

Citizen-Centric REPORT

FISCAL YEAR 2023

October 2022 to September 2023



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OUR CORE VALUES

- Community
- Compassion
- Innovation
- Resilience
- Trust



To learn more about GMHA, visit our website at www.gmha.org.

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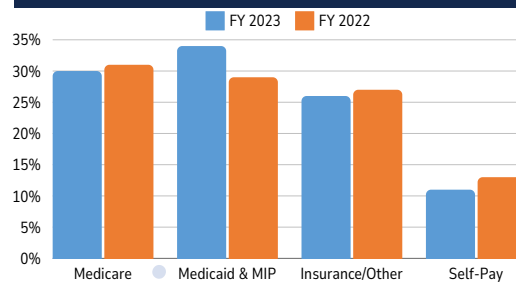
Who We Are

The Guam Memorial Hospital Authority (GMHA) was created in 1977 pursuant to Public Law 14-29 as an autonomous agency of the government of Guam. GMHA owns and operates the Guam Memorial Hospital which is Guam's only public acute care hospital with 161 licensed acute care beds and 40 licensed beds at the Skilled Nursing Unit. The hospital provides acute, outpatient, skilled nursing, maternal child health, and emergency care and serves as a safety net hospital for everyone, regardless of one's ability to pay.



The main operating revenues come from Medicaid and Medicare, while the government of Guam supports the hospital through annual appropriations. However, significant funding shortfalls are experienced due to the large number of self-pay patients.

FY 2023 & FY 2022 PAYER MIX



Since FY 2019, GMHA has assisted uninsured patients with applications for Medicaid through a collaboration with the Department of Public Health and Social Services. As a result, Medicaid patients now account for 33.5% of GMHA's payer mix compared to 21.3% in FY 2019. Self-pay patients decreased to 10.6% compared to 13.5% in FY 2022.

OUR MISSION

Guam Memorial Hospital Authority is a public organization entrusted to improve the health and wellness of the people of Guam. We do this by providing an exceptional patient experience centered on quality-driven, safe, cost-effective healthcare services.

OUR VISION

At Guam Memorial Hospital Authority, we will strive to improve the health and well-being of the people of Guam by providing advanced outpatient, inpatient, and post-acute healthcare services.

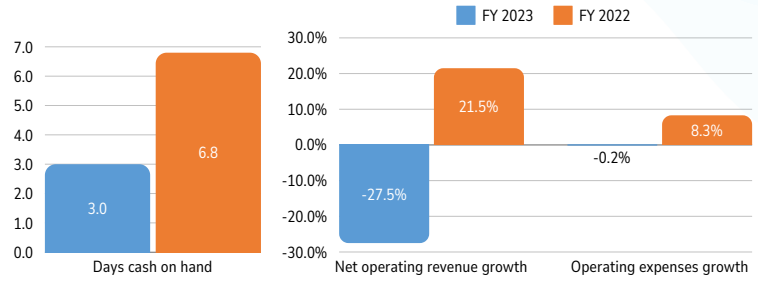
▶ How We are Doing

Strategic Goals

Achieve Financial Viability

Objectives: Improve cash position, maximize net operating revenue, contain operating expenses, and identify reliable funding sources.

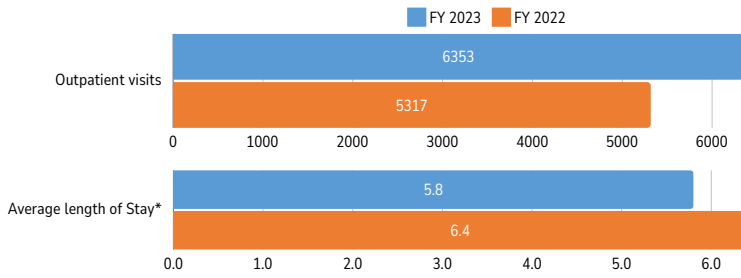
☑ Technology issues, natural disaster, and residual economic effects of the COVID-19 pandemic significantly impacted GMHA's FY 2023 financial performance.



Enhance Infrastructure & Technology

Objectives: Sustain existing hospital building, adopt enhanced information technology, invest in up-to-date medical technology and equipment.

☑ In October 2022, GMHA went live with Medsphere CareVue, a new electronic health records system that replaced Cantata Health Optimum iMed. The Optimum iMed system was no longer supported by Cantata. During the implementation, there were issues with interfaces to the patient accounting system, which temporarily affected charges, billings, and revenues.



