

STANDING COMMITTEE REPORT NO. 22-66

RE: H&SA/C.R. NO. 22-195

SUBJECT: \$3,850,302 GRANT FROM THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, CENTERS FOR DISEASE CONTROL AND PREVENTION, TO FUND COMPONENT A – STRENGTHENING THE PUBLIC HEALTH INFRASTRUCTURE, WORKFORCE, AND DATA SYSTEMS IN THE FSM

APRIL 6, 2023

The Honorable Wesley W. Simina  
Speaker, Twenty-Second Congress  
Federated States of Micronesia  
Seventh Special Session, 2023

Dear Mr. Speaker:

Your Committee on Health and Social Affairs to which was referred C.R. 22-195, entitled:

“A RESOLUTION TO APPROVE AND ACCEPT A GRANT IN THE AMOUNT OF THE \$3,850,302 FROM THE U.S DEPARTMENT OF HEALTH AND HUMAN SERVICES, CENTERS FOR DISEASE CONTROL AND PREVENTION, TO FUND COMPONENT A – STRENGTHENING THE PUBLIC HEALTH INFRASTRUCTURE, WORKFORCE, AND DATA SYSTEMS IN THE FSM, INCLUDING TERMS AND CONDITIONS OF THE ASSISTANCE.”,

begs leave to report as follows:

The intent and purpose of this resolution are expressed in the title.

C.R. No. 22-195 accepts a \$3.8 Million grant from the U.S. Department of Health and Human Services – Centers for Disease

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Control and Prevention for the purpose of strengthening the country's public health infrastructure, workforce, and data systems. C.R. No. 22-195 grant approves the Strategy A3: Data Modernization component, but keeps Strategy A3 Component unfunded. Component A3 may be funded at a later time under the same grant award at a grant amount of \$186,106.

On March 14, 2023, the Committee on Health and Social Affairs held a committee hearing on C.R. No. 22-195.

SUMMARY OF THE COMMITTEE ON HEALTH AND SOCIAL AFFAIRS MARCH 14, 2023 JOINT HEARING ON C.B. No. 22-72:

H&SA Committee Members present at the March 14, 2023 hearing: Chairman Ferny S. Perman, Vice Speaker Esmond B. Moses, and Senator Joseph J. Urusemal.

Non-H&SA Committee Members present at the March 14, 2023 hearing: Senator Isaac v. Figir.

Witnesses present at the March 14, 2023 hearing to testify: Department of Finance & Administration Assistant Secretary of Budget Sohs John, Department of Health Assistant Secretary Pretrick Moses, Department of Health Network Administrator August Elias, and Yap Director for Public Health and Hospital Emergency Preparedness Program.

Chairman Perman opened the hearing and welcomed congressional members, witnesses and the public to the committee hearing. Chairman confirmed the witnesses received the Committee's questions on the C.R. No. 22-195 in advance of the hearing. Chairman opened the floor to opening statements from the witnesses and proceeded with questions on the \$3.8 million grant.

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Chairman Perman questioned the Department of Health on: 1) the ability of the department to meet its stated goals and outcomes in the grant application with a smaller budget; and 2) the impact on the Component A project when the department requested \$7,357,347 in its grant application, but was only awarded \$3,850,302. Chairman pointed to the grant project stated outcomes: a) hiring a diverse multi-disciplinary team (doctors, nurses, environmental health workers, health promotoras) and personnel for the workforce (majority of the grant covers these new staff salaries); and b) support a modern data information system.<sup>1</sup> Chairman asked how the Department of Health planned to address this budget gap with additional funding from other grants, and opine on what initiatives will not be able to occur since the project can only be completed on a smaller scale.

Chairman Perman further asked the Department of Health to provide details on what areas of the health division and workforce the department plans to hire staff, the number of staff to be hired and the location of new staff.

Assistant Secretary Pretrick testified the Department of Health initial grant application goals and outcomes are impacted by only being awarded \$3.8 million. Assistant Secretary explained the department will have to scale back the project and reduce the number of doctors, nurses and other health staff they intended to hire. The primary change is the focus of the project grant from clinical health to public health.

