



TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

HOUSE OF REPRESENTATIVES

COMMITTEE ON WAYS AND MEANS

P.O. BOX 500586 SAIPAN, MP 96950

RALPH N. YUMUL

CHAIRMAN

Adopted - 7/11/2024

STANDING COMMITTEE REPORT NO. 23-69

DATE: January 10, 2024

RE: HOUSE BILL No. 23-87

The Honorable Edmund S. Villagomez
Speaker of the House of Representatives
Twenty-Third Northern Marianas
Commonwealth Legislature
Capitol Hill
Saipan, MP 96950

Dear Mr. Speaker:

Your Committee on Ways and Means to which was referred:

House Bill No. 23-87: "To amend 3 CMC §2824 to authorize the Commonwealth Healthcare Corporation to establish a charitable foundation."

begs leave to report as follows:

I. RECOMMENDATION:

After considerable discussion, your Committee recommends that the House pass House Bill No. 23-87 in the form of House Substitute 1.

HOUSE CLERK'S OFC
RECEIVED BY *[Signature]*
DATE 1/25/2024 TIME 12:30p

II. ANALYSIS:

A. Purpose:

The purpose of this Act is to amend 3 CMC §2824 to authorize the Commonwealth Healthcare Corporation to establish a charitable foundation.

B. Committee Substitute:

The Committee agreed to substitute HB 23-87. The substitute reflects the following amendments to § 2824. Corporate Powers:

“§ 2824. Corporate Powers.

“(s) Receive, hold and expend appropriations, moneys collected for services rendered, grants, donations, or any other funds designated for the use and benefit of the Corporation and to establish one or more charitable foundations, independent of the Corporation, for the primary benefit of the Corporation Participate and assist in the creation of an independent charitable foundation that operates for the primary benefit of improving health care within the Commonwealth Healthcare Corporation. The charitable foundation shall be governed separately from CHCC. Except for one CHCC trustee, the board of directors for the foundation shall not include any active employees or trustees of CHCC. The CEO of CHCC or a designee may serve as a nonvoting member of the foundation board of directors; and”

Through a collaborative effort, the Committee and the Commonwealth Healthcare Corporation reached a consensus on language that was acceptable to both parties. More importantly, the original version of the Act was signed by House Legal Counsel for “introduction purposes only”, the HS1 version has been signed by the House Legal Counsel for “legal sufficiency”.

C. Committee Findings:

Your Committee finds that the established Commonwealth Healthcare Corporation, a public corporation shall be an independent public healthcare and medical services provider, financially self-sufficient, professionally managed, and nationally accredited whose purpose is to develop and regulate, as necessary, a high quality, efficient, and market oriented public healthcare delivery system in the CNMI, and to coordinate the delivery of quality healthcare and medical services to all Commonwealth residents in a financially responsible manner.

Your Committee further finds that Title 3 § 2824 of the Commonwealth Code lists its corporate powers as follows:

“ § 2824. Corporate Powers.

The Corporation shall have the following powers:

(a) Oversee the management and operations of the Division of Public Health, the hospital on Saipan and the clinics in the Commonwealth in accordance with this Chapter;

(b) Maintain and operate healthcare facilities in the Commonwealth and provide acute and chronic healthcare services within the Commonwealth and, to the extent consistent with the certificate of need program, privatize the management and delivery of healthcare and health related services in the Commonwealth through performance management contracts and other types of agreements with healthcare and medical service management companies or corporations;

(c) Establish a schedule of market oriented fees to meet its cost of operations and other expenditures at all of its facilities in the Commonwealth for providing healthcare and medical services, and other related services;

(d) Prepare and oversee the development and implementation of a multi-year strategic plan that conforms with this Chapter to make the Corporation self sustaining;

(e) Acquire real property from the Department of Public Lands and other persons, subject to the laws of the CNMI, by grant, purchase, gift, devise, or lease, and hold and use any such real property necessary for future expansion of its facilities and for other related uses to further the Corporation's interest and objectives;

