



**EDDIE BAZA CALVO**  
Governor

**RAY TENORIO**  
Lieutenant Governor

*Office of the Governor of Guam.*

March 29, 2016

President Barack Obama  
1600 Pennsylvania Avenue NW  
Washington, D.C. 20500

Dear Mr. President:

I respectfully request your immediate action to ensure that your appointed representatives at Centers for Medicare and Medicaid Services (CMS) issue the decision on the FY 2013 Rebasing of Medicare at Guam Memorial Hospital Authority (GMHA) that was promised.

Secondly, I seek your assistance in reaching out to the GAO to prioritize GMHA's request to clarify whether the HHS Secretary has the authority to grant an exemption pursuant to 42 USC 1395ww(b)4(A)(i). The policy is related to certain deadlines. GMHA has fully explained the reasons behind some of the reporting delays.

The anticipated funding that GMHA officials contend is due to Guam, will assist in budgetary shortfalls — at least a portion of which is caused by unfunded federal mandates — that is leading our only public hospital into a crisis. More than \$3 million is expected once the rebasing for FY2013 is approved. About \$4 million more is expected with the recalculation of the FY2014 and FY2015 Medicare Rates. In addition, an affirmative decision from GAO would result in an additional \$12.2M to GMHA.

The CMS concluded its audit of GMHA 2013 Cost Report in July 2015, validating the Hospital's reporting, rebasing, and adjustment requests. During a meeting with Administrator Slavitt in September 2015, my team provided the documentation and analysis to justify HHS/CMS issuance of adjustments for FY 2007 – 2012 as well as the refund of funds garnished from GMHA payments. The adjustment for FY 2007 and FY 2008 was approved by Administrator Slavitt.

A request for interpretation of HHS/CMS exemption authority on adjustments to Medicare Reimbursements for FY 2009 - FY 2012 has been forwarded to the GAO. Once GAO determines that the exemption provision allows the Secretary of HHS to permit the processing of the FY 2009 – FY 2012 adjustment requests, additional amounts as listed below can be remitted to GMHA:

FY 2012 Adjustment	\$3,249,984.24
FY 2011 Adjustment	\$3,012,025.84



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FY2010 Adjustment	\$3,179,149.66
FY2009 Adjustment	<u>\$2,713,855.94</u>
<b>Total</b>	<b>\$12,155,015.68</b>

Currently, GMHA and my Administration are working together to avoid suspension of services, such as, disconnection of utilities, cutting off of medical supplies, and personnel lay-offs. As it stands, GMHA struggles to make full payroll, which includes payments for the Retirement Fund.

Despite the ongoing efforts of my Administration to provide financial assistance to the GMHA, we are quickly reaching our limit for stopgap assistance. In FY2014, my Administration saw a budget deficit because of the extensive financial help provided to the hospital to ensure it could provide health services to 165,000 local residents and thousands of patients from neighboring islands.

We continue to work on solutions locally, however, our efforts alone will not fully address this issue partly resulting from underfunded federal programs. Previous discussions with our federal partners have not resulted in acceptable results. This is the reason I now reach out to you for assistance.

Sincerely,



**EDDIE BAZA CALVO**  
Governor of Guam

cc: Silvia Burwell, HHS Secretary  
Andrew M. Slavitt, CMS Administrator  
Esther P. Kia'aina, DOI Assistant Secretary for Insular Areas  
Paul Dioguardi, CMS IEA Director  
Ing-Jye Cheng, CMS Director of the Division of Acute Care  
Kathy Ellingson, CMS TEFRA Examiner  
PeterJohn Camacho, GMHA Hospital Administrator/CEO  
Dr. Florencio Lizama, GMHA Medical Director  
Benita Manglona, GMHA CFO

*Enclosures: Letter of June 16, 2015  
Letter of January 23, 2015  
GAO Letter of February 9, 2016*

