Aluminum/Magnesium Simeth/II-30 ml	\$ 0.72
6. Ammonium Chloride 100 mg/20 ml	\$ 3.97
7. Antihemophilic Factor 8, 1 unit	\$ 385.72
8. Aristocort Forte Parenteral 40 mg/ml	\$ 6.84
9. Bacitracin 500 u /GM, 0.9gm	\$ 0.14
10. Benzoin Comp. Tincture 473 ml	\$ 8.27
11. Cyanide Antidote	\$ 321.00
12. Dacroise Eye, Irrigating 118 ml	\$ 8.96
13. Dantrium 70 ml	\$ 152.19
14. Empty Tubex 1 ml	\$ 1.52
15. Empty Tubex 2 ml	\$ 1.52
16. Enkaid 25 mg	\$ 0.94
17. Ophthalgen 7.5 ml	\$ 13.20
18. Guaifenesin, Robitussin 100 mg/ 5ml	\$ 3.06
19. Hydrophilic 1 lb	\$ 7.41

20. Hyperab 2 ml	\$128.45
21. Hyperab 10 ml	\$426.40
22. Iodine Povidone, Efodine 1% / 1.5 g	\$ 0.14
23. Kaolin/Pectin 30 ml	\$ 0.74
24. Labetalol, Normodyne HCL 300 mg	\$ 2.13
25. Lidocaine Hydrochloride 2%/2ml	\$ 1.49
26. Manganese 0.1 mg/ml, 10 ml	\$ 1.49
27. Metopirone 250 mg	\$ 2.89
28. Mineral Oil 10 ml	\$ 2.34
29. Nesacaine 3%/30 ml	\$ 46.25
30. Norvasc 10 mg	\$ 4.48
31. Norvasc 2.5 mg	\$ 2.62
32. Norvasc 5 mg	\$ 2.62
33. Papaverine HCL Injection, 30 mg/10 ml	\$ 10.25
34. Pentothal Ready-to-Mix, 250 mg	\$ 9.23
35. Phenobarbital Elixir, 30mg/7.5ml	\$ 1.87
36. Kayexalate 453.6 gm (Bottle)	\$357.51
37. Kayexalate 1 gm	\$ 0.94
38. Potassium Chlor. Oral, 15mg/11.25 ml	\$ 0.72
39. Potassium Chlor. Oral, 30mg/22.5 ml	\$ 0.72
40. Potassium Chlor. Oral, 40 mg / 30 ml	\$ 0.72
41. Primaxin Injection 500 mg	\$ 62.45
42. Matulane 50 mg	\$ 1.60
43. Robitussin 10 ml	\$ 0.77
44. Robitussin-DM 10 ml	\$ 1.43
45. Sodium Lactate 10 ml / 20 ml	\$ 10.78
46. Empty Container Sterile Vial 10 ml	\$ 2.92
47. Empty Container Sterile Vial 30 ml	\$ 5.40
48. Surgilube 3.0 gm	\$ 0.08
49. Triple-Dye .65 ml	\$ 1.98
50. Vincristine Sulfate 1 mg	\$ 97.77
51. Water for Injection 10 ml (Sterile)	\$ 1.48
52. Xylocaine 20 ml / 1.5%	\$ 24.06
53. Xylocaine MPF 1% / 5ml	\$ 5.56
54. Xylocaine MPF 2% / 10ml	\$ 17.28
55. Xylocaine with Epin. MPF 1% / 30 m	\$ 17.04
56. Xylocaine with Epin. MPF 2% / 20 m	\$ 18.61
57. Zinc Gluconate 100 mg	\$ 0.08

COMMITTEE REPORT  
HEALTH, WELFARE & SENIOR CITIZENS

**Bill No. 185-"Relative to the Adoption of the Adding Fifty-Seven (57) Pharmaceutical Items to the Hospital's Fee Schedule"**

**PUBLIC HEARING**

The Health, Welfare & Senior Citizens Committee held a public hearing on Monday, April 3, 1995 at 9:00 a.m. to hear testimonies on **Bill No. 185-"Relative to the Adoption of the Adding Fifty-Seven (57) Pharmaceutical Items to the Hospital's Fee Schedule"**. The public hearing was held at Guam Memorial Hospital First Floor Classroom.

The hearing was called to order by the HW&SC Chairperson, Senator Lou Leon Guerrero. Committee members present were Senators Ben Pangelinan and Tony Lamorena.

**PURPOSE**

All fees for new services and products/supplies must be adjudicated through the Administrative Adjudication Act and must be introduced at the Request of the Governor. Fifty-Seven (57) new Pharmaceutical items are currently being dispensed but are not being charged.

**BACKGROUND**

P.L. 21-90 § 80105 of 10GCA Chapter 80 states:

§. Hospital Rates. (d) The Authority shall not implement rates in the current fee schedule, unless approved by the Legislature by statute. The Authority may set fees, pursuant to the Administrative Adjudication Act....."

P.L. 22-96 Subsection (b) § 9303, Title 5 GCA requires the Governor to submit proposed rules to the Legislature in bill format.

**TESTIMONY**

Oral testimony was presented by George Macris, M.D. and Helen Ripple, GMHA Administrator. Both stated that they are in favor of this bill. Dr. Macris commented that he believes "the fees are fair,

maybe a little too low and the markup is conservative relative to cost."

Written testimony was presented by Dennis G. Rodriguez, Director Department of Public Health and Social Services who favors Bill 185. James W. Gillan, Chief Operating Officer, GMHP provided written testimony indicating "that some of the charges proposed exceed our current Formulary Charges by 100 percent." "The cost increases in all Pharmacy items used by in-patients will, of course, have to be passed on in Premium increases."

