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The new legislation implies that the Catastrophic Illness Assistance Program will pick up the remainder of amounts due for those individuals with an expensive illness. This program, however, is not funded, but is simply money from the General Fund. There is no indication that the backup CIAP program will be funded, although the legislation allows the Department of Public Health to buy insurance for it. There is no appropriation for the insurance, however, either.

This legislation doesn't seem to contain a transition for those patients who are in the middle of serious treatment. For example, if a patient is having heart surgery around the time the old program goes out and the new one comes in, what will the coverage level be? Will all of the bills be paid no matter when they are incurred or will the patient be cut off at the cap in mid-treatment?

The new MIP program doesn't seem to be either "fish" or "fowl". It doesn't seem to be government, private, or a partnership. It appears that the original bill as drafted was a "revamp" of the current MIP law, with the MIP program remaining at the Department of Public Health, and a separate mechanism for private control of the program was inserted into it after the bill was already completed. This provides for many unanswered questions and inconsistent terminology.

Prior law specified that the MIP program was within the Department of Public Health and Social Services, and also the Medicaid program was administered there.

This bill separates the MIP program as a stand alone program. BUT: there are some inconsistencies. The bill says that "Within the Department of Public Health and Social Services, within the Division of Public Welfare, there is a **program unit** entitled the Bureau of Health Care Financing Administration, **which shall be the Administrator** of the Guam Medicaid Program and the **Guam Medically Indigent Program** subject to the requirements and exceptions of this Article". (See Page 12, lines 4-9.) So, initially, the Bureau of Health Care Financing is the Administrator.

Then, later, the bill states: "The Director shall enter into an agreement. . . to **perform all of the duties of the Administrator except as specified in this Section.**" (Page 19, lines 11-13). Nothing particular is excepted in the section, as the language goes on to state that the contract shall be for "**all of the duties of the Administrator that are necessary to ensure implementation of the Program in accordance with the provisions of this Article.**" (Page 19, lines 18-21).

A conflict of interest seems to be built into the bill as well. The private "Administrator" may also be a service provider. The bill states: **"The Director may subcontract to One (1) or more contractors who also may be Providers of MIP health services."** (Page 20, lines 19-20). This leaves open the possibility that the lucky Provider who is also chosen to be the Administrator can improperly influence the rates paid, how quickly they are paid – to themselves. A similar situation would occur if a vendor to a government agency could specify the rates and terms of payment to himself. Naturally, the vendor would favor himself.

Although the legislation creates a Medically Indigent Program Advisory Council, most of its duties are "advisory". It is to "assist" and "make recommendations" only (See Page 23, lines 3, 5, 12, 16, 18, and 22). It does, however, do one important thing: **it establishes qualifications for the Program Administrator.** (Page 22, Lines 22-23).

The MIP Advisory Council has a quorum of 4 people. The composition of the Advisory Council, however, consists of 5 individuals who have a business interest in the program, 1 representative of a government agency, and 1 member representing the community at large. The 5 individuals with a business interest will be a physician, a nurse, a dentist, and a pharmacist, each selected from their respective professional organizations, and an insurance representative. The government individual is a representative of the Department of Mental Health. Finally, there is the member from the community at large.

The Advisory Council is made up of a majority of individuals with an interest in MIP payments, regardless of who is selected. These individuals establish the qualifications of the Administrator, who may be a vendor. The Council "assist[s] the Administrator in the periodic updating and revisions of Program benefits based upon an annual review of the Program enrollment, utilization, claims payment experience and operating expenses of the Program in preparation for filing for such changes in accordance with the provisions of this Article and the Administrative Adjudication Law." (See Page 23, lines 5-11). So, in other words, the Council assists the Administrator in raising the benefits, which may be paid to the Administrator, who may be a Provider.

There are other dangling questions in the legislation. For example, there are current employees at the Department of Public Health and Social Services who are administering MIP now. What will happen to these employees if this function is given to a private company?

The legislation places additional requirements, such as peer review, on the Department of Public Health and Social Services. This is already taking place in the private sector. It may be duplicating what is provided at the hospital, and will certainly be an additional expense, which is not provided for.

After MIP is privatized, then what real role or purpose is there in having a Medically Indigent Advisory Council, which is created under the new bill?



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

SEP 27 2000

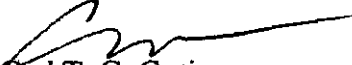
The Honorable Joanne M. S. Brown
Legislative Secretary
I Mina'Bente Singko na Liheslaturan Guåhan
Twenty-Fifth Guam Legislature
Suite 200
130 Aspinal Street
Hagåtña, Guam 96910

RE: CORRECTED COVER LETTERS FOR PUBLIC LAW NOS. 25-162, 25-163, AND
25-164.

Dear Legislative Secretary Brown:

Enclosed please find corrected transmittal letters for Public Law Nos. 25-162, 25-163 and 25-164, along with a second copy of their respective public laws. The transmittal letters inadvertently contained an incorrect title under the name of the Governor.

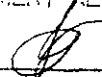
Very truly yours,


Carl T. C. Gutierrez
I Maga'Lahen Guåhan
Governor of Guam

Attachments

cc: The Honorable Antonio R. Unpingco
Speaker

01096

OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	
Time	10:10 am
Date	9/28/00



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

SEP 21 2000

The Honorable Joanne M. S. Brown
Legislative Secretary
I Mina'Bente Singko na Liheslaturan Guåhan
Twenty-Fifth Guam Legislature
Suite 200
130 Aspal Street
Hagåtña, Guam 96910

OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	<u>[Signature]</u>
Time	<u>10:20 a.m.</u>
Date	<u>21 Sept 2000</u>

Dear Legislative Secretary Brown:

Enclosed please find Substitute Bill No. 467 (COR), "AN TO REPEAL AND REENACT ARTICLE 9 OF CHAPTER 2, DIVISION 1, PART 1 OF TITLE 10 OF THE GUAM CODE ANNOTATED, RELATIVE TO REVISING AND FUNDING THE MEDICALLY INDIGENT PROGRAM TO AFFORD GREATER ACCESS TO PROGRAM SERVICES AND EFFICIENCY IN PROGRAM OPERATIONS AND FOR OTHER PURPOSES", which is signed into law as **Public Law No. 25-163**.

This public law provides immediate funding for the Medically Indigent Program, however, there are severe difficulties with implementation of the many other provisions. Although the immediate problem of funding is dealt with in the short term, this legislation increases the liability of the government in the long term. Hopefully, some of these difficulties will be addressed.

The first difficulty is that by March 1, 2001, the government will pay a higher share of health costs under the new plan because the MIP client's liability is less and more people will be eligible for government assistance. Right now, the client is liable for amounts ranging between 7% to 45% of the cost of their treatment, depending on their income, but that will change to amounts between 5% to 20%, but with a maximum of \$2,500. In other words, if a person now incurs a cost of \$10,000 at the hospital, and can afford to pay part of this amount up to 45%, the person might pay up to \$4,500. Under the new legislation, no one will pay more than \$2,500, regardless of ability to pay or the costs incurred.

At the same time, starting March 1, 2001, this legislation broadens the number of people who will be covered by the MIP program. The current income guidelines will be broadened to include more people. On March 1, 2001, the items covered under the program will be increased to include mental health services, chiropractic services, and acupuncture services. These items were not

01090

previously covered. There is also a new cap on the amount that can be spent on an individual in any given year, regardless of the illness. So, while more people are eligible for more services, serious health situations are not covered. If an individual has a serious health problem, such as a need for heart surgery, injuries from a serious car accident, or other illness requiring long-term hospitalization, the money will run out.

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The Advisory Council is made up of a majority of individuals with an interest in MIP payments, regardless of who is selected. These individuals establish the qualifications of the Administrator, who may be a vendor. The Council "assist[s] the Administrator in the periodic updating and revisions of Program benefits based upon an annual review of the Program enrollment, utilization, claims payment experience and operating expenses of the Program in preparation for filing for such changes in accordance with the provisions of this Article and the Administrative Adjudication Law." (See Page 23, lines 5-11). So, in other words, the Council assists the Administrator in raising the benefits, which may be paid to the Administrator, who may be a Provider.

There are other dangling questions in the legislation. For example, there are current employees at the Department of Public Health and Social Services who are administering MIP now. What will happen to these employees if this function is given to a private company?

The legislation places additional requirements, such as peer review, on the Department of Public Health and Social Services. This is already taking place in the private sector. It may be duplicating what is provided at the hospital, and will certainly be an additional expense, which is not provided for.

After MIP is privatized, then what real role or purpose is there in having a Medically Indigent Advisory Council, which is created under the new bill?

SB467;PL25-162

MIP

September, 2000

What happens to the AGUPA program if the MIP is privatized?

What happens if a private company runs the MIP program for a year or so, decides they don't want it – that it's not profitable, or too inconvenient – then dumps the program back on the government?

Finally, the residency requirement inserted in the legislation probably will not pass muster. The six-month residency requirement before a benefit can be provided cannot be applied. The prior law was also inconsistent, first indicating that there was no residency requirement, but then going on to state that an alien must be a resident for 3 years. This provision has not been enforced, and the new residency requirements cannot be enforced. While there are exceptions in the legislation for certain temporary emergency care, such as prenatal care for pregnant women, and care for those with tuberculosis or leprosy, there are other health care requirements for recent arrivals that will need to be provided.

This legislation requires a good deal of remedial work before many of its provisions can be implemented.

Very truly yours,



Carl T. C. Gutierrez
I Maga'Lahen Guåhan, Akto
Acting Governor of Guam

Attachment: copy attached for signed bill or overridden bill
original attached for vetoed bill


cc: The Honorable Antonio R. Unpingco
Speaker

01090

MINA'BENTE SINGKO NA LHESLATURAN GUAHAN
2000 (SECOND) Regular Session


CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

This is to certify that Substitute Bill No. 467 (COR) "AN ACT TO REPEAL AND REENACT ARTICLE 9 OF CHAPTER 2, DIVISION 1, PART 1 OF TITLE 10 OF THE GUAM CODE ANNOTATED, RELATIVE TO REVISING AND FUNDING THE MEDICALLY INDIGENT PROGRAM TO AFFORD GREATER ACCESS TO PROGRAM SERVICES AND EFFICIENCY IN PROGRAM OPERATIONS AND FOR OTHER PURPOSES," was on the 14th day of September 2000, duly and regularly passed.




ANTONIO R. UNPINGCO
Speaker

Attested:



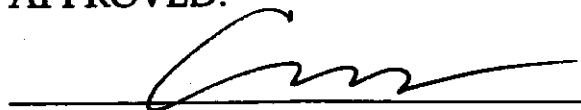
JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by *I Maga'lahen Guahan* this 15th day of September, 2000,
at 4:50 o'clock P.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:



CARL T. C. GUTIERREZ
I Maga'lahen Guahan

Date: 9.21.00

Public Law No. 25-163

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
2000 (SECOND) Regular Session

Bill No. 467 (COR)

As substituted by the Committee on Health,
Human Services and Chamorro Heritage and
amended in the Committee of the Whole.

Introduced by:

S. A. Sanchez, II
F. B. Aguon, Jr.
E. C. Bermudes
A. C. Blaz
J. M.S. Brown
E. B. Calvo
M. G. Camacho
Mark Forbes
L. F. Kasperbauer
A. C. Lamorena, V
C. A. Leon Guerrero
K. S. Moylan
V. C. Pangelinan
J. C. Salas
A. R. Unpingco

**AN ACT TO REPEAL AND REENACT ARTICLE 9
OF CHAPTER 2, DIVISION 1, PART 1 OF TITLE 10
OF THE GUAM CODE ANNOTATED, RELATIVE
TO REVISING AND FUNDING THE MEDICALLY
INDIGENT PROGRAM TO AFFORD GREATER
ACCESS TO PROGRAM SERVICES AND
EFFICIENCY IN PROGRAM OPERATIONS AND
FOR OTHER PURPOSES.**

1 (c) a means for establishing Provider reimbursements and
2 a care contribution or cost-sharing program for persons with the
3 ability to pay for a portion of their health care costs, based upon
4 family size, monthly income and resources as these terms are
5 defined in this Article;

6 (d) a mechanism for establishing procedures to verify the
7 validity of need and eligibility of persons applying for assistance
8 under this Program; *and*

9 (e) a plan to effectively implement policies and procedures
10 for operations of this Program.

11 **Section 2903. Definitions.** In this Article, *unless* the
12 context otherwise requires:

13 (a) '*Administrator*' means the administrator of the Guam
14 Medically Indigent Program.

15 (b) '*Clean Claim*' means a claim, that may be processed
16 without the need of additional information from the provider of
17 service or from a third party but does not include any claim under
18 investigation for fraud or abuse or claims under review for
19 medical necessity. In no event may a claim be contested or denied
20 for the lack of information that has no factual impact upon the
21 Health Plan Administrator's ability to adjudicate the claim.

22 (c) '*Department*' means the Department of Public Health
23 and Social Services.

1 (d) 'Director' means the director of the Department of
2 Public Health and Social Services.

3 (e) 'Eligible Person' means any person who is:

4 (1) a resident of Guam who has been a resident of
5 Guam for a period of *no less than* six (6) months; and who
6 has been physically living on Guam within the last six (6)
7 months of the year, *except* for temporary absences in the past
8 year which cannot be reasonably construed as absences due
9 to *bona fide* residency outside of Guam; who applies for and
10 qualifies for assistance under this Article; who is unable to
11 pay the cost of the necessary medical care; *and* who also:

12 (2) is *not* eligible for Medicaid or Medicare coverage
13 and have exhausted all benefits under Title XVIII or XIX of
14 the Social Security Act; or the State Children's Health
15 Insurance Program under Title XXI of the Balanced Budget
16 Act as of 1997; *or*

17 (i) does *not* have medical insurance coverage
18 nor the financial ability to pay for medical insurance
19 coverage or for medical services as determined by the
20 cost-sharing Program developed by the Administrator
21 based upon the criteria established in this Article; *or*

22 (ii) who has medical insurance coverage, but
23 such coverage is inadequate to cover the cost of
24 medically required treatment and is otherwise qualified

1 for the Program as a result of inadequate income or
2 other resources;

3 (3) is a child in foster care, age eighteen (18) years
4 and below, for whom public agencies are assuming financial
5 responsibility in whole or in part; *or*

6 (4) is an eligible pregnant woman, or an infant
7 under the age of one (1) year, whose family income does *not*
8 exceed one hundred forty percent (140%) of the Guam MIP
9 Income guidelines; *or*

10 (5) is a child defined as an eligible child who has *not*
11 attained the age of eighteen (18) years and whose family
12 income does *not* exceed one hundred forty percent (140%) of
13 the Guam MIP Income guidelines; *or*

14 (6) is eligible for temporary emergency medical or
15 other special care as provided in §2905.3.

16 (f) '*Federal Poverty Guideline*' means the poverty
17 guidelines updated annually in the *Federal Register* by the U.S.
18 Department of Health and Human Services under authority of
19 §673(2) of the Omnibus Budget Reconciliation Act of 1981.

20 (g) '*Guam MIP Income Guidelines*' means the Federal
21 poverty guidelines adjusted for the higher cost of living on Guam
22 relative to the national standard.

23 (h) '*Medical Necessity*' or '*Medically Necessary*' means health
24 care services or products that a prudent physician would provide to

1 a patient for the purposes of preventing, diagnosing or treating an
2 illness, injury, disease or it's symptoms in a manner that is:

3 (1) in accordance with generally accepted standards
4 of medical practice; *and*

5 (2) clinically appropriate in terms of type, frequency,
6 extent, site and duration.

