



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 Regular Meeting
Thursday, July 19, 2018 at 12:00 pm, Tinian Health Center Conference Room

Present:

Lauri Ogomoro, Chair /David Rosario, Vice-Chair/William Cing, Trustee/Nancy Gottfried, Legal Counsel-via zoom/Esther Muna, CEO/Derek Sasamoto, CFO/Chavel Green/Krishna Senbangiol/Warren Villagomez/Halina Palacios/Kaitlyn /Trinidad Diaz, Recorder

Absent:

Dr. Lorenzo Hocog

- I. Call to Order – Meeting called to order at 12:00 pm, which is being held in the Tinian Health Center Conference Room.
- II. Determination of Quorum – Chair Ogomoro, Vice-Chair Rosario and Trustee Cing were present. Quorum was determined.
- III. Approval of Agenda – It was motioned and seconded to approve Agenda. Agenda approved without amendment.
- IV. Approval of Minutes – Minutes from the April 26, 2018; May 1, 2018; May 17, 2018; May 24, 2018; June 15, 2018; and June 25, 2018 meetings – It was motioned and seconded to approve the listed Minutes. Listed Minutes approved without amendments.
- V. Public Comments – No public comments at this time.
- VI. Reports: A. Management & Operations: Summarized some of the executive updates that have been sent to the Trustees by the CEO on different areas; Outpatient clinic and operating room expansion of services – have additional doctors, (E.N.T. doctor, Orthopedic Surgeon and Psychiatrist). Made sure there are enough Nurses. The two (2) traveling nurse companies have been able to start hiring traveling nurses. Reached out to Platinum Health Care Services – claim they have a list of nurses with existing employment visas. Contract for this company is currently being reviewed.

Mark Fleetwood – former Public Health Commission Core Facilities Engineer will to provide some frees services (for now) with the design of the new facility.

Insurances – one of the agreement still being discussed with insurance companies are the rates; need to make sure that there is an agreement in place; the QA process; Utilization process; Calvo is the only one having issues at this time. They continue to request for records, but don't want to pay; they are still being charged the current rate. They will continue to pay the higher rate until such time that they sign an agreement. There is a contract with Craneware who reviews our Chargemaster.

Guam Radiology – are currently working on an agreement with Aetna. They are currently not paying rent, but working on it. Staff working there are not CHCC staff. There are two (2) different billings being billed, one from Guam Radiology and one from CHCC.

Met with the Health Advisory Committee as well as the Resident Director for Tinian Health Center regarding the FQHC look-a-like. They want to pursue this opportunity and they also felt that the Tinian community deserves this and would be a benefit to them. Service Area Competition – should this be available it is best that both Tinian and Rota apply, which comes out every three years.

Employment based Petitions status as of July 18 – Eight Nurses have received the prevailing wage determination; next step in the process is obtaining the I-140 to USCIS. The positions that the prevailing wage was granted for are as follows: Nurse Manager, Children’s Clinic; Pediatrics; Utilization Review; Rota; NICU; Med Surg; Emergency Room; and Med Surg Nurse.

B. Financial Statement: Data is as of June 30, 2018

Operations – Personnel Expenses \$27 million; Budgeted at \$50.9 million; Operations Expense – \$13.2 million; obligations \$4.7 million; overall Budget is \$72.6 million; total expenses \$40.15 million – total \$44.8 million; balance \$27.7 million.

Income: Saipan Revenue - \$42.4 million; expense of \$37.8 million; obligations \$4.6 million – total expenses and obligations \$42.5 million – loss \$148,392. Tinian Revenue - \$191,364; expense \$1.1 million; obligations \$37,383 – total expense and obligation \$1.1 million – loss \$981,467; Rota Revenue \$137,874; expenses \$1.1 million; obligations \$9,667; total expense and obligation \$1.1 million; loss \$1 million. Majority of the expenses in all the three islands are personnel costs.

Revenue Breakdown: In 2016 monthly revenue averages about \$3 million; in 2017 averages about \$4.3 million; in 2018 averages about \$4.7 million. As of June 20, 2018 Medicaid was short about \$483,287 (RHC and THC – still no reimbursements from CNMI).

Revenue Breakdown: Insurance Revenue is 64% - \$27.2 million; Hospital Services 17% - \$7 million – getting about \$3 million in unrestricted funds including uncompensated care; all others 2% - \$1.1 million.

Revenue Payer Mix (insurance payments): Medicare – 25%; Medicaid 46%; 7% of revenue is dependent on Medicaid and Medicare; Aetna 16% - \$4.3 million; Calvo 6%; TakeCare 4%; Staywell 2%; Moylans and Veterans/Tricare less than 1%; other insurance less than 1%.

Expense Allocation cost breakdown: Saipan – 95%=\$37.8 million; average monthly revenue \$4.7 million; average monthly expense \$4.2 million; gross monthly income %504,911. Tinian – 37%=\$1.1 million; average monthly revenue \$21,161; average monthly expenses \$126,161; gross monthly income negative \$104,899. Rota 3%=\$1.1 million; average monthly revenue \$15,319; average monthly expenses \$128,010; gross monthly income negative \$112,691. Majority of the cost is for Personnel.

