



Hi-Desert Memorial Health Care District dba  
**Morongo Basin Healthcare District**  
**BOARD OF DIRECTORS REGULAR MEETING MINUTES**  
**November 15, 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
- Paul Hoffman

Guests:

- Jenna Hunt, Desert Trail
- Eric Knabe, Z107fm
- Beverly Scott, community member
- Linda Evans, Chief Strategy Officer, Desert Market, Tenet
- Sheldon Hough, DDS, community member

Staff Present:

- Jackie Combs, CEO
- Karen Graley, Board Clerk
- Cindy Schmall, Director of Operations
- Joe Ruddon, Director Business Development
- Tricia Gehrlein, Director Population Health
- Deborah Anderson, Controller
- Kathy Alkire, Director Education

**CALL TO ORDER**

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

**ROLL CALL**

Karen Graley, Board Clerk, conducted roll call. All Directors were present for a quorum.

**OBSERVANCES**

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

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

**PUBLIC COMMENT**

Sheldon Hough, DDS, community member: Dr. Sheldon presented a 32-page document addressing “informed consent” and “battery” to the board clerk for distribution to board members.

**APPROVAL OF MEETING AGENDA**

**Motion 18-76:** 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, October 18, 2018
- Minutes: Special Meeting of the Board of Directors, November 8, 2018

**Motion 18-77:** Director Doyle motioned to approve the consent agenda with corrections for two typographical errors; motion seconded by Director Hoffman; motion passed by unanimous vote.



**ACTION ITEM**

**HDMC HOLDINGS, LLC – PLAN EXTENSION**

Jackie Combs, CEO, referred the Directors to Tab 2 to review the letter from HDMC Holdings, LLC request to extend the IT and Physician Recruitment budgets to January 18, 2019.

Director Sullivan stated he thought the extension is reasonable; Directors Greenhouse and Doyle concurred. Director Hoffman spoke to the new board member being seated and needing to be brought current on the relationship and history before the presentation at the January meeting.

**Motion 18-78:** Motion by Director Doyle to approve the HDMC Holdings, LLC request to extend the IT and Physician Recruitment budgets to January 18, 2019; second by Director Sullivan; motion passed by unanimous vote.

**REPORTS**

**FINANCIAL REPORT – Deborah Anderson, Controller**

Ms. Anderson presented the financial reports for September and October, 2018. Director asked Ms. Anderson to pause at each table to allow for discussion.

Ms. Anderson stated she began the review of contractuals but had system difficulty; she expects to provide a report at the January meeting.

**SEPTEMBER:**

Overall, operating income is 17 percent over budget.

Income	Actual Mth	Budget Mth	Over/(Under)	% of Budget
District	282,061	236,993	45,067	19.02%
Clinics	811,632	696,187	115,445	16.58%
	1,093,693	933,180	160,513	17.20%

Year to date operating income is one percent under budget.

Income	Actual YTD	Budget YTD	Over/(Under)	% of Budget
District	767,465	715,457	52,007	7.27%
Clinics	2,166,676	2,262,607	(95,930)	-4.24%
	2,934,141	2,978,064	(43,923)	-1.47%

REVENUE: District operational revenue for September 2018 is 19.02 percent over budget. This is due to Transportation and investment income. Transportation was booked in July and August with estimates and reconciliation took place in September. More income was booked than originally anticipated. Investment income is also higher than originally anticipated. Community Health Center revenue for September 2018 is 16.58 percent over budget. Clinic services are up, resulting in higher than budgeted patient services.

Director Hoffman asked where the revenue came from for Transportation. Ms. Anderson stated that the historical formula used in the past presents credit for delivery of health center patients for appointments. The intent is to show how the transportation program benefits the health center. Director Hoffman questions the “soft” income rather than “actual.” Jackie Combs reminded the board that they had requested this comparison to see the contribution of the transportation program.



