

**Guam Memorial Hospital Authority
Compensation Controls**

**Performance Audit
October 1, 2008 through December 31, 2011**

**OPA Report No. 12-04
November 2012**



Guam Memorial Hospital Authority Compensation Controls

**Performance Audit
October 1, 2008 through
December 31, 2011**

**OPA Report No. 12-04
November 2012**

Distribution:

Governor of Guam
Lt. Governor of Guam
Speaker, 31st Guam Legislature
Senators, 31st Guam Legislature
Hospital Administrator/CEO, Guam Memorial Hospital Authority
Director, Department of Administration
Director, Bureau of Budget and Management Research
Guam Media via E-Mail



Table of Contents

	Page
Executive Summary.....	1
Introduction.....	4
Background.....	4
Analysis of Compensation Exceeding \$100K	5
Results of Audit.....	8
Weak Management Oversight Contributes to Potentially Excessive Compensation and Hours Worked.....	8
Timekeeping and Payroll Controls Need Strengthening	12
Complex Pay Structure Contributes to Errors	16
Conclusion and Recommendations	20
Management Response and OPA Reply	21
Appendices:	
1. Classification of Monetary Amounts.....	22
2. Scope, Methodology, and Prior Audit Coverage.....	23
3. CY 2011 Compensation Greater Than \$100K.....	25
4. CY 2010 Compensation Greater Than \$100K.....	28
5. CY 2009 Compensation Greater Than \$100K.....	31
6. CY 2009 ~ 2011 Departments of Compensated Individuals in Excess of \$100K.....	33
7. CY 2011 Hours Worked by \$100K Compensated Individuals.....	36
8. CY 2010 Hours Worked by \$100K Compensated Individuals.....	39
9. CY 2009 Hours Worked by \$100K Compensated Individuals.....	42
10. CY 2009 ~ 2011 Sample Percentage over Base Pay	45
11. Types of Compensation	47
12. Unauthorized or Unjustified Hours Worked.....	50
13. No Time Shifts to Verify Hours Worked.....	51
14. Excerpts from GMHA's Personnel Policy.....	52
15. GMHA Management Response	54
16. Status of Audit Recommendations.....	59



EXECUTIVE SUMMARY
Guam Memorial Hospital Authority
Compensation Controls
Report No. 12-04, November 2012

With compensation being the largest expenditure ranging from 63% to 72% of GMHA's total budget for fiscal years 2009 through 2011, we found weak basic controls to ensure authorized and accurate compensation to personnel who were paid more than \$100 thousand (K) annually. Specifically, we found weak management oversight as thresholds were not established, the Safe Hours policy was not enforced, and timekeeping and payroll controls were not implemented. This was particularly prevalent for Physicians' compensation where there was a general lack of review or reluctance to question the hours worked by physicians. Further, there is no system in place to correlate the hours compensated to physicians compared to billable hours charged to patients. These and other management oversight weaknesses contributed to employees receiving more than 25% over their base pay during the three years audited without review and authorization, which can be potentially excessive and unauthorized. Total questioned costs amounted to \$206K for the 15 individuals tested in the three pay periods. This represents 53% of the \$387K in total compensation paid for the three pay periods. Had additional testing been undertaken, we believe questioned costs would likely be significantly higher.

Between calendar years (CY) 2009 and 2011, GMHA paid on average \$10.5 million (M) annually or 21% of its annual compensation, for a total of \$31.6M, to 78 individuals who were compensated more than \$100K per year. The 78 individuals were primarily physicians and nurses with salaries ranging from over \$100K to over \$700K. During our audit, we found that GMHA has a complex pay structure that contributes to errors and presents opportunities for possible payroll abuse, waste, and fraud. Specifically, there are 44 types of pay codes within the system, which, depending on the type of pay, are manually inputted.

Weak Management Oversight Contributes to Potentially Excessive Compensation and Hours Worked

We found that the lack of management review contributed to employees receiving more than 25% of their base pay during the three years audited. Additionally, GMHA's compensation system has not been monitored and managed by using thresholds as a guide for further scrutiny. Furthermore, there was a lack of enforcement of its Safe Hours Policy. We found that two employees worked over 3,000 hours annually with one employee working nearly 3,500 hours, which poses a risk to the welfare of employees and patients.

Compensation More Than 25% Over Base Pay

We found that there is no compensation threshold policy to require or trigger a review by management when it exceeds a specified threshold, such as 25%, to ensure that employees are not being paid above the budgeted salary and that the exceptions are reviewed and justified. Of the 78 individuals, 37 employees received more than 25% over their base pay, wherein 16 occurred in all three years, 7 occurred in two years, and 14 occurred in one year. Among the 37

individuals, we found 20 employees received more than 50% over their base pay, of which four received more than 100% of their base pay in at least one of the three years audited.

Based on our testing of 15 individuals, each was compensated more than their base pay in at least one of the three years audited ranging from a low of 2% to a high of 227%. For Physicians in our testing, we found that one individual was compensated in excess of 200% of his base pay for two consecutive years and there was no evidence that the Medical Director or a secondary reviewer independently reviewed, verified, and approved the Physicians' hours reported in 2010.

Lack of Scrutiny of Radiologist Hours

There is a general reluctance to review much less question the hours worked by Physicians, including Radiologists. In CY 2010, a Radiology Physician (Radiologist) received compensation of \$765K or 219% over the base pay authorized for a part-time Radiologist. This Radiologist also earned in excess of his base pay or \$782K in 2009 and \$735K in 2011, and worked more than 3,000 hours in each of the three years for an average of 63 hours per week without any annual or sick leave. We noted several instances where we could not verify whether the hours claimed were authorized as no times were specified on the department's work schedule, and hours claimed were beyond the part-time Radiologist's scheduled hours. We found no evidence that the Medical Director independently reviewed, verified, and approved the hours that were reported for 2010. With the amount of compensation paid to Physicians, we found no correlation or tracking of compensation paid to Physicians compared to Physicians' billings.

Hours Worked in Excess of 2,080

Of the 78 individuals from 2009 through 2011, we found that two employees worked greater than 3,000 hours, which can potentially put both the employees and patients' health and welfare at risk. In fact, for one employee, we found that no leave was taken during all three years. The second employee worked nearly 3,500 hours in one year. During our testing, we found instances where employees worked beyond the Safe Hours Policy. GMHA does not have any built-in mechanisms within its payroll system to indicate when an employee is close to violating the Safe Hours of Work criteria. Without these payroll mechanisms in place, management cannot be sure appropriate and sufficient actions are taken to protect the welfare of employees and the patients.

Timekeeping and Payroll Controls Need Strengthening

We tested three pay periods in 2010 for 15 individuals, where the deficiencies noted include: timesheets not reviewed and approved, unauthorized or unjustified hours, dual employment held without proper approval, manual time recording instead of electronic reporting, and manual calculation of certain types of pay.

Timesheets Not Reviewed and Approved

We found no built-in control within the payroll system to delay processing of payment when the timekeeping entries have not been reviewed and approved. For example, a Radiologist was paid \$23,204 for 101 hours in a two-week pay period, but there was no evidence that his time was reviewed and approved by the Medical Director or another secondary reviewer.

We also found an Emergency Room (ER) Physician solely approved his own timesheets for the three pay periods tested, resulting in \$48K in questioned costs. This ER Physician received

compensation of \$327K in 2009, \$362K in 2010, and \$333K in 2011. This ER Physician received payment for certain pay codes that he was not entitled to. No one should approve his or her own timesheet as it creates an opportunity for individuals to commit payroll abuse or fraud, such as allowing one to receive unauthorized pay.

Unauthorized or Unjustified Hours

We traced the time shown on manual and electronic time sheets to the approved work schedule and verified the coding of the hours worked and reported (i.e., regular hours, overtime, back-in pay, etc.), and found the following deficiencies: (1) Hours paid did not match work schedule; (2) No appropriate schedule to verify timekeeping; and (3) Schedule did not provide regular time shifts to verify hours worked.

Dual Employment Held without Approval

A full-time ER Physician, who was paid \$382K in 2009, \$357K in 2010, and \$411K in 2011, has been holding a second employment since 1987. However, the request for outside employment was not annually renewed in accordance with GMHA's policy as the only approval form found on file was in September 2007. We noted that this Physician's outside employment position entails heavy responsibility and requires personal commitment. We also found no documentation on file to determine whether the hours worked at the outside employment complied with GMHA's Safe Hours of Work Policy. Given that this ER Physician worked an average of 49 hours per week, we question why such documentation was not kept on file. Practices among the Physicians have accommodated this Physician's outside employment, but the safety and welfare of patients may be jeopardized if the amount of hours worked in both employment places exceeds GMHA's Safe Hours of Work Policy.

Complex Pay Structure Contributes to Errors

We also recognized that GMHA has a complex pay structure. Specifically, there are 44 pay codes within the system (i.e., regular, overtime, on-call, weekend, certification, night differential, etc.), which at times are manually inputted. By having multiple pay codes within the system, there is a risk that the wrong pay code will be used in determining an employee's compensation and opportunities for possible abuse, waste, and fraud.

Recommendations

We made several recommendations to the Hospital Administrator, including: enforcement of GMHA's policy for all employees to clock-in electronically, establishing built-in mechanisms within the payroll system, implementing compensation threshold policies, and developing a tracking system to correlate Physicians' hours worked and paid to billings by Physicians.

On November 7, 2012, OPA met with GMHA officials to discuss the audit report. GMHA management fully concurred with the findings and recommendations and provided their official response on November 5, 2012.



Doris Flores Brooks, CPA, CGFM
Public Auditor



Introduction

This report presents the results of our audit of the Guam Memorial Hospital Authority (GMHA)'s annual employee compensation from October 1, 2008 to December 31, 2011. The audit was conducted as part of the Office of Public Accountability (OPA)'s annual work plan. Our audit objective was to determine whether controls were in place to ensure that GMHA staff was receiving authorized and accurate compensation. For the purpose of this audit, we limited our review to personnel whose compensation exceeded \$100 thousand (K) annually for services rendered.

The audit scope, methodology and prior audit coverage are detailed in Appendix 2.

Background

GMHA, a component unit of the Government of Guam (GovGuam), was created in July 1977 under Public Law No. 14-29 as an autonomous agency. GMHA owns and operates the Guam Memorial Hospital (the Hospital). The Hospital is licensed for 159 general acute care beds, 16 bassinets, and 33 long-term beds. The Hospital provides all customary acute care services and certain specialty services to all individuals regardless of residency or ability to pay. These include adult and pediatric medical services; inpatient and outpatient surgery; intensive care (neonatal, pediatric, and adult); skilled nursing care; laboratory and comprehensive blood bank services; radiology, nuclear medicine, and CT scan diagnostic services; pharmacy; respiratory care; renal dialysis; physical, occupational, speech, language pathology and recreational therapy; dietetic services; and 24-hour emergency services. The Hospital derives a significant portion of its revenues from third-party payers, including Medicare, GovGuam's Medically Indigent Program (MIP), Medicaid and commercial insurance organizations. The Hospital is open 24 hours, 365 days per year and is one of the healthcare components of GovGuam in which medical services cannot be withheld due to non-payment by the patient.

GMHA operates under the authority of a nine-member Board of Trustees, all of whom are appointed by the Governor with the advice and consent of the Guam Legislature. From FY 2009 to FY 2011, GMHA's budgeted cost for Salaries and Benefits increased from \$64 million (M) to \$71M. See below for details:

Table 1: GMHA Salaries and Benefits Budget

Fiscal Year	2009	2010	2011
Overall GMHA Budget	\$89,924,743	\$99,991,850	\$113,240,122
Salaries & Benefits Budget	\$64,698,459	\$67,868,412	\$71,553,197
Salaries & Benefits Budget Percentage	72%	68%	63%
No. of Employees	948	1,063	999

Analysis of Compensation Exceeding \$100K

We analyzed GMHA individuals whose annual compensation exceeded \$100K based on 2009 through 2011 W-2 information provided. During the three-year period, GMHA paid an average of \$10.5 million (M) annually, or 21% of its total compensation, to 78 individuals. Of the 78 individuals from 2009 through 2011:

- 1 received more than \$700K a year, or \$2.3M over three years;
- 1 received compensation ranging from \$400K - \$499,999 a year, or \$411K;
- 6 received compensation ranging from \$300K - \$399,999 a year, or \$3.7M over three years;
- 20 received compensation between \$200K - \$299,999 a year, or \$8.8M over three years; and
- 63 received compensation of \$100K - \$199,999 a year, or \$16.3M over three years.

See Table 2 below for a summary of GMHA's compensation distribution per year. For a detailed listing of individuals who earned in excess of \$100K per year, see Appendices 3 through 8.

Table 2: CY 2009 ~ 2011 Compensation > \$100K

	2009		2010		2011		TOTALS	
RANGE OF PAY	EE* Ct.	Total Cost	EE* Ct.	Total Cost	EE* Ct.	Total Cost	EE* Ct.**	Total Cost
More than \$700,000	1	\$781,964	1	\$764,937	1	\$735,338	1	\$2,282,239
\$400,000 - \$499,999	-	-	-	-	1	410,774	1	410,774
\$300,000 - \$399,999	2	709,691	4	1,378,718	5	1,643,476	6	3,731,885
\$200,000 - \$299,999	13	2,999,463	13	3,420,798	10	2,423,039	20	8,843,300
\$100,000 - \$199,999	39	5,290,593	39	5,237,423	42	5,779,226	63	16,307,242
Subtotal	55	9,781,711	57	10,801,876	59	10,991,853	78***	31,575,440
Subtotal (Others)	1,082	38,272,661	1,137	40,455,524	1,104	40,978,375	1,319	119,706,560
TOTAL	1,137	\$48,054,372	1,194	\$51,257,400	1,163	\$51,970,228	1,397	\$151,282,000

*Employees

** This amount eliminates the double counting of individuals who were categorized in multiple ranges of pay above. Due to the inconsistencies of compensation received from one year to another, one individual can be counted in different ranges of pay.

*** Of the 78 individuals compensated greater than \$100K, 38 occurred in all three years, 17 occurred in two years, and 23 occurred in only one year.

As expected, Physicians accounted for 63% of the 78 individuals who received over \$100K in compensation. Nurses represented the next largest category at 27%, followed by Pharmacists at 8%, and then the Chief Financial Officer (CFO) and the Hospital Administrator (HA). See Table 3 below for details.

Table 3: Individuals Compensated in Excess of \$100K

TYPE	2009	%	2010	%	2011	%	TOTAL CT.	TOTAL %
PHYSICIANS	32	58%	36	63%	38	64%	49	63%
NURSES	17	31%	14	25%	14	24%	21	27%
PHARMACISTS	5	9%	6	11%	6	10%	6	8%
CFO/HA	1	2%	1	2%	1	2%	2	3%
TOTAL	55	100%	57	100%	59	100%	78*	100%

* This amount eliminates the double counting of individuals who were included in multiple years.

Top 10 Compensation from CY 2009 through 2011

Table 4 illustrates that the top 10 individuals for CY 2009 through 2011 were Physicians. These Physicians were collectively compensated \$9.9M over the three years and worked in the following departments: Radiology, Emergency Room (ER), Operating Room (OR), Anesthesiology, and Obstetrics/Gynecology (OB/GYN). For the compensation breakdown per year of the individuals paid in excess of \$100K, see Appendices 3 through 5. For the compensation breakdown by position, see Appendix 6.

Table 4: CY 2009 ~ 2011 Top 10 Compensated Individuals in Excess of \$100K

	DEPARTMENT	POSITION TITLE	CALENDAR YEAR			TOTAL	AVERAGE SALARY
			2009	2010	2011		
1	PHYSICIANS	PHYSICIAN - RADIOLOGY	\$781,964	\$764,937	\$735,338	\$2,282,239	\$760,746
2	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	382,091	357,215	410,774	1,150,079	383,360
3	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	327,601	361,838	333,111	1,022,550	340,850
4	PHYSICIANS	PHYSICIAN - OPERATING ROOM	290,334	347,988	350,925	989,247	329,749
5	ANESTHESIA	ANESTHESIOLOGISTS	282,012	269,076	257,778	808,866	269,622
6	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	249,885	269,664	267,193	786,743	262,248
7	ANESTHESIA	ANESTHESIOLOGISTS	175,432	267,030	302,245	744,707	248,236
8	PHYSICIANS	PHYSICIAN - RADIOLOGY	248,770	276,924	183,693	709,387	236,462
9	ANESTHESIA	ANESTHESIOLOGISTS	197,275	236,950	268,411	702,635	234,212
10	PHYSICIANS	PHYSICIAN - OB/GYN	206,651	243,413	240,469	690,533	230,178
		TOTALS	3,142,015	3,395,034	3,349,937	\$9,886,986	

Top 10 Individuals' Hours Worked from CY 2009 through 2011

Of the 78 individuals from 2009 through 2011, the range of hours worked were as follows:¹

- 2 employees worked greater than 3,000 hours annually, where one individual worked over 3,000 hours annually during all three years without any annual or sick leave. The second employee worked nearly 3,500 hours in 2010;
- 9 employees worked hours ranging from 2,500 to 3,000 hours annually, of which two individuals worked within this range for all three years;
- 28 employees worked within the range of 2,100 to 2,500 hours annually, of which four individuals worked within this range for all three years; and
- 58 employees worked less than 2,100 hours annually, of which one individual worked 2,099 hours and 57 employees worked less than 2,080 hours.

