

I Mina'Trentai Kuåttro Na Liheslaturan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
132-34 (COR)	Dennis G. Rodriguez, Jr.	AN ACT TO AMEND SECTIONS § 6101, § 6102, § 6103, AND § 6104, AND TO ADD §§ 6102.1, 6106, 6107, 6107.1, 6107.2, 6107.2.1 THROUGH 6107.2.13, 6107.3, 6107.4, 6107.5, 6107.5.1 THROUGH 6107.5.9, 6107.6, 6107.6.1, 6107.6.2, 6107.7, 6107.7.1, 6107.8, 6107.9, 6107.9.1, 6107.9.2, 6107.10, 6107.11, 6107.11.1 THROUGH 6107.11.5, 6107.12, 6107.13, 6107.14, 6107.15, 6107.16, 6107.17, 6107.18, 6107.19, 6107.20, 6107.20.1 THROUGH 6107.20.3, 6107.21, AND 6107.22, ALL TO CHAPTER 6, DIVISION 1, TITLE 10 OF THE GUAM CODE ANNOTATED, RELATIVE TO IMPROVING EFFICIENCY IN PROGRAM OPERATIONS AND EXPANDING HEALTHCARE ACCESS TO THE GUAM MEDICAID PROGRAM BY ESTABLISHING A MANAGED CARE PILOT PROGRAM TO BE KNOWN AS "THE HEALTH CARE PARA TODU PLAN".	6/23/17 4:58 p.m.	7/5/17	Committee on Appropriations and Adjudication			Fiscal Note Request 7/5/17 Fiscal Note 7/27/17	

Speaker Benjamin J.F. Cruz,
Member

Vice Speaker Therese M. Teraja,
Member

Senator Thomas C. Ada,
Member

Senator Frank B. Aguon, Jr.,
Member

Senator Telenia C. Nelson,
Member



Senator Dennis G. Rodriguez, Jr.,
Member

Senator Joe S. San Agustin,
Member

Senator Michael F.Q. San Nicolas,
Member

Senator James V. Espaldon,
Member

Senator Mary C. Torres,
Member

COMMITTEE ON RULES
SENATOR RÉGINE BISCOE LEE, CHAIR
SIKRITARIAN LIHESLATURAN GUAHAN
I MINA'TRENTAI KUATTRO NA LIHESLATURAN GUAHAN
LEGISLATIVE SECRETARY • 34TH GUAM LEGISLATURE

July 27, 2017

MEMO

To: **Rennae Meno**
Clerk of the Legislature

From: **Senator Régine Biscoe Lee**
Chairperson, Committee on Rules

Re: **Fiscal Note**

Buenas yan Håfa adai.

Attached, please find the fiscal note for the following bill:

Bill No. 132-34 (COR)

Please forward the same to Management Information Services (MIS) for posting on our website.

For any questions or concerns, please feel free to contact Jean Cordero, Committee on Rules Director, at 472-3455.

Thank you for your attention to this important matter.

Respectfully,

Senator Régine Biscoe Lee
Chairperson, Committee on Rules



**Bureau of Budget & Management Research
Fiscal Note of Bill No. 132-34 (COR)**

AN ACT TO AMEND SECTIONS § 6101, § 6102, § 6103, AND § 6104, AND TO ADD §§ 6102.1, 6106, 6107, 6107.1, 6107.2, 6107.2.1 THROUGH 6107.2.13, 6107.3, 6107.4, 6107.5, 6107.5.1 THROUGH 6107.5.9, 6107.6, 6107.6.1, 6107.6.2, 6107.7, 6107.7.1, 6107.8, 6107.9, 6107.9.1, 6107.9.2, 6107.10, 6107.11, 6107.11.1 THROUGH 6107.11.5, 6107.12, 6107.13, 6107.14, 6107.15, 6107.16, 6107.17, 6107.18, 6107.19, 6107.20, 6107.20.1 THROUGH 6107.20.3, 6107.21, AND 6107.22, ALL TO CHAPTER 6, DIVISION 1, TITLE 10 OF THE GUAM CODE ANNOTATED, RELATIVE TO IMPROVING EFFICIENCY AND IN PROGRAM OPERATIONS AND THE EXPANDING HEALTH CARE ACCESS TO THE GUAM MEDICAID PROGRAM BY ESTABLISHING A MANAGED CARE PILOT PROGRAM TO BE KNOWN AS "THE HEALTH CARE PARA TOTOU"

Department/Agency Appropriation Information

Dept./Agency Affected: Public Health & Social Services	Dept./Agency Head: James Gillan
Department's General Fund (GF) appropriation(s) to date:	60,686,706
Department's Other Fund (Specify) appropriation(s) to date: HFF (\$5,280,202), EHF (\$1,311,615), SRF (\$134,588)	6,726,405
Total Department/Agency Appropriation(s) to date:	67,413,111

Fund Source Information of Proposed Appropriation

	General Fund:	(Specify Special Fund):	Total:
FY 2016 Unreserved Fund Balance		\$0	\$0
FY 2017 Adopted Revenues	\$681,271,974	\$0	\$681,271,974
FY 2017 Appro. (P.L. 33-185 thru P.L. 33-240)	(\$681,271,973)	\$0	(\$681,271,973)
Sub-total:	\$1	\$0	\$1
Less appropriation in Bill	(\$100,000)	\$0	(\$100,000)
Total:	(\$99,999)	\$0	(\$99,999)

Estimated Fiscal Impact of Bill

	One Full Fiscal Year	For Remainder of FY 2017 (if applicable)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund	\$0	\$100,000	\$0	\$0	\$0	\$0
(Specify Special Fund)	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$100,000	\$0	\$0	\$0	\$0

