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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
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8 Attorney for Appellant
9 TAKECARE INSURANCE COMPANY, INC.

RECEIVED
OFFICE OF PUBLIC ACCOUNTABILITY
PROCUREMENT APPEALS
DATE: 07-29-19
TIME: 3:55 AM PM BY: JM
FILE NO OPA-PA: 19-005

7 **PROCUREMENT APPEAL**
8 **IN THE OFFICE OF PUBLIC ACCOUNTABILITY**

9 In the Appeal of
10 TAKECARE INSURANCE COMPANY,
11 INC.,
12 Appellant,
13 and
14 DEPARTMENT OF ADMINISTRATION,
15 Purchasing Agency.

APPEAL NO. OPA-PA-19-005

TAKECARE INSURANCE COMPANY,
INC.'S EXHIBIT LIST

18 TakeCare Insurance Company, Inc. ("TakeCare") hereby identifies the
19 exhibits that it reserves the right to use during the hearing in this matter before
20 the Office of Public Accountability. TakeCare also reserves its right to
21 supplement this exhibit list should additional exhibits be discovered.

- 22 **Exhibit 1:** April 30, 2019 email to Joseph Husslein from
23 Jerry Crisostomo re GRMC Agreement;
24 **Exhibit 2:** February 27, 2019 to March 7, 2019 Legislature
25 Public Law 35-2;

26
ORIGINAL

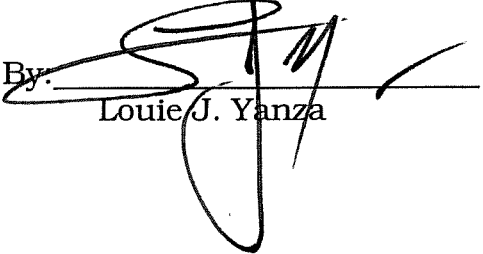
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- Exhibit 3:** March 14, 2019 letter to Francis E. Santos from Joseph Husslein re Offer to TakeCare for GRMC Services;
- Exhibit 4:** March 21, 2019 letter to Joseph Husslein from Francis E. Santos re Response to TakeCare Letter of March 14;
- Exhibit 5:** Medical Network Analysis
- Exhibit 6:** March 29, 2019 letter to Joseph Husslein from Francis E. Santos re TakeCare Proposal;
- Exhibit 7:** Rate Reimbursement;
- Exhibit 8:** April 16, 2019 letter to Joseph Husslein from Arvin Lojo re Guam Regional Medical City Proposed Fee Analysis to TakeCare Insurance Company, Inc.;
- Exhibit 9:** April 3, 2019 letter to Francis E. Santos from Joseph Husslein re Provider Services Agreement;
- Exhibit 10:** April 9, 2019 email to Joseph Husslein from Francis E. Santos re Provider Services Agreement;
- Exhibit 11:** Netcare Life & Health Insurance Company Network Access Services Agreement;
- Exhibit 12:** First Amendment of Netcare Life & Health Insurance Company Network Access Services Agreement;
- Exhibit 13:** May 1, 2019 letter to Mr. Troy Moylan and Mr. Jerry Crisostomo from Joseph Husslein re Activation Notice;
- Exhibit 14:** Legislative History Bill No. 21-34;
- Exhibit 15:** Legislative History Bill No. 34-83; and
- Exhibit 16:** May 8, 2019 Whatsapp Chat with Edward Birn: For procurement record from Eric Plinske.
- Exhibit 17:** GovGuam PPO1500 Required Schedule of Benefits

Submitted this 29th day of July, 2019.

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Law Office of Louie J. Yanza, P.C.
Attorney for Appellant
TakeCare Insurance Company, Inc.

By: 
Louie J. Yanza

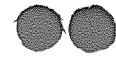


EXHIBIT "1"



Joseph Husslein <husslein@gmail.com>

FW: GRMC Agreement

Jerry Crisostomo <jcrisostomo@netcarelifeandhealth.com>

Tue, Apr 30, 2019 at 7:52 PM

To: Joseph Husslein <husslein@gmail.com>, "Lojo, Arvin" <Arvin.Lojo@takecareasia.com>
Cc: tmoylan@moylans.net

Hi Joseph/Arvin,

We received the email message below this morning from GRMC...I responded requesting for a letter with their signature stating the below issue including the name of the 'local health plan'...I have yet to receive a response back but wanted to give you heads up on this latest development.

Let me know if you wish to discuss further...

Regards,

Jerry Crisostomo

From: Plinske, Eric L. [mailto:Eric.Plinske@GRMC.gu]

Sent: Wednesday, May 01, 2019 8:03 AM

To: Jerry Crisostomo; 'Bri Habin'

Cc: Santos, Francis E.

Subject: GRMC Agreement

Jerry,

Please note that GRMC will not allow any other local health plan to access NetCare's in-network rates with GRMC for their members. Guam-based health plans need to directly contract with GRMC for in-network rates.

Sincerely,

Eric L. Plinske

Vice President

Corporate Affairs

Guam Regional Medical City

133 Route 3

Dededo, GU 96929

Direct: (671) 645-5579

Office: (671) 645-5500, ext. 5579

Mobile: (671) 688-3571

Email: eric.plinske@grmc.gu

Website: www.grmc.gu



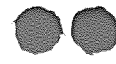


EXHIBIT "2"

Mfaw Pwensal Sogula Ne Likelakelakem Gualben
BILL STATUS

SESSON DATE	TITLE	DATE PASSED	TRANSMITTED	DUPLICATE	DATE SHAWED	NOTES
7/25/19	AN ACT TO ADD A NEW § 4302(1) TO ARTICLE 3 OF CHAPTER 4, GUAM CODE ANNOTATED, RELATIVE TO REQUIRING THAT ALL PRIVATE HOSPITALS BE COVERED UNDER THE GOVERNMENT OF GUAM HEALTH INSURANCE CONTRACT.	1/25/19 4:42 p.m.	2/1/19	2/11/19 2:50 p.m.	7/15/19 3:19 p.m.	Received: 3/7/19 Mess and Comm. Doc. No. 35GL-19-0211.
7/25/19	AN ACT TO ADD A NEW § 4302(1) TO ARTICLE 3 OF CHAPTER 4, GUAM CODE ANNOTATED, RELATIVE TO REQUIRING CONSIDERATION OF ONLY THOSE COMPANIES OR ENTITIES PROVIDING HEALTH INSURANCE TO THE GOVERNMENT OF GUAM WHOSE NETWORK COVERAGE INCLUDES ALL PUBLIC AND PRIVATE HOSPITALS OPERATING IN GUAM.	2/27/19	2/27/19 5:27 p.m.	3/11/19	3/7/19	Received: 3/7/19 Mess and Comm. Doc. No. 35GL-19-0211.

30-95 (COR)
As amended by the
Committee on Public
Accountability,
Human Resources and the
Guam Budget
and further amended on
the floor.

Committee on Public
Accountability, Human
Resources, and the Guam
Budget

2/11/19
2:50 p.m.

7/15/19
3:19 p.m.

Received: 3/7/19
Mess and Comm. Doc. No.
35GL-19-0211.

AN ACT TO ADD A NEW § 4302(1) TO ARTICLE 3 OF CHAPTER 4, GUAM CODE ANNOTATED, RELATIVE TO REQUIRING THAT ALL PRIVATE HOSPITALS BE COVERED UNDER THE GOVERNMENT OF GUAM HEALTH INSURANCE CONTRACT.

AN ACT TO ADD A NEW § 4302(1) TO ARTICLE 3 OF CHAPTER 4, GUAM CODE ANNOTATED, RELATIVE TO REQUIRING CONSIDERATION OF ONLY THOSE COMPANIES OR ENTITIES PROVIDING HEALTH INSURANCE TO THE GOVERNMENT OF GUAM WHOSE NETWORK COVERAGE INCLUDES ALL PUBLIC AND PRIVATE HOSPITALS OPERATING IN GUAM.

SESSON DATE

UFISINAN I MAGA'HAGA
OFFICE OF THE GOVERNOR



LOURDES A. LEON GUERRERO
MAGA'HAGA • GOVERNOR

JOSHUA F. TENORIO
SIGUNDO MAGA'LÁHI • LIEUTENANT GOVERNOR

March 7, 2019

Honorable Telen Cruz Nelson
Acting Speaker
I Mina'trentai Singko Na Liheslaturan Guåhan
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

3566-19-0211
Speaker Tina Rose Muña Barnes

MAR 07 2019
Time 3:01 () AM / PM
Received By:

Dear Madame Speaker:

Today, I signed Bill No. 30-35 (COR), "An Act to Add a New § 4302(c)(12) to Article 3 of Chapter 4, Title 4, Guam Code Annotated, Relative to Requiring Consideration of Only Those Companies or Entities Providing Health Insurance to the Government of Guam Whose In-Network Coverage Includes All Public and Private Hospitals Operating in Guam," (the "Act") into law as Public Law 35-2.

An emergency is a serious, unexpected, and often dangerous situation requiring immediate action. In terms of health care, a successful response to a medical emergency is based not only on access, but also health provider network adequacy. To be adequate, the Government of Guam's health insurance network must provide Government of Guam employees with the right care, at the right time, without having to travel needlessly to seek an in-network hospital. We consistently ask and depend on our Government of Guam employees to serve during emergencies when our island calls. This Act reminds the Government to serve in return and to help its employees prepare for a medical emergency when they and their families are in need.

The Government of Guam employees should be allowed to expect that their health insurance cover quality health care at whichever hospital, public or private, they may unexpectedly find themselves on Guam. By signing this bill, I join the Legislature in making this expectation a reality.

Senseramente,

LOURDES A. LEON GUERRERO
Maga'hagan Guåhan
Governor of Guam

2019 MAR 7 PM 3:25

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2019 (FIRST) Regular Session

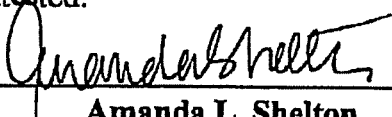
CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'HÅGAN GUÅHAN*

This is to certify that Bill No. 30-35 (COR), "AN ACT TO ADD A NEW § 4302(c)(12) TO ARTICLE 3 OF CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO REQUIRING CONSIDERATION OF ONLY THOSE COMPANIES OR ENTITIES PROVIDING HEALTH INSURANCE TO THE GOVERNMENT OF GUAM WHOSE IN-NETWORK COVERAGE INCLUDES ALL PUBLIC AND PRIVATE HOSPITALS OPERATING IN GUAM," was on the 27th day of February 2019, duly and regularly passed.




Tina Rose Muña Barnes
Speaker

Attested:




Amanda L. Shelton
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 27th day of February
2019, at 5:55 o'clock P.M.



Assistant Staff Officer
Maga'håga's Office

APPROVED:



Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date: 3/7/2019

Public Law No. 35-2

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÁHAN
2019 (FIRST) Regular Session

Bill No. 30-35 (COR)

As amended by the Committee on Public Accountability,
Human Resources and the Guam Buildup;
and further amended on the Floor.

Introduced by:

Tina Rose Muña Barnes
William Mendiola Castro
Régine Biscoe Lee
Kelly Marsh (Taitano), PhD
James C. Moylan
Louise B. Muña
Telena Cruz Nelson
Sabina Flores Perez
Clynton E. Ridgell
Joe S. San Agustin
Amanda L. Shelton
Telo T. Taitague
Jose "Pedo" Terlaje
Therese M. Terlaje
Mary Camacho Torres

**AN ACT TO ADD A NEW § 4302(c)(12) TO ARTICLE 3 OF
CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED,
RELATIVE TO REQUIRING CONSIDERATION OF
ONLY THOSE COMPANIES OR ENTITIES PROVIDING
HEALTH INSURANCE TO THE GOVERNMENT OF
GUAM WHOSE IN-NETWORK COVERAGE INCLUDES
ALL PUBLIC AND PRIVATE HOSPITALS OPERATING
IN GUAM.**

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

2 **Section 1.** A new § 4302(c)(12) is *added* to Chapter 4 of Title 4, Guam Code

3 Annotated, to read:

1 “(12) Beginning with the negotiations for Fiscal Year 2020, the
2 Negotiating team *shall* consider only those companies or other legal entities
3 providing or applying to provide health insurance or the provision of health
4 care to the Government of Guam whose in-network coverage includes all
5 public and private hospitals operating in Guam.”

6 **Section 2. Severability.** If any provision of this Act or its application to any
7 person or circumstance is found to be invalid or contrary to law, such invalidity *shall*
8 *not* affect other provisions or applications of this Act that can be given effect without
9 the invalid provision or application, and to this end the provisions of this Act are
10 severable.

EXHIBIT "3"



TakeCare Insurance Company, Inc.
P.O. Box 6578 Tamuning, Guam 96931
Telephone: (671) 646-6956 Fax (671)
647-3551

March 14, 2019

VIA HAND DELIVERY and VIA EMAIL

Mr. Francis E. Santos
Senior Vice-President/Strategic Planning & Business Development
GUAM REGIONAL MEDICAL CITY
133 Route 3, Dededo, Guam 96912

Re: **Offer to TakeCare for GRMC Services**

Dear Mr. Santos:

This letter is in response to your email dated March 13, 2019 in reply to my email dated March 12 related to your recent previous emails and calls. The purpose of my March 12 email requesting a teleconference with yourself or appropriate GRMC decision makers on March 14th, is to express TakeCare's desire to receive from GRMC a Provider Service Agreement as well as GRMC charge master rates for services that are equal (or better) as it relates to agreement language and terms as well as underlying rates for GRMC services as provided to SelectCare or any other Guam health insurance carrier.

GRMC providing such is to be in compliance with recent media statements it made after the passage of Bill 30-35 into PL 35-2. Specifically, "...Francis Santos reached out to management at TakeCare...in hopes of reaching an agreement that is less or equal to what...currently paying for healthcare that includes GRMC".

As importantly, with GRMC providing such, it streamlines the process for the parties to reach a workable arrangement for such GRMC services – specifically as it relates to the upcoming issuance of the FY2020 Government of Guam Request for Proposal for the Government of Guam Group Health Insurance Program ("RFP").

With the above in mind, TakeCare formally requests to receive the above from GRMC no later than 3pm, Friday, March 29, 2019, CHst. This may be sent via hard copy to TakeCare's Baltej Administration office and soft copy via email to joseph.husslein@takecareasia.com.

For TakeCare's part, we will promptly review the above information provided by GRMC and provide any initial clarification as may be necessary. Moreover, TakeCare will consider the information provided by GRMC consistent with PL 35-2 and other applicable statutes as well as the issuance and our review of the RFP. Upon doing so, depending on TakeCare's intention to bid on the RFP, we will affirm or clarify such in a timely matter with GRMC.

Should you have any questions, please do not hesitate to contact me at (671) 646-6956 x7148 or via cell at (808) 738-6941 as well as email.

Sincerely,


Joseph Husslein

cc – Dr. Mike Cruz, President/CEO, GRMC

EXHIBIT "4"



March 21, 2019

Mr. Joseph Husslein, President
Takecare Insurance Company
Tamuning, Guam

Re: Response to Takecare Letter of March 14

Dear Mr. Husslein:

This letter will confirm our telephone conversation on March 18, 2019.

To summarize our discussion, we addressed the following issues:

- **Proposed Agreement between GRMC and Takecare**
- **In-Network Access for all Takecare members including GovGuam, Federal & Commercial/Private**
- **Outstanding bills for services rendered to Takecare members**

Proposed Agreement

We will provide a template agreement with proposed negotiated rates for services provided at GRMC.

Full Network Access

We discussed that we should focus our efforts on reaching an agreement for the Government of Guam group health program. While we agree with this request, we stand firm in our desire that when an agreement is reached, our agreement will be offered to all your groups to include, the Government of Guam (GovGuam) group health insurance program, the Federal employee's program and the commercial/private sector plans. It is our intention that TakeCare's GovGuam In-network access will take effect on 10/1/2019, while in-network access for TakeCare's commercial/private and Federal market groups will take effect on 1/1/2020.


Outstanding Claims

Again, notwithstanding our mutual goal of reaching a provider service agreement, we remain firm that the "outstanding" bills for services rendered to Takecare members be paid through a reasonable settlement between GRMC and Takecare.

The purpose of this letter is to memorialize our telephone discussion. As I offered in our discussion, our proposed agreement will be sent to you by the close of business on March 22, 2019.

Should you have questions or concerns, please do not hesitate to contact me.