## FINDINGS

Pharmaceutical fees are set following the criteria of the Net Revenue Enhancement Model using the inventory price (landed price) and factoring a markup of either 1.45 for supply items, or 2.756 for medications.

Fifty-Seven (57) items are currently being dispensed but are not charged or collected.

## COMMITTEE RECOMMENDATION

**On Bill 185-"Relative to the Adoption of the Adding Fifty-Seven (57) Pharmaceutical Items to the Hospital's Fee Schedule", the Committee on Health, Welfare & Senior Citizens hereby recommends TO DO PASS.**

GUAM MEMORIAL HOSPITAL AUTHORITY  
PUBLIC HEARING  
RELATIVE TO NEW RATES

57 Pharmacy Items  
Package #4

PHARMACY DEPARTMENT  
MEDICATION

Acetaminophen 325 mg/ 10 ml: Medication is used for analgesic, and antipyretic.

NEW \* (42-00304)

Charge Cost: \$.33

*max-B-D  
up price*

Acetaminophen 650 mg/ 20 ml: Medication is used for analgesic, and antipyretic.

NEW \* (42-00305)

Charge Cost: \$.50

Acetazolamide 250 mg:

Medication is used for carbonic, and anhydros inhibitor.

NEW \* (42-00052)

Charge Cost: \$.25

Acetylcysteine,  
Mucomyst 10%, 10 ml:

Medication is used for mucolytic agent, and respiratory inhalant.

NEW \* (42-00306)

Charge Cost: \$48.18

Aluminum/ Magnesium  
Simeth/-II 30 ml:

Medication is used for antacid.

NEW \* (42-00307)

Charge Cost: \$.72

Ammonium Chloride  
100 mg/ 20 ml:

Medication is used for astringent.

NEW \* (42-00125)

Charge Cost: \$3.97

GOVERNMENT OF GUAM EXPENDITURES

GUAM MEMORIAL HOSPITAL AUTHORITY  
PUBLIC HEARING  
RELATIVE TO NEW RATES

PHARMACY DEPARTMENT  
MEDICATION (Continued)

<i>Antihemophilic Factor 8, 1 Unit:</i>	Medication is used for antihemophilic.
NEW * (42-00128)	Charge Cost: \$385.72
<hr/>	
<i>Aristocort Forte Parenteral 40 mg/ ml:</i>	Corticosteroid medication.
NEW * (42-00164)	Charge Cost: \$6.84
<hr/>	
<i>Bacitracin 500 u/ GM, 0.9gm:</i>	Medication is used for antibacterial.
NEW * (42-00165)	Charge Cost: \$.14
<hr/>	
<i>Benzoin Comp. Tincture 473 ml:</i>	Medication is used for topical protectant.
NEW * (42-00175)	Charge Cost: \$8.27
<hr/>	
<i>Cyanide Antidote:</i>	Medication is used for antidote.
NEW * (42-00180)	Charge Cost: \$321.00
<hr/>	

DEPARTMENT OF GUAM EXPENS

GUAM MEMORIAL HOSPITAL AUTHORITY  
PUBLIC HEARING  
RELATIVE TO NEW RATES

PHARMACY DEPARTMENT  
MEDICATION (Continued)

*Dacroise Eye,  
Irrigating 118 ml:*

Medication is used for irrigating solutions, and ophthalmic.

NEW \* (42-00222)

Charge Cost: \$8.96

---

*Dantrium 70 ml:*

Medication is used for skeletal muscle relaxant.

NEW \* (42-00251)

Charge Cost: \$152.19

---

*Empty Tubex 1 ml:*

Tubex is used for placebo injection.

NEW \* (42-00254)

Charge Cost: \$1.52

---

*Empty Tubex 2 ml:*

Tubex is used for placebo injection.

NEW \* (42-00256)

Charge Cost: \$1.52

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(REPRODUCTION BY GOVERNMENT OF GUAM EXPENS

GUAM MEMORIAL HOSPITAL AUTHORITY  
PUBLIC HEARING  
RELATIVE TO NEW RATES

PHARMACY DEPARTMENT  
MEDICATION (Continued)

<i>Enkaid 25 mg:</i>	Medication is used for antiarrhythmic.
NEW * (42-00257)	Charge Cost: \$.94
<hr/>	
<i>Ophthalgen 7.5 ml:</i>	Hyperosmolar eye preparations.
NEW * (42-00258)	Charge Cost: \$13.20
<hr/>	
<i>Guaifenesin, Robitussin 100 mg/ 5 ml:</i>	Medication is used for expectorant.
NEW * (42-00259)	Charge Cost: \$3.06
<hr/>	
<i>Hydrophilic 1 lb:</i>	Medication is used for ointment base.
NEW * (42-00308)	Charge Cost: \$7.41
<hr/>	
<i>Hyperab 10 ml:</i>	Medication is used for agent for immunization.
NEW * (42-00261)	Charge Cost: \$426.40
<hr/>	
<i>Hyperab 2 ml:</i>	Medication is used for agent for immunization.
NEW * (42-00262)	Charge Cost: \$128.45
<hr/>	
<i>Iodine Povidone, Efodine 1 %/ 1.5 g:</i>	Medication is used as an antiseptic.
NEW * (42-00264)	Charge Cost: \$.14
<hr/>	



GUAM MEMORIAL HOSPITAL AUTHORITY

PUBLIC HEARING  
RELATIVE TO NEW RATES

PHARMACY DEPARTMENT  
MEDICATION (Continued)

*Kaolin/Pectin 30 ml:* Medication is used for antidiarrheal combinations.