(f) Establish its internal organization and management;

(g) Adopt its procurement and supply regulations for the purchase of goods, materials, supplies, and other commodities, and to contract other services as may be needed or required;

(h) Adopt an official seal;

(i) Sue or be sued in its corporate name;

(j) Employ, retain, or contract the services of professionals, firms, or organizations required to further the interests of the Corporation;

(k) Develop and adopt a personnel system, including a comprehensive compensation plan, which shall be independent of the civil service system, and shall be competitive;

(l) Adopt rules and regulations necessary for the implementation of this Chapter;

(m) Adopt and maintain a system of accounting in accordance with generally accepted accounting principles and practiced by successful healthcare organizations in the United States;

(n) Adopt and maintain a financial management system relative to all funds received and expended by the Corporations. This shall include timely billings and collections of account receivables from patients, or from their medical insurance providers (private, government, Medicaid or Medicare) for healthcare and medical services rendered;

(o) Prepare, adopt, amend, or repeal its bylaws;

(p) Borrow money and provide security in connection with such borrowing, from any private or public source, either within the Commonwealth or the United States, if it is necessary or required to support and fulfill its obligations in accordance with this Chapter;

(q) Establish by regulation a policy for the Corporation to administer a subsidy program which will enable the Corporation to provide healthcare and medical services to low income individuals;

(r) Assist any low income individuals requiring medical treatment to obtain Medicaid assistance from the Medicaid Office; and

(s) Do any and all other things necessary to help fulfill the provisions of this Chapter.”

Your Committee finds that House Bill No. 23-87, HS1 will include an additional corporate power that will authorize the Corporation to participate and assist in the creation of an independent charitable foundation that operates for the primary benefit of improving health care within the Commonwealth Healthcare Corporation. The charitable foundation shall be governed separately from CHCC. Except for one CHCC trustee, the board of directors for the foundation shall not include any active employees or trustees of CHCC. The CEO of CHCC or a designee may serve as a nonvoting member of the foundation board of directors.

Your Committee further finds that the foundation offers a means of diversifying revenue streams, encompassing grants, endowments, and charitable donations. Its anticipated tax-exempt status makes it an enticing option for prospective donors looking for tax advantages. Moreover, the foundation's capacity to manage long-term endowments could offer a stable financial cushion, ensuring CHCC's sustainability.

In conclusion, your Committee agrees with the intent and purpose of House Bill No. 23-87 and recommends that the House pass the legislation in the form of House Substitute 1.

C. Public Comments/Public Hearing:

In a public meeting held on January 10, 2024, the Committee received oral testimonies from the following:

- Ms. Eleanor T. Cabrera, Chief Strategy Office, Commonwealth Healthcare Corporation. (Provided the Committee with her comments)

“I thank you all today for another opportunity to express support for HB23-87 as was done in the previous meeting. CHCC reiterates support for this bill as it would authorize CHCC to establish and participate in a charitable foundation.”

In a public meeting held on November 20, 2023, the Committee received oral testimonies from the following:

- Ms. Eleanor T. Cabrera, Chief Strategy Office, Commonwealth Healthcare Corporation. (Provided the Committee with her comments).

“I, representing CHCC, and those present today including CEO Muna, CFO Santos and staff, I am here to express strong support for HB 23-87 to authorize CHCC to establish a charitable foundation.”

Also present in the Chamber:

- Mrs. Esther L. Muna, Chief Executive Officer, Commonwealth Healthcare Corporation.
- Ms. Perlita Santos, Chief Financial Officer, Commonwealth Healthcare Corporation.

The Committee received comments from the following:

- Mrs. Esther L. Muna, Chief Executive Officer, Commonwealth Healthcare Corporation. Comments dated November 15, 2023

“On behalf of the Commonwealth Healthcare Corporation (CHCC), I am writing to extend our strong support for HB23-87 and to provide critical insights intended to contribute to legislation that hold the potential for profound and lasting impact on both CHCC and, most importantly, the health of the people of the CNMI.”

