APR 10 2002

The Honorable Joanne M. S. Brown
Legislative Secretary
I Mina'Bente Sais na Liheisluran Guåhan
Twenty-Sixth Guam Legislature
Suite 200
130 Aspinal Street
Hagatña, Guam 96910

Dear Legislative Secretary Brown:

Enclosed please find Bill No. 288 (COR) “AN ACT TO IMPLEMENT AN INTERIM MEDICALLY INDIGENT PROGRAM REIMBURSEMENT FEE SCHEDULE AND FOR OTHER PURPOSES” which were enacted into law without the signature of the Governor. This legislation is now designated as Public Law No. 26-80.

Very truly yours,

Carl T. C. Gutierrez
I Maga'Lahen Guåhan
Governor of Guam

Attachments: original bill for vetoed legislation or
            copy of bill for signed or overridden legislation
            and legislation enacted without signature

cc: The Honorable Antonio R. Unpingco
    Speaker
MINA’BENTE SAIS NA LIHESLATURAN GUÅHAN
2002 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA’LAHEN GUÅHAN

This is to certify that Substitute Bill No. 288 (COR) “AN ACT TO IMPLEMENT AN INTERIM MEDICALLY INDIGENT PROGRAM REIMBURSEMENT FEE SCHEDULE AND FOR OTHER PURPOSES,” was on the 27th day of March, 2002, duly and regularly passed.

ANTONIO R. UNPINGCO
Speaker

Attested:

JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by I Maga’lahen Guåhan this 28th day of MARCH, 2002, at 2:10 o’clock P.M.

Assistant Staff Officer
Maga’lahi’s Office

APPROVED:

CARL T. C. GUTIERREZ
I Maga’lahen Guåhan

Date: April 10, 2002

Public Law No. 26-80
Became law without the signature of I Maga’lahen Guahan, the Governor of Guam.
AN ACT TO IMPLEMENT AN INTERIM MEDICALLY INDIGENT PROGRAM REIMBURSEMENT FEE SCHEDULE AND FOR OTHER PURPOSES.
BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. I Liheslaturan Guåhan finds there is a moral and social obligation to increase access to quality health care for those persons who lack sufficient financial resources to meet the costs of medical care. The original Medically Indigent Program ("MIP") has served Guam since its inception in the mid 1980s. However, significant changes have occurred in the provision of medical services on Guam these past fifteen (15) years, resulting in the enactment of Public Law Number 25-163 revising MIP to better allocate scarce government resources, and more efficiently provide health care services to our families most in need.

This Act will implement an interim reimbursement rate schedule for Providers to better allocate health care resources. It is also intended that, whenever possible, the benefits available under this Act shall be medically necessary and not duplicate benefits or services already provided by other Federal or local health care programs. This Act will better insure that our families most in need receive the best health care possible while better utilizing scarce public resources in the continued administration of this Program.

The implementation of an interim MIP reimbursement fee schedule mirrors 10 G.C.A. § 2916, as repealed and reenacted by § 1 of Public Law Number 25-163. Public Law Number 25-163 will be implemented on October 1, 2002. The implementation of this law has been postponed twice at the request of the Department of Public Health and Social Services. The interim reimbursement fee schedule mirrors the language contained within 10 G.C.A. § 2916 of that law. It provides cost-saving measures that will require claim
reimbursements after April 1, 2002 to follow Medicare Rates. The language has been aligned matching the allowable claim reimbursement services of MIP and to the existing codified version.

Many families on Guam rely upon MIP for healthcare services that they could not otherwise afford. MIP is a locally funded program for certain low-income and needy people. Serious funding issues have been raised by the Department of Public Health and Social Services surrounding MIP, issues that apparently may have those who have no other means of medical insurance left without the desperately needed coverage. This Act also addresses the critically-needed funding to supplement the needs of MIP and for other welfare-related public assistance programs. Funding for prior year MIP obligations is also addressed.

Section 2. Short Title. This Act shall be known as the "Interim Medically Indigent Reimbursement Fee Schedule Act of 2002."

Section 3. Interim Definitions. Definitions contained within this Section shall be applicable only to § 4 of this Act, infra; shall take effect on April 1, 2002; and shall remain in effect until the implementation of 10 G.C.A. § 2903, as repealed and reenacted by § 1 of Public Law Number 25-163, on October 1, 2002.

(a) "Director" means the Director of the Department of Public Health and Social Services.

(b) "Administrator" means the administrator of the Guam Medically Indigent Program.

(c) "Clean Claim" means a claim that may be processed without the need of additional information from the provider of service or from
a third-party, but does not include any claim under investigation for fraud or abuse, or claims under review for medical necessity. In no event may a claim be contested or denied upon the Health Plan Administrator's ability to adjudicate the claim.

(d) "Non-Provider" means a person who provides hospital, medical or dental care, but does not have a contract or subcontract with the Medically Indigent Program.

(e) "Provider" means any person who contracts with the Medically Indigent Program for the provision of hospitalization, medical or dental care to members.