*Refers to the average number of days a patient stays in the hospital per discharge.

Transform Healthcare Services

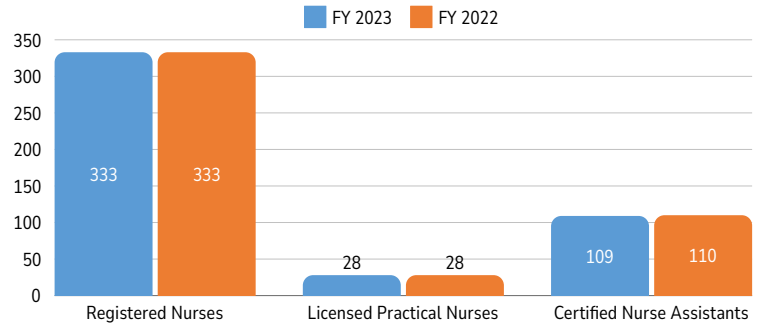
Objectives: Espouse pre-acute prevention and primary care, transform acute care, and explore post-acute care options.

☑ Outpatient volume grew due to a new gastroenterology clinic, adding to pulmonology, cardiology, and podiatry clinics within the Special Services Department.

Engage the Healthcare Workforce

Objectives: Align all colleagues to the GMHA Just Culture, define career pathways for all colleagues, attract new colleagues to GMHA, and integrate all human capital management departments.

☑ Nursing incentives were initiated along with increases in the Nurse Pay Plan in 2021 to recruit and retain nurses despite a nationwide shortage of healthcare professionals. Another nursing pay adjustment is being developed with the Department of Administration for FY 2024.



Engage Physicians

Objectives: Increase physician satisfaction, develop physician champions to engage and educate, and recruit new physicians to practice on Guam.

☑ Defined and implemented a physician on-boarding process to facilitate proper physician socialization, hired Guam's only gastroenterologist, and initiated discussions with stateside osteopathic medical school to open doors for future physicians to work on Guam.

Engage & Partner with the Community

Objectives: Strengthen partnerships with the Dept. of Public Health & Social Services, the Dept. of Education and other educational institutions, the Guam Behavior Health & Wellness Center, and other Guam healthcare providers; and enhance government and community relations.

☑ The Hospital Administrator is now part of the Governor's Health & Wellness Leaders to collaborate with other healthcare agencies and attended the Governor's Healthcare Summit to support the importance of growing our healthcare workforce.

★ FY 2023 ACCOMPLISHMENTS ★

Endured Typhoon Mawar

In May 2023, GMHA endured a major typhoon with wind gusts up to 165 mph that tested the hospital's emergency response capabilities. The typhoon caused structural damage from water intrusion and high winds. GMHA's emergency response effectively preserved patients' lives, coordinated and communicated with external response partners, and sheltered pregnant mothers and those who needed dialysis and other life preserving care.



Our Revenues & Expenses

(Amounts in millions)

Revenues

Net patient revenue decreased \$37.7M, or 28.7%, from \$131.2M in FY 2022 to \$93.5M, while gross revenues decreased 0.6%. A decrease in billings was due to the technological issues experienced during the EHR go-live, network shutdown, and typhoon Mawar. Net patient revenues are the estimated realizable collectible amounts of gross revenues based on historical collection patterns. The provision for bad debts for self-pay patients was significant in FY 2022 and FY 2023 at \$52.2M and \$43.6M, respectively.

Revenues	FY 2021	FY 2022	FY 2023	Δ from PY
Operating Revenues:				
Net Patient revenue	\$107.8	\$131.2	\$93.5	\$(37.7)
Other Operating revenue	3.1	3.7	4.3	0.6
Subtotal	110.9	134.8	97.8	(37.1)
Transfers from GovGuam	32.8	26.5	32.5	6.0
Federal Grants	27.6	31.3	21.7	(9.6)
Other non-operating revenues	0.1	0.0	0.5	0.5
Capital grants and contributions	0.9	1.8	2.6	0.8
Total	\$172.3	\$194.5	\$155.1	\$(39.3)

