

**GUAM MEMORIAL HOSPITAL  
AUTHORITY  
CONTRACTED PHYSICIAN  
COMPENSATION PACKAGE AND  
PRIVILEGES, PART I  
CONTRACTED AND GG-1 PHYSICIANS**

**Performance Audit**

*October 1, 2019 to September 30, 2023*

**OPA Report No. 25-04**

**March 2025**





# **Guam Memorial Hospital Authority Contracted Physician Compensation Package and Privileges, Part I Contracted and GG-1 Physicians**

**Performance Audit  
October 1, 2019 to September 30, 2023**

**OPA Report No. 25-04  
March 2025**

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**Executive Summary**  
**Guam Memorial Hospital Authority**  
**Contracted Physician Compensation Package and Privileges, Part I**  
**Contracted and GG-1 Physicians**  
**OPA Report No. 25-04, March 2025**

The Office of Public Accountability (OPA) conducted a performance audit of the Guam Memorial Hospital Authority's (GMHA) Contracted Physician Compensation Package and Privileges, Part I - Contracted Physicians and GG-1 Physicians. This performance audit will be conducted in three phases. The audit covered Fiscal Years (FY) 2020 to 2023, during which GMHA compensated 168 physicians: 136 contracted, 14 Government of Guam (GovGuam) Form 1 (GG-1), and 18 contracted and GG-1. The contracted physicians received a total of \$78.6 million (M) over the four FYs, while the 32 GG-1 physicians were paid a cumulative \$27.3M. Of the 32 GG-1 physicians, 18 were paid both as contracted and GG-1 physicians, totaling \$19.2M (\$6.9M contracted, \$12.3M GG-1), while the remaining 14 received only GG-1 compensation, totaling \$15.1M. Overall, the total payments made to the 168 physicians amounted to \$105.9M.

Based on our review of applicable GovGuam and GMHA laws, regulations, internal policies and procedures, and analysis of physician agreements/contracts, staffing patterns, and the actual compensations paid to the physicians, we noted deficiencies relative to:

- 1) Compliance with Guam hiring regulations for contracted and GG-1 Physicians
  - Lack of general or specific internal policy to govern the contracting, hiring, and documentation processes of physicians.
- 2) Documentary Deficiencies in Employment Agreement/Contracts Executed by Physicians
  - Non-Execution of Professional Services Agreement (PSA: for contracted physicians), Unclassified Employment Agreement (UEA: for GG-1 Physicians) and Memorandum of Agreement (MOA: for locum tenens or temporary physicians);
  - Noncompliance with approval requirements for PSA, UEA, and MOA; and
  - Other deficiencies on other required documents.

The audit findings relative to the current and prevailing procedural processes embodies potential risks due to the absence of well-defined internal policies, regulations and guidelines. Specifically, we found:

**I. Compliance with Guam Hiring Regulations for Contracted and GG-1 Physicians**

According to GMHA (or the Hospital), physicians are unclassified personnel appointments under Title 10 of Guam Code Annotated (GCA) §80113 and 4 GCA §§6229-6229.15, as applicable. Title 4 GCA §6229.14 states, "All GovGuam agencies shall be exempted from the government of Guam Department of Administration recruitment process for the hiring of nurses and other healthcare professional positions." Per GMHA, the relevant statutory provisions have historically been interpreted as **allowing direct unclassified employment "contracts" or "agreements."** As far as it can be ascertained, GMHA has appointed physicians to unclassified service for as long as they

have existed. GMHA is not aware that a request for proposal (RFP) or other formal procurement procedures have ever been issued for physician services. GMHA is also routinely permitted under the Budget Act to hire and expend funds to pay unclassified doctors, nurses, and licensed health professionals. GMHA physician hiring is not subject to the Guam Procurement Law and Regulations **as it is governed by its own related regulations.**

### **1. Lack of General or Specific Internal Policy to Govern the Contracting, Hiring, and Documentation Processes of Physicians**

In the GMHA Legal Counsel’s response dated June 2024, to OPA preliminary questions, GMHA uses three different types of employment agreements for physicians with their corresponding use/applicability:

- A. PSA • typically used for independent physicians sometimes referred to as **“independent contractors.”**
- B. UEA • typically used for physicians directly employed by GMHA and documented by a GG-1.
- C. MOA • typically used for locum tenens physicians and certain physician groups.

We were unable to find an internal policy regarding each type of employment agreements/contracts shown above, as defined by the GMHA Legal Counsel through their response to OPA. In our exit conference in November 2024, the Hospital Administrator/Chief Executive Officer (CEO) clearly stated, to quote **“We don’t have a specific policy, but we are crafting right now. We’re going by how it’s practiced.”**

Based on GMHA’s responses, the hiring of physicians and corresponding agreements/contracts were currently not governed by a general or specific internal policy. This policy could be in a form of written formal instructions to document operational functions and provide guidance to personnel and officials in performing certain actions relative to physician contracting, hiring and documentation processes. This policy needs to include a guideline on the appropriate use of the three types of employment agreement/contract.

## **II. Findings Categorized According to Employment Agreement/Contracts Executed by Physicians**

### **A. Contracted Physician - PSA**

A PSA is an agreement between GMHA and an independent physician, (sometimes referred to as “independent contractor”) specifying terms and conditions, which includes 1) services and obligations, 2) billings and collections, 3) compensation, 4) independent contractor status, 5) insurance, and 6) terms and terminations.

Based on GMHA's compensation data, the Hospital contracted 168 physicians with total compensation of \$93.7M from FY 2020 to FY 2023. However, this was adjusted to \$78.6M following GMHA's response to an OPA inquiry. We confirmed that the original list included 14



physicians in management and administrative roles (GG-1 Employees), but the total compensation of \$93.7M was not adjusted to exclude them. The annual compensations for the 168 contracted physicians (adjusted to 154) are as follows:

Fiscal Year	Original Data Per GMHA (168)	Adjusted Data Per OPA (154)
2020	\$18.8M	\$14.7M
2021	\$22.3M	\$17.6M
2022	\$25.4M	\$21.9M
2023	\$27.2M	\$24.4M
Total	\$93.7M	\$78.6M

See also [Appendix 5](#) for the breakdown of GMHA contracted physicians and corresponding compensations for the four (4) FYs.

**1. Non-execution of PSA by some Contracted Physicians**

It is the policy of GMHA (Policy No. A-LD700) to enter into contractual agreements with qualified organizations, vendors, or individuals to effectively recruit or procure **medical, administrative, ancillary, personnel, and other services as necessary for the operation of GMHA’s facilities.**

Out of 36 sampled contracted physicians, six (6) did not execute PSAs, which is an employment agreement applicable for independent physicians (independent contractors) per GMHA. The total cumulative compensations paid to these physicians, who did not execute PSAs for the four fiscal years amounted to \$12.8M. See [Appendix 6](#) for details of contracted physicians without PSAs.

According to GMHA, [Appendix 6](#) - “Contracted Physicians Without PSAs” is wrong and contains physicians employed evidenced by a GG-1 and that do not execute PSAs. The physicians on the list without a GG-1 were providing services under written agreement with physicians group or practice group.

Based on GMHA’s responses, a PSA is typically used for independent physicians, referred to as “independent contractor.” Therefore, these physicians who were **paid for their services as contracted physicians** need to execute a PSA, which embodies different terms and conditions that govern **contracted** physician’s services and compensations.

**2. Non-compliance with Approval Requirement on PSA**

GMHA Administrative Manual - Policy No. 8650-1.207 Contracted Staff (Off-Island/Local) policy outlined that **all employment agreements/contracts** shall be presented to the Human Resources (HR) Board of Trustees Subcommittees, for review and justification to seek recommendation and approval by the HR Board of Trustees General Board for **concurrence/approval.** One of the specified procedures for both local and off-island contract hires require that the **Personnel Services Administrator** shall prepare a transmittal letter

accompanied by the **Employment Contract** to the following agencies for clearances and signatures:

- Bureau of Budget and Management Research (BBMR);
- Attorney General’s Office; and
- **Governor’s Office for final approval**

In addition, the policy states that **GMHA shall categorize the proposed contract into one of the six categories, which include Professional Services-Physician services. All contracts must be in writing.** The final signed contract shall be forwarded to the HR Office and/or Medical Staff Office (**for personnel contracts**), who will prepare a transmittal letter to accompany the draft contract for review, clearance, and signature by:

- |                              |   |
|------------------------------|---|
| a. Attorney General’s Office | As to form and compliance with local laws; and  |
| b. <b>Governor’s Office</b>  | <b>As final approving authority; signature required for the contract to be valid and enforceable.</b> |

The PSAs executed by 20 sampled physicians did not bear the required approval signatures by the HR Board of Trustees General Board, BBMR, Office of the Attorney General, and Office of the Governor (**final approving authority**). **The Governor’s signature is required for the contract to be valid and enforceable.**

### **3. Non-Compliance with Fee Schedule Requirement per PSA**

According to GMHA’s Section II - Billings & Collections of the PSAs, GMHA shall establish and maintain a “**fee schedule**” for professional services provided by the physicians. A fee schedule is defined as a predetermined list of fees or charges that healthcare providers such as hospitals, physicians and other health care facilities establish for their services. GMHA did not provide OPA the fee schedules for services of contracted physicians who executed PSAs, as embodied in the agreement.

## **B. Employees Directly Employed via GG-1 –UEA**

### **1. Non-execution of UEA by Some GG-1 Physicians**

A UEA is an agreement for physicians directly employed by GMHA and documented by GG-1. GMHA hired 32 physicians, who were documented through a GG-1 and are included in the annual staffing pattern. We noted that these GG-1 physicians were those that occupied management and administrative positions. These 32 physicians were compensated for a total of \$27.3M over the four fiscal years as unclassified GG-1 physicians, and 18 of the 32 physicians were also paid a total of \$6.9M as contracted physicians. See [Appendix 7](#) for breakdown of type of compensations paid to these physicians for FY 2020 through FY 2023.

Out of the 32 physicians, 30 who were paid a cumulative total of \$25.5M for the four (4) FYs, did not execute UEAs. There were 11 of them who executed PSAs, one (1) MOA and 18 who did not execute any agreement at all; thus, the employment of the 18 GG-1 physicians was not



covered by any formal agreement/contract. See Table 3 in the body of the report and [Appendix 7](#) for breakdown of type of compensations paid to these physicians for FY 2020 through FY 2023.

It is the policy of GMHA (Policy No. A-LD700) to **enter into contractual agreements** with qualified organizations, vendors, or individuals to effectively **recruit or procure medical, administrative, ancillary, personnel, and other services as necessary for the operation of GMHA's facilities.**

According to GMHA, it did not always use UEAs for GG-1 physicians but has **recently required them for new or re-hired employees.** Although we could not determine the effectivity of the recent mandatory UEA requirement, the policy to enter into contractual agreements with medical recruits appeared selective as the physicians hired from FY 2020 to FY 2023 were not subsequently required to execute UEAs.

## **2. Non-compliance with Approval Requirement**

Similar to PSAs, the UEAs executed by two physicians did not have the required approval signatures per GMHA Administrative Manual - Policy No. 8650-1.207 Contracted Staff (Off-Island/Local and GMHA's Administrative Manual, Policy No. A-LD700).

The cumulative total compensation paid to the two GG-1 physicians for the four (4) FYs amounted to \$1.8M. To reiterate, physician hiring is not subject to the Guam Procurement Law and Regulations and is governed by GMHA's **own related regulations.** Therefore, hiring of these physicians must comply with the prescribed GMHA internal policies.

## **3. GG-1 Physicians not in the Staffing Pattern and Without UEAs**

Three physicians paid as GG-1 employees did not appear in the GMHA staffing pattern for certain FYs they were paid. These physicians did not execute UEAs or other employment agreements/contracts. Therefore, the basis for compensation for these physicians, who were paid a total of \$248 thousand (K), cannot be validated.

According to GMHA, because GG-1 physicians occupy a number of positions, they are all reflected in the staffing pattern. Individuals hired after the creation and transmittal of the most recent staffing pattern may not appear on the staffing pattern until the next quarter.

## **C. Locum Tenens Physicians - MOA**

### **1. Non-compliance with Approval Requirement for MOAs**

MOAs are intended for locum tenens physicians and certain physician groups. Of the 168 contracted physicians, we found that 28 of these physicians executed MOAs (instead of UEAs), which did not have the required approvals, thus a violation of GMHA's internal policy. This approval signature requirement for all employment agreements/contracts are outlined in GMHA's Administrative Manual, Policy No. 8650-1.207 Contracted Staff (Off-Island/Local) and Policy No. A-LD700.

## **Conclusion and Recommendations**

The governance of physician hiring at GMHA is structured around specific internal regulations and is exempted from the Guam Procurement Law and Regulations. Historically, GMHA has appointed physicians without the need for formal RFPs or procurement procedures. It is the policy of GMHA (Policy No. A-LD700) to **enter into contractual agreements** with qualified organizations, vendors, or individuals to effectively recruit or procure **medical, administrative, ancillary, personnel, and other services as necessary for the operation of GMHA's facilities**. However, GMHA lacks a general or specific internal policy to govern the contracting, hiring, and documentation processes of physicians.

The audit findings relative to deficiencies on GMHA's current and prevailing procedural processes embodies potential risks due to the absence of well-defined internal policies, regulations, and guidelines in contracting of independent physicians, hiring of GG-1 physicians, and insufficient and deficient documentations.

We believe that GMHA's mission to serve the medical needs of the people of Guam should be supported by GovGuam and all its stakeholders. However, it is imperative that GMHA ensure effectiveness and efficiency in its hiring, contracting and documentation processes through the formulation of well-defined internal policies and regulations and strict adherence thereto.

Our recommendations to GMHA management, emphasize the significance of a formulating well defined internal policies and procedures and guidelines and strict adherence and compliance to contractual requirements, effective reviews of contracts, and other pertinent documents to maximize and efficiently use the hospital's scarce resources. Audit recommendations are detailed in [Appendix 3](#).

We recognize the efforts exerted by the GMHA management and staff to administer the Hospital with the combined and wholehearted dedication of its physicians and all medical personnel who are committed to address the health care needs of the people of Guam. We believe that every citizen aspires for an efficient and continuous operation of the sole GovGuam hospital by hiring qualified and dedicated physicians and other medical personnel to satisfactorily address the constituents' medical needs at reasonable and affordable cost.



Benjamin J.F. Cruz  
Public Auditor

## Introduction

The Guam Office of Public Accountability (OPA) initiated a performance audit of the Guam Memorial Hospital Authority's (GMHA or Hospital) Contracted Physician Compensation Package and Privileges. This three-part engagement was included as part of the 2022 OPA Annual Audit Plan due to citizen's concerns and a directive from the Public Auditor. The objectives of this three-part audit will focus on assessing GMHA's contracted and Government of Guam (GovGuam) Form 1 (GG1) physician hiring process, contracts awarded, privileges granted, and compensations paid in accordance with Guam laws, rules, and regulations as well as GMHA internal policies, procedures, and regulations. For Part I, Contracted Physicians and GG-1 Physicians, our objectives are to determine whether:

1. The GMHA complied with applicable Guam laws, rules, and regulations in the hiring process of contracted physicians.
2. The hiring process and determination of compensation are covered by written internal policies and procedures, and fee schedules.
3. The contracted and hired GG-1 physicians are covered with employment agreements/contracts.

The audit scope encompasses the period from October 1, 2019 through September 30, 2023 or Fiscal Years (FY) 2020 through 2023. Please refer to [Appendix 1](#) for the audit methodologies.

## Background

### Guam Memorial Hospital Authority

Public Law 14-29, signed in May 1977, established GMHA as an autonomous agency of GovGuam. GMHA owns and operates the Hospital, Guam's only civilian, public acute care hospital with 161 licensed acute care beds and 40 licensed beds at the Skilled Nursing Unit. GMHA is supported by six divisions – Administration, Operations, Fiscal Services, Medical Services, Nursing, and Professional Support – to provide healthcare services to all patients regardless of their ability to pay. These services include inpatient adult acute, skilled nursing, maternal child health, rehabilitative, laboratory, radiology, and respiratory care. GMHA operates under the authority of a 10-member Board of Trustees, all of whom are appointed by the Governor with the advice and consent of the Guam Legislature.

Based on the GMHA audited financial statements, the GMHA has consistently been in financial distress or hemorrhaging, which greatly affected its capability to address vendors' billings and payments. During FY 2020 through 2023, we gathered the following financial data based on GMHA's audited financial statements. See Table 1 and sub-tables below.

**Table 1 Transcript of Financial Position in Millions (M)**

Fiscal Year	Total Operating Revenues	Total Operating Expenses	Operating Loss	GovGuam Appropriations & Federal Grants	Loss before Capital Grants	Capital Grants from US	Change in Net Position	End of Year Net Position
2020	\$94.4M	\$145.6M	(\$51.2M)	\$39.2M	(\$12.3M)	\$2.1M	(\$10.2M)	(\$247.2M)
2021	\$111.0M	\$180.7M	(\$69.7M)	\$60.4M	(\$9.3M)	\$0.92M	(\$8.5M)	(\$255.6M)
2022	\$134.8M	\$196.0M	(\$61.2M)	\$57.8M	(\$3.6M)	\$1.8M	(\$1.8M)	(\$257.5M)
2023	\$97.8M	\$195.7M	(\$97.9M)	\$54.3M	(\$43.5M)	\$2.6M	(\$40.9M)	(\$298.4M)

GMHA’s operating losses had consistently increased from negative \$51.2M in FY 2020 to negative \$97.9M in FY 2023 while its Net Position is consistently getting worse from a negative \$247.2M in FY 2020 to negative \$298.4M in FY 2023, net of GovGuam appropriations and federal grants, which increased from \$39.2M in FY 2020 to \$54.3M in FY 2023. Personnel costs, from Nursing, Professional Support, and Administrative Support, had been consistently increasing. Cost of contractual services from the Medical Staff Department had the largest increase from \$12.4M in FY 2020 to \$25.3M in FY 2023.

**Table 1a Personnel Costs**

Fiscal Year	Nursing	Administrative Support	Professional Support	Medical Staff
2020	\$36.7M	\$8.1M	\$18.5M	\$15.6M
2021	\$40.9M	\$9.4M	\$19.9M	\$17.2M
2022	\$46.3M	\$9.9M	\$21.4M	\$11.9M
2023	\$51.6M	\$13.0M	\$26.0M	\$9.9M

**Table 1b Contractual Services**

Fiscal Year	Nursing	Administrative Support	Professional Support	Medical Staff
2020	\$1.5M	\$2.3M	\$1.5M	\$12.4M
2021	\$4.9M	\$2.8M	\$2.3M	\$13.2M
2022	\$5.3M	\$5.5M	\$3.0M	\$19.9M
2023	\$6.7M	\$5.0M	\$3.1M	\$25.3M

**GMHA Administrative Manual - Policies**

***1. Excerpt from GMHA Administrative Manual – Policy No. 8650.1.207- Contracted Staff (Off-Island/Local)-Effective August 2018 - Responsibility-Human Resources Hospital Wide***

It is the policy of GMHA that all Employment Agreement/Contracts shall be presented by the Personnel Services Administrator and/or any Division Head to the Human Resources (HR)Board of Trustees Subcommittee for review and justification of all Employment Agreement/Contracts to seek recommendation for approval by the HR Board of Trustees General Board for concurrence/approval prior to routing any Employment Agreement. Contracted staff shall meet the same service/personnel requirements that are in place for GMHA and its direct employees. All newly hired contracted staff shall comply with all GMHA policies, rules, and regulations and all applicable laws. After the recommendations are received and recommendation of selection is made by the Department Manager, the Hospital Administrator or its designee shall authorize the Personnel Services Administrator to initiate an “Off-Island Employment Contract” on behalf of the hospital.

Within GMHA’s related regulations, the procedure for off-island contracts states that the Personnel Services Administrator, with the input and approval of the Department Manager and appropriate administrative representative, shall initial advertising in appropriate journals,

newspapers, and other print media, which are determined to meet the target readership of potential applicants (*sic*).

In addition, for local hire, the Personnel Services Administrator shall prepare a transmittal letter which shall accompany the **Employment Contract** to the following agencies for clearance and signatures:

- Bureau of Budget and Management Research (BBMR)
- Attorney General (AG)'s Office
- Governor's Office – for final approval

The Personnel Services Administrator shall inform the applicant *when the contract is signed by the Governor of Guam*.

***2. Excerpts from GMHA's Administrative Manual, Policy No. A-LD700-Contract Management-Effective July 23, 2021-Responsibility-Administration***

It is the policy of GMHA to enter into contractual agreements with qualified organizations, vendors, or individuals in order to effectively recruit, process, or *procure medical, administrative, ancillary, personnel or other services* as necessary for the operation of GMHA facilities. The department requesting services through a contractual arrangement with GMHA shall categorize the proposed contract into one of the six categories which include *professional services-physician services*. *All contracts must be in writing.*

The requisition procurement package or the personnel negotiation package (e. g. contract, GG-1 request) shall be forwarded to the Budget Office to determine whether funds are available and whether the proposed contract is consistent with the department's budget for the proposed fiscal year. If funds are certified as available, the requisition and draft contract shall be forwarded to the *Human Resources Administrator (for personnel contracts) for validating compliance with GovGuam and Personnel Law, Rules and Regulations, as applicable.*

The final signed contract shall be forwarded to the Human Resources Office and/or Medical Staff Office (for personnel contracts), who will:

Prepare a transmittal letter to accompany the draft contract for review, clearance, and signature by:

- a. AG's Office – as to form and compliance with local laws;
- b. Governor's Office – final approving authority; signature required for the contract to be valid and enforceable; and**
- c. Monitor the status of contracts forwarded to the AG's Office and Governor's Office.

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## Results of Audit

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The Office of Public Accountability (OPA) conducted a performance audit of the Guam Memorial Hospital Authority's (GMHA or Hospital) Contracted Physician Compensation Package and Privileges, Part I - Contracted Physicians and Government of Guam (GovGuam) Form 1 (GG-1) Physicians. This performance audit will be conducted in three phases. The audit covered Fiscal Years (FY) 2020 to 2023, during which GMHA compensated 168 physicians: 136 contracted, 14 GG-1, and 18 contracted and GG-1. The contracted physicians received a total of \$78.6 million (M) over the four FYs, while the 32 GG-1 physicians were paid a cumulative \$27.3M. Of the 32 GG-1 physicians, 18 were paid both as contracted and GG-1 physicians, totaling \$19.2M (\$6.9M contracted, \$12.3M GG-1), while the remaining 14 received only GG-1 compensation, totaling \$15.1M. Overall, the total payments made to the 168 physicians amounted to \$105.9M.

In our review of applicable GovGuam and GMHA laws, regulations, internal policies, and procedures, analyzed physician agreements/contracts, staffing patterns, and the actual compensations paid to the physicians, we noted deficiencies, which we categorized into the three employment agreements/contracts except for a general finding. Specifically, we found:

- **Compliance with Guam Hiring Regulations for Contracted and GG-1 Physicians**
  - Lack of General or Specific Internal Policy to Govern the Contracting, Hiring, and Documentation Processes of Physicians
- **Findings Categorized According to Employment Agreement/Contracts Executed by Physicians**
  - Contracted Physicians – Professional Services Agreement (PSA)
    - Non-execution of PSA by some Contracted Physicians
    - Non-compliance with Approval Requirement on PSA
    - Non-compliance with Fee Schedule Requirement per PSA
  - Employees Directly Employed via GovGuam Form 1 (GG-1) – Unclassified Employment Agreement (UEA)
    - Non-execution of UEA by Some GG-1 Physicians
    - Non-compliance with Approval Requirement on UEA
    - Unclassified GG-1 Physicians not in the Staffing Pattern and Without UEAs
  - Locum Tenens Physicians - Memorandum of Agreement (MOA)
    - Non-compliance with Approval Requirements for MOAs
    - Inconsistent Provision on Submission of Timesheets
    - MOAs not Consistently Affixed with Dates of Signing
    - MOAs Signed After the Effective Date and No Signature Date
    - Incomplete MOAs



## **I. Compliance with Guam Hiring Regulations for Contracted and GG-1 Physicians**

According to GMHA, physicians are unclassified personnel appointments under Title 10 of the Guam Code Annotated (GCA) § 80113 and 4 GCA §§ 6229-6229.15, as applicable. Title 4 GCA § 6229.14 states, “All GovGuam agencies shall be exempted from the government of Guam Department of Administration recruitment process for the hiring of nurses and other healthcare professional positions.” Per GMHA, the relevant statutory provisions have historically been interpreted as **allowing direct unclassified employment “contracts” or “agreements.”** As far as it can be ascertained, GMHA has appointed physicians to the unclassified service for as long as they have existed. GMHA is not aware that a Request for Proposal (RFP) or other formal procurement procedures have ever been issued for physician services. GMHA is also routinely permitted under the Budget Act to hire and expend funds to pay unclassified doctors, nurses, and licensed health professionals. GMHA physician hiring is not subject to the Guam Procurement Law and Regulations **as it is governed by its own related regulations.**

### **1. Lack of General or Specific Internal Policy to Govern the Contracting, Hiring, and Documentation Processes of Physicians**

In the GMHA Legal Counsel’s response dated June 2024, to OPA preliminary questions, GMHA uses three different types of employment agreements for physicians with their corresponding use/applicability:

- A. PSA
  - typically used for independent physicians sometimes referred to as **“independent contractors.”**
- B. UEA
  - typically used for physicians directly employed by GMHA and documented by a GG-1.
- C. MOA
  - typically used for locum tenens physicians and certain physician groups.

We were unable to find an internal policy regarding each type of employment agreements/contracts shown above, as defined by the GMHA Legal Counsel through their response to OPA. In our exit conference in November 2024, the Hospital Administrator/Chief Executive Officer (CEO) clearly stated, to quote **“We don’t have a specific policy, but we are crafting right now. We’re going by how it’s practiced.”**

Relative to physician contracts, the Legal Counsel stated, to quote, “I have not been able to identify since I’ve been here except for that policy [GMHA Administrative Manual - Policy No. 8650-1.207 Contracted Staff (Off-Island/Local)]. Program Manager - Medical Staff Office has inherited a hodge-podge of things and has worked diligently over the course of 5 years organizing things.”

Based on GMHA’s responses, the hiring of physicians and corresponding agreements/contracts were currently not governed by a general or specific internal policy. This policy could be in a form of written formal instructions to document operational functions and provide guidance to personnel and officials in performing certain actions relative to physician

contracting, hiring and documentation processes. This policy needs to include a guideline on the appropriate use of the three types of employment agreement/contract.

