



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

JUN 27 1995

The Honorable Ted S. Nelson
Acting Speaker
Twenty-Third Guam Legislature
424 West O'Brien Drive
Julale Center - Suite 222
Agana, Guam 96910

Date:	June 28, 1995
Time:	2:45 pm
Received by:	Phil Roberts
Signature:	Phil Roberts

Carl T. C. Gutierrez

Via: Office of Speaker Don Parkinson

Dear Speaker Nelson:

Enclosed please find a copy of Substitute Bill No. 258 (LS), "AN ACT RELATIVE TO CREATING A MEANS TEST FOR THE MEDICALLY INDIGENT PROGRAM BY REPEALING AND REENACTING SUBSECTIONS (c) AND (d) OF 10 GCA §2913.10", which I have **signed** into law today as **Public Law No. 23-35**.

Very truly yours,

Carl T. C. Gutierrez
Carl T. C. Gutierrez

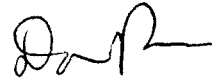
Attachment
230524

OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	<i>[Signature]</i>
Time	12:10
Date	6/29/95

TWENTY-THIRD GUAM LEGISLATURE
1995 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 258 (LS), "AN ACT RELATIVE TO CREATING A MEANS TEST FOR THE MEDICALLY INDIGENT PROGRAM BY REPEALING AND REENACTING SUBSECTIONS (c) AND (d) OF 10 GCA §2913.10," was on the 6th day of June, 1995, duly and regularly passed. The Bill received twenty votes to pass, with one member off-island.



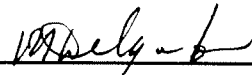
DON PARKINSON
Speaker

Attested:



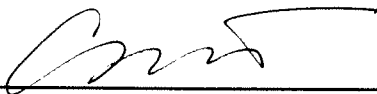
JUDITH WON PAT-BORJA
Senator and Legislative Secretary

This Act was received by the Governor this 16 day of June,
1995, at 10:30 o'clock A.M.



Assistant Staff Officer
Governor's Office

APPROVED:



CARL T. C. GUTIERREZ
Governor of Guam

Date: 6-27-95

Public Law No. 23-35

TWENTY-THIRD GUAM LEGISLATURE
1995 (FIRST) Regular Session

Bill No. 258 (LS)

As substituted by the Committee
on Health, Welfare and
Senior Citizens, and as further
substituted on the floor.

Introduced by:

L. Leon Guerrero
V. C. Pangelinan
F. E. Santos

T. C. Ada
J. P. Aguon
E. Barrett-Anderson
A. C. Blaz
J. S. Brown
F. P. Camacho
M. C. Charfauros
H. A. Cristobal
M. Forbes
A. C. Lamorena
C. Leon Guerrero
T. S. Nelson
S. L. Orsini
D. Parkinson
J. T. San Agustin
A. L. G. Santos
A. R. Unpingco
J. Won Pat-Borja

AN ACT RELATIVE TO CREATING A MEANS TEST
FOR THE MEDICALLY INDIGENT PROGRAM BY
REPEALING AND REENACTING SUBSECTIONS (c)
AND (d) OF 10 GCA §2913.10.

1

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

1 **Section 1.** Subsection (c) of §2913.10, Title 10, Guam Code Annotated, is
2 hereby repealed and reenacted to read as follows:

3 "(c). Applicability to All applicants. All applicants for the Medically
4 Indigent Program shall meet the eligibility requirements set forth in
5 §2913.13 of Chapter 2, Division 1, Title 10, Guam Code Annotated.
6 These applicants shall include, but not be limited to, individuals
7 requiring services for tuberculosis, lytico, bodig, end stage renal disease,
8 or insulin for diabetes."

9 **Section 2.** Subsection (d) of §2913.10, Title 10, Guam Code Annotated, is
10 hereby repealed and reenacted to read as follows:

11 "(d) Client's Cost Sharing Program. Applicants applying for
12 assistance under the Medically Indigent Program, who are individuals
13 requiring services for tuberculosis, lytico, bodig, end stage renal disease,
14 or insulin for diabetes, and who have a gross income which exceeds, by
15 an amount not greater than One Thousand Dollars (\$1,000.00), the
16 gross income limit of its category as described in §2913.13 of Chapter 2,
17 Division 1, Title 10, Guam Code Annotated, shall be eligible for partial
18 coverage as set out below:

19 (1) The following is a table of percentage of an applicant's cost
20 sharing portion for each range of available income per month above the
21 income guidelines:

22 Available Income Per month 23 (Above Income Guideline)	Percentage of Cost Sharing (Applicant's Share)
24 \$1 - \$167	7%
25 \$168 - \$335	15%
26 \$336 - \$502	22%
27 \$503 - \$670	30%
28 \$671 - \$837	37%
29 \$838 - \$1,000	45%."

