

Guam Memorial Hospital Authority Citizen Centric Report A REPORT TO OUR CITIZENS FY2014



Mission Statement

“To provide quality patient care in a safe environment”

Vision Statement

The Hospital believes in the following core values:

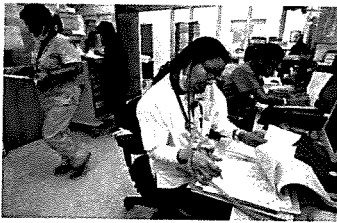
1. Quality service and standards compliance;
2. Open and consistent communication between clinical and non-clinical staff, the Board of Trustees, and the public as a whole;
3. Fiscal responsibility and accountability at all levels.

Strategic Goals

1. Maintaining Joint Commission Accreditation
2. Improving the Fiscal Performance of GMHA
3. Establishing Greater Self Reliance
4. Developing a Facilities Master Plan

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GMHA Board Members

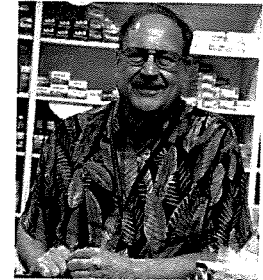
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Board Member
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Hafa Adai Fellow Citizens of Guam,

On behalf of the Governor, Lt. Governor, Board of Trustees, I and the hundreds of physicians and support staff members of Guam Memorial Hospital want to let you know that as providers of the services at Guam Memorial Hospital, we are very pleased to be a part of this important service and vital link in the healthcare delivery system here on Guam.

We are also pleased to be able to have opened up a new Urgent Care service at the hospital in the past few months that was not previously available and would like to thank the administration and Senator Rodriguez, and other members of the Guam Legislature that helped plan for and fund this important new service.



The hospital has additional services and upgrades we are working on. We are very excited to be working with the Government Of Guam and our exceptional OB providers led by Dr. Thomas Shieh, in the development of a brand new State of the art Labor and Delivery service that will come on line in 2016.

Most Cordially,
Theodore Lewis
Chief Executive Officer

Brief History of GMHA

Guam Memorial Hospital (GMH), is the only public hospital on Guam. GMH was constructed at Oka Point in 1956, representing a major change in the local government's role in the delivery of medical care to the people of Guam. The establishment of GMH as a line agency of the Government of Guam's Executive Branch in 1964 separated the administration of hospital services from the community health services provided by the Department of Public Health and Welfare.

In 1974, the local and federal governments' plans to replace the rapidly deteriorating Guam Memorial Hospital facility began to develop. The U.S. department of Interior purchased and transferred the nearby Medical Center of the Marianas to the Government of Guam to serve as the new Guam Memorial Hospital. The Medical Center of the Marianas was built by the Catholic Diocese to serve as a private maternal-child health facility. However, financial difficulties prompted the Diocese to sell the facility to meet the government's need to replace its old GMH facility at Oka Point.

In July 1977 through Public Law 29-14 Guam Memorial Hospital Authority (GHMA) was created as a public corporation which has been operating as a governmental, non-profit institution serving the people of Guam under the governance of a nine member Board of Trustees.

In 2010, GMHA received full accreditation by the Joint Commission, a non-profit organization that accredits hospitals worldwide. GMHA's most recent visit by the Joint Commission reaffirmed its full accreditation.

Performance Assessment

How are we doing?



Accomplishments in 2014

2014 was a Strategic Planning & Implementation year for GMHA. From successfully opening our Emergency Department, Critical Care Unit/Intensive Care Unit, and putting plans together for developing and operating a hospital-based Urgent Care Unit, GMHA made huge strides towards service improvements and meeting its mission "to provide quality patient care in a safe environment". In addition, outstanding hospital accreditation and certification deficiencies continue to be quickly corrected after assessment by either internal GMHA staff or external survey teams.