Therefore, to achieve an effective and efficient physician hiring, contracting, documentation, and other related processes, we recommend that GMHA facilitate its on-going policy formulation as declared, which could include a guideline on the appropriate use of PSA, UEA and MOA for contracted and hired GG-1 physicians.

## **II. Findings Categorized According to Employment Agreement/Contracts Executed by Physicians**

Our review of compensation data and accounting of documents provided by GMHA relative to the 168 physicians reported as contracted by GMHA, we found 113 physicians who executed PSAs, 28 who executed MOAs, three (3) who executed UEAs, and 28 who did not execute any employment agreement at all. We sampled 88 contracted physicians, or 52%, from a total of 168 physicians, and found deficiencies in the documents from the GMHA internal policies we considered relevant to Employment Agreements/contracts executed by the physicians. Please note that there are four (4) physicians from the total of 168 physicians that hold two types of agreements.

### **A. Contracted Physicians – Professional Services Agreement (PSA)**

A PSA is an agreement between GMHA and an independent physician, (sometimes referred to as “independent contractor”) specifying terms and conditions which includes 1) services and obligations, 2) billings and collections, 3) compensation, 4) independent contractor status, 5) insurance, and 6) terms and terminations. The document is signed by the GMHA Hospital Administrator/Chief Executive Officer (CEO), Associate Administrator of Medical Services, Chief Financial Officer (CFO, as certifier of available funds), and Physician.

Section IV – of the PSA – Independent Contractor Status - stated that the relationship between the parties is intended to be and is construed as that of *independent contracting parties only* and not of employment, partnership, joint venture, agency, or any other association.

Based on the compensation data originally provided by GMHA (see [Appendix 2 pages 82-89](#)), the Hospital contracted 168 physicians with a cumulative total compensation paid amounting to \$93.7M, from FY 2020 through FY 2023. However, the total compensation was adjusted to \$78.6M based on GMHA’s response to OPA inquiry. We verified that the original list included 14 physicians who occupied management and administrative positions (compensated as GG-1 Employees) that were identified as GG-1 Employees on the contracted physician actual compensation list provided by GMHA. Please note that the original list of contracted physicians and total compensation of \$93.7M was not adjusted therein to exclude the 14 physicians from the list. Annual compensations paid to the 168 contracted physicians (adjusted to 154) with the original and OPA adjusted amounts are as follows:

<b>Fiscal Year</b>	<b>Original Data Per GMHA (168)</b>	<b>Adjusted Data Per OPA (154)</b>
FY 2020	\$18.8M	\$14.7M
FY 2021	\$22.3M	\$17.6M
FY 2022	\$25.4M	\$21.9M
FY 2023	\$27.2M	\$24.4M
<b>Total</b>	<b>\$93.7M</b>	<b>\$78.6M</b>

See also [Appendix 5](#) for the breakdown of GMHA contracted physicians and corresponding compensations for the four (4) FYs.

### **1. Non-execution of PSA by some Contracted Physicians**

It is the policy of GMHA (Policy No. A-LD700) to enter into contractual agreements with qualified organizations, vendors, or individuals to effectively recruit or procure medical, administrative, ancillary, personnel, and other services as necessary for the operation of GMHA’s facilities.

Out of 36 sampled contracted physicians, six (6) did not execute PSAs, which is an employment agreement applicable for independent physicians (independent contractors) per GMHA. The total cumulative compensations paid to these physicians, who did not execute PSAs for the four fiscal years, amounted to \$12.8M. See [Appendix 6](#) for details of contracted physicians without PSAs.

According to GMHA, [Appendix 6](#) - “Contracted Physicians Without PSAs” is wrong and contains physicians employed evidenced by a GG-1 and that do not execute PSAs. The physicians on the list without a GG-1 were providing services under written agreement with physicians group or practice group.

Based on GMHA responses, a PSA is typically used for independent physicians, referred to as “independent contractor.” Therefore, these physicians who were **paid for their services as contracted physicians** need to execute a PSA, which embodies different terms and conditions that govern **contracted** physician’s services and compensations.

The terms and conditions in the PSAs could be crucial for ensuring compliance and enforceability of the requirements applicable to contracted physician services. Therefore, we recommend that GMHA shall enter into contractual agreements with all compensated contracted physicians (independent contractors) by executing PSAs.

### **2. Non-compliance with Approval Requirement on PSA**

*Excerpts from GMHA Administrative Manual - Policy No. 8650-1.207 Contracted Staff (Off- Island/Local)-Effective August 2018*

This policy outlined that all Employment Agreements/Contracts shall be presented to the HR Board of Trustees Subcommittees for review and justification to seek recommendation and

approval by the HR Board of Trustees General Board for concurrence/approval. The outlined procedures for both local and off-island contracts include the following process/steps, which shall be performed:

**Table 2 Excerpt from GMHA Administrative Manual – Policy No. 8650-1.207**

<b>Steps No. 6, 7, 9 and 10 are applicable for both Off-island and Local Contract Hires</b>	
No. 5	The Personnel Services Administrator shall forward the final version (of the contract) to the applicant for signature via email, express mail or facsimile. The original contract with the original signature must be returned to the HR Department.
No. 6	The Personnel Services Administrator shall expedite the certification of funding for the off-island travel benefits to the CFO and then <b>forward to the Board of Trustees for approval.</b>
No. 7	The Personnel Services Administrator shall prepare a transmittal letter accompanied by the Employment Contract to the following agencies for clearances and signatures: BBMR; AG’s Office; and Governor’s Office for final approval
No. 9	The Personnel Services Administrator shall inform the applicant when the contract is <b>signed by the Governor of Guam.</b>
No. 10	The Personnel Services Administrator shall provide the Employment contract to BBMR and coordinate with the Budget Office and Materials Management Department for processing of travel arrangement.

***Excerpts from GMHA’s Administrative Manual, Policy No. A-LD700 - Contracts Management Effective July 2021***

The policy states that it is the policy of GMHA to enter into contractual agreements with qualified organizations, vendors, or individuals in order to effectively recruit, process, or procure medical, administrative, ancillary, personnel or other services as necessary for the operation of GMHA facilities. The department requesting services through a contractual arrangement with **GMHA shall categorize the proposed contract into one of the six categories, which include Professional Services-Physician services. All contracts must be in writing.**

The final signed contract shall be forwarded the HR Office and/or Medical Staff Office (**for personnel contracts**), who will prepare a transmittal letter to accompany the draft contract for review, clearance, and signature by:

- a. AG’s Office – as to form and compliance with local laws;
- b. **Governor’s Office – final approving authority; signature required for the contract to be valid and enforceable; and**

- c. Monitor the status of contracts forwarded to the AG's Office and Governor's Office.

Our sampled review of 36 contracted physicians who should have executed PSAs found that only 20 did execute PSAs, which did not bear the approval signatures by the HR Board of Trustees General Board, BBMR, AG's Office and Office of the Governor (**final approving authority**). **The Governor's signature is required for the contract to be valid and enforceable.** The PSAs were only signed by the GMHA Hospital Administrator, most were signed by the Associate Administrator of Medical Services, the CFO (as certifier of available funds), and the contracting Physician.

According to GMHA, a PSA does not require the approval of the AG or the Governor. Additionally, PSAs are not approved or recommended directly by the Board of Trustees. However, privileges are all reviewed and approved by the Board of Trustees.

The absence of the approval signatures outlined in the GMHA internal policies appeared that GMHA failed to follow the approval process in the PSAs executed by contracted physicians. The missing signatures could potentially undermine the validity and enforceability of the PSA agreements/contracts. To reiterate, according to GMHA Legal Counsel, physician hiring is not subject to the Guam Procurement Law and Regulations and is governed by its **own related regulations**. The OPA considered the two cited policies as internal regulations relevant and applicable to the executed PSAs.

To ensure validity and enforceability of contractual agreements, we recommend that GMHA management comply with the required approval signatures. We also recommend that GMHA conduct internal reviews of executed agreements/contracts to verify compliance with requirements stipulated in GMHA applicable internal policies.

### **3. Non-compliance with Fee Schedule Requirement per PSA**

According to GMHA's Section II - Billings & Collections of the PSAs, GMHA shall establish and maintain a "**fee schedule**" for professional services provided by the physician pursuant to this agreement. A fee schedule is a predetermined list of fees or charges that healthcare providers such as hospitals, physicians and other health care facilities establish for their services. GMHA did not provide OPA the fee schedules for services of contracted physicians who executed PSAs as embodied in the agreement. Furthermore, the lack of an appropriate validation for potential increases in physician service fees due to a lack of documentation (fee schedules) could raise concerns about the accuracy and legitimacy of fees charged and its potential adjustments.

According to GMHA, fee schedules typically deal with the price for services charged to patients or third-party payers. GMHA does not maintain a fee schedule for each physician's services, so its application to the question of physician compensation in a performance audit is inapposite.

If GMHA deemed that such provision in the PSA is not applicable, then this needs be removed from the PSAs, otherwise GMHA could be bound to comply with such provision in the agreement.

We recommend that GMHA make further review on provisions of such employment agreement to ensure compliance with its terms and conditions or remove such provision if not applicable.

## **B. Employees Directly Employed via GovGuam Form 1 (GG-1) –UEA**

A UEA is an agreement between GMHA and a GG-1 physician providing patient care, with employment terms and conditions the same as the PSA except for a provision on “Independent Contractor Status” not in the UEA. According to the GMHA Legal Counsel, a UEA is applicable for physicians directly employed by GMHA and documented by GG-1. GMHA did not always use UEAs for GG-1 physicians but has *recently been requiring them for new or re-hired employees*.

### **1. Non-execution of UEA by Some GG-1 Physicians**

Based on the list provided by GMHA, the Hospital hired 32 physicians, who were documented through a GG-1 and are included in the annual staffing pattern. Based on the list subsequently provided by GMHA on June 26, 2024, in response to the audit request, we noted that these GG-1 physicians were those that occupied management and administrative positions. These 32 GG-1 physicians were compensated for a cumulative total of \$27.3M over the four fiscal years as unclassified GG-1 employees, and the 18 physicians paid a total of \$6.9M as contracted physicians. See [Appendix 7](#) for the breakdown of physicians paid as GG-1 employees and as contracted physicians for FY 2020 through FY 2023.

Further verification revealed that eighteen (18) of these GG-1 physicians were also hired and paid as contracted physicians under a different contract/agreement type. These physicians were paid for a cumulative total of \$12.3M as GG-1 physicians and \$6.9M as contracted physicians or a cumulative total of \$19.2M for the four FYs. See [Appendix 7](#) for details of types of compensations paid per FYs.

Only two of these physicians executed a UEA, whereas, 30 physicians who were paid a cumulative total of \$25.5M did not execute a UEA. However, 11 executed a PSA, one (1) an MOA, while the 18 did not execute any employment agreement at all, thus, their **GG-1 employment** was not covered by any formal agreement/contract. See Table 3 for the 30 physicians without UEA.



**Table 3 GG-1 Physicians without a UEA Agreement**

Employee Number	Date of Hire	Total Compensation (FY 2020 – 2023)	PSA	MOA	No Agreement
13136	08/17/2015	\$ 722,203		✓	
13853	02/11/2019	\$ 772,940	✓		
12148	?	\$ 110,746	✓		
13048	03/07/2015	\$ 1,250,273			✓
13770	02/11/2019	\$ 665,420	✓		
14256	8/1/2023	\$ 59,700			✓
13281	01/01/2015	\$ 901,698			✓
12823	10/05/2012	\$ 1,582,915			✓
12885	05/01/2013	\$ 870,330	✓		
13007	01/17/2014	\$ 135,980	✓		
13017	02/24/2014	\$ 462,331	✓		
13819	?	\$ 312,554	✓		
13068	06/02/2014	\$ 1,705,116			✓
13820	08/16/2020	\$ 332,188	✓		
10974	08/01/1998	\$ 1,601,680			✓
13288	01/11/2015	\$ 2,085,338			✓
13417	12/5/2016	\$ 1,385,392			✓
12516	06/01/2010	\$ 1,062,175			✓
11940	10/22/2006	\$ 1,146,789			✓
13789	1/1/2021	\$ 1,154,924			✓
14193	?	\$ 15,160	✓		
14267	?	\$ 486,130			✓
11809	11/17/2016	\$ 1,207,636			✓
13886	4/12/2021	\$ 711,540			✓
13541	11/13/2017	\$ 1,965,704			✓
13937	05/08/2020	\$ 302,922	✓		
12395	5/02/2022	\$ 121,624			✓
11696	09/07/2016	\$1,191,275			✓
12291	02/02/2009	\$ 629,412			✓
11602	2/6/2022	\$ 569,000	✓		
<b>Total</b>		<b>\$25,521,094</b>	<b>11</b>	<b>1</b>	<b>18</b>

It is the policy of GMHA (Policy No. A-LD700) to **enter into contractual agreements** with qualified organizations, vendors, or individuals to effectively **recruit or procure medical, administrative, ancillary, personnel, and other services as necessary for the operation of GMHA’s facilities**. Furthermore, the respective department head is responsible for ensuring effective management of all contracts pertaining to/relevant to their department’s contracted services.

According to GMHA, it did not always use UEAs for GG-1 physicians but has **recently required them for new or re-hired employees**. Although we could not determine the effectivity of the recent UEA requirement, the policy to enter into contractual agreements with medical recruits appeared selective as the physicians hired in FY 2020 to FY 2023 were not subsequently required to execute UEAs.

Based on GMHA’s response relative to physicians who occupied administrative and management positions, these positions and services as contracted physicians were **exempted from executing employment agreements/contracts** because they were only governed by written job descriptions. Consequently, annual salaries paid for these management positions could be increased at the discretion of HR or any GMHA official who approves them. GMHA has yet to provide OPA with the list of all physicians’ **duties and responsibilities**, as requested in the OPA letter addressed to GMHA dated July 31, 2024. Furthermore, administrative and management positions do not necessarily require the execution of written agreements, but they

are evidenced through appointment letters and memoranda. Typically, there is a position description corresponding to each position. In the rare event that an administrative or management position does not have a position description, a PSA or MOA would be used.

For uniformity and consistency, we recommend all unclassified GG-1 physicians, appointed or hired for administrative and management positions execute UEAs to be covered by the provisions and terms and conditions of the agreement.

## **2. Non-compliance with Approval Requirement**

Similar to PSAs, the UEAs executed by two physicians did not have the required signatures of the Board of Trustees, the AG, and the Office of the Governor. The UEA was only signed by the GMHA Hospital Administrator, Acting Associate Administrator of Medical Services, the Physician, and the CFO (as the certifier of available funds). The cumulative total compensation paid to the two GG-1 physicians for FY 2020 through FY 2023 amounted to \$1.8M.

To reiterate, GMHA's Administrative Manual - Policy No. 8650.1-207 Contracted Staff (Off-Island/Local), states that all Employment Agreements/Contracts shall be presented to the HR Board of Trustees Subcommittees for review and justification to seek recommendation and approval by the HR Board of Trustees General Board for concurrence/approval, the AG and the Governor for the final approval.

Again, according to GMHA Legal Counsel, physician hiring is not subject to the Guam Procurement Law and Regulations and is governed by its **own related regulations**. Therefore, hiring these physicians must comply with the relevant applicable GMHA internal policies.

In reiteration, to ensure validity and enforceability of contractual agreements, we recommend that GMHA management comply with the required approval signatures. We also recommend that GMHA conduct internal reviews of executed agreements/contracts to verify compliance with requirements stipulated in GMHA applicable internal policies.

## **3. Unclassified GG-1 Physicians not in the Staffing Pattern and Without UEAs**

Three physicians paid as GG-1 employees did not appear in the GMHA staffing pattern for certain FYs they were paid. These physicians did not execute UEAs or other agreements/contracts, which contains a provision specifying physician's compensation. Therefore, the basis for compensation for these physicians, who were paid a total of \$248 thousand (K) for the applicable FYs cannot be validated. See Table 4 below.

**Table 4 GG-1 Physicians not in the Staffing Pattern (SP) (As of End of FY)**

Employee Number	Job Title	Total Compensation Paid	FY Paid	Remarks	Date Hired
12148	Physician - OB/GYN	\$111K	2020 - \$111K	None in SP (2020, 2021, 2022, and 2023)	Cannot be determined
14193	Medical Director Gastroenterology	\$15K	2023 - \$15K	Not in SP (2020, 2021, 2022, and 2023)	Cannot be determined
12395	Nurse Practitioner; Hospital Staff Nurse II Clinical I	\$122K	2020 - \$6K 2022 - \$32K 2023 - \$83K	Not in SP (2020, 2021, & 2023)	5/2/2022
<b>TOTAL</b>		<b>\$248K</b>			

According to GMHA, because GG-1 physicians occupy a number of positions, they are **all reflected in the staffing pattern**. Individuals hired after the creation and transmittal of the most recent staffing pattern may not appear on the staffing pattern until the next quarter.

Furthermore, a UEA is not required for all GG-1 physicians, as it is a new requirement. If a physician has a UEA, the compensation per UEA will prevail. When available, the GovGuam salary scale would be used to determine compensation. Because physicians are unclassified personnel appointments, the salary setting is not strictly limited by the steps on GovGuam salary scales.

We recommend that for consistency, all hired GG-1 physicians should appear in the GMHA Staffing Pattern for proper documentation and verification of actual compensation paid.

**C. Locum Tenens Physicians - MOA**

An MOA is an agreement between GMHA, as “employer” and the physician, as an “independent contractor.” It sets forth the duties and responsibilities (with an attachment for scope and services) and compensation (which specifies the amount and rate to be paid for the specific services).

According to the GMHA Legal Adviser, an MOA is used for “**locum tenens**” physicians and certain physician groups. Additionally, locum tenens physicians or other physician groups operating under an MOA do not accrue benefits. A locum tenens physician may receive airfare, some housing allowance, and malpractice coverage.

A locum tenens is defined as person who temporarily fulfills the duties of another. These physicians are hired temporarily to fill gaps in care or occupy vacant positions until a full-time provider can be found.

**1. Non-compliance with Approval Requirements for MOAs**

Of the 168 contracted physicians, we found 28 contracted physicians who executed MOAs. These MOAs did not have the approvals of the Board of Trustees, the AG, and the Office of the Governor required per GMHA’s Administrative Manual - Policy No. 8650.1-207 (Contracted Staff (Off-Island/Local) and GMHA Policy No. A-LD700). The MOAs were signed by the Hospital Administrator/CEO, the Assistant Administrator, Medical Services, and the CFO, as certifier of available funds.

We recommend for GMHA to train and assign staff to obtain all necessary approving signatures and conduct internal reviews of the agreements/contracts to ensure compliance with approval and signature requirements from GMHA applicable internal policies.

**2. Inconsistent Provision on Submission of Timesheets**

Some MOAs state that the physician will submit a timesheet to the Medical Staff Office at the end of each pay period (per the Hospital’s payroll calendar). We found that only three (3) out of the 28 physicians who executed MOAs had this language in their agreements. See Table 5 for details.

**Table 5 Physicians with and without submission of timesheets**

Vendor Number	Timesheet in Contract or No Timesheet in Contract
491	No note on MOA to submit a timesheet to the Medical Staff Office.
449	<b>With note included in MOA to submit a timesheet to the Medical Staff Office.</b>
345	No original MOA provided.
255	No note on MOA to submit a timesheet to the Medical Staff Office.
470	No note on MOA to submit a timesheet to the Medical Staff Office.
270	No note on MOA to submit a timesheet to the Medical Staff Office.
441	No note on MOA to submit a timesheet to the Medical Staff Office.
211	No note on MOA to submit a timesheet to the Medical Staff Office.
366	No note on MOA to submit a timesheet to the Medical Staff Office.
280	No note on MOA to submit a timesheet to the Medical Staff Office.
389	No note on MOA to submit a timesheet to the Medical Staff Office.
378	No note on MOA to submit a timesheet to the Medical Staff Office.
349	No note on MOA to submit a timesheet to the Medical Staff Office.
446	No note on MOA to submit a timesheet to the Medical Staff Office.
493	No note on MOA to submit a timesheet to the Medical Staff Office.
213	No note on MOA to submit a timesheet to the Medical Staff Office.
477	No note on MOA to submit a timesheet to the Medical Staff Office.
420	No note on MOA to submit a timesheet to the Medical Staff Office.

Vendor Number	Timesheet in Contract or No Timesheet in Contract
442	No note on MOA to submit a timesheet to the Medical Staff Office.
340	No note on MOA to submit a timesheet to the Medical Staff Office.
438	<b>With note included in MOA to submit a timesheet to the Medical Staff Office.</b>
372	No note on MOA to submit a timesheet to the Medical Staff Office.
221	No note on MOA to submit a timesheet to the Medical Staff Office.
421	No note on MOA to submit a timesheet to the Medical Staff Office.
482	<b>With note included in MOA to submit a timesheet to the Medical Staff Office.</b>
472	No note on MOA to submit a timesheet to the Medical Staff Office.
428	No note on MOA to submit a timesheet to the Medical Staff Office.
266	No note on MOA to submit a timesheet to the Medical Staff Office.

We recommend GMHA management to consistently indicate as a requirement the submission of time sheets on all applicable MOAs to document hours of services rendered and ensure accuracy of calculations of compensations paid.

### 3. MOAs not Consistently Affixed with Dates of Signing

Signatories of most MOAs (12 physician contracts) did not consistently affix the dates when they signed the document. See Table 6.

**Table 6 Physician Contracts with Missing Signature Dates**

Vendor Number	Clearance & Signatures			
	Hospital Administrator/CEO	Associate Administrator, Medical Services	Physician	CF O (Certifier of Funds)
491	With Signature No Date	With Signature No Date	With Signature No Date	✓
449	With Signature No Date	With Signature No Date	With Signature No Date	✓
470	✓	✓	With Signature No Date	✓
270	With Signature No Date	With Signature No Date	With Signature No Date	✓
441	With Signature No Date	With Signature No Date	With Signature No Date	✓
211	With Signature No Date	With Signature No Date	With Signature No Date	✓
280	✓	With Signature No Date	✓	✓
389	With Signature No Date	With Signature No Date	With Signature No Date	✓
378	With Signature No Date	With Signature No Date	With Signature No Date	✓
446	✓	With Signature No Date	With Signature No Date	✓
493	✓	With Signature No Date	With Signature No Date	✓
213	✓	With Signature No Date	With Signature No Date	✓

*\*Checkmark indicates they have the required signature with dates*

Per GMHA, the Medical Staff Office also reviews MOAs for completeness during the processing phase and corrects any deficiencies when necessary. Based on the deficiencies within the documents reviewed, the review process was not efficiently performed.

**4. MOAs Signed After the Effective Date and No Signature Date**

We found that there are six (6) physicians who signed the agreements after their MOA effective dates and two (2) MOAs did not have a signature date. Potential causes for the discrepancies/deficiencies could be due to inadequate or inefficient review of the agreements/contracts, or weaknesses in internal controls over the review process. These deficiencies may potentially impact the validity of GMHA’s administered agreements. See Table 7.

**Table 7 MOAs Signed After Effective Date**

Vendor Number	Effective Date	Physician Signature Date
449	4/19/2022	5/3/2022
255	10/1/2019	11/25/2019
470	9/30/2022	No Date
366	12/31/2019	5/7/2020
280	1/1/2022	3/2/2022
349	3/20/2021	7/9/2021
493	3/20/2023	10/23/2023
266	9/20/2020	No Date

We acknowledge the relevance and significance of contracting parties’ signatures and corresponding dates of signing to a formal agreement/contract. To avoid confusion and potential conflicts, we recommend to GMHA the following:

- a. Modify the contract template to include a dedicated section for the signatory date alongside the signature line to ensure that signatories are reminded to full completion.
- b. Ensure that the agreement/contract is signed by all signatories before or on the effective date of service.
- c. Train and assign staff to conduct internal reviews of the agreements/contracts to verify the completeness of all required signatures and with their corresponding dates of signing.

**5. Incomplete MOAs**

We found 27 sampled MOAs were without attachment of the Scope of Services - Overview. Per GMHA, it is not currently their practice to attach the Scope of Services to the MOAs, but each physician operating under an MOA is provided and given access to the Scope of Services.

We recommend that GMHA management incorporate in its internal policy a requirement that Scope of Services to be attached to all MOAs to ensure that all parties have a clear understanding of their obligations and responsibilities.



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## Conclusion and Recommendations

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The governance of physician hiring at GMHA is structured around specific internal regulations and is exempted from the Guam Procurement Law and Regulations. Historically, GMHA has appointed physicians without the need for formal RFPs or procurement procedures. It is the policy of GMHA (Policy No. A-LD700) to **enter into contractual agreements** with qualified organizations, vendors, or individuals to effectively recruit or procure medical, administrative, ancillary, personnel, and other services as necessary for the operation of GMHA's facilities. However, GMHA lacks a general or specific internal policy to govern the contracting, hiring, and documentation processes of physicians.

The audit findings relative to deficiencies on GMHA's current and prevailing procedural processes embodies potential risks due to the absence of well-defined internal policies, regulations, and guidelines in contracting of independent physicians, hiring of GG-1 physicians, and insufficient and deficient documentations.

The audit covered FYs 2020 through 2023, during which GMHA compensated 168 physicians: 136 contracted, 14 GG-1, and 18 contracted and GG-1. The contracted physicians received a total of \$78.6M over the four FYs, while the 32 GG-1 physicians were paid a cumulative \$27.3M. Of the 32 GG-1 physicians, we found that 18 were paid both as a contracted and GG-1 physicians, totaling \$19.2M (\$6.9M contracted, \$12.3M GG-1), while the remaining 14 received only GG-1 compensation, totaling \$15.1M. Overall, the total payments made to the 168 physicians amounted to \$105.9M.

Our review of relevant laws, regulations, internal policies, and physician agreements revealed deficiencies, which we categorized into three employment agreements/contracts.

We believe that GMHA's mission to serve the medical needs of the people of Guam should be supported by GovGuam and all its stakeholders. However, it is imperative that GMHA ensure effectiveness and efficiency in its physician hiring, contracting and documentation processes through the formulation of well-defined internal policies and strict adherence thereto.

Our recommendations to GMHA management, emphasize the significance of formulating well-defined internal policies, regulations, procedures, guidelines, strict adherence and compliance to contractual requirements, and effective reviews of contracts and other pertinent documents to maximize and efficiently use the Hospital's scarce resources. See [Appendix 3](#) for details of audit recommendations and status.

We recognize the efforts exerted by the GMHA management and staff to administer the Hospital with the combined and wholehearted dedication of its physicians and all medical personnel, who are committed to address the health care needs of the people of Guam. We believe that every citizen aspires for an efficient and continuous operation of the sole GovGuam hospital by hiring qualified and dedicated physicians and other medical personnel to satisfactorily address the constituents' medical needs at reasonable and affordable cost.