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|---|-----------|---------------------------------|--------------------------------|
| 1. Does the bill contain "revenue generating" provisions?
If Yes, see attachment | | / x / Yes | / / No |
| 2. Is amount appropriated adequate to fund the intent of the appropriation?
If no, what is the additional amount required? \$ _____ | / x / N/A | / / Yes | / / No |
| 3. Does the Bill establish a new program/agency?
If yes, will the program duplicate existing programs/agencies?
Is there a federal mandate to establish the program/agency? | / / N/A | / x / Yes
/ / Yes
/ / Yes | / / No
/ x / No
/ x / No |
| 4. Will the enactment of this Bill require new physical facilities? | | / / Yes | / x / No |
| 5. Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason:
/ / Requested agency comments not received by due date / / Other: | | / x / Yes | / / No |

Analyst: <u>John AB Pangelinan</u> Date: <u>7/19/17</u>	Director: <u>Lester L. Carlson, Jr.</u> Date: <u>JUL 25 2017</u>
John AB Pangelinan, Budget & Management Supervisor	Lester L. Carlson, Jr., Director

Footnotes:

Please see attached comment sheet.

and the employer contribution of 65% of the Government of Guam portion subject to the approval of this proposed Health Care Para Todu Health plan by the Federal Government.

13. To add a new § 6107.5.1 which would establish the Guam Health Insurance Para Todu Fund under the purview of the DOA, which is to be funded from the Government of Guam contribution received from the premiums paid-in by employers and their employees, who qualified for the program and from the Federal funding of Medicaid.
14. To add new § 6107.5.2 through § 6107.5.5 with respect to the management of the proposed Guam Health Insurance Para Todu Fund that would include the disbursement of funds from this proposed fund and its investment.
15. To add a new § 6107.5.6 to establish a Health Savings Account (HSA) for member beneficiaries to be used to help defray the costs of deductibles and co-payments as outlined in the proposed Guam Health Care Para Todu Plan.
16. To add new § 6107.5.8 and § 6107.5.9 with respect to employer contribution and employee contribution.
17. To add new § 6107.6 through § 6107.6.3 with respect to the implementation of the proposed Guam Health Care Para Todu Plan.
18. To add a new § 6107.7 and § 6107.7.1 regarding participant qualifications.
19. To add a § 6107.8 with respect to Eligibility of Participating Health Care Providers.
20. To add § 6107.9 through § 6107.9.2 with respect to participant enrollment, participation and eligibility standards and individual waivers.
21. To add a new § 6107.10 regarding Health Care Para Todu Program copayments.
22. To add new § 6107.11 through § 6107.11.5 regarding general health benefit.
23. To add a new § 6107.12 with respect to medical exclusion.
24. To add a new § 6107.13 with respect to dental services.
25. To add a new § 6107.14 regarding dental exclusions.
26. To add a new § 6107.15 regarding non-emergency medical transportation.
27. To add a new § 6107.16 regarding patient centered medical home.
28. To add a new § 6107.17 with respect to the use of DPHSS' Community Health Centers as a network provider for the proposed Guam Health Care Para Todu Plan.
29. To add a new § 6107.18 regarding the selection of primary care physicians by participating members of the proposed Guam Health Care Para Todu Plan.
30. To add a new § 6107.19 regarding the ability to change primary care physicians.
31. To add new § 6107.20 through § 6107.20.3 regarding the submissions of reports and the initiation of program surveys with respect to the proposed Guam Health Care Para Todu Plan.
32. To add a new § 6107.21 with respect to the quality of care, performance and outcome of the proposed Guam Health Care Para Todu Plan.
33. To add a new § 6107.22 regarding the appeal process of participants of the plan.

In collaboration with DPHSS, this proposed Guam Health Care Para Todu Plan is changing the Guam Medicaid State Plan from a "fee for service" to a "manage care" plan (Prepaid Health Plan), which is a stringent process that would require the approval of the Federal Grantor Agency, Center of Medicare and Medicaid Services. Such transition would completely replace the existing Guam Medicaid State

Plan. The funding of the Guam Medicaid program is federally capped; but the use of such Medicaid funding up to the capped level is dependent on the availability of the local matched funding. Historically, it has been difficult identifying the additional local funding needed to maximize the available federal matched funding for Medicaid currently and in the past. This same situation would continue in spite of the transition into a "managed care" plan, unless there is sufficient funding generated from the planned 65% of the Employer Premium Contribution (proposed § 6107.5.8 and § 6107.5.9) and the Health Insurance Premium Fee (proposed § 6107.5.5) that would be applied for the local match component. There are no other provisions in this proposed health plan that would identify other local funding sources needed to match the increased Federal funding provided for Medicaid. The dollar amount of the fiscal impact with respect to the Employer Contribution of 65% and the Health Insurance Premium Fee is pending until at such time the appropriate actuarial study has been completed for the development of each class premium. Such study would entail the hiring of a consultant. Therefore the actuarial review would probably be initiated in the coming fiscal year. This timeline would also apply to the transition of the Guam Medicaid State Plan from a "fee for service" program to the proposed "managed care" concept as proposed in this Bill.

Because of this proposed change, the revision of the current Guam Medicaid State Plan would probably require a professional consultant to set the pace of the transition to a "managed care" program. The cost of such a consultant may be as high as \$100,000. This new cost, now, becomes an unfunded mandate applied against the DPHSS' annual appropriation should this proposal be passed in FY 2017.

All other provisions of the Bill are administrative in nature.