



**Board of Trustees**  
**Commonwealth Healthcare Corporation**  
Commonwealth of the Northern Mariana Islands  
1 Lower Navy Hill Road Navy Hill, Saipan, MP 96950



CHCC Board of Trustee Meeting  
Thursday, August 17, 2017 at 5:30 pm in Conference Room #3

Attendance:

Lauri Ogumoro, Chair  
David Rosario, Vice Chair  
Leticia Reyes, Trustee  
Esther Muna, CEO  
Perlita Santos, Acting CFO  
Anthony Reyes  
Warren Villagomez  
Nadine Sablan  
Margaret Aldan  
Trinidad Diaz, Recorder

Absent:

Dr. Lorenzo Hocog, Trustee  
William Cing, Trustee-Excused

I. Call to Order:

Meeting called to order at 5:30 pm

II. Approval of Agenda:

Motion was made to amend the order of the Agenda so that No. VII – Public Comments could be heard before moving on. Was seconded. Agenda Adopted with amendment.

III. Approval of Minutes:

- A. July 20, 2017 Regular Meeting Minutes – Motion was made for approval of the July 17 Regular Meeting Minutes. Was seconded. Minutes approved.
- B. July 20, 2017 Executive Session Minutes – Motion was made for the approval of the July 17 Executive Session Minutes. Was seconded. Minutes approved.

IV. Public Comments:

CEO made comments regarding a rumored Bill – from Representative Maritita’s Office regarding separating the Hospital, and moving the Public Health, BEH, and CGC back to the Central Government leaving the Hospital under the Corporation. This proposal was attempted in the past, but did not materialize. To my understanding, the reason behind this proposal is that they feel that CHCC should be treated as a business.

Members of the Corporate staff were on hand to express their concern on how this separation will have a negative impact, should the Hospital be removed, and the rest be transferred to the Central Government. They also expressed that they are not in support should this Bill be

introduced. Some perspective of why this is not a good idea: it took a long time to transfer all the Grants to CHCC. A lot of these grants and programs are small although they add up to about \$10 million or \$12 million; the Central Government has a law that the Central Government's Grants Management Office takes a 30% indirect cost; most of the staffs are shared, and should the separation be go forward it would greatly affect the services provided by these physicians and nurses; the continued services for patients to access preventive care will be disrupted. Keeping these agencies together will work to our advantage, since it is in place already. The system that we currently have in place is envied by other jurisdictions who are looking at us as a model to follow. CHCC would not have survived the first year without the collaboration of these agencies.

## V. Reports:

### A. Management & Operations:

CEO has previously given the Board a copy of the ECRI Summary Report, which was needed because CMS was giving us the July 31 termination date, and they wanted an extension – wanted something written from ECRI. Full report from ECRI will hopefully be available in September. Once report is received it will be given to the BOT.

Hospital governing body would like to set up a meeting with the Board to brief the Trustees on reports received from the hospital side. CEO proposed September as a meeting date, but to be confirmed at a later date.

MPLT line of credit - Senator Igisomar introduced Senate Bill 20-58, which will remove CHCC's obligation to repay the general fund the remaining balance owed. This Bill is also meant to amend 3 CMC § 2836.

CHCC is undergoing its annual audit.

Recruitment is still ongoing for Doctors and Nurses. We still don't have a psychiatrist. We are looking at tele psychiatry and we are in consultation with someone from Japan. This is a very difficult position to fill.

Nurses – two of the Nurses left from the traveling nurses. We opted not to replace them. Director of Nursing said staffing is in place in regards to Nurses. Three nurses from those that were capped out opted to stay. We are sending those letters to be signed by the Governor to encourage the State Department to show them that they are not over staying. Met with the Department of State to make sure that the returning nurses to the PI will not show that they over stayed. All nurses received a 15% across the board salary increase recently to encourage them to stay.

### B. Financial Statement:

Perlie Santos, Acting CFO presented the Financial Report as of July 31, 2017. Revenue and Grants for the whole CHCC – Grants - \$12.5 million; Revenue \$43.7 million including appropriations. The following is the breakdown as requested between the three islands: Saipan \$43.2 million; Tinian \$178,515; Rota \$201,517. Statement of Net Position – receivables represented in the chart is only from insurance and guarantors, we

assume the non-bens are provided for allowances. Notes payable is to MPLT. The handout contains the actual breakdown of assets in the local, federal and private grants. Statement of Activities chart shows the income statement on accrual basis. Actual hospital billing is \$54.8 million; Contributions is from private donations without any restrictions; Bad debts – portion of the bills that relates to non-bens; for financial statement purposes we provide 100% allowance for what is the balance. Salaries constitute the majority of our expenses. Utilities and the all others constitutes a third of the expenses. Grants and contributions under local, that's the 10% share of the indirect cost. Settlements – those are expenditures that resulted from lawsuits. Have requested from the AG's Office for a list of lawsuits that affect CHCC. Receivables breakdown: Billing Department reported that \$74 million receivable cumulative; \$49 million is non-bens, considered 100% allowance. Net receivable is \$24.9 million. Working with Auditors to restate prior years' financial statements to show the allowance, the charity care and the actual net position. Charity care or non-bens are patients with no ability to pay; bad debts are patients with insurance who refuse to pay. Payables \$24 million, \$12 million to CUC; \$3.2 million to NMI Retirement Fund. Trustee Reyes requested for a report of the collections data breakdown. Tony Reyes will compile this report to be presented at the next meeting.

C. Budget:

Actual Budget for FY17 is \$50.2 million; actual revenue is \$43.6 million. The \$7.2 million net income will be used to off-set prior years' deficit.

D. IT Report re: Patient Information Retrieval

The report was originally generated from the Business Office. Additional details were added to show where those numbers came from. Recently the bi-weekly conference call meeting was reinstated for the purpose of Revenue Cycle. It will be a recurring conference call to provide updates in terms of progress. Conference call attendees are Tony Reyes, Tiffany Sablan, and some of the Business Office staff. In other areas, we are working on improving the medical documentation aspects, working alongside with Doctors and Nurse to figure out what are some of the barriers causing their documentation to be not on time. It was discussed that additional personnel needed to be hired. There is a shift at the national level to move away from what is called fee for service to value base. Rather then, be paid on the volume, now you have to demonstrate on how you are improving the health status of that individual.

E. CMS and ECRI Report:

- This topic was covered in the CEO's presentation in Management and Operations.

VI. Old Business

A. Board of Trustees Budget

Right now we are at deficit spending. Will work with Perlie to come up with a draft proposal.

B. Board of Trustees Bylaws

Date for the Board of Trustees annual meeting was discussed. It was proposed to be held during the second quarter which is February. Chair asked the Trustees to provide input on the rest of the By-laws.

VII. New Business

A. Top priorities of the Board of Trustees:

Three top priorities are: 1) CMS Compliance; 2) Finances; and 3) Patient quality care and safety.

B. Announcement

Next Board of Trustee meeting is scheduled for September 13, 2017 at 5:30 pm.

C. Adjournment

Adjourned at 7:50 pm.