Table 5 below shows the range of hours worked per year for the 78 individuals who earned in excess of \$100K annually. For a detailed listing of hours worked per year by these individuals, see Appendices 7 through 9.

¹ Due to the inconsistencies of hours worked from one year to another, one individual can be counted in different ranges of hours worked.

Table 5: CY 2009 ~ 2011 Range of Hours Worked

HOURS WORKED RANGE	2009	2010	2011	TOTAL
MORE THAN 3,000 HOURS	1	2	1	2
2,500 - 3,000 HOURS	5	6	4	9
2,100 - 2,500 HOURS	16	16	13	28
LESS THAN 2,100 HOURS	33	33	41	58
TOTAL	55	57	59	78*

* These amounts eliminate the double counting of individuals who were categorized in multiple ranges of hours worked above. Due to the inconsistencies of hours worked from one year to another, one individual can be counted in a different range of hours worked.

Table 6 lists the top 10 individuals who worked in excess of 2,100 hours for each of the three years. Four of the top 10 individuals were from ER, of which two were staff nurses. Each of these ER Staff Nurses worked over 2,400 hours for three consecutive years.

Table 6: Top 10 Individuals in Excess of 2,100 Hours Worked in CY 2009 ~ 2011

	DEPARTMENT	POSITION TITLE	CALENDAR YEAR			TOTAL	3-Yr. Avg.
			2009	2010	2011		
1	PHYSICIANS	PHYSICIAN - RADIOLOGY	3,389	3,288	3,101	9,778	3,259
2	PHARMACY	HOSPITAL PHARMACIST	2,837	2,900	2,757	8,493	2,831
3	EMERGENCY ROOM	STAFF NURSE II	2,480	3,492	2,512	8,484	2,828
4	PHARMACY	HOSPITAL PHARMACIST	2,800	2,826	2,600	8,226	2,742
5	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	2,759	2,370	2,586	7,715	2,572
6	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	2,461	2,705	2,366	7,533	2,511
7	EMERGENCY ROOM	STAFF NURSE II	2,459	2,538	2,421	7,418	2,473
8	PHARMACY	HOSPITAL PHARMACIST	2,410	2,446	2,395	7,252	2,417
9	PHYSICIANS	PHYSICIAN – LABORATORY	2,318	2,434	2,311	7,063	2,354
10	ICU/CCU	STAFF NURSE II	2,302	2,249	2,308	6,860	2,287
	TOTAL		26,214	27,248	25,359	78,821	

Results of Audit

With salaries being the largest expenditure ranging from 63% to 72% of GMHA's total budget for fiscal years 2009 through 2011, we found weak controls to ensure authorized and accurate compensation to personnel who were paid more than \$100 thousand (K) annually. Specifically, GMHA's employee compensation system has not been monitored and managed by using thresholds, enforcing the Safe Hours Policy, and implementing strong timekeeping and payroll controls. For example we found:

- The lack of scrutiny over Radiologists' hours;
- Timesheets were not reviewed or approved;
- Work hours were not authorized or justified; and
- Dual employment was held without proper approval.

These conditions contributed to extraordinary costs of compensation and hours worked by certain individuals. For the three pay periods tested, questioned costs amounted to \$205,831 for 15 individuals, or 53% of the total compensation of \$386,989. If additional testing was undertaken, we believe questioned costs are likely to be significantly higher.

During our audit, we also found that GMHA has a complex pay structure, which makes it more vulnerable and harder to manage and resulted in errors, even to the extent of presenting opportunities for possible payroll abuse, waste, and fraud.

Weak Management Oversight Contributes to Potentially Excessive Compensation and Hours Worked

We found that weak management oversight contributed to employees receiving more than 25% of their base pay in at least one of the three years audited. Specifically, GMHA's compensation system has not been monitored and managed by using thresholds, which can lead to compensation that is potentially excessive and unauthorized. Additionally, we found that management did not enforce its Safe Hours Policy, which poses a risk to the welfare of employees and patients.

Compensation More Than 25% Over Base Pay

As most employees have the ability to receive additional types of pay, we calculated the norm over base pay, which was determined to be at 25%. Our analysis revealed that of the 78 individuals who received compensation over \$100K (see background for more details), 37 employees received more than 25% over their base pay ranging from 26% to 227%, wherein 19 occurred in all three years, 7 occurred in two years, and 11 occurred in one year. Among the 37 individuals, we found 20 employees received more than 50% over their base pay, of which four received more than 100% of their base pay in at least one of the three years audited.

All 15 individuals tested received more than their base pay in at least one of the three years audited ranging from a low of 2% to a high of 227%. We found that physicians, nurses, and other allied health professionals receive multiple types of compensation to include regular hours plus premiums (i.e., on-call pay, holiday leave, education/seminar leave, certification pay, weekend pay, overtime, holiday work pay, night differential, etc.), which contribute to their ability to receive more than their base pay. For example, during PPE January 2, 2010, a Staff Nurse II was compensated \$8,830 for the following:

- \$3,396 for 64 hours at the overtime pay rate of \$53.06;
- \$1,981 for 56 hours at the regular rate of \$35.37;
- \$849 for 16 hours at the holiday work license pay rate of \$53.06;
- \$783 for 148 hours at the certification pay rate of \$5.31;
- \$637 for 36 hours at the weekend differential pay rate of \$17.69;
- \$566 for 16 hours at the holiday leave pay rate of \$35.37;
- \$378 for 107 hours at the night differential pay rate of \$3.54
- \$170 for 23 hours at the on-call rate of \$7.25; and
- \$71 for two hours at the Education/Seminar rate of \$35.37.

In another example, during PPE July 31, 2010, an ER Physician was compensated \$13,394 and includes:

- \$8,944 for 68 hours at the regular rate of \$130;
- \$1,424 for 11 hours at the holiday work rate of \$130; and
- \$228 for 4 hours at the Single Medical Doctor rate of \$65.

We also found that there is no compensation threshold policy in place to flag employees when cumulative compensation exceeds an established threshold, such as 25%. Further scrutiny should occur when cumulative compensation exceeds a higher threshold, such as 50% and even more scrutiny at 100%. For the 15 individuals tested, 13 were generally compensated over 25% of their base pay. See Appendix 10 for details. Further, of the 13 individuals, four received more than 100% of their base pay in at least one of the three years audited. Of these four individuals, one individual was compensated in excess of 200% over base pay in two of the three years due to the lack of scrutiny over hours claimed. See Table 4.

Table 4: CY 2009 ~ 2011 Top Percentage over Base Pay

	POSITION TITLE	CALENDAR YEAR	BASE SALARY [A]	WAGES, TIPS [B]	VARIANCE [B-A]=[C]	% OVER BASE [C÷A] = [E]
1	PHYSICIAN – RADIOLOGY	2009	239,200	781,964	542,764	227%
		2010	240,001	764,937	524,936	219%
		2011	480,002	735,338	255,337	53%
		TOTAL		\$ 2,282,239		
2	PHYSICIAN – RADIOLOGY	2009	120,000	248,770	128,770	107%
		2010	120,000	276,924	156,924	131%
		2011	120,000	183,693	63,693	53%
		TOTAL		\$ 709,387		

	POSITION TITLE	CALENDAR YEAR	BASE SALARY [A]	WAGES, TIPS [B]	VARIANCE [B-A]=[C]	% OVER BASE [C÷A] = [E]
3	PHYSICIAN – RADIOLOGY	2009	120,000	164,539	44,539	37%
		2010	120,000	175,496	55,496	46%
		2011	120,000	246,520	126,520	105%
		TOTAL		\$ 586,555		
4	STAFF NURSE II	2009	73,572	120,205	46,632	63%
		2010	73,572	148,696	75,123	102%
		2011	76,147	132,767	56,620	74%
		TOTAL		\$ 401,668		

Lack of Scrutiny over Radiologists' Hours

Because salaries and benefits ranging from 63% to 72% of GMHA's annual budget constitutes the largest expense, there should be multiple levels of review and scrutiny in place to ensure that compensation is duly authorized, reviewed and paid within prescribed policies. We found a lack of review by the Medical Director and other designated reviewers. There is a general reluctance to review, much less question the hours worked by physicians, including Radiology Physicians (Radiologists), as described below.

According to the Radiologist Compensation Policy, the budget for salaries of \$960K per year may be split between any number and any combination of GMHA employed part-time Radiologist. In CY 2010, we found that 12 part-time Radiologists received a total of \$1.7M, or \$704K above the budgeted amount established by the policy.

Of the \$1.7M paid in 2010, one Radiologist received 46% or \$765K of the budget. This Radiologist was hired in a part-time unclassified status with total funding not to exceed \$240K per annum; however, this employee was compensated at three times that amount at \$765K or 219% over the base pay established for the position. In order to receive such pay, the Radiologist claimed 3,288 hours. This is an average of 63 hours per week for seven days a week the whole year, and no annual or sick leave was taken. He was similarly compensated \$782K for 3,389 hours in 2009 with no sick or annual leave taken. In 2011, he was compensated \$735K for 3,101 hours and again did not take any annual or sick leave.

This same Radiologist was responsible for the verification of all Radiologists' hours. The former timekeeper (Radiology Technician) stated he only certified the hours based on what was provided by the Radiologist. The Payroll Department would then input each Radiologists' hours based on the information received from the timekeeper. We found no evidence that the Medical Director independently reviewed, verified, and approved the hours that were reported for 2010.

Discussions with the GMHA Management and Information Systems (MIS) department revealed that the information required to reconcile a Radiologist's claimed hours against actual case loads can only be currently done through a request to the MIS department. However, we were told that such request is not made on a regular basis.

We also found no correlation or tracking of compensation paid to physicians compared to physicians' billings. According to the former CFO, the MIS Systems Programmer, and a Radiologist, GMHA does not compare billings by Physicians to the Physicians' compensation. Because of the amount of compensation paid to Physicians, we recommend GMHA develop a tracking system to correlate hours worked and paid to Physicians against billings made to Physicians. Without such a system, GMHA can not ascertain whether there are any under-billings to patients resulting in loss revenues.

No Compensation Threshold Policy

Overall, we found that there is no policy established for a threshold of compensation over base pay that would require a review by management. Such policy should provide measures to ensure that employees' compensation does not exceed budget salaries and thresholds. For example, the payroll system should provide a listing when individuals exceed specified thresholds, such as 25% over base pay. Further, scrutiny by higher management should take place when compensation exceeds 50% over base pay and possible Board approval if compensation exceeds 100% over base pay. Exception reports were not prepared or reviewed by the payroll staff or by GMHA management; therefore, in order to ensure employees are compensated as authorized and within budget, we recommend that the GMHA Hospital Administrator establish a policy to require the review of employees' compensation when they exceed specified thresholds, such as 25% over base pay, 50% over base pay, and 100% over base pay. Overall, a threshold policy should have various hierarchical review when compensation exceeds established thresholds.

Hours Worked in Excess of 2,080

Of the 78 individuals from 2009 through 2011, we found that two employees worked greater than 3,000 hours (see Analysis of Compensation section for details), which can potentially put both the employees and patients' health and welfare at risk. As previously stated one Radiologist worked 3,389 hours in 2009, 3,288 hours in 2010, and 3,101 hours in 2011, but took no leave in all three years. A Staff Nurse II worked nearly 3,500 hours in 2010. During our testing, we found instances where employees worked beyond GMHA's Safe Hours policy. GMHA did not have any built-in mechanisms within its payroll system to indicate when an employee is close to violating the Safe Hours of Work criteria. Without these built-in exception mechanisms in place, management cannot be assured that appropriate and sufficient actions are taken to protect the welfare of employees and patients and that compensation has been justified and approved.

Safe Hours of Work Violated

According to GMHA Personnel Rules & Regulations regarding safe hours of work², the following maximum hours of work will be observed to ensure that the employee's work is performed in a safe manner:

1. An employee shall not be allowed to work more than 16 hours consecutively, or in one 24-hour day;

² Sections 7.005(A) and (B).

2. An employee shall not be authorized to work more than 84 hours within a single seven-day period; and
3. An employee shall not be required to work more than 28 hours within a time span of two days.

Exceptions to the above may be made only if the employee volunteers his services and has the specific approval of his department head, and/or division managers and in cases where excessive hours of work are necessary because of weather conditions, necessary seasonal activities, or emergencies. Written documentation must be submitted by the department head and/or division managers to the Administrator within 48 hours of such occurrence.

We found instances where two employees worked beyond what the policy allows. Further, there was no written documentation on file to authorize the occurrences. Specifically:

- On January 2, 2010, an ER Physician worked 22 hours in one 24-hour day;
- On January 2, 2010 and July 22, 2010, an ER Staff Nurse II worked 19 hours each day; and
- From July 21 to July 22, 2010, the same ER Staff Nurse II worked 31 hours.

We recommend the GMHA Hospital Administrator implement a built-in mechanism within the payroll system to indicate when an employee is close to violating the safe hours of work criteria, so that proper measures can be taken to ensure the safety and health of the employee and the patients.

Timekeeping and Payroll Controls Need Strengthening

We tested payroll documentation maintained by the GMHA Payroll Division, for pay periods ended January 2, 2010, July 31, 2010, and September 11, 2010. For the 15 individuals, we identified weaknesses in the system as well as in the controls over timesheets, resulting in questioned costs of \$199,109, as follows:

- 4 timesheets were not reviewed and approved or \$70,958 in questioned cost;
- 21 timesheets with unauthorized or unjustified hours worked or \$98,431 in questioned costs;
- 3 years of dual employment held without annual approval and no evidence to determine if dual employment exceeded the Safe Hours of Work Policy or \$29,720 in questioned costs.

Timesheets Were Not Reviewed and Approved

A fundamental premise of compensation is the review and approval of hours worked. Effective oversight is essential to ensuring the integrity of the overall payroll system. Given the significant amount of compensation and the hours worked by Physicians, the Medical Director or designee should review all timekeeping of all Physicians. All employees, including Physicians, are required to input their time electronically. In addition, supervisors are required to monitor the entries made by timekeepers to ensure they are accurate and complete, including the review of all timekeeping adjustments. If a timesheet was processed electronically, a “Y” listing report is

generated to verify supervisory review and approval. However, we found no built-in control within the payroll system to delay processing of payment when the timekeeping entries have not been reviewed and approved.

Specifically, during PPE July 31, 2010, a Radiologist was paid \$23,204 for 101 hours worked, but there was no evidence that it was reviewed and approved by the Medical Director or another secondary reviewer.

For the three pay periods tested, we also found that an ER Physician, who is also the designated ER physicians' timekeeper, solely approved his timesheets, in which there were some instances where certain types of pay were not justified. We question 11 hours or \$357.50 for Code 81- Double Medical Doctors (DMD), which only applies if three physicians were scheduled on a shift, but only two actually come to work.³ Although DMD hours were paid, we noted a third physician was not scheduled for the hours paid. On a separate occasion, one hour or \$65 for Code 80 – Single Medical (SMD), was incorrectly claimed, which provides an additional 50% above the physician's regular pay rate and only applies when two doctors are scheduled for duty, but only one comes into work. Although SMD was paid, two Physicians were clocked in on the date in which this hour was worked.

No employee should approve his or her own timesheets as it creates an opportunity for individuals to commit payroll abuse or fraud. There was no evidence that the timekeeper/ER Physician's timesheets were reviewed by the Medical Director or a designated secondary reviewer. This resulted in questioned costs of \$48,177. This ER Physician was compensated \$328K in 2009, \$362K in 2010, and \$333K in 2011. Based on our discussion with this ER Physician, he agreed that there should be an independent approval for his hours.

We recommend the GMHA Hospital Administrator implement a built-in mechanism within GMHA's payroll system to delay processing of payroll payments until all timekeeping entries have been reviewed and approved by the Medical Director or a designated secondary reviewer.

Employee Hours Worked Were Not Authorized or Justified

Timekeeping records provide the "input" data for preparing payroll. Therefore, the records should be maintained on file to provide reliable evidence that employees have worked the time for which they are being paid. Time sheets or other source documents should be reviewed to determine that such documents are complete and have been approved by the employee's supervisor or designated secondary reviewer.

We traced the time shown on manual and electronic time sheets to the approved work schedule and verified the coding of the hours worked and reported (i.e., regular hours, overtime, back-in, etc.), and found the following deficiencies:

- Hours paid did not match work schedule;
- No appropriate schedule to verify timekeeping; and
- Schedule did not provide regular time shifts to verify hours worked.

³ Another ER Physician claimed 3 hours or \$97.50 for Code 81 – DMD, but was incorrectly claimed.

Hours Paid Did Not Match Work Schedule

GMHA's policy requires employees to "clock in and out of the system according to the approved work schedule. Any early in or late out will be adjusted to eight hours unless approved by the immediate supervisor." Based on our testing of 15 individuals, we found 20 transactions where the hours timed-in did not match the provided work schedule. In addition, we found no evidence that changes were noted or approved on the schedule to justify actual hours worked. For example, during PPE January 2, 2010, a Hemodialysis Staff Nurse II was scheduled from 2 p.m. to 10:30 p.m., but we found two instances when the staff nurse did not work this scheduled shift and 2 hours or \$87 of on-call pay was given to this nurse, but she was not scheduled to work on-call. See Appendix 12 for testing results.