- Mr. Peter Brett, MD, Medical Oncologist, Commonwealth Healthcare Corporation. Comments dated November 15, 2023.

“I’m writing this letter in strong support of HB 23-87, which will establish a CHCC affiliated foundation to allow for fund raising for the hospital, including for oncology programs. If we’re able to raise funds beyond what insurance and our patients can pay on their own, we have a better chance of being able to expand oncology programs that will benefit our people.”

Comments received have been attached as part of this committee report. Oral testimonies can be made available for public inspection upon request.

D. Legislative History:

House Bill No. 23-87 was introduced by Representative Malcolm Omar on November 13, 2023 and was subsequently referred to the House Standing Committee on Ways and Means for disposition.

E. Cost-Benefit Analysis:

The House Fiscal Analyst prepared a cost-benefit analysis for House Bill No. 23-87, House Substitute 1. It has been attached as part of this committee report.

III. CONCLUSION:

The Committee is in accord with the intent and purpose of H. B. NO. 23-87 and recommends its passage in the form of House Substitute 1.

Respectfully submitted,



Rep. Ralph N. Yumul, Chairman

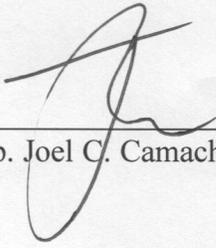


Rep. Blas Jonathan “BJ” T. Attao, Vice Chair



Rep. Roman C. Benavente, Member

Rep. Angelo A. Camacho, Member



Rep. Joel C. Camacho, Member

Rep. Vicente C. Camacho, Member

Rep. Manny Gregory T. Castro, Member

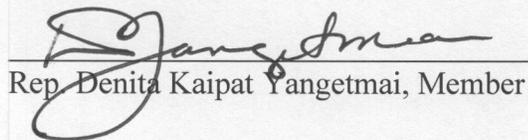
Rep. Joseph A. Flores, Member

Rep. Thomas John DLC. Manglona, Member

Rep. Julie Marie A. Ogo, Member

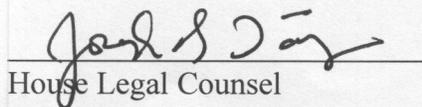
Rep. John Paul P. Sablan, Member

Rep. Patrick H. San Nicolas, Member



Rep. Denita Kaipat Yangetmai, Member

Reviewed by:



House Legal Counsel

Attachment: Cost-Benefit Analysis

- Ms. Eleanor T. Cabrera, Chief Strategic Officer, Commonwealth Healthcare Corporation. Comments dated January 10, 2024.
- Ms. Eleanor T. Cabrera, Chief Strategic Officer, Commonwealth Healthcare Corporation. Comments dated November 20, 2023.
- Mrs. Esther Lizama Muna, Chief Executive Officer, Commonwealth Healthcare Corporation. Comments dated November 15, 2023.
- Mr. Peter Brett, MD, Medical Oncologist, Commonwealth Healthcare Corporation. Comments dated November 15, 2023.



Legislative Bureau
NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
P.O. BOX 500586
SAIPAN, MP 96950

FISCAL IMPACT ANALYSIS

Date: January 11, 2024

House Standing Committee: Ways and Means

Legislation: HB 23-87

Short Title: To amend 3 CMC §2824 to authorize the Commonwealth Healthcare Corporation (CHCC) to establish a charitable foundation.

Purpose: HB 23-87, the bill proposes to increase access to capital for investment in local health care capacity by establishing an affiliated foundation that is part of the CHCC's strategic plan

Fact: Currently, CHCC does not have a separate but focused entity for fundraising activities which frees CHCC to maintain its unwavering commitment to delivering accessible and affordable healthcare services.

Analysis: At the moment CHCC's "Donate" page does not does not state what the entity has garnered in donations over the past few fiscal years but newspaper articles dating as far back as 5 years ago reveal that CHCC has obtained multiple donations with the largest of these donations being \$250,000. With last fiscal years' appropriation to CHCC being just \$1, any and all donations can aid in fortifying CHCC's financial resilience and broaden the scope of healthcare services that it can provide.