NEW \* (42-00265) Charge Cost: \$.74

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*Labetalol, Normodyne  
HCL 300 mg:* Medication is used for antihypertensive.

NEW \* (42-00266) Charge Cost: \$2.13

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*Lidocaine Hydrochloride  
2%/ 2 ml:* Medication is used for local anesthetic.

NEW \* (42-00269) Charge Cost: \$1.49

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*Manganese 0.1 mg/ ml, 10 ml:* Medication is used for manganese deficiency. Pharmaceutical necessity.

NEW \* (42-00271) Charge Cost: \$1.49

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GOVERNMENT OF GUAM EXPENDS

GUAM MEMORIAL HOSPITAL AUTHORITY  
PUBLIC HEARING  
RELATIVE TO NEW RATES

PHARMACY DEPARTMENT  
MEDICATION (Continued)

<i>Metopirone 250 mg:</i>	Medication is used for diagnostic aid. (For pituitary function determination).
NEW * (42-00273)	Charge Cost: \$2.89
<hr/>	
<i>Mineral Oil 10 ml:</i>	Medication is used for cathartic pharmaceutical aid. (Solvent, oleaginous vehicle).
NEW * (42-00274)	Charge Cost: \$2.34
<hr/>	
<i>Nesacaine 3%/ 30 ml:</i>	Medication is used for local anesthetic.
NEW * (42-00247)	Charge Cost: \$46.25
<hr/>	
<i>Norvasc 10 mg:</i>	Medication is used as calcium channel blocker.
NEW * (42-00246)	Charge Cost: \$4.48
<hr/>	
<i>Norvasc 2.5 mg:</i>	Medication is used as calcium channel blocker.
NEW * (42-00244)	Charge Cost: \$2.62
<hr/>	
<i>Norvasc 5 mg:</i>	Medication is used as calcium channel blocker.
NEW * (42-00245)	Charge Cost: \$2.62
<hr/>	
<i>Papaverine HCL Injection, 30 mg/ ml, 10 ml:</i>	Medication is used for smooth muscle relaxant.
NEW * (42-00275)	Charge Cost: \$10.25

GOVERNMENT OF GUAM EXPENS

GUAM MEMORIAL HOSPITAL AUTHORITY  
PUBLIC HEARING  
RELATIVE TO NEW RATES

PHARMACY DEPARTMENT  
MEDICATION (Continued)

*Pentothal Ready-To-Mix, 250 mg:*

Medication is used for anesthetic.

NEW \* (42-00276)

Charge Cost: \$9.23

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*Phenobarbital Elixir, 30 mg/ 7.5 ml:*

Medication is used for anticonvulsant, hypnotic, and sedative.

NEW \* (42-00277)

Charge Cost: \$1.87

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*Kayexalate 453.6 gm (Bottle):*

Medication is used for lowering potassium.

NEW \* (42-00278)

Charge Cost: \$357.51

---

*Kayexalate 1 gm:*

Medication is used for lowering potassium.

NEW \* (42-00312)

Charge Cost: \$.94

---

*Potassium Chlor. Oral, 15 mg/ 11.25 ml:*

Medication is used for potassium deficiency, and hypoptassemia.

NEW \* (42-00279)

Charge Cost: \$.72

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*Potassium Chlor. Oral, 30 mg/ 22.5 ml:*

Medication is used for potassium deficiency, and hypoptassemia.

NEW \* (42-00281)

Charge Cost: \$.72

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GOVERNMENT OF GUAM EXPENS

GUAM MEMORIAL HOSPITAL AUTHORITY  
PUBLIC HEARING  
RELATIVE TO NEW RATES

PHARMACY DEPARTMENT  
MEDICATION (Continued)

*Potassium Chlor. Oral,*  
40 mg/ 30 ml:

Medication is used for potassium deficiency, and hypoptassemia.

NEW \* (42-00282)

Charge Cost: \$.72

---

*Primaxin Injection 500 mg:*

Medication is used for anti-infective.

NEW \* (42-00243)

Charge Cost: \$62.45

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*Matulane 50 mg:*

Medication is used for cytostatic antineoplastic agent.

NEW \* (42-00285)

Charge Cost: \$1.60

---

*Robitussin 10 ml:*

Medication is used for expectorant.

NEW \* (42-00286)

Charge Cost: \$.77

---

*Robitussin-DM 10 ml:*

Medication is used for expectorant.

NEW \* (42-00287)

Charge Cost: \$1.43

---

(REPRODUCED AT GOVERNMENT OF GUAM EXPENSE)

GUAM MEMORIAL HOSPITAL AUTHORITY  
PUBLIC HEARING  
RELATIVE TO NEW RATES

PHARMACY DEPARTMENT  
MEDICATION (Continued)

Sodium Lactate  
10 ml/ 20 ml:

Medication is used for fluid and  
electrolyte replenisher.

NEW \* (42-00288)

Charge Cost: \$10.78

---

Empty Container Sterile  
Vial 10 ml:

Item is used for transferring  
solutions.

NEW \* (42-00291)

Charge Cost: \$2.92

---

Empty Container Sterile  
Vial 30 ml:

Item is used for transferring  
solutions.

NEW \* (42-00292)

Charge Cost: \$5.40

---

Surgilube 3.0 gm:

Medication is used for surgical  
lubricant.

NEW \* (42-00293)

Charge Cost: \$.08

---

PUBLIC HEARING  
RELATIVE TO NEW RATES

PHARMACY DEPARTMENT  
MEDICATION (Continued)

Triple-Dye .65 ml: Medication is used for umbilical area disinfectant.

