



Arnold I. Palacios
Governor

David M. Apatang
Lieutenant Governor

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

31 JAN 2023

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

The Honorable Edith E. Deleon Guerrero
President of the Senate
Twenty-Third Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

Dear Mr. Speaker and Madam President:

This is to inform you that I have signed into law **House Bill No. 22-77, HS1, SD1** entitled, "To establish the Health Network Program (HNP) under the Commonwealth Healthcare Corporation (CHCC); to provide for the orderly transition of medical referral services administration and operations to CHCC; to write off outstanding balances of medical referral promissory notes; and for other purposes.", which was passed by the House of Representatives and the Senate of the Twenty-Second Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 22-33**. Copies bearing my signature are forwarded for your reference.

Sincerely,


ARNOLD I. PALACIOS
Governor

cc: Lt. Governor; Attorney General's Office; Commonwealth Law Revision Commission; Public Auditor; CEO, CHCC; Administrator, Medicaid; Programs and Legislative Review Office



House of Representatives

NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

P.O. BOX 500586
SAIPAN, MP 96950

January 6, 2023

The Honorable Ralph DLG. Torres
Governor
Commonwealth of the Northern
Mariana Islands
Capitol Hill
Saipan, MP 96950

Dear Governor Torres:

I have the honor of transmitting herewith for your action **H. B. No. 22-77, HS1, SD1**, entitled: "To establish the Health Network Program (HNP) under the Commonwealth Healthcare Corporation (CHCC); to provide for the orderly transition of medical referral services administration and operations to CHCC; to write off outstanding balances of medical referral promissory notes; and for other purposes.", which was passed by the House of Representatives and the Senate of the Twenty-Second Northern Marianas Commonwealth Legislature.

Sincerely yours,


Linda B. Muña
House Clerk

Attachment



*Twenty-Second Legislature
of the
Commonwealth of the Northern Mariana Islands*

IN THE HOUSE OF REPRESENTATIVES

SECOND REGULAR SESSION

AUGUST 31, 2021

REPRESENTATIVE CHRISTINA M.E. SABLAN OF SAIPAN, PRECINCT 2 (*for herself*, Representative(s) Roy C.A. Ada, Blas Jonathan "BJ" T. Attao, Celina R. Babauta, Sheila J. Babauta, Joel C. Camacho, Vicente C. Camacho, Angel A. Demapan, Richard T. Lizama, Donald M. Manglona, Edwin K. Propst, John Paul P. Sablan, Patrick H. San Nicolas, Leila H.F.C. Staffler, Edmund S. Villagomez, Denita Kaipat Yangetmai, and Ralph N. Yumul,) in an open and public meeting with an opportunity for the public to comment, introduced the following Bill:

H. B. No. 22-77, HS1, SD1

AN ACT

TO ESTABLISH THE HEALTH NETWORK PROGRAM (HNP) UNDER THE COMMONWEALTH HEALTHCARE CORPORATION (CHCC); TO PROVIDE FOR THE ORDERLY TRANSITION OF MEDICAL REFERRAL SERVICES ADMINISTRATION AND OPERATIONS TO CHCC; TO WRITE OFF OUTSTANDING BALANCES OF MEDICAL REFERRAL PROMISSORY NOTES; AND FOR OTHER PURPOSES.

IN THE HOUSE OF REPRESENTATIVES

The Bill was referred to the House Committee on Health and Welfare, which submitted Standing Committee Report 22-47; adopted 5/25/2022.

**THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON
FIRST AND FINAL READING, MAY 25, 2022;**

with amendments in the form of H. B. No. 22-77, HS1 and transmitted to **THE SENATE.**

IN THE SENATE

The Bill was referred to the Senate Committee on Health, Education, and Welfare.
THE BILL WAS PASSED BY THE SENATE ON FIRST AND FINAL READING, DECEMBER 28, 2022;
with/without amendments in the form of H. B. No. 22-77, HS1, SD1 and returned to
THE HOUSE OF REPRESENTATIVES.

