



TERRITORY OF GUAM
OFFICE OF THE GOVERNOR
AGAÑA, GUAM 96910
U. S. A.

EXECUTIVE ORDER NO. 89-2

REGULATIONS PERTAINING TO THE
CATASTROPHIC ILLNESS ASSISTANCE PROGRAM

WHEREAS, Public Law 18-31, Section 4 authorizes the Department of Public Health and Social Services to promulgate rules to establish a catastrophic illness assistance program; and

WHEREAS, there are nine persons who have applied to the Department for assistance under the Catastrophic Illness Program, and

WHEREAS, Public Law 18-31 mandates that the rules are to be adopted pursuant to the Administrative Adjudication Law but the procedures for adoption of final regulations will take several months; and

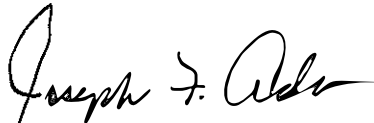
WHEREAS, most of the people who are seeking assistance are in immediate need of medical services.

NOW, THEREFORE, I, JOSEPH F. ADA, Governor of the Territory of Guam, by virtue of the authority vested in me by the Organic Act, do hereby order that:

1. The DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES REGULATIONS PERTAINING TO THE CATASTROPHIC ILLNESS ASSISTANCE PROGRAM, attached hereto as Exhibit A and incorporated herein by reference, are adopted and promulgated effective immediately as emergency regulations which shall remain in effect until final regulations are adopted pursuant to the Administrative Adjudication Law or ninety days whichever first occurs; and

2. The Department of Public Health and Social Services proceed to public hearing of the proposed regulations as soon as possible.

SIGNED AND PROMULGATED THIS 12th day of January, 1989.


JOSEPH F. ADA
Governor of Guam,

COUNTERSIGNED:


FRANK F. BLAS
Lieutenant Governor of Guam

Catastrophic Illness
Assistance Program (CIAP)

DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES

REGULATIONS PERTAINING TO THE
CATASTROPHIC ILLNESS ASSISTANCE PROGRAM

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CHAPTER I

Legal Authority

Public Law 18-31, Section 4 authorizes the Department to adopt rules and regulations in accordance with the Administrative Adjudication Law to administer the catastrophic illness program.

CHAPTER II

Purpose

The Catastrophic Illness Assistance Program (CIAP) is designed and intended to assist families and individuals unable to afford the cost of medical treatment of a catastrophic illness.

The purpose of these rules and regulations is to ensure that the intent of the Legislature, established through Public Law 17-83, is carried out in the administration and use of the "Catastrophic Illness Program" funds.

CHAPTER III

Definitions

- 3.1 "Department" means the Department of Public Health and Social Services.
- 3.2 "Director" means the Director of the Department of Public Health and Social Services.
- 3.3 "Catastrophic Illness" means:
 - A. An illness for which treatment costs exceed the liability rate established in these rules for the Catastrophic Illness Assistance Program.
 - B. An illness of indigent persons who cannot afford treatment.
- 3.4 "Indigent Person" means an individual or household that meets the eligibility requirements of the Medically Indigent Program with regards to residency, income, and resource; or any individual or household who meets the eligibility requirements of these rules under the catastrophic Illness Assistance Program.

- 3.5 "Resident" is one who has made Guam their home, and was lawfully admitted or is lawfully residing as either a U.S. citizen or an alien with a permanent resident status. Individuals visiting Guam solely for the purpose of education, temporary employment, vacation, or other purposes considered to be temporary does not meet the definition of resident for purposes of the CIAP.
- 3.6 "Household" means an individual living alone or a group of related individuals living together as a family. Individual(s) may be considered to be separate and apart from the household if they can demonstrate that they are 18 years of age or older and are not claimed as dependent for tax purposes by other member(s) of the household. For purposes of this definition "related" includes common-law and legal guardianship except for foster care arrangements.