Regards,



Francis E. Santos



EXHIBIT "5"

Medical Network Analysis

Bidder Instructions Complete the shaded cells for your proposed network. If you are bidding multiple networks, add a column for each network.

- Please input a "Y", "L", or "N" indicator in the match column requested for each provider line.
- Indicate "Y" if you matched on that provider and the provider is directly contracted in the network you are proposing for.
- Indicate "L" if the provider is in a rental, leased, or wrap network.
- Indicate "N" if the provider is out-of-network and for providers who are not formally contracted into the network and/or who would not be listed in network directories but who offer some type of discounting from fees whether by a limited contract or by negotiation after incurred.

With regard to PL 35-2, signed in March 2019, offerors must provide a network that includes all public (excluding Naval Hospital Guam) and private hospitals on Guam, considered the "broad" network for purposes of this RFP.

Additionally, offerors are allowed the opportunity to include, as an option, a "high-performance/narrow" network, to stand alongside the "broad" network as an option for enrollees to elect. If you choose to offer such a network, please complete the additional column provided.

OPTIONAL

Top Network Hospitals & Surgical Centers Across all current carriers			Proposed Network Enter Broad Network Name Here	Proposed Network Enter High-Performance Network Name Here
GIN	Provider Name	Location	Is this hospital in Network for your Broad network?	Is this hospital in Network for your High- Performance Network?
660768469	GHD dba Guam Regional Medical City (GRMC)	Guam		
960001695	GUAM MEMORIAL HOSPITAL	Guam		
7074202	ST LUKES MEDICAL CENTER GLOBAL CITY	Philippines		
000000027	TAKECARE PHILIPPINES - HOSPITALS	Philippines		
660576790	GUAM SURGICENTER	Guam		
	GUAM SPECIALIST GROUP PLLC	Guam		
912151670	STRAUB CLINIC & HOSPITAL	Hawaii		
660551190	ISLAND SURGICAL CENTER, P.C.	Guam		
954457756	CEDARS-SINAI MEDICAL GROUP	California		
980001217	U.S. NAVAL HOSPITAL	Guam		
	HAPA ADAI SPECIALIST GROUP	Guam		
911352172	TACOMA GENERAL ALLENMORE	California		
660553954	ISLAND EYE CENTER	Guam		
956006143	UCLA MEDICAL CENTER	California		
951656366	GOOD SAMARITAN HOSPITAL	California		
110101002	TAIWAN ADVENTIST HOSPITAL	Taiwan		
660774364	COMMONWEALTH HEALTHCARE CORPORATION	Japan		
860800150	MAYO CLINIC ARIZONA	Arizona		
390907740	ST FRANCIS HOSPITAL, INC	Minnesota		
Please outline any other major facility differences of your networks not addressed by this list of top utilized facilities:				

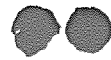


EXHIBIT "6"



March 29, 2019

Mr. Joseph Husslein
President
Takecare Insurance
Tamuning, Guam

Re: Takecare Proposal

Dear Mr. Husslein:

This letter will serve as our proposal for a provider agreement between Takecare Insurance and Guam Regional Medical City (GRMC). Our proposed agreement is attached for your review.

Please note that we are offering for your consideration and approval our most economical and beneficial provider agreement. However, as stated in my earlier letter, this agreement must include all Takecare accounts to include GovGuam, Federal, associations and commercial/private companies.

Further to our discussion, we must address and resolve the "outstanding Takecare patient bills" for services received by your members. As I stated in our discussion, resolution of the "outstanding Takecare patient bills" is a necessary component of this agreement moving forward.

Should you have questions or concerns, please feel free to call me.

Regards,


Francis Santos

attachment

EXHIBIT "7"

EXHIBIT "B"

RATE REIMBURSEMENT

Facility Service Type	Per Diem Rate
Medical Surgical Days	\$2,652.25
Surgical 1 st Day	\$3,819.24
Surgical Subsequent Days	Level of Care
Adult ICU Days	\$3,978.38
Telemetry Days	\$3,677.10
SNU Level of Care Days	\$700.00
Observation Services	\$74.26 per hour
All other Inpatient Days not Listed	45% of billed charges
Outlier Provisions	Rate
Level 1 – Threshold	➤ \$75K in billed charges
Level 1 – Reimbursement	45% of billed charges
Level 1 – Base	First Dollar
Outpatient Services	Rate
Surgeries	45% of billed charges
Unlisted Surgery Procedures	45% of billed charges
Multiple Procedures	45% of billed charges
Emergency Room Services	45% of billed charges
Laboratory Services	45% of billed charges
Radiology Services	45% of billed charges
IV Therapy Services	45% of billed charges
Non-Routine Supplies	45% of billed charges
All Other Outpatient Services	45% of billed charges
Pharmacy Drugs	45% of billed charges
HBOT CPT G0277 (each 30 minutes)	\$172.13
Urgent Care Services (excluding IV & IM infusions)	45% of billed charges
Inpatient & Outpatient Exclusions	Rate
Implantable Devices; prosthetics & orthotics; blood administration, processing, and storage.	45% of billed charges
Pharmaceuticals (Administered drug charges greater than or equal to \$1,000 per day for the same drug)	45% of billed charges
Non-Routine Supplies	45% of billed charges
Professional Fees	Rate
Anesthesia Conversion Factor	\$55 per unit
Emergency	170% of prevailing MPFS Non-Facility rate
Urgent Care	150% of prevailing MPFS Non-Facility rate
Radiological	150% of prevailing MPFS Non-Facility rate
All Other Specialties	150% of prevailing MPFS Non-Facility rate
HBOT CPT 99183	\$290.70
Non-Listed Codes	45% of billed charges
Cardiac Case Rates	Rate
Cardiac Surgery	\$44,557.80
- Includes 7-day hospital stay and anything in excess of 7 days will be paid at level of care per diem rate.	

- Includes all professional fees and anesthesia	
- Drug charges greater than or equal to \$1,000 per day for the same drug are excluded and paid at 45% of billed charges.	
- Includes take back to OR for any reasons related to primary surgery within 7-day hospital stay, but excludes surgeries not related to primary surgery that will be paid at 45% of billed charges for OR time plus surgical and anesthesia professional fees at 150% of MPFS Non-Facility rate.	
- Includes one follow-up visit by post-operative physician services within 90 days from surgery.	
- Valves, pacemakers and AICDs are excluded and paid at 45% of billed charges.	
- Blood and blood products are excluded and paid at 45% of billed charges.	
- Non-routine supplies are excluded and paid at 45% of billed charges.	
Diagnostic Cardiac Catheterization	\$8,404.80
- Includes no more than 4 diagnostic cardiac catheters. Any more than 4 catheters shall be paid at 45% of billed charges.	
- Includes one (1) observation day in Telemetry. Any additional medically necessary days shall be paid at the level of care per diem rate.	
- Includes all professional fees and anesthesia	
- Includes one follow-up visit by post-operative physician services within 90 days from surgery.	
Angioplasty/Stent (no cardiac catheterization)	\$13,657.80
- Includes one (1) stent. Additional stents beyond 1 shall be paid at 45% of billed charges.	
- Includes all professional fees and anesthesia	
- Includes observation stay or up to 2 days in either ICU or Telemetry. Any additional medically necessary days shall be paid at the level of care per diem rate.	
- Includes one follow-up visit by post-operative physician services within 90 days from surgery.	
Angioplasty/Stent (with cardiac catheterization)	\$18,910.80
- Includes one (1) stent. Additional stents beyond 1 shall be paid at 45% of billed charges.	
- Includes all professional fees and anesthesia	
- Includes no more than 4 diagnostic cardiac catheters. Any more than 4 catheters shall be paid at 45% of billed charges.	
- Includes observation stay or up to 2 days in either ICU or Telemetry. Any additional medically necessary days shall be paid at the level of care per diem rate.	
- Includes one follow-up visit by post-operative physician services within 90 days from surgery.	

Pacemaker / AICD	\$5,778.30
- Includes all professional fees and anesthesia	
- Excludes pacemaker and AICD, which shall be paid at 45% of billed charges.	
- Includes observation stay or 1 day in either ICU or Telemetry. Any additional medically necessary days beyond 1 day shall be paid at the level of care per diem rate.	
- Includes one follow-up visit by post-operative physician services within 90 days from surgery.	
Bariatric Case Rate	Rate
Bariatric Surgery (Sleeve or Gastric Bypass)	\$16,500.00
- Includes all professional fees and anesthesia	
- Includes up to a 3 day stay. Any additional medically necessary days beyond 3 days shall be paid at the level of care per diem rate.	
- Includes one follow-up visit by post-operative physician services within 90 days from surgery.	

EXHIBIT "8"



TakeCare Insurance Company, Inc.
P.O. Box 6578 Tamuning, Guam 96931
Telephone: (671) 646-6956 Fax (671)
647-3551

April 16, 2019

Joseph Husslein
President and Chief Executive Officer
TakeCare Insurance Company, Inc.

RE: Guam Regional Medical City ("GRMC") Proposed Fee Analysis to TakeCare Insurance Company, Inc. ("TakeCare")

Mr Husslein,

The purpose of this memorandum is to provide the cost impact summary of the proposed TakeCare GRMC fees as provided by GRMC on March 29, 2019 for the purposes of TakeCare's intended bid to the FY2019-20 Government of Guam health insurance RFP.

The following summary provides the cost difference between the proposed TakeCare GRMC fees, GRMC's charge master and NetCare's existing fees with GRMC:

Service Category	Proposed TakeCare GRMC Fee Cost Difference to Current GRMC Charge Master	NetCare GRMC Fee Cost Difference to Current GRMC Charge Master	Difference of Proposed TakeCare GRMC Fees to Current NetCare GRMC Fees
In Patient Admission	(12.0%)	(48.5%)	70.6%
Out Patient Services	(45.3%)	(47.1%)	3.3%
Emergency Services	(58.5%)	(43.8%)	(26.1%)
Consolidated	(18.7%)	(47.9%)	56.0%

The following summarizes certain in patient charges under the proposed TakeCare GRMC fees, NetCare's GRMC fees and GRMC's charge master:

Service Category	GRMC Charge Master	NetCare GRMC Fees (A)	Proposed TakeCare GRMC Fees (B)	Dollar and Percent Difference Between TakeCare and NetCare GRMC Fees (A - B)
Delivery Room	\$4,540.73	\$1,669.80	\$2,043.33	\$373.53 / 22.4%
ICU	\$3,420.43	\$1,791.65	\$3,978.38	\$2,186.73 / 122.1%
Medical Room & Board	\$2,579.06	\$1,350.94	\$2,652.25	\$1,301.31 / 96.3%
NICU	\$3,937.50	\$2,062.50	\$3,978.38	\$1,915.88 / 92.9%
Nursery	\$1,680.00	\$880.00	\$756.00	(\$124.00) / (14.1%)
Telemetry	\$2,730.00	\$1,430.00	\$3,677.10	\$2,247.10 / 157.1%

Please do not hesitate to contact me for any other questions or clarification.

Sincerely,

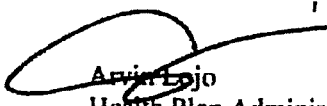

 Arvin Lojo
 Health Plan Administrator
 TakeCare Insurance Company, Inc.

EXHIBIT "9"



TakeCare Insurance Company, Inc.
P.O. Box 6578 Tamuning, Guam 96931
Telephone: (671) 646-8956 Fax (671) 647-3551

April 3, 2019

Received

VIA HAND DELIVERY and VIA EMAIL

APR 03 2019

Mr. Francis E. Santos
Senior Vice-President/Strategic Planning & Business Development
GUAM REGIONAL MEDICAL CITY
133 Route 3, Dededo, Guam 96929

Guam Regional
Medical City

Re: **Provider Services Agreement**

Dear Mr. Santos:

Thank you for your letter of March 29, 2019, with a proposed Provider Services Agreement and rates between Guam Regional Medical City ("GRMC) and TakeCare Insurance Company, Inc. ("TakeCare") for the Government of Guam Group Health Insurance Program ("GovGuam Group Health Program"). It is important that GRMC understands that TakeCare will not comingle issues unrelated to the GovGuam Group Health Program. Consequently, our consideration of the proposed agreement and rates must be seen in the context as described in the remainder of this letter below.

First, as you know, TakeCare will be a prospective offeror intending to respond to the FY2020 Government of Guam Request for Proposal ("RFP") for the GovGuam Group Health Program. Recently enacted Public Law 35-2 requires that all public and private hospital operating in Guam be in the networks of those applying to provide health insurance to the Government of Guam. This law only applies to the GovGuam Group Health Program and TakeCare's primary intent in negotiating with GRMC is for the GovGuam Group Health Program. The insertion in these negotiations of demands related to all other lines of TakeCare's business and other issues is an unfair overreach on GRMC's part.

Because of the recently enacted law, any agreed-upon form of a Provider Services Agreement between GRMC and TakeCare, and its effective date, must necessarily be expressly conditioned upon TakeCare being chosen as the exclusive carrier for the GovGuam Group Health Program. Should TakeCare not be awarded the exclusive contract for the GovGuam Group Health Program, then any form of agreement between GRMC and TakeCare will not take effect. Additionally, should any award to TakeCare as the exclusive carrier for the GovGuam Group Health Program be protested by another offeror causing a stay/delay/postponement of TakeCare's exclusivity, any agreement between GRMC and TakeCare will not become effective unless and until TakeCare actually becomes the exclusive carrier.

Second, provided TakeCare is awarded the exclusive agreement under the GovGuam Group Health Program, TakeCare in its discretion will consider offering GRMC as an in-network provider for other lines of business but will not require that all groups include coverage for services by GRMC. TakeCare has always offered a range of plans to its groups and members. Indeed, TakeCare's non-GovGuam offerings are designed in part on requests and needs communicated to TakeCare by the groups and members, and are not a wholesale portfolio. Therefore, while TakeCare may include GRMC in its provider network by entering into a Provider Services Agreement for GRMC to provide services for covered benefits to TakeCare's members, TakeCare cannot guarantee that all of its groups or members will want to include GRMC coverage in-network. Aside from GovGuam, TakeCare will still offer its groups, and/or members within groups, for example high and standard option plans including the option to exclude GRMC from in-network coverage.

Third, as we have discussed previously, any dispute over GRMC's outstanding bills to TakeCare members during a time when there was no direct payer agreement between GRMC and TakeCare, is an

unrelated matter. As with the demands for insertion in TakeCare's other lines of business discussed above, the linking of amounts which may be due GRMC by TakeCare members for non-covered benefits is another overreach on GRMC's part. Any unrelated dispute must be dealt with separately from the parties entering into a Provider Services Agreement. However, depending upon the outcome of the parties' negotiation of a Provider Services Agreement and TakeCare's success in the RFP process for the GovGuam Group Health Program, TakeCare is willing to consider discussing various mechanisms for a binding resolution of the TakeCare patient bills GRMC claims it is owed.

A summary of the points set forth in this letter, includes the following:

1. The parties' initial focus because of Public Law 35-2 is a Provider Services Agreement which includes GRMC in-network for covered benefits for the GovGuam Group Health Program and not any other of TakeCare's lines of business.
2. The terms of the Provider Services Agreement reached between the parties will only become effective if TakeCare is the exclusive awardee of the FY2020 GovGuam Group Health Program. Should TakeCare not be awarded such exclusivity, the Provider Services Agreement for the GovGuam line of business shall not take effect.
3. The negotiation of a Provider Services Agreement for any other lines of business, including TakeCare's commercial and federal lines, is subject to TakeCare's discretion and will likewise be conditioned upon TakeCare's being awarded exclusivity in the FY2020 GovGuam Group Health Program.
4. In the event TakeCare enters into a Provider Services Agreement with GRMC, TakeCare retains the right to offer plans to its groups with or without GRMC as an in-network provider.
5. The negotiation of any Provider Services Agreement between the parties is not conditioned upon prior resolution of any of GRMC's outstanding bills to TakeCare members.

TakeCare's review of the proposed Provider Services Agreement and the accompanying rates is conditioned on the points made in this letter. In the meantime, should you have any questions about this letter, please do not hesitate to contact me.

Sincerely,



JOSEPH HUSSLEIN,
Chief Executive Officer/President
TakeCare Insurance Company, Inc.