No Appropriate Schedule to Verify Timekeeping

We were unable to verify the regular hours for an OB/GYN Physician and Neurologist during the three tested pay periods because we were only provided their on-call schedules and not their regular work schedules. We were also unable to verify two Radiologists' hours for PPE July 31, 2010 and an OR Staff Nurse II's on-call hours for PPE January 2, 2010 because we were not provided the appropriate schedules for verification. Accordingly, questioned costs amounted to \$59,615.

Schedule Did Not Provide Regular Time Shifts to Verify Hours Worked

Because the Radiologists' work schedules did not always include shift times, we were unable to match claimed work hours against their respective work schedules. The provided work schedule for PPE January 2, 2010 and September 11, 2010 indicated which Radiologists were scheduled to work on a specific day, but did not indicate which shifts they were supposed to work except for the weekend hours and with certain Radiologists. For example, during PPE September 11, 2010, Radiologist A was paid \$17,008 for 74 hours, but we could not verify if these hours were scheduled or authorized due to no time shifts indicated on the work schedule. We were unable to ascertain whether 134 hours timed-in and out for three Radiologists were authorized and justified. We identified \$30,912 in questioned costs. See Appendix 13 for testing results.

The GMHA Hospital Administrator should require the appropriate personnel in charge of creating work schedules for the different departments to maintain the completed work schedules on file for all employees (including time shifts for the Radiology department). Any adjustments and changes to the work schedule should then be reviewed and approved by the appropriate head and authorized on file.

Dual Employment Held Without Annual Approval

GMHA's personnel rules and regulations state that employees may work at an outside employment that is not in conflict with their hospital service.⁴ Further, an employee shall not engage in any outside employment without first obtaining written approval from his/her immediate supervisor, department head and/or division manager, and the approval shall be

⁴ Section 7.951

renewed on an annual basis.⁵ The number of hours worked per week in outside employment shall not normally exceed one-half (1/2) of the employee's regularly scheduled work week with the Hospital. However, management has the prerogative to approve additional or fewer hours in said outside employment depending upon the work schedule (hours) of outside employment and the nature of work involved when compared to the employee's job classification.⁶ See Appendix 14 for GMHA's dual employment policy.

We found that based on a notice of outside employment, a full-time ER Physician has been holding a second employment since 1987. This ER Physician was compensated \$382K for 2,759 hours in 2009; \$357K for 2,370 hours in 2010; and \$411K for 2,586 hours in 2011. This Physician worked an average of 53 hours per week in 2009 with 75 hours of annual leave and 24 hours of sick leave. In 2010, he worked 46 hours per week with 132 hours of annual leave and 48 hours of sick leave. In 2011, he worked 50 hours with 251 hours of annual leave and 68 hours of sick leave.

We did not find evidence of an annual review or approval for the outside employment in accordance with GMHA's policy as the last written approval on file was dated September 2007. We noted that this Physician's outside employment position holds heavy responsibility and personal commitment. We found no documentation in file to determine whether the hours worked in the outside employment complied with GMHA Safe Hours of Work Policy. Given that this ER Physician was already working on average 49 hours a week, we question why such documentation was not kept on file. Practices among the Physicians have accommodated this Physician's outside employment. The safety and welfare of patients may be jeopardized if the amount of hours worked in both employments exceeds the Safe Hours of Work Policy established by GMHA.

According to the ER Physician, who also serves as timekeeper, the Physician provides a schedule from the outside employment and the timekeeper allocates 40 hours a week to this Physician within the ER schedule. This Physician's schedule evolves around the hours of his second employment. We were unable to ascertain whether there was any conflict between the Physicians' scheduled hours at GMHA and his outside employment. For all these years, the ER Physician (timekeeper) did not maintain a record of the Physician in question's second employment work schedule. We found this rather troublesome given the ER Physician was working in more than 49 hours a week plus a second employment holding extensive responsibilities. We found no evidence that the Medical Director reviewed this Physician's work schedule and compared his second employment schedule in accordance with GMHA policy to ensure the safety and welfare of patients and employees.

We recommend the Hospital Administrator direct the Medical Director to: 1) determine whether the Physician's hours are in compliance with GMHA personnel policies to include the Safe Hours of Work policy; 2) annually review the outside employment request; and 3) maintain proper documentation, such as the employees' outside work schedule on file.

⁵ Sections 7.953(a) and 7.956(b)

⁶ Section 7.955.

Complex Pay Structure Contributes to Errors

During our audit, we found that GMHA has a complex pay structure. Specifically, there are 44 pay codes within the system, which at times are manually inputted. This contributes to errors and presents opportunities for payroll abuse and possible fraud.

Multiple Pay Codes within System

GMHA employees, including physicians, can receive 44 types of pay, such as regular, overtime, on-call, weekend, certification, night differential, etc. See Appendix 11 for the detailed listing of pay types. Each pay type is assigned a pay code and calculation within the payroll system; however, some pay codes require the manual input of hours. For the individuals tested, there were a total of 16 pay codes used and their calculations are as follows:

Table 7: GMHA Common Types of Pay

Codes	Calculation
Regular Hours (1)	Hours x Regular Rate*
Comp Time (8)	Hours x Regular Rate
Annual Leave (9)	Hours x Regular Rate
Sick Leave (11)	Hours x Regular Rate
Holiday Leave (12)	Hours x Regular Rate
Holiday Leave Worked (13)	Hours x Regular Rate*
On Call Hours (14)	Hours x Current Minimum Wage (\$7.25)
Call Back (16)	Hours x Regular Rate x 1.5
Education/Seminar Leave (24)	Hours x Regular Rate
Certification Hours (30)	Hours x Regular Rate x .15
Weekend Differential (32)	Hours x Regular Rate x 0.5
Overtime (33)	Hours x Regular Rate x 1.5
Hospital Work License (34)	Hours x Regular Rate x 1.5
Night Differential (39)	Hours x Regular Rate x .1
Single MD (80)	Hours x Regular Rate x .50
Double MD (81)	Hours x Regular Rate x .25
<i>* While regular hours are generally calculated at straight time, there are instances in which an employee's pay is calculated at overtime or double time. When paid at overtime or double time, the average effective rate is used, not regular rate (night differential pay per week is considered in the determination of average effective rate), which may be slightly higher than the regular rate.</i>	

By having multiple pay codes within the system, there is a higher risk that the wrong pay code will be used in determining an employee's compensation. For example, in PPE July 31, 2010, an ER Staff Nurse II was compensated a total of four hours of regular pay instead of the minimum wage for an on-call shift, resulting in an overpayment of \$101.

Lack of Automation Contributes to Complexity of the Compensation Structure

In addition to the 44 types of pay processed by GMHA, we found that the manual input of certain types of pay contributes to the complexity of GMHA's pay structure, which further increase the possibility of errors much less the opportunity for fraud. GMHA's policy requires

employees to “clock in and out of the system according to the approved work schedule.”⁷ While we found the nursing staff consistently practices clocking in and out through the payroll system, certain pay types, such as certification pay, have to be manually inputted. In addition, a majority of Physicians continue to provide manual timesheets that have to be manually inputted into the system by a payroll technician who is left to interpret the hours and is likely subject to error due to lack of review. We recognize that manually inputting some timekeeping information may be necessary, however, this should be done sparingly as the manual process is susceptible to the risk of entering and reporting incorrect information. We found errors during our testing related to the manual inputting of timekeeping information as described below.

Certification Pay

Certification pay is afforded to nurses and other healthcare professionals who have a national or Guam Board certification, and are practicing in their area of certification. It is calculated at 15% of base rate. We found that GMHA’s payroll system does not automatically calculate the premium for the hours worked by a certified individual. Instead, the timekeeper must manually input the certification hours.

We identified a minor error in the hours manually inputted for a Neonatal Intensive Care Unit (NICU)/Nursery Staff Nurse II who was paid 88 hours of certification pay during PPE January 2, 2010, but only 87 hours were justified, or an overpayment of 1 hour. While the inputting error identified in our testing resulted in an immaterial questioned cost, the long-term impact of having multiple input errors can be potentially significant. Therefore, we recommend that GMHA management implement a built-in mechanism within its payroll system to automatically calculate certification pay for certified individuals.

Night Differential Pay

GMHA’s policy states that all employees are entitled to night differential pay, which is calculated at the rate of regular wage plus ten percent (10%), for all hours worked between 6:00 p.m. and 6:00 a.m. As GMHA is a 24-hour facility, many employees routinely receive night differential pay.

For PPE January 2, 2010, where night differential hours were manually inputted, we found 10 transactions or \$102 in questioned costs as follows:

- A Hospital Pharmacist was paid 30 hours of night differential pay, or three hours over the 27 hours he was entitled to;
- A Labor & Delivery (L&D) Staff Nurse II claimed 73 hours of night differential pay, or four hours over the 69 hours she was entitled to;
- An Intensive Care Unit/Critical Care Unit (ICU/CCU) Staff Nurse II claimed 50 hours of night differential pay, or short five hours over the 55 hours he was entitled to; and

⁷ GMHA Administration Policy 6440-10 Policy IV (A)(1)

- An ER Physician claimed 89 hours of night differential pay, or seven hours over the 82 hours he was entitled to. During the eight days worked, an additional hour of night differential was claimed for seven days, resulting in the overage.

As of March 2010, GMHA changed the system for the AS400 to automatically calculate night differential based on the hours timed-in and timed-out. For the two PPEs July 31, 2010 and September 11, 2010 tested, there were no exceptions noted in the computer calculation of night differential; however, we noted that night differential was not consistently granted. Specifically, it appears that night differential pay was given to Physicians who electronically time-in and not to those who submitted manual timesheets.

Weekend Pay

All work performed between the hours of 12:00 midnight on any Friday and 12:00 midnight of the following Sunday night shall be compensated at the rate of one and one-half (1 ½) times the regular straight time rate of the nurse or any employee who is responsible for direct delivery of patient services. With the manual input of weekend hours, we found four instances where weekend hours granted did not match regular, overtime, and/or on-call hours worked:

- For PPE January 2, 2010,
 - An ER Staff Nurse II worked seven hours, but claimed 20 hours of weekend pay or 13 hours over and
 - A L&D Staff Nurse II worked 18 hours, but claimed 11 hours of weekend pay or short seven hours.
- For PPE July 31, 2010, an ER Staff Nurse II worked 23 hours, but claimed 32 hours of weekend pay or nine hours over.
- For PPE September 11, 2010, an ER Staff Nurse II worked 16 hours, but claimed 24 hours of weekend pay or eight hours over.

Physicians' Timesheets

Physicians in Radiology, OB/GYN, and Neurology continue to submit manual timesheets, unlike ER Physicians who electronically time-in and out of the payroll system. The submission of manual timesheets requires the manual inputting of the hours claimed into the system by another employee. When ER Physicians fail to time-in or out of the payroll system, they note their hours worked in a manual log book, which are also manually inputted into the system by a payroll representative. We noted that the ER Physicians' hours noted in the log book are not independently verified.

As the requirement of electronically timing in is not enforced for Physicians, there is a risk that manual timesheets can go missing to justify the number of hours compensated. During our testing, we could not verify whether the 80 hours or \$6,000 paid to the Neurologist for PPE January 2, 2010 was accurate and complete, much less reviewed and approved, because no timesheet was provided.

Because of the complexity of GMHA's system, we recommend that the GMHA Hospital Administrator create a committee to review the necessity of having 44 pay codes within its payroll system. We also recommend:

- Enforcement of the hospital's policy to require all employees, particularly Physicians, to electronically clock-in and out to allow the system to automatically capture their hours worked and to subsequently calculate the correct compensation.
- Implementation of a built-in mechanism, with appropriate controls, within the payroll system to automatically calculate the different pay types, such as certification pay, weekend pay, on-call pay, etc.

Conclusion and Recommendations

Despite compensation being the largest expenditure ranging from 63% to 72% of total expenditures, we found that GMHA's employee compensation system is not being monitored and undergoing secondary review and approval, or exception reporting through the establishment of thresholds, enforcing the Safe Hours Policy, and implementing strong timekeeping and payroll controls to ensure authorized and accurate compensation. With such weaknesses in controls, we found extraordinary costs of compensation and hours worked by certain individuals. In addition, questioned costs for the three pay periods tested amounted to \$205,831 for 15 individuals representing 53% of total amounts tested of \$386,989. If additional testing was undertaken, we believe questioned costs would likely to be significantly higher.

During our audit, we also found that GMHA has a complex pay structure that makes it more vulnerable and harder to manage, which resulted in errors, but also presents the opportunity for possible payroll abuse, waste, and fraud.

On-going monitoring by management should detect and help prevent excessive compensation. In addition, routine monitoring may also deter abuse, fraud, or other irregularities as employees are less likely to commit such acts if they know that discrepancies do not escape management's attention. We recommend the GMHA Hospital Administrator:

1. Develop a tracking system to correlate hours worked and paid to Physicians against billings made by Physicians.
2. Establish a policy to review employees' compensation when they exceed specified thresholds, such as 25% over base pay, 50% over base pay, and 100% over base pay.
3. Implement built-in mechanisms, with appropriate controls, within its payroll system to:
 - a. Automatically calculate the different pay types, such as certification pay, weekend pay, on-call pay, etc.
 - b. Delay processing of Physicians' payroll payments until all timekeeping entries have been reviewed and approved by the Medical Director or a designee.
 - c. Indicate when an employee is close to violating the Safe Hours of Work criteria, so that proper measures can be taken to ensure the safety and health of the employee and the patients.
4. Enforce the hospital's policy to require all employees, particularly Physicians, to electronically clock-in and out to allow the system to automatically capture their hours worked and subsequently calculate the correct compensation.
5. Create a committee to review the necessity of having 44 pay codes within its payroll system and make recommendations to improve the compensation system to the extent this audit report needs to be supplemented.
6. Direct the Medical Director to:
 - a. Determine whether the Physician's hours are in compliance with GMHA personnel policies to include the Safe Hours of Work policy;
 - b. Annually review outside employment request; and
 - c. Maintain proper documentation, such as the employees' outside work schedule on file.

Management Response and OPA Reply

A draft report was transmitted to GMHA on October 26, 2012 for their official response. We met with GMHA officials in November 7, 2012 to discuss the findings and recommendations. The Hospital Administration fully concurred with the findings and recommendations and provided their official response on November 5, 2012. See Appendix 15 for the GMHA's management response.

The legislation creating the Office of Public Accountability requires agencies to prepare a corrective action plan to implement audit recommendations, to document the progress of implementing the recommendations, and to endeavor to complete implementation of the recommendations no later than the beginning of the next fiscal year. We will be contacting the GMHA to provide the target date and title of the official(s) responsible for implementing the recommendations.

We appreciate the cooperation given to us by the staff and management of GMHA.

OFFICE OF PUBLIC ACCOUNTABILITY

Doris Flores Brooks, CPA, CGFM
Public Auditor

Appendix 1:

Classification of Monetary Amounts

	Finding Area	Questioned Costs
1	Weak Management Oversight Contributes to Potentially Excessive Compensation Costs and Hours	\$ -
2	Inadequate Timekeeping And Payroll Controls	
	<i>Timesheets Were Not Reviewed or Approved</i>	
	Radiologist PPE 07/31/10 Timesheet	\$ 23,204
	ER Physician solely approved timesheets	\$ 47,754 ⁸
		\$ 70,958
	<i>Employees Hours Worked Were Not Authorized or Justified</i>	
	On-call paid, but not scheduled	\$ 145
	SMD and DMD pay code does not apply	\$ 520
	Radiologist worked beyond scheduled time shift	\$ 1,538
	Hours timed-in does not match work schedule	\$ 5,701
	No appropriate schedule to verify timekeeping	\$ 59,615 ⁹
	Schedule did not provide regular time shifts to verify hours worked	
	10 hours for Radiologist A (PPE 01/02/10)	\$ 2,308
	23 hours for Radiologist B (PPE 01/02/10)	\$ 5,308
	74 hours for Radiologist A (PPE 09/11/10)	\$ 17,008
	21 hours for Radiologist B (PPE 09/11/10)	\$ 4,846
	6 hours for Radiologist C (PPE 09/11/10)	\$ 1,442
		\$ 98,431
	<i>Dual Employment Held Without Annual Approval and No Determination That Second Employment Hours Worked Were Within Safe Hours Of Work Policy</i>	\$ 29,720 ¹⁰
3	Complex Pay Structure	
	<i>Manual Timekeeping Practices</i>	
	Night Differential Pay Overages	\$ 102
	Weekend Hours did not Match	\$ 519
	Missing Neurologist Manual Timesheet	\$ 6,000
		\$ 6,620
	<i>Multiple Pay Codes Within System</i>	
	ER Staff Nurse II Overpayment	\$ 101
	Totals	\$ 205,831

⁸ This excludes the \$423 already questioned in SMD and DMD.

⁹ This excludes the \$23,204 already questioned in Radiologist PPE 7/31/10 Timesheet and the \$6,000 questioned as Missing Neurologist Manual Timesheet.

