



Hi-Desert Memorial Health Care District dba  
**Morongo Basin Healthcare District**  
**BOARD OF DIRECTORS REGULAR MEETING MINUTES**  
**July 13, 2017 at 5:30 p.m.**

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 Markel-Greenhouse

Administrative Staff:

- Jackie Combs, CEO
- Joe Ruddon, Director Business Development
- Cindy Schmall, Director Operations
- P.K. White, Controller
- Ron Stewart, Executive Director, MBCHC

Guests:

- Kurt Schauppner, Desert Trail
- Amanda Burrows, employee

**CALL TO ORDER**

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

**ROLL CALL**

Joe Ruddon, Board Clerk, conducted roll call:

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

**OBSERVANCES**

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

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

**PUBLIC COMMENT**

No public comment.

**APPROVAL OF MEETING AGENDA**

**Motion 17-52:** Director Sullivan motioned to approve the meeting agenda as presented; motion seconded by Director Greenhouse; 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, June 22, 2017
- Minutes: Special Meeting of the Board of Directors, June 21, 2017
- Minutes: Special Meeting of the Board of Directors, June 28, 2017

**Motion 17-53:** Director Hoffman motioned to approve the consent agenda as presented; motion seconded by Director Greenhouse; motion passed by unanimous vote.

## **PRESENTATION**

### WOW EMPLOYEE RECOGNITION PROGRAM

*Cindy Schmall, Director of Operations*

Ms. Schmall presented Amanda Burrows for the WOW award and reviewed her nomination. Director Doyle presented Ms. Burrows with a certificate of recognition and praised Ms. Burrows for her outstanding commitment to the welfare of our patients.



## **ACTION ITEMS**

### 2018 APPROVAL OF CAPITAL BUDGET – P.K. White, Controller

P.K. White presented the capital budget in a PowerPoint presentation. Reviewed first was the budget portion approved by the health center's governing board which covers capital expenses for the clinics. Ms. White noted that the expenses presented did not include prevailing wages and should that factor exceed 10 percent, the capital item would be returned to the board for approval.

The District capital budget included the clinic administration building (58383 Twentynine Palms Hwy) and parking lot. Discussion about the required sewer project related to the parking lot replacement; the sewer work would be completed before the parking lot repair. It was hypothesized that the sewer project would exceed the 10 percent adjustment ceiling, so the project would then return to the board for additional consideration.

Total 2018 Capital Budget presented was for \$242,500. Director Armstrong expressed concern that the capital budget is not accurate because of all the variables discussed (prevailing wages, parking and sewer project). Further discussion; conclusion was that the capital budget is more of a project budget rather than a solid financial budget and cannot be assessed the same as the operations budget. Director Armstrong requested that the next capital budget be closer to the actual anticipated expenses.

Ms. White recommended approval of the budget with a mid-year evaluation for adjustments.

- **Motion 17-54:** 2018 Capital Budget

Director Hoffman motioned to approve Resolution #17-08 and adopt the Morongo Basin Healthcare District 2018 capital budget, motion second by Director Greenhouse. A roll call vote was taken; motion passed by unanimous vote.

### REAL ESTATE ACQUISITION – Jackie Combs, CEO

CEO, Jackie Combs presented the handout providing details regarding the proposed purchase of 6534 Split Rock, Twentynine Palms, to provide a second clinic space in Twentynine Palms. The property will provide expansion for growth as the current clinic in the City has outgrown its facility. The goal is to provide later hours at this location.

The Kenney Trust gave an estate donation for the purchase, the District will supplement the donation to complete the project. Ms. Combs also presented a Return on Investment projection; it estimates return on investment within thirteen months.

If approved, escrow would open tomorrow with a 60-day escrow.

Director Doyle stated that this acquisition highlights the District's commitment to the City of Twentynine Palms and we are delighted that we are able to do this and still be financially solvent.

Ms. Combs recommended approval of the budget with a mid-year evaluation for adjustments.