TWENTY-THIRD GUAM LEGISLATURE

1995 (FIRST) Regular Session

Date: 6/6/95

VOTING SHEET

Bill No. 258
 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

23-35



TWENTY-THIRD
GUAM LEGISLATURE
324 W. SOLEDAD AVENUE
AGANA, 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

5 June, 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
On Bill 258, **AN ACT RELATIVE TO CREATING A MEANS TEST FOR THE
MEDICAL INDIGENT PROGRAM**, herein reports back with the
recommendation **TO DO PASS AS SUBSTITUTED.**

Votes of committee members are as follows:

- 9 To Pass
- ~~0~~ Not To Pass
- ~~0~~ To The Inactive File
- ~~0~~ Abstained
- ~~0~~ Off-Island
- 3 Not Available

Sincerely,

Lou Leon Guerrero RN MPH
Lou Leon Guerrero, RN, MPH

attachments

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

on
Bill 258: AN ACT RELATIVE TO CREATING A MEANS TEST FOR THE MEDICAL
INDIGENT PROGRAM.

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

THIRTY-THIRD GUAM LEGISLATURE
1995 (First) Regular Session

Bill No. 258 As Submitted by the Committee on Health, Welfare & Senior
Citizens

Introduced by:

Lou Leon Guerrero

vicente c. pangelinan

Francis Santos

Francis Santos FP CAMACHO

AN ACT RELATIVE TO CREATING A MEANS TEST FOR THE
MEDICAL INDIGENT PROGRAM.

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

2 Section 1. Section 2913.10(c) of Title 10, Guam Code Annotated, is hereby
3 repealed and reenacted to read as follows:

4 "Section 2913.10(c). Applicability to All Applicants. All applicants for the
5 Medical Indigent Program shall meet the eligibility requirements set forth in
6 [this Article] Section 2913.13 of Title 10, Guam Code Annotated, Chapter 2,
7 Division 1. These applicants shall include, but not be limited to, individual
8 services for tuberculosis, lytico, bodig, insulin for diabetes, or end stage renal
9 disease."

10 Section 2. Section 2913.10 (d) of Title 10, Guam Code Annotated, is hereby
11 repealed and reenacted to read as follows:

12 "Section 2913.10(d) Client's Cost Sharing Program. To specifically address the
13 health care needs of individuals afflicted with tuberculosis, lytico, bodig,
14 insulin for diabetes, or end stage renal disease, those applicants applying for
15 assistance under the Medical Indigent Program and who have a gross income
16 which exceeds the gross income limit of its category as described in Section
17 2913.13 of Title 10, Guam Code Annotated, Chapter 2, Divison 1, and exceeds
18 that limit by an amount not greater than One Thousand Dollars (\$1,000), that
19 applicant is still eligible for partial coverage.

20 (1) The following is a table of percentage of an applicant's cost sharing
21 portion for each range of available income per month above the
22 income guidelines:

<u>Available Income Per month</u> <u>(Above Income Guide)</u>	<u>Percentage of Cost Sharing</u> <u>(Applicant's Share)</u>
<u>\$1 - \$167</u>	<u>7%</u>
<u>\$168 - \$335</u>	<u>15%</u>
<u>\$336 - \$502</u>	<u>22%</u>
<u>\$503 - \$670</u>	<u>30%</u>
<u>\$671 - \$837</u>	<u>37%</u>
<u>\$838 - \$1,000</u>	<u>45%</u>

TWENTY-THIRD GUAM LEGISLATURE
1995 (First) Regular Session

Bill No. 258
Introduced by:

Lou Leon Guerrero ^{LS}
vicente c. pangelinan
Francis Santos ^{FS}

AN ACT RELATIVE TO CREATING A MEANS TEST FOR THE
MEDICAL INDIGENT PROGRAM.

- 1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:
- 2 Section 1. Section 2913.10(c) of Title 10, Guam Code Annotated, is hereby
- 3 repealed and reenacted to read as follows:
- 4 "Section 2913.10(c). Applicability to All Applicants. All applicants for the
- 5 Medical Indigent Program shall meet the eligibility requirements set forth in
- 6 this Article. These applicants shall include, but not be limited to, individual
- 7 services for tuberculosis, lytico, bodig, diabetes, or end stage renal disease."
- 8 Section 2. Section 2913.10 (d) of Title 10, Guam Code Annotated, is hereby
- 9 repealed.
- 10 Section 3. Section 2913.13 of Title 10, Guam Code Annotated, is amended to
- 11 read as follows:
- 12 "Section 2913.13 Income Limitations. The Federal Poverty Income Guidelines
- 13 for Guam, Hawaii or Alaska, whichever is highest shall be used to determine
- 14 income eligibility for the Medical Indigent Program. In the calculation of
- 15 income, payments for medical insurance or Medicare premiums shall be
- 16 excluded from income. An individual found ineligible because of the income
- 17 limitations set out in this section prior to its repeal and reenactment, who
- 18 was paying medical insurance or Medicare premiums shall be reevaluated for
- 19 eligibility from his or her time of application based upon the new guidelines."
- 20
- 21
- 22

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**COMMITTEE ON HEALTH, WELFARE & SENIOR CITIZENS
COMMITTEE REPORT
ON**

**BILL #258 AN ACT RELATIVE TO CREATING A MEANS TEST
FOR THE MEDICAL INDIGENT PROGRAM**

Preface

The Committee on Health, Welfare & Senior Citizens convened on Thursday, May 25, 1995 at 5:10p.m. in the Legislature Public Hearing Room to receive testimony on Bill#258. The hearing was called to order by the Chairperson, Senator Lou Leon Guerrero. Senator Ben Pangelinan, Vice-Chairperson, Senator Tom Ada, Senator Francis Santos and Senator Judy Won-Pat Borja were also present.