¹⁰ This excludes the \$91 of the \$101 already questioned as Night Differential Pay Overages and excludes \$98 already questioned in SMD & DMD.

The objective of this audit was to determine whether GMHA has controls in place to ensure that personnel or contracted workers were receiving authorized and accurate compensation. For the purposes of this audit, we reviewed personnel and contracted workers who receive \$100 thousand (K) or more in compensation annually for services rendered.

The period of review was from October 1, 2008 through December 31, 2011. The audit scope encompassed a review of compensation received by all GMHA personnel based on W-2 information and salary information provided in staffing patterns. In addition, we reviewed laws, rules and regulations, policies, board resolutions, prior audit findings, and other information pertinent to GMHA personnel compensation during October 1, 2008 through December 31, 2011. We interviewed the Administrator, General Accounting Supervisor, Personnel Services Administrator, Budget, Payroll Supervisor, Medical Director, Chief of Radiology Services, Systems Programmer and various unit timekeepers. The audit was conducted at the Guam Memorial Hospital in Tamuning.

To accomplish our objective, we performed the following:

- (1) Conducted walkthrough of specific units and interviews with key personnel.
- (2) Analyzed payroll data and accomplished the following:
 - a. Identified individuals and positions that received the highest compensation.
 - b. Determined whether personnel received pay in accordance with established rules and regulations.
 - c. Determined individuals and positions that received significantly higher compensation in comparison to their base pay.
 - d. Determined the composition of pay that contributed to actual pay being significantly higher than base pay.
 - e. Identified individuals and positions that worked highest amount of hours.
- (3) Reviewed the following:
 - a. Timekeeping records maintained by GMHA, including schedules, manual and electronic timesheets, leave forms, and overtime justification forms;
 - b. GMHA Employee Paycheck History;
 - c. GMHA Board Resolutions; and
 - d. GMHA Personnel Rules and Regulations.
- (4) Randomly selected three pay periods during fiscal year 2010: January 2, 2010, July 31, 2010, and September 11, 2010. The tests were conducted to determine whether internal controls were sufficient to ensure proper processing of GMHA compensation for individuals receiving \$100K or more in pay. During the period under audit, we determined that there were 78 people who earned in excess of \$100K. From this universe, we selected 15 individuals, of which three were the highest compensated individuals and 12 were selected based on the excess of the 2,500 hour norm and 25% over base pay based on 2010 data. The thresholds of 2,500 hours and 25% were selected based on the results of stratifying the hours worked and percentages over base pay.

We determined that a majority of employees received less than these thresholds and therefore, amounts exceeding these thresholds pose a higher risk for irregularities.

(5) Based on the above sampling method, we tested relevant payroll and timekeeping documents and performed the following:

- a. Traced time shown on manual or electronic timesheets to the approved work schedule;
- b. Verified the proper coding of the hours worked and reported (i.e., regular hours, overtime, back-in pay, etc.);
- c. Traced all leave and overtime shown on the payroll system to leave and overtime justification forms;
- d. If a timesheet is processed electronically, we reviewed a “Y” listing. If manually processed, we verified proper signatures and approval (i.e., employee, department timekeeper, and Supervisor);
- e. Reviewed Human Resources records to determine the approved compensation rate for each employee and compared to the payroll system rate utilized for each pay period (for regular hours only); and
- f. Verified the accuracy of the calculation of each type of pay as inputted into the AS400 system.

We conducted this performance audit in accordance with the standards for performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. These standards require that we plan our audit objectives and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our objectives.

Prior Audit Coverage

We identified 12 findings within GMHA’s financial audits during fiscal years 2002 through 2010 relative to the compensation, payroll, and timekeeping of GMHA personnel. Among the 12 findings, six findings discussed types of compensation and benefits, such as accrued and payment of leave, 25% Specialty Pay, On-Call Pay, and compensated absences; three findings pertained to availability of supporting documents; and the remaining was in regards to timekeeping maintenances, password access, and contracts. There were no findings pertaining to compensation, payroll, and timekeeping of GMHA personnel in GMHA’s FY 2011 financial audit.

Appendix 3:
CY 2011 Compensation Greater Than \$100K
Page 1 of 3

	DEPARTMENT	POSITION TITLE	BASE SALARY [B]	WAGES, TIPS [A]	VARIANCES [A-B] = [C]	% OVER BASE PAY [C÷B] = D
1	PHYSICIANS	PHYSICIAN - RADIOLOGY	480,001.60	735,338.22	255,336.62	53%
2	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	270,400.00	410,774.00	140,374.00	52%
3	PHYSICIANS	PHYSICIAN - OPERATING ROOM	375,003.20	350,925.26	(24,077.94)	-6%
4	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	270,400.00	348,799.39	78,399.39	29%
5	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	270,400.00	333,110.88	62,710.88	23%
6	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	270,400.00	308,396.06	37,996.06	14%
7	ANESTHESIA	ANESTHESIOLOGISTS	291,200.00	302,244.50	11,044.50	4%
8	ANESTHESIA	ANESTHESIOLOGISTS	270,400.00	268,410.60	(1,989.40)	-1%
9	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	270,400.00	267,193.29	(3,206.71)	-1%
10	ANESTHESIA	ANESTHESIOLOGISTS	270,400.00	261,172.99	(9,227.01)	-3%
11	ANESTHESIA	ANESTHESIOLOGISTS	291,200.00	257,778.00	(33,422.00)	-11%
12	PHYSICIANS	PHYSICIAN - RADIOLOGY	120,000.40	246,520.11	126,519.71	105%
13	PHYSICIANS	PHYSICIAN - OB/GYN	260,000.00	240,468.92	(19,531.08)	-8%
14	PHYSICIANS	PHYSICIAN - OB/GYN	260,000.00	233,400.00	(26,600.00)	-10%
15	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	270,400.00	223,504.39	(46,895.61)	-17%
16	HOSPITAL ADMINISTRATION	ASSOC ADMINISTRATOR MED SVC	208,000.00	222,000.00	14,000.00	7%
17	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	270,400.00	202,590.26	(67,809.74)	-25%
18	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	135,200.00	185,343.54	50,143.54	37%
19	PHYSICIANS	PHYSICIAN - RADIOLOGY	120,000.40	183,692.92	63,692.52	53%
20	PHARMACY	HOSPITAL PHARMACIST	108,659.20	183,010.49	74,351.29	68%
21	PHYSICIANS	HOSPITALIST-GENERAL SURGERY	200,720.00	180,275.04	(20,444.96)	-10%
22	ANESTHESIA	ANESTHESIOLOGISTS	270,400.00	179,025.09	(91,374.91)	-34%
23	PHYSICIANS	PHYSICIAN - ICU/CCU	183,996.80	174,796.96	(9,199.84)	-5%
24	ANESTHESIA	ANESTHESIOLOGISTS	280,800.00	173,845.34	(106,954.66)	-38%
25	PHYSICIANS	PHYSICIAN - LABORATORY	187,200.00	170,335.69	(16,864.31)	-9%
26	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	270,400.00	169,129.77	(101,270.23)	-37%
27	ANESTHESIA	ANESTHESIOLOGISTS	260,000.00	164,375.73	(95,624.27)	-37%
28	PHARMACY	HOSPITAL PHARMACIST	108,659.20	159,514.31	50,855.11	47%
29	PHYSICIANS	PHYSICIAN - RADIOLOGY	240,000.80	157,521.28	(82,479.52)	-34%
30	PHARMACY	HOSPITAL PHARMACIST	104,977.60	156,165.74	51,188.14	49%
31	PHYSICIANS	PHYSICIAN - PEDIATRICS	160,680.00	152,087.13	(8,592.87)	-5%
32	EMERGENCY ROOM	STAFF NURSE II	84,425.64	149,062.94	64,637.30	77%
33	PHYSICIANS	PHYSICIAN - RADIOLOGY	480,001.60	148,647.04	(331,354.56)	-69%

Appendix 3:

CY 2011 Compensation Greater Than \$100K

Page 2 of 3

	DEPARTMENT	POSITION TITLE	BASE SALARY [B]	WAGES, TIPS [A]	VARIANCES [A-B] = [C]	% OVER BASE PAY [C÷B] = D
34	PHYSICIANS	PHYSICIAN - PEDIATRICS	156,000.00	147,427.40	(8,572.60)	-5%
35	PHARMACY	HOSPITAL PHARMACIST	104,977.60	145,751.35	40,773.75	39%
36	PHARMACY	HOSPITAL PHARMACIST	108,659.20	145,734.58	37,075.38	34%
37	PHYSICIANS	PHYSICIAN - RADIOLOGY	120,000.40	145,327.41	25,327.01	21%
38	PHYSICIANS	HOSPITALIST-INTERNAL MEDICINE	156,000.00	137,797.50	(18,202.50)	-12%
39	PHARMACY	HOSPITAL PHARMACIST	101,441.60	136,037.88	34,596.28	34%
40	EMERGENCY ROOM	STAFF NURSE II	76,147.24	132,767.22	56,619.98	74%
41	GENERAL ACCOUNTING	CHIEF FINANCIAL OFFICER	166,400.00	128,288.00	(38,112.00)	-23%
42	PHYSICIANS	HOSPITALIST-INTERNAL MEDICINE	156,000.00	126,200.00	(29,800.00)	-19%
43	LABOR & DELIVERY	HOSP NURSE SUPERVISOR II	94,533.14	125,139.98	30,606.84	32%
44	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	213,200.00	117,955.18	(95,244.82)	-45%
45	NICU	STAFF NURSE II	81,570.32	116,263.17	34,692.85	43%
46	ANESTHESIA	ANESTHESIOLOGISTS	114,400.00	115,608.32	1,208.32	1%
47	ICU/CCU	STAFF NURSE II	81,570.32	113,932.41	32,362.09	40%
48	LABOR & DELIVERY	STAFF NURSE II	73,572.46	112,140.27	38,567.81	52%
49	ICU/CCU	STAFF NURSE II	73,572.46	111,272.65	37,700.19	51%
50	LABOR & DELIVERY	STAFF NURSE II	73,572.46	110,931.54	37,359.08	51%
51	ICU/CCU	HOSPITAL UNIT SUPERVISOR	83,806.58	106,006.64	22,200.06	26%
52	NURSING ADMINISTRATION	HOSP NURSE SUPERVISOR II	85,263.88	105,864.82	20,600.94	24%
53	PHYSICIANS	HOSPITALIST-GENERAL SURGERY	100,360.00	104,735.50	4,375.50	4%
54	PHYSICIANS	HOSPITALIST - PEDIATRICS	78,000.00	103,800.00	25,800.00	33%
55	OPERATING ROOM (SURGERY)	STAFF NURSE II	78,812.76	101,060.20	22,247.44	28%
56	OPERATING ROOM (SURGERY)	STAFF NURSE II	81,570.32	100,964.43	19,394.11	24%
57	NURSING ADMINISTRATION	HOSP NURSE SUPERVISOR II	91,336.44	100,729.53	9,393.09	10%
58	PHYSICIANS	PHYSICIAN - RADIOLOGY	260,000.00	100,560.62	(159,439.38)	-61%
59	NURSING ADMINISTRATION	HOSP NURSE SUPERVISOR II	88,247.64	100,100.56	11,852.92	13%

Subtotal (59 Individuals in Excess of \$100K):

10,991,853.04

Other 1,104 Employees

40,978,375.11

Total (1,163 Employees)

51,970,228.15

Summary of Range of % Over Base Pay

Range of % Over Base Pay	EE* Ct.	Total Cost
More than 100%	1	\$ 246,520.11
50% - 100%	9	\$ 2,128,990.25
25% - 49%	13	\$ 1,943,549.19
1% - 24%	11	\$ 1,939,082.01
Subtotal	34	\$ 6,258,141.56
Subtotal (Others)	25	\$ 4,733,711.48
TOTAL	59	\$ 10,991,853.04

Appendix 4:
CY 2010 Compensation Greater Than \$100K
Page 1 of 3

	DEPARTMENT	POSITION TITLE	BASE SALARY [B]	WAGES, TIPS [A]	VARIANCES [A-B] = [C]	% OVER BASE PAY [C÷B] = D
1	PHYSICIANS	PHYSICIAN - RADIOLOGY	240,000.80	764,936.81	524,936.01	219%
2	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	270,400.00	361,837.80	91,437.80	34%
3	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	270,400.00	357,214.50	86,814.50	32%
4	PHYSICIANS	PHYSICIAN - OPERATING ROOM	375,003.20	347,988.32	(27,014.88)	-7%
5	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	270,400.00	311,676.93	41,276.93	15%
6	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	270,400.00	296,153.60	25,753.60	10%
7	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	270,400.00	288,653.26	18,253.26	7%
8	PHYSICIANS	PHYSICIAN - RADIOLOGY	120,000.40	276,924.00	156,923.60	131%
9	ANESTHESIA	ANESTHESIOLOGISTS	280,800.00	271,722.75	(9,077.25)	-3%
10	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	270,400.00	269,663.94	(736.06)	0%
11	ANESTHESIA	ANESTHESIOLOGISTS	291,200.00	269,076.16	(22,123.84)	-8%
12	ANESTHESIA	ANESTHESIOLOGISTS	280,800.00	267,030.00	(13,770.00)	-5%
13	ANESTHESIA	ANESTHESIOLOGISTS	270,400.00	265,884.88	(4,515.12)	-2%
14	ANESTHESIA	ANESTHESIOLOGISTS	280,800.00	265,857.42	(14,942.58)	-5%
15	PHYSICIANS	PHYSICIAN - OB/GYN	260,000.00	243,413.21	(16,586.79)	-6%
16	ANESTHESIA	ANESTHESIOLOGISTS	270,400.00	236,949.55	(33,450.45)	-12%
17	PHYSICIANS	PHYSICIAN - OB/GYN	260,000.00	235,022.13	(24,977.87)	-10%
18	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	270,400.00	234,447.53	(35,952.47)	-13%
19	PHARMACY	HOSPITAL PHARMACIST	104,977.60	194,617.16	89,639.56	85%
20	PHARMACY	HOSPITAL PHARMACIST	108,659.20	190,246.83	81,587.63	75%
21	PHYSICIANS	PHYSICIAN - PEDIATRICS	260,000.00	182,256.40	(77,743.60)	-30%
22	PHYSICIANS	PHYSICIAN - RADIOLOGY	120,000.40	175,496.02	55,495.62	46%
23	PHYSICIANS	PHYSICIAN - LABORATORY	187,200.00	171,310.60	(15,889.40)	-8%
24	HOSPITAL ADMINISTRATION	ASSOC ADMINISTRATOR MED SVC	204,360.00	169,558.00	(34,802.00)	-17%
25	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	270,400.00	167,410.35	(102,989.65)	-38%
26	PHYSICIANS	PHYSICIAN - OB/GYN	130,000.00	166,380.53	36,380.53	28%
27	PHYSICIANS	HOSPITALIST-INTERNAL MEDICINE	156,000.00	156,000.00	-	0%
28	PHARMACY	HOSPITAL PHARMACIST	104,977.60	153,150.72	48,173.12	46%
29	EMERGENCY ROOM	STAFF NURSE II	73,572.46	148,695.92	75,123.46	102%
30	EMERGENCY ROOM	STAFF NURSE II	84,425.64	147,933.85	63,508.21	75%
31	PHARMACY	HOSPITAL PHARMACIST	101,441.60	146,296.63	44,855.03	44%
32	HOSPITAL ADMINISTRATION	HOSPITAL ADMINISTRATOR	136,822.40	145,996.38	9,173.98	7%
33	PHARMACY	HOSPITAL PHARMACIST	101,441.60	145,899.03	44,457.43	44%

Appendix 4:
CY 2010 Compensation Greater Than \$100K
Page 2 of 3

	DEPARTMENT	POSITION TITLE	BASE SALARY [B]	WAGES, TIPS [A]	VARIANCES [A-B] = [C]	% OVER BASE PAY [C÷B] = D
34	PHYSICIANS	PHYSICIAN - RADIOLOGY	240,000.80	141,268.14	(98,732.66)	-41%
35	PHARMACY	HOSPITAL PHARMACIST	104,977.60	139,298.87	34,321.27	33%
36	NICU	STAFF NURSE II	78,812.76	134,796.64	55,983.88	71%
37	PHYSICIANS	PHYSICIAN - PEDIATRICS	156,000.00	134,258.28	(21,741.72)	-14%
38	PHYSICIANS	HOSPITALIST-INTERNAL MEDICINE	156,000.00	131,700.00	(24,300.00)	-16%
39	PHYSICIANS	HOSPITALIST - NEUROLOGY	78,000.00	127,500.00	49,500.00	63%
40	HEMODIALYSIS	STAFF NURSE II	76,147.24	126,886.49	50,739.25	67%
41	LABOR & DELIVERY	HOSP NURSE SUPERVISOR II	94,533.14	123,336.14	28,803.00	30%
42	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	213,200.00	121,914.33	(91,285.67)	-43%
43	PHYSICIANS	HOSPITALIST-GENERAL SURGERY	100,360.00	114,410.40	14,050.40	14%
44	PHYSICIANS	HOSPITALIST-GENERAL SURGERY	100,360.00	114,410.40	14,050.40	14%
45	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	214,760.00	113,568.00	(101,192.00)	-47%
46	ANESTHESIA	ANESTHESIOLOGISTS	114,400.00	111,877.67	(2,522.33)	-2%
47	PHYSICIANS	HOSPITALIST - INTERNAL MEDICINE	156,000.00	109,350.00	(46,650.00)	-30%
48	ICU/CCU	STAFF NURSE II	71,084.26	108,824.49	37,740.23	53%
49	NICU	STAFF NURSE II	66,357.98	107,580.69	41,222.71	62%
50	LABOR & DELIVERY	STAFF NURSE II	71,084.26	104,775.56	33,691.30	47%
51	ICU/CCU	STAFF NURSE II	78,812.76	103,432.41	24,619.65	31%
52	NURSING ADMINISTRATION	HOSP NURSE SUPERVISOR II	82,381.00	102,245.08	19,864.08	24%
53	OPERATING ROOM (SURGERY)	STAFF NURSE II	78,812.76	101,425.73	22,612.97	29%
54	HEMODIALYSIS	STAFF NURSE II	66,357.98	101,313.76	34,955.78	53%
55	LABOR & DELIVERY	STAFF NURSE II	71,084.26	101,089.18	30,004.92	42%
56	NURSING ADMINISTRATION	HOSP NURSE SUPERVISOR II	88,247.64	100,680.44	12,432.80	14%
57	ANESTHESIA	ANESTHESIOLOGISTS	114,400.00	100,232.00	(14,168.00)	-12%

