

I MINA'TRENTAI SIETTE NA LIHESLATURAN GUAHAN
2024 (SECOND) Regular Session

Bill No. 267-37 (COR)

As amended by the Committee on Environment,
Revenue and Taxation, Labor, Procurement,
and Statistics, Research, and Planning;
and substituted on the Floor.

Introduced by:

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**AN ACT TO *ADD* A NEW § 5126.1 TO SUBARTICLE C,
ARTICLE 2, CHAPTER 5, TITLE 5, GUAM CODE
ANNOTATED, RELATIVE TO AUTHORIZING THE
DIVISION OF PUBLIC WELFARE TO JOIN OR USE
CONTRACTS OF OTHER STATES, OTHER
GOVERNMENT PROCUREMENT UNITS, OR NOT-
FOR-PROFIT ENTITIES COMPRISING ONE OR MORE
STATES OR GOVERNMENT PROCUREMENT UNITS.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that the Centers for Medicare & Medicaid Services (CMS) is responsible for
4 implementing federal laws related to Medicaid and the Children’s Health Insurance
5 Program (CHIP). CMS is the grantor for Guam Medicaid, which provided health
6 care coverage for Forty-Two Thousand Six Hundred Six Hundred Nine (42,609)

1 individuals, including Eighteen Thousand Eight Hundred Eight) 18,808 children, in
2 December 2023.

3 *I Liheslatura* finds that, in accordance with 42 CFR Part 433 Subpart C, CMS
4 offers Ninety Percent (90%) Federal Financial Participation for the design,
5 development, installation, or enhancement of mechanized claims processing and
6 information retrieval systems and eligibility and enrollment systems if such systems
7 meet standards set by CMS. CMS requires that any system which is designed,
8 developed, installed, or enhanced with the Ninety Percent (90%) Federal Financial
9 Participation funding (1) is owned by the State which designed, developed installed,
10 or improved such software, (2) is subject to royalty free, non-exclusive, and
11 irrevocable license for the CMS to reproduce, publish or otherwise use and authorize
12 others to use software, modifications, and documentation, and (3) has a number of
13 other features that make such systems easier to allow sharing, leverage, and reuse of
14 such technologies within in among States. In addition, enhanced funding is provided
15 to states at Seventy-Five Percent (75%) Federal Financial Participation to operate
16 compliant systems.

17 *I Liheslatura* finds that many states and territories have systems that meet the
18 requirements of CMS with regards to mechanized claims processing and information
19 retrieval systems and eligibility and enrollment systems.

20 *I Liheslatura* further finds that CMS encourages leverage and reuse of
21 technologies which have been successfully implemented in other states and
22 territories, and has directly communicated to Guam Medicaid to leverage and reuse
23 existing software systems which have been developed and meet CMS' standards.
24 Specifically, it said:

25 "Guam is strongly encouraged to leverage cooperative purchasing through
26 multi-state or territory collaborations, General Services Administration (GSA)
27 Multiple Award Schedules (MSAs), and nonprofits like the National Association of

1 State Procurement Officials (NASPO). CMS supports NASPO’s ValuePoint
2 Cooperative Contracts, and as a result has approved the supporting Request for
3 Procurements (RFPs) and Master Agreements. In addition, CMS believes that reuse
4 enables the federal government, states, and territories to effectively share MES
5 information technology (IT) assets to reduce risk, lower implementation, and
6 operational costs, accelerate development and service delivery timelines, increase
7 consistency across Medicaid programs, and improve the overall quality and maturity
8 of all MES.”

9 *I Liheslatura* finds that the Division of Public Welfare, which administers
10 Guam Medicaid on behalf of the Department of Public Health and Social Services,
11 has not been explicitly granted authority under the Guam Procurement Code to
12 leverage and reuse contracts of other states, other government procurement units, or
13 not-for-profit entities such as NASPO.

14 Therefore, it is the intent of the *I Liheslaturan Guåhan* to authorize the
15 Division of Public Welfare of the Department of Public Health and Social Services
16 to join or use contracts of other states, other government procurement units, or not-
17 for-profit entities comprising one or more states or government procurement units
18 by adding a new § 5126.1 to Subarticle C, Article 2, Chapter 5, Title 5, Guam Code
19 Annotated.

20 **Section 2. Joinder or Mutual Use of Contracts by Division of Public**
21 **Welfare.** A new § 5126.1 is hereby *added* to Subarticle C, Article 2, Chapter 5, Title
22 5, Guam Code Annotated, to read:

23 **“§ 5126.1. Joinder or Mutual Use of Contracts by Division of Public**
24 **Welfare.**

25 The Division of Public Welfare of the Department of Public Health and Social
26 Services is authorized to join or use the contracts of other states, other government
27 procurement units, or not-for-profit entities comprising one or more states or

1 government units, within the United States, with the authorization of the contracting
2 vendor. The other states, other government units, or not-for-profit entities are not
3 liable for the obligations of the Guam governmental entity which joins or uses the
4 contract. Before any joinder or mutual use may take place, the contracting officer
5 must determine in writing that the other jurisdiction's contract has gone through a
6 competitive procurement process. For the purposes of this Section, the Division of
7 Public Welfare of the Department of Public Health and Social Services is exempt
8 from § 5004 of this Chapter.”