7 The determination of 'Medical Necessity' must be made on an
8 individual basis and must consider:

9 (i) the functional capacity of the person and
10 those capacities that are appropriate for persons of the
11 same age or developmental level; *and*

12 (ii) available research findings, health care
13 practice guidelines and standards issued by
14 professionals, recognized organizations or government
15 agencies.

16 (i) '*Member*' means an eligible person who enrolls in the
17 Program.

18 (j) '*Non-Provider*' means a person who provides hospital,
19 medical, dental or behavioral health care, but does *not* have a
20 contract or subcontract with the Program.

21 (k) '*Practitioner*' means a person licensed pursuant to
22 Chapter 12 of Division 1, Part 1 of Title 10 of the Guam Code
23 Annotated.

1 (1) *'Prepaid capitated'* means a mode of payment by which
2 a health care Provider directly delivers health care services for the
3 duration of a contract to a maximum specified number of
4 members based on a fixed rate per member notwithstanding:

5 (1) the actual number of members who receive care
6 from the Provider; *or*

7 (2) the amount of health care services provided to
8 any member.

9 (m) *'Primary Care Physician'* means a physician who is a
10 family practitioner, general practitioner, pediatrician, general
11 internist, obstetrician, psychiatrist or gynecologist.

12 (n) *'Primary Care Practitioner'* means a nurse practitioner
13 licensed pursuant to Article 3 of Chapter 12, Division 1, Part 1 of
14 Title 10 of the Guam Code Annotated, or a physician's assistant
15 licensed pursuant to Article 16 of Chapter 12, Division 1, Part 1 of
16 Title 10 of the Guam Code Annotated. Nothing in this Act shall
17 expand the scope of practice for nurse practitioners or for
18 physician assistants as defined in Chapter 12 of Division 1, Part 1
19 of Title 10 of the Guam Code Annotated.

20 (o) *'Provider'* means any person who contracts with the
21 Program for the provision of hospitalization, medical, dental or
22 behavioral health care to members according to the provisions of
23 this Chapter, or any subcontractor of such Provider delivering
24 services pursuant to this Article.

1 (p) 'Program' means the Guam Medically Indigent
2 Program established by this Article.

3 **Section 2904. Establishment of Program Administrator.**

4 (a) There is established within the Department of Public
5 Health and Social Services, within the Division of Public Welfare,
6 a Program unit entitled the 'Bureau of Health Care Financing
7 Administration,' which shall be the Administrator of the Guam
8 Medicaid Program and the Guam Medically Indigent Program,
9 *subject to* the requirements and exceptions of this Article.

10 (b) The Administrator has full operational responsibility
11 for the Program, *subject to* supervision by the Director of the
12 Department of Public Health and Social Services, with such duties
13 that may include any or all of the following:

14 (1) Development of implementation and operation
15 plans for the Program, which include reasonable access to
16 hospitalization, medical, dental and behavioral health care
17 services for members, as provided by this Article.

18 (2) Contract administration, certification and
19 oversight of Providers.

20 (3) Provision of technical assistance services to
21 Providers and potential Providers.

22 (4) Development of a complete system of accounts
23 and controls for the Program, including provisions designed
24 to ensure that covered health services provided through the
25 Program are *not* used unnecessarily or unreasonably,

1 including but *not* limited to inpatient mental health services
2 provided in a hospital. The Administrator shall regularly
3 compare the scope, utilization rates, utilization control
4 methods and unit prices of major health care services
5 provided on Guam in comparison with Program health care
6 services to identify any unnecessary or unreasonable
7 utilization within the Program. The Administrator shall
8 periodically assess the cost effectiveness and health
9 implications of alternate approaches to the provision of
10 covered health and medical services through the Program in
11 order to reduce unnecessary or unreasonable utilization.

12 (5) Establishment of peer review and utilization
13 review functions for all Providers.

14 (6) Assistance in the formation of medical, dental
15 and behavioral health care consortiums to provide covered
16 health and medical services under the Program.

17 (7) Development and management of a Provider
18 payment system.

19 (8) Establishment and management of a
20 comprehensive system for assuring the quality of care
21 delivered by the Program.

22 (9) Establishment and management of a system to
23 prevent fraud by members, eligible persons and Providers of
24 the Program.

1 (10) Development of a health education and
2 information program.

3 (11) Development and management of a participant
4 enrollment system.

5 (12) Establishment of a system to implement medical
6 child support requirements, as required by Federal and local
7 law. The Administrator may enter into an
8 intergovernmental agreement with the Department of Law
9 to implement the provisions of this Subsection.

10 (13) *Except* for reinsurance obtained by Providers, the
11 Administrator shall coordinate benefits provided under this
12 Article to an eligible person who also is covered by workers'
13 compensation, disability insurance, a health care services
14 organization, an accountable health plan, or any other health
15 or medical or disability insurance plan, including coverage
16 made available to eligible persons as defined by §§2903 and
17 2905, or who receives payments for accident-related injuries,
18 so that any costs for hospitalization, medical, dental or
19 behavioral health care paid by the Program are recovered
20 from any other available third party payers. The
21 Administrator may require that Providers and Non-
22 Providers are responsible for the coordination of benefits for
23 services provided under this Article. Requirements for
24 coordination of benefits by Non-Providers under this
25 Section shall be limited to coordination with standard health

1 insurance and disability insurance policies, and similar
2 Programs for health coverage. The Program shall act as a
3 payer of last resort for eligible persons as defined by this
4 Article, *unless* specifically prohibited by Federal or local law.
5 The Administrator may require eligible persons to assign to
6 the system rights to all types of medical benefits, to which
7 the person is entitled, including, but *not* limited to, first
8 party medical benefits under automobile insurance policies.
9 The government of Guam has a right to subrogation against
10 any other person or firm to enforce the assignment of
11 medical benefits. The provisions of this Subsection are
12 controlling over the provisions of any insurance policy,
13 which provides benefits to an eligible person *if* the policy is
14 inconsistent with the provisions of this Subsection.

15 (14) The Administrator shall require as a condition of
16 a contract with any Provider that all records relating to
17 contract compliance are available for inspection by the
18 Administrator or the Director and that such records be
19 maintained by the Provider for five (5) years. The
20 Administrator shall also require that a Provider make such
21 records available on request of the Secretary of the United
22 States Department of Health and Human Services, or its
23 successor agency.

24 (15) Administrator shall establish procedures for:

1 (i) the transition of patients between system
2 Providers and Non-Providers; *and*

3 (ii) the referral of members and persons who
4 have been determined eligible to hospitals and other
5 medical facilities, which have contracts to care for such
6 persons.

7 (16) The Administrator shall set forth procedures and
8 standards for use by the Program in requesting long-term
9 care for members or persons determined eligible.

10 (17) As a condition of the contract with any Provider,
11 the Administrator shall require such contract terms as are
12 necessary, in the judgment of the Administrator, to ensure
13 adequate performance and compliance with all applicable
14 local and Federal laws by the Provider of the provisions of
15 each contract executed pursuant to this Article. Contract
16 provisions required by the Administrator may include, but
17 are *not* limited to, the maintenance of deposits, performance
18 bonds, financial reserves or other financial security. The
19 Administrator may waive requirements for the posting of
20 bonds or security for Providers which have posted other
21 security, equal to or greater than that required by the
22 system, with a local agency for the performance of health
23 service contracts *if* funds would be available from such
24 security for the Program upon default by the Provider. The
25 Administrator may also establish procedures, which provide

1 for the withholding or forfeiture of payments to be made to
2 a Provider by the Program for the failure of the Provider to
3 comply with a provision of the Provider's contract with the
4 Program or with the provisions of adopted rules.

5 (18) *If* the Administrator determines that it is more
6 cost effective for an eligible person to be enrolled in a group
7 health insurance plan in which the person is entitled to be
8 enrolled, the Program may pay all of that person's
9 premiums, deductibles, coinsurance and other cost sharing
10 obligations for services covered under the Program. The
11 person shall apply for enrollment in the group health
12 insurance plan as a condition of eligibility under §§2903 and
13 2905.

14 (19) *If* the Administrator and Medically Indigent
15 Advisory Council determines that it is more cost effective to
16 provide for the medical management of a Program
17 participant's health care needs with the provision of services
18 that may fall outside the defined Program benefits, such
19 treatment may be pursued; *provided*, that there will be a
20 significant beneficial outcome to the patient's health status
21 and the total cost of this alternate treatment regime does *not*
22 exceed a total cost of Seventy-five Thousand Dollars
23 (\$75,000.00). Treatment outside the defined Program
24 benefits, must take place at teaching hospitals or be

1 sanctioned by the Federal Drug Administration as an
2 experimental drug or procedural practice.

3 (c) The Director, in consultation with the Medically
4 Indigent Program Advisory Council, shall promulgate, *subject to*
5 the Administrative Adjudication Law, a process for the periodic
6 updating and revision of Program Benefits based upon an annual
7 review of Program enrollment, utilization and claims payment
8 and operating expenses.

9 (d) The Director shall establish by March 1, 2002, and
10 annually review and adjust pursuant to the Administrative
11 Adjudication Law, Guam MIP Income guidelines.

12 (e) The Director shall conduct a study to establish a
13 reinsurance Program as a means of minimizing total risk exposure
14 of the Program, and may consider extending the purchase of such
15 insurance to include coverage of services offered under the
16 Catastrophic Illness Program. A report of the findings regarding
17 reinsurance shall be filed with the Medically Indigent Program
18 Advisory Council, *I Maga'lahaen Guåhan* and *I Liheslaturan Guåhan*
19 within one (1) year of the date of implementation of this Article.
20 An amount *not to exceed* Fifty Thousand Dollars (\$50,000.00) is
21 hereby authorized to be spent on the study established herein
22 from Program funds appropriated by *I Liheslaturan Guåhan*.

23 (f) *Subject to* the Administrative Adjudication Law and
24 the Sunshine Reform Act of 1999, the Director shall prescribe by
25 rule the types of information that are confidential, and

1 circumstances under which such information may be used or
2 released, including requirements for physician-patient
3 confidentiality. Such rules shall be designed to provide for the
4 exchange of necessary information among Providers, the
5 Administrator and the Department for purposes of eligibility
6 determination or coordination of eligible medical care under this
7 Article.

8 **Section 2904.1. Privatization of Program Functions.** (a) The
9 Director shall enter into an agreement with an independent
10 contractor or contractors, *subject to* Chapter 5 of Title 5 of the
11 Guam Code Annotated (Procurement Law) to perform all of the
12 duties of the Administrator of the Program except as specified in
13 this Section.

14 (b) The Director shall develop and issue Request for
15 Proposals *subject to* Chapter 5 of Title 5 of the Guam Code
16 Annotated (Procurement Law) ninety (90) days from the effective
17 date of this sub-section.

18 The Request for Proposals shall seek to contract for all of the
19 duties of the Administrator that are necessary to ensure
20 implementation of the Program in accordance with the provisions
21 of this Article. The Director shall provide information on Program
22 benefits utilization, demographic information on members,
23 reimbursements to providers, existing reimbursement rates, and
24 all historical information available to provide potential contractors

1 sufficient information to provide a Proposal subject to this
2 Subsection.

3 The MIP Advisory Council shall review each proposal and
4 determine which qualified proposal would improve the
5 effectiveness of the Program and result in a cost savings to the
6 government or greater benefits to the program recipients. The
7 Contract shall be awarded subject to Title 5 GCA Procurement
8 Law.

9 (c) *If* an agreement is *not* entered into with an
10 independent contractor to serve as the Administrator of the
11 Program, pursuant to this Section the Director shall ensure that
12 the operational responsibilities set forth in this Article are fulfilled
13 by the Department or the Health Care Financing Administration.

14 (d) *If* the Director determines that the Contractor will
15 fulfill some, but *not* all, of the responsibilities of the Administrator,
16 the Director shall ensure that the remaining responsibilities are
17 fulfilled by the Department and the Health Care Financing
18 Administration.

19 (e) The Director may subcontract to one (1) or more
20 contractors who also may be Providers of MIP health services.

21 **Section 2904.2. Creation of the Medically Indigent Program**
22 **Advisory Council.** There is hereby created a Medically Indigent
23 Program Advisory Council to serve as an advisory board to the
24 Administrator of the Program. The Council shall consist of seven (7)

1 members appointed by *I Magå'lahen Guåhan* as follows: one (1) member
2 from the Guam Medical Society; one (1) member from the Guam Dental
3 Society; one (1) member from the Guam Nursing Association; one (1)
4 member from the Department of Mental Health and Substance Abuse;
5 one (1) member from the Guam Pharmaceutical Association; one (1)
6 member representing the insurance community; *and* one (1) member
7 representing the Community.

8 (a) **Officers.** The Council shall elect a Chairman and
9 Vice-Chairman from among its membership every two (2) years.

10 (b) **Quorum.** Four (4) members shall constitute a
11 quorum of the Council for the transaction of business. The
12 concurrence of four (4) members present shall constitute official
13 action of the Council. The Council may adopt rules and
14 regulations governing the conduct of its affairs.

15 (c) **Meetings.** Meetings of the Council shall be held at a
16 regular time and place as determined by the Council. Special
17 meetings may be called by the Chairman or by a majority of the
18 members, as often as may be necessary. Meetings of the Council,
19 regular or special, shall be *subject to* the Guam Open Government
20 Law.

21 (d) **Term of Office.** The members of the Council
22 shall serve staggered terms to ensure continuity of membership.
23 Council members from the Guam Medical Society, Guam Dental
24 Society, Guam Nursing Association and the Guam Pharmaceutical

1 Association shall serve a three (3) year term and Council members
2 from the Department of Mental Health and Substance Abuse,
3 insurance community and Community at large shall serve a two
4 (2) year term. On the expiration of the term of any member, or in
5 the event of a vacancy on the Council due to resignation, death or
6 any other cause, *I Maga'lahaen Guåhan* shall appoint another
7 member for a full term in the first instance or for the remainder of
8 the unexpired term.

9 (e) **Remuneration.** Each member shall receive the sum
10 of Fifty Dollars (\$50.00) for the member's attendance at any
11 meeting of the Council, but such compensation shall *not* exceed
12 One Hundred Dollars (\$100.00) in any one (1) calendar month. No
13 member shall receive any other compensation, but shall be
14 reimbursed for actual travel, subsistence and out-of-pocket
15 expenses incurred in the discharge of the member's
16 responsibilities, including authorized attendance at meetings held
17 away from Guam.

18 (f) **Duties of the Council.** The Council shall:

19 (1) have the authority to delegate such of its powers
20 as it may deem appropriate, but shall retain the ultimate
21 responsibility for the exercise of its powers;

22 (2) establish qualifications for the Program
23 Administrator which shall include, at a minimum,
24 experience in the administration of health care services or
25 Programs, knowledge of health care finance and

1 reimbursement mechanisms, and an understanding of the
2 delivery and administration of health care benefit Programs;

3 (3) assist in the development and review of
4 operational policies and procedures to govern the Program;

5 (4) assist the Administrator in the periodic updating
6 and revisions of Program benefits based upon an annual
7 review of the Program enrollment, utilization, claims
8 payment experience and operating expenses of the Program
9 in preparation for filing for such changes in accordance with
10 the provisions of this Article and the Administrative
11 Adjudication Law;

12 (5) make recommendations for the periodic
13 reevaluation and updating of Program Eligibility Criteria
14 and Standards in accordance with Guam's changing socio-
15 economic environment;

16 (6) review and periodically recommend updating of
17 this Article and the Drug Formulary of the Program;

18 (7) periodically review the Program's expenditures
19 and funding levels to ensure prompt payment of claims and
20 ensure that Program reimbursement levels are adequate to
21 ensure continued Provider participation; *and*

22 (8) assist in the identification of grants, donations,
23 fundraising events and other philanthropic endeavors to
24 assist with Program funding.
25

1 **PROGRAM PARTICIPATION AND ELIGIBILITY STANDARDS.**

2 **Section 2905. Program Participation and Eligibility Standards.**

3 **(a) General Eligibility Criteria.** To be eligible for
4 Program coverage, an applicant for the Medically Indigent Program
5 must be a resident of Guam as defined by §2903(e) of this Article
6 and as further defined by this Section. In Addition, an applicant
7 shall also meet the additional standards for eligibility according to
8 the following three (3) criteria: General Eligibility Standards,
9 Income Limitations and Resource Limitations as established in this
10 Section.