Description	Actual YTD	Budget YTD	Over/(Under)	% of Budget
Lease & Rental Income	507,242	508,890	(1,648)	-0.32%
Tax Revenue	150,000	150,000	-	0.00%
Transportation	27,665	20,715	6,950	33.55%
Other	10,499	-	10,499	0.00%
Investment Income	70,693	35,853	34,840	97.18%
Bad Debt Recovery	1,366	-	1,366	0.00%
<b>Total District</b>	<b>767,465</b>	<b>715,457</b>	<b>52,007</b>	<b>7.27%</b>
Patient services	2,430,578	2,038,536	392,042	19.23%
Contractuals	(883,363)	(337,848)	(545,515)	161.47%
340 B Revenue	117,387	99,000	18,387	18.57%
Capitation Fees & Other	52,237	54,519	(2,282)	-4.19%
Grant Revenue	449,838	408,400	41,438	10.15%
<b>Total Clinics</b>	<b>2,166,676</b>	<b>2,262,607</b>	<b>(95,930)</b>	<b>-4.24%</b>
<b>Grand Total</b>	<b>2,934,141</b>	<b>2,978,064</b>	<b>(43,923)</b>	<b>-1.47%</b>

Director Doyle asked for clarification of the variable in Lease & Rental Income: Ms. Anderson attributed the variable to no MBTA TAG grant this year, therefore, no revenue.

Director Hoffman asked why Health Center services are up; Jackie Combs theorized that these are September numbers prior to recent media attention.

Director Doyle asked about the Grant Revenue variable: the increase in revenue is because of HRSA increased funds.

EXPENSE: Monthly operating expenses are three percent over budget.

Expense	Actual Mth	Budget Mth	(Over)/Under	% of Budget
District	134,578	178,476	43,899	24.60%
Clinics	624,962	561,383	(63,579)	-11.33%
	759,540	739,859	(19,680)	-2.66%

Year to date operating expenses are one percent over budget.

Expense	Actual Mth	Budget Mth	(Over)/Under	% of Budget
District	586,936	576,902	(10,034)	-1.74%
Clinics	1,840,831	1,824,495	(16,336)	-0.90%
	2,427,768	2,401,397	(26,371)	-1.10%

District operating expenses for September 2018 are 25 percent under budget.

Description	Actual Mth	Budget Mth	(Over)/Under	% of Budget
Salaries - District	62,375	96,299	33,925	35.23%
Fringe - District	17,616	25,577	7,961	31.13%
Phys Fees - District	-	-	-	0.00%
Purchases Services - District	12,764	13,176	411	3.12%
Supplies - District	5,083	6,597	1,514	22.95%
R&M - District	1,489	1,437	(52)	-3.59%
Leases/Rentals - District	5,177	4,122	(1,055)	-25.60%
Utilities - District	1,762	912	(851)	-93.34%
Ins - District	15,412	12,585	(2,827)	-22.46%
Other - District	12,899	17,772	4,872	27.42%
<b>Total District Before Allocation</b>	<b>134,578</b>	<b>178,476</b>	<b>43,899</b>	<b>24.60%</b>
Allocation of Overhead for Health Centers	(56,250)	(56,250)	-	0.00%
<b>Total District After Allocation</b>	<b>78,328</b>	<b>122,226</b>	<b>43,899</b>	<b>35.92%</b>







<b>Net Income District</b>	<b>Actual Mth</b>	<b>Budget Mth</b>	<b>Over/(Under)</b>	<b>% of Budget</b>
Income	282,061	236,993	45,067	19.02%
Expense	(134,578)	(178,476)	43,899	24.60%
<b>Operating Income</b>	<b>147,483</b>	<b>58,517</b>	<b>88,966</b>	<b>152.04%</b>
Allocation of Overhead for Health Centers	56,250	56,250	-	0.00%
Operating Income after Allocation	203,733	114,767	88,966	77.52%
Non-Op Income & Expense, inc depreciation	(155,872)			
Change in Net Position	47,861			
<b>Net Income Clinic</b>	<b>Actual Mth</b>	<b>Budget Mth</b>	<b>Over/(Under)</b>	<b>% of Budget</b>
Income	811,632	696,187	115,445	16.58%
Expense	(624,962)	(561,383)	(63,579)	-11.33%
<b>Operating Income</b>	<b>186,670</b>	<b>134,804</b>	<b>51,867</b>	<b>38.48%</b>
Allocation of Overhead for Health Centers	(56,250)	(56,250)	-	0.00%
Operating Income after Allocation	130,420	78,554	51,867	66.03%
Non-Op Income & Expense, inc depreciation	(3,414)			
Change in Net Position	127,006			
<b>Net Income Combined</b>	<b>Actual Mth</b>	<b>Budget Mth</b>	<b>Over/(Under)</b>	<b>% of Budget</b>
Income	1,093,693	933,180	160,513	17.20%
Expense	(759,540)	(739,859)	(19,680)	-2.66%
<b>Operating Income</b>	<b>334,153</b>	<b>193,320</b>	<b>140,833</b>	<b>72.85%</b>
Allocation of Overhead for Health Centers	-	-	-	0.00%
Operating Income after Allocation	334,153	193,320	140,833	72.85%
Non-Op Income & Expense, inc depreciation	(159,286)			
Change in Net Position	174,867			

