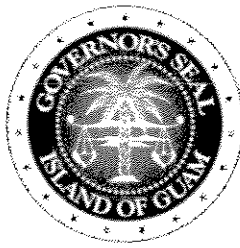


*I Mina'Trentai Dos Na Liheslaturan Received*  
**Bill Log Sheet**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
<b>299-32 (COR), P.L. 32-189</b>	Michael F.Q. San Nicolas Aline A. Yamashita, Ph.D. Brant T. McCreadie V. Anthony Ada	AN ACT TO INCLUDE FOSTER CHILDREN IN THE GOVERNMENT OF GUAM GROUP HEALTH INSURANCE CONTRACT PROSPECTIVELY BY AMENDING §§4301 (a) AND (b), §4301.1(a), §4302, AND §4302.2(c), AND BY ADDING A NEW SUBSECTION (h) TO §4301.1, EACH OF ARTICLE 3, CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED.	3/26/14 2:41 p.m.	03/26/14	Committee on Health & Human Services, Health Insurance Reform, Economic Development, and Senior Citizens	4/21/14 10 a.m.	10/1/14 3:23 p.m.	<b>Fiscal Note Request 3/28/14</b>
	<b>DATE PASSED</b>	<b>TITLE</b>	<b>TRANSMITTED</b>		<b>DUE DATE</b>	<small>DATE SIGNED BY I MAGA'LAHEN GUAHAN</small>	<b>PUBLIC LAW NO.</b>	<b>NOTES</b>
	10/3/2014	AN ACT TO AMEND §§ 4301(a) AND (b), 4301.1(a), 4302, AND 4302.2(c); AND TO ADD A NEW SUBSECTION (h) TO § 4301.1, ALL OF ARTICLE 3, CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO INCLUDING FOSTER CHILDREN IN THE GOVERNMENT OF GUAM GROUP HEALTH INSURANCE CONTRACT PROSPECTIVELY.	10/6/14	6:32 p.m.	10/17/2014	10/13/2014	32-189	As amended on the Floor.



EDDIE BAZA CALVO  
Governor

RAY TENORIO  
Lieutenant Governor

*Office of the Governor of Guam*

OCT 16 2014

Honorable Judith T. Won Pat, Ed.D.  
Speaker  
*I Mina'trentai Dos Na Liheslaturan Guåhan*  
155 Hesler Street  
Hagåtña, Guam 96910

32-14-2137  
Office of the Speaker  
Judith T. Won Pat, Ed.D

Date: 10-17-14  
Time: 4:11pm  
Received By: [Signature]

2014 OCT 17 PM 4:53  
[Signature]

Dear Madame Speaker:

Transmitted herewith is Bill No. 299-32 (COR) "AN ACT TO AMEND §§ 4301(a) AND (b), 4301.1(a), 4302, AND 4302.2(c); AND TO ADD A NEW SUBSECTION (h) TO § 4301.1, ALL OF ARTICLE 3, CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO INCLUDING FOSTER CHILDREN IN THE GOVERNMENT OF GUAM GROUP HEALTH INSURANCE CONTRACT PROSPECTIVELY," which I signed into law on October 13, 2014 as Public Law 32-189.

*Senseramente*

  
EDDIE BAZA CALVO

2137

P.O. Box 2950 • Hagatna, Guam 96932  
Tel: (671) 472-8931 • Fax: (671) 477-4826 • [governor.guam.gov](http://governor.guam.gov) • [calendar.guam.gov](http://calendar.guam.gov)



Eddie Baza Calvo



@eddiebazacalvo



@governorcalvo



[governorofguam](http://governorofguam)

*I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN*  
2014 (SECOND) Regular Session

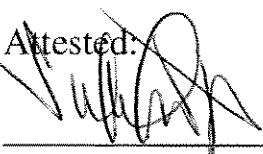
**CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN**

This is to certify that **Bill No. 299-32 (COR), "AN ACT TO AMEND §§ 4301(a) AND (b), 4301.1(a), 4302, AND 4302.2(c); AND TO ADD A NEW SUBSECTION (h) TO § 4301.1, ALL OF ARTICLE 3, CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO INCLUDING FOSTER CHILDREN IN THE GOVERNMENT OF GUAM GROUP HEALTH INSURANCE CONTRACT PROSPECTIVELY,"** was on the 3<sup>rd</sup> day of October, 2014, duly and regularly passed.



Judith T. Won Pat, Ed.D.  
Speaker

Attested:



Tina Rose Muña Barnes  
Legislative Secretary

This Act was received by *I Maga'lahaen Guåhan* this 6 day of Oct,  
2014, at 6:32 o'clock P.M.



Assistant Staff Officer  
*Maga'lahi's Office*

APPROVED:



EDWARD J.B. CALVO  
*I Maga'lahaen Guåhan*

Date: OCT 13 2014

Public Law No. 32-189

***I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN***  
**2014 (SECOND) Regular Session**

**Bill No. 299-32 (COR)**

As amended on the Floor.

Introduced by:

Michael F. Q. San Nicolas  
Aline A. Yamashita, Ph.D.  
Brant T. McCreadie  
V. Anthony Ada  
Dennis G. Rodriguez, Jr.  
T. R. Muña Barnes  
T. C. Ada  
FRANK B. AGUON, JR.  
B. J.F. Cruz  
Chris M. Dueñas  
Michael T. Limtiaco  
Tommy Morrison  
R. J. Respicio  
Judith T. Won Pat, Ed.D.

**AN ACT TO AMEND §§ 4301(a) AND (b), 4301.1(a), 4302, AND 4302.2(c); AND TO ADD A NEW SUBSECTION (h) TO § 4301.1, ALL OF ARTICLE 3, CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO INCLUDING FOSTER CHILDREN IN THE GOVERNMENT OF GUAM GROUP HEALTH INSURANCE CONTRACT PROSPECTIVELY.**

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

**Section 1. Short Title.** This Act *shall* be cited as the “Responsible Foster Children Health Insurance Act.”

**Section 2. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that children in foster care may have previously suffered from abuse and neglect,

1 or have been abandoned and, therefore, may have extensive physical and mental  
2 health needs that require immediate and quality medical care.

3 *I Liheslatura* finds that the Child Protective Services Division of the  
4 Department of Public Health and Social Services, as of March 19, 2014, has a total  
5 of eighty-eight (88) foster children under its legal custody, of which two (2) foster  
6 children are covered by the Medically Indigent Program, and eighty-six (86) foster  
7 children are covered by Medicaid.

8 *I Liheslatura* finds that the amount of health care providers able to provide  
9 services to foster children is limited due to restrictions on care by the Medically  
10 Indigent Program, and certain private physicians' unwillingness to accept  
11 Medicaid as a payor for their services. However, the insurance offered to  
12 employees of the government of Guam, retirees, and their survivors allows more  
13 health care provider options.

14 *I Liheslatura* finds that it is more fiscally responsible to cover foster children  
15 under the government of Guam health insurance plan due to the increased  
16 competition in the government of Guam health insurance pool. By covering foster  
17 children under the government of Guam health insurance, excess funding may be  
18 used for other client needs.

19 It is, therefore, the intent of *I Liheslaturan Guåhan* to improve the access  
20 and quality of medical care for foster children and allow foster children to be  
21 covered by the government of Guam health insurance plan for employees, retirees,  
22 and their survivors by amending Article 3 of Chapter 4, Title 4, Guam Code  
23 Annotated.

24 **Section 3. Group Insurance.** Subsection (a) of § 4301 of Article 3,  
25 Chapter 4, Title 4, Guam Code Annotated, is hereby *amended* to read:

26 “(a) *I Maga’lahi* (the Governor) is authorized to enter contracts and  
27 reject proposals, with the written concurrence of the Speaker of *I*

1 *Liheslaturan Guåhan* (the Guam Legislature) or the Presiding Judge of the  
2 Superior Court of Guam whose consents may be withheld in their sole  
3 discretion, with one (1) or more insurance companies, authorized to do  
4 business in Guam, for group insurance, including, but *not* limited to,  
5 hospitalization, medical care, life, and accident, for all employees or  
6 separate groups of employees, and foster children, of the government of  
7 Guam. If the Legislative or Judicial Branches of government elect to enter  
8 into separate contracts for their employees as authorized in §4301(c), *I*  
9 *Maga'lahi shall* obtain the written concurrence of the Branch electing to  
10 remain with the Executive Branch before the group insurance contract is  
11 entered into or a proposal rejected. The government *shall not* be construed as  
12 an agent of any insurance company in negotiating or administering this  
13 group insurance program. Health benefits provided under this authority may  
14 be self funded and administered by a third party if it is determined to be  
15 cost-effective.”

16 **Section 4. Government of Guam to Cover Full Cost of Insurance for**  
17 **Foster Children.** Subsection (b) of § 4301 of Article 3, Chapter 4, Title 4, Guam  
18 Code Annotated, is hereby *amended* to read:

19 “(b) All participation by employees in such contracts of insurance  
20 *shall* be on a voluntary basis. Effective in the next contract following the  
21 enactment of this subparagraph, the government’s contribution for health  
22 and dental insurance *shall* be uniform within each class (including separate  
23 classes and rates for retired employees and their survivors) for all competing  
24 plans, and *shall not* be less than fifty percent (50%) of the lowest premium  
25 for a single employee, except that the government *shall* increase the  
26 contributions it makes on behalf of a retired employee or survivor of a  
27 retired employee so that the retired employee or the survivor of a retired

1 employee contributes *no more than* an active employee who is otherwise in  
2 the same class. Notwithstanding any other provision of this Section to the  
3 contrary, the government of Guam *shall* cover the full cost of insurance  
4 coverage for foster children, and such coverage *shall* require no co-payments  
5 nor deductibles for the foster children insured pursuant to this Section.”

6 **Section 5. Definition of Health Insurance Providers.** Subsection (a) of  
7 § 4301.1 of Article 3, Chapter 4, Title 4, Guam Code Annotated, is hereby  
8 *amended* to read:

9 “(a) Health Insurance Providers are all companies or other legal  
10 entities providing or applying to provide health insurance or the provision of  
11 healthcare to government employees and retirees, and foster children.”

12 **Section 6. Prescribed Use of Foster Children.** A new Subsection (h) is  
13 hereby *added* to § 4301.1 of Article 3, Chapter 4, Title 4, Guam Code Annotated,  
14 to read:

15 “(h) Foster children *shall* include *only* those foster children under  
16 the legal custody of the Child Protective Services Division of the  
17 Department of Public Health and Social Services.”

18 **Section 7. Same: Health Insurance or Provision of Health Care.** §  
19 4302 of Article 3, Chapter 4, Title 4, Guam Code Annotated, is hereby *amended* to  
20 read:

21 “§ 4302. **Same: Health Insurance or Provision of Health Care.**

22 (a) All companies or other legal entities providing or applying to  
23 provide health insurance or the provision of health care to government of  
24 Guam employees and foster children *shall* make their audited financial  
25 statements available to the Director of Administration annually. Such  
26 records *shall* be public records.

1           (b) The Director of Administration *shall, no later than* March 1,  
2           1986, promulgate rules and regulations setting forth the other information  
3           she/he requires from the companies or legal entities and the method by  
4           which such information shall be reported. This information *shall* be  
5           equitably required of each company and *shall* be submitted *no less than* ten  
6           (10) days before any negotiations or active consideration of proposals  
7           commences. Materials submitted in fulfillment of this requirement *shall not*  
8           be considered public records, except for the detailed claims utilization and  
9           cost information required by § 4302(g), which *shall* be provided to current  
10          and prospective health insurance carriers as part of the invitation to bid for  
11          coverage to government of Guam employees and retirees, and foster  
12          children.

13          (c) The Government of Guam Health Insurance Negotiating Team  
14          *shall* consist of the Director of Administration, who *shall* be the  
15          Chairperson; the Administrator of the Department of Integrated Services for  
16          Individuals with Disabilities (DISID), or his or her designee; the Director of  
17          the Bureau of Budget and Management Research, or his or her designee; an  
18          employee representative from the Judicial Branch to be appointed by the  
19          Chief Justice of the Supreme Court of Guam; an employee representative of  
20          the Legislative Branch to be appointed by the Speaker of *I Liheslaturan*  
21          *Guåhan*; the Superintendent of the Department of Education, or his or her  
22          designee; the Director of the Government of Guam Retirement Fund, or his  
23          or her designee; a retiree who is a member of the Government of Guam  
24          Retirement Fund to be appointed by the Board of Trustees of the  
25          Government of Guam Retirement Fund; one (1) member of the general  
26          public, appointed by *I Maga'lahaen Guåhan*, who is not an employee of the  
27          government of Guam, not an employee of a health insurance company,



1 hospital, or medical provider, or not an appointee by *I Maga'lahi* (the  
2 Governor) to any government agency, board or commission, and who *shall*  
3 affirm by affidavit that he or she agrees to comply with all provisions in  
4 Chapter 15 of Title 4 of the Guam Code Annotated, also known as the  
5 Standard of Conduct for Elected Officers, Appointed Officers, and Public  
6 Employees of the government of Guam; the Chairperson of the Committee  
7 on Health or the successor committee of *I Liheslaturan Guåhan*, or his or  
8 her designee, who *shall* sit as an ex-officio non-voting member; and the  
9 Chairperson of the Committee on Appropriations, or the successor  
10 committee of *I Liheslaturan Guåhan*, or his or her designee, who *shall* sit as  
11 an ex-officio non-voting member. The Negotiating Team *shall* examine the  
12 financial information of the prepaid health insurance companies, health care  
13 providers or other legal entities for the purpose of developing the most  
14 economical and beneficial health plan for the government of Guam  
15 employees and retirees, and foster children. The Negotiating Team may  
16 obtain technical support from other financial and health-related agencies.  
17 The Negotiating Team *shall* develop its rules of procedure in accordance  
18 with the Administrative Adjudication Law. The Negotiating Team *shall*  
19 develop minimum qualification for proposals to be submitted for health  
20 insurance coverage. The Negotiating Team *shall* also develop a ranking  
21 system to rank the proposals. The Negotiating Team, with the approval of *I*  
22 *Maga'låhi*, is authorized to contract an actuary competent to develop  
23 proposed health insurance rates or other recognized expert to train and/or  
24 advise the Negotiating Team. Notwithstanding any other provision of law,  
25 each fiscal year, the Negotiating Team *shall* solicit both exclusive and non-  
26 exclusive proposals from each Health Insurance Provider and enter into  
27 negotiations with the top three (3) ranked Health Insurance Providers

1 submitting qualified proposals for health insurance coverage for qualified  
2 active employees and qualified retirees, and foster children, of the  
3 government of Guam.

4 (1) The Director of the Department of Administration *shall*  
5 plan, and implement prior to discussions for the 2011-2012 Fiscal  
6 Year, an expanded competitive Request for Proposal process. The  
7 Director *shall* announce in publications of general circulation in  
8 Guam, in top publications nationally and in leading publications  
9 internationally, a Request for Proposal from Health Care Insurance  
10 Providers for health insurance coverage for qualified active employees  
11 and qualified retirees, and foster children, of the government of  
12 Guam.

13 (A) Health Care Insurance Providers that respond and  
14 express interest in providing coverage to qualified active  
15 employees and retirees, and foster children *shall*, if selected,  
16 maintain a bona-fide office and operations base in Guam and  
17 possess a business privilege license to do business in Guam.

18 (2) The negotiating team upon selection and review of the  
19 best available proposals by participating healthcare  
20 respondents/providers which reflect the most economical and  
21 beneficial healthcare insurance proposal plan for government of Guam  
22 employees and retirees, and foster children, *shall* forward the accepted  
23 proposals to *I Maga'lalen Guåhan* for consideration, and to *I*  
24 *Liheslaturan Guåhan* for final approval *no later than* July 31, and  
25 prior to the annual legislative sessions wherein the upcoming fiscal  
26 year budget for the government of Guam is before *I Liheslaturan*  
27 *Guåhan* for consideration.

1                   (3) Within one hundred eighty (180) days of this Act, the  
2                   Director of the Department of Administration *shall* issue a Request for  
3                   Proposal from qualified individuals or firms to conduct a feasibility  
4                   study for a non-profit public healthcare insurance option for Guam.

5                   The RFP *shall* call for a plan that provides for a level playing  
6                   field with current and future private insurers, and the non-profit public  
7                   healthcare insurance option which pays for care from individual  
8                   premiums and co-payments not of the General Fund of the  
9                   government of Guam.

10                  (d) No health insurance company or health care provider contracted  
11                  to provide health care to government of Guam employees and foster children  
12                  may deny coverage to the employee or dependents, or foster children, on the  
13                  basis of a congenital anomaly. Congenital anomalies *shall* be covered,  
14                  subject to contract negotiations.

15                  (e) Effective October 1, 1986, the contract period for health  
16                  insurance or provision of health care *shall* coincide with the fiscal year of  
17                  the government of Guam. To that end, the contract period preceding the one  
18                  for FY 1987 may be for less than twelve (12) months.

19                  (f) All companies, or other legal entities providing or applying to  
20                  provide health insurance or the provision of health care, *shall* have contracts  
21                  for services with all government of Guam entities that are providing health  
22                  care services to any and all of their subscribers. This requirement *shall* be  
23                  met prior to, and as a condition to, the start of negotiations for the  
24                  government of Guam Fiscal Year 1999. Any dispute or controversy between  
25                  contracting parties *shall* be submitted to arbitration according to the  
26                  generally accepted local practice.

1 (g) All health insurance companies or health care providers  
2 contracted to provide health care to government of Guam employees and  
3 retirees, to include foster children, beginning on the first fiscal year  
4 following the inclusion of foster children under the government of Guam  
5 health insurance contract for employees and retirees pursuant to § 4301 of  
6 this Article, *shall* provide to the Negotiating Team, defined in § 4302(c), and  
7 the Office of Finance and Budget, fifteen (15) months of detailed claims  
8 utilization and cost information from period October 1 to September 30 of  
9 the previous fiscal year, and October 1 to December 31 of the current fiscal  
10 year, *no later than* March 1 for the final updated data for the previous fiscal  
11 year in an electronic database file format, such as Microsoft Access or  
12 Microsoft Excel.