In regards to specific medical workforce hires, the department will now only hire 4 doctors, when the department intended to hire 15 doctors; hire only 2 nurses, when the department intended to hire 20 nurses; hire only 1 laboratory quality assurance coordinator when the department intended to hire 4.

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<sup>1</sup> Pres. Comm. No. 22-407 at 23-24.

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The department can no longer hire the national epidemiologist, public health services quality manager, emergency medical technicians, nutritionists, behavioral health professionals, environmental scientist and health workers, health educators, anti-microbial resistance specialists, nor infection control specialists.

In addition, the new hired personnel will only be placed at the dispensaries in the outer islands of Yap and Chuuk, namely Satawan – Mortlocks and Woleai. Assistant Secretary explained that Kosrae is in a better position in regards to public health because the state has 3 health community health centers and a state hospital. Assistant Secretary added that the department is currently working with the Pohnpei State Department of Health to provide support under the grant at the Pohnpei dispensary in Wone.

Assistant Secretary Pretrick testified that the new doctor and nurses will be placed at the dispensaries in the states' outer islands, not the FSM Department of Health national office nor the state hospitals. Assistant Secretary explained that the new hired doctors and nurses will be placed at the dispensaries in the rural – hard to reach communities to bring those communities services. Assistant Secretary added that many of the dispensaries are undergoing renovations funded by the Health Disparity Grant.

Senator Figir questioned the Department of Health on how the funding will work for the Woleai health dispensary when the dispensary is already receiving funding under the Health Disparity Grant. Senator Figir explained that the intent of Congress in providing additional funding to the Woleai dispensary is to only fund renovation of the Woleai dispensary and extend the dispensary building to add a waiting space per the conditions placed on the congressional appropriation, no housing quarters.

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Assistant Secretary Pretrick testified the department plans to use some of this Component A grant under C.R. No. 22-195 to fund the salary for the placement of 1 doctor and 1 nurse in Woleai. Assistant Secretary expressed concerns on the issue of accommodations and that is where they are seeking help from Yap state to provide.

Chairman Perman questioned the Department of Health on the national government's potential financial obligations in regard to the department's ability to complete the grant project goals, and need for supplemental funding during and after the 5 year grant period. Chairman noted that the Component A funding grant is supposed to cover the department's salary obligations for the new health workforce hires and personnel support for 5 years.

Assistant Secretary testified the department will find a way to sustain the positions beyond the 5 year grant period. Assistant Secretary stated that part of the purpose for the grant is the need is to sustain these positions in our health workforce. Assistant Secretary stated the department does not intend to seek supplemental funding from Congress at this time, but expressed that the department may seek funding in the future.

Chairman Perman emphasized the need to hire doctors and nurses to actually reside in the outer islands they serve and have their offices in the outer islands, not on the main island. Chairman expressed how this would align with the grant's purpose to increase access to underserved populations in rural and hard to reach areas,<sup>2</sup> and builds trust within the community, rather than doctors having to travel back and forth, wasting valuable time and resources.

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<sup>2</sup> Pres. Comm. No. 22-407 at 11, 13, 30 ("resources should be directed to improving the basic dispensaries that serve as mini satellite clinics in the remote and rural communities, where 40% of the total population resides").

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Chairman Perman further questioned the Department of Health on recruitment efforts, specifically on the field of medical expertise sought for the nurses and doctors hired (specialists versus general practitioners)<sup>3</sup> and the region of recruitment efforts (Asia-Pacific, Americas, Africa, Europe, Middle-East). Chairman asked if each state would be assigned 1 new doctor, since the department will hire 4 doctors in total. Chairman expressed concern that the recruitment efforts for the new positions will effectively take local doctors away from the states due to the higher salary being offered for these positions in comparison to the states.

