

Hi-Desert Memorial Health Care District dba
Morongo Basin Healthcare District
BOARD OF DIRECTORS REGULAR MEETING MINUTES
July 19, 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 Markle-Greenhouse, Secretary
- Director Sullivan, Treasurer
- Director Hoffman

Guests:

- Jenna Hunt, Desert Trail
- Eric Knabe, Z107fm
- Beverly Scott, community member
- Stan Helgesen, HDMC Auxiliary

Administrative Staff:

- Jackie Combs, CEO
- Karen Graley, Board Clerk
- Deborah Anderson, Controller
- Joe Ruddon, Director Business Development
- Cindy Schmall, Director Operations
- Ron Stewart, Executive Director, CHC
- Tricia Gehrlein, Director Population Health

- Linda Evans, Chief Strategy Officer, Desert Market
- Karen Faulis, CEO, Hi-Desert Medical Center
- Jeff Wartelle, CFO, Hi-Desert Medical Center
- Susan Madavan, CHC board president

CALL TO ORDER

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

ROLL CALL

Karen Graley, Board Clerk, conducted roll call. Directors Armstrong, Doyle, Sullivan, Hoffman 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 18-45: Director Hoffman motioned to approve the meeting agenda as presented with the deletion of “*Estimated date of public disclosure is Projected to May, 2018*” for closed session; motion was seconded by Director Doyle; 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 21, 2018
- Minutes: Special Meeting of the Board of Directors, July 9, 2018



Motion 18-46: Director Sullivan motioned to approve the consent agenda as; motion seconded by Director Doyle; motion passed.

ACTION ITEMS

COMMUNITY HEALTH CENTER BYLAWS – *Jackie Combs, CEO*

Ms. Combs referred the board to the staff report that explained the proposed added language. Director Doyle asked Susan Madavan if this is an attempt to correct absences at CHC board meetings; Ms. Madavan responded in the affirmative. Director Hoffman asked about CHC board members reporting to the board clerk rather than the president. Ms. Madavan clarified that the board clerk is not granting any status to board members but recording the information for board consideration.

Motion 18-47: Director Doyle motioned to approve the revision to the Community Health Center Bylaws, adding Section 7.E – Requirements of Board Members, Attendance; motion seconded by Director Hoffman; motion passed by unanimous vote.

CEO AGREEMENT AMENDMENT – *Director Armstrong, President*

Ms. Combs referred the board members to the copy of the agreement (*handout*). The agreement extends the employment contract for three years. Director Hoffman spoke against the principle of awarding bonuses to District employees, but stated he would vote in favor of the agreement.

Motion 18-48: Director Sullivan motioned to approve the amendment to the CEO Agreement; motion seconded by Director Greenhouse; motion passed by unanimous vote.

REPORTS

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

Ms. Faulis presented a PowerPoint report. Since last updating the District board, a lot of effort has gone toward improving the patient perception of the hospital. The patient experience surveys have improved by eight points. Specific improvements include:

- Quality measurements, such as washing hands and hospital infections rates, are exemplary.
- The Continuing Care Center had a successful unannounced survey by the State Department of Health Life Safety Relicensing Survey, and for the Center for Medicare and Medicaid.
- Physician Update: successful recruitment includes:
 - A gastroenterologist, general surgeon, OBGYN (part of Dr. Kasko's group), urologist, and internal medicine.
 - HDMC has contracted with a new emergency provider group.
- HDMC is seeking to use telemedicine technology for neurology services.
- Cardiology services include TEE, cardioversion, and stress testing.
- Home Health and Hospice has been expanded to provide care in the Coachella Valley.
- Behavioral Health is looking at expanding services to include a partial hospitalization program.

Director Doyle applauded the achievement of great patient experience results and the quality outcomes. She also asked about the new emergency group retaining previous ER providers. Ms. Faulis clarified that 50% of the previous ER group stayed as part of the new group.



Director Armstrong asked Ms. Faulis about universal communication between medical providers and facilities for the individual patient; she proposed to give an update and presentation at a future meeting.