(f) "Program" means the Guam Medically Indigent Program established by 10 G.C.A. § 2902, as repealed and reenacted by § 1 of Public Law Number 25-163.

Section 4. Implementation of the Interim MIP Reimbursement Fee Schedule. The Interim Medically Indigent Program Reimbursement Fee Schedule shall take effect on April 1, 2002 and shall remain in effect until the implementation of 10 G.C.A. § 2916, as repealed and reenacted by § 1 of Public Law Number 25-163, on October 1, 2002.

Interim Medically Indigent Program Reimbursement Fee Schedule for the Medically Indigent Program:

(a) Reimbursements to Providers and Non-Providers shall be in amounts not to exceed the following:

(1) for inpatient hospital services, the Program shall reimburse services in accordance with the annual Medicare per diem rates set for the Guam Memorial Hospital Authority's
inpatient services;

(2) for outpatient hospital services, the Program shall reimburse a hospital by applying the annual Medicare hospital specific outpatient cost-to-charge ratio to the covered charges;

(3) for skilled nursing services, the Program shall reimburse services in accordance with the annual Medicare PPS rates;

(4) for intermediate care services, the Program shall reimburse services at sixty percent (60%) of the Medicare PPS rate for the skilled nursing facility;

(5) for professional fees and home health services, the Program shall reimburse services at one hundred percent (100%) of the Medicare Participating Provider fee schedule rate adjusted in accordance with the Hawaii or Guam conversion factor, as applicable; and

(6) for dental fees, the National Dental Advisory Schedule shall be used to reimburse services.

(b) The Director or Administrator of the Medically Indigent Program shall have discretionary authority to establish Provider and Non-Provider reimbursement rates for services which are not specifically addressed herein, but which are consistent with the Program services provided within Article 9 of Chapter 2, Division 1, Part 1 of Title 10 of the Guam Code Annotated. Said schedules will be developed in conjunction with the Administrator's duties to secure the necessary Provider and Non-Provider relationships to ensure the availability of
adequate medical care and assistance to all Program recipients.

(1) The Program shall not pay claims for Program-covered services that are initially submitted more than twelve (12) months after the date of the service as clean claims, except for claims submitted for services to members involving the coordination of benefits amongst multiple payers.

(2) Payments shall be made on clean claims in accordance with the reimbursement rates set forth in this Section.

(c) "Clean claims" as defined by § 3 of this Act and as further defined herein shall mean:

(1) **For a Hospital Bill.** A hospital bill is considered received for purposes of this Subsection upon initial receipt of the legible claim form by the administration if the claim includes the following error-free documentation in legible form:

(i) an admission face sheet;

(ii) an itemized statement;

(iii) an admission history and physical;

(iv) a discharge summary or an interim summary if the claim is split;

(v) an emergency record, if admission was through the Emergency Room;

(vi) operative reports, if applicable; and

(vii) a labor and delivery room report, if applicable.

(2) **For Medical Service Claims.** For medical service
claims, a claim that is submitted on a HCFA 1500 reflecting CPT and HCPCS codes for services and supplies. Services requiring prior authorization shall have a copy of the approved authorization form attached. Specialist services shall have the appropriate referral form attached.

(3) **For Dental Claims.** For dental claims, a claim that is submitted on the ADA claim form reflecting proper codes for services.

(d) Payment received by a Provider or Non-Provider from the Program is considered payment by the Program of the Program’s liability for the member’s bill. A Provider may collect any unpaid portion of its bill from other third party payers, or the member in the event of non-covered services. A Provider or Non-provider shall not:

1. charge, submit a claim to, demand or otherwise collect payment from a member or person who has been determined eligible, *unless* specifically authorized by Article 9 of Chapter 2, Division 1, Part 1 of Title 10 of the Guam Code Annotated; or

2. refer or report a member who has been determined eligible to a collection agency or credit reporting agency for the failure of the member to pay charges for Program-covered care or services, *unless* specifically authorized by Article 9 of Chapter 2, Division 1, Part 1 of Title 10 of the Guam Code Annotated.

(e) The Administrator may conduct post-payment review of all claims paid by the Program and may recoup any monies erroneously paid. The Administrator shall adopt rules that specify procedures for
conducting post-payment review. The Program Administrator shall review all payments and may conduct a post-payment review of all claims paid by the Program, and may recoup monies that are erroneously paid.

Any Provider receiving reimbursements under this Program for which they were not entitled on the basis of false claims filed on behalf of any person receiving assistance shall be liable for repayment, and shall be guilty of a misdemeanor or felony, depending upon the amount paid for which the person was not entitled, as specified in Title 9 of the Guam Code Annotated (Crimes & Corrections).

(f) Claims for Program-covered services which are determined valid by the Administrator pursuant to the Program and the Department’s grievance and appeal procedures shall be paid by Program funds.

(g) For purposes of this Section, "Program-covered services" excludes administrative charges for operating expenses.

(h) All payments for services established by the Program shall be accounted for by the Administrator for the fiscal year in which the claims were paid, regardless of the fiscal year in which the payments were incurred.