Assistant Secretary Pretrick testified the department is engaging in open recruitment, there is no specific geographical region of recruitment. Assistant Secretary explained that recruitment efforts are focused on hiring doctors and nurses based on the medical needs in the outer island communities. The focus is to target hiring of medical personnel to reduce the health disparities in the outer islands of Chuuk and Yap, and improve the overall health of the populations and this can mean more than 1 doctor assigned to a state because it all depends upon outcome needs of the populations. The department intends to hire general practitioners. Assistant Secretary acknowledged that the \$60,000 salary will limit the actual recruitment pool. Assistant Secretary also reported that the Office of Personnel has published the notice of recruitment and the department has received applications from Nepal, Afghanistan and the Pacific region.

Chairman Perman asked the Department of Health to provide more detail on how the department plans to modernize the Electronic Health Records System (hereinafter "EHR"), including the implementation timeline, system costs, and alternative data

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<sup>3</sup> The grant application recognizes the need for recruitment efforts in hard-to-fill specialized positions. Pres. Comm No.. 22-407 at 15.

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systems explored.<sup>4</sup> Chairman further questioned whether the expansion of the EHR system to health dispensaries in rural communities included select outer islands based upon distance from the main island or all outer islands.

Network Administrator Elias testified that the cost for the current contractor,<sup>5</sup> whom has been developing the software system since 2017/2018, is \$70,000 to \$100,000 per year depending upon the department's requests for updates and additional components to the system. Administrator reported that the contractor is currently paid through COVID-19 donor funds.

Chairman Perman expressed serious concerns on the EHR taking 5 years to develop with ongoing implementation issues at a cost of \$100,000 a year.

Administrator testified that the current costs will decrease going forward because the system integration is complete, and the department will focus on expanding utilization beyond the state hospitals to all public health programs. Administrator stated that the ongoing basic maintenance costs to the EHR, after complete integration, is approximately \$20,000 per year. Administrator reported that the primary issue in EHR implementation was getting medical staff at the hospitals to actually use the EHR because they were accustomed to keeping hand written records to manage patient information. Administrator stated that most doctors and nurses are now using the system in their daily management, but some state hospitals still struggle with using EHR.

Administrator explained that the core functions of EHR are developed and took some time to develop because in the early stages of the system development, the current contractor was

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<sup>4</sup> Pres. Comm. No. 22-407 at 24-25.

<sup>5</sup> The current contractor is a private company owned by a former data analyst working for the Department of Health.

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only working part-time on system development on top of his regular data analyst duties as a Department of Health employee. Administrator further explained that after the employee left the national government and transitioned to private practice as a contractor for the department, then full-time work on the EHR system began. Administrator stated that the department has submitted multiple requests for enhancements to the system to the contractor which takes time, but there should be no further requests for enhancements because the focus is utilization now.

Senator Urusemal questioned the Department of Health on how the EHR will work with the PMC, or whether the PMC system was phased out. Senator Urusemal expressed concern since \$1 million in funding was spent on developing PMC, maintenance, hardware, and obtaining the technical support necessary for PMC.

Network Administrator testified that PMC and EHR operate separately. PMC is still operating, but PMC only provides network support, no data processing.

Chairman Perman asked the Department of Health to update the Committee on the steps the department has took to meet the U.S. Department of Health's October 31, 2023 deadline to submit the EHR business continuity plan. Chairman sought information on the status of the plan and when the plan would be being ready for review, as well as the department's internal progress timelines set to meet the deadline.

Assistant Secretary Pretrick testified that the Department of Health is waiting on the grant money to begin work and development of the EHR business continuity plan.

Chairman Perman raised concern on lack of progress on the EHR business continuity plan by the department because the department reported they were notified of the grant award with the terms and conditions on November 29, 2022. Review of the



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grant award project requirements, and terms and conditions, indicates that Component A1 (workforce) and Component A2 (foundational capabilities), are the only funded components under the current grant award. The grant award can only be used to fund the hiring of personnel and support staff to strengthen the health workforce.<sup>6</sup> In addition, per the grant project plan and conditions, Component A3: Data Modernization (\$186,106) is unfunded, and will not be awarded unless the U.S. Department of Health approves the FSM Department of Health's EHR business continuity plan. The Component A1 and A2 funding cannot be used for data modernization. Chairman strongly urged the department to begin work on developing the EHR business continuity plan because the deadline for submission is in 7 months.