Subtotal (57 Individuals in Excess of \$100K):

10,801,875.91

Other 1,137 Employees

40,455,523.89

Total (1,194 Employees)

\$51,257,399.80

Summary of Range of % Over Base Pay

Range of % Over Base Pay	EE* Ct.	Total Cost
More than 100%	3	\$ 1,190,556.73
50% - 100%	9	\$ 1,239,699.91
25% - 49%	13	\$ 2,179,633.12
1% - 24%	8	\$ 1,474,226.49
Subtotal	33	\$ 6,084,116.25
Subtotal (Others)	24	\$ 4,717,759.66
TOTAL	57	\$ 10,801,875.91

Appendix 5:
CY 2009 Compensation Greater Than \$100K
Page 1 of 2

	DEPARTMENT	POSITION TITLE	BASE SALARY [B]	WAGES, TIPS [A]	VARIANCES [A-B] = [C]	% OVER BASE PAY [C÷B] = D
1	PHYSICIANS	PHYSICIAN - RADIOLOGY	239,200.00	781,964.17	542,764.17	227%
2	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	249,600.00	382,090.62	132,490.62	53%
3	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	249,600.00	327,600.87	78,000.87	31%
4	PHYSICIANS	PHYSICIAN - OPERATING ROOM	274,996.80	290,333.51	15,336.71	6%
5	ANESTHESIA	ANESTHESIOLOGISTS	291,200.00	282,011.74	(9,188.26)	-3%
6	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	249,600.00	249,885.48	285.48	0%
7	PHYSICIANS	PHYSICIAN - RADIOLOGY	120,000.40	248,770.06	128,769.66	107%
8	ANESTHESIA	ANESTHESIOLOGISTS	280,800.00	241,570.69	(39,229.31)	-14%
9	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	124,800.00	225,838.02	101,038.02	81%
10	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	249,600.00	224,945.85	(24,654.15)	-10%
11	ANESTHESIA	ANESTHESIOLOGISTS	270,400.00	208,454.94	(61,945.06)	-23%
12	PHYSICIANS	PHYSICIAN - OB/GYN	199,992.00	207,381.87	7,389.87	4%
13	PHYSICIANS	PHYSICIAN - OB/GYN	199,992.00	206,650.56	6,658.56	3%
14	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	249,600.00	205,404.96	(44,195.04)	-18%
15	PHYSICIANS	PHYSICIAN - OB/GYN	199,992.00	204,471.62	4,479.62	2%
16	ANESTHESIA	ANESTHESIOLOGISTS	280,800.00	203,743.85	(77,056.15)	-27%
17	ANESTHESIA	ANESTHESIOLOGISTS	208,000.00	197,275.27	(10,724.73)	-5%
18	PHARMACY	HOSPITAL PHARMACIST	104,977.60	189,576.71	84,599.11	81%
19	PHYSICIANS	PHYSICIAN - PEDIATRICS	166,400.00	185,302.72	18,902.72	11%
20	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	156,000.00	182,601.68	26,601.68	17%
21	ANESTHESIA	ANESTHESIOLOGISTS	280,800.00	175,432.36	(105,367.64)	-38%
22	PHYSICIANS	PHYSICIAN - LABORATORY	187,200.00	170,638.32	(16,561.68)	-9%
23	PHYSICIANS	PHYSICIAN - RADIOLOGY	120,000.40	164,539.01	44,538.61	37%
24	PHARMACY	HOSPITAL PHARMACIST	104,977.60	163,458.22	58,480.62	56%
25	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	202,800.00	161,302.00	(41,498.00)	-20%
26	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	249,600.00	157,851.91	(91,748.09)	-37%
27	PHYSICIANS	HOSPITALIST - NEUROLOGY	156,000.00	156,000.00	-	0%
28	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	156,000.00	156,000.00	-	0%
29	PHARMACY	HOSPITAL PHARMACIST	101,441.60	150,018.83	48,577.23	48%
30	PHARMACY	HOSPITAL PHARMACIST	104,977.60	146,414.38	41,436.78	39%
31	PHARMACY	HOSPITAL PHARMACIST	101,441.60	145,475.70	44,034.10	43%
32	PHYSICIANS	PHYSICIAN - RADIOLOGY	240,000.80	143,769.71	(96,231.09)	-40%

Appendix 5:

CY 2009 Compensation Greater Than \$100K

Page 2 of 2

	DEPARTMENT	POSITION TITLE	BASE SALARY [B]	WAGES, TIPS [A]	VARIANCES [A-B] = [C]	% OVER BASE PAY [C÷B] = D
33	EMERGENCY ROOM	STAFF NURSE II	81,570.32	143,116.27	61,545.95	75%
34	ANESTHESIA	ANESTHESIOLOGISTS	228,800.00	133,282.64	(95,517.36)	-42%
35	PHYSICIANS	PHYSICIAN - RADIOLOGY	120,000.40	129,337.43	9,337.03	8%
36	PHYSICIANS	PHYSICIAN - OPERATING ROOM	100,360.00	127,473.50	27,113.50	27%
37	PHYSICIANS	PHYSICIAN - RADIOLOGY	480,001.60	126,386.95	(353,614.65)	-74%
38	LABOR & DELIVERY	HOSP NURSE SUPERVISOR II	91,336.44	125,688.99	34,352.55	38%
39	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	156,000.00	123,000.00	(33,000.00)	-21%
40	HOSPITAL ADMINISTRATION	HOSPITAL ADMINISTRATOR	123,136.00	122,702.98	(433.02)	0%
41	NICU	STAFF NURSE II	78,812.76	121,182.47	42,369.71	54%
42	NURSING ADMINISTRATION	HOSP NURSE SUPERVISOR II	63,013.08	120,439.18	57,426.10	91%
43	EMERGENCY ROOM	STAFF NURSE II	73,572.46	120,204.69	46,632.23	63%
44	HEMODIALYSIS	STAFF NURSE II	73,572.46	111,727.53	38,155.07	52%
45	HEMODIALYSIS	STAFF NURSE II	64,114.44	108,517.63	44,403.19	69%
46	EMERGENCY ROOM	STAFF NURSE II	68,680.82	108,145.76	39,464.94	57%
47	NURSING ADMINISTRATION	HOSP NURSE SUPERVISOR II	88,247.64	106,425.57	18,177.93	21%
48	NURSING ADMINISTRATION	HOSP NURSE SUPERVISOR II	82,381.00	105,046.67	22,665.67	28%
49	OPERATING ROOM (SURGERY)	STAFF NURSE II	78,812.76	104,260.11	25,447.35	32%
50	ICU/CCU	STAFF NURSE II	71,084.26	103,512.47	32,428.21	46%
51	OPERATING ROOM (SURGERY)	STAFF NURSE II	78,812.76	101,667.43	22,854.67	29%
52	LABOR & DELIVERY	STAFF NURSE II	71,084.26	101,070.63	29,986.37	42%
53	LABOR & DELIVERY	STAFF NURSE II	71,084.26	101,056.69	29,972.43	42%
54	OBSTETRICS	STAFF NURSE II	66,357.98	100,606.80	34,248.82	52%
55	NICU	STAFF NURSE II	66,357.98	100,083.33	33,725.35	51%

Subtotal (55 Individuals in Excess of \$100K): 9,781,711.35

Other 1,082 Employees 38,272,660.72

Total (1,137 Employees) \$48,054,372.07

Summary of Range of % Over Base Pay

Range of % Over Base Pay	EE* Ct.	Total Cost
More than 100%	2	\$ 1,030,734.23
50% - 100%	13	\$ 1,994,987.23
25% - 49%	13	\$ 1,803,825.28
1% - 24%	8	\$ 1,512,504.96
Subtotal	36	\$ 6,342,051.70
Subtotal (Others)	19	\$ 3,439,659.65
TOTAL	55	\$ 9,781,711.35

CY 2009 ~ 2011 Departments of Compensated Individuals in Excess of \$100K

CY 2011 Departments of Compensated Individuals in Excess of \$100K

DEPARTMENT	PHYSICIAN		NURSE		OTHER		GRAND TOTAL	
	NO. OF EMPLOYEES	TOTAL SALARY & BENEFITS	NO. OF EMPLOYEES	TOTAL SALARY & BENEFITS	NO. OF EMPLOYEES	TOTAL SALARY & BENEFITS	NO. OF EMPLOYEES	TOTAL SALARY & BENEFITS
PHYSICIANS	29	6,406,654					29	\$ 6,406,654
ANESTHESIA	8	1,722,461					8	1,722,461
PHARMACY			6	926,214			6	926,214
ICU/CCU			3	331,212			3	331,212
LABOR & DELIVERY			3	348,212			3	348,212
NURSING ADMINISTRATION			3	306,695			3	306,695
EMERGENCY ROOM			2	281,830			2	281,830
OPERATING ROOM (SURGERY)			2	202,025			2	202,025
GENERAL ACCOUNTING					1	128,288	1	128,288
HOSPITAL ADMINISTRATION	1	222,000					1	222,000
NICU			1	116,263			1	116,263
Subtotal (59 Compensated Individuals in Excess of \$100K):	38	\$ 8,351,114	20	\$ 2,512,451	1	\$ 128,288	59	\$ 10,991,853
Other (1,104 Employees):	39	1,985,478	679	28,145,129	386	10,847,768	1104	40,978,375
Total (1,163 Employees):	77	\$10,336,592	699	\$ 30,657,580	387	\$ 10,976,056	1163	\$ 51,970,228

CY 2009 ~ 2011 Departments of Compensated Individuals in Excess of \$100K

CY 2010 Departments of Compensated Individuals in Excess of \$100K

DEPARTMENT	PHYSICIAN		NURSE		OTHER		GRAND TOTAL	
	NO. OF EMPLOYEES	TOTAL SALARY & BENEFITS	NO. OF EMPLOYEES	TOTAL SALARY & BENEFITS	NO. OF EMPLOYEES	TOTAL SALARY & BENEFITS	NO. OF EMPLOYEES	TOTAL SALARY & BENEFITS
PHYSICIANS	27	6,115,165					27	\$ 6,115,165
ANESTHESIA	8	1,788,630					8	1,788,630
PHARMACY			6	969,509			6	969,509
ICU/CCU			2	212,257			2	212,257
LABOR & DELIVERY			3	329,201			3	329,201
EMERGENCY ROOM			2	296,630			2	296,630
HEMODIALYSIS			2	228,200			2	228,200
HOSPITAL ADMINISTRATION	1	169,558			1	145,996	2	315,554
NICU			2	242,377			2	242,377
NURSING ADMINISTRATION			2	202,926			2	202,926
OPERATING ROOM (SURGERY)			1	101,426			1	101,426
Subtotal (57 Compensated Individuals in Excess of \$100K):	36	\$ 8,073,354	20	\$ 2,582,526	1	\$ 145,996	57	\$ 10,801,875
Other (1,137 Employees):	39	1,519,711	693	27,584,458	405	11,351,354	1137	40,455,523
Total (1,194 Employees):	75	\$ 9,593,065	713	\$ 30,166,984	406	\$ 11,497,350	1194	\$ 51,257,398

CY 2009 ~ 2011 Departments of Compensated Individuals in Excess of \$100K

CY 2009 Departments of Compensated Individuals in Excess of \$100K

DEPARTMENT	PHYSICIAN		NURSE		OTHER		GRAND TOTAL	
	NO. OF EMPLOYEES	TOTAL SALARY & BENEFITS	NO. OF EMPLOYEES	TOTAL SALARY & BENEFITS	NO. OF EMPLOYEES	TOTAL SALARY & BENEFITS	NO. OF EMPLOYEES	TOTAL SALARY & BENEFITS
PHYSICIANS	25	5,539,541					25	5,539,541
ANESTHESIA	7	1,441,771					7	1,441,771
PHARMACY			5	794,944			5	794,944
EMERGENCY ROOM			3	371,467			3	371,467
LABOR & DELIVERY			3	327,816			3	327,816
NURSING ADMINISTRATION			3	331,911			3	331,911
HEMODIALYSIS			2	220,245			2	220,245
NICU			2	221,266			2	221,266
OPERATING ROOM (SURGERY)			2	205,928			2	205,928
HOSPITAL ADMINISTRATION					1	122,703	1	122,703
ICU/CCU			1	103,512			1	103,512
OBSTETRICS			1	100,607			1	100,607
Subtotal (55 Compensated Individuals in Excess of \$100K):	32	6,981,312	22	2,677,696	1	122,703	55	9,781,712
Other (1,082 Employees):	31	1,184,250	668	26,117,969	383	10,970,442	1082	38,272,661
Total (1,137 Employees):	63	\$ 8,165,562	690	\$ 28,795,665	384	\$11,093,145	1137	\$ 48,054,372

Appendix 7:

CY 2011 Hours Worked by \$100K Compensated Individuals

Page 1 of 3

	DEPARTMENT	POSITION TITLE	WAGES, TIPS [B]	REGULAR (1 REG)	HOLIDAY WORK (13 HLW)	CALL BACK (16 CB)	EDUC/ SEMINAR (24 EDU)	ADMIN/ OTHERS (27 ADM)	OVERTIME- NURSES (33 OT)	HW LICENSE X 1.5 (34 HWL)	DBL TIME - NURSES (35)	SALARIED NO PAY (90)	TOTAL ANNUAL HOURS WORKED
1	PHYSICIANS	PHYSICIAN - RADIOLOGY	735,338	3,055	46	-	-	-	-	-	-	-	3,101
2	PHARMACY	HOSPITAL PHARMACIST	159,514	2,617	6	6	32	-	-	96	-	-	2,757
3	PHARMACY	HOSPITAL PHARMACIST	183,010	2,512	-	-	-	-	-	89	-	-	2,600
4	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	410,774	2,499	87	-	-	-	-	-	-	-	2,586
5	EMERGENCY ROOM	STAFF NURSE II	132,767	2,189	-	12	7	1	217	86	-	-	2,512
6	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	348,799	2,394	86	-	-	-	-	-	-	-	2,479
7	EMERGENCY ROOM	STAFF NURSE II	149,063	2,108	-	24	36	1	164	86	3	-	2,421
8	PHARMACY	HOSPITAL PHARMACIST	156,166	2,300	-	-	-	-	-	96	-	-	2,395
9	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	333,111	2,240	102	-	-	24	-	-	-	-	2,366
10	PHYSICIANS	PHYSICIAN - LABORATORY	170,336	1,976	8	-	-	-	-	-	-	327	2,311
11	ICU/CCU	STAFF NURSE II	111,273	2,116	-	-	8	3	68	93	20	-	2,308
12	PHYSICIANS	PHYSICIAN - PEDIATRICS	152,087	1,838	66	-	-	24	-	-	-	302	2,230
13	ANESTHESIA	ANESTHESIOLOGISTS	268,411	2,141	36	-	5	12	-	-	-	-	2,194
14	LABOR & DELIVERY	STAFF NURSE II	110,932	2,056	-	12	31	-	4	68	-	-	2,170
15	LABOR & DELIVERY	STAFF NURSE II	112,140	2,034	-	21	18	-	4	83	-	-	2,159
16	PHARMACY	HOSPITAL PHARMACIST	136,038	2,082	-	-	-	-	-	68	-	-	2,151
17	ANESTHESIA	ANESTHESIOLOGISTS	261,173	2,130	9	-	-	-	-	-	-	-	2,139
18	PHARMACY	HOSPITAL PHARMACIST	145,735	2,090	-	-	-	-	-	42	-	-	2,133
19	OPERATING ROOM (SURGERY)	STAFF NURSE II	101,060	1,797	-	250	44	-	-	-	9	-	2,099
20	ICU/CCU	HOSPITAL UNIT SUPERVISOR	106,007	1,777	-	-	49	8	131	83	11	16	2,075
21	PHARMACY	HOSPITAL PHARMACIST	145,751	1,996	-	-	-	-	-	75	-	-	2,071

Appendix 7:

CY 2011 Hours Worked by \$100K Compensated Individuals

Page 2 of 3

	DEPARTMENT	POSITION TITLE	WAGES, TIPS [B]	REGULAR (1 REG)	HOLIDAY WORK (13 HLW)	CALL BACK (16 CB)	EDUC/ SEMINAR (24 EDU)	ADMIN/ OTHERS (27 ADM)	OVERTIME- NURSES (33 OT)	HW LICENSE X 1.5 (34 HWL)	DBL TIME - NURSES (35)	SALARIED NO PAY (90)	TOTAL ANNUAL HOURS WORKED
22	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	308,396	1,958	102	-	-	-	-	-	-	-	2,060
23	PHYSICIANS	PHYSICIAN - ICU/CCU	174,797	1,992	56	-	-	-	-	-	-	-	2,048
24	ICU/CCU	STAFF NURSE II	113,932	1,980	8	-	4	-	1	48	-	-	2,042
25	ANESTHESIA	ANESTHESIOLOGISTS	257,778	2,010	-	-	-	-	-	-	-	-	2,010
26	NICU	STAFF NURSE II	116,263	1,903	-	-	13	10	-	76	-	-	2,002
27	ANESTHESIA	ANESTHESIOLOGISTS	302,245	1,987	2	-	-	-	-	-	-	-	1,989
28	PHYSICIANS	PHYSICIAN - OPERATING ROOM	350,925	1,984	-	-	-	-	-	-	-	-	1,984
29	PHYSICIANS	PHYSICIAN - PEDIATRICS	147,427	1,936	44	-	-	-	-	-	-	-	1,980
30	NURSING ADMINISTRATION	HOSP NURSE SUPERVISOR II	100,101	1,842	16	-	18	11	13	39	-	36	1,974
31	LABOR & DELIVERY	HOSP NURSE SUPERVISOR II	125,140	1,739	-	2	18	3	113	64	-	22	1,961
32	PHYSICIANS	PHYSICIAN - OB/GYN	233,400	1,952	8	-	-	-	-	-	-	-	1,960
33	HOSPITAL ADMINISTRATION	ASSOC ADMINISTRATOR MED SVC	222,000	1,960	-	-	-	-	-	-	-	-	1,960
34	PHYSICIANS	HOSPITALIST-GENERAL SURGERY	180,275	1,876	79	-	-	-	-	-	-	-	1,955
35	PHYSICIANS	PHYSICIAN - OB/GYN	240,469	1,812	8	-	-	-	-	-	-	36	1,856
36	PHYSICIANS	HOSPITALIST-INTERNAL MEDICINE	137,798	1,822	32	-	-	-	-	-	-	-	1,854
37	NURSING ADMINISTRATION	HOSP NURSE SUPERVISOR II	100,730	1,777	-	-	-	-	-	57	-	13	1,847
38	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	267,193	1,737	109	-	-	-	-	-	-	-	1,846
39	OPERATING ROOM (SURGERY)	STAFF NURSE II	100,964	1,686	-	99	23	-	-	-	-	-	1,808
40	NURSING ADMINISTRATION	HOSP NURSE SUPERVISOR II	105,865	1,696	9	-	-	-	-	41	-	11	1,756

Appendix 7:

CY 2011 Hours Worked by \$100K Compensated Individuals

Page 3 of 3

	DEPARTMENT	POSITION TITLE	WAGES, TIPS [B]	REGULAR (1 REG)	HOLIDAY WORK (13 HLW)	CALL BACK (16 CB)	EDUC/ SEMINAR (24 EDU)	ADMIN/ OTHERS (27 ADM)	OVERTIME- NURSES (33 OT)	HW LICENSE X 1.5 (34 HWL)	DBL TIME - NURSES (35)	SALARIED NO PAY (90)	TOTAL ANNUAL HOURS WORKED
41	PHYSICIANS	HOSPITALIST-INTERNAL MEDICINE	126,200	1,668	-	-	-	-	-	-	-	57	1,725
42	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	202,590	1,622	25	-	-	8	-	-	-	-	1,655
43	GENERAL ACCOUNTING	CHIEF FINANCIAL OFFICER	128,288	1,520	-	-	-	-	-	-	-	-	1,520
44	ANESTHESIA	ANESTHESIOLOGISTS	164,376	1,444	-	-	-	-	-	-	-	-	1,444
45	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	185,344	1,392	33	-	-	-	-	-	-	-	1,424
46	PHYSICIANS	HOSPITALIST - PEDIATRICS	103,800	1,344	40	-	-	-	-	-	-	-	1,384
47	ANESTHESIA	ANESTHESIOLOGISTS	173,845	1,290	25	-	-	-	-	-	-	-	1,315
48	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	223,504	1,227	47	-	-	-	-	-	-	-	1,273
49	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	169,130	1,192	26	-	-	-	-	-	-	-	1,218
50	ANESTHESIA	ANESTHESIOLOGISTS	115,608	1,106	-	-	-	-	-	-	-	-	1,106
51	PHYSICIANS	HOSPITALIST-GENERAL SURGERY	104,736	1,056	35	-	-	-	-	-	-	-	1,091
52	ANESTHESIA	ANESTHESIOLOGISTS	179,025	1,041	18	-	-	-	-	-	-	-	1,059
53	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	117,955	849	18	-	-	-	-	-	-	-	867
54	PHYSICIANS	PHYSICIAN - RADIOLOGY	183,693	765	31	-	-	-	-	-	-	-	796
55	PHYSICIANS	PHYSICIAN - RADIOLOGY	246,520	994	57	-	-	-	-	-	-	-	1051
56	PHYSICIANS	PHYSICIAN - RADIOLOGY	148,647	616	13	-	-	-	-	-	-	58	686
57	PHYSICIANS	PHYSICIAN - RADIOLOGY	157,521	639	38	-	-	-	-	-	-	-	677
58	PHYSICIANS	PHYSICIAN - RADIOLOGY	145,327	633	23	-	-	-	-	-	-	-	656
59	PHYSICIANS	PHYSICIAN - RADIOLOGY	100,561	404	5	-	-	-	-	-	-	-	409
		TOTAL	\$10,991,853	102,396	1,351	426	305	105	716	1,289	42	878	107,507

Summary of Range of Hours Worked

RANGE OF HOURS WORKED	MORE THAN 3,000 HOURS	2,500 - 3,000 HOURS	2,100 - 2,500 HOURS	LESS THAN 2,100 HOURS	TOTAL
COUNT OF EMPLOYEES	1	4	13	41	59

Appendix 8:

CY 2010 Hours Worked by \$100K Compensated Individuals

Page 1 of 3

	DEPARTMENT	POSITION TITLE	WAGES, TIPS [B]	REGULAR (1 REG)	HOLIDAY WORK (13 HLW)	CALL BACK (16 CB)	EDUC/ SEMINAR (24 EDU)	ADMIN/ OTHERS (27 ADM)	OVERTIME- NURSES (33 OT)	HW LICENSE X 1.5 (34 HWL)	DBL TIME - NURSES (35)	SALARIED NO PAY (90)	TOTAL ANNUAL HOURS WORKED
1	EMERGENCY ROOM	STAFF NURSE II	148,696	2,491	-	-	45	4	335	88	530	-	3,492
2	PHYSICIANS	PHYSICIAN - RADIOLOGY	764,937	3,230	58	-	-	-	-	-	-	-	3,288
3	PHARMACY	HOSPITAL PHARMACIST	190,247	2,822	-	-	-	-	-	78	-	-	2,900
4	PHARMACY	HOSPITAL PHARMACIST	194,617	2,756	-	4	-	-	-	66	-	-	2,826
5	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	361,838	2,580	85	-	40	-	-	-	-	-	2,705
6	HEMODIALYSIS	STAFF NURSE II	126,886	2,374	25	183	16	-	4	28	5	-	2,636
7	EMERGENCY ROOM	STAFF NURSE II	147,934	2,277	-	-	46	5	120	88	2	-	2,538
8	HEMODIALYSIS	STAFF NURSE II	101,314	2,185	41	239	19	2	-	35	-	-	2,520
9	PHARMACY	HOSPITAL PHARMACIST	153,151	2,385	-	-	-	-	-	61	-	-	2,446
10	PHYSICIANS	PHYSICIAN - LABORATORY	171,311	1,992	-	-	-	-	-	-	-	442	2,434
11	NICU	STAFF NURSE II	107,581	2,318	-	-	2	-	8	60	-	-	2,388
12	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	357,215	2,320	49	-	-	-	-	-	-	-	2,370
13	NICU	STAFF NURSE II	134,797	2,267	-	-	21	-	1	78	-	-	2,367
14	PHARMACY	HOSPITAL PHARMACIST	145,899	2,285	-	-	-	-	-	55	-	-	2,339
15	PHYSICIANS	PHYSICIAN - PEDIATRICS	134,258	1,968	24	-	-	-	-	-	-	311	2,303
16	LABOR & DELIVERY	HOSP NURSE SUPERVISOR II	123,336	2,039	-	-	14	32	143	48	-	5	2,282
17	PHARMACY	HOSPITAL PHARMACIST	146,297	2,200	-	-	-	-	-	75	-	-	2,275
18	ANESTHESIA	ANESTHESIOLOGISTS	236,950	2,226	23	-	-	-	-	-	-	-	2,250
19	ICU/CCU	STAFF NURSE II	108,824	2,060	-	-	35	12	65	78	-	-	2,249
20	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	311,677	2,128	88	-	-	-	-	-	-	-	2,216
21	ANESTHESIA	ANESTHESIOLOGISTS	265,885	2,180	26	-	-	-	-	-	-	-	2,206
22	ANESTHESIA	ANESTHESIOLOGISTS	265,857	2,144	26	-	-	-	-	-	-	-	2,170

Appendix 8:

CY 2010 Hours Worked by \$100K Compensated Individuals

Page 2 of 3

	DEPARTMENT	POSITION TITLE	WAGES, TIPS [B]	REGULAR (1 REG)	HOLIDAY WORK (13 HLW)	CALL BACK (16 CB)	EDUC/ SEMINAR (24 EDU)	ADMIN/ OTHERS (27 ADM)	OVERTIME- NURSES (33 OT)	HW LICENSE X 1.5 (34 HWL)	DBL TIME - NURSES (35)	SALARIED NO PAY (90)	TOTAL ANNUAL HOURS WORKED
23	ICU/CCU	STAFF NURSE II	100,680	1,971	32	-	30	19	31	34	5	6	2,128
24	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	296,154	2,053	63	-	-	-	-	-	-	-	2,116
25	ANESTHESIA	ANESTHESIOLOGISTS	269,076	2,073	2	-	-	-	-	-	-	-	2,075
26	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	288,653	1,998	66	-	-	-	-	-	-	-	2,065
27	ANESTHESIA	ANESTHESIOLOGISTS	271,723	2,039	8	-	-	-	-	-	-	-	2,047
28	LABOR & DELIVERY	STAFF NURSE II	104,776	1,934	-	-	20	-	12	74	-	-	2,039
29	PHARMACY	HOSPITAL PHARMACIST	139,299	1,977	-	-	-	-	-	59	-	-	2,036
30	PHYSICIANS	PHYSICIAN - OB/GYN	243,413	1,992	16	-	-	-	-	-	-	-	2,008
31	LABOR & DELIVERY	STAFF NURSE II	101,089	1,901	-	-	18	-	16	65	-	-	2,000
32	ANESTHESIA	ANESTHESIOLOGISTS	267,030	1,992	2	-	-	-	-	-	-	-	1,994
33	PHYSICIANS	PHYSICIAN - OB/GYN	235,022	1,968	24	-	-	-	-	-	-	-	1,992
34	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	131,700	1,976	-	-	-	-	-	-	-	-	1,976
35	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	156,000	1,956	-	-	-	-	-	-	-	15	1,971
36	PHYSICIANS	PHYSICIAN - PEDIATRICS	182,256	1,874	8	-	-	-	-	-	-	60	1,942
37	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	269,664	1,886	46	-	-	-	-	-	-	-	1,932
38	HOSPITAL ADMINISTRATION	HOSPITAL ADMINISTRATOR	145,996	1,903	-	-	-	-	-	-	-	-	1,903
39	PHYSICIANS	PHYSICIAN - OPERATING ROOM	347,988	1,856	-	-	-	-	-	-	-	-	1,856
40	OPERATING ROOM (SURGERY)	STAFF NURSE II	101,426	1,728	-	103	24	-	-	-	-	-	1,856

Appendix 8:
CY 2010 Hours Worked by \$100K Compensated Individuals

Page 3 of 3

	DEPARTMENT	POSITION TITLE	WAGES, TIPS [B]	REGULAR (1 REG)	HOLIDAY WORK (13 HLW)	CALL BACK (16 CB)	EDUC/ SEMINAR (24 EDU)	ADMIN/ OTHERS (27 ADM)	OVERTIME- NURSES (33 OT)	HW LICENSE X 1.5 (34 HWL)	DBL TIME - NURSES (35)	SALARIED NO PAY (90)	TOTAL ANNUAL HOURS WORKED
41	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	234,448	1,724	80	-	40	-	-	-	-	-	1,845
42	ICU/CCU	STAFF NURSE II	103,432	1,731	-	-	8	-	-	60	-	-	1,799
43	HOSPITAL ADMINISTRATION	ASSOC ADMINISTRATOR MED SVC	169,558	1,594	130	-	-	-	-	-	-	-	1,724
44	NURSING ADMINISTRATION	HOSP NURSE SUPERVISOR II	102,245	1,522	-	-	26	-	-	32	-	12	1,593
45	PHYSICIANS	HOSPITALIST - INTERNAL MEDICINE	109,350	1,472	-	-	-	-	-	-	-	-	1,472
46	PHYSICIANS	PHYSICIAN - CARDIOLOGY	127,500	1,460	-	-	-	-	-	-	-	-	1,460
47	PHYSICIANS	PHYSICIAN - OB/GYN	166,381	1,352	24	-	-	-	-	-	-	-	1,376
48	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	167,410	1,307	60	-	-	-	-	-	-	-	1,367
49	PHYSICIANS	PHYSICIAN - OPERATING ROOM	114,410	1,200	48	-	-	-	-	-	-	-	1,248
50	PHYSICIANS	PHYSICIAN - OPERATING ROOM	114,410	1,200	48	-	-	-	-	-	-	-	1,248
51	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	113,568	1,200	48	-	-	-	-	-	-	-	1,248
52	PHYSICIANS	PHYSICIAN - RADIOLOGY	276,924	1,170	30	-	-	-	-	-	-	-	1,200
53	ANESTHESIA	ANESTHESIOLOGISTS	111,878	1,071	-	-	-	-	-	-	-	-	1,071
54	ANESTHESIA	ANESTHESIOLOGISTS	100,232	910	-	-	-	-	-	-	-	-	910
55	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	121,914	882	17	-	-	-	-	-	-	-	900
56	PHYSICIANS	PHYSICIAN - RADIOLOGY	175,496	730	23	-	-	-	-	-	-	-	754
57	PHYSICIANS	PHYSICIAN - RADIOLOGY	141,268	596	14	-	-	-	-	-	-	-	610
		TOTAL	\$10,801,876	107,426	1,236	529	403	74	734	1,161	543	851	112,958

Summary of Range of Hours Worked

RANGE OF HOURS WORKED	MORE THAN 3,000 HOURS	2,500 - 3,000 HOURS	2,100 - 2,500 HOURS	LESS THAN 2,100 HOURS	TOTAL
COUNT OF EMPLOYEES	2	6	16	33	57

Appendix 9:

CY 2009 Hours Worked by \$100K Compensated Individuals

Page 1 of 3

	DEPARTMENT	POSITION TITLE	WAGES, TIPS [B]	REGULAR (1 REG)	HOLIDAY WORK (13 HLW)	CALL BACK (16 CB)	EDUC/ SEMINAR (24 EDU)	ADMIN/ OTHERS (27 ADM)	OVERTIME - NURSES (33 OT)	HW LICENSE X 1.5 (34 HWL)	DBL TIME - NURSES (35)	SALARIED NO PAY (90)	TOTAL ANNUAL HOURS WORKED
1	PHYSICIANS	PHYSICIAN - RADIOLOGY	781,964	3,262	112	-	-	15	-	-	-	-	3,389
2	PHARMACY	HOSPITAL PHARMACIST	163,458	2,657	-	-	80	-	-	99	-	-	2,837
3	PHARMACY	HOSPITAL PHARMACIST	189,577	2,721	-	2	-	-	-	76	-	-	2,800
4	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	382,091	2,666	93	-	-	-	-	-	-	-	2,759
5	HEMODIALYSIS	STAFF NURSE II	108,518	2,300	16	237	6	-	24	52	3	-	2,638
6	PHYSICIANS	PHYSICIAN - PEDIATRICS	185,303	2,459	27	-	-	40	-	-	-	-	2,526
7	PHARMACY	HOSPITAL PHARMACIST	150,019	2,399	8	-	-	-	-	74	-	-	2,481
8	EMERGENCY ROOM	STAFF NURSE II	120,205	2,119	1	-	28	9	234	85	4	-	2,480
9	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	327,601	2,272	78	-	-	112	-	-	-	-	2,461
10	EMERGENCY ROOM	STAFF NURSE II	143,116	2,120	15	-	46	12	174	90	3	-	2,459
11	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	182,602	2,324	-	-	-	120	-	-	-	-	2,444
12	PHARMACY	HOSPITAL PHARMACIST	145,476	2,321	-	-	-	-	-	89	-	-	2,410
13	ANESTHESIA	ANESTHESIOLOGISTS	197,275	2,069	19	-	40	-	-	-	-	273	2,401
14	EMERGENCY ROOM	STAFF NURSE II	108,146	2,150	-	-	122	13	16	75	4	-	2,379
15	HEMODIALYSIS	STAFF NURSE II	111,728	2,164	9	97	3	-	-	58	5	-	2,336
16	LABOR & DELIVERY	HOSP NURSE SUPERVISOR II	125,689	2,146	4	-	53	-	69	39	7	3	2,320
17	PHYSICIANS	PHYSICIAN - LABORATORY	170,638	1,984	-	-	-	-	-	-	-	334	2,318
18	ICU/CCU	STAFF NURSE II	103,512	2,113	-	-	23	39	45	72	10	-	2,302
19	ANESTHESIA	ANESTHESIOLOGISTS	282,012	2,044	33	-	-	-	-	-	-	157	2,233
20	NICU	STAFF NURSE II	100,083	2,105	-	-	11	19	17	72	4	-	2,227
21	OBSTETRICS	STAFF NURSE II	100,607	2,098	-	-	49	-	8	68	-	-	2,223