13 The detailed claims utilization and cost information must total in  
14 aggregate all the experience data used to calculate government of Guam  
15 insurance rates for the fiscal year following the current fiscal year. Claims  
16 incurred but not received calculations *shall* be reported separately and must  
17 be derived from detailed claims utilization and cost information submitted  
18 and reviewed and approved by a credentialed actuary from a recognized  
19 organization, such as the American Academy of Actuaries or Society of  
20 Actuaries.

21 The detailed claims utilization and cost information required under  
22 this Subsection *shall* include only de-identified health information as  
23 permitted under the Health Insurance Portability and Accountability Act of  
24 1996, and *shall not* include any protected health information, as defined in  
25 the Health Insurance Portability and Accountability Act of 1996.

1 Detailed demographic and claims utilization and cost information  
2 *shall* include the following information with a unique contract identifier that  
3 links all the following data to the same contract:

4 (1) type of contract based on all tiers used in program design  
5 (EE, EE + SPOUSE, FAMILY, etc.);

6 (2) patient demographics, date of birth, gender, relationship  
7 to subscriber;

8 (3) medical, dental and vision claims, line detail including  
9 diagnosis code (ICD9 or ICD10), procedure codes (CPT, HCPC,  
10 CDT), revenue codes, service dates, service provider (name, tax id,  
11 provider id, specialty code, city, state, zip code), plan payments,  
12 member payment responsibility (co-pay, co-insurance, deductible),  
13 claim paid date, type of bill and facility type;

14 (4) prescription drug claims, to include NDC codes,  
15 formulary tier identifier, pharmacy (name, provider id, city, zip code),  
16 plan payments, member payment responsibility (co-pay, co-insurance,  
17 deductible) claim paid date, injectable drug indicator, GPI number,  
18 ingredient cost, dispensing fee and rebates; and

19 (5) any other detailed demographic and claims utilization  
20 and cost information as requested by the Negotiation Team in the  
21 Invitation to Bid (ITB) for the fiscal year following the current fiscal  
22 year.

23 Failure to comply with the requirements of this Section will result in a  
24 2.5% reduction of the quarterly premiums from the non-compliant health  
25 insurance carrier. The information *shall* be provided quarterly. The reduction  
26 *shall* be deducted from the premiums due to the carrier in the succeeding  
27 quarter, if the information is *not* received within forty-five (45) days of the

1 end of the quarter. The Negotiating Team defined in §4302(c) at their  
2 discretion, at any time during the following fiscal year health insurance  
3 negotiations, may disqualify proposals from health insurance carriers *not* in  
4 compliance with this Section for their in force contract.

5 (h) No health insurance company or health care provider contracted  
6 to provide health care to government of Guam employees and foster children  
7 may deny coverage to the employee or dependents or foster children on the  
8 basis of chronic orthopedic deformities. Chronic orthopedic deformities,  
9 which may include orthopedic and external prosthetic devices, including, but  
10 *not* limited to, artificial joints and limbs, will be covered and may be subject  
11 to maximum limitations per annum.

12 (i) No health insurance company or health care provider contracted  
13 to provide health care to government of Guam employees and foster children  
14 may deny coverage to the employee or dependents or foster children on the  
15 basis of blood or blood derivatives. Blood and blood derivatives will be  
16 covered and may be subject to maximum limitations per annum.”

17 **Section 8. Government of Guam Self Funded Employee Health**  
18 **Benefits Trust Fund Accounts.** Subsection (c) of § 4302.2 of Article 3, Chapter  
19 4, Title 4, Guam Code Annotated, is hereby *amended* to read:

20 “(c) All employer and employee premium payments *shall* be  
21 deposited in the respective Self Funded Health Benefits Plan Trust Fund  
22 Account. Any foster children covered by a Self Funded Health Benefits Plan  
23 *shall* be fully paid for by the government of Guam;”

24 **Section 9. Effective Date.** This Act *shall* be effective prospectively  
25 starting with the next open enrollment period, and the foster children under legal  
26 custody of the Child Protective Services Division of the Department of Public  
27 Health and Social Services *shall* be included in the risk pool for the next health

- 1 insurance contract negotiated by the Government of Guam Health Insurance
- 2 Negotiating Team pursuant to § 4302 of Title 4 GCA.



***I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN***

THIRTY-SECOND GUAM LEGISLATURE

155 Hesler Place, Hagåtña, Guam 96910

October 6, 2014

The Honorable Edward J.B. Calvo

*I Maga'lahen Guåhan*

*Ufisinan I Maga'lahi*

*Hagåtña, Guam 96910*

Dear *Maga'lahi* Calvo:

Transmitted herewith are Bill and Substitute Bill Nos. 42-32 (COR), 136-32 (COR), 213-32 (COR), 284-32 (COR), 287-32 (COR), 292-32 (COR), 294-32 (COR), 295-32 (COR), 299-32 (COR), 300-32 (COR), 303-32 (COR), 324-32 (COR), 325-32 (COR), 327-32 (COR), 337-32 (COR), 347-32 (COR), 348-32 (COR), 349-32 (COR), 352-32 (LS), 354-32 (LS), 362-32 (COR), 384-32 (COR), 388-32 (LS) and 393-32 (COR) which were passed by *I Mina'Trentai Dos Na Liheslaturan Guåhan* on October 3, 2014.

Sincerely,

TINA ROSE MUÑA BARNES  
Legislative Secretary

Enclosures (24)



***I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN***  
**2014 (SECOND) Regular Session**

**CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'LAHEN GUÅHAN***

This is to certify that **Bill No. 299-32 (COR), "AN ACT TO AMEND §§ 4301(a) AND (b), 4301.1(a), 4302, AND 4302.2(c); AND TO ADD A NEW SUBSECTION (h) TO § 4301.1, ALL OF ARTICLE 3, CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO INCLUDING FOSTER CHILDREN IN THE GOVERNMENT OF GUAM GROUP HEALTH INSURANCE CONTRACT PROSPECTIVELY,"** was on the 3<sup>rd</sup> day of October, 2014, duly and regularly passed.



**Judith T. Won Pat, Ed.D.**  
**Speaker**

Attested:

**Tina Rose Muña Barnes**  
**Legislative Secretary**

This Act was received by *I Maga'lalen Guåhan* this 6 day of Oct.,  
 2014, at 6:32 o'clock P.M.



**Assistant Staff Officer**  
***Maga'lahi's Office***

**APPROVED:**

**EDWARD J.B. CALVO**  
***I Maga'lalen Guåhan***

Date: \_\_\_\_\_  
 Public Law No. \_\_\_\_\_

***I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN***  
**2014 (SECOND) Regular Session**

**Bill No. 299-32 (COR)**

As amended on the Floor.

Introduced by:

Michael F. Q. San Nicolas  
Aline A. Yamashita, Ph.D.  
Brant T. McCreadie  
V. Anthony Ada  
Dennis G. Rodriguez, Jr.  
T. R. Muña Barnes  
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**BE IT ENACTED BY THE PEOPLE OF GUAM:**

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8 *I Liheslatura* finds that the amount of health care providers able to provide  
9 services to foster children is limited due to restrictions on care by the Medically  
10 Indigent Program, and certain private physicians' unwillingness to accept  
11 Medicaid as a payor for their services. However, the insurance offered to  
12 employees of the government of Guam, retirees, and their survivors allows more  
13 health care provider options.

14 *I Liheslatura* finds that it is more fiscally responsible to cover foster children  
15 under the government of Guam health insurance plan due to the increased  
16 competition in the government of Guam health insurance pool. By covering foster  
17 children under the government of Guam health insurance, excess funding may be  
18 used for other client needs.

19 It is, therefore, the intent of *I Liheslaturan Guåhan* to improve the access  
20 and quality of medical care for foster children and allow foster children to be  
21 covered by the government of Guam health insurance plan for employees, retirees,  
22 and their survivors by amending Article 3 of Chapter 4, Title 4, Guam Code  
23 Annotated.

24 **Section 3. Group Insurance.** Subsection (a) of § 4301 of Article 3,  
25 Chapter 4, Title 4, Guam Code Annotated, is hereby *amended* to read:

26 “(a) *I Maga’lahi* (the Governor) is authorized to enter contracts and  
27 reject proposals, with the written concurrence of the Speaker of *I*

1        *Liheſlaturan Guåhan* (the Guam Legislature) or the Presiding Judge of the  
2        Superior Court of Guam whose conſents may be withheld in their ſole  
3        diſcretion, with one (1) or more inſurance companies, authorized to do  
4        buſineſs in Guam, for group inſurance, including, but *not* limited to,  
5        hospitalization, medical care, life, and accident, for all employees or  
6        ſeparate groups of employees, and foſter children, of the government of  
7        Guam. If the Legislative or Judicial Branches of government elect to enter  
8        into ſeparate contracts for their employees as authorized in §4301(c), *I*  
9        *Maga’lahi ſhall* obtain the written concurrence of the Branch electing to  
10       remain with the Executive Branch before the group inſurance contract is  
11       entered into or a propoſal rejected. The government *ſhall not* be conſtrued as  
12       an agent of any inſurance company in negotiating or adminiſtering this  
13       group inſurance program. Health benefits provided under this authority may  
14       be ſelf funded and adminiſtered by a third party if it is determined to be  
15       coſt-effective.”

16       **Section 4. Government of Guam to Cover Full Coſt of Inſurance for**  
17       **Foſter Children.** Subſection (b) of § 4301 of Article 3, Chapter 4, Title 4, Guam  
18       Code Annotated, is hereby *amended* to read:

19                “(b) All participation by employees in ſuch contracts of inſurance  
20       *ſhall* be on a voluntary baſis. Effective in the next contract following the  
21       enactment of this ſubparagraph, the government’s contribution for health  
22       and dental inſurance *ſhall* be uniform within each claſs (including ſeparate  
23       claſſes and rates for retired employees and their ſurvivors) for all competing  
24       plans, and *ſhall not* be leſs than fifty percent (50%) of the loweſt premium  
25       for a ſingle employee, except that the government *ſhall* increaſe the  
26       contributions it makes on behalf of a retired employee or ſurvivor of a  
27       retired employee ſo that the retired employee or the ſurvivor of a retired

1 employee contributes *no more than* an active employee who is otherwise in  
2 the same class. Notwithstanding any other provision of this Section to the  
3 contrary, the government of Guam *shall* cover the full cost of insurance  
4 coverage for foster children, and such coverage *shall* require no co-payments  
5 nor deductibles for the foster children insured pursuant to this Section.”

6 **Section 5. Definition of Health Insurance Providers.** Subsection (a) of  
7 § 4301.1 of Article 3, Chapter 4, Title 4, Guam Code Annotated, is hereby  
8 *amended* to read:

9 “(a) Health Insurance Providers are all companies or other legal  
10 entities providing or applying to provide health insurance or the provision of  
11 healthcare to government employees and retirees, and foster children.”

12 **Section 6. Prescribed Use of Foster Children.** A new Subsection (h) is  
13 hereby *added* to § 4301.1 of Article 3, Chapter 4, Title 4, Guam Code Annotated,  
14 to read:

15 “(h) Foster children *shall* include *only* those foster children under  
16 the legal custody of the Child Protective Services Division of the  
17 Department of Public Health and Social Services.”

18 **Section 7. Same: Health Insurance or Provision of Health Care.** §  
19 4302 of Article 3, Chapter 4, Title 4, Guam Code Annotated, is hereby *amended* to  
20 read:

21 “§ 4302. **Same: Health Insurance or Provision of Health Care.**

22 (a) All companies or other legal entities providing or applying to  
23 provide health insurance or the provision of health care to government of  
24 Guam employees and foster children *shall* make their audited financial  
25 statements available to the Director of Administration annually. Such  
26 records *shall* be public records.

1           (b) The Director of Administration *shall, no later than* March 1,  
2   1986, promulgate rules and regulations setting forth the other information  
3   she/he requires from the companies or legal entities and the method by  
4   which such information shall be reported. This information *shall* be  
5   equitably required of each company and *shall* be submitted *no less than* ten  
6   (10) days before any negotiations or active consideration of proposals  
7   commences. Materials submitted in fulfillment of this requirement *shall not*  
8   be considered public records, except for the detailed claims utilization and  
9   cost information required by § 4302(g), which *shall* be provided to current  
10   and prospective health insurance carriers as part of the invitation to bid for  
11   coverage to government of Guam employees and retirees, and foster  
12   children.

13           (c) The Government of Guam Health Insurance Negotiating Team  
14   *shall* consist of the Director of Administration, who *shall* be the  
15   Chairperson; the Administrator of the Department of Integrated Services for  
16   Individuals with Disabilities (DISID), or his or her designee; the Director of  
17   the Bureau of Budget and Management Research, or his or her designee; an  
18   employee representative from the Judicial Branch to be appointed by the  
19   Chief Justice of the Supreme Court of Guam; an employee representative of  
20   the Legislative Branch to be appointed by the Speaker of *I Liheslaturan*  
21   *Guåhan*; the Superintendent of the Department of Education, or his or her  
22   designee; the Director of the Government of Guam Retirement Fund, or his  
23   or her designee; a retiree who is a member of the Government of Guam  
24   Retirement Fund to be appointed by the Board of Trustees of the  
25   Government of Guam Retirement Fund; one (1) member of the general  
26   public, appointed by *I Maga'lahaen Guåhan*, who is not an employee of the  
27   government of Guam, not an employee of a health insurance company,

1 hospital, or medical provider, or not an appointee by *I Maga'lahi* (the  
2 Governor) to any government agency, board or commission, and who *shall*  
3 affirm by affidavit that he or she agrees to comply with all provisions in  
4 Chapter 15 of Title 4 of the Guam Code Annotated, also known as the  
5 Standard of Conduct for Elected Officers, Appointed Officers, and Public  
6 Employees of the government of Guam; the Chairperson of the Committee  
7 on Health or the successor committee of *I Liheslaturan Guåhan*, or his or  
8 her designee, who *shall* sit as an ex-officio non-voting member; and the  
9 Chairperson of the Committee on Appropriations, or the successor  
10 committee of *I Liheslaturan Guåhan*, or his or her designee, who *shall* sit as  
11 an ex-officio non-voting member. The Negotiating Team *shall* examine the  
12 financial information of the prepaid health insurance companies, health care  
13 providers or other legal entities for the purpose of developing the most  
14 economical and beneficial health plan for the government of Guam  
15 employees and retirees, and foster children. The Negotiating Team may  
16 obtain technical support from other financial and health-related agencies.  
17 The Negotiating Team *shall* develop its rules of procedure in accordance  
18 with the Administrative Adjudication Law. The Negotiating Team *shall*  
19 develop minimum qualification for proposals to be submitted for health  
20 insurance coverage. The Negotiating Team *shall* also develop a ranking  
21 system to rank the proposals. The Negotiating Team, with the approval of *I*  
22 *Maga'låhi*, is authorized to contract an actuary competent to develop  
23 proposed health insurance rates or other recognized expert to train and/or  
24 advise the Negotiating Team. Notwithstanding any other provision of law,  
25 each fiscal year, the Negotiating Team *shall* solicit both exclusive and non-  
26 exclusive proposals from each Health Insurance Provider and enter into  
27 negotiations with the top three (3) ranked Health Insurance Providers

1 submitting qualified proposals for health insurance coverage for qualified  
2 active employees and qualified retirees, and foster children, of the  
3 government of Guam.

4 (1) The Director of the Department of Administration *shall*  
5 plan, and implement prior to discussions for the 2011-2012 Fiscal  
6 Year, an expanded competitive Request for Proposal process. The  
7 Director *shall* announce in publications of general circulation in  
8 Guam, in top publications nationally and in leading publications  
9 internationally, a Request for Proposal from Health Care Insurance  
10 Providers for health insurance coverage for qualified active employees  
11 and qualified retirees, and foster children, of the government of  
12 Guam.

13 (A) Health Care Insurance Providers that respond and  
14 express interest in providing coverage to qualified active  
15 employees and retirees, and foster children *shall*, if selected,  
16 maintain a bona-fide office and operations base in Guam and  
17 possess a business privilege license to do business in Guam.

18 (2) The negotiating team upon selection and review of the  
19 best available proposals by participating healthcare  
20 respondents/providers which reflect the most economical and  
21 beneficial healthcare insurance proposal plan for government of Guam  
22 employees and retirees, and foster children, *shall* forward the accepted  
23 proposals to *I Maga'lahen Guåhan* for consideration, and to *I*  
24 *Liheslaturan Guåhan* for final approval *no later than* July 31, and  
25 prior to the annual legislative sessions wherein the upcoming fiscal  
26 year budget for the government of Guam is before *I Liheslaturan*  
27 *Guåhan* for consideration.



1                   (3) Within one hundred eighty (180) days of this Act, the  
2                   Director of the Department of Administration *shall* issue a Request for  
3                   Proposal from qualified individuals or firms to conduct a feasibility  
4                   study for a non-profit public healthcare insurance option for Guam.

5                   The RFP *shall* call for a plan that provides for a level playing  
6                   field with current and future private insurers, and the non-profit public  
7                   healthcare insurance option which pays for care from individual  
8                   premiums and co-payments not of the General Fund of the  
9                   government of Guam.

10                  (d) No health insurance company or health care provider contracted  
11                  to provide health care to government of Guam employees and foster children  
12                  may deny coverage to the employee or dependents, or foster children, on the  
13                  basis of a congenital anomaly. Congenital anomalies *shall* be covered,  
14                  subject to contract negotiations.

15                  (e) Effective October 1, 1986, the contract period for health  
16                  insurance or provision of health care *shall* coincide with the fiscal year of  
17                  the government of Guam. To that end, the contract period preceding the one  
18                  for FY 1987 may be for less than twelve (12) months.

19                  (f) All companies, or other legal entities providing or applying to  
20                  provide health insurance or the provision of health care, *shall* have contracts  
21                  for services with all government of Guam entities that are providing health  
22                  care services to any and all of their subscribers. This requirement *shall* be  
23                  met prior to, and as a condition to, the start of negotiations for the  
24                  government of Guam Fiscal Year 1999. Any dispute or controversy between  
25                  contracting parties *shall* be submitted to arbitration according to the  
26                  generally accepted local practice.

