

CHCC Board of Trustees

Minutes of October 30, 2025

Prepared by: Trinidad S. Diaz

Approved by: Board of Trustees

Present:

Juan Babauta, Chair
 Polly Masga, Trustee
 Mariah Barcinas, Trustee (zoom)
 Corinne Santos, Trustee (zoom)
 Phyllis Chong, Vice Chair
 Esther Muna, CEO
 Perlie Santos, CFO (zoom)
 Stephen Anson, AAG

Gallery:

Dr. Rohringer
 Eleanor Cabrera
 Trinidad Diaz

Topic	Discussion	Resolution/Action
I. Call to Order	Meeting called to order at 434pm.	
II. Determination of Quorum	There were five Trustees present: Chairman Juan Babauta, Vice Chair Phyllis Chong, Trustee Polly Masga, Trustee Mariah Manglona and Trustee Corinne Santos.	Quorum determined with five Trustees present.
III. Approval of Agenda	-Trustee Santos made a motion to postpone discussion on Item IX – Inter Island Medical Referral Policy, XI – Health Network Program Update, and XVI – Election of Officers/Board Organization. Item IX and XI was seconded and is hereby postponed until the next Board meeting. -After polling all five Trustees, three Trustees (majority) voted to discuss Item XVI as scheduled. Agenda is approved with amendment.	Agenda is approved with amendment.
IV. Approval of Minute	Motion to approve Meeting Minutes for February 20, 2025, March 6, 2025, April 3, 2025 and July 10, 2025 was made. Motion was seconded. Listed Meeting Minutes approved.	With no objections from the Trustees, listed Meeting Minutes were approved.
V. Public Comment	-Kevin Watson, Executive Director for the Commonwealth Utilities Corporation: numerous meetings have been held with CHCC; past arrears of over \$30M still being owed; worked diligently to come to an agreement to pay towards the arrears; Bills and legislation have been passed in congress and signed by the Governor to reduce amount owed; was given commercial rate that reduced water and waste water; recently passed a bill to waive fee to penalties and interest that was accumulated throughout the years; it was agreed last February to -pay \$50K a month; payment received up to May – no payment received up to October; CUC has issued a disconnection notice with intention to carry out if no acceptable term is reached by CHCC and CUC. -Mike Ernest, Lawyer for CUC (new employee to CUC): requested a link to join meeting virtually if possible; CHCC will be treated like everyone else going forward; when subscribers don't pay they get disconnected; was told that there was an agreement for \$50K a month; five months behind; mentioned that CHCC was given a 14 day disconnect notice on October 24; stated that CHCC is not taking the notice seriously; no faith effort to address the issue; to be here past 430 – off time as a government lawyer means – push is coming to shove. -Chairman Babauta is requesting for a separate meeting with CUC, CHCC and the Governor's office to continue discussion; not enough time tonight for CHCC Board to discuss and decide how much it can pay; meeting to be facilitated as soon as possible.	