(i) Notwithstanding any other law to the contrary, government-owned Providers are subject to all claims processing and payment requirements or limitations of the Program, which are applicable to non-government Providers.

(j) Notwithstanding any law to the contrary, the Director or
Administrator may receive confidential adoption information for the purposes of identifying adoption-related third party payers in order to recover the total costs for prenatal care and the delivery of the child, including capitation reinsurance and any fee-for-service costs incurred by the Program on behalf of an eligible person who the Administrator has reason to believe had an arrangement to have the eligible person's newborn adopted. Except for the sole purpose of identifying adoption-related third party payers, the Administrator shall not further disclose any information obtained pursuant to this Subsection, and shall develop and implement safeguards to protect the confidentiality of this information, including limiting access to the information to only those Program personnel whose official duties require it. At no time shall the Director or Administrator release to the adoptive parents' or "birth parents'" insurance carrier, personal identifying information regarding the other party. Any person who knowingly violates the requirements of this Subsection pertaining to confidentiality is guilty of a Class 6 felony.

Section 5. Implementation of Catastrophic Illness Program Cap.

Section 2919 of Article 9, Chapter 2, Division 1, Part 1 of Title 10 of the Guam Code Annotated, as repealed and reenacted by § 1 of Public Law Number 25-163, shall take effect on April 1, 2002.

Section 6. Special Funds Used. Unless otherwise restricted by a bond covenant or any loan restriction requirement, I Maga’lahen Guåhan is authorized to transfer from any Special Fund, Trust Fund and Revolving Fund, excepting any of the funds identified subsequently herein, any excess
amounts over that which is already mandated by law to be expended from any special funds of the government of Guam solely to supplement the cash obligations of the Medically Indigent Program, Medicaid, Medicare, Children’s Health Insurance Program, Temporary Assistance for Needy Families Program (“TANF”) or the General Assistance Program of the Department of Public Health and Social Services.

Any transfer of funds is hereby appropriated specifically for the use of that program, and such appropriations may be expended for the payment of prior year’s obligations. Notice of any transfer shall be delivered to the Speaker and the Chairman of the Committee on Ways and Means of I Liheslaturan Guåhan by I Maga’lahen Guåhan within ten (10) days after such transfer.

For purposes of this Section I Maga’lahen Guåhan shall not transfer from the following funds: the Water Research and Development Fund; the Solid Waste Management Fund; the Litter Control Revolving Fund; the Guam Environmental Trust Fund; the Air Pollution Control Special Fund; the Hazardous Substances Emergency Response and Remedial Action Fund; the Guam Wildlife Conservation Fund; the Territorial Education Facilities Fund; the Junior Reserve Officers Training Corp Fund; the Summer School Fund; the Dededo Buffer Strip Revolving Fund; the Student Activity Funds in the Department of Education; and the Mayors’ Council of Guam Operations Fund.

Section 7. (a) Section 2920 is hereby added to Article 9, Chapter 2, Division 1, Part 1 of Title 10 of the Guam Code Annotated to read as follows:
"Section 2920. Payer of Last Resort. The Director of the Department of Public Health and Social Services is required to institute all necessary measures to assure that the Medically Indigent Program is the payer of last resort for medical services for those persons who cannot pay for medical services as required in this Article. The Director is also required to submit a plan of execution to I Maga'la hen Guåhan and to I Li hesluran Guåhan for submission to the Health Care Financing Administration ('HCFA'), and to other applicable Federal agencies for enhanced participation and benefit availability of the Children's Health Insurance Program ('CHIP'). Such plan may include the extension of CHIP health insurance benefits to schools and to other applicable programs providing health care needs for Guam's children."

(b) Subsection (a) of this Section shall take effect on April 1, 2002.

Section 8. (a) Legislative Findings and Intent. I Li hes luran Guåhan finds that Public Law Number 25-187, as amended, established the Health Security Trust Fund, into which approximately fifty percent (50%) of the proceeds of the sale of the Guam Economic Development Authority Tobacco Settlement Asset-Backed Bonds, Series 2001A and Series 2001B ("Bonds") have been deposited. In accordance with Public Law Number 25-187, as amended, the Health Security Trust Fund is subject to legislative appropriation with monies contained therein to be expended exclusively for the purpose of funding the operations and
capital expenditures at the Guam Memorial Hospital Authority ("GMHA").

Two (2) Sub-accounts were established on June 21, 2001 within the Health Security Trust Fund: the Series 2001A Sub-account, with a total of Four Million Nine Hundred Eleven Thousand Two Hundred Thirty-six Dollars and Thirty Cents ($4,911,236.30) on deposit; and the Series 2001B Sub-account, with a total of Five Million Eight Hundred Twenty-eight Thousand Seven Hundred Forty Dollars and Forty-five Cents ($5,828,740.45).

