

*I Mina'trentai Ocho Na Liheslaturan Guåhan*  
**BILL STATUS**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
118-38 (COR)	Sabrina Salas Matanane V. Anthony Ada Christopher M. Dueñas Joe S. San Agustin Jesse A. Lujan Frank F. Blas, Jr. Sabina Flores Perez William A. Parkinson Tina Rose Muña Barnes Vincent A. V. Borja	AN ACT TO ADD A NEW § 26203.4 TO CHAPTER 26, TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING A BUSINESS PRIVILEGE TAX DISCOUNT ON MEDICAID RECEIPTS, TO BE KNOWN AS THE "GUAM MEDICAID ACCESS ENHANCEMENT ACT".	4/11/25 2:18 p.m.						

***I MINA'TRENTAI OCHO NA LIHESLATURAN GUÅHAN***  
**2025 (FIRST) Regular Session**

**Bill No. 118-38 (COR)**

Introduced by:

Sabrina Salas Matanane *Smart*  
V. Anthony Ada *VA*  
Christopher M. Duenas *CD*  
Joe S. San Agustin *JS*  
Jesse A. Lujan *JAL*  
Frank F. Blas, Jr. *FFB*  
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**AN ACT TO *ADD* A NEW § 26203.4 TO CHAPTER 26, TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING A BUSINESS PRIVILEGE TAX DISCOUNT ON MEDICAID RECEIPTS, TO BE KNOWN AS THE “GUAM MEDICAID ACCESS ENHANCEMENT ACT”.**

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds  
3 that Medicaid serves as a crucial safety net for many of Guam's most vulnerable  
4 residents, providing essential healthcare services to low-income individuals and  
5 families. However, the availability and accessibility of Medicaid services on Guam  
6 have been limited by several factors, including an insufficient number of healthcare  
7 providers willing to accept Medicaid patients, limited healthcare providers servicing  
8 the Medicaid population, and limited locations for Medicaid services across the  
9 island.

1            *I Liheslaturan Guåhan* further finds that according to the Guam Department  
2 of Public Health and Social Services, there are over 30,000 Medicaid enrollees on  
3 Guam, representing nearly 20% of the island's population. Despite this significant  
4 enrollment, many eligible residents face challenges in accessing care due to the  
5 limited number of healthcare providers and facilities that accept Medicaid patients.

6            *I Liheslaturan Guåhan* further finds that healthcare providers often cite low  
7 reimbursement rates and administrative burdens as barriers to participation in the  
8 Medicaid program. The current business privilege tax (BPT) structure further  
9 reduces the financial viability of serving Medicaid patients, as providers must pay  
10 the full 5% tax on all Medicaid receipts, despite the already lower reimbursement  
11 rates compared to commercial insurance.

12           *I Liheslaturan Guåhan* further finds that creating financial incentives for  
13 healthcare providers to participate in the Medicaid program would significantly  
14 improve access to care for Medicaid beneficiaries. By establishing a graduated  
15 business privilege tax discount on Medicaid receipts based on factors such as the  
16 number of qualified healthcare professionals and service locations committed to  
17 Medicaid, this Act aims to incentivize greater participation in the Medicaid program  
18 and expand the network of providers and facilities available to Medicaid  
19 beneficiaries. Furthermore, allowing healthcare providers to access these benefits  
20 immediately through self-certification will accelerate the entry of new providers into  
21 the Medicaid system and support expansion of existing providers while ensuring  
22 accountability through verification measures and penalties for non-compliance.

23           *I Liheslaturan Guåhan* further finds that the establishment of a tiered business  
24 privilege tax discount tied to specific metrics creates a verifiable audit trail that will  
25 enhance the government's ability to monitor and prevent Medicaid fraud, ensuring  
26 that public funds are properly utilized for their intended purpose of providing  
27 healthcare services to eligible residents. This solution corresponds with recent

1 reports from the Public Auditor indicating areas of concern regarding Medicaid  
2 claims.

3 *I Liheslaturan Guåhan* further finds that increasing the number of healthcare  
4 providers accepting Medicaid patients will reduce the burden on emergency  
5 departments and public health facilities, leading to more efficient use of healthcare  
6 resources and potentially generating long-term cost savings for the government of  
7 Guam.