Thoughts: it is important to note that the donations portion of CHCC's website states that it is currently under construction. In addition, donations mad to CHCC in prior years may not be a true reflection of CHCC's ability to garner the same amount in donations in the future.

* * * E N D * * *

Public Comments
House Standing Committee on Ways & Means
10am January 10, 2023

Re: HB 23-87 *To amend 3 CMC §2824 to authorize the Commonwealth Healthcare Corporation to establish a charitable foundation.*

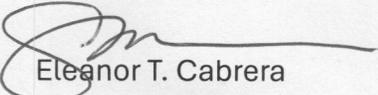
Håfa Adai yan Tirow Chair Yumul, Vice Chair Attao and Honorable Members of this Committee. My name is Eleanor Cabrera, and I represent the Commonwealth Healthcare Corporation as the Chief Strategy Officer. I thank all of you today for another opportunity to express support for HB 23-87 as was done in the previous meeting. CHCC reiterates support for this bill as it would authorize CHCC to establish and participate in a charitable foundation.

HB 23-87 would further enable CHCC's ability to explore every possible avenue to mitigate current financial adversities for the sole purpose of improving our overall infrastructure and services for the benefit of the people of the CNMI because it targets fundraising and philanthropic efforts, community engagement, compliance and accountability, and endowments with long-term planning.

A separate but affiliated CHCC foundation offers the potential for profound benefits by providing a distinct organizational structure that supports CNMI health goals and the CHCC's mission to meet those goals. Equally important, CHCC's participation assures that the foundation will inform its decision-making with legitimate medical and public health information and make possible legitimate appeals for charitable funds in the name of CHCC.

To conclude, CHCC asks for your support for HB 23-87 to essentially empower us to explore such opportunities with potential for high impact. I will remain in the gallery should any member have any questions for me after Public Comments.

Thank you.


Eleanor T. Cabrera
Commonwealth Healthcare Corporation



Commonwealth Healthcare Corporation
Commonwealth of the Northern Mariana Islands
1178 Hinemlu' St. Garapan, Saipan, MP 96950



November 20, 2023

Honorable Representative Ralph N. Yumul
Chair, Standing Committee on Ways and Means
23rd Northern Marianas Commonwealth Legislature
Capitol Hill, Saipan MP 96950

Re: Public Comments for **HB 23-87** "To amend 3 CMC §2824 to authorize the Commonwealth Healthcare Corporation to establish a charitable foundation".

Håfa Adai yan Tirow Chair Yumul and Members of the Committee,

As the Director of Development of the Executive Office at the Commonwealth Healthcare Corporation (CHCC), I hereby express strong support for HB 23-87 to authorize CHCC to establish a charitable foundation.

CHCC sincerely commends the Legislature on the introduction of this bill, noting it as testament to active-listening of our needs and priorities and partnership-building to assist our healthcare corporation of public health, our lone hospital, public clinics, behavioral health, and ancillary areas to be able to explore every possible avenue to mitigate current financial adversities for the sole purpose of improving our overall infrastructure and services for the benefit of the people of the CNMI.

A separate but affiliated CHCC foundation can offer several profound benefits, providing a distinct organizational structure that supports CNMI health goals and CHCC's mission to meet those goals:

Fundraising and Philanthropy: The foundation can focus on fundraising efforts independently of CHCC. This separation allows it to cultivate relationships with donors, apply for grants CHCC may be ineligible for, and engage in philanthropic activities without being directly tied to the hospital and corporation's day-to-day operations. CHCC providers must be left to focus on the priorities of healthcare itself.

Financial Independence: A separate foundation can have its own budget and financial resources, reducing the burden on CHCC's own resources. This financial independence can enhance the foundation's ability to support CHCC's initiatives and projects.