On October 1, 2001, Public Law Number 26-35 was ratified with § 21 of Chapter III appropriating Two Million Four Hundred Thousand Dollars ($2,400,000.00) from the Series 2001A Sub-account of the Health Security Trust Fund to GMHA to pay for prior years' vendor payment obligations, as well as vendor payments for Fiscal Year 2002. The legislative intent contained in § 21(a) of Chapter III of Public Law Number 26-35, however, incorrectly identified that approximately fifty percent (50%) of the monies contained in the Series 2001A Sub-account may be used to fund current operational expenditures at GMHA, when in fact all of the monies contained in said account may be used to fund operating and capital expenses. It is therefore the intent of I Liheslaturan Guåhan to correct this inconsistency, as well as to provide financial assistance to GMHA by appropriating Two Million Five Hundred Thousand Dollars ($2,500,000.00) from the Series 2001A Sub-account of the Health Security Trust Fund to GMHA for capital expenses.

(b) Section 21(a) of Chapter III of Public Law Number 26-35 is
hereby repealed and reenacted to read as follows:

"(a) Legislative Findings and Intent. I Liheslaturan Guåhan finds that the Guam Memorial Hospital Authority ('GMHA') is the only full-care medical facility that accepts all individuals seeking medical assistance. This includes individuals who do not have the financial resources to pay for medical services. Because of this 'open door policy,' coupled with the declining revenues of the General Fund, reduced cash collections and millions of dollars owed to hospital vendors, GMHA has found itself in a financial crisis and is in need of supplemental funding.

Concurrently, I Liheslaturan Guåhan finds that Public Law Number 25-187, as amended, established the Health Security Trust Fund, into which approximately fifty percent (50%) of the proceeds of the sale of the Guam Economic Development Authority Tobacco Settlement Asset-Backed Bonds, Series 2001A and Series 2001B ('Bonds') have been deposited. In accordance with Public Law Number 25-187, as amended, the Health Security Trust Fund is subject to legislative appropriation with monies contained therein to be expended exclusively for the purpose of funding the operations and capital expenses at GMHA. Furthermore, the Health Security Trust Fund, subject to legislative approval, may be invested or reinvested in bonds or in securities that are approved for the Retirement Fund, or according to modern investment practices of similar funds, as such
appropriations are limited as set forth in Public Law Number 25-187, as amended, and by certain covenants of the government relating to the Bonds.

Two (2) Sub-accounts were established on June 21, 2001 within the Health Security Trust Fund: the Series 2001A Sub-account, with a total of Four Million Nine Hundred Eleven Thousand Two Hundred Thirty-six Dollars and Thirty Cents ($4,911,236.30) on deposit; and the Series 2001B Sub-account, with a total of Five Million Eight Hundred Twenty-eight Thousand Seven Hundred Forty Dollars and Forty-five Cents ($5,828,740.45) on deposit.

I Lihesluran Guåhan further finds that all of the monies contained in the Series 2001A Sub-account may be used to fund operating expenses or capital expenses.

It is therefore the intent of I Lihesluran Guåhan to appropriate a sum of Two Million Four Hundred Thousand Dollars ($2,400,000.00) from the Series 2001A Sub-account of the Health Security Trust Fund to GMHA for prior years' vendor payment obligations, as well as vendor payments for Fiscal Year 2002. The supplemental funding provided by this Act will alleviate a portion of the financial burden that has been placed upon GMHA and to ensure that safe and quality medical care will be afforded to the People of Guam.”

Section 9. GMHA Appropriation for Capital Expenses.

Pursuant to Public Law Number 25-187, as amended, and notwithstanding
any other provision of law, the sum of Two Million Five Hundred Thousand
Dollars ($2,500,000) is hereby appropriated from the Series 2001A Sub-account
of the Health Security Trust Fund to GMHA to be used exclusively for capital
expenses.

Section 10. Restriction Upon I Maga’lahen Guåhan’s Transfer
Authority Relative to the Series 2001A Sub-account of the Health Security
Trust Fund. Notwithstanding any other provision of law, I Maga’lahen
Guåhan shall not use his transfer authority to utilize any monies appropriated
from the Series 2001A Sub-account of the Health Security Trust Fund to
GMHA, and said funds shall not be transferred or used for any other purpose.

Section 11. Reversion of Funds Appropriated from the Series
2001A Sub-account of the Health Security Trust Fund. Notwithstanding
the general provisions of § 22406 of Title 5 of the Guam Code Annotated,
which require that unused and de-appropriated funds revert to the General
Fund, or any other provision of law to the contrary, all unused funds
appropriated from the Series 2001A Sub-account of the Health Security Trust
Fund shall, in all circumstances, and whether in whole or in part, remain in
the GMHA fund, shall be carried over into the next fiscal year and shall be
expended exclusively for capital expenses.

Section 12. Reporting Requirement. The Guam Memorial Hospital
Authority shall submit a detailed report of the expenditures of the funds
appropriated by § 9(b) of this Act to the Speaker of I Liheslaturan Guåhan; to
the Chairpersons of the Committee on Ways and Means; to the Committee on
Public Works, Health and Human Services of I Liheslaturan Guåhan; and to the
Director of the Guam Economic Development Authority within sixty (60) days following the close of Fiscal Year 2002. If any unused portion of the funds appropriated herein is carried over into Fiscal Year 2003, the provisions contained in this Section shall apply.