<p>VI. Credentials & Privileges</p>	<p>Credentials documents were sent to all Trustees for review.</p> <p><u>New Applicants:</u></p> <ol style="list-style-type: none"> 1. Dr. Peter Lombard II, Ophthalmologist (Hart Eye Clinic) – without objections from the Trustees, Applicant’s privileges is approved. 2. Dr. Jonalyn Bernardino, Ophthalmologist (Marianas Eye Inst.) – without objections from the Trustees, Applicant’s privileges is approved. 3. Dr. Jocelyn Morin, Family Practice/Locum (RHC) – without objections from the Trustees, Applicant’s privileges is approved. 4. Lucy Pangelinan, Nurse Practitioner (Marianas Medical Center) – with no objections from the Trustees, Applicant’s privileges is approved. 5. Amanda Good, Nurse Practitioner – without objections from the Trustees, Applicant’s privileges is approved. 6. David Moses, Certified Registered Nurse Anesthetist – without objections from the Trustees, Applicant’s privileges is approved. <p><u>Renewal Applicants:</u></p> <ol style="list-style-type: none"> 7. Dr. Philip Dauterman, Pathologist – without objections from the Trustees, Applicant’s privileges is approved. 8. Seung Gin Lee, Certified Registered Nurse Anesthetist – without objections from the Trustees, Applicant’s privileges is approved. 	<ol style="list-style-type: none"> 1. Privileges approved up to expiration of License 8/31/27. 2. Privileges approved to expiration of License 8/31/27. 3. Privileges approved up to expiration of License 5/1/26. 4. Privileges approved up to expiration of License 1/5/27. 5. Privileges approved up to expiration of License 3/13/27. 6. Privileges approved up to expiration of License 8/1/26. 7. Privileges approved up to expiration of License 9/30/27. 8. Privileges approved up to expiration of License 2/26/27.
<p>VII. Chargemaster Fee Edits</p>	<p>Majority of the fees are for Lab fees for new services and Provider services. After further discussion on how the rates were determined, a motion was made to approved the Chargemaster Fee Edits; was seconded; without objections from the Trustees, Motion is approved.</p>	<p>Chargemaster Fee Edits submitted for Board approval was approved without objection.</p>
<p>VIII. CHCC Foundation Update</p>	<p>-The Foundation is now a 501 C3. -Have not recently met; Officers had an urgent medical family medical matter; last met in July; hoping to meet next month. -Attorney Robert T. Torres is the newest member.</p>	
<p>IX. Inter-Island Medical Referral Policy</p>		<p>Per Item III, discussion is postponed.</p>
<p>X. Creation of Standing Committee on Medical Referral</p>	<p>-Discussion on the creation of a Standing Committee on Medical Referral for HNP: The Board Bylaws have to be amended to include a Standing Committee on Medical Referral for HNP. Creation of this committee to be Chaired by Trustee Santos. -After consulting with the Legal Counsel, a Motion to Amend the Board Bylaws needs to be approved by the Board Trustees to create an additional standing committee. -Trustee Santos declined to be named Chair of this committee as she lives off-island and feels she cannot commit to all the meetings that this committee will require. She nominated either Trustee Barcinas or Trustee Masga to be in this committee. -Chairman Babauta then nominated Vice Chair Mariah Manglona to be in the Medical Referral for HNP committee; She accepted. -Legal counsel stated that Chairman position in a standing committee cannot be appointed by the Chairman of the Board, but nominated by the committee members. -Vice Chair Manglona will represent the Board as a member, and is tasked with organizing and choosing members from CHCC staff and the public. -Minimum requirements for the Committee: should consist of not more than two Board member, two CHCC staff and one member of community.</p>	

	-A motion was made to amend the Bylaws to create a standing committee on Medical Referral for HNP was made. Motion was seconded. Motion approved without objection.	-Motion to amend the Bylaws to create a standing committee on Medical Referral for HNP was made. Motion approved without objection.
XI. Health Network Program Update		Per Item III, discussion is postponed.
XII. CUC Update	<p>-Trustee Chong is requesting for clarification on why the \$50K for CUC is not being paid.</p> <p>-CEO reminded the Trustees that she is being transparent about everything in her reports to the Board.</p> <p>-Chairman Babauta made it clear that any of the Board members are welcome to join the proposed meeting with CHCC, CUC and the Governor.</p> <p>-CEO responded to CUC on October 16; copy of the letter was shared with the Trustees; the letter explained the hospital's current situation: accepted the fact that CHCC was behind on payments; a payment schedule was shared; current bills are paid; Public Law 23-33 passed: water and waste water changed to commercial rate.</p> <p>-previous billing from \$550K to \$270K per month; with the assistance from the government – CHCC pays \$69K; for a total of \$219K per month – could never afford that \$550K.</p> <p>-In order not to be shut down by CMS things had to be paid; in 2020 there was no quality department; salary increases for healthcare professional had to happen; pharmaceutical supplies had to be paid; conditions of participation were met so that the hospital continues to be certified.</p> <p>-\$50K being paid for the arrears – have acknowledged that CHCC is behind on its payment and has plans to catch up.</p> <p>-CHCC could never afford to pay \$500K per month; before 2021 no amount was paid – could not pay; \$7M was paid from the health community chest benefit from IPI – whole amount was paid to arrears; in 2021 former Governor Torres helped by paying \$150K a month, with CHCC paying \$69K for a total of \$219K. Billing is \$500K could not pay for the arrears; 2023 MOU paid \$525K per month – could not pay vendors; \$50K was approved by the Board; not all services being provided are covered by Medicaid; 83% of cost is being reimbursed, while 17% of cost is not reimbursed, along with a large number of the population that does not pay but services cannot be denied; central government still owes CHCC \$3M for HNP services; the reason why a payment of more than \$50K cannot be done.</p>	
XIII. CFO Report	<p>Chairman requested of the CFO – anything that does not require Board action to skip over.</p> <p>-HNP – currently owes CHCC \$4.4M – advanced from the general fund; have outstanding bills from medical suppliers and pharmaceutical; advocating resources to ensure services continue; have been criticized regarding spending – HNP previously spent \$15M, now it is under \$5M.</p> <p>-2020 Medical Referral moved to CHCC – to be appropriated \$10M, appropriation did not happen; was appropriated \$1M; 2022 appropriated \$10M – was used to expand services in the CNMI to reduce referral.</p> <p>-HNP expenditure by location: biggest is CONUS; Medicaid tasked to do a state plan amendment to allow foreign hospitals – might not necessarily reduce cost of logistics and administration, but will help the CNMI government with cost of local match for Medicaid to pay providers; last year HNP was appropriated \$1.2M – was requesting \$4M.</p>	