Expertise & Flexibility in Resource Allocation: The foundation can have its own board of directors with specific expertise in fundraising and resource allocation. This specialized board can focus on targeted planning and decision-making related to fundraising efforts and can allocate funds based on priorities and strategic needs of CHCC and healthcare matters in the CNMI. This flexibility allows for a more nimble and responsive approach to addressing emerging challenges or opportunities.

Community Engagement: An affiliated foundation can actively engage with the community, raising awareness and support for CHCC, using updated, data-driven, and legitimate public health and medical information to inform awareness efforts. With credible information, it can organize community events, outreach activities, and educational initiatives to foster strong connections between CHCC and the communities we serve.

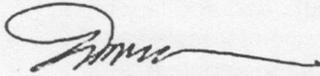
Endowments and Long-Term Planning: A foundation can manage endowments and long-term investments, providing a sustainable source of funding for CHCC's future needs. This ensures that the programs and services can continue to grow and adapt to changing healthcare demands. The foundation can support research initiatives and innovative projects that may not be covered by the hospital's and CHCC's operational budget. This can contribute to advancements in healthcare and medical practices.

Donor Stewardship: The foundation can concentrate on building and maintaining strong relationships with local, national, and international donors, charitable trusts, and other foundations. As a government entity, CHCC currently cannot solicit donations nor establish a foundation without the passage of this bill. This focused attention on donor stewardship can lead to increased donor loyalty and continued support for the hospital and CHCC.

Last and equally significant, **Compliance and Accountability:** A separated foundation may enhance transparency, accountability, and compliance with regulations governing charitable organizations. The foundation may also be held accountable for accurate information produced and disseminated by CHCC. This is imperative for maintaining public trust and confidence in both CHCC's and the foundation's activities.

Thank you again for this opportunity to provide comments on this very important legislation.

Si Yu'us ma'ãsi' yan ghilisow,



Eleanor T. Cabrera, MSW
Director of Development



Commonwealth Healthcare Corporation

Commonwealth of the Northern Mariana Islands
1178 Hinemlu' St. Garapan, Saipan, MP 96950



November 20, 2023

Honorable Representative Ralph N. Yumul
Chair, Standing Committee on Ways and Means
23rd Northern Marianas Commonwealth Legislature
Capitol Hill, Saipan MP 96950

Re: Public Comments for **HB 23-87** "To amend 3 CMC §2824 to authorize the Commonwealth Healthcare Corporation to establish a charitable foundation".

Håfa Adai yan Tirow Chair Yumul and Members of the Committee,

As the Director of Development of the Executive Office at the Commonwealth Healthcare Corporation (CHCC), I hereby express strong support for HB 23-87 to authorize CHCC to establish a charitable foundation.

CHCC sincerely commends the Legislature on the introduction of this bill, noting it as testament to active-listening of our needs and priorities and partnership-building to assist our healthcare corporation of public health, our lone hospital, public clinics, behavioral health, and ancillary areas to be able to explore every possible avenue to mitigate current financial adversities for the sole purpose of improving our overall infrastructure and services for the benefit of the people of the CNMI.

A separate but affiliated CHCC foundation can offer several profound benefits, providing a distinct organizational structure that supports CNMI health goals and CHCC's mission to meet those goals:

Fundraising and Philanthropy: The foundation can focus on fundraising efforts independently of CHCC. This separation allows it to cultivate relationships with donors, apply for grants CHCC may be ineligible for, and engage in philanthropic activities without being directly tied to the hospital and corporation's day-to-day operations. CHCC providers must be left to focus on the priorities of healthcare itself.

Financial Independence: A separate foundation can have its own budget and financial resources, reducing the burden on CHCC's own resources. This financial independence can enhance the foundation's ability to support CHCC's initiatives and projects.

Expertise & Flexibility in Resource Allocation: The foundation can have its own board of directors with specific expertise in fundraising and resource allocation. This specialized board can focus on targeted planning and decision-making related to fundraising efforts and can allocate funds based on priorities and strategic needs of CHCC and healthcare matters in the CNMI. This flexibility allows for a more nimble and responsive approach to addressing emerging challenges or opportunities.

