



OFFICE OF THE GOVERNOR
TERRITORY OF GUAM

SEP 03 1996

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

OFFICE OF THE SPEAKER	
Date:	September 3, 1996
Time:	2:30 pm
Received by:	Arlene B. Tores
Officer Name:	Arlene B. Tores


REF TO
LEGISLATIVE SECRETARY


Dear Mr. Speaker:

Enclosed please find a copy of Bill No. 1 (6-S) (LS), "AN ACT TO AMEND SUBSECTION (o) OF §80104 OF TITLE 10, GUAM CODE ANNOTATED, AND TO WAIVE GUAM MEMORIAL HOSPITAL'S IMMUNITY FROM PAYMENT OF ATTORNEY'S FEES UNDER TITLE 5, GUAM CODE ANNOTATED, CHAPTER 6, ALL RELATIVE TO ALLOWING GUAM MEMORIAL HOSPITAL TO ARRANGE A LINE OF CREDIT NOT TO EXCEED THREE MILLION DOLLARS", which I have signed into law as **Public Law No. 23-121**.

A copy has also been delivered to the Office of the Legislative Secretary.

Very truly yours,


Madeleine Z. Bordallo
Acting Governor of Guam

OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By:	
Time:	10:09 am
Date:	SEPT. 4, 1996

Attachment

231449



OFFICE OF THE GOVERNOR
TERRITORY OF GUAM

SEP 03 1996

The Honorable Judith Won-Pat Borja
Legislative Secretary
Twenty-Third Guam Legislature
Guam Legislature Temporary Building
155 Hesler Street
Agana, Guam 96910

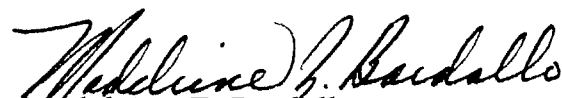
OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	<u>JS</u>
Time	<u>4:14 pm.</u>
Date	<u>3 SEPT. 1996</u>

Dear Madame Legislative Secretary:

Enclosed please find a copy of Bill No. 1 (6-S) (LS), "AN ACT TO AMEND SUBSECTION (o) OF §80104 OF TITLE 10, GUAM CODE ANNOTATED, AND TO WAIVE GUAM MEMORIAL HOSPITAL'S IMMUNITY FROM PAYMENT OF ATTORNEY'S FEES UNDER TITLE 5, GUAM CODE ANNOTATED, CHAPTER 6, ALL RELATIVE TO ALLOWING GUAM MEMORIAL HOSPITAL TO ARRANGE A LINE OF CREDIT NOT TO EXCEED THREE MILLION DOLLARS", which I have signed into law as **Public Law No. 23-121**.

A copy has also been delivered to the Office of the Speaker.

Very truly yours,


Madeleine Z. Bordallo
Acting Governor of Guam

Attachment

231448

TWENTY-THIRD GUAM LEGISLATURE
1996 (SECOND) Regular Session

I, Don Parkinson, Speaker of the Twenty-Third Guam Legislature, hereby certify, pursuant to §2103 of Title 2, Guam Code Annotated, that an emergency condition exists, involving danger to the public health and safety, resulting from the shortfall of funds at the Guam Memorial Hospital to purchase essential medical supplies, and therefore waive the statutory requirement for a public hearing on Bill No. 1 (6-S). See attached letter from Mr. John Salas, Hospital Administrator dated August 26, 1996, and the Governor's call to session dated August 26, 1996.

Dated: August 26, 1996



DON PARKINSON
Speaker



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



August 26, 1996

Speaker Don Parkinson
Twenty Third Guam Legislature
155 Hesler Avenue
Agana, Guam 96910

Dear Speaker Parkinson,

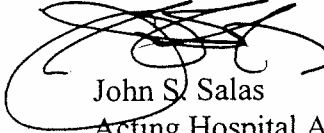
On behalf of the Guam Memorial Hospital Authority, I am respectfully requesting your assistance in the declaration of a state of emergency for the Guam Memorial Hospital due to a financial crisis and the lack of cash to support continued operations. The situation is such that there is a lack of pharmaceutical supplies including basic intravenous and antibiotic supplies; a lack of medical supplies including basic gauze and x-ray film; and a lack of dietary supplies including basic meat, produce, and other staples.

