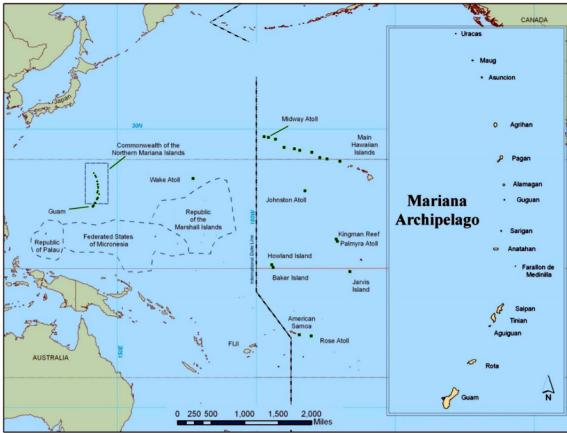




The Commonwealth Healthcare Corporation

Commonwealth of the Northern Mariana Islands
1 Lower Navy Hill Road, Navy Hill, Saipan, MP 96950
www.chcc.gov.mp // (670) 234-8950 // communications@chcc.gov.mp



About the Northern Mariana Islands

The Commonwealth of the Northern Mariana Islands (CNMI) is a chain of 14 volcanic islands in the West Pacific. The population is concentrated on three islands: Saipan, Tinian and Rota. Saipan, the capitol and location of the sole hospital, is 135 miles North of Guam and 3,700 miles West of Hawaii, with a direct flight time of approximately 8 hours. Additionally, the CNMI is approximately 1,500 miles Southeast of Japan and 1,600 miles East of the Philippines. The CNMI operates on Chamorro Standard Time (ChST), 15 hours ahead of D.C. time.

The CNMI government adopted its own constitution in 1977, and the constitutional government took office in January of 1978. Currently, Ralph Torres (R) is the Governor of the CNMI, with Lieutenant Governor Arnold Palacios (R). Individuals born in CNMI, whose indigenous population is made up primarily of people of Chamorro and Carolinian descent, are granted U.S. citizenship. However, residents of the CNMI cannot vote in federal elections. Since 2009, the CNMI has been represented in the U.S. House of Representatives by a non-voting delegate, a position currently filled by Congressman Kilili Sablan (Ind). In general, most U.S. federal law applies to the CNMI, but exceptions exist. The economy of Saipan is largely dependent on tourism and casino revenue.

Demographics of the CNMI

All information taken from 2010 Census data unless noted otherwise

Population: 53,883

Ethnic Makeup: Primarily Chamorro (24%) and Filipino (35%) with significant populations of Carolinians, other Native Pacific Islanders, and Chinese

Median Age: 33.4 years

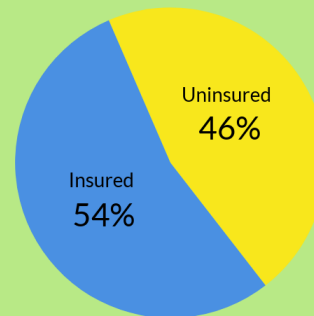
Unemployment Rate: 8%

Citizenship status: 57% U.S. citizen or national

- Non-citizens are primarily Filipino, with significant non-citizen populations of Chinese, Korean, and other Asian, and other Native Pacific Islanders

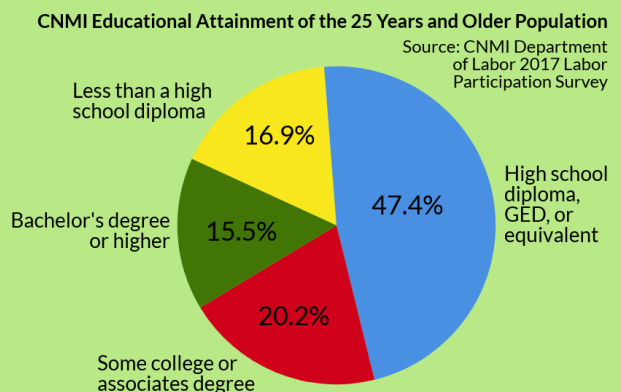
Medicaid Enrollment: approximately 15,000

(Source: CNMI Medicaid Agency, FY2016-2017)



Health Insurance Rate Among CNMI Adults

Source: CHCC Non-Communicable Disease & Risk Factor Hybrid Surveillance Report 2016



CNMI Educational Attainment of the 25 Years and Older Population

Source: CNMI Department of Labor 2017 Labor Participation Survey



The Commonwealth Healthcare Corporation

Commonwealth of the Northern Mariana Islands

1 Lower Navy Hill Road, Navy Hill, Saipan, MP 96950

www.chcc.gov.mp // (670) 234-8950 // communications@chcc.gov.mp



About the CHCC

The sole hospital in the CNMI was initially established as the Department of Public Health and Environmental Services in 1978 by Public Law 1-08. In 2009, the Department of Public Health and Environmental Services was re-organized into a government corporation. The Commonwealth Healthcare Corporation (CHCC) commenced operations in late 2011. The corporation is governed by a Board of Trustees, currently headed by Chairwoman Lauri Ogumoro, and led by Chief Executive Officer Esther Muna.