CHAPTER IV

Types of Treatment

4.1 Types of Treatment Covered

To be covered by the CIAP, the treatment of a catastrophic illness must be:

- A. One that is generally accepted by the American Medical Association or other universally accepted medical association.
- B. Performed by medical professionals licensed by a government regulated board.
- C. Performed in a government certified medical institution.
- D. Must be medically necessary and will prolong life and significantly alter an adverse prognosis.

4.2 Scope of Medical Coverage

The following services are covered under the CIAP provided they are related and part of the treatment of the catastrophic illness.

- A. Hospital inpatient and outpatient services
- B. Skilled Nursing Services on Guam
- C. Intermediate Level of Care Services on Guam
- D. Physician Services for diagnosis or treatment of illness or injury

- E. Laboratory and X-ray Services
- F. Physical Therapy
- G. Prescribed Drugs

4.3 Types of Treatment Not Covered

- A. Experimental. Form of treatment wherein the medical procedure or treatment has not been proven/established safe and/or found effective.
- B. Empirical. Form of treatment based on a practitioner's good or positive experiences from a particular form of therapy that may have been further substantiated from a colleague's experiences and conclusions derived from apparent successful treatment of similar diseases or medical condition.
- C. Cosmetic. Form of treatment primarily done to improve one's physical appearance or for purely aesthetic purpose.
- D. Rehabilitative Services. Long term inpatient services intended to develop a physically handicapped individual to achieve his maximum physical potential.

4.3 Limitations

CIAP will only cover the cost of the medical treatment not otherwise covered by the CIAP household's insurance policy.

CHAPTER V

Eligibility

To be eligible for the CIAP, the household must meet the following criteria.

5.1 Catastrophic Illness

Illness that requires treatment approved under these rules which cost more than the household liability standard based on their household size and annualized income or resources, whichever is greater. Cost, in this paragraph, refers to the amount over and above the portion covered by the household's medical insurance, Medicare, Medicaid, and Medically Indigent Program.

5.2 Residency

The individual requiring treatment must be a resident of Guam at the time the catastrophic illness was diagnosed or became known.

5.3 Citizenship

The individual must be a U.S. citizen or a permanent alien lawfully admitted or lawfully residing as a permanent alien.

Chapter VI

Income and Resource

The Department shall determine the household's income and resources in the manner described in this chapter. Once income and resource amounts have been determined, the Department will use the highest of the two amounts to determine the household's liability rate based on the household's size.

6.1 Income Tax Return Option

Households may elect to use one of two methods to determine their annual income. The two methods available are (1) Income Tax Records of the previous year; and (2) annualizing anticipated income.

6.2 Using Income Tax

Households electing the option of using their Income Tax Return for the previous tax year shall provide the Department with an official or certified copy of the Income Tax Return forms filed by the members of the existing household.

The Department will review the form to determine the gross income filed by the household. This income shall be considered as the household's annual income. No other income or deductions shall be considered.

The income of households who are unable to provide copies of their tax forms, or who elect not to use their previous income tax records will be annualized.

6.3 Annualizing Income

In computing the annual income, the household's gross income shall be used.

A. Types of Income

The following are incomes that shall be considered when computing the household's annual income.

Salaries and Wages
Commissions
Retirement
Social Security
Rental and Lease Income
Dividends
Lump Sum Payments (except tax refunds)
Child Support and Alimony Payments
Inheritance
Other Income (not excluded below)

B. Excluded Income

The following types of income shall not be considered in computing the household's annual income.

Educational Grants
Scholarships
Tax Refunds

C. Computing Annual Income

The following method shall be used to compute the annual income. Based on their frequency, use the appropriate multiplication factor that matches that frequency.

<u>Frequency</u>	<u>Factor</u>
Weekly	52
Biweekly	26
Twice Monthly	24
Monthly	12

D. Other Income Frequencies

Income that is received in frequencies other than the ones listed are to be annualized by using the best available method that is reasonable and equitable to the household.

Except for households who elect to use the previous year's income tax statement, all income will be considered to be available for a 12 month period and will be annualized unless the household can demonstrate the income will be

terminated, reduced or will not otherwise be available to them for reasons beyond their control.

