

# Guam Memorial Hospital Authority

## *Citizen Centric Report- FY2016*

### A Report to the Citizens of Guam



### About Guam's only Public Hospital

Guam Memorial Hospital Authority, a component unit of the Government Of Guam, was created on July 26, 1977 pursuant to Public Law 14-29 as an autonomous agency. The hospital provides acute, outpatient, long-term, urgent care, and emergency care treatment to all patients who seek medical services. The hospital has 161 licensed acute care beds and 40 beds for long-term care at its Skilled Nursing Unit (SNU). GMHA was accredited by The Joint Commission, an independent body accrediting healthcare providers in the United States. GMHA acquires sources of revenue from third-party payors, which include Medicare, Medicaid, Medically Indigent Program, and other commercial insurers.

### Table of Contents

About Us .....	1
Performance.....	2
Financial Position.....	3
Future Outlook.....	4

### Mission Statement

"To provide quality patient care in a safe environment"

### Board of Trustees

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*Trustee*

Sharon J. Davis  
*Trustee*

Jeanine Cruz  
*Ex Officio Member*



Peterjohn D. Camacho, MPH  
Hospital Administrator, CEO

### Vision Statement

*Quality Service  
and standards  
Compliance*

*Open and  
consistent  
communication*

*Fiscal  
responsibility and  
Accountability at  
all levels*

### Strategic Goals

*Maintaining Joint  
Commission  
Accreditation*

*Implementation  
of revenue  
enhancements*

*Recruitment of  
physicians, skilled  
specialty nurses,  
and other vacancies*

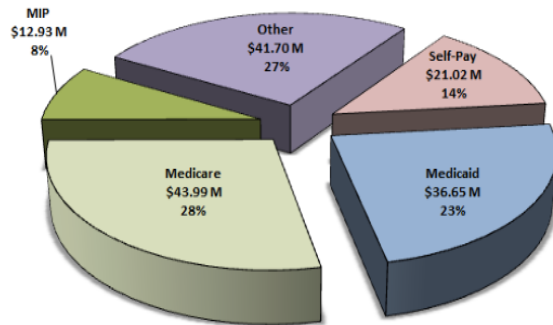
*Developing a Master  
Plan and Business  
Plan to provide  
better services*

### FTE (Full-Time Employee Count)

Division	FY2016	FY2015
Nursing	455	485
Professional Support	200	208
Administrative Support	166	170
Fiscal Services	94	93
Administration	16	16
Medical Staff	46	47
DOC	8	

Total: 985 1019

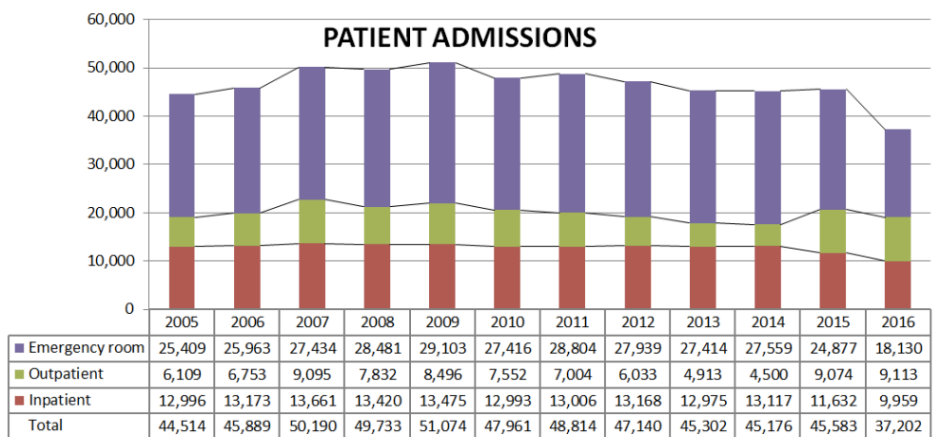
## Payer Mix



Guam Memorial Hospital Authority faces its financial challenges for many reasons such as “Payer Mix”. In FY2016 the breakdown of the gross revenue of \$156 M is shown on chart, which the 3 M’s (Medicare, Medicaid, and MIP) makeup 59% of the total revenue of the year, reducing the collection to billing ratio.

Patient Census declined in fiscal year 2016 due to the opening of a local private hospital. Despite the 18% decrease, the severity of the patients’ condition or length of stay did not impact the cost of providing necessary medical services to these patients.

## PATIENT ADMISSIONS



## HIGHLIGHTS OF 2016

*Continued Strategic/master planning, implementation, and capital improvement*

*Successfully designing our soon to be built Family Birth Center*

*Developing a Master Plan and Business Sustainability Plan to replace the Z-Wing (50+ Year old building) and establish an enhanced Service Center.*

*Service improvements and meeting its mission “to provide quality patient care in a safe environment.”*

*Outstanding hospital accreditation and certification deficiencies continued to be quickly corrected after initial detection by internal GMHA staff and external survey team*

*Modernization of GMHA’s Hospital Elevators*

*Removal and Replacement of the Hospital’s Cooling Towers*

*SNU Typhoon Shutters System Upgrade (a competitive FEMA Pre-Disaster Mitigation Grant)*

