

Report on Compliance and Internal Control

Guam Memorial Hospital Authority
(A Component Unit of the Government of Guam)

Year Ended September 30, 2023



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Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Management and the Board of Trustees
Guam Memorial Hospital Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Audit Standards*), the financial statements of Guam Memorial Hospital Authority (the Authority), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements (collectively referred to as the "financial statements"), and have issued our report thereon dated October 9, 2024. Our report includes an emphasis of matter paragraph concerning the Authority's dependency on the Government of Guam.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ernst + Young LLP

October 9, 2024



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Report of Independent Auditors on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Management and the Board of Trustees
Guam Memorial Hospital Authority

Report of Independent Auditors on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Authority's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2023. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on ALN 21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on ALN 21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds for the year ended September 30, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2023.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on ALN 21.027

As described in the accompanying schedule of findings and questioned costs, the Authority did not comply with requirements regarding Assistance Listing 21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds as described in finding number 2023-002 for Allowable Costs/Cost Principles.

Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Authority’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-003. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority’s response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Authority’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The Authority is responsible for preparing a corrective action plan to address each audit finding included in our auditor’s report. The Authority’s corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-003 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Authority as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated October 9, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Ernst + Young LLP

October 9, 2024

Guam Memorial Hospital Authority
(a component unit of the Government of Guam)

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2023

Federal AL #	Pass-through Entity Identifying Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Expenditures
		U.S. Department of the Interior:	
		Pass-Through From the Office of the Governor of Guam:	
15.875	D15AP00046	Economic, Social and Political Development of the Territories	\$ 507,632
15.875	D16AP00060	Economic, Social and Political Development of the Territories	172,899
15.875	D20AP00010	Economic, Social and Political Development of the Territories	382,331
15.875	D19AF00065	Economic, Social and Political Development of the Territories	190,370
15.875	None	Economic, Social and Political Development of the Territories	<u>1,510,980</u>
		Total U.S. Department of the Interior	<u>2,764,212</u>
		U.S. Department of the Treasury:	
		Pass-Through From the Office of the Governor of Guam:	
21.027	None	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	<u>6,003,374</u>
		Total U.S. Department of the Treasury	<u>6,003,374</u>
		Federal Communications Commission:	
		Direct Program:	
32.006	None	COVID-19 Telehealth Program	<u>722,000</u>
		Total U.S. Department of the Treasury	<u>722,000</u>
		U.S. Department of Health and Human Services:	
		Direct Program:	
93.498		COVID-19 Provider Relief Fund	<u>14,422,502</u>
		Pass-Through From the Office of the Governor of Guam:	
93.889	5 U3REP190565-02-00	COVID-19 National Bioterrorism Hospital Preparedness Program	<u>206,740</u>
		Total U.S. Department of Health and Human Services	<u>14,629,242</u>
		Corporation for National and Community Service	
		Direct Program:	
94.006		Americorps	<u>74,340</u>
		Total Corporation for National and Community Service	<u>74,340</u>
		U.S. Department of Homeland Security:	
		Direct Program:	
97.036		Disaster Grants - Public Assistance (Presidentially Declared Disasters)	1,668,501
97.036		COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	10,666,588
97.036		COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters) - PPE	<u>397,500</u>
		Total U.S. Department of Homeland Security	<u>12,732,589</u>
		Total Expenditures of Federal Awards	<u>\$ 36,925,757</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

Guam Memorial Hospital Authority
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Notes to the Schedule of Expenditures of Federal Awards

Year Ended September 30, 2023

1. Scope of Audit

Guam Memorial Hospital Authority (the “Authority”) is a component unit of the Government of Guam (GovGuam), a governmental entity created on July 26, 1977, under Public Law No. 14-29 as an autonomous agency of GovGuam. Only the transactions of the Authority are included within the scope of the Single Audit.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the Authority under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the net position, changes in net position or cash flows of the Authority.

3. Summary of Significant Accounting Policies

Basis of Accounting

Expenditures reported in the Schedule are reported on the accrual basis of accounting, consistent with the manner in which the Authority maintains its accounting records. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the financial statements. All expenses and capital outlays are reported as expenditures. Pass-through entity identifying numbers are presented where available.

Matching Costs

Matching costs, i.e., the non-federal share of certain program costs, are not included in the Schedule.

Indirect Cost Rate

The Authority does not elect to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Guam Memorial Hospital Authority
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Schedule of Findings and Questioned Costs

Year Ended September 30, 2023

Section I—Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

 X **Yes** **No**

Significant deficiency(ies) identified?

 Yes X **None reported**

Noncompliance material to financial statements noted?

 Yes X **No**

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

 X **Yes** **No**

Significant deficiency(ies) identified?

