

10 GCA HEALTH AND SAFETY
CH. 85 GUAM MEMORIAL HEALTH PLAN

CHAPTER 85
GUAM MEMORIAL HEALTH PLAN

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NOTE: Added by P.L. 16-98, effective September 1, 1982.

§ 85101. Definitions.

As used in this Chapter:

(a) *Board* means the Board of Trustees of the Guam Memorial Health Plan;

(b) *Corporation* means the Guam Memorial Health Plan; and

(c) *Director* means the Director of the Guam Memorial Health Plan.

SOURCE: GC § 49020.

§ 85102. Establishment.

In order to provide medical services and assistance to those persons on Guam who require assistance, there is created a public corporation to be known as the *Guam Memorial Health Plan*.

SOURCE: GC § 49021.

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§ 85103. Duties.

It shall be the duty of the Corporation to operate a self-sustaining health maintenance organization which shall offer health services at the lowest possible premiums to people of the territory of Guam.

SOURCE: GC § 49022.

§ 85104. Powers.

The Corporation shall have all the powers necessary and convenient to carry out and perform the purposes and provisions of this Chapter, including the following, in addition to other powers granted in this Chapter, and may:

- (1) sue and be sued;
- (2) have a seal and modify it;
- (3) enter into and execute contracts and instruments of every kind and nature, necessary or convenient to the exercise of its powers and functions;
- (4) make and from time to time modify and repeal articles of incorporation, bylaws, rules and regulations, not inconsistent with this Chapter, providing for the internal organization and management of the Corporation, for the administration of its affairs and operations, and for carrying into effect the powers and purposes of the Corporation;
- (5) borrow money from public and private sources which shall not be considered public indebtedness of the government of Guam and give such security, therefore, as may be required;
- (6) apply for and accept advances, loans, grants, contributions, gifts, donations, appropriations of funds and any other form of financial assistance from any sources, public or private, for the purposes of this Chapter, and enter into and carry out contracts in connection therewith; and
- (7) acquire any personal or real property, by lease, option, purchase, gift, grant, donation or bequest.

SOURCE: GC § 49023.

§ 85105. Board of Trustees.

All powers vested in the Corporation, except as otherwise provided in this Chapter, shall be exercised by the Board.

SOURCE: GC § 49024.

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§ 85106. Same.

(a) The Board of Trustees shall consist of seven (7) members who shall be appointed by the Governor with the advice and consent of the Legislature. The quorum of the Board shall consist of five (5) trustees. Action by the Board shall require the affirmative vote of five (5) trustees. Vacancies on the Board shall be filled for the unexpired term of the retiring member. The Board shall elect a chairperson, vice chairperson and a secretary/treasurer, among its members.

(b) The Board shall meet within ten (10) days after five (5) members take office for the purpose of adopting articles of incorporation and bylaws. The Corporation shall be a non-stock public corporation.

(c) Trustees shall not be members of the Guam Memorial Hospital Authority, employees of the Corporation, providers of services or supplies to the Corporation, employees or shareholders of any health maintenance organization or health insurance business on Guam.

SOURCE: GC § 49025.

§ 85107. Director.

The Board shall appoint a Director. The Director shall be a member of the unclassified service of the government of Guam. The Director shall have responsibility to carry out the purposes and duties of the Corporation in accordance with the direction of the Board. Payment for services to the Director shall be on a salary basis as established by the Board.

SOURCE: GC § 49026.

§ 85108. Personnel.

The Director may appoint such other personnel and fix their duties, under and in accordance with the personnel and compensation laws of the government of Guam, for the purposes of the Corporation.

SOURCE: GC § 49027.

§ 85109. Fiscal Authority Accounting, Expenditures.

(a) There is established a fund to be known as the “Guam Memorial Health Plan Fund,” which shall be maintained separate and apart from other funds of the Government and independent records and accounts shall be maintained in connection therewith. Every quarter, the financial statement of the Fund shall be transmitted to the Speaker of the Guam Legislature.

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(b) All money received by the Corporation, from whatever source derived, shall be deposited in the Guam Memorial Health Plan Fund in a financial institution licensed to do business on Guam, insured by Federal Depositors Insurance Corporation or Federal Savings and Loans Insurance Corporation.

(c) All expenditures from this Fund shall be restricted to expenditures directly related to the operation of the Corporation.

(d) Administrative expenses of the Corporation shall not exceed 13.5 per cent (13.5%) of the total gross premiums for each year. Administrative expenses shall include all expenses other than provider costs.

