



EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam.

June 16, 2015

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

Dear Mr. President:

I am writing to report the results of your recent assistance and its impact on health care on Guam.

As you know, we were recently struck by Typhoon Dolphin. We are moving quickly to a full recovery. The Federal Emergency Management Agency (FEMA) provided invaluable assistance that prevented damage and helped us greatly in the restoration process.

I am requesting your assistance as we continue our work to resolve and overcome health care inequities affecting U.S. citizens on Guam. The following is an update since my last letter:

- The Centers for Medicare and Medicaid Services (CMS) initiated an audit of Guam Memorial Hospital's (GMH) 2013 Cost Report. GMH and CMS' contractor are scheduled to conclude this effort in the coming weeks and validate GMH's reports of under-reimbursement.
- CMS issued over \$1.6 million to GMH as a partial reimbursement for FY 2014.
- I have appointed Administrator Ted Lewis to carry out the modernization phase of my GMH reform agenda, which will include updating medical tools and practices as well as implementation of the remaining Department of Interior Office of Interior Affairs' (DOI OIA) recommendations such as online payments and upgraded financial software systems.
- DOI OIA awarded \$500,000 in funding to GMH for solar paneling to reduce health care costs and meet the green energy and environmental priorities I made a priority.

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Additionally, we continue to work to overcome challenges including:

- I have directed over \$4 million in payments, on behalf of the GMH, to meet hospital employee pension shortfalls caused by under-reimbursement.
- Medicare reimbursements for 2007 and 2008 have not been processed. In January, GMH followed CMS' advice and submitted 2007 and 2008 reimbursement 'Adjustments' to address short-term financial needs. On March 4, 2015, CMS told GMH leadership that these requests were ready to be processed immediately. March 31, 2015 was the regulatory deadline for the contractor to complete its review. In June, CMS' contractor stated that work has not begun on these requests.
- CMS requires a waiver from HHS for 2009 through 2012 Adjustments to be processed.
- GMH and CMS' auditor are completing an audit necessary to achieve a long term Medicare reimbursement fix based on 2013 data.

CMS and DOI OIA have both been very helpful in our progress and we look forward to their continued assistance. I am requesting immediate action on the 2007 and 2008 Adjustment requests, which CMS has agreed are ready to move forward and will provide over \$3 million in relief to GMH while we continue to work toward a long term solution.

I am ready and available to visit the U.S. and discuss these issues with you and your appointed representatives at your earliest convenience.

Sincerely,



Eddie Baza Calvo

Cc: HHS Secretary Silvia Burwell; CMS Administrator Andrew M. Slavitt; DOI Assistant Secretary for Insular Areas Esther P. Kia'aina; CMS IEA Director Paul Dioguardi; CMS Director of the Division of Acute Care Ing-Jye Cheng; CMS TEFRA Examiner Kathy Ellingson; GMHA Hospital Administrator/CEO Ted Lewis

[Attachment: Previous Letter]

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