 X **Yes** **None reported**

Type of auditor’s report issued on compliance for major federal programs:

ALN 21.027

Qualified

All other major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 X **Yes** **No**

Identification of major federal programs:

Assistance Listing number

Name of federal program or cluster

21.027

COVID-19 Coronavirus State and Local Fiscal Recovery Funds

32.006

COVID-19 Telehealth Program

93.498

COVID-19 Provider Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$1,107,772

Auditee qualified as low-risk auditee?

 Yes X **No**

Guam Memorial Hospital Authority
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Schedule of Findings and Questioned Costs, continued

Section II – Financial Statement Findings

<u>Finding No.</u>	<u>Criteria</u>
2023-001	Patient Receivables

Section III – Federal Award Findings and Questioned Costs

Reference Number	ALN	Findings	Questioned Costs
2023-002	21.027	Allowable Costs/Cost Principles	\$ 0
2023-003	21.027	Suspension and Debarment	\$ 0
2023-003	32.006	Suspension and Debarment	\$ 0

Guam Memorial Hospital Authority
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Schedule of Findings and Questioned Costs, continued

Finding No. 2023-001 – Patient Receivables

Criteria: Measures and actions should be undertaken to collect and address long-outstanding and increasing receivables. Additionally, an effective system of internal control includes procedures over timely billing.

Condition: Tests of patient receivables noted the following:

- As of September 30, 2023, GMHA has \$20.9 million of unbilled receivables, which increased by 38% from approximately \$15.1 million of unbilled accounts at September 30, 2022.
- As of September 30, 2023, GMHA has approximately \$2.1 million in accounts receivable suspense accounts.

Cause: (1) GMHA is mandated to service all in need of medical services regardless of patient condition or financial ability to pay, and (2) GMHA’s billing and collection processes involve relatively high volumes and complexity compared to the limited availability of resources.

Effect: The effects of the above condition are the accumulation of potential uncollectible receivables and the potential for inadequate cash flows to meet current obligations. Further, lack of timely analysis of receivables and accounts receivable suspense accounts may result in disputed receivables because of collections in the accounts receivable suspense accounts are not recorded against specific receivable balances.

Recommendation: GMHA should continue its efforts to follow up on outstanding patient receivables and to diligently review existing collection measures and strategies. Additionally, responsible personnel should timely analyze receivables and receivable suspense accounts, making adjustments, as necessary. Finally, GMHA should take reasonable steps to improve posting of charges to the revenue system and timely billing within the established period.

Identification as a Repeat Finding: Finding 2022-001

Views of Responsible Officials: GMHA’s corrective action plan does not indicate disagreement and provides planned corrective actions.

Guam Memorial Hospital Authority
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Schedule of Findings and Questioned Costs, continued

Finding No.: 2023-002
Federal Agency: U.S. Department of Treasury
AL Program: COVID-19 21.027 Coronavirus State and Local Fiscal Recovery Funds
Requirement: Allowable Costs/Cost Principles
Questioned Costs: \$0

Criteria: According to 2 CFR 200.439, capital expenditures for special purpose equipment with a unit cost on or above \$5,000 or for general purpose equipment are unallowable as direct charges, except with the prior written approval of the Federal awarding agency or pass-through entity.

Condition: In our audit of the 21.027 funding, we identified that the Authority made capital expenditures on equipment without prior approval from the pass-through entity.

Cause: The Authority did not consider the requirements for capital expenditures under 2 CFR 200.439. There was no procedure in place to ensure that equipment purchases were pre-approved by the federal awarding agency or pass-through entity.

Effect: The Authority is in noncompliance with the applicable requirement. Amounts associated with the instances of noncompliance are material to the program, however as subsequent approval was received by the pass-through entity, no questioned costs result.

Recommendation: The Authority should establish procedures to ensure compliance with the requirements under 2 CFR 200.439. This includes obtaining prior approval from the federal awarding agency or pass-through entity for such purchases and maintaining proper documentation to justify the necessity of the expenditures. Additionally, the Authority should train personnel responsible for managing federal awards on these requirements.

Views of Responsible Officials: GMHA's corrective action plan does not indicate disagreement and provides planned corrective actions.

Guam Memorial Hospital Authority
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Schedule of Findings and Questioned Costs, continued

Finding No.: 2023-003
Federal Agency: U.S. Department of Treasury
Federal Communications Commission
AL Program: COVID-19 21.027 Coronavirus State and Local Fiscal Recovery Funds
COVID-19 32.006 Telehealth Program
Requirement: Suspension & Debarment
Questioned Costs: \$0

Criteria: In accordance with 2 CFR 200.214, non-Federal entities are subject to the non-procurement debarment and suspension regulations implementing 2 CFR 180. Such regulation restricts awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities. Under 2 CFR 180.300, when entering into a covered transaction with another person at the next lower tier, verification must be made that the person with whom an intent to do business with is not excluded or disqualified. Such verification can be made by (a) checking SAM Exclusions, (b) collecting a certification from that person; or (c) adding a clause or condition to the covered transaction with that person.

