

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
133-34 (COR)	Dennis G. Rodriguez, Jr.	AN ACT TO REPEAL AND REENACT ARTICLE 9 OF CHAPTER 2, DIVISION 1, TITLE 10 OF THE GUAM CODE ANNOTATED, RELATIVE TO TRANSFORMING THE MEDICALLY INDIGENT PROGRAM (MIP) INTO THE ISLAND COMMUNITY HEALTH PLAN TO AFFORD GRETER ACCESS TO HEALTHCARE SERVICES AND EFFICIENCY IN PROGRAM OPERATIONS AND FOR OTHER PURPOSES TO BE KNOWN AS THE "MAÑAINA YAN MAÑE'LU ISLAND COMMUNITY HEALTH PLAN OF 2017".	6/23/17 4:58 p.m.	7/5/17	Committee on Appropriations and Adjudication			Fiscal Note Request 7/5/17 Fiscal Note 7/13/17	

Speaker Benjamin J.F. Cruz,
Member

Vice Speaker Therese M. Terlaje,
Member

Senator Thomas C. Ada,
Member

Senator Frank B. Aguon, Jr.,
Member

Senator Telena 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 GUÅHAN
LEGISLATIVE SECRETARY • 34TH GUAM LEGISLATURE

July 13, 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. 133-34 (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. 133-34 (COR)**

AN ACT TO REPEAL AND REENACT ARTICLE 9 OF CHAPTER 2, DIVISION 1, TITLE 10 OF THE GUAM CODE ANNOTATED, RELATIVE TO TRANSFORMING THE MEDICALLY INDIGENT PROGRAM (MIP) INTO THE ISLAND COMMUNITY HEALTH PLAN TO AFFORD GREATER ACCESS TO HEALTHCARE SERVICES AND EFFICIENCY IN PROGRAM OPERATIONS AND FOR OTHER PURPOSES TO BE KNOWN AS THE "MAÑAINA YAN MAÑE'LU ISLAND COMMUNITY HEALTH PLAN OF 2017."

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

Fund Source Information of Proposed Appropriation			
	General Fund:	MIP	Total:
FY 2016 Unreserved Fund Balance		\$18,253	\$18,253
FY 2017 Adopted Revenues	\$681,271,973	\$16,028,907	\$697,300,880
FY 2017 Appro. (P.L. 33-185 thru P.L. 33-240)	(\$681,271,973)	(\$16,028,907)	(\$697,300,880)
Sub-total:	\$0	\$18,253	\$18,253
Less appropriation in Bill	\$0	(\$75,000)	(\$75,000)
Total:	\$0	(\$56,747)	(\$56,747)

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	\$0	\$0	\$0	\$0	\$0
MIP	\$0	\$75,000	\$0	\$0	\$0	\$0
Total	\$0	\$75,000	\$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 |
| 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? | / x / | Yes | / / | Yes |
| 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 | / x / | Yes | / / | No |

Analyst: 	Date: 7-12-17	Director: 	Date: JUL 12 2017
John AB Pangelinan, Supervisor		Lester L. Carlson, Jr., Director	

Footnotes:

Please see attached comment sheet.

Comments on Legislative Bill No. 133-34:

This proposed legislation seeks to convert the government-managed Medically Indigent Program (MIP) plan into a commercial health managed care program called the Island Community Health Plan (ICHP) and to include a community health program specifically identified for island residents from the Federal States Association of Micronesia (FSA) and the Compact of Free Association (COFA). These residents would include those migrants from nation governments of the FAS, the Republic of the Marshall Islands, and the Republic of Palau. Additionally, this legislation is also seeking to provide health coverage to U.S. citizens over the age of 65. These proposed health programs are identified as the Mañelu Care, the Mañelu Plus, and the Mañaina Care.

The proposed Mañelu Care is essentially the same as the current MIP health care plan.

The proposed Mañelu Plus is similar as the Mañelu Care; but this proposed health care plan is specific to those people from the FSA/COFA who are living in Guam. Because such plan is specific to Micronesians, the Federal government may interpret such program as discriminatory that potentially could negatively impact DPHSS' federal funding of up to \$209.8 million annually. Under this health program, this proposal would require the FAS and the COFA to provide funding to cover the health expenditures incurred by their citizens. However, the mechanism to generate such contribution and the dollar amount from each island nation have not been identified or made available under this proposed legislation.

The proposed Mañaina Care is the coverage for island residents with U.S. citizenship who are at or over 65 years of age.

Lastly, an increase of \$75,000 is proposed as an additional funding to the current catastrophic illness program of \$100,000. The new funding level is \$175,000 and is to be applied individually to qualified patients. In the absence of any financial and statistical data at this time, it is assumed that up to one cancer patient is received each year by DPHSS that is catastrophic in patient cost to illustrate the cost impact of such funding increase. Based on this assumption, DPHSS catastrophic cost would increase by 75% or \$0.75 more for each dollar spent at the new rate.

There is no specific funding identified for this change-over from a government managed health program to a commercially-managed health program. It is assumed that such local funding would be made available to the ICHP at the same level of appropriation made to MIP previously. Therefore, there is no fiscal impact on the level of funding to be provided to ICHP that normally would have been provided to MIP.

Additionally, this proposal seeks to incorporate co-payments and deductibles as part of the ICHP program. Although these contributions would indirectly further the application of available

funding that would be appropriated for this program, it would not directly be added to the coffers of the Government of Guam, because such payments are made directly to the service providers.

There is also reference made on the funding contribution required of the FAS and the COFA for the Mañelu Plus program; but such funding sources are inherently unreliable and fraught with uncertainties. Therefore, because of these uncertainties, it is assumed no new funding would be added to the local funding in spite of the references made to require FAS and COFA to provide funding for the health needs of their citizens on Guam.

The DPHSS would be responsible to coordinate the ICHP with the contractor in defining eligibility for financial assistance; evaluating the scope of services; establishing provider reimbursement plans; establishing procedures for the validity of need; and planning the implementation of policies and procedures. These tasks would require additional resources that DPHSS may not have currently, given the current level of funding available. A determination would need to be made to identify the type and cost of the added resources needed for this proposed transition.

For the most part, the provisions of this proposed legislation are administrative in nature with the only exception of the proposed increase of \$75,000 in the catastrophic health coverage.