The Hospital must secure an immediate source of cash to meet its vendor payables and obtain necessary operating supplies if the provision of patient care is to continue at acceptable levels. The Hospital currently has over \$22.8 million in accounts payable including some \$4.3 million to medical vendors and physicians upon whose services and supplies we require for the rendering of daily patient care.

Your assistance in addressing the extension of the present authorized line of credit from \$1.5 million to \$3.0 million for the Hospital will be greatly appreciated. This line of credit will enable the Hospital to make payments to the attached listing of vendor accounts, some \$2.9 million of which are more than 90 days old. These payments will enable the Hospital to obtain urgently needed supplies and continue the provision of patient care to address the needs of the people of Guam.


Your favorable consideration of this request will be greatly appreciated.

Sincerely,

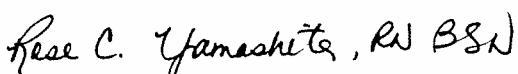


John S. Salas
Acting Hospital Administrator

Concurred by:



Michael Cruz, MD.
Associate Administrator, Medical Services



Rose C. Yamashita, RN BSN
Assistant Administrator, Nursing Services



MADELEINE Z. BORDALLO
ACTING GOVERNOR OF GUAM

August 26, 1996

Honorable Don Parkinson
Speaker of the 23RD Guam Legislature

Dear Mr. Speaker:


I have been informed of the fact that funds are not available to pay vendors and to purchase essential supplies and medicine at the Guam Memorial Hospital. I have decided that public safety and welfare would be compromised if nothing is done to alleviate this situation. I am submitting a bill herewith to address this problem.

In addition I have been informed that the Government of Guam could lose up to two million dollars of federal funds for the Department of Vocational Rehabilitation if immediate action is not taken to bring Guam into compliance with federal requirements.

Therefore, I find it necessary to invoke the powers granted to the Governor of Guam under Title I of Chapter 3, subsection 1423 (h) of the United States Code, to call the Guam Legislature into Special Session at 3:30 p.m. on Monday August 26, 1996 for the specific purposes of:

1. Consideration of the attached proposed legislation concerning the funding at the Guam Memorial Hospital.
2. Consideration of Bill No. 717 introduced at the request of the Governor relative to bring Guam Department of Vocational Rehabilitation into compliance with federal law for federal funding.
3. Consideration of Legislative Resolutions.
4. Consideration of any confirmations awaiting action by the Legislature.

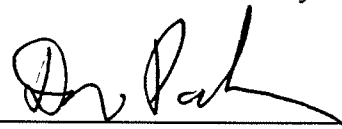
Sincerely,


Madeleine Z. Bordallo
Acting Governor of Guam

TWENTY-THIRD GUAM LEGISLATURE
1996 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Bill No. 1 (6-S) (LS), "AN ACT TO AMEND SUBSECTION (o) OF §80104 OF TITLE 10, GUAM CODE ANNOTATED, AND TO WAIVE GUAM MEMORIAL HOSPITAL'S IMMUNITY FROM PAYMENT OF ATTORNEY'S FEES UNDER TITLE 5, GUAM CODE ANNOTATED, CHAPTER 6, ALL RELATIVE TO ALLOWING GUAM MEMORIAL HOSPITAL TO ARRANGE A LINE OF CREDIT NOT TO EXCEED THREE MILLION DOLLARS," was on the 26th day of August, 1996, duly and regularly passed.