A handwritten signature in blue ink, appearing to read "Benjamin J.F. Cruz". The signature is fluid and cursive, with a large, stylized initial "B" and a long, sweeping underline.

Benjamin J.F. Cruz  
Public Auditor

## Classification of Monetary Amounts

No.	Finding Description	Questioned Cost	Potential Savings	Unrealized Revenues	Other Financial Impact	Total Financial Impact
<b>I. Compliance with Guam Hiring Regulations for Contracted and GG-1 Physicians</b>						
1	Lack of general or specific internal policy to govern the contracting, hiring and documentation processes of physicians	\$0	\$0	\$0	\$0	\$0
<b>II. Findings Categorized According to Employment Agreement/Contract Executed by Physicians</b>						
<b>A. Contracted Physicians - PSA</b>						
2	Non-execution of PSA by some contracted physicians	\$0	\$0	\$0	\$0	\$0
3	Non-compliance with approval requirement on PSA	\$0	\$0	\$0	\$0	\$0
4	Noncompliance with fee schedule requirement per PSA	\$0	\$0	\$0	\$0	\$0
<b>B. Employees Directly Employed via GG-1 - UEA</b>						
5	Non-execution of UEA by some GG-1 physicians	\$0	\$0	\$0	\$0	\$0
6	Non-compliance with approval requirement on UEAs	\$0	\$0	\$0	\$0	\$0
7	Unclassified GG-1 physicians not in the staffing pattern and without UEAs	\$0	\$0	\$0	\$0	\$0
<b>C. Locum Tenens Physicians - MOA</b>						
8	Non-compliance with approval requirements for MOAs	\$0	\$0	\$0	\$0	\$0
9	Inconsistent provision on submission of timesheets	\$0	\$0	\$0	\$0	\$0
10	MOAs not consistently affixed with dates of signing	\$0	\$0	\$0	\$0	\$0
11	MOAs signed after the effective date and no signature date	\$0	\$0	\$0	\$0	\$0
12	Incomplete MOAs	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

The preliminary findings (for discussion purposes only) were presented to GMHA management and legal counsel on October 15, 2024. There was no discussion of the preliminary findings due to the non-availability of GMHA management. A draft final report was then transmitted to GMHA on November 4, 2024 (22 working days from the transmission of preliminary findings report). An Exit Conference was held on November 14, 2024 to discuss OPA's findings, conclusions, and recommendations. In the official management response, which was received on November 21, 2024, GMHA management generally disagreed with the audit findings except for four (4) findings, wherein recommendations were acted upon and were closed.

**GMHA Response:** In GMHA's Legal Counsel's response, which was reviewed and concurred by GMHA management, he does not believe that this performance audit met its objectives as it never asked GMHA for input regarding the inapplicability of Policy No. 8650-1.207 in its hiring/contracting of Hospital physicians and how the law gives GMHA the maximum flexibility in hiring physicians. GMHA also believed that the OPA lacked independence and failed to adhere to the minimum auditing standards. Furthermore, GMHA believes that many of the recommendations could have been addressed if the OPA had personally observed the people and processes at GMHA, or had taken GMHA's offer to address the deficiencies in the draft report. They insist that OPA repeatedly relied on an inapplicable policy and has formed recommendations around perceived deviations from the inapplicable policy.

**OPA Reply:** Due to the broadness of the audit subject, it was the auditors' professional judgement to conduct this performance audit in three phases, each with the specific objectives and will issue audit reports in three parts. This was relayed in OPA's letter addressed to the GMHA CEO on July 31, 2024 and on September 11, 2024.

Part I is focused on the effectiveness and efficiency of GMHA hiring, contracting and documentation processes of contracted physicians and GG-1 physicians. To determine the effectiveness of the hiring process, we focused on determining whether GMHA's process is governed by Guam laws and regulations or by its internal regulations, policies, procedures, and guidelines. The audit findings, which address Part I of our audit objectives, were based on data, information, and relevant physical documents provided by GMHA personnel. See below for the details of OPA's replies/comments to GMHA's official management response.

See [Appendix 2](#) for the complete GMHA's official management response provided to OPA on November 21, 2024.

The legislation creating OPA requires agencies to prepare a corrective action plan to implement audit recommendations, to document the progress in implementing the audit recommendations, and to endeavor to have implementation completed no later than the beginning of the next fiscal year. Accordingly, we will contact GMHA to provide target dates and title of the official(s) responsible for implementing the recommendations.

We appreciate the cooperation and assistance extended to OPA by the GMHA management, legal counsel, and staff during this audit engagement.

OFFICE OF PUBLIC ACCOUNTABILITY



Benjamin J. F. Cruz  
Public Auditor

**GMHA MANAGEMENT’S RESPONSE**

**To:** Hon. Benjamin J.F. Cruz Public Auditor  
**From:** Jordan Lawrence Pauluhn  
Hospital Legal Counsel  
Lillian Perez-Posadas  
Hospital Administrator/CEO  
**RE:** GMHA Performance Audit – Physician Compensation  
**Date:** November 21, 2024

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*Håfa Adai!* Mr. Cruz,

The Office of Public Accountability (OPA) was created as an independent entity with authority to review government expenditures in a “non-political” and “nonpartisan” manner. *See* Committee on Ways & Means Report, Guam P.L. 21-122 (July 20, 1992). The OPA has historically operated in a manner that has promoted confidence and transparency in the government of Guam.

The OPA initiated the present “performance audit” of physician compensation at Guam Memorial Hospital Authority (GMHA). According to the International Organization of Supreme Audit Institutions (INTOSAI), a performance audit is “an independent, objective and reliable examination of whether government undertakings, systems, operations, program[s], activities or organizations are operating in accordance with the principles of economy, efficiency and/or effectiveness and whether there is room for improvement.”

GMHA, respectfully, does not believe that this “performance audit” has met those objectives. The OPA report principally relies on a policy (GMHA Administrative Manual, Policy No. 8650-1.207) that is inapplicable to the Medical Staff Office. The OPA only brought the alleged applicability of this policy to GMHA’s attention when sending the final draft report. Despite several series of questions and responses, the OPA never asked GMHA for input regarding the inapplicability of Policy No. 8650-1.207.

***OPA Reply:***

*Due to the broadness of the audit subject, it is the auditors’ professional judgement to conduct this performance audit in three phases, each with the specific objectives and will issue a three- part audit reports. This was relayed in our letter addressed to the GMHA CEO on July 31, 2024 and on September 11, 2024.*



*Part I is focused on the effectiveness of GMHA hiring, contracting, and documentation of contracted physicians and unclassified GG-1 unclassified physicians. Please refer to the audit objectives of Part I. To determine the effectiveness of the hiring process, we need to determine if GMHA's process is governed by Guam laws and regulations or by its internal regulations, policies, procedures and guidelines. The audit findings, which addresses Part I of our audit objectives, were based on data, information and relevant physical documents provided by GMHA personnel, which we reviewed for authenticity, reliability, and establish trends and outliers.*

*Phase II of this performance audit, will be focused on the efficiency of the payment process and applicable internal control, which would include among others a walkthrough of the process flow, organizational structure, and responsible personnel with their duties and responsibilities. There will be an in person interview/interaction with involved personnel and GMHA officials.*

*The OPA's Preliminary Findings Report was transmitted GMHA CEO on **October 15, 2024**. There was a **request for a preliminary discussion with GMHA management on October 29, 2024 (after 10 working days)** to address findings or issues that GMHA may disagree or agree, with the OPA's explanations. However, a preliminary discussion did not take place due to **GMHA's unavailability despite OPAs series of follow-ups for a meeting**. The CEO responded on October 17, 2024, to get back to OPA regarding OPA's request for a discussion. OPA made its final request for a preliminary discussion on October 28, 2024, but due to unavailability of the Legal Counsel, OPA decided to send GMHA a **final draft report on November 4, 20024 (after 14 working days) for discussion**, which took place on November 14, 2024. GMHA was given sufficient time to review the preliminary findings and meet for preliminary discussion for potential adjustments for the final report.*

### **OPA's Lack of Independence**

GMHA has been fully cooperative in the Office of Public Accountability's performance audit of GMHA physician compensation. The Medical Staff Office submitted documents and information via email on April 25, 2024, May 13, 2024, May 17, 2024, May 24, 2024, and June 26, 2024. At the request of GMHA, individual physicians and members of the medical staff met with the Public Auditor and members of the OPA staff on June 5, 2024. Legal Counsel also provided answers to substantive questions by letters dated June 25, 2024 and August 23, 2024.

### **OPA Reply:**

*We appreciate the information, data, and physical documents GMHA provided, which underwent a sampled review and eventually became supporting evidences of OPA's audit findings.*

The Government Auditing Standards 2018 Revision (GAS), GAO 21-368G (and as updated by GAO-24-106786 (2024 Revision)), includes an entire chapter on “Fieldwork Standards for Performance Audits.” Among other relevant things, this chapter discusses the collection of physical evidence, which includes “auditors’ direct inspection or observation of people, property, or events.” GAS 8.104. Notably, OPA staff never came to GMHA to meet with our Medical Staff Office and walk through the day-to-day functions and procedures.

**OPA Reply:**

*Based on the objectives of Phase I of this audit, our fieldwork was focused on **physical documentary evidences**, which GMHA had provided. During our fieldwork, we performed the verification of physical documents in our office because **we trust on the authenticity and reliability of these documents**. The results of our physical review were, however, substantiated by sending preliminary and supplementary questions for clarifications to the GMHA Hospital Administrator/CEO on May 20, 2024 (responded June 25, 2024) and July 31, 2024 (responded August 23, 2024). We greatly appreciate the responses received from the **GMHA Legal Counsel**.*

Further, public comments attributed to you prior to conducting the audit indicate a substantial risk that you and your office have pre-judged the outcome of this audit. You were quoted in multiple media outlets with critical comments of GMHA’s physician salaries prior to the commencement of the audit. See John O’Connor, *More audits coming, Cruz will run again*, The Guam Daily Post (Feb. 8, 2024); John Taitano II, *Public auditor: Resignation of GDOE finance head could stall audit for all of GovGuam, GMH doctors’ salary audits begin*, Pacific Daily News (Apr. 24, 2024); Matsuki Hirayama, *OPA to release eight audits in 2024 to include one that will make ‘headlines,’* KUAM News (Apr. 27, 2024). GMHA brought its concerns to your attention early in this audit that public comments about ongoing audits could be perceived as undermining the impartiality of the audits, particularly during an election year. According to you, this audit was commenced because you received weekly whistleblower notifications “about somebody saying something about compensation at the hospital.” Yet, GMHA has never been made aware of the contents of the “notifications” or complaints, thus, restricting its right to fairly respond to the allegations. The independence of this audit is undermined by the “bias threat” and “undue influence threat” inherent in these comments. See GAS 3.30(c), 3.30(e), 3.40, 3.41. Your office took no steps to ameliorate these, and other, threats.

To any outside objective observer, it would appear that the OPA pre-judged the outcome of this audit, and as a consequence, the “findings” and “recommendations” suffer from a confirmation bias from the prior judgments.

**OPA Reply:**

*The OPA, being a reputable audit institution, which has consistently passed the Peer Review process, conducts its audit based on sufficiency, relevance and appropriateness of evidences, within the context of the audit objectives. The former OPA auditors can attest to the fact.*

*Under the Whistle Blower Protection Act, as a general rule, the Commission treats the information learned during the course of an investigation, including the identity of sources, as non-public and confidential. Hotline tips relative to GMHA were received by OPA as early as FY 2021 and was included in the OPA Calendar Year 2023 Annual Audit Plan. All citizens' concerns received by the OPA are evaluated and will be subjected to OPA verifications or audits depending upon its significance and the materiality of its effect, on the effectiveness, efficiency and abuse and waste of agency financial resources.*

*Under the Fraud Examiners Manual, a Certified Fraud Examiner (CFE) member **shall not reveal any confidential information obtained during a professional engagement** without proper authorization. It is imperative that fraud examiners maintain integrity and trustworthiness and safeguard such information from unauthorized viewing or **disclosure**. Team members are both CFEs.*

*If the agency officials are confident that they are equipped with and comply with their internal regulations, policies, and procedures, to govern their day-to-day activities, duties and responsibilities, potentially there could be no citizen's concern. If there is no irregularity that occurred or a potential irregularity that would likely to occur within a government agency, then the agency officials have nothing to worry with a citizen concern. **If a citizen concern is selected for a performance audit, and if these concerns are validated as audit findings, these will be presented to the agency for their concurrence/non-concurrence and response.***

GMHA also previously raised an issue with a potential conflict of interest with the Auditor-in-Charge assigned to this audit. The Auditor-in-Charge assigned to this audit is in the first degree of relation (mother-son) to a member of the GMHA Accounting Department, which is **directly responsible for processing and issuing payments for physician compensation**. This undermines the independence of the audit based on, among other things, the "familiarity threat." GAS 3.30(d), 3.41. Your office's response was that you did not believe this was a conflict because the Auditor-in-Charge was being supervised. But the OPA's subjective beliefs do not address the fact that conflicts of interest are typically imputed to an entire firm or team. In the legal context, there are specific rules governing imputed conflicts of interest. *See, e.g.,* Guam Rule of Prof. Conduct 1.10. At a minimum, when exercising auditing judgment, fairness and transparency principles would require the OPA to disclose the existence of this familial relationship at the commencement of the audit. *See, e.g.,* GAS 3.84, 9.22.

**OPA Reply:**

*At the initiation of the audit in March 2024, the team learned of potential familiarity threat to independence when our designated Auditor-in-Charge (AIC), Ren Jalandoni disclosed such in his Impairment Statement. In the generally accepted government auditing standards (GAGAS) Conceptual Framework Approach to Independence, the audit team must **apply safeguards as necessary to eliminate threats or reduce them to an acceptable level**. Per the team's professional judgment, this threat can be mitigated or reduced to an acceptable level and the integrity, objectivity, and professional skepticism of the Auditor could not be compromised.*

*The audit objectives of Part I of this audit are related to policies, procedures, contracts and other relevant documents for FY 2020 through FY 2023, wherein the AIC's mother, who was hired during FY 2023 (based on the GMHA staffing pattern) as a GMHA Accounting Department staff, is **basically not involved**. Additionally, as a Peer Review requirement the audit findings and conclusions will be subjected to a Quality Assurance Review (QAR), by the OPA's Certified Public Accountant, who is not a member of the audit team.*

*Since Phase II of this audit deals with Accounting functions such as billings and collections, and payments of compensations to contracted physicians and unclassified GG-1 physicians, definitely the current AIC will be recused, and a new AIC will be designated.*

*As a reputable government audit institution, we believe we adhere to the "independence" requirement of the GAGAS. This will be validated by the results of our Peer Review, which will be posted on the OPA website.*

**Failure to Adhere to Minimum Auditing Standards**

In addition to the threats to the OPA's independence, the report suffers from major deficits in adhering to the Government Auditing Standards.

For performance audits, a finding or set of findings is considered complete to the extent that the audit objectives are addressed and the report clearly relates those objectives to the elements of a finding. GAS 8.128. The OPA report does not contain a complete set of objectives, findings, and recommendations.

**OPA Reply:**

*This report adheres to the GAGAS requirements of a performance audit. If GMHA believes that it suffers major deficits, we respect its conclusion as these were concurred by our former OPA auditors.*

***OPA Reply:***

*The Phase I (Part I) of this audit clearly specifies our three precise, clear and achievable objectives and our audit findings address these objectives. This draft final report, which was intended for discussion purposes only (during an exit conference) addressed Part I of our audit objectives.*

Performance audit reports typically develop the finding elements (criteria, condition, cause, and effect). The recommendation or recommendations are then made to address the underlying or root causes. The OPA was quick to make many suggestions of “potential risks” based on conjecture, but fails to adequately develop the finding elements as required by GAS 8.116, 8.117, 9.24.

***OPA Reply:***

*In the latest audit training conducted by the Graduate School in August 2024, it emphasized the structural variation of traditional audit findings, which are: classic traditional (with 4 elements of findings), normative (with criteria, condition and sometimes effect), and descriptive (condition-actual practices, actual performance). Our audit findings are a combination of all these types.*

Consistent with GAS 9.23 and 9.28, auditors should make recommendations that flow logically from the findings and conclusions that are directed at resolving the cause of identified deficiencies and findings, and that clearly state the actions recommended. The report seems to have a disconnect between the identified “deficiencies and findings” and the recommended actions.

***OPA Reply:***

*Generally, recommendations address the root cause of the findings and how the findings could be corrected and improved. Please refer to audit recommendations, which the agency may agree or disagree.*

*Recommendations are not remedies that the agency is compelled to comply. If the agency believes that the recommendation is not applicable, then the Auditor may subsequently close a recommendation after careful evaluation of the agency’s justification.*

Furthermore, the report does not describe the audit methodology. The methodology section should explain how the completed work supports the audit objectives, evidence-gathering techniques, evidence-analysis techniques, *etc.* See GAS 9.13, 9.14. The report also does not explain any limitations per GAS 9.12 and 9.20. Such disclosure is necessary to avoid misleading the public about its findings and conclusions.

***OPA Reply:***

*The draft report, which was intended to be used as the basis for an exit conference, does not yet include the section that discloses the audit methodologies and other components of a full final report for release to the public. Audit methodologies are automatically part of the final audit report. Please refer to the final audit report.*

**The law gives GMHA maximum flexibility in hiring physicians**

As an initial matter, the OPA Report misrepresents Legal Counsel’s statements concerning physician contracting. The report accurately acknowledges that GMHA physician hiring is not subject to the Guam Procurement Code. The report then states that GMHA is “governed by its own related regulations” for physician hiring. This is not a reasonable inference of what GMHA Legal Counsel’s letter actually said. GMHA’s OPA response indicated that: “Physicians are unclassified personnel appointments under 10 GCA § 80113 and 4 GCA §§ 6229-6229.15, as applicable.” It further explained the historical interpretations of these provisions have permitted maximum flexibility in physician hiring.

GMHA’s use of the phrase “related regulations” was with respect to a separate discussion of a specific article of the Procurement Law concerning whether approval requirements in Article 2 of the Procurement Law actually apply to GMHA. In its letter, GMHA stated “Additionally, GMHA is not subject to Article 2 of the Procurement Code; it is governed by its own related regulations.” Thus, even if the Procurement Law applied (which it does not), GMHA was indicating that the Article 2 provisions still would not apply—its own “related regulations” would.

For completeness, a copy of GMHA’s letters are attached to this response.

GMHA has consistently maintained that the law provides it flexible hiring practices and that a single policy does not govern all types of physician recruitment and hiring. The diversity of medical services necessary to fill GMHA’s needs for physicians cannot be governed by a single policy.

The OPA Report relies extensively on GMHA Administrative Manual, Policy No. 8650-1.207 and GMHA Administrative Manual, Policy No. A-LD700. The OPA’s reliance is significantly misplaced. Policy No. A-LD700 is a general contract management policy. While it covers certain aspects applicable to physician agreements, the OPA relies on approval requirements that apply to contracts processed through Materials Management (*e.g.*, goods and services contracts)—a department that obviously does not handle physician agreements.



***OPA Reply:***

*In the Legal Counsel responses dated August 23, 2024, regarding OPA questions relative to internal policies, procedures, regulations and guidelines, specifically on the execution of employment agreements/hiring, process, procedural flow documentation and authorized approvers, basis of physician rate per hour/day or per services rendered, use of fee schedule documentation and approvers, he referred to OPA the GMHA Policy No. A-LD700 titled- **Contract Management effective July 23, 2021**. A provision in this policy states that a **proposed contract shall categorize into six categories, which includes “Professional Services-Physician Services.”** We interpreted that this provision includes physician services.*

With respect to Policy No. 8650-1.207, the OPA is hyper-focused on the language that makes it applicable to “all staff.” However, on close inspection, the policy does not apply to physician agreements or contracting. The policy indicates at the top that the responsible department is Human Resources. This policy does not control the processes of the Medical Staff Office, which is a completely separate department charged with physician contracting. A copy of GMHA’s organizational chart is attached confirming that Human Resources and Medical Staff Office are separate. Additionally, the policy discusses the responsibilities of the “Personnel Services Administrator,” who does not handle physician contracts.

Due to its inapplicability, GMHA never cited or relied on Policy No. 8650-1.207 during this audit. The first time Policy No. 8650-1.207 was mentioned was in the OPA’s draft final report. Despite sending several series of questions to GMHA, the OPA never communicated any of its concerns to GMHA and never sought GMHA’s views on the applicability of the policy. GAS 8.20 requires auditors to communicate the objectives, scope, and methodology. The OPA’s reliance on Policy No. 8650-1.207 exceeds the scope of the audit as communicated to GMHA.

***OPA Reply:***

*In OPA’s Preliminary Findings Report, which was transmitted to the GMHA Chief Executive Officer (CEO) on October 15, 2024, **Policy No. 8650-1.207 was clearly cited as criteria.** GMHA’s disagreement on OPA’s use of **Policy No. 8650-1.207 as its criteria, could have been heard and discussed earlier had discussion of preliminary audit findings taken place.***

*Policy No. 8650-1.207-title Contracted Staff (Off-Island/Local) **clearly referred to “all Employment Agreement/Contracts.”** There is no statement in this policy that excluded the employment agreements for “physicians.” If this policy is not applicable to contracted physician’s PSA and GG-1 physician’s UEA, then such **exemptions on its applicability should be appropriately disclosed therein.** We considered the PSA and UEA as forms of employment agreements covered by this policy, **unless its exemption is specifically stated as such.***



The OPA report also discusses “fee schedules” with respect to physician compensation. Fee schedules typically deal with the price for services charged to patients or third-party payers. GMHA does not maintain a fee schedule for each physician’s services, so its application to the question of physician compensation in a performance audit is inapposite.

***OPA Reply:***

*Section II – Billings & Collections embodied in the PSAs and UEAs, clearly stated that GMHA shall maintain a fee schedule for professional services provided by physician pursuant to this agreement. A fee schedule is a predetermined list of fees or charges that healthcare providers such as hospitals, physicians and other health care facilities establish for their services. In one of the memoranda dated July 2022, from the Associate Administrator, we found a “fee schedule” for pediatric hospitalist, which refers to the hourly rate per level of service for GG-1 and independent contractors.*

*Therefore, a fee schedule should have been established by GMHA for each physician, who executed such agreement to manifest GMHA’s compliance to the agreement. If this provision is not applicable, then this should have been removed.*

GMHA conducts its physician contracting and compensation within the mainstream of other public and private hospitals and healthcare institutions. As GMHA stated previously, it refers to the Medical Group Management Association (MGMA)’s publications regarding physician and practice group compensation. Illustrative examples of these reports and tables were provided to the OPA, and yet are addressed nowhere in the report. While some hospitals may have varying degrees of written policies, one is not required and many hospitals do not have one. Further, Guam law, 10 GCA § 80113 and 4 GCA §§ 6229-6229.15, provide GMHA maximum flexibility in hiring physicians—which are in the unclassified service. The OPA Report fails to seriously acknowledge or discuss these statutory provisions except in its portion summarizing GMHA’s responses.

A single policy—addressed to non-physician staff generally—cannot account for all the necessary practice areas and specialties required at GMHA. By restricting physician hiring with a narrow, singular policy, GMHA risks restricting its ability to hire physicians on a case-by-case basis.

***OPA Reply:***

*Compensation payments and internal control in hiring and other related processes, which are the objectives in Part II of this performance audit, will be thoroughly analyzed, reviewed and verified during an in person walk through process covering staff composition of GMHA Medical Staff Office and its corresponding duties and responsibilities. Results of such audit processes will be incorporated in the preliminary and final audit reports for Part II.*

The OPA appears to be concerned with a perceived lack of a written policy as an internal control. However, a written policy alone is not an internal control. According to the Standards for Internal Control in the Federal Government, GAO-14-704G: “An internal control system is a continuous built-in component of operations, effected by people, that provides reasonable assurance, not absolute assurance, that an entity’s controls work. OV1.06.

***OPA Reply:***

*Internal control assessment and evaluation on hiring processes and compensation payments are the objectives in Part II of this audit.*

Given this people-focused standard, current GMHA Management has increased support for the Medical Staff Office during its tenure. First, it hired a Program Coordinator IV in 2019 to lead the Medical Staff Office. Management also recently added Management Analyst I with significant personnel services experience to review and verify physician files. The Medical Staff Office is staffed by five full-time, experienced employees. GMHA Management specifically commends the work of this office and team, which is diligent and effective in managing physician recruitment, hiring, onboarding, compensation, timekeeping, credentialing, committee and staff meetings, and other related matters. The OPA’s suggestion that it should be drafting policies in its “spare time” does not meet the purpose of a performance audit.

***OPA Reply:***

*In our updated final draft report, we recommended that GMHA facilitate its on-going policy formulation as the CEO declared in the Exit Conference. Additionally, we appreciate GMHA’s actions in enhancing the Medical Staff Office staff composition. This will be covered in Part II of this audit.*

Moreover, a policy for the sake of having a policy not only constrains the flexibility necessary to meet GMHA’s physician needs, its purpose as explained by you in a meeting regarding the final draft—namely transparency and accountability—are more than adequately met by Guam’s Freedom of Information Act (Sunshine Reform Act), 5 GCA § 10101 *et seq.*, and numerous public reporting requirements contained therein and elsewhere. *See, e.g.*, 5 GCA § 10306(f, g) (information required on websites or homepages); Guam P.L. 37-42, Ch. XIII, Part II, § 10(a) (staffing patterns); 5 GCA § 8111(a) (limitation on executive sessions to discuss salaries and salary adjustments). GMHA has, in fact, produced salary information and copies of physician agreements in response to FOIA requests.

***OPA Reply:***

*We appreciate the information that GMHA provided. Audit findings in the preliminary audit report and draft final report were based on the information on compensation and documents GMHA provided. Please refer to final report appendices, which exactly reflected the compensations paid to (name of physician redacted) as provided by GMHA.*

**Specific deficiencies in OPA report**

The OPA Report also suffers from several significant deficiencies. The OPA report was reviewed by several auditors and accountants at GMHA who indicated that the draft is sloppy with “many errors.” Most readers of the report found it difficult to follow. *See* GAS 9.17. GMHA will note some of the specific errors and deficiencies.

First, the financial numbers in the OPA consistently do not match the information provided by GMHA. On page 13 of the draft report, the OPA states that the total physician compensation paid from FY2020 to FY2023 was \$93.7M, while the number provided by GMHA total closer to \$78.6M.

