



*Morongo Basin Health Care District*

**Community Health Center**

## **GOVERNING BOARD MEETING**

### **MINUTES of Thursday, May 12, 2022, 6:00 p.m.**

- *Convened via GoToMeeting, an electronic, remote-site platform temporarily permitted as per the Executive Order issued by California's Governor in response to the COVID-19 pandemic. Additionally, a physical meeting convened on the District's campus at 6530 La Contenta Road, Yucca Valley, suite 700. A face mask is required while inside.*

**Mission Statement:** *To improve the health and wellness of the communities we serve.*

**Vision Statement:** *A healthy Morongo Basin.*

**Core Values:** *Commitment, Collaboration, Accountability, Dignity, Integrity*

#### **PRESENT:**

- Greg Brown (*on-site*)
- Patricia "Pat" Cooper (*on-site*)
- Denise Cullum (*not present*)
- Bryan Goldfarb (*remote*)
- Nicola Keller (*on-site*)
- Alejandro Penalva (*remote*)
- Debra Savitt (*on-site*)
- Cecelