

I MINA' TRENTA NA LIHESLATURAN GUÅHAN  
2009 (FIRST) REGULAR SESSION

Bill No. 107(LS)

Introduced by:

v.c. pangelinan

2009 MAY - 1 PM 4: 44

AN ACT TO REPEAL SECTION 4301(g) AND TO REPEAL AND RE-ENACT SECTION 4302 (g) CHAPTER 4, ARTICLE 3, TITLE 4 GUAM CODE ANNOTATED RELATIVE TO REMOVING THE CONTINUING CLAUSE PROVISIONS TO HEALTH INSURANCE COMPANIES ON GUAM WHO CONTRACT WITH THE GOVERNMENT OF GUAM AND TO REQUIRE ALL COMPANIES OR OTHER LEGAL ENTITIES PROVIDING HEALTH INSURANCE TO THE GOVERNMENT OF GUAM TO MAKE AVAILABLE ELECTRONICALLY DE-IDENTIFIED DETAILED DEMOGRAPHIC, MEDICAL, DENTAL, VISION AND PHARMACY CLAIMS UTILIZATION AND COST INFORMATION SUBJECT TO MEETING HIPAA REGULATIONS.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. **Legislative Findings and Intent.** *I Liheslaturan Guahan* finds that over three  
3 decades ago, the government of Guam contracted with one insurance carrier to provide health  
4 insurance coverage for its retirees and active employees. To protect the interest of the government  
5 of Guam and to ensure consistent and reliable coverage, a continuing clause provision was mandated  
6 which meant that when the government of Guam entered into a contract with the lone insurance  
7 carrier, they could not terminate the agreement without legal cause.

8 *I Liheslaturan Guahan* further finds that over the past several years since the implementation  
9 of the continuing clause provision, there are now other insurance companies on Guam that negotiate  
10 contractual agreements with the government of Guam for health insurance coverage. Section  
11 4301(g), Chapter 4, Article 3, Title 4 Guam Code Annotated allowed the incorporation of the  
12 continuing clause provision to any health insurance company on Guam and was subject to the  
13 District Court of Guam Appellate Division Case *Government of Guam v. FHP, Inc.*, (D.Guam  
14 App.Div.1991).

15 The purpose of the continuing clause provision was necessary at the time of its

1 implementation, however it has now proved to be unnecessary given the fact that the government of  
2 Guam can now negotiate with numerous health insurance companies who have proven stability in  
3 our community.

4 Therefore, it is the intent of *I Liheslaturan Guahan* to remove the continuing clause provision  
5 for health insurance companies contracting with the government of Guam for health care coverage  
6 and to require utilization data for those entering into contractual agreements with the government of  
7 Guam.

8 **Section 2.** Section 4301(g), Chapter 4, Article 3, Title 4 Guam Code Annotated is hereby  
9 repealed in its entirety.

10 **Section 3.** Section 4302(g), Chapter 4, Article 3, Title 4 Guam Code Annotated is  
11 hereby repealed and re-enacted to read as follows:

12 “§4302(g) All health insurance companies or health care providers contracted to provide  
13 health care to government of Guam employees *shall* provide to the negotiating team defined in  
14 §4302(c) fifteen months (15) months of detailed claims utilization and cost information from period  
15 October 1 to September 30 of the previous fiscal year and October 1 to December 31 of the current  
16 fiscal year no later than March 1 of the current fiscal year.

17 The detailed claims utilization and cost information must total in aggregate all the experience  
18 data used to calculate insurance rates for the fiscal year proceeding the current fiscal year. Claims  
19 incurred but not received calculations *shall be* reported separately and must be derived from detailed  
20 claims utilization and cost information submitted.

21 The detailed claims utilization and cost information required under this section shall include  
22 only de-identified health information as permitted under the health insurance portability and  
23 accountability act of 1996 and shall not include any protected health information as defined in the  
24 health insurance portability and accountability act of 1996.

25 Detailed demographic and claims utilization and cost information must include the following  
26 information:

- 27 1) Type of contract based on all tiers used in program design (EE, EE + SPOUSE,  
28 FAMILY, etc.)
- 29 2) Patient demographics include unique contract identifier, date of birth, gender,  
30 relationship to subscriber

- 1           3)        Medical, Dental and Vision claims include Diagnosis codes (ICD9 or ICD10),  
2                    Procedure codes (CPT, HCPC, CDT), Revenue codes, Service dates, Service  
3                    provider (name, tax id, payer id, specialty code, city, state, zip code), Plan  
4                    payments, Member payment responsibility (copay, coinsurance, deductible),  
5                    Claim Date paid, Type of bill and Facility type
- 6           4)        Prescription Drug claims include NDC codes, Formulary tier identifier, pharmacy  
7                    (name, payer id, city, state, zip code), Plan payments, Member payment  
8                    responsibility (copay, coinsurance, deductible), Claim Date paid, Injectable drug  
9                    indicator, GPI number, ingredient cost, dispensing fee and rebates.
- 10          5)        Any other detailed demographic and claims utilization and cost information as  
11                    requested by the negotiation team in Invitation to Bid (ITB) for the fiscal year  
12                    proceeding the current fiscal year.

13           **Section 4. Effective Date.** This Article shall become effective upon enactment of this Act.

14           **Section 5. Severability.** If any of the provisions of this Act or the application thereof to any  
15            person or circumstance is held invalid, such invalidity shall not affect any other provision or  
16            application of this Act which can be given effect without the invalid provision or application, and to  
17            this end the provisions of this Act are severable.