



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

MAR 21 1997

The Honorable Antonio R. Unpingco
Speaker
Twenty-Fourth Guam Legislature
Guam Legislature Temporary Building
155 Hesler Street
Agana, Guam 96910

OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	<i>[Signature]</i>
Time	10:47am
Date	3/24/97

Dear Speaker Unpingco:

Enclosed please find a copy of Substitute Bill No. 127 (COR), "AN ACT TO REPEAL §80116 AND §80117 OF TITLE 10 OF THE GUAM CODE ANNOTATED; TO AMEND SUBSECTION (f) OF §4302 OF TITLE 4 OF THE GUAM CODE ANNOTATED AND TO RE-LETTER SUBSECTIONS (f) TO (d), AND (g) TO (e) AND TO THEREAFTER ADD A NEW SUBSECTION (f) TO §4302 OF TITLE 4 OF THE GUAM CODE ANNOTATED, RELATIVE TO REQUIRING ALL HEALTH INSURANCE COMPANIES TO HAVE CONTRACTS WITH ALL GOVERNMENT ENTITIES PROVIDING HEALTH CARE SERVICES TO THEIR SUBSCRIBERS AND TO CITE THE ACT AS THE 'HEALTH INSURANCE COMPANIES CONTRACTS WITH GOVERNMENT AGENCIES PROVIDING HEALTH CARE SERVICES ACT'", which I have signed into law as **Public Law No. 24-11.**

The intent of this legislation is to have a positive effect on the cash flow of the Guam Memorial Hospital Authority by providing a steady source of income to the hospital through the negotiation of contracts with insurance providers. Negotiations have begun with insurance providers, and I hope that a positive outcome will begin to restore health to our hospital. This legislation provides flexibility to the negotiation process.


There is one Section of the bill which causes some hesitation. Section 2 of the bill repeals §§80116 of Title 10, Guam Code Annotated. §80116 was enacted in 1990 to curb an abuse which was taking place at the time. The hospital was sending out bills to patients for services which were already

Office of the Legislative Secretary
Antonio R. Unpingco
1997
Time: 3:18 pm
Rec'd by: <i>[Signature]</i>
Print Name: <i>Mohiguel</i>

covered and were supposed to be paid for by the patients' insurance. This resulted in confusion in payments.

I have instructed the Acting Hospital Administrator, Mr. Tyrone Taitano, to review carefully any process undertaken in hospital billings, to ensure that patients are billed properly and that both patients and insurance companies are not paying for the same service twice. See attached letter. I also do not want to see patients billed unnecessarily when insurance is provided to cover the cost and payment of the service.

Very truly yours,



Carl T. C. Gutierrez
Governor of Guam

Attachments

00112



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

MAR 21 1997

Mr. Tyrone Taitano
Administrator
Guam Memorial Hospital Authority
850 Gov. Carlos G. Camacho Rd.
Tamuning, Guam 96911

Dear Mr. Taitano:

I have signed Bill No. 127 into law as Public Law No. 24-11, inasmuch as it will provide the Authority with the means to compel all insurers to enter into contracts with government providers for the prompt payment of services. I do so however with some reservation as the initial portion of this bill repeals §80116 of Title 10, Guam Code Annotated, which provides for protection of the consumers of hospital services from any undue imposition of collection actions where the consumer has a third party arrangement for the payment of their services.

I am sure that you share my interest in ensuring that the interests of the patients served by GMH are protected from any undue processes in the collection of their bills. I therefore believe that it is essential that GMHA abide by the following protocols in their collection efforts in such cases:

The Hospital will maintain a process to coordinate the processing of billings for the Hospital's patients in such a manner as to allow for the review of disputed accounts by patients.

All collection efforts shall be made in accordance with the established Credit and Collection Policies and Procedures adjudicated by the Hospital.

Every effort will be made to ascertain insurance coverage and to collect from the insurance company when possible.

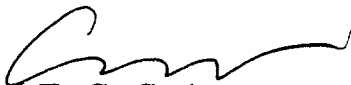
Every effort will be made to assist the patient with applications and referrals to programs offering financial assistance for the payment of medical bills.

Sufficient notice will be provided to all patients prior to application of charges that were otherwise designated for a third party payer and prior to the referral of the account for collection services.

Collection services will be undertaken in accordance with a contract establishing the guidelines for collection activities condoned by the Hospital and in accordance with existing legal statutes for collection on Guam.

With the enactment of Public Law No. 24-11, it is my expectation that GMHA will utilize its new flexibility in a manner that conforms with the above stipulations. I trust I can rely on your most earnest efforts and compliance in this regard.