The House of Representatives accepted the Senate amendments and passed H. B. No. 22-77, HS1, SD1 during its 9th Day, Fourth Regular Session on January 5, 2023.

**H. B. NO. 22-77, HS1, SD1 IS DULY PASSED BY THE TWENTY-SECOND NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE.**


Linda B. Muña, House Clerk



Twenty-Second Legislature
of the
Commonwealth of the Northern Mariana Islands
IN THE HOUSE OF REPRESENTATIVES

NINTH DAY, FOURTH REGULAR SESSION

JANUARY 5, 2023

H. B. No. 22-77, HS1, SD1

AN ACT

TO ESTABLISH THE HEALTH NETWORK PROGRAM (HNP) UNDER THE COMMONWEALTH HEALTHCARE CORPORATION (CHCC); TO PROVIDE FOR THE ORDERLY TRANSITION OF MEDICAL REFERRAL SERVICES ADMINISTRATION AND OPERATIONS TO CHCC; TO WRITE OFF OUTSTANDING BALANCES OF MEDICAL REFERRAL PROMISSORY NOTES; AND FOR OTHER PURPOSES.

BE IT ENACTED BY THE TWENTY-SECOND NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

1 **SECTION 1. FINDINGS AND PURPOSE.**

2 The Legislature finds that the program known as Off-Island Medical Referral, as it has
3 been constituted outside of the existing healthcare system, has historically suffered significant
4 difficulties in efficiently performing its duties to assist residents of the Commonwealth of the
5 Northern Mariana Islands (CNMI) in accessing healthcare services that are unavailable in their

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1 home island municipalities or within the CNMI. The Legislature also finds that the Off-Island
2 Medical Referral program operated for years without enabling legislation to establish legal
3 authority and parameters for services. Moreover, the Commonwealth government chronically
4 failed to budget adequate resources for the program. Without sufficient resources, the program
5 struggled to contain costs, minimize lengths of stay at referral healthcare facilities, ensure inter-
6 facility medical communication and effective case management, and improve the coordination
7 of care for referred patients.

8 The Legislature further finds that legislative reform is necessary to establish a new
9 program within the Commonwealth Healthcare Corporation (CHCC) that is integrated with the
10 healthcare system, in which providers are recognized as partners, and third-party payers such
11 as the CNMI Medicaid Agency are optimally engaged to cover the costs of services. In this
12 new and integrated CHCC program, patients would have options for care beyond what has
13 been available in the CNMI and off-island based on logistics support through medical referral
14 services. The new program would facilitate patients' access to CHCC's network of providers
15 both within the Commonwealth and off-island.

16 The Legislature finds that because the Off-Island Medical Referral Program operated
17 for years without enabling legislation to establish legal authority and parameters for services,
18 it is necessary to identify all outstanding promissory notes executed by the Off-Island Medical
19 Referral Program and patients as a receivable of the CNMI government and to write off such
20 receivable for the following reasons: (1) Patients were covered by the Medicaid program but
21 due to miscommunication between the medical referral program and the Medicaid program,
22 patients were charged by the medical referral program for services that were covered by the

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1 Medicaid program; (2) Patients were told to sign a payment agreement for the portion that
2 would have been covered by the Medicaid program; and (3) Payment made by the medical
3 referral program were credited to patients' benefits limitation amount.

4 Therefore, the purpose of this Act is to establish a Health Network Program (HNP)
5 within CHCC, in order to bring CNMI residents to CHCC's network of providers, streamline
6 assistance to eligible patients with demonstrated needs to access care beyond CHCC's capacity,
7 and availability, and ensure the program operates within budgetary appropriations. This Act
8 further provides for the orderly transition of medical referral services administration and
9 operations to CHCC. Additionally, this Act authorizes the CNMI government to write off
10 outstanding promissory notes executed between the Off-Island Medical Referral Program and
11 patients or their personal representatives.