***OPA Reply:***

*Based on OPA calculations, the \$78.6M declared by GMHA, was arrived at the \$93.7M less \$15.1M (the total compensation paid to GG-1 physicians for their contracted services). The original data provided would result in the total amount paid for physicians’ contracted services of \$93.7M. However, based on GMHA’s response to the OPA question on the type of expense categories, the contracted physicians are classified in the financial statements, GMHA responded with different total amounts, which we verified and accepted. If GMHA management’s intention is to deduct such compensation from the total compensation of contracted physicians, this should have been coordinated with their Accounting Department before transmitting this to OPA or make appropriate disclosures.*

Another significant error is Appendix 2 (Now [Appendix 5](#)), titled “GMHA Contracted Physicians Breakdown.” At least 14 of the physicians listed in Appendix 2 (Now [Appendix 5](#)) are directly employed as evidenced by a GG-1 and should be removed from the list of “contracted physicians.”

***OPA Reply:***

*We adhered to the adjusted amounts based on GMHA’ response as above stated.*

Appendix 3 (Now [Appendix 6](#)), “Contracted Physicians Without PSA,” is wrong and contains physicians employed as evidenced by a GG-1 and that do not execute PSAs. The physicians on this list without a GG-1 were providing services under a written agreement with a physicians’ group or practice group (e.g., Avicen, Deck V, etc.).

***OPA Reply:***

*Yes, 10 of the contracted physicians were included in the GMHA Spreadsheet-Contracted Physician Actual Compensation-GG-1. Please refer to the body of the report for the inclusion of GMHA’s response and OPA’s comment. This Appendix 3 (now [Appendix 6](#)) which is the **summary of all contracted physicians without PSAs, remains.***

Appendix 4 (Now [Appendix 7](#)), “Physicians Paid as Unclassified GG-1 Employees and Contracted Physicians,” is seriously misleading. Appendix 4 (Now [Appendix 7](#)) makes it appear that the amounts exist in a single year. This appendix does not break down compensation by year or period covered. This chart appears to cover physicians who provided medical services on a contract and management or administrative services through a GG-1. The same management and administrative positions may not have been occupied each year. It is not accurate to lump them into a single column. This chart also duplicates payments already reported in Appendix 2 (Now Appendix 5).

***OPA Reply:***

*Appendix 2 (Now [Appendix 5](#)) is the universe, which contains the list of all 168 contracted physicians provided by GMHA, while Appendix 4 (Now [Appendix 7](#)) reflects the 32 physicians compensated both as contracted physicians and as GG-1 unclassified employees. The report clearly states that the total amounts covers the four FYs. However, per your concern, we presented Appendix 4 (Now [Appendix 7](#)) on a per FY basis and combined the total earnings of the physicians for its contracted services and as GG-1 employees for the four FYs.*

Table 1 on Page 9 of the draft report also contains incorrect numbers. GMHA provided the OPA with considerable information that is distorted in the appendices.

***OPA Reply:***

*Table I page 9 in draft report refers to the financial data extracted from the GMHA audited financial statement for four FYs signed by the external auditors. The amounts reflected in the Appendices are the data/compensations GMHA provided, which were paid to contracted physicians and the GG-1 unclassified employees. These are incomparable figures.*

*The discrepancy lies in the fact that in your response you deducted the amounts applicable to the additional compensations paid to GG-1 physicians for their contracted services, amounting to \$15.1M, which were included in the original sets of data (table) provided by GMHA. Please refer to your Accounting Department staff who could have generated the data provided to OPA. If the data is distorted, then your accounting data would potentially be unreliable. These data on compensation payments will be subjected to an audit in Part II of this performance audit.*

GMHA's Medical Staff Audit provided the OPA clear charts specifying physician compensation by year. These charts were not included in the report. A copy of this chart is attached to this response. Consistent with GAS 9.61 to 9.67, physician names have been redacted, but were provided to the OPA during the audit.

***OPA Reply:***

*The chart was only provided to OPA as attached to its response dated November 14, 2024, and we learned that the GG-1 compensations refer to physicians who were hired under the administrative and management positions. Final report consolidated the findings under UEA category. Additionally, the compensations paid to the physicians for their administrative services will be verified in Part II of this performance audit.*

**GMHA physician agreements already obtain required approvals**

The OPA report suggests that GMHA physician agreements require that the following signatures evidencing approval that are not currently done: The Board of Trustees, BBMR, the Office of the Attorney General, and the Governor. None of these signatures are required.

Under the law, 10 GCA § 80110(c)(7), the Hospital Administrator/CEO is the appointing authority who is empowered to "select and appoint employees of the hospital." Title 10 GCA § 80113 places physician in the unclassified service and 4 GCA §§ 6229-6229.15 provide maximum flexibility for the hiring of nurses and other healthcare professionals, which is defined to include physicians. The Hospital Administrator/CEO is the only signature required to make the physician agreements effective.

GMHA does not obtain the approval of BBMR. GMHA is explicitly exempt from the Allotment Release Control from BBMR. 5 GCA § 1303.1. Any prior routing to BBMR appears to be a gubernatorial preference based on the Governor's plenary authority over the hospital under the Organic Act. *See, e.g., Bordallo v. Baldwin*, 624 F.2d 932 (9th Cir. 1980). This is not the practice of the current administration and the law does not require it.

With respect to the Governor and the Attorney General, neither person is an appointing authority for GMHA. While the Governor is permitted to exercise her plenary power to review or approve physician agreements, her approval is not a legal requirement. Additionally, there is no legal requirement for the Attorney General to approve physician agreements. When GMHA was originally established, the Attorney General was required to approve hospital expenditures of more than \$10,000. However, this requirement was removed from GMHA’s revised enabling legislation by Guam P.L. 30-190 (Aug. 28, 2010).

***OPA Reply:***

*If GMHA Policy No. 8650-1.207, (which states that “all employment agreements/contracts undergo the approval processes”) and Policy No. A-LD700, [which states that “final signed contract shall be forwarded to the HR Office and/or Medical Staff Office (for personnel contracts) who will prepare transmittal for review, clearance and signature by the AG and the Governor’s Office for final approving authority”], are not applicable to the physicians, then this should be clearly stated in the existing policies. We respect your response but our finding remains.*

**Response to Audit Recommendations (Appendix 6) (Now [Appendix 3](#))**

The audit recommendations listed in Appendix 6 (Now [Appendix 3](#)) do not all logically flow from the contents of the OPA report. See GAS 9.23, 9.28. GMHA also already does most of the suggested recommendations, **which the report fails to recognize**. The recommendations chart is also incorrectly numbered, and GMHA has responded based on a renumbered list. GMHA will address each recommendation as follows:

***OPA Reply:***

*Recommendations were stated in the body of the report after stating the conditions that may need to be corrected. Prior OPA Auditors knew fully well that a draft final report for discussion purposes (during Exit Conference) is subject to changes based on the Exit Conference, management responses, QAR, and Cold Read.*

Recommendations 1 and 2: the OPA seeks to “ensure the validity and enforceability” of physician agreements and to ensure execution, with appropriate signatures and approvals including the Governor. GMHA Management already ensures the validity and enforceability of its physician agreements and obtains the legally- required signatures and approvals. The Governor is not a required signatory on physician agreements.

**OPA Reply:**

*We respect management's justification.*

Recommendation 3: GHMA assumes this refers to the “fee schedules” for services rendered. While the recommendation is unclear, GMHA already maintains a “fee schedule” to charge professional fees for physician services. It appears the OPA incorrectly treats this as a compensation schedule. No corrective action is required.

**OPA Reply:**

*Fee schedule is required in PSAs and UEAs. We respect management's decision.*

Recommendation 4: Unclassified Employment Agreements (UEA) are not necessary for all existing unclassified GG-1 physicians. While a UEA has been required of certain new or recent hires, it is typically used in context of new services or programs. UAEs are not necessary for physicians whose practice is governed by well-established medical standards or practice expectations.

**OPA Reply:**

*We respect management's justification.*

Recommendation 5: all hired unclassified GG-1 employees already appear on the staffing pattern as they occupy a position number.

**OPA Reply:**

*Thank you for the action taken.. Recommendation is closed.*

Recommendation 6: see response to Recommendation 4. Additionally, a UEA for administrative or management positions is typically not necessary as those positions are often governed by a Job Description and Position Description Questionnaire.

**OPA Reply:**

*We respect management's justification.*

Recommendation 7: timesheet submission is already a requirement for physicians paid based on an hourly rate. Accounting and payroll does not process a payment without a completed and accurate timesheet.



**OPA Reply:**

*Thank you for the fact that even if the submission is not consistently required in the MOAs, these were submitted for review prior to disbursements. **Recommendation is closed.***

Recommendation 8a: GMHA's agreements already list a signatory or execution date, but an additional line next to a signature can be added. Though, the absence of a date next to the signature does not impact the validity of the agreement.

**OPA Reply:**

*Thank you for the action taken. **Recommendation is closed***

Recommendation 8b: The Medical Staff Office already ensures timely and proper execution of agreements. While perfection cannot be guaranteed, the Medical Staff routinely audits the files and updates appropriately.

**OPA Reply:**

*Thank you for the action taken. **Recommendation is closed.***

Recommendations 8c and 8d: The Medical Staff Office already conducts internal review and identifies deficiencies. A Management Analyst I was recently hired for the Medical Staff Office, and one of her primary tasks is to conduct internal reviews. This process would have been observed had the OPA physically visited and spoken with GMHA Medical Staff Office employees. *See again GAS 8.104.*

**OPA Reply:**

*Thank you for the action taken. **Recommendation is closed.***

Recommendation 9: A Scope of Services does not need to be attached to all MOAs. MOAs are typically executed with *locum tenens* physicians. The Scope of Services may be attached to the MOA, may be documented separately, or may be unnecessary depending on the specialty or scope of practice. When a Scope of Services is available, GMHA will continue to ensure it is attached to the MOA or made available to the physician.

**OPA Reply:**

*Thank you for the action taken. **Recommendation is closed.***

Many of the recommendations could have been addressed if the OPA had personally observed the people and processes at GMHA, or had taken GMHA up on its offer to address the deficiencies in the draft report. The OPA Report instead repeatedly relies on an inapplicable policy and has formed recommendations around perceived deviations from the inapplicable policy.

**OPA Reply:**

*The deficiencies initially noted will be fully verified in Part II of the performance audit.*

The only harm identified by the OPA with respect to compliance with this policy is some sort of unspecified “potential risks.” Yet, the risk of recommending a policy for its own sake, divorced from any actual foreseeable harm, is not what GMHA understands the purpose of a performance audit to be, the adoption of which undermines patient safety.

**OPA Reply:**

*GMHA management and Board of Trustees possess expertise with regards to health and safety matters and therefore, are highly capable of formulating internal policies and regulations, which are applicable to cited circumstances, varieties, and complexities of services rendered by the GMHA physicians and health workers. If GMHA believes that policies are not necessary to effectively and efficiently implement the day-to-day processes, and save GMHA’s scarce resources, **we respect management’s decision**, but our finding remains.*

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**Objectives, Scope, and Methodology**

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The objectives of this audit were to determine whether:

1. The GMHA complied with applicable Guam laws, rules, and regulations in the hiring process of contracted physicians.
2. The hiring process and determination of compensation are covered by written internal policies and procedures, and fee schedules.
3. If the contracted and hired GG-1 physicians are covered with Employment Agreements/Contracts.

The audit scope encompasses October 1, 2019, to September 30, 2023, for FY 2020 through 2023.

**Methodology**

To accomplish the objectives set for the audit, we performed the following:

- Researched applicable Guam laws and regulations, and GMHA internal policies and procedures to obtain an understanding of GMHA's processes regarding hiring and contracting of physicians;
- Identified and reviewed hotline tips/citizens' concerns, prior OPA audit reports, and other reports relevant to the audit subject.
- Requested GMHA written policies, and procedures applicable to physicians contracting and hiring.
- Conducted a virtual entrance meeting with GMHA officials and made a preliminary request of documents relevant to the audit subject.
- Judgmentally selected samples of physical copies of Employee Agreements/Contracts if in accordance and determined compliance with GMHA applicable internal policies.
- Requested GMHA for a list of contracted physicians, annual compensations paid, fee schedules and other related contract/compensation documents.
- Performed an analysis of data GMHA provided such as: List of Contracted Physicians and GG-1 Physicians with corresponding compensations paid to establish trends and outliers.

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**Objectives, Scope, and Methodology**

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- Substantiated physical review of documents and analysis of data by sending preliminary and supplementary questions to GMHA management and legal counsel for clarification.
- Transmitted audit preliminary findings report for discussion (which did not occur). Re-transmitted preliminary findings in a form of final draft report to obtain GMHA's management comment and responses.
- Conducted the Exit Conference based on draft final report.
- Transmitted the full final report with GMHA management response and OPA replies/comments.
- Full final report underwent a QAR and Cold Read process.
- Report released to the internal stakeholders, Governor's Office, Legislature and other internal and external stakeholders and posted the final report to website.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



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**MANAGEMENT'S RESPONSE**

**To:** Hon. Benjamin J.F. Cruz  
Public Auditor

**From:** Jordan Lawrence Pauluhn  
Hospital Legal Counsel

Lillian Perez-Posadas  
Hospital Administrator/CEO

**RE:** GMHA Performance Audit – Physician Compensation

**Date:** November 21, 2024

*Håfa Adai!* Mr. Cruz,

The Office of Public Accountability (OPA) was created as an independent entity with authority to review government expenditures in a “non-political” and “nonpartisan” manner. *See* Committee on Ways & Means Report, Guam P.L. 21-122 (July 20, 1992). The OPA has historically operated in a manner that has promoted confidence and transparency in the government of Guam.

The OPA initiated the present “performance audit” of physician compensation at Guam Memorial Hospital Authority (GMHA). According to the International Organization of Supreme Audit Institutions (INTOSAI), a performance audit is “an independent, objective and reliable examination of whether government undertakings, systems, operations, program[s], activities or organizations are operating in accordance with the principles of economy, efficiency and/or effectiveness and whether there is room for improvement.”

GMHA, respectfully, does not believe that this “performance audit” has met those objectives. The OPA report principally relies on a policy (GMHA Administrative Manual, Policy No. 8650-1.207) that is inapplicable to the Medical Staff Office. The OPA only brought the alleged applicability of this policy to GMHA’s attention when sending the final draft report. Despite several series of questions and responses, the OPA never asked GMHA for input regarding the inapplicability of Policy No. 8650-1.207.

**OPA’s Lack of Independence**

GMHA has been fully cooperative in the Office of Public Accountability’s performance audit of GMHA physician compensation. The Medical Staff Office

## Official Management Response



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submitted documents and information via email on April 25, 2024, May 13, 2024, May 17, 2024, May 24, 2024, and June 26, 2024. At the request of GMHA, individual physicians and members of the medical staff met with the Public Auditor and members of the OPA staff on June 5, 2024. Legal Counsel also provided answers to substantive questions by letters dated June 25, 2024 and August 23, 2024.

The Government Auditing Standards 2018 Revision (GAS), GAO 21-368G (and as updated by GAO-24-106786 (2024 Revision)), includes an entire chapter on “Fieldwork Standards for Performance Audits.” Among other relevant things, this chapter discusses the collection of physical evidence, which includes “auditors’ direct inspection or observation of people, property, or events.” GAS 8.104. Notably, OPA staff never came to GMHA to meet with our Medical Staff Office and walk through the day-to-day functions and procedures.

Further, public comments attributed to you prior to conducting the audit indicate a substantial risk that you and your office have pre-judged the outcome of this audit. You were quoted in multiple media outlets with critical comments of GMHA’s physician salaries prior to the commencement of the audit. *See* John O’Connor, *More audits coming, Cruz will run again*, The Guam Daily Post (Feb. 8, 2024); John Taitano II, *Public auditor: Resignation of GDOE finance head could stall audit for all of GovGuam, GMH doctors’ salary audits begin*, Pacific Daily News (Apr. 24, 2024); Matsuki Hirayama, *OPA to release eight audits in 2024 to include one that will make ‘headlines’*, KUAM News (Apr. 27, 2024). GMHA brought its concerns to your attention early in this audit that public comments about ongoing audits could be perceived as undermining the impartiality of the audits, particularly during an election year. According to you, this audit was commenced because you received weekly whistleblower notifications “about somebody saying something about compensation at the hospital.” Yet, GMHA has never been made aware of the contents of the “notifications” or complaints, thus, restricting its right to fairly respond to the allegations. The independence of this audit is undermined by the “bias threat” and “undue influence threat” inherent in these comments. *See* GAS 3.30(c), 3.30(e), 3.40, 3.41. Your office took no steps to ameliorate these, and other, threats.

To any outside objective observer, it would appear that the OPA pre-judged the outcome of this audit, and as a consequence, the “findings” and “recommendations” suffer from a confirmation bias from the prior judgments.

GMHA also previously raised an issue with a potential conflict of interest with the Auditor-in-Charge assigned to this audit. The Auditor-in-Charge assigned to this audit is in the first degree of relation (mother-son) to a member of the GMHA Accounting Department, which is directly responsible for processing and issuing payments for physician compensation. This undermines the independence of the audit based on, among other things, the “familiarity threat.” GAS 3.30(d), 3.41. Your office’s response





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was that you did not believe this was a conflict because the Auditor-in-Charge was being supervised. But the OPA's subjective beliefs do not address the fact that conflicts of interest are typically imputed to an entire firm or team. In the legal context, there are specific rules governing imputed conflicts of interest. *See, e.g.*, Guam Rule of Prof. Conduct 1.10. At a minimum, when exercising auditing judgment, fairness and transparency principles would require the OPA to disclose the existence of this familial relationship at the commencement of the audit. *See, e.g.*, GAS 3.84, 9.22.

**Failure to Adhere to Minimum Auditing Standards**

In addition to the threats to the OPA's independence, the report suffers from major deficits in adhering to the Government Auditing Standards.

For performance audits, a finding or set of findings is considered complete to the extent that the audit objectives are addressed and the report clearly relates those objectives to the elements of a finding. GAS 8.128. The OPA report does not contain a complete set of objectives, findings, and recommendations.

Performance audit reports typically develop the finding elements (criteria, condition, cause, and effect). The recommendation or recommendations are then made to address the underlying or root causes. The OPA was quick to make many suggestions of "potential risks" based on conjecture, but fails to adequately develop the finding elements as required by GAS 8.116, 8.117, 9.24.

Consistent with GAS 9.23 and 9.28, auditors should make recommendations that flow logically from the findings and conclusions that are directed at resolving the cause of identified deficiencies and findings, and that clearly state the actions recommended. The report seems to have a disconnect between the identified "deficiencies and findings" and the recommended actions.

Furthermore, the report does not describe the audit methodology. The methodology section should explain how the completed work supports the audit objectives, evidence-gathering techniques, evidence-analysis techniques, *etc.* *See* GAS 9.13, 9.14. The report also does not explain any limitations per GAS 9.12 and 9.20. Such disclosure is necessary to avoid misleading the public about its findings and conclusions.

**The law gives GMHA maximum flexibility in hiring physicians**

As an initial matter, the OPA Report misrepresents Legal Counsel's statements concerning physician contracting. The report accurately acknowledges that GMHA physician hiring is not subject to the Guam Procurement Code. The report then states that GMHA is "governed by its own related regulations" for physician hiring. This is not a reasonable inference of what GMHA Legal Counsel's letter actually said. GMHA's



## Official Management Response



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response indicated that: “Physicians are unclassified personnel appointments under 10 GCA § 80113 and 4 GCA §§ 6229-6229.15, as applicable.” It further explained the historical interpretations of these provisions have permitted maximum flexibility in physician hiring.

GMHA’s use of the phrase “related regulations” was with respect to a separate discussion of a specific article of the Procurement Law concerning whether approval requirements in Article 2 of the Procurement Law actually apply to GMHA. In its letter, GMHA stated “Additionally, GMHA is not subject to Article 2 of the Procurement Code; it is governed by its own related regulations.” Thus, even if the Procurement Law applied (which it does not), GMHA was indicating that the Article 2 provisions still would not apply—its own “related regulations” would.

For completeness, a copy of GMHA’s letters are attached to this response.

GMHA has consistently maintained that the law provides it flexible hiring practices and that a single policy does not govern all types of physician recruitment and hiring. The diversity of medical services necessary to fill GMHA’s needs for physicians cannot be governed by a single policy.

The OPA Report relies extensively on GMHA Administrative Manual, Policy No. 8650-1.207 and GMHA Administrative Manual, Policy No. A-LD700. The OPA’s reliance is significantly misplaced. Policy No. A-LD700 is a general contract management policy. While it covers certain aspects applicable to physician agreements, the OPA relies on approval requirements that apply to contracts processed through Materials Management (*e.g.*, goods and services contracts)—a department that obviously does not handle physician agreements.

With respect to Policy No. 8650-1.207, the OPA is hyper-focused on the language that makes it applicable to “all staff.” However, on close inspection, the policy does not apply to physician agreements or contracting. The policy indicates at the top that the responsible department is Human Resources. This policy does not control the processes of the Medical Staff Office, which is a completely separate department charged with physician contracting. A copy of GMHA’s organizational chart is attached confirming that Human Resources and Medical Staff Office are separate. Additionally, the policy discusses the responsibilities of the “Personnel Services Administrator,” who does not handle physician contracts.

Due to its inapplicability, GMHA never cited or relied on Policy No. 8650-1.207 during this audit. The first time Policy No. 8650-1.207 was mentioned was in the OPA’s draft final report. Despite sending several series of questions to GMHA, the OPA never communicated any of its concerns to GMHA and never sought GMHA’s views on the applicability of the policy. GAS 8.20 requires auditors to communicate the objectives,

## Official Management Response



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scope, and methodology. The OPA's reliance on Policy No. 8650-1.207 exceeds the scope of the audit as communicated to GMHA.

The OPA report also discusses “fee schedules” with respect to physician compensation. Fee schedules typically deal with the price for services charged to patients or third-party payers. GMHA does not maintain a fee schedule for each physician's services, so its application to the question of physician compensation in a performance audit is inapposite.

GMHA conducts its physician contracting and compensation within the mainstream of other public and private hospitals and healthcare institutions. As GMHA stated previously, it refers to the Medical Group Management Association (MGMA)'s publications regarding physician and practice group compensation. Illustrative examples of these reports and tables were provided to the OPA, and yet are addressed nowhere in the report. While some hospitals may have varying degrees of written policies, one is not required and many hospitals do not have one. Further, Guam law, 10 GCA § 80113 and 4 GCA §§ 6229-6229.15, provide GMHA maximum flexibility in hiring physicians—which are in the unclassified service. The OPA Report fails to seriously acknowledge or discuss these statutory provisions except in its portion summarizing GMHA's responses.

A single policy—addressed to non-physician staff generally—cannot account for all the necessary practice areas and specialties required at GMHA. By restricting physician hiring with a narrow, singular policy, GMHA risks restricting its ability to hire physicians on a case-by-case basis.

The OPA appears to be concerned with a perceived lack of a written policy as an internal control. However, a written policy alone is not an internal control. According to the Standards for Internal Control in the Federal Government, GAO-14-704G: “An internal control system is a continuous built-in component of operations, effected by people, that provides reasonable assurance, not absolute assurance, that an entity's objectives will be achieved.” OV1.04. An internal control is not one event, but a series of *actions* throughout an entity's operations. OV1.05. People, not policies, make internal controls work. OV1.06.

Given this people-focused standard, current GMHA Management has increased support for the Medical Staff Office during its tenure. First, it hired a Program Coordinator IV in 2019 to lead the Medical Staff Office. Management also recently added Management Analyst I with significant personnel services experience to review and verify physician files. The Medical Staff Office is staffed by five full-time, experienced employees. GMHA Management specifically commends the work of this office and team, which is diligent and effective in managing physician recruitment, hiring, onboarding, compensation, timekeeping, credentialing, committee and staff



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meetings, and other related matters. The OPA's suggestion that it should be drafting policies in its "spare time" does not meet the purpose of a performance audit.

Moreover, a policy for the sake of having a policy not only constrains the flexibility necessary to meet GMHA's physician needs, its purpose as explained by you in a meeting regarding the final draft—namely transparency and accountability—are more than adequately met by Guam's Freedom of Information Act (Sunshine Reform Act), 5 GCA § 10101 *et seq.*, and numerous public reporting requirements contained therein and elsewhere. *See, e.g.*, 5 GCA § 10306(f, g) (information required on websites or homepages); Guam P.L. 37-42, Ch. XIII, Part II, § 10(a) (staffing patterns); 5 GCA § 8111(a) (limitation on executive sessions to discuss salaries and salary adjustments). GMHA has, in fact, produced salary information and copies of physician agreements in response to FOIA requests.

**Specific deficiencies in OPA report**

The OPA Report also suffers from several significant deficiencies. The OPA report was reviewed by several auditors and accountants at GMHA who indicated that the draft is sloppy with "many errors." Most readers of the report found it difficult to follow. *See* GAS 9.17. GMHA will note some of the specific errors and deficiencies.

First, the financial numbers in the OPA consistently do not match the information provided by GMHA. On page 13 of the draft report, the OPA states that the total physician compensation paid from FY2020 to FY2023 was \$93.7M, while the number provided by GMHA total closer to \$78.6M.

Another significant error is Appendix 2, titled "GMHA Contracted Physicians Breakdown." At least 14 of the physicians listed in Appendix 2 are directly employed as evidenced by a GG-1 and should be removed from the list of "contracted physicians."

Appendix 3, "Contracted Physicians Without PSA," is wrong and contains physicians employed as evidenced by a GG-1 and that do not execute PSAs. The physicians on this list without a GG-1 were providing services under a written agreement with a physicians' group or practice group (*e.g.*, Avicen, Deck V, *etc.*).

Appendix 4, "Physicians Paid as Unclassified GG-1 Employees and Contracted Physicians," is seriously misleading. Appendix 4 makes it appear that the amounts exist in a single year. This appendix does not break down compensation by year or period covered. This chart appears to cover physicians who provided medical services on a contract and management or administrative services through a GG-1. The same management and administrative positions may not have been occupied each year. It is not accurate to lump them into a single column. This chart also duplicates payments already reported in Appendix 2.





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Table 1 on Page 9 of the draft report also contains incorrect numbers. GMHA provided the OPA with considerable information that is distorted in the appendices.

GMHA's Medical Staff Audit provided the OPA clear charts specifying physician compensation by year. These charts were not included in the report. A copy of this chart is attached to this response. Consistent with GAS 9.61 to 9.67, physician names have been redacted, but were provided to the OPA during the audit.