11 **(b) Coverage to Begin Upon Proof of Eligibility.** *Except* as
12 specifically required by Federal law, §2905.3 or by §2905.14 of this
13 Article, the Program is only responsible for providing care on or
14 after the date that the person has been determined eligible for the
15 Program, *except* that the Program shall be responsible for
16 reimbursing any allowable costs of care rendered during the
17 period of time between the determination of eligibility and the
18 date of application by a person subsequently determined to be
19 eligible.

20 **(c) Applications.** Applications for the Medically
21 Indigent Program shall be made by the applicant, or by someone
22 authorized to act on the applicant's behalf, to the Administrator in
23 the manner, place and form prescribed by the Administrator. Upon
24 receipt of an application, the Administrator shall investigate and

1 prepare a complete record of the circumstances of the applicant and
2 provide the applicant with a written response as to the person's
3 eligibility under the Program.

4 (d) **Application Requirements.** Each applicant shall
5 be required to file an affirmation setting forth such facts about their
6 qualifications for eligibility, annual income and other resources as
7 may be required by the Administrator. Such statements shall be on
8 forms prescribed by the Administrator, and may be accepted as
9 evidence of the facts stated, but shall *not* be interpreted to preclude
10 a full and complete investigation by the Administrator or the
11 Department, whenever in its judgment such investigation is
12 warranted.

13 (e) **System for Investigation.** The Administrator shall
14 establish a system for investigation of a sufficient sample size of
15 applications and affirmation as shall be deemed necessary to assure
16 the validity of such applications.

17 (f) **False Declarations as to Eligibility; Liability for**
18 **Repayment; Penalty.** Any individual receiving assistance under
19 this Article for which they were *not* eligible on the basis of false
20 declarations as to their eligibility, or on behalf of any other person
21 receiving assistance under this Article for which such other person
22 or persons were *not* eligible, shall be liable for repayment of all
23 benefits received and shall be guilty for a misdemeanor or felony
24 depending on the amount paid in that person's behalf for which the

1 person was *not* eligible, as specified in the Criminal and
2 Correctional Code, Title 9 of the Guam Code Annotated.

3 **Section 2905.1. General Eligibility Standards.**

4 (a) An applicant must be a person who is, or would be
5 legally obligated to pay for medical services rendered to such
6 person, but through indigence or other financial circumstances, is
7 unable to pay for such services, *and*

8 (1) is *not* eligible for Medicare, Medicaid coverage
9 under Title XVIII or XIX of the Social Security Act or the State
10 Children's Health Insurance Program under Title XXI of the
11 Balanced Budget Act of 1997; *or*

12 (2) has neither private medical insurance coverage
13 nor the financial ability to pay for medical insurance
14 coverage, or for necessary medical services as determined by
15 the Program; *or*

16 (3) has Medicare, Medicaid or private medical
17 insurance coverage, but such coverage is inadequate to cover
18 the cost of medically required treatment and such person is
19 otherwise qualified for the Program as a result of inadequate
20 income or resources.

21 **Section 2905.2. Program Residency Requirements.** (a) The
22 Director shall establish rules and procedures for use in
23 determining whether an applicant is a resident of Guam or is
24 eligible for temporarily assisted care, as provided in this Article.

1 The rules shall require that an applicant shall be eligible for
2 Program benefits *only if* the applicant is a resident of Guam and
3 has been a resident on Guam for a period of *no less than six (6)*
4 *months*, and has physically resided on Guam for a period of *not*
5 *less than six (6) months, except* for temporary absences in the past
6 year which cannot be reasonably construed as absences due to
7 *bona fide* residency outside of Guam.

8 (b) In order for an applicant to prove residency, the
9 requirements of Subsections (a) and (b) of this Section must be
10 met, *unless* residency is proved pursuant to Subsection (c) of this
11 Section:

12 (1) an applicant shall produce at least one (1) of the
13 following in their name in addition to a government issued
14 photo identification card in order to establish beyond a
15 reasonable doubt proof of residency of *no less than six (6)*
16 *months*:

17 (i) a Guam rent or mortgage receipt, or utility
18 bill;

19 (ii) a current Guam motor vehicle driver
20 license;

21 (iii) a current Guam motor vehicle registration;

22 (iv) a document showing that the applicant is
23 or was employed on Guam, and *if* currently
24 unemployed, an applicant shall provide a document

1 showing that the applicant has registered with a public
2 or private employment service on Guam;

3 (v) evidence that the applicant has enrolled the
4 applicant's children in a school on Guam;

5 (vi) evidence that the applicant is receiving
6 public assistance on Guam; *or*

7 (vii) evidence of registration to vote on Guam.

8 (2) The applicant signs an affidavit attesting that all
9 of the following apply to the applicant:

10 (i) the applicant does *not* own or lease a
11 residence outside of Guam;

12 (ii) the applicant does *not* own or lease a motor
13 vehicle registered outside of Guam;

14 (iii) the applicant is *not* receiving public
15 assistance outside of Guam; *and*

16 (iv) the applicant is actively seeking
17 employment on Guam, *if* the applicant is able to work
18 and is *not* employed.

19 (3) An applicant who does *not* meet the
20 requirements of Subsections (a) or (b) of this Section may
21 apply to have residency determined by a special eligibility
22 officer who shall be appointed by the Director. The special
23 eligibility officer shall receive any proof of residency offered
24 by the applicant and may inquire into any facts relevant to

1 the question of residency. A determination of residency
2 shall *not* be granted, *unless* a preponderance of the credible
3 evidence supports the applicant's contention that the
4 applicant has resided on Guam for *no less than* six (6)
5 months. A denial of a determination of residency may be
6 appealed in the same manner as any other denial of
7 eligibility for the Program.

8 (4) A person who does *not* meet the residency
9 requirements, but is otherwise determined to be eligible to
10 receive Program benefits shall receive *only* temporary
11 medical services, *subject to* the provisions of §2905.3 of this
12 Article.

13 (5) Applicants who refuse to cooperate in the
14 eligibility determination process pursuant to this Subsection
15 are *not* eligible. Refusal to cooperate shall be construed to
16 mean that the applicant is unwilling to obtain
17 documentation required for eligibility determination. The
18 Program shall maintain its own applicant file copies of the
19 application submitted to the Department in accordance with
20 this Subsection. The copies in the Program files are *subject to*
21 quality control review by the Administrator.

22 (c) An applicant denied eligibility by a determination
23 regarding eligibility for the Program pursuant to this Section
24 made by a Program eligibility worker, or subsequently by a

1 special eligibility officer, may appeal the determination directly to
2 the Administrator.

3 **Section 2905.3. Emergency Medical, Tuberculosis, Leprosy and**
4 **Prenatal Care Eligibility for Non-Residents.**

5 (a) Persons who would be otherwise eligible as provided
6 by this Article, *except* for their failure to meet the residency
7 requirements prescribed in §2905.2, who are ineligible for Title
8 XIX services, are eligible to receive temporary emergency services
9 on Guam that are determined by the Administrator as necessary
10 to treat an emergency medical condition.

11 (b) Persons who would be otherwise eligible as provided
12 by this Article, *except* for their failure to meet the residency
13 requirements prescribed in §2905.2, are eligible for prenatal care
14 as provided by this Article.

15 (c) No residency requirement shall be imposed for persons
16 with tuberculosis or leprosy. Persons with tuberculosis or leprosy
17 shall be required only to meet income and resource eligibility
18 standards.

19 (d) Each person desiring to be classified as eligible
20 pursuant to this Section shall apply for certification pursuant to
21 rules established by the Administrator. The Administrator shall
22 make the final determination regarding eligibility. On
23 determination that the person is eligible for emergency care, the
24 Administrator shall issue certification of limited eligibility to the
25 applicant and shall provide notification to Program Providers.

1 (e) All persons who are applying for eligibility pursuant
2 to this Section shall submit the application with copies of
3 verification documents to the Administrator, which shall
4 determine the applicant's eligibility. *If* the person is hospitalized
5 at the time of the application, the Administrator may certify the
6 person as eligible pursuant to this Section pending a final
7 determination of eligibility.

8 **Section 2905.4. Income Eligibility Standards.** The Administrator
9 shall set standards for determining monthly income for purposes of
10 eligibility, which shall consider the individual's average pattern of
11 income and earnings, *subject to* subsequent adjustment *if* actual
12 experience deviates substantially from the amount determined by such
13 method.

14 (a) **Income Limitations.** The Guam MIP Income
15 Guidelines shall be used to determine income eligibility for the
16 Medically Indigent Program. In the calculation of income,
17 payments for medical insurance or Medicare premiums shall be
18 excluded. *Prior to* the promulgation of the Guam MIP income
19 guidelines, Federal Poverty guidelines shall be used.

20 (b) **Program Participant's Liability Based on Partial**
21 **Coverage.** *If* an applicant applying for assistance under the
22 Medically Indigent Program has gross income which exceeds the
23 gross income limit of the applicant's category as described above,
24 and exceeds that limit by an amount *not greater than* Three Hundred

1 Dollars (\$300.00), the applicant may still be eligible for partial
2 coverage as provided in this Section.

3 (c) **Liability Guide.** The following is a table of the
4 percentage of a Program participant's liability for Program medical
5 services rendered for each range of available income per month
6 above the income guideline:

7 Available Income Per Month	Percentage Liability
8 Above Income Guide	(Participant's Liability)
9 \$ 1.00 - \$100.00	5%
10 \$101.00 - \$200.00	10%
11 \$201.00 - \$300.00	20%

12 (d) **Limit of Liability.** The liability of a Program
13 participant shall *not* exceed Two Thousand Five Hundred Dollars
14 (\$2,500.00) per referral for services rendered to members who are
15 referred off Guam for medical care or for hospital services provided
16 on Guam, regardless of the percentage of their cost share liability
17 rate.

18 **Section 2905.5. Resource Eligibility Standards.**

19 (a) **Resources.** For the purposes of this Article, the
20 term '*resources*' shall include all real or personal property, or any
21 combination of both, held by an individual. *If* the holdings are in
22 the form of real property, the value shall be the assessed value
23 determined under the most recent Guam property tax assessment
24 *less* the unpaid amount of any encumbrance of record. *If* the

1 (d) **Assets.** In determining the liquid resources of a
2 household applying for the Program, the following shall be
3 included as liquid assets, *unless* otherwise exempted in this Article:

- 4 (1) cash on hand;
- 5 (2) check or savings account amount;
- 6 (3) stocks or bonds; *and*
- 7 (4) shares in credit union wages from employment,
8 including lump sum payments, time certificates, other
9 investments or cash holdings.

10 (e) **Cash Resources for Medical Treatment Exempted.**

11 Cash resources that will be used for medical treatment-related
12 expenditures are exempted in determining liquid resources.

13 (f) **Resource Limitations.** The liquid resource
14 limitations are the following amounts per month:

15	Family Size	Resource Level Per Month
16	1	\$1,200.00
17	2	\$1,500.00
18	3	\$1,650.00
19	4	\$1,800.00
20	5	\$1,950.00
21	6	\$2,100.00
22	7	\$2,250.00
23	8	\$2,500.00
24	9	\$2,650.00

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An additional One Hundred Fifty Dollars (\$150.00) per person per month for household is added for each additional member over ten (10).

(g) Vehicle, Real Property and Other Resources.

(1) The Medically Indigent Program will allow eligible persons to own two (2) vehicles. The net equity value (defined herein as the Blue Book Value or market value less amounts owed) on any one (1) vehicle shall *not* exceed Seven Thousand Five Hundred Dollars (\$7,500.00), or a total of Twelve Thousand Five Hundred Dollars (\$12,500.00) for both vehicles. The Program must be informed when a vehicle is replaced. Special exemption from the net equity value limitations imposed herein shall be extended by the Administrator to address the transportation needs of persons with disabilities.

(2) Eligible persons shall *not* own any additional real properties, other than the primary place of actual residence, with a net equity value as defined above in excess of Five Thousand Dollars (\$5,000.00) for each real property, or Ten Thousand Dollars (\$10,000.00) total for all real property.

Section 2905.6. Supplemental Coverage; Limitation. Any supplemental coverage provided pursuant to this Article is *limited to* those items or services for which coverage is *not* otherwise provided by

1 any other insurer, Program or basis of entitlement. Supplemental
2 coverage may include amounts due for co-insurance, deductibles and
3 costs of services which are eligible benefits of the Program for which
4 other coverage or benefit entitlement may *not* have been available at the
5 time the medical service was rendered. Any supplemental coverage to be
6 provided is *subject to* the benefit coverage and all limitations of the
7 Medically Indigent Program. When appropriate, the supplemental
8 coverage assistance may be obtained via the Catastrophic Illness
9 Assistance Program.

10 **Section 2905.7. Applicability to All Applicants.** All applicants
11 for the Medically Indigent Program shall meet the eligibility requirements
12 set forth in §2905 of this Article. This shall include, but *not* be limited to,
13 individuals requiring services for tuberculosis, leprosy, lytico, bodig, end
14 stage renal disease or insulin for diabetes.

15 (a) **Cost Sharing Program.** Applicants applying for
16 assistance under the Program who are individuals requiring
17 services for tuberculosis, leprosy, lytico, bodig, end stage renal
18 disease or insulin for diabetes, and who have a gross income which
19 *exceeds* by an amount *not greater than* One Thousand Dollars
20 (\$1,000.00) of the gross monthly income limit of its category, shall
21 be eligible for partial coverage as set out below:

22 The following is a table of percentage of an applicant's
23 cost sharing portion for each range of available income per
24 month above the income guidelines:

1	Available Income Per month	Percentage of Cost
2		Sharing
3	(Above Income Guideline)	(Participant's Share)
4	\$1.00 - \$100.00	5%
5	\$101.00 - \$200.00	10%
6	\$201.00 - \$300.00	20%
7	\$301.00 - \$450.00	25%
8	\$451.00 - \$600.00	25%
9	\$601.00 - \$800.00	30%
10	\$801.00 - \$1,000.00	30%

11 **b) Limit of Liability.** The liability of a Program
12 participant under Subsection (a) of this Section shall *not* exceed Two
13 Thousand Five Hundred Dollars (\$2,500.00) per year for services
14 rendered to any member whose available income per month (above
15 income guideline) is between One Dollar (\$1.00) and Five Hundred
16 Dollars (\$500.00), and Four Thousand Dollars (\$4,000.00) per year
17 for services rendered to any member whose available income per
18 month (above income guideline) is between Five Hundred One
19 Dollars (\$501.00) and One Thousand Dollars (\$1,000.00), regardless
20 of the percentage of cost sharing.

