

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
94-38 (COR)	Sabrina Salas Matanane	AN ACT TO AMEND §§ 4301.1(g), 4302(c)(8), 4302(c)(9), §4302(e) OF CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED; AND ALL OF § 5118 OF CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED; AND §§ 13102(c), 13107, 13108, 13110(b), AND 13115(d)(11) OF CHAPTER 13, TITLE 2, GUAM ADMINISTRATIVE RULES AND REGULATIONS, RELATIVE TO CLARIFYING SELECTION OF THE GOVERNMENT OF GUAM GROUP HEALTH INSURANCE CONTRACTS.	3/19/25 3:00 p.m.						

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

Bill No. 94-38 (COR)

Introduced by:

Sabrina Salas Matanane 

AN ACT TO *AMEND* §§ 4301.1(g), 4302(c)(8), 4302(c)(9), §4302(e) OF CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED; AND ALL OF § 5118 OF CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED; AND §§ 13102(c), 13107, 13108, 13110(b), AND 13115(d)(11) OF CHAPTER 13, TITLE 2, GUAM ADMINISTRATIVE RULES AND REGULATIONS, RELATIVE TO CLARIFYING SELECTION OF THE GOVERNMENT OF GUAM GROUP HEALTH INSURANCE CONTRACTS.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings. During a meeting that took place on February 11, 2025, at the request of Department of Administration, it was presented to the Senator Sabrina Salas Matanane, Chairperson of the Committee on Health, that the government of Guam has transitioned to a self-funded group health insurance program for government of Guam employees, retirees, and foster children administered by a Third Party Administrator (TPA). For FY2024 and FY2025 a Third-Party Administrator has administered Medical, Pharmacy and dental claims. Statutory and regulatory changes are necessary to reflect the transition to the self-funded group health insurance program using a TPA. DOA further explained that § 4301(a), of Chapter 4, Title 4, Guam Code Annotated, allows for self-funded plan to be administered by a Third Party Administrator if it is determined to be cost effective. The insertion of a Third Party

1 Administrator allows for clarification purposes that should a self-funded contract be
2 awarded, all claims will be adjusted through the TPA.

3 Through further correspondence with the Department of Administration, it was
4 expressed that the multi-year contract is intended to reduce member disruption with
5 accessing care, yields favoring pricing for a longer-term contract, avoids costly yearly
6 proposals submission and contract negotiations.

7 Furthermore, the Department of Administration requested that the following
8 legislation be introduced, urging immediate action by *I Liheslaturan Guåhan*, with an
9 impending timeline of May 1, 2025.

10 **Section 2.** § 4301.1(g) of Chapter 4, Title 4, Guam Code Annotated, is hereby
11 *amended* to read as follows:

12 **“§ 4301.1. Definitions.**

13 “(g) “Qualified proposal” means a proposal from a health care provider
14 or Third-Party Administrator (TPA) that submits either an exclusive and/or a
15 non-exclusive proposal or as stated in the RFP and meets the minimum
16 requirements specified in the RFP in response to any request for proposals for the
17 Government of Guam Health Insurance program.”

18 **Section 3.** §§ 4302(c)(8), 4302(c)(8)(B), 4302(c)(9), and 4302(e) of Chapter 4,
19 Title 4, Guam Code Annotated, are hereby *amended* to read as follows:

20 **“§ 4302. Same: Health Insurance or Provision of Health Care.**

21 § 4302 (c)(8) Notwithstanding any other provision of law, each fiscal
22 year or on a multi-year basis, not to exceed three (3) years, the Negotiating Team
23 shall solicit for either an exclusive and/or non-exclusive proposals from each
24 Health Insurance Provider or Third Party Administrator and enter into
25 negotiations with up to the top three (3) ranked Health Insurance Providers or
26 Third Party Administrators submitting qualified proposals for health insurance

1 coverage for qualified active employees and qualified retirees, survivors, and
2 foster children, of the government of Guam. The proposal submitted for a Third-
3 Party Administrator shall be an exclusive proposal.”

4 § 4302(c)(8)(B) The Director shall announce, electronically and/or in print,
5 in publications of general circulation in Guam and in top publications nationally
6 ~~and in leading publications internationally~~, a Request for Proposal from Health
7 Care Insurance Providers for health insurance coverage for qualified active
8 employees and qualified retirees, and foster children, of the government of Guam.

9 § 4302(c)(9) The Negotiating Team upon selection and review of the best
10 available proposal by participating healthcare respondent(s)/provider(s), or Third
11 Party Administrator(s) which reflect the most economical and beneficial
12 healthcare insurance proposal plans for government of Guam employees and
13 retirees, survivors, and foster children, shall forward up to the three (3) highest
14 ranking qualified proposals to *I Maga’hagan/Maga’lahen Guåhan* for
15 consideration and selection of the most economical and beneficial health
16 insurance plan, and transmit to *I Liheslaturan Guåhan* for its review no later than
17 July 31, and prior to the annual legislative sessions wherein the upcoming fiscal
18 year budget for the government of Guam is before *I Liheslaturan Guåhan* for
19 consideration. Notwithstanding any other provision of law, rule, or regulations,
20 of the remaining qualifying plans, if a non-exclusive option is selected, the
21 employee or retiree may choose one (1) of the remaining qualified plans, and any
22 difference in premiums shall be paid by the employee or retiree at their own cost.
23 Notwithstanding any other provisions of law, rule, or regulations, the most
24 economical and beneficial healthcare insurance proposal plan for government of
25 Guam employees and retirees, survivors, and foster children, shall be defined as
26 the lowest cost option.

1 § 4302(e) Effective October 1, 1986, the contract period for health
2 insurance or provision of health care shall coincide with the fiscal year, or fiscal
3 years if on a multi-year contract, which shall not exceed three (3) years of the
4 government of Guam. To that end, the contract period preceding the one for
5 FY1987 may be for less than twelve (12) months.”

6 **Section 4.** § 5118 of Chapter 5, Title 5, Guam Code Annotated, is hereby
7 *amended* to read as follows:

8 **“§ 5118. Procurement Counsel.**

9 The Department of Administration may employ an attorney to assist and
10 represent the DOA/General Services Agency, in all procurement and civil
11 matters, to be called the Procurement Counsel. The Director of Administration
12 shall set the terms and conditions of employment for the attorney and determine
13 his or her compensation consistent with the laws of Guam. The attorney shall be
14 a full-time employee, and shall be admitted to practice before the courts of Guam
15 under the same conditions as are attorneys employed by the government pursuant
16 to Title 7 GCA, §§ 9A114 and 9A114A. The Procurement Counsel shall assist
17 ~~and advise~~ represent the Chief Procurement Officer on all civil matters in which
18 the General Services Agency is legally interested, provided that the Office of the
19 Attorney General shall represent the General Services Agency, and provided that
20 the Attorney General shall designate the Procurement Counsel for the General
21 Services Agency as a Special Assistant Attorney General for this purpose.
22 Notwithstanding any other provisions of law, whenever the Chief Procurement
23 Officer conducts any solicitation or procurement on behalf of the General
24 Services Agency, the Procurement Counsel shall act as legal advisor during all
25 phases of the solicitation or procurement process.”

1 **Section 5.** § 13102(c), § 13107, § 13108, § 13110(b) and § 13115(d)(11) of 2
2 GAR, Div. 4, Chapter 13, are hereby *amended* to read as follows:

3 **“§ 13102. Membership.**

4 (c) The Attorney General or his designee or the Procurement Counsel
5 shall act as legal advisor during all phases of the solicitation or procurement
6 process for group health insurance benefits for employees and retirees of the
7 government.

8 **§ 13107. Quorum.**

9 The Negotiating Team may conduct official business if a quorum of its
10 ~~voting~~ members is present at any properly noticed meeting. A quorum of the
11 Negotiating Team is seven (7) ~~voting~~ members.

12 **§ 13108. Decisions.**

13 (a) At any properly notice meeting of the Negotiating Team where a
14 quorum is present, the Negotiating Team shall make decisions based upon an
15 affirming vote of at least five (5) of the voting members present, after a motion
16 is made by any member, and seconded by any other member.

17 (b) In any circumstance, a failure to get an affirming vote of at least five
18 (5) of the voting members present shall mean that the motion being voted on fails
19 for lack of majority.

20 (c) Upon the casing of votes, team members shall sign off on a voting
21 sheet or recite their names and positions on a virtual meeting recording to
22 document the decision made. With a quorum being met, the members may motion
23 to electronically vote on a motion.

24 **§ 13110. Communication by Offerors and Sub-contractors.**

25 (b) Prior to disqualification, the Negotiating Team shall request the
26 Attorney General’s Office or Procurement Counsel to conduct an investigation

1 to verify the veracity of such communication and shall provide its
2 recommendation to the negotiating team for action.

3 **§ 13115. Roles of Team Members.**

4 (d)(11) The final recommendation, after obtaining guidance from the
5 Consultant, ~~Insurance Commissioner~~ and Attorney General or Procurement
6 Counsel, to the Governor for approval.”

7 **Section 6. Effective Date.** This Act shall be effective upon enactment.

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