	<p>-The Public Law that created HNP says it should be fully funded by the government – services can be stopped if not funded; unfunded mandate in 2024 – medical referral transferred 2052 patients; 2025 – 2205 patients and escorts were transferred.</p> <p>-Chairman Babauta: was there an appropriation for inter-island medical referral by the legislature? No appropriation received; in the past it would come from the Rota or Tinian local law.</p> <p>-Trustee Santos: how many patients are on Medicaid and does Medicaid reimburse? New state plan can reimburse for airfare and housing – still working on policies and procedures.</p> <p>-Trustee Chong: how much in reimbursement for transportation and subsistence from Medicaid in the \$4M expenditure: state plan amendment was effective October 2024 – still finalizing policies and procedures to allow for reimbursement; the \$4M is accurate expenditure in excess of appropriation – there are still pending items for reimbursement.</p> <p>-Chairman Babauta: what is the percentage of inter-island medical referral that are Medicaid qualified? Roughly 80% qualify as Medicaid patients.</p> <p>-Trustee Chong: define uncompensated care – everyone without insurance; basically, means lost revenue; services covered but not paid; those who don't pay deductibles; don't pay co-copay. Requesting to separate uninsured: current system cannot do this; the portion not paid by choice or capacity go to uncompensated care in the current EHR. How many people are above income and cannot qualify for Medicaid who are in the uncompensated care? Uncompensated care is for people who are non-beneficiaries non covered claims; hopefully new EHR will be able to provide this data. Is there is collection process/procedure? Yes, the Collection team. Hoping that the new system will address a lot of things that couldn't be done in the past. Biggest contributors to uncompensated care: inpatient, outpatient, professional fees and oncology.</p> <p>-Chairman Babauta: when is the new EHR going to be in place? Expecting to go live next year in October; excitement for the system being built especially for CHCC with the recommendations from the Board on improving collections and producing reports.</p> <p>-Retirement obligation: shared with legal counsel that it is past the statute of limitation; order was dated August 20, 2013; no previous attempt to collect was done; claiming %5.2M being owed.</p> <p>-Audit timeline: Single Audit Committee created by the governor – how to catch up with audits; Earnest and Young cannot commit to three months – will still be a moving target; audit findings and questionable costs could jeopardize the grants if closed as is; cannot force auditors to a timeline; according to the committee whatever is an acceptable timeline to the Board is acceptable to them.</p> <p>-Motion was made to approve target completion as a moving proposed timeline, as opposed to a definitive timeline. Motion was seconded. Motion approved.</p> <p>-CFO will draft a letter to the Governor and committee for the Chairman's signature.</p> <p>-Trustee Chong requested for an expenditure report to be provided to the Board in an email.</p>	<p>-Motion to approve a moving proposed timeline, as opposed to a definitive timeline was made. Motion approved without objection.</p>
<p>XIV. CEO Report</p>	<p>-Reports that were created by the Chiefs, COOs, CMO and CNO were all sent by email to the Trustees.</p> <p>-The continuous challenges of local funding gaps: unmet Medicaid match; preventative health earmarks on hold; workforce recruitment and retention – clinical roles in high demand.</p> <p>-Medicaid: possibility of reducing the number of coverages for Medicaid patients; a lot of green card holds do not qualify because they do not meet the residency requirements; the possibility of</p>	

reduced number of qualified individuals because of work requirement.