**GMHA physician agreements already obtain required approvals**

The OPA report suggests that GMHA physician agreements require that the following signatures evidencing approval that are not currently done: The Board of Trustees, BBMR, the Office of the Attorney General, and the Governor. None of these signatures are required.

Under the law, 10 GCA § 80110(c)(7), the Hospital Administrator/CEO is the appointing authority who is empowered to "select and appoint employees of the hospital." Title 10 GCA § 80113 places physician in the unclassified service and 4 GCA §§ 6229-6229.15 provide maximum flexibility for the hiring of nurses and other healthcare professionals, which is defined to include physicians. The Hospital Administrator/CEO is the only signature required to make the physician agreements effective.

GMHA does not obtain the approval of BBMR. GMHA is explicitly exempt from the Allotment Release Control from BBMR. 5 GCA § 1303.1. Any prior routing to BBMR appears to be a gubernatorial preference based on the Governor's plenary authority over the hospital under the Organic Act. *See, e.g., Bordallo v. Baldwin*, 624 F.2d 932 (9th Cir. 1980). This is not the practice of the current administration and the law does not require it.

With respect to the Governor and the Attorney General, neither person is an appointing authority for GMHA. While the Governor is permitted to exercise her plenary power to review or approve physician agreements, her approval is not a legal requirement. Additionally, there is no legal requirement for the Attorney General to approve physician agreements. When GMHA was originally established, the Attorney General was required to approve hospital expenditures of more than \$10,000. However, this requirement was removed from GMHA's revised enabling legislation by Guam P.L. 30-190 (Aug. 28, 2010).

**Response to Audit Recommendations (Appendix 6)**

The audit recommendations listed in Appendix 6 do not all logically flow from the contents of the OPA report. *See* GAS 9.23, 9.28. GMHA also already does most of the



suggested recommendations, which the report fails to recognize. The recommendations chart is also incorrectly numbered, and GMHA has responded based on a renumbered list. GMHA will address each recommendation as follows:

Recommendations 1 and 2: the OPA seeks to “ensure the validity and enforceability” of physician agreements and to ensure execution, with appropriate signatures and approvals including the Governor. GMHA Management already ensures the validity and enforceability of its physician agreements and obtains the legally-required signatures and approvals. The Governor is not a required signatory on physician agreements.

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Recommendation 6: see response to Recommendation 4. Additionally, a UEA for administrative or management positions is typically not necessary as those positions are often governed by a Job Description and Position Description Questionnaire.

Recommendation 7: timesheet submission is already a requirement for physicians paid based on an hourly rate. Accounting and payroll does not process a payment without a completed and accurate timesheet.

Recommendation 8a: GMHA’s agreements already list a signatory or execution date, but an additional line next to a signature can be added. Though, the absence of a date next to the signature does not impact the validity of the agreement.

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Recommendations 8c and 8d: The Medical Staff Office already conducts internal review and identifies deficiencies. A Management Analyst I was recently hired for the



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Medical Staff Office, and one of her primary tasks is to conduct internal reviews. This process would have been observed had the OPA physically visited and spoken with GMHA Medical Staff Office employees. *See again* GAS 8.104.

Recommendation 9: A Scope of Services does not need to be attached to all MOAs. MOAs are typically executed with *locum tenens* physicians. The Scope of Services may be attached to the MOA, may be documented separately, or may be unnecessary depending on the specialty or scope of practice. When a Scope of Services is available, GMHA will continue to ensure it is attached to the MOA or made available to the physician.

Many of the recommendations could have been addressed if the OPA had personally observed the people and processes at GMHA, or had taken GMHA up on its offer to address the deficiencies in the draft report. The OPA Report instead repeatedly relies on an inapplicable policy and has formed recommendations around perceived deviations from the inapplicable policy.

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*Jordan Lawrence Pauluhn*  
**Jordan Lawrence Pauluhn**  
Hospital Legal Counsel  
Guam Memorial Hospital Authority



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Reviewed and Concurred By:

Handwritten signature of Lillian Perez Posadas.

**Lillian Perez Posadas, RN, MN**  
Hospital Administrator/CEO

Handwritten signature of Yuka Hechanova.

**Yuka Hechanova, MAcc, CPA, CIA, CGFM, CGAP, CGMA, CPPO**  
Chief Financial Officer

Handwritten signature of Rodalyn Gerardo.

**Rodalyn Gerardo, MBA, CPA, CIA, CGFM, CGAP, CGMA, CICA**  
Deputy Assist. Administrator, Operations

Handwritten signature of V. Kwasi Nyame.

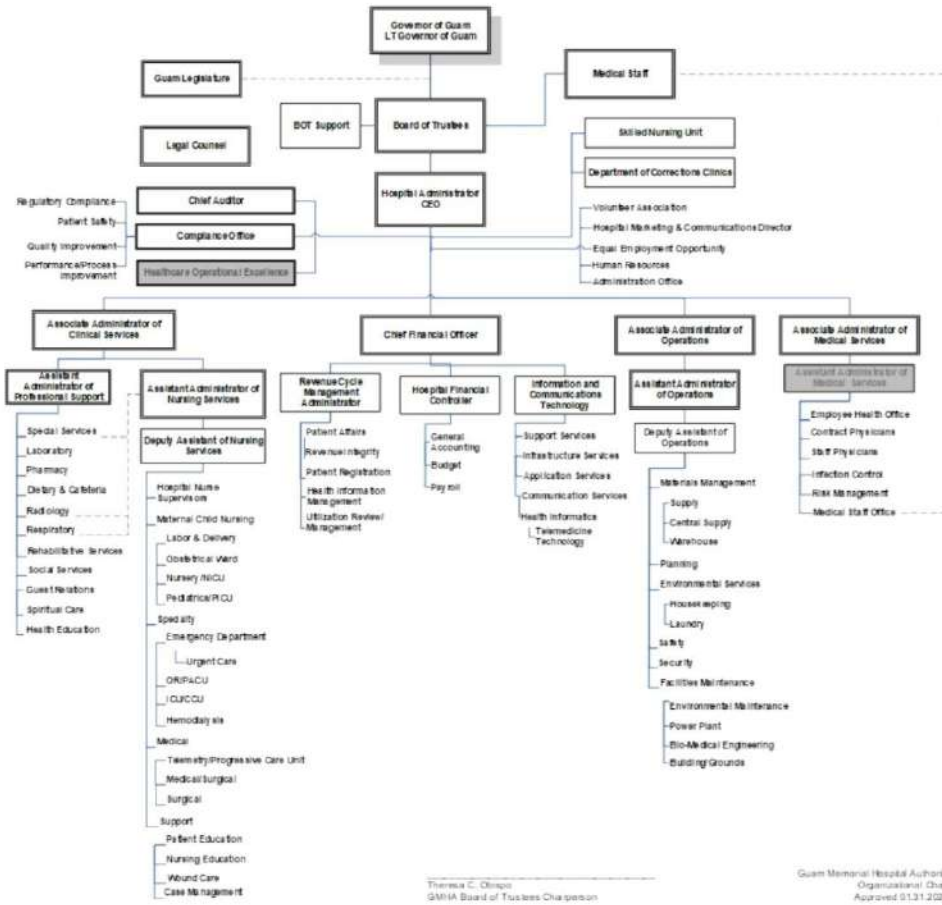
**V. Kwasi Nyame, MD, FAANS**  
Associate Administrator of Medical Services

Handwritten signature of Jeffery Shay.

**Jeffery Shay, MD**  
President, Medical Staff

**Attachment 1**  
**GMHA Organizational Chart**





Theresa C. Olivos  
 GMAHA Board of Trustees Chairperson

Guam Memorial Hospital Authority  
 Organizational Chart  
 Approved 01/31/2014

**Attachment 2**

**GMHA Response Letter dated June 25, 2024**



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**To:** Hon. Benjamin J.F. Cruz  
Public Auditor

**From:** Jordan Lawrence Pauluhn  
Legal Counsel, Guam Memorial Hospital Authority

**RE:** GMHA Performance Audit – Physician Compensation  
Answers to Auditor Questions

**Date:** June 25, 2024

---

*Håfa Adai!* Mr. Cruz,

On May 20, 2024, Accountability Auditor I, Ren Erbil G. Jalandoni, sent a list of questions to Guam Memorial Hospital Authority's (GMHA) Medical Staff Office related to the ongoing performance audit of physician compensation. Several of the questions involve legal and procurement matters. As Hospital Legal Counsel, I am submitting answers on behalf of GMHA.

As an initial matter, I need to express some concerns with the basis of this audit. Physicians (and other health professionals) are essential to the basic functions of GMHA and the health and welfare of the entire island. Nationwide, physicians are highly-paid professionals and in short supply. In Guam, the practical realities related to cost of living and geography require incentives to recruit and retain quality physicians. Even with the shortages of physicians and the struggles in recruitment, there are certain specialties that GMHA simply must have on staff at all times.

The nature of this "performance audit" risks frustrating physician retention and recruitment. You have made public comments about the nature and reasons for this audit. You are quoted as stating that you have received weekly whistleblower notifications "about somebody saying something about compensation at the hospital." See Matsuki Hirayama, *OPA to release eight audits in 2024 to include one that will make headlines*, KUAM News (Apr. 27, 2024). Public comments about ongoing audits could be perceived as undermining the impartiality of the audits, particularly during an election year. GMHA has also not been made directly aware of the contents of the "notifications." While the identity of a person providing information may be confidential, the specific concerns reported to the Public Auditor should be shared with the agency so it may fully cooperate and understand the audit and related investigatory activities. As far as I am aware, "somebody saying something about another thing" is not a generally accepted accounting principle or auditing standard or basis for initiating an audit.



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If there is a genuine concern about the legality of GMHA's hiring practices, GMHA cannot be expected to divine what those allegations may be. GMHA requires the services of quality physicians to run a hospital and to provide quality care for the people of Guam and our neighboring islands.

GMHA is also concerned that your office has commenced this audit, while also seeming to ignore credible allegations of mismanagement of public funds in the hiring of personnel at other agencies—particularly the Attorney General's Office. *See, e.g., Joe Taitano II, AG's office: No nepotism in hiring AG Moylan's fiancé, brother, Pacific Daily News (May 15, 2024).* The publicly-available staffing patterns from the Attorney General's Office indicate on their face that he has excessive "unclassified" appointments, including appointments of attorneys—which appear to be an obvious violation of *Haeuser v. Dep't of Law*, 97 F.3d 1152 (9th Cir. 1996).

With those observations, GMHA has been fully participating in this audit initiated by the Public Auditor and continues to do so. The answers to the questions GMHA received from your office are as follows:

*1. What are the differences between the types of contracts for physicians?*

GMHA typically uses three different types of employment agreements with physicians: (1) Professional Services Agreement; (2) Unclassified Employment Agreement; and (3) Memorandum of Agreement. These agreements are sometimes colloquially referred to as "contracts." However, because physicians are unclassified appointments, *see* 10 GCA § 80113, and are considered "at will," the more appropriate term is "agreement."

A Professional Services Agreement is typically used for independent physicians, sometimes referred to as "independent contractors." An Unclassified Employment Agreement is typically used for physicians directly employed by GMHA and documented by a GG-1. A Memorandum of Agreement is typically used for *locum tenens* physicians and certain physician groups.

*2. How is the type of contract chosen for each physician?*

*See Answer to Question 1.*



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3. *For physicians with a "Professional Services Agreement," are they subject to Guam procurement laws, rules, and regulations, under "professional services?"*

Physician hiring is not subject to the Guam Procurement Code. Physicians are unclassified personnel appointments under 10 GCA § 80113 and 4 GCA §§ 6229-6229.15, as applicable. *See also* 4 GCA §§ 2103.15; 2103.16. Title 4 GCA § 6229.14 specifically states: "All government of Guam agencies shall be exempted from the government of Guam Department of Administration recruitment process for the hiring of nurses and other healthcare professional positions."

The relevant statutory provisions have historically been interpreted as allowing direct unclassified employment "contracts" or "agreements." As far as it can be ascertained, GMHA has appointed physicians to the unclassified services for as long as it has existed. GMHA is not aware that an RFP or other formal procurement has ever been issued for physician services.

4. *In connection to question #3, would these physicians be subject to the procurement process, such as competitive bidding requirements, qualification criteria, selection criteria, contract terms & conditions, ethical standards, conflict of interest, and etc.?*

*See Answer to Question 3.* Physician hiring is not subject to the Guam Procurement Code.

5. *For physicians with contracts that reach compensation of \$500K and above, are their contracts subject to review by the Attorney General?*

Physician hiring is not subject to the Guam Procurement Code. Physicians are unclassified personnel appointments under 10 GCA § 80113 and 4 GCA §§ 6229-6229.15, as applicable. Title 4 GCA § 6229.14 specifically states: "All government of Guam agencies shall be exempted from the government of Guam Department of Administration recruitment process for the hiring of nurses and other healthcare professional positions." GMHA is also routinely permitted under the Budget Act to hire and expend funds to pay unclassified doctors, nurses, and licensed health professionals. *See, e.g.,* Guam P.L. 3742, Ch. XII § 24(c). Additionally, GMHA is not subject to Article 2 of the Procurement Code; it is governed by its own related regulations.





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6. *Is there documentation demonstrating the rationale for selecting specific physicians over others?*

Physicians are selected based on their CV, prior experience and education, interviews with selecting physician leaders (*e.g.*, department chief, department head, Associate Administrator of Medical Services, *etc.*), scheduling and availability, staffing needs, *etc.* Physicians also undergo a credentialing process and background checks. As physicians are unclassified appointments, GMHA does not utilize specific documents or rating forms necessary for classified positions.

7. *How can a physician be classified both as a Government Employee and an Independent Contractor at the same time?*

Physicians are unclassified personnel appointments under 10 GCA § 80113 and 4 GCA §§ 6229-6229.15, as applicable. Thus, physicians are not “classified” as a Government Employee. *See again* Guam P.L. 3742, Ch. XII § 24(c). With respect to physicians listed as both employees and independent physicians, certain physicians hold multiple titles, roles, or responsibilities within the hospital for the provision of different services. A physician may provide clinical and medical services (*i.e.*, direct patient care) through an employment agreement, *see Answer to Question 1*, and a physician may also be employed in an administrative or management capacity (evidence through a GG-1) performing duties as a departmental medical director, an associate or assistant administrator, or other similar position. Physicians (and other health professionals) are expressly permitted to be employed in more than one positions within the government of Guam. 4 GCA § 6504.1(a)(4).

8. *How can a physician be classified both as a Privilege Only and an Independent Contractor at the same time? (Physician #162).*

This was a typographical error from a prior version of the submitted spreadsheet. The updated list corrects the information regarding Physician #162.

9. *Can you provide administrative position contracts for physicians who are part of the staffing at GMHA?*

Physicians holding administrative positions (*e.g.*, Associate Administrator of Medical Services, Associate Administrator of Clinical Services, Medical Director, *etc.*) are typically directly-hired unclassified employees with employment evidenced by a GG-1. These positions typically do not have a



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written agreement of the type identified in the Answer to Question 1. The duties of administrative positions are typically governed by the written job descriptions and any position description questionnaires.

*10. For physicians who have amendments, are the new amounts added on top of the old amounts for a specific fiscal year?*

When a contract is amended, new amounts are added on an hourly basis or pro rata portion of the new annual rate depending on the type of amendment and services rendered. The new rate is effective and paid as of the date the new rate is authorized.

GMHA reserves the right to update these answers as necessary and is happy to provide additional information as it may be helpful to you and your staff. GMHA trusts that the Public Auditor will support the Hospital in its efforts to recruit and retain physicians, who are essential to the health of our island and our families.

Jordan Lawrence Pauluhn  
Legal Counsel  
Guam Memorial Hospital Authority



**Official Management Response**

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**Attachment 3**

**GMHA Response Letter dated August 23, 2024**



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**To:** Hon. Benjamin J.F. Cruz  
Public Auditor

**From:** Jordan Lawrence Pauluhn  
Hospital Legal Counsel

Lillian Perez-Posadas  
Hospital Administrator/CEO

**RE:** GMHA Performance Audit – Physician Compensation  
Preliminary Questions  
Phase I - Batch 1

**Date:** August 23, 2024

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*Håfa Adai!* Mr. Cruz,

GMHA has been fully cooperative in the Office of Public Accountability's performance audit of GMHA physician compensation. The Medical Staff Office submitted documents and information via email on April 25, 2024, May 13, 2024, May 17, 2024, May 24, 2024, and June 26, 2024. Individual physicians and members of the medical staff met with the Public Auditor and members of the OPA staff on June 5, 2024. Legal Counsel also provided answers to substantive questions by letter dated June 25, 2024.

Given the extensive information already provided to the OPA, the OPA's decision to expand this into a three-part audit creates redundant work. If there is a method of streamlining the requests for information, GMHA stands ready to make this audit more efficient and transparent.

I also need to express concern with respect to the non-disclosure of an appearance of a conflict that has recently come to my attention. The Auditor-in-Charge assigned to this audit is in the first degree of relation (mother-son) to a member of the GMHA Accounting Department, which is directly responsible for processing and issuing payments for physician compensation. For the auditing standards governing this situation, I would refer to the United States Government Accountability Office's publication entitled *Government Auditing Standards (2024 Revision)* with particular attention paid to Chapter 3: Ethics, Independence, and Professional Judgment, particularly Standard 3.41.



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The answers to the most recent set of questions were provided by members of the Medical Staff Office, Fiscal and Accounting Departments, and other administrative staff. The answers have been compiled into this letter. The answers to the questions GMHA received from your office identified as "Preliminary Questions, Phase I – Batch I" are as follows (GMHA answers in red):

**1. Financial Statements**

a. Based on the data GMHA provided, what expense categories (Personnel Cost) were the following paid compensations classified?

i. 32 GG1 Employees:

1. FY 2020- \$6,549,027.63
2. FY 2021- \$7,587,660.76
3. FY 2022- \$6,693,376.12
4. FY 2023- \$6,473,309.95 (Unaudited)

ii. 168 Contracted Physicians:

1. FY 2020- \$18,788,322.51  
**Correct value: \$14,724,386.46**
2. FY 2021- \$22,297,848.83  
**Correct value: \$17,584,886.96**
3. FY 2022- \$23,358,473.44  
**Correct value: \$21,944,508.45**
4. FY 2023- \$27,209,211.90 (Unaudited)  
**Correct value: \$24,345,890.33**

**2. GMHA Internal Policy**

Please **provide** us with GMHA internal policies, procedures, regulations and guidelines relative to the following matters:

a. Execution of Professional Services Agreement (PSA), Unclassified Employment Agreement (UEA), and Memorandum of Understanding (MOA), its applicability and authorized approvers.

**Please see GMHA Policy No. A-LD700**

b. Hiring process, procedural flow, documentation, salaries and authorized approvers of **contracted on island and off-island physicians**.

**Please see GMHA Policy No. A-LD700**

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- c. Hiring process, procedural flow, documentation, salaries, and authorized approvers relative to physicians hired via GG1 process. Based on our initial information, these physicians are not hired same as the DOA hiring process.  
**Please see GMHA Policy No. A-LD700**
- d. Basis of physician rate per hour/day or per services rendered, or use of fee schedule, documentation, and approvers.  
**Please see GMHA Policy No. A-LD700**
- e. Please also **provide a process flow or flow chart** from contracted physician billing to GMHA, billing process, review and approval, final payment, approver, recording, and storage/safekeeping of supporting documentation.  
**Please see GMHA Policy No. A-LD700. GMHA does not maintain a comprehensive "flow chart." A "Physician/Provider Recruiting & Contracting" flowchart (Pub. 09/11/2019) is attached. A slide presentation entitled "What is Revenue Cycle Management?" is attached. A "GMHA Revenue Cycle Management Flow Chart" is attached. A slide presentation entitled "Billing and Collection Process" is attached. A "Medical Records Flow Chart" is attached as well.**

**3. Employment Agreement/Contract**

**a. Professional Services Agreement (PSA)**

- i. Is this mandatory/required to be executed by **all** off-island and on-island contracted physicians?  
**Physicians employed as "independent contractors" have PSAs or MOAs. Please see also Answer to Question 1 in attorney letter to the Public Auditor dated June 25, 2024.**
- ii. Can you please provide us a list of **all** contracted physicians who signed/executed PSA?  
**GMHA has previously provided information for FY2021, FY2022, and FY2023 as requested. If additional information is requested, the OPA must specifically identify what materials or physician information it believes is incomplete.**
- iii. How can GMHA enforce the significant terms and conditions embodied in the PSAs if the contracted physicians do not execute this agreement?  
**A PSA is required, unless the physician is covered by an Unclassified Employment Agreement (UAE) or Memorandum of Agreement (MOA).**



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- iv. Without PSA, what would be the basis of compensation, its changes/increases?  
A PSA is required, unless the physician is covered by a UAE or MOA. For changes in compensation, increases may result from an amendment to the PSA, an interim executive memorandum, or a resolution of the Board of Trustees.
- v. Is the execution/compliance of this requirement being monitored, including its expiry and amendment?  
Contract execution and compliance is being monitored regularly. Due to a variety of circumstances, such as the absence from a physician from the island on renewal date, there may be occasional *de minimis* lapses with respect to the dates of renewal. If any physician services are rendered prior to the renewal, the terms of the last-executed agreement would govern.
- vi. Who are the responsible GMHA officials authorized to sign this document and its amendments?  
The Hospital Administrator/CEO, Associate Administrator of Medical Services, and the Chief Financial Officer are the GMHA officials responsible for signing PSAs and renewals.
- vii. Is there a need for recommendation and approval by the Board of Trustees?  
PSAs are not approved or recommended directly by the Board of Trustees. However, privileges are all reviewed and approved by the Board of Trustees. Additionally, certain compensation rates are set by resolution of the Board of Trustees.
- viii. Does this require the approval of the OAG and the Governor?  
PSAs do not require the approval of the Governor or the OAG. Please see also Answer to Question 5 in attorney letter to the Public Auditor dated June 25, 2024.
- ix. Based on the data GMHA provided, generally annual compensation paid for each physician amounted to \$500K and above.  
Average actual payment for contract physicians was \$236,898 per year from FY2020 to FY2023. This amount may have increased in subsequent fiscal years.

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- x. Who sets the rate per hour/per day/per service rendered? What is the basis? Who approves?  
The rates in PSAs are set by agreement. For GMHA, the Hospital Administrator/CEO, the Associate Administrator of Medical Services, and the Chief Financial Officer approve the rates. The basis for the rates is typically done by reference to the Medical Group Management Association (MGMA)'s publications regarding physician and practice group compensation. An illustrative example is attached.
- xi. How does GMHA monitor the hours, days, no. of patients serviced, etc., to ensure an effective review of physicians' billings and accuracy of payments?  
GMHA assumes this question refers to the physicians' billings to GMHA for hours worked, and not physicians' billings for services rendered to patients. GMHA has a dedicated Medical Staff Office consisting of 4-5 full-time employees, which deals with employment and contracting matters involving physicians. GMHA also has a Medical Records department and Fiscal department responsible for managing records and billing for services rendered. The monitoring of physician services is accomplished through schedules. For physician "billings," physicians must submit timesheets evidencing the hour worked and maintain medical records regarding the patients treated.
- xii. In case of renewals/ extensions, when is the acceptable time to renew and for every signatory to sign off?  
Renewals and extensions are typically approved and signed 30, 60, or 90 days in advance of the PSAs expiration. For any lapsed agreements, renewals are signed as immediately as circumstances permit.
- xiii. Are attachments A (Physician Rights and Responsibilities) and B (Physician Roles, Responsibilities, Scope of Services and Obligations) required in all PSAs and should this be confirmed/signed by the contracted physicians?  
"Physician Rights and Responsibilities" and "Physician Roles, Responsibilities, Scope of Services and Obligations" are not signed separately in most cases. The attachments are typically incorporated in the scope of each PSA, though individual agreements may not incorporate all the same terms depending on the circumstances.

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- xiv. What does it mean when a contracted physician signed on the PSA as a DBA: of a certain medical provider? Who is the contracted physician – the company or the physician?  
The PSA is executed with the company or corporation. The physician or physicians listed in the PSA would be classified as “providers” under the PSA with the company or physicians group.
- xv. When advertising for a contracted physician, are applicant company providers acceptable or only specific individual physician? How is the selection process conducted?  
Due to the complex nature of physician hiring, GMHA has not publicly advertised (at least recently) for physician services, instead working through direct inquiries and recruiting firms. GMHA does accept all inquiries from both direct inquiries and recruiting firms.
- xvi. If a physician is paid both as contracted physician and as unclassified GovGuam employee under GG1, are they required to execute both a PSA and a UEA?  
In most cases, a GG-1 employee is an appointed position. GG-1 employees may also execute a UEA. For individuals providing physician services as an “independent contractor” under a PSA and administrative services under a GG-1/UEA, a separate PSA and GG-1/UEA would be executed. Please see also Answer to Question 7 in attorney letter to the Public Auditor dated June 25, 2024.
- b. Unclassified Employment Agreement (UEA)**
- i. Contracted Physicians and GG1 Physicians
1. Can you provide us a **complete list of all physicians** who worked and paid both as independent contracted physicians and physicians who also performed duties as unclassified GG1 employees.? Please also identify an employee agreement contract executed by each, if they did.  
GMHA has previously provided information for FY2021, FY2022, and FY2023 as requested. If additional information is requested, the OPA must specifically identify what materials or physician information it believes is incomplete.
2. What physicians are required to execute UEAs?  
UEAs are executed by GG-1 physicians providing patient care. GMHA did not always use UEAs for GG-1 employees, but has recently been requiring them for new or re-hired employees.





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3. Is it possible that the roles/services rendered by independent contracted physician could be a duplication of the services rendered by same physician paid as GG1 employee? Are there specific roles, duties and responsibilities defined for contracted physician and GG1 physicians?

No. Both independent contractor physicians governed by a PSA and GG-1 employed physicians provide patient care. For patient care, an individual is hired *either* as an independent contractor physicians governed by a PSA and GG-1 employed physicians, but not both. Individual physicians that are independent contractor physicians governed by a PSA and GG-1 employees serve in different roles. The PSA would cover the individual's physician practice services with respect to patient care. The GG-1 would cover the administrative or management position held by the same physicians.

This distinction has previously been explained, see Answer to Question 7 in attorney letter to the Public Auditor dated June 25, 2024.

4. Who are the GMHA officials required to approve the UEAs and its amendments?

UEAs are approved by the Hospital Administrator/CEO, the Associate Administrator of Medical Services, and the Chief Financial Officer.

5. Are the UEAs subject to the approval by the Board of Trustees, OAG and the Governor?

No. Please also see Answers to Questions 3, 4, and 5 in attorney letter to the Public Auditor dated June 25, 2024.