21 **Section 2905.8. Uncovered Medical Procedure.** In situations
22 where a person's health insurance will *not* be able to cover a particular
23 condition or procedure, and the condition or procedure is within the
24 scope of services covered by the Program, the person may apply for

1 assistance. *If found eligible, only the uncovered procedure will be*
2 *covered by the Program.*

3 **Section 2905.9. Discontinuance of Insurance.**

4 *If otherwise insured, any household member at the time of application*
5 *must maintain the member's insurance. Any household member who is*
6 *discontinued from insurance coverage for reason beyond that person's*
7 *control may be eligible for Program coverage if eligibility criteria are met.*

8 **Section 2905.10. Potential Medicaid Clients. Potential**

9 **Program applicants that may qualify for Medicaid benefits must apply**
10 **for assistance to the appropriate Medicaid categorical program and**
11 **exhaust all eligible benefits before they can be eligible for coverage**
12 **under the Medically Indigent Program.**

13 **Section 2905.11. Last Resort for Medical Services.** The Medically
14 Indigent Program is intended to be the last resort for the provision of
15 medical services for those persons who cannot pay for medical services.
16 Therefore, a person with medical insurance must refer claims to that
17 person's insurance company *first*, before the bills can be submitted to the
18 Medically Indigent Program. Those services provided by Federal or
19 other Guam Programs shall be utilized first, in order that the Medically
20 Indigent Program is the payor of *last resort*.

21 **Section 2905.12. Treatment of Eighteen Year Old Applicants.**

22 An individual who has attained the age of eighteen (18) years and who is
23 *not* a dependent for tax purposes of another household may apply to the
24 Medically Indigent Program. An eighteen (18) year old who is still

1 that as a condition of continuous enrollment pursuant to this
2 Subsection, the woman must provide necessary verification of her
3 pregnancy and estimated date of delivery before the end of her
4 certification period. The rules shall specify the procedures by
5 which the Administrator determines that the pregnant woman
6 qualifies for continuous enrollment and shall specify procedures
7 for the pregnant woman to notify the Program of any change in
8 her financial or clinical status that might disqualify her from
9 continuous enrollment pursuant to this Subsection. Pursuant to
10 rules adopted by the Administrator, a child born to a woman
11 under continuous enrollment shall also be enrolled until thirty
12 (30) days after the date of delivery.

13 The Administrator shall specify when a pregnant woman
14 who has been determined eligible by this Subsection will be
15 enrolled with a specific Provider and the date up to which the
16 Provider will be responsible for health and medical services to the
17 woman.

18 **Section 2905.15. Special Provisions for Adult Persons with**
19 **Disabilities.** The Administrator shall establish rules that provide for
20 continuous enrollment of a person with disabilities who is determined
21 eligible and whose condition of permanent disability is clinically
22 verified in writing by a health care professional. The rules also shall
23 allow for a person with disability over the age of eighteen (18) years
24 who resides with other family members or legal guardians to be
25 considered as a single individual applicant for purposes of calculating

1 income and resource eligibility. The rules shall allow the person with
2 disability to exclude the income or resources of the family or legal
3 guardian with whom the person is residing from the calculation of
4 resources or income available to such person. The rules also shall
5 specify procedures for the individual with disability to notify the
6 Program of any change in that person's financial or clinical status that
7 might disqualify the individual from continuous enrollment pursuant to
8 this Subsection.

9 Pursuant to rules adopted by the Administrator, the
10 Administrator shall specify when an individual with disability who has
11 been determined eligible will be enrolled with a specific Provider and
12 the date on which the Provider will be responsible for health and
13 medical services to the individual with disability.

14 **Section 2905.16. Special Provisions for Children in Child**
15 **Protective Services.** All children in the legal custody of Child
16 Protective Services shall be eligible to receive health care benefits as
17 provided in §§2907 through 2914 of this Article, if either parent is not
18 covered by a health insurance plan or does not qualify for the Medically
19 Indigent Program.

20 21 **ADMINISTRATIVE PROVISIONS.**

22 **Section 2906. Administrative Provisions.**

23 (a) The Administrator may:

24 (1) prescribe uniform forms to be used by all
25 Providers and shall prescribe and furnish uniform forms

1 and procedures, including methods of identification of
2 members, to be used for determining and reporting
3 eligibility of members; *and*

4 (2) enter into an interagency agreement with the
5 Department to determine the eligibility of all persons
6 defined pursuant to this Article, and ensure that the
7 eligibility process is coordinated with other assistance
8 Programs.

9 (b) *No less than sixty (60) days* prior to the implementation
10 of a policy or a change to an existing policy relating to
11 reimbursement, the Administrator shall provide notice to
12 interested parties.

13 (c) The Administrator is authorized to apply for any
14 Federal funds available for the support of Programs to investigate
15 and prosecute violations arising from the administration and
16 operation of the Program. Available local funds appropriated for
17 the administration and operation of the Program may be used as
18 matching funds to secure Federal funds pursuant to this
19 Subsection.

20 **(d) Determination of Head of Household.**

21 (1) In a single-member household the person shall be
22 the head of household.

23 (2) In a household where there is only one (1) parent,
24 that parent shall be the head of household.

1 (3) In a household where both the male and female
2 parents have earned income, the parent with the higher
3 income shall be the head of household.

4 **(e) Document Verification; Birth Certificates and Social**
5 **Security Card.**

6 (1) A birth certificate and social security card are
7 required for each member of the household applying for
8 assistance.

9 (2) Birth certificates may be substituted by a
10 passport, baptismal certificate, an Alien Registration Receipt
11 Card (green card) or a government of Guam Identification
12 Card, *if* birth certificates are *not* available.

13 (3) In the absence of a Social Security Card, a receipt
14 of the application for Social Security Card should be
15 sufficient; *however*, the member shall provide the Program
16 with a photocopy of the Social Security Card *after* its receipt.
17 This requirement may be waived by the Eligibility Unit
18 Supervisor; *provided*, that the client's Social Security Number
19 is indicated on the government of Guam I.D. or on Social
20 Security documents.

21 (4) **Alien Registration Receipt Card.** The Alien
22 Registration Receipt Card will be required for all resident
23 alien applicants.

24 (5) **Income.**

1 (i) Last two (2) check stubs shall be provided
2 as part of income verification.

3 (ii) An employment verification from the
4 employer must be obtained showing the average hours
5 worked and hourly rate the employee has earned for
6 the last three (3) months.

7 (iii) Self-employed individuals, other than those
8 farming and fishing, with income over One Hundred
9 Dollars (\$100.00) a month must provide the latest gross
10 receipts, tax receipts and the latest 1040 Forms. *If* no
11 1040 Forms can be provided, an affidavit indicating
12 expenses for the same month shall be furnished. For
13 fishermen or farmers, a notarized statement of income
14 will be required and proof of being exempted from
15 filing the gross receipts tax must be obtained from the
16 Department of Revenue and Taxation and submitted to
17 the Medically Indigent Program. Those others with
18 income *less than* One Hundred Dollars (\$100.00) a
19 month will be required also to submit a notarized
20 statement of earnings.

21 (6) **Vehicle and Property.** An affidavit shall be
22 provided indicating that the applicant meets the eligibility
23 restrictions on ownership of vehicles and real property as
24 provided in §2905.5(g).

1 (7) **Cash Resources.** Photocopies of passbooks
2 and bank statements are required *if* an applicant indicates
3 amounts of cash resources in the application form.

4 (8) **Permanent Resident Alien.** Aliens who are
5 applying for assistance shall provide information and
6 required documentation concerning the sponsor's income and
7 resources as a condition for eligibility. In determining the
8 eligibility for all qualified aliens, the income and resources
9 of any person who executed an affidavit of support
10 pursuant to the Immigration and Nationality Act on behalf
11 of the qualified alien and the income and resources of the
12 spouse, *if any*, of the sponsoring individual shall be counted
13 at the time of application and for the re-determination of
14 eligibility for the duration of the attribution period, as
15 specified in Federal law. *If* a resident alien's sponsor did *not*
16 execute an affidavit of support pursuant to the Immigration
17 and Nationality Act on behalf of the qualified alien, then the
18 income and resources of a sponsor(s) and the sponsor's
19 spouse, *if living together*, shall be treated as unearned income
20 and resources.

21 (9) **Issuance of Program Card.** An identification
22 card will be issued identifying all eligible family members.
23 Each household will be assigned a unique number. Cards
24 will indicate the period of Medically Indigent Program

1 coverage, other medical insurance coverage, applicable
2 liability rates, and selected primary physicians and
3 specialist(s).

4 (f) **Denials.** Applicants will be denied when:

5 (1) ineligibility is established;

6 (2) an applicant fails to provide necessary
7 information to determine eligibility; *or*

8 (3) the Program loses contact with the applicant
9 *before* eligibility is determined.

10 (g) **Reporting Requirements.** All MIP Program
11 Participants shall report within ten (10) days to the Medically
12 Indigent Program any changes in their households, such as the
13 following:

14 (1) moved to another house;

15 (2) someone moved into the household;

16 (3) someone moved out of the household;

17 (4) someone in the household has given birth;

18 (5) someone in the household terminated from
19 employment;

20 (6) someone in the household received a raise in
21 wage or salary;

22 (7) someone in the household obtained a job;

23 (8) someone in the household reached the age of
24 nineteen (19) or sixty-five (65) years old; *or*

1 (9) someone in the household becomes permanently
2 disabled.

3 (h) **Penalty for Failure to Report Changes.** The above list
4 is *not* inclusive. Therefore, all changes shall be reported. Failure to
5 report changes may result in suspension from Program
6 participation for a period from one (1) to six (6) months, in addition
7 to any possible recourse for improper payments.

8 (i) **Termination of Assistance.** In addition to any
9 other penalties imposed elsewhere in this Article for fraud or false
10 declarations with an intention to obtain improper access to
11 Program services, the following shall constitute grounds for the
12 termination of assistance:

13 (1) false declarations in seeking Program eligibility;

14 *or*

15 (2) failure to report changes in household status as
16 required by this Article.

17
18 **AMOUNT, DURATION AND SCOPE OF SERVICES.**

19 **Section 2907. Scope of Services.** The Medically Indigent
20 Program will provide the following medical, dental and mental health
21 services when medically necessary, and *subject to* the stated benefit
22 limitations and exclusions. For the purposes of this Section and any
23 determinations regarding benefit coverage, '*Medical Necessity*' or
24 '*Medically Necessary*' are defined as follows:

1 (a) 'Medical Necessity' or 'Medically Necessary' shall mean
2 health care services or products that a prudent physician would
3 provide to a patient for the purposes of preventing, diagnosing, or
4 treating an illness, injury, disease or its symptoms in a manner that
5 is:

6 (1) in accordance with generally accepted standards
7 of medical practice;

8 (2) clinically appropriate in terms of type, frequency,
9 extent, site and duration; *and*

10 (b) the determination of 'Medical Necessity' must be made
11 on an individual basis and must consider:

12 (1) the functional capacity of the person and those
13 capacities that are appropriate for persons of the same age or
14 developmental level; *and*

15 (2) available research findings, health care practice
16 guidelines, and standards issued by professionals, recognized
17 organizations or government agencies.

18 **Section 2907.1. In-Patient Services.**

19 (a) The Medically Indigent Program shall cover *only* the
20 following medically necessary in-patient services:

21 (1) in-patient hospitalization;

22 (2) semi-private room and board, or private room
23 when medically necessary;

24 (3) coronary and intensive care;

- 1 (4) neonatal intensive care, intermediate nursery care
- 2 and wellborn nursery care;
- 3 (5) surgery and anesthesia;
- 4 (6) operating room, delivery room and licensed
- 5 birthing center services;
- 6 (7) diagnostic laboratory services;
- 7 (8) diagnostic radiology, ultrasound and mammo-
- 8 graphy screening services;
- 9 (9) renal dialysis treatment;
- 10 (10) physician services;
- 11 (11) emergency room services;
- 12 (12) acute physical and occupational therapy when
- 13 prescribed by physician and provided by a qualified licensed
- 14 and registered therapist, *subject to limitations stated below*;
- 15 (13) respiratory therapy;
- 16 (14) prescribed drugs in accordance with the
- 17 established MIP formulary;
- 18 (15) podiatry services;
- 19 (16) care in an intermediate care facility; *and*
- 20 (17) ambulance services.

21 **(b) In-Patient Services Not Covered.** The Medically
22 Indigent Program shall *not* cover the following in-patient services:

- 23 (1) elective cosmetic surgery, *except* as provided for
- 24 in the Women's Health Act;

1 (2) custodial care, domiciliary care, private duty
2 nursing or rest cures, *except* as provided for in hospices;

3 (3) personal comfort or convenience items;

4 (4) any diagnostic service requiring prior
5 authorization which has *not* been obtained or has been
6 denied;

7 (5) any specialized elective surgical service requiring
8 prior authorization, which has *not* been obtained or has been
9 denied; *or*

10 (6) non-emergency use of the Emergency Room.

11 (c) **Limitations and Exclusions.** All in-patient services are
12 *subject to* the stated benefit limitations and exclusions outlined in
13 §§2912 and 2913.

14 **Section 2907.2. Out-Patient Services.**

15 (a) The following outpatient medical services shall be
16 covered when medically necessary:

17 (1) physician evaluation and management services;

18 (2) laboratory diagnostic services;

19 (3) diagnostic radiology, ultrasound and mammo-
20 graphy screening services;

21 (i) CT Scan or MRI services must be *prior*
22 authorized by the MIP Program *prior to* the rendering of
23 services.

1 **(4) Emergency Room Services.** The use of the
2 Guam Memorial Hospital Emergency Room shall be limited
3 to the following situations:

4 (i) **Urgent Medical Problems.** Examples of
5 urgent medical problems are:

- 6 (aa) fractures;
- 7 (bb) possible poisoning;
- 8 (cc) pain in abdomen or chest;
- 9 (dd) sudden shortness of breath;
- 10 (ee) burns on arms, hands and body;
- 11 (ff) heat prostration;
- 12 (gg) objects in eyes, ears or nose; *and*
- 13 (hh) cuts or other injuries.

14 (ii) **Life Threatening Medical Problems.**

15 Medical problems that threaten lives include:

- 16 (aa) multiple injuries from major
17 accidents;
- 18 (bb) chest or abdominal wounds;
- 19 (cc) drowning;
- 20 (dd) severe shock;
- 21 (ee) continued unconsciousness for more
22 than five (5) minutes;
- 23 (ff) burns over more than one-half (1/2)
24 the body;

1 (gg) prescribed pharmaceuticals in
2 accordance with the established MIP Formulary;

3 (hh) ambulatory surgical services, *subject*
4 *to* prior authorization for specialized elective
5 procedures;

6 (ii) Renal dialysis treatments, *subject to*
7 Program limitations and exclusions as outlined in
8 §§2912 and 2913;

9 (jj) physical and occupational therapy,
10 *subject to* benefit limitations and exclusions as
11 outlined in §§2912 and 2913;

12 (kk) respiratory therapy; *and*

13 (ll) physical examinations, *subject to*
14 benefit limitations and exclusions outlined in
15 §§2912 and 2913.

16 (iii) **Services Not Covered.** The following
17 outpatient medical services shall *not* be covered:

18 (aa) Non-emergency use of the Emergency
19 Room of the hospital shall *not* be covered. Non-
20 emergency use of the Emergency Room for the
21 purposes of this exclusion shall be defined as the
22 use of the Emergency Room for non-urgent or
23 non-life threatening medical problems. All
24 Program recipients seeking care at the hospital

1 Emergency Room for purposes other than the
2 treatment of urgent or life-threatening medical
3 problems shall be fully responsible for the cost of
4 all care and services rendered.

5 (bb) Over the counter drugs *not* listed in
6 the established MIP Formulary.

7 (iv) **Limitations and Exclusions.** All outpatient
8 services are *subject to* the stated benefit limitations and
9 exclusions outlined in §§2912 and 2913.

10 **Section 2907.3. Physician Services.**

11 (a) Coverage shall include:

12 (1) physician evaluation and management services
13 on an in-patient and out-patient basis;

14 (2) consultation services; *and*

15 (3) specialty services.

