



Hi-Desert Memorial Health Care District dba
Morongo Basin Healthcare District
BOARD OF DIRECTORS REGULAR MEETING MINUTES

June 9, 2016 at 5:30 p.m.

Convened at the District Offices

6530 La Contenta Road, Suite 100, Yucca Valley CA 92284

760.820.9229

- **Mission Statement:** *To improve the health and wellness of the communities we serve.*
- **Vision:** *A healthy Morongo Basin.*
- **Core Values:** *Commitment, Collaboration, Accountability, Dignity, Integrity.*

Board of Directors:

- Director Sullivan, President
- Director Doyle, Vice President
- Director Cooper, Secretary
- Director Hoffman, Treasurer
- Director Avels

Administrative Staff:

- Jackie Combs, CEO
- Karen Graley, Board Clerk
- Patricia White, Controller
- Joe Ruddon, Director Business Operations
- Nora Maughan, Hi-Desert Family Health Clinics, Executive Director (HDFHC)

Media:

- None present

Guests:

- Karen Faulis, CEO, Hi-Desert Medical Center
- Dianne Greenhouse
- Penelope Wright

CALL TO ORDER

Director Sullivan called the meeting to order at 5:32 p.m.

ROLL CALL

Karen Graley, Board Clerk, conducted roll call:

- Director Sullivan: present
- Director Doyle: present
- Director Cooper: present
- Director Hoffman: present
- Director Avels: present

OBSERVANCES

Director Avels read the mission, vision and core value statements.

Director Hoffman lead the assembly in the pledge to the American flag.

PUBLIC COMMENTS

Director Sullivan read the public comment instructions.

Penelope Wright addressed the Board of Directors regarding a recent experience at Hi-Desert Medical Center (HDMC), stating she had filed a claim of theft after an emergency room visit. The claim was denied by HDMC; Ms. Wright expressed her dissatisfaction about the way the

investigation and communication was handled. Additionally, she believes the denial of the claim maligns her reputation. She has no further recourse for addressing her grievance with HDMC. Director Sullivan stated that the Board of Directors would review the material she provided and respond to her as soon as possible.

APPROVAL OF MEETING AGENDA

Motion 16-31: Director Hoffman motioned to approve the meeting agenda as presented; motion was seconded by Director Avels; motion passed by unanimous vote.

APPROVAL OF CONSENT AGENDA

The Consent Agenda presented the following items for approval:

- Minutes: Regular Meeting of the Board of Directors, May 26, 2016

Motion 16-32: Director Doyle motioned to approve the consent agenda as presented; motion seconded by Director Avels; motion passed by unanimous vote.

PRESENTATION

Ms. Karen Faulis, CEO of Hi-Desert Medical Center (HDMC) addressed the Board of Directors with greetings and thanked them for the invitation to speak. She presented an overview of the capital commitment as defined by the Purchase Agreement (\$32 million by July, 2018).

- The agreement required that medical center employees be retained for a minimum of six months with no downward pay adjustments for 12 months; Tenet was compliant with the timeline.
- **PHYSICIAN RECRUITMENT: (\$5 million commitment)**
 - ♦ Ms. Faulis stated that HDMC is in the process of exploring the family practice residency program with Western University; the program is anticipated to launch in 2018.
 - ♦ Regarding physician recruitment:
 - General Surgeon, Dr. Spektor, and are pursuing additional surgeons;
 - Gastroenterologist, Dr. Ajumobi;
 - Urologist, Dr. Alexander sees patients in Dr. Seip's office;
 - Cardiologist, Dr. Zadeii will be working out of the FCCP building in Yucca Valley.
 - ♦ Expanded hospital service lines:
 - Total joint replacement program: lead physician is Dr. Seip;
 - Women's health program which includes the upgrade of MRI and CT equipment;
 - Medical cardiology program will operate out of the FCCP building; they have an expanded cardiology program (no cath lab).
- **Capital Commitment: (\$17 million)**
 - ♦ Staff has been working to identify infrastructure needs and have submitted a substantial list that will be prioritized based on regulatory requirements and safety concerns. As an example, \$5 million will be required for the CMS mandated conversion of all radiology equipment to digital format by 2018.
 - ♦ The road improvement project of \$1.8 million must be initiated with the County by August, 2016;
 - ♦ \$1.5 million was already spent in 2015-2016:
 - New ventilators in the hospital and at the Continuing Care Center;
 - The infant security system was installed;
 - The hospital received new mattresses throughout.