NEW \* (42-00296) Charge Cost: \$1.98

---

Vincristine Sulfate 1 mg: Medication is used for aneoplastic.

NEW \* (42-00297) Charge Cost: \$97.77

---

Water for Injection  
10 ml (Sterile):

Medication is used for Pharmaceutic aid (solvent), irrigation therapy, vehicle, and fluid.

NEW \* (42-00298) Charge Cost: \$1.48

---

Xylocaine 20 ml/ 1.5%:

Medication is used for local anesthetic.

NEW \* (42-00299) Charge Cost: \$24.06

---

Xylocaine MPF 1%/ 5 ml:

Medication is used for local anesthetic.

NEW \* (42-00248) Charge Cost: \$5.56

---

Xylocaine MPF 2%/ 10 ml:

Medication is used for local anesthetic.

NEW \* (42-00249) Charge Cost: \$17.28

---

Xylocaine with Epin.  
MPF 1%/ 30 m:

Medication is used for local anesthetic.

NEW \* (42-00253) Charge Cost: \$17.04

---

GUAM MEMORIAL HOSPITAL AUTHORITY  
PUBLIC HEARING  
RELATIVE TO NEW RATES

PHARMACY DEPARTMENT  
MEDICATION (Continued)

*Xylocaine with Epin.*  
MPF 2%/ 20 m:

Medication is used for local  
anesthetic.

NEW \* (42-00255)

Charge Cost: \$18.61

---

*Zinc Gluconate 100 mg:*

Medication is used for zinc supplement  
(trace mineral).

NEW \* (42-00301)

Charge Cost: \$.08

---

Bill No. 185  
 Amendatory Bill YES  NO

Date Received 3/27/95  
 Date Reviewed 4/05/95

Department/Agency Affected: GUAM MEMORIAL HOSPITAL, AUTHORITY  
 Department/Agency Head: Helen B. Ripple  
 Total FY Appropriation to Date: \$61,642,689

Bill Title (preamble): AN ACT TO ADD A NEW SUBSECTION (g) TO SECTION  
80105 OF 10 GCA.

Change in Law: Yes, Add a new Subsection (g) to Section 80105 of 10GCA.

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

Bill is for:  Operations     Capital Improvement     Other ( )

**FINANCIAL/PROGRAM IMPACT**

PROGRAM CATEGORY	ESTIMATED SINGLE-YEAR FUND REQUIREMENTS (Per Bill)		TOTAL
	GENERAL FUND	OTHER	
Health & Welfare	See Attached		

FUND	ESTIMATED MULTI-YEAR FUND REQUIREMENTS (Per Bill)					
	1st	2nd	3rd	4th	5th	TOTAL
GENERAL FUND	_____	_____	_____	_____	_____	_____
OTHER	_____	_____	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____	_____	_____

FUNDS ADEQUATE TO COVER INTENT OF THE BILL? YES/NO-IF NO, ADD'L AMOUNT REQUIRED \$ \_\_\_\_\_  
 AGENCY/PERSON/DATE CONTACTED: GMHA / Jeff Moylan / 4/5/95

FUND	ESTIMATED POTENTIAL MULTI-YEAR REVENUES					
	1st	2nd	3rd	4th	5th	TOTAL
GENERAL FUND	See Attached					
OTHER	_____	_____	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____	_____	_____

ANALYST: Orilda J. Guerrero DATE: 4/5/95 DIRECTOR: JOSEPH E. RIVERA DATE: 3/15/95  
 Act in:

FOOTNOTES:



## Comments on Bill No. 185

Bill No. 185 is an Act to add a new subsection (g) to section 80105 of 10 GCA relative to the adoption of adding fifty-seven (57) pharmaceutical items to the Hospital's Fee Schedule.

Based on information from the Guam Memorial Hospital Authority, it is anticipated that potential revenues in the amount of \$383,057.64 for the first year will be realized.

Medication	Unit Price	Est. Usage Annual	Total Costs
Acetaminophen 325 mg/10 ml	0.33	2400	792.00
Acetaminophen 650 mg/20 ml	0.5	4800	2,400.00
Acetazolamide 250 mg	0.25	2520	630.00
Acetylcysteine, Mucomyst 10%, 10 ml	48.18	240	11,563.20
Aluminum/Magnesium Simeth/II-30 ml	0.72	2400	1,728.00
Ammonium Chloride 100 mg/20 ml	3.97	300	1,191.00
Antihemophilic Factor 8, 1 unit	385.72	480	185,145.60
Aristocort Forte Parenteral 40 mg/ml	6.84	60	410.40
Bacitracin 500 u/GM, 0.9 gm	0.14	2400	336.00
Benzoin Comp. Tincture 473 ml	8.27	72	595.44
Cyanide Antidote	321	12	3,852.00
Dacroise Eye, Irrigating 118 ml	8.96	48	430.08
Dantrium 70 ml	152.19	12	1,826.28
Empty Tubex 1 ml	1.52	1200	1,824.00
Empty Tubex 2 ml	1.52	1200	1,824.00
Enkaid 25 mg	0.94	60	56.40
Ophthalgen 7.5 ml	13.2	12	158.40
Guaifenesin, Robitussin 100 mg/5 ml	3.06	240	734.40
Hydrophilic 1 lb	7.41	12	88.92
Hyperab 2 ml	128.45	12	1,541.40
Hyperab 10 ml	426.4	12	5,116.80
Iodine Povidone, Efodine 1%/1.5 g	0.14	2400	336.00
Kaolin/Pectin 30 ml	0.74	240	177.60
Labetalol, Normodyne HCL 300 mg	2.13	96	204.48
Lidocaine Hydrochloride 2%/2 ml	1.49	120	178.80
Manganese 0.1 mg/ml, 10 ml	1.49	12	17.88
Metopirone 250 mg	2.89	12	34.68
Mineral Oil 10 ml	2.34	240	561.60
Nescaine 3%/30 ml	46.25	72	3,330.00
Norvasc 10 mg	4.48	2400	10,752.00
Norvasc 2.5 mg	2.62	2400	6,288.00
Norvasc 5 mg	2.62	2400	6,288.00
Papaverine HCL Injection, 30 mg/10 ml	10.25	12	123.00
Pentothal Ready-to-Mix, 250 mg	9.23	4800	44,304.00
Phenobarbital Elixir, 30 mg/7/5	1.87	60	112.20
Kayexalate 453.6 gm (Bottle)	357.51	60	21,450.60

