



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

**January 18, 2018 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 Armstrong, President
- Director Doyle, Vice President
- Director Sullivan, Secretary
- Director Hoffman, Treasurer
- Director Markle-Greenhouse

Guests:

- Jenna Hunt, Desert Trail
- Eric Knabe, Z107fm
- Laura Grabow, CHC board member

Administrative Staff:

- Jackie Combs, CEO
- Karen Graley, Board Clerk
- Joe Ruddon, Director Business Development
- Cindy Schmall, Director Operations
- Ron Stewart, Executive Director, CHC
  
- Karen Faulis, CEO, Hi-Desert Medical Center
- Jeff Wartelle, CFO, Hi-Desert Medical Center
- Linda Evans, Chief Strategy Officer, Desert Market, Tenet

**CALL TO ORDER**

Director Armstrong called the meeting to order at 5:30 p.m. and turned the gavel over to Director Doyle to conduct the meeting.

**ROLL CALL**

Karen Graley, Board Clerk, conducted roll call. Directors Doyle, Armstrong, Hoffman, Sullivan and Greenhouse were present for a quorum.

**OBSERVANCES**

Director Sullivan read the mission, vision and core value statements.  
Director Hoffman led the assembly in the pledge to the American flag.

**PUBLIC COMMENT**

None presented.

**APPROVAL OF MEETING AGENDA**

**Motion 18-08:** Director Hoffman motioned to approve the meeting agenda as presented; motion was 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, January 4, 2018

**Motion 18-09:** Director Sullivan motioned to approve the consent agenda as presented; motion seconded by Director Hoffman; motion passed.

## **EDUCATION**

### REVIEW OF HDMC HOLDINGS, LLC, LEASE AGREEMENT REGARDING CAPITAL COMMITMENT, Jackie Combs, CEO

Ms. Combs provided an overview presentation of the District's lease agreement with HDMC Holdings, LLC, specifically regarding the capital commitment.

## **REPORTS**

### QUALITY & PROVIDER COVERAGE UPDATE, Karen Faulis, CEO, Hi-Desert Medical Center

Ms. Faulis presented an overview of Hi-Desert Medical Center's (HDMC) quality and growth in 2017 and what is anticipated in 2018.

- The hospital received the Joint Commission's 3-year Gold Status Accreditation.
- CMS changed their rating system which dropped HDMC from two-star to one-star rating.
- Leapfrog ratings also changed and the hospital was awarded a "C" rating.
- However, HCAHPS results improved by almost 10% from 2016.
- Blue Cross and Shield awarded their Blue Distinction Maternal Center designation.
- Hospital received the Aetna Elective Delivery Infant Safe Program designation.
- Continuing Care Center received CMS approval and was awarded a 5-Star CMS rating; the facility also won the local "Best of" Morongo Basin Award" in senior care facilities.
- Home Health and Hospice was awarded the Joint Commission 3-year Gold Status Accreditation and a 4-Star CMS rating

Physician recruitment has focused on the following specialties:

- Gastrointestinal: two candidates
- Obstetrics/Gynecology: recruiting a female OB/GYN
- General Surgery: six candidates interviewed in 2017 but none came on board. Dr. Spektor is currently employed through the Medical Staff Foundation and is shared between Desert Regional and HDMC.
- Primary Care: working with Jackie Combs to recruit primary care physicians.
- Neurology: collaborating with sister hospitals DRMC and JFK on a Telestroke Program.
- Cardiology: Dr. Zadeii is employed through the Medical Staff Foundation and sees patients in the Hi-Desert.

Outpatient services:

- Speech therapy is growing and currently has three speech therapists on staff.
- Mammography has expanded to evening and weekend mammograms
- Behavioral Health Services: is exploring a change in program
- ED Reservation System: is working well.
- New online scheduling service: physician offices can now schedule patient cardiology and radiology tests while the patient is in the office.
- Senior Care Program: quarterly education lunch seminars targeting the senior population.
- Physician Lecture Series: starts in February with Dr. Zadeii presenting on the heart.