1           (g) All health insurance companies or health care providers  
2           contracted to provide health care to government of Guam employees and  
3           retirees, to include foster children, beginning on the first fiscal year  
4           following the inclusion of foster children under the government of Guam  
5           health insurance contract for employees and retirees pursuant to § 4301 of  
6           this Article, *shall* provide to the Negotiating Team, defined in § 4302(c), and  
7           the Office of Finance and Budget, fifteen (15) months of detailed claims  
8           utilization and cost information from period October 1 to September 30 of  
9           the previous fiscal year, and October 1 to December 31 of the current fiscal  
10          year, *no later than* March 1 for the final updated data for the previous fiscal  
11          year in an electronic database file format, such as Microsoft Access or  
12          Microsoft Excel.

13           The detailed claims utilization and cost information must total in  
14          aggregate all the experience data used to calculate government of Guam  
15          insurance rates for the fiscal year following the current fiscal year. Claims  
16          incurred but not received calculations *shall* be reported separately and must  
17          be derived from detailed claims utilization and cost information submitted  
18          and reviewed and approved by a credentialed actuary from a recognized  
19          organization, such as the American Academy of Actuaries or Society of  
20          Actuaries.

21           The detailed claims utilization and cost information required under  
22          this Subsection *shall* include only de-identified health information as  
23          permitted under the Health Insurance Portability and Accountability Act of  
24          1996, and *shall not* include any protected health information, as defined in  
25          the Health Insurance Portability and Accountability Act of 1996.

1 Detailed demographic and claims utilization and cost information  
2 *shall* include the following information with a unique contract identifier that  
3 links all the following data to the same contract:

4 (1) type of contract based on all tiers used in program design  
5 (EE, EE + SPOUSE, FAMILY, etc.);

6 (2) patient demographics, date of birth, gender, relationship  
7 to subscriber;

8 (3) medical, dental and vision claims, line detail including  
9 diagnosis code (ICD9 or ICD10), procedure codes (CPT, HCPC,  
10 CDT), revenue codes, service dates, service provider (name, tax id,  
11 provider id, specialty code, city, state, zip code), plan payments,  
12 member payment responsibility (co-pay, co-insurance, deductible),  
13 claim paid date, type of bill and facility type;

14 (4) prescription drug claims, to include NDC codes,  
15 formulary tier identifier, pharmacy (name, provider id, city, zip code),  
16 plan payments, member payment responsibility (co-pay, co-insurance,  
17 deductible) claim paid date, injectable drug indicator, GPI number,  
18 ingredient cost, dispensing fee and rebates; and

19 (5) any other detailed demographic and claims utilization  
20 and cost information as requested by the Negotiation Team in the  
21 Invitation to Bid (ITB) for the fiscal year following the current fiscal  
22 year.

23 Failure to comply with the requirements of this Section will result in a  
24 2.5% reduction of the quarterly premiums from the non-compliant health  
25 insurance carrier. The information *shall* be provided quarterly. The reduction  
26 *shall* be deducted from the premiums due to the carrier in the succeeding  
27 quarter, if the information is *not* received within forty-five (45) days of the

1 end of the quarter. The Negotiating Team defined in §4302(c) at their  
2 discretion, at any time during the following fiscal year health insurance  
3 negotiations, may disqualify proposals from health insurance carriers *not* in  
4 compliance with this Section for their in force contract.

5 (h) No health insurance company or health care provider contracted  
6 to provide health care to government of Guam employees and foster children  
7 may deny coverage to the employee or dependents or foster children on the  
8 basis of chronic orthopedic deformities. Chronic orthopedic deformities,  
9 which may include orthopedic and external prosthetic devices, including, but  
10 *not* limited to, artificial joints and limbs, will be covered and may be subject  
11 to maximum limitations per annum.

12 (i) No health insurance company or health care provider contracted  
13 to provide health care to government of Guam employees and foster children  
14 may deny coverage to the employee or dependents or foster children on the  
15 basis of blood or blood derivatives. Blood and blood derivatives will be  
16 covered and may be subject to maximum limitations per annum.”

17 **Section 8. Government of Guam Self Funded Employee Health**  
18 **Benefits Trust Fund Accounts.** Subsection (c) of § 4302.2 of Article 3, Chapter  
19 4, Title 4, Guam Code Annotated, is hereby *amended* to read:

20 “(c) All employer and employee premium payments *shall* be  
21 deposited in the respective Self Funded Health Benefits Plan Trust Fund  
22 Account. Any foster children covered by a Self Funded Health Benefits Plan  
23 *shall* be fully paid for by the government of Guam;”

24 **Section 9. Effective Date.** This Act *shall* be effective prospectively  
25 starting with the next open enrollment period, and the foster children under legal  
26 custody of the Child Protective Services Division of the Department of Public  
27 Health and Social Services *shall* be included in the risk pool for the next health

- 1 insurance contract negotiated by the Government of Guam Health Insurance
- 2 Negotiating Team pursuant to § 4302 of Title 4 GCA.

***I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN***  
**2014 (SECOND) Regular Session**

**CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'LAHEN GUÅHAN***

This is to certify that **Bill No. 299-32 (COR), "AN ACT TO AMEND §§ 4301(a) AND (b), 4301.1(a), 4302, AND 4302.2(c); AND TO ADD A NEW SUBSECTION (h) TO § 4301.1, ALL OF ARTICLE 3, CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO INCLUDING FOSTER CHILDREN IN THE GOVERNMENT OF GUAM GROUP HEALTH INSURANCE CONTRACT PROSPECTIVELY,"** was on the 3<sup>rd</sup> day of October, 2014, duly and regularly passed.



**Judith T. Won Pat, Ed.D.**  
**Speaker**

Attested: 

**Tina Rose Muña Barnes**  
**Legislative Secretary**

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This Act was received by *I Maga'lalen Guåhan* this \_\_\_\_\_ day of \_\_\_\_\_,  
2014, at \_\_\_\_\_ o'clock \_\_\_\_\_.M.

\_\_\_\_\_  
Assistant Staff Officer  
*Maga'lahi's Office*

**APPROVED:**

\_\_\_\_\_  
**EDWARD J.B. CALVO**  
*I Maga'lalen Guåhan*

Date: \_\_\_\_\_  
Public Law No. \_\_\_\_\_

***I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN***  
**2014 (SECOND) Regular Session**

**Bill No. 299-32 (COR)**

As amended on the Floor.

Introduced by:

Michael F. Q. San Nicolas  
Aline A. Yamashita, Ph.D.  
Brant T. McCreadie  
V. Anthony Ada  
Dennis G. Rodriguez, Jr.  
T. R. Muña Barnes  
T. C. Ada  
FRANK B. AGUON, JR.  
B. J.F. Cruz  
Chris M. Dueñas  
Michael T. Limtiaco  
Tommy Morrison  
R. J. Respicio  
Judith T. Won Pat, Ed.D.

**AN ACT TO AMEND §§ 4301(a) AND (b), 4301.1(a), 4302,  
AND 4302.2(c); AND TO ADD A NEW SUBSECTION (h)  
TO § 4301.1, ALL OF ARTICLE 3, CHAPTER 4, TITLE 4,  
GUAM CODE ANNOTATED, RELATIVE TO  
INCLUDING FOSTER CHILDREN IN THE  
GOVERNMENT OF GUAM GROUP HEALTH  
INSURANCE CONTRACT PROSPECTIVELY.**

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

**Section 1. Short Title.** This Act *shall* be cited as the “Responsible Foster  
Children Health Insurance Act.”

**Section 2. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds  
that children in foster care may have previously suffered from abuse and neglect,

1 or have been abandoned and, therefore, may have extensive physical and mental  
2 health needs that require immediate and quality medical care.

3 *I Liheslatura* finds that the Child Protective Services Division of the  
4 Department of Public Health and Social Services, as of March 19, 2014, has a total  
5 of eighty-eight (88) foster children under its legal custody, of which two (2) foster  
6 children are covered by the Medically Indigent Program, and eighty-six (86) foster  
7 children are covered by Medicaid.

8 *I Liheslatura* finds that the amount of health care providers able to provide  
9 services to foster children is limited due to restrictions on care by the Medically  
10 Indigent Program, and certain private physicians' unwillingness to accept  
11 Medicaid as a payor for their services. However, the insurance offered to  
12 employees of the government of Guam, retirees, and their survivors allows more  
13 health care provider options.

14 *I Liheslatura* finds that it is more fiscally responsible to cover foster children  
15 under the government of Guam health insurance plan due to the increased  
16 competition in the government of Guam health insurance pool. By covering foster  
17 children under the government of Guam health insurance, excess funding may be  
18 used for other client needs.

19 It is, therefore, the intent of *I Liheslaturan Guåhan* to improve the access  
20 and quality of medical care for foster children and allow foster children to be  
21 covered by the government of Guam health insurance plan for employees, retirees,  
22 and their survivors by amending Article 3 of Chapter 4, Title 4, Guam Code  
23 Annotated.

24 **Section 3. Group Insurance.** Subsection (a) of § 4301 of Article 3,  
25 Chapter 4, Title 4, Guam Code Annotated, is hereby *amended* to read:

26 “(a) *I Maga’lahi* (the Governor) is authorized to enter contracts and  
27 reject proposals, with the written concurrence of the Speaker of *I*



1        *Liheslaturan Guåhan* (the Guam Legislature) or the Presiding Judge of the  
2        Superior Court of Guam whose consents may be withheld in their sole  
3        discretion, with one (1) or more insurance companies, authorized to do  
4        business in Guam, for group insurance, including, but *not* limited to,  
5        hospitalization, medical care, life, and accident, for all employees or  
6        separate groups of employees, and foster children, of the government of  
7        Guam. If the Legislative or Judicial Branches of government elect to enter  
8        into separate contracts for their employees as authorized in §4301(c), *I*  
9        *Maga'lahi shall* obtain the written concurrence of the Branch electing to  
10       remain with the Executive Branch before the group insurance contract is  
11       entered into or a proposal rejected. The government *shall not* be construed as  
12       an agent of any insurance company in negotiating or administering this  
13       group insurance program. Health benefits provided under this authority may  
14       be self funded and administered by a third party if it is determined to be  
15       cost-effective.”

16       **Section 4. Government of Guam to Cover Full Cost of Insurance for**  
17 **Foster Children.** Subsection (b) of § 4301 of Article 3, Chapter 4, Title 4, Guam  
18 Code Annotated, is hereby *amended* to read:

19                “(b) All participation by employees in such contracts of insurance  
20        *shall* be on a voluntary basis. Effective in the next contract following the  
21        enactment of this subparagraph, the government’s contribution for health  
22        and dental insurance *shall* be uniform within each class (including separate  
23        classes and rates for retired employees and their survivors) for all competing  
24        plans, and *shall not* be less than fifty percent (50%) of the lowest premium  
25        for a single employee, except that the government *shall* increase the  
26        contributions it makes on behalf of a retired employee or survivor of a  
27        retired employee so that the retired employee or the survivor of a retired

1 employee contributes *no more than* an active employee who is otherwise in  
2 the same class. Notwithstanding any other provision of this Section to the  
3 contrary, the government of Guam *shall* cover the full cost of insurance  
4 coverage for foster children, and such coverage *shall* require no co-payments  
5 nor deductibles for the foster children insured pursuant to this Section.”

6 **Section 5. Definition of Health Insurance Providers.** Subsection (a) of  
7 § 4301.1 of Article 3, Chapter 4, Title 4, Guam Code Annotated, is hereby  
8 *amended* to read:

9 “(a) Health Insurance Providers are all companies or other legal  
10 entities providing or applying to provide health insurance or the provision of  
11 healthcare to government employees and retirees, and foster children.”

12 **Section 6. Prescribed Use of Foster Children.** A new Subsection (h) is  
13 hereby *added* to § 4301.1 of Article 3, Chapter 4, Title 4, Guam Code Annotated,  
14 to read:

15 “(h) Foster children *shall* include *only* those foster children under  
16 the legal custody of the Child Protective Services Division of the  
17 Department of Public Health and Social Services.”

18 **Section 7. Same: Health Insurance or Provision of Health Care.** §  
19 4302 of Article 3, Chapter 4, Title 4, Guam Code Annotated, is hereby *amended* to  
20 read:

21 “§ 4302. **Same: Health Insurance or Provision of Health Care.**

22 (a) All companies or other legal entities providing or applying to  
23 provide health insurance or the provision of health care to government of  
24 Guam employees and foster children *shall* make their audited financial  
25 statements available to the Director of Administration annually. Such  
26 records *shall* be public records.

1           (b) The Director of Administration *shall, no later than* March 1,  
2   1986, promulgate rules and regulations setting forth the other information  
3   she/he requires from the companies or legal entities and the method by  
4   which such information shall be reported. This information *shall* be  
5   equitably required of each company and *shall* be submitted *no less than* ten  
6   (10) days before any negotiations or active consideration of proposals  
7   commences. Materials submitted in fulfillment of this requirement *shall not*  
8   be considered public records, except for the detailed claims utilization and  
9   cost information required by § 4302(g), which *shall* be provided to current  
10   and prospective health insurance carriers as part of the invitation to bid for  
11   coverage to government of Guam employees and retirees, and foster  
12   children.

13           (c) The Government of Guam Health Insurance Negotiating Team  
14   *shall* consist of the Director of Administration, who *shall* be the  
15   Chairperson; the Administrator of the Department of Integrated Services for  
16   Individuals with Disabilities (DISID), or his or her designee; the Director of  
17   the Bureau of Budget and Management Research, or his or her designee; an  
18   employee representative from the Judicial Branch to be appointed by the  
19   Chief Justice of the Supreme Court of Guam; an employee representative of  
20   the Legislative Branch to be appointed by the Speaker of *I Liheslaturan*  
21   *Guåhan*; the Superintendent of the Department of Education, or his or her  
22   designee; the Director of the Government of Guam Retirement Fund, or his  
23   or her designee; a retiree who is a member of the Government of Guam  
24   Retirement Fund to be appointed by the Board of Trustees of the  
25   Government of Guam Retirement Fund; one (1) member of the general  
26   public, appointed by *I Maga'lahaen Guåhan*, who is not an employee of the  
27   government of Guam, not an employee of a health insurance company,

1 hospital, or medical provider, or not an appointee by *I Maga'lahi* (the  
2 Governor) to any government agency, board or commission, and who *shall*  
3 affirm by affidavit that he or she agrees to comply with all provisions in  
4 Chapter 15 of Title 4 of the Guam Code Annotated, also known as the  
5 Standard of Conduct for Elected Officers, Appointed Officers, and Public  
6 Employees of the government of Guam; the Chairperson of the Committee  
7 on Health or the successor committee of *I Liheslaturan Guåhan*, or his or  
8 her designee, who *shall* sit as an ex-officio non-voting member; and the  
9 Chairperson of the Committee on Appropriations, or the successor  
10 committee of *I Liheslaturan Guåhan*, or his or her designee, who *shall* sit as  
11 an ex-officio non-voting member. The Negotiating Team *shall* examine the  
12 financial information of the prepaid health insurance companies, health care  
13 providers or other legal entities for the purpose of developing the most  
14 economical and beneficial health plan for the government of Guam  
15 employees and retirees, and foster children. The Negotiating Team may  
16 obtain technical support from other financial and health-related agencies.  
17 The Negotiating Team *shall* develop its rules of procedure in accordance  
18 with the Administrative Adjudication Law. The Negotiating Team *shall*  
19 develop minimum qualification for proposals to be submitted for health  
20 insurance coverage. The Negotiating Team *shall* also develop a ranking  
21 system to rank the proposals. The Negotiating Team, with the approval of *I*  
22 *Maga'låhi*, is authorized to contract an actuary competent to develop  
23 proposed health insurance rates or other recognized expert to train and/or  
24 advise the Negotiating Team. Notwithstanding any other provision of law,  
25 each fiscal year, the Negotiating Team *shall* solicit both exclusive and non-  
26 exclusive proposals from each Health Insurance Provider and enter into  
27 negotiations with the top three (3) ranked Health Insurance Providers

1 submitting qualified proposals for health insurance coverage for qualified  
2 active employees and qualified retirees, and foster children, of the  
3 government of Guam.

4 (1) The Director of the Department of Administration *shall*  
5 plan, and implement prior to discussions for the 2011-2012 Fiscal  
6 Year, an expanded competitive Request for Proposal process. The  
7 Director *shall* announce in publications of general circulation in  
8 Guam, in top publications nationally and in leading publications  
9 internationally, a Request for Proposal from Health Care Insurance  
10 Providers for health insurance coverage for qualified active employees  
11 and qualified retirees, and foster children, of the government of  
12 Guam.

13 (A) Health Care Insurance Providers that respond and  
14 express interest in providing coverage to qualified active  
15 employees and retirees, and foster children *shall*, if selected,  
16 maintain a bona-fide office and operations base in Guam and  
17 possess a business privilege license to do business in Guam.

18 (2) The negotiating team upon selection and review of the  
19 best available proposals by participating healthcare  
20 respondents/providers which reflect the most economical and  
21 beneficial healthcare insurance proposal plan for government of Guam  
22 employees and retirees, and foster children, *shall* forward the accepted  
23 proposals to *I Maga'lahen Guåhan* for consideration, and to *I*  
24 *Liheslaturan Guåhan* for final approval *no later than* July 31, and  
25 prior to the annual legislative sessions wherein the upcoming fiscal  
26 year budget for the government of Guam is before *I Liheslaturan*  
27 *Guåhan* for consideration.

1                   (3) Within one hundred eighty (180) days of this Act, the  
2                   Director of the Department of Administration *shall* issue a Request for  
3                   Proposal from qualified individuals or firms to conduct a feasibility  
4                   study for a non-profit public healthcare insurance option for Guam.

5                   The RFP *shall* call for a plan that provides for a level playing  
6                   field with current and future private insurers, and the non-profit public  
7                   healthcare insurance option which pays for care from individual  
8                   premiums and co-payments not of the General Fund of the  
9                   government of Guam.

10                  (d) No health insurance company or health care provider contracted  
11                  to provide health care to government of Guam employees and foster children  
12                  may deny coverage to the employee or dependents, or foster children, on the  
13                  basis of a congenital anomaly. Congenital anomalies *shall* be covered,  
14                  subject to contract negotiations.