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

Mr. Wartelle presented a handout showing the list of items and their status.

- Hot Water System Upgrade: Deleted.
- MRI Software Upgrade: COO is working with Tenet to replace the equipment, and chose not to update the software. Deleted.
- Ceiling Tile Replacement: Considering replacing tiles as part of individual room renovations.
- Nourishment Center Renovations in med/surg deferred because of higher priority projects such as HVAC replacement and OR humidity units.
- Waste Water Treatment Plans: The hospital engineer cannot identify any septic systems that are not already hooked up to the waste system.
- Secondary emergency water feed: deferred.
- UPS Units Replacement: no UPS (surge protector) needed. Deleted
- HVAC and OR Handlers: highest priority, very over budget. Corporate design team chose to change vendors; project in progress.
- Seismic: so much has changed since the OSHPD review that the project has to go back to them for updating; project target for completion is July 2019.
- Roofing (HDMC/CCC): project came in above estimates. Hospital has been reroofed except for over the OR where the handlers will be placed. CCC reroofed except for placement of new HVAC systems. There was no roof leakage in the hospital and the CCC in the last storm.
- Road improvements/parking: project is out for bid.
- Pharmacy USP 797 Compliance: the hood project is in process and expected to be completed by the end of the year and on budget.
- Emergency Generators: this is a 3-4 year project. Because of other priority projects coming in over budget, the ER generators are delayed, however, the design portion will begin this year.
- CCC HVAC: project is out for bid. Eight units must be replaced as soon as possible. The remaining 11 are at end of life. The estimated cost is \$3.9 million.

\$1.6 million has been spent on items not identified on the original Schedule G. Everything on the list will be deployed and spent by July of next year. The projects may be in process but the cash, as required, will be spent in compliance with the agreement.

	FY2015	FY2016	FY2017	FY2018	FY2019
Cumulative Capital Spend - Exhibit G	\$4,238,109	\$0	\$9,665,109	\$13,955,109	\$17,000,000
Actual Capital Spend 2015-2019	\$2,288,215	\$205,134	\$1,520,712	\$6,387,549	\$6,598,390
Cumulative Actual Spend 2015-2019	\$2,493,349	\$205,134	\$4,014,061	\$10,401,610	\$17,000,000
Variance	\$(1,744,760)	\$205,134	\$(5,651,048)	\$(3,553,499)	\$0

Director Doyle asked Mr. Wartelle what will happen if the “spend” doesn’t happen. Mr. Wartelle does expects the funds to be spent; but if a project requires more time, they will return and request



a short extension. Ms. Combs confirmed that the lease states funds must be spent or committed by the end of the third year. At the end of the fourth year, fifteen percent of QAF funding is designated toward capital projects.

Director Greenhouse asked about the emergency generator for the CCC and how critical the project is for the well-being of its patients; he assured her there is a functioning unit in place that requires minor repairs. The issue is that the hospital generator cannot support the CT unit during a power outage. The new design is to add a smaller unit to provide the additional power to support the CT.

Director Sullivan asked for clarification between “removal” and “deferred” in the report. His concern was for the tracking of “deferrals” to insure completion. Mr. Wartelle said the plan is to present an annual capital budget which will track the deferrals. “Deleted” means the item is removed from the initial three-year capital commitment but in reality is only deferred to beyond the three-year period.

Director Armstrong also expressed concern about losing track of the deferred projects. He requested that a calendar be presented to the board to help track the projects. Mr. Wartelle concurred with the request but explained that some of the projects listed on Schedule G were allotted unrealistic amounts for the project.

Director Sullivan strongly urged that the language in the report not use “deleted.” His concern is that items deferred slip off. Mr. Wartelle offered to memorialize the Schedule G and show what has been deferred.

Director Doyle recommended that the report show Status of Schedule G to help avoid confusion. Of course we’re interested in property improvements, but Schedule G is the living document.

