



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

News Release

**RETIREES AND EMPLOYEE HEALTH INSURANCE TO RUN OUT SOON,
PANGELINAN SENDS THIRD REQUEST TO BBMR FOR ACTION**

FOR IMMEDIATE NEWS RELEASE (March 15, 2011– Hagatña) – Senator Vicente (ben) C. Pangelinan (D-Barrigada), Chairman of the Committee on Appropriations, Taxation, Public Debt, Banking, Insurance, Retirement & Land (Committee) sent a third letter to BBMR Director Benita Manglona requesting the Calvo Administration's assessment of when the appropriation for the government of Guam retiree and employee health insurance will run out.

In mid-January, the Office of Finance and Budget calculated an estimated deficit of \$20.6 million dollars for the Calvo's SelectCare Health Insurance Contract. The Calvo Administration must determine what budgeted items need to be reprogrammed before May or employees and retirees will be uninsured.

"There is a gigantic elephant in the middle of the room and the Calvo Administration continues to act as though it doesn't exist," stated the senator.

The Office of Finance and Budget's calculations project that the appropriation for Medical and Dental insurance in the FY 2011 Budget will run out in May leaving thousands of government employees and retirees without health insurance. "I have sent over a dozen letters to the governor and members of his fiscal policy team requesting for a fiscal realignment plan and other financial information to try and resolve the pending health insurance crisis, but the Calvo Administration continues to avoid the issue."

Governor Calvo cancelled the budgeted Hay Study pay increases which if reprogrammed can make up about half of what is needed to pay for the Calvo's SelectCare Health Insurance Contract. Over \$15 million of budgeted second quarter tax refunds remain unpaid, and it is unknown what the administration is using the cash for, despite how current collections *exceeding* projections.

"It is clear to me that the Governor's new direction is taking money from hardworking government employees' paychecks by cancelling the Hay increase and money out of taxpayers' pockets by not paying the refunds to use the money, instead, to pay for the Calvo's SelectCare \$20 million health insurance increase," stated the Senator.

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Pangelinan concluded “Unfortunately, instead of addressing this up front, the Governor is directly on the path of creating an emergency for retirees, employees, vendors, and taxpayers, while insuring Calvo’s SelectCare gets taken care of first.”

Estimated Medical, Dental, Life Expense Shortfall
General Fund and Special Funds
Annualized - FY 2011
Employer Premium Expense Data

GOVGUAM SHARE REQUIRED MEDICAL & DENTAL PREMIUM	EE ONLY	EE+SP	EE+CHILD(REN)	EE+FAMILY	2GG+FAMILY	TOTAL
ACTIVES	\$7,571,740	\$1,574,566	\$3,617,514	\$4,916,788	\$2,429,242	\$20,109,850
RETIREES	\$17,468,665	\$7,121,391	\$1,981,655	\$2,750,715	\$1,398,858	\$30,721,284
TOTAL	\$25,040,405	\$8,695,957	\$5,599,169	\$7,667,503	\$3,828,099	\$50,831,134
FY 2011 ANNUAL APPROPRIATIONS ACT BUDGET - MEDICAL, DENTAL, LIFE						\$28,898,756
FY 2011 ESTIMATED MEDICAL & DENTAL EMPLOYER PREMIUM EXPENSE						(\$50,831,134)
FY 2011 ESTIMATED LIFE INSURANCE EXPENSE DOA						(\$445,534)
FY 2011 ESTIMATED LIFE INSURANCE EXPENSE RETIREES						(\$1,018,422)
FEDERAL GRANT FUNDED MEDICAL, DENTAL AND LIFE INSURANCE (DOA)						\$1,718,373
FEDERAL GRANT FUNDED MEDICAL, DENTAL AND LIFE (DOE)						\$1,046,748
ESTIMATED LOCAL FUNDS SHORTFALL FOR - MEDICAL, DENTAL, LIFE						(\$20,631,214)

NOTES

ALL CALCULATIONS EXCLUDE AUTONOMOUS AGENCIES
CALCULATIONS EXCLUDE BOTH DOE APPROPRIATION AND EXPENSE FOR LIFE INSURANCE

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