15                  (e) Effective October 1, 1986, the contract period for health  
16                  insurance or provision of health care *shall* coincide with the fiscal year of  
17                  the government of Guam. To that end, the contract period preceding the one  
18                  for FY 1987 may be for less than twelve (12) months.

19                  (f) All companies, or other legal entities providing or applying to  
20                  provide health insurance or the provision of health care, *shall* have contracts  
21                  for services with all government of Guam entities that are providing health  
22                  care services to any and all of their subscribers. This requirement *shall* be  
23                  met prior to, and as a condition to, the start of negotiations for the  
24                  government of Guam Fiscal Year 1999. Any dispute or controversy between  
25                  contracting parties *shall* be submitted to arbitration according to the  
26                  generally accepted local practice.

1 (g) All health insurance companies or health care providers  
2 contracted to provide health care to government of Guam employees and  
3 retirees, to include foster children, beginning on the first fiscal year  
4 following the inclusion of foster children under the government of Guam  
5 health insurance contract for employees and retirees pursuant to § 4301 of  
6 this Article, *shall* provide to the Negotiating Team, defined in § 4302(c), and  
7 the Office of Finance and Budget, fifteen (15) months of detailed claims  
8 utilization and cost information from period October 1 to September 30 of  
9 the previous fiscal year, and October 1 to December 31 of the current fiscal  
10 year, *no later than* March 1 for the final updated data for the previous fiscal  
11 year in an electronic database file format, such as Microsoft Access or  
12 Microsoft Excel.

13 The detailed claims utilization and cost information must total in  
14 aggregate all the experience data used to calculate government of Guam  
15 insurance rates for the fiscal year following the current fiscal year. Claims  
16 incurred but not received calculations *shall* be reported separately and must  
17 be derived from detailed claims utilization and cost information submitted  
18 and reviewed and approved by a credentialed actuary from a recognized  
19 organization, such as the American Academy of Actuaries or Society of  
20 Actuaries.

21 The detailed claims utilization and cost information required under  
22 this Subsection *shall* include only de-identified health information as  
23 permitted under the Health Insurance Portability and Accountability Act of  
24 1996, and *shall not* include any protected health information, as defined in  
25 the Health Insurance Portability and Accountability Act of 1996.

1 Detailed demographic and claims utilization and cost information  
2 *shall* include the following information with a unique contract identifier that  
3 links all the following data to the same contract:

4 (1) type of contract based on all tiers used in program design  
5 (EE, EE + SPOUSE, FAMILY, etc.);

6 (2) patient demographics, date of birth, gender, relationship  
7 to subscriber;

8 (3) medical, dental and vision claims, line detail including  
9 diagnosis code (ICD9 or ICD10), procedure codes (CPT, HCPC,  
10 CDT), revenue codes, service dates, service provider (name, tax id,  
11 provider id, specialty code, city, state, zip code), plan payments,  
12 member payment responsibility (co-pay, co-insurance, deductible),  
13 claim paid date, type of bill and facility type;

14 (4) prescription drug claims, to include NDC codes,  
15 formulary tier identifier, pharmacy (name, provider id, city, zip code),  
16 plan payments, member payment responsibility (co-pay, co-insurance,  
17 deductible) claim paid date, injectable drug indicator, GPI number,  
18 ingredient cost, dispensing fee and rebates; and

19 (5) any other detailed demographic and claims utilization  
20 and cost information as requested by the Negotiation Team in the  
21 Invitation to Bid (ITB) for the fiscal year following the current fiscal  
22 year.

23 Failure to comply with the requirements of this Section will result in a  
24 2.5% reduction of the quarterly premiums from the non-compliant health  
25 insurance carrier. The information *shall* be provided quarterly. The reduction  
26 *shall* be deducted from the premiums due to the carrier in the succeeding  
27 quarter, if the information is *not* received within forty-five (45) days of the



1 end of the quarter. The Negotiating Team defined in §4302(c) at their  
2 discretion, at any time during the following fiscal year health insurance  
3 negotiations, may disqualify proposals from health insurance carriers *not* in  
4 compliance with this Section for their in force contract.

5 (h) No health insurance company or health care provider contracted  
6 to provide health care to government of Guam employees and foster children  
7 may deny coverage to the employee or dependents or foster children on the  
8 basis of chronic orthopedic deformities. Chronic orthopedic deformities,  
9 which may include orthopedic and external prosthetic devices, including, but  
10 *not* limited to, artificial joints and limbs, will be covered and may be subject  
11 to maximum limitations per annum.

12 (i) No health insurance company or health care provider contracted  
13 to provide health care to government of Guam employees and foster children  
14 may deny coverage to the employee or dependents or foster children on the  
15 basis of blood or blood derivatives. Blood and blood derivatives will be  
16 covered and may be subject to maximum limitations per annum.”

17 **Section 8. Government of Guam Self Funded Employee Health**  
18 **Benefits Trust Fund Accounts.** Subsection (c) of § 4302.2 of Article 3, Chapter  
19 4, Title 4, Guam Code Annotated, is hereby *amended* to read:

20 “(c) All employer and employee premium payments *shall* be  
21 deposited in the respective Self Funded Health Benefits Plan Trust Fund  
22 Account. Any foster children covered by a Self Funded Health Benefits Plan  
23 *shall* be fully paid for by the government of Guam;”

24 **Section 9. Effective Date.** This Act *shall* be effective prospectively  
25 starting with the next open enrollment period, and the foster children under legal  
26 custody of the Child Protective Services Division of the Department of Public  
27 Health and Social Services *shall* be included in the risk pool for the next health

- 1 insurance contract negotiated by the Government of Guam Health Insurance
- 2 Negotiating Team pursuant to § 4302 of Title 4 GCA.

# LEGISLATIVE SESSION

## I MINA'TRENTAI DOS NA LIHESLATURAN

### 2014 (SECOND) Regular Session

### Voting Sheet

**Bill No. 299-32 (COR)**

As amended on the Floor.

Speaker Antonio R. Unipingo Legislative Session Hall

October 3, 2014

<u>NAME</u>	<u>Yea</u>	<u>Nay</u>	<u>Not Voting/ Abstained</u>	<u>Out During Roll Call</u>	<u>Absent</u>
Senator Thomas "Tom" C. ADA	✓				
Senator V. Anthony "Tony" ADA	✓				
Senator Frank Blas AGUON Jr.	✓				
Vice-Speaker Benjamin J.F. CRUZ	✓				
Senator Christopher M. DUENAS	✓				
Senator Michael LIMTIACO	✓				
Senator Brant McCREADIE	✓				
Senator Thomas "Tommy" MORRISON	✓				
Senator Tina Rose MUÑA BARNES	✓				
Senator Rory J. RESPICIO	✓				
Senator Dennis G. RODRIGUEZ, Jr.	✓				
Senator Michael F. Q.SAN NICOLAS	✓				
Speaker Judith T. WON PAT, Ed.D.	✓				
Senator Aline A. YAMASHITA, Ph.D.	✓				

**TOTAL**

14  
Yea

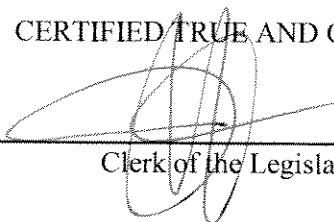
\_\_\_\_\_  
Nay

\_\_\_\_\_  
Not Voting/  
Abstained

\_\_\_\_\_  
Out During  
Roll Call

\_\_\_\_\_  
Absent

CERTIFIED TRUE AND CORRECT:



Clerk of the Legislature

I = Pass



**SENATOR DENNIS G. RODRIGUEZ, JR.**

OCT 01 2014

**Honorable Judith T. Won Pat, Ed.D.**

**Speaker**

**I Mina' Trentai Dos Na Liheslaturan Guåhan**

155 Hesler Place

Hagåtña, Guam 96910

**VIA: The Honorable Rory J. Respicio**

**Chairperson, Committee on Rules**

**RE: Committee Report – Bill No. 299-32 (COR)**

**Dear Speaker Won Pat:**

Transmitted herewith, for your consideration, is the **Committee Report on Bill 299-32 (COR)- An Act to include Foster Children in the Government of Guam Group Health Insurance contract prospectively by amending §4301 (a) and (b), §4301.1(a), §4302, and §4302.2(c), and by adding a new subsection (h) TO §4301.1, each of Article 3, Chapter 4, Title 4, Guam Code Annotated. Introduced by Sen. Michael FQ San Nicolas, Sen. Aline A. Yamashita, Ph.D., Sen. Brant T. McCreadie and Sen. V. Anthony Ada, and referred to the Committee on Health & Human Services, Health Insurance Reform, Economic Development and Senior Citizens. Bill No. 299-32 (COR) was publicly heard on April 21, 2014.**

Committee votes are as follows:

<input checked="" type="checkbox"/>	<b>TO PASS</b>
<input type="checkbox"/>	<b>NOT TO PASS</b>
<input type="checkbox"/>	<b>ABSTAIN</b>
<input checked="" type="checkbox"/>	<b>TO REPORT OUT ONLY</b>
<input type="checkbox"/>	<b>TO PLACE IN INACTIVE FILE</b>

Senseramente,

**Senator Dennis G. Rodriguez, Jr.**

**Chairman**

Attachments

2014 OCT -1 PM 3:23 PM



## COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature

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Senator

Rory J. Respicio

CHAIRPERSON

MAJORITY LEADER

Senator

Thomas C. Ada

VICE CHAIRPERSON

ASSISTANT MAJORITY LEADER

Speaker

Judith T.P. Won Pat, Ed.D.

Member

Senator

Dennis G. Rodriguez, Jr.

Member

Vice-Speaker

Benjamin J.F. Cruz

Member

Legislative Secretary

Tina Rose Muña Barnes

Member

Senator

Frank Blas Aguon, Jr.

Member

Senator

Michael F.Q. San Nicolas

Member

Senator

V. Anthony Ada

Member

MINORITY LEADER

Senator

Aline Yamashita

Member

## Certification of Waiver of Fiscal Note Requirement

This is to certify that the Committee on Rules submitted to the Bureau of Budget and Management Research (BBMR) a request for a fiscal note, or applicable waiver, on **BILL NO. 299-32 (COR) – Michael F.Q. San Nicolas, Aline A. Yamashita, Ph.D., Brant T. McCreadie, V. Anthony Ada, “AN ACT TO INCLUDE FOSTER CHILDREN IN THE GOVERNMENT OF GUAM GROUP HEALTH INSURANCE CONTRACT PROSPECTIVELY BY AMENDING §§4301 (a) AND (b), §4301.1(a), §4302, AND §4302.2(c), AND BY ADDING A NEW SUBSECTION (h) TO §4301.1, EACH OF ARTICLE 3, CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED.”** – on March 28, 2014. COR hereby certifies that BBMR confirmed receipt of this request April 2, 2014 at 8:32 A.M.

COR further certifies that a response to this request was not received. **Therefore, pursuant to 2 GCA §9105, the requirement for a fiscal note, or waiver thereof, on Bill 299-32 (COR) to be included in the committee report on said bill, is hereby waived.**

Certified by:

\_\_\_\_\_  
**Senator Rory J. Respicio**

Chairperson, Committee on Rules

October 1, 2014

**Date**



# **COMMITTEE REPORT ON**

## **BILL NO. 299-32 (COR)**

**Sponsored by Senator Michael F. Q. San Nicolas**

**Bill 299-32 (COR)- An Act to include Foster Children in the Government of Guam Group Health Insurance contract prospectively by amending §4301 (a) and (b), §4301.1(a), §4302, and §4302.2(c), and by adding a new subsection (h) TO §4301.1, each of Article 3, Chapter 4, Title 4, Guam Code Annotated.**




**SENATOR DENNIS G. RODRIGUEZ, JR.**

September 25, 2014

**MEMORANDUM**

**To:** **ALL MEMBERS**  
Committee on Health & Human Services, Health Insurance Reform, Economic Development and Senior Citizens.

**From:** **Senator Dennis G. Rodriguez, Jr.**   
Committee Chairperson

**Subject:** **Committee Report on Bill no. 299-32 (COR).**

Transmitted herewith, for your consideration, is the **Committee Report on Bill 299-32 (COR)- An Act to include Foster Children in the Government of Guam Group Health Insurance contract prospectively by amending §4301 (a) and (b), §4301.1(a), §4302, and §4302.2(c), and by adding a new subsection (h) TO §4301.1, each of Article 3, Chapter 4, Title 4, Guam Code Annotated. Introduced by Sen. Michael FQ San Nicolas, Sen. Aline A. Yamashita, Ph.D., Sen. Brant T. McCreadie and Sen. V. Anthony Ada.** This report includes the following:

- Committee Voting Sheet
- Committee Report Narrative/Digest
- Copy of Bill No. 299-32 (COR)
- Public Hearing Sign-in Sheet
- Copies of Submitted Testimony and Supporting Documents
- Copy of COR Referral of Bill No. 299-32 (COR)
- Notices of Public Hearing (1<sup>st</sup> and 2<sup>nd</sup>)
- Copy of the Public Hearing Agenda
- Related News Articles (Public hearing publication of public notice)

Please take the appropriate action on the attached voting sheet. Your attention to this matter is greatly appreciated. Should you have any questions or concerns, please do not hesitate to contact me.

*Si Yu'os Ma'åse'!*

Attachments



SENATOR DENNIS G. RODRIGUEZ, JR.

## COMMITTEE VOTING SHEET

**Bill 299-32 (COR)- An Act to include Foster Children in the Government of Guam Group Health Insurance contract prospectively by amending §4301 (a) and (b), §4301.1(a), §4302, and §4302.2(c), and by adding a new subsection (h) TO §4301.1, each of Article 3, Chapter 4, Title 4, Guam Code Annotated. Introduced by Sen. Michael FQ San Nicolas, Sen. Aline A. Yamashita, Ph.D., Sen. Brant T. McCreadie and Sen. V. Anthony Ada**

	SIGNATURE	TO PASS	NOT TO PASS	ABSTAIN	REPORT OUT ONLY	PLACE IN INACTIVE FILE
DENNIS G. RODRIGUEZ, Jr. Chairman					✓ 10/11	
V. ANTHONY ADA Vice Chairman					✓	
JUDITH T. WON PAT, Ed.D. Speaker (Ex-officio)					10/11	
BENJAMIN J. F. CRUZ Vice-Speaker					✓	
TINA ROSE MUNA-BARNES Legislative Secretary						
FRANK B. AGUON, Jr.						
RORY J. RESPICIO					10/11/14	
ALINE A. YAMASHITA, Ph.D.					✓	
THOMAS MORRISON						
MICHAEL LIMTIACO					10/11/14	
BRANT T. MCCREADIE						
CHRISTOPHER M. DUENAS						





## SENATOR DENNIS G. RODRIGUEZ, JR.

### COMMITTEE REPORT DIGEST

#### Bill No. 299-32 (COR)

- I. OVERVIEW:** The Committee on Health & Human Services, Health Insurance Reform, Economic Development and Senior Citizens conducted a public hearing on April 21, 2014. The hearing convened at 10:00AM in I Liheslatura's Public Hearing Room. Among the items on the agenda was the consideration of **Bill 299-32 (COR)- An Act to include Foster Children in the Government of Guam Group Health Insurance contract prospectively by amending §4301 (a) and (b), §4301.1(a), §4302, and §4302.2(c), and by adding a new subsection (h) TO §4301.1, each of Article 3, Chapter 4, Title 4, Guam Code Annotated. Introduced by Sen. Michael FQ San Nicolas.**

**II. Public Notice Requirements**

Notices were disseminated via hand-delivery/fax and/or email to all senators and all main media broadcasting outlets on April 14, 2014 (5-day notice), and again on April 17, 2014 (48-hour notice).

**Senators Present**

Senator Dennis G. Rodriguez, Jr.	Chairman
Senator Adolpho B. Palacios, Sr.	Vice-Chairman
Senator Vicente Pangelinan	Committee Member
Senator Mana Silva Taijeron	Committee Member
Senator V. Anthony Ada	Committee Member
Senator Christopher M. Duenas	Committee Member
Senator Aline Yamashita, Ph.D.	Committee Member
Senator Thomas C. Ada	Committee Member

The public hearing on agenda item Bill No. 299-32 (COR) was called to order.

## **II. SUMMARY OF TESTIMONY & DISCUSSION.**

**Chairman Rodriguez:** Now we move on to the next item on the agenda which is Bill 299, An Act to Include Foster Children in the Governor of Guam Group Health Insurance Contract. We have to testify this morning, Ms. Linda Rodriguez, Mr. Jim Gillan, Senator (Francis) Santos, Jeff Larson, and Mr. Gary, is that Gray? Please join us up in front please. Okay, thank you. Thank you, we will ask Senator San Nicolas to provide a brief synopsis. Senator?

**Senator San Nicolas:** Thank you Mr. Chairman and to some of our insurance stakeholders, and public health for joining us here this morning. Bill 299-32 is an Act to include Foster Children in the Governor of Guam Health Insurance Contract, prospectively, so that is for the future health insurance negotiations that are going to take place in the governor of Guam. Right now, the current health insurance platform we cover our active Governor of Guam employees and retirees, but what we don't cover is all of the children who are under the care of the people of Guam. Whenever a foster child is under the care of the people of Guam they go under



## **SENATOR DENNIS G. RODRIGUEZ, JR.**

is fine; there are a lot of professionals there who are able to help them. They are able to go to certain providers who do accept Medicaid, but their list is very limited. By including them under the Governor of Guam Health Insurance Plan, we can be able to open them up to everybody, that all of our governments of Guam employees that are able to go to, that all of our retirees are able to go to. Our foster kids can have an elevated standard of care comparable to our entire governor of Guam employees and retirees and their dependents.