16 (b) **Physician Services Not Covered.** The following
17 services will *not* be covered:

18 (1) elective cosmetic surgery, except as provided for
19 in the Women's Health Act; *or*

20 (2) any services or items requiring prior
21 authorizations, which have *not* been obtained or have been
22 denied by the Medically Indigent Program.

1 (c) **Limitations and Exclusions.** All physician services are
2 *subject to* the stated benefit limitations and exclusions outlined in
3 §§2912 and 2913.

4 **Section 2907.4. Skilled Nursing and Intermediate Care Services.**

5 (a) Skilled nursing and intermediate care shall be covered. The
6 Program shall provide skilled nursing care coverage for one hundred
7 eighty (180) days per year for recipients.

8 (b) **Services Not Covered.** The following services are *not*
9 covered under skilled nursing facilities and intermediate care facility
10 services:

- 11 (1) personal comfort items; *and*
12 (2) private duty nursing services.

13 (c) **Limitations and Exclusions:** All skilled nursing and
14 intermediate care services are *subject to* the stated benefit limitations and
15 exclusions outlined in §§2912 and 2913.

16
17 **DENTAL BENEFITS.**

18 **Section 2908. Dental Services.**

19 (a) The following dental benefits shall be available to MIP
20 Program recipients when *not* provided by other governmental or
21 assistance programs. Treatment descriptions and parameters shall
22 be based on those treatments listed in the American Dental
23 Procedure Code (CDT-2).

24 **Services:**

Coverage:

1	(1) Oral Evaluations and Radiographs	100%
2	(2) Preventive Treatment (Prophylaxis,	
3	Fluoride Treatment, Sealant, Oral Hygiene	
4	Instructions/Nutritional Counseling)	100%
5	(3) Restorations (Alloy, Composite, Poly	
6	Ceramic, Adhesive)	100%
7	(4) Space Maintainers	50%
8	(5) Crowns, Posts and Cores, Core Buildup,	
9	Stainless Steel Crowns	50%
10	(6) Endodontics (Root Canal Therapy,	
11	Pulpotomy)	50%
12	(7) Periodontics (Gum/Bone Treatment,	
13	Guided Bone Regeneration)	50%
14	(8) Removable Prosthodontics (Dentures,	
15	Reline, Rebase)	50%
16	(9) Fixed Bridges (Abutments, Pontics, Core	
17	Build up)	50%
18	(10) Oral Surgery (Extraction, Biopsy, Fixations)	50%
19	(11) Local/General Anesthesia, Consultation/	
20	Office Visit	80%
21	(12) Conscious or Deep Sedation	80%
22	(13) Occlusal Adjustments	50%

(b) **Dental Services *Not* Covered.** The following shall *not* be covered as dental benefits under the provisions of the Medically Indigent Program:

- 1 (1) cosmetic or cosmetic related treatments;
- 2 (2) treatments initiated while *not* on existing plan;
- 3 (3) services or treatments *not* in accordance with
4 accepted dental therapeutics;
- 5 (4) any services or procedure *not* listed in American
6 Dental Association's procedure codes;
- 7 (5) any treatment or service related to
8 temporomandibular joint dysfunction syndrome
9 ('TMJ/TMD') or disease;
- 10 (6) posterior composites;
- 11 (7) broken appointment fees;
- 12 (8) dental implants and implant prosthesis; *and*
- 13 (9) ordontics or orthodontic-related treatments.

14 (c) **Limitation of Benefits.** All dental services are
15 *subject to* the stated benefit limitations:

- 16 (1) the dental benefit shall cover services to a
17 maximum of One Thousand Dollars (\$1,000.00) per Program
18 recipient per year;
- 19 (2) comprehensive oral evaluations are covered once
20 every three (3) years;
- 21 (3) periodic oral evaluations are covered twice a
22 year;
- 23 (4) limited oral evaluations are covered as needed;

1 (5) full mouth and panoramic radiographs are
2 covered once every three (3) years;

3 (6) prophylaxis, fluoride, and OHI/nutritional
4 counseling is covered once every six (6) months;

5 (7) endodontics is covered up to Five Hundred
6 Dollars (\$500.00) per year;

7 (8) dentures are covered once every five (5) years;

8 (9) relines and rebases are covered once a year; *and*

9 (10) fixed bridges are covered once every five (5)
10 years.

11 (d) **Limitations and Exclusions.** All dental services
12 are also *subject to* the stated Program benefit limitations and
13 exclusions outlined in §§2912 and 2913, as applicable.

14 **SERVICES REQUIRING PRIOR AUTHORIZATION.**

15 **Section 2909. Services Requiring *Prior* Authorization.**

16 The Administrator shall issue *prior* authorization for elective or
17 specialized surgical procedures, off Guam care and certain other
18 services as follows:

19 (a) prior authorization must be obtained *prior to* rendering
20 of hospital services, *except* in emergency situations; *and*

21 (b) all services requiring *prior* authorization from the
22 Medically Indigent Program must be prescribed by a physician as
23 medically necessary.

1 **Section 2909.1. Prior Authorization for Admission for Elective**
2 **Surgery.** Prior authorization is required for patients to be admitted to
3 the hospital *prior to* the date of surgery. A justification by the attending
4 physician must be submitted to the Program.

5 **Section 2909.2. Physical Therapy and Occupational Therapy.**
6 Medically Indigent Program recipients in need of the above services must
7 submit to the Medically Indigent Program a copy of the attending
8 physician's treatment plan, which includes the patient's name, diagnosis,
9 type of frequency and the suggested regime. An authorization for the
10 continued coverage of the services will be issued by the Program upon
11 completion of review of the treatment plan and progress reports.

12 **Section 2909.3. CT Scan or MRI Diagnostic Services.** Before
13 an authorization for coverage is issued, a justification for the need of the
14 service by the attending physician must be submitted to the Program.

15 **Section 2909.4. Off Guam Medical Care and Services.**

16 (a) Prior Authorization is required before any MIP
17 Program recipient may receive care and services at an off Guam
18 treatment facility.

19 (b) Failure to obtain an authorization *prior to* the
20 rendering of care and services will result in the denial of
21 assistance from the Program.

22 (c) Off Guam medical care and services are to be provided
23 in accordance with the Program benefits outlined in §2910.

24 **OFF GUAM MEDICAL CARE.**

1 **Section 2910. Off Guam Medical Care.** Off Guam Medical
2 Care and Services are provided to MIP Program recipients in accordance
3 with the following:

4 **(a) Eligibility.** Program standards are in effect with
5 regard to income, resource and residency requirements for off
6 Guam care.

7 (1) An applicant must *not* have voluntarily
8 discontinued the applicant's insurance coverage within six (6)
9 months *prior to* application to the Medically Indigent
10 Program.

11 (2) Those with insurance must continue with their
12 insurance coverage.

13 **(b) Medical Review.** All off Guam referrals will be
14 reviewed by the Medically Indigent Program Advisory Council
15 *after* the applicant is found eligible and all necessary documents
16 have been submitted. Referrals will be reviewed to determine that
17 the treatment is medically necessary, significant beneficial
18 outcomes affecting the patient's quality of life is expected and the
19 care is *not* available on Guam. The Medically Indigent Program
20 Medical Review Board members shall consult with the attending
21 physician and any other specialists as may be required.

22 **(c) Coverage.** The Program shall cover off Guam care and
23 services *subject to* all benefit limitations and exclusions *if* the off
24 Guam medically necessary care or treatment is provided at a

1 contracted facility or a non-contracted facility, *if* care is *not* available
2 at a contracted facility when referral criteria are met and care or
3 treatment is *not* available on Guam.

4 (d) **Air Transportation.** Round trip air transportation
5 will be provided to an eligible Program patient when all other
6 criteria for off Guam care have been met. One (1) parent, or
7 guardian, *if* the parent is unable to accompany the child, will be
8 covered *if* the patient is a minor, seventeen (17) years of age or
9 below. Air transportation and *per diem* will also be provided for
10 medical escorts (registered nurse or physician) when it is certified
11 by the Medically Indigent Program Advisory Council as being
12 necessary to accompany and assist the patient while on referral.
13 The referring physician shall provide a written request of the
14 reasons for the medical escort.

15 (e) **Supplemental Assistance for Off Guam Care Upon**
16 **Exhaustion of Insurance Benefits.** A patient may be covered
17 under an existing insurance Program and may be eligible to apply
18 to the Medically Indigent Program for supplemental assistance
19 upon exhaustion of benefits, and *subject to* all benefit limitations
20 and exclusions.

21 (f) Off Guam services *not* covered:

22 (1) elective cosmetic surgery;

23 (2) experimental treatments;

24 (3) fertility procedures, sterilizations, abortions;

- 1 (4) off Guam living expenses;
2 (5) organ transplants;
3 (6) other services covered by local or Federal
4 government; *and*
5 (7) Off Guam emergency medical services.

6 (g) **Limitations and Exclusions.** All Off Island Services are
7 *subject to* the stated benefit limitations and exclusions outlined in
8 §§2912 and 2913.

9 **MENTAL HEALTH SERVICES.**

10 **Section 2911. Mental Health Services.**

11 (a) The Medically Indigent Program will provide the
12 following Mental Health Benefits to Program recipients.

- 13 (1) inpatient care;
14 (2) out patient facility / day treatment;
15 (3) outpatient care, medication evaluation and
16 maintenance counseling;
17 (4) chemical dependency services shall be provided
18 *subject to* the following limitations:
19 (i) outpatient services limited to Eight
20 Thousand Dollars (\$8,000.00) per year and Sixteen
21 Thousand Dollars (\$16,000.00) per contract;
22 (5) psychological and neuropsychological testing
23 which has been determined to be medically necessary to
24 determine a diagnosis, to establish a baseline level of

1 functioning, and/or to assist in determining a treatment
2 regime which is expected to result in an improvement of the
3 patient's functional abilities and/or quality of life;

4 (6) mental illness coverage for patients diagnosed
5 with mental retardation and mental illness to address
6 mental illness concerns; *and*

7 (7) drug benefits provided in accordance with
8 established Formulary.

9 (b) **Mental Health Services *Not* Covered.** The Program
10 will *not* cover mental health services for a person with mental
11 retardation, *unless* the person has been dually diagnosed with
12 mental retardation and mental illness. Nothing in this Subsection
13 shall be construed to deny a person with mental retardation from
14 receiving medically necessary health care as provided in §§2907
15 through 2915, inclusive of this Article.

16 (c) **Limitations and Exclusions.** All mental health
17 benefits are *subject to* the stated benefit limitations and exclusions
18 outlined in §§2912 and 2913.

19 LIMITATIONS.

20 Section 2912. MIP Program Benefit Limitations.

21 The benefits provided for under the Medically Indigent Program shall
22 be *subject to* the following annual limitations, *unless* otherwise specified:

1 **(a) Radiation Therapy.** Twenty-five Thousand Dollars
2 (\$25,000.00) maximum for radiation therapy services related to the
3 treatment of cancer.

4 **(b) Cardiac Related Illnesses.** Fifty Thousand Dollars
5 (\$50,000.00) maximum for facility, surgical, ancillary and other
6 fees incurred during the provision of cardiac surgery and
7 treatment services.

8 **(c) Orthopedic Services and Appliances.** Chronic
9 orthopedic conditions and internal or external prostheses to a
10 maximum of Fifty Thousand Dollars (\$50,000.00).

11 **(d) Radiology.** Twenty-five Thousand Dollars
12 (\$25,000.00) maximum for nuclear medicine.

13 **(e) Renal Dialysis.** Limited coverage to first twelve (12)
14 months and payment of Medicare Part B Premiums and co-
15 insurance. Prior to the expiration of the 12-month limited
16 coverage period, the Director shall facilitate the application of
17 each Program recipient for Medicare coverage of renal dialysis.

18 **(f) Physical Therapy.** Therapy must be to restore a
19 bodily function that once existed or has been lost or damaged due
20 to disease or accidental injury. Coverage is *only* to the extent that
21 it restores function to the status of function *prior* to the disease or
22 accidental injury. Therapy must result in significant and
23 demonstrable improvement in patient ability to function
24 independently, limited to treatment by a physical therapist. The

1 first twenty (20) visits shall be covered. Fifty percent (50%) co-
2 payment is required thereafter.

3 (g) **Off Guam Medical Care.** Off Guam medical care
4 shall be maximum One Hundred Thousand Dollars (\$100,000.00)
5 per year, including airfare and escort fees.

6 (h) **Blood and Blood Products.** Blood and blood products
7 shall be maximum Fifty Thousand Dollars (\$50,000.00). This
8 limitation shall *not* apply to any person with hemophilia or any
9 hemophilia-related condition requiring the administration of
10 blood and blood products.

11 (i) **Hospice Care.** Hospice care shall be limited to Fifty
12 Dollars (\$50.00) per day maximum, maximum one hundred eighty
13 (180) days, excluding drugs.

14 (j) **Eye Exam.** Eye exam shall be limited to Fifty Dollars
15 (\$50.00) every two (2) years.

16 (k) **Corrective Lenses.** Corrective lenses shall be
17 limited to One Hundred Dollars (\$100.00) every two (2) years with
18 a Twenty-five Dollar (\$25.00) co-payment.

19 (l) **Allergy Testing.** Allergy testing shall be limited to
20 Five Hundred Dollars (\$500.00) per year.

21 (m) **Hearing Aids.** Hearing aids shall be limited to Five
22 Hundred Dollars (\$500.00) maximum every five (5) years with co-
23 payment of One Hundred Dollars (\$100.00).

1 (n) **Physical Examination.** Physical examination
2 shall be limited to Two Hundred Dollars (\$200.00) maximum and
3 one (1) per year.

4 (o) **Well Child Care.** Well child care shall be limited
5 to six (6) visits per year up to age two (2), excluding visits for
6 immunizations.

7 (p) **Pharmaceutical Prescriptions.** Pharmaceutical
8 prescriptions shall be limited to thirty (30) days supply at one (1)
9 time, with the exception of birth control pills dispensed with a
10 ninety (90) day supply.

11 (q) **Occupational Therapy.** Coverage limited to
12 medically necessary services where an expectation exists that the
13 therapy will result in significant practical improvement in the
14 individual's level of functioning within a reasonable period of
15 time. Coverage is excluded *if* related solely to specific
16 employment opportunities, work skills or work settings. The first
17 twenty (20) visits shall be covered *up to* the maximum provided
18 herein. Additional treatments *subject to* re-certification for
19 continuing treatment after initial twenty (20) visits *subject to*
20 medical review of further significant practical improvement to be
21 attained.

22 (r) **Acupuncture Care.** Acupuncture care shall be
23 limited to ten (10) visits per contract period, maximum of Fifty
24 Dollars (\$50.00) per visit.

1 **(s) Chiropractic Care.** Chiropractic care shall be
2 maximum coverage of Twenty-five Dollars (\$25.00) per visit,
3 annual maximum of ten (10) per contract period.

4 **(t) Annual Benefit Cap.** Total MIP Program coverage is
5 limited to One Hundred Thousand Dollars (\$100,000.00) per
6 person per year. In calculating this limitation the first One
7 Hundred Thousand Dollars (\$100,000.00) of blood and blood
8 products shall *not* be counted for persons with hemophilia or
9 hemophilia-related conditions requiring the administration of
10 blood and blood products.

11 **Section 2912.1. Optometrist Services.** Optometrist services are
12 covered for an eye refractive examination *not to exceed* one (1)
13 examination every two (2) years. This benefit is limited to Fifty Dollars
14 (\$50.00).

15 **Section 2912.2. Lenses.** Lenses are limited to lenses that are
16 medically necessary, *not to exceed* one (1) set every two (2) years; *provided,*
17 that all available community resources for such lenses are exhausted.
18 Benefit is limited to One Hundred Dollars (\$100.00). A co-payment of
19 Twenty-five Dollars (\$25.00) per set of lenses is required.

