



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

October 27, 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
- Jeff Chawenson, Director Finance, CHC

Media:

- None present

Guests:

- Karen Faulis, CEO, HDMC
- Scott Wartelle, CFO, HDMC
- Beverly Fisk, COO/CNO, HDMC
- Bob Armstrong
- Dianne Greenhouse
- Misty Evans
- Sheldon Hough, DDS

CALL TO ORDER

Director Sullivan called the meeting to order at 5:35 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 the mission, vision and core value statements.

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

PUBLIC COMMENTS

Director Sullivan read the Public Comments information as presented in the Agenda. Two community members completed a form to address the board.

- Sheldon Hough, DDS: presented a letter and documents.
- Dianne Greenhouse: “ I just wanted to thank the entire board for everything you do for the community. As a candidate for the open seat on the board, I appreciate what you do.”



APPROVAL OF MEETING AGENDA

Motion 16-54: Director Hoffman motioned to approve the meeting agenda as presented; Director Doyle seconded motion; motion passed by unanimous vote.

PRESENTATION

Hi-Desert Medical Center Capital Equipment and Expenditures, *Karen Faulis, CEO and Scott Wartelle, CFO*

Ms. Faulis greeted the assembly and began the presentation by announcing the current status of physician:

- General Surgeon Dr. Finn will visit HDMC November 17;
- Ophthalmologist Dr. Tokuhara and Retina Specialist Dr. Suthar will also visit November; they are interested in seeing Hi-Desert Family Health Clinic patients;
- Cardiologist Dr. Zadeii is employed through FCPP, the medical staff foundation, and is also interested in seeing clinic patients.

Other new programs include:

- The Total Joint Replacement Program starts November 1;
- Medical Cardiology program, coming in 2017 will accommodate stress testing in the hospital for low acuity cardiac patients;
- ED InQuicker and FastPass programs are targeted for 2017. These programs provide for appointments to see emergency room physicians. FastPass is designed for doctor offices where the patient goes to “head of the line.”
- Telestroke program: neurologists are difficult to find; HDMC is working with Desert Regional to implement this program for telestroke assessment.
- Outpatient testing at HDMC was relocated to the hospital’s main lobby and was implemented October 25. It has been a very successful venture; outpatients are enthusiastic about the new venue. More improvements are scheduled, i.e. new furniture and the art gallery changes out in November.

Mr. Wartelle took the podium and spoke about the capital commitment portion of the report. The Agreement calls for a total of \$32 million in capital expenditures by July 2017. He stated that they estimate that the projects listed in the agreement require closer to \$40 million. A handout listing the projects was presented to the board.

- Initially, they invested \$360,298 in 2015 for building repairs.
- 2016 YTD includes \$2.6 million paid out with another \$2.5 million is in the queue with a contingency of \$836,729 totaling \$6 million for capital improvement at close of 2016.
- Capital improvements and physician recruitment expenditures are forecasted as \$8.5 million in 2017; and \$10.5 million in 2018.
- He stated that staff is working on a plan to deploy the remaining funds, including asphalt for hospital and CCC parking lots (estimate \$600,000).

Mr. Wartelle requested permission to deviate from the agreement’s timeframe. The handout reflects yellow highlights to reflect projects completed or in process. Original estimates were low in some cases and greater for others. Mr. Wartelle reviewed some of the projects:

- Ventilators were replaced at the hospital and CCC;



- Radiation/fluoroscopy was moved forward to 2016 because the existing unit failed;
- Roofing for both the hospital and CCC: he proposed to delay roof replacement to 2019 as appropriate repairs could extend the life of the existing roof for another 5-8 years.
- HVAC in the operating room is targeted for 2016/2017 because of humidity control causing surgery delays.
- Patient room renovation is currently in process rather than a full scale renovation project; it is being expensed rather than allocating it as a capital expense;
- The transition of the main lobby to accommodate outpatient registration was accomplished without major construction; those unused monies are being redirected to patient care areas.

Mr. Wartelle requested that the Board of Directors consider granting them deferral on the paving of Mojave Road. Estimated cost is \$2 million but only \$600,000 was budgeted. That \$600,000 is being redirected to pave the hospital and CCC parking lots as mentioned earlier. The road project will be funded by the home office's capital bucket at a later date.

He stated for 2017-2019 they have asked for \$8.5 million to meet priorities but may shift priorities based on patient care equipment needs.

Mr. Wartelle proposed to meet with the District board twice a year to update the status of the capital list, noting that the Agreement does require a written approval of what is reported.

Director Doyle asked Mr. Wartelle for a narrative delineating the changes made to the Agreement's list that the District board could review before agreeing to the proposal. A comparison of what was and what is proposed would be helpful.

Director Sullivan expressed concern for seismic improvements. Mr. Wartelle did not have with him the information about seismic upgrades but offered to forward it.

Director Hoffman asked if there was a timeframe on the requested approval of the capital substitutes. Ms. Combs proposed that HDMC present the document in two weeks at the next regular business meeting; Mr. Wartelle noted that it might be delayed to the December meeting.

Director Doyle confirmed that even though some of the items are deferred beyond 2017, the Agreement timeframe, that HDMC is committed to completing the deferred projects. Mr. Wartelle assured the board that they are committed to completing the Agreement list.

Director Hoffman spoke to the medical center's history of shortage in parking on site and encouraged HDMC to find solutions for additional parking. For patient safety, additional lighting and increased security measures are being implemented.

Director Sullivan asked if there was a risk assessment made regarding upgrades because of the seismic faults north of the hospital, within two miles of the site. Mr. Wartelle promised to provide as much detail as possible.