There are some reasons why they want to move their action forward, one of course is which is the obvious one is that whenever we have children that are under the care of the people of Guam, we are all raised here on this island to understand that caring for our children especially when they don't have parents that is something that we all take to heart. We would bend over backwards and do whatever we can to make sure that child is taken cared of as much as possible. This bill by opening up more options to be covered under the governor of Guam Health Insurance Plan is a reflection of those values that we are raised with a reflection of our commitment that we make to our children, a reflection of our government's willingness to undertake that and to make that available to all those little ones who are going through so much who have already been put into the foster child program. Some of the other things that have come up with respect to this bill is the fact that our Medicaid numbers show that in 20, I believe I'll let director Gillan expound on this, but in 2019, I understand the Affordable Care Act money may not be there anymore and that is a 260 million right now that we currently draw down for Medicaid to help subsidize are Medicaid expenses and right now those Medicaid expenses are at around 66 million dollars a year and that includes money from the affordable care act, the children's health insurance plan, the Medicaid reimbursements that we currently get. When you take up the Affordable Care Act money that leaves only the Medicaid insurance money that is less than the 66 million that we spent last year.

As we come closer to the year of 2019, we are going to need to figure out the local government make up for that loss in the affordable care act money the sooner we can start transitioning members of our community who are on Medicaid onto a local funding source in a way for us to manage locally the sooner we would be able to begin bringing into this plane into a soft landing rather than a really hard landing come 2019, so this is a start in that direction. We only have 86 kids in the foster care program. In 2013, the amount to cover these 86 kids is a 103,000 dollars and we have 11,000 government of Guam employees so when you divide 103,000 to 11,000 that came up to \$9.43 and when you divide it by 26 pay periods that came up to 36 cents. For us to be able to put our foster kids in the government of Guam Health insurance plan at full 100% cost based on the 2013 numbers we are just looking at 36 cents. The way that we drafted the bill is that even as small as it is we don't want to pass it on to the retirees, we don't want to pass it on to the employees we want the government to absorb that 36 cents as small as it is. That is how we structure this piece of legislation. 36 cents for the government of Guam to pay for a total of 103,706 dollars to get these kids in a private health insurance.

I think all of us would love to have our own children under private health insurance. I don't think anyone in the room would rather say, I want my child to go under Medicaid instead of private health insurance and so this is our way of living up to that commitment to the most vulnerable children in our community when they go into the program they don't go under the best of circumstances; they had abusive homes, they had lost of parents, and so these children not only had a very disruptive home transition to the foster care program that are professionals have been able to manage as much as possible trying to help these children. They were all probably taken from their schools foster kids foster parent they are probably going to a different school going through so much change. At the very least lets help them see their doctor, if they were seeing a certain doctor before, let's let them go back and see their same doctor instead of having them to go and see a stranger, of course, someone is going to treat them very professionally, these kids are going through a lot and it is not going to cost us a lot to take care of them and I think that in moving this forward I look forward to working with the government and private sector professionals of the industry so that we can structure have the most



## SENATOR DENNIS G. RODRIGUEZ, JR.

favorable outcome, for the foster kids, for the government of Guam, and for the private companies who are going to be bidding for the government of Guam's Health Insurance Plan thank you Mr. Chairman.

**Chairman Rodriguez:** Thank you Senator. Mr. Gillan?

**Mr. Gillan:** Thank you very much. My name is James Gillian; I am the director of Public Health and Social Services. Forgive me I thought that this was being heard by Senator San Nicolas's committee, I will redo the testimony just to reflect the addressee. This is difficult for me because I agree, but I have to think about things like where do we get the most effective use of the. Its true there is a big bucket of money out there Affordable Care Act we haven't been able to do that, so until we do address that, we can't really decide what we can give our children. The cost for one year it is 103,000 in only takes a few catastrophic cases, some of these are newborn, abandon, paying which we never did before that is a specific group with that either at risk or already identified health problems we don't even know what that cost is going to be. There is the issue to dental coverage limitation in the government of Guam plan it is open ended to the point we are very concern with the charges that is first what we are looking to.

You know when the other part is, you start differentiating a group, or singling a group out because of well intention motivation, what's to stop you from doing it for another group of people, again running it on the government tab, but I think it is a dangerous thing. I think you are right what you are doing is responding to our systems problems and we are inability to pay properly so a lot of times to stay with us. We think though that we probably get a cheaper buy for unit servers they negotiate the same rates that we have and so if it is a system problem I can fix that.

We have two recently arrived family practitioner opening up to Medicaid and MIP, we have a small group practice who also wants to open up and they access I think the issue of seeing your own doctor probably is but any government funded program not everybody is going to be on board. I am in the position here yeah I agree with your intent, but I think practically and I think legally, I don't know if you can actually do this government of Guam employees and retirees plan, I feel like you can negotiate anything with the legislature. If you do, I am very happy to see these children taken care of. I'm not sure they would be taken cared of any better or worse same quality care, so I'm speaking as one, a director of Public Health who knows what needs to get fixed, but also as a citizen, saying how do you get this group to a government plan and it is really not their plan. I agree with your motivation and I appreciate it. Thank you.

**Chairman Rodriguez:** Thank you Mr. Gillan. Mr. Santos?

**Francis Santos:** Thank you very much Senators, I think I—I don't know if you remember Senator, but we sat in your room and talked about this it was former Lt. Governor Moylan and I in a meeting with him on another insurance issue and he brought this up to us and he said look the vehicle is there it's the how and how to accomplish it. I'm going to call it a carve value current gov Guam health insurance program and try to figure out how to take care of these 86 kids that you have before us. Now that Jim Gillan has shared some cost factors that would give us some comfort participating. I think that the issue what you are asking for Senators is buying access to a network, if you want to do the industry standard way is you basically self-insured your plan what you are currently doing now but the government pays for and you buy the network whichever health plan you want to participate and it is going to cost you what is it per dollar fee per member you're asking a claim basis those arrangements can be made. It is not a difficult thing to do; I did pull some questions on more of the mechanics of a program and determining eligibility.

We know we will get paid because it is Medicaid or whatever funding program you want to use. We can be creative. If it is the TPA arrangement then maybe offset the GRT as oppose to using the unfunded program;



## **SENATOR DENNIS G. RODRIGUEZ, JR.**

they're going to participate within the Medicaid programs, let's be creative and let the insurance companies come up with the cents therefore giving you more money, okay so I believe just from a thinking outside the box Senator San Nicolas, this is a step forward, you're doing a moral obligation in our part as part of the mission of our thing is to provide healthcare also and not to just our paying members, but to the general public and that is who we serve.

One of the things that I would like to add is if you are looking at a carve valve program think along those lines what Jim was mentioning deals strictly one provider group. My friends behind me can be that one group if they so feel that these 86 kids clinic which is a full service type clinic, they can certainly do it. There is other clinics capable of doing it and by doing that methodology or that kind of model you are going to control your costs tremendously close network type concept the other one that I threw into my notes is that if you're in need of off island care for example limited to the Philippines and not go beyond an area more cost involved if there is only 103,000 that seems to me like that is mostly doctor.

Jim mentioned mental health; visits mental health parody for now part of the ACA that can of course be included in the plan design this is not a mandated this is basically an entitlement Senators, so plan design is critical, the worst streamline you make it then if you say no deductibles, no copayments, obviously that gets to be a little bit pricey, but if you tried it not necessarily goes along have a fixed number of visits have it be doctor visits those are the little creative things you can do to do a plan design that will still meet the needs that you are trying to achieve if we're trying to maximize access adequate benefits and pricing you need to sit down and do all those components because otherwise, it is going to be pricey as Jim noted if you don't include dental you can include a dental package. Again, the question is do you limit it, if you don't, you need to pay for that also and right now you are paying fee for service whether it be public health or outside practitioners, but that is the price you pay for this kind of system. I believe if you talk to the providers, can we work with you with a pricing method that will fit everybody's needs I think let's call it a pilot project mechanisms are dear it is getting the government willingly want to entertain the private insurance to help stay well our carrier are ready to help.

**Chairman Rodriguez:** Thank you Senator.

**Senator San Nicolas:** Really who can ask for more? I think it sounds great; again, this is intent to move the issue forward. I am not an insurance is its own industry for a reason, what I am trying to do is move forward just an elevated level of total coverage, we would all like to have for our kids if it is an option. I do appreciate the work of public health and doing a great job CPS some of the stuff we've been we move this thing forward. On the public health side, I just kind of want to reiterate with the concerns that I have with respects to what is happening in 2019; our spent rate on the Medicaid side 2019 assuming worst case scenario on how our spend rate right now on Medicaid when you take out the affordable care act money, we are overspending on the Medicaid, I did not have my notes I was trying to dig it up do you know what those numbers are I think it is 66 million on Medicaid now, but if we take out the 22 million.

**Mr. Gillian:** Just be limited to what's available, special set of sites for a certain group of folks Medicare program about 26 million. Yeah, if you know, that is almost the economics of healthcare available, so that's 30 million to 60 million the AFFORDABLE Care Act money is there find ways to match it was those group of people being covered by MIP but moved in to the Medicare use some of the savings from MIP to match up the Affordable Care Act if we want to take advantage of the Affordable Care Act use to eating steak everyday then all of a sudden we're back to beans and rice I don't know what to do with that one because they keep asking where do we go. I'm glad you ask the same question, I think the assumption from Washington covered somehow someway open ended Medicaid that most states have special categories of people with 100% of the premium for 3 years 100% of the cost 90% going forward. If we had that kind of arrangement, we get a



## SENATOR DENNIS G. RODRIGUEZ, JR.

special 2% little bit bump in the federal match now we don't have to come up with 43 cents something like that that is 2 years then we go back to 55 45 we're not finding anymore resources. The hospital is getting very good at their billing they realize they need so they really are aggressive and the problem with that is because we all had cash flow a lot of our private writers waiting what is one of the fall outs program we have some ideas about trying to match up more federal dollars with the current dollars that we have expenditures both about that later on appropriate to us certain funds that you've been setting aside either for the hospital or for mental health you can match it up, so there is some opportunities like you worry about 2019 where are we at we don't have an answer right now. I really do think that everybody is going to have Obama Care or Medicaid, we have a different picture here we know we've been talking about the private insurers its crazy but I'm glad.

**Senator San Nicolas:** The Chairman has been doing a really good job could we get more matching funds he is definitely on top and that is why we are getting that very elevated sat at the house, but like you said if that money just go away in 2019 where are we going to be? I don't want the foster kids to be part of the—they will be if we don't figure out a different mechanism a greater question on how we're going to go 26 million spend where are we going to find that other so right now at least with these kids 103,000 go to 45 cents 150, so that let's see where we can go from here, but I look forward to extending the dialogue with the government and on the private side and what can we do for the kids, for the 86 and from there we can work with the Chairman and we can see what to do with the other stuff as we are going forward.

**Mr. Gillan:** I do want to say is that Public Health and Social Services have any agenda any other way that would be more effective than efficient. We will be happy to let it go. We have a lot of other regulatory private sector and deal with this I would be happy to let it go I do not believe that this time general administrative against just a little bit above anybody can do that

**Senator San Nicolas:** Thank you Mr. Chairman.

**Chairman Rodriguez:** Thank you very much. One of the suggestions that you raised Senator Santos is perhaps looking at this as a separate plan I think we need to explore more if you look at the...

**Francis Santos:** We're talking about the group health insurance plan you have to. You got to carve it out. You got to look at this as a separate type program with a pilot type basis what you are asking for is a network of access that can be done outside the scope of our current contract. I don't think it was your intent to kind of say you need this type of health plan for 86 people just a mere fact that you are saying no deductibles, no copayments that already is telling us that you need a different type of health insurance program just for these 86, that's fine, so the best method to move the better approach is to carve out all the problems from gov Guam this program. You're basically asking the health insurance providers help us find an access portal for these 86 and I think you know I'm not sure about my friends behind here, but Staywell is willing to work out some kind of arrangement to make that work because it's like I said earlier I think just from just the deeds side, Senator San Nicolas, I recognize that, they're already at risk kids and all you're asking for them to see their own doctor or just a doctor that I think we can make available the details are more for us, whoever it is going to be whether it be Jim or actually I think it should be him; it can't be DOA for example, that is not their expertise, they need to deal with their agency who still handles taking care of these kids. One of the questions I think from a general standpoint after you identify 86 kids are we told we got to cover another kid during the middle of the year, see all of those little things do matter to us of how eligibility enrollment is going to be handled taking kids mid stream that can be problematic at times especially if we do a close network it will tell you to go through one clinic.



## **SENATOR DENNIS G. RODRIGUEZ, JR.**

**Chairman Rodriguez:** So maybe Jim if we can get that prepared on how these things work. You gave us a yearly boss or monthly because things change, 86 could be on today next month you can have maybe 4 or 90 I need that type of information.

**Mr. Gillian:** How many children we had in the system but you never really get it completely right because you only need one catastrophic insurers have to take that risk I would assume you could treat it with the governor of Guam program open but again, he Francis is right these are small numbers and I don't think they get much larger through time because that is just going on in our society, we can work some things out whether there is going to be premium a bonus on premium midyear entry or something like that there is all kinds of things to look at ultimately they need pretty good numbers so they could risk is.

**Francis Santos:** Okay, I believe too Senators, we're going to follow which plan design we want to use are we still going to follow Medicaid for example develop a type of programs specifically for the needs of these kids can I say that there is no off island care on this at 103,000 so the numbers are low now we may have a bad year next year that's why we said that you carve it out away from the group great idea but it didn't work this much we are willing to do this side let's work out the offset or something you're asking for access for these kids it can be done and I think from a carrier standpoint and from a health plan standpoint the details of how we do it and work together to partner with them.

**Chairman Rodriguez:** Okay so we will work closely to move this forward again I want to thank you for being here no other individuals signed up to testify however we will keep the record over so we can receive written testimonies on this and on Bill 299. It is now 10:39am this public hearing is adjourned. The committee will reconvene at 3 pm today for project Karinu.

**Mr. Gillian:** Congratulate you on your C-Change Award. Everybody else did already I appreciate it.

**Chairman Rodriguez:** Thank you, and I tell you it is the team. The cancer coalition folks, the government, and non government individuals, I tell you they are the ones that inspire me they need to be congratulated this award is for them, definitely.

**Mr. Gillian:** It wouldn't have been done without your support

**Chairman Rodriguez:** Thank you.

There being no other testimony, or comments by Senators, Chairman Rodriguez declared the bill as having been heard, and concluded the public hearing on Bill No. 299-32 (COR).

**Fiscal Note:** Request attached, dated March 28, 2014.

### **III. FINDINGS AND RECOMMENDATIONS**

The Committee on Health & Human Services, Health Insurance Reform, Economic Development and Senior Citizens, hereby **reports out Bill No. 299-32 (COR)**, with the recommendation to

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*I MINA TRENTAI DOS NA LIHESLATURAN GUÅHAN*  
2014 (SECOND) Regular Session

Bill No. 299-32 (con)

Introduced by:

Michael F.Q. San Nicolas

Aline A. Yamashita, Ph.D.

Brant T. McCreadie

V. Anthony Ada

AN ACT TO INCLUDE FOSTER CHILDREN IN  
THE GOVERNMENT OF GUAM GROUP HEALTH  
INSURANCE CONTRACT PROSPECTIVELY BY  
AMENDING §§ 4301 (a) AND (b), §4301.1(a), §4302,  
AND §4302.2(c), AND BY ADDING A NEW  
SUBSECTION (h) TO §4301.1, EACH OF ARTICLE 3,  
CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED.

2014 MAR 26 PM 2:41

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2       **Section 1. Short Title.** This Act shall be cited as the “Responsible  
3 Foster Child Health Insurance Act.”

4       **Section 2. Legislative Findings and Intent.** *I Liheslaturan Guåhan*  
5 finds that children in foster care may have previously suffered from abuse  
6 and neglect or have been abandoned and, therefore, have extensive  
7 physical and mental health needs that require immediate and quality  
8 medical care.

9       *I Liheslatura* finds that the Child Protective Services Division of the  
10 Department of Public Health and Social Services, as of March 19, 2014, has  
11 a total of eighty-eight foster children under its legal custody, of which, two

1 foster children are covered by the Medically Indigent Program and eighty-  
2 six foster children are covered by Medicaid.

3 *I Liheslatura* finds that the amount of health care providers able to  
4 provide services to foster children is limited due to restrictions on care by  
5 the Medically Indigent Program, and certain private physicians'  
6 unwillingness to accept Medicaid as a payor for their services. However,  
7 the insurance offered to employees of the government of Guam, retirees,  
8 and their survivors allows more healthcare provider options.

9 *I Liheslatura* finds that it is more fiscally responsible to cover foster  
10 children under the government of Guam health insurance plan due to the  
11 increased competition in the government of Guam health insurance pool.  
12 By covering foster children under the government of Guam health  
13 insurance, excess funding may be used for other client needs.

14 It is therefore the intent of *I Liheslaturan Guåhan* to improve the access  
15 and quality of medical care for foster children. Foster children shall be  
16 covered by the government of Guam health insurance plan for employees,  
17 retirees, and their survivors by amending Subsection (d) of §4301, Article 3,  
18 Chapter 4, Title 4, Guam Code Annotated.

19 **Section 3. Group Insurance.** Subsection (a) of §4301, Article 3,  
20 Chapter 4, Title 4, Guam Code Annotated is hereby *amended*, to read:

21 “(a) *I Maga’lahi* (the Governor) is authorized to enter contracts  
22 and reject proposals, with the written concurrence of the Speaker of *I*  
23 *Liheslaturan Guåhan* (the Guam Legislature) or the Presiding Judge of



1 the Superior Court of Guam whose consents may be withheld in their  
2 sole discretion, with one (1) or more insurance companies, authorized  
3 to do business in Guam, for group insurance, including, but not  
4 limited to, hospitalization, medical care, life and accident, for all  
5 employees or separate groups of employees and foster children of the  
6 government of Guam. If the Legislative or Judicial Branches of  
7 government elect to enter into separate contracts for their employees  
8 as authorized in § 4301 (c), *I Maga'lahi* shall obtain the written  
9 concurrence of the Branch electing to remain with the Executive  
10 Branch before the group insurance contract is entered into or a  
11 proposal rejected. The government shall not be construed as an agent  
12 of any insurance company in negotiating or administering this group  
13 insurance program. Health benefits provided under this authority  
14 may be self funded and administered by a third party if it is  
15 determined to be cost-effective.

16 **Section 4 Government of Guam to Cover Full Cost of Insurance**  
17 **for Foster Children.** Subsection (b) of §4301, Article 3, Chapter 4, Title 4,  
18 Guam Code Annotated is hereby *amended*, to read:

19 “(b) All participation by employees in such contracts of  
20 insurance shall be on a voluntary basis. Effective in the next contract  
21 following the enactment of this subparagraph, the government’s  
22 contribution for health and dental insurance shall be uniform within  
23 each class (including separate classes and rates for retired employees

1 and their survivors) for all competing plans and shall not be less than  
2 fifty percent (50%) of the lowest premium for a single employee,  
3 except that the government shall increase the contributions it makes  
4 on behalf of a retired employee or survivor of a retired employee so  
5 that the retired employee or the survivor of a retired employee  
6 contributes no more than an active employee who is otherwise in the  
7 same class. Notwithstanding any other provision of this Section to  
8 the contrary, the government of Guam shall cover the full cost of  
9 insurance coverage for foster children and such coverage shall  
10 require no co-payments nor deductibles for foster children insured  
11 pursuant to this Section."

12 **Section 5. Definition of Health Insurance Providers.** Subsection (a)  
13 §4301.1 of Article 3, Chapter 4, Title 4, Guam Code Annotated is hereby  
14 *amended*, to read:

15 "(a) 'Health Insurance Providers' *are* all companies or other  
16 legal entities providing or applying to provide health insurance or  
17 the provision of health care to government employees and retirees  
18 and foster children."

19 **Section 6. Prescribed Use of Foster Children.** *A new* subsection (h)  
20 is hereby added to §4301.1 of Article 3, Chapter 4, Title 4, Guam Code  
21 Annotated, to read:

1           “(h) ‘Foster children’ *shall* include *only* those foster children  
2           under the legal custody of Child Protective Services of the  
3           Department of Public Health and Social Services.”

4           **Section 7. Same: Health Insurance or Provision of Health Care.**

5           §4302 of Article 3, Chapter 4, Title 4, Guam Code Annotated is hereby  
6           *amended*, to read:

7           **“§ 4302. Same: Health Insurance or Provision of Health Care.**

8           (a) All companies or other legal entities providing or applying  
9           to provide health insurance or the provision of health care to  
10          government of Guam employees and foster children shall make their  
11          audited financial statements available to the Director of  
12          Administration annually. Such records shall be public records.

13          (b) The Director of Administration shall, no later than March 1,  
14          1986, promulgate rules and regulations setting forth the other  
15          information she/he requires from the companies or legal entities and  
16          the method by which such information shall be reported. This  
17          information shall be equitably required of each company and shall be  
18          submitted no less than ten (10) days before any negotiations or active  
19          consideration of proposals commences. Materials submitted in  
20          fulfillment of this requirement shall not be considered public records,  
21          except for the detailed claims utilization and cost information  
22          required by § 4302(g), which shall be provided to current and  
23          prospective health insurance carriers as part of the invitation to bid

1 for coverage to government of Guam employees and retirees and  
2 foster children.

3 (c) The Government of Guam Health Insurance Negotiating  
4 Team shall consist of the Director of Administration, who shall be  
5 Chairperson; the Administrator of the Department of Integrated  
6 Services for Individuals with Disabilities (DISID), or his or her  
7 designee; the Director of the Bureau of Budget and Management  
8 Research, or his or her designee; an employee representative from the  
9 Judicial Branch to be appointed by the Chief Justice of the Supreme  
10 Court of Guam; an employee representative of the Legislative Branch  
11 to be appointed by the Speaker of *I Liheslaturan Guåhan*; the  
12 Superintendent of the Department of Education, or his or her  
13 designee; the Director of the Government of Guam Retirement Fund,  
14 or his or her designee; a retiree who is a member of the Government  
15 of Guam Retirement Fund to be appointed by the Board of Trustees  
16 of the Government of Guam Retirement Fund; one (1) member of the  
17 general public, appointed by *I Maga'låhen Guåhan*, who is not an  
18 employee of the government of Guam, not an employee of a health  
19 insurance company, hospital, or medical provider, or not an  
20 appointee by the Governor to any government agency, board or  
21 commission, and who shall affirm by affidavit that he or she agrees to  
22 comply with all provisions in Chapter 15 of Title 4 of the Guam Code  
23 Annotated, also known as the Standard of Conduct for Elected

1 Officers, Appointed Officers, and Public Employees of the  
2 government of Guam; the Chairperson of the Committee on Health  
3 or the successor committee of *I Liheslaturan Guåhan*, or his or her  
4 designee, who shall sit as an ex-officio non-voting member; and the  
5 Chairperson of the Committee on Appropriations, or the successor  
6 committee of *I Liheslaturan Guåhan*, or his or her designee, who shall  
7 sit as an ex-officio non-voting member. The Negotiating Team shall  
8 examine the financial information of the prepaid health insurance  
9 companies, health care providers or other legal entities for the  
10 purpose of developing the most economical and beneficial health  
11 plan for the Government of Guam employees and retirees and foster  
12 children. The Negotiating Team may obtain technical support from  
13 other financial and health-related agencies. The Negotiating Team  
14 shall develop its rules of procedure in accordance with the  
15 Administrative Adjudication Law. The Negotiating Team shall  
16 develop minimum qualification for proposals to be submitted for  
17 health insurance coverage. The Negotiating Team shall also develop  
18 a ranking system to rank the proposals. The Negotiating Team with  
19 the approval of *I Maga'låhi* is authorized to contract an actuary  
20 competent to develop proposed health insurance rates or other  
21 recognized expert to train and/or advise the Negotiating Team.  
22 Notwithstanding any other provision of law, each Fiscal Year, the  
23 Negotiating Team shall solicit both exclusive and non-exclusive

1 proposals from each Health Insurance Provider and enter into  
2 negotiations with the top three (3) ranked Health Insurance Providers  
3 submitting qualified proposals for health insurance coverage for  
4 qualified active employees and qualified retirees and foster children  
5 of the government of Guam.

6 (1) The Director of the Department of Administration  
7 shall plan, and implement prior to discussions for the 2011-2012  
8 Fiscal Year, an expanded competitive Request for Proposal  
9 process. The Director shall announce in publications of general  
10 circulation in Guam, in top publications nationally and in  
11 leading publications internationally, a Request for Proposal  
12 from Health Care Insurance Providers for health insurance  
13 coverage for qualified active employees and qualified retirees  
14 and foster children of the government of Guam.

15 (A) Health Care Insurance Providers that respond  
16 and express interest in providing coverage to qualified  
17 active employees and retirees shall, if selected, maintain a  
18 bona-fide office and operations base in Guam and possess  
19 a business privilege license to do business in Guam.

20 (2) The negotiating team upon selection and review of the  
21 best available proposals by participating healthcare  
22 respondents/providers which reflect the most economical and  
23 beneficial healthcare insurance proposal plan for Government

1 of Guam employees and retirees and foster children, shall  
2 forward the accepted proposals to *I Maga'låhen Guåhan* for  
3 consideration, and to *I Liheslaturan Guåhan* for final approval no  
4 later than July 31, and prior to the annual Legislative Sessions  
5 wherein the upcoming Fiscal Year Budget for the Government  
6 of Guam is before *I Liheslaturan Guåhan* for consideration;

7 (3) Within one hundred eighty (180) days of this Act, the  
8 Director of the Department of Administration shall issue a  
9 Request For Proposal from qualified individuals or firms to  
10 conduct a feasibility study for a non-profit public healthcare  
11 care insurance option for Guam.

12 The RFP shall call for a plan that provides for a level  
13 playing field with current and future private insurers, and the  
14 non-profit public healthcare care insurance option which pays  
15 for care from individual premiums and copayments not of the  
16 General Fund of the Government of Guam.

17 (d) No health insurance company or health care provider  
18 contracted to provide health care to government of Guam employees  
19 and foster children may deny coverage to the employee or  
20 dependents or foster children on the basis of a congenital anomaly.  
21 Congenital anomalies shall be covered, subject to contract  
22 negotiations.

1 (e) Effective October 1, 1986, the contract period for health  
2 insurance or provision of health care shall coincide with the fiscal  
3 year of the government of Guam. To that end, the contract period  
4 proceeding the one for FY'87 may be for less than twelve (12) months.

5 (f) All companies, or other legal entities providing or applying  
6 to provide health insurance or the provision of health care, shall have  
7 contracts for services with all government of Guam entities that are  
8 providing health care services to any and all of their subscribers. This  
9 requirement shall be met prior to, and as a condition to, the start of  
10 negotiations for the government of Guam fiscal year 1999. Any  
11 dispute or controversy between contracting parties shall be  
12 submitted to arbitration according to the generally accepted local  
13 practice.

14 (g) All health insurance companies or health care providers  
15 contracted to provide health care to government of Guam employees  
16 and retirees, to include foster children beginning for the first Fiscal  
17 Year following the inclusion of foster children under the government  
18 of Guam health insurance contract for employees and retirees  
19 pursuant to §4301 of this Article, shall provide to the negotiating  
20 team, defined in § 4302(c), and the Office of Finance and Budget,  
21 fifteen (15) months of detailed claims utilization and cost information  
22 from period October 1 to September 30 of the previous fiscal year,  
23 and October 1 to December 31 of the current fiscal year, no later than



March 1 for the final updated data for the previous fiscal year in electronic database file format such as Microsoft Access or Microsoft Excel.

The detailed claims utilization and cost information must total in aggregate all the experience data used to calculate government of Guam insurance rates for the fiscal year following the current fiscal year. Claims incurred but not received calculations shall be reported separately and must be derived from detailed claims utilization and cost information submitted and reviewed and approved by a credentialed actuary from a recognized organization such as the American Academy of Actuaries or Society of Actuaries.

The detailed claims utilization and cost information required under this Subsection shall include only de-identified health information as permitted under the Health Insurance Portability and Accountability Act of 1996 and shall not include any protected health information, as defined in the Health Insurance Portability and Accountability Act of 1996.

Detailed demographic and claims utilization and cost information shall include the following information with a unique contract identifier that links all the following data to the same contract:

- (1) Type of contract based on all tiers used in program design (EE, EE + SPOUSE, FAMILY, etc.);

1           (2) Patient demographics, date of birth, gender,  
2 relationship to subscriber;

3           (3) Medical, Dental and Vision claims, line detail  
4 including Diagnosis code (ICD9 or ICD10), Procedure codes  
5 (CPT, HCPC, CDT), Revenue codes, Service dates, Service  
6 provider (name, tax id, provider id, specialty code, city, state,  
7 zip code), Plan payments, Member payment responsibility  
8 (copay, coinsurance, deductible), Claim paid date, Type of bill  
9 and Facility type;

10          (4) Prescription Drug claims, to include NDC codes,  
11 Formulary tier identifier, pharmacy (name, provider id, city,  
12 zip code), Plan payments, member payment responsibility  
13 (copay, coinsurance, deductible) Claim paid date, Injectable  
14 drug indicator, GPI number, ingredient cost, dispensing fee and  
15 rebates; and

16          (5) Any other detailed demographic and claims utilization  
17 and cost information as requested by the negotiation team in  
18 the Invitation to Bid (ITB) for the fiscal year following the  
19 current Fiscal year.

20          Failure to comply with requirements of this Section will result  
21 in a 2.5% reduction of the quarterly premiums from the non-  
22 compliant health insurance carrier. The information shall be provided  
23 quarterly. The reduction shall be deducted from the premiums due to

1 the carrier in the succeeding quarter, if the information is not  
2 received within forty-five (45) days of the end of the quarter. The  
3 negotiating team defined in § 4302 (c) at their discretion, at any time  
4 during the following fiscal year health insurance negotiations, may  
5 disqualify proposals from health insurance carriers not in compliance  
6 with this Section for their in force contract.

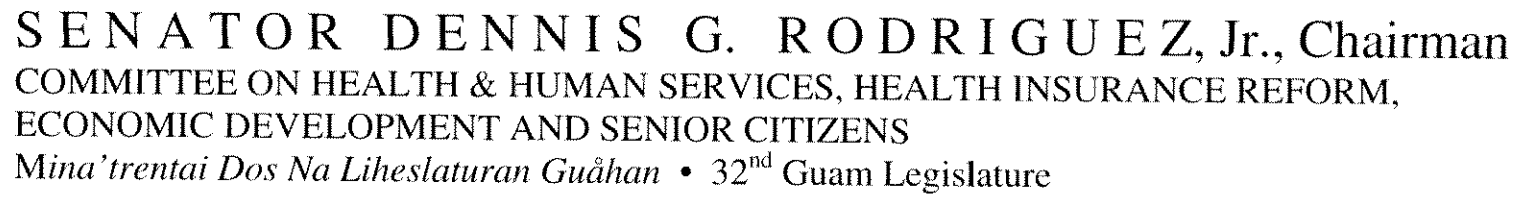
7 (h) No health insurance company or health care provider  
8 contracted to provide health care to government of Guam employees  
9 and foster children may deny coverage to the employee or  
10 dependents or foster children on the basis of chronic orthopedic  
11 deformities. Chronic orthopedic deformities, which may include  
12 orthopedic and external prosthetic devices, including, but not limited  
13 to, artificial joints and limbs, will be covered and may be subject to  
14 maximum limitations per annum.

15 (i) No health insurance company or health care provider  
16 contracted to provide health care to government of Guam employees  
17 and foster children may deny coverage to the employee or  
18 dependents or foster children on the basis of blood or blood  
19 derivatives. Blood and blood derivatives will be covered and may be  
20 subject to maximum limitations per annum."

21 **Section 8. Government of Guam Self Funded Employee Benefits**  
22 **Trust Fund Accounts.** Subsection (c) of §4302.2, Article 3, Chapter 4, Title  
23 4, Guam Code Annotated is hereby *amended*, to read:

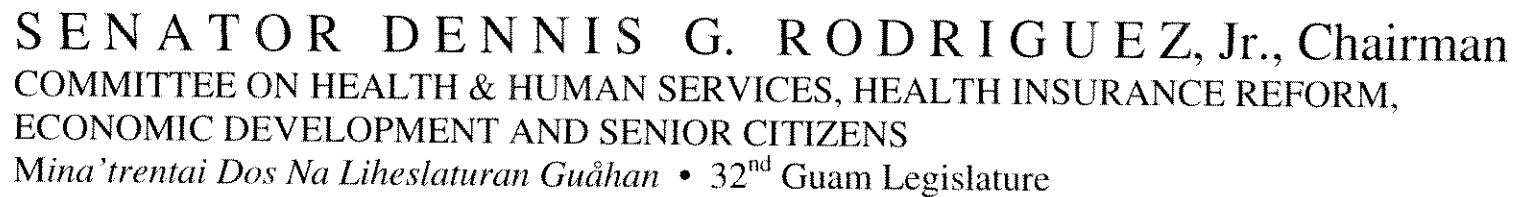
1           “(c) All employer and employee premium payments shall be  
2       deposited in the respective Self Funded Health Benefits Plan Trust  
3       Fund Account. Any foster children covered by a Self Funded Health  
4       Benefits Plan shall be fully paid for by the government of Guam;”

5       **Section 9. Effective Date.** This Act *shall* be effective prospectively  
6       starting with the next open enrollment period and the foster children under  
7       legal custody of Child Protective Services of the Department of Public  
8       Health and Social Services *shall* be included in the risk pool for the next  
9       health insurance contract negotiated by the Government of Guam Health  
10      Insurance Negotiating Team pursuant to 4 GCA §4302.



- **Bill 299-32 (COR)- An Act to include Foster Children in the Government of Guam Group Health Insurance contract prospectively by amending §4301 (a) and (b),§4301.1(a), §4302, and §4302.2(c), and by adding a new subsection (h) TO §4301.1, each of Article 3, Chapter 4, Title 4, Guam Code Annotated. Introduced by Sen. Michael FQ San Nicolas, Sen. Aline A. Yamashita, Ph.D., Sen. Brant T. McCreadie and Sen. V. Anthony Ada**

Bill 299-32 (COR) Page 1 of 2



**PUBLIC HEARING DATE / TIME    Monday, April 21 , 2014    10am**

- **Bill 299-32 (COR)- An Act to include Foster Children in the Government of Guam Group Health Insurance contract prospectively by amending §4301 (a) and (b),§4301.1(a), §4302, and §4302.2(c), and by adding a new subsection (h) TO §4301.1, each of Article 3, Chapter 4, Title 4, Guam Code Annotated. Introduced by Sen. Michael FQ San Nicolas, Sen. Aline A. Yamashita, Ph.D., Sen. Brant T. McCreadie and Sen. V. Anthony Ada**

Bill 299-32 (COR) Page 2 of 2



EDDIE BAZA CALVO  
GOVERNOR

RAY TENORIO  
LIEUTENANT GOVERNOR

GOVERNMENT OF GUAM  
DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES  
DIPATTAMENTON SALUT PUPBLEKO YAN SETBISION SUSIAT



JAMES W. GILLAN  
DIRECTOR

LEO G. CASIL  
DEPUTY DIRECTOR

**Testimony on Bill 299-32(COR)**  
**April 21, 2014**

*Buenas!* Mr. Chairman, and members of the Committee on Aviation, Ground Transportation, Regulatory Concerns, and Future Generations. The Department of Public Health and Social Services agree with the concept of Bill No. 299-32 "AN ACT TO INCLUDE FOSTER CHILDREN IN THE GOVERNMENT OF GUAM GROUP HEALTH INSURANCE CONTRACT PROSPECTIVELY" with comments and concerns.

As stated in your bill children under foster care may have previously suffered from abuse and neglect and have extensive physical and mental needs. Evidently, some of these clients require psychological/psychiatric treatment and psychiatric medications which are expensive. Benefits and cost are expressed in monetary terms especially if you are going to change the clients' pool. There is no inpatient mental health facility here on Guam. Some of these children were sent off-island for treatment. Adding this group of children with extensive physical and mental needs under the Government of Guam Health Insurance Plan (GGHIP) may increase the 11,000 GovGuam enrollees' premiums once the insurance companies gain cost experience.