Purpose

The purpose of the bill is to create a means test for the Medical Indigent Program to address specifically the five diseases: Tuberculosis, Lytico, Bodig, Insulin for Diabetes and End Stage Renal Disease (ESRD).

History

In 1965, The Social Security Act was established and in the Medicare portion covered treatment and services for ESRD patients. In 1989, the Omnibus Budget Reconciliation Act amended this portion of Medicare which states that if any local State provided services and treatment for ESRD, Medicare would no longer provide coverage.

In 1986, Guam established the enabling legislation (P.L.18-31) which created the Medically Indigent Program (MIP). Also addressed in this law included free hospitalization and medical care for the five diseases. With the passing of the Omnibus Budget Reconciliation Act of 1989, the Federal Government notified our local government that we would be in jeopardy of not receiving Medicare reimbursement.

P.L. 22-161 which was passed by the 22nd Guam Legislature removed the five diseases from free care and mandated that a "means test" be created in order for us to begin receiving reimbursement from Medicare. To become eligible, clients would have to take a means test which looks at their income and resources. In hopes to expedite the process, the Governor signed Executive Order 95-04 on February 20, 1995 which created a means test. However, the

Committee is aware that the HCFA Region 9 Offices will NOT accept this means test and reimbursement WOULD NOT resume.

Senator Lou Leon Guerrero feels that only one means test is necessary for MIP and is outlined in Bill #258. Bill #258 proposes to look at Federal, Hawaii and Alaska's poverty guidelines, and use whichever is the highest for the MIP means test. Bill #258 has been reviewed by the Deputy Regional Administrator, Mr. Mike Piazza of HCFA Region 9 Offices and has informed Senator Lou Leon Guerrero that if Bill #258 is passed, Medicare reimbursements can resume.

According to Public Health officials, we are losing about \$1M per year in reimbursements from Medicare.

Senator Lou Leon Guerrero stated that the Government of Guam has basically two options (1) continue with free program and risk losing reimbursement or (2) use means test and collect reimbursement at the risk that some ESRD patients may not be eligible for coverage.

As a note, the Senator further explained that only those patients that have paid into Social Security can receive Medicare benefits. Medicare will cover 80% while 20% can be covered by MIP (if eligible), private insurance or out of pocket expenses.

In P.L. 22-161, Section 2913.10(d) allows the Guam Memorial Hospital to waive charges for patients afflicted with the five disease who do not qualify for MIP. Bill #258 repeals this section. Senator Lou Leon Guerrero said she would review this section with the Committee members.

Committee Findings

Those present to testify were:

Carrie Angoco, representative of the Guam Renal Organization. She read her written testimony.

Teresita Rosario. A private citizen representing Ruby Cruz of Pacific Dialysis and other patients with ESRD, CPAD and hemodialysis. Her husband is also a patient with ESRD. She is concerned that patients may not be able to survive without assistance.

Dennis Rodriquez, Director of Public Health. Mr. Rodriquez read his testimony which was also accompanied with statistics from the MIP office. Also present was Dori Solidum, Administrator for MIP.

In Summary, Mr. Rodriguez was not in opposition to Bill #258, however was concerned that if a means test was used for ALL MIP clients, 72.5% of those found ineligible would become eligible and potentially add \$7M to MIP. Presently, there is a shortage with the program and Public Health is asking for additional funding to continue care.

Senator Lou Leon Guerrero inquired whether the means test outlined in the executive order was sent to HCFA. Mr. Rodriguez said that it had not been sent to HCFA, but a public hearing was done to approve the means test in the Rules and Regulations. He believed that the proposed Rules and Regulations were at the Attorney General's Office. He further stated that the means test from the executive order was intended to cover as many patients as possible to continue coverage. Out of 16 applicants reviewed using the means test in the executive order, 56% would be approved and 44% denied. The Senator further asked how many patients would be eligible with proposed means test outlined in Bill #258? Mrs. Solidum said that about 40% would NOT be eligible.

Mrs. Solidum also shared that there are 129 ESRD patients. Out of the 129 patients, 112 have Medicare, private insurance and Medicaid. Out of the 112 patients, 27 have Medicare and MIP. Twenty-Seven have insurance with GovGuam and out of those 27, 15 have Medicare. Only 2 have no other insurance coverage at all.

Carrie Angoco reported some numbers that she had collected and the Committee found some discrepancies. Mrs. Solidum verified that the numbers that Mrs. Angoco reported were only for patients at the hospital. The numbers that Mrs. Solidum used were for both the hospital and Pacific Dialysis. Therefore, the Committee would concentrate on Public Health's statistics.

Senator Ben Pangelinan requested that Public Health submit to the Committee a report that would reflect how many patients who have ESRD would be eligible with the existing MIP means test.

Senator Francis Santos asked whether a shift in population or an increase of applicants would make the difference with MIP. Mrs. Solidum felt that MIP would be affected by both. Senator Santos also wanted to know if Public Health was referring patients to their private insurance (if applicable) to cover expenses. Mrs. Solidum told him that her office does refer patients when applicable. The concern was raised by Carrie Angoco that private insurance companies are negotiating with GovGuam officials to cover ESRD patients, however, commercial accounts may not be negotiated.

