

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2010 (Second) Regular Session

Bill No. 431-30 (COR)

Introduced by:

v.c. pangelinan

2010 JUN 28 PM 2:10



AN ACT TO AMEND §4302 (b) CHAPTER 4,
ARTICLE 3, TITLE 4 GUAM CODE ANNOTATED
RELATIVE TO PROVIDING UTILIZATION AND
COST INFORMATION TO CURRENT AND
PROSPECTIVE HEALTH INSURANCE
COMPANIES WHO PROVIDE HEALTH CARE
COVERAGE TO GOVERNMENT OF GUAM
EMPLOYEES AND RETIREES.

BE IT ENACTED BY THE PEOPLE OF GUAM:

1 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guahan*
2 finds that insurance carriers who do not have contracts with the government
3 of Guam to provide group health insurance coverage for government
4 employees are interested but unwilling to offer proposals in responses to the
5 annual health insurance invitation to bid because of the lack of detailed risk
6 pool health care experience data. Health insurance carriers continue to
7 request the government of Guam to provide de-identified claim line detail of
8 all enrollees so that a proposals can be developed that properly price the risk
9 associated with the government of Guam health insurance pool.

10 There is currently only one carrier providing health insurance to the
11 government of Guam, which severely limits the negotiating teams leverage to
12 procure the best coverage and the lowest price.

13 *I Liheslaturan Guahan* further finds that because health insurance
14 costs continue to rise and account for larger percentages of the annual

1 budget, it is imperative to attract additional carriers to submit proposals to
2 facilitate competition and let market forces regulate pricing.

3 In accordance with Section 4302(g), Chapter 4, Article 3, Title 4 Guam
4 Code Annotated, insurance carriers with contracts are now required to
5 provide the utilization and cost information to the negotiating team by March
6 1 of each year. However, under the current state of laws, the government is
7 prevented from disclosing the information in any solicitation for insurance
8 coverage.

9 **Section 2.** Section 4302(b), Chapter 4, Article 3, Title 4 Guam Code
10 Annotated is hereby amended to read as follows:

11 “§4302 (b) The Director of Administration shall, no later than March 1,
12 1986, promulgate rules and regulations setting forth the other information she/he
13 requires from the companies or legal entities and the method by which such
14 information shall be reported. This information shall be equitably required of
15 each company and shall be submitted no less than ten (10) days before any
16 negotiations or active consideration of proposals commences. Materials
17 submitted in fulfillment of this requirement shall not be considered public
18 records, except for the detailed claims utilization and cost information required
19 by 4302(g), which shall be provided to current and prospective health insurance
20 carriers as part of the invitation to bid for coverage to government of Guam
21 employees and retirees.”

22 **Section 3. Effective Date.** This Act shall become effective upon its
23 enactment.

24 **Section 4. Severability.** If any of the provisions of this Act or the
25 application thereof to any person or circumstance is held invalid, such invalidity
26 shall not affect any other provision or application of this Act which can be given
27 effect without the invalid provision or application, and to this end the provisions
28 of this Act are severable.