Description	FY2013			FY2014		
	Patient Count	\$ Value	%	Patient Count	\$ Value	%
Self-Pay	6024	15,075,441	10.75%	6784	17,401,918	10.95%
MAP	15732	37,833,780	26.97%	15531	37,036,624	23.30%
MED	5902	34,839,374	24.83%	5560	33,786,380	21.26%
MIP	3730	13,385,427	9.54%	3771	14,548,865	9.15%
All Others	12191	39,152,107	27.91%	19351	56,162,869	35.34%
TOTAL	43579	\$ 140,286,129	100%	50997	\$ 158,936,656	100%
Self Pay Demographics						
Employed	1597	3,879,205	25.73%	1628	3,905,007	22.44%
Unemployed	3700	9,522,426	63.17%	4035	11,038,310	63.43%
Disability	8	24,287	0.16%	13	40,060	0.23%
Retired	212	945,679	6.27%	138	718,050	4.13%
Student	369	492,068	3.26%	420	696,607	4.00%
Other	138	211,775	1.41%	550	1,003,885	5.77%
TOTAL	6024	\$ 15,075,440	100%	6784	\$ 17,401,919	100%

*MAP Medical Assistance Plan, MED: Medicaid, MIP: Medically Indigent Program.

Maintaining the Accreditation

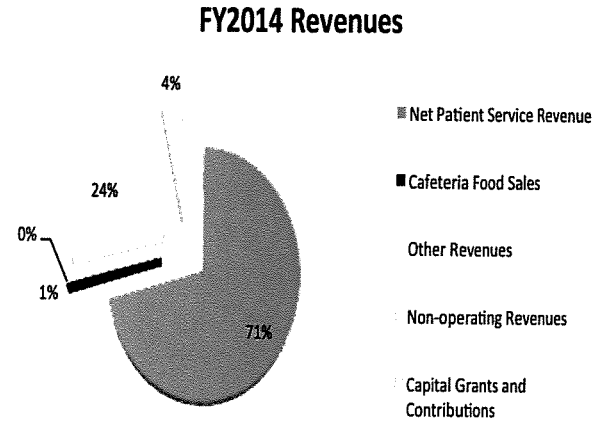
GMHA is the only component of the Government of Guam in which services cannot be withheld due to the financial ability of the patient. The negative impact of this mandate is clearly illustrated in the following page. The mandate is hampering the goal to establish greater self reliance. Additionally, the hospital did realize an increase in operational expenses due to JC Accreditation requirements requiring a certain number of clinical staff to be maintained. To maintain the Accreditation, the GMHA executes monthly and quarterly evaluations of performance indicators that are geared toward determining compliance with JC standards because of periodic JC's via on-site visits to examine whether the facility is maintaining adherence to the standards of care. The Hospital continues to depend heavily on the Government of Guam for payments of medical services to MIP and Medical Assistance Program clients. GMHA continues to see an increase in self-pay population with the unemployed demographics accounting for over 63 % of the self-pay group. With this trend, it will continue to exacerbate the already fiscally challenged facility, thus necessitating more government subsidy.



The Hospital's Finances

"the cost of servicing the citizens"

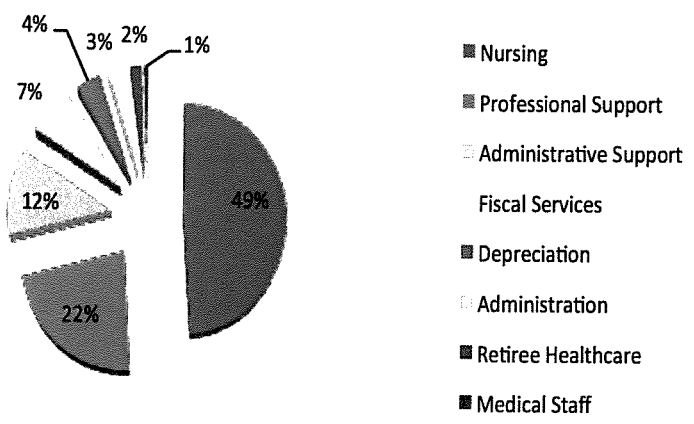
Revenues	FY2013	FY2014	CHANGE %
Net Patient Service Revenue	\$ 69,261,522	\$ 79,648,875	15.0%
Cafeteria Food Sales	477,055	387,884	-18.7%
Other Revenues	129,033	144,725	12.2%
Non-operating Revenues	13,147,749	27,064,819	105.9%
Capital Grants and Contributions	6,338,614	4,399,446	-30.6%
Total Revenue	\$ 89,353,973	\$ 111,645,749	24.9%



Benita Manglona, CPA, CGMA
Chief Financial Officer

Expenses	FY2013	FY2014	CHANGE %
Nursing	\$ 49,655,149	\$ 53,163,091	7.1%
Professional Support	24,097,980	24,443,699	1.4%
Administrative Support	12,930,770	13,327,246	3.1%
Fiscal Services	6,829,249	7,593,811	11.2%
Depreciation	4,423,908	4,349,905	-1.7%
Administration	2,858,668	3,141,104	9.9%
Retiree Healthcare	1,991,175	2,013,433	1.1%
Medical Staff	851,757	617,654	-27.5%
Non-operating expenses	2,484,553.00	2,324,338.00	-6.4%
Total Expenses	\$ 106,123,209	\$ 110,974,281	4.6%