20 **Section 2912.3. Audiological Exam.** Audiological exams that
21 are medically necessary will be covered. Benefit is limited to one (1)
22 exam every three (3) years. Benefit is limited to One Hundred Dollars
23 (\$100.00).

1 **Section 2912.4. Hearing Aids.** Hearing aids as are medically
2 necessary shall be covered; *provided*, that all available community
3 resources for such hearing aids have been exhausted. Benefit is limited to
4 a maximum of Five Hundred Dollars (\$500.00) every five (5) years. A co-
5 payment of One Hundred Dollars (\$100.00) per hearing aid is required.
6 Replacement will be limited to one (1) such aid every five (5) years.

7 **Section 2912.5. Orthopedic Conditions and Prosthetic**
8 **Appliances.** Chronic orthopedic conditions along with internal or
9 external prostheses are covered to a benefit maximum of Fifty Thousand
10 Dollars (\$50,000.00) per year.

11 **Section 2912.6. Voluntary Sterilization Services.** Voluntary
12 sterilization services with physician counseling for those eighteen (18)
13 years and above are covered.

14 **Section 2912.7. Home Health Services.**

15 (a) The following home health services shall be covered
16 when medically necessary and ordered by a licensed physician:

17 (1) home health visits by licensed practitioner or
18 home health aide;

19 (2) prescribed medical supplies *not* otherwise
20 available over the counter; *and*

21 (3) intermittent equipment and appliances provided
22 on a part-time or intermittent basis by a licensed home
23 health agency within a recipient's residence.

1 **(b) Home Health Services Not Covered.** The following
2 home health agency services shall *not* be covered:

3 (1) private duty nursing, domiciliary care or rest
4 cures; *and*

5 (2) unskilled services.

6 **(c) Limitations and Exclusions.** All home health
7 services are *subject to* the stated benefit limitations and exclusions
8 outlined in §§2912 and 2915.

9 **Section 2912.8. Durable Medical Equipment.** Durable
10 medical equipment is covered to the extent that the equipment items are
11 expected to make a meaningful contribution to the treatment of the
12 patient's illness or injury, or improvement to their malformed body; that
13 can withstand repeated use, is primarily and customarily used to serve
14 medical purposes; is generally *not* useful to a person in the absence of
15 illness; and is appropriate for use in the home.

16 (a) A prescription from the attending physician, including
17 diagnosis and the anticipated benefit and period of use must be
18 submitted to the Medically Indigent Program *before* a prior
19 authorization can be issued.

20 **(b) Durable Medical Equipment Not Covered.** Durable
21 medical equipment does *not* cover the following:

22 (1) equipment that generally falls into other coverage
23 categories, such as braces, prosthetic devices, artificial limbs,
24 legs or eyes; *and*

1 (2) equipment that is generally considered
2 environmental enhancement items, fitness equipment, or
3 comfort or convenience items for the patient or caregiver.

4 When in doubt, the Medicare Program guidelines shall be followed
5 for clarification of the coverage of questionable items.

6 (c) **Limitations and Exclusions.** All durable medical
7 equipment benefits are *subject to* the stated benefit limitations and
8 exclusions outlined in §§2912 and 2915.

9 **Section 2912.9. Prescription Drug Coverage.**

10 (a) The following drug prescriptions shall be covered:

11 (1) Out-patients prescribed drugs are provided in
12 accordance with the Drug Formulary.

13 (2) Medically Indigent Program clients will have to
14 pay a Five Dollar (\$5.00) co-payment charge per prescription
15 filled. Those with cost sharing liabilities must pay Five
16 Dollars (\$5.00) plus their cost sharing liability.

17 (3) *Prior* authorization is required for drugs *not* listed
18 in the Drug Formulary.

19 (4) Pharmaceutical prescriptions, with the exception
20 of birth control prescriptions, dispensed for ninety (90) days
21 are limited to a thirty (30) day supply at one (1) time.

22 (b) **Prescription Drug Services Not Covered.** The
23 following prescription drug benefits shall *not* be covered under the
24 Medically Indigent Program:

1 (1) drugs *not* listed in the established formulary and
2 requested with justification for consideration;

3 (2) over-the-counter drugs *not* listed in the
4 established MIP formulary; *and*

5 (3) experimental drugs, *unless* approved by the
6 Administrator and Medically Indigent Advisory Council
7 using the conditions stated in §2904.

8 (c) **Limitations and Exclusions.** All prescription
9 drug benefits are *subject to* the stated benefit limitations and
10 exclusions outlined in §§2912 and 2915.

11 **Section 2912.10. Physical Therapy.**

12 (a) Physical therapy when medically necessary is covered;
13 *provided*, that the therapy must be to restore a bodily function that
14 once existed, or has been lost or damaged due to disease or
15 accidental injury. Coverage is *only* to the extent that it restores
16 function to the status of function *prior to* the disease or accidental
17 injury.

18 (1) Therapy must result in significant and
19 demonstrable improvements in the patient's ability to
20 function independently.

21 (2) Benefit is limited to treatments by a physical
22 therapist.

23 (3) The first twenty (20) visits are covered in full.

1 (4) A fifty percent (50%) co-payment is required for
2 all subsequent treatments meeting the criteria set forth in
3 §2909.2 above.

4 **(b) Services Not Covered.** The following are *not*
5 covered under the physical therapy benefit:

6 (1) services determined *not* to result in significant
7 and demonstrable improvements in the patient's ability to
8 function independently.

9 **(c) Limitations and Exclusions.** All physical therapy
10 services are *subject to* the stated benefit limitations and exclusions
11 outlined in §§2912 and 2915.

12 **Section 2912.11. Occupational Therapy.**

13 (a) Occupational therapy, when medically necessary, is
14 covered where an expectation exists that the therapy will result in
15 significant practical improvement in the patient's level of
16 functioning within a reasonable period of time.

17 (1) The first twenty (20) visits are covered in full.

18 (2) Re-certification is required for continuing
19 treatment after the initial twenty (20) visits, and *subject to*
20 medical review of further significant practical improvements
21 to be attained.

22 **(b) Occupational Therapy Services Not Covered.**

23 The following occupational therapy services are *not* covered under
24 the Medically Indigent Program:

1 (1) services related solely to specific employment
2 opportunities, work skills or work settings.

3 (c) **Limitations and Exclusions.** All occupational
4 therapy services are *subject to* the stated benefit limitations and
5 exclusions outlined in §§2912 and 2915.

6 **Section 2912.12. Acupuncture Care.**

7 (a) Acupuncture care, when medically necessary, is
8 covered where an expectation exists that the therapy will result in
9 significant practical improvement in the patient's level of
10 functioning within a reasonable period of time, and is:

11 (1) limited to ten (10) visits per period of eligibility,
12 not to exceed ten (10) visits during a single year of eligibility;

13 (2) maximum coverage of Fifty Dollars (\$50.00) per
14 visit;

15 (3) re-certification is required for continuing
16 treatment *after* the initial ten (10) visits, and *subject to* medical
17 review of further significant practical improvements to be
18 attained; *and*

19 (4) benefit is limited to Five Hundred Dollars
20 (\$500.00) maximum per annum.

21 (b) **Acupuncture Services Not Covered.** The following
22 acupuncture care services are *not* covered under the Medically
23 Indigent Program:

1 (1) services related solely to specific employment
2 opportunities, work skills or work settings.

3 (c) **Limitations and Exclusions.** All acupuncture
4 care services are *subject to* the stated benefit limitations and
5 exclusions outlined in §§2912 and 2915.

6 **Section 2912.13. Chiropractic Care.**

7 (a) Chiropractic care, when medically necessary, is covered
8 where an expectation exists that the therapy will result in
9 significant practical improvement in the patient's level of
10 functioning within a reasonable period of time, and is:

11 (1) limited to ten (10) visits per period of eligibility,
12 not to exceed ten (10) visits during a single year of eligibility;

13 (2) re-certification is required for continuing
14 treatment *after* the initial ten (10) visits, and *subject to* medical
15 review of further significant practical improvements to be
16 attained; *and*

17 (3) benefit is limited to Two Hundred Fifty Dollars
18 (\$250.00) maximum per annum.

19 (b) **Chiropractic Care Services *Not* Covered.**

20 The following Chiropractic Care services are *not* covered under the
21 **Medically Indigent Program:**

22 (1) services related solely to specific employment
23 opportunities, work skills or work settings.

1 (i) experimental drugs, treatments or procedures, *unless*
2 approved by the Administrator and Medically Indigent Advisory
3 Council using the conditions stated in §2904;

4 (j) fertility procedures, reversal of sterilization and services
5 related to artificial conception;

6 (k) treatment, services and supplies related to sexual
7 dysfunction;

8 (l) trans-sexual surgery and related services;

9 (m) motorized limbs;

10 (n) services for any incarcerated person;

11 (o) care or services furnished by immediate relatives or
12 members of the patient's household, *unless* rendered as a duly
13 licensed medical practitioner employed by a health care Provider;

14 (p) health cares services, which are provided and
15 reimbursed by other local or Federal programs, MIP is the payer of
16 last resort;

17 (q) speech and language therapy;

18 (r) tissue and organ transplants, and any other related
19 hospital, surgical drug, radiology, laboratory or other medical
20 services before, during and after transplant;

21 (s) treatment and services for artificial weight reduction,
22 including gastric bypass stapling or reversal, or liposuction;

23 (t) treatment by any method for temporomandibular joint
24 disorders, including, but *not* limited to, crowning, wiring or
25 repositioning of teeth;

1 (u) treatment for injuries sustained in the commission of an
2 illegal or criminal act, including driving under the influence;

3 (v) any work-related injury, *subject to* compensation
4 pursuant to the Workers Compensation Law;

5 (w) care for military service connected disabilities to which
6 the patient is legally entitled to government benefits or care;

7 (x) orthopedic footwear, *unless* attached to an artificial foot
8 or *unless* attached as a permanent part of a leg brace; *and*

9 (y) benefits and services *not* specifically listed as covered.

10 RESPONSIBILITIES.

11 **Section 2914. Member Use of Primary Care Physicians.** All
12 MIP members must select a primary care physician from the list of
13 Participating Providers upon being determined eligible for the
14 Medically Indigent Program. The member must seek all medical
15 services from their designated primary care physician *before* seeking
16 care from any other MIP Provider. The Program shall *only* provide
17 reimbursement for any health or medical services or costs of related
18 services provided by or under referral from any primary care physician,
19 or primary care practitioner participating in the Program. The
20 Administrator shall establish requirements as to the minimum time
21 period that a member is assigned to specific Providers in the system.

22 **Section 2914.1. Change In Primary Care Physician.** A
23 change in primary physician may be approved upon the member's
24 written request to the Medically Indigent Program. This change will take

1 effect on the first day of the following month. *If* the selected primary
2 physician is *not* available, the member may see another physician who
3 has signed an agreement with the Medically Indigent Program, but must
4 obtain a statement that the member's primary physician was *not* available
5 on a certain date and time.

6 **Section 2914.2. Hospital to Inform Member of Coverage of**
7 **Emergency Room Services.** On behalf of the Program, as the
8 collector of coinsurance, deductibles and premiums, all hospital
9 Providers shall advise the MIP member, or eligible person, that *if* the
10 visit to the Emergency Room is *not* for an emergency condition, as
11 determined by the hospital, the member or eligible person shall be
12 charged the required co-payment, and may be liable for services
13 resulting from the non-emergency use of the Emergency Room. *If* a
14 person who has been determined eligible, but who has *not* yet enrolled
15 in the system receives emergency services, the Administrator shall
16 provide by rule for the enrollment of the person on a priority basis. *If* a
17 person requires Program-covered services on or after the date the
18 person is determined eligible for the Program, but before the date of
19 enrollment, the person is entitled to receive such services in accordance
20 with rules adopted by the Administrator, and the administration shall
21 pay for such services.

22

23 APPEALS AND GRIEVANCE PROCESS.

24 **Section 2915. Appeals and Grievance Process.**

1 (a) The Director shall establish, *subject to the*
2 Administrative Adjudication Law and the provisions of this
3 Article, a grievance and appeal procedure to cover grievances
4 arising pursuant to this Article. The grievance and appeal
5 procedure shall include time limits for filing appeals or
6 grievances, and shall establish procedures to conduct fair hearings
7 to be used by Providers, Non-Providers, eligible persons, persons
8 applying to be Providers or persons denied eligibility. A
9 grievance for the denial of a claim for reimbursement for services,
10 or for denial of eligibility, may contest the validity of any adverse
11 action, decision, policy implementation, or rule that related to or
12 resulted in the full or partial denial of the claim. The grievance
13 and appeal procedure shall contain provisions related to the notice
14 to be provided to aggrieved parties, including notification of final
15 decisions, complaint processes and internal appeals mechanisms.
16 Any grievance and appeal procedure *not* specified pursuant to this
17 Subsection, but identified pursuant to this Subsection, shall be
18 handled in the same manner. Other provisions for processing
19 grievances shall include:

20 (1) the client has a right to have another person of
21 that the client's own choosing to assist with that client's case;
22 *and*

23 (2) *if* the client chooses to go through a hearing, an
24 opportunity will be granted for a hearing conducted by an
25 impartial hearing officer.

1 **(3) Notification of Time and Place of Hearing.**

2 The time, date and place of the hearing shall be arranged to
3 provide the claimant and all other parties involved *at least* ten
4 (10) working days of advance written notice. Notice shall:

5 (i) inform claimant of the time, date and place
6 of the hearing;

7 (ii) advise the claimant or representative of the
8 name, address and phone number of the person to
9 notify in the event it is *not* possible for the claimant to
10 attend the scheduled hearing;

11 (iii) specify that the agency will dismiss the
12 hearing request *if* the claimant or the claimant's
13 representative fails to appear for the hearing without
14 good cause;

15 (iv) explain that the claimant or the claimant's
16 representative may examine the case file *prior to* the
17 hearing; *and*

18 (v) advise the claimant of the possible
19 availability of legal services from the Public Defender
20 Service Corporation.

21 **(4) Hearing Officer.** A hearing shall be
22 conducted by an attorney or an arbitrator who does *not* have
23 any personal stake or involvement in the case; and was *not*
24 directly involved in the initial determination of the action

1 which is being contested. Responsibilities of the hearing
2 officer shall include:

3 (i) administer required oaths or affirmations;

4 (ii) insure all relevant issues are considered;

5 (iii) request, receive and make part of record all
6 evidence determined necessary to decide the issues
7 being raised; *and*

8 (iv) regulate the conduct and course of the
9 hearing, consistent with due process to insure an
10 orderly hearing.

11 (5) **Hearing Decisions.** The claimant shall be
12 notified in writing of the decision and the reasons for the
13 decision.

14 (6) After a hearing decision, which upholds the
15 agency action, the claimant shall be notified of the right to
16 pursue judicial review of the decision.

17 (b) A grievance or appeal shall be filed in writing and
18 received by the Administrator *no later than* sixty (60) days after the
19 date of the adverse action, decision or policy implementation
20 being grieved. *If* a grievance or appeal is *not* filed within the time
21 required by this Section, the initial decision shall be considered the
22 final decision.

23 (c) The Hearing Officer shall render a decision on each
24 grievance *no later than* ninety (90) days from the date the

1 Administrator receives the request for a hearing, *unless* the
2 hearing is postponed or rescheduled at the request of all of the
3 parties, or the hearing officer orders a further extension. *If* a
4 person is dissatisfied with a final decision on a grievance properly
5 submitted and heard under the provisions of this Article, the
6 person may file for judicial review under the provisions of the
7 Administrative Adjudication Law.