Chairman Perman questioned the Department of Health on the grant covering "in-kind" pay contributions to national government employee positions, including the Secretary of Health, Assistant Secretary of Health (PSS) etc).<sup>7</sup> Chairman raised serious concerns on the legality of these "in-kind" contributions, particularly for PSS employees and cabinet level positions, where the national government already pays the salary for these positions are set. Chairman expressed that "in-kind" contributions effectively allow national government employees to receive work compensation on top of their salary in violation of the law, and compensate employees for administrative tasks that are part of their duties as Department of Health employees.

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<sup>6</sup> PRES. Comm. No. 22-407 at 8.

<sup>7</sup> PRES. Comm. No. 22-407 (FSM Component A Budget Narrative – Salaries and Wages Annual (A1. Workforce) Chart submitted to Congress on January 16, 2023 reports the Principal Investigator of the Project (Secretary of Health) will receive \$6,500 in-kind for 10% of work time; Program Director of Project (Assistant Secretary of Health) will receive \$2,400 for 10% of work time. The Department of Health submitted a revised budget narrative March 14, 2023 hearing, where the salary and wage request for Secretary of Health and Assistant Secretary of Health under the grant was removed.

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Assistant Secretary testified the “in-kind” contributions are to compensate the staff for the additional workload and for work outside of their position duties in support of the grant project. Assistant Secretary stated “in-kind” contributions are standard under grant projects, and reflect the estimate of time the employees are obligated to contribute to the specific grant project. Assistant Secretary added that with the reduced grant award, the department also cut the “in-kind” contributions to the Secretary of Health and Assistant Secretary of Health positions. Assistant Secretary testified that no PSS employees will receive “in-kind” contributions under the grant.<sup>8</sup>

Assistant Secretary Soh testified that there are clear restrictions on PSS employees earning additional salary from grants on top of salary paid by the national government, but there are positions outside of the PSS that do permit additional income on top of the national government paid salary, including ungraded positions. Assistant Secretary explained that he would have to look at the employee positions and salary chart under the grant more closely to ascertain what is permissible and what is not.

Chairman Perman asked the Department of Health to report on the department’s efforts and actions taken over the past 10 years to support its goal of FSM public health agencies obtaining accreditation with the Public Health Accreditation Board in the U.S. Chairman directed the department’s attention to their grant application statement that the department has been planning for accreditation for 10 years.<sup>9</sup>

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<sup>8</sup> Department of Health reported two staff exceptions: Chief Operating Officer and Network Administrator positions, currently filled by special service contract employees – ungraded positions.

<sup>9</sup> Pres. Comm. No. 22-407 at 19.

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Assistant Secretary testified that one of the main components of the grant is to support accreditation under Component A2 – by improving foundational functions and capabilities. Assistant Secretary explained that some of the grant money under C.R. No. 22-195 will be used to support the department's accreditation efforts.

Chairman Perman opened the floor to closing statements from congressional members and witnesses, then adjourned the committee hearing.

Your Committee recommends the adoption of C.R. No. 22-195 with the following technical changes:

1. Page 1, line 3, delete "November 29, 2022" and insert "February 23, 2023";
2. Page 1, line 6, delete "date" and insert "data"; and
3. Page 1, line 16, delete "Sixth Regular" and insert "Seventh Special" in lieu thereof.

CONCLUSION

The Committee on Health and Social Affairs has reviewed C.R. No. 22-195 with the accompany Presidential Communication No. 22-407 and Departmental Communication No. 22-72, and considered all testimony from the March 14, 2023 Hearing. Your Committee on Health and Social Affairs is in accord with the intent and purpose of C.R. 22-195 and recommends its adoption with the technical changes.

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Respectfully submitted,

/s/ Ferny S. Perman  
Ferny S. Perman, chairman

/s/ Tiwiter Aritos  
Tiwiter Aritos, vice chairman

/s/ Esmond B. Moses  
Esmond B. Moses member

Florencio Harper, member

/s/ Joseph J. Urusemal  
Joseph J. Urusemal member

/s/ Perpetua S. Konman  
Perpetua S. Konman, member

/s/ Rolinson B. Neth  
Rolinson B. Neth, member