



**Guam Memorial Hospital Authority
FY 2009 through FY 2011 Billings and Collections Highlights**

May 23, 2012

The Guam Memorial Hospital Authority's (GMHA) Fiscal Year (FY) 2011 financial statement was reissued to include a schedule of billings and collections, based on a request by a Senator of the 31st Guam Legislature. All other information from the prior report remained unchanged. The schedule of billings and collections revealed that from fiscal years 2009 through 2011, GMHA billed \$437M in services that were provided to patients under Medicaid, Medicare and Medically Indigent Program (55%), Self-pay patients (16%), GovGuam (1%), and Third-Party Payors (29%). Of the \$125.5M billed to health insurance providers, an average of 68% or \$85.5M was collected over the three-year period. See table below for more detail.

	Third-Party Payors					
	Payor A	Payor B	Payor C	Payor D	Misc. Payors	Total
2011						
Billings	3,338,052	9,330,528	20,229,778	3,845,433	3,798,912	40,542,703
Collections	3,387,794	6,205,515	15,049,914	2,741,192	2,054,332	29,438,747
% of collections over billings	101%	67%	74%	71%	54%	73%
2010						
Billings	4,290,480	9,721,928	21,204,366	4,655,058	4,590,879	44,462,711
Collections	3,413,999	7,122,314	13,080,186	3,179,678	2,402,413	29,198,590
% of collections over billings	80%	73%	62%	68%	52%	66%
2009						
Billings	3,867,071	8,147,748	19,060,232	4,523,400	4,939,694	40,538,145
Collections	2,193,387	5,722,860	13,505,391	3,267,422	2,203,887	26,892,947
% of collections over billings	57%	70%	71%	72%	45%	66%
Three-year totals						
Billings	11,495,603	27,200,204	60,494,376	13,023,891	13,329,485	125,543,559
Collections	8,995,180	19,050,689	41,635,491	9,188,292	6,660,632	85,530,284
% of collections over billings	78%	70%	69%	71%	50%	68%

There were four main health insurance providers that were billed by GMHA. These four carriers collectively paid \$78.9M or 70% of the \$112.2M billed to them from FY 2009 through FY 2011. The four health insurance carrier's average percentage of payments over billings ranged from a low of 69% to a high of 78% over the three years. Collections from miscellaneous providers on the other hand are significantly lower for a three year average of 50% ranging from 45% to 54%.

The largest class of patient billings is from the 3Ms for 55% of total billings, or \$238.3M. Specifically, Medicare represents 21% or \$90.3M of total billings, followed by Medicaid at 19%

or \$84M and the Medically Indigent Program (MIP) with 15% or \$64M. However, the billings and collections history from the 3Ms indicate that on average, GMHA collected 47 cents on the dollar of the amounts that were billed to these payors. Medicaid paid on average 54%, Medicare paid 43%, and MIP paid 45% of the amounts billed. MIP collections were the lowest in 2009 at 32%, followed by 2011 with a collection rate of 36%. See the table below for details on the collection rate from the 3Ms.

	Medicaid	Medicare	MIP	Total
2011				
Billings	29,277,059	29,118,123	20,281,319	78,676,501
Collections	16,982,331	10,404,210	7,303,460	34,690,001
% of collections over billings	58%	36%	36%	44%
2010				
Billings	28,347,466	30,805,021	23,078,531	82,231,018
Collections	13,595,866	13,302,398	15,002,789	41,901,053
% of collections over billings	48%	43%	65%	51%
2009				
Billings	26,339,448	30,412,723	20,678,652	77,430,823
Collections	14,991,805	14,708,972	6,632,404	36,333,181
% of collections over billings	57%	48%	32%	47%
Three-year totals				
Billings	83,963,973	90,335,867	64,038,502	238,338,342
Collections	45,570,002	38,415,580	28,938,653	112,924,235
% of collections over billings	54%	43%	45%	47%

The billings and collections schedule also identified other categories of payors including self-pay patients and GovGuam agencies. Self-pay patient billings represented 16% or \$70.8M of the total amounts billed by GMHA. Of this amount, an average of 45 cents on the dollar was collected from Self-pay patients. The lowest rate of collections was in FY 2011 with 34% and the highest rate was in FY 2009 of 59%.

Billings totaling \$2.3M, or 1%, were made to GovGuam agencies, such as the Department of Corrections, of which an average of 52%, or \$1.2M, was paid to GMHA over three years.

For a more detailed commentary on GMHA's operations, refer to the Management Discussion and Analysis in the audit report. For more details, view the reports in their entirety at www.guamopa.org or at www.gmha.org.