Community Engagement: An affiliated foundation can actively engage with the community, raising awareness and support for CHCC, using updated, data-driven, and legitimate public health and medical information to inform awareness efforts. With credible information, it can organize community events, outreach activities, and educational initiatives to foster strong connections between CHCC and the communities we serve.

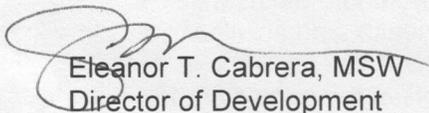
Endowments and Long-Term Planning: A foundation can manage endowments and long-term investments, providing a sustainable source of funding for CHCC's future needs. This ensures that the programs and services can continue to grow and adapt to changing healthcare demands. The foundation can support research initiatives and innovative projects that may not be covered by the hospital's and CHCC's operational budget. This can contribute to advancements in healthcare and medical practices.

Donor Stewardship: The foundation can concentrate on building and maintaining strong relationships with local, national, and international donors, charitable trusts, and other foundations. As a government entity, CHCC currently cannot solicit donations nor establish a foundation without the passage of this bill. This focused attention on donor stewardship can lead to increased donor loyalty and continued support for the hospital and CHCC.

Last and equally significant, **Compliance and Accountability:** A separated foundation may enhance transparency, accountability, and compliance with regulations governing charitable organizations. The foundation may also be held accountable for accurate information produced and disseminated by CHCC. This is imperative for maintaining public trust and confidence in both CHCC's and the foundation's activities.

Thank you again for this opportunity to provide comments on this very important legislation.

Si Yu'us ma'asi' yan ghilisow,


Eleanor T. Cabrera, MSW
Director of Development



Commonwealth Healthcare Corporation

Commonwealth of the Northern Mariana Islands
1178 Hinemlu' St. Garapan, Saipan, MP 96950



CEO-L24-169

November 15, 2023

Honorable Ralph N. Yumul
Chair, Standing Committee on Ways and Means
House of Representatives, 23rd Northern Marianas Commonwealth Legislature
Capitol Hill, Saipan MP 96950

Re: HB 23-87 "To amend 3 CMC §2824 to authorize the Commonwealth Healthcare Corporation to establish a charitable foundation."

Håfa Adai yan Tirow Representative Yumul,

On behalf of the Commonwealth Healthcare Corporation (CHCC), I am writing to extend our strong support for HB 23-87 and to provide critical insights intended to contribute to legislation that holds the potential for profound and lasting impact on both CHCC and, most importantly, the health of the people of the CNMI.

This bill presents an important opportunity for CHCC to establish a separate yet affiliated charitable foundation that aims to provide measured and long-term solutions to its financial adversities. It is commendable that this Legislature is working towards alleviating some of CHCC's most enduring financial strains, impacted by ongoing cost reimbursement constraints, increasing demands for health services and referrals, a lack of government appropriations, and the continuous challenges imposed by the annual cap on federal Medicaid funding for the CNMI. Swift passage of HB 23-87 is crucial for CHCC to accelerate efforts to explore avenues through a foundation to overcome the greater financial barriers that continue to threaten the quality and delivery of medical and public health services in the CNMI.

In 2009, CNMI Public Law 16-51 granted CHCC explicit corporate power to "establish one or more charitable foundations, independent of the Corporation, but for the exclusive benefit of the Corporation" (PL 16-51, §2804(s)). However, in 2017, Public Law 19-78 repealed various provisions of PL 16-51, notably removing CHCC's explicit corporate power to establish a charitable foundation. As a result, CHCC is currently unable to create such a foundation to serve as a separate but supportive entity. Additionally, as a government non-profit corporation, CHCC is restrained from actively soliciting monetary contributions. This legislation seeks to reinstate a critical aspect of CHCC's originating statute and by doing so, it enables CHCC to aim strategically to address its greatest needs and meet CNMI-wide healthcare goals through the efforts of a foundation.

