



Hi-Desert Memorial Health Care District dba
Morongo Basin Healthcare District
BOARD OF DIRECTORS REGULAR MEETING MINUTES
February 23, 2017 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 Doyle, President
- Director Armstrong, Vice President
- Director Sullivan, Secretary
- Director Hoffman, Treasurer
- Director Markle-Greenhouse

Administrative Staff:

- Jackie Combs, CEO
- Karen Graley, Board Clerk
- P.K. White, Controller
- Joe Ruddon, Director Business Development
- Cindy Schmall, Director Operations

Guests:

- Ron Stewart, Operation Consultant, clinics

CALL TO ORDER

Director Doyle called the meeting to order at 5:30 p.m.

ROLL CALL

Karen Graley, Board Clerk, conducted roll call:

- Director Doyle: present
- Director Armstrong: present
- Director Hoffman: present
- Director Sullivan: present
- Director Greenhouse: present

OBSERVANCES

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

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

APPROVAL OF MEETING AGENDA

Motion 17-16: Director Sullivan motioned to approve the meeting agenda as presented; motion was seconded by Director Armstrong; 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, February 9, 2017
- Policy: HR-249 Absence and Tardiness (*revised*)
- Policy: RI-106 Confidentiality Agreement (*revised*)
- Policy: IM-222 Electronic Protected Health Information (*revised*)



Motion 17-17: Director Hoffman motioned to approve the consent agenda as presented with changes to HR-249 as noted; motion seconded by Director Sullivan; motion passed by unanimous vote.

Director Armstrong requested clarification on policy HR-249, Absence and Tardiness, asking about the District policy for employees who do not showing up to work. Ms. Combs stated that when the employee creates a pattern of not showing up they are coached and terminated after three no-shows. Director Armstrong proposed that the policy state an employee may be terminated for the first “no show.” Discussion followed about the proposed change; staff suggested leaving the current language as is but adding the phrase “up to and including termination” which would provide the needed flexibility in determining the appropriate discipline. The board concurred with the suggestion.

REPORTS

MORONGO BASIN HEALTHCARE DISTRICT UPDATE, Jackie Combs, CEO

Ms. Combs referred the Directors to the handout distributed at the beginning of the meeting and gave the following additional information:

- UDS Report: Ms. Combs stated that it took about 25 hours to complete the annual report because of software issues that required significant cross checking of data to report accurate data to HRSA.
- Hospital to Home Program: the program is now receiving patient referrals.
- Clinic Name Change: We are targeting replacement of external signage on March 15. We’re also publishing new employee name badges which will be distributed at the upcoming quarterly employee forum; email addresses are now uniform as MBHDistrict.org.
- Regional Convenings to Discuss Health Care: Ms. Combs invited the board members to attend the conference at the Helen Gray Education building at Hi-Desert Medical Center.
- Schedule for Budget Timeline: planning a board budget-workshop for mid-May to ask questions and clarification of staff’s recommendations for next year’s budget. We will present an operational and a capital budget for review and approval.
- CalTrans Transportation Grant: The grant has received its first review and will be submitted on March 1. The current grant was a two-year grant but the monies were distributed in the first year; there are no additional grant funds to operate the LIFT Transportation Services program. Ms. Combs spoke to the significance of funding the operation because of its importance to the patients who use the service. The board instructed staff to include \$150,000 for the program’s operation in the District’s new budget.

DRAFT FINANCIAL REPORT – JANUARY 2017, Patricia White, Controller

Ms. White stated that Tom Dingus, CPA, is scheduled to present at the March 9 board meeting. She told the board that there is time to request changes and inquiries before the audit is finalized. Ms. White reviewed the draft audit document with the board members and answered questions and gave clarification.

- Balance Sheet: Director Hoffman asked the auditors to note corresponding data with notating tabs.



