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YEAR IN

GMH owes \$8.6M to vendors

By Amritha Alladi

Pacific Daily News
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The hospital owes about \$8.6 million to its vendors — of which about \$5.2 million is more than 90 days past due, according to Guam Memorial Hospital Board of Trustees Chairman Dan Webb.

The money owed includes payments to pharmaceutical vendors such as MedPharm, JC Marketing and MidWest Medical Supplies, said Jane Flores, the hospital's chief financial officer.

At a board meeting last night, Flores confirmed the amount owed to pharmaceutical suppliers alone was a "significant amount," although she didn't disclose a specific figure.

She added there are always outstanding late payments.

In March of last year, the hospital owed \$7.5 million to its vendors — of which about \$4 million was overdue, according to Pacific Daily News files. At that time, former Guam Medical Society President Dr. Vince Akimoto said that the hospital was unsafe because it had run out of the most basic test kits.

Yesterday, Flores said the hospital isn't jeopardizing patient care as a result of the late vendor payments. She said the hospital is working with vendors to pay them as soon as the money is available.

"They're understanding," she said.

GMH board members last night also considered moving the receipt of pharmaceutical supplies from the materials management department to the pharmacy department to address a problem in the low stock of supplies.



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dress a problem in the low stock of supplies.

Despite having to deal with a pharmaceutical shortage and the outstanding debt to vendors, the hospital's management is also trying to reverse an unauthorized 25 percent pay incentive that was applied by Flores to employees in her Fiscal Division earlier this year.

The incentive was being considered as a motivational tool for the hospital employees for their "hard work" as the hospital works toward accreditation, according to the hospital's spokesman, Connor Murphy.

But the one-time pay incentive didn't go through the appropriate approval process, and it will be rescinded in January, Murphy said.

"The chief financial officer authorized the departments in the division to tap into their existing budgets to pay the incentives, but because this wasn't approved by the administrator and the board, the incentives were reversed," Murphy said earlier this week.

A total \$22,000 was paid for one pay period to about 100 employees in Flores' division, according to Murphy.

On Wednesday, Murphy confirmed that there was no law or policy used as a basis for applying the incentive.

But when asked whether the board would hold the hospital accountable for the unauthorized bonus, Webb last night said the board would discuss the issue at the executive meeting after the public meeting last night, before taking any actions.

"We're asking for more information on what transpired," he said.



TO THE POINT
▲ The Guam Memorial Hospital owes \$8.6 million to its vendors.