(e) The Board shall adopt and maintain a uniform system of accounting. Every year the Board shall obtain a certified audit of the accounts. The audit shall be submitted to the Governor and the Legislature. If the Territorial Auditor or the Federal Comptroller performs a thorough audit of the Corporation for the same period, the Board need not obtain a certified audit.

(f) A revolving account shall be established with a portion of the Fund and it shall be known as the "Catastrophic Contingencies Account." At no time shall the money in the account exceed One Million Five Hundred Thousand Dollars (\$1,500,000). Expenditures from the account shall be used only to provide authorized subscriber benefits whose cost has not otherwise been provided for and the account shall not in any way be used for the administration of the plan.

SOURCE: GC § 49028.

§ 85110. Managing Firm Prohibited.

The Corporation shall not retain any management firm for the purpose of managing the Corporation.

SOURCE: GC § 49029.

§ 85111. Exemption from Taxation.

The Corporation and all property acquired by or for the Corporation and all revenues and income earned by the Corporation are exempt from the taxation by the Territory for those taxes that are imposed by the Territory, including but not limited to the territorial income tax and the business privilege tax.

SOURCE: GC § 49030. Amended by P.L. 29-002:VI:28 (May 18, 2007) the name, Gross Receipts Tax, changed to Business Privilege Tax.

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§ 85112. Contracts and Purchases.

(a) The Board shall prescribe rules and regulations for purchasing and procurement by the Corporation, consistent with the provisions of the Administrative Adjudication Act.

SOURCE: GC § 49031.

§ 85113. Transfers.

There is transferred to the corporation all items of property and personnel now assigned to the Guam Memorial Health Plan by the Guam Memorial Hospital Authority.

On the first day of the month following the incorporation of the Corporation, all working capital, cash, accounts payable and receivable, all financial books, records and all other rights, obligations, assets, liabilities, contractual agreements, chooses in action and privileges pertaining to the properties and operation of existing Guam Memorial Health Plan shall be transferred to the Corporation.

SOURCE: GC § 49032.

§ 85114. Termination.

The Corporation shall cease to exist twenty-four (24) months after the effective date of this Act. The Board of Trustees shall adopt a plan for selling the Corporation to a cooperative association of subscribers or to any other qualified purchasers.

SOURCE: GC § 49033.

**ARTICLE 2
TERMINATION OF GOVERNMENT SERVICE**

§ 85201. Definitions.

§ 85202. Notice.

§ 85203. Notice: When Due.

§ 85204. Notice: Agencies' Responsibility.

§ 85201. Definitions.

As used in this Chapter:

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(a) *Government Agency* shall mean any branch, agency department or division of the Government of Guam including any autonomous agency or public corporation.

(b) *Employee* shall mean any officer, director or employee of a government agency.

(c) *Insured Employee* shall mean any employee who is insured or whose dependents are insured for health care and/or medical benefits by Guam Memorial Health Plan under any policy of insurance which conditions such insurance in any respect upon the continued employment of the employee with a government agency.

SOURCE: GC 49040 as added by P.L. 17-39.

§ 85202. Notice.

Any government agency which employs one or more insured employees shall give notice to Guam Memorial Health Plan of the termination of the employment with the government agency of any insured employee or of the election of any insured employee to terminate health insurance coverage with Guam Memorial Health Plan.

SOURCE: GC § 49041 as added by P.L. 17-39.

§ 85203. Notice: When Due.

The notice provided by the preceding section shall be given in advance of the termination of the employment of such employee, or of the date the employee's cancellation of his insurance is to be effective, and such notice shall be given as far in advance as is reasonably practicable, but in no event shall such notice be given later than the actual date of termination of employment, or of such coverage.

SOURCE: GC § 49043 as added by P.L. 17-39.

§ 85204. Notice: Agencies' Responsibility.

Any government agency required to give notice to Guam Memorial Health Plan pursuant to the terms of this chapter shall in consideration of the extension of insurance by Guam Memorial Health Plan to the insured employees of such agency, be deemed directly bound in contract to Guam Memorial Plan for the amount of any premiums for insurance coverage during the period after the date such employee terminated employment with the government agency, or terminated his insurance with Guam Memorial Health Plan, and before notice of such termination is given by the government agency to Guam Memorial

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Health Plan, in the event notice is not given by the government agency in a timely manner as provided by this Act.

SOURCE: GC § 49044 as added by P.L. 17-39.