-Guide FY2026: Public/Private Partnership leverage public private partnership and CHCC foundation; partnership with UCSF medical students coming here. Invest in staff morale, relations, retention to protect institutional knowledge – staff are doing their best – a lot of commendation for the medical and clinical staff on social media; employee wellness. Compliance and workload balance on divisions. Continue to break down silos to speed information flow and decision making.

-Successes: got about \$25M federal funds for facilities; work being done on patient room renovation; peritoneal dialysis options for Tinian and Rota; lab expansions for Saipan, Tinian and Rota; parking garage; addition of OR suite – will generate more revenue. Medical equipment that were purchased from From grants and foundation money; Lab being CLIA certified on Saipan, Tinian and Rota

-Future grants and foundation support: currently applying for new OR suite, and more medical equipment; other equipment needs for management and staff; Defense Community Infrastructure Program – CHCC was turned down – asking for a bigger facility, the amount of money being requested was to big; will request for the upgrade of LCVA Health Center and Rota Health Center.

-Public Laws: will continue to push for regulations and laws that will help CHCC and overall Public Health.

-Tax Settlement: was addressed; settlement agreement in 2024; paid partial payment and balance was forgiven with compliance; opportunities to use matching funds for Medicaid using inter government agreement allowable by CMS.

-Medicaid: to many funding opportunities being missed: ERH cost share, inter agency agreement; CPE items – will meet with Region 9 – hopefully they can assist with getting us paid that CHCC is not getting paid for. Coverage expansion: took two years to add HNP benefits – was effective October 2024 – haven't been paid; continue to push for the removal of capped Medicaid; working on completing reconciliation for FY2016 and 2020; CHCC payment procedure reform to allow CHCC to be reimbursed faster and shifting matching funds for non-CHCC providers.

-HNP: policies need to be updated – subcommittee under Governance will focus on updating SOPs; elevating patient experience is challenged by the lack of funding; it is a generous program; requires appropriation.

-Procurement and Supply: list of reports sent to Trustees. Trustee Barcinas requesting for the list of vendors that work with CHCC, Rota and Tinian.

-MRI – the facility foundation is being built, which is located across the street; made some adjustments to the A & E plan; have selected a contractor for the hyperbaric chamber.

-FY2026 Initiative: EHR is funded – need some investment from us; will meet with Medicaid to for assistance to get paid; expand specialty and prevention services; expand mobile clinic schedule; sustain CMS certification compliance; launch EHR system; diversify revenue; strengthen population health programs.

FY2026 Outlook: new EHR; CPE reconciliation increase reimbursement for Medicaid; legal advocacy for acceptable CUC arrears settlement; dialysis for Rotan and Tinian personnel incentives; expanded pain management clinic; MRI and hyperbaric chamber opening; need to increase revenue; settle outstanding debts; decrease cots; and improve overall services – elevating patient experience.

XV. Board Committee Report	<p>-Quality & Patient Safety Committee: Nothing to report.</p> <p>-Governance committee. Chair Mariah Manglona announced that she is stepping down as Chair for the Governance Committee. She nominated Trustee Santos as Chair. In order to accept, Trustee Santos requested to step down as the Board Representative to the CHCC Foundation. She recommends that Chairman Babauta be the new Board Representative. Chairman Babauta accepts.</p> <p>-Finance & Audit Committee: Nothing to report. Audits are a priority.</p>	
XVI. Election of Officers/Board Organization	Trustee Masga nominated Trustee Juan Babauta as Chairman and Trustee Mariah Manglona Vice Chairperson. Trustee Babauta and Manglona accepted the nomination. A motion was made for the approval of the nomination. Was seconded. Nomination approved.	Board Chairman is Juan Babauta and Vice Chairperson is Mariah Manglona.
XVII. Executive Session	Motion was made to move into Executive Session to discuss legal matters. Was seconded. Meeting moved into Executive Session.	Executive Session start at 654pm; end 728pm.
XIV. Adjournment	Motion was made to adjourn the meeting. Was seconded. Meeting adjourned.	Meeting adjourned at 729 pm.