Expense Allocation: Personnel, Medical/Lab Supplies, Pharmaceuticals – 81% of all cost. CUC cost about 6% at \$2.2 million. All other cost – Repair and Maintenance, Cleaning Services, Hospital Equipment, Food items, and Communications covers 97% of all other cost.

Uncompensated cost as of June 30, 2018 - \$4.7 million in uncompensated care is outstanding.

Average monthly is \$1.63 million. As of March 30, 2018 average monthly is also \$1.6 million.

Hemodialysis, Inpatient and Outpatient Services has the biggest amounts in uncompensated care.

Appropriates: PL20-11 FY2018 Budget Act – appropriated \$2.2 million, only \$708,311 was unrestricted; only received \$584,414. Compact Impact Funds - \$919,916 restricted; Hospital \$825,299 – received \$670,910; CGC - \$94,617 received zero to date. Tobacco Settlement – received \$366,076.66. SL20-19 \$2.3 million restricted funds for Medical Equipment. Full amount received 4/25/18 - \$1.4 million purchased medical equipment; \$323,290 workforce to reduce overtime; \$250,000 CDM service fees. PL20-32 Tobacco Control - \$2.5 million restricted – received zero to

date; \$324,000 available as of March 2018. Having audit issues with this funding, therefore the amount of \$2.5 million will not be realized. PL20-42 Supplemental GRT - \$2.7 million; \$2.5 million uncompensated care (unrestricted); \$250,000 for EHR (restricted); funds received in May 2018. PL20-58 \$300,000 - \$100,000 Saipan Dental Program; \$25,000 each for Tinian and Rota Dental Program; \$100,000 Tinian and Rota lodging accommodations for inter-island referral (mainly for Rota); \$50,000 bettlenut cessation program; of the \$300,000, only \$250,000 was received. PL20-61 \$170,000 - \$50,000 for Rota referral air transport cost; \$120,000 for referral patient and escort stipends – received in full.

Single Audit: FY2017 audit – findings went down to 33- final draft should show less than 33. 37% reduction to previous audit. FY2017 began and all documentations need are being provided. FY17 will see more improvements on the results, while FY18 will continue to see drastic improvements. Will start the 2018 fiscal inventory for the next audit.

C. CHCC Budget: A meeting was held with Senators Cruz and Palacios who are very supportive of CHCC. CHCC is still preparing a letter to push for more funding with \$3 million coming from the general fund. Would like to make some changes to the Budget in regards to the Medical Staff FTEs.

D. Malpractice Insurance: An RFP was done, but no responses were received. There is no word on the case in front of Judge Camacho. There was discussion with Rep. Maritita on this subject – which continues to be an issue and will probably not go away. She wants to introduce a bill to require CHCC to have Malpractice Insurance. Will share information with her office about other countries who don't have this type of insurance and to look for other ways to deal with this issue. The bill will make sure that no frivolous claims are filed.

E. CMS & ECRI Dashboard Update: There were some correction for physical education that ECRI wanted to close off consisting of two different section. The seven conditions of participation to be discussed: level 3- most severe; level 2 –more severe; level 1- least severe. Governing Board. 11 Conditions of Participation: level 3-most severe: Credentialing – changed from green to yellow; document package submitted had missing documents – having to submit at a later time was a reason for concern. Level 3 – most severe/yellow – Contracts – is a working progress; there will be forms available so all managers are able to track the contracts. Level 1 – least severe: Patient rights – came back to not being complete after an incident of finding a trash bag in the Psych Ward. This has been corrected to date. Medical Records – all clear. Infection Control – 90% for most severe; 84% for more severe; least level – minimal things that are being worked on. Severe – Training: lacking training on the door issue. Tools – awaiting certification of the sterilization of the mixing area and certificate of occupancy for the inpatient pharmacy. Security touch device – records the presence of the security personnel. It is placed strategically around CHCC that are inspected through the day, and are recorded for future reference. CAT Drawing – there were amendments to the pharmacy expansion; fire alarm system had to be reconfigured.

New conditions that are currently being worked on; some have been removed. Governing Board; Utilization Review; Nursing; and QAPI – found 35 conditions that needs to be worked on.

Governing Board: 1COP level 2 – more severe: Compliance with federal, state and local law – bylaws that need to be updated and signed. QAPI: 8 COP – level 2 – more severe: need to make sure the contracts are being tracked in the different departments; need to work on the plan of action. These 35 Conditions of Participation as per Cathy are just some of the standards that are supposed to be have met, and should be corrected. It has nothing to do with the issued Citations from CMS.

There is an additional 35 Conditions of Participation as per Pat the needs attention as well. These are focused on Respiration Care; Radiology; Emergency preparedness; Laboratory; Rehabilitation Services; EDEMTALA – just needs to be put in place.

As per Gail she found 27 Conditions of Participation that needs to be corrected in the following sections: Surgery; Anesthesia and OR – making sure the staff are using proper OR attire; and medication is available. Dietary – no gap identified.