Section 13. Effective Date. The provisions of this Act shall become effective immediately upon enactment, unless specified otherwise.

Section 14. Severability. If any provision of this Law or its application to any person or circumstance is found to be invalid or contrary to law, such invalidity shall not affect other provisions or applications of this Law which can be given effect without the invalid provisions or application, and to this end the provisions of this Law are severable.
2002 (SECOND) Regular Session

I, Antonio R. Unpingco, Speaker of I Mina'Bente Sais Na Liheslaturan Guåhan, hereby certify, in conformance with Title 2 Guam Code Annotated § 2103, Public Hearings Mandatory, as amended, that an emergency condition exists involving danger to the public health and welfare of the People and therefore waive the statutory requirements for a public hearing on Bill Number 288 (COR), "AN ACT TO IMPLEMENT AN INTERIM MEDICALLY INDIGENT PROGRAM REIMBURSEMENT FEE SCHEDULE AND FOR OTHER PURPOSES," which was introduced on March 25, 2002, and therefore waive the statutory requirements for a public hearing on Bill Number 288 (COR).

Dated: March 27, 2002

ANTONIO R. UNPINGCO
Speaker and Presiding Officer
I, Antonio R. Unpingco, Speaker of I Mina’Bente Sais Na Liheslaturan Guåhan, hereby certify, in conformance with Title 2 Guam Code Annotated § 2103, Public Hearings Mandatory, as amended, that an emergency condition exists involving danger to the public health and welfare of the People and therefore waive the statutory requirements for a public hearing on Bill Number 288 (COR), “AN ACT TO IMPLEMENT AN INTERIM MEDICALLY INDIGENT PROGRAM REIMBURSEMENT FEE SCHEDULE AND FOR OTHER PURPOSES,” which was introduced on March 25, 2002, and therefore waive the statutory requirements for a public hearing on Bill Number 288 (COR).

Dated: March 27, 2002

ANTONIO R. UNPINGCO
Speaker and Presiding Officer
March 26, 2002

The Honorable Antonio “Tony” R. Unpingco
Speaker
Mina’ Bente Sais Na Liheslaturan Guåhan
155 Hesler Street
Hagåtña, GU 96910

Reference: Request for Emergency Session

Håfa Adai! Mr. Speaker:

I respectfully request for an Emergency Session as soon as possible to address the status of the Medically Indigent Program (MIP) funding level expected to diminish by March 31, 2002. Director Dennis Rodriguez issued a public statement that MIP cards released come April 1, 2002 will reflect a 57% ratable reduction due to shortage of funding for the program by I Liheslaturan Guåhan.

Senator Ben Pangelinan and I have introduced Bill 286 and 288 respectively to address the non issuance of MIP cards and the proposed ratable reduction for the program. I believe both legislation will offer cost containment measures to make MIP an affordable program and provides the governor authority to identify and fund MIP.

Attached is a copy of Bill No. 288 – “An Act to Implement an Interim Medically Indigent Program reimbursement Rec schedule and for other purposes.

Senseramente,

EDDIE BAZA CALVO

Attachment

cc: All Senators

Office of the Speaker
ANTONIO R. UNPINGCO
Date: March 26, 2002
Time: 10:35 AM
Rec’d by: 
Print Name: Phil
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CERTIFIED TRUE AND CORRECT:

Clerk of the Legislature

*3 Passes = No vote
EA = Excused Absence
AN ACT TO IMPLEMENT AN INTERIM MEDICALLY INDIGENT PROGRAM REIMBURSEMENT FEE SCHEDULE AND FOR OTHER PURPOSES.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. I Liheslaturan Guåhan finds there is a moral and social obligation to increase access to quality health care for those persons who lack sufficient financial resources to meet the costs of medical care. The original Medically Indigent Program ('MIP') has served Guam since its inception in the mid-1980s. However, significant changes have occurred in the provision of medical services on Guam these past fifteen (15) years, resulting in the enactment of Public Law 25-163 revising the MIP Program to better allocate scarce government resources and more efficiently provide health care services to our families most in need.

This Act will implement an interim reimbursement rate schedule for Providers to better allocate health care resources. It is also intended that, whenever possible, the benefits available under this Act shall be medically necessary and not duplicate benefits or services already provided by other federal or local health care programs. This Act will better insure that our families most in need receive the best health care possible while better utilizing scarce public resources in the continued administration of this program.
Pharmaceutical, equipment vendors and health care service providers are not reimbursed by the Government of Guam timely due to funding problems. As a result, MIP and Medicaid clients are not provided services and medications by local healthcare providers refusing service to these patients. As an alternative for payment, this bill provides a mechanism for any unpaid claims over 120 days to paid through a Gross Receipt Tax (GRT) offset. Any GRT offsets assessed by the Department of Revenue and Taxation will be reimbursed by the Department of Public Health and Social Services.