- Loss on Sale: Director Hoffman asked for details of that line item; Ms. White will inquire of Tom Dingus. Director Doyle took issue with the assigned phrase and asked for clarification so that it does not give the impression that the transaction/lease of the hospital was less than fair market value. Ms. Combs noted that the sale of goods (supplies on hand) at the transaction time was over stated and this line item may reflect things like that. The board requested that an explanation of the line item be included in the notes.
- Tax Revenue: Director Hoffman noted that tax revenue received from property taxes is supposed to be applied to long-term debt. This audited report shows that the tax revenue has been properly applied.
- Reconciliation of 2017: Ms. White noted that with the conclusion of the audit, she will turn her attention to processing the next fiscal year starting at July 1, 2016. Discussion regarding the process of reconciliation for 2017 financials and if additional resources were required to catch up the current year. The board expressed that bringing the data up to date was a priority. Director Doyle praised Ms. White on successfully navigating the difficulties associated with closing out the hospital books and sorting through the related issues that presented.
- Cash Flow: Director Hoffman noted that there is a decrease in the bottom line (34%) because of diminishing revenue flow as old debt from the hospital is being collected.
- Material Weakness: Previous audits (2014-15) showed material weaknesses in the federal award grant; those areas have been corrected and noted as resolved in this 2016 audit. However, there was a material weakness in this audit because of adjustments related to the sale of the hospital that we were unable to provide adequate documentation for. Director Doyle asked if changes have been put in place to avoid another material weakness in future audits; Ms. White stated that she can't confirm until the reconciliations for fiscal year 2017 are completed; therein is the purpose for requesting additional resources to bring the year current.

FINANCIAL REPORTS – January 2017

DISTRICT:

Revenue: shows the revenue as static;

Expenses:

- an extraordinary expense is the auditing fee which included the auditor's help in completing a state report.
- Contract Services: reflected the Community Needs Assessment of \$80,000 allocated over the six-month term of the contract.
- Closed Years Hospital Expenses: includes a payment of \$40,000 to Medi-Cal (a series of billings were sent to Medi-Cal without considering a third party payor, this is repayment of recovered expenses), \$191,000 was repayment to Medi-Cal for the 2014 audit.

TRANSPORTATION: loss of grant revenue is effective January, 2017. Patient Transportation expense was the purchase of bus passes in case we were unable to transport patient , i.e. the van breaks down along the road, the bus can rescue the patients and get them to their destination.

CLINICS:

Contractual Allowances: billing issues are related to the software problem discussed earlier.

Medicare and Medi-Cal are diverse in their requirements but the software cannot accommodate the



disparity between the two payors, resulting in rejected invoicing. Staff is pursuing a solution of contracting out the Medicare billing and using the existing software to bill the Medi-Cal services.

Director Hoffman concurred with Director Armstrong that the reports show a significant disparity between actual and budgeted revenue. Discussion about the priorities and resolution of the billing problems.

There was discussion about making the mid-year adjustment so budget reflects a current perspective. The board concurred that the hired consultant will resolve the Medicare factor and staff can make a mid-year adjustment to the budget.

UNIFIED DATA SET (UDS) QUESTIONS, Jackie Combs, CEO

Ms. Combs presented the UDS quality indicators for board reference.

DISCUSSION

Formal Acceptance of Financial Reports by the Board:

Director Hoffman presented that formal acceptance of the monthly financial reports indicates that board members have read and accepted them. The reports are subject to audit review. General consensus by the board to formally accept the monthly financial reports. Ms. Combs recommended that at the end of the report the President would call for a motion to accept the report.

There was no objection to accepting the financial report presented tonight. Future agendas will require a formal motion.

CALENDAR REVIEW AND COORDINATION

The calendars for the Board of Directors were reviewed and coordinated.

- The April 13 business meeting was moved to Tuesday, April 11.

AGENDA

- HR Report
- Auditor's presentation
- Update on clinic billing solution
- HDMC capital equipment – second meeting in March

DIRECTOR COMMENTS

- Director Greenhouse: Thanked staff for the information presented.
- Director Sullivan: “Good meeting.”
- Director Hoffman: No comment
- Director Armstrong: No comment
- Director Doyle: “Thank you”

MEETING TRANSITION

The public / open meeting adjourned at 8:09 p.m.

The closed session was convened at 8:15 p.m.

- Pursuant to Government Code section 32106 of the Health and Safety Code: Report involving Trade Secret. Estimated date of public disclosure is projected to May, 2017.



MEETING RECONVENED TO OPEN SESSION at 9:07 to receive Closed Session report. Director Doyle reported that staff were directed to bring any further information back to the Board of Directors in closed session if needed, prior to board approval in open session.


MEETING ADJOURNMENT

Director Doyle adjourned the meeting at 9:10 p.m.

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



Marge Doyle, President



Joseph Sullivan, Secretary