

Guam Healthcare Task Force – Finance Subcommittee Meeting

May 19, 2021 | 2:00pm

In attendance

<i>GMHA Administrator</i>	Lillian Perez-Posadas
<i>GMHA Chief Financial Officer</i>	Yukari Hechanova
<i>GMHA PIO</i>	Mai Habib
<i>GEDA CEO/Administrator</i>	Melanie Mendiola
<i>GMH Board of Trustee</i>	Byron Evaristo
<i>GEDA Deputy Administrator</i>	Joann Camacho
<i>GEDA Public Finance Manager</i>	Christina Garcia
<i>GEDA RPD Manager</i>	Diego Mendiola
<i>GEDA RPD Project Manager</i>	Mike Cruz

<i>GEDA RPD Supervisor</i>	Mary Camacho
<i>CDLO</i>	George Bamba
<i>36th GU Legislature</i>	Senator Sabina Perez
<i>36th GU Legislature</i>	Senator Telo Taitague
<i>36th GU Legislature – Speaker's Office</i>	Charissa Manibusan
<i>Guam Veterans Affairs</i>	Lucia Perez
<i>Guam Recovery Office</i>	David Cruz
<i>FEMA</i>	Dirk Bouma

Healthcare Task Force Updates (Tina Garcia)

- Bill 121-36 (COR) Public Hearing – An Act to Add a New Chapter 83 to Title 12, Division 5, Guam Code Annotated Relative to the Finance, Design, Construction and Maintenance of Government of Guam 21st Century Healthcare Center of Excellence and Shall be Called “The 21st Century Healthcare Center of Excellence Construction Act of 2021.”
- Phased Construction Plan
 - ❖ Phase I: Public Health CDC Lab and DOI Grant Funding
 - ❖ Phase II: Guam Memorial Hospital (GMH)
 - ❖ Phase III: Guam Behavioral Health and Wellness Center (DPHSS)
- (Tina Garcia) Bill 121-36 (COR) - Estimated cost discussion. Senators honed in on funding. GEDA conveyed to the legislature that GEDA is performing an initial study.
- (Melanie Mendiola) Recognized immediate needs of the Healthcare system. Amount of money proposed can be daunting. ACOE report \$763 million. Other amounts came out in discussion with DPHSS and GBHWC were rounded numbers. Calculations played around with based on prevailing interest rates and PPPs, not taking into consideration any grant funding and adding up to over \$1 billion. Annual debt service was exceeding what was set forth in Bill 121-36. Following that hearing, wanted to touch basis with DPHSS and GBHWC. CDC lab is covered as far as funding and DOI is also able to cover the Environmental Health – Health Certificate and Sanitization Permit inspections. Go after stand-alone funding for the Public Health main facility. Next step: Honing into DPHSS needs.
- (Joann Camacho) Will be meeting with DPHSS to gain more information regarding their needs and plans.
- (Melanie Mendiola) Initial pieces – any potential reuse of facilities is included in the Task Order for the consultants regarding GMH and DPHSS. Articulating to senators, the desire was to gain clarity amount the true numbers and informed senators that the Healthcare Task Force continues to work with the subcommittees towards that goal. GBHWC noted that immediate need is DHPSS as facility burned down. Concurrent is GMH longer process as it’s a larger complex.

Sub-Committee Reports (Tina Garcia)

- Last meeting, discussed traditional financing through bonds, PPPs, and federal counterparts. Non-traditional financing sources to include:

- University Hospital Partnerships: M. Mendiola to reach out to Dr. Hattori who may have information. University/teaching hospital a trend in the mainland.
- Regional Hospital funding through DOI as part of Compact Impact Agreement: Check with Congressman San Nicolas and other contacts in Washington to see how agreements are going. Guam will have main facility and maybe we can forward dedicated contribution through the Compact Impact Agreement to help fund.
- Veteran's Hospital Funding: Therese Arriola was going to work with Tim Aguon. Representation on Task Force from VA stakeholders. Looking to enhance programs.
- PPP with Private Foundations: Bond Counsel – Going into new Fiscal Year, key to reach out to counterparts. GMH is important economic driver of Guam and the region, and project can cross over the region.
 - **PPP (Lease Leaseback) Update – Bond Counsel**
 - ❖ (Tina Garcia) Bond Counsel requires more details whether large corporate non-profit or for profit, receiving, active participant. Service or function that foundation will provide but that it does exist and will send recent information on it.
 - ❖ (Melanie Mendiola) Need to determine how far along does the perfection of the land prior to doing a Lease Leaseback.