▪ **Motion 17-55: Real Estate Acquisition**

Director Sullivan motioned to authorize the Chief Executive Officer or her designee, to sign for and accept assistance in the purchase of the said property, and to execute the purchase and sale agreements required to complete the purchase of this real estate, and to adopt Resolution #17-09; motion seconded by Director Greenhouse. A roll call vote was taken; motion passed by unanimous vote.

*Motion 17-55 for real estate acquisition is the culmination of closed meeting sessions that began with the February 23, 2017 closed session meeting (Reports Involving Trade Secrets).*

## REPORTS

### FINANCE REPORT – P.K. White, Controller

Ms. White presented the financial statements for Morongo Basin Community Health Center (MBCHC) and District consolidated for May, 2017. She explained that these reports were delayed because the MBCHC finance committee did not meet in June to review the reports; the reports were presented to the governing board for review at their June meeting.

Clinic revenue was above budget due to increased patient volume. Significant expenses included physician fees and contracted labor because of the increased patient volume. YTD is \$1 million before adjusting for District overhead expenses (\$670,000); making the actual YTD total \$369,000.

The billing process is improving and impacting the bottom line through contractual adjustments. Director Armstrong requested contractual adjustments be reflected in red on the report.

District consolidated data shows Operating Net Income YTD is \$1.8 million before unanticipated hospital expenses, leaving a net income of \$995,684.

### Acceptance of the Financial Report

- **Motion 17-56:** Motion by Director Hoffman, second by Director Sullivan to accept the financial report as presented; motion passed unanimously.

### MORONGO BASIN HEALTHCARE DISTRICT UPDATE – Jackie Combs, CEO

Ms. Combs referred the Directors to the agenda packet and provided the following additional information to her written report:

- USC will present the needs assessment overview at the August 10 board meeting.
- The employee engagement survey will be administered in July; results will be reported to the board in September.
- Staff met with IEHP and discovered that the build-out for the Split Rock address may qualify for IEHP construction grant monies.
- Ms. Combs presented a handout regarding the billing project. The team has caught up two years of patient AR billing and are addressing denials from payors. \$1.8 million was collected by the department since March.
- Joe Ruddon has applied for a transportation grant from Stater Bros.

Director Hoffman asked Ms. Combs to include in her reports the current number of employees (FTE=full time equivalent). He also thanked the District for co-sponsoring the Rotary sponsored Joshua Tree Splash event.

### STRATEGIC PLAN UPDATE – Jackie Combs, CEO

Ms. Combs referred the Directors to the agenda packet where a written strategic plan report was presented under tab 6. She reviewed highlights of the plan with a PowerPoint presentation.

### CALENDAR REVIEW AND COORDINATION

The calendars for July and August were reviewed and coordinated.

- Directors Greenhouse and Armstrong will be absent from the July 27 meeting. General consensus to convene the schedule meeting as there will be a quorum.
- Special meeting on July 17 at 3:00 p.m. for administering the CEO evaluation.

### NEXT/FUTURE AGENDA ITEMS

- MUSD program presentation by Superintendent Baumgarten
- Human Resource quarterly report
- Agreement to move the June financial report (fiscal year end) to August because of year-end process.

### DIRECTOR COMMENTS

- Director Greenhouse: We've concluded a great deal of business tonight based on months of work.
- Director Sullivan: Thanked staff for the extensive preparation for the purchase of the Split Rock property; it will be an excellent asset to the City with the opening a second facility.
- Director Hoffman: no comments.
- Director Armstrong: no comments.
- Director Doyle: Said she was excited about the real estate purchase, the needs assessment document, and the new residency program. We really are changing healthcare for the better in our community. Thank you all staff. Congrats to Amanda Burrows.

### MEETING TRANSITION

The public / open meeting adjourned at 7:00 p.m. for a brief transition and convened to closed session at 7:10 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 7:52 p.m. to receive Closed Session report.

Director Doyle reported that:

- Regarding Trade Secret: Staff is to provide additional information as available.

### MEETING ADJOURNMENT

Director Doyle adjourned the meeting at 7:53 p.m.

*Board meeting minutes recorded by K. Graley.*

  
Marge Doyle, President

  
Joseph Sullivan, Secretary