The CHCC is an integrated healthcare system, encompassing the majority of healthcare services in the CNMI.

Improvements in Programs and Services

Steps have been taken over the last few years to improve the scope of services offered, and the CHCC now has improved and modern equipment and specialist providers including a podiatrist, psychiatrist, and ENT (ear, nose, and throat) doctor. However, not all specialty services and care can be offered at the CHCC with the limitations of staff and equipment, and certain conditions require off-island referrals to either Guam or the U.S. mainland.

Recent CHCC improvements also include:

- Access to tele-health services, such as tele-medicine and tele-psychiatry, with tele-pharmacy to be implemented in the summer of 2019
- Pyxis medication dispensing systems
- Infant ventilators
- Maternal and fetal monitoring systems
- Outpatient Pharmacy
- New CT scanner

The CHCC employs 700+ people across all divisions, but recruitment and retention of providers is a consistent concern. Incentive programs, such as the CHCC Student Loan Repayment Program and NHSC loan repayment program, assist in recruiting and retaining providers, and the CHCC plans to hire staff to further assist in the process of recruitment and workplace visa assistance in 2019.

The Commonwealth Healthcare Corporation

Commonwealth Health Center

- 86 bed CMS accredited hospital
- 26-bed dialysis center
- Outpatient clinics:
 - Family Care Clinic
 - Women's Clinic
 - Children's Clinic
- Outpatient Pharmacy
- Ancillary services

Division of Public Health Services

- Chest Clinic - TB and Hansen's Disease
- Immunization Clinic
- Maternal and Child Health Bureau
- Non-Communicable Disease Bureau
- Dental services

The Community Guidance Center

- Mental and behavioral health services

Public Health and Hospital Emergency Preparedness

Tinian Health Center

Rota Health Center

Corporate Support

- Health and Vital Statistics Office
- Grants Management Office
- Corporate quality and compliance





The Commonwealth Healthcare Corporation

Commonwealth of the Northern Mariana Islands

1 Lower Navy Hill Road, Navy Hill, Saipan, MP 96950

www.chcc.gov.mp // (670) 234-8950 // communications@chcc.gov.mp



Health in the CNMI

Historically, non-communicable diseases such as hypertension and diabetes were virtually non-existent in the CNMI pre-WWII. Now, significant lifestyle changes and dependence on imported, processed foods have contributed to widespread hypertension, cardiovascular disease, diabetes, and cancer. Eighty three percent of CNMI residents of Northern Marianas descent are overweight or obese, putting the majority of the CNMI's indigenous population at increased risk for disease. Twenty one percent of Carolinian adults and twenty five percent of Chamorro adults living in the CNMI have diabetes.

(source: CHCC Non-Communicable Disease & Risk Factor Hybrid Surveillance Report 2016)

Other significant medical issues in the CNMI include Tuberculosis (TB). The rate of TB in the CNMI is about 70 per 100,000 people, compared to 2.8 per 100,000 people on the U.S. mainland (source: cdc.gov 2017). Substance abuse and mental health problems are also a public health concern, along with infant mortality rates and sexually transmitted infections.

The CNMI's location and proximity to Asia additionally warrants monitoring of the health challenges of the Asia-Pacific region, such as the H1N1 virus.

Natural Disasters and Climate Disruption

The CNMI experiences multiple typhoons every year of varying strengths and proximity to the islands. They are generally weathered by the population with minor damages. However, in the last five years there have been three major typhoons that have caused significant damage to islands in the CNMI:

- Typhoon Soudelor - August 2015 (Saipan)
- Typhoon Mangkut - September 2018 (Rota)
- Super Typhoon Yutu - October 2018 (Saipan and Tinian)

Extreme storms destroy hundreds of homes and cause widespread infrastructure damage, leaving residents without power or running water, sometimes for months. This is a CHCC concern for a myriad of reasons; patients with chronic health problems see their conditions worsen and those who use electricity for life-sustaining equipment are in danger of not having needed access. Communicable diseases are more likely to spread in the aftermath of a storm with people sleeping outside or living in the close confines of public shelters, combined with a lack of water for sanitation purposes. Mental health issues and depression are a huge concern after a natural disaster. Typhoon relief and recovery efforts are also very costly to the CHCC and cause a disruption of our ongoing health projects and goals. With an increased frequency in extreme weather events, the CHCC must be prepared both logistically and financially. However, we can expect the CNMI to continue to be successful in typhoon recovery efforts due to the enormous amount of support received from FEMA and HHS, and the resilience of the CNMI community.