Currently, foster children are qualified under Medicaid and Child Health Insurance Program (CHIP) which are **57.2%** and **70.04%** federally funded, respectively. The total Medicaid Program expenditure in fiscal year 2013 for all types of services provided to eight-six (86) foster children is \$103,706.61. The services provided to them are covered 100% by the aforementioned programs utilizing more federal dollars than local. Government of Guam Health Insurance Plan (GGHIP) has some exclusions and limitations. Who is going to pay for the services not covered under the Government of Guam Health Insurance Plan (GGHIP)? Examples: Deductible, co-insurance, medications not listed in the drug formulary, dental limitation (\$1,000/year), etc. Will these foster children seek Medicaid and MIP assistance to cover these costs?

The issue of difficulty in enrolling these children under the Medicaid and MIP and the difficulty on getting appointments from physicians can be resolve internally within the Department of Public Health and Social Services. Isolating this group of individuals may create an opening for other groups of individuals to request inclusion into the Government of Guam Health Insurance Plan (GGHIP).

I do not think the passage of this bill would be beneficial to the government and to the people concerned. Thank you for the opportunity to speak on behalf of this bill.

*Senseramente,*



April 21, 2014

Honorable Dennis G. Rodriguez, Jr.  
Senator, 32nd Guam Legislature  
Hagatna, Guam

**Re: Bill No. 299-32 (COR)**

Dear Senator Rodriguez:

Thank you for the opportunity to provide testimony in support of Bill No. 299-32 (COR).

We thank the senators who have sponsored this "special needs" legislation which will provide an essential health benefits plan for these foster children and more importantly access to medical providers.

We have concerns with several sections of the bill. Please see our comments below:

**Section 4:** "the government of Guam shall cover the full cost of insurance coverage. Our question is the details of this arrangement. For example, which GovGuam department/agency will be responsible for payment, Department of Administration or Department of Public Health and Social Services?

**Section 4:** "such coverage shall require no co-payments or deductibles for foster children insured pursuant to this Section." As you are aware, this specific plan design is very different from the current GovGuam group health plan benefits.

**Other questions:**

- Which department determines eligibility?
- Effective date of coverage as note in the proposed legislation is October 1, 2014. Is there only one (1) open enrollment period?
- Will the program allow for foster children to be eligible for coverage when ordered by the court? Again, who will determine the effective date of coverage?
- Will GovGuam consider alternate plan designs, fixed co-payments, for example \$10 for doctor visits, \$10 for prescription drugs,
- Will GovGuam consider a self-insured program coupled with an arrangement for access to the network?



Page 2

Letter of Support Bill 299-32

April 21, 2014

- Will GovGuam consider limiting or closing the network of providers? For example, limiting off-island coverage to Philippine doctors and hospitals only.

I am available to meet with you or the other sponsors of this proposed legislation should you have questions concerning our testimony

Regards,

A handwritten signature in black ink, appearing to read "F. Santos", written in a cursive style.

Francis E. Santos  
Plan Administrator



## COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature

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Member

## Certification of Waiver of Fiscal Note Requirement

This is to certify that the Committee on Rules submitted to the Bureau of Budget and Management Research (BBMR) a request for a fiscal note, or applicable waiver, on **BILL NO. 299-32 (COR) – Michael F.Q. San Nicolas, Aline A. Yamashita, Ph.D., Brant T. McCreadie, V. Anthony Ada, “AN ACT TO INCLUDE FOSTER CHILDREN IN THE GOVERNMENT OF GUAM GROUP HEALTH INSURANCE CONTRACT PROSPECTIVELY BY AMENDING §§4301 (a) AND (b), §4301.1(a), §4302, AND §4302.2(c), AND BY ADDING A NEW SUBSECTION (h) TO §4301.1, EACH OF ARTICLE 3, CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED.”** – on March 28, 2014. COR hereby certifies that BBMR confirmed receipt of this request April 2, 2014 at 8:32 A.M.

COR further certifies that a response to this request was not received. **Therefore, pursuant to 2 GCA §9105, the requirement for a fiscal note, or waiver thereof, on Bill 299-32 (COR) to be included in the committee report on said bill, is hereby waived.**

Certified by:

**Senator Rory J. Respicio**  
Chairperson, Committee on Rules

October 1, 2014

**Date**



## COMMITTEE ON RULES

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Aline Yamashita  
Member

**March 28, 2014**

**VIA E-MAIL**  
**[john.rios@bbmr.guam.gov](mailto:john.rios@bbmr.guam.gov)**

**John A. Rios**  
**Director**  
**Bureau of Budget & Management Research**  
**P.O. Box 2950**  
**Hagåtña, Guam 96910**

**RE: Request for Fiscal Notes– Bill Nos. 296-32 (COR) through 300-32(COR)**

*Hafa Adai* Mr. Rios:

Transmitted herewith is a listing of *I Mina'trentai Dos na Liheslaturan Guåhan's* most recently introduced bills. Pursuant to 2 GCA §9103, I respectfully request the preparation of fiscal notes for the referenced bills.

*Si Yu'os ma'åse'* for your attention to this matter.

Very Truly Yours,

**Senator Rory J. Respicio**  
*Chairperson of the Committee on Rules*

Attachment (1)

Cc: Clerk of the Legislature

<b>Bill Nos.</b>	<b>Sponsors</b>	<b>Title</b>
<b>296-32 (COR)</b>	V. Anthony Ada A. A. Yamashita, Ph.D. C. M. Duenas T. A. Morrison R. J Respicio Brant T. McCreadie Michael F.Q. San Nicolas	AN ACT TO AMEND §60109 AND TO ADD A NEW §60109.1 TO CHAPTER 60 OF 10GCA RELATIVE TO CONCEALED FIREARMS LICENSING.
<b>297-32 (COR)</b>	Judith T. Won Pat, Ed.D., Vicente (ben) C. Pangelinan	AN ACT AMEND §1105 OF TITLE 9 GAR RELATIVE TO THE IMPORTATION OF CATTLE.
<b>298-32 (COR)</b>	Brant T. McCreadie V. Anthony Ada T.A. Morrison	AN ACT TO AMEND §§ 67.401.4 AND 67.401.9 OF CHAPTER 67, TITLE 9 GUAM CODE ANNOTATED RELATIVE TO PUNISHMENT FOR THE DELIVERY, DISPENSING, MANUFACTURING AND IMPORTATION OF CONTROLLED SUBSTANCES, WHICH MAY BE CITED AS THE "METHAMAPHETAMINE NCARCERATION REFORM ACT OF 2014"
<b>299-32 (COR)</b>	Michael F.Q. San Nicolas Aline A. Yamashita, Ph.D. Brant T. McCreadie V. Anthony Ada	AN ACT TO INCLUDE FOSTER CHILDREN IN THE GOVERNMENT OF GUAM GROUP HEALTH INSURANCE CONTRACT PROSPECTIVELY BY AMENDING §§4301 (a) AND (b), §4301.1(a), §4302, AND §4302.2(c), AND BY ADDING A NEW SUBSECTION (h) TO §4301.1, EACH OF ARTICLE 3, CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED.
<b>300-32 (COR)</b>	B.J.F. CRUZ	AN ACT TO AMEND § 151004 OF CHAPTER 15 OF TITLE 17, GUAM CODE ANNOTATED; RELATIVE TO ALLOWING TRAINEES UNDER THE NURSING TRAINING PROGRAM TO AGREE TO ACCEPT EMPLOYMENT WITH A PRIVATE HOSPITAL ON GUAM AS A CONDITION OF SELECTION AND ENROLLMENT IN THE PROGRAM.



## COMMITTEE ON RULES

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Aline Yamashita  
Member

March 26, 2014

### MEMORANDUM

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

**Attorney Therese M. Terlaje**  
*Legislative Legal Counsel*

**From:** **Senator Rory J. Respicio**  
*Chairperson of the Committee on Rules*

**Subject: Referral of Bill No. 299-32(COR)**

As the Chairperson of the Committee on Rules, I am forwarding my referral of **Bill No. 299-32(COR)**.

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

*Si Yu'os Ma'åse!*

Attachment

*I Mina'Trentai Dos Na Liheslaturan Received*  
**Bill Log Sheet**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
<b>299-32 (COR)</b>	Michael F.Q. San Nicolas Aline A. Yamashita, Ph.D. Brant T. McCreadie V. Anthony Ada	AN ACT TO INCLUDE FOSTER CHILDREN IN THE GOVERNMENT OF GUAM GROUP HEALTH INSURANCE CONTRACT PROSPECTIVELY BY AMENDING §§4301 (a) AND (b), §4301.1(a), §4302, AND §4302.2(c), AND BY ADDING A NEW SUBSECTION (h) TO §4301.1, EACH OF ARTICLE 3, CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED.	3/26/14 2:41 p.m.	03/26/14	Committee on Health & Human Services, Health Insurance Reform, Economic Development, and Senior Citizens			



Joseph Anthony Mesngon &lt;jmesngon.senator@rodriguez@gmail.com&gt;

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**FIRST NOTICE of PUBLIC HEARING on Monday, April 21, 2014**

11 messages

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**Joseph Anthony Mesngon** <jmesngon.senator@rodriguez@gmail.com>

Mon, Apr 14, 2014 at 9:48 AM

To: phnotice@guamlegislature.org

April 14, 2014

To: All Senators, Media and Stakeholders

From: Senator Dennis G. Rodriguez, Jr.

Subject: FIRST NOTICE of Public Hearing

Hafa Adai!

The Committee on Health and Human Services will conduct a public hearing on Monday, April 21, 2014 at 10am in the Public Hearing Room of the Legislature.

Public testimony, both oral and written, will be accepted on the following:

**Bill 299-32 (COR)**- An Act to include Foster Children in the Government of Guam Group Health Insurance contract prospectively by amending §4301 (a) and (b), §4301.1(a), §4302, and §4302.2(c), and by adding a new subsection (h) TO §4301.1, each of Article 3, Chapter 4, Title 4, Guam Code Annotated. Introduced by Sen. Michael FQ San Nicolas, Sen. Aline A. Yamashita, Ph.D., Sen. Brant T. McCreadie and Sen. V. Anthony Ada

**Bill 308-32 (COR)**- An act to provide an Ex-Officio representative of the GMH Volunteer Association a Member position on the Guam Memorial Hospital Authority Board of Trustees, by amending Subsection (a) of §80105, Chapter 80, Division 4, 10GCA. Introduced by Sen. Dennis G. Rodriguez, Jr.

Individuals who require special accommodations are asked to contact the office of Sen. Rodriguez at 649-8638/0511 no later than 48 hours prior to the scheduled hearing.

Individuals who wish to submit written testimony may address Sen. Dennis G. Rodriguez, Jr., Chairman, Committee on Health and Human Services and send it to [senator@rodriguez@gmail.com](mailto:senator@rodriguez@gmail.com), or 176 Serenu Ave. Suite 107 Tamuning, Guam, or to 155 Hesler Pl. Hagatna, Guam.

Joseph A. Q. Mesngon

*Office of Senator Dennis G. Rodriguez, Jr.*

I Mina'trentai Dos Na Liheslaturan Guahan

32nd Guam Legislature

176 Serenu Avenue Suite 107

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Tel: 671-649-8638/0511

Fax: 671-649-0520

Please visit us at:



Joseph Anthony Mesngon &lt;jmesngon.senator@rodriguez@gmail.com&gt;

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**SECOND NOTICE of PUBLIC HEARING on Monday, April 21, 2014**

1 message

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**Joseph Anthony Mesngon** <jmesngon.senator@rodriguez@gmail.com>

Thu, Apr 17, 2014 at 2:09 PM

To: phnotice@guamlegislature.org

April 17, 2014

To: All Senators, Media and Stakeholders

From: Senator Dennis G. Rodriguez, Jr.

Subject: SECOND NOTICE of Public Hearing

Hafa Adai!

The Committee on Health and Human Services will conduct a public hearing on Monday, April 21, 2014 at 10am in the Public Hearing Room of I Liheslatura.

Public testimony, both oral and written, will be accepted on the following:

**Bill 299-32 (COR)**- An Act to include Foster Children in the Government of Guam Group Health Insurance contract prospectively by amending §4301 (a) and (b), §4301.1(a), §4302, and §4302.2(c), and by adding a new subsection (h) TO §4301.1, each of Article 3, Chapter 4, Title 4, Guam Code Annotated. Introduced by Sen. Michael FQ San Nicolas, Sen. Aline A. Yamashita, Ph.D., Sen. Brant T. McCreadie and Sen. V. Anthony Ada

**Bill 308-32 (COR)**- An act to provide an Ex-Officio representative of the GMH Volunteer Association a Member position on the Guam Memorial Hospital Authority Board of Trustees, by amending Subsection (a) of §80105, Chapter 80, Division 4, 10GCA. Introduced by Sen. Dennis G. Rodriguez, Jr.

Individuals who require special accommodations are asked to contact the office of Sen. Rodriguez at 649-8638/0511 no later than 48 hours prior to the scheduled hearing.

Individuals who wish to submit written testimony may address Sen. Dennis G. Rodriguez, Jr., Chairman, Committee on Health and Human Services and send it to [senator@rodriguez@gmail.com](mailto:senator@rodriguez@gmail.com), or 176 Serenu Ave. Suite 107 Tamuning, Guam, or to 155 Hesler Pl. Hagatna, Guam.

Si Yu'os Ma'ase'!

Joseph A. Q. Mesngon

*Office of Senator Dennis G. Rodriguez, Jr.*

I Mina'trentai Dos Na Liheslaturan Guahan

32nd Guam Legislature

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## SENATOR DENNIS G. RODRIGUEZ, JR.

### AGENDA

Monday, April 21, 2014

Public Hearing Room, *I Liheslatura*

#### I. Call to Order

#### II. Items for Public Consideration

- **Bill 299-32 (COR)**- An Act to include Foster Children in the Government of Guam Group Health Insurance contract prospectively by amending §4301 (a) and (b), §4301.1(a), §4302, and §4302.2(c), and by adding a new subsection (h) TO §4301.1, each of Article 3, Chapter 4, Title 4, Guam Code Annotated. Introduced by Sen. Michael FQ San Nicolas, Sen. Aline A. Yamashita, Ph.D., Sen. Brant T. McCreadie and Sen. V. Anthony Ada
- **Bill 308-32 (COR)**- An act to provide an Ex-Officio representative of the GMH Volunteer Association a Member position on the Guam Memorial Hospital Authority Board of Trustees, by amending Subsection (a) of §80105, Chapter 80, Division 4, 10GCA. Introduced by Sen. Dennis G. Rodriguez, Jr.

#### III. Adjournment

Testimonies may be addressed to Sen. Dennis G. Rodriguez, Jr. and sent or to 155 Hesler St. Hagatna, Guam, the Guam Legislature's Mailroom, or via email at [senatordrodriguez@gmail.com](mailto:senatordrodriguez@gmail.com).

*Si Yu'os Ma'åse'* for your participation in today's hearings and discussions!



## COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature  
155 Hesler Place, Hagåtña, Guam 96910 • [www.guamlegislature.com](http://www.guamlegislature.com)  
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MAJORITY LEADER

Senator  
Thomas C. Ada  
VICE CHAIRPERSON  
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Senator  
Vicente (Ben) C. Pangelinan  
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Speaker  
Judith T.P. Won Pat, Ed.D.  
Member

Senator  
Dennis G. Rodriguez, Jr.  
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Legislative Secretary  
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Senator  
Frank Blas Aguon, Jr.  
Member

Senator  
Michael F.Q. San Nicolas  
Member

Senator  
V. Anthony Ada  
Member  
MINORITY LEADER

Senator  
Aline Yamashita  
Member

March 28, 2014

**VIA E-MAIL**

[john.rios@bbmr.guam.gov](mailto:john.rios@bbmr.guam.gov)

**John A. Rios**  
**Director**  
**Bureau of Budget & Management Research**  
**P.O. Box 2950**  
**Hagåtña, Guam 96910**

**RE: Request for Fiscal Notes– Bill Nos. 296-32 (COR) through 300-32(COR)**

*Hafa Adai* Mr. Rios:

Transmitted herewith is a listing of *I Mina'trentai Dos na Liheslaturan Guåhan's* most recently introduced bills. Pursuant to 2 GCA §9103, I respectfully request the preparation of fiscal notes for the referenced bills.

*Si Yu'os ma'åse'* for your attention to this matter.

Very Truly Yours,

**Senator Rory J. Respicio**  
*Chairperson of the Committee on Rules*

Attachment (1)

Cc: Clerk of the Legislature

<b>Bill Nos.</b>	<b>Sponsors</b>	<b>Title</b>
<b>296-32 (COR)</b>	V. Anthony Ada A. A. Yamashita, Ph.D. C. M. Duenas T. A. Morrison R. J Respicio Brant T. McCreadie Michael F.Q. San Nicolas	AN ACT TO AMEND §60109 AND TO ADD A NEW §60109.1 TO CHAPTER 60 OF 10GCA RELATIVE TO CONCEALED FIREARMS LICENSING.
<b>297-32 (COR)</b>	Judith T. Won Pat, Ed.D., Vicente (ben) C. Pangelinan	AN ACT AMEND §1105 OF TITLE 9 GAR RELATIVE TO THE IMPORTATION OF CATTLE.
<b>298-32 (COR)</b>	Brant T. McCreadie V. Anthony Ada T.A. Morrison	AN ACT TO AMEND §§ 67.401.4 AND 67.401.9 OF CHAPTER 67, TITLE 9 GUAM CODE ANNOTATED RELATIVE TO PUNISHMENT FOR THE DELIVERY, DISPENSING, MANUFACTURING AND IMPORTATION OF CONTROLLED SUBSTANCES, WHICH MAY BE CITED AS THE “METHAMAPHETAMINE NCARCERATION REFORM ACT OF 2014”
<b>299-32 (COR)</b>	Michael F.Q. San Nicolas Aline A. Yamashita, Ph.D. Brant T. McCreadie V. Anthony Ada	AN ACT TO INCLUDE FOSTER CHILDREN IN THE GOVERNMENT OF GUAM GROUP HEALTH INSURANCE CONTRACT PROSPECTIVELY BY AMENDING §§4301 (a) AND (b), §4301.1(a), §4302, AND §4302.2(c), AND BY ADDING A NEW SUBSECTION (h) TO §4301.1, EACH OF ARTICLE 3, CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED.
<b>300-32 (COR)</b>	B.J.F. CRUZ	AN ACT TO AMEND § 151004 OF CHAPTER 15 OF TITLE 17, GUAM CODE ANNOTATED; RELATIVE TO ALLOWING TRAINEES UNDER THE NURSING TRAINING PROGRAM TO AGREE TO ACCEPT EMPLOYMENT WITH A PRIVATE HOSPITAL ON GUAM AS A CONDITION OF SELECTION AND ENROLLMENT IN THE PROGRAM.