Kayexalate 1 gm	0.94	600	564.00
Potassium Chlor. Oral, 15 mg/11.25 ml	0.72	240	172.80
Potassium Chlor. Oral, 30 mg/22.5 ml	0.72	240	172.80
Potassium Chlor. Oral, 40 mg/30 ml	0.72	240	172.80
Primaxin Injection 500 mg	62.45	600	37,470.00
Matulane 50 mg	1.6	60	96.00
Robitussin 10 ml	0.77	2400	1,848.00
Robitussin-DM 10 ml	1.43	600	858.00
Sodium Lactate 10 ml/20 ml	10.78	60	646.80
Empty container Sterile Vial 10 ml	2.92	60	175.20
Empty container Sterile Vial 30 ml	5.4	60	324.00
Surgilube 3.0 gm	0.08	1200	96.00
Triple Dye .65 ml	1.98	60	118.80
Vincristine Sulfate 1 mg	97.77	24	2,346.48
Water for Injection 10 ml (Sterile)	1.48	1200	1,776.00
Xylocaine 20 ml/1.5%	24.06	240	5,774.40
Xylocaine MFP 1%/5ml	5.56	240	1,334.40
Xylocaine MFP 2%/10ml	17.28	240	4,147.20
Xylocaine with Epin. MPF 1%/30 m	17.04	240	4,089.60
Xylocaine with Epin. MPF 2%/20 m	18.61	240	4,466.40
Zinc Gluconate 100 mg	0.08	60	4.80
<b>Total</b>			<b>\$383,057.64</b>

\* Bill 185 \*

The undersigned have appeared and/or submitted testimony to the Committee on Health, Welfare & Senior Citizens to testify on Bill 185, RELATIVE TO THE ADOPTION OF THE ADDING FIFTY-SEVEN (57) PHARMACEUTICAL ITEMS TO THE HOSPITAL'S FEE SCHEDULE.

Name Jim Gillan  
Representing GMP  
Address/Phone \_\_\_\_\_

Name \_\_\_\_\_  
Representing \_\_\_\_\_  
Address/Phone \_\_\_\_\_

Name \_\_\_\_\_  
Representing \_\_\_\_\_  
Address/Phone \_\_\_\_\_

Name \_\_\_\_\_  
Representing \_\_\_\_\_  
Address/Phone \_\_\_\_\_

Name \_\_\_\_\_  
Representing \_\_\_\_\_  
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Name \_\_\_\_\_  
Representing \_\_\_\_\_  
Address/Phone \_\_\_\_\_

Name \_\_\_\_\_  
Representing \_\_\_\_\_  
Address/Phone \_\_\_\_\_



GUAM MEMORIAL HEALTH PLAN  
142 West Seaton Blvd.,  
Agana, Guam 96910  
Tel: 472-GMHP  
Fax: (671) 477-1784

April 3, 1995

Honorable Lourdes Leon Guerrero, RN, MPH  
Chairperson, Committee on Health,  
Welfare and Senior Citizens  
Twenty-Third Guam Legislature (First)  
Regular Session  
342 W. Soledad Avenue  
Agana, Guam 96910

Dear Senator Leon Guerrero:

My testimony relates to bills 184, 185, 186, and 187 respectively.

Bill 184 approves the existing fee schedule at the Guam Memorial Hospital reflecting price adjustments developed from the Net Revenue Enhancement Model.

While the annual adjustment sought in this fee schedule is an aggregate 13.5 percent, we looked at some of the most common procedures we currently cover at GMH to determine what the impact would be on our future costs. We offer the following for your information:

DIAGNOSIS	INCREASE
Chronic Cholecystitis	31%
Benign Prostatic Hyper- trophy	45%
Appendicitis	42%
Torn Ligament Knee	69%
Pyelonephritis	37%
Chest Pain R/O MI	52%
C-Section	48%
Term Pregnancy	85%*

\*(Assumes we will be required to pay for three separate room charges on the day of admission, i.e., Labor Room Observation, Delivery Room, and Obstetrics Floor Bed

As you can see, most of our common costs are going to increase much more than the 13.5 percent aggregate. To put this in another perspective, we estimate that the anticipated increase in premium for the Government of Guam, Commercial Accounts, and Federal Government Accounts for **Hospital costs alone** will be: 12%, 8%, and 8%, respectively.

While we appreciate the Hospital's need to charge fees sufficient to meet their costs, we also will have to adjust our charges to meet the anticipated increase in charges to us. We would also be very interested in looking for more cost effective alternatives to Hospital based care and will be working with other Third Party Payors to encourage the development of those kinds of alternatives.