6. If UEA is required for all GG1 employees, what compensation amount should prevail- the amount stated in the UEA or in the GMHA Staffing Pattern?

UEA is not required for all GG-1 physicians as it is a newer requirement. If a physician has a UEA, the UEA would prevail.

7. If there is no UEA, what compensation amount should be used?

When available, a Government of Guam salary scale would be used to determine compensation with reference to the Medical Group Management Association (MGMA)'s publications regarding physician and practice group compensation. An illustrative example is attached. Because physicians are unclassified personnel



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appointments under 10 GCA § 80113 and 4 GCA §§ 6229-6229.15, as applicable, the setting of salaries is not strictly limited by the steps on the Government of Guam salary scales.

8. If the Staffing Pattern compensation be used, how is the annual compensation per Staffing Pattern increased?  
This question requires clarification. GMHA does not understand what is being requested. The Staffing Pattern merely reflects the compensation paid to GG-1 employees. The Staffing Pattern is not used to "set" compensation.
9. Is there a corresponding performance evaluation/rating for the annual increment?  
Annual increments are discretionary and, for unclassified employees, they are not required. There is currently no uniform evaluation form for GG-1 physicians; however, the Medical Staff Office is in the process of developing a standardized evaluation form.
10. Who approves the annual increases/increments?  
Any increases are approved by the Hospital Administrator/CEO, the Associate Administrator of Medical Services, and the Chief Financial Officer.
11. GG1 employees are paid with basic salaries and GovGuam benefits, however the UEA for GG1 employees specify that the physician is not entitled to GovGuam benefits. What should prevail?  
For GG-1 employees, the UEA states that a physician is eligible for benefits. There is no conflict.
12. Is it possible that some GG1 paid physicians are not in the staffing pattern? If not and these physicians did not execute UEAs, what is the basis of compensation paid?  
Because GG-1 physicians occupy a position number, they are all reflected on the Staffing Pattern. Individuals hired after creation and transmittal of the most recent Staffing Pattern may not appear on the Staffing Pattern until the next quarter.
13. Under what circumstances does a physician paid under GG1 received compensation above the amount stated in the staffing pattern?  
An individual employed under a GG-1 in an administrative or management capacity *may* also receive compensation for



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rendering physician services in patient care under an independent contractor agreement and PSA. Please see also Answer to Question 7 in attorney letter to the Public Auditor dated June 25, 2024.

14. Relative to item #13, who approves the excess compensation?  
Item 13 does not result in "excess" compensation, but in compensation for multiple positions. Both the PSA for physician services and the GG-1 appointment for administrative and management positions are approved by the Hospital Administrator/CEO, the Associate Administrator of Medical Services, and the Chief Financial Officer. Appointment of certain positions such as the Associate Administrator of Medical Services may also require consultation with internal committees, such as the Medical Executive Committee (MEC).
  15. As unclassified GovGuam employees (GG1 physicians) are entitled to sick leave and vacation leave credits, are the leave use monitored and submitted to HR for proper recording in the payroll system, for appropriate adjustment in the leave credits earned?  
Yes. Payroll and accounting use both AS400 and ORMed for tracking accrued and used leave. Additionally, physicians submit leave forms to documents leave requests and approvals.
  16. Is the need to hire a physician **be advertised** in the GMHA website, newspaper or any form of print media to capture potential applicants? How is the selection process conducted?  
This question requires clarification as it contains unclear use of verbs. To the extent it is seeking information about advertisements, please see Answer to Question xv, above.
- ii. Administrative & Management Positions
1. Can you provide us a list of **all** hired physicians who also occupied and performed administrative and management positions with their corresponding salaries, duties, and responsibilities?  
Yes. The physicians employed in these roles will typically have employment evidenced by a GG-1, which will appear on GMHA's quarterly staffing pattern.
  2. Do these administrative and management positions require execution of written agreements? If yes, what are these agreements?  
Administrative and management position do not necessarily require execution of written agreements, but are evidenced through





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appointment letters and memoranda. Typically, there is a position description corresponding to each position. In the rare event that an administrative or management position does not have a position description, a PSA or MOA would be used.

3. If not, what should govern their duties and responsibilities, and corresponding compensation?

Duties and responsibilities for physicians occupying administrative and management position are governed by any job descriptions, position description questionnaires, appointment letters, and any other memoranda.

**c. Memorandum of Agreement (MOA)**

- i. Who are these specific physicians required to execute MOAs?

An MOA is typically used for *locum tenens* physicians and certain physician groups. Please also refer to Answer to Question 1 in attorney letter to the Public Auditor dated June 25, 2024. To the extent specific names are sought, GMHA has previously provided a list covering FY2021, FY2022, and FY2023.

- ii. Please provide a list and identify if they have or have not signed MOAs. GMHA has previously provided a list covering FY2021, FY2022, and FY2023.

- iii. Who are the GMHA officials who approve/signs the MOAs?

MOAs are approved by the Hospital Administrator/CEO, the Associate Administrator of Medical Services, and the Chief Financial Officer.

- iv. Are MOAs subject to the approval by Board of Trustees, OAG and Governor?

No. Please also see Answers to Questions 3, 4, and 5 in attorney letter to the Public Auditor dated June 25, 2024.

- v. The MOA specifically states that compensations are to be paid without benefits.

This is a statement, not a question. However, to confirm, a *locum tenens* physician or other physician group operating under an MOA does not accrue benefits. Though, a *locum tenens* physician may receive airfare, some housing allowance, and malpractice coverage.



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- vi. Why are some physicians who signed MOAs (without UEAs) were paid as GG1 employees, which is inclusive of basic salary and benefits?  
GMHA is uncertain which physicians the OPA is referring to. Please be more specific.
- vii. Most MOA signatories are **off island physicians** because of their fare and lodging benefits. What is the process of paying/reimbursing these travel benefits? Who approves?  
The approvals occur in the execution of the MOA, see Answer to Question c.iii, above. After a physician's assignment under an MOA begins, a memorandum is submitted to the fiscal department for processing and payment, typically through reimbursement or stipend.
- viii. Most of the physicians who executed MOAs were not included in the list provided on: a) Contracted Physicians Actual Compensation, b) Contracted Physician Actual Compensation - GG1.  
1. Were these physicians compensated?  
2. Where were the compensations booked? Were compensations subjected to review and approval?  
For items c.vii.1 and c.vii.2 above, please provide the names of physicians being referred to by the OPA. GMHA completed the contract physician compensation based on the template (pre-determined list) provided by OPA. If there were no payments to a physician with an executed MOA, it could be that the physician did not have to perform services during a fiscal year.
- ix. When is the submission of physicians' time sheets required? Are the submissions being monitored and subjected to checking, review and approval prior to payment of compensation?  
Submission of physician timesheets occurs every other week on a schedule corresponding to government of Guam payroll. The submissions are monitored, through standard timekeeping processes, by the Medical Staff Office and Payroll & Accounting Department after submission.
- x. Are executed MOAs reviewed for completeness as to signatories, dates of signing, effectivity and expiry dates?  
Yes. The Medical Staff Office also reviews MOAs for completeness during the processing phase and corrects any deficiencies when necessary.



**GUAM MEMORIAL HOSPITAL AUTHORITY**  
ATURIDĀT ESPETĀT MIMURIĀT GUĀHĀN

850 Governor Carlos Camacho Road, Tamuning, Guam 96913  
Operator: (671) 647-2330 or 2552 | Fax: (671) 649-5506



- xi. Should the Scope of Services be consistently attached to the MOAs and signed by the physician?

**It is not currently the practice of GMHA to attached the Scope of Services to the MOAs. But each physician operating under an MOA is provided and given access to the Scope of Services.**

GMHA reserves the right to update these answers as necessary and is happy to provide additional information as it may be helpful to you and your staff. GMHA looks forward to working with the Public Auditor to recruit and retain physicians, who provide essential, safe, and quality care to the members of our community.

*Jordan Lawrence Pauluhn*  
**Jordan Lawrence Pauluhn**  
Hospital Legal Counsel  
Guam Memorial Hospital Authority

Reviewed and Concurred By:

*Lillian Perez Posadas*  
**Lillian Perez Posadas, RN, MN**  
Hospital Administrator/CEO

**Attachment 4**

**Chart of Compensation Paid to Physicians**

**\*Redacted\***



Appendix 2:  
**Official Management Response**

Please provide the total actual compensation paid to physicians for the FY listed below.

No.	Vendor #	Provider	Department	Specialty	Actual Total Compensation Paid to Physicians per Fiscal Year (FY)			
					FY 2020	FY 2021	FY 2022	FY 2023
1	491		Surgery	Pathology	-	-	-	12,900.00
2	284		Medicine	Pulmonary/Critical Care, Internal Medicine	300,000.76	496,152.64	669,615.39	613,461.52
3	431		Medicine/Peds	Internal Medicine/Pediatrics	-	-	434,785.00	450,045.00
4	367		Medicine	Internal Medicine - Hospitalist	-	246,285.00	483,177.00	417,850.00
5	399		Medicine	Family Medicine - Hospitalist	102,540.00	375,990.00	131,130.00	-
6	315		Surgery	Pathology	2,700.00	13,800.00	39,150.00	95,625.00
7	223		Medicine	Internal Medicine, Hematology/Oncology	111,182.50	9,100.00	189,800.00	194,350.00
8	359		Radiology	Radiology	-	-	85,100.00	-
9	395		Surgery	Orthopaedics	121,000.00	121,000.00	172,000.00	163,000.00
10	302		Emergency Medicine	Emergency Medicine	481,492.64	521,043.27	473,854.50	372,849.75
11	295		Anesthesia	Anesthesiology	424,525.63	434,694.40	498,871.25	607,189.12
12	449		Medicine	Internal Medicine	-	-	99,900.00	61,695.00
13	495		Emergency Medicine	Emergency Medicine	-	-	-	47,706.90
14	429		Medicine	Pulmonary/Critical Care, Internal Medicine	-	-	333,715.00	221,175.00
15	292		Radiology	Radiology	675,625.00	578,200.00	624,680.00	1,740,170.00
16	224		Obstetrics & Gynecology	Obstetrics & Gynecology	6,000.00	68,750.00	200,020.83	152,677.44
17	561		Medicine	Internal Medicine - Hospitalist	313,496.00	342,725.00	315,992.00	278,060.00
18	467		Obstetrics & Gynecology	Obstetrics & Gynecology	-	-	13,875.00	58,560.00
19	269		Surgery	Podiatry	218,400.00	219,801.88	235,200.00	226,999.85
20	436		Medicine	Internal Medicine; Critical Care	-	-	105,700.00	-
21	363		Medicine	Critical Care Medicine, Internal Medicine	-	105,955.00	319,300.00	313,455.00
22	426		Obstetrics & Gynecology	Obstetrics & Gynecology	-	-	98,750.00	-

Appendix 2:  
**Official Management Response**

Please provide the total actual compensation paid to physicians for the FY listed below.

No.	Vendor #	Provider	Department	Specialty	FY 2020	FY 2021	FY 2022	FY 2023
23	498		Emergency Medicine	Emergency Medicine	-	-	-	-
24	316		Radiology	Radiology	49,846.32	52,615.56	-	-
25	488		Pediatrics	Pediatrics	-	-	-	6,539.60
26	240		Medicine	Internal Medicine	-	208,163.78	-	-
27	GG1		Surgery	General Surgery, Hand Surgery	364,518.47	377,165.89	160,014.11	-
28	371		Surgery	Otolaryngology	254,325.00	268,625.00	293,500.00	288,000.00
29	306/348		Medicine	Internal Medicine - Hospitalist	340,200.00	385,200.00	372,750.00	267,120.00
30	252		Medicine	Internal Medicine - Hospitalist	458,770.00	267,720.00	-	-
31	216		Emergency Medicine	Family Medicine	42,656.25	161,261.75	-	-
32	478		Obstetrics & Gynecology; Pediatrics	Obstetrics & Gynecology; Pediatrics	-	-	-	140,400.00
33	345		Medicine	Internal Medicine - Hospitalist	393,540.00	328,684.00	201,486.00	273,600.00
34	GG1		Medicine	Internal Medicine - Hospitalist	332,339.00	387,372.25	452,595.50	410,608.00
35	5005		Surgery	Orthopedics	139,000.00	124,000.00	229,000.00	172,000.00
36	333		Medicine	Internal Medicine - Hospitalist	378,540.00	384,480.00	452,866.00	385,600.00
37	217		Anesthesia	Anesthesiology	423,949.38	436,091.65	482,964.12	617,351.82
38	487		Pediatrics	Pediatrics	-	-	-	112,925.64
39	469		Emergency Medicine	Emergency Medicine	-	-	7,087.00	47,671.00
40	516		Medicine	Internal Medicine - Hospitalist	-	-	-	-
41	253		Obstetrics & Gynecology	Obstetrics & Gynecology	-	5,106.76	-	-
42	443		Emergency Medicine	Emergency Medicine	-	-	135,754.50	338,184.00
43	391		Surgery	Plastic Surgery, General Surgery	1,200,003.04	1,200,000.00	1,246,158.00	1,153,850.00

Appendix 2:  
**Official Management Response**

Please provide the total actual compensation paid to physicians for the FY listed below.

No.	Vendor #	Provider	Department	Specialty	FY 2020	FY 2021	FY 2022	FY 2023
44	445/450		Medicine	Internal Medicine - Hospitalist	-	-	202,860.00	309,780.00
45	202		Pediatrics	Pediatrics	81,668.00	53,502.00	176,388.00	136,182.50
46	427		Pediatrics	Pediatrics - Neonatology	-	-	70,875.00	-
47	486		Emergency Medicine	Emergency Medicine	-	-	-	49,539.00
48	228		Medicine	Internal Medicine - Hospitalist	358,350.00	182,700.00	185,400.00	154,500.00
49	434		Obstetrics & Gynecology	Obstetrics & Gynecology	-	-	27,500.00	8,160.00
50	239		Medicine	Interventional Cardiology, Internal Medicine	283,525.00	358,762.51	437,556.25	440,781.25
51	351		Radiology	Radiology	82,800.00	69,920.00	64,400.00	-
52	464		Pediatrics	Pediatrics	-	-	39,600.00	258,345.00
53	430		Emergency Medicine	Emergency Medicine	-	-	74,277.00	105,840.00
54	255		Surgery	Urology	381,369.72	352,876.58	444,931.34	352,876.58
55	447		Medicine	Internal Medicine - Hospitalist	-	-	130,200.00	216,780.00
56	424		Emergency Medicine	Emergency Medicine	-	3,003.00	339,125.75	300,111.00
57	215		Emergency Medicine	Family Medicine	115,192.25	133,702.05	111,755.00	-
58	387		Emergency Medicine	Emergency Medicine	-	28,606.20	47,281.50	22,984.50
59	475		Medicine	Family Medicine - Hospitalist	-	-	13,500.00	111,600.00
60	321		Emergency Medicine	Family Medicine	212,562.50	325,970.18	178,600.00	161,785.00
61	236		Surgery	Neurosurgery	182,400.00	215,400.00	138,000.00	-
62	5086		Pediatrics	Pediatric Pulmonology, Pediatrics	-	12,096.00	95,071.00	8,385.00
63	392		Emergency Medicine	Emergency Medicine	6,000.00	17,200.00	-	-
64	416		Emergency Medicine	Emergency Medicine	-	14,385.00	59,031.00	8,253.00

Appendix 2:  
**Official Management Response**

*Please provide the total actual compensation paid to physicians for the FY listed below.*

<i>Actual Total Compensation Paid to Physicians per Fiscal Year (FY)</i>								
No.	Vendor #	Provider	Department	Specialty	FY 2020	FY 2021	FY 2022	FY 2023
65	235		Medicine	Internal Medicine - Hospitalist	118,080.00	102,600.00	439,589.00	434,100.00
66	470		Medicine	Internal Medicine	-	-	132,585.00	231,510.00
67	270		Medicine	Internal Medicine	-	77,280.00	-	-
68	GG1		Emergency Medicine	Emergency Medicine	388,228.45	446,711.85	381,025.80	385,713.90
69	411		Medicine	Internal Medicine - Hospitalist	499,680.00	454,605.00	294,990.00	381,600.00
70	441		Medicine	Internal Medicine	-	-	95,070.00	-
71	338		Anesthesia	Anesthesiology	252,729.39	228,409.17	-	194,720.00
72	432		Radiology	Radiology	-	-	52,900.00	-
73	394		Orthopedics	Orthopedics	59,000.00	103,000.00	-	-
74	220		Medicine	Cardiology, Internal Medicine	85,279.80	33,581.40	50,776.00	70,567.10
75	8096		Emergency Medicine	Emergency Medicine	-	-	-	-
76	413		Anesthesia	Anesthesiology	3,053.78	269,402.74	13,977.88	1,662.50
77	211		Pediatrics	Pediatrics - Intensivist	176,688.50	76,176.00	-	45,540.00
78	366		Medicine	Internal Medicine - Hospitalist	188,040.00	548,070.00	558,084.00	544,560.00
79	481		Obstetrics & Gynecology	Obstetrics & Gynecology	-	-	-	11,112.50
80	280		Pediatrics	Pediatrics	76,234.70	-	194,994.00	-
81	417		Emergency Medicine	Emergency Medicine	-	13,755.00	-	-
82	314		Medicine	Cardiology	388,082.76	412,649.26	420,675.00	467,450.00
83	474		Emergency Medicine	Emergency Medicine	-	-	25,496.10	53,718.00
84	246		Emergency Medicine	Emergency Medicine	11,765.75	-	-	-
85	418		Emergency Medicine	Emergency Medicine	-	17,850.00	50,662.50	35,574.00
86	GG1		Emergency Medicine	Emergency Medicine	344,239.60	389,032.80	335,076.00	317,043.60
87	GG1		Pediatrics	Pediatrics	120,000.00	178,605.00	343,315.19	420,255.00

Appendix 2:  
**Official Management Response**

Please provide the total actual compensation paid to physicians for the FY listed below.

No.	Vendor #	Provider	Department	Specialty	Actual Total Compensation Paid to Physician per Fiscal Year (FY)			
					FY 2020	FY 2021	FY 2022	FY 2023
88	287		Anesthesia	Anesthesiology	453,022.72	462,933.39	494,899.98	382,776.71
89	301		Medicine	Internal Medicine - Hospitalist				
90	485		Obstetrics & Gynecology	Obstetrics & Gynecology	386,190.00	199,950.00	241,678.00	63,945.00
91	480		Pediatrics	Pediatrics	-	-	-	338,640.00
92	473		Medicine	Internal Medicine - Hospitalist	-	-	30,830.00	294,480.00
93	661		Medicine	Internal Medicine - Hospitalist	256,714.00	301,288.00	290,040.00	298,746.67
94	389		Medicine	Internal Medicine; Intensivist	81,632.00	284,314.50	-	-
95	378		Medicine	Internal Medicine	9,000.00	271,890.00	-	-
96	291		Anesthesia	Anesthesiology	422,296.97	425,456.74	497,073.39	583,799.12
97	307		Medicine	Infectious Disease	54,770.00	54,100.00	49,270.00	37,400.00
98	349		Medicine	Internal Medicine	-	196,688.00	71,556.00	-
99	476		Medicine	Internal Medicine - Hospitalist	-	-	-	63,900.00
100	440		Medicine	Internal Medicine	-	-	39,450.00	-
101	446		Medicine	Internal Medicine	-	-	-	15,395.00
102	385		Emergency Medicine	Emergency Medicine	46,553.13	23,546.25	-	-
103	320		Medicine	Internal Medicine - Hospitalist	75,825.00	-	65,452.50	65,925.00
104	492		Emergency Medicine	Emergency Medicine	-	-	-	33,138.00
105	493		Medicine	Family Medicine	-	-	-	81,382.50
106	494		Emergency Medicine	Emergency Medicine	-	-	-	20,328.00
107	479		Medicine	Gastroenterology	-	-	-	64,278.90
108	274		Medicine	Internal Medicine - Hospitalist	-	111,954.00	244,364.50	270,780.00
109	484		Obstetrics & Gynecology	Obstetrics & Gynecology	-	-	-	61,200.00
110	327		Medicine	Internal Medicine	200,920.00	296,675.00	-	-

Appendix 2:  
**Official Management Response**

Please provide the total actual compensation paid to physicians for the FY listed below.

No.	Vendor #	Provider	Department	Specialty	FY 2020	FY 2021	FY 2022	FY 2023
111	209		Surgery	Neurosurgery	-	-	358,800.00	614,100.00
112	213		Emergency Medicine	Family Medicine	193,369.03	9,796.88	-	119,757.50
113	412		Medicine	Internal Medicine - Hospitalist	132,210.00	67,427.50	76,165.00	142,980.00
114	477		Medicine	Internal Medicine	-	-	-	76,140.00
115	471/497		Obstetrics & Gynecology	Obstetrics & Gynecology	-	-	-	-
116	222		Medicine	Nephrology	54,188.00	54,435.00	44,555.00	50,540.00
117	420		Medicine	Internal Medicine	-	67,950.00	13,005.00	-
118	368		Surgery	Wound Care	385,883.82	388,574.14	382,500.12	175,215.50
119	368		Surgery	Podiatry	-	-	-	-
120	GG1		Medicine	Internal Medicine - Hospitalist	280,852.00	329,752.00	305,052.00	291,980.00
121	435		Anesthesia	Anesthesiology	-	-	386,513.36	435,752.07
122	374		Radiology	Radiology	123,808.16	132,115.89	91,384.92	-
123	334		Medicine	Internal Medicine - Hospitalist	331,920.00	279,540.00	350,676.00	260,960.00
124	GG1		Radiology	Radiology	-	247,721.50	436,310.00	27,508.00
125	GG1		Radiology	Radiology	1,025,236.50	849,939.37	90,537.99	-
126	233		Emergency Medicine	Emergency Medicine	-	20,842.51	-	-
127	241		Medicine	Internal Medicine	373,063.02	379,487.25	169,545.00	-
128	203		Emergency Medicine	Emergency Medicine	110,693.27	122,966.55	-	-
129	265		Emergency Medical Services	Emergency Medical Services	-	71,064.00	233,806.74	200,274.00
130	268		Medicine	Nephrology	252,000.00	273,750.00	385,250.00	594,000.00
131	GG1		Radiology	Radiology	68,804.50	234,117.00	-	-
132	258		Emergency Medicine	Emergency Medicine	456,650.23	425,885.01	344,077.25	253,144.50
133	GG1		Medicine	Adult Gerontology	6,311.53	-	32,306.40	83,006.40



Appendix 2:  
**Official Management Response**

Please provide the total actual compensation paid to physicians for the FY listed below.

No.	Vendor #	Provider	Department	Specialty	Actual Total Compensation Paid to Physician per Fiscal Year (FY)			
					FY 2020	FY 2021	FY 2022	FY 2023
134	214		Pediatrics	Pediatrics	114,426.00	118,570.50	356,255.00	478,110.00
135	200		Emergency Medicine	Emergency Medicine	30,796.63	19,992.00	-	-
136	442		Medicine	Internal Medicine	-	-	62,520.00	65,555.00
137	437		Radiology	Interventional Radiology	-	-	11,780.00	-
138	251		Radiology	Interventional Radiology	54,360.00	36,430.00	240,365.00	17,960.00
139	GG1		Obstetrics & Gynecology	Obstetrics & Gynecology	279,550.00	281,775.00	271,700.00	350,400.00
140	346		Medicine	Internal Medicine	-	-	-	13,440.00
141	422		Medicine	Pulmonary/Critical Care, Internal Medicine	-	27,115.00	208,185.00	326,660.00
142	5146		Medicine	Internal Medicine - Hospitalist	-	143,472.19	1,178,830.98	1,898,513.01
143	229		Emergency Medicine	Emergency Medicine	-	-	-	49,638.00
144	340		Medicine	Internal Medicine	231,220.00	91,575.00	-	-
145	438		Medicine	Internal Medicine	-	-	96,292.50	-
146	262		Obstetrics & Gynecology	Obstetrics & Gynecology	-	11,281.01	12,520.83	25,521.48
147	397		Medicine	Pulmonary/Critical Care, Internal Medicine	-	112,680.00	129,210.00	282,525.00
148	GG1		Medicine	Internal Medicine	282,646.00	346,766.21	-	-
149	448		Pediatrics	Pediatrics, Pediatric Cardiology	-	-	5,625.00	12,832.50
150	372		Medicine	Internal Medicine - Hospitalist	27,090.00	54,180.00	12,600.00	-
151	260		Medicine	Internal Medicine - Hospitalist	40,320.00	-	9,000.00	43,200.00
152	304		Pediatrics	Pediatrics	48,762.00	72,080.50	78,520.00	175,825.00
153	221		Medicine	Internal Medicine - Hospitalist	-	189,315.00	233,775.00	193,110.00
154	421		Medicine	Internal Medicine; Critical Care	-	20,520.00	-	-
155	257		Obstetrics & Gynecology	Obstetrics & Gynecology	28,400.00	124,757.28	36,166.60	-
156	496		Anesthesia	Anesthesiology	-	-	-	36,057.70



Appendix 2:  
**Official Management Response**

*Please provide the total actual compensation paid to physicians for the FY listed below.*

No.	Vendor #	Provider	Department	Specialty	FY 2020	FY 2021	FY 2022	FY 2023
157	303		Emergency Medicine	Emergency Medicine	-	82,285.35	34,965.00	23,950.50
158	390		Radiology	Radiology	166,153.81	157,269.81	397,962.87	-
159	444		Pediatrics	Pediatrics	-	-	19,170.00	800.00
160	468		Pediatrics	Pediatrics	-	-	72,840.00	116,340.00
161	505		Emergency Medicine	Emergency Medicine	-	-	-	-
162	238		Emergency Medicine	Emergency Medicine	-	292,071.15	33,033.00	34,041.00
163	489		Anesthesia	Anesthesiology	-	-	-	209,545.77
164	423		Otolaryngology	Otolaryngology	-	18,000.00	16,000.00	-
165	499		Emergency Medicine	Emergency Medicine	-	-	-	-
166	263		Medicine	Internal Medicine - Hospitalist	152,064.00	279,104.00	215,418.00	131,400.00
167	482		Pediatrics	Pediatrics	-	-	-	181,655.00
168	472		Medicine	Internal Medicine	-	-	14,100.00	69,660.00
169	428		Medicine	Internal Medicine	-	-	178,380.00	-
170	266		Medicine	Internal Medicine; Intensivist	-	37,620.00	-	-

