



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 Special Meeting
Friday, July 24, 20202 at 8:30 am
Governor's Conference Room

Present: Lauri Ogumoro, Chair/Edward Deleon Guerrero, Vice Chair/Polly Masga, Trustee//Esther Muna, CEO/Derek Sasamoto, CFO/Nancy Gottfried, Legal Counsel/Trinidad Diaz/Governor Torres/Lt. Governor Palacios/David Atalig/Media

Absent: Corinne Santos, Trustee (excused)
Fermin Atalig, Trustee (unexcused)

- I. Call to Order – Meeting called to order at 8:35 am.
- II. Determination of Quorum – There was a quorum.
- III. Adoption of Agenda – A motion to approve the Agenda was made. Was seconded. Agenda approved without amendment by a majority vote.
- IV. CUC's Demand for Payment: The Trustees and CHCC management met with the Governor and the Lt. Governor to discuss how to resolve the arrearage of \$35 million owed to CUC. The arrearage has accumulated since the Corporation took over in 2011 to present time. CHCC is requesting assistance to find funding in order to meet the needs of CUC and unfunded liabilities.

It was emphasized that having adequate medical supply, pharmaceutical supply, as well as ensuring that we have health care providers available at all times is very expensive. The proposed 6 hours shut down every day is not feasible. CMS requires CHCC as a hospital and dialysis facility to have a backup generator. A backup generator cannot be used as a main source of power.

Uncompensated Care is an unfunded liability for CHCC. As we all know, health care services cannot be denied to anyone seeking it. Discussions with CUC has been held to discuss for an agreement or payment plan, but have not reached one yet. Should funding be available from the CNMI government, payment will be forthcoming. To date no allotment has been received for the last year. In terms of appropriation for FY19 the CNMI Government owes CHCC \$9.6 million - \$6 million in unrestricted fund which received \$704K for CHCC subsidy, and \$3 million restricted fund.

In 2011 CUC took CHCC to court for non-payment. The case was adjudicated in 2013. No settlement was reached. CHCC's federal programs continue to make monthly payments. A payment of \$7 million was paid by the CNMI government on behalf of CHCC.

CUC demands \$5 million, and for CHCC to use the backup generator for 6 hours a day is not realistic. It will compromise the hospital operations, as well as patient care and safety. Utilizing the backup generator will also delay care, which again will compromise patient care and safety.

CHCC is still being charged the government rate which is higher than the commercial rate. We have been requesting for the rate to be reduced to the commercial rate, but a negative response is received from CUC.

A motion was made to move to Executive Session. Was seconded. Meeting moved to Executive Session at 8:50 am.

- V. Executive Session: Motion to move into Executive Session was made, was seconded. Session started at 8:50 am. Motion to move out of Executive Session was made, was seconded. Session ended at 9:55 am.

A motion was made to move out of Executive Session. Was seconded. Meeting moved out of Executive Session at 9:55 am.

- VI. Adjournment – Meeting adjourned at 9:56 am.



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Present: Lauri B. Ogumoro, Chair/Edward Deleon Guerrero, Vice Chair/Polly Masga, Trustee/Esther Muna, CEO/Derek Sasamoto, CFO/Governor Torres/Lt. Governor Palacios/David Atalig/Nancy Gottfried/Trinidad Diaz

Absent: Corinne Santos, Trustee (excused)
Fermin Atalig, Trustee (unexcused)

- I. Call to Order at 8:50 am
- II. Executive Session: Motion was made to move into Executive Session. Was seconded. Meeting went into Executive Session at 8:53 am.
- III. Motion was made to move out of Executive Session. Was seconded. Session ended at 9:55 am. Meeting moved to regular session.
- IV. Executive Session adjourned at 9:55 am.