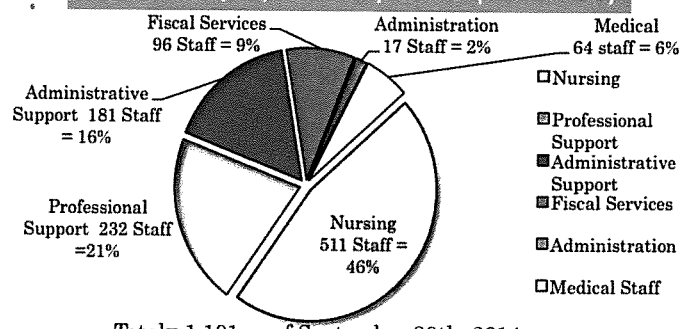
FY2014 Expenses



Challenges for FY2016

- Pursuing adequate reimbursements from Medicare, Medicaid, MIP and increased collection from Self-Pay
 - Recruitment and retention of physicians and other professionals
 - Reduction of aged vendor payables
- GMHA has had operating losses and suffered negative cash flows; its operating revenues continue to be insufficient to pay current expenses and payments to vendors.

GMHA Employee Composition (Full Timers)



Total= 1,101 as of September 30th, 2014



An independent audit report of GMHA's financial statements prepared by Deloitte & Touche, LLP concluded that the statement was prepared in accordance with generally accepted accounting principles in the USA.

What's next for the hospital?

future goals and economic outlook

Economic Outlook

GMHA is mandated to provide medical care to anyone regardless of their ability to pay. This presents a challenge in our ability to maintain an equitable balance between revenues and expenditures. Dealing with the staggering rising cost in delivery of health care, and the pace of collecting from self-pay, MAP, MIP, Medicare, and others remain a major issue. The need to increase out billing rates to reflect changes in costs associated with health care has never been more urgently needed. GMHA will continue to be aggressive in pursuing collections of our receivables in all areas. With the support of the Governor, Guam Legislature, GMHA Board of Directors, and other stake holders, GMHA remains committed "to provide quality patient care in a safe environment".



Future Goals for the Hospital

- Ongoing implementation of Strategic Plan
- New strategic priorities and culture will be implemented ACES+Q (Accountability, Cost Effectiveness, Excellence in service, safety + quality).
- GMHA is operating its new hospital-based Urgent Care Unit to provide Urgent Care Services to the Guam community and to help alleviate overcrowding in the Emergency Department, which can now focus on Emergent Care.
- Recruitment of more physicians and filling critical vacancies
- Implementation of new computer systems to support full implementation of GMHA's updated Electronic Health Record (EHR)
- Ongoing implementation of new, improved and restructured fiscal services;
- Additional capital improvements planned, such as:
 - Medical Telemetry Patient Rooms Upgrade Project (fund by the GMHVA)
 - A/E Design and Construction of a new Maternal & Child Healthcare Wing/System
 - Remove & Replace GMHA's Nurse Call/Paging/Clock Systems Project (both GMH and SNU)
 - Upgrade of our Electrical Distribution System to include a 1.6 Meg Emergency Generator;
 - Replacement of various critical medical equipment/systems (e.g., Sterilizers, Hematology Analyzers, Operating Room Systems, new 256 Slice CT Scanner, etc.); and
 - Modernization of GMHA's Hospital Elevators.
- Ongoing implementation of new staffing pattern
- Additional leadership changes
- Ongoing implementation of revenue enhancements, expense reduction and waste elimination strategies
- Maintenance of Joint Commission accreditation standards and guidelines promulgated and enforced by the Centers for Medicare & Medicaid Services (CMS)
- Modifications of laws, rules and regulations to enhance GMHA's mission and service delivery (e.g., Procurement Rules & Regulations, Personnel Rules & Regulations)
- Bringing quality education programs to Guam.

We want to hear from you. Do you believe this report should include any other information?

Please contact: Guam Memorial Hospital (671) 647-2555

For future up-to-date information concerning Guam Memorial Hospital Authority, please visit the website at www.gmha.org