**Official Management Response**

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**Attachment 5**

**Chart of Compensation Paid to Physicians in Management or  
Administrative Positions**

**\*Redacted\***

# Appendix 2: Official Management Response

**PAYROLL - PHYSICIANS' COMPENSATION  
PERIOD: FY2020 - FY2023**

Count	Emp#	Employee Name	Job Title	FY2020	FY2021	FY2022	FY2023	TOTAL EARNINGS
1	13136		HOSP STAFF PATR/LAB MED DIRECTOR, COVID 19 TASK FORCE	\$ 261,691.65	\$ 253,201.93	\$ 107,310.40		\$ 722,203.44
2	13853		HOSPITAL STAFF PHYSICIAN, ASSOC. HOSP ADMIN MEDICAL SRVC. ASST. ASSOC. ADMIN MEDICAL SVCS	\$ 200,232.00	\$ 202,608.00	\$ 187,200.00	\$ 182,300.00	\$ 772,340.00
3	12148		PHYSICIAN - OB/GYN	\$ 110,746.13				\$ 110,746.13
4	13648		HOSPITALIST-INTERNAL MEDICINE, CHIEF	\$ 313,496.00	\$ 342,725.00	\$ 315,992.00	\$ 278,060.00	\$ 1,250,273.00
5	13770		HOSPITALIST, COVID 19 TASK FORCE	\$ 221,120.00	\$ 216,600.00	\$ 180,100.00	\$ 47,600.00	\$ 665,420.00
6	14256		PHYSICIAN - PEDIATRICS				\$ 59,700.00	\$ 59,700.00
7	13781		HOSPITALIST-GENERAL SURGERY, COVID 19 TASK FORCE	\$ 366,518.47	\$ 377,165.89	\$ 160,014.11		\$ 903,698.47
8	12823		HOSPITALIST-INTERNAL MEDICINE, CHIEF	\$ 332,349.00	\$ 367,372.25	\$ 452,596.50	\$ 410,608.00	\$ 1,562,915.75
9	12885		HOSPITALIST, COVID 19 TASK FORCE	\$ 219,090.00	\$ 208,240.00	\$ 208,000.00	\$ 235,000.00	\$ 870,330.00
10	13007		HOSPITALIST-INTERNAL MEDICINE, LONG TERM CARE ADMINSTRATOR	\$ 135,980.00				\$ 135,980.00
11	13017		HOSP STAFF PHY - OB/GYN	\$ 265,750.00	\$ 173,581.25	\$ 23,000.00		\$ 462,331.25
12	13819		HOSPITAL STAFF PHYSICIAN		\$ 92,034.00	\$ 220,520.12		\$ 312,554.12
13	13068		PHYSICIAN-EMERGENCY ROOM, COVID 19 TASK FORCE	\$ 447,946.50	\$ 458,467.40	\$ 412,786.70	\$ 385,965.00	\$ 1,705,115.60
14	13820		HOSPITAL STAFF PHYSICIAN, COVID 19 TASK FORCE	\$ 35,204.00	\$ 295,984.00			\$ 332,188.00
15	10974		PHYSICIAN-EMERGENCY ROOM	\$ 886,228.45	\$ 446,711.85	\$ 381,025.80	\$ 885,713.90	\$ 1,601,680.00
16	13818		CHIEF, CRNA	\$ 54,430.55	\$ 425,439.51	\$ 279,774.85		\$ 759,644.91
17	13288		HOSP STAFF PHYSICIAN/TER DIRECTOR	\$ 586,331.30	\$ 595,981.20	\$ 479,586.80	\$ 421,444.50	\$ 2,085,337.80
18	13417		PHYSICIAN-EMERGENCY ROOM, EMS	\$ 342,239.60	\$ 389,032.80	\$ 335,076.00	\$ 317,043.00	\$ 1,385,392.00
19	12516		MEDICAL DIRECTOR	\$ 120,000.00	\$ 178,605.00	\$ 343,315.19	\$ 420,355.00	\$ 1,062,175.19
20	11940		HOSPITAL STAFF PHYSICIAN, ASSOC HOSP ADMIN CLINICAL SVCS	\$ 256,714.00	\$ 301,288.00	\$ 290,040.00	\$ 298,746.87	\$ 1,146,788.67
21	13789		PHYSICIAN-EMERGENCY ROOM, EMS		\$ 322,571.10	\$ 422,446.20	\$ 409,907.30	\$ 1,154,923.60
22	14193		MEDICAL DIRECTOR				\$ 15,159.05	\$ 15,159.05
23	14267		MEDICAL DIRECTOR GASTROENTEROLOGY				\$ 486,130.00	\$ 486,130.00
24	11809		HOSPITAL STAFF PHYSICIAN, ASSOC HOSP ADMIN MEDICAL SRVC. ASST. ASSOC. ADMIN MEDICAL SVCS	\$ 280,852.00	\$ 329,752.00	\$ 305,052.00	\$ 291,980.00	\$ 1,207,636.00
25	13886		HOSPITALIST-INTERNAL MEDICINE	\$ 247,721.50	\$ 436,310.00	\$ 436,310.00	\$ 27,508.00	\$ 711,639.50
26	13541		PHYSICIAN - RADIOLOGY	\$ 1,025,236.50	\$ 849,229.37	\$ 90,537.99		\$ 1,965,003.86
27	13937		HOSP STAFF PHY-DIAGNOSTIC RADIOLOGY, COVID 19 TASK FORCE	\$ 69,804.50	\$ 234,117.00			\$ 302,921.50
28	12595		NURSE PRACTITIONER, HOSP STAFF NURSE II CLINICAL I	\$ 6,311.53		\$ 32,306.40	\$ 83,006.40	\$ 121,624.33
29	14172		PHYSICIAN - RADIOLOGY	\$ 279,550.00	\$ 281,775.00	\$ 323,078.40	\$ 707,407.08	\$ 1,030,485.48
30	11896		PHYSICIAN - OB/GYN	\$ 282,646.00	\$ 346,768.21	\$ 271,700.00	\$ 350,400.00	\$ 1,189,425.00
31	12291		HOSPITALIST-INTERNAL MEDICINE				\$ 379,000.00	\$ 379,000.00
32	11602		HOSP STAFF PHY - OB/GYN				\$ 379,000.00	\$ 379,000.00
			<b>TOTAL EARNINGS</b>	<b>\$ 6,648,027.63</b>	<b>\$ 7,587,660.76</b>	<b>\$ 6,693,376.12</b>	<b>\$ 8,473,309.95</b>	<b>\$ 27,303,374.48</b>

## Status of Audit Recommendations

No.	Addressee	Audit Recommendation	Status	Action Required
1	GMHA Management	To achieve an effective and efficient physician hiring, contracting, and documentation and other related processes, GMHA facilitate its on-going policy formulation, which could include a guideline on the appropriate use of PSA, UEA and MOA for contracted and hired GG-1 physicians.	OPEN	Provide a corrective action plan with the responsible official/s and timeline of implementation.
2	GMHA Management	GMHA shall enter into contractual agreements with all compensated contracted physicians (independent contractors) by executing PSAs.	OPEN	Provide a corrective action plan with the responsible official/s and timeline of implementation.
3	GMHA Management	GMHA management comply with the required approval signatures and conduct internal reviews of executed agreements/contracts to verify compliance with the requirements stipulated in GMHA applicable internal policies.	OPEN	Provide a corrective action plan with the responsible official/s and timeline of implementation.
4	GMHA Management	GMHA make further review of the provisions in employment agreement/contract to ensure compliance with its terms and conditions or remove such provision if not applicable.	OPEN	Provide a corrective action plan with the responsible official/s and timeline of implementation.
5	GMHA Management	For uniformity and consistency, all unclassified GG-1 physicians, appointed or hired for administrative and management positions, execute UEA to be covered by the provisions and terms and conditions of the agreement.	OPEN	Provide a corrective action plan with the responsible official/s and timeline of implementation.
6	GMHA Management	For consistency, all hired GG-1 employees should appear in the GMHA staffing pattern for proper documentation and verification of actual compensation paid.	CLOSED	Recommendation implemented.

## Status of Audit Recommendations

7	GMHA Management	Consistently indicate as a requirement, the submission of time sheets on all applicable MOAs to document hours of services rendered and ensure accuracy of calculations of compensations paid.	<b>CLOSED</b>	<b>Recommendation implemented.</b>
8	GMHA Management	To avoid confusion and potential conflicts we recommend the following: a. Modify the contract template to include a dedicated section for the signatory date alongside the signature line to ensure that signatories are reminded to full completion. b. Ensure that the agreement/contract is signed by all signatories before or on the effective date of service. c. Train and assign staff to conduct internal reviews of the agreements/contracts to verify the completeness of all required signatures and with their corresponding dates of signing.	<b>CLOSED</b>	<b>Recommendation implemented.</b>
9	GMHA Management	Incorporate in its internal policy a requirement that Scope of Services to be attached to all MOAs to ensure that all parties have a clear understanding of their obligations and responsibilities.	<b>CLOSED</b>	<b>Recommendation implemented.</b>

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**Applicable Laws, Regulations, Policies, and Procedures**

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The audit team identified, reviewed, and documented applicable laws, regulations, and policies and procedures related to our audit.

**Guam Code Annotated*****Title 1 Chapter 19 Public Auditor*****§ 1923. Periodic Audit or Review of Each GovGuam Agency's SOPs**

The OPA shall at any time cause each GovGuam agency's Standard Operating Procedures (SOPs) to be reviewed for adequacy, effectiveness, and efficiency as part of each agency's audit scope. For purposes of this Section, SOPs are written formal instructions intended to document operational functions and how to perform routine activities.

(a) SOPs shall include how the agency performs certain actions necessary in carrying out government policies within the agency's scope of jurisdiction, and specific actions authorized in the agency's enabling act.

(b) Such SOPs shall be posted on each agency's website for public view.

(c) Agencies may omit from their respective website field operations or sensitive information that if disclosed may cause physical harm to government personnel or citizens, may interfere with law enforcement operations or investigations, or may weaken information systems security.

***Title 4 Chapter 2 Appointments to Office*****§ 2103.15 Duration of Unclassified Appointments and Contracts.**

All contracts for personal services for the government of Guam and all employment within the unclassified service of the government of Guam, including autonomous and semi-autonomous agencies, where no specific term of appointment or employment is specified in law as to that particular and specific position, shall be at the pleasure of the appointing authority. No employment agreement, however described, shall provide for any other term, nor shall such agreement prohibit the appointing authority from exercising its discretion in terminating said employment agreement. Any terms in conflict with this Section in any employment agreement executed after the effective date of this Section shall be null and void from the beginning.

**§ 2103.16. Employment and Employment Contracts; When Forbidden.**

No contract of employment shall be entered into between the government of Guam and any employee or officer in the unclassified service within the government of Guam unless such employment contract is specifically permitted by law or is for a physician or dentist. Such employment shall be effected through the standard form of personnel action. This Section shall not affect the ability of the government of Guam to contract for temporary services or for specific contracts not involving an employment relationship with the government of Guam, but shall apply



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**Applicable Laws, Regulations, Policies, and Procedures**

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to a contract which is essentially a contract for full-time personal services; provided, however, that the executive branch and the autonomous agencies and instrumentalities of the government of Guam may contract for the independent services of any retired employee of the government of Guam, who shall not receive thereunder the standard government of Guam retirement benefits given non-contract employees; and provided, further, that, in addition, the executive branch and the autonomous agencies and instrumentalities of the government of Guam may also hire under independent contracts persons who do not wish to be full-time employees (2,080 hours per year) and who agree that they shall not receive any of the benefits given full-time.

***Title 4 Chapter 6 Compensation of Public Employees*****§ 6229.14. Recruitment Process.**

All government of Guam agencies shall be exempted from the government of Guam Department of Administration recruitment process for the hiring of nurses and other healthcare professional positions. All nursing and other healthcare professional applicants, who have a license to practice on Guam or who qualify for a waiver of examination requirements and licensure by endorsement under Title 10 GCA, Chapter 12, relative to the healthcare professional position for which they are applying, and meet the minimum requirements of the class specifications, may be scheduled for an interview and may be recruited, using the Director of Administration education/experience pay adjustment schedule. Any action taken to recruit an applicant who is not licensed or qualified to be licensed by endorsement, does not meet the minimum requirements, and/or did not comply with the Director of Administration education/experience pay adjustment schedule, shall be declined and/or voided by the Department of Administration.

**§ 6504.1 Dual Employment Prohibited**

- (a) No Officer or employee of the government of Guam may be employed on a full-time, part-time or contractual basis or hold an appointment to more than one (1) position in the classified or unclassified service in any department, agency or branch of the government of Guam at any time, except for:
- (1) Persons serving as part-time teachers, part-time school health counselors and University of Guam instructors for the Guam Community College, and instructors for the University of Guam who may be employed during the summer and at any other time not in conflict with their primary employment if they are employed elsewhere in the government of Guam as their primary employer;
  - (2) Persons employed by the Youth Congress;
  - (3) Persons employed on a part-time basis by boards or commissions;
  - (4) Persons employed as nurses, physicians, and as ancillary/allied health professionals in the government of Guam.

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**Applicable Laws, Regulations, Policies, and Procedures**

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***Title 10 Chapter 80 Guam Memorial Hospital Authority*****§ 80113. Employment Practices.**

- (a) The Board shall establish and administer rules and regulations governing the compensation and classification of health professionals of the Hospital.
- (b) All employees of the Hospital, *except* physicians and healthcare administrators, the Hospital Administrator, Associate Administrators, for Clinical, Operations and Medical Services, and the Chief Financial Officer, *shall* be members of the classified service of the government of Guam.
  - (1) This Subsection *shall* include Allied Health providers, as defined pursuant to Chapter 12, Part 1 and Part 2, of Title 10, Guam Code Annotated, practicing in their specialty and employed as Health Care Administrators (HCA) for their department who *shall* be members of the classified service of the government of Guam. These positions are herein referenced, but not limited to, as follows: Chief Respiratory Therapist (HCA), Chief Hospital Radiology Technologist (HCA), Chief Hospital Pharmacist (HCA), Administrator of Laboratory Services (HCA), Chief of Rehabilitative Services (HCA), and Administrator of Hospital Food Services (HCA).
- (c) Each hospital employee shall be eligible to continue to be or to become a member of the government of Guam Retirement Fund pursuant to Chapter 8 of Title 4 of the Guam Code Annotated. The Hospital shall pay for the employer's contribution to the Retirement Fund that is assessed by the Fund's Board of Trustees for the benefit of hospital employees who are members of the Fund.
- (d) Each hospital employee shall be eligible to participate in any government of Guam health and life insurance plan or prepaid health plan.

**Guam Memorial Hospital Authority Administrative Manual*****Policy No. 8650-1.207***

It is the policy of the GMHA that all Employment Agreement/Contracts shall be presented by the Personnel Services Administrator and/or any Division Head to the HR Board of Trustees Subcommittee for review and justification of all Employment Agreement/Contracts to seek recommendation for approval by the HR Board of Trustees General Board for concurrence/approval prior to routing any Employment Agreement.

Contracted staff shall meet the same service/personnel requirement that are in place for Guam Memorial Hospital Authority and its direct employees.

All newly hired contracted staff shall comply with all GMHA policies, rules, and regulations and all applicable laws.

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**Applicable Laws, Regulations, Policies, and Procedures**

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The Personnel Services Administrator, with the input and approval of the Department Manager and appropriate administrative representative, shall initial advertising in appropriate journals, newspapers, and other print media which are determined to meet the target readership of potential applicants (*sic*).

The Personnel Services Administrator shall prepare a transmittal letter which shall accompany the Employment Contract to the following agencies for clearance and signatures:

- BMMR
- AG's Office
- Governor's Office – for final approval

***Policy No. A-LD700***

It is the policy of the GMHA to enter into contractual agreements with qualified organizations, vendors or individuals in order to effectively recruit or procure medical, administrative, ancillary, personnel, and other services as necessary for the operation of GMHA's facilities (namely, Guam Memorial Hospital and Skilled Nursing Facility). Furthermore, it is the responsibility of the respective department head to ensure effective management of all contracts pertaining to/relevant to their department's contracted services. In effectuating implementation of these contract management processes, requisition planning, contract development, and continued monitoring and performance evaluation shall be as outlined in this policy.

The final signed contract shall be forwarded to the Hospital Materials Management Administrator (for procurement contracts) or the HR Office and/or Medical Staff Office (for personnel contracts) who will:

1. Prepare a transmittal letter to accompany the draft contract for review, clearance, and signature by:
  - a. AG's Office – as to form and compliance with local laws;
  - b. Governor's Office – final approving authority; signature required for the contract to be valid and enforceable; and
  - c. Monitor the status of contracts forwarded to the AG's Office and Governor's Office.

**Appendix 5:**  
**GMHA Contracted Physicians Breakdown**

No.	Vendor Number	Department	Specialty	FY 2020	FY 2021	FY 2022	FY 2023	Total Compensation
1	491	Surgery	Pathology	\$0	\$0	\$0	\$12,900	\$12,900
2	284	Medicine	Pulmonary/Critical Care, Internal Medicine	\$300,001	\$496,153	\$669,615	\$613,462	\$2,079,230
3	431	Medicine/Peds.	Internal Medicine/Pediatrics	\$0	\$0	\$434,785	\$450,045	\$884,830
4	367	Medicine	Internal Medicine - Hospitalist	\$0	\$246,285	\$483,177	\$417,850	\$1,147,312
5	399	Medicine	Family Medicine - Hospitalist	\$102,540	\$375,990	\$131,130	\$0	\$609,660
6	315	Surgery	Pathology	\$2,700	\$13,800	\$39,150	\$95,625	\$151,275
7	223	Medicine	Internal Medicine, Hematology/Oncology	\$111,183	\$9,100	\$189,800	\$194,350	\$504,433
8	359	Radiology	Radiology	\$0	\$0	\$85,100	\$0	\$85,100
9	395	Surgery	Orthopedics	\$121,000	\$121,000	\$172,000	\$163,000	\$577,000
10	302	Emergency Medicine	Emergency Medicine	\$481,493	\$521,043	\$473,855	\$372,850	\$1,849,240
11	295	Anesthesia	Anesthesiology	\$424,526	\$434,694	\$498,871	\$607,189	\$1,965,280
12	449	Medicine	Internal Medicine	\$0	\$0	\$93,900	\$61,695	\$155,595
13	495	Emergency Medicine	Emergency Medicine	\$0	\$0	\$0	\$47,707	\$47,707
14	429	Medicine	Pulmonary/Critical Care, Internal Medicine	\$0	\$0	\$333,715	\$221,175	\$554,890
15	292	Radiology	Radiology	\$675,625	\$578,220	\$624,680	\$1,720,170	\$3,598,695
16	224	Obstetrics & Gynecology	Obstetrics & Gynecology	\$6,000	\$68,750	\$200,021	\$152,677	\$427,448
17	<b>GG-1</b>	<b>Medicine</b>	<b>Internal Medicine - Hospitalist</b>	<b>\$313,496</b>	<b>\$342,725</b>	<b>\$315,992</b>	<b>\$278,060</b>	<b>\$1,250,273</b>
18	467	Obstetrics & Gynecology	Obstetrics & Gynecology	\$0	\$0	\$13,875	\$58,560	\$72,435
19	269	Surgery	Podiatry	\$218,400	\$219,802	\$235,200	\$227,000	\$900,402
20	436	Medicine	Internal Medicine; Critical Care	\$0	\$0	\$105,700	\$0	\$105,700
21	363	Medicine	Critical Care Medicine, Internal Medicine	\$0	\$105,955	\$319,300	\$313,455	\$738,710
22	426	Obstetrics & Gynecology	Obstetrics & Gynecology	\$0	\$0	\$98,750	\$0	\$98,750
23	498	Emergency Medicine	Emergency Medicine	\$0	\$0	\$0	\$0	\$0

**Appendix 5:**  
**GMHA Contracted Physicians Breakdown**

No.	Vendor Number	Department	Specialty	FY 2020	FY 2021	FY 2022	FY 2023	Total Compensation
24	316	Radiology	Radiology	\$49,846	\$52,616	\$0	\$0	\$102,462
25	488	Pediatrics	-	\$0	\$0	\$0	\$6,540	\$6,540
26	240	Medicine	Internal Medicine	\$0	\$208,164	\$0	\$0	\$208,164
27	<b>GG-1</b>	<b>Surgery</b>	<b>General Surgery, Hand Surgery</b>	<b>\$364,518</b>	<b>\$377,166</b>	<b>\$160,014</b>	<b>\$0</b>	<b>\$901,698</b>
28	371	Surgery	Otolaryngology	\$254,325	\$268,625	\$293,500	\$288,000	\$1,104,450
29	306/348	Medicine	Internal Medicine - Hospitalist	\$340,200	\$385,200	\$372,750	\$267,120	\$1,365,270
30	252	Medicine	Internal Medicine - Hospitalist	\$458,770	\$267,720	\$0	\$0	\$726,490
31	216	Emergency Medicine	Family Medicine	\$42,656	\$161,262	\$0	\$0	\$203,918
32	478	Obstetrics & Gynecology; Pediatrics	Obstetrics & Gynecology; Pediatrics	\$0	\$0	\$0	\$140,400	\$140,400
33	345	Medicine	Internal Medicine - Hospitalist	\$393,540	\$328,684	\$201,486	\$273,600	\$1,197,310
34	<b>GG-1</b>	<b>Medicine</b>	<b>Internal Medicine - Hospitalist</b>	<b>\$332,339</b>	<b>\$387,372</b>	<b>\$452,596</b>	<b>\$410,608</b>	<b>\$1,582,915</b>
35	5005	Surgery	Orthopedics	\$139,000	\$124,000	\$229,000	\$172,000	\$664,000
36	333	Medicine	Internal Medicine - Hospitalist	\$378,540	\$384,480	\$452,866	\$385,600	\$1,601,486
37	217	Anesthesia	Anesthesiology	\$423,949	\$436,092	\$482,964	\$617,392	\$1,960,397
38	487	Pediatrics	Pediatrics	\$0	\$0	\$0	\$112,926	\$112,926
39	469	Emergency Medicine	Emergency Medicine	\$0	\$0	\$7,087	\$47,671	\$54,758
40	516	Medicine	Internal Medicine - Hospitalist	\$0	\$0	\$0	\$0	\$0
41	253	Obstetrics & Gynecology	Obstetrics & Gynecology	\$0	\$5,107	\$0	\$0	\$5,107
42	443	Emergency Medicine	Emergency Medicine	\$0	\$0	\$135,755	\$338,184	\$473,939
43	391	Surgery	Plastic Surgery, General Surgery	\$1,200,003	\$1,200,000	\$1,246,158	\$1,153,850	\$4,800,011
44	445/450	Medicine	Internal Medicine - Hospitalist	\$0	\$0	\$202,860	\$309,780	\$512,640
45	202	Pediatrics	Pediatrics	\$81,668	\$53,502	\$176,388	\$136,183	\$447,741
46	427	Pediatrics	Pediatrics - Neonatology	\$0	\$0	\$70,875	\$0	\$70,875

**Appendix 5:**  
**GMHA Contracted Physicians Breakdown**

No.	Vendor Number	Department	Specialty	FY 2020	FY 2021	FY 2022	FY 2023	Total Compensation
47	486	Emergency Medicine	Emergency Medicine	\$0	\$0	\$0	\$49,539	\$49,539
48	228	Medicine	Internal Medicine - Hospitalist	\$358,350	\$182,700	\$185,400	\$154,500	\$880,950
49	434	Obstetrics & Gynecology	Obstetrics & Gynecology	\$0	\$0	\$27,500	\$8,160	\$35,660
50	239	Medicine	Interventional Cardiology, Internal Medicine	\$283,525	\$358,763	\$437,556	\$440,781	\$1,520,625
51	351	Radiology	Radiology	\$82,800	\$69,920	\$64,400	\$0	\$217,120
52	464	Pediatrics	Pediatrics	\$0	\$0	\$39,600	\$258,345	\$297,945
53	430	Emergency Medicine	Emergency Medicine	\$0	\$0	\$74,277	\$105,840	\$180,117
54	255	Surgery	Urology	\$381,370	\$352,877	\$444,931	\$352,877	\$1,532,054
55	447	Medicine	Internal Medicine - Hospitalist	\$0	\$0	\$130,200	\$216,780	\$346,980
56	424	Emergency Medicine	Emergency Medicine	\$0	\$3,003	\$339,126	\$300,111	\$642,240
57	215	Emergency Medicine	Family Medicine	\$115,192	\$133,702	\$111,755	\$0	\$360,649
58	387	Emergency Medicine	Emergency Medicine	\$0	\$28,606	\$47,282	\$22,985	\$98,872
59	475	Medicine	Family Medicine - Hospitalist	\$0	\$0	\$13,500	\$111,600	\$125,100
60	321	Emergency Medicine	Family Medicine	\$212,563	\$325,970	\$178,600	\$161,785	\$878,918
61	236	Surgery	Neurosurgery	\$182,400	\$215,400	\$138,000	\$0	\$535,800
62	5086	Pediatrics	Pediatric Pulmonology, Pediatrics	\$0	\$12,096	\$95,021	\$8,385	\$115,502
63	392	Emergency Medicine	Emergency Medicine	\$6,000	\$17,200	\$0	\$0	\$23,200
64	416	Emergency Medicine	Emergency Medicine	\$0	\$14,385	\$59,031	\$8,253	\$81,669
65	235	Medicine	Internal Medicine - Hospitalist	\$118,080	\$102,600	\$439,589	\$434,100	\$1,094,369
66	470	Medicine	Internal Medicine	\$0	\$0	\$132,585	\$231,510	\$364,095
67	270	Medicine	Internal Medicine	\$0	\$77,280	\$0	\$0	\$77,280
<b>68</b>	<b>GG-1</b>	<b>Emergency Medicine</b>	<b>Emergency Medicine</b>	<b>\$388,228</b>	<b>\$446,712</b>	<b>\$381,026</b>	<b>\$385,714</b>	<b>\$1,601,680</b>
69	411	Medicine	Internal Medicine - Hospitalist	\$499,680	\$454,605	\$294,990	\$381,600	\$1,630,875