An affiliated charitable foundation with CHCC plays a pivotal role in supporting the delivery of healthcare services across the CNMI by soliciting and securing funding, managing donations, and directing resources towards essential areas such as patient care, medical innovation,

research, facility repairs and improvements, community outreach, and the development of new programs. Moreover, a separate yet affiliated foundation ensures that CHCC personnel can focus on delivering healthcare services and effectively serving patients. Ultimately, a foundation will act as a bridge between CHCC and the community, as well as fill a vital role to facilitate partnerships and collaborations, locally, nationally, and internationally that support the objectives of the hospital and other key service areas all the while advancing CNMI and CHCC healthcare goals.

Furthermore, CHCC acknowledges the importance of philanthropic contributions and the integration of a foundation into its financial management and growth for the future. Such a foundation would serve as a responsible custodian of donor and grantor contributions, ensuring that all funds are allocated in a manner compliant with tax-exempt regulations and fiduciary duties, thereby safeguarding the sustainable expansion of CHCC. This non-profit foundation not only will enhance the accountability of CHCC but also promote sustainable growth by purposefully channeling funds to meet the overarching healthcare needs of the CNMI community.

I extend my gratitude for your valuable time and consideration. We eagerly anticipate your positive action in urgently addressing this critical opportunity for CHCC.

Sincerely,



Esther Lizama Muña, PhD, MHA, FACHE
Chief Executive Officer
State/Territorial Health Official

Cc: Honorable Representative Blas Jonathan "BJ" Attao, Vice Chair, House Standing Committee on Ways and Means
Honorable Representative Malcolm J. Omar, Chair, House Standing Committee on Health and Welfare
Honorable Representative Marissa R. Flores, Vice Chair, House Standing Committee on Health and Welfare



Commonwealth Healthcare Corporation

Northern Marianas Oncology Center

Commonwealth of the Northern Mariana Islands
1178 Hinemlu' St. Garapan, Saipan, MP 96950



11/15/23

To:

Honorable Representative Ralph N. Yumul
Chair, Standing Committee on Ways and Means
House of Representatives
23rd Northern Marianas Commonwealth Legislature
Capitol Hill, Saipan MP 96950

From:

Peter Brett, MD
Medical Oncologist, CHCC

Re:

In support of HB 23-87

Over the past 4½ years, I and my oncology team at CHCC (providers, nurses, other staff) have provided cancer care to all who live in Saipan, Tinian, and Rota. Many of our patients have limited financial resources and limited or no health insurance. It's been a challenge, but we try our best to provide compassionate, state-of-the-art, culturally sensitive care to all.

I'm writing this letter in strong support of HB 23-87, which will establish a CHCC-affiliated foundation to allow for fund raising for the hospital, including for oncology programs. If we're able to raise funds beyond what insurance and our patients can pay on their own, we have a better chance of being able to expand oncology programs that will benefit our patients.

One recent program we've started is the CARES program, which currently provides *no-cost* cancer screening and prevention services for 5 major cancers (breast cancer, colorectal cancer, oral cancer, cervical cancer, and lung cancer), and hereditary cancer gene screening for those at risk. This is currently open to all CNMI residents, regardless of insurance. We believe this will have a large impact reducing the morbidity and mortality of cancer in our area if we're able to expand the program, which we can do if we're able to obtain philanthropic funding.

Northern Marianas Oncology Center

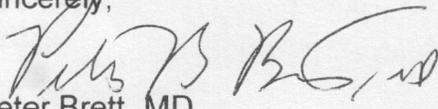
1178 Hinemlu' Street, Garapan

PO BOX 500409, Saipan, MP 96950

Office phone-(670)234-8951-option 4, After Hours-(670)234-8950, Fax-(670)233-0050

Many ask us what they can do to help the CHCC cancer program, and establishing a foundation will allow them to contribute in a meaningful way.