EXHIBIT "10"



Joseph Husslein <husslein@gmail.com>

Provider Services Agreement

Francis Santos <fesantos57@gmail.com>

Tue, Apr 9, 2019 at 1:08 PM

To: GAMAN LLLP <gaman.llp@gmail.com>, "Mike Cruz (mwcruzin@hotmail.com)" <mwcruzin@hotmail.com>

Dear Mr. Husslein,

This email is in response to your letter of April 3, 2019.

Thank you for clarifying your position on the specific points that I shared in my letter of March 29, 2019.

We hope that you reconsider your position and I will again re-state our position that the following points are conditions of our proposed Provider Services agreement:

- 1) TakeCare will include GRMC in all its lines of business to include Government of Guam, Federal employees' program and private/commercial
- 2) TakeCare will not sell GRMC in-network as a buy up option
- 3) TakeCare will settle the outstanding billed charges for services rendered to TakeCare members

As we count down the days to the submission of TakeCare's response to the Government of Guam RFP, we remain open to negotiating with you with the goal of reaching a mutually beneficial provider services agreement.

Regards,

Francis

EXHIBIT "11"

**NETCARE LIFE & HEALTH INSURANCE COMPANY
NETWORK ACCESS SERVICES AGREEMENT**

This Network Access Services Agreement (the "Agreement") is made and entered into for an effective date of July 1, 2018, by and between NetCare Life and Health Insurance Company ("NetCare"), a Guam based domestic life and health carrier licensed to do business on Guam and TakeCare Insurance Company, Inc., ("TakeCare"), a Guam based domestic health carrier licensed to do business on Guam.

RECITALS

WHEREAS, NetCare contracts with health care providers ("Network Providers") to render services to individuals to receive health care services and/or benefits from or through a Plan, and desires to provide access to specific providers among its Network Providers, starting initially with access to Guam HealthCare Development Inc., DBA Guam Regional Medical City on behalf of select TakeCare clients, consistent with coverage under certain of its group health policies;

WHEREAS, TakeCare wishes to contract with NetCare to arrange for the access of health care services from specific providers among NetCare's Network Providers, starting initially upon the effective date of this Agreement, with access to Guam HealthCare Development Inc., DBA Guam Regional Medical City to select members on the following terms and conditions.

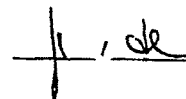
NOW THEREFORE, in consideration of the promises, the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

I. Appointment

NetCare hereby leases to TakeCare access for its members to Guam HealthCare Development Inc., DBA Guam Regional Medical City through its provider network as represented by the Participating Provider Service Agreement between NetCare and Guam HealthCare Development Inc., DBA Guam Regional Medical City effective September 1, 2015, and any applicable amendments. Such access is expressly limited to covered services under select TakeCare policies which include Guam HealthCare Development Inc., DBA Guam Regional Medical City in their provider networks.

TakeCare hereby appoints NetCare to act on TakeCare's behalf for the purpose of facilitating claims review and providing access to Guam HealthCare Development Inc., DBA Guam Regional Medical City for covered services under select TakeCare policies which include Guam HealthCare Development Inc., DBA Guam Regional Medical City in their provider networks.

The parties agree that upon additional appointment by TakeCare in the form of a future Addendum(s) executed by both parties, NetCare can lease access to other Network

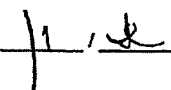


Providers to TakeCare on the same terms and conditions set forth in this Agreement, subject to the terms of any applicable underlying Participating Provider Agreement between NetCare and the Network Providers.

II. Duties and Responsibilities

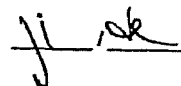
- a. For the duration of this Agreement, as may be amended by future Addendum(s), NetCare agrees to use its best efforts to remain in good standing as a party under the Participating Provider Service Agreement between NetCare and Guam HealthCare Development Inc., DBA Guam Regional Medical City effective September 1, 2015, and any other underlying Participating Provider Agreements under which access to TakeCare has been given.
- b. For the duration of this Agreement, as may be amended by future Addendum(s), NetCare agrees to perform the following functions in relation to TakeCare policies which include Guam HealthCare Development Inc., DBA Guam Regional Medical City, and other designated providers by future Addendum(s), in their provider network, or such functions as otherwise agreed to by the parties:
 - i. Facilitate review as requested by TakeCare of claims or medical reports from Guam HealthCare Development Inc., DBA Guam Regional Medical City and future providers which may be leased to TakeCare;
 - ii. Grant access to Guam HealthCare Development Inc., DBA Guam Regional Medical City and future providers which may be leased to TakeCare; and
 - iii. Provide complete data reporting capabilities on a monthly basis.
- c. Legal, Complaint, and Regulatory Notices. In the event of a notice of suit or any legal proceeding, consumer complaint or regulatory notice or complaint against TakeCare or otherwise related to the Policies, NetCare will promptly forward all such legal documents, correspondence, and other relevant material in NetCare's possession to TakeCare at the following address:

TakeCare Health Insurance Company, Inc.
Baltej Pavilion, Suite 108
415 Chalan San Antonio,
Tamuning, GU 96913
- d. Regulatory Compliance. NetCare will maintain all licenses required by applicable insurance statues and regulation in Guam. NetCare shall



provide TakeCare with copies of all such licenses and renewals required thereby. NetCare shall promptly notify TakeCare of annual reviews that relate to these licenses. NetCare agrees that at all times it will abide by and conform to all applicable laws, statutes, rules, regulations, orders, etc., of whatever nature, of the state or jurisdictions in which NetCare does business and will conduct its business in a manner which will not put TakeCare in dispute or cause it embarrassment with the public or regulatory authorities or cause TakeCare to sustain any possible penalties of any nature whatsoever.

- d. **Practices and Procedures.** The services performed by NetCare hereunder shall be in accordance with all applicable laws and shall be in accordance with generally accepted insurance industry practices and procedures. As necessary, NetCare agrees to use commercially reasonable efforts to hire and retain employees having the experience and capabilities to perform the services required to be executed under this Agreement.
- e. **Emergency Care.** The provisions of this Agreement are only applicable to TakeCare policies that include Guam HealthCare Development Inc., DBA Guam Regional Medical City in their provider networks. This Agreement does not apply to TakeCare policies which do not have Guam HealthCare Development Inc., DBA Guam Regional Medical City in the provider networks even though there will be coverage for emergency services out of network at Guam HealthCare Development Inc., DBA Guam Regional Medical City. Claims for emergency services from Guam HealthCare Development Inc., DBA Guam Regional Medical City (or for any services for that matter) for members that do not have Guam HealthCare Development Inc., DBA Guam Regional Medical City in their provider network are not be within the scope of this Agreement. TakeCare will have no obligation to pay any fees to NetCare for those emergency claims paid to Guam HealthCare Development Inc., DBA Guam Regional Medical City. Should NetCare provide TakeCare access to other Network Providers by future Addendum(s), then the provisions of this Agreement regarding claims, including those for emergency services, will also apply to TakeCare policies which have those Network Providers in their provider networks.
- f. **Utilization Management and Quality Assurance.** For the duration of this Agreement, TakeCare agrees that NetCare has no responsibility for performing utilization Management and quality assurance for TakeCare. TakeCare shall perform all utilization management and quality assurance including review of medical records, pre-certification authorization, preadmission review, concurrent and retrospective reviews for determining medical necessity.



III. Authority

General Authority. NetCare agrees that it shall have only that amount of general authority necessary for it to act on behalf of TakeCare in performing the duties specifically stated herein and agrees that it shall have no other authority.

IV. Fee

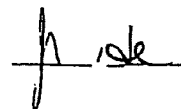
TakeCare shall pay NetCare, on a monthly basis, the agreed-upon percentage of claims paid to Guam HealthCare Development Inc., DBA Guam Regional Medical City and any future agreed-upon Network Providers. The applicable percentage is identified as a Network Access Fee set forth on Attachment A to this Agreement and incorporated herein by reference. Network Access Fees will be paid to NetCare for the applicable month by TakeCare on the fifteenth (15) day of the month following TakeCare's payment to the applicable Network Providers. There may be an adjustment to the amounts that should have been paid based upon the actual and true statistics for any particular month provided that NetCare requests and substantiates the need for an adjustment within thirty (30) days of TakeCare's payment to it. No further compensation shall be due to NetCare hereunder; provided, however, that TakeCare may modify a monthly settlement by mutual agreement to cover one-time or unexpected costs directly associated with TakeCare's business, including, but not limited to, modifications made to the policy administration systems used by the TakeCare due to the introduction or the planned introduction of new Policies to be sold by the TakeCare.

V. Relationship

- a. **Independent Contractor.** TakeCare and NetCare are both independent contractors, and nothing contained in this Agreement shall create or shall be construed to create a relationship of employer/employee or any partnership, joint venture, or agency between TakeCare and NetCare.
- b. **Responsibility and Indemnification.** NetCare shall be held fully responsible and accountable for the acts of its employees and agents in performing its duties hereunder and agrees to indemnify and hold harmless TakeCare, its officers, directors, shareholders, employees and agents pursuant to section X of this Agreement.

VI. Effective Date; Term

This Agreement shall be effective July 1, 2018, and if executed after July 1, 2018, the parties agree it shall be effective retroactive to July 1, 2018, for an initial term of eighteen (18) months through December 31, 2019. Unless terminated earlier, and subject to the term of any applicable underlying agreement between NetCare and any of its Network Providers, and each party's right to terminate, this Agreement shall automatically renew on an annual basis on January 1, beginning



on January 1, 2020, on the same terms and conditions unless otherwise mutually revised.

VII. Termination

This Agreement can be terminated by the parties as follows:

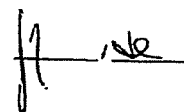
- a. **Voluntary Termination with or without Cause.** By either party upon ninety (90) days prior written notice may terminate this Agreement without cause. In the event of termination with cause, either party may terminate this Agreement upon thirty (30) business days prior written notice that the other party fails to cure a default of any material obligation or duty imposed on it within ten (10) days after written notice of such default
- b. **Involuntary Termination.** By TakeCare, immediately, without notice, by reason of fraud or misrepresentation by NetCare or if NetCare shall file a petition in bankruptcy (for any purpose whatsoever), make an assignment for the benefit of creditors, be adjudged a bankrupt, or upon the dissolution or disqualification of NetCare to do business under applicable Guam laws, or if NetCare's license is suspended or revoked by the appropriate government agency or authority.
- c. **Upon termination of this Agreement for any reason, NetCare, unless requested by TakeCare to do otherwise shall promptly provide TakeCare with all data and information necessary to allow TakeCare to timely and effectively perform all tasks and duties previously performed by NetCare for all claims administration and return all necessary medical records or claims data to TakeCare.**

VIII. Records

NetCare agrees to establish and maintain true and correct records and keep books of accounting on all transactions arising out of this Agreement. NetCare shall preserve and hold all documents, correspondence and records which come into its possession or under its control relating to the claims.

IX. Indemnification

Each party shall indemnify and hold harmless the other, including affiliates and each of their respective officers, directors, shareholders, employees, representatives, agents, successors and assigns from and against all claims of third parties, and associated losses, to the extent such claims arise out of (a) a party's gross negligence or willful misconduct in performing any of its obligations under this Agreement, or (b) a material breach by a party of any of its representations, warranties, covenants or agreements under this Agreement. Associated losses shall include, but are not limited to, reasonable attorneys fees, court costs, expenses,



settlement costs, fines, judgments and all damage awards, whether actual or compensatory. However, neither party shall be responsible for indemnifying the other for reimbursement of claims-related issues or for punitive damages.

X. Assignment

No assignment of this Agreement by either party of any of the rights, duties or benefits accruing to the party hereunder shall be valid unless consented to in writing by both parties in advance.

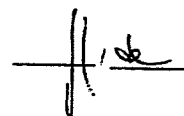
XI. Arbitration

a. **Arbitration At Request of Party.** Except for the availability of injunctive relief provided for TakeCare under Paragraph XVI, as a condition to any right of action hereunder, any unresolved dispute or difference between the parties arising out of or relating to this Agreement, or breach hereof, shall be submitted to arbitration upon the request of either party as hereinafter set forth.

b. **Arbitration at Option of Party Bringing Action.** In the event of any controversy or claim arising out of or relating to this Agreement, or any breach thereof, including without limitation, any claim that this Agreement, or any part of it, is invalid, illegal or otherwise voidable or void, either party may submit the matter to final and binding arbitration as permitted under the Guam Rules of Civil Procedures governing Arbitrations, Title 7, Guam Code Annotated. Such arbitration shall be governed by the Commercial Rules of the American Arbitration Association. If a demand is made for arbitration, this arbitration provision shall be deemed self-executing, and if either party fails to appear at any properly notice arbitration proceeding, an award may be entered against that party notwithstanding the failure to appear.

c. **Place of Arbitration.** Arbitration proceedings shall be held on Guam unless all of the parties agree in writing to another location.

d. **Number of Arbitrators Determined by Claim Size.** Any claim or dispute arising out of or pertaining to this Agreement, including without limitation any claim that all or any agreements (including this section) are void, voidable, or otherwise unenforceable, shall be submitted to arbitration in accordance with the provisions set forth herein and the applicable provisions of the Guam Arbitration Law and the Commercial Rules of the American Arbitration Association and heard before: (1) a panel of three arbitrators in the event the amount of the dispute or claim exceeds fifty thousand (\$50,000.00) in the aggregate, or (2) one arbitrator, if less than fifty thousand (\$50,000.00.)



e. **Dispute Over Invoices.** If, after audit or verification of any invoice, there shall be a dispute or a difference of opinion between the parties with respect to the amount of any payment to be made hereunder, the dissatisfied party shall give written notice to the other. The dispute shall be submitted to arbitration in accordance with the terms of this section in the following manner unless it is settled by mutual agreement of the parties within a period of thirty (30) days after that notice. The parties shall mutually agree upon a certified public accountant in Guam who shall decide the dispute or difference in accordance with consistently applied sound accounting principles and practice. In the event the parties do not agree on an accountant, the accountant shall be nominated by the President of the Guam Society of Certified Public Accountants. Any accountant so agreed or nominated shall have full access at all reasonable times to all books, records and documents of either party that may relate to the dispute or difference. Subject to the provisions of this Section, the laws of Guam then in force shall apply to the determination of the dispute or difference.

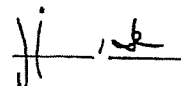
f. **Enforcement of Arbitral Awards.** Any award resulting from arbitration authorized by this Section shall be binding and conclusive upon both parties and enforceable by either of them in any court of competent jurisdiction. Furthermore, any such award shall be final upon the parties regarding both matters of law and fact and shall be non-appealable.

XII. Confidentiality

Each party agrees that all information, whether printed, written, oral, in answer to special inquiry or voluntarily furnished by the other party, shall be held in confidence by the other and used only for the purpose of the business conducted hereunder. Both parties shall ensure that stringent security measures are employed in its records storage systems so that only personnel authorized by NetCare and/or TakeCare shall have access to information obtained as a result of supplying the services under this Agreement.

NetCare will use its best efforts to insure that any information gained as a result of providing the services under this contract shall only be used in the administration of the Policies and in accordance with the terms of this Agreement. NetCare shall not utilize any information gained as a result of providing the services under this contract for any other purposes whatsoever and will use its best efforts to prevent other persons associated with it from doing so.

All information obtained by NetCare is protected health information and shall be kept confidential except in those instances necessary for the proper administration of this Agreement, and shall not be disclosed without the written consent of the parties.



Each party shall obtain the specific, prior written consent of the other prior to using the other's name, product names, logos and service marks in any promotional, marketing or advertising materials or for any other reason. The parties agree that the existence of this Access Agreement should be kept confidential and not disclosed to the Government of Guam, the media or the public, until the parties mutually agree to disclose its existence and how such disclosure will take place.

XIII. Notice

Any notices required hereunder to be sent to either of the parties by the other shall be deemed to have been sufficiently given, if mailed postage prepaid by certified or registered mail to the respective addresses as follows or otherwise to a party as it may specify by notice given:

If to TakeCare:
TakeCare Health Insurance Company, Inc.
Baltej Pavilion, Suite 308
415 Chalan San Antonio
Tamuning, GU 96913
Attention: President

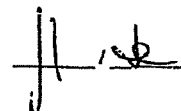
If to NetCare:
NetCare Life and Health Insurance Company
Julale Center, Suite 200
424 West O'Brien Drive
Hagatna, Guam 96910
Attention: Plan Administrator

XIV. Construction and Value

This Agreement shall be governed by and interpreted in accordance with the laws of Guam without regard to its conflict of laws rules. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term hereof or after termination, such provision shall be enforced to the maximum extent possible and the remaining provisions shall remain in full force and effect. Furthermore, in lieu of such unenforceable provision, a provision as similar in terms as may be possible and enforceable shall be added automatically as a part of the Agreement. The exclusive venue of any suits or causes of action arising directly or indirectly from this Agreement shall be in Guam, subject to the arbitration provisions contained in Section XI.