6.4 Resource

The following shall be considered as resource:

Real Property less amount owed
Savings
Checking
Cash Surrender Value of life Insurance
Time Certificate Deposits
Stocks and Bonds
Excess Vehicles less amount owed
 Exempt: At least one vehicle per employed member
 or if no one is employed, one per
 household.

Chapter VII

Household Liability

7.1 Household Liability

The following is a table of the percent of the household's liability. Households determined to be eligible for CIAP will be responsible for that portion of the medical expenses equal to the liability rate based on their household size. This rate is applied to the household's income or resource (whichever is greater) to determine the amount of liability.

<u>Household Size</u>	<u>Percent of Income/Resource</u>
1	25%
2 - 3	20
4 - 5	15
6 - 7	10
8 - above	5

Household may use the following out-of-pocket medical related expenses as part of their share of the liability amount. The household must provide verification to prove that the expenses being claimed are medically related and have been incurred directly by the household. Expenses paid or covered by a medical insurance carrier or other third party sources are not to be considered.

- A. Medical Insurance Premiums
- B. Medical Insurance Co-payments
- C. Medical Insurance Deductibles
- D. Other Medical Expenses Incurred
 (not to be covered by CIAP)

- E. Transportation Expenses for Off-Island Treatment not available on Guam (Patient and 1 Escort)

Chapter VIII

Application and Coverage

8.1 Application

An application for CIAP must be filed with the Department using a form developed by the Department.

The person applying for CIAP shall be the individual who accepts the responsibility for the statements and information provided in the application form and during the application and eligibility determination process.

This individual is normally the head of household or spouse, or someone who is acting on behalf of the individual with the catastrophic illness.

8.2 Application List

The Department shall establish a method to ensure that applications for CIAP are processed in the order they are received.

8.3 Pending Application

The application may be held pending for not more than 45 days from the date received. Applications pending beyond the 45 days will be denied. This period may be extended up to an additional 30 days if the delay was caused by the Department.

Households whose applications are denied because of the pending status may reapply; however, the application will be treated as a new application.

8.4 Certification and Coverage

Once eligibility is established, the Department will issue the household a Certification of Eligibility for CIAP. The notice will contain the following:

Illness and Treatment Covered
Amount Awarded
Household's Amount of Liability
Eligible Individual
Name of the Medical Facility

Catastrophic Illness
Assistance Program (CIAP)

Limitations and Restrictions

Not to exceed amount of award

Must obtain prior approval to change facility

Instructions to Recipients

Right to Fair Hearing

Certification will be limited to the amount of the award. A separate application for CIAP must be made for additional coverage.

8.5 Retroactive Coverage

- A. Applications for CIAP may be approved for retroactive coverage provided that all the requirements under these rules have been met and that the treatment was not provided prior to October 17, 1988.
- B. Reimbursements for paid medical expenses shall not be allowed. The household may claim CIAP coverage for medical expense that have been paid but continues to be a liability to the household such in the repayment of a loan for medical expenses. The household must present all required documents to show that the loan was used to pay the medical expense and the monthly payments being made. The CIAP will only consider the unpaid portion of the balance in determining the coverage.

8.6 Notice of Disposition

A notice of disposition will be provided for each application. The notice shall inform the CIAP applicant of the action taken by the Department. Each notice will inform the individual of the availability of a fair hearing in the event they are not satisfied with the Department's decision.

8.7 Availability of Funds

The Department will establish a method to monitor the issuance of CIAP Certification of Eligibility to ensure that CIAP funds are not overexpended. The Director will suspend the issuance of CIAP Certification of Eligibility all CIAP funds have been awarded. The Director will prepare and submit a request to the Governor for additional funds from the Legislature. The Department will continue to accept and process applications but the no Certifications of Eligibility will be issued until funds are made available.

8.8 Maximum Award

No more than One Hundred Thousand Dollars (\$100,000) shall be awarded to an individual applying for and receiving assistance under the Catastrophic Illness Assistance Program.

CHAPTER IX

Severability

If any part or section of these regulations is declared to be invalid by a court of law or administrative tribunal for any reason the rest of these regulations shall not be affected thereby and shall remain valid and enforceable.