American Hospital Association Report (May 2021)

- Future of Rural Health Care Task Force – opportunities to finance and ways to streamline hospital care. Recommended practice of how to proceed forward.
 - Great funding source with relevant useful data
 - Public Private funding for course services
 - Flexible funding programs to support rural hospitals
 - Challenge with Grant writing
 - Telemedicine – Managing Health Care

Agencies' Grants Personnel

- (Lucia Perez) Veteran Affairs has someone in charge of grants – Tim Aguon and Lucia Perez
- (Yuka Hechanova) Planning Department is the main facilitator. The Fiscal Departments also researches grants. Familiar with capital and construction grants as well.
- (Tina Garcia) Inquired with VA regarding grant programs for veterans that can be a source to tap into.
- (Lucia Perez) Yes, however grants researched under American Rescue Plan. VA looking into other areas and requested grant information from VA stateside.
- (Melanie Mendiola) Recommended that the subcommittee identify a member to track grants specifically to construction and building a medical complex and to organize grants from the three agencies.

Other Sources

- (Tina Garcia) Will work with Dr. Hattori regarding partnerships with other countries, such as Taiwan and South Korea as we develop a Regional Healthcare Center.
- (Senator Telo Taitague) Suggested reaching out to the Guam State Clearing House whose responsibility is to look out for grants.
- (Melanie Mendiola) Guam State Clearing House can send grant opportunities to the proper agencies and GEDA and then we can track.

- (Tina Garcia) President Biden’s Infrastructure Plan: Hopefully Guam will benefit. Will work with DPW and GPA.
- (Melanie Mendiola) Private Foundation? Overall planning perspective. Umbrella organization with agencies as the beneficiaries?
 - (Yuka Hechanova and Bryon Evaristo) GMH does not have.
 - In Zoom group chat: Senator Sabina Perez supports establishing a hospital foundation, GMH BOT, Bryon Evaristo stated grants will be critical and asked if private donors are an option.
 - (George Bamba) Has looked at private foundations in the US and other allied countries but have not identified which foundations to begin communications with. Recommends that a core group within task force to look into it as we are looking for different sources and avenues.
 - \$32 Million grant for the CDC Lab - Level 2 and 3. Money must be spent within 5 years
 - Environmental Health Office / Lab – DOI funded and not a CDC lab.

Comments

- (Senator Sabina Perez) Recommended reaching out to:
 - Dr. Rosanne Jones regarding Hospital Administration
 - Tony Babauta regarding Compact Impact negotiations and ideas
 - Dr. Mary Okada regarding experience in establishing a lab
- (Senator Telo Taitague) Had conversation with Select Care. Suggested reaching out to Frank Campillo regarding the future of hospitals with more at-home abilities. In addition, recent rules regarding ARP funding. The Governor’s position in the event the \$300 million for the new hospital isn’t authorized under ARP.
- (Melanie Mendiola) Some flexibility on ARP Treasury guidance but not enough clarity.
- (Lillian Posadas-Perez) Will touch basis with Governor LG.
- (George Bamba) Pandemic showed that hospital services much needed and facilities and equipment needed which should be the message to Congress and to the federal agencies to ensure that the Medical Complex is built. Will need hospital infrastructure in addition to the CDC Lab.
- (Lillian Posadas-Perez) Recommends single rooms for new hospital to limit and minimize spread of infectious diseases.
- (David Cruz) In Zoom group chat: Recommended inviting the Pink Ladies (GMH volunteers) to the meeting as they have raised millions of dollars and are the closest group to a foundation.
- (Dirk Bouma) In Zoom group chat: Supports every effort.

Next Steps / Homework

- Seek funding for a Financial Advisor who specializes in healthcare financing. Key tasks include:
 - Review and research any and all federal grant opportunities available for Healthcare Facilities
 - Determine if any Federal Tax Credit programs (New Market Tax Credits, Opportunity Zones, etc.) can help in reducing the total cost
 - Work with Healthcare Agencies and other professionals on project cost estimates
 - GMH, DPHSS, GBHWC, VA - Perspective grant amounts to seek in the next 12-24 months.

- Work with bond counsel on appropriate language for financing
- Front office support – Guam State Clearing House regarding organizing grants

Items to Report at Steering Committee Meeting

- Phased approach
- Grants and project cost with focus on DPHSS based on the phase approach and concurrent with GMH
- Introduction of VA clinic
- Request for grants support from front office with regard to resources
- Foundation structure research to manage agencies funding opportunities
- Introduction of Financial Advisor as GEDA has not had a Financial Advisor specific to Healthcare

Feedback

- Send any feedback to:
 - Melanie Mendiola (mel.mendiola@investguam.com) or
 - Christina Garcia (cgarcia@uinvestguam.com)

Next Steering Meeting

- May 25, 2021 at 1:00 PM