XV. Complete Agreement

This Agreement constitutes the entire agreement of the parties relating to the subject matter hereof and any and all negotiations, discussion, understandings or agreements heretofore entered into between the parties are hereby declared to be



superseded by this Agreement. No waiver of alteration of printed terms hereof shall be valid unless in writing and executed by both Agreement or the obligations of NetCare hereunder shall not constitute a waiver of such conditions or obligations.

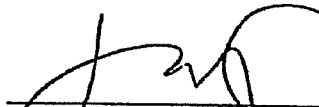
XVI. Attorney Fees

Should any party to this contract commence any action for the purpose of enforcing or preventing the breach of, any provision of this contract, whether by arbitration, judicial, or quasi-judicial action or otherwise, or for damages for any alleged breach of contract, or for a declaration of that party's rights or obligations under this Agreement, then the prevailing party will be reimbursed by the losing party for all costs and expenses incurred in connection with the action, including, but not limited to, reasonable attorney's fees for services rendered to the prevailing party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the dates mentioned below.

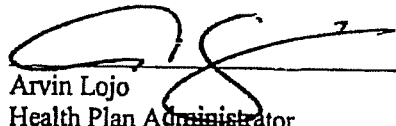
NetCare Life & Health Insurance Company:

TakeCare Insurance Company, Inc.:



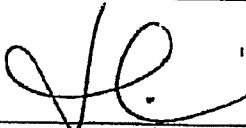
Troy E. Moylan
Vice President & Director

Signed on: 6/19/18



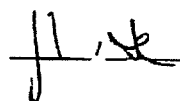
Arvin Lojo
Health Plan Administrator

Signed on: 6/19/2018



Joseph E. Husslein
President & CEO

Signed on: 6/19/2018



Attachment A

Network Access Fee

TakeCare agrees to compensate NetCare at a rate of ten percent (10%) of the final claim amount(s) paid by TakeCare for claims incurred at Guam HealthCare Development Inc., DBA Guam Regional Medical City on Guam and other Network Providers added to this Agreement by future Addendum(s).

J. W.

EXHIBIT "12"

**FIRST AMENDMENT OF NETCARE LIFE & HEALTH INSURANCE
COMPANY NETWORK ACCESS SERVICES AGREEMENT**

THIS FIRST AMENDMENT OF NETCARE LIFE & HEALTH INSURANCE COMPANY NETWORK ACCESS SERVICES AGREEMENT is entered into effective as of September 1, 2018, by and between NETCARE LIFE & HEALTH INSURANCE COMPANY, a Guam based domestic life and health insurance carrier licensed to do business on Guam ("NetCare") and TAKECARE HEALTH INSURANCE COMPANY, INC., a Guam based domestic health carrier licensed to do business in Guam ("TakeCare").

RECITALS

WHEREAS, NetCare entered into a Participating Provider Service Agreement with Guam HealthCare Development Inc., DBA Guam Regional Medical City ("GRMC") effective September 1, 2015;

WHEREAS, Pursuant to the terms of the Participating Provider Service Agreement between NetCare and GRMC effective September 1, 2015, NetCare entered into a Network Access Services Agreement with TakeCare effective July 1, 2018, to lease and provide TakeCare access to GRMC on behalf of select TakeCare clients, consistent with coverage under certain of its group health policies;

WHEREAS, NetCare subsequently entered into a new Participating Provider Service Agreement with GRMC effective September 1, 2018, NetCare and TakeCare desire to amend the Network Access Services Agreement between them to incorporate the terms of the new Participating Provider Service Agreement with GRMC effective September 1, 2018;

NOW THEREFORE, in consideration of the promises, the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Network Access Services Agreement as follows:

(1) Section II of the Network Access Services Agreement. Section II of the Network Access Services Agreement is amended to read:

I. Duties and Responsibilities

- a. For the duration of this Agreement, as may be amended by future Addendum(s), NetCare agrees to use its best efforts to remain in good standing as a party under the Participating Provider Service Agreement

between NetCare and Guam HealthCare Development Inc., DBA Guam Regional Medical City effective September 1, 2015; the Participating Provider Service Agreement between NetCare and Guam HealthCare Development Inc., DBA Guam Regional Medical City effective September 1, 2018; and any other future underlying Participating Provider Agreements under which access to TakeCare has been or will be given by NetCare.

- b. For the duration of this Agreement, as may be amended by future Addendum(s), NetCare agrees to provide TakeCare with no less than sixty (60) days' notice of any material change in the Participating Provider Service Agreement between NetCare and GRMC, including any amendment in the terms and conditions of the underlying agreement; any amendment in the Reimbursement Schedule; any failure of automatic renewal of the underlying agreement; any voluntary or involuntary termination of the underlying agreement (with or without cause); or the execution of a new Participating Provider Agreement. NetCare acknowledges that such notice by NetCare to TakeCare regarding the underlying Participating Provider Agreement is needed to allow for any necessary amendment of the agreement between TakeCare and NetCare or the execution of a new agreement.
- c. For the duration of this Agreement, as may be amended by future Addendum(s), NetCare agrees to perform the following functions in relation to TakeCare policies which include Guam HealthCare Development Inc., DBA Guam Regional Medical City, and other designated providers by future Addendum(s), in their provider network, or such functions as otherwise agreed to by the parties:
 - i. Facilitate review as requested by TakeCare of claims or medical reports from Guam HealthCare Development Inc., DBA Guam Regional Medical City and future providers which may be leased to TakeCare;
 - ii. Grant access to Guam HealthCare Development Inc., DBA Guam Regional Medical City and future providers which may be leased to TakeCare; and
 - iii. Provide complete data reporting capabilities on a monthly basis.
- d. Legal, Complaint, and Regulatory Notices. In the event of a notice of suit or any legal proceeding, consumer complaint or regulatory notice or complaint against TakeCare or otherwise related to the Policies, NetCare will

promptly forward all such legal documents, correspondence, and other relevant material in NetCare's possession to TakeCare at the following address:

TakeCare Health Insurance Company, Inc.
Baltej Pavilion, Suite 108
415 Chalan San Antonio,
Tamuning, GU 96913

- e. **Regulatory Compliance.** NetCare will maintain all licenses required by applicable insurance statutes and regulation in Guam. NetCare shall provide TakeCare with copies of all such licenses and renewals required thereby. NetCare shall promptly notify TakeCare of annual reviews that relate to these licenses. NetCare agrees that at all times it will abide by and conform to all applicable laws, statutes, rules, regulations, orders, etc., of whatever nature, of the state or jurisdictions in which NetCare does business and will conduct its business in a manner which will not put TakeCare in dispute or cause it embarrassment with the public or regulatory authorities or cause TakeCare to sustain any possible penalties of any nature whatsoever.
- d. **Practices and Procedures.** The services performed by NetCare hereunder shall be in accordance with all applicable laws and shall be in accordance with generally accepted insurance industry practices and procedures. As necessary, NetCare agrees to use commercially reasonable efforts to hire and retain employees having the experience and capabilities to perform the services required to be executed under this Agreement.
- e. **Emergency Care.** The provisions of this Agreement are only applicable to TakeCare policies that include Guam HealthCare Development Inc., DBA Guam Regional Medical City in their provider networks. This Agreement does not apply to TakeCare policies which do not have Guam HealthCare Development Inc., DBA Guam Regional Medical City in the provider networks even though there will be coverage for emergency services out of network at Guam HealthCare Development Inc., DBA Guam Regional Medical City. Claims for emergency services from Guam HealthCare Development Inc., DBA Guam Regional Medical City (or for any services for that matter) for members that do not have Guam HealthCare Development Inc., DBA Guam Regional Medical City in their provider network are not be within the scope of this Agreement. TakeCare will have no obligation to pay any fees to NetCare for those emergency claims paid to Guam HealthCare Development Inc., DBA Guam Regional Medical City. Should NetCare provide TakeCare access to other Network Providers by

future Addendum(s), then the provisions of this Agreement regarding claims, including those for emergency services, will also apply to TakeCare policies which have those Network Providers in their provider networks.

- f. Utilization Management and Quality Assurance. For the duration of this Agreement, TakeCare agrees that NetCare has no responsibility for performing utilization Management and quality assurance for TakeCare. TakeCare shall perform all utilization management and quality assurance including review of medical records, pre-certification authorization, preadmission review, concurrent and retrospective reviews for determining medical necessity.

(2) Section VI of the Network Access Services Agreement. Section VI of the Network Access Services Agreement is amended to read:

VI. Effective Date; Term

This Agreement shall be effective July 1, 2018 thru December 31, 2020. Unless terminated earlier, and subject to the term of any applicable underlying agreement between NetCare and any of its Network Providers, and each party's right to terminate, this Agreement shall automatically renew on an annual basis on January 1, beginning on January 1, 2021, on the same terms and conditions unless otherwise mutually revised.

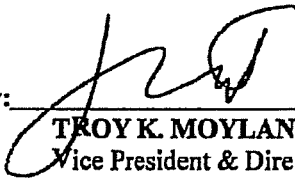
(3) All Other Terms and Conditions to Remain the Same. The parties agree that this FIRST AMENDMENT OF NETCARE LIFE & HEALTH INSURANCE COMPANY NETWORK ACCESS SERVICES AGREEMENT supplements, and does not supplant the terms of NETCARE LIFE & HEALTH INSURANCE COMPANY NETWORK ACCESS SERVICES AGREEMENT, entered into by the parties with and effective date of July 1, 2018, and the terms of said NETCARE LIFE & HEALTH INSURANCE COMPANY NETWORK ACCESS SERVICES AGREEMENT, entered into by the parties with and effective date of July 1, 2018, as amended herein, is by this reference incorporated and made a part hereof. It is expressly agreed that all other terms, conditions, provisions and stipulations contained in said NETCARE LIFE & HEALTH INSURANCE COMPANY NETWORK ACCESS SERVICES AGREEMENT, entered into by the parties with and effective date of July 1, 2018, as amended, shall continue to remain unchanged and in full force and effect.

[Signatures follow on the next page.]

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed at Hagåtña, Guam on the dates indicated below.

**NETCARE LIFE & HEALTH INSURANCE
COMPANY INC.**


**TAKECARE HEALTH
INSURANCE COMPANY, INC.**

By: 
TROY K. MOYLAN
Vice President & Director

Signed on: 3-04-2019

By: 
ARVIN LOID
Health Plan Administrator

Signed on: 3-4-2019

By: 
JOSEPH E. HUSSLEIN
President & CEO

Signed on: 3-04-2019

EXHIBIT "13"



TakeCare Insurance Company, Inc.
P.O. Box 6578 Tamuning, Guam 96931
Telephone: (671) 646-6956 Fax (671) 647-3551

RECEIVED

9.017

MAY 02 2019

RECEIVED
NETCARE LIFE AND HEALTH INSURANCE COMPANY

May 1, 2019

VIA HAND DELIVERY and VIA EMAIL

Mr. Troy Moylan and Mr. Jerry Crisostomo
NetCare Life and Health Insurance Company
Julale Center, Suite 200
424 West O'Brien Drive
Hagatna, GU 96910

Re: **Activation Notice**

Dear Misters Moylan and Crisostomo:

As discussed during our telephone conversation on April 30, 2019, TakeCare is a prospective offeror intending to respond to the FY2020 Government of Guam Request for Proposal ("RFP") for the GovGuam Group Health Insurance Program. Responses to the RFP are due May 3, 2019, and TakeCare plans to submit a responsive bid. A key difference of this year's RFP from prior years' is the requirement that offerors designate network providers as being either directly contracted or under a leased arrangement as part of either the GovGuam "broad" network and/or "high performance" (or narrow) network.

Recently enacted Public Law 35-2 requires that all public and private hospitals operating in Guam be in the networks of those applying to provide health insurance to the Government of Guam. The RFP mimics this statutory requirement. As a practical matter, the only private hospital the law on Guam is the Guam Regional Medical City ("GRMC"). Therefore, GRMC must necessarily be in-network for any prospective offeror.

Pursuant to the Network Access Services Agreement entered into between TakeCare and NetCare with an effective date of September 1, 2018 and subsequently amended on March 4, 2019, this letter serves as TakeCare's official notice to Netcare of its intent to activate access for its Government of Guam members to GRMC as a "leased provider" for services. This activation for services extends to NetCare's existing and future arrangements for services and applicable fees with GRMC (herein "Activation Notice").

TakeCare's activation notice is solely for the purposes of responding to the GovGuam Group Health Insurance Program RFP for GRMC's inclusion as a provider in the "broad network" for FY2020. Such access and the inclusion of GRMC as part of TakeCare's "broad network" are conditioned upon TakeCare being awarded either the exclusive or non-exclusive bid, without protest, for the FY2020 GovGuam Group Health Insurance Program. In the unfortunate event that the RFP results to a protest, and existing

NetCare Network Access Services Agreement Activation
May 1, 2019
Page 2

GovGuam Group Health Insurance Program benefits and rates be extended beyond the existing fiscal year (September 30, 2019), this activation notice is of no effect.

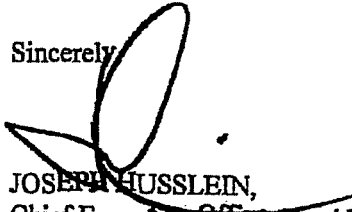
As you are undoubtedly aware from NetCare's prior participation in the GovGuam RFP process, the GovGuam Group Health Insurance Program negotiation with prospective carriers commences on the months of June and July with award in August followed by open enrollment during the month of September for an October 1st effective date for the FY2020 GovGuam Group Health Insurance Program.

With the above in mind, in addition to applicable confidentiality provisions, it is TakeCare's view that any formal notice by Netcare to GRMC of the Network Access Services Agreement between TakeCare and NetCare may be premature until TakeCare has at least submitted its response to the RFP and preferably not until GovGuam negotiations are completed and an award made. However, we acknowledge that NetCare may have certain obligations with its provider partners.

Likewise, TakeCare requests that NetCare obtains GRMC's formal acceptance or non-acceptance with stated reason(s) of TakeCare's leased access that TakeCare be provided such written correspondence accordingly.

Lastly, while this Activation Notice specifically is for TakeCare's intentions related to the FY2020 GovGuam Group Health Insurance Program RFP, TakeCare reserves the right to activate GRMC, as well as other NetCare network providers, for TakeCare's federal and/or commercial insurance offerings for January 2020. As these benefit programs and discussions progress with TakeCare's service partners, we will advise you accordingly under separate notice.

Sincerely,



JOSEPH HUSSLEIN,
Chief Executive ~~Office~~ President
TakeCare Insurance Company, Inc.

EXHIBIT "14"

LEGISLATIVE HISTORY
BILL NO. 21-34

I MINA'TRENTAI KUÁTRO NA LIHESLATURAN GUÁHAN

2017 (FIRST) Regular Session

Bill No. 234 (CR)

Introduced by:

B. J. F. Cruz

AN ACT TO ADD § 4302(f)(1) OF CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO REQUIRING THAT ALL PRIVATE HOSPITALS BE COVERED UNDER THE GOVERNMENT OF GUAM HEALTH INSURANCE CONTRACT.

2017 FEB 14 PM 5:01

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. §§ 4302(f)(1) of Chapter 4, Title 4, Guam Code Annotated, is hereby *added* to read:

"(1) All companies, or other legal entities providing or applying to provide health insurance or the provision of health care, shall have contracts for services with all private hospitals operating on Guam that are providing health care services to any and all of their subscribers."

Section 2. **Effective Date.** This Act *shall* become effective upon enactment.

Section 3. **Severability.** *If* any provision of this Act or its application to any person or circumstance is held invalid, the invalidity *shall not* affect other provisions or applications of this Act which can be given effect without the invalid provision or application and to this end the provisions of this Act is severable.