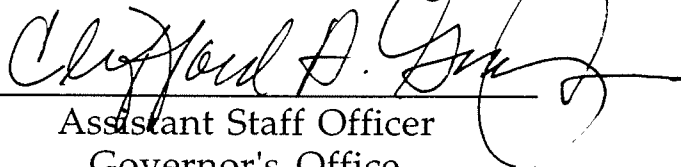
DON PARKINSON
Speaker

Attested:



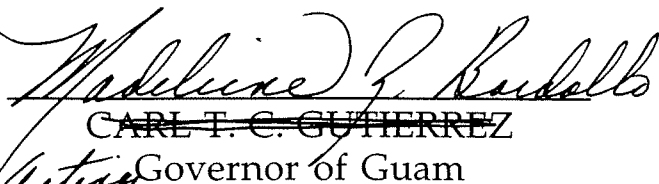
JUDITH WON PAT-BORJA
Senator and Legislative Secretary

This Act was received by the Governor this 26th day of August
1996, at 9:35 o'clock P.M.



Assistant Staff Officer
Governor's Office

APPROVED:



~~CARL T. C. GUTIERREZ~~
Acting Governor of Guam

Date: 8/26/96

Public Law No. 23-121

TWENTY-THIRD GUAM LEGISLATURE
1996 (SECOND) Regular Session

Bill No. 1 (6-S)

As amended on the floor

Introduced by:

D. Parkinson

T. C. Ada

J. P. Aguon

E. Barrett-Anderson

A. C. Blaz

J. M. S. Brown

F. P. Camacho

M. C. Charfauros

H. A. Cristobal

M. Forbes

A. C. Lamorena V

C. Leon Guerrero

L. Leon Guerrero

T. S. Nelson

S. L. Orsini

V. C. Pangelinan

J. T. San Agustin

A. L. G. Santos

F. E. Santos

A. R. Unpingco

J. Won Pat-Borja

by request of the Governor in
accordance with the Organic
Act of Guam.

AN ACT TO AMEND SUBSECTION (o) OF §80104 OF TITLE 10, GUAM CODE ANNOTATED, AND TO WAIVE GUAM MEMORIAL HOSPITAL'S IMMUNITY FROM PAYMENT OF ATTORNEY'S FEES UNDER TITLE 5, GUAM CODE ANNOTATED, CHAPTER 6, ALL RELATIVE TO ALLOWING GUAM MEMORIAL HOSPITAL TO ARRANGE A LINE OF CREDIT NOT TO EXCEED THREE MILLION DOLLARS.

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

2 **Section 1. Legislative Intent.** The Guam Memorial Hospital is
3 currently suffering a severe financial crisis which is detrimentally impacting
4 patient care. The hospital has made attempts to address the cash shortfall;
5 however, it is impeded in negotiating a line of credit by the government's
6 immunity from liability for attorney's fees. It is also impeded by the current
7 1.5 Million Dollar limit on such line of credit. The Legislature therefore
8 agrees to allow an exception to the Government Claims Act for the line of
9 credit currently being negotiated to address the hospital's immediate cash
10 shortfall and to increase the hospital's line of credit authorization to 3 Million
11 Dollars to more adequately address the hospital's needs.

12 **Section 2.** Subsection (o) of §80104 of Title 10, Guam Code Annotated, is
13 hereby amended to read:

14 “(o) Arrange a line of credit not to exceed Three Million Dollars
15 (\$3,000,000) with banks or other lending institutions licensed on Guam. All
16 terms of the line of credit agreement shall be negotiated by the Authority in
17 the best interests of the people of Guam. The terms of the line of credit
18 agreement shall include the following:

19 (1) The line of credit shall be used by the Authority when a cash
20 shortage which hampers the operation of the hospital is
21 imminent, provided that the line of credit shall not be used
22 to finance capital improvements or non-health care
23 professionals.

24 (2) No charge shall be levied by a lender for opening the line of
25 credit.

- 1 (3) The interest rate shall be subjected to negotiation between
2 the Authority and the lender. Such interest rate shall be
3 computed on a monthly average and based on the actual
4 amount extended to the Authority.
- 5 (4) Interest earned by the lender shall be exempt from taxation
6 by the government of Guam.
- 7 (5) The Authority may pledge only its revenues as a security for
8 repayment of the loan.
- 9 (6) Any money borrowed shall be repaid within three (3) years.
10 In no case shall any amount borrowed be refinanced
11 permitting repayment more than three (3) years after the
12 loan is made."