F. QAPI Report: Graphs of the first and second quarters which gives monthly breakdowns of HIPPA training; Infection Control; Utilization Review; and Public Health Quality Management. HIPPA training – every new employee receives this training. Make sure it is done for all critical staff, CGC, and Public Health on as requested bases. QAPI Submission: this is turned in every month where the CEO makes sure that all units are reporting. Risk Management: incident reports cover all staff violations, actions, delay of care, medication errors. ECRI requested that the incident reports be broken down. The mortality rate for the month of May and June are high. The number of death on arrival have been up for April, May and June. Codes also have to be reported. Public Health- for the 1st year and half 860 participants have been screened around the island for NCD. Of the 860 participants screened – 308 were not aware they had hypertension. Will check the number of return patients who return to ER since this is where a lot of the complaints come inform the community. Infection Control: Numbers are low. Utilization Review – the target for Medicare patients was not met.

VII. Old Business: A. Approval of Medical Staff By-laws: After discussion on the requested changes to the Medical Staff Bylaws, it was approved. A Motion to approve was seconded, therefore it was approved by the Board.

B. Solar Energy: This is an update on the Solar Project 1. Currently awaiting the approval from the Army Corp of Engineer. Letter was sent to DOI to request for Section 106 review of the environmental impact. According to DOI CHCC will be funding the archeological consultation. The OIA field representative offered to expedite the ATP once their office received the REC from Hawaii. FEMA reimbursement – all projects have been closed for typhoon Soudelor. The last check received was for \$132,000 for claims. ASTHO Climate change for Public Health – this project supports the salary of the Epidemiologist who facilitated the workshop on climate change effects on Public Health on Saipan and Rota. Also supports outreach on community education on Rota.

C. USDA Loan: Ran into some issues – things going on with the loan which has taken almost three years. Spoke to some members of the Legislature and they mentioned to looking into the community chest fund. USDA will require interim financing. The administration coming through with the community chest is the best bet. The first phase of the expansion project is estimated at \$9 million.

D. MPLT Repayment: SB20-58 is out of the committee without amendments. Extension is being requested to see if the legislature will support CHCC in this regard. Will not wait for the House to vote on the bill. There is money available to repay this loan but is being kept as reserved cash. It is best if the bill passes so we do not go into default of this loan.

E. CHCC Strategic Plan Update: The update on the plan is not done yet, but will show the steps taken so far. Previously West Care Company came up with the Vision, Value and Mission Statement. Some of the steps taken are: Preliminary review – CHC strives to improve quality life; preventive urgent care. Value Statement – promoting equity rather than equality – being reviewed on some of the changes; accountability of the corporation – financial and malpractice. Mission Statement – the existing line is still what is envisioned. Strategic Planning process: conducted survey online; SWAT analysis; operations; staff – where to improve. Operations: looked at funding, staffing, outdated info system, infrastructure, and fee schedule. Public awareness – how the system

works. Opportunities: chargemaster; trying to find more funding; tow to be sustainable. SWAT broken down to operations, staffing and patients. Threats – political maneuvers. Threats are being looked at from inside and outside of CHCC. Patient survey – cost, not time and fear; 36% satisfied; 32% dissatisfied; 7% never visited CHCC. The last stage – develop the strategy, discuss with the Board for approval. Timeline to present is within one month.

F. CUC: Since the last meeting with CUC, they have responded to the dispute. Water – used the reading from 11 days prior to estimate average usage. Asking for a more reasonable time to use as estimated usage. CUC wants to execute a new agreement with a payment of no less than \$350,000 a month. Current billing is \$300,000 to \$400,000 a month. Need to push CUC to give CHCC the commercial rate. Net metering is now a law. Right now arear of \$19 million.

Summer interns: There are five inters who are already on board. Currently detailed to the MCH; Budget; and smaller projects.

VIII. New Business: A. VA Telemedicine: Will finalize the protocols within the month.

IX. To vote and approve Applications for Privileges for the following individuals: Privileges will be affirmed if majority votes in favor. 1) Dr. Max Bronfield, UCSF Resident/Locum – Majority voted for approval. Privileges approved for one month. 2) Dr. Michael Diehl, Cardiologist/Locum – Majority voted for approval. Privileges approved for one month.

Renewal Applicants: Privileges will be affirmed if majority votes in favor. 1) Dr. Neda Farzan, Emergency Medicine – Majority voted for approval. Privileges approved for one year. 2) Dr. John Yarofalir, General Surgery – Majority voted for approval. Privileges approved for two years. 3) Sarah Allen, Certified Nurse Midwife/Nurse Practitioner – Majority voted for approval. Privileges approved for two years. 4) Dr. Francois Claasens, Emergency Medicine/RHC – Majority voted for approval. Privileges approved for one year. 5) Dr. Gregory Kotheimer, Internal Medicine/RHC – Majority voted for approval. Privileges approved for one year.

X. Executive Session: The Board may vote to meet in Executive Session to consult with legal counsel – it was motioned and seconded to move into executive session. Execution Session starts at 3:25 pm, ends at 4:30 pm.

XI. Announcement

XII. Adjournment