Appendix 9:

CY 2009 Hours Worked by \$100K Compensated Individuals

Page 2 of 3

	DEPARTMENT	POSITION TITLE	WAGES, TIPS [B]	REGULAR (1 REG)	HOLIDAY WORK (13 HLW)	CALL BACK (16 CB)	EDUC/ SEMINAR (24 EDU)	ADMIN/ OTHERS (27 ADM)	OVERTIME - NURSES (33 OT)	HW LICENSE X 1.5 (34 HWL)	DBL TIME - NURSES (35)	SALARIED NO PAY (90)	TOTAL ANNUAL HOURS WORKED
22	NICU	STAFF NURSE II	121,182	2,027	-	-	24	-	16	63	-	-	2,130
23	PHARMACY	HOSPITAL PHARMACIST	146,414	2,018	-	-	-	-	-	44	-	-	2,061
24	PHYSICIANS	PHYSICIAN - OB/GYN	207,382	1,992	16	-	-	-	-	-	-	-	2,008
25	PHYSICIANS	PHYSICIAN - OB/GYN	206,651	1,984	16	-	-	-	-	-	-	-	2,000
26	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	156,000	1,920	-	-	48	-	-	-	-	28	1,996
27	PHYSICIANS	PHYSICIAN - OB/GYN	204,472	1,984	8	-	-	-	-	-	-	-	1,992
28	PHYSICIANS	PHYSICIAN - OPERATING ROOM	290,334	1,976	8	-	-	-	-	-	-	-	1,984
29	LABOR & DELIVERY	STAFF NURSE II	101,057	1,823	-	-	60	-	24	71	-	-	1,978
30	LABOR & DELIVERY	STAFF NURSE II	101,071	1,855	-	-	32	-	5	70	-	-	1,961
31	ANESTHESIA	ANESTHESIOLOGISTS	203,744	1,640	20	-	-	-	-	-	-	294	1,954
32	NURSING ADMINISTRATION	HOSP NURSE SUPERVISOR II	106,426	1,719	8	-	17	32	87	49	1	19	1,932
33	ANESTHESIA	ANESTHESIOLOGISTS	241,571	1,780	6	-	8	-	-	-	-	120	1,914
34	HOSPITAL ADMINISTRATION	HOSPITAL ADMINISTRATOR	122,703	1,900	-	-	-	-	-	-	-	-	1,900
35	OPERATING ROOM (SURGERY)	STAFF NURSE II	104,260	1,757	-	104	16	-	-	8	15	-	1,900
36	ANESTHESIA	ANESTHESIOLOGISTS	208,455	1,693	11	-	-	-	-	-	-	189	1,892
37	PHYSICIANS	PHYSICIAN - CARDIOLOGY	156,000	1,888	-	-	-	-	-	-	-	-	1,888
38	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	225,838	1,830	52	-	-	-	-	-	-	-	1,882
39	NURSING ADMINISTRATION	HOSP NURSE SUPERVISOR II	120,439	1,631	16	-	29	-	31	57	-	52	1,816
40	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	224,946	1,722	55	-	-	-	-	-	-	-	1,778

Appendix 9:
CY 2009 Hours Worked by \$100K Compensated Individuals

Page 3 of 3

	DEPARTMENT	POSITION TITLE	WAGES, TIPS [B]	REGULAR (1 REG)	HOLIDAY WORK (13 HLW)	CALL BACK (16 CB)	EDUC/ SEMINAR (24 EDU)	ADMIN/ OTHERS (27 ADM)	OVERTIME - NURSES (33 OT)	HW LICENSE X 1.5 (34 HWL)	DBL TIME - NURSES (35)	SALARIED NO PAY (90)	TOTAL ANNUAL HOURS WORKED
41	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	249,885	1,676	43	-	33	24	-	-	-	-	1,776
42	OPERATING ROOM (SURGERY)	STAFF NURSE II	101,667	1,671	-	29	40	19	-	11	4	-	1,774
43	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	123,000	1,544	-	-	-	32	-	-	-	-	1,576
44	NURSING ADMINISTRATION	HOSP NURSE SUPERVISOR II	105,047	1,462	-	-	6	-	17	47	-	10	1,542
45	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	205,405	1,385	39	-	-	16	-	-	-	-	1,440
46	PHYSICIANS	PHYSICIAN - OPERATING ROOM	127,474	1,284	40	-	-	-	-	-	-	-	1,324
47	ANESTHESIA	ANESTHESIOLOGISTS	175,432	1,247	3	-	-	-	-	-	-	42	1,292
48	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	157,852	1,191	49	-	-	-	-	-	-	-	1,240
49	ANESTHESIA	ANESTHESIOLOGISTS	133,283	1,178	6	-	-	-	-	-	-	-	1,183
50	PHYSICIANS	PHYSICIAN - EMERGENCY ROOM	161,302	1,161	70	-	-	-	-	-	-	-	1,230
51	PHYSICIANS	PHYSICIAN - RADIOLOGY	248,770	1,039	39	-	-	-	-	-	-	-	1,078
52	PHYSICIANS	PHYSICIAN - RADIOLOGY	164,539	687	26	-	-	-	-	-	-	-	713
53	PHYSICIANS	PHYSICIAN - RADIOLOGY	129,337	610	27	-	-	-	-	-	-	-	637
54	PHYSICIANS	PHYSICIAN - RADIOLOGY	143,770	603	20	-	-	-	-	-	-	-	623
55	PHYSICIANS	PHYSICIAN - RADIOLOGY	126,387	561	16	-	-	-	-	-	-	-	577
TOTAL			\$ 9,781,711	100,929	1008	469	775	501	764	1,369	61	1,520	107,394

Summary of Range of Hours Worked

RANGE OF HOURS WORKED	MORE THAN 3,000 HOURS	2,500 - 3,000 HOURS	2,100 - 2,500 HOURS	LESS THAN 2,100 HOURS	TOTAL
COUNT OF EMPLOYEES	1	5	16	33	55

Appendix 10:

CY 2009 ~ 2011 Sample Percentage over Base Pay

Page 1 of 2

	POSITION TITLE	CALENDAR YEAR	BASE SALARY [A]	WAGES, TIPS [B]	VARIANCE [B-A]=[C]	% OVER BASE [C÷A] = [D]
1	PHYSICIAN – RADIOLOGY	2009	239,200	781,964	542,764	227%
		2010	240,001	764,937	524,936	219%
		2011	480,002	735,338	255,337	53%
		TOTAL		\$ 2,282,239		
2	PHYSICIAN – EMERGENCY ROOM	2009	249,600	382,091	132,491	53%
		2010	270,400	357,215	86,815	32%
		2011	270,400	410,774	140,374	52%
		TOTAL		\$ 1,150,079		
3	PHYSICIAN – EMERGENCY ROOM	2009	249,600	327,601	78,001	31%
		2010	270,400	361,838	91,438	34%
		2011	270,400	333,111	62,711	23%
		TOTAL		\$ 1,022,550		
4	PHYSICIAN – RADIOLOGY	2009	120,000	248,770	128,770	107%
		2010	120,000	276,924	156,924	131%
		2011	120,000	183,693	63,693	53%
		TOTAL		\$ 709,387		
5	PHYSICIAN – RADIOLOGY	2009	120,000	164,539	44,539	37%
		2010	120,000	175,496	55,496	46%
		2011	120,000	246,520	126,520	105%
		TOTAL		\$ 586,555		
6	HOSPITAL PHARMACIST	2009	104,978	189,577	84,599	81%
		2010	104,978	194,617	89,640	85%
		2011	108,659	183,010	74,351	68%
		TOTAL		\$ 567,204		
7	PHYSICIAN – OB/GYN	2009	199,992	204,472	4,480	2%
		2010	130,000*	166,381	36,381	28%
		2011	260,000	69,374	(190,626)	-73%
		TOTAL		\$ 440,226		
8	STAFF NURSE II	2009	73,572	120,205	46,632	63%
		2010	73,572	148,696	75,123	102%
		2011	76,147	132,767	56,620	74%
		TOTAL		\$ 401,668		

Appendix 10:
CY 2009 ~ 2011 Sample Percentage over Base Pay
Page 2 of 2

	POSITION TITLE	CALENDAR YEAR	BASE SALARY [A]	WAGES, TIPS [B]	VARIANCE [B-A]=[C]	% OVER BASE [C÷A] = [D]
9	STAFF NURSE II	2009	78,813	121,182	42,370	54%
		2010	78,813	134,797	55,984	71%
		2011	81,570	116,263	34,693	43%
		TOTAL		\$ 372,242		
10	STAFF NURSE II	2009	73,572	111,728	38,155	52%
		2010	76,147	126,886	50,739	67%
		2011	76,147	91,281	15,134	20%
		TOTAL		\$ 329,895		
11	STAFF NURSE II	2009	71,084	103,512	32,428	46%
		2010	71,084	108,824	37,740	53%
		2011	73,572	111,273	37,700	51%
		TOTAL		\$ 323,610		
12	HOSPITALIST – NEUROLOGY	2009	156,000	156,000	-	0%
		2010	78,000*	127,500	49,500	63%
		2011	156,000	37,590	(118,410)	-76%
		TOTAL		\$ 321,090		
13	STAFF NURSE II	2009	71,084	101,071	29,986	42%
		2010	71,084	104,776	33,691	47%
		2011	73,572	112,140	38,568	52%
		TOTAL		\$ 317,986		
14	HOSP NURSE SUPERVISOR II	2009	82,381	105,047	22,666	28%
		2010	82,381	102,245	19,864	24%
		2011	85,264	105,865	20,601	24%
		TOTAL		\$ 313,157		
15	STAFF NURSE II	2009	78,813	104,260	25,447	32%
		2010	78,813	101,426	22,613	29%
		2011	81,570	100,964	19,394	24%
		TOTAL		\$ 306,650		

* The decrease in salary & wages is due to a transition from a full-time position to a part-time position.

Appendix 11:**Types of Compensation****Page 1 of 3**

Code	Description	Application	Calculation
1	REGULAR	Code is utilized to pay: (1) Straight time – Straight time hours worked based on scheduled hours; (2) Overtime – Upon the occurrence of overtime work, covered classified employees shall be entitled to receive overtime compensation calculated at the rate of 1 and ½ times the regular rate of pay for each hour or portion of the hour of overtime worked. (3) Double time – Any work in excess of the additional 4 hours of overtime in the same 24-hour period shall be compensated at 2 times or double time the nurse's and other healthcare professional's regular time hourly rate.	(1) Hours x Regular Rate (2) Hours x Regular Rate x 1.5 (3) Hours x Regular Rate x 2 Note: When paying OT or DBL time, average effective rate is used, not regular rate (night diff pay/week is considered in determination of average effective rate), which may be slightly higher than the regular rate.
7	COMP TIME EARN.	In lieu of overtime – overtime hours converted to 1.5 hours and banked.	Hours x 1.5
8	COMP TIME	In the absence of any funds for overtime compensation, compensatory time shall be granted in lieu of overtime pay by mutual agreement between the employee and management, before the work is performed. The number of overtime work hours shall be converted to compensatory time credit at the rate of 1 and ½ for each hour of overtime work. Compensatory time earned shall be paid at the regular rate earned by the employee at the time the employee receives such payment.	Hours x Regular Rate
9	ANNUAL LEAVE		Hours x Regular Rate
11	SICK LEAVE		Hours x Regular Rate
12	HOLIDAY LEAVE		Hours x Regular Rate
13	HOLIDAY LEAVE WORKED	Employees who are required, due to emergency or other reasons, to work on holidays (or their equivalent) shall be paid at the rate equivalent to double their hourly rate of pay exclusive of any additional pay, except as otherwise provided by statute.	Hours x Regular Rate – May pay at Straight time (1), Overtime (2), or Double time (3); Note: When paying OT or DBL time, average effective rate is used, not regular rate (night diff pay/week is considered in determination of average effective rate), which may be slightly higher than the regular rate.
14	ON CALL @ \$7.25		Hours x Current Minimum Wage (\$7.25)
16	CALL BACK		Hours x Regular Rate x 1.5
17	TYPHOON STANDBY	During Typhoon Condition 1 & 2, employees on an On-Call status are paid typhoon standby.	Hours x Regular Rate x 0.25

Appendix 11:**Types of Compensation****Page 2 of 3**

18	TYPHOON @1.5	During Typhoon Condition 1 & 2, employees working will receive typhoon pay.	Hours x Regular Rate x 1.5
19	HOLIDAY @ 1.5	For part-time employees that worked on a Holiday (Non-nurses only).	Hours x Regular Rate x 1.5
20	MATERNITY LEAVE	Female employees entitled due to birth of child (160 hours max).	Hours x Regular Rate
21	PATERNITY LEAVE	Male employees entitled due to birth of child (160 hours max).	Hours x Regular Rate
22	BEREAVEMENT		Hours x Regular Rate
23	JURY DUTY	Employees called to Jury Duty.	Hours x Regular Rate
24	EDUC/SEMINAR		Hours x Regular Rate
25	WORKMAN'S COMPT	Employees with work injury.	Hours x Regular Rate
26	MILITARY LEAVE	Employees called to Military Duty.	Hours x Regular Rate
27	ADMIN/OTHERS		Hours x Regular Rate
28	TYPHOON LEAVE	Given to employees when typhoon occurs during employee's regular scheduled workday.	Hours x Regular Rate
29	UNPAID TIME OFF	For employees on leave without pay status.	No Pay
30	CERTIFICATION	Nurses and other healthcare professionals who have a national or Guam Board certification, and are practicing in their area of certification, shall be entitled to a minimum certification pay differential, calculated at the rate of their regular wage plus fifteen percent (15%) to rectify an inequity in certification pay.	Hours x Regular Rate x .15
32	WEEKEND DIFF.	All work performed between the hours of 12:00 midnight of the following Sunday night shall be compensated at the rate of 1 ½ times the regular straight time rate of the nurse or any employee who is responsible for direct delivery of patient services.	Hours x Regular Rate x 1.5
33	OVT-NURSES/AHPS	After a nurse and other healthcare professional have worked a complete shift in any given 24-hour period, the next 4 hours worked shall be at a rate of 1 ½ times the nurse's and other healthcare professional's regular straight time hourly rate. Any work in excess of the additional 4 hours in the same 24-hour period shall be compensated at 2 times or double time the nurse's and other healthcare professional's regular straight time hourly rate.	Hours x Regular Rate x 1.5
34	HOSPITAL WORK LICENSE	All work performed on any legal holiday, in addition to the regular holiday pay, shall be compensated at a rate of 1 ½ times the nurse's and other healthcare professional's regular straight time rate.	Hours x Regular Rate x 1.5

Appendix 11:**Types of Compensation****Page 3 of 3**

35	DBL TIME-NURSES	For Nurses whose worked hours exceed a 12-hour work day.	Hours x Regular Rate x 2
36	PARENT SUP98-16	Admin leave for the Parental Involvement Initiative as per Executive Order 98-16.	Hours x Regular Rate
37	PHYSICAL FITNES	Employee on a Physical Fitness Program	Hours x Regular Rate
39	NIGHT DIFF	All employees of the government of Guam, except the department or agency heads and the Deputy Directors, shall be entitled to night differential pay, calculated at the rate of their regular wage plus ten percent (10%), for all period worked between the hours of 6:00 PM and 6:00 AM.	Hours x Regular Rate x 0.1
44	TROPSTORM LEAVE		Hours x Regular Rate
69	UNPAID-MILITARY	For employees on military leave without pay.	NO PAY
70	ONCALL @500/24	For On-Call Physicians only*	Hours x \$20.8334
71	ONCALL @750/24	For On-Call Physicians only*	Hours x \$31.25
72	ONCALL @300/14	For On-Call Physicians only*	Hours x \$21.4286
73	ONCALL @1200/24	For On-Call Physicians only*	Hours x \$50.00
74	ONCALL @1000/24	For On-Call Physicians only*	Hours x \$41.6667
75	ONCALL @200/24	For On-Call Physicians only*	Hours x \$8.3334
76	ONCALL @2000/24	For On-Call Physicians only*	Hours x \$83.3334
77	ONCALL @1800/24	For On-Call Physicians only*	Hours x \$75.00
80	SINGLE MD	Two doctors on schedule, but only one comes in.	Hours x Regular Rate x 0.50
81	DOUBLE MD	Three doctors on schedule, but only two come in.	Hours x Regular Rate x 0.25
90	SALARIED NO PAY	Hours exceeded 80 hours and are not paid (for Salaried Employees only).	NO PAY
95	SALARIED ADD BK	Hours needed to complete 80 hours are paid (for Salaried Employees only).	Hours x Regular Rate

* On-Call Physicians under the On-Call Program are not GMHA employees, but are paid through the GMHA payroll system.

