

FOR IMMEDIATE RELEASE

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FOR IMMEDIATE RELEASE**TakeCare files protest against GovGuam RFP**

Today TakeCare Insurance Company, Inc. ("TakeCare") filed a protest at the Department of Administration ("DOA") against the FY19 Request for Proposal for the Government of Guam Group Health Insurance Program (the "RFP") to select health insurance for Government of Guam employees, retirees and foster children.

The protest became necessary because DOA and the Negotiating Team included a requirement in the RFP that in order to be a qualified participant in the procurement, the interested health insurance companies have to include Guam Regional Medical City ("GRMC") in their provider networks.

Guam law only requires that prospective offerors include all government health care services, such as GMH. Requiring all Offerors' proposals to include GRMC in their networks violates several Guam laws, including the recently passed Public Law 34-83.

Such a requirement is not in the best interest of the People of Guam. GRMC could simply refuse to contract with a prospective offeror, or only offer ridiculous or completely unreasonable terms to select prospective offerors, and thereby make it impossible for certain prospective offerors to participate in the RFP process. To give a private entity like GRMC so much power effectively removes the government's control over the RFP, and puts GRMC in control of which insurers could and could not offer health care services to government employees.

Health care at GRMC is already substantially more expensive than at GMH. If a prospective offeror wants to include GRMC, or any other private provider in its network, that is a choice which should be left to the business judgment of the insurance company. However, the Government of Guam mandating that prospective offerors have to include GRMC, or any other private entity, in their networks is inappropriate, and will adversely affect the insurance company's negotiating ability with such private entities ultimately resulting in substantially increase health care costs and premiums for the Government of Guam and its employees. Not only will the increased premiums affect Government of Guam and their members, but if GRMC unilaterally decides to increase their fees, Government of Guam members will also have to pay more out of pocket expenses given that the Government of Guam plans are co-insurance plans where members pay a percentage of the cost of services.

In addition to burdening government employees with increased health care costs, requiring prospective offerors to contract with GRMC also hurts GMH, the only public hospital on Guam. Every dollar spent at GRMC represents funds that could have been used to support GMH. Moreover, every dollar spent by the Government of Guam at GRMC means more funds will most likely have to be appropriated by the Legislature as a subsidy to GMH from the General Fund to keep GMH afloat.

TakeCare's Protest requests that the RFP be cancelled or revised to remove the requirement that GRMC be included in the offerors' provider networks.

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