- After assessing the status of the projects, HDMC may propose adjustments to the three-year plan; CFO Scott Wartelle is preparing a proposal for review.

Director Doyle inquired about the clinic Ms. Faulis mentioned related to Urologist, Dr. Alexander. Ms. Faulis clarified that the clinic is run by the Foundation; HDMC is currently working on an affiliation agreement to market the programs more effectively.

Director Hoffman asked where the newly recruited physicians would find office space; Ms. Faulis stated that Dr. Alexander uses Dr. Seip's office and Drs. Spektor and Zadeii use the FCCP building in Yucca Valley.

EDUCATION

Ms. Combs presented an overview of the Hospital Purchase Agreement, specifically the Recitals and Article 1. This was the first presentation in the series.

REPORTS

HI-DESERT FAMILY HEALTH CLINICS, Nora Maughan, executive director

Ms. Maughan referred the Directors to Tab 2 in the agenda packet and highlighted the following:

- The three remaining conditions on the HRSA grant have been removed and the clinics are in compliance.
- Change of Scope for three service have been submitted
 - ♦ Wound Care has been approved but there is some discussion on the payment mechanism.
 - ♦ Pain Management and Ophthalmology have been submitted and we are waiting to hear. There is no projected timeframe to hear from HRSA.
- October 8, 2016, has been targeted as the date of the health resource fair at Lucky Park in Twentynine Palms at the Rotary Shelter. At this time, there are no conflicting community events on any of the calendars. We're hoping to provide flu shots to the public in addition to the past opportunities.
- Medi-Cal has accepted our pay rate application and the clinics can now bill for Medi-Cal visits.

MORONGO BASIN HEALTHCARE DISTRICT UPDATE, Jackie Combs, CEO

Ms. Combs referred the Directors to Tab 3 in the agenda packet and provided the following additional information:

- The District has received notification from LAFCO that Kimberly Cox, the individual we had voted for, has been seated.
- Staff met to brainstorm tactics for the strategic plan.
- June 7, Dean Moore, Joe Ruddon and Jackie Combs attended the HARC conference; our primary focus was to hear what's happening for health and wellness in the lower valley. Our secondary purpose was to network. We met the "Get Tested" team for Coachella Valley and connected with the President of Desert AIDS Project and scheduled a meeting with him for the end of June. Part of their program is that the emergency room staff and medical providers test patients with an oral test screen. If diagnosis is confirmed, then a referral is made for treatment. Sexual health and access to HIV testing is part of our strategic plan; this may provide an opportunity for a "quick start" for that goal.

- Dean Moore discovered that equipment signage/instructions on the exercise trail at Luckie Park, Twentynine Palms, has been compromised. He will propose alternate solutions to the City with the support of the District. This project aligns with objectives in our Strategic Plan.
- PK White spoke with the auditor. The annual audit may be delayed until September because of the detailed work that has to be completed for a clean audit. Director Hoffman inquired about requirements for posting the audit to government agencies; Ms. Combs stated that the auditor submits the final audit to a site where federal and state agencies can access the document. Ms. Combs reviewed the scope of the pre-audit work, stating that the revenues and expenses are in good shape for audit, but the auditor's help is needed to remove assets that are hospital related and are no longer required; the general ledger is very large; the switch to the new accounting system is a factor; reconciliation for the balance sheet requires a line by line audit; and there are depreciation issues related to the improvements that Tenet is implementing. We will close the fiscal year on June 30, but the audited financials will require considerable time, therefore, staff is projecting a delay of the yearend financial report to September.

