



SENATOR THERESE M. TERLAJE

I Mina'trentai Ocho na Liheslaturan Guåhan | 38th Guam Legislature

Senator Terlaje Urges a Path to Improvement through a Public-Private Partnership for GMHA

FOR IMMEDIATE RELEASE (January 14, 2025 - Hagåtña, Guam) – Senator Therese M. Terlaje began off the 38th Guam Legislature with a bold initiative, introducing a bill on the first day of the new term to mandate a Public-Private Partnership (P3) for the Guam Memorial Hospital. This legislation aims to address critical challenges at GMHA, which would improve healthcare services for the people in Guam. (Bill was numbered and processed by the Clerk on January 13 as Bill No. 13-38(COR)).

The bill first creates a GMHA P3 Committee to oversee the development of a Request For Proposal (RFP) that defines the details of the Public-Private Partnership agreement and requires the Guam Memorial Hospital Authority (GMHA) to partner with a private organization to improve its management, operations, finances, and other key areas.

The idea of a Public-Private Partnership for GMH is not new and the bill is a cumulation of previous stakeholders' input. It has been extensively studied or supported by key stakeholders, including the 2016 Guam Memorial Hospital Task Force, the Guam Economic Development Authority (GEDA), and the Executive Branch. In 2016, GEDA's Request for Information (RFI 16-001) demonstrated strong interest from private organizations capable of, and interested in contributing to GMHA's operations and management. While a bill previously introduced in the 35th Guam Legislature attempted to establish a Public-Private Partnership, the hospital's leadership testified against it, citing concerns such as the hospital already being on a "path to improvement" and fears that a Public-Private Partnership would displace current personnel.

Bill No. 13-38(COR) addresses these concerns directly. It ensures protections for existing staff while recognizing that despite GMH's efforts to improve, serious challenges persist. The bill protects the hardworking staff of GMH by including a provision to ensure that all non-management employees, including nurses and other critical personnel, retain their jobs and associated benefits, providing stability and continuity during the transition. The RFP to be developed will build on information gathered from GEDA's current contract with a hospital consultant, audits pointing out flaws with previous consulting contracts and will address procurement and funding concerns.

As plans for a new hospital move forward, Senator Terlaje emphasizes that a modern building alone will not solve the deeper systemic issues facing GMH. Persistent challenges such as inefficient billing and collections processes, the need for a new Electronic Health Records (EHR) system, and outdated Medicare rebasing rates should be resolved well before a new hospital opens. A partnership with a private organization experienced in hospital management will provide the expertise needed to address these issues and ensure a smooth transition to a fully functional, state-of-the-art healthcare facility.

“A Public-Private Partnership offers the best path forward for GMH,” said Senator Terlaje. “It allows the government to ensure critical services like maternal care remain accessible, while bringing in private-sector expertise to improve efficiency and address long-standing challenges.”

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Senator Terlaje looks forward to the public hearing process when community members and stakeholders can share their input to help shape this critical health care initiative.

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ATTACHED: Bill No. 13-38(COR)

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