RECEIVED Law Office f Louie J. Yanza 1 A Professional Corporation One Agana Bay, Suite 202 DATE: UNI II, WIG 2 446 East Marine Corps Drive TIME: 3:10 DAM KPM BY: Chry Hagatña, Guam 96910 3 FILE NO OPA-PA: 19-005 Telephone No.: (671) 477-7059 Facsimile No.: (671) 472-5487 4 5 Attorney for Appellant TAKECARE INSURANCE COMPANY, INC. 6 7 PROCUREMENT APPEAL 8 IN THE OFFICE OF PUBLIC ACCOUNTABILITY 9 In the Appeal of DOCKET NO. OPA-PA-19-005 10 11 TakeCare Insurance Company, Inc., REPLY TO PURCHASING AGENCY'S OPPOSITION TO APPELLANT'S 12 MOTION TO CONTINUE MERIT Appellant. HEARING 13 14 15 16 The basis for the Government of Guam's ("GovGuam") opposition is that: 17 "The Government of Guam cannot afford a disruption in health insurance 18 services to government employees, retirees, and their families." Opposition, at 19 2. GovGuam's position is that despite the extension from the last Department 20 of Administration ("DOA") insurance contract from 2018, from September 30, 21 all of the GovGuam employees, retirees, and their families would have no 22 insurance coverage. Nothing is further from the truth.

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("OPA") of the following facts in its opposition:

First, GovGuam has not disclosed to the Office of Public Accountability

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## 1. FY 2019 Rollover Contract

## §2.3 of Contract states:

Guaranteed Renewability of Health Insurance Coverage: In the event that GovGuam invokes the protection afforded by the Health Insurance Portability and Accountability Act of 1996, as amended found at Section 2712 of the Public Health Services, Act, and its regulations, for the guaranteed renewability of health insurance coverage the parties agree that coverage would be continued until a new contract is in place with the first ninety (90) days of coverage guaranteed at the same rate and plan designs.

The rollover contract provided by two carriers includes continued coverage of existing benefit at existing premium rates based on historical health care costs. On average, health care costs <u>increase</u> 8% annually. Therefore, GovGuam actually benefits from the rollover since premium rates were kept at the same level as the previous fiscal year.

One of the carriers that agreed to the rollover implemented a 5% premium increase due to the expiration of its qualifying certification and GRT abatement – <u>not</u> the much higher increase in rates due to health care costs trend.

Section 7.2 of the agreement for health services allows benefit changes as required under PPACA.

GovGuam/DOA actually benefits from a rollover contract <u>AND</u> health care coverage is also not jeopardized for its subscribers.

## 2. Contract Language Improvements

Despite the Rollover of existing benefits and premiums. GovGuam through DOA has sought contract language changes with TakeCare. It is likely a similar process exists with the other carrier since contract language is uniform across all carriers.

TakeCare has timely considered and either accepted or provided alternative contract language of DOA that should be acceptable.

As such, all the employees, retirees, and their families will have coverage. Second, the Appellant is only requesting a short continuance from August 12, 2019 to August 22, 2019, a mere ten (10) days extension. The issues have been laid out in the Procuring Agency's Report and the Appellant's Rebuttal Brief. This not a complicated matter in which it would require the OPA to require weeks to issue an opinion. In fact, the parties have already stipulated that the factual hearing will only take two (2) days.

TakeCare respectfully requests that OPA grant the continuance of Hearing from August 12, 2019 to August 22, 2019.

Submitted this 11th day of July, 2019.

Law Office of Louie J. Yanza, P.C. Attorney for Appellant TakeCare Insurance Company, Inc.

Louie J. Yanza