

1 Law Office f Louie J. Yanza
2 A Professional Corporation
3 One Agana Bay, Suite 202
4 446 East Marine Corps Drive
5 Hagatña, Guam 96910
6 Telephone No.: (671) 477-7059
7 Facsimile No.: (671) 472-5487

8 Attorney for Appellant
9 TAKECARE INSURANCE COMPANY, INC.

RECEIVED
OFFICE OF PUBLIC ACCOUNTABILITY
PROCUREMENT APPEALS

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FILE NO OPA-PA: 19-005

7 **PROCUREMENT APPEAL**

8 **IN THE OFFICE OF PUBLIC ACCOUNTABILITY**

9 In the Appeal of

DOCKET NO. OPA-PA-19-005

10
11 TakeCare Insurance Company, Inc.,
12
13 Appellant.

REPLY TO PURCHASING AGENCY'S
OPPOSITION TO APPELLANT'S
MOTION TO CONTINUE MERIT
HEARING

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15
16 The basis for the Government of Guam's ("GovGuam") opposition is that:
17 "The Government of Guam cannot afford a disruption in health insurance
18 services to government employees, retirees, and their families." Opposition, at
19 2. GovGuam's position is that despite the extension from the last Department
20 of Administration ("DOA") insurance contract from 2018, from September 30,
21 all of the GovGuam employees, retirees, and their families would have no
22 insurance coverage. Nothing is further from the truth.
23

24 First, GovGuam has not disclosed to the Office of Public Accountability
25 ("OPA") of the following facts in its opposition:
26

ORIGINAL

1
2 1. FY 2019 Rollover Contract

3 §2.3 of Contract states:

4 **Guaranteed Renewability of Health Insurance**
5 **Coverage:** In the event that GovGuam invokes the
6 protection afforded by the Health Insurance Portability
7 and Accountability Act of 1996, as amended found at
8 Section 2712 of the Public Health Services, Act, and its
9 regulations, for the guaranteed renewability of health
insurance coverage the parties agree that coverage would
be continued until a new contract is in place with the
first ninety (90) days of coverage guaranteed at the same
rate and plan designs.

10 The rollover contract provided by two carriers includes continued
11 coverage of existing benefit at existing premium rates based on historical health
12 care costs. On average, health care costs increase 8% annually. Therefore,
13 GovGuam actually benefits from the rollover since premium rates were kept at
14 the same level as the previous fiscal year.

15 One of the carriers that agreed to the rollover implemented a 5%
16 premium increase due to the expiration of its qualifying certification and GRT
17 abatement - not the much higher increase in rates due to health care costs
18 trend.

19 Section 7.2 of the agreement for health services allows benefit changes
20 as required under PPACA.

21 GovGuam/DOA actually benefits from a rollover contract AND health
22 care coverage is also not jeopardized for its subscribers.

23
24 2. Contract Language Improvements
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