Mrs. Solidum said that patients may be able to be covered with MIP under a cost sharing program as stated in P.L. 18-31. For example, if a client's income

exceeds \$1-\$50, a 7% cost sharing or liability can be used; MIP will cover 93% and the client's share is 7%.

Dr. Basilio, Medical Director for the Hemodialysis Program on Guam. Dr. Basilio brought up the issue that the cost sharing percentage should be looked at to be able to cover those patients, specifically ESRD patients.

Helen Ripple, Administrator, GMH. She wanted to ensure the Committee that anyone who comes to GMH will receive care. However, she emphasized that everyone needs to stop using the term "free care".

Pacific Dialysis and Guam Health Planning also submitted written testimonies, however not present.

Committee Recommendations

As Chairperson, Senator Lou Leon Guerrero will take under advisement the suggestions made by those who either presented or submitted testimony on Bill #2

After review of all testimonies and consultation with Public Health officials, the bill was amended to reflect a Client's Cost Sharing Program. This program will allow an applicant who has a gross income which exceeds the gross income of the poverty guideline used in the MIP means test, by an amount no greater than One Thousand Dollars (\$1,000) eligible for partial coverage. Therefore, the Committee recommends passage of Bill #258.



BUREAU OF BUDGET & MANAGEMENT RESEARCH
OFFICE OF THE GOVERNOR, Post Office Box 2960, Agaña, Guam 96910

CARL T.C. GUTIERREZ
GOVERNOR

MADELEINE Z. BORDALLO
1ST GOVERNOR

JUN 05 1985

JOSEPH E. RIVERA
DIRECTOR

FRANCES J. BALAJADIA
DEPUTY DIRECTOR

The Bureau requests that Bill No(s). 194 and 258 be granted a waiver pursuant to Public Law 12-229 for the following reasons:

Both bills are administrative in nature and poses no fiscal impact on the Government's coffers at this time.

frances J. Balajadia
JOSEPH E. RIVERA
Acting

The undersigned have appeared and/or submitted testimony to the Committee on Health, Welfare & Senior Citizens to testify on BILL NO. 258, AN ACT RELATIVE TO CREATING A MEANS TEST FOR THE MEDICAL INDIGENT PROGRAM.

Name Carrie Awogoo
Representing Guam Renewal Organization
Address/Phone 565-2520

Name TERESITA ROSARIO
Representing ~~CPAD~~ CAPD
Address/Phone 653 2933

Name _____
Representing _____
Address/Phone _____

Name _____
Representing _____
Address/Phone _____

Name _____
Representing _____
Address/Phone _____

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Representing _____
Address/Phone _____

Name _____
Representing _____
Address/Phone _____



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



MAY 25 1995

Senator Lou Leon Guerrero
Twenty-Third Guam Legislature
324 W. Soledad Avenue
Agana, Guam 96910

Thank you for allowing me to share with you my reaction to
Bill 258:

"An Act Relative to Creating a Means Test for the Medically
Indigent Program"

The legislative intent to apply a standard means test for all applicants would definitely provide for equal treatment of applicants by repealing 10 GCA Title 10, Section 2913.10 (c). However, an amendment to adopt the highest among the three Federal Poverty Income Guides as the Medically Indigent Program (MIP) means test will surely result in a significant number of eligible applicants entering the program. Please see Attachment "1".

MIP is averaging an aggregate total of 7,386 clients (both regular and Free Care MIP clients) a year using the lowest of the three Federal Poverty Guidelines. It is projected that there would be an aggregate increase in the number of eligible clients by 43% using the highest among the three means tests. The reasons for this are as follows:

1. All clients who are "partially" eligible (clients who are eligible but are with varying computed liabilities) in the current means test will pass the new higher means test. These clients would then be eligible without liabilities. See Attachment 2.
2. It is projected that 72.5% of those clients who failed the means test for the regular MIP will now pass the new higher means test. See Attachment 3.
3. The number of eligibles for the Free Care Illness Program is projected to decrease by an average of 40%. The reason for this is, previously all free care clients were made eligible regardless of income and resources. Now their eligibility will be based on the same means test for everybody. Free care clients comprise 25.8%, which is 1/4 of the total MIP eligibles of 7,386. This decrease will not offset the above increase that was projected for the regular MIP. Final projections for the regular MIP will be a 43.5% increase across the board.



Sen. Lou Leon Guerrero
Re: Bill 258
Page 2

In the face of a shortage of both government funds and private medical providers especially in the areas of primary health care and selected specialties, we are pushed to the brim as to how to cope with an increasing number of program clientele. The problem is aggravated by the government dipping into the same pool of service providers as the private health insurance companies who reimburse more than the government, for services rendered to their subscribers. What is worse, we are seeing an increasing number of recipients using more expensive off-island medical care.

With the applicability of the means test to all MIP applicants, does it follow that anybody who qualifies among those who are afflicted with the former free care illness will also be given the same benefit as the "regular" clients? Because if it is, then the impact on added medical expenditures is a major concern that we cannot afford to ignore.