MIP is Guam’s only locally funded health safety net providing necessary medical services. The liabilities placed on certifying officers and other employees of related capacities contained within Public Law 26-35 has placed an unprecedented hardship on MIP’s continuation as a social program. The MIP program services and claim payments span beyond the barriers of a fiscal year. Additionally, funding for the program has been appropriated through monthly allotments. Depending on the claims processed in addition to services provided within an adjudicated claim period, it is easy to spend beyond the appropriated allotments. These circumstances place a certifying officer or similar employees liable for criminal prosecution. The Act provides that in the administration of MIP, certifying officers and other similar employees are not personally liable from expenditures made in excess of appropriations. However, these employees are not relieved from their responsibilities to perform at the strict compliance of the laws governing MIP.

The implementation of an interim MIP reimbursement fee schedule mirrors Section 2916 of Public Law 25-163. Public Law 25-163 will be implemented on October 1, 2002. The implementation of this law has been postponed twice at the request of the Department of Public Health and Social Services. The interim
reimbursement fee schedule mirrors the language contained within Section 2916 of that
law. It provides cost saving measures that will require claim reimbursements after
April 1, 2002 to follow Medicare Rates. The language has been aligned matching the
allowable claim reimbursement services of MIP and to the existing codified version.

Many families on Guam rely on the Medically Indigent Program (MIP) for
health care services that they could not otherwise afford. MIP is a locally funded
program for certain low-income and needy people. Serious funding issues have been
raised by the Department of Public Health surrounding the medically indigent program
(MIP), issues that apparently may have those who have no other means of medical
insurance left without the desperately needed coverage. This Act also addresses the
critically-needed funding to supplement the needs of the MIP program and for other
welfare related public assistance programs. Funding for prior year MIP obligations is
also addressed.

Section 2. Short Title. This Act shall be known as the "Interim Medically
Indigent Reimbursement Fee Schedule Act of 2002."

Section 3. Interim Definitions. Definitions contained within this section shall
be applicable only to Section 4 of this Act infra, and shall take effect April 1, 2002 and
shall remain in effect until the implementation of Section 2903 of Public Law 25-163
on October 1, 2002.

(1) "Director" means the Director of the Department of Public Health and Social
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"Clean Claim" means a claim that may be processed without the need of additional information from the provider of service or from a third-party but does not include any claim under investigation for fraud or abuse or claims under review for medical necessity. In no event may a claim be contested or denied upon the Health Plan Administrator’s ability to adjudicate the claim.

"Non-Provider" means a person who provides hospital, medical, or dental care, but does not have a contract or subcontract with the Medically Indigent Program.

"Provider" means any person who contracts with the Medically Indigent Program for the provision of hospitalization, medical, or dental care to members.

"Program" means the Guam Medically Indigent Program established by Section 2902 of Article 9 of Chapter 2, Division 1, Part 1 of Title 10 of the Guam Code Annotated.

Section 4. Implementation of the Interim Medically Indigent Reimbursement Program Reimbursement Fee Schedule. The Interim Medically Indigent Program Reimbursement Fee Schedule shall take effect April 1, 2002 and shall remain in effect until the implementation of Section 2916 of Public Law 25-163 on October 1, 2002.

1. Interim Medically Indigent Program Reimbursement Fee Schedule for the Medically Indigent Program.

(a) Reimbursements to Providers and Non-Providers shall be in amounts not to exceed the following:

(1) for inpatient hospital services, the Program shall reimburse services in accordance with the annual Medicare per diem rates set for the hospital's inpatient services;
(2) for outpatient hospital services, the Program shall reimburse a hospital by applying the annual Medicare hospital specific outpatient cost-to-charge ratio to the covered charges;

(3) for skilled nursing services, the Program shall reimburse services in accordance with the annual Medicare PPS rates;

(4) for intermediate care services, the Program shall reimburse services at sixty percent (60%) of the Medicare PPS rate for the skilled nursing facility;

(5) for professional fees and home health services, the Program shall reimburse services at one hundred percent (100%) of the Medicare Participating Provider fee schedule rate adjusted in accordance with the Hawaii or Guam conversion factor as applicable; and

(6) for dental fees, the National Dental Advisory Schedule shall be used to reimburse services.

(b) The Director or Administrator of the Medically Indigent Program shall have discretionary authority to establish Provider and Non-Provider reimbursement rates for services which are not specifically addressed herein, but which are consistent with the Program services provided within Article 9 of Chapter 2, Division 1, Part 1 of Title 10 of the Guam Code Annotated. Said schedules will be developed in conjunction with the Administrator's duties to secure the necessary Provider and Non-Provider relationships to ensure the availability of adequate medical care and assistance to all Program recipients.

(1) The Program shall not pay claims for Program-covered services that are initially submitted more than twelve (12) months after the date of the service as clean claims, except for claims submitted for services to members involving the coordination of benefits amongst multiple payers.
(2) Payments shall be made on clean claims in accordance with the reimbursement rates set forth in this Section.