ACTION ITEM

Ms. Combs directed the attention of the board to the 2017 Budget located under Tab 4 and gave a brief overview of the budget, including assumptions.

Motion 16-33: Director Doyle motioned to approve the 2017 Budget as presented; motion was seconded by Director Avels; discussion followed.

Director Hoffman asked for clarification of the HRSA required zero budget on the clinic budget. Ms. Combs invited Ms. Maughan to explain. The zero balance is not required by HRSA but it is expected, or at most, slight profit. HRSA wants to make sure that grant monies are spent. Unspent grant monies could result in reduced grant amounts in the future. Grant monies are restricted to salaries. Program income can be specified for non-income generating items such as patient education.

Director Sullivan asked why the assumption of 25% reduction in charges; it is a discount from revenue.

Director Hoffman requested Staff report back to the board as to how the assumptions are working. Ms. Combs stated Staff could present a line by line report.

Director Hoffman asked about salaries and wages increasing by 18% on the consolidated budget. Ms. Combs explained the increase is related to the clinic Budget and directing grant monies to salaries in order to comply with the zero budget mandate; Ms. Maughan explained that not all positions had been filled. Director Hoffman explained his concern that the public might ask questions about the increase. Ms. Combs proposed to write additional comments for the Directors' resource.

The motion was revisited and amended by Director Doyle and seconded by Director Avels to approve the budget with the addition of explanatory notes to be added; The motion passed by unanimous vote.



Director Avels thanked Ms. Combs for meeting with her to review the budget since Director Avels wasn't able to attend the workshop.

CALENDAR REVIEW AND COORDINATION

The calendars for the Board of Directors was reviewed and coordinated:

- Special meeting: Foundation Organization, Thursday, June 16 at 5:00 p.m.
- Regular meeting of the Board of Directors, Thursday, June 23 at 5:30 p.m.
- November meetings are in conflict with Thanksgiving holiday; there was general consensus to consolidate November's meeting to one meeting on November 17.
- General consensus to move December meetings to December 1 and December 15 and cancel Foundation meeting.

Director Hoffman requested that a list of Community Health Center committee meetings be provided to the board.

FUTURE AGENDA ITEMS

- Budget narrative
- Purchase agreement education

DIRECTOR COMMENTS

- Director Cooper: stated she appreciates hearing the detailed staff reports.
- Director Avels: thanked staff for providing the board with secured email accounts; the instructions made it easy to access the new account.
- Director Hoffman: made no comment.
- Director Doyle: thanked Jackie Combs for scheduling Karen Faulis to speak to the board; she thanked the community members for attending the meeting.
- Director Sullivan: thanked staff for their continuing good work. He was pleased that the budget has been approved for the next fiscal year, and was happy to coordinate meetings for the upcoming holidays.

OPEN SESSION ADJOURNED

Director Sullivan adjourned the open session at 7:25 p.m.

CONVENE TO CLOSED SESSION

The Board of Directors convened at 7:27 p.m. to Closed Session pursuant to:

- Government Code section 32106 of the Health and Safety Code: Report involving Trade Secret. Estimated date of public disclosure is projected to August, 2016.



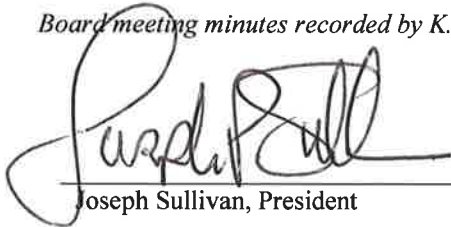
RECONVENE TO OPEN SESSION

The Board of Directors reconvened to Open Session at 8:19 p.m. Director Sullivan directed Staff to convene another special board meeting with close session to continue discussions.

MEETING ADJOURNMENT

Director Sullivan adjourned the meeting at 8:20 p.m.

Board meeting minutes recorded by K. Graley, Board Clerk.



Joseph Sullivan, President



Patricia Cooper, Secretary