Top Ten Causes of Death in the CNMI, 2008-2017

Source: CHCC Health and Vital Statistics Office

1. Heart Disease
2. Cancer (all sites)
3. Diabetes Mellitus
4. Renal Failure
5. Chronic Lower Respiratory Diseases
6. Influenza and Pneumonia
7. Other Bacterial Diseases
8. Accidental Non-transport Drowning and Submersion
9. Ill-defined and Unknown Causes of Mortality
10. Diseases of the Liver





The Commonwealth Healthcare Corporation

Commonwealth of the Northern Mariana Islands

1 Lower Navy Hill Road, Navy Hill, Saipan, MP 96950

www.chcc.gov.mp // (670) 234-8950 // communications@chcc.gov.mp



CHCC Financial Health

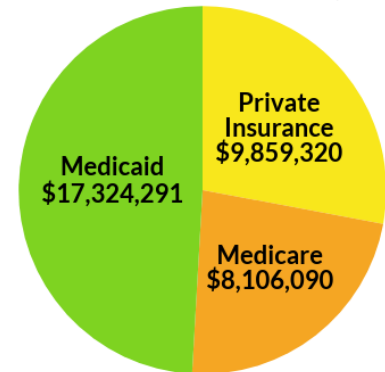
The CHCC must always balance the clinical imperative - best possible health outcomes for all - with the business objective - sustaining operations. This is an especially difficult task given our largely low-income, uninsured population with unhealthy habits.

The CHCC generated over \$55 million in revenue in the 2018 fiscal year (FY2018), exceeding total FY2017 revenue collection by over \$3 million. The majority of revenue comes from up front hospital payments and third party payor revenue, and the majority of non-revenue funding comes from federal grants, primarily from the USDA, SAMHSA, CDC, or HRSA.

Medicaid is a crucial aspect of CNMI healthcare and CHCC revenue, accounting for almost half of third-party payor revenue in FY2018. However, unlike U.S. states, the CNMI faces a statutory cap on the total amount of federal dollars that can be availed of, regardless of the local government contribution to the program. This is coupled with a low Federal Medical Assistance Percentage (FMAP). As illustrated in the graphic below, Mississippi's FMAP percentage fluctuates based on per capita GDP, raising the amount of Medicaid assistance in times of economic recession, whereas the FMAP for the CNMI is largely stagnant, and does not respond to fluctuations in the CNMI's per capita GDP.

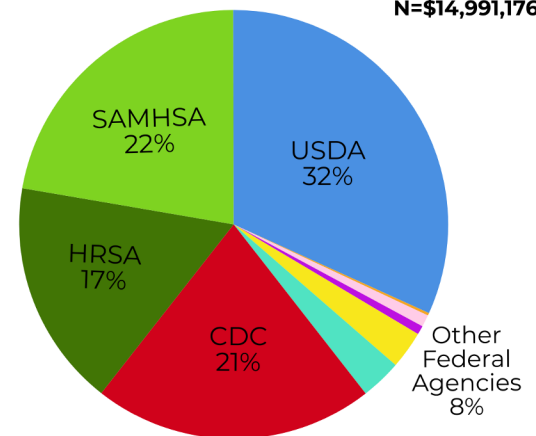
This significant difference in program implementation affects the total CHCC uncompensated care costs, although there are other factors at play as well, including the high percentage of non-U.S. citizens and low income households in the population. The total amount of uncompensated care costs for FY2018, as of June 30th, was \$18,329,707.

CHCC Third Party Revenue: Fiscal Year 2018 N=\$35,289,701

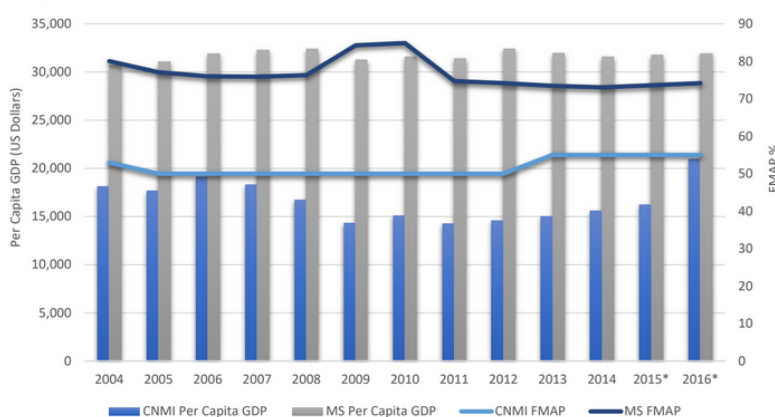


Data is from the Commonwealth Healthcare Corporation unless noted otherwise

CHCC Federal Funding: Fiscal Year 2018 N=\$14,991,176



CNMI and Mississippi (MS) Per Capita GDP with FMAP Rates



Sources: Per capita GDP data is from the Bureau of Economic Analysis of the U.S. Department of Commerce, and FMAP data is from the Office of the Assistant Secretary for Planning and Evaluation (ASPE) of the U.S. Department of Health and Human Services (HHS)

CHCC Costs Overview: Fiscal Year 2018