(c) 'Clean claims' as defined by Section 2 of this Act and as further defined herein shall mean:

(1) For a Hospital Bill. A hospital bill is considered received for purposes of this Subsection upon initial receipt of the legible claim form by the administration if the claim includes the following error-free documentation in legible form:

(i) an admission face sheet;
(ii) an itemized statement;
(iii) an admission history and physical;
(iv) a discharge summary or an interim summary if the claim is split;
(v) an emergency record, if admission was through the Emergency Room;
(vi) operative reports, if applicable; and
(vii) a labor and delivery room report, if applicable.

(2) For Medical Service Claims. For medical service claims, a claim that is submitted on a HCFA 1500 reflecting CPT and HCPCS codes for services and supplies. Services requiring prior authorization shall have a copy of the approved authorization form attached. Specialist services shall have the appropriate referral form attached.

(3) For Dental Claims. For dental claims, a claim that is submitted on the ADA claim form reflecting proper codes for services.

(d) Payment received by a Provider or Non-Provider from the Program is considered payment by the Program of the Program's liability for the member's bill. A Provider may collect any unpaid portion of its bill from other third party payers or the
member in the event of non-covered services. A Provider or Non-provider shall not:

(1) charge, submit a claim to, demand or otherwise collect payment from a member or person who has been determined eligible, unless specifically authorized by Article 9 of Chapter 2, Division 1, Part 1 of Title 10 of the Guam Code Annotated; or

(2) refer or report a member who has been determined eligible to a collection agency or credit reporting agency for the failure of the member to pay charges for Program covered care or services, unless specifically authorized by Article 9 of Chapter 2, Division 1, Part 1 of Title 10 of the Guam Code Annotated.

(e) The Administrator may conduct post-payment review of all claims paid by the Program and may recoup any monies erroneously paid. The Administrator shall adopt rules that specify procedures for conducting post-payment review. The Program Administrator shall review all payments and may conduct a post-payment review of all claims paid by the Program, and may recoup monies that are erroneously paid.

(1) Any Provider receiving reimbursements under this Program for which they were not entitled on the basis of false claims filed on behalf of any person receiving assistance shall be liable for repayment, and shall be guilty of a misdemeanor or felony, depending on the amount paid for which the person was not entitled, as specified in Title 9 of the Guam Code Annotated (Crimes & Corrections).

(f) Claims for Program-covered services which are determined valid by the Administrator pursuant to the Program and the Department's grievance and appeal procedures, shall be paid by Program funds.
(g) For purposes of this Section, "Program-covered services' exclude administrative charges for operating expenses.

(h) All payments for services established by the Program shall be accounted for by the Administrator by the fiscal year in which the claims were paid, regardless of the fiscal year in which the payments were incurred.

(i) Notwithstanding any other law to the contrary, government-owned Providers are subject to all claims processing and payment requirements or limitations of the Program, which are applicable to non-government Providers.

(j) Notwithstanding any law to the contrary, the Director or Administrator may receive confidential adoption information for the purposes of identifying adoption-related third party payers in order to recover the total costs for prenatal care and the delivery of the child, including capitation reinsurance and any fee-for-service costs incurred by the Program on behalf of an eligible person who the Administrator has reason to believe had an arrangement to have the eligible person's newborn adopted. Except for the sole purpose of identifying adoption-related third party payers, the Administrator shall not further disclose any information obtained pursuant to this Subsection, and shall develop and implement safeguards to protect the confidentiality of this information, including limiting access to the information to only those Program personnel whose official duties require it. At no time shall the Director or Administrator release to the adoptive parents "or birth parents" insurance carrier personally identifying information regarding the other party. A person who knowingly violates the requirements of this Subsection pertaining to confidentiality is guilty of a Class 6 felony.
Section 5. Implementation of Catastrophic Illness Program Cap. Section 2919 of Public Law 25-163 shall take affect on April 1, 2002.

§ 2919. Catastrophic Illness Program.

The Department shall continue to administer the Catastrophic Illness Program, as established by Public Law Number 18-8, as further amended by Public Law Numbers 18-31 and 23-76, and as further regulated by the rules and regulations previously adopted by the Department pursuant to the public laws that originally established this Program. The Department may also adopt additional rules in accordance with the Administrative Adjudication Law to administer the Catastrophic Illness Program. The Program shall provide for care of victims of catastrophic illnesses, whether such care is provided on Guam or at off Guam medical facilities. The Catastrophic Illness Assistance Program ('CIAP') maximum coverage per individual is established at One Hundred Seventy-five Thousand Dollars ($175,000.00).

Section 6. Special Funds Used. Notwithstanding any bond covenant requirement or any loan restriction requirement, I Maga’lahen Guåhan is required to transfer from any Special Fund, Trust Fund and Revolving Fund any excess amounts over that which is already mandated by law to be expended from any special funds of the government of Guam solely to supplement the cash obligations of the Medically Indigent Program, Medicaid, Medicare, Children’s Health Insurance Program, Temporary Assistance for Needy Families Program (TANF) or the General Assistance Program of the Department of Public Health and Social Services. Any transfer of funds is hereby appropriated specifically for the use of that program and such appropriations may be expended for the payment of prior years obligations. Notice of any transfer shall be delivered to the Speaker and the Committee of Ways and Means of I
Liheslaturan Guåhan by I Maga’lahen Guåhan within 10 days after such transfer.