8 It is, therefore, the intent of *I Liheslaturan Guåhan* to establish the "Guam  
9 Medicaid Access Enhancement Act" to provide business privilege tax discounts on  
10 Medicaid receipts to incentivize healthcare providers to participate in the Medicaid  
11 program, expand locations servicing the program, and grow the number of providers  
12 within the program, thereby improving access to care for Medicaid beneficiaries,  
13 creating additional audit trails to prevent fraud, and promoting a more robust and  
14 accessible healthcare system for all residents of Guam.

15 **Section 2.** A new § 26203.4 is *added* to Chapter 26, Title 11 of the Guam  
16 Code Annotated to read:

17 **“§ 26203.4. Business Privilege Tax Discount on Medicaid Receipts.**

18 (a) Title. This section shall be known and may be cited as the 'Guam  
19 Medicaid Access Enhancement Act.'

20 (b) Definitions. For purposes of this section:

21 (1) “Healthcare provider” means any individual, partnership,  
22 corporation, association, or other entity that is licensed, certified, or  
23 otherwise authorized by the government of Guam to provide healthcare  
24 services on Guam.

25 (2) “Medicaid receipts” means the gross receipts received by  
26 a healthcare provider for services provided to patients enrolled in the

1 Medicaid program, including any federal or local Medicaid expansion  
2 or waiver programs.

3 (3) “Qualified healthcare professional” means any individual  
4 who is registered with the Guam Board of Medical Examiners, the  
5 Guam Allied Health Board, the Guam Board of Nurse Examiners, the  
6 Guam Board of Dental Examiners, or the Guam Board of Pharmacy,  
7 and who provides services to Medicaid patients.

8 (4) “Service location” means a physical location on Guam  
9 where a healthcare provider delivers healthcare services to Medicaid  
10 patients. To qualify as a separate service location, each facility must:

11 (i) Be physically separate from other qualifying  
12 service locations;

13 (ii) Have regular, published hours of operation;

14 (iii) Have appropriate facilities and equipment for  
15 providing healthcare services; and

16 (iv) Be staffed by at least one qualified healthcare  
17 professional.

18 (c) Business Privilege Tax Discount on Medicaid Receipts.  
19 Notwithstanding any other provision of law, a healthcare provider shall be  
20 entitled to the following discounts on business privilege taxes owed on  
21 Medicaid receipts:

22 (1) Base Discount: A discount of twenty percent (20%) of all  
23 Medicaid receipts;

24 (2) Professional Discount: An additional discount of twenty  
25 percent (20%) of all Medicaid receipts for each qualified healthcare  
26 professional employed by, or exclusively independently contracted to,  
27 the healthcare provider who services Medicaid patients; and

1                   (3) Location Discount: An additional discount of twenty  
2 percent (20%) of all Medicaid receipts for each physical service  
3 location on Guam that services Medicaid patients.

4                   (d) Maximum Discount. The total discount under subsection (c)  
5 shall not exceed the total amount of business privilege tax owed on Medicaid  
6 receipts.

7                   (e) Application and Certification.

8                   (1) To claim the discounts provided under this section, a  
9 healthcare provider shall submit an application to the Department of  
10 Revenue and Taxation on an annual basis, in a form and manner  
11 prescribed by the Director.

12                   (2) The application shall include:

13                   (i) Documentation of the healthcare provider's total  
14 Medicaid receipts for the applicable tax period;

15                   (ii) A list of all qualified healthcare professionals  
16 employed by or affiliated with the healthcare provider who  
17 service Medicaid patients, including their license or registration  
18 numbers with the applicable professional board;

19                   (iii) A list and description of all physical service  
20 locations on Guam where the healthcare provider delivers  
21 services to Medicaid patients; and

22                   (iv) Any other information deemed necessary by the  
23 Director to verify eligibility for the discounts.

24                   (3) The Department of Revenue and Taxation shall consult  
25 with the Department of Public Health and Social Services to verify the  
26 accuracy of information provided in the application.

27                   (4) Self-Certification Option:

1 (i) A healthcare provider may elect to claim discounts  
2 under this section by submitting a self-certification that it will  
3 meet the requirements for such discounts within three (3) years  
4 from the date of application.