Condition: The Authority did not properly document that verification was performed to identify if the selected person or entity in the covered transaction was not suspended or debarred prior to transacting with them.

Cause: The Authority did not properly document that verification was performed to identify if the selected person or entity in the covered transaction was not suspended or debarred prior to transacting with them.

Effect: The Authority is in noncompliance with the applicable requirement.

Recommendation: The Authority should revisit and implement its procedures to ensure that vendors and entities that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities are restricted from Federal awards, subawards and contracts. Procedures performed should be adequately maintained in the procurement files.

Views of Responsible Officials: GMHA's corrective action plan does not indicate disagreement and provides planned corrective actions.



GUAM MEMORIAL HOSPITAL AUTHORITY

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CORRECTIVE ACTION PLAN

Finding No. 2023-001 – Patient Receivables

Views of Auditee and Planned Corrective Actions:

The complex nature of healthcare revenue cycle management (RCM) and GMHA's mission to provide quality patient care, regardless of whether a person can afford to pay for those services, contribute to GMHA's increasing receivables.

The increase in GMHA's unbilled receivables to \$20.9 million as of September 30, 2023 was the result of technological issues experienced during the electronic health record (EHR) go-live, network shutdown, and typhoon Mawar. Beginning in FY 2024, when the unique technological challenges were resolved, GMHA aggressively sent out billings, which significantly reduced the unbilled accounts. As of September 20, 2024, GMHA's unbilled receivables amounted to \$3.9 million.

During FY 2024, GMHA hired an accountant, whose job included regular reconciliation and monitoring of the accounts receivables suspense accounts. This is a manual review process in the meantime. Ideally, a comprehensive patient accounting system should automatically clear suspense/temporary entries once certain criteria and triggers are met. GMHA plans to solicit a new EHR system that includes the patient accounting.

In addition, some of GMHA's strategies to address long-outstanding and increasing receivables are as follows:

- Cleaned receivables aging to identify and truly assess the collectibility of accounts
- Entered into an agreement with the Guam Department of Public Health and Social Services to facilitate patients' application for public assistance, such as enrollment in the Medicaid Program
- Offer a one-time Self-Pay Amnesty Program providing a 50% discount to uninsured patients
- Offer a Sliding Fee Scale Discount Program to patients at or below the 200% Federal Poverty Level
- Refer accounts to a Collection Agency
- Write off receivables when any of the above strategies do not result in a collection of the account

Proposed Completion Date: Ongoing process.

Name of Contact Person: Yukari Hechanova, Chief Financial Officer



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CORRECTIVE ACTION PLAN

Finding No. 2023-002 – Unallowable Direct Charges

Views of Auditee and Planned Corrective Actions:

Being in constant financial constraints facing vendor delivery holds and discontinuing critical services, the Department of Administration (DOA) directly paid certain GMHA vendors. With the urgency of need and insufficient information about the source of funds' eligibility requirements, an amount owed for an equipment purchase was included in the invoices DOA paid.

Moving forward, GMHA will be more proactive in obtaining grants' eligibility requirements to ensure compliance. In addition, accounting personnel directly involved in reviewing and approving federal grant expenditures will continuously participate in training related to Uniform Guidance Updates. On August 28, 2024, the Chief Financial Officer and the General Accounting Supervisor attended an OMB Uniform Guidance Updates training.

Proposed Completion Date: Completed.

Name of Contact Person: Yukari Hechanova, Chief Financial Officer



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CORRECTIVE ACTION PLAN

Finding No. 2023-003 – Suspension and Debarment

Views of Auditee and Planned Corrective Actions:

Starting in April 2024, GMHA incorporated the Certificate Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion for Covered Contracts and Grants in all of its Invitation for Bids and Request for Proposals.

Proposed Completion Date: Completed.

Name of Contact Person: Yukari Hechanova, Chief Financial Officer



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Summary Schedule of Prior Audit Findings Year Ended September 30, 2023

Finding No.	Assistance Listing No.	Requirement	Status at September 30, 2023
2022-001	N/A	Patient Receivables	Not corrected. Refer to the planned corrective actions in the Corrective Action Plan for Finding 2023-001.
2022-002	N/A	Liabilities	Corrected. In fiscal year 2023, there were no new on-behalf payments for which funding source was not clear between the Department of Administration and GMHA.
2022-003	N/A	Nonoperating Revenues	Corrected. In fiscal year 2023, grant revenues were recorded when a certain federal grantor obligated the funds to GMHA.
2022-004	N/A	Unearned Revenue	Corrected. Adjustment has been reflected as of fiscal year 2022. The federal grant was completed as of fiscal year 2023 and revenue was recognized accordingly.