Section 7. Sections "§2919 and §2920" of Public Law 25-163 is hereby added taking effect on April 1, 2002 to read as follows:

"§2919. No Employee Liable. No employee of the government in the administration of the Medically Indigent Program shall be individually or personally liable arising from expenditures made in excess of appropriations for the payment of any medically necessary benefits issued under this Article. Any government employee shall discharge their duties with respect to the management of public money solely in the interest of the health needs of the people of Guam. The liabilities of any government employee resulting from an over-expenditure of appropriation shall not relieve any government employee from the performance and strict compliance of any requirement under this Article.

§2920. Payer of Last Resort. The Director of the Department of Public Health and Social Services is required to institute all necessary measures to assure that the Medically Indigent Program is the payer of last resort for medical services for those persons who cannot pay for medical services as required in this Article. The Director is also required to submit a plan of execution to I Maga’lahen Guåhan and I Liheslaturan Guåhan for submission to the Health Care Financing Administration (HCFA) and to other applicable federal agencies for enhanced participation and benefit availability of the Children’s Health Insurance Program (CHIP). Such plan may include the extension of CHIP health insurance benefits to schools and to other applicable programs providing health care needs for Guam’s children."
Section 8. Offset Against Gross Receipt Taxes. (a) Any health care service provider and child care provider that render services and products applicable to recipients of the Medically Indigent Program, the Medicaid, Medicare, Children's Health Insurance Program, Child Care Block Grant and other public assistance program shall be entitled to an offset against the total of Gross Receipt Taxes owed for any given month. The basis for services, equipment and prescriptions shall follow the prevailing program reimbursement rate applicable to the program for which a claim is filed and such amounts shall be verified by the Department of Public Health and Social Services, Division of Public Welfare as the amount that will be entitled for an offset against Gross Receipt Taxes. All Medically Indigent Program claims filed with the Department of Public Health and Social Services prior to April 1, 2002 shall follow the reimbursement requirements for that period for an offset against Gross Receipt Taxes.

(b) Nonpayment of these claims owed for public health and child care services which remains unpaid by the government for a period of more than one hundred twenty days (120) from the due date as invoiced shall qualify the health care service providers and child care service providers with the Gross Receipt Taxes incentive provided in this Section.

(c) Any unused offset against total Gross Receipt Taxes owed for any given month not used in the current tax period may be carried over into subsequent tax periods until such offset is exhausted.

(d) The government shall not be obligated to make payments to vendors for services in which an offset against total Gross Receipt Taxes owed for any given month has been utilized.
(e) Any health care service provider and child care provider entitled to an offset against Gross Receipt Taxes Owed for which they were not entitled on the basis of false claims filed on behalf of any person receiving assistance shall be liable for repayment, and shall be guilty of a misdemeanor or felony, depending on the amount paid for which the person was not entitled, as specified in Title 9 of the Guam Code Annotated (Crimes & Corrections).

(f) Any health care service provider and child care provider that render services and products entitled to an offset against Gross Receipt Taxes Owed must "participate" and provide services applicable to recipients of the Medically Indigent Program, the Medicaid, Medicare, Children’s Health Insurance Program, Child Care Block Grant and other public assistance program in order to qualify for any offsets against the total Gross Receipt Taxes owed for any given month after enactment. The term "participate" in this Subsection is defined by a provider meeting a ten percent (10%) quota of the cumulative number of patients or clients serviced on a given month who are recipients of either the Medically Indigent Program, Medicaid, Medicare, Children’s Health Insurance Program, Child Care Block Grant and other public assistance programs.

Section 9. Reimbursements. The Department of Revenue and Taxation shall be reimbursed for all amounts taken as a result of Gross Receipt Tax offsets as provided in Section 8 supra.

(a) The Department of Revenue and Taxation shall assess the Department of Public Health and Social Services for unpaid claims in the amount of the tax offset taken by the vendor. Any reimbursements owed to the Department of Revenue and Taxation for unpaid claims shall carryover unto the succeeding fiscal year.

(b) In order to avoid double compensation to vendors, the Director of Revenue and Taxation shall immediately notify the Department of Administration and
the Department of Public Health and Social Services of Gross Receipt Taxes filed by health care service providers and child care service providers.

(c) The Director of the Department of Revenue and Taxation shall, pursuant to the Administrative Adjudication Law, formulate rules and regulations to implement the provisions of this Section within ninety days (90) upon enactment.

(d) The Director of the Department of Revenue and Taxation within 10 days at the end of each budget quarter report to the Speaker and the Committee of Ways and Means of I Lihesluracion Guåhan of the cumulative offset against Gross Receipt Taxes allowed by the Section.

Section 10. Severability. If any provision of this Law or its application to any person or circumstance is found to be invalid or contrary to law, such invalidity shall not affect other provisions or applications of this Law which can be given effect without the invalid provisions or application, and to this end the provisions of this Law are severable.