Eddie Baza Galvo
Governor
Ray Tenorio
Lieutenant Governor

DEPARTMENT OF ADMINISTRATION
(DIPATTAMENTON ATMENESTRASION)

DIRECTOR'S OFFICE
(Ufianan Direktot)

590 South Marine Corps Drive
Suite 224, GITC Building, Tamuning, Guam 96913
Post Office Box 884 * Hagåtña, Guam 96932
TEL: (671) 475-1101/1221/1250 * FAX: (671) 477-5788



Christine W. P. Baleto
Director
Vincent P. Arriola
Deputy Director

March 15, 2017

The Honorable Benjamin J.F. Cruz, Speaker
Chairman, Committee on Appropriations and Adjudication
I Mina' Trental Kuåtro Na Liheslaturan Guåhan
Suite 107, 155 Hesler Place.
Hagåtña, Guam 96910

RE: Written Testimony on Bill 21-34 (COR)

Buenas yan Háfa Adal Mr. Chairman and members of the Committee,

Thank you for the opportunity to provide comments on Bill 21-34 (COR):

AN ACT TO ADD §4302(f)(1) OF CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO REQUIRING THAT ALL PRIVATE HOSPITALS BE COVERED UNDER THE GOVERNMENT OF GUAM HEALTH INSURANCE CONTRACT.

The Department of Administration recognizes the need for the government of Guam to provide equal access to all duly qualified providers as well as an employee's right to choose services among them. However, we are concerned with any measure that mandates inclusion of any particular provider.

5 GCA, Chapter 5, §5001(b) relative to the underlying purposes and policies of the Guam Procurement Law identifies the following purposes and policies of procurement: "(4) to ensure the fair and equitable treatment of all persons who deal with the procurement system of this Territory; (5) to provide increased economy in territorial activities and to maximize the fullest extent practicable the purchasing value of public funds of the Territory; (6) to foster effective broad-based competition within the free enterprise system."

The proposed bill violates the spirit and intent of the law as it would provide special recognition and treatment to the private hospital on Guam. Although not specifically named, there is only 1 private hospital on Guam. Therefore, it's statutorily mandated inclusion violates the intent of fair and equitable treatment. It is also noted, that this requirement would only extend to privately owned entities and not to public hospitals. Further to this, other providers on Island could petition the Government to also ensure special inclusion in future health insurance benefits.

Another concern is the disparity in prices as demonstrated in the attached fee schedule. As you will note, the difference in cost for services does not allow the Government to maximize to the fullest extent practicable the purchasing value of public funds of the Territory. Instead, it forces carriers to accept whatever fees are established by the private entity. Carriers who refuse to accept any proposed fees would be disqualified from bidding on the Government's health insurance contract since they would not have the private hospital as one of their providers. This in essence violates the spirit of Procurement Law which is to foster competition within a free enterprise system. Carriers would have no leverage to negotiate their terms, prices, or any other matter relative to their business relationship as they would have to accept them or otherwise be disqualified from bidding.

If Carriers were forced to accept the higher fee structure, costs would surely rise. This will equate to higher premiums and would not maximize the value of purchases with public funds.

The current law requires the Health Insurance negotiating committee to look at all aspects of the Carriers proposals such as capability to deliver services, network options, personnel qualifications, system/organizational capability to support the large numbers of enrollees, etc. The committee is in discussions on how to improve our rating of proposals to ensure equal access; and the employee's right to choose from all duly qualified providers is factored into scoring. It is the Department of Administration's position that this is the best way to deal with disparities in a carrier's provider network rather than making inclusion of a select group a matter of law. It is also of great concern that the current bill may set precedent for all providers to demand equal treatment relative to inclusion.

It is for these reasons that the Department of Administration does not support Bill 21-34 as written.

Sincerely,



Christina W. Baleto
Director, DOA

COMPARISON OF FEE SCHEDULE

Service	CPT code	PRIVATE	PUBLIC
EKG Tracing		\$ 106.68	\$ 82.39
Urinalysis auto w/ scope	81001	\$ 14.37	\$ 8.20
MRI Chest w/wo contrast	71552	\$ 5,598.30	\$ 979.48
MRA Head w/wo contrast	70549	\$ 4,630.49	\$ 1,835.68
X-Ray Chest	71010	\$ 178.13	\$ 77.16
CBC	85027	\$ 26.43	\$ 16.44
Magnesium	83735	\$ 59.15	\$ 25.70
US Ext carotids Bilateral	93880	\$ 618.96	\$ 199.10
Infusion IV hydration each add hr.	96361	\$ 464.05	\$ 31.91
Gauze dressing 4 x 4		\$ 5.00	\$ 1.12
Hemodialysis		\$ 1,985.28	\$ 418.85
EEG	95819	\$ 1,752.99	\$ 317.19
ICU		\$ 3,257.55	\$ 1,473.47
Telemetry		\$ 2,600.00	\$ 827.63
Nursery Room and Board		\$ 1,600.00	\$ 420.13
Surgical Room and Board		\$ 2,456.25	\$ 605.68
Pediatric Room and Board		\$ 2,456.25	\$ 789.73
OB/GYN Room and Board		\$ 2,456.25	\$ 637.41
ICU Regular Room		\$ 3,257.55	\$ 1,473.47
Pediatric ICU		\$ 3,257.55	\$ 1,271.89
ICU Room and Board		\$ 3,750.00	\$ 955.37
ICU Isolation Room		\$ 6,075.00	\$ 1,271.89
Medical Room and Board Isolation Room		\$ 4,324.50	\$ 630.69
Delivery Vaginal Routine		\$ 9,822.00	\$ 820.53
Delivery Vaginal High Risk		\$ 12,275.00	\$ 820.53
Surgery first 30 mins.		\$ 4,096.80	\$ 1,418.74
Surgery each additional 15 mins.		\$ 1,024.20	\$ 236.45
OR level II 30 min		\$ 6,145.20	\$ 1,418.74
OR level II additional 15 min		\$ 2,765.34	\$ 236.45
OR level III 30 min		\$ 8,603.28	\$ 1,418.74
OR level III additional 15 min		\$ 3,871.47	\$ 236.45
OR level IV 30 min		\$ 11,614.42	\$ 1,418.74
OR level IV additional 15 min		\$ 5,226.49	\$ 236.45
OR level V 30 min		\$ 15,679.47	\$ 1,418.74
OR level V additional 15 min		\$ 7,055.76	\$ 236.45
OR level VI 30 min		\$ 20,383.32	\$ 1,418.74
OR level VI additional 15 min		\$ 9,172.49	\$ 236.45
Outpatient Surgery 30 mins		\$ 1,884.53	\$ 654.51
Outpatient Surgery additional 15 mins		\$ 471.13	\$ 109.10
Vancomycin		\$ 116.00	\$ 19.41
Amikacin 250 mg		\$ 94.00	\$ 34.23

Fee is for Major surgery 1st hr. for GMHA

Fee is for Major surgery each additional 15 mins. after 1 hr.

Dextrose 5% 500 ml		\$ 67.00	\$ 13.91
Terol 1.25 mg/3ml inh soln		\$ 5.00	\$ 1.31
Emergency Dept Level I		\$ 431.25	\$ 78.11
Emergency Dept Level II		\$ 697.88	\$ 78.11
Emergency Dept Level III		\$ 1,285.01	\$ 78.11
Emergency Dept Level IV		\$ 1,889.85	\$ 78.11
Emergency Dept Level V		\$ 2,302.87	\$ 78.11
Observation Room per hr Pediatrics		\$ 143.75	\$ 32.90
Observation Room per hr surgical		\$ 143.75	\$ 25.23
Observation Room per hr Medical		\$ 143.50	\$ 25.95
Blood Transfusion Inpatient	36430	\$ 1,041.76	\$ 312.17
ER transfusion Blood/Blood components 1 hr	36430	\$ 1,457.57	\$ 312.17
Pregnancy Test Urine	81025	\$ 77.43	\$ 34.93
Sleep study	95807	\$ 3,224.52	\$ 1,157.94
Multiple Sleep Latency Test	95805	\$ 2,141.26	\$ 749.26
Splrometry/PFT	94060	\$ 436.17	\$ 248.70
Pulmonary Stress Test	94620	\$ 555.32	\$ 138.27
Routine venipuncture	36415	\$ 80.63	\$ 10.64
Ammonia Assay	82140	\$ 179.51	\$ 102.44
Amylase	82150	\$ 54.06	\$ 30.85
Chromosomal analysis	88267	\$ 1,252.64	\$ 714.82
NM-Myocardial Perfusion Spect.	78452	\$ 1,179.18	\$ 650.02
NM-Myocardial Imaging, Infarct	78468	\$ 704.20	\$ 256.45
Chest Tube placement	32551	\$ 1,649.56	\$ 513.82
Intilator Management Initial day	94002	\$ 4,562.49	\$ 555.82
Delivery of Placenta only	59414	\$ 5,536.41	\$ 820.53
Fetal Biophysical profile with nonstress test	76818	\$ 519.44	\$ 286.35
Fetal Non-stress test	59025	\$ 304.02	\$ 149.29
Echo Fetal Cardiovascular	76826	\$ 686.08	\$ 443.89
Total		\$175,896.86	\$ 25,049.07

None for Placenta
only - GMHA
Delivery Room



115 Charlan Santo Papa Hagåtña • P.O. Box FJ Hagåtña, Guam 96932 • Phone: (671) 477-9808 • Fax: (671) 477-4141

March 16, 2017

The Honorable Speaker Benjamin J.F. Cruz
34th Guam Legislature
155 Hesler Place, Suite 107
Hagatna, Guam 96910

Hand Delivered

RE: **Bill No. 21-34 (COR) - B.J.F. Cruz - An act to ADD § 4302(f)(1) of Chapter 4, Title 4, Guam Code Annotated, relative to requiring that all private hospitals be covered under the Government of Guam health insurance contract.**

Dear Speaker Cruz:

Thank you for inviting us to testify on the aforementioned bill. At the onset, we would like to share with you and the committee members that our company currently contracts with Guam's only privately owned and operated hospital, and that we support all efforts to ensure that the new hospital remains a viable and successful entity in our community.

Nonetheless, we must oppose bill 21-34 on the basis that private enterprises such as hospitals, clinics, and insurance companies should be allowed to negotiate agreements without government interventions or mandates. This bill infringes on free commerce and takes away the ability for insurance companies to negotiate with a provider. Also, it discriminates against other medical providers that have also made large investments on Guam but are not given the same type of advantages.

There are existing federal laws requiring insurance companies to pay for emergencies at non-participating hospital providers with certain allowances, and we believe this is a sufficient protection for hospitals. The possible consequences of this bill are that the private hospital provider will have a significant advantage against insurers knowing that insurers MUST have an agreement with them, and possibly demand rates that may not be feasible in our market place. Again, we oppose the bill on the basis that private agreements, free enterprise, and commerce should not be legislated.

Respectfully yours,

Frank Campillo
Health Plan Administrator

Cc: All Senators

This information is for the exclusive use of the recipient(s) named above and may contain information that is privileged, confidential, and/or prohibited from disclosure under applicable law. If you are not the intended recipient(s), you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please contact us by telephone at (671) 477-8808.



TakeCare Insurance Company, Inc.
P.O. Box 6578 Tamuning, Guam 96931
Telephone: (671) 646-6956 Fax (671) 647-3551

Speaker Benjamin J.F. Cruz

March 15, 2017

MAR 15 2017
Time: 10:39 AM (1) PM Fk No. _____
Received By: DM

VIA Email: senator@senatorbjcruz.com
VIA HAND DELIVERY

Office of the Speaker Benjamin J. F. Cruz
34th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

Re: **Written Testimony for In Opposition to Bill No. 21-34**

Dear Speaker Cruz and Members of the Committee on Appropriations and Adjudication:

Thank you for the opportunity to submit written testimony for Bill No. 21-34, "*An Act To ADD § 4302(F)(1) Of Chapter 4, Title 4 Guam Code Annotated, Relative To Requiring That All Private Hospitals Be Covered Under The Government Of Guam Health Insurance Contract.*" I am the CEO and current Health Plan Administrator of TakeCare Insurance Company, Inc. ("TakeCare") and provide these comments in that capacity.

1. **Bill No. 21-34 Impedes the Governor's Ability to Maintain GMH as required by the Organic Act.**

The Organic Act of Guam makes the Governor responsible to maintain and operate public health services in Guam. 48 U.S.C. Section 1421g. Bill No. 21-34 will result in numerous Government of Guam employees and dependents using GRMC instead of GMH, and thereby substantially reducing the revenues of GMH. A reduction of revenue to GMH will substantially impair the Governor's ability to "establish, maintain and operate public health services in Guam, including hospitals . . .". 48 U.S.C. Section 1421g. It is self-evident that the Governor cannot perform his Organic duties if there are inadequate revenues to "maintain and operate" GMH.

2. **Bill No. 21-34 Violates The Equal Protection Rights of Guam Taxpayers.**

Bill No. 21-34 also violates the Equal Protection Clause because the loss of GMH revenues will result in additional Legislative appropriations, and thereby place a substantial tax burden on Guam citizens. In *Guam Power Authority v. Bishop of Guam*, 383 F. Supp. 476 (D.C. Guam 1974), the Guam Legislature had passed a law requiring that the Guam Power Authority ("GPA") charge less for services to non-profit entities. The District Court of Guam ruled that the law violated equal protection because a lower rate to non-profit entities resulted in additional costs to ordinary consumers. 383 F. Supp. at 481-482. In other words, the taxpayers had to make up the difference.

Bill No. 21-34 is likewise inorganic because it will place an additional tax burden on Guam citizens to make up for the loss of GMH revenues. For every dollar that is paid to GRMC under the Government of Guam Health Plan, that is a dollar that does not go to GMH from the Government Health Plan. Furthermore, it is the taxpayers of Guam that will have to make up the lost revenues to GMH in order to keep it operational.

3. Bill No. 21-34 Violates the Due Process Rights of Health Insurers.

Under Bill No. 21-34, health insurers will be compelled to enter into a contract with GRMC and pay rates that they would otherwise reject, or not participate in the Government of Guam Health Plan. Compelling health insurers to pay increased rates with GRMC violates the Organic Act provision providing that "[n]o person shall be deprived of . . . property without due process of law." 48 U.S.C 1421b(e).

4. Bill No. 21-34 Is An Improper Delegation of Power.

Bill No. 21-34 requires that health insurers have a contract with GRMC in order to bid on the Government of Guam Health Plan. However, the Legislature cannot compel GRMC to have a contract with any particular health insurer. Similarly, the Legislature cannot control the rates that GRMC charges to any particular health insurer. GRMC, therefore, could decide to have a contract with only one health insurer, and thereby effectively decide who would be the exclusive provider of Government of Guam health care. In simple terms, GRMC (not the Executive or Legislative Branches) would be deciding the health insurer to be awarded the Government of Guam Health Contract. This is a textbook example of an improper delegation of both Legislative and Executive Authority to a private entity.

5. Bill No. 21-34 Impairs Health Insurers' Right to Contract.

The Organic Act provides that there can be no "law impairing the obligation of contracts." 48 U.S.C. 1421b(j). By requiring that health insurers have a contract with GRMC, the Legislature is prohibiting health insurers from having exclusive contracts with other hospitals, such as GMH. This is a clear impairment of a health insurer's right to contract. Furthermore, an exclusive contract with GMH would very likely result in a lower cost than a non-exclusive contract, and thereby reduce the cost of health care to Government of Guam employees.

6. Bill No. 21-34 Is An Ex Post Facto Violation.

Prior to Bill No. 21-34, health insurers had the contractual right to have a contract with a single hospital. The Organic Act provides that Guam's Legislature cannot pass legislation that makes improper an act that was proper when committed. 48 U.S.C. 1421b(j). However, Bill No. 21-34 becomes "effective upon enactment," and will thereby make improper that which was perfectly legal before its enactment.

7. Bill No. 21-34 is Special Legislation for GRMC.

While Bill No. 21-34 does not mention GRMC, but instead refers to "private hospitals operating on Guam," GRMC is the only private hospital on Guam. Therefore, Bill No. 21-34 is special legislation for GRMC. What about other private health care facilities, such as Clinics? Why have they been excluded from the contractual mandate? Are they not worthy of consideration or is the discrimination against them legal?

8. Bill No. 21-34 Will Cause the Government of Guam Health Care Costs to Skyrocket!

According to Eric Plinske, GRMC's Director of Corporate Affairs, in a news release dated February 13, 2017, "the going rate for a private room at GRMC is \$2,400.00 compared to \$600 for a semi private room at Guam Memorial Hospital ("GMH)." *Pacific News Center*, February 17, 2017. See also, *Guam Daily Post*, February 14, 2017. Incidentally, all of GRMC's rooms are private rooms. There are no semi-private room rates at GRMC. Mathematically it is simple to determine that health insurance premiums will rise just from the difference in cost of hospital room rates. And, unlike the rates at GMH, GRMC may raise its rates at any time without the benefit of a public hearing or legislative approval as would be required for an increase in rate at GMH.