Very truly yours,



Carl T. C. Gutierrez
Governor of Guam

TWENTY-FOURTH GUAM LEGISLATURE
1997 (FIRST) Regular Session

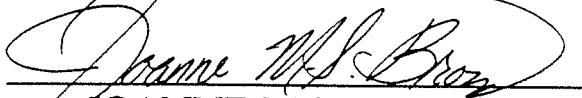
CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 127 (COR), "AN ACT TO REPEAL §80116 AND §80117 OF TITLE 10 OF THE GUAM CODE ANNOTATED; TO AMEND SUBSECTION (f) OF SECTION §4302 OF TITLE 4 OF THE GUAM CODE ANNOTATED AND TO RE-LETTER SUBSECTIONS ((f) TO (d), AND (g) TO (e) AND TO THEREAFTER ADD A NEW SUBSECTION (f) TO §4302 OF TITLE 4 OF THE GUAM CODE ANNOTATED, RELATIVE TO REQUIRING ALL HEALTH INSURANCE COMPANIES TO HAVE CONTRACTS WITH ALL GOVERNMENT ENTITIES PROVIDING HEALTH CARE SERVICES TO THEIR SUBSCRIBERS AND TO CITE THE ACT AS THE "HEALTH INSURANCE COMPANIES CONTRACTS WITH GOVERNMENT AGENCIES PROVIDING HEALTH CARE SERVICES ACT," was passed on 8th day of March, 1997, duly and regularly passed.



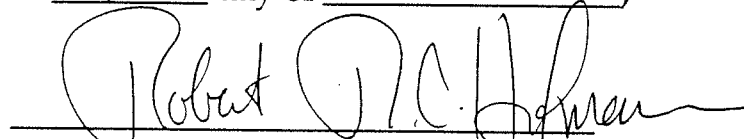
ANTONIO R. UNPINGCO
Speaker

Attested:



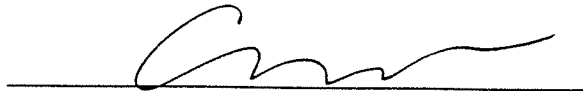
JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by the Governor this 13th day of March
1997, at 4:47 o'clock P..M.



Assistant Staff Officer
Governor's Office

APPROVED:



CARL T. C. GUTIERREZ
Governor of Guam

Date: 3-21-97
Public Law No. 24-11

**TWENTY-FOURTH GUAM LEGISLATURE
1997 (FIRST) Regular Session**

Bill No. 127 (COR)

As substituted by the Committee
on Health and Human Services.

Introduced by:

E. J. Cruz
J. C. Salas
L. F. Kasperbauer
Felix P. Camacho
W. B.S.M. Flores
T. C. Ada
F. B. Aguon, Jr.
E. Barrett-Anderson
A. C. Blaz
J. M.S. Brown
Francisco P. Camacho
M. C. Charfauros
Mark Forbes
A. C. Lamorena V
C. M. Leon Guerrero
L. Leon Guerrero
V. C. Pangelinan
A. L.G. Santos
F. E. Santos
A. R. Unpingco
J. WonPat-Borja

AN ACT TO REPEAL §80116 AND §80117 OF TITLE 10 OF THE GUAM CODE ANNOTATED; TO AMEND SUBSECTION (f) OF SECTION §4302 OF TITLE 4 OF THE GUAM CODE ANNOTATED AND TO RE-LETTER SUBSECTIONS (f) TO (d), AND (g) TO (e) AND TO THEREAFTER ADD A NEW SUBSECTION (f) TO §4302 OF TITLE 4 OF THE GUAM CODE ANNOTATED, RELATIVE TO REQUIRING ALL HEALTH INSURANCE COMPANIES TO HAVE CONTRACTS WITH ALL GOVERNMENT ENTITIES PROVIDING HEALTH CARE SERVICES TO THEIR SUBSCRIBERS

AND TO CITE THE ACT AS THE "HEALTH INSURANCE COMPANIES CONTRACTS WITH GOVERNMENT AGENCIES PROVIDING HEALTH CARE SERVICES ACT."

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

2 Section 1. Legislative Intent. The Guam Legislature finds that the Guam
3 Memorial Hospital Authority needs a predictable and steady cash flow infusion for
4 its fiscal stability to pay for medication, professional services and supplies. The
5 Guam Legislature believes that the Guam Memorial Hospital and other government
6 of Guam health services agencies need the authority and flexibility to negotiate with
7 insurance companies the content and process for actual, contractual reimbursement
8 for services and supplies provided to insured patients.

9 Section 2. Sections 80116 and 80117 of Title 10 of the Guam Code
10 Annotated are hereby repealed in their entirety.

11 Section 3. Subsection (f) of §4302 of Title 4 of the Guam Code Annotated
12 is hereby amended to read as follows:

13 "(f) No health insurance company or health care provider contracted to
14 provide health care to government of Guam employees may deny coverage to the
15 employee or dependents on the basis of a congenital anomaly. Congenital
16 anomalies shall be covered, subject to contract negotiations."

17 Section 4. The Subsections under Title 4 of the Guam Code Annotated
18 §4302 are re-lettered (f) to (d), and (g) to (e).

19 Section 5. A new Subsection (f) is added to §4302 of Title 4 of the Guam
20 Code Annotated to read as follows:

21 "(f) All companies, or other legal entities providing or applying to provide
22 health insurance or the provision of health care, shall have contracts for services
23 with all government of Guam entities that are providing health care services to
24 any and all of their subscribers. This requirement shall be met prior to, and as a
25 condition to, the start of negotiations for the government of Guam fiscal year

1 1999. Any dispute or controversy between contracting parties shall be submitted
2 to arbitration according to the generally accepted local practice.”