Director Hoffman said that the confusion derives from “deleted” and “deferred” on Schedule G. Perhaps we should list all of the completed projects and all others are deferred. And “deleted with approval of the board.”

Further discussion provided consensus that MBHD and HDMC would work together on setting capital improvement priorities after the three-year period.

Director Armstrong thanked Mr. Wartelle for all his work on this report.

POPULATION HEALTH: COMMUNITY – *Tricia Gehrlein, Director Population Health*

Education Department: The education department is now under the population health umbrella. Over the summer, a series of seminars are being presented in both Yucca Valley and Twentynine Palms. Staff is identifying locations within the community, such as the Center for Health Generations, to present these workshops.

The newest education program is the Center for Disease Control’s Diabetic Prevention Program. Classes start in the fall and continue through 2019.

The popular Diabetic Program, begun in 2018, will continue into 2019. The timeframe has been expanded based on patient feedback. Outcome of this program showed a decrease in A1C levels from 9.5 to 7.7, as well as blood pressure levels being decreased. Kathy Alkire is being recognized by HRSA at this week’s conference in Washington DC for her work in developing a comprehensive diabetic program, incorporating nursing, dietary and behavioral health support.



Senior Agencies: Joe Ruddon and Tricia Gehrlein have begun meeting with several local agencies supporting the senior population, identifying and facilitating their goals.

Nutrition: The outreach team and our dietitian will be at the Twentynine Palms farmers market to connect with the community.

Internet Infrastructure: We have identified a community group that is already in place; we are working with them to expand the group with more advocates, such as MUSD.

Town of Yucca Valley: We met with the Town's general manager and discussed opportunities for collaboration and support for health initiatives.

County of San Bernardino: We have been reaching out to the county's public health director to help facilitate the Twentynine Palms farmers market.

Bridging for Health Steering Committee: is comprised of public health leaders; Ms. Gehrlein is a committee member. Bridging for Health is data driven and impacts preventable disease. The committee is forming an "accountable committee of health" which will become its own 501c3. One sub-group is targeting health intervention on diabetes; Kathy Alkire and Mary Ann Kelly have been invited to sit on this committee because of their efforts on diabetes within our community.

Inland Empire Opioids Crisis Coalition: dual county effort to address the opioid crisis; Ms. Gehrlein is on the committee for physician education and community outreach.

IE Connect: This is an internet based system for individuals needing assistance and will be able to make actual referrals for inquiries. This system will reside on the 211 platform.

Community Health Association Inland Southern Region: Tricia has been asked to present at their bi-annual symposium.

Director Doyle complimented Ms. Gehrlein, stating she is pleased that the education program is traveling to community sites.

Director Sullivan commented that when we were working on the community needs assessment, all the Directors agreed that the District needed to be known as a clearinghouse for health and information; and that Ms. Gehrlein's work is accomplishing that goal. When residents and organizations think about the well-being of the community, the District will certainly be a part of that.

Director Hoffman noted that his family is a beneficiary of the diabetic program and workshops

Director Armstrong said he was excited to see that a plan is moving forward for making Internet access happen throughout the Basin. Employment and educational opportunities are dependent on access to the Intranet.

FINANCIAL REPORT – *Deborah Anderson, Controller*

Ms. Anderson referred the board to Tab 4 in the agenda packet.

Operating income about 20% over budget. Variances were presented in Table 2 of the report. Additional revenue came from additional tax revenue and 340B revenue. Director Hoffman requested that revenue be itemized in the report.

Operating expenses were 21% over budget; summarized in Table 3. Salary and wages reflects the adjustment for accruals. Under supplies, the expenses related to the 340B program were applied (income minus expenses resulted in an approximate gain of \$20,000).



Net income \$1.6 million.

Balance Sheet continues to look strong.

Director Armstrong was complimentary of the report and thanked Ms. Anderson for the report.

Motion 18-49: Director Sullivan motioned to accept the financial report; motion seconded by Director Greenhouse; motion passed by unanimous vote.