Public Health conducted a cost analysis for fiscal year 2017 that shows GRMC's new per diem rate of \$5,075 will cost the government agency an additional \$23 million. If the rate were to be based on GMH's \$1,123 per diem rate, it would only cost about \$10 million. Multiply those costs over the entire population of covered lives for the Hof Guam health Plan and its yet another example of rising healthcare costs that cannot be ignored if GRMC is to be a required provider under the Government's Health Contract.

Because GRMC is a private for profit hospital it is not bound to any fee schedule or public oversight as it relates to pricing their services. With a guarantee of inclusion into the Government of Guam Health Plan, this Bill provides GRMC an unfair advantage in what should be a competitive healthcare marketplace. In an anti-competitive environment prices will skyrocket, patient care and quality will be compromised and the Government of Guam its employees, and retirees will be left holding the bag. Simply said, if this Bill passes into law GRMC will have no reason to negotiate or address what is significantly higher costs compared to GMH or other on-island providers.

In addition to practically killing GMH, the Government's attempt to force a private company to contract with another private entity as part of competitive RFP process such as the Government of Guam Health Plan creates an anti-competitive environment and is not sound public policy. What will undoubtedly result is an absolute unwillingness on GRMC's part to negotiate rates or fees with health plan providers in a captured healthcare market.

9. TakeCare's Perspective.

TakeCare has been a health plan provider for the Government of Guam Health Plan since FY2013. As a health plan provider for the Government of Guam, TakeCare has partnered with the Government during times of financial hardship and has continued to provide health insurance coverage to retirees even though premiums were not paid under the terms of TakeCare's contract with the Government. Those financial hardship conditions still exist and to this day TakeCare is still not receiving the full contribution of the Government of Guam share of premiums for retirees.

As we already know from past experience, the Government of Guam has been unable to meet its existing obligations for retiree health insurance premium payment and if this bill passes it will create even more dire financial conditions for the Government.

Speaker Benjamin J. F. Cruz
March 15, 2017
Page 2

For the past three fiscal years TakeCare has provided the Government of Guam with numerous exclusive and non-exclusive proposals that would have saved the Government of Guam, its employees and retirees tens of millions of dollars in healthcare costs. To be clear, those savings were realized largely due to the fact that Guam Regional Medical City ("GRMC") was not part of TakeCare's health insurance offerings. If this Bill passes, TakeCare would be forced to include GRMC into its health insurance proposal causing any real or potential savings over existing rates to completely evaporate. Requiring that GRMC be a participating network provider for the Government of Guam Health Plan will cause rates to rise exponentially.

Bill No. 21-34 is a significant step in the wrong direction and will only serve to drive health insurance premiums upward for the Government of Guam, its employees, and retirees. It will certainly jeopardize the viability of GMH. This bill is not in the Government's best interests and is contrary to the aim and objective of the recently passed legislation in Bill No. 3-34. If the Government seeks to control the inflationary rates of healthcare spending under its health plan benefits, this Bill should not be passed.

For all the reasons outlined above TakeCare asks you to consider the impact this legislation will have on Government of Guam taxpayers, employees and retirees who rely on the Government of Guam for health insurance, and prevent this Bill from being enacted into law.

Sincerely,



Joseph B. Husslein,
CEO and Health Plan Administrator

cc: TakeCare Representatives

**1 Mine/Treadle Keblee No. 2 Licenses
 BILL STATUS**

21-04 (COA)	S.I.S. Cruz	AN ACT TO ADD § 40000(1) OF CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO REQUIRING THAT ALL PRIVATE HOSPITALS BE COVERED UNDER THE GOVERNMENT OF GUAM HEALTH INSURANCE CONTRACT.	2/14/17 500 p.m.	03/17/17 Committee on Appropriations and Adjunction	3/14/17 2:00 p.m.	Fiscal Year Budget 2/27/17 Fiscal Year 3/10/17	WITHDRAWN 3/23/17
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EXHIBIT "15"

**LEGISLATIVE HISTORY
PUBLIC LAW 34-83**

<p>3-21-73</p>	<p>B.L.S. One</p>	<p>AN ACT TO AMEND §§ 406(a) AND 406(b) AND CHAPTER 4, TITLE 4, GOALS CODE ANNOTATED, RELATIVE TO MULTIPLE EMPLOYEE PROPOSAL PLAN FOR GOVERNMENT OF HEALTH CARE AND RETIREMENT AND FOSTER CHILDREN IS FURNISHED BY THE GOVERNMENT OF HEALTH CARE AND RETIREMENT TO 1. INDUSTRY/EMPLOYER FOR CONSIDERATION AND TO DETERMINE THE FEASIBILITY OF SUCH A PLAN. AUTHORITY OVER ANY CONTRACT DERIVED INTO BY/ FROM SUCH PLAN SHALL REMAIN WITH THE STATE.</p>	<p>3/24/73 2:58 P.M.</p>	<p>3/24/73</p>	<p>3/24/73 2:58 P.M.</p>	<p>3/24/73 5:07 P.M.</p>	<p>3/24/73 5:07 P.M.</p>	<p>3/24/73 5:07 P.M.</p>	<p>3/24/73 5:07 P.M.</p>	<p>3/24/73 5:07 P.M.</p>
<p>3/7/73</p>	<p>B.L.S. One</p>	<p>AN ACT TO AMEND §§ 406(a) AND 406(b) AND CHAPTER 4, TITLE 4, GOALS CODE ANNOTATED, RELATIVE TO MULTIPLE EMPLOYEE PROPOSAL PLAN FOR GOVERNMENT OF HEALTH CARE AND RETIREMENT AND FOSTER CHILDREN IS FURNISHED BY THE GOVERNMENT OF HEALTH CARE AND RETIREMENT TO 1. INDUSTRY/EMPLOYER FOR CONSIDERATION AND TO DETERMINE THE FEASIBILITY OF SUCH A PLAN. AUTHORITY OVER ANY CONTRACT DERIVED INTO BY/ FROM SUCH PLAN SHALL REMAIN WITH THE STATE.</p>	<p>3/7/73 2:58 P.M.</p>	<p>3/7/73</p>	<p>3/7/73 2:58 P.M.</p>	<p>3/7/73</p>	<p>3/7/73</p>	<p>3/7/73</p>	<p>3/7/73</p>	<p>3/7/73</p>
<p>3/14/73</p>	<p>B.L.S. One</p>	<p>AN ACT TO AMEND §§ 406(a) AND 406(b) AND CHAPTER 4, TITLE 4, GOALS CODE ANNOTATED, RELATIVE TO MULTIPLE EMPLOYEE PROPOSAL PLAN FOR GOVERNMENT OF HEALTH CARE AND RETIREMENT AND FOSTER CHILDREN IS FURNISHED BY THE GOVERNMENT OF HEALTH CARE AND RETIREMENT TO 1. INDUSTRY/EMPLOYER FOR CONSIDERATION AND TO DETERMINE THE FEASIBILITY OF SUCH A PLAN. AUTHORITY OVER ANY CONTRACT DERIVED INTO BY/ FROM SUCH PLAN SHALL REMAIN WITH THE STATE.</p>	<p>3/14/73 2:58 P.M.</p>	<p>3/14/73</p>	<p>3/14/73 2:58 P.M.</p>	<p>3/14/73</p>	<p>3/14/73</p>	<p>3/14/73</p>	<p>3/14/73</p>	<p>3/14/73</p>

2

I MINA'TRENTAI KUÁTRO NA LIHESLATURAN GUÅHAN
2017 (FIRST) Regular Session

Bill No. 3-34 (COR)

Introduced by:

B. J. F. Cruz

AN ACT TO *AMEND* §§ 4301(a) AND 4302(c)(2), BOTH OF ARTICLE 3, CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO ENSURING THAT *ONLY* THE MOST ECONOMICAL AND BENEFICIAL HEALTHCARE INSURANCE PROPOSAL PLAN FOR GOVERNMENT OF GUAM EMPLOYEES AND RETIREES AND FOSTER CHILDREN IS FORWARDED BY THE GOVERNMENT OF GUAM HEALTH INSURANCE NEGOTIATING TEAM TO *I MAGA'LÅHEN GUÅHAN* FOR CONSIDERATION; AND TO DIVESTING THE LEGISLATURE OF FINAL APPROVAL AUTHORITY OVER ANY CONTRACT ENTERED INTO BY *I MAGA'LÅHEN GUÅHAN* FOR THE SAME.

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

2 **Section 1.** Subsection 4301(a) of Article 3, Chapter 4, Title 4, Guam Code
3 Annotated, is hereby *amended* to read:

4 "(a) *I Maga'lahi* (the Governor) is authorized to enter contracts and reject
5 proposals, with the written concurrence of the Speaker of *I Liheslaturan Guåhan*
6 (the Guam Legislature) or the Chief Justice of the Supreme Court of Guam whose
7 consents may be withheld in their sole discretion, with one (1) or more insurance
8 companies, authorized to do business in Guam, for group insurance, including, but
9 *not* limited to, hospitalization, medical care, life, and accident, for all employees or
10 separate groups of employees, and foster children, of the government of Guam. If
11 the Legislative or Judicial Branches of government elect to enter into separate
12 contracts for their employees as authorized in § 4301(c), *I Maga'lahi shall* obtain

the written concurrence of the Branch electing to remain with the Executive Branch before the group insurance contract is entered into or a proposal rejected. The government *shall not* be construed as an agent of any insurance company in negotiating or administering this group insurance program. Health benefits provided under this authority may be self-funded and administered by a third party if it is determined to be cost-effective. No government funds shall be authorized or expended and no contract shall be executed with any healthcare respondent/provider for group insurance for all employees or separate groups of employees, and foster children, of the government of Guam, whose proposal does not represent the most economical and beneficial healthcare insurance proposal plan, as defined in § 4302(c)(2) of this Article, as determined by the negotiating team, as defined in § 4302(c) of this Article.

Section 2. Subsection 4302(c)(2) of Article 3, Chapter 4, Title 4, Guam Code Annotated, is hereby *amended* to read:

“(2) The negotiating team upon selection and review of the single best available proposals by participating healthcare respondent(s)/provider(s), which reflect shall be the most economical and beneficial healthcare insurance proposal plan for government of Guam employees and retirees, and foster children, *shall* forward said ~~the accepted~~ proposals to *I Maga'låhen Guåhan* for consideration, and to *I Liheslaturan Guåhan* for its review ~~final approval~~ no later than July 31, and prior to the annual legislative sessions wherein the upcoming fiscal year budget for the government of Guam is before *I Liheslaturan Guåhan* for consideration. Notwithstanding any other provision of law, rule, or regulation, the most economical and beneficial healthcare insurance proposal plan for government of Guam employees and retirees, and foster children, shall be defined as the lowest cost option of either the exclusive or non-exclusive proposal.

1 The negotiating team shall forward only the single most economical and
2 beneficial healthcare insurance proposal plan for government of Guam employees
3 and retirees, and foster children, to I Maga'låhen Guåhan, and shall not forward
4 both an exclusive and a non-exclusive proposal to I Maga'låhen Guåhan."

5 **Section 3. Effective Date.** This Act shall become effective upon enactment.

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

SPEAKER BENJAMIN J.F. CRUZ

Committee on Appropriations and Adjudication
Senator@senatorbjcruz.com | www.senatorbjcruz.com



I Mina'trentai Kudtro na Liheslaturan Guåhan

THE 34TH GUAM LEGISLATURE

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COMMITTEE REPORT DIGEST

Bill No. 3-34 (COR), As Introduced - B. J.F. Cruz - "An act to amend §§ 4301(a) and 4302(c)(2), both of Article 3, Chapter 4, Title 4, Guam Code Annotated, relative to ensuring that only the most economical and beneficial healthcare insurance proposal plan for government of Guam employees and retirees and foster children is forwarded by the government of Guam Health Insurance Negotiating Team to *I Maga'lahaen Guahan* for consideration; and to divesting the Legislature of final approval authority over any contract entered into by *I Maga'lahaen Guahan* for the same."

I. OVERVIEW

Bill No. 3-34 (COR) was introduced by Speaker Benjamin J.F. Cruz on January 4, 2017, and referred to the Committee on Appropriations and Adjudication on January 24, 2017.

The Committee on Appropriations and Adjudication convened a public hearing on Friday, February 10, 2017, beginning at 2:00PM in the Guam Legislature Public Hearing Room. The hearing for Bill No. 3-34 (COR) began at 2:04PM and ended at 3:42PM. ✓

Public Notice Requirements

All legal requirements for public notices were met, with requests for publication sent to all media and all Senators on February 2, 2017, and February 8, 2017, via email. Copies of the hearing notices are appended to the report.

Senators Present

Speaker Benjamin J.F. Cruz, *Chairperson*
Vice Speaker Therese M. Terlaje, *Member*
Senator Régine Biscoe Lee, *Member*
Senator Telena C. Nelson, *Member*
Senator Joseph S. San Agustin, *Member*
Senator James V. Espaldon, *Member*
Senator Thomas A. Morrison, *Member*
Senator Louise Borja Muna

Appeared Before the Committee

Ms. Christine W. Baletto, *Director, Department of Administration*
Attorney Shannon J. Taitano, *Legal Counsel, GovGuam Health Insurance Negotiating Team*
Mr. Frank Campillo, *Health Plan Administrator, Calvo's SelectCare Insurance*
Mr. Eric L. Plinske, *Director of Corporate Affairs, Guam Regional Medical City*

Vice Speaker Terlaje:

"Does our RFP require coverage at both hospitals or is it certain hospitals?"

Ms. Taitano:

"I believe it is just for hospitalization. I don't recall..."

Director Baletto:

"And that's why I think we would need to research because I don't believe you can name all the clinics and say, you must provide access to all of these hospitals, to all of the clinics, to all of these pharmacies. I don't know if we are able to do that."

Vice Speaker Terlaje:

"Do you - I was going to ask the carriers this question, but I'll ask. Can you list the difference in services in the different hospitals that we have? Or difference in services that employees are getting at off-island hospitals. What makes them different? When they say they want choice, is it that they want a certain service that another hospital does not provide. Or is it really just choice that is not a critical item?"

Ms. Taitano:

"I've been told by some employees when they like the option to choose the different carriers, it's the rates they compare because the plans are the same. I've been told, too that it's the service they receive from the different carriers. Some prefer one carrier over the other. That's what has been conveyed to me."

Vice Speaker Terlaje:

"Customer service?"

Ms. Taitano:

"Yes."

Director Baletto:

"Responsiveness, especially when it comes to claims, any paper work, or coordination of services, if you need to fly off-island—we hear some of those comments as well: There are some carriers who are more responsive or quicker to set those things up as opposed to maybe someone else that they might have had experience with."

Vice Speaker Terlaje:

"I would be interested if the government of Guam is going to require an exclusive contract because of cost or find ways to save on cost. Would you be

Unfortunately we are not the ones to determine the splits, unless we grab it back."

Mr. Campillo:

"But you could legislate that."

Chairman Cruz:

"We may have to take that back. Thank you for being the one suggesting it."

Vice Speaker Therese Terlaje:

"I'm sorry I am not familiar with this but, [quoting from Mr. Campillo's testimony] "... whereby [the Guam Memorial Hospital Authority] limits its charges to the Medicare rates for the GovGuam population". Do they have one set of rates for Medicare and then another set of rates for insurance companies? Is that how it works?"

Mr. Campillo:

"So, GMH is paid by Medicaid, Medicare and [Medicaid Integrity Program], a set of rates that are basically based on the Medicare reimbursement factor. The rest of us have to pay a different rate. It is based on their published rate schedule. We used to get a prompt payment discount if we paid in thirty (30) days. That was eliminated. So, that's the schedule that applies to third-party payers. I'm suggesting, why charge your population more? After all, it is GovGuam taking care of GovGuam employees so allow us to pay GovGuam based on the Medicare fee schedule."

Vice Speaker Terlaje:

"Do you think the government could make an agreement for GovGuam subscribers? We set a rate like that?"

Mr. Campillo:

"It's your hospital. You can do whatever you want."

Vice Speaker Terlaje:

I'll ask the Attorney General.

Mr. Campillo:

"You are already paying Medicaid based on Medicare. Thank you very much."