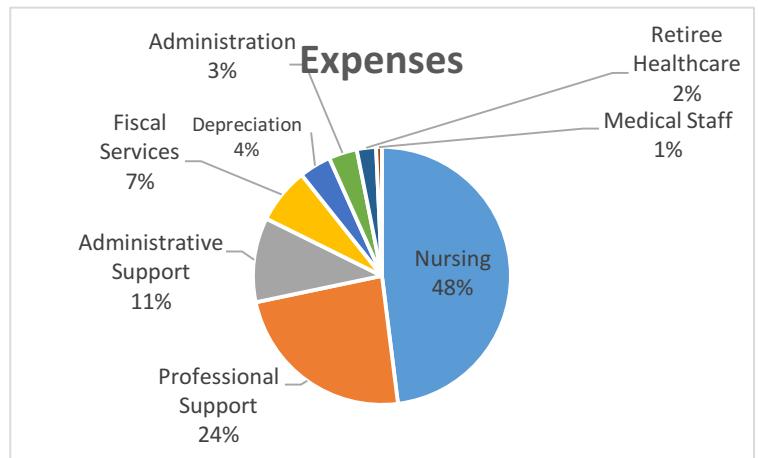
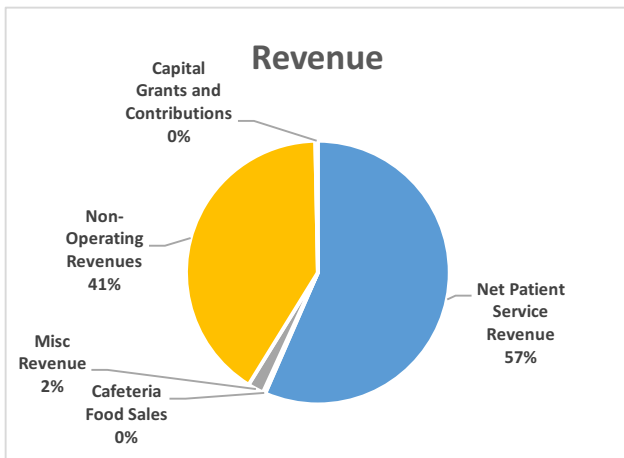
# FINANCIAL POSITION | 3

Revenues	FY2016	FY2015	Change%
Net Patient Service Revenue	\$95,065,140	\$83,652,660	-13.6%
Cafeteria Food Sales	511,387	443,698	-15.3%
Misc Revenue	3,306,720	104,284	-3070.9%
Non-Operating Revenues	68,735,953	21,200,589	-224.2%
Capital Grants and Contributions	529,458	1,258,956	57.9%
<b>Total Revenue</b>	<b>\$168,148,658</b>	<b>\$106,660,187</b>	<b>-57.6%</b>

Expenses	FY2016	FY2015	Change %
Nursing	\$61,515,851	\$51,153,215	-20.3%
Professional Support	30,367,052	26,417,388	-15.0%
Administrative Support	13,588,634	12,551,194	-8.3%
Fiscal Services	8,958,852	8,378,854	-6.9%
Depreciation	5,121,496	4,627,703	-10.7%
Administration	4,559,584	3,463,586	-31.6%
Retiree Healthcare	3,090,962	2,779,965	-11.2%
Medical Staff	929,792	668,856	-39.0%
<b>Total Expenses</b>	<b>\$128,132,223</b>	<b>\$110,040,761</b>	<b>-16.5%</b>
<b>Change in Net Position</b>	<b>\$40,016,335</b>	<b>-\$3,381,574</b>	<b>1,283.4%</b>

## Strategic Challenges FY2017

- Pursue adequate funding levels (Medicare, Medicaid, MIP, & Selfpay)
- |
- Enhancing Revenues, implementing cost reduction measures, and elimination existing debt
- |
- Changing reimbursement laws to allow for additional coverage
- |
- Recruitment and retention of physicians and other healthcare professionals



An independent audit report of GMHA's financial statements prepared by Deloitte & Touche, LLP conclude that the statements were prepared accordance with generally accepted accounting principles in the United State of America  
*We want to hear from you! Let us know what information you want to see. Please contact GMHA (671)647-2555*

## ECONOMIC OUTLOOK

GMHA continues to provide the best patient care despite decades of financial challenges. Its continued effort to improve efficiencies, contain cost and generate internal revenue enhancements will contribute to GMHA's sustainability.

### Successful Projects

#### Online Payment

*The hospital has negotiated with a vendor to provide online payment services to patients and has successfully launched these services in February 2017. Patients have the ability to view their account at their own convenience and privacy. This may provide a positive impact to the hospital's efforts in collections especially the self payer mix.*



ONLINE BILL PAY



#### Insurance Provider Agreement

*GMHA successfully negotiated a new Insurance Provider Agreement essentially ending a ten-year-old Payer Agreement originally signed in 2006. The hospital successfully negotiated the terms of the new Payer Agreement without the 8% incentive, which would allow \$2M additional income each year. All four local HMO providers signed the new agreement.*

### Looking Forward

#### Family Birth Center

*The US Department of Agriculture approved a loan of \$9.2M to finance the design and construction of a new Family Birth Center within the hospital, with additional Federal grant funds of up to \$3M to finance new equipment for this facility. The center will offer an improved delivery of care to support approximately 250 babies born at GMHA each month.*



#### Information Technology Upgrades and Meaningful Use

*As part of the Business Sustainability Plan, GMHA intends to conduct a thorough review of its information system to determine whether Optimum, the current general financial system, remains the best answer to its information needs. The hospital, in order to comply with regulatory standards, needs systems which integrate clinical, demographic, and financial information seamlessly. GMHA's goal is to acquire a system that best responds to the needs and objectives in delivering patient care and promoting efficiency.*