Operating Expenses	FY 2021	FY 2022	FY 2023	Δ from PY
Nursing	\$67.5	\$70.8	\$62.2	\$(8.6)
Professional Support	35.0	39.1	41.3	2.2
Medical Staff	30.6	32.1	35.3	3.3
Administrative Support	18.6	22.7	25.6	2.9
Retiree healthcare & pension costs	13.3	12.2	10.9	(1.3)
Fiscal services	7.4	10.3	8.7	(1.5)
Administration	4.4	4.4	6.3	1.8
Depreciation & amortization	4.0	4.4	5.3	0.9
Non-operating expenses	0.1	0.3	0.4	0.13
Total	\$180.7	\$196.0	\$195.6	\$(0.3)

Expenses

Overall FY 2023 expenses decreased 0.1%, or \$0.2M compared to FY 2022 while overall personnel costs increased 19.1%, or \$18.2M due to the implementation of the 2023 General Pay Plan, which raised certain salaries by 22%, and GASB 68 and 73, which impacted increases in fringe benefits. Expenses increased in Utilities by 43.1%, or \$1.1M, Depreciation and Amortization by 22.0%, or \$0.9M, and Contractual Services by 2.0%, or \$0.7M. All other expense categories collectively decreased by \$20.5M. FY2023 contractual services for travel nurses decreased by \$17.5M, from \$24.6M in FY 2022 to \$7.2M in FY 2023, due to lower utilization and lower hourly rates. FY 2022 rates were as high as \$225 per hour while FY 2023 rates were \$100 - \$120 per hour.



Personnel Cost By Division	FY 2021	FY 2022	FY 2023	Δ from PY
Nursing	\$40.9	\$46.3	\$51.6	\$5.3
Professional Support	19.9	21.4	26.0	4.6
Administrative Support	9.4	9.9	13.0	3.1
Fiscal services	6.4	5.3	8.3	3.0
Administration	3.3	3.6	5.1	1.5
Medical Staff	11.4	9.0	9.9	0.9
Total	\$91.3	\$95.5	\$113.7	\$18.2

FY 2023 Financial Audit

Ernst & Young LLP, rendered a clean audit opinion on GMHA's FY 2023 financial statements. You may view the audit in its entirety at <https://www.gmha.org/financial-reports-center/>

▶ What's Next For Us

Improve Cash Position

Post pandemic, GMHA continues to experience significant increases in costs to care for patients while Federal pandemic subsidies have ended. As a public hospital with large operating deficits serving all patients, GMHA will continue to ask the Guam Legislature for additional subsidies through the annual budget request process to cover increases in personnel costs, contractual costs for physicians, supplies and equipment, and electricity. In addition, GMHA will pursue adjustments to the TEFRA Medicare reimbursement rate to recover costs of caring for Medicare patients.



Pursue Accreditation

Since 2021, GMHA has engaged with The Center for Improvement in Healthcare Quality (CIHQ), to pursue accreditation. Mock surveys were conducted in 2022 and 2023, to prepare GMHA for accreditation as well as provide guidance on what resources are needed to successfully achieve accreditation. GMHA is confident in CIHQ since its accreditation most closely resembles and aligns with CMS's standards and Conditions of Participation.



Recruit and Retain Healthcare Professionals

Initiatives to actively recruit nurses and other healthcare professionals are underway such as job fairs and making an active presence on virtual recruitment sites. The Nurse Pay Plan will be adjusted after a thorough review by the Department of Administration and approval by the Governor.



Capital Improvements

In October 2023, the Governor committed \$20.0M to GMHA for capital improvements from the American Rescue Plan Act funds. GMHA plans to begin and/or complete projects for its HVAC, chillers, autoclave system, parking expansion, maternal child health areas, liquid oxygen tank renovation, medical equipment purchases, access control systems, and IT projects. A new Angiosuite and Hemodynamic machine and other HVAC upgrades are federally funded projects to be completed in FY 2024.

This funding will greatly help GMHA address many issues from the Army Corps of Engineers 2019 Facilities Condition Assessment. The assessment deemed the Hospital's infrastructure in a state of failure due to age, environmental exposure, lack of financial resources, and lack of previous facilities design adherence to building codes and that extensive repair and replacement was necessary. Although new construction will be pursued, the ACOE recommended that GMHA immediately begin work to repair the Hospital's critical life safety items after an extensive onsite facilities condition assessment.

WE WANT TO HEAR FROM YOU!

Was this report helpful? Would you like to see other information? Please let us know by contacting us at communications@gmha.org.