Mr. Eric Plinske greeted members of the Committee and introduced himself as Director of Corporate Affairs for the Guam Regional Medical City. He then proceeded to read his written testimony (*appended to this report*). The written testimony — while expressing

support for the measure's intent—sought amendments that would require all qualified insurers participating in the GovGuam Health Insurance Program to include both private and public hospitals as in-network providers.

Mr. Plinske further noted:

"Mr. Speaker, I appreciate the time. One of the things we mentioned [was] choice and I know [we've] talked about economies of scale and bargaining power and that's what insurance companies have when they deal with providers and they will negotiate rate discounts because of their bargaining power and their economies of scale. But when they don't sign a contract with a provider those rates remain at the list rate and they go on to the customer. As a non-participating provider, the biggest thing that people don't understand and I would assume you may have a difficult time understanding what non-participating provider means and the famous quote, eligible charges. What that means and I can explain in detail right now, for instance the one plan who has not put us in their network, it doesn't mean that there's necessarily savings anywhere it just means those costs are going to have to go to someone else. We are holding over five million dollars (\$5 million) of claims for that provider. We have not sent those to the customer—your GovGuam employees, retirees, federal workers—because we are in negotiations to try and work out an agreement. We're not really that close right now, unfortunately.

"The three (3) other plans on-island have all signed with us a long time ago. So, if we were to release those bills to those patients, we are going to have to eventually, if those good faith efforts don't work. Imagine the bankruptcies that people will face if they have to pay these full bills under eligible charges. And it's not just the one plan, all health plans have this clause. If you are non-participating provider they only pay directly for emergency services under the... it's called [the Emergency Medical Treatment and Labor Act (EMTALA)]. No hospital can turn away a patient due to money issues. You accept them and you must stabilize them. Many times that emergency visit results in an admission. As a non-participating provider there are many hoops that are followed. First, they come into the emergency room, you have no agreement with this health plan but you are supposed to within twenty four (24) hours or twelve (12) hours notify the non-participating, the plan that you are not a network provider in of the emergency room visit in order for any payment whatsoever to be paid.

"Then, if there is an admission, require another notice with pre-authorization approval to be provided to the hospital for what would be called, pre-authorization to admit to a non-participating provider. Now, even if you got

that, it doesn't mean the plan is going to pay anything to the hospital. The whole bill is going to the patient, that full price and the only way that patient is going to get any money back is if they first, pay the full bill with no discounts because they don't get the benefit of a negotiated agreement and those negotiated rates.

"Now, if a miracle happens and they end up finding the money to pay that bill then they get to go to the health plan and seek reimbursement generally at seventy percent (70%) of eligible charges. What does that mean? That means usually the lowest of the low of any rate they can look at: Medicare rate, the lowest network rate—GMH likely and a range of other ones, some physician fees. There's about three to four (3-4) different ones they could refer to; usually it'll be the lowest of the low.

"As an example of that is a private room at GRMC at list price, the lowest and we're a private room hospital where GMH is a semi-private room hospital with some private rooms. A surgical room for instance is twenty four hundred dollars (\$2400). It's about six hundred dollars (\$600) semi-private at GMH. Now, just that one service you went to the hospital at GRMC, and many times you have no choice. If you are in an ambulance, you are going to be taken to the nearest hospital whether that hospital is in your network or not and if you are not stable and you need to be admitted, it's going to be done. You really don't have a choice there. We are going to treat you no matter what. And we are not going to ask you during that process what plan you've got or if you have any money.

"So, now you go twenty four hundred dollars (\$2400) just for the room. Somehow you find the money to pay for that. And believe me there are surgeries and many other expenses going to be—we are just looking at the room. If you heard seventy percent (70%) of eligible charges you might think, well that's not bad. Some plans have eighty percent (80%) of charges if you are in network, seventy percent (70%) of eligible charges—that doesn't sound too bad. The bill goes through and you pay for the whole twenty four hundred (\$2400). Now, you go to the plan to seek reimbursement. Now, you'll find out likely the reference rate is the six hundred dollar (\$600) room rate at GMH. That's a semi-private room, seventy percent (70%) of that room rate. That's about four hundred and twenty dollars (\$420). The rest you eat—over two thousand dollars (\$2000). What was the real result? About seventeen percent (17%) of the bill was reimbursed but that's only if the person had the money to pay the hospital up front. Rarely do they have that. Who would? If you have a major set of surgeries: tens of thousands of dollars for sure, and who's got that money laying around? Seventeen percent (17%) if you can even find the money to pay up front that you might be eligible to get paid and reimbursed back to you while you eat the eighty

Mr. Campillo:

"Let me tell you the other side of that coin. If the government of Guam obligates the health insurance plans to include everybody, then you take the ability for the health insurance plans to negotiate. You have to balance it. I can see the perspective of a company and a hospital that has invested a significant amount of dollars to be included in our plans. I can see their perspective. But on the other hand, I think that we live in a free enterprise world, you need to allow health insurance plans to be able to negotiate accordingly."

Mr. Francis Santos approached the Committee and proceeded to testify.

"Thank you Mr. Speaker and colleagues. Then, I would argue that you have an issue with the [Qualifying Certificates (QCs)] that we all benefit as insurance carriers and as a hospital. Because my understanding with the QC benefit is that we as the residents of Guam will get a benefit from the hospital and the insurance carriers. So, if you are going to allow this system to not choose this hospital verses this hospital then we should really look at why we are giving QCs. Because the promise was no, I'm going to allow this hospital to come to our island, offer this benefit and offer more importantly to the residents that cannot afford to come to the hospital. Again, I caution you to examine that closely. I'll speak on behalf of GRMC, you [wanted] us to be on this island and provide this service. So, we are here today. All we are asking is that give the residents of Guam the chance to choose the hospital and just put us in the network, is all we are saying. We'll negotiate. That's our challenge to negotiate with the carriers. I will say I don't want to comment at this point because we recently transmitted the bill on behalf of the GPA and GWA employees to ask the Legislature to consider separating us out of the group health insurance and at that time I'll submit my testimony recognizing both bills and how they address group health insurance in total. Thank you very much."

Chairman Cruz:

"When you were just speaking, were you speaking as a taxpayer or an official from GRMC?"

Mr. Santos:

"I have this crazy hat; sometimes three (3) hats actually. I can speak on behalf of the industry if they allow me at times and sometimes they do. I have to speak on behalf of GRMC because of the value it brings to this community and just as a resident taxpayer who at times questions why we do QCs. This issue at this point is that it is a done deal. We've given QCs to insurance carriers because that's the benefit for the risk they take and then you asked GRMC to invest two hundred and fifty million dollars (\$250 million). So, we are here today asking that all the residents of Guam be afforded to come to this hospital."

Mr. Campillo:

"I gave you my perspective that I don't feel the need to mandate that."

Senator James V. Espaldon:

"Mr. Speaker, if I may? What [Mr. Plinske] had testified to....I guess the implication as it is relative to this particular bill is that if we were to go down this road and entertain this in session that only the lowest price carrier then it kicks in and the testimony that if we're going to go down that road then at least include the other hospital. Otherwise, any carrier who does not include would probably be able to bid the lowest price. I just want to make sure. Is that what really is being said the past ten (10) minutes just to make it clear in my mind?"

Mr. Campillo:

"I think [Mr. Plinske] said it clear and that is that it is a fact that the new hospital has a higher price cost than GMH. And you are right. If you are going to look at the least expensive hospital, it's the same way when we go to the Philippines and go to Green Hills to buy stuff. Cheap does not clearly bring quality and I think that if you are going to mandate and you go with the lowest cost possible, health plans as very well explained by [Director Baletto], you are going to find ways to carve out the least expensive items of the health plan. That's going to create that. But if you mandate that a health plan needs to contract with someone then you also take away the ability for health plans to really work on behalf...at the end of the day, you are going to sign up and you are going to be able...the health plan will be able to sign up the networks that they feel are going to be best for the individual members that are going to sign up with them and the health plans either work with the provider and provides what is good quality or not. That's why it allows choice for members to differentiate between a quality health plan and one that may not be quality."

Senator Espaldon:

"I just wanted to clarify and make sure that I understood exactly what's being said. [Mr. Plinske], if you would like to join us again, I'd love to have him come back up."

Mr. Plinske:

"We actually work very well with all the health plans. Take Care is a strong provider of health plans and we look forward with working with them and come to an agreement. Jeff and the team at Take Care, we have no animosity. What happens if you don't...and I think we're talking about a hospital and we're talking about clinics. There's a little bit of a difference I think to say a specialty hospital where there is no...[Mr. Campillo] mentioned that there was one entity no one else paid those rates."

EXHIBIT "16"

WhatsApp Chat with Edward Birn

5/8/19, 10:37 AM

Edward Birn: For procurement record from Eric Plinske.

Ed, this is Eric. I'm in Manila and will be back on Friday. GRMC would be glad to meet with you or your legal advisors about the TakeCare situation and about what the truth is about what was offered by grmc to TakeCare we don't offer

carve out contracts for only one market such as govguam. We contract with health plans for all their members. We told NetCare that if TakeCare wants to contract thru them that it has to be for network access for all their members with no

buy up requirement, not just govguam. TakeCare refuses. Aetna is contracted for all their business, not just govguam. Eric: I have not yet received a formal comment from our attorney on the protest. When we have, I will let you

know. Hopefully your legal team won't make a decision without talking to us to ensure they got all the facts and both sides to the story.

5/8/19, 10:41 AM
LCandaso: Noted.

EXHIBIT "17"

GovGuam PPO1500 Required Schedule of Benefits

Bidder Instructions: Complete the shaded cells with your proposed benefits. Identify any discrepancies between your bid and the current benefit.

Your Benefits: What the plan covers	Current Benefits		Proposed Benefits - Non-Exclusive		Proposed Benefits - Exclusive	
	Participating Providers	Non-Participating Providers	Participating Providers	Non-Participating Providers	Participating Providers	Non-Participating Providers
Deductible Per Individual Member	\$1,500	\$3,000	\$1,500	\$3,000	\$1,500	\$3,000
Deductible Per Family If a member meets their \$1,500 deductible, the plan begins to pay for covered services for that individual	\$3,000	\$9,000	\$3,000	\$9,000	\$3,000	\$9,000
Coverage Maximums Individual member annual maximum	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Out of Pocket Maximums (including accumulated deductible and copays)		No Maximum		No Maximum		No Maximum
Per Individual member per policy year	\$3,000		\$3,000		\$3,000	
Per Family per policy year	\$9,000		\$9,000		\$9,000	
Any Services in the Philippines, Hawaii & the U.S. Mainland (Pre-Certification Required)	Requires a referral from your doctor and approval in advance from the plan		Requires a referral from your doctor and approval in advance from the plan		Requires a referral from your doctor and approval in advance from the plan	
Deductible and Co-Pay do not apply to these benefits when you go to a Participating Provider:	Participating Providers	Non-Participating Providers (after deductible is met)	Participating Providers	Non-Participating Providers (after deductible is met)	Participating Providers	Non-Participating Providers (after deductible is met)
Preventive Services (Out-Patient Only)						

<p>In accordance with the guidelines established by the U.S. Preventive Services Task Force (USPSTF) Grades A and B recommendations.</p> <p>Notes: Members may choose to receive age appropriate annual physical in the Philippines with no dollar limit Annual exam includes preventive lab tests</p>	Plan pays 100%	Not Covered	Plan pays 100%	Not Covered	Plan pays 100%	Not Covered
Annual Eye Exam	Once per Member per Plan Year	Not Covered	Plan pays 100%	Not Covered	Plan pays 100%	Not Covered
Annual Physical Exam		Not Covered	Plan pays 100%	Not Covered	Plan pays 100%	Not Covered
Immunizations/Vaccinations	In accordance with the guidelines established by the Advisory Committee on Immunization Practices	Not Covered	Plan pays 100%	Not Covered	Plan pays 100%	Not Covered
Pre-Natal Care	Including Routine Labs and 1st Ultrasound	Not Covered	Plan pays 100%	Not Covered	Plan pays 100%	Not Covered
Well-Child Care	In accordance with the Bright Futures/American Academy of Pediatrics recommendations for Preventive Pediatric Health Care	Not Covered	Plan pays 100%	Not Covered	Plan pays 100%	Not Covered
Infancy (Newborn to nine months)	Maximum seven visits	Not Covered	Plan pays 100%	Not Covered	Plan pays 100%	Not Covered
Early Childhood (One to four years old)	Maximum seven visits	Not Covered	Plan pays 100%	Not Covered	Plan pays 100%	Not Covered

	Participating Providers	Non-Participating Providers (after deductible is met)	Participating Providers	Non-Participating Providers (after deductible is met)	Participating Providers	Non-Participating Providers (after deductible is met)
Middle Childhood / Adolescence (Five to 17 years old) Maximum one visit/year						
Well-Woman Care						
In accordance with the guidelines supported by the Health Resources and Services Administration (HRSA) Contraceptive including Sterilization and Tubal Ligation	Plan pays 100%	Not Covered	Plan pays 100%	Not Covered	Plan pays 100%	Not Covered
Deductible does not apply to these benefits when you go to a Participating Provider:	Participating Providers	Non-Participating Providers (after deductible is met)	Participating Providers	Non-Participating Providers (after deductible is met)	Participating Providers	Non-Participating Providers (after deductible is met)
Outpatient Physician Care & Services						
1. Primary Care Visits	\$20 Member Co-Pay	Plan pays 70%* Member pays 30%	\$5 Member Co-Payment at FHP Clinic, \$10 Member Co-Payment at Preferred Provider, \$20 Member Co-Payment at Non-Preferred Provider	Plan Pays 70% of Eligible Charges, Member pays 30%	\$5 Member Co-Payment at FHP Clinic, \$10 Member Co-Payment at Preferred Provider, \$20 Member Co-Payment at Non-Preferred Provider	Plan Pays 70% of Eligible Charges, Member pays 30%
2. Specialist Care Visits	\$40 Member Co-Pay	Plan pays 70%* Member pays 30%	\$40 Member Co-Payment	Plan Pays 70% of Eligible Charges, Member pays 30%	\$40 Member Co-Payment	Plan Pays 70% of Eligible Charges, Member pays 30%
3. Voluntary Second Surgical Opinion	\$40 Member Co-Pay	Plan pays 70%* Member pays 30%	\$40 Member Co-Payment	Plan Pays 70% of Eligible Charges, Member pays 30%	\$40 Member Co-Payment	Plan Pays 70% of Eligible Charges, Member pays 30%
4. Home Health Care Visit	\$0 Member Co-Pay	Plan pays 70%* Member pays 30%	Plan Pays 100%	Plan Pays 70% of Eligible Charges, Member pays 30%	Plan Pays 100%	Plan Pays 70% of Eligible Charges, Member pays 30%

5. Hospice Care in Guam only, maximum 180 days, and \$150 per day (Pre-Certification Required)

6. Mental Health Care

7. Outpatient Laboratory

8. X-Ray Services

9. Injections (Does not include those on the Specialty Drugs List and Orthopedic injections)

\$40 Member Co-Pay	Not Covered	\$40 Member Co-Payment	Plan Pays 70% of Eligible Charges, Member pays 30%	\$40 Member Co-Payment	Plan Pays 70% of Eligible Charges, Member pays 30%
\$20 Member Co-Pay	Plan pays 70%* Member pays 30%	\$5 Member Co-Payment at FHP Clinic \$10 Member Co-Payment at Preferred Provider \$20 Member Co-Payment at Non-Preferred Provider	Plan Pays 70% of Eligible Charges, Member pays 30%	\$5 Member Co-Payment at FHP Clinic \$10 Member Co-Payment at Preferred Provider \$20 Member Co-Payment at Non-Preferred Provider	Plan Pays 70% of Eligible Charges, Member pays 30%
\$20 Member Co-Pay	Plan pays 70%* Member pays 30%	1. Routine and Preventive Plan pays 100% (not subject to deductible); 2. Specialty Laboratory \$20 Member Co-payment	Plan Pays 70% of Eligible Charges, Member pays 30%	1. Routine and Preventive Plan pays 100% (not subject to deductible); 2. Specialty Laboratory \$20 Member Co-payment	Plan Pays 70% of Eligible Charges, Member pays 30%
\$20 Member Co-Pay	Plan pays 70%* Member pays 30%	\$10 Member Co-Payment at FHP Clinic \$20 Member Co-Payment outside FHP	Plan Pays 70% of Eligible Charges, Member pays 30%	\$10 Member Co-Payment at FHP Clinic \$20 Member Co-Payment outside FHP	Plan Pays 70% of Eligible Charges, Member pays 30%
\$20 Member Co-Pay	Plan pays 70%* Member pays 30%	\$5 Member Co-Payment at FHP Clinic \$10 Member Co-Payment at Preferred Provider \$20 Member Co-Payment at Non-Preferred Provider	Plan Pays 70% of Eligible Charges, Member pays 30%	\$5 Member Co-Payment at FHP Clinic \$10 Member Co-Payment at Preferred Provider \$20 Member Co-Payment at Non-Preferred Provider	Plan Pays 70% of Eligible Charges, Member pays 30%