**Appendix 5:**  
**GMHA Contracted Physicians Breakdown**

No.	Vendor Number	Department	Specialty	FY 2020	FY 2021	FY 2022	FY 2023	Total Compensation
70	441	Medicine	Internal Medicine	\$0	\$0	\$95,070	\$0	\$95,070
71	338	Anesthesia	Anesthesiology	\$252,729	\$228,469	\$0	\$194,720	\$675,919
72	432	Radiology	Radiology	\$0	\$0	\$52,900	\$0	\$52,900
73	394	Orthopedics	Orthopedics	\$59,000	\$103,000	\$0	\$0	\$162,000
74	220	Medicine	Cardiology, Internal Medicine	\$85,280	\$33,581	\$50,776	\$70,567	\$240,204
75	8096	Emergency Medicine	Emergency Medicine	\$0	\$0	\$0	\$0	\$0
76	413	Anesthesia	Anesthesiology	\$3,054	\$269,403	\$13,978	\$1,663	\$288,097
77	211	Pediatrics	Pediatrics - Intensivist	\$176,689	\$76,176	\$0	\$45,540	\$298,405
78	366	Medicine	Internal Medicine - Hospitalist	\$188,040	\$548,070	\$558,084	\$544,560	\$1,838,754
79	481	Obstetrics & Gynecology	Obstetrics & Gynecology	\$0	\$0	\$0	\$11,113	\$11,113
80	280	Pediatrics	Pediatrics	\$76,235	\$0	\$194,994	\$0	\$271,229
81	417	Emergency Medicine	Emergency Medicine	\$0	\$13,755	\$0	\$0	\$13,755
82	314	Medicine	Cardiology	\$389,083	\$412,649	\$420,675	\$467,450	\$1,689,857
83	474	Emergency Medicine	Emergency Medicine	\$0	\$0	\$25,496	\$53,718	\$79,214
84	246	Emergency Medicine	Emergency Medicine	\$11,766	\$0	\$0	\$0	\$11,766
85	418	Emergency Medicine	Emergency Medicine	\$0	\$17,850	\$50,663	\$35,574	\$104,087
<b>86</b>	<b>GG-1</b>	<b>Emergency Medicine</b>	<b>Emergency Medicine</b>	<b>\$344,240</b>	<b>\$389,033</b>	<b>\$335,076</b>	<b>\$317,044</b>	<b>\$1,385,392</b>
<b>87</b>	<b>GG-1</b>	<b>Pediatrics</b>	<b>Pediatrics</b>	<b>\$120,000</b>	<b>\$178,605</b>	<b>\$343,315</b>	<b>\$420,255</b>	<b>\$1,062,175</b>
88	287	Anesthesia	Anesthesiology	\$453,023	\$462,933	\$494,900	\$382,777	\$1,793,633
89	301	Medicine	Internal Medicine - Hospitalist	\$386,190	\$199,950	\$241,678	\$63,945	\$891,763
90	485	Obstetrics & Gynecology	Obstetrics & Gynecology	\$0	\$0	\$0	\$338,640	\$338,640
91	480	Pediatrics	Pediatrics	\$0	\$0	\$0	\$8,400	\$8,400
92	473	Medicine	Internal Medicine - Hospitalist	\$0	\$0	\$30,830	\$294,480	\$325,310

**Appendix 5:**  
**GMHA Contracted Physicians Breakdown**

No.	Vendor Number	Department	Specialty	FY 2020	FY 2021	FY 2022	FY 2023	Total Compensation
93	GG-1	Medicine	Internal Medicine - Hospitalist	\$256,714	\$301,288	\$290,040	\$298,747	\$1,146,789
94	389	Medicine	Internal Medicine; Intensivist	\$81,632	\$284,315	\$0	\$0	\$365,947
95	378	Medicine	Internal Medicine	\$9,000	\$271,890	\$0	\$0	\$280,890
96	291	Anesthesia	Anesthesiology	\$422,297	\$425,457	\$497,073	\$583,709	\$1,928,536
97	307	Medicine	Infectious Disease	\$54,770	\$54,100	\$49,220	\$37,400	\$195,490
98	349	Medicine	Internal Medicine	\$0	\$196,638	\$71,556	\$0	\$268,194
99	476	Medicine	Internal Medicine - Hospitalist	\$0	\$0	\$0	\$63,900	\$63,900
100	440	Medicine	Internal Medicine	\$0	\$0	\$39,450	\$0	\$39,450
101	446	Medicine	Internal Medicine	\$0	\$0	\$0	\$15,395	\$15,395
102	385	Emergency Medicine	Emergency Medicine	\$46,553	\$23,546	\$0	\$0	\$70,099
103	320	Medicine	Internal Medicine - Hospitalist	\$75,825	\$0	\$65,453	\$65,925	\$207,203
104	492	Emergency Medicine	Emergency Medicine	\$0	\$0	\$0	\$33,138	\$33,138
105	493	Medicine	Family Medicine	\$0	\$0	\$0	\$81,383	\$81,383
106	494	Emergency Medicine	Emergency Medicine	\$0	\$0	\$0	\$20,328	\$20,328
107	479	Medicine	Gastroenterology	\$0	\$0	\$0	\$64,279	\$64,279
108	274	Medicine	Internal Medicine - Hospitalist	\$0	\$111,954	\$244,365	\$270,780	\$627,099
109	484	Obstetrics & Gynecology	Obstetrics & Gynecology	\$0	\$0	\$0	\$61,200	\$61,200
110	327	Medicine	Internal Medicine	\$200,920	\$296,675	\$0	\$0	\$497,595
111	209	Surgery	Neurosurgery	\$0	\$0	\$358,800	\$614,100	\$972,900
112	213	Emergency Medicine	Family Medicine	\$193,369	\$9,797	\$0	\$119,758	\$322,923
113	412	Medicine	Internal Medicine - Hospitalist	\$132,210	\$67,428	\$76,165	\$142,980	\$418,783
114	477	Medicine	Internal Medicine	\$0	\$0	\$0	\$76,140	\$76,140
115	471/497	Obstetrics & Gynecology	Obstetrics & Gynecology	\$0	\$0	\$0	\$0	\$0

**Appendix 5:**  
**GMHA Contracted Physicians Breakdown**

No.	Vendor Number	Department	Specialty	FY 2020	FY 2021	FY 2022	FY 2023	Total Compensation
116	222	Medicine	Nephrology	\$54,188	\$54,435	\$44,555	\$50,540	\$203,718
117	420	Medicine	Internal Medicine	\$0	\$67,950	\$13,005	\$0	\$80,955
118	368	Surgery	Wound Care	\$385,884	\$388,574	\$382,500	\$175,216	\$1,332,174
			Podiatry					
<b>119</b>	<b>GG-1</b>	<b>Medicine</b>	<b>Internal Medicine - Hospitalist</b>	<b>\$280,852</b>	<b>\$329,752</b>	<b>\$305,052</b>	<b>\$291,980</b>	<b>\$1,207,636</b>
120	435	Anesthesia	Anesthesiology	\$0	\$0	\$336,513	\$435,752	\$772,265
121	374	Radiology	Radiology	\$123,808	\$132,116	\$91,385	\$0	\$347,309
122	334	Medicine	Internal Medicine - Hospitalist	\$331,920	\$279,540	\$350,676	\$260,960	\$1,223,096
<b>123</b>	<b>GG-1</b>	<b>Radiology</b>	<b>Radiology</b>	<b>\$0</b>	<b>\$247,722</b>	<b>\$436,310</b>	<b>\$27,508</b>	<b>\$711,540</b>
<b>124</b>	<b>GG-1</b>	<b>-</b>	<b>Radiology</b>	<b>\$1,025,237</b>	<b>\$849,929</b>	<b>\$90,538</b>	<b>\$0</b>	<b>\$1,965,704</b>
125	233	Emergency Medicine	Emergency Medicine	-	\$20,843	\$0	\$0	\$20,843
126	241	Medicine	Internal Medicine	\$373,063	\$379,487	\$169,545	\$0	\$922,095
127	*203/265	Emergency Medicine/Emergency Medical Services	Emergency Medicine/ Emergency Medical Services	\$110,693	\$194,031	\$0	\$0	\$233,660 <sup>1</sup>
128	268	Medicine	Nephrology	\$252,000	\$273,750	\$365,250	\$594,000	\$1,485,000
<b>129</b>	<b>GG-1</b>	<b>Radiology</b>	<b>Radiology</b>	<b>\$68,805</b>	<b>\$234,117</b>	<b>\$0</b>	<b>\$0</b>	<b>\$302,922</b>
130	258	Emergency Medicine	Emergency Medicine	\$456,650	\$425,836	\$344,027	\$253,145	\$1,479,658
<b>131</b>	<b>GG-1</b>	<b>Medicine</b>	<b>Adult Gerontology</b>	<b>\$6,312</b>	<b>\$0</b>	<b>\$32,306</b>	<b>\$83,006</b>	<b>\$121,624</b>
132	214	Pediatrics	Pediatrics	\$114,426	\$118,571	\$356,255	\$478,110	\$1,067,362
133	200	Emergency Medicine	Emergency Medicine	\$30,797	\$19,992	\$0	\$0	\$50,789
134	442	Medicine	Internal Medicine	\$0	\$0	\$62,520	\$65,555	\$128,075
135	437	Radiology	Interventional Radiology	\$0	\$0	\$11,780	\$0	\$11,780
136	251	Radiology	Interventional Radiology	\$54,360	\$36,430	\$240,365	\$17,960	\$349,115

<sup>1</sup> \*Vendor #203/265 was separated in the original document provided by GMHA, but OPA decided to combine to show just one physician.

**Appendix 5:**  
**GMHA Contracted Physicians Breakdown**

No.	Vendor Number	Department	Specialty	FY 2020	FY 2021	FY 2022	FY 2023	Total Compensation
137	GG-1	Obstetrics & Gynecology	Obstetrics & Gynecology	\$279,550	\$281,775	\$271,700	\$350,400	\$1,183,425
138	346	Medicine	Internal Medicine	\$0	\$0	\$0	\$13,440	\$13,440
139	422	Medicine	Pulmonary/Critical Care, Internal Medicine	\$0	\$27,115	\$208,185	\$326,660	\$561,960
140	5146	Medicine	Internal Medicine - Hospitalist	\$0	\$143,472	\$1,178,831	\$1,898,513	\$3,220,816
141	229	Emergency Medicine	Emergency Medicine	\$0	\$7,022	\$0	\$49,638	\$56,660
142	340	Medicine	Internal Medicine	\$231,220	\$91,575	\$0	\$0	\$322,795
143	438	Medicine	Internal Medicine	\$0	\$0	\$96,293	\$0	\$96,293
144	262	Obstetrics & Gynecology	Obstetrics & Gynecology	\$0	\$11,281	\$12,521	\$25,521	\$49,323
145	397	Medicine	Pulmonary/Critical Care, Internal Medicine	\$0	\$112,680	\$129,210	\$282,525	\$524,415
146	GG-1	Medicine	Internal Medicine	\$282,646	\$346,766	\$0	\$0	\$629,412
147	448	Pediatrics	Pediatrics, Pediatric Cardiology	\$0	\$0	\$5,625	\$12,833	\$18,458
148	372	Medicine	Internal Medicine - Hospitalist	\$27,090	\$54,180	\$12,600	\$0	\$93,870
149	260	Medicine	Internal Medicine - Hospitalist	\$40,320	\$0	\$9,000	\$43,200	\$92,520
150	304	Pediatrics	Pediatrics	\$48,762	\$72,081	\$78,520	\$175,825	\$375,188
151	221	Medicine	Internal Medicine - Hospitalist	\$0	\$189,315	\$233,775	\$193,110	\$616,200
152	421	Medicine	Internal Medicine; Critical Care	\$0	\$20,520	\$0	\$0	\$20,520
153	257	Obstetrics & Gynecology	Obstetrics & Gynecology	\$28,400	\$124,757	\$36,167	\$0	\$189,324
154	496	Anesthesia	Anesthesiology	\$0	\$0	\$0	\$36,058	\$36,058
155	303	Emergency Medicine	Emergency Medicine	\$0	\$82,285	\$34,965	\$23,951	\$141,201
156	390	Radiology	Radiology	\$166,154	\$157,270	\$397,963	\$0	\$721,386
157	444	Pediatrics	Pediatrics	\$0	\$0	\$19,120	\$800	\$19,920
158	468	Pediatrics	Pediatrics	\$0	\$0	\$72,840	\$116,340	\$189,180
159	505	Emergency Medicine	Emergency Medicine	\$0	\$0	\$0	\$0	\$0

**Appendix 5:  
GMHA Contracted Physicians Breakdown**

No.	Vendor Number	Department	Specialty	FY 2020	FY 2021	FY 2022	FY 2023	Total Compensation
160	238	Emergency Medicine	Emergency Medicine	\$0	\$292,071	\$33,033	\$34,041	\$359,145
161	489	Anesthesia	Anesthesiology	\$0	\$0	\$0	\$209,546	\$209,546
162	423	Otolaryngology	Otolaryngology	\$0	\$18,000	\$16,000	\$0	\$34,000
163	499	Emergency Medicine	Emergency Medicine	\$0	\$0	\$0	\$0	\$0
164	263	Medicine	Internal Medicine - Hospitalist	\$152,064	\$229,104	\$215,418	\$131,400	\$727,986
165	482	Pediatrics	Pediatrics	\$0	\$0	\$0	\$181,655	\$181,655
166	472	Medicine	Internal Medicine	\$0	\$0	\$14,100	\$69,660	\$83,760
167	428	Medicine	Internal Medicine	\$0	\$0	\$178,380	\$0	\$178,380
168	266	Medicine	Internal Medicine; Intensivist	\$0	\$37,620	\$0	\$0	\$37,620
<b>TOTAL</b>				<b>\$18,788,323</b>	<b>\$22,297,849</b>	<b>\$25,358,473</b>	<b>\$27,209,212</b>	<b>\$93,653,857</b>

	FY 2020	FY 2021	FY 2022	FY 2023	Total
14 GG-1 Physicians Compensations	\$4,062,936	\$4,712,962	\$3,413,965	\$2,863,322	\$15,053,184
Net Contracted Physicians Compensations	\$14,725,386	\$17,584,887	\$21,944,508	\$24,345,890	\$78,600,672

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**Appendix 6:**  
**Contracted Physicians Without PSA**

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Vendor Number	Department	FY 2020	FY 2021	FY 2022	FY 2023	Total Compensation
391	Surgery	\$1,200,003	\$1,200,000	\$1,246,158	\$1,153,850	\$4,800,011
5146	Medicine	-	\$143,472	\$1,178,831	\$1,898,513	\$3,220,816
268	Nephrology	\$252,000	\$273,750	\$365,250	\$594,000	\$1,485,000
395	Orthopedics	\$121,000	\$121,000	\$172,000	\$163,000	\$577,000
255	Urology	\$381,370	\$352,877	\$444,931	\$352,877	\$1,532,054
GG-1	Obstetrics & Gynecology	\$279,550	\$281,775	\$271,700	\$350,400	\$1,183,425
<b>TOTAL</b>		<b>\$2,233,923</b>	<b>\$2,372,874</b>	<b>\$3,678,870</b>	<b>\$4,512,640</b>	<b>\$12,798,306</b>



## Physicians Paid as GG-1 Employees and Contracted Physicians

### 7a Consolidated - GG-1 Physicians Compensated as both a GG-1 Employee and a Contracted Physician

Employee Number	Job Title	Compensation as GG-1 Employee	Compensation as Contracted Physician	Total Compensation
13136	HOSP STAFF PATH/LAB MED DIRECTOR; COVID-19 TASK FORCE	\$722,203	\$12,900	\$735,103
13853	HOSPITAL STAFF PHYSICIAN; ASSOC HOSP ADMIN MEDICAL SRVC; ASST. ASSOC. ADMIN MEDICAL SVCS	\$772,940	\$2,079,230	\$2,852,170
12148	PHYSICIAN - OB/GYN	\$110,746	\$427,448	\$538,194
13770	ASSOC HOSP ADMIN MEDICAL SRVC	\$665,420	\$72,435	\$737,855
14256	PHYSICIAN - PEDIATRICS	\$59,700	\$6,540	\$66,240
12885	HOSPITALIST-INTERNAL MEDICINE; LONG TERM CARE ADMINISTRATOR	\$870,330	-	\$870,330
13007	HOSPITALIST-INTERNAL MEDICINE	\$135,980	\$512,640	\$648,620
13017	HOSP STAFF PHY - OB/GYN	\$462,331	\$35,660	\$497,991
13819	HOSPITAL STAFF PHYSICIAN	\$312,554	\$297,945	\$610,499
13068	PHYSICIAN-EMERGENCY ROOM; COVID-19 TASK FORCE	\$1,705,116	\$23,200	\$1,728,316
13820	HOSPITAL STAFF PHYSICIAN; COVID-19 TASK FORCE	\$332,188	\$1,094,369	\$1,426,557
13818	CHIEF, CRNA	\$759,645	\$675,919	\$1,435,563
13288	HOSP STAFF PHYSICIAN; ER DIRECTOR	\$2,085,338	-	\$2,085,338
13789	PHYSICIAN-EMERGENCY ROOM; EMS MEDICAL DIRECTOR	\$1,154,924	\$70,099	\$1,225,023
14193	MEDICAL DIRECTOR GASTROENTEROLOGY	\$15,160	\$64,279	\$79,439
14267	HOSPITAL STAFF PHYSICIAN; ASSOC HOSP ADMIN MEDICAL SRVC; ASST. ASSOC. ADMIN MEDICAL SVCS	\$486,130	\$1,332,174	\$1,818,304
14172	PHYSICIAN - RADIOLOGY	\$1,030,485	\$11,780	\$1,042,265
11602	HOSP STAFF PHY - OB/GYN	\$569,000	\$189,324	\$758,324
<b>TOTAL (18)</b>		<b>\$12,250,190</b>	<b>\$6,905,941</b>	<b>\$19,156,131</b>

## Physicians Paid as GG-1 Employees and Contracted Physicians

### 7b Consolidated - GG-1 Physicians Not Compensated as a Contracted Physician

Employee Number	Job Title	Compensation as GG-1 Employee	Compensation as Contracted Physician	Total Compensation
13048	HOSPITALIST-INTERNAL MEDICINE; CHIEF HOSPITALIST; COVID-19 TASK FORCE	\$1,250,273	-	\$1,250,273
13281	HOSPITALIST-GENERAL SURGERY; COVID-19 TASK FORCE	\$901,698	-	\$901,698
12823	HOSPITALIST-INTERNAL MEDICINE; CHIEF HOSPITALIST; COVID-19 TASK FORCE	\$1,582,915	-	\$1,582,915
10974	PHYSICIAN-EMERGENCY ROOM	\$1,601,680	-	\$1,601,680
13417	PHYSICIAN-EMERGENCY ROOM; EMS MEDICAL DIRECTOR	\$1,385,392	-	\$1,385,392
12516	HOSPITALIST - PEDIATRICS	\$1,062,175	-	\$1,062,175
11940	HOSPITAL STAFF PHYSICIAN; ASSOC HOSPI ADMIN CLINICAL SVCS	\$1,146,789	-	\$1,146,789
11809	HOSPITALIST-INTERNAL MEDICINE	\$1,207,636	-	\$1,207,636
13886	PHYSICIAN - RADIOLOGY	\$711,540	-	\$711,540
13541	HOSP STAFF PHY-DIAGNOSTIC RADIOLOGY; COVID-19 TASK FORCE	\$1,965,704	-	\$1,965,704
13937	HOSP STAFF PHYS-RADIOLOGIST	\$302,922	-	\$302,922
12395	NURSE PRACTITIONER; HOSP STAFF NURSE II CLINICAL I	\$121,624	-	\$121,624
11696	PHYSICIAN - OB/GYN	\$1,183,425	-	\$1,183,425
12291	HOSPITALIST-INTERNAL MEDICINE	\$629,412	-	\$629,412
<b>TOTAL (14)</b>		<b>\$15,053,185</b>	-	-
<b>GRAND TOTAL (7a + 7b)</b>		<b>\$27,303,375</b>	<b>\$6,905,941</b>	<b>\$34,209,316</b>

## Physicians Paid as GG-1 Employees and Contracted Physicians

### 7c BREAKDOWN: GG-1 Employees Compensation as a GG-1 Employee per FY

Employee Number	FY2020	FY2021	FY2022	FY2023	TOTAL EARNINGS
13136	\$261,692	\$253,201	\$207,310	-	\$722,203
13853	\$200,232	\$202,608	\$187,200	\$182,900	\$772,940
12148	\$110,746	-	-	-	\$110,746
13770	\$221,120	\$216,600	\$180,100	\$47,600	\$665,420
14256	-	-	-	\$59,700	\$59,700
12885	\$219,090	\$208,240	\$208,000	\$235,000	\$870,330
13007	\$135,980	-	-	-	\$135,980
13017	\$265,750	\$173,581	\$23,000	-	\$462,331
13819	-	\$92,034	\$220,520	-	\$312,554
13068	\$447,947	\$458,467	\$412,737	\$385,965	\$1,705,116
13820	\$35,204	\$296,984	-	-	\$332,188
13818	-	\$54,431	\$425,440	\$279,775	\$759,645
13288	\$588,331	\$595,981	\$479,581	\$421,445	\$2,085,338
13789	-	\$322,571	\$422,445	\$409,907	\$1,154,924
14193	-	-	-	\$15,160	\$15,160
14267	-	-	-	\$486,130	\$486,130
14172	-	-	\$323,078	\$707,407	\$1,030,485
11602	-	-	\$190,000	\$379,000	\$569,000
<b>TOTAL (18)</b>	<b>\$2,486,092</b>	<b>\$2,874,699</b>	<b>\$3,279,411</b>	<b>\$3,609,988</b>	<b>\$12,250,190</b>

## Physicians Paid as GG-1 Employees and Contracted Physicians

### 7c BREAKDOWN: GG-1 Physicians Compensation as a Contracted Physician per FY

Employee Number	FY2020	FY2021	FY2022	FY2023	TOTAL EARNINGS
13136	-	-	-	\$12,900	\$12,900
13853	\$300,001	\$496,153	\$669,615	\$613,462	\$2,079,230
12148	\$6,000	\$68,750	\$200,021	\$152,677	\$427,448
13770	-	-	\$13,875	\$58,560	\$72,435
14256	-	-	-	\$6,540	\$6,540
12885	-	-	-	-	-
13007	-	-	\$202,860	\$309,780	\$512,640
13017	-	-	\$27,500	\$8,160	\$35,660
13819	-	-	\$39,600	\$258,345	\$297,945
13068	\$6,000	\$17,200	-	-	\$23,200
13820	\$118,080	\$102,600	\$439,589	\$434,100	\$1,094,369
13818	\$252,729	\$228,469	-	\$194,720	\$675,919
13288	-	-	-	-	-
13789	\$46,553	\$23,546	-	-	\$70,099
14193	-	-	-	\$64,279	\$64,279
14267	\$385,884	\$388,574	\$382,500	\$175,216	\$1,332,174
14172	-	-	\$11,780	-	\$11,780
11602	\$28,400	\$124,757	\$36,167	-	\$189,324
<b>TOTAL (18)</b>	<b>\$1,143,647</b>	<b>\$1,450,049</b>	<b>\$2,023,507</b>	<b>\$2,288,738</b>	<b>\$6,905,941</b>

## Physicians Paid as GG-1 Employees and Contracted Physicians

### 7d BREAKDOWN: GG-1 Physicians Compensation as a GG-1 Employee per FY

Employee Number	JOB TITLE	FY2020	FY2021	FY2022	FY2023	TOTAL EARNINGS
13048	HOSPITALIST-INTERNAL MEDICINE; CHIEF HOSPITALIST; COVID-19 TASK FORCE	\$342,725	\$315,992	\$278,060	\$1,250,273	\$342,725
13281	HOSPITALIST-GENERAL SURGERY; COVID-19 TASK FORCE	\$377,166	\$160,014	-	\$901,698	\$377,166
12823	HOSPITALIST-INTERNAL MEDICINE; CHIEF HOSPITALIST; COVID-19 TASK FORCE	\$387,372	\$452,596	\$410,608	\$1,582,915	\$387,372
10974	PHYSICIAN-EMERGENCY ROOM	\$446,712	\$381,026	\$385,714	\$1,601,680	\$446,712
13417	PHYSICIAN-EMERGENCY ROOM; EMS MEDICAL DIRECTOR	\$389,033	\$335,076	\$317,044	\$1,385,392	\$389,033
12516	HOSPITALIST - PEDIATRICS	\$178,605	\$343,315	\$420,255	\$1,062,175	\$178,605
11940	HOSPITAL STAFF PHYSICIAN; ASSOC HOSPI ADMIN CLINICAL SVCS	\$301,288	\$290,040	\$298,747	\$1,146,789	\$301,288
11809	HOSPITALIST-INTERNAL MEDICINE	\$329,752	\$305,052	\$291,980	\$1,207,636	\$329,752
13886	PHYSICIAN - RADIOLOGY	\$247,722	\$436,310	\$27,508	\$711,540	\$247,722
13541	HOSP STAFF PHY-DIAGNOSTIC RADIOLOGY; COVID-19 TASK FORCE	\$849,929	\$90,538	-	\$1,965,704	\$849,929
13937	HOSP STAFF PHYS-RADIOLOGIST	\$234,117	-	-	\$302,922	\$234,117
12395	NURSE PRACTITIONER; HOSP STAFF NURSE II CLINICAL I	-	\$32,306	\$83,006	\$121,624	-
11696	PHYSICIAN - OB/GYN	\$281,775	\$271,700	\$350,400	\$1,183,425	\$281,775
12291	HOSPITALIST-INTERNAL MEDICINE	\$346,766	-	-	\$629,412	\$346,766
<b>TOTAL EARNINGS</b>		<b>\$ 4,062,936</b>	<b>\$4,712,962</b>	<b>\$3,413,965</b>	<b>\$2,863,322</b>	<b>\$15,053,184</b>
<b>GRAND TOTAL: 7c + 7d BREAKDOWN: Compensation as GG-1 Employees (per FY)</b>		<b>\$6,549,028</b>	<b>\$7,587,661</b>	<b>\$6,693,376</b>	<b>\$6,473,310</b>	<b>\$27,303,374</b>

# GUAM MEMORIAL HOSPITAL AUTHORITY CONTRACTED PHYSICIAN COMPENSATION PACKAGE AND PRIVILEGES, PART I OPA Report No. 25-04, March 2025

## ACKNOWLEDGEMENTS

### ***Key contributions to this report were made by:***

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Benjamin J.F. Cruz, Public Auditor

## MISSION STATEMENT

We independently conduct audits and administer procurement appeals to safeguard public trust and promote good governance for the people of Guam.

## VISION

The Government of Guam is the standard of public trust and good governance.

## CORE VALUES

### **Objective**

To have an independent and impartial mind.

### **Professional**

To adhere to ethical and professional standards.

### **Accountable**

To be responsible and transparent in our actions.

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  - Call our office at (671) 475 0390
  - Fax our office at (671) 472 7951
  - Or visit us at Suite 401 DNA Building in Hagåtña
- All information will be held in strict confidence.



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