Director Doyle thanked Ms. Faulis for their efforts to retain patients in the valley.

### HDMC HOLDINGS, LLC CAPITAL UPDATE, Scott Wartelle, CFO, Hi-Desert Medical Center

Mr. Wartelle provided a slide presentation. He stated that the yellow highlighted items are adjusted project that were approved by the MBHD Board of Directors in July when he last presented to them.



Such “yellow” projects include the spacelab portable monitor (physicians didn’t see a need for it and monies were redirected).

Completed items on Schedule G include:

- Infant security system
- IV pumps
- Laparoscopy tower
- Digital X-ray for Emergency department
- Ventilator replacements
- Pulmonary upgrade
- CCC flooring
- Radiation fluoroscopy room
- Digital X-ray unit was retro fitted
- UPS units for-CT equipment is underway
- IT new voicemail system, replaced circuits and computers in the hospital totaling 2.2 million dollars.

Schedule G projects under consideration or underway:

- MRI upgrade is under corporate review for replacement as the equipment is 20 years old. Corporate’s old equipment program replaces aged equipment at the home office level.
- Roofing for the hospital and CCC is now underway but was recently put on “pause” for bid process and will be completed after the operating room air handlers are completed. Air conditioners are being replaced, 9 to date. Those on the CCC roof were not OSPOD compliant for seismic concerns. five units were done pre-affiliation and three units post-affiliation. Expect roof completion in 2018.
- Hot water upgrade moved to 2019.
- Ceiling tile replacement is ongoing, most of it is scheduled for this year.
- Nourishment center renovation scheduled in 2019
- Waste water tie-in for remaining septic system, 2019
- HVAC system upgrade: new architect is proposing better equipment; cost is expected to increase by as much as \$1 million.
- Patient room renovation deleted with board approval, being done by in house staff.
- NPC compliance/seismic: estimate was woefully short, expected to come in at \$4.6 million. Vendor has been on site since September; recently received approval from OSPD and are now manufacturing brackets, etc. to begin construction.
- Secondary emergency water feed: moved to 2018 and is part of the seismic project.
- Road improvement and parking: plan is to refurbish the lots at hospital and CCC; new architect is working on a detailed plan that includes improved traffic flow.
- Pharmacy USP 797 compliance: project underway and will be completed in 2018.
- CCC: cubicle track curtains and hand rail/corner guards were removed from list last year; project being completed by in-house staff.

Deleted projects approved by MBHD Board of Directors include:

- Anesthesia machine: deleted after MD polling.
- Most of the lab equipment was deleted as lab volumes have declined and did not justify the investment.
- Delivery lights and operating room lights removed from list.
- Lined duct work: was deleted because unable to identify need.
- Hospital entry-way upgrades

Proposals to be presented for MBHD approval:

- Emergency generator replacement at CCC – propose to delete from the list; plan to move hospital’s generator to CCC and purchase new unit for the hospital because of greater critical load.



- CCC medical vacuum replacement: propose to remove from the 4-year window and defer to later capital.

Cumulative capital per Exhibit G states \$9 million should have been spent by now but only \$3.5 million has been spent to date. The bulk of the spend has moved into 2018 and we anticipate \$11 million will be spent this year to bring expenditures ahead of schedule. Any item we propose to delete tonight from Schedule G will be placed onto a deferred list for priority consideration.

The Board of Directors thanked Mr. Wartelle for his presentation.

#### LIFT TRANSPORTATION SERVICES, Joe Ruddon, Director Business Development

Mr. Ruddon presented an overview of the operation of LIFT Transportation Services. Director Sullivan thanked Mr. Ruddon and acknowledged the improved management of the program since he assumed responsibility for it.

#### MBHD FACILITIES UPDATE, Cindy Schmall, Director Operations

Ms. Schmall presented an overview of district facilities.