10. Urgent Care	\$50 Member Co-Pay (Increase over current \$20 co-pay)	Plan pays 70%* Member pays 30%	1. Within the Service Area (Available at participating urgent care providers) \$50 Member Co-payment; 2. Outside the Service Area Plan Pays 80% and Member pays 20%	1. Within the Service Area (Available at participating urgent care providers) \$50 Member Co-payment; 2. Outside the Service Area Plan Pays 80% and Member pays 20%	1. Within the Service Area (Available at participating urgent care providers) Not Covered; 2. Outside the Service Area Plan Pays 80% of Eligible Charges and Member pays 20%	1. Within the Service Area (Available at participating urgent care providers) Not Covered; 2. Outside the Service Area Plan Pays 80% of Eligible Charges and Member pays 20%	1. Within the Service Area (Available at participating urgent care providers) Not Covered; 2. Outside the Service Area Plan Pays 80% of Eligible Charges and Member pays 20%	1. Within the Service Area (Available at participating urgent care providers) Not Covered; 2. Outside the Service Area Plan Pays 80% of Eligible Charges and Member pays 20%	1. Within the Service Area (Available at participating urgent care providers) Not Covered; 2. Outside the Service Area Plan Pays 80% of Eligible Charges and Member pays 20%	1. Within the Service Area (Available at participating urgent care providers) Not Covered; 2. Outside the Service Area Plan Pays 80% of Eligible Charges and Member pays 20%	1. Within the Service Area (Available at participating urgent care providers) Not Covered; 2. Outside the Service Area Plan Pays 80% of Eligible Charges and Member pays 20%	1. Within the Service Area (Available at participating urgent care providers) Not Covered; 2. Outside the Service Area Plan Pays 80% of Eligible Charges and Member pays 20%	1. Within the Service Area (Available at participating urgent care providers) Not Covered; 2. Outside the Service Area Plan Pays 80% of Eligible Charges and Member pays 20%
Prescription Drugs													
1. Formulary generic drugs	\$15 Member Co-Pay (\$0 day supply)	Plan pays 50% of Average Wholesale Price	\$10 Member Co-Payment at FHP Pharmacy; \$15 Member Co-Payment outside FHP Pharmacy (\$0 day supply)	\$10 Member Co-Payment at FHP Pharmacy; \$15 Member Co-Payment outside FHP Pharmacy (\$0 day supply)	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price
2. Formulary brand name drugs	\$30 Member Co-Pay (\$0 day supply)	Plan pays 50% of Average Wholesale Price	\$30 Member Co-Payment (\$0 day supply)	\$30 Member Co-Payment (\$0 day supply)	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price
3. Mail Order	\$0 Member Co-Pay (\$0 day supply)	Plan pays 50% of Average Wholesale Price	\$0 Member Co-Payment	\$0 Member Co-Payment	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price
4. Non-Formulary (Medically Necessary Only and Pre-Certification Required)	\$60 Member Co-Pay (\$0 day supply)	Plan pays 50% of Average Wholesale Price	\$60 Member Co-Payment (\$0 day supply)	\$60 Member Co-Payment (\$0 day supply)	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price	Plan pays 50% of Average Wholesale Price
5. Specialty Drugs (Medically Necessary Only and Pre-Certification Required)	\$100 Member Co-Pay (\$0 day supply)	Not Covered	\$100 Member Co-Payment (\$0 day supply)	\$100 Member Co-Payment (\$0 day supply)	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered
Deductible must be met for the													
	Participating Providers	Non-Participating Providers	Participating Providers	Participating Providers	Non-Participating Providers	Non-Participating Providers	Participating Providers	Participating Providers	Non-Participating Providers	Non-Participating Providers	Participating Providers	Participating Providers	Non-Participating Providers

following services:	(after deductible is met)	(after deductible is met)	(after deductible is met)	(after deductible is met)	(after deductible is met)
Acupuncture	Plan pays 80%; Member pays 20%	Not Covered	Plan Pays 80% Member Pays 20%	Not Covered	Plan Pays 80% Member Pays 20%
30 visits per member per plan year					Not Covered
AIDS Treatment	Plan pays 80%; Member pays 20%	Not Covered	Plan Pays 80% Member Pays 20%	Not Covered	Plan Pays 80% Member Pays 20%
Exclusive of Experimental drugs; Pre-Certification Required					Not Covered
Airfare Benefit to Centers of Excellence only	Plan pays 100%	Not Covered	Plan pays 100%	Not Covered	Plan pays 100%
For members who meet qualifying conditions, Plan provides roundtrip airfare (Plan Approval Required)					Not Covered
Allergy Testing	Plan pays 80%; Member pays 20%	Plan pays 70%*, Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	Plan Pays 80% Member Pays 20%
\$1000 per member per plan year					Plan Pays 70% of Eligible Charges, Member pays 30%
Ambulatory Surgi-Center Care (Pre-Certification Required)	Plan pays 80%; Member pays 20%	Plan pays 70%*, Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	Plan Pays 80% Member Pays 20%
Autism Spectrum Disorder	Plan pays 80%; Member pays 20%	Plan pays 70%*, Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	Plan Pays 80% Member Pays 20%
Diagnosis, treatment & behavioral therapy is limited per Contract Period to \$50,000 up to age 8 years and \$25,000 from ages 9 to 21 years					(Referral from your Primary Care Physician is required and Prior Authorization from TakeCare. Services are subject to TakeCare's benefit coverage guidelines and medical necessity.)
Blood & Blood Derivatives	Plan pays 80%; Member pays 20%	Plan pays 70%*, Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	Plan Pays 80% Member Pays 20%
					(Prior Authorization Required) (In accordance with 1998 W.H.C.R.A.)

Breast Reconstructive Surgery (In accordance with 1998 W.H.C.R.A) (Pre-Certification Required)	Plan pays 80%; Member pays 20%	Plan pays 70%*; Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%
Cancer Screenings, including any applicable lab work, for cervical, prostate, colorectal, and breast (in accordance with PL 34-02, 34-03, and 34-109)	Plan pays 80%; Member pays 20%	Plan pays 70%*; Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%
Cardiac Surgery	Plan pays 80%; Member pays 20%	Plan pays 70%*; Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	(Prior Authorization Required)	
Cataract Surgery	Plan pays 80%; Member pays 20%	Plan pays 70%*; Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	(Prior Authorization Required)	
Outpatient Only (including conventional lens)	Plan pays 80%; Member pays 20%	Plan pays 70%*; Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	(Prior Authorization Required)	
Chemical Dependency	Plan pays 80%; Member pays 20%	Plan pays 70%*; Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%
Chemotherapy Benefit (Pre-Certification Required)	Plan pays 80%; Member pays 20%	Plan pays 70%*; Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%
Chiropractic Care	Plan pays 80%; Member pays 20%	Not Covered	Plan Pays 80% Member Pays 20%	Not Covered	Plan Pays 80% Member Pays 20%	Not Covered
30 visits per member per plan year	Plan pays 80%; Member pays 20%	Not Covered	Plan Pays 80% Member Pays 20%	Not Covered	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%
Congenital Anomaly Diseases Coverage (Pre-Certification Required)	Plan pays 80%; Member pays 20%	Not Covered	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%
Diagnostic Testing MRI, CT scan, and other diagnostic procedures (Pre-Certification Required)	Plan pays 80%; Member pays 20%	Plan pays 70%*; Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%
Durable Medical Equipment (DME)						

<p>The lesser amount between the Purchase or Rental of crutches, walkers, wheelchairs, hospital beds, suction machines, nebulizer machine, C Pap machine or oxygen and accessories when prescribed by a Physician (Pre-Certification Required)</p>	<p>Plan pays 80% Member pays 20% of the total rental cost of purchase</p>	<p>Not Covered</p>	<p>Plan Pays 80% Member Pays 20% of the total rental cost of purchase</p>	<p>Not Covered</p>	<p>Plan Pays 80% Member Pays 20% of the total rental cost of purchase</p>	<p>Not Covered</p>
<p>Elective Surgery (Pre-Certification Required)</p>	<p>Plan pays 80% Member pays 20%</p>	<p>Plan pays 70%* Member pays 30%</p>	<p>Plan Pays 80% Member Pays 20%</p>	<p>Plan Pays 70% of Eligible Charges, Member pays 30%</p>	<p>Plan Pays 80% Member Pays 20%</p>	<p>Plan Pays 70% of Eligible Charges, Member pays 30%</p>
<p>Emergency Care For off-island emergencies, Plan must be contacted and advised within 48 hours 1. On/Off Island emergency facility, physician services, laboratory, X-rays 2. Ambulance Services (Ground Transportation Only)</p>	<p>Plan pays 80% Member pays 20%</p>	<p>Plan pays 80% Member pays 20%</p>	<p>Plan Pays 80% Member Pays 20%</p>	<p>Plan Pays 80% Member Pays 20%</p>	<p>Plan Pays 80% Member Pays 20%</p>	<p>Plan Pays 80% Member Pays 20%</p>
<p>End Stage Renal Disease / Hemodialysis (Pre-Certification Required)</p>	<p>Plan pays 80% Member pays 20%</p>	<p>Plan pays 70%* Member pays 30%</p>	<p>Plan Pays 80% Member Pays 20%</p>	<p>Plan Pays 70% of Eligible Charges, Member pays 30%</p>	<p>Plan Pays 80% Member Pays 20%</p>	<p>Plan Pays 70% of Eligible Charges, Member pays 30%</p>
<p>Hearing Aids Maximum \$500 per member per plan year</p>	<p>Plan pays 80% Member pays 20%</p>	<p>Not Covered</p>	<p>Plan Pays 80% Member Pays 20%</p>	<p>Not Covered</p>	<p>Plan Pays 80% Member Pays 20%</p>	<p>Not Covered</p>
<p>Hospitalization & Inpatient Benefits 1. Room & Board for a semi-private room, intensive care, coronary care and surgery 2. All other inpatient hospital services including laboratory, x-ray, operating room, anesthesia and medication 3. Physician's hospital services</p>	<p>Plan pays 80% Member pays 20%</p>	<p>Plan pays 70%* Member pays 30%</p>	<p>Plan Pays 80% Member Pays 20%</p>	<p>Plan Pays 70% of Eligible Charges, Member pays 30%</p>	<p>Plan Pays 80% Member Pays 20%</p>	<p>Plan Pays 70% of Eligible Charges, Member pays 30%</p>

Implants (Limitations apply, please refer to contract) Limited to cardiac pacemakers, heart valves, stents, intraocular lenses, orthopedic internal prosthetic devices	Plan pays 80% Member pays 20%	Plan pays 50%* Member pays 50%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%
Inhalation Therapy	Plan pays 80% Member pays 20%	Plan pays 70%* Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%
Maternity Care Labor and Delivery	Plan pays 80% Member pays 20%	Plan pays 70%* Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%
Nuclear Medicine (Pre-Certification Required)	Plan pays 80% Member pays 20%	Plan pays 70%* Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%
Occupational Therapy 20 Visits per member per Plan Year (Pre-Certification Required)	Plan pays 80% Member pays 20%	Not Covered	Plan Pays 80% Member Pays 20%	Not Covered	Plan Pays 80% Member Pays 20%	Not Covered
Organ Transplant (Pre-Certification Required) Including but not limited to: Heart, Lung, Liver, Kidney, Pancreas, Intestine, Bone Marrow, Cornea (Benefits include organ donor)	Plan pays 80% Member pays 20%	Plan pays 70%* Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%
Orthopedic Conditions Internal and External Prosthesis (Pre-Certification Required)	Plan pays 80% Member pays 20%	Plan pays 70%* Member pays 30%	Plan Pays 80% Member Pays 20% Internal and External Prosthesis such as but not limited to artificial joints, limbs and spinal segments	Plan Pays 70% of Eligible Charges, Member pays 30% Internal and External Prosthesis such as but not limited to artificial joints, limbs and spinal segments	Plan Pays 80% Member Pays 20% Internal and External Prosthesis such as but not limited to artificial joints, limbs and spinal segments	Plan Pays 70% of Eligible Charges, Member pays 30% Internal and External Prosthesis such as but not limited to artificial joints, limbs and spinal segments
Physical Therapy (Pre-Certification Required)	Plan pays 80% for the first 20 visits and 50% thereafter	Plan pays 70%* Member pays 30%	Plan Pays 80% for the first 20 visits and 50% thereafter	Plan Pays 70% of Eligible Charges, Member pays 30%	Plan Pays 80% for the first 20 visits and 50% thereafter	Plan Pays 70% of Eligible Charges, Member pays 30%

Radiation Therapy (Pre-Certification Required)	Plan pays 80%; Member pays 20%	Plan pays 70%* Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%
Robotic Surgery/Robotics Suite (Pre-Certification Required)	Plan pays 80%; Member pays 20%	Plan pays 70%* Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%
Skilled Nursing Facility Maximum 60 days per member per plan year (Pre-Certification Required)	Plan pays 80%; Member pays 20%	Plan pays 70%* Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%
Sleep Apnea Diagnostics and Therapeutic Procedure (Pre-Certification Required)	Plan pays 80%; Member pays 20%	Not Covered	Plan Pays 80% Member Pays 20%	Not Covered	Plan Pays 80% Member Pays 20%	Not Covered
Speech Therapy 20 visits per member per plan year (Pre-Certification Required)	Plan pays 80%; Member pays 20%	Not Covered	Plan Pays 80% Member Pays 20%	Not Covered	Plan Pays 80% Member Pays 20%	Not Covered
Sterilization Procedures Vasectomy (Outpatient Only)	Plan pays 80%; Member pays 20%	Plan pays 70%* Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%	Plan Pays 80% Member Pays 20%	Plan Pays 70% of Eligible Charges, Member pays 30%
Vision/Optical Hardware Frames, lenses, contact lenses, fitting Additional bidder plan design comments:	Plan pays 100% up to \$150 per member per plan year.				(Prior Authorization Required) Member Pays All Charges above \$150 per benefit year at Participating Providers; Not Covered at Non-Participating Providers	
Telemedicine Referral from your TakeCare Participating Primary Care Physician is required. Telemedicine is limited to FHP only.			\$5 Member Co- Payment at FHP Clinic; Not Covered outside FHP Clinic	Not Covered	\$5 Member Co- Payment at FHP Clinic; Not Covered outside FHP Clinic	Not Covered

<p>1. Wellness Benefit at TakeCare Wellness Center</p>	<p>Plan Pays 100%</p>	<p>Not Covered</p>	<p>Plan Pays 100%</p>	<p>Not Covered</p>	<p>Not Covered</p>
<p>2. TakeCare's Wellness and Disease Management Programs and Incentives</p>	<p>Plan Pays 100%</p>	<p>Not Covered</p>	<p>Plan Pays 100%</p>	<p>Not Covered</p>	<p>Plan Pays 100% for Gym Access Per Member Per Plan Year</p>
<p>3. Gym Benefit – TakeCare Preferred Fitness Partner For list of gym partners, please contact TakeCare's Customer Service Department. Be advised that several gyms have maximum enrollment caps and is on a first come first serve basis. Member must utilize a TakeCare Preferred Fitness Partner at least 10 visits per month. Member will lose Gym Benefit if member utilizes a TakeCare Preferred Fitness Partner less than 10 gym visits per month for 2 consecutive months. The month following, the member must begin paying the monthly fee balance of the benefit period to continue accessing their chosen Preferred Fitness Partner. If member chooses not to pay the monthly fee, then the member is responsible for a membership termination fee at their chosen gym. See gym for more information.</p>	<p>Plan Pays 100% for Gym Access Per Member Per Plan Year</p>	<p>Not Covered</p>	<p>Plan Pays 100% for Gym Access Per Member Per Plan Year</p>	<p>Not Covered</p>	<p>Plan Pays 100% for Gym Access Per Member Per Plan Year</p>

* of Eligible Charges