Another concern that I would like to bring up to the Committee's attention is the impact of using the highest poverty guide across the nation. MIP implements a cost-sharing program. Depending on the dollar amount exceeded by an applicant's income against a standard, a liability is assigned. The liability goes by percentages, from a low of 7% to a maximum of 45%. The number of participants in this program will further add to the projected number of eligibles. It is felt that this group of eligibles is not indigent since their income is beyond the highest poverty line even among the richest states.

Thank you.



DENNIS G. RODRIGUEZ
Director

Attachments: a/s

1995 POVERTY GUIDELINES
 (GROSS MONTHLY INCOME)

FAMILY SIZE	GUAM AND ALL OTHER STATES	HAWAII	ALASKA
1	\$623	\$718	\$778
2	\$836	\$963	\$1,045
3	\$1,049	\$1,208	\$1,312
4	\$1,263	\$1,453	\$1,578
5	\$1,476	\$1,698	\$1,845
6	\$1,689	\$1,943	\$2,112
7	\$1,903	\$2,188	\$2,378
8	\$2,116	\$2,433	\$2,645
9	\$2,329	\$2,678	\$2,912
10	\$2,542	\$2,923	\$3,178
ADDITIONAL MEMBER (PLUS)	\$213	\$245	\$267

MEDICALLY INDIGENT PROGRAM
 INCOME AND RESOURCE GUIDE
 FOR 1995

FAMILY SIZE	PRESENT		PROPOSED*		DIFFERENCE	AVAILABLE INCOME PER MONTH (ABOVE INCOME GUIDE)		PERCENTAGE OF LIABILITY GUIDE (RECIPIENT'S LIABILITY)	
	GROSS MONTHLY INCOME	GROSS MONTHLY INCOME	GROSS MONTHLY INCOME	GROSS MONTHLY INCOME		\$ 1 - \$ 50	\$ 51 - \$ 100	7%	15%
1	\$622	\$778	\$156	\$156					
2	\$836	\$1,045	\$209	\$209					
3	\$1,049	\$1,312	\$263	\$263					
4	\$1,263	\$1,578	\$315	\$315					
5	\$1,476	\$1,845	\$369	\$369					
6	\$1,689	\$2,112	\$423	\$423					
7	\$1,903	\$2,378	\$475	\$475					
8	\$2,116	\$2,645	\$529	\$529					
9	\$2,329	\$2,912	\$583	\$583					
10	\$2,542	\$3,178	\$636	\$636					
ADDITIONAL MEMBER (PLUS)	\$213	\$267	\$54	\$54					

*PROPOSED: ALASKA INCOME GUIDE (HIGHEST PER BILL NO. 253)

IMPACT:

1. A FAMILY SIZE OF ONE RECEIVING \$1-\$200 MORE THAN THE PRESENT INCOME LIMITATION WILL NO LONGER HAVE ANY LIABILITY.
2. A FAMILY SIZE OF TWO RECEIVING \$1-\$250 MORE THAN THE PRESENT INCOME GUIDE WILL NO LONGER HAVE ANY LIABILITY.
3. A FAMILY SIZE OF THREE RECEIVING \$1-\$300 MORE THAN THE PRESENT INCOME GUIDE WILL NO LONGER HAVE ANY LIABILITY.
4. A FAMILY SIZE OF FOUR OR MORE RECEIVING \$301 MORE THAN THE PRESENT INCOME GUIDE WHO WERE PREVIOUSLY DISQUALIFIED CAN NOW BE QUALIFIED WITHOUT ANY LIABILITY.
5. BASED ON THE PROPOSED INCOME GUIDE, THE NO. OF CLIENTS WILL INCREASE SIGNIFICANTLY IF BILL NO. 253 IS PASSED.

ANALYSIS OF EXPENDITURES AND
NO. OF CLIENTS
FOR PROPOSED BILL NO. 253

	(CASE TEAM)			PROJECTED			EXPENDITURE			CLIENTS		
	FISCAL YEAR 1994 EXPENDITURES	NO. OF CLIENTS	% OF TOTAL	PROJECTED EXPENDITURES	NO. OF CLIENTS	% OF TOTAL	INCREASE (DECREASE)	INCREASE (DECREASE)	INCREASE (DECREASE)	INCREASE (DECREASE)		
30 - NO LIABILITY	\$9,978,376	4,462	81.03%	\$16,452,372	7,585	80.23%	69.93%	79.00%				
31 - WITH LIABILITY	\$878,418	849	15.49%	\$1,756,836	1,698	17.96%	100.00%	100.00%				
35 - SUPPLEMENTAL COVERAGE	\$121,043	79	1.44%	\$121,043	79	0.84%	0.00%	0.00%				
36 - POSTER CARE	\$27,649	92	1.68%	\$27,649	92	0.97%	0.00%	0.00%				
SUB-TOTAL	\$11,305,486	5,482	74.22%	\$18,957,900	9,454	89.22%	67.69%	72.48%				
92 - LYTICO/BOBIO	\$569,928	140	7.35%	\$240,157	84	7.38%	-40.00%	-40.00%				
93 - INSULIN INJECTION	\$479,555	1,557	81.78%	\$287,671	334	81.78%	-40.01%	-40.00%				
94 - TUBERCULOSIS	\$119,704	78	4.10%	\$72,129	47	4.10%	-39.74%	-40.00%				
97 - END STAGE RENAL DISEASE	\$3,370,667	129	6.78%	\$2,011,530	77	6.78%	-40.31%	-40.00%				
SUB-TOTAL	\$4,539,854	1,904	25.78%	\$2,711,546	1,142	10.78%	-40.22%	-40.00%				
GRAND TOTAL	\$15,941,740	7,386	100.00%	\$21,669,447	10,597	100.00%	36.79%	43.47%				
ADD: EXPENDITURES NOT REIMBURSED BY MEDICARE FOR END PATIENTS	\$0	0	0.00%	\$2,076,551	0	0.00%	100.00%	0.00%				
**CARRY-OVER FY 1994 EXPENDITURES	\$4,220,142	0	0.00%	\$4,220,142	0	0.00%	0.00%	0.00%				
ADJUSTED GRAND TOTAL	\$20,961,882	7,386	100.00%	\$27,966,140	10,597	100.00%	39.40%	43.47%				

