



I Mina' trentai Unu na Liheslaturan Guåhan
31st GUAM LEGISLATURE
Senator Vicente "ben" Cabrera Pangelinan

News Release

**HEALTH CARE REFORM LEGISLATION INTRODUCED FOR
GOVERNMENT OF GUAM HEALTH INSURANCE PROGRAM**

FOR IMMEDIATE NEWS RELEASE (April 6, 2011– Hagåtña) – Senator Vicente (ben) Cabrera Pangelinan (D), Chairman of the Committee on Appropriations, Taxation, Public Debt, Banking, Insurance, Retirement & Land (Committee) and several colleagues introduced Bill No. 139-31, which mandates a Medical Loss Ratio Rebate for the Government of Guam Health Insurance Program when administrative cost and profit exceed 15% of premiums paid. The legislation is patterned after the Patient Protection and Affordable Care Act (PPACA) but is modified specifically for the local government sponsored insurance.

The current health insurance contract with Calvo's SelectCare is estimated to exceed \$78 million dollars this fiscal year. The people of Guam share of the cost is \$59 million from general tax revenue and fees and the remaining \$19 million is paid by Government of Guam employees and retirees. The combination of high premiums and high deductible health plans make the insurance unaffordable and undesirable to many government employees and retirees. There are over 18,000 eligible employees and retirees of which less than 11,000 or 59% purchase health insurance.

"The current health insurance offered to government employees and retirees is very expensive with very high deductibles. It's so expensive, that the Governor had to cancel the Hay Study salary increases to free up money to pay Calvo's SelectCare. This is certainly a big factor contributing to poverty for most entry level government employees and many retirees." stated the Senator.

Pangelinan concluded "The tax payers and the Government of Guam and its employees and retirees are entitled to the best value for the public funds used to pay health insurance premiums. Bill 139 will help to achieve that value."

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