Based on our testing, the following lists deficiencies noted where unauthorized or unjustified hours were worked.

➤ During PPE January 2, 2010:

- ❖ An ICU/CCU Staff Nurse II timed-in for on-call duty from 11:30 p.m. to 7:30 a.m., but was not scheduled for on-call resulting in \$58 in questioned cost.
- ❖ A Hemodialysis Staff Nurse II was scheduled from 2 p.m. to 10:30 p.m. We found two instances when the staff nurse did not work this scheduled shift. In addition, 12 hours or \$87 of on-call pay was given to this nurse, but she was not scheduled to work on-call.
- ❖ For two three-hour shifts, a Radiologist was paid a total of six hours or \$1,385 even though he was not scheduled to work.
- ❖ An Operating Room (OR) Staff Nurse II was scheduled from 3 p.m. to 11 p.m., but worked from 8:48 a.m. to 2:09 p.m.
- ❖ A Pharmacist was scheduled to work from 3 p.m. to 6 p.m., instead worked from 6:06 a.m. to 6:54 p.m. or nearly 13 hours. This is over ten hours the scheduled shift.
- ❖ A Radiologist was scheduled to work from 8 a.m. to 1 p.m., but manually timed-in from 9 a.m. to 7 p.m. This is well beyond the A.M. shift.

➤ During PPE July 31, 2010:

- ❖ A Hemodialysis Staff Nurse II was scheduled to work from 2 p.m. to 10:30 p.m., but worked from 12:42 p.m. to 9:21 p.m.
- ❖ An OR Staff Nurse II was scheduled from 3 p.m. to 11 p.m., but worked from 8:48 a.m. to 5:30 p.m.

➤ During PPE September 11, 2010:

- ❖ We found three instances where an OR Staff Nurse II worked hours that did not match the provided schedule. She was scheduled to work from 3 p.m. to 11 p.m. on August 30th and September 2nd, but worked from 11:48 a.m. to 8:30 p.m. and 12:06 p.m. to 8:33 p.m. On September 9th, she was scheduled to work from 9 a.m. to 5 p.m., but worked 7:09 a.m. to 3:48 p.m. In addition, 14 hours of on-call was claimed, which exceeded the eight hour norm for OR on-call.
- ❖ Similarly, we found two instances where a Radiologist worked hours that did not match the provided schedule. On September 4, 2010, the Radiologist was scheduled for 1 p.m. to 5 p.m. and timed-in at 2:30 p.m. and timed-out 7:30 p.m. On September 5, 2010, the Radiologist was scheduled for 8 a.m. to 5 p.m. and timed-in at 9:30 a.m. and timed-out 6:54 p.m.

During our testing, we were unable to ascertain whether 134 hours timed-in and out for three Radiologists were authorized and justified as follows.

- During PPE January 2, 2010,
 - ❖ 10 hours or \$2,308 for Radiologist A; and
 - ❖ 23 hours or \$5,308 for Radiologist B.

- During PPE September 11, 2010,
 - ❖ 74 hours or \$17,008 for Radiologist A;
 - ❖ 21 hours or \$4,846 for Radiologist B; and
 - ❖ 6 hours or \$1,442 for Radiologist C.

Safe Hours of Work Policy (Sections 7.005(A) and (B))

To ensure that the employee's work is performed in a safe manner, the following maximum hours of work will be observed:

1. An employee shall not be allowed to work more than 16 hours consecutively, or in one 24-hour day.
2. An employee shall not be authorized to work more than 84 hours total within a single seven-day period.
3. An employee shall not be required to work more than 28 hours within a time span of two days.

Exceptions to the above may be made only:

1. If the employee volunteers his services and has the specific approval of his Department Head, and/or Division Managers.
2. In cases where excessive hours of work are necessary because of weather conditions, necessary seasonal activities or emergencies.

Should such an occasion for Item 1 arise, written documentation must be submitted by the Department head and/or Division Managers to the Administrator within 48 hours of such occurrence.

Outside Employment Policy

Section 7.951. Employees may work at outside employment that is not in conflict with their Hospital service, nor such as it would bring the Hospital, the government, or its employees into disrepute.

Sections 7.953(A) and (B). Regular full-time employment with the Hospital is considered the primary employment of each employee. An employee shall not engage in any outside employment or business interest activities without first obtaining written approval from his/her immediate supervisor, department head and/or division manager and the Administrator on the official Outside Employment and/or Business Interest Activities form. Failure to comply with the policy may result in disciplinary action.

Sections 7.954(A), (B), and (C). Outside employment shall not interfere with or be in conflict with the proper performance of the employee's duties and duly scheduled work hours with the Hospital. Association with any business considered as having a questionable reputation that would reflect unfavorably upon the employee or the Hospital. No approval shall be granted if the business or trade may be prejudicial to the best interests of the people, or if there may be a conflict of interest between the employee's government position and the outside trade or business.

Section 7.955. The number of hours worked per week in outside employment shall not normally exceed one-half (1/2) of the employee's regularly scheduled work week with the Hospital. However, management has the prerogative to approve additional or fewer hours in said outside employment depending upon the work schedule hours of outside employment and the nature of work involved when compared to the employee's job classification.

Sections 7.956(A) and (B). Final approval is subject to the review and approval of the Administrator. It is further understood that approval may be cancelled at any time by the Administrator, or his authorized designee, upon ten (10) calendar days written notice to the employee, if the employee's performance falls below satisfactory level, as documented by his/her immediate supervisor, department head and/or division manager. The request for outside employment may not be unreasonably withheld. The Administrator may review the adequacy of such request and the approval shall be renewed on an annual basis. In the case of an employee placed on furlough, the Furlough Policy shall govern.

GMHA HR Policy 8650-P-18, Policy #1~5.

1. The Hospital Administrator shall devise a form for approval of Outside Employment.
2. The Hospital Administrator shall approve all requests for Outside Employment at the recommendation of the employee's supervisor.
3. Outside employment shall not be in conflict with the employee's work assignment and scheduled hours of Hospital employment.
4. The employee may be requested, by the Hospital Administrator, in writing, to terminate their outside employment if it is found to be in conflict with work assignment and scheduled hours of Hospital employees.
5. Failure of the employee to obtain prior approval from the Hospital Administrator for Outside Employment may constitute disciplinary action taken against the employee.

GMHA HR Policy 8650-P-18 Procedures:

1. The Employee must obtain a form for Outside Employment from the Human Resources Department.
2. The form must be completed and approved by the employee's immediate supervisor; and the Hospital Administrator. The original must be filed in the employee's official personnel file; human resources file and the copy filed in the respective employee's department.



**Guam Memorial Hospital Authority
Aturidåt Espetåt Mimuriåt Guåhan**

850 GOV. CARLOS CAMACHO ROAD
OKA, TAMUNING, GUAM 96911
TEL: 647-2444 or 647-2330
FAX: (671) 649-0145



November 5, 2012

Doris Flores Brooks
Public Auditor
Suite 401, DNA Building
238 Archbishop Flores Street
Hagatna, Guam 96910

Subject: Response – Draft Audit Report – GMHA Compensation from 2009 through 2011

Dear Ms. Brooks:

Please find attached the Hospital's response to the conclusions and recommendations of your Performance Audit of GMHA Compensation from 2009 through 2011. The objective of our responses to the specific recommendations was to provide an update on certain corrective actions already taken, others on going, as well as plans for further improvement to the Hospital's fiscal control mechanisms.

As the new CEO of GMHA accountability and cost effectiveness are among the hospital's top priorities along with safety and quality of care. The hospital administration fully concurs with the findings, conclusions, and recommendations of the OPA as reported in the above mentioned October 2012 Compensation Controls Performance Audit.

Please find the following responses to the specific recommendations for the Hospital Administrator from page 20 of the draft audit report:

1. Develop tracking system to correlate hours worked and paid to Physicians against billings made by Physicians.

GMHA Response:

The Hospital agrees that there needs to be more accountability in correlating Physician pay with performance and utilization. The hospital is in the process of developing and implementing mechanisms to monitor physician compensation and hours worked based on utilization and performance.

With the implementation on the Radiology Department's Information System earlier this year, the Hospital is now better able to track the performance of

Appendix 15:
GMHA Management Response

Page 2 of 5

Radiology Physicians for Diagnostic studies. The hospital is in the process of exploring potential mechanisms.

This needs to be addressed with our MIS department to see how Physician pro fees & work output from the existing modules can be matched with Physicians' hours. Jun Infante suggested the hiring of an auditor to undertake this task and other Payroll related audits.

The Hospital Administrator is also exploring options for outsourcing of certain physician functions including radiology, emergency department, and anesthesiology.

2. Establish a policy to review employees' compensation when they exceed specified thresholds, such as 25% over base pay, 50% over base pay, and 100% over base pay.

GMHA Response:

The Hospital Administration concurs that that GMHA needs an official policy to review employee compensation when it exceeds unreasonable thresholds, such as 125% or more of base salary.

The hospital will form a committee or task force to create mechanisms based on thresholds and utilization which would trigger further scrutiny on compensation and overtime at all levels especially for the medical staff. The hospital has currently assigned a Management Analyst to prepare a bi-weekly report of Physicians' compensation for FY2012 for his review. Fiscal year 2012 will also be reviewed.

Certain of the overages, particularly for nursing salaries, are the result of statutorily required incentive payments originally implemented to improve the Hospital's retention and recruiting of qualified nurses. As discussed below in finding number five (5), the Hospital Administration is working with the Legislature and the Office of the Governor to find opportunities to remove the necessity for large incentive payments to nursing staff.

3. Implement built-in mechanisms, with appropriate controls, within its payroll system to:
 - a. Automatically calculate the different pay types, such as certification pay, weekend pay, on-call pay, etc.

GMHA Response:

The Night differential pay was automated back in March 2010. In the current Payroll process, the Payroll supervisor runs a report of the miscellaneous pay codes and reviews the report for possible errors prior to the payroll run. For example, Certification hours are reviewed to ensure

that the hours do not exceed the “actual worked hours.” Other pay, with pay limitations, such as Military Leave, which allows a maximum of 120 hours per fiscal year (with exceptions) and Maternity Leave, which allows a maximum of 160 hours per childbirth, are also reviewed.

Payroll staff will also be initiating a program of regularly scheduled inservices to ensure that all the timekeepers and managers are properly trained in timekeeping.

The hospital is exploring options to perform timekeeping and payroll related audits, as mentioned above.

The Hospital’s Payroll module will be converting to a new system in mid-2013. The options for automation of pay codes and payroll alerts for specific pay codes are being actively pursued with the System Administrators during this implementation period. It is expected that many of the pay codes currently requiring manual input will become automatic with the go live of the new module in the spring of 2013.

- b. Delay processing of Physicians’ payroll payments until all timekeeping entries have been reviewed and approved by the Medical Director or designee.

GMHA Response:

The Hospital Administration agrees that mechanisms should be developed and implemented for reviewing and approving Physician payroll and timekeeping.

Currently in place is a system for the Medical Director to review and approve Physician timesheets prior to any Payroll processing. Questionable hours are removed from the Physician’s time sheets as instructed by the Medical Director until such hours are verified.

- 4. Enforce the hospital’s policy to require all employees, particularly Physicians, to electronically clock in and out to allow the system to automatically capture their hours worked and subsequently calculate the correct compensation.

GMHA Response:

The hospital administration agrees that mechanisms to monitor and control physicians’ time based on utilization are needed. The hospital is in the process of exploring the most effective mechanisms to accomplish this task.

- 5. Create a committee to review the necessity of having 44 pay codes within its payroll system and make recommendations to improve compensation system to the extent this audit report needs to be supplemented.

GMHA Response:

The Hospital Administration recognizes that the current system of 44 separate and distinct pay codes is cumbersome and creates more possibility for error.

The Hospital will create a committee to review and possibly reduce the existing pay codes in our Payroll system. This will be the same committee that will be tasked to create a threshold policy. As mentioned above, timekeepers will be given in-service training on timekeeping maintenance to ensure consistency in the application of the miscellaneous pay codes. During the process of implementing the Hospital's new payroll system, internal controls will be set up for pay codes with specific pay conditions/limitations, as well as the automation of certain pay codes, including Certification and Weekend pay.

6. Direct the Medical Director to:

- a. Determine whether the Physicians' hours are in compliance with GMHA personnel policies to include the Safe Hours of Work policy;

GMHA Response:

Employee and patient safety is a top priority of the Hospital Administration. The Hospital is actively pursuing a review of current practices to ensure the all Physicians' hours are in compliance with the Safe Hours of Work policy.

- b. Annually review outside employment request; and

GMHA Response:

The Hospital will be initiating a program for the automatic annual review of all outside employment requests.

- c. Maintain proper documentation, such as the employees' outside work schedule on file.

GMHA Response:

The hospital will develop and implement mechanisms to verify and document outside work by Hospital employees.

In conclusion the hospital administration agrees that an action plan should be developed to ensure that all recommendations are implemented and monitored. We appreciate your acceptance of these responses, look forward to our scheduled Wednesday November 7, 2012 meeting, and welcome any additional feedback or questions.

If you have any questions about this Hospital's responses to this report or need additional information, please contact the Hospital Administrator's office at 647-2418 or the Chief

Financial Officer's office at 647-2934/2190, Monday through Friday, 8 am to 5 pm,
closed Saturday, Sunday, and recognized Government of Guam holidays.

Sincerely,



Joseph P. Verga, MS, FACHE
GMHA Administrator/CEO

Appendix 16:

Status of Audit Recommendations

Audit Recommendation		Status	Action Required
To the GMHA Hospital Administrator			
1	Develop a tracking system to correlate hours worked and paid to Physicians against billings made by Physicians.	Open.	Please provide target date and title of the official(s) responsible for implementing the recommendation.
2	Establish a policy to review employees' compensation when they exceed specified thresholds, such as 25% over base pay, 50% over base pay, and 100% over base pay.	Open.	Please provide target date and title of the official(s) responsible for implementing the recommendation.
3	Implement built-in mechanisms, with appropriate controls, within its payroll system to: a. Automatically calculate the different pay types, such as certification pay, weekend pay, on-call pay, etc. b. Delay processing of Physicians' payroll payments until all timekeeping entries have been reviewed and approved by the Medical Director or a designee. c. Indicate when an employee is close to violating the Safe Hours of Work criteria, so that proper measures can be taken to ensure the safety and health of the employee and the patients.	Open.	Please provide target date and title of the official(s) responsible for implementing the recommendation.
4	Enforce the hospital's policy to require all employees, particularly Physicians, to electronically clock-in and out to allow the system to automatically capture their hours worked and subsequently calculate the correct compensation.	Open.	Please provide target date and title of the official(s) responsible for implementing the recommendation.
5	Create a committee to review the necessity of having 44 pay codes within its payroll system and make recommendations to improve the compensation system to the extent this audit report needs to be supplemented.	Open.	Please provide target date and title of the official(s) responsible for implementing the recommendation.
6	Direct the Medical Director to: a. Determine whether the Physician's hours are in compliance with GMHA personnel policies to include the Safe Hours of Work policy; b. Annually review outside employment request; and c. Maintain proper documentation, such as the employees' outside work schedule on file	Open.	Please provide target date and title of the official(s) responsible for implementing the recommendation.



Guam Memorial Hospital Authority
Compensation Controls
Report No. 12-04, November 2012

ACKNOWLEDGEMENTS

Key contributions to this report were made by:
Rodalyn Marquez CIA, CGFM, CPA, CGAP, CGMA, Audit Supervisor
Llewelyn Terlaje CGAP, Auditor-in-Charge
Clariza Roque, Audit Staff
Doris Flores Brooks, CPA, CGFM, Public Auditor

MISSION STATEMENT

**To improve the public trust,
we audit, assess, analyze, and make recommendations
for accountability, transparency,
effectiveness, efficiency, and economy of the government of Guam
independently, impartially, and with integrity.**

VISION

Guam is the model for good governance in the Pacific.

CORE VALUES

Integrity	Independence	Impartiality
Accountability	Transparency	

REPORTING FRAUD, WASTE, AND ABUSE

- Call our HOTLINE at 47AUDIT (472-8348)
- Visit our website at www.guamopa.org
- Call our office at 475-0390
- Fax our office at 472-7951
- Or visit us at Suite 401, DNA Building in Hagåtña;

All information will be held in strict confidence.