#### Bill 185

This bill seeks to add fifty-seven pharmaceutical items to the current fee schedule. We have done a cursory review and find that some of the charges proposed exceed our current Formulary Charges by 100 percent. (Our current Formulary is based upon the January 1, 1995 Medispan report for Average Wholesale Price (AWP)). The cost increases in all Pharmacy items used by in-patients will, of course, have to be passed on in Premium increases. We currently do not have an agreement to use the Out-patient Pharmacy services at the Hospital due to the higher charges.

#### Bill 186

This bill seeks adoption by law of a Professional Fee Model for the development of fees for professional services. The bill would give the Hospital the authority to adjust these fees annually without recourse to Administrative Adjudication Requirements.

GMHP endorses the concept of agreement on **any** reasonable method for establishing fees for Professional services. Using the CPT and the Resource Based Relative Value Scale (RBRVS) is a forward thinking concept on the part of the Hospital and the Consultants and Physicians who put it together. It recognizes time and skills required to provide a service, and also takes into account the complexities of the settings in which the provider operates. It appears on its face to be eminently equitable.

I am sure most physicians would agree that the CPT adequately describes the services provided, and the RBRVS allows for an equitable **method** to determine how much is to be paid for the service provided.

What becomes somewhat troublesome for me, however, are the proposed fees that would become effective with the passage of this act. They are easily 10 to 20 percent higher than the fees GMHP currently pays to its providers. This fee schedule will eventually effect our providers when they see what a GMH "House" Physician will be getting reimbursed. This schedule will cause upward pressures on our rate schedule any will probably force us to increase our RVS.

I do not support exempting the fee schedule from the Administrative Adjudication process. As can be seen from the record of attendees at the last few AAA hearings, only the Third Party Payors, interested Government Agencies and Legislative staff were in attendance. The general public is I'm sure somewhat hesitant to become involved in this process as it is quite complex and even confusing. As long as the Hospital remains a Governmental Agency, as long as it continues to provide care paid for by General Revenues and as long as it is the only civilian source of acute care, some public accounting must be given of all the activities of the facility. The Legislature has I feel an obligation to use its best efforts to determine for the people of Guam, whether any proposed fee or charge by any Government Agency is reasonable and appropriate. Perhaps there is a way to streamline the process, but the Public's best interest is served by requiring some sort of Administrative Review Process

#### Bill 187

This bill would allow for the adoption of the Guam Memorial Hospital's Pricing Model for use in the establishment and adjustment of fees set by the Hospital. The model was the result of a revenue enhancement project undertaken by Deloitte and Touche several years ago.

We agree that a reasonable and rational **method** for determining the rate structure should be adopted. The model used by the consultants is as good as any used in other hospitals. Our basic concern is that in the development of the model, the consultants did not question the hospital's costs in order to determine whether they were appropriate as the base for the development of the model.

Page 4.

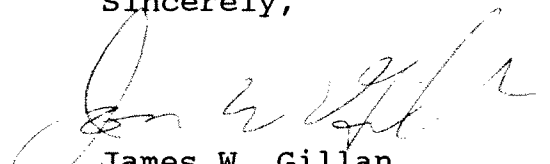
We do not agree that the Pricing Model needs to be adopted by legislation, that should be a policy decision made by the Board of Trustees. The model for the development of Professional fees also should not be adopted by legislation. The Hospital should have the flexibility to use any rational methodology for developing its fee schedules.

We are opposed to any exemption from the Administrative Adjudication process for the same reasons as stated in our position on Bill 186. Some would lead you to believe that the AAA process hampers their ability to establish rates and fees on a timely basis. We do not agree. The example of the anti clotting agent Activase has been used by the Hospital several times as an example of what happens when they do not get their new drugs adjudicated in a timely manner. Is that drug still not adopted in the fee schedule? We would be very disappointed if that were so since the hospital has had many years to properly include it in the fee schedule. Indeed, there was enough information available on that drug early enough that it could have been adopted in the schedule of fees in a relatively timely manner.

We would support a streamlined adjudication process for medically necessary pharmaceuticals and supplies with provision for retrospective review of the circumstances causing the 'medical necessity'.

Thank you for the opportunity to present this testimony.

Sincerely,



James W. Gillan  
Chief Operating Officer



DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES

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



APR 0 1 1995

Honorable Lou Leon Guerrero  
Chairperson, Health, Welfare And Senior Citizens  
23rd Guam Legislature  
Guam

Dear Madam Chair:

Thank you for the opportunity to present our position on Bill No. 184:

An Act to Accept the Hospital's Implementation of an Annual Adjustment to the Net Revenue Enhancement Model Reflecting Price Adjustments to the Existing Fee Schedule Items of the Guam Memorial Hospital Authority."


I agree that the Hospital's existing fee schedule deserves some adjustments to increase its rates. P.L.18-26 allowed the Hospital to increase their rates across the board for three successive years. The rate increase was started in 1986 and ended in 1988 at 12% for the first two years and 4% on the third year. The law precluded them to have any rate increase after 1988.

The increase to these rates are long overdue. I think that for most of the fees, 13.5% increase is realistic. The implementation of the annual adjustment to the new Net Revenue Enhancement Model, to increase rates though, needs a thorough analysis of the model.

Granted that this model is a workable model to use on Guam, what guarantee that payors on island will reimburse the Hospital at this rates. This is very significant since Hospital fees using this model utilizes contractual adjustment as part of its indirect costs. What guarantee does the Hospital have, that payors will reimburse the Hospital if not at full charge at least at a reasonable percentage of charges?

MIP as you all know pays at 100% percent of covered charges. If the Hospital, for some reasons is unable to be reimbursed appropriately, again there will be a shifting of cost to the government.