13 **Section 3.** Notwithstanding 5 GCA §6301 or any other provisions of
14 law, the Guam Memorial Hospital's immunity from liability for reasonable
15 attorneys' fees, not to exceed Twenty-Five Thousand Dollars (\$25,000),
16 arising from suit to enforce the obligations under a line of credit entered into
17 pursuant to 10 GCA §80104(o) is hereby waived for those contracts entered
18 into after August 26, 1996, and prior to September 30, 1996.

TWENTY-THIRD GUAM LEGISLATURE

1996 (SECOND) Regular Session

Date: 8/20/96

VOTING SHEET

Bill No. 1(6-5)
 Resolution No. _____
 Question: _____

NAME	YEAS	NAYS	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.	✓			X
SANTOS, Francis E.	✓			
UNPINGCO, Antonio R. //	✓			
WONPAT-BORJA, Judith	✓			

TOTAL ~~14~~ 15 1 0 65

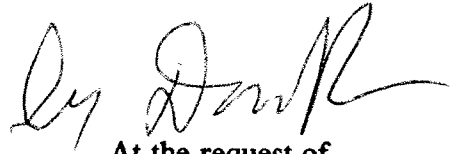
CERTIFIED TRUE AND CORRECT:

 Recording Secretary

AUG 26 1996

**TWENTY-THIRD GUAM LEGISLATURE
1996 (SECOND) Regular Session**

Bill No. 1(6-5) (LS)


At the request of
the Governor

Introduced by:

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

3 **Section 1. Legislative Intent.** The Guam Memorial Hospital is currently
4 suffering a severe financial crisis which is detrimentally impacting patient care.
5 The hospital has made attempts to address the cash shortfall; however, it is
6 impeded in negotiating a line of credit by the government's immunity from
7 liability for attorney's fees. It is also impeded by the current 1.5 Million Dollar
8 limit on such line of credit. The Legislature therefore agrees to allow an
9 exception to the Government Claims Act for the line of credit currently being
10 negotiated to address the hospital's immediate cash shortfall and to increase the
11 hospital's line of credit authorization to 3 Million Dollars to more adequately
12 address the hospital's needs.

13 **Section 2.** Subsection (o) of §80104 of Title 10, Guam Code Annotated,
14 is hereby amended to read:

15 "(o) Arrange of line of credit not to exceed Three Million Dollars (\$
16 3,000,000) [~~One Million Five Hundred Fifty Thousand~~] (~~\$1,550,000~~) with
17 banks or other lending institutions licensed on Guam. All terms of the line of
18 credit agreement shall be negotiated by the Authority in the best interests of the
19 people of Guam. The terms of the line of credit agreement shall include the
20 following:

- 21 (1) The line of credit shall be used by the Authority when a
22 cash shortage which hampers the operation of the

1 hospital is imminent, provided that the line of credit shall
2 not be used to finance capital improvements.

3 (2) No charge shall be levied by a lender for opening the
4 line of credit.

5 (3) The interest rate shall be subjected to negotiation
6 between the Authority and the lender. Such interest rate
7 shall be computed on a monthly average and based on the
8 actual amount extended to the Authority.

9 (4) Interest earned by the lender shall be exempt from
10 taxation by the government of Guam.

11 (5) The Authority may pledge only its revenues as a security
12 for repayment of the loan.

13 (6) Any money borrowed shall be repaid within three (3)
14 years. In no case shall any amount borrowed be
15 refinanced permitting repayment more than three (3)
16 years after the loan is made.”

17 **Section 3.** Notwithstanding 5 GCA §6301 or any other provisions of law,
18 the Guam Memorial Hospital’s immunity from liability for attorneys’ fees
19 arising from suit to enforce the obligations under a line of credit entered into
20 pursuant to 10 GCA §80104(o) is hereby waived for those contracts entered into
21 after August 26, 1996, and prior to September 30, 1996.