12 **SECTION 2. AMENDMENT.**

13 Subject to codification by the CNMI Law Revision

14 Commission, Title 3, Division 2, Chapter 9, Section 2822 of the Commonwealth Code
15 is amended to read as follows:

16 “(a) “Chief Executive Officer” means a professional person with education and
17 experience in Healthcare Management hired by the Board of Trustees as the Chief
18 Executive Officer (CEO) to manage the Commonwealth Healthcare Corporation in the
19 Commonwealth.

20 (b) “Clinics” means the Tinian Health Center, Rota Health Center, the Women's
21 Clinic and the Children's Clinic and other related public health facilities providing
22 healthcare and medical services in the Commonwealth.

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1 (c) "Corporation" means the Commonwealth Healthcare Corporation
2 established pursuant to this Chapter.

3 (d) "Date of transfer" means the date on which the CNMI Office of the
4 Governor formally relinquishes the administration and operation of the Off-Island
5 Medical Referral Program as described in Executive Order No. 2013-09, to the
6 Commonwealth Healthcare Corporation.

7 (e) "Health care professionals" means doctors, nurses, and those persons
8 licensed or certified to practice in the Commonwealth.

9 (f) "Hospital" means the Commonwealth Health Center on Saipan, and such
10 ancillary public health facilities as may from time to time be established in the
11 Commonwealth.

12 (g) "Health Network Program" is an integrated service of the Commonwealth
13 Healthcare Corporation, which connects patients to CHCC's network of providers, and
14 provides assistance to eligible patients with demonstrated needs in accessing healthcare
15 services outside the CNMI that are beyond the capacity or availability of CHCC.

16 (h) "Trustee" means the Board of Trustees of the Commonwealth Healthcare
17 Corporation established pursuant to this Chapter."

18 **SECTION 3. AMENDMENT.**

19 Title 3, Division 2, Chapter 9, Section 2823 (c) of the Commonwealth Code is amended
20 to read as follows:

21 "(c) The Corporation shall be responsible for the management and operations
22 of the hospital on Saipan, and the clinics on Saipan, Tinian, and Rota, including the

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1 Community Guidance Center, the Health Network Program to facilitate patient access
2 to care within CHCC's network of providers in the Commonwealth and off-island,
3 other clinics, and the Division of Public Health in the Commonwealth."

4 **SECTION 4. ENACTMENT.**

5 Title 3, Division 2, Chapter 9 of the Commonwealth Code is amended by adding the
6 following new sections 2837, 2838, and 2839 to read as follows:

7 **"2837. Establishment of the Health Network Program.**

8 There is hereby established Health Network Program (HNP) within the
9 Commonwealth Healthcare Corporation.

10 **2838. Duties and Responsibilities of the Health Network Program.**

11 (a) Assist eligible CNMI patients who are approved pursuant to the program's
12 rules and regulations to access healthcare that is not available on patients' respective
13 home islands within the Commonwealth, or healthcare which is not available within
14 the geographic boundaries of the Commonwealth.

15 (b) Maintain program data, including, but not limited to, reasons for patient
16 referral, related diagnoses, and treatment received, health outcomes of approved
17 referrals, and financial data on the costs of assistance provided through the program.

18 (c) On or before March 1 of each fiscal year, submit to the Governor and the
19 Legislature an analysis of program data, including but not limited to expenditures and
20 reasons for off-island services, and recommendations, if any, for future funding,
21 program improvements, or policy reform.

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1 (d) Ensure that healthcare providers outside the CNMI provide requisite health
2 records and clinical documentation for approved patients who are referred through the
3 Health Network Program.

4 (e) Identify and pursue opportunities to improve access to care within the
5 CNMI, and reduce the need for patients to travel outside of the CNMI for health care.

6 (f) Ensure the inclusion of the Health Network Program's personnel and
7 operations in the annual budget of the Commonwealth Healthcare Corporation.

8 (g) Operate the Health Network Program in a manner that does not exceed the
9 CNMI general fund appropriation for HNP. If appropriated funding for the Health
10 Network Program is exhausted prior to the end of the fiscal year, the CHCC shall submit
11 a request to the Governor and the Legislature for supplemental appropriations.