- Parking Lot: the parking lot repair is scheduled to begin in March and will be in combination with the sewer line project.
- Flooring at YV Health Center: Of all the local contractors contacted for a project bid, only one was willing to bid because of the prevailing wage constraints; we are soliciting bids from contractors in the Coachella valley
- Painting at Health Center internal and exterior: Interior painting will be completed by in-house staff on weekends when clinic is closed, beginning in March. Exterior: asked the architect to make recommendations on a color to draw attention to the facility as it sits back from the highway and has a demure presence.
- Roofing at Admin Building: The contractor lost his sub-contractors and is looking for replacements; he will advise when secured and schedule the project. Staff did some pre-emptive roof maintenance in anticipation of rain.
- Split Rock: Clearing foliage for better presentation; work will begin on the single building as soon as the architect provides completed drawings to update to ADA requirements. Plans for the second unit will include education and community needs. Ms. Combs stated that when the project budget is received from the architect, she will present it to the Board of Directors for approval before starting the project; hoping to present the budget in February.

Director Armstrong expressed appreciation to Ms. Schmall for trying to use local contractors.

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

Ms. Combs reported that the patient diabetic class has begun and with 10-11 patients. They are engaged and excited about it. The smoking cessation class began on Monday with eight participants.

Joe Ruddon and Ms. Combs met with the Baptist Church leader, neighbor at Split Rock and presented the plans for the site. They agreed to host our education classes in their community room until the remodeling project is completed.

Tricia Gehrlein has joined staff as the Director of Population Health. She will be full time come mid-February.



## CALENDAR REVIEW AND COORDINATION

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

- February 1 meeting canceled.
- Director Hoffman will attend the January 23 CHC Governing Board meeting.
- Director Armstrong will attend the CHC Governing Board meeting in February.
- Director Greenhouse will attend the CHC Governing Board meeting in March.
- Foundation annual meeting will convene April 6 at 3 p.m.

## NEXT AGENDA

- February 15 meeting to include agenda items that were scheduled for the cancelled February 1 meeting.

## DIRECTOR COMMENTS

- Director Hoffman: Thanked Karen Faulis and Scott Wartelle for their presentations; thanked Joe Rudson for a fabulous job with the transportation program; and thanked Cindy Schmall for staying on top of the roof. Speaking to the media representatives present in the audience, Director Hoffman stated, "It's important that the media is here and that you communicate to the community on our behalf and that
- Director Greenhouse: Thanked everyone for their excellent presentations; she is grateful for the information to respond intelligently to inquiries from community members.
- Director Doyle: thanked everyone for attending, especially from the hospital. "The agreement between us (HDMC and MBHD) means we have responsibility on behalf of the community to make sure it happens; we appreciate the collaboration." She thanked Joe Rudson for a wonderful job with transportation; and thanked Cindy Schmall for keeping up with all of our facilities. Great news for the new education offerings for the community.
- Director Sullivan: Thanked everyone who made presentations, very worthwhile. Good for the community to understand what's going on. "The agreement made with HDMC Holdings was laborious at the time. We sold to the community certain things we felt were important to the context of the new relationship. It's good to see the progress that's being made, especially the capital improvements. It's good for the community to see that it is getting what it was promised."
- Director Armstrong: No comment.

## OPEN SESSION ADJOURNED

Director Doyle adjourned the open session at 7:08 p.m.

## CONVENE TO CLOSED SESSION

The Board of Directors convened at 7:15 p.m. to Closed Session pursuant to:

- Pursuant to Government Code section 32106 of the Health and Safety Code: Report involving Trade Secret. Estimated date of public disclosure is projected to February, 2018.



**RECONVENE TO OPEN SESSION**

The Board of Directors reconvened to Open Session at 8:43 p.m. Director Doyle directed Staff to bring additional information to the next meeting in closed session.

**MEETING ADJOURNMENT**

Director Doyle adjourned the meeting at 8:45 p.m.

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



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Bob Armstrong, President



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Dianne Markle-Greenhouse, Secretary