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*IMPACT OF PUBLIC LAW 22-161
 **CARRIED-OVER TO FY 1995

BILL NO. 258**AN ACT RELATIVE TO CREATING A MEANS TEST FOR THE MEDICALLY INDIGENT PROGRAM.****TESTIMONY**

Good Afternoon Madam Chairperson and Committee Members:

The Guam Health Planning and Development Agency (GHP&DA) examines the intent of Bill 258. The concerns of the Agency are consistency in the implementation of the Medically Indigent Program; fair and impartial application of the rules and regulations of the Program; and, most importantly, cost containment, not cost shifting, for quality health care and services for the people of Guam. The questions that must be addressed to answer these concerns are:

- **What was the intention of the Program?**
- **What benefits are offered in the Program?**
- **Who is paying for the benefits?**
- **Who is receiving the benefits?**
- **Who should be receiving the benefits under this Program?**
- **What checks and balances are in place to provide the benefits to everyone, under the current rules and regulations, without infringing on those who really need the assistance provided by this Program?**

The legislative intent, as stated by Bill No. 369 (introduced by 20 [see Attachment 1] of the 21 Legislators in the 17th Guam Legislature) which became P.L. 17-83 on December 21, 1984, was

"...to provide, to the extent practicable, through the provisions of this Article, for access to hospitals for those persons who lack sufficient annual income to meet the costs of hospitalization, and whose other assets are so limited that their application toward the cost of such care would jeopardize the person or family's future minimum

self maintenance and security. It is intended that whenever possible the benefits available under this Article shall not duplicate those provided under other federal or territorial laws or under other contractual or legal entitlement of the person or persons receiving them."

P.L. 17-83 added this intent as well as Sections 2901 through 2911 as a new Article 9 to Chapter 2 of Title 10 of the Guam Code Annotated. Additionally, Section 4 of this P.L. amended Section 8 of P.L. 14-29 which allows for the continuation of "the free hospitalization and medical care of persons afflicted with tuberculosis or lytico (Amyotrophic Lateral Sclerosis or Parkinsonism-Dementia), and insulin injections for diabetic patients" under the Medically Indigent program.

P.L. 18-8, introduced as Bill No. 128 by Senators E.P. Arriola and T.S. Nelson, became effective on July 8, 1985 as a rider, added Section 2912 which states,

"The Department shall adopt rules in accordance with the Administrative Adjudication Act to administer the catastrophic illness program. The rules shall be adopted within one hundred twenty (120) days after the enactment of this Act and a report of the adoption shall be sent to the Legislature. The program shall provide for care of victims of catastrophic illness whether such care is provided on Guam or at off-island medical facilities."

On September 28, 1985, Bill No. 344, as a rider, became P.L. 18-15 without the Governor's signature. The Bill, introduced by the Committee on Rules at the request of the Governor, was passed to appropriate unexpended funds from the appropriation in Section E of Part XXXII of Section 5 of P.L. 17-70, to pay Medically Indigent Program FY 1985 patient funds.

Bill No. 616, introduced by Senators H.D. Dierkings and T.S. Nelson became P.L. 18-31 on March 29, 1986, was "An Act to add various sections to 10 GCA relative to the Department of Public Health and Social Services' Medically Indigent Program and for Other Purposes."

Sections 2913 through 2913.81 were added to 10 GCA under this P.L. with Section 4, Section 2912 enacted pursuant to P.L. 18-8.

On December 20, 1994, the legislative findings 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 or bodig (Amyotrophic Lateral Sclerosis or Parkinsonism Dementia), diabetes, or end stage renal disease (ESRD), (the "Five Diseases") who are unable to pay for such treatment and who are either uninsured or underinsured" led to the passage and enactment of P.L. 22-161.

The 22nd Guam Legislature introduced Bill No. 1153 and passed it on December 9, 1994 which eventually became P.L. 22-161 on December 20, 1994. The P.L. was

"An Act to Amend Section 2913.10 of Title 10, 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 payments for hospitalization and medical services for such diseases;...." with the intent to "....maintain federal funding for the treatment of eligible persons afflicted with the Five Diseases, 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 treatment for the Five Diseases do so, and to ensure that all persons receive health care treatments for the Five Diseases, including those who do not qualify for federally-funded or private insurance health care programs who are unable to pay for such treatment, and who are either uninsured or underinsured."

Availability and accessibility to quality health care and services has been, and will always be, insisted by our people. The cost to meet the demands and provide quality health care and services correlates with availability and accessibility. The intent, outlined in P.L. 17-83 (providing benefits to those persons with insufficient annual income to access hospitals

and, whenever possible, not duplicating those provided under other federal or territorial laws), was a method of accessing health care and services. This intent is still denoted in Section 2901, Article 9, Chapter 2 of Title 10 GCA, even with the numerous repeal and amendments to P.L. 17-83. The key words in the intent are income, hospitalization, and duplication of benefits. Instead of abiding with the intent of the law, the Legislature, in the spirit of making health care and services accessible, repealed, amended, and added sections to the law which may breach the intent - in particular, the duplication of benefits offered under federal law. With this in mind, the Agency states its observations.

First, the repeal and reenactment of Section 3, Section 2913-10 of Title 10, GCA, by P.L. 22-161, appears to be a measure to correct a decree by the federal government that changes must be made to the Guam law concerning the Five Diseases in order to continue federal funding. The free treatment of end stage renal disease (ESRD) created this controversy which led to the withholding of Medicare payments to ESRD providers, physicians, and practitioners of Guam. The federal government's logic for withholding payments or entitlement was because such services are included in the free-care provisions of Guam law. Thus, the passage of P.L. 22-161 to require persons afflicted with the Five Diseases to meet a means test in order to obtain government payments for hospitalization and medical services. But the gesture to reestablish the federal funding program via a Means Test and using the Federal Poverty Income Guidelines times three (3) is seen as being too generous by the federal government. Again, resistance to payments or reimbursements may continue by the federal government.

Second, Bill No. 258, introduced by Senators Lou Leon Guerrero, Vicente C. Pangelinan, and Francis Santos, relative to creating a Means Test for the Medically Indigent Program provides for a fair and equitable approach to income eligibility. The peculiarities of this Bill are the requirement for all applicants to meet eligibility requirements set forth in this Article and not limiting services to only the Five Diseases; repealing GMHA's

Federal Poverty Income Guidelines of Guam, Hawaii, or Alaska, thus using a measurement standard that is higher. However, since we are looking for a basis to establish Guam's guidelines, it should be worded,

"The Federal Poverty Income Guidelines for Guam should utilize those of Hawaii or Alaska, whichever is highest."

One Means Test for Program eligibility is less confusing, provides consistency in administering the Program, and administratively sound.

However, the Legislative Forum and the Administrators of the Program must reflect on the intent since it has not changed through the years - access to hospitals for those persons who lack sufficient annual income to meet the cost of hospitalization and not duplicating benefits offered by federal or territorial laws.

Third, since Bill No. 258 addresses that applicants meet the eligibility requirements set forth in this Article, it is essential that the issue of residency be brought in this Arena. Bringing up the issue on residency is essential with respect to how the Program is funded, the recipients of benefits, and the economics in health care delivery. It is also important to note that in our current cash situation, government funds for the Program may be depleted to a point when priorities may have to be established on who gets enrolled regardless of a Means Test.

There is no period of residency required to be eligible for the Program other than a person not residing in this territory shall not be eligible. Recipients must be either be a U.S.

citizen and a resident of Guam or an alien legally admitted for permanent residence to the U.S. and as a resident of Guam for at least three (3) years. Although Section 2913.22 prohibits anyone from coming to Guam for the main reason of obtaining medical treatment, the mentioned criteria leaves proof of residency open to abuse.

For instance, what would stop an individual from applying for the Program one week after arriving in Guam and obtaining a vehicle license or landlord's statement as proof of residency? Furthermore, Section 2913.10 states that "Eligibility shall begin in the months the application is received. Coverage of eligibility can be retroactive for up to three (3) months back (90 days except for services requiring program prior authorization." With this language added by P.L. 18-31 and maintained in P.L. 22-161, will this mandate apply to the individual mentioned above?

There should be a Section to establish residency requirements to specifically address the issue of non-resident and/or non-U.S. citizen using the Program. Perhaps the focus should be on the terms indigen (native) and indigent (impoverish, needy) which may alleviate or minimize abuse. Periods of residency may be limited to not less than 6 months with proof of residency via voter registration and/or income tax payment. These limitations should be established by statute and not by rules and regulations.

Fourth, stringent and rigid measures should be established on adhering to eligibility requirements. It should neither be abridged nor influenced by anyone once in place. A Section should be added to state

"The eligibility as stated herein and those by rules and regulations shall not be abridged nor by any influence be made to qualify anyone. All records from interviews, proof of eligibility by verification shall be kept and subject to review by the legislative committee having oversight on the Department or Agency. A report shall be made to the legislature at the end of each Fiscal Year in a formal way required by the oversight legislative committee."

In conclusion, the outcry from the public is for Fiscal responsibility, so must the administration and management of the Program. The needs of our people within our island community must be met first before generosity, in all the goodness intended, chokes, suffocates, and severs the life line needed by our community. The Means Test appears to provide a fair and impartial means to help our medically indigent and rightly so. However, caution must be taken and every aspect of the Program must be reviewed, now that a Means Test is in place to qualify people into the Program.