8 (d) **Notice of Change in Benefits.** Notice of a denial or
9 discontinuance shall be made in writing to the client ten (10) days
10 in advance, and state the reason and effective date.

11 REIMBURSEMENT.

12 Section 2916. **Medically Indigent Program Reimbursement** 13 **Fee Schedules for Providers.**

14 (a) Reimbursements to Providers and Non-Providers shall
15 be in amounts *not to exceed* the following:

16 (1) for inpatient hospital services, the Program shall
17 reimburse services in accordance with the annual Medicare
18 *per diem* rates set for the hospital's inpatient services;

19 (2) for outpatient hospital services, the Program
20 shall reimburse a hospital by applying the annual Medicare
21 hospital specific outpatient cost-to-charge ratio to the
22 covered charges;

1 (3) for skilled nursing services, the Program shall
2 reimburse services in accordance with the annual Medicare
3 PPS rates;

4 (4) for intermediate care services, the Program shall
5 reimburse services at sixty percent (60%) of the Medicare
6 PPS rate for the skilled nursing facility;

7 (5) for professional fees and home health services,
8 the Program shall reimburse services at one hundred
9 percent (100%) of the Medicare Participating Provider fee
10 schedule rate adjusted in accordance with the Hawaii or
11 Guam conversion factor as applicable; *and*

12 (6) for dental fees, the National Dental Advisory
13 Schedule shall be used to reimburse services.

14 (b) The Director or Administrator of the Medically Indigent
15 Program shall have discretionary authority to establish Provider
16 and Non-Provider reimbursement rates for services which are *not*
17 specifically addressed herein, but which are consistent with the
18 Program services provided by §2907 through §2914 of this Article.
19 Said schedules will be developed in conjunction with the
20 Administrator's duties to secure the necessary Provider and Non-
21 Provider relationships to ensure the availability of adequate
22 medical care and assistance to all Program recipients.

23 (1) The Program shall *not* pay claims for Program-
24 covered services that are initially submitted *more than* twelve
25 (12) months after the date of the service as clean claims,

1 (2) **For Medical Service Claims.** For medical
2 service claims, a claim that is submitted on a HCFA 1500
3 reflecting CPT and HCPCS codes for services and supplies.
4 Services requiring *prior* authorization shall have a copy of
5 the approved authorization form attached. Specialist
6 services shall have the appropriate referral form attached.

7 (3) **For Dental Claims.** For dental claims, a claim
8 that is submitted on the ADA claim form reflecting proper
9 codes for services.

10 (4) **For Behavioral Health Forms.** For
11 behavioral health forms, a claim submitted on a HCFA 1500
12 reflecting CPT codes for behavioral health services.

13 (d) Payment received by a Provider or Non-Provider from
14 the Program is considered payment by the Program of the
15 Program's liability for the member's bill. A Provider may collect
16 any unpaid portion of its bill from other third party payers or the
17 member in the event of non-covered services. A Provider or Non-
18 provider shall *not*:

19 (1) charge, submit a claim to, demand or otherwise
20 collect payment from a member or person who has been
21 determined eligible, *unless* specifically authorized by this
22 Article or rules adopted pursuant to this Article; *or*

23 (2) refer or report a member who has been
24 determined eligible to a collection agency or credit reporting

1 agency for the failure of the member to pay charges for
2 Program covered care or services, *unless* specifically
3 authorized by this Article or rules adopted pursuant to this
4 Article.

5 (e) The Administrator may conduct post-payment review
6 of all claims paid by the Program and may recoup any monies
7 erroneously paid. The Administrator shall adopt rules that
8 specify procedures for conducting post-payment review. The
9 Program Administrator shall review all prepaid capitated
10 payments and may conduct a post-payment review of all claims
11 paid by the Program, and may recoup monies that are erroneously
12 paid.

13 (1) Any Provider receiving reimbursements under
14 this Article for which they were *not* entitled on the basis of
15 false claims filed on behalf of any person receiving
16 assistance under this Article shall be liable for repayment,
17 and shall be guilty of a misdemeanor or felony, depending
18 on the amount paid for which the person was *not* entitled, as
19 specified in the Criminal and Correctional Code of Guam,
20 Title 9 of the Guam Code Annotated.

21 (f) Claims for Program-covered services which are
22 determined valid by the Administrator pursuant to §2907 through
23 §2914, and the Department's grievance and appeal procedure,
24 shall be paid from the funds established by this Section.

1 (g) For purposes of this Section, '*Program-covered services*'
2 exclude administrative charges for operating expenses.

3 (h) All payments for services established by this Article
4 shall be accounted for by the Administrator by the fiscal year in
5 which the claims were paid, regardless of the fiscal year in which
6 the payments were incurred.

7 (i) Notwithstanding any other law to the contrary,
8 government-owned Providers are subject to all claims processing
9 and payment requirements or limitations of this Article, which are
10 applicable to non-government Providers.

11 (j) Notwithstanding any law to the contrary, the Director
12 or Administrator may receive confidential adoption information
13 for the purposes of identifying adoption-related third party payers
14 in order to recover the total costs for prenatal care and the delivery
15 of the child, including capitation reinsurance and any fee-for-
16 service costs incurred by the Program on behalf of an eligible
17 person who the Administrator has reason to believe had an
18 arrangement to have the eligible person's newborn adopted.
19 *Except* for the sole purpose of identifying adoption-related third
20 party payers, the Administrator shall *not* further disclose any
21 information obtained pursuant to this Subsection, and shall
22 develop and implement safeguards to protect the confidentiality
23 of this information, including limiting access to the information to
24 only those Program personnel whose official duties require it. At
25 no time shall the Director or Administrator release to the adoptive

1 parents' or birth parents' insurance carrier personally identifying
2 information regarding the other party. A person who knowingly
3 violates the requirements of this Subsection pertaining to
4 confidentiality is guilty of a Class 6 felony.

5 **Section 2917. Quality of Care.**

6 (a) The Director or Administrator, *subject to the*
7 *Administrative Adjudication Law*, shall develop by rule and
8 regulation a standard for Providers to use in monitoring the
9 quality of health care received by members. Each Provider shall
10 adopt and use such standard.

11 (b) The Administrator shall periodically determine
12 whether each Provider has properly adopted and implemented
13 the quality of health care monitoring standard. *If* the
14 Administrator determines that a Provider has *not* done so, the
15 Administrator shall undertake additional special efforts to
16 monitor and assess the quality of health care provided by that
17 Provider for as long as the Administrator deems necessary. The
18 Administrator shall determine the cost incurred in undertaking
19 such special efforts and shall deduct that amount each month
20 from any payment owed to that Provider for as long as the special
21 efforts continue.

22
23 **INFORMATION REPORTING.**

1 **Section 2918. Information Reporting.** The Administrator
2 shall annually prepare a report representing a statistically valid sample
3 which indicates the number of children ages two (2) and under by
4 prepaid capitated Provider who received the immunizations
5 recommended by the National Centers for Disease Control and
6 Prevention while enrolled as member. The report shall indicate each
7 type of immunization and the total number and percentage of enrolled
8 infants from ages two (2) and under which received each type of
9 immunization. The report shall be done by contract year and shall be
10 delivered to *I Maga'lahaen Guåhan* and the Speaker of *I Liheslaturan*
11 *Guåhan no later than* January 30 of each year.

12 **Section 2919. Catastrophic Illness Program.** The
13 Department shall continue to administer the Catastrophic Illness
14 Program, as established by Public Law Number 18-8, as further amended
15 by Public Law Numbers 18-31 and 23-76, and as further regulated by the
16 rules and regulations previously adopted by the Department pursuant to
17 the public laws that originally established this Program. The Department
18 may also adopt additional rules in accordance with the Administrative
19 Adjudication Law to administer the Catastrophic Illness Program. The
20 Program shall provide for care of victims of catastrophic illnesses,
21 whether such care is provided on Guam or at off Guam medical facilities.
22 The Catastrophic Illness Assistance Program ("CIAP") maximum coverage
23 per individual is established at One Hundred Seventy-five Thousand
24 Dollars (\$175,000.00)."

1 **Section 2. Effective Date.** Section 1 of this Act shall become effective
2 on March 1, 2001. The Director shall take all steps necessary to implement
3 this Article on March 1, 2001. No hospitalization, medical, dental or
4 behavioral health care services may be provided in accordance with these
5 revised Program provisions pursuant to this Article prior to March 1, 2001.
6 All eligible members of the Program on the last day of February, 2001 shall
7 continue to remain eligible until the expiration of their previous eligibility.
8 Such members shall be able to renew their participation in the Program, but
9 shall be required to meet the new eligibility standards established by this
10 Article. All new applicants for the Program who have *not* been determined
11 eligible as of 11:59 p.m. on February 28, 2001 shall be required to meet the
12 new eligibility standards established by this Act. Within sixty (60) days of
13 enactment of this Act, the Director of the Department of Public Health and
14 Social Services shall notify all current Medically Indigent Program recipients
15 and providers of the new eligibility standards and Program benefits.

16 **Section 3. Creation of Medically Indigent Program Payment**
17 **Revolving Fund.** Effective October 1, 2000, there is hereby created the
18 Medically Indigent Program Payment Revolving Fund ("the Fund"). All
19 appropriations for the Medically Indigent Program shall be credited into the
20 Fund which shall be maintained separate and apart from all other funds
21 allocated to the Department of Public Health and Social Services. Payments
22 from the Fund shall be authorized by the Director and credited against the
23 Fund. Appropriations to the Fund are hereby authorized to be carried over
24 into subsequent fiscal years and may be expended for any authorized

1 Medically Indigent Program obligation regardless of when the obligation was
2 incurred.

3 Notwithstanding any provisions of law to the contrary, all approved
4 claims for Program services incurred *prior to* the close of Fiscal Year 2000 shall
5 be eligible for payment from monies appropriated to the Department, or the
6 Fund established by this Section.

7 **Section 4. Appropriations for the Medically Indigent Program,**
8 **Medicaid and Children's Health Insurance Program.**

9 Notwithstanding the provisions of law restricting the use or expenditure of
10 the funds listed below, the following sums are appropriated as detailed
11 herein:

12 (a) **Medically Indigent Program.** Three Million Four
13 Hundred Thousand Dollars (\$3,400,000) is appropriated for the
14 Medically Indigent Program ("MIP") from the Tourist Attraction Fund
15 for FY2000.

16 Nine Hundred Seventy-three Thousand Dollars (\$973,000.00) is
17 appropriated for MIP from the General Service Agency Fund for
18 FY2000.

19 One Hundred Fifty-three Thousand Dollars (\$153,000.00) is
20 appropriated for MIP from the Special Surplus Property Fund for
21 FY2000.

22 Two Hundred Thousand Dollars (\$200,000.00) is hereby
23 appropriated for MIP from the Village Streets Fund for FY2000.

1 Notwithstanding the provisions establishing the effective date of this Act
2 provided in §2, above, the provisions of §1, §2904.1 entitled "*Privatization of*
3 *Program Functions*" and the provisions of §1, §2904.2 entitled "*Creation of the*
4 *Medically Indigent Program Advisory Council*" shall become effective upon
5 enactment into law of this Act.

6 **Section 7. Severability.** *If* any provision of this Law or its
7 application to any person or circumstance is found to be invalid or contrary to
8 law, such invalidity shall *not* affect other provisions or applications of this
9 Law which can be given effect without the invalid provisions or application,
10 and to this end the provisions of this Law are severable.

⁶
I MINA' BENTE SINGKO NA LIHESLATURAN GUAHAN

2000 (SECOND) Regular Session

Date: 9/14/00

VOTING SHEET

5 Bill No. 467(COR)

Resolution No. _____

Question: _____

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
AGUON, Frank B., Jr.	✓				
BERMUDES, Eulogio C.	✓				
BLAZ, Anthony C.		✓			
BROWN, Joanne M.S.	✓				
CALVO, Eduardo B.	✓				
CAMACHO, Marcel G.	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
LAMORENA, Alberto C., V	✓				
LEON GUERRERO, Carlotta A.	✓				
MOYLAN, Kaleo Scott	✓				
PANGELINAN, Vicente C.	✓				
SALAS, John C.					✓
SANCHEZ, Simon A., II	✓				
UNPINGCO, Antonio R.	✓				

TOTAL

13 1 0 0 1

CERTIFIED TRUE AND CORRECT:

Clerk of the Legislature

* 3 Passes = No vote
EA = Excused Absence

✓
I MINA' BENTE SINGKO NA LIHESLATURAN GUAHAN
KUMITEN SALUT, SETBISION TINAOTAO YAN IRENSIAN CHAMORU
COMMITTEE ON HEALTH, HUMAN SERVICES AND CHAMORRO HERITAGE
SIMON A. SANCHEZ II, GE'HILO'

August 29, 2000

Speaker Antonio R. Unpingco
I Mina' Bente Singko Na Liheslaturan Guahan
155 Hesler Street
Hagåtña, Guahan 96910

Dear Mr. Speaker:

I Kumiten Salut, Setbision Tinaotao yan Irensian Chamoru has completed its evaluation of Bill No. 467 and hereby issues the enclosed Committee Report.

A public hearing was held on the measure on August 2, 2000.

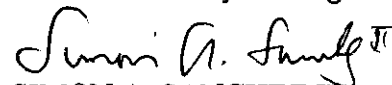
Committee Members voted as follows:

To pass	<u> 7 </u>
Not to pass	<u> </u>
Abstain	<u> </u>
Inactive File	<u> </u>

Consequently, the Committee submits its recommendation to "DO PASS" Bill No. 467, as substituted by the Committee on Health, Human Services and Chamorro Heritage.

Your kind attention to this matter is immensely appreciated.

Saina Ma'åse' yan Magof Ha'ånen Yu'os,


SIMON A. SANCHEZ II

I MINA' BENTE SINGKO NA LIHESLATURAN GUÁHAN
Kumiten Salut, Setbision Tinaotao yan Irensian Chamoru
Committee on Health, Human Services and Chamorro Heritage
Sinadot Simon A. Sanchez II, Ge'Hilo'

MEMORANDUM

TO : **Committee Members**

From : **Chairperson**

Subject: **Committee Report for Bill No. 467** – “An Act to repeal and reenact Article 9 of Chapter 2, Division 1, Part 1 of Title 10 of the Guam Code Annotated, relative to revising the Medically Indigent Program to afford greater access to Program Services and Greater Efficiency in Program Operations.”

Attached is the Committee Report for Bill 467 for your review and consideration. Please call me regarding clarification or additional information, otherwise, please mark and sign the accompanying Voting Sheet.

Senseramente,


SIMON A. SANCHEZ, II

I MINA' E ITE SINGKO NA LIHESLATURA. ǂUÅHAN

**Committee on Health, Human Services and Chamorro Heritage
Kumiten Salut, Setbision Tinaotao yan Irensian Chamoru
Sinadot Simon A. Sanchez II, Ge'Hilo'**

Bill No. 467 – An act to repeal and reenact Article 9 of Chapter 2, Division 1, Part 1 of Title 10 of the Guam Code Annotated, relative to revising the Medically Indigent Program to afford greater access to program services and greater efficiency in Program Operations.

