

I Mina'trentai Singko Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
255-35 (COR)	Jose "Pedro" Terlaje Tina Rose Muña Barnes	AN ACT TO REPEAL AND REENACT § 4301(a) AND §4302(c)(2), BOTH OF ARTICLE 3, CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED TO ALLOW CHOICE FOR SUBSCRIBERS THAT PARTICIPATE IN THE GOVERNMENT OF GUAM HEALTH INSURANCE CONTRACT.	11/29/19 4:04 p.m.					1/14/20	

Senator Régine Biscoe Lee,
Chair

Senator Amanda L. Shelton,
Vice Chair

Speaker Tina Rose Muña Barnes,
Member

Vice Speaker Telen Cruz Nelson,
Member

Senator Kelly Marsh (Taitano), PhD,
Member

Senator Sabina Flores Perez,
Member



COMMITTEE ON RULES
I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
35TH GUAM LEGISLATURE

January 14, 2020

Senator Clynton E. Ridgell,
Member

Senator Joe S. San Agustin,
Member

Senator Jose "Pedo" Terlaje,
Member

Senator Therese M. Terlaje,
Member

Senator James C. Moylan,
Member

Senator Mary Camacho Torres,
Member and Chair, Subcommittee on Protocol

MEMO

To: Rennae Meno
Clerk of the Legislature

From: Senator Régine Biscoe Lee
Chair, Committee on Rules

Re: Fiscal Notes

Buenas yan Håfa adai.

Attached, please find the fiscal notes for the following bills:

Bill No. 251-35 (COR)
Bill No. 252-35 (COR)
Bill No. 255-35 (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 Mary Maravilla, Committee on Rules Director at 472-2461.

Thank you for your attention to this important matter.



Bureau of Budget & Management Research
Fiscal Note of Bill No. 255-35 (COR)

AN ACT TO REPEAL AND REENACT § 4301(a) AND § 4302(c)(2), BOTH OF ARTICLE 3, CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED TO ALLOW CHOICE FOR SUBSCRIBERS THAT PARTICIPATE IN THE GOVERNMENT OF GUAM HEALTH INSURANCE CONTRACT.

Department/Agency Appropriation Information	
Dept./Agency Affected: Government of Guam Wide	Dept./Agency Head: Lourdes A. Leon Guerrero, Governor
Department's General Fund (GF) appropriation(s) to date:	\$645,038,669
Department's Other Fund appropriation(s) to date: All Special Revenue Funds per P.L. 35-36	\$246,417,630
Total Department/Agency Appropriation(s) to date:	\$891,456,299

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2019 Unreserved Fund Balance	\$0	\$0	\$0
FY 2020 Adopted Revenues	\$0	\$0	\$0
FY 2020 Appro. (P.L. 35-36 thru)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2020 (if applicable)	FY 2021	FY 2022	FY 2023	FY 2024
General Fund	1/	\$0	\$0	\$0	\$0	\$0
Special Fund	1/	\$0	\$0	\$0	\$0	\$0
Total	1/	\$0	\$0	\$0	\$0	\$0

1. Does the bill contain "revenue generating" provisions? / / Yes / X/ No
 If Yes, see attachment
2. Is amount appropriated adequate to fund the intent of the appropriation? / X/ N/A / / Yes / / No
 If no, what is the additional amount required? / X/ N/A
3. Does the Bill establish a new program/agency? / / Yes / X/ No
 If yes, will the program duplicate existing programs/agencies? / X/ N/A / / Yes / / No
 Is there a federal mandate to establish the program/agency? / / Yes / 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: / X/ Yes / / No
 / / Requested agency comments not received by due date / / Other:

Analyst: <u>Abigail Reyes, BMA III</u>	Date: <u>1/7/2020</u>	Director: <u>Lester L. Carlson, Jr., Director</u>	Date: <u>JAN 14 2020</u>
----------------------------------------	-----------------------	---------------------------------------------------	--------------------------

Notes:
 1/ See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 255-35 (COR)

The proposed legislation intends to allow subscribers of the Government of Guam Health Insurance two (2) options in terms of providers by amending pertinent sections of the Guam Code Annotated (GCA).

Section 1 of the proposed legislation amends § 4301(a) of Article 3, Chapter 4, Title 4, GCA relative to insurance companies the Governor may enter into contracts with by replacing “one or more” with “the top (2)”. Further, Section 1 also repeals the provision of this subsection that emphasizes securing the most economical and beneficial healthcare insurance proposal plan.

Section 2 of the proposed legislation intends to amend § 4302(c)(9) of Article 3, Chapter 4, Title 4, GCA. However, the Bureau notes that the legislation incorrectly reflects such intent by citing § 4302(c)(2). The intended amendment to § 4302(c)(9) in Section 2 of the proposed legislation states that the negotiating team shall present “the best two” proposals, based on the most economical and beneficial healthcare insurance proposals, to the Governor for consideration and to the Legislature for final approval. This section also repeals the provision that defines the most economical and beneficial healthcare insurance proposal plan as the lowest cost option of either the exclusive or non-exclusive proposal. Finally, it repeals the provision requiring that only the single most economical and beneficial healthcare insurance proposal plan be forwarded to the Governor.

According to DOA, due to the fact that medical costs and cost inflation are generally projected by medical providers and that health insurance carriers use medical cost data to determine estimated health insurance premiums, it is not possible to determine the exact fiscal impact of having two (2) or more carriers bidding for the Government of Guam health insurance contract as compared to an exclusive bid. However, per DOA, based on the exclusive and non-exclusive bids received by the health insurance negotiating committee for the FY 2020 health insurance contract, the non-exclusive bids were 10-11% higher than the exclusive bids, possibly due to the risk of uncertainty as to the number of subscribers that will choose one plan over the other.