Pacific Dialysis Corporation

612 Marine Drive*Suite 4*Dededo, Guam 96912 *Tel:(671)635-3824 *Fax(671)637-3291

May 24, 1995

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

Re: Bill 258

Dear Senator Leon Guerrero,

Thank you for the opportunity to submit testimony in full support of Bill 258.

Since our opening on May 1993, Pacific Dialysis Corporation has grown and provided service to 68 patients. The existing peritoneal dialysis program complements the hemodialysis treatment that is provided only at Guam Memorial Hospital. Of the 37 patients presently being serviced at PDC, 22 are Medicare eligible, 34 are MIP eligible and 3 are Medicaid eligible.

The financial impact of losing Medicare funding has severely impacted our operations. Because the majority of our patients are Medicare eligible, Medicare was our primary payor with MIP being the secondary payor. Since Medicare has stopped all payments effective January 1995, the government of Guam is currently our primary payor.

Bill 258 will begin the process of regaining federal funding, specifically Medicare, for eligible Medicare patients receiving dialysis. We are hopeful that the establishment of a revised means test will gain the approval of Medicare officials.

We are deeply concerned with our patients who fail to qualify for coverage under the revised means test as proposed in Bill 258. We appreciate the government's action by allowing dialysis patients who fail the means test to continue to receive treatment at GMH.

Because of the significant difference between hemodialysis and peritoneal dialysis, it will be a difficult transition for these patients to revert back to hemodialysis. Because the treatment plans are very different, patients reverting back to hemodialysis will undergo a major lifestyle change.



Pacific Dialysis Corporation

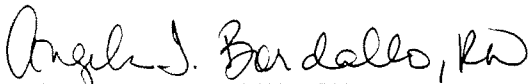
612 Marine Drive * Suite 4 * Dededo, Guam 96912 * Tel: (671) 635-3824 * Fax: (671) 637-3291

An alternative to this potential problem is to create a method of reimbursement between the government of Guam, Guam Memorial Hospital and PDC. Thereby allowing those patients who do not qualify for MIP under the proposed means test to continue to receive peritoneal dialysis.

Because of our long standing relationship with Medicare Region 9 officials, HMSA, and the TransPacific Renal Network, our office is prepared to provide you with data or information concerning dialysis programs and policies.

Thank you again for the opportunity to offer testimony and look forward to the passage of this much needed legislation.

Sincerely,

for 
Ruby M. Cruz, BSN, RN
Administrator



GUAM RENAL ORGANIZATION • (671) 646-5801 Ext. 229
GMH HEMODIALYSIS UNIT • 850 GOV. CARLOS CAMACHO RD.
TAMUNING, GUAM 96911.

May 25, 1995

Senators,

I am speaking today on behalf fo the Guam Renal Organization.

While we all agree that the Means Test must be passed and the 56 eligible medicare recipients at Hemodailysis be reinstated, let us not turn our back on the MIP recipients whom do not qualify for any assistants under the New Means Test.

Using the old African proverb "It takes a village to raise a child" I also believe it takes the help of our local government to care for the sick and elderly.

The emotions of anger, sorrow and pain are often the baggage which comes along with a chronic illness. What more to add guilt on having to choose life and treatment over losing everything one has worked so hard for. For those patients who do not meet the poverty guidelines, WILL,bring along their families if they chose to LIVE!

I am asking you today to mandate a law where by all insurance companies must offer EVERYONE ESRD coverage.

To extend the MIP free care coverage for Anti-Rejection medication for Transplant Patients until the insurance companies can share in the cost.

To form a program to assist patients who otherwise have no other assistances. This program could be funded by raising the drivers license fee from 5 dollars to 25 dollars.

Thank You,

Carrie Angoco



Introduced

TWENTY-THIRD GUAM LEGISLATURE
1995 (First) Regular Session

JUN 05 1995

Bill No. 258 (LS)
Introduced by:

Lou Leon Guerrero ^{H.R.}
vicente c. pangelinan
Francis Santos

AN ACT RELATIVE TO CREATING A MEANS TEST FOR THE
MEDICAL INDIGENT PROGRAM.

1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:
2 Section 1. Section 2913.10(c) of Title 10, Guam Code Annotated, is hereby
3 repealed and reenacted to read as follows:

4 "Section 2913.10(c). Applicability to All Applicants. All applicants for the
5 Medical Indigent Program shall meet the eligibility requirements set forth in
6 this Article. These applicants shall include, but not be limited to, individual
7 services for tuberculosis, lytico, bodig, diabetes, or end stage renal disease."

8 Section 2. Section 2913.10 (d) of Title 10, Guam Code Annotated, is hereby
9 repealed.

10 Section 3. Section 2913.13 of Title 10, Guam Code Annotated, is amended to
11 read as follows:

12 "Section 2913.13 Income Limitations. The Federal Poverty Income Guidelines
13 for Guam, Hawaii or Alaska, whichever is highest shall be used to determine
14 income eligibility for the Medical Indigent Program. In the calculation of
15 income, payments for medical insurance or Medicare premiums shall be
16 excluded from income. An individual found ineligible because of the income
17 limitations set out in this section prior to its repeal and reenactment, who
18 was paying medical insurance or Medicare premiums shall be reevaluated for
19 eligibility from his or her time of application based upon the new guidelines."
20
21
22