Thank you.

  
DENNIS G. RODRIGUEZ  
Director







DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES

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



APR 0 1 1995

Honorable Lou Leon Guerrero  
Chairperson, Health, Welfare And Senior Citizens  
23rd Guam Legislature  
Guam

Dear Madam Chair:

Thank you for the opportunity to present our position on Bill No. 185:

"Relative to the Adoption of the Adding Fifty Seven (57) Pharmaceutical Items to the Hopital's Fee Schedule."

I am in favor of adding the requested list of pharmaceutical preparations to GMHA's current fee schedule. These pharmaceutical preparation are currently dispensed to patients without the Hospital being re-imbursed for it. Non-adjudication of these fees will result to continued non-payment of these items by GMHA's payors.

Thank you.

A handwritten signature in black ink, appearing to read "Dennis G. Rodriguez".

DENNIS G. RODRIGUEZ  
Director



DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES

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



APR 0 1 1995

Honorable Lou Leon Guerrero  
Chairperson, Health, Welfare And Senior Citizens  
23rd Guam Legislature  
Guam

Dear Madam Chair:

Thank you for allowing me to share with you some of my comments on Bill 186:

"Relative to the Adoption of the Hospital's Professional Fee Model for use in the Establishment and Adjustment of Fees for Professional Services set by the Authority"

This Bill authorizes and exempts GMHA from the provisions of the Administrative Adjudication Act on the use the Professional Fee Model for the pricing of professional fees at the Hospital. Furthermore, this is in an attempt by the Hospital to assure the people of Guam that the Hospital is cost effective in the delivery of services by physicians and other professional practitioners.

The implementation of RBRVS as a basis for physician reimbursement was started in Jan.1,1992 with full implementation by Jan.1996. Actually what spurred Congress' interest in physician payment reform was the dramatic increase in the Government spending for physician services and Medicare Part B services. This prompted Congress to establish in 1986, the Physician Payment Review Commission (PPRC) which together with Department of Health Human Services (DHSS) made an extensive set of recommendations that was incorporated in the Omnibus Budget Reconciliation Act of 1989 (OBRA'89) to authorize the development of the RVS.

The ultimate goals of using this payment system is **fairness**, in that physician reimbursement is based on the amount of work it takes a doctor to diagnose and/or treat patients, instead of basing payment on physicians' charge histories. By basing payments on work, adjusted by cost of practice in different localities, the assumption is that reimbursement will be equitable across specialties and geographic areas. Ultimately this will **slow down the rise in government (Medicare) spending for physician services**. This is made possible by reduction of reimbursement for overvalued procedures.



Commonwealth Now!

Page 2

Bill No. 186

Committee Health, Welfare & Senior Citizens


The significant reimbursement impact that accompanies RVS, aside from a departure from the basic ways physicians are reimbursed for services, is, the overall shifting of Medicare dollars from specialist to physicians who provide evaluation and management services.

With this background information, I do not envision a problem in the Hospital wanting to use the Medicare's Resource Based Relative Value Scale (RBRVS) scheme as a basis for pricing professional services on Guam.

The principle of reimbursement from federal funded programs like Medicaid (which is being administered by DPHSS), will still remain the same. Medicaid's reimbursement cannot be more than what Medicare would pay.

On a related matter, I am concern with the Hospital's inability to bill for professional services of house staff. Concurrent efforts should be directed into streamlining billing activities as this will help the Hospital recover cost at the same time lift the financial burden from the government. Let us try to shift the cost to the rightful payors in this community.

Thank you.



DENNIS G. RODRIGUEZ  
Director,



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



APR 03 1995

Honorable Lou Leon Guerrero  
Chairperson, Committee on Health, Welfare and Senior Citizens  
23rd Guam Legislature  
Agana, Guam

Dear Madam Chair:

Thank you for allowing me to share with you my thoughts on  
Bill 187:

"Relative to the Adoption of the Hospital's Pricing Model for  
use in the Establishment and Adjustment of Fees set by the  
Authority"

There is no doubt in my mind that the Hospital is in the right  
direction as far as efforts to come up with a fee setting model.  
However, this model should not only provide a more realistic  
approach to generating appropriate fees sufficient to cover the  
costs of providing medical services, but should also be a model  
that is able to provide for adjustment of fees if deemed necessary.

The last adjustment to the Hospital's fee schedule was in 1985,  
when P.L.18-26 allowed GMHA an increase over a three-year period of  
12% for the first two years and 4% on the third year commencing  
from 1986 to 1988. Since that time the law prevented them from any  
further fee adjustments. However, I feel that for as long as  
nothing is in place to force payors to pay the Hospital at whatever  
rates are generated using this model, or else improve the  
Hospital's billing and collection practices, then the Hospital  
(government) will continue to be plagued by the same problems that  
it has all these years.

Currently, the only payor that pays the Hospital at the highest  
rate, 100% of covered charges, is the local government-funded  
Medically Indigent Program (MIP). Should this model that utilizes  
"contractual allowances" as one of the major components of GMHA  
costs (in fee setting) be implemented, a further cost shifting to  
the government through MIP is expected to continue.

Medicare, a federal government administered program reimburses the  
Hospital on an interim per diem rate. I understand that this rate  
is based on Medicare's analysis of the Hospital's cost report. The  
rates vary from year to year. An example of which is as follows:




Acute Care Rate	FY '93	FY '94	Effective Date
Part A (Hosp.)	\$627/day	\$608/day	Service date on or after 5/1/94
Part B (Outpt.)	89%	No change	"

Medicare used to reimburse the Hospital at a hundred percent of charges in the early eighties. After the Hospital started unbundling their charges, Medicare started reimbursing the Hospital at lower rates. As a matter of fact, sometime later in the eighties, Medicare started reimbursing the Hospital at a low rate of \$320/day of hospitalization regardless of the level of acute care.