**Motion 18-79:** Motion by Director Sullivan to accept the financial report as presented; second by Director Hoffman; motion passed by unanimous vote.

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

Ms. Schmall presented a PowerPoint document showing the statistical information for the quarter.

- New Hires: included employees for the First Five grant dental, front office, housekeeping and medical assistants.
- Terminations: The July “Controller” reflects the resignation of P.K. White as a per diem employee.
- Turnover rate for the quarter: 88 employees in total. Exit interviews expressed lack of communication and feedback which admin staff is addressing.

Director Armstrong asked what the industry-wide turnover rate is; it is 12 percent; District turnover for first quarter is 9.04 percent. Director Hoffman asked what our goal is; Ms. Schmall stated it is to remain under the industry standard of 12 percent. Director Hoffman asked how many military dependents are employed; Ms. Schmall offered to get that information to him. Director Doyle clarified that the turnover rate has been annualized.



MORONGO BASIN HEALTHCARE DISTRICT – Jackie Combs, CEO

Ms. Combs referred the Directors to her written report under Tab 4.

- She received the one-year SAC grant from HRSA with a 90-day requirement to recruit a new Community Health Center (CHC) board.
- Director Hoffman asked if the Board of Directors would have the opportunity to discuss the recruitment of the CHC board. Ms. Combs reported that two District board members will sit on the CHC board. Currently, one CHC board member has not resigned. Director Hoffman requested to serve on the CHC board as a community member. Recruitment of patients is the focus as 51 percent of the board must be a patient of the health center. Candidates will complete an application form and be presented to the District Board of Directors for consideration and approval. The hope is to have a meeting of the new CHC board in January to organize.

**CALENDAR REVIEW AND COORDINATION**

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

- Karen took a poll of which board members want to attend the ACHD. Directors Sullivan and Greenhouse were interested in attending; it was recommended that the newly elected board member, Misty Shakti, be encouraged to attend. Director Doyle will be attending the legislative conference later in the year.

**NEXT AGENDA ITEMS**

- Approval of CHC board members
- Review MBHD investment policy
- Swearing in of recently elected board members by Judge Cortez

**DIRECTOR COMMENTS**

- Director Sullivan: Thanked Misty Evans and Beverly Scott for running for seat vacancies. “As usual, I want to thank staff and all our employees for their continuing efforts. I hope they understand as changes are implemented, that we are committed to those changes and policies which are for the quality and benefit of the community.”
- Director Greenhouse: Thanked Debbie Anderson for her comprehensive report. She stated that, “People tell me to let clinic staff know they’re doing a wonderful job.”
- Director Doyle: “Thank you for the reports, well done. The financial report is getting better and better. Thanks for the human resource report that helps us see where we’re on target and where to improve. We want to be the place where people want to work. Happy Thanksgiving!”
- Director Hoffman: “Thank you for the reports received tonight; congratulations to the two board members being seated in January; regrets to Beverly Scott but she is a potential board member for the CHC board. Happy Thanksgiving.”
- Director Armstrong: “I, too, want to thank our employees. Speaking for the board, we want to be transparent when we provide the details of finances and human resource information. We appreciate staff putting that effort into this. It’s nice to have that transparency out there to show the community that we’re doing well. We have a goal and are rapidly pursuing it rather than

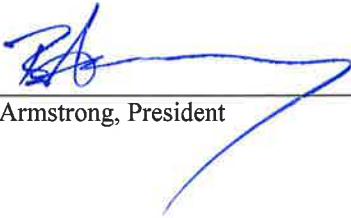


dragging our feet. I've been on this board for two years and it's exciting to work with such professionals. Happy Thanksgiving!"

**MEETING ADJOURNMENT**

Director Armstrong adjourned the meeting at 6:16 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