

MINA' TRENTAI DOS NA LIHESLATURAN GUAHAN
2013 (FIRST) Regular Session

Bill No. 132-32 (COR) 5

Introduced by:

D.G. RODRIGUEZ, JR.
Aline A. Yamashita, Ph.D.
V. ANTHONY ADA

AN ACT TO ADD A NEW SECTION 11 TO PUBLIC LAW 30-200 RELATIVE TO EXPANDING THE BORROWING ABILITY OF THE GUAM MEMORIAL HOSPITAL AUTHORITY BY INCLUDING THE AUTHORIZATION TO ALSO ENTER INTO REVOLVING LOAN FUNDS, AND DIRECT LOAN FUNDS.

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

2 **Section 1. Legislative Findings and Intent:** *I Liheslaturan Guåhan* finds
3 that the Guam Memorial Hospital Authority is seriously underfunded, resulting in
4 consistent, chronic shortages in all operational areas that jeopardize the ability of
5 Guam Memorial Hospital to adequately fulfill its mission.

6 The full scope and negative impact of the Guam Memorial Hospital
7 Authority's outstanding debts, in excess of \$23,000,000 dollars, came to light
8 during the *Joint Status Hearing* conducted by the Committee on Health & Human
9 Services and the Committee on Finance, on April 18, 2012. *I Liheslaturan*
10 *Guåhan further* finds that in 2012, the federally approved discount provider for
11 medical supplies intercepted approximately \$500,000.00 (taken from Medicare
12 reimbursements through the U.S. Treasury), for non-payment of GMHA's debt. In
13 March 2013, GMHA, through the efforts of Governor Eddie Calvo paid
14 \$5,000,000 of its outstanding obligations using Compact-Impact funds, thus

1 reducing its obligation to approximately \$18,000,000 as of March 31, 2013. The
2 retirement of GMHA's debt is essential to its ability to focus on patient care and its
3 preventive programs. The provision of medical care should be the core of the
4 hospital's mission, not the burden placed on operations by its debt. For the past
5 seven (7) months in FY 2013, GMHA has accumulated approximately over half a
6 million dollars in interest charges from vendors. This added burden further
7 exacerbates GMHA's financial condition.

8 *I Liheslaturan Guåhan* further finds that Public Law 30-200, as amended by
9 Public Law 30-235 authorized the GMHA to enter into a line of credit, revolving
10 fund, or direct loan not to exceed Twenty-Five Million Dollars (\$25,000,000).
11 However, only Twelve Million Dollars (\$12,000,000) has been borrowed to date.

12 It is the intent of *I Liheslaturan Guåhan* to allow the financing of GMHA's
13 debt using *I Magalahen Guahan's* pledge of Compact Impact funds as the
14 repayment source for the additional Thirteen Million Dollars (\$13,000,000)
15 balance.

16 **Section 2. A new section 11 is hereby added to Public Law 30-200, as**
17 **amended by P.L. 30-235, to read as follows:**

18 (11) I Maga'lahaen Guahan, The Governor of Guam, at his discretion and
19 with his consent, may pledge Compact Impact Funds received from the
20 Department of Interior as a source of funding to secure the balance of the
21 \$25 Million Dollar line of credit, revolving loan fund and/or a direct loan

1 authorized in this Act to be used for the reduction of the Guam Memorial
2 Hospital Authority's vendor payables.