It is worth examining these areas since Medicaid which is a federal/local matching program, reimburses the Hospital following Medicare's principle of reimbursement. Medicaid, by federal regulation, cannot pay for medical services more than what Medicare would pay.

I firmly believe that changes in the Hospital's fee structure is long overdue. However, I donot believe that this is the only change necessary to solve the Hospital's long-standing problems.

Thank you.



DENNIS G. RODRIGUEZ  
DIRECTOR, DPHSS

Introduced

APR 05 1995

Twenty-Third Guam Legislature

CHAIRMAN, COMMITTEE ON RULES

Bill no.: 185 (LS)

Introduced at the Request of the Governor

"Relative to the Adoption of the Adding Fifty-Seven (57) Pharmaceutical Items to the Hospital's Fee Schedule"

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

2 Section 1. A new subsection (g) is added to section 80105 of 10 GCA to read:

3 "Section 80105(g). The Hospital has identified fifty-seven (57) additional  
4 pharmaceutical items to add to its current fee schedule. Such pharmaceutical items have been  
5 rendered to patients but have not been adjudicated by statute. These fees being recommended  
6 for adoption are as follows:

7	<u>Medication</u>	<u>Recommended Price</u>
8	1. Acetaminophen 325 mg/10 ml	\$ 0.33
9	2. Acetaminophen 650 mg/20 ml	\$ 0.50
10	3. Acetazolamide 250 mg	\$ 0.25
11	4. Acetylcysteine, Mucomyst 10%, 10 ml	\$ 48.18
12	5. Aluminum/Magnesium Simeth/II-30 ml	\$ 0.72
13	6. Ammonium Chloride 100 mg/20 ml	\$ 3.97
14	7. Antihemophilic Factor 8, 1 unit	\$ 385.72
15	8. Aristocort Forte Parenteral 40 mg/ml	\$ 6.84
16	9. Bacitracin 500 u /GM, 0.9gm	\$ 0.14
17	10. Benzoin Comp. Tincture 473 ml	\$ 8.27
18	11. Cyanide Antidote	\$ 321.00
19	12. Dacroise Eye, Irrigating 118 ml	\$ 8.96
20	13. Dantrium 70 ml	\$ 152.19
21	14. Empty Tubex 1 ml	\$ 1.52
22	15. Empty Tubex 2 ml	\$ 1.52
23	16. Enkaid 25 mg	\$ 0.94
24	17. Ophthalgen 7.5 ml	\$ 13.20
25	18. Guaifenesin, Robitussin 100 mg/ 5ml	\$ 3.06
26	19. Hydrophilic 1 lb	\$ 7.41

1	20. Hyperab 2 ml	\$128.45
2	21. Hyperab 10 ml	\$426.40
3	22. Iodine Povidone, Efodine 1% / 1.5 g	\$ 0.14
4	23. Kaolin/Pectin 30 ml	\$ 0.74
5	24. Labetalol, Normodyne HCL 300 mg	\$ 2.13
6	25. Lidocaine Hydrochloride 2%/2ml	\$ 1.49
7	26. Manganese 0.1 mg/ml, 10 ml	\$ 1.49
8	27. Metopirone 250 mg	\$ 2.89
9	28. Mineral Oil 10 ml	\$ 2.34
10	29. Nesacaine 3%/30 ml	\$ 46.25
11	30. Norvasc 10 mg	\$ 4.48
12	31. Norvasc 2.5 mg	\$ 2.62
13	32. Norvasc 5 mg	\$ 2.62
14	33. Papaverine HCL Injection, 30 mg/10 ml	\$ 10.25
15	34. Pentothal Ready-to-Mix, 250 mg	\$ 9.23
16	35. Phenobarbital Elixir, 30mg/7.5ml	\$ 1.87
17	36. Kayexalate 453.6 gm (Bottle)	\$357.51
18	37. Kayexalate 1 gm	\$ 0.94
19	38. Potassium Chlor. Oral, 15mg/11.25 ml	\$ 0.72
20	39. Potassium Chlor. Oral, 30mg/22.5 ml	\$ 0.72
21	40. Potassium Chlor. Oral, 40 mg / 30 ml	\$ 0.72
22	41. Primaxin Injection 500 mg	\$ 62.45
23	42. Matulane 50 mg	\$ 1.60
24	43. Robitussin 10 ml	\$ 0.77
25	44. Robitussin-DM 10 ml	\$ 1.43
26	45. Sodium Lactate 10 ml / 20 ml	\$ 10.78
27	46. Empty Container Sterile Vial 10 ml	\$ 2.92
28	47. Empty Container Sterile Vial 30 ml	\$ 5.40
29	48. Surgilube 3.0 gm	\$ 0.08
30	49. Triple-Dye .65 ml	\$ 1.98
31	50. Vincristine Sulfate 1 mg	\$ 97.77
32	51. Water for Injection 10 ml (Sterile)	\$ 1.48
33	52. Xylocaine 20 ml / 1.5%	\$ 24.06
34	53. Xylocaine MPF 1% / 5ml	\$ 5.56
35	54. Xylocaine MPF 2% / 10ml	\$ 17.28
36	55. Xylocaine with Epin. MPF 1% / 30 m	\$ 17.04
37	56. Xylocaine with Epin. MPF 2% / 20 m	\$ 18.61
38	57. Zinc Gluconate 100 mg	\$ 0.08