To place in	To Pass	Not to Pass	Abstain	Inactive File
<u>SASA</u> Senator Simon A. Sanchez II Chairperson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Joanne M.S. Brown</u> Senator Joanne M.S. Brown Vice Chairperson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Frank B. Aguiñ, Jr.</u> Senator Frank B. Aguiñ, Jr. Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Eulogio C. Bermudes</u> Senator Eulogio C. Bermudes Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Anthony C. Blaz</u> Senator Anthony C. Blaz Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Eduardo B. Calvo</u> Senator Eduardo B. Calvo Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Marcel G. Camacho</u> Senator Marcel G. Camacho Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Mark Forbes</u> Senator Mark Forbes Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Lawrence F. Kasperbauer</u> Senator Lawrence F. Kasperbauer Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Alberto C. Lamorena V</u> Senator Alberto C. Lamorena V Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Carlotta Leon Guerrero</u> Senator Carlotta Leon Guerrero Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Kaleo S. Moylan</u> Senator Kaleo S. Moylan Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Vicente C. Pangelinan</u> Senator Vicente C. Pangelinan Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*I Mina' Bente Singko Na Liheslaturan Guahån
Kumiten Salut, Setbision Tinaotao Yan Irensian Chamoru*

**Committee Report
Bill No. 467**

“An Act to Repeal and Reenact Article 9 of
Chapter 2, Division 1, Part 1 of Title 10, Guam Code Annotated
Relative to Revising the Medically Indigent Program
to Afford Greater Access to Program Services
and Greater Efficiency in Program Operations”

Simon A. Sanchez II, Chairperson
Joanne M.S. Brown, Vice Chairperson

Members

Frank B. Aguon, Jr.
Eulogio C. Bermudes
Marcel G. Camacho
Lawrence F. Kasperbauer
Carlotta A. Leon Guerrero
Vicente C. Pangelinan
Antonio R. Unpingco, ex-officio

Anthony C. Blaz
Eduardo B. Calvo
Mark Forbes
Alberto C. Lamorena V
Kaleo S. Moylan

I Mina' Bente Singko Na Liheslaturan Guåhan
Committee of Health, Human Services and Chamorro Heritage
Kumiten Salut, Setbision Tinaotao Yan Irensian Chamoru
Sinadot Simon A. Sanchez, II

I. OVERVIEW

Bill No. 467, authored by Senator Simon A. Sanchez, II seeks to revise the Medically Indigent Program to afford greater access to program services and greater efficiency in program operations at the Department of Public Health and Social Services.

The Committee on Rules, Government Reform, Reorganization and Federal Affairs referred Bill No. 467 to this committee on Monday, August 14, 2000, for disposition. Public Hearing held on Wednesday, August 2, 2000, 10:30 a.m. Legislative Hearing Room, *Hagåtña*, Guam. Public notice announced in the Pacific Daily News on July 28, 2000.

Senators present:

Senator Simon A. Sanchez, II – Chairman
Senator Joanne M. S. Brown, Vice Chairperson
Senator Eddie B. Calvo, Member
Senator Frank B. Aguon, Jr., Member
Senator ben pangelinan, Member

Appearing before the Committee:

Mr. Steven R. Medina, MBA, CHE, Medically Indigent Program Reform Task Force
Member and President, Healthcare Management Association of Guam
Ms. Gloria J. Long, Medically Indigent Program Reform Task Force Member
Ms. Lou Leon Guerrero, Guam Nurses Association Spokesperson and Medically Indigent
Program Reform Task Force Member
Ms. Shirley Lujan, Parent
Ms. Lourdes T. Bascon, Parent
Mr. Eric Santos, Citizen

Written testimony provided:

Mr. Richard Chong, Lic. Ac., President, Guam Acupuncture Association
Mr. Lex R. Rathbun, D.C., F.I.C.S., President, Guam Chiropractic Association

II. TESTIMONY SUMMARY

Mr. Steven Medina's comments on the provisions of Bill 467 include:

- ❖ The revised product of the Medically Indigent Program Reform Task Forces' efforts represents an improvement to the existing Medically Indigent Program
- ❖ The product ensures that those truly in need will receive the health care services they need, all while managing the care within limited financial and management resources
- ❖ Members of the Task Force represented a realistic cross-section of health care stakeholders – public health, community health care providers, payers, consumers and professional health care societies and associations – to ensure that all issues involved in ensuring the viability of the revised Program would be achieved
- ❖ Seven months, countless hours, exchange of objective and professional ideas and recommendations focused on issues surrounding benefits, eligibility, reimbursement and program management

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- ❖ Context of the Program centers around its ability to place the care at the right level of Health Care Provider
- ❖ Most Medically Indigent Program care presently being rendered by Guam Memorial Hospital; the Emergency Room, in essence becoming an after-hours primary care clinic for the indigent
- ❖ Existing Medically Indigent Program often does not have the ability to re-route patients to actual primary care providers and often does not have the ability to properly resource those efforts if they had been made
- ❖ If approved and written into law, the revised Medically Indigent Program will finally be on the journey towards effective management of care for the truly medically indigent
- ❖ Revisions will finally place boundaries on the level and duration of care for the medically indigent
- ❖ Revisions will provide a mechanism for reimbursement for those health care providers who will serve the needs of the medically indigent
- ❖ Revised Medically Indigent Program will begin to take some of the burden off the shoulders of the Guam Memorial Hospital and effectively realign health care delivery back to primary care providers, who best know how to effectively manage the health care needs of the medically indigent
- ❖ Revisions a first step towards fiscal solvency and managerial effectiveness that will begin to recreate a renewed atmosphere of faith and confidence in Public Health
- ❖ Endorsement of Revised Medically Indigent Program ensures that this important first step is taken and will enable us to continue to take the many future aggressive steps in improving the quality of lives of the people of Guam

Ms. Gloria Long testified in support of Bill No. 467 noting:

- ❖ The Bill represents the cumulative efforts of providers, payers and program participants who have expressed the desire to see changes to the current Medically Indigent Program
- ❖ The Bill seeks to reform the present program in order to allow for more equitable benefit distribution and improved management of care while seeking to extend limited resources to the benefit of our citizens in need of medical care assistance
- ❖ New legislation seeks to allow for the more timely payment of providers which should encourage participation in the program
- ❖ Once passed, it will be a matter of identifying adequate funding sources and ensuring that funds are available in such a manner as to support program operations and the prompt payment of claims
- ❖ Medically Indigent Program participants should be happy with the addition of benefits to the program which will serve to fill in some of the gaps of previous program shortcomings
- ❖ Proposed legislation affords the Government of Guam and the Department of Public Health and Social Services a greater degree of flexibility in administering the program which should enhance participant access to care

Ms. Shirley Lujan also testified in support of Bill No. 467:

- ❖ expressed concern on coverage for children with special needs
- ❖ requested one-time eligibility certification for persons with disabilities

Caseworker for Mr. Eric Santos, a hemophiliac under the Medically Indigent Program:

- ❖ recommended increasing the cap for blood and blood products emphasizing the proposed \$50,000 cap will be exhausted two-thirds (2/3) of the year for hemophiliac patients
- ❖ advised no pharmacies on island provide the blood products ordered in Hawaii
- ❖ three (3) clients with similar conditions under the Medically Indigent Program

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Senators' Brown and Pangelinan suggested establishing a set of criteria for specific needs with identifiable cap on funding.

Ms. Lou Leon Guerrero testified in support of Bill 467 recommending:

- ❖ amending Bill title to reflect providing operational management guidelines for the Medically Indigent Program
- ❖ including basic minimum qualification standards for the Program Administrator, at least five (5) to ten (10) years experience in program administration; show financial viability and stability and reflect no conflict of interest with a provider
- ❖ coverage of orthopedic and prosthetic devices

Mr. Richard Chong submitted written testimony:

- ❖ requesting endorsement of acupuncture services, by licensed Acupuncturist of the Guam acupuncture Association, be provided for low-income, elderly and persons with disability as part of the Medically Indigent Program Reform
- ❖ California Medi-Cal Program, 1978 AB 2424 (Keysor) authorizes payment for acupuncturists

NEW PROVISIONS

Section 1.

- §2904.1 Privatization of Program Functions – defines guidelines for the Director Department of Public Health & Social Services (DPHSS) to enter into an agreement with an independent contractor to serve as Administrator of the Medically Indigent Program; administration, development and issuance of Request for Proposals; ensures the fulfillment of all or part of the operational responsibilities by DPHSS and the Health Care Financing Administration; allows Administrator to subcontract distinct administrative functions to one or more contractors.
- §2904.2 Creation of the Medically Indigent Program Council – establishes the composition of a seven (7) member advisory Board, election of officers; quorum requirement, term of office, remuneration and duties of the Council.
- §2905.1 General Eligibility Standards defines eligibility criteria for applicants.
- §2905.3 Addition of *tuberculosis* to Emergency Medical and Prenatal Care Eligibility for non-residents.
- §2905.4 - §2905.14 Establishment of income and resource eligibility standards; supplemental coverage and limitation; applicability to all applicants; identifies uncovered medical procedure; specifies coverage discontinuance.
- §2912.8 Increases the limitation cap on blood products for Hemophiliacs.

Section 2. Effective Date of Program Changes is March 1, 2001.

Section 3. Creation of MIP Payment Fund separate from all other funds to receive all future appropriations to the Program. Authorizes DPHSS Director to pay claims directly.

Section 4. Provides additional funding for MIP and other health care related needs for FY 2000.

IV. COMMITTEE FINDINGS AND RECOMMENDATIONS

The Committee on Health, Human Services and Chamorro Heritage finds that Bill No. 467, as substituted:

1. ensures the medically indigent will receive the health care services they need while managing the care within limited financial and management resources
2. that a better managed indigent care program could provide “the greatest good, for the greatest number”
3. is the first important step towards effective management of care and place boundaries on the level and duration of care for the truly medically indigent
4. will provide a mechanism for reimbursement for those health care providers who will serve the needs of the medically indigent
5. effectively realigns health care delivery back to primary care providers who can effectively manage their health care needs
6. begins the process towards fiscal solvency and managerial effectiveness.

The Committee on Health, Human Services and Chamorro Heritage, to which Bill No. 467 was referred does hereby submit its findings and recommendations to *I Mina' Bente Singko Na Liheslaturan Guåhan* **TO DO PASS Bill No. 467, as substituted by the Committee**, “An act to repeal and reenact Article 9 of Chapter 2, Division 1, Part 1 of Title 10 of the Guam Code Annotated, relative to revising the Medically Indigent Program to afford greater access to program services and greater efficiency in Program Operations.”

Gloria Jean Long
P.O. Box 22362
GMF, Guam 96921

August 2, 2000

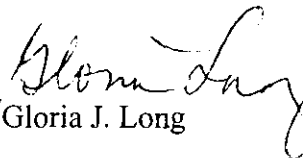
Senator Sanchez and Members of the Committee,

I am pleased to submit testimony in support of the Medically Indigent Program reform legislation. This Bill represents the cumulative efforts of providers, payers and program participants who have expressed the desire to see changes to the current MIP program. This bill seeks to reform the present program in order to allow for more equitable benefit distribution and improved management of care while seeking to extend limited resources to the benefit of our citizens most in need of medical care assistance.

This new legislation seeks to allow for the more timely payment of providers which should encourage participation in the program. Once passed, it will be a matter of identifying adequate funding resources and ensuring that funds are available in such a manner as to support program operations and the prompt payment of claims. MIP Program participants should be happy with the addition of benefits to the program which will serve to fill in some of the gaps of previous program shortcomings.

The proposed legislation also affords the Government of Guam and the Department of Public Health and Social Services a greater degree of flexibility in administering the program, which should also enhance participant access to care. I therefore encourage the members of the Committee and the Legislative Body as a whole to support passage of this legislation.

Sincerely,


Gloria J. Long



RATHBUN CHIROPRACTIC CLINIC

01 AUGUST 2000

Telephone: (671) 649-6822/23
Facsimile: (671) 649-3789

TWENTY-FIFTH GUAM LEGISLATURE
SENATOR SIMON A SANCHEZ II
COMMITTEE ON HEALTH, HUMAN SERVICES
AND CHAMORRO HERITAGE

RE: HEALTH / MIP HEARING

Dear Senator Sanchez,

Relative to the MIP hearing tomorrow, 08/02/2000.

I humbly request provisions for Chiropractic Services to be included.

Even if a cap were to be placed on the number of treatments as in GovGuam Insurance (10 visits), the benefits for those less fortunate would be a positive beginning.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. F. R. Rathbun".

J. F. R. RATHBUN, D.C., F.I.C.S.

LRR/mm

TESTIMONY OF SUPPORT
FOR THE REVISED MIP PROGRAM
SUBMITTED BY: STEVEN ROBERT MEDINA, MBA, CHE
MEMBER, MIP REVISION TASK FORCE
AND
PRESIDENT, HEALTHCARE MANAGEMENT ASSOCIATION OF GUAM

Having had the privilege to be a part of Senator Simon Sanchez' MIP Program Revision Task Force, I can clearly state that the revised product of the Task Forces' efforts represents an improvement to the existing MIP Program. The proposed MIP Program that's being presented before the People of Guam today, ensures that those truly in need will receive the healthcare services they need, all while managing the care within limited financial and management resources.

For many months, the Members of the Task Force volunteered their time and brainpower in working through issues surrounding:

- Benefits,
- Eligibility,
- Reimbursement and
- Program Management

Many drafts were reviewed, clarified and reviewed again to ensure that the MIP Program would be a better managed indigent care program, which could provide "the greatest good, for the greatest number". The efforts by the Task Force were in no means taken lightly, and spirited discussions were tempered with objectivity and professionalism.

The Members themselves represented a realistic cross-section of Guam's healthcare stakeholders, which included representation from Public Health, Community Healthcare Providers, Payers, Consumers and Professional Healthcare Societies and Associations. This representation ensured that all issues involved in ensuring the viability of the revised Program would be achieved.

While not a "perfect" document, the Act before you today represents the "best of the best" from those local and mainland commercial, government and federal health plans have to offer. The context of the Program centers around its ability to place the care at the right level of Healthcare Provider. In the past, most MIP care had been rendered by GMH. Their ER Department, in essence becoming an after-hours primary care clinic for the indigent. The existing MIP Program often does not have the ability to re-route patients to actual primary care providers, and often does not have the ability to properly resource those efforts if they had been made.

If approved and written into law, the revised MIP Program will finally begin the journey towards effective management of care for the truly medically indigent. It will finally place boundaries on the level and duration of care, and will provide a mechanism for reimbursement for those healthcare providers who will serve their needs. It will begin to take some of the burden off the shoulders of GMH, and effectively realign healthcare delivery back to primary care providers, who best know how to effectively manage their healthcare needs. Finally, it will begin a trek towards fiscal solvency and managerial effectiveness that will begin to create a renewed atmosphere of faith and confidence in Public Health.

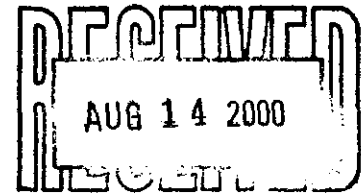
This is the first step towards the recovery of Guam's complex Healthcare Delivery System. Endorsement of this Act today, ensures that this important first step is taken and will enable us to continue to take the many future aggressive steps in improving the quality of the lives of the People of Guam.



MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN
Kumitean Areklamento, Refotman Gubetnamento Siha, Inetnon di Nuebu, yan Asunton Fidirat

*Senadot Mark Forbes, Gehilu
Kabisiyon Mayuråt*

11 AUG 2000



MEMORANDUM

TO: Chairman
~~Committee on Health, Human Services & Chamorro Heritage~~

FROM: Chairman
~~Committee on Rules, Government Reform, Reorganization
and Federal Affairs~~

SUBJECT: Principal Referral – Bill No. 467

The above bill is referred to your Committee as the Principal Committee. In accordance with Section 6.04.05. of the Standing Rules, your Committee "shall be the Committee to perform the public hearing and have the authority to amend or substitute the bill, as well as report the bill out to the Body." It is recommended that you schedule a public hearing at your earliest convenience.

Thank you for your attention to this matter.

MARK FORBES

Attachment