



**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  
Wednesday, March 7, 2018 at 5:30 pm in Conference Room #3

Present:

David Rosario, Vice-Chair-Acting Chair/William Cing, Trustee (via telephone)/Lauri Ogumoro, Chair (via telephone) /Esther Muna, CEO/Derek Sasamoto, CFO/Nancy Gottfried, Legal Counsel/ Trinidad Diaz, Recorder/Media: Mark Rabago/Lyn Lirio

Absent:

Dr. Lorenzo Hocog, Trustee  
Leticia Reyes, Trustee

- I. Call to Order at 5:30 pm
- II. Determination of Quorum – There was a quorum
- III. Approval of Agenda – Motion was made to approve Agenda. Was seconded. Agenda approved without amendment.
- IV. Approval of Minutes:
  - January 11, 2018 minutes: Motion was made to approve. Was seconded. Approved without amendment.
  - January 18, 2018 minutes: Motion was made to approve. Was seconded. Approved without amendment.
  - January 23, 2018 minutes: Motion was made to approve. Was seconded. Approved without amendment.
  - January 29, 2018 minutes: Motion was made to approve. Was seconded. Approved without amendment.
- V. Executive Session: Cancelled.
- VI. Public Comments: No comments at this time.
- VII. New Business: Presentation of Solar Panel – A grant from the Department of Interior was received about two years ago in the amount of \$560,000. Have been trying to see how to best maximize this grant as it would not be enough to fund the solar energy project to replace the use of fuel that is currently being used. Also wanted to make sure that the requirements of NREL were met. It took several months for NREL to review the assessment of the facility to make sure we are in compliance.

Before an RFP was issued, it had to be approved by NREL. The approved RFP was issued. There were only three vendors who responded. Out of the three, only one met the specific requirements of NREL, which was Micronesian Renewable Energy. The total project cost is \$903,301, which is short by \$343,301 from the \$506,000 grant that was received. We have reached out to the Governor's Office for the additional funding that is needed. Because the amount was bigger than the grant, the qualified vender was asked to see if a payment plan was an option.

The study process of such project is lengthy and required outside assistance from the National Renewable Energy Laboratory (NREL), National Environmental Policy Act (NEPA), US Public Health Corps (USPHC), and the DOI Project Officer. Communication with CUC has been established regarding this project. Net Metering was discussed. There was a Bill introduced at the Senate that PSS and CHCC were qualified for Net Metering opportunity.

Phase one of the project starts at the south end of the parking lot, which is closer to the distribution and connection to the electrical room. Conduits will be put in place to prepare for the next phase. The initial phase is to include 160 kw. Proposal two – there is 160 kw on the initial phase. Project three will be 177 kw - will go all the way to the new administration parking lot. A total of 497 kw is what CHCC will produce upon completion of all the phases. It is critical to start with phase one in accordance to the DOI grant to support the ongoing project and to complete the phases that were proposed to DOI to go green. The materials for this project has been updated with materials to withstand future storms. The proposed term and repayment for project one based on the RFP will be: 25% upon receipt of security bond certificate; 35% upon submission of design and mobilization; 20% upon commissioning – no later than December 31, 2018; and 20% upon completion of remaining deliverables – no later than September 2019. This project totals \$903,301. Currently we have \$560,000 DOI grant – short \$343,301. We are trying to find the additional funding from CIP and other available resources.

For project two and three we are hoping to get additional grant funding. We have missed the opportunity to apply for additional grants because we have not completed phase one. Requesting that \$343,301 be included to the FY19 Budget Proposal. It was moved that the amount of \$343,301 be included in the FY19 Budget Proposal. Was seconded. Approved. It is also agreed that we will continue to seek funding from other sources. Mr. Villagmoez is invited to the next Board meeting to give an update on this project.

VIII. Old Business: To vote and approve the CHCC 2019 Proposed Budget - An adjustment will be made to include the \$343,301 in the FY19 Budget Proposal. The total budgeted personnel cost for FY19 is \$52.247 million – total FTE of 803; operations with the inclusion of the \$343,301 is \$21.5 million; total budgeted expense is \$73.765 million, this amount includes the additional \$343,301. Adjustments will be made on the revenue collection. A zip file was provided to the Trustees on the consolidated expense for all the departments showing the detailed breakdown of personnel and operational expenses.

Revenue Projection – studied the data from FY17 and first few months of FY18 to get a baseline of what to expect. Studied the growth trend, billing trend, statistics from the Business Office – total projection is predicated at \$86 million or more. After considering bad debts, contractual adjustments – uncompensated care is estimated to cost \$15.5 million for FY19; CNI Medicaid share at 45% match \$14.625 million; incur unfunded cost from the Department of Corrections at \$250,000; Medicare contractual adjustment at \$10.3 million; all insurance companies have the contractual 10% adjustment at \$2.4. Total \$43.5 million net revenue after considering the contractual adjustments and bad debts. \$29.5 million of loss revenues comes from the local Medicaid match and uncompensated care. We are requesting this amount from the Legislature. Trustee Cing motioned to approve the FY19 Budget Proposal with the inclusion of \$343,301. Was seconded. FY19 Budget Proposal approved with the inclusion of \$343,301 for the solar panel project.

IX. Announcements – Save the date: May 10 – All State (sic) Director from CDC will be on island. The following – ECRI will be on island.

X. Adjournment: 6:30 pm