Karen Faulis introduced Beverly Fick, HDMC Chief Operations and Chief Nursing Officer.

APPROVAL OF CONSENT AGENDA

The Consent Agenda presented the following items for approval:

- Minutes: Regular Meeting of the Board of Directors, October 13, 2016
- Policy RI-102: Patient Rights (*revised*)

Discussion about the Patient Rights policy. Mr. Ruddon shared that he did extensive research and adapted the existing text from hospital to clinic setting. There was some confusion around the redline



and final product but after discussion it was evident that what was desired was incorporated into the final product.

Motion 16-55: Director Avels motioned to approve the consent agenda as presented; motion seconded by Director Doyle; the motion passed by unanimous vote.

REPORTS

FINANCIAL REPORT for August & September 2016, *Patricia White, Controller*

Ms. White referred the Directors to the Agenda packet.

Page 1 provides a summary of all the District departments for August, giving a big financial picture. Overall, revenues are slightly higher than budgeted; expenses are lower than budgeted. Page 2 presents the same summary for September and is better news than August, the difference is in clinic revenue. Director Hoffman inquired if it was about physician fees, Ms. White stated the overage was due to the District covering the pain management program for two months.

Page 3: District activity for August and September. September's bump is due to the receipt of the DSH payment. Page 4 provides more detail. The variances are mostly timing issues fluctuating between months.

Page 5: The District is tracking public relations between departments. August includes employee recognition, the District Download event and building up to the October Health Fair.

Pages 6-8: show fluctuations between months. This report will become more meaningful as hospital activity falls off.

Page 9 - Transportation: we are meeting the requirements of the grants; reimbursement requests for \$700,000 have been submitted. The budgeted amount of revenue is offset by the expense, based on draw-down of grant monies always making bottom line 0. Page 10 gives the monthly comparison.

Page 11: CHC requested breakout by site. Jeff Chawenson, new financial director, presented the clinic report. He spent time reformatting the report; it was a good exercise and he said he learned a great deal about the financial data. He is looking forward to getting through the District audit and then working on the balance sheet. He projected that there's a strong balance sheet under the data.

Mr. Chawenson noted that we have averaged 600-700 transactions a year and are currently seeing 300,000 transactions to fix the historical problems. His solution was to consolidate the data in Microsoft Access software to provide custom reports. HRSA recommends a 7-8 month financial reserve to continue operations should funding fail and we are well ahead of that minimal estimate.

August had a lot of contractual hits which are beyond our control. We're rebuilding a billing department which should even out the fluctuations.

Director Doyle noted that we have a heavy electrical bill for the clinics. Ms. Combs reminded the Directors that we had discussed installing solar but that is deferred until we discuss the capital budget. Ms. Combs recommended that as we go forward we should look at all the utilities.

Ms. White stated that mid-November is when the auditors are on site. They will develop their audit report as soon as possible, but since it is significantly different because of the lease transition, they are hoping to have a draft report by the end of the year and make their presentation to the Board in January.

INVESTMENTS:

Page 36 Investments: Ms. Combs moved \$1 million from bank to money market, which will be reflected in the October investments.

Director Hoffman asked about investing the clinic net monies. Ms. Combs said it was possible.

Ms. Combs reported she now has the capability to do the HRSA grant draw down and will catch up the delayed draws.

MORONGO BASIN HEALTHCARE DISTRICT UPDATE, Jackie Combs, CEO

Ms. Combs gave a verbal report to the Board of Directors:

- Joe Ruddon and Ms. Combs will meet with the Town of Yucca Valley to discuss the spring health fair and request their co-sponsorship as was done with the City of Twentynine Palms.
- HDMC: Ms. Combs met with Karen Faulis, CEO at HDMC, regarding mutual opportunities. The two newly recruited ophthalmologists are interested in working in the clinics as well as performing surgery at Airway and the hospital. They spoke about the hospitalist program and how that physician will refer to the clinics those patients without primary physicians. Staff is preparing a marketing piece to present to the discharge planners and the hospitalist. Ms. Combs also asked to speak to the Emergency department's physician group to provide minor follow up and to market/place rack cards in ER lobby. She also asked to open a clinic on the medical center site so patients can walk across the parking lot for assistance. Ms. Faulis is very excited to work with the clinics. The clinics can now refer surgical patients to the hospital through Dr. Nalam. She will also introduce the newly recruited surgeon surgeon to the clinics. Ms. Faulis wants to sell the van to MBHD; it is in process. Ms. Combs asked her to begin the legal process for MBHD to transport CCC patients to the ER and doctor appointments.
- Transportation: Mr. Ruddon received an award of \$10,000 from MBTA towards the purchase of another van.
- Wound Program: Yucca Valley clinic started seeing wound patients on Wednesday; Dr. Frascetti is seeing patients every Thursday at Twentynine Palms clinic.
- ACHD Conferences: Ms. Combs advised that there was budget for attendance at the leadership and legislative conferences.
- Ms. Combs expects to have the requested HR report at the next meeting; and she will report on the community health assessment project.

CALENDAR REVIEW AND COORDINATION

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

- Move December 22 to December 20 (financial report and swearing in ceremony)

FUTURE AGENDA ITEMS

- HR report
- Clinic co-application agreement
- Would like to agendize at next meeting that Tenet reports be presented in written and verbal reports.



DIRECTOR COMMENTS

There were no comments from the Directors.

MEETING ADJOURNED

Director Sullivan adjourned the meeting at 7:15 p.m.

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



Joseph Sullivan, President



Patricia Cooper, Secretary