EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor Of Guam

MAR 2 0 2017

The Honorable Benjamin J.F. Cruz
Speaker
I Mina'trentai Kuåttro Na Liheslaturan Guåhan
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

Speaker Benjamin J.F. Cruz
MAR 2 2 2017
Time: 4:15 [ ] AM [✓] PM File No.
Received By
GL# 34-17-323

Dear Mr. Speaker:

Attached is Bill No. 3-34 COR) entitled, *"An act . .. Relative to Ensuring That Only the Most Economical and Beneficial Healthcare Insurance Proposal Plan. . . is Forwarded to I Maga'låhen Guåhan for Consideration . .. ,"* which I have VETOED.

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The intent and effect of Bill 3 is restrict the government from providing a choice of health care options to its employees. Instead, it calls for the least expensive plan.

This is a reversal of the policy that offering a choice of multiple insurance providers positively benefits our employees. Previously for years, insurance companies opted out of partnering with GovGuam until finally only one company remained. Government employees rallied and called for a choice because they wanted to be able to decide for themselves which doctors would care for their children, what policy provided the coverage they wanted and needed, and what clinics or hospitals they could go to both on- and off-island to seek specialty care. We responded by getting the care that fit their needs.

It comes down to promoting healthy quality of life for the 7,000-plus Government of Guam employees and retirees, and their families. The men and women who give their all to keep our streets safe, help us stay healthy, and educate our children asked for a choice when it comes to health insurance.

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For ourselves, our employees, and our retirees, the Government needs to provide high quality service and not reduce ourselves to the cheapest price. The reality is you get what you pay for. And we should invest in quality healthcare for our people, from our active employees to those who have given this island decades of service.

Sincerely,

EDDIE BAZA CALVO

I MINA'TRENTAI KUÅTTRO NA LIHESLATURAN GUÅHAN
2017 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'LÅHEN GUÅHAN*

This is to certify that **Bill No. 3-34 (COR), "AN ACT TO *AMEND* §§ 4301(a) AND 4302(c)(2) OF ARTICLE 3, CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO ENSURING THAT ONLY THE MOST ECONOMICAL AND BENEFICIAL HEALTHCARE INSURANCE PROPOSAL PLAN FOR GOVERNMENT OF GUAM EMPLOYEES, RETIREES, AND FOSTER CHILDREN IS FORWARDED BY THE GOVERNMENT OF GUAM HEALTH INSURANCE NEGOTIATING TEAM TO *I MAGA'LÅHEN GUÅHAN* FOR CONSIDERATION; AND TO DIVESTING *I LIHESLATURAN GUÅHAN* OF FINAL APPROVAL AUTHORITY OVER ANY CONTRACT ENTERED INTO BY *I MAGA'LÅHEN GUÅHAN* FOR THE SAME,"** was on the 9th day of March 2017, duly and regularly passed.

Benjamin J.F. Cruz
Speaker

Attested:

Régine Biscoe Lee
Legislative Secretary

This Act was received by *I Maga'låhen Guåhan* this 10th day of MARCH 2017, at 12:09 o'clock P .M.

Assistant Staff Officer
Maga'låhi's Office

APPROVED:

EDWARD J.B. CALVO
I Maga'låhen Guåhan

Date:_____

Public Law No._____

I MINA'TRENTAI KUÅTTRO NA LIHESLATURAN GUÅHAN
2017 (FIRST) Regular Session

Bill No. 3-34 (COR)

Introduced by: B. J.F. Cruz
Thomas C. Ada
FRANK B. AGUON, JR.
William M. Castro
James V. Espaldon
Fernando Barcinas Esteves
Régine Biscoe Lee
Tommy Morrison
Louise B. Muña
Telena Cruz Nelson
Dennis G. Rodriguez, Jr.
Joe S. San Agustin
Michael F.Q. San Nicolas
Therese M. Terlaje
Mary Camacho Torres

AN ACT TO *AMEND* §§ 4301(a) AND 4302(c)(2) OF ARTICLE 3, CHAPTER 4, TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO ENSURING THAT ONLY THE MOST ECONOMICAL AND BENEFICIAL HEALTHCARE INSURANCE PROPOSAL PLAN FOR GOVERNMENT OF GUAM EMPLOYEES, RETIREES, AND FOSTER CHILDREN IS FORWARDED BY THE GOVERNMENT OF GUAM HEALTH INSURANCE NEGOTIATING TEAM TO *I MAGA'LÅHEN GUÅHAN* FOR CONSIDERATION; AND TO DIVESTING *I LIHESLATURAN GUÅHAN* OF FINAL APPROVAL AUTHORITY OVER ANY CONTRACT ENTERED INTO BY *I MAGA'LÅHEN GUÅHAN* FOR THE SAME.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. § 4301(a) of Article 3, Chapter 4, Title 4, Guam Code Annotated, is hereby *amended* to read:

"(a) *I Maga'låhi* (the Governor) is authorized to enter into contracts and reject proposals, with the written concurrence of the Speaker of *I Liheslaturan Guåhan* (the Guam Legislature) or the Chief Justice of the Supreme Court of Guam, whose consents may be withheld in their sole discretion, with one (1) or more insurance companies, authorized to do business in Guam, for group insurance, including, but *not* limited to, hospitalization, medical care, life, and accident, for all employees or separate groups of employees, and foster children, of the government of Guam. If the Legislative or Judicial Branches of government elect to enter into separate contracts for their employees as authorized in § 4301(c), *I Magå'lahi shall* obtain the written concurrence of the Branch electing to remain with the Executive Branch before the group insurance contract is entered into or a proposal rejected. The government *shall not* be construed as an agent of any insurance company in negotiating or administering this group insurance program. Health benefits provided under this authority may be self-funded and administered by a third party if it is determined to be cost-effective. No government funds shall be authorized or expended, and no contract shall be executed with any healthcare respondent/provider for group insurance for all employees, or separate groups of employees, and foster children, of the government of Guam, whose proposal *does not* represent the most economical and beneficial healthcare insurance proposal plan, as defined in § 4302(c)(2) of this Article, and as determined by the Negotiating Team in § 4302(c) of this Article."

Section 2. § 4302(c)(2) of Article 3, Chapter 4, Title 4, Guam Code Annotated, is hereby *amended* to read:

"(2) The Negotiating Team upon selection and review of the single best available proposal by participating healthcare respondent(s)/provider(s),

which *shall* be the most economical and beneficial healthcare insurance proposal plan for government of Guam employees and retirees, and foster children, *shall* forward said proposal to *I Maga'låhen Guåhan* for consideration, and to *I Liheslaturan Guåhan* for its review *no later than* July 31, and prior to the annual legislative sessions wherein the upcoming fiscal year budget for the government of Guam is before *I Liheslaturan Guåhan* for consideration. Notwithstanding any other provision of law, rule or regulation, the most economical and beneficial healthcare insurance proposal plan for government of Guam employees and retirees, and foster children, *shall* be defined as the lowest cost option of either the exclusive or non-exclusive proposal.

The Negotiating Team *shall* forward only the single most economical and beneficial healthcare insurance proposal plan for government of Guam employees and retirees, and foster children, to *I Maga'låhen Guåhan*, and *shall not* forward both an exclusive and a non-exclusive proposal to *I Maga'låhen Guåhan.*"

Section 3. Effective Date. This Act *shall* become effective upon enactment.

Section 4. Severability. If any provision of this Act or its application to any person or circumstance is held invalid, the invalidity *shall not* affect other provisions or applications of this Act that can be given effect without the invalid provision or application and to this end the provisions of this Act are severable.