Sincerely,



Peter Brett, MD

Medical Oncologist
CHCC

Cc: Honorable Representative Blas Jonathan "BJ" Attao, Vice Chair, House Standing Committee on Ways and Means
Honorable Representative Malcolm J. Omar, Chair, House Standing Committee on Health and Welfare
Honorable Representative Marissa R. Flores, Vice Chair, House Standing Committee on Health and Welfare

Northern Marianas Oncology Center
1178 Hinemlu' Street, Garapan
PO BOX 500409, Saipan, MP 96950

Office phone-(670)234-8951-option 4, After Hours-(670)234-8950, Fax-(670)233-0050

TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 13, 2023

Second Regular Session, 2023

H. B. 23-87, HS1

A BILL FOR AN ACT

To amend 3 CMC §2824 to authorize the Commonwealth Healthcare Corporation to organize and assist in establishing a charitable foundation.

**BE IT ENACTED BY THE 23RD NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:**

1 **Section 1. Findings and Purpose.** In 2009, the Legislature established the
2 Commonwealth Healthcare Corporation (CHCC) to provide a more efficient public
3 healthcare system. As part of that legislation, the corporate powers included the
4 authority to create a separate and independent foundation that could accept
5 donations for the benefit of the work of CHCC. PL. 16-51, Section 3, page 6, lines
6 7-10. However, in 2017, the Legislature amended the laws related to CHCC and
7 deleted the language authorizing the creation of a foundation. PL 19-18, Section 2.

8 As part of a strategic plan, CHCC intends to increase access to capital for
9 investment in local health care capacity by establishing an affiliated foundation. By
10 associating with a foundation, CHCC can elevate its mission and extend its reach
11 and impact. This dedicated foundation would serve as a powerful vehicle for
12 channeling investment into pivotal areas such as new program development,

1 technological upgrades, facility improvements, and the expansion of essential
2 services.

3 The Legislature finds that authorizing CHCC to participate in the creation
4 of a foundation is in the public's best interest. The Legislature further finds that the
5 foundation should maintain an independent status. Therefore, this bill restores the
6 authority of CHCC to participate in the creation of an independent, affiliated
7 charitable foundation that may benefit health care.

8 **Section 2. Amendment.** 3 CMC §2824 of the Commonwealth Code is
9 hereby amended by adding a new subsection (s) to read as follows and to renumber
10 remaining subsections accordingly:

11 **“§ 2824. Corporate Powers.**

12 “(s) Participate and assist in the creation of an independent
13 charitable foundation that operates for the primary benefit of improving
14 health care within the Commonwealth Healthcare Corporation. The
15 charitable foundation shall be governed separately from CHCC. Except for
16 one CHCC trustee, the board of directors for the foundation shall not include
17 any active employees or trustees of CHCC. The CEO of CHCC or a
18 designee may serve as a nonvoting member of the foundation board of
19 directors; and”

20 **Section 3. Severability.** If any provisions of this Act or the application of
21 any such provision to any person or circumstance should be held invalid by a court

1 of competent jurisdiction, the remainder of this Act or the application of its
2 provisions to persons or circumstances other than those to which it is held invalid
3 shall not be affected thereby.

4 **Section 4. Savings Clause.** This Act and any repealer contained herein
5 shall not be construed as affecting any existing right acquired under contract or
6 acquired under statutes repealed or under any rule, regulation, or order adopted
7 under the statutes. Repealers contained in this Act shall not affect any proceeding
8 instituted under or pursuant to prior law. The enactment of the Act shall not have
9 the effect of terminating, or in any way modifying, any liability, civil or criminal,
10 which shall already be in existence on the date this Act becomes effective.

11 **Section 5. Effective Date.** This Act shall take effect upon its approval by
12 the Governor, or it becoming law without such approval.

Intro: 11/13/2023

Date: _____ Introduced by: /s/ Rep. Malcolm J. Omar _____

Reviewed for Legal Sufficiency by:

/s/ Joseph L.G. Taijeron, Jr.
House Legal Counsel

Joseph L.G. Taijeron, Jr. 1/10/24