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Hafa Adai, It's Wednesday

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■ Don't forget to vote in today's Pacific Daily News poll. Today's question:

Rate your level of confidence in the GMH administration.

■ Results from yesterday's PDN poll are on
PAGE 2

Medical vendor cuts off GMH

Hospital exceeds \$500,000 credit limit, supplier says



▲ One primary vendor to Guam Memorial Hospital has stopped releasing supplies because the hospital has surpassed its \$500,000 credit limit.

By Amritha Alladi

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Guam Memorial Hospital has outstanding payments as old as two years, according to one vendor who said the hospital has reached its credit limit with his company.

The debt is so high that the company has stopped releasing



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ing supplies to the hospital until it receives a payment soon, said Ben Manibusan, general manager of MidWest Medical Supplies.

The hospital owes MidWest Medical Supplies more than \$500,000, of which \$29,000 is

six months to more than two years old, Manibusan said on Friday.

And it's not a debt that was incurred overnight, he added.

"Now they're on credit hold," Manibusan said. "This is not something that just happened recently. A lot of it is in excess of over two, three

"This is not something that just happened recently. A lot of it is in excess of over two, three years."

Ben Manibusan

general manager,
MidWest Medical Supplies

▲ See **GMH**. Page 4

GMH: No supplies without \$21,000 payment

▲ Continued from Page 1

years.”

Manibusan said his company won't release any more supplies until the hospital makes a payment of at least \$21,000. He said he hasn't received a significant payment of more than \$100,000 for a “long time.” Earlier last week, the hospital wired \$52,000 to the MMS corporate office, but the hospital is still \$21,000 over the credit limit, Manibusan said.

On Thursday, GMH Chief Financial Officer Jane Flores said her fiscal division works with the vendors to make payments as soon as the funds are available.

“They're understanding,” she said, during the hospital board's meeting last week.

Manibusan, a former employee of the hospital, certainly is. He explained yesterday that his company actually helps the hospital by giving back some of the credit once the hospital makes a payment. However, this causes the debt to build up quickly, he said.

“If they pay me \$50,000 and I release \$25,000, within a day, they're right back over the credit limit,” he said. “It kinda screws us up, but we're all here on Guam, we all need help. We've been doing this for 15 years.”

Manibusan said he can bear Guam Memorial Hospital's unpaid bills only because Midwest Medical Supplies is doing well in the mainland.

Yet the last six months have been tough because the debt to the company remains high, he added.

The hospital has lost vendors in the past because it hasn't had enough cash to pay them in a timely manner, according to GMH spokesman Con-



Pacific Daily News file photo

Late payments: The Guam Memorial Hospital is pictured in this May file photo. The hospital continues to have problems paying its vendors in a timely manner.

nor Murphy. However, he said the hospital is maintaining its commitment to safety and providing the best possible care for its patients.

“All supplies related to patient safety and care are the first to be purchased when funds are available,” he said. Manibusan supplies the hospital with intravenous solution and sanitary supplies, along with pharmaceuticals.

The hospital owes about \$8.6 million overall to its vendors — of which about \$5.2 million is more than 90 days past due, according to Dan Webb, chairman of the hospital board.



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This amount is a six-month low from the \$10.24 million the hospital owed its vendors in May of this year, according to Murphy.

He said it's because the hospital faces several financial challenges, including an outdated fee structure and a patient population where a quarter of patients are uninsured self-payers. By law, the hospital must treat anyone regardless of their ability to pay for services, he said.

“Additionally, there have been

delays in the transfers of GMHA's allotments from the Guam Pharmaceutical Fund for the purchases of medicine and hospital supplies,” Murphy said. “We are currently owed \$1.5 million from that program.”

Furthermore, he said, the decision by the board to shift the receipt of medications from materials management to the pharmacy department had nothing to do with a low inventory of medication, but is part of the hospital's efforts to bring it in compliance with a Joint Commission standard.

“As part of the hospital's current

SPEAK OUT

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strategic plan, management has revised current and proposed cash flow budgets as well as regular payment procedures to ensure that progress is made on efficient payments to all vendors,” he added.

Amid the challenge in paying its vendors and bringing the hospital to accreditation standards, the hospital has yet to reverse an unauthorized 25 percent pay incentive that was applied by Flores to employees in her Fiscal Division during the Oct. 30 pay period.

The incentive was being considered as a motivational tool for the hospital employees for their “hard work” as the hospital works toward accreditation, but the action didn't go through the appropriate approval process, according to Murphy. Last week, he said the pay incentive would be reversed in January.

“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, adding the total amount paid out was \$22,000.

Murphy told the Pacific Daily News last week there was no law or policy used as a basis for applying the incentive.