5 (ii) A self-certification application must include:

6 (A) A detailed plan outlining how the provider  
7 will meet the requirements within the three-year period;

8 (B) Current status of qualified healthcare  
9 professionals and service locations; and

10 (C) Timeline for hiring additional qualified  
11 healthcare professionals and/or establishing additional  
12 service locations.

13 (iii) A provider that submits a self-certification shall be  
14 entitled to the discounts as if it currently met all requirements,  
15 subject to the verification and penalty provisions in subsection  
16 (f).

17 (f) Audit and Compliance.

18 (1) The Department of Revenue and Taxation, in coordination  
19 with the Department of Public Health and Social Services, shall  
20 establish procedures for auditing healthcare providers claiming  
21 discounts under this section to ensure compliance with all requirements.

22 (2) Healthcare providers claiming discounts under this section  
23 shall maintain records sufficient to demonstrate compliance with the  
24 requirements of this section for a period of at least three (3) years after  
25 the end of the tax period for which the discount is claimed.

26 (3) Any healthcare provider who knowingly provides false  
27 information to obtain discounts under this section shall be subject to:

1 (i) Repayment of all discounts improperly received,  
2 plus interest at the rate of ten percent (10%) per annum;

3 (ii) A penalty equal to fifty percent (50%) of all  
4 discounts improperly received; and

5 (iii) Disqualification from receiving any discounts under  
6 this section for a period of five (5) years.

7 (4) Self-Certification Verification and Penalties:

8 (i) The Department of Revenue and Taxation shall  
9 conduct mandatory audits of all healthcare providers who elect  
10 the self-certification option at the conclusion of the three-year  
11 period to verify compliance with the self-certification plan.

12 (ii) A healthcare provider that fails to meet the  
13 requirements outlined in its self-certification plan within the  
14 three-year period shall be subject to:

15 (A) Repayment of all discounts received under  
16 the self-certification, plus interest at the rate of ten percent  
17 (10%) per annum;

18 (B) A penalty equal to fifty percent (50%) of all  
19 discounts received under the self-certification; and

20 (C) Disqualification from receiving any  
21 discounts under this section for a period of five (5) years.

22 (iii) The Department of Revenue and Taxation shall  
23 conduct annual progress reviews for self-certified providers to  
24 assess progress toward meeting the requirements in the self-  
25 certification plan.

26 (iv) A healthcare provider may request a one-time, one-  
27 year extension to meet the requirements of its self-certification

1 plan upon showing of good cause and substantial progress  
2 toward meeting the requirements, subject to approval by the  
3 Director of the Department of Revenue and Taxation in  
4 consultation with the Director of the Department of Public  
5 Health and Social Services.

6 (g) Annual Report. The Department of Revenue and Taxation, in  
7 collaboration with the Department of Public Health and Social Services, shall  
8 submit an annual report based on filings pursuant to this Section, to I  
9 Maga'hågan Guåhan and I Liheslaturan Guåhan by March 31 of each year,  
10 beginning in 2026, detailing:

11 (1) The number of healthcare providers claiming discounts  
12 under this section;

13 (2) The total amount of discounts granted under this section;

14 (3) The number of qualified healthcare professionals  
15 servicing Medicaid patients;

16 (4) The number of service locations providing care to  
17 Medicaid patients;

18 (5) The number of healthcare providers utilizing the self-  
19 certification option and their progress toward meeting certification  
20 requirements;

21 (6) The results of audits conducted on self-certified providers,  
22 including compliance rates and penalties assessed; and

23 (7) An assessment of the impact of this section on Medicaid  
24 access and service delivery.

25 (h) Rules and Regulations. The Department of Revenue and  
26 Taxation, in consultation with the Department of Public Health and Social  
27 Services, shall promulgate rules and regulations in accordance with the

1           Administrative Adjudication Law to implement the provisions of this section  
2           within ninety (90) days of the effective date of this Act.”

3           **Section 3. Effective Date.** This Act shall be effective upon enactment and  
4 shall apply to tax periods beginning on or after January 1, 2025.

5           **Section 4. Severability.** If any provision of this Act or its application to any  
6 person or circumstance is found to be invalid or inorganic, such invalidity shall not  
7 affect other provisions or applications of this Act that can be given effect without  
8 the invalid provision or application, and to this end the provisions of this Act are  
9 severable.