12 (h) The Commonwealth Healthcare Corporation shall promulgate rules and
13 regulations necessary to effectuate this Act, which shall supersede and replace any
14 rules, regulations, or other policies pertaining to CHCC's network of providers or
15 medical referral services that preceded this Act.

16 **2839. Transition.**

17 (a) The date of transfer of the Off-Island Medical Referral Program as described
18 in Executive Order No. 2013-09, to the Commonwealth Healthcare Corporation, shall
19 be within 120 days from the effective date of this Act.

20 (b) Before the date of transfer, the Office of the Governor shall transfer all
21 records and property of the Off-Island Medical Referral Program to the Commonwealth
22 Healthcare Corporation.

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1 (c) Before the date of transfer, the Commonwealth Healthcare Corporation may
2 offer employment to employees of the Off-Island Medical Referral Program who have
3 a satisfactory performance rating. The Office of Personnel Management shall release
4 the official personnel file to the Commonwealth Healthcare Corporation for any
5 employees of the former Off-Island Medical Referral Program, and CHCC Human
6 Resources Office shall be the custodian of these official personnel files. Any employees
7 of the former Medical Referral Program who accept the Commonwealth Healthcare
8 Corporation's employment offer shall be classified according to the Commonwealth
9 Healthcare Corporation's Pay Scale.

10 (d) The unexpended balances of appropriations, allocations, allotments, or other
11 funds available for the use of the Off-Island Medical Referral Program on the date of
12 the transfer shall be transferred to the Commonwealth Healthcare Corporation. In the
13 transfer of such funds, an amount may be reserved for the liquidation of obligations
14 incurred prior to the transfer.

15 (e) All rules, regulations, orders, contracts, and agreements relating to the Off-
16 Island Medical Referral Program that were lawfully or in good faith adopted prior to
17 the effective date of this Act shall continue to be effective until revised, amended,
18 repealed, or terminated at the discretion of the Commonwealth Healthcare Corporation.

19 (f) All outstanding obligations, debts, and liabilities of the Off-Island Medical
20 Referral Program on the date of transfer shall remain liabilities of the CNMI Office of
21 the Governor, and shall not transfer to the Commonwealth Healthcare Corporation.

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1 (g) All outstanding promissory notes executed between the Off-Island Medical
2 Referral Program and patients or their personal representatives are receivables of the
3 CNMI government, and shall not be the responsibility of the Commonwealth
4 Healthcare Corporation. Notwithstanding any law to the contrary, the CNMI
5 government shall write off all principal and interest due on all the outstanding
6 promissory notes executed by the Off-Island Island Medical Referral Program and
7 patients on or before the effective date of this Act. The Department of Finance shall
8 issue a notice of the promissory note write off to patients or their personal
9 representatives within 180 days of the effective date of this Act.”

SECTION 4. SEVERABILITY.

11 If any provision of this Act or the application of any such provision to any person or
12 circumstance should be held invalid by a court of competent jurisdiction, the remainder of this
13 Act or the application of its provisions to persons or circumstances other than those to which
14 it is held invalid shall not be affected thereby.

SECTION 5. SAVINGS CLAUSE.


16 This Act and any repealer contained herein shall not be construed as affecting any
17 existing right acquired under contract or acquired under statutes repealed or under any rule,
18 regulation or order adopted under the statutes. Repealers contained in this Act shall not affect
19 any proceeding instituted under or pursuant to prior law. The enactment of this Act shall not
20 have the effect of terminating, or in any way modifying, any liability civil or criminal, which
21 shall already be in existence at the date this Act becomes effective.

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1 **SECTION 6. EFFECTIVE DATE.**

2 This Act shall take effect upon its approval by the Governor or upon its becoming law
3 without such approval.

Attested to by: 
Linda B. Muña, House Clerk

Certified by: 
SPEAKER EDMUND S. VILLAGOMEZ
House of Representatives
22nd Northern Marianas Commonwealth Legislature

Approved this 31st day of January, 2023


ARNOLD I. PALACIOS
Governor
Commonwealth of the Northern Mariana Islands