## COMMITTEE ON RULES

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MINORITY LEADER


Senator  
Aline Yamashita  
Member

March 26, 2014

### MEMORANDUM

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

**Attorney Therese M. Terlaje**  
*Legislative Legal Counsel*

**From: Senator Rory J. Respicio**   
*Chairperson of the Committee on Rules*

**Subject: Referral of Bill No. 299-32(COR)**

As the Chairperson of the Committee on Rules, I am forwarding my referral of **Bill No. 299-32(COR)**.

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

*Si Yu'os Ma'åse!*

Attachment

*I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN*

2014 (SECOND) Regular Session

Bill No. 299-32 (con)

Introduced by:

Michael F.Q. San Nicolas

Aline A. Yamashita, Ph.D.

Brant T. McCreadie

V. Anthony Ada

AN ACT TO INCLUDE FOSTER CHILDREN IN  
THE GOVERNMENT OF GUAM GROUP HEALTH  
INSURANCE CONTRACT PROSPECTIVELY BY  
AMENDING §§ 4301 (a) AND (b), §4301.1(a), §4302,  
AND §4302.2(c), AND BY ADDING A NEW  
SUBSECTION (h) TO §4301.1, EACH OF ARTICLE 3,  
CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED.

2014 MAR 26 PM 2:41

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2       **Section 1. Short Title.** This Act shall be cited as the "Responsible  
3 Foster Child Health Insurance Act."

4       **Section 2. Legislative Findings and Intent.** *I Liheslaturan Guåhan*  
5 finds that children in foster care may have previously suffered from abuse  
6 and neglect or have been abandoned and, therefore, have extensive  
7 physical and mental health needs that require immediate and quality  
8 medical care.

9       *I Liheslatura* finds that the Child Protective Services Division of the  
10 Department of Public Health and Social Services, as of March 19, 2014, has  
11 a total of eighty-eight foster children under its legal custody, of which, two

1 foster children are covered by the Medically Indigent Program and eighty-  
2 six foster children are covered by Medicaid.

3 *I Liheslatura* finds that the amount of health care providers able to  
4 provide services to foster children is limited due to restrictions on care by  
5 the Medically Indigent Program, and certain private physicians'  
6 unwillingness to accept Medicaid as a payor for their services. However,  
7 the insurance offered to employees of the government of Guam, retirees,  
8 and their survivors allows more healthcare provider options.

9 *I Liheslatura* finds that it is more fiscally responsible to cover foster  
10 children under the government of Guam health insurance plan due to the  
11 increased competition in the government of Guam health insurance pool.  
12 By covering foster children under the government of Guam health  
13 insurance, excess funding may be used for other client needs.

14 It is therefore the intent of *I Liheslaturan Guåhan* to improve the access  
15 and quality of medical care for foster children. Foster children shall be  
16 covered by the government of Guam health insurance plan for employees,  
17 retirees, and their survivors by amending Subsection (d) of §4301, Article 3,  
18 Chapter 4, Title 4, Guam Code Annotated.

19 **Section 3. Group Insurance.** Subsection (a) of §4301, Article 3,  
20 Chapter 4, Title 4, Guam Code Annotated is hereby *amended*, to read:

21 “(a) *I Maga’lahi* (the Governor) is authorized to enter contracts  
22 and reject proposals, with the written concurrence of the Speaker of *I*  
23 *Liheslaturan Guåhan* (the Guam Legislature) or the Presiding Judge of



1 the Superior Court of Guam whose consents may be withheld in their  
2 sole discretion, with one (1) or more insurance companies, authorized  
3 to do business in Guam, for group insurance, including, but not  
4 limited to, hospitalization, medical care, life and accident, for all  
5 employees or separate groups of employees and foster children of the  
6 government of Guam. If the Legislative or Judicial Branches of  
7 government elect to enter into separate contracts for their employees  
8 as authorized in § 4301 (c), *I Maga'lahi* shall obtain the written  
9 concurrence of the Branch electing to remain with the Executive  
10 Branch before the group insurance contract is entered into or a  
11 proposal rejected. The government shall not be construed as an agent  
12 of any insurance company in negotiating or administering this group  
13 insurance program. Health benefits provided under this authority  
14 may be self funded and administered by a third party if it is  
15 determined to be cost-effective.

16 **Section 4 Government of Guam to Cover Full Cost of Insurance**  
17 **for Foster Children.** Subsection (b) of §4301, Article 3, Chapter 4, Title 4,  
18 Guam Code Annotated is hereby *amended*, to read:

19 “(b) All participation by employees in such contracts of  
20 insurance shall be on a voluntary basis. Effective in the next contract  
21 following the enactment of this subparagraph, the government’s  
22 contribution for health and dental insurance shall be uniform within  
23 each class (including separate classes and rates for retired employees

1 and their survivors) for all competing plans and shall not be less than  
2 fifty percent (50%) of the lowest premium for a single employee,  
3 except that the government shall increase the contributions it makes  
4 on behalf of a retired employee or survivor of a retired employee so  
5 that the retired employee or the survivor of a retired employee  
6 contributes no more than an active employee who is otherwise in the  
7 same class. Notwithstanding any other provision of this Section to  
8 the contrary, the government of Guam shall cover the full cost of  
9 insurance coverage for foster children and such coverage shall  
10 require no co-payments nor deductibles for foster children insured  
11 pursuant to this Section.”

12 **Section 5. Definition of Health Insurance Providers.** Subsection (a)  
13 §4301.1 of Article 3, Chapter 4, Title 4, Guam Code Annotated is hereby  
14 *amended*, to read:

15 “(a) ‘Health Insurance Providers’ *are* all companies or other  
16 legal entities providing or applying to provide health insurance or  
17 the provision of health care to government employees and retirees  
18 and foster children.”

19 **Section 6. Prescribed Use of Foster Children.** A *new* subsection (h)  
20 is hereby added to §4301.1 of Article 3, Chapter 4, Title 4, Guam Code  
21 Annotated, to read:

1           “(h) ‘Foster children’ *shall* include *only* those foster children  
2           under the legal custody of Child Protective Services of the  
3           Department of Public Health and Social Services.”

4           **Section 7. Same: Health Insurance or Provision of Health Care.**

5           §4302 of Article 3, Chapter 4, Title 4, Guam Code Annotated is hereby  
6           *amended*, to read:

7           **“§ 4302. Same: Health Insurance or Provision of Health Care.**

8                   (a) All companies or other legal entities providing or applying  
9                   to provide health insurance or the provision of health care to  
10                  government of Guam employees and foster children shall make their  
11                  audited financial statements available to the Director of  
12                  Administration annually. Such records shall be public records.

13                  (b) The Director of Administration shall, no later than March 1,  
14                  1986, promulgate rules and regulations setting forth the other  
15                  information she/he requires from the companies or legal entities and  
16                  the method by which such information shall be reported. This  
17                  information shall be equitably required of each company and shall be  
18                  submitted no less than ten (10) days before any negotiations or active  
19                  consideration of proposals commences. Materials submitted in  
20                  fulfillment of this requirement shall not be considered public records,  
21                  except for the detailed claims utilization and cost information  
22                  required by § 4302(g), which shall be provided to current and  
23                  prospective health insurance carriers as part of the invitation to bid

1 for coverage to government of Guam employees and retirees and  
2 foster children.

3 (c) The Government of Guam Health Insurance Negotiating  
4 Team shall consist of the Director of Administration, who shall be  
5 Chairperson; the Administrator of the Department of Integrated  
6 Services for Individuals with Disabilities (DISID), or his or her  
7 designee; the Director of the Bureau of Budget and Management  
8 Research, or his or her designee; an employee representative from the  
9 Judicial Branch to be appointed by the Chief Justice of the Supreme  
10 Court of Guam; an employee representative of the Legislative Branch  
11 to be appointed by the Speaker of *I Liheslaturan Guåhan*; the  
12 Superintendent of the Department of Education, or his or her  
13 designee; the Director of the Government of Guam Retirement Fund,  
14 or his or her designee; a retiree who is a member of the Government  
15 of Guam Retirement Fund to be appointed by the Board of Trustees  
16 of the Government of Guam Retirement Fund; one (1) member of the  
17 general public, appointed by *I Maga'låhen Guåhan*, who is not an  
18 employee of the government of Guam, not an employee of a health  
19 insurance company, hospital, or medical provider, or not an  
20 appointee by the Governor to any government agency, board or  
21 commission, and who shall affirm by affidavit that he or she agrees to  
22 comply with all provisions in Chapter 15 of Title 4 of the Guam Code  
23 Annotated, also known as the Standard of Conduct for Elected

1 Officers, Appointed Officers, and Public Employees of the  
2 government of Guam; the Chairperson of the Committee on Health  
3 or the successor committee of *I Liheslaturan Guåhan*, or his or her  
4 designee, who shall sit as an ex-officio non-voting member; and the  
5 Chairperson of the Committee on Appropriations, or the successor  
6 committee of *I Liheslaturan Guåhan*, or his or her designee, who shall  
7 sit as an ex-officio non-voting member. The Negotiating Team shall  
8 examine the financial information of the prepaid health insurance  
9 companies, health care providers or other legal entities for the  
10 purpose of developing the most economical and beneficial health  
11 plan for the Government of Guam employees and retirees and foster  
12 children. The Negotiating Team may obtain technical support from  
13 other financial and health-related agencies. The Negotiating Team  
14 shall develop its rules of procedure in accordance with the  
15 Administrative Adjudication Law. The Negotiating Team shall  
16 develop minimum qualification for proposals to be submitted for  
17 health insurance coverage. The Negotiating Team shall also develop  
18 a ranking system to rank the proposals. The Negotiating Team with  
19 the approval of *I Maga'låhi* is authorized to contract an actuary  
20 competent to develop proposed health insurance rates or other  
21 recognized expert to train and/or advise the Negotiating Team.  
22 Notwithstanding any other provision of law, each Fiscal Year, the  
23 Negotiating Team shall solicit both exclusive and non-exclusive

1 proposals from each Health Insurance Provider and enter into  
2 negotiations with the top three (3) ranked Health Insurance Providers  
3 submitting qualified proposals for health insurance coverage for  
4 qualified active employees and qualified retirees and foster children  
5 of the government of Guam.

6 (1) The Director of the Department of Administration  
7 shall plan, and implement prior to discussions for the 2011-2012  
8 Fiscal Year, an expanded competitive Request for Proposal  
9 process. The Director shall announce in publications of general  
10 circulation in Guam, in top publications nationally and in  
11 leading publications internationally, a Request for Proposal  
12 from Health Care Insurance Providers for health insurance  
13 coverage for qualified active employees and qualified retirees  
14 and foster children of the government of Guam.

15 (A) Health Care Insurance Providers that respond  
16 and express interest in providing coverage to qualified  
17 active employees and retirees shall, if selected, maintain a  
18 bona-fide office and operations base in Guam and possess  
19 a business privilege license to do business in Guam.

20 (2) The negotiating team upon selection and review of the  
21 best available proposals by participating healthcare  
22 respondents/providers which reflect the most economical and  
23 beneficial healthcare insurance proposal plan for Government

1 of Guam employees and retirees and foster children, shall  
2 forward the accepted proposals to *I Maga'lahren Guåhan* for  
3 consideration, and to *I Liheslaturan Guåhan* for final approval no  
4 later than July 31, and prior to the annual Legislative Sessions  
5 wherein the upcoming Fiscal Year Budget for the Government  
6 of Guam is before *I Liheslaturan Guåhan* for consideration;

7 (3) Within one hundred eighty (180) days of this Act, the  
8 Director of the Department of Administration shall issue a  
9 Request For Proposal from qualified individuals or firms to  
10 conduct a feasibility study for a non-profit public healthcare  
11 care insurance option for Guam.

12 The RFP shall call for a plan that provides for a level  
13 playing field with current and future private insurers, and the  
14 non-profit public healthcare care insurance option which pays  
15 for care from individual premiums and copayments not of the  
16 General Fund of the Government of Guam.

17 (d) No health insurance company or health care provider  
18 contracted to provide health care to government of Guam employees  
19 and foster children may deny coverage to the employee or  
20 dependents or foster children on the basis of a congenital anomaly.  
21 Congenital anomalies shall be covered, subject to contract  
22 negotiations.

1 (e) Effective October 1, 1986, the contract period for health  
2 insurance or provision of health care shall coincide with the fiscal  
3 year of the government of Guam. To that end, the contract period  
4 proceeding the one for FY'87 may be for less than twelve (12) months.

5 (f) All companies, or other legal entities providing or applying  
6 to provide health insurance or the provision of health care, shall have  
7 contracts for services with all government of Guam entities that are  
8 providing health care services to any and all of their subscribers. This  
9 requirement shall be met prior to, and as a condition to, the start of  
10 negotiations for the government of Guam fiscal year 1999. Any  
11 dispute or controversy between contracting parties shall be  
12 submitted to arbitration according to the generally accepted local  
13 practice.

14 (g) All health insurance companies or health care providers  
15 contracted to provide health care to government of Guam employees  
16 and retirees, to include foster children beginning for the first Fiscal  
17 Year following the inclusion of foster children under the government  
18 of Guam health insurance contract for employees and retirees  
19 pursuant to §4301 of this Article, shall provide to the negotiating  
20 team, defined in § 4302(c), and the Office of Finance and Budget,  
21 fifteen (15) months of detailed claims utilization and cost information  
22 from period October 1 to September 30 of the previous fiscal year,  
23 and October 1 to December 31 of the current fiscal year, no later than



March 1 for the final updated data for the previous fiscal year in electronic database file format such as Microsoft Access or Microsoft Excel.

The detailed claims utilization and cost information must total in aggregate all the experience data used to calculate government of Guam insurance rates for the fiscal year following the current fiscal year. Claims incurred but not received calculations shall be reported separately and must be derived from detailed claims utilization and cost information submitted and reviewed and approved by a credentialed actuary from a recognized organization such as the American Academy of Actuaries or Society of Actuaries.

The detailed claims utilization and cost information required under this Subsection shall include only de-identified health information as permitted under the Health Insurance Portability and Accountability Act of 1996 and shall not include any protected health information, as defined in the Health Insurance Portability and Accountability Act of 1996.

Detailed demographic and claims utilization and cost information shall include the following information with a unique contract identifier that links all the following data to the same contract:

- (1) Type of contract based on all tiers used in program design (EE, EE + SPOUSE, FAMILY, etc.);

1                   (2) Patient demographics, date of birth, gender,  
2 relationship to subscriber;

3                   (3) Medical, Dental and Vision claims, line detail  
4 including Diagnosis code (ICD9 or ICD10), Procedure codes  
5 (CPT, HCPC, CDT), Revenue codes, Service dates, Service  
6 provider (name, tax id, provider id, specialty code, city, state,  
7 zip code), Plan payments, Member payment responsibility  
8 (copay, coinsurance, deductible), Claim paid date, Type of bill  
9 and Facility type;

10                  (4) Prescription Drug claims, to include NDC codes,  
11 Formulary tier identifier, pharmacy (name, provider id, city,  
12 zip code), Plan payments, member payment responsibility  
13 (copay, coinsurance, deductible) Claim paid date, Injectable  
14 drug indicator, GPI number, ingredient cost, dispensing fee and  
15 rebates; and

16                  (5) Any other detailed demographic and claims utilization  
17 and cost information as requested by the negotiation team in  
18 the Invitation to Bid (ITB) for the fiscal year following the  
19 current Fiscal year.

20                  Failure to comply with requirements of this Section will result  
21 in a 2.5% reduction of the quarterly premiums from the non-  
22 compliant health insurance carrier. The information shall be provided  
23 quarterly. The reduction shall be deducted from the premiums due to

1 the carrier in the succeeding quarter, if the information is not  
2 received within forty-five (45) days of the end of the quarter. The  
3 negotiating team defined in § 4302 (c) at their discretion, at any time  
4 during the following fiscal year health insurance negotiations, may  
5 disqualify proposals from health insurance carriers not in compliance  
6 with this Section for their in force contract.

7 (h) No health insurance company or health care provider  
8 contracted to provide health care to government of Guam employees  
9 and foster children may deny coverage to the employee or  
10 dependents or foster children on the basis of chronic orthopedic  
11 deformities. Chronic orthopedic deformities, which may include  
12 orthopedic and external prosthetic devices, including, but not limited  
13 to, artificial joints and limbs, will be covered and may be subject to  
14 maximum limitations per annum.

15 (i) No health insurance company or health care provider  
16 contracted to provide health care to government of Guam employees  
17 and foster children may deny coverage to the employee or  
18 dependents or foster children on the basis of blood or blood  
19 derivatives. Blood and blood derivatives will be covered and may be  
20 subject to maximum limitations per annum."

21 **Section 8. Government of Guam Self Funded Employee Benefits**

22 **Trust Fund Accounts.** Subsection (c) of §4302.2, Article 3, Chapter 4, Title  
23 4, Guam Code Annotated is hereby *amended*, to read:

1           “(c) All employer and employee premium payments shall be  
2           deposited in the respective Self Funded Health Benefits Plan Trust  
3           Fund Account. Any foster children covered by a Self Funded Health  
4           Benefits Plan shall be fully paid for by the government of Guam;”

5           **Section 9. Effective Date.** This Act *shall* be effective prospectively  
6           starting with the next open enrollment period and the foster children under  
7           legal custody of Child Protective Services of the Department of Public  
8           Health and Social Services *shall* be included in the risk pool for the next  
9           health insurance contract negotiated by the Government of Guam Health  
10          Insurance Negotiating Team pursuant to 4 GCA §4302.