HUMAN RESOURCES QUARTERLY REPORT – *Cindy Schmall, Director Operations*

Ms. Schmall presented the following statistical information to the Board.

- New hires for the quarter: April 7; May 4; June 4
- Terminations: April 3; May 5; June 0
- Average turnover for the quarter was based on 84 employees; 8 terminations resulting in 9.5% turnover rate in the fourth quarter. Four exit interviews of seven were received; no significant trends to report.
- A graph was presented to show turnover trends. The third quarter is higher in comparison because data was skewed by the purging of per diem positions no longer active.

MORONGO BASIN HEALTHCARE DISTRICT – *Jackie Combs, CEO*

Ms. Combs referred the Directors to her written report under Tab 5. Additionally, she presented:

- The District has completed three years since separation from the hospital.
- Mobile Medical Unit (MMU): Joe Ruddon has been out connecting with community members to identify sites for MMU services. The Copper Mountain Mesa community is very excited about the MMU coming to their area. He met with Wonder Valley leadership yesterday; they, too, are very excited. A meeting is scheduled with Landers leadership on Monday and he is working on a location in Joshua Tree.

Director Sullivan noted that Joe Ruddon is listed a lot in the report. “Great work Joe.”

Director Doyle stated she is delighted with the progress we’ve made in the last three years. It was scary when we first separated because we didn’t have infrastructure, but the performance of our staff has been absolutely wonderful. She attributes that success to each of our directors and Ms. Comb’s leadership.

Director Armstrong stated he was very proud of this board and our staff in making a difference in the community in a positive way. He’s excited to be a part of it. It’s taken a tremendous amount of work.

Ms. Combs added that Joe Ruddon is working on a healing garden for the Split Rock site. He is working with community members to develop the project. One community member said, “I know who the District is, but standing here, I now know and understand health and wellness.”

Director Armstrong said he was super proud of Staff and appreciates the great representation of the District by the media. “Our presence is being known in the community.”

CALENDAR REVIEW AND COORDINATION

The calendars for the Board of Directors were reviewed and coordinated. There were no changes.



NEXT AGENDA ITEMS

- Diabetes program recognition
- Approval of HDMC capital improvement plan

DIRECTOR COMMENTS

- Director Sullivan welcomed the Tenet delegation at tonight's meeting, stating, "You are doing a great job, thank you for keeping us informed." He is happy with the relationship that has developed between Tenet and the District, noting that it is good for the community that we have this working relationship.
- Director Greenhouse thanked all the presenters for their wonderful presentations. She also thanked the media for their support in communicating District information to the public.
- Director Doyle thanked Karen Faulis and Scott Wartelle for their presentation. She is pleased with the good feedback from community about patient experiences. "I'm happy we were able to keep hospital open." She thanked Jackie Combs and Staff for their continued good work.
- Director Hoffman offered congratulation to Jackie Combs on being employed for another three years. He complimented Karen Faulis and Scott Wartelle for their presentations.
- Director Armstrong said, "Great job by staff. Good communication, good care from hospital. Overall, hearing wonderful things about the hospital, the new providers and the benefit of the network is phenomenal."

OPEN SESSION ADJOURNED

Director Armstrong adjourned the open session at 7:12 p.m.

CONVENE TO CLOSED SESSION

The Board of Directors convened at 7:23 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 October, 2018.
- Pursuant to Government Code section 54957 of the Health and Safety Code: Employee Performance Evaluation: Chief Executive Officer.

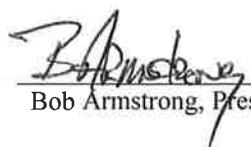
RECONVENE TO OPEN SESSION

The Board of Directors reconvened to Open Session at 8:38 p.m. Director Armstrong directed Staff to schedule a closed session to continue CEO evaluation and goals for the next year; and to continue discussion on the Trade Secret item.

MEETING ADJOURNMENT

Director Armstrong adjourned the meeting at 8:40 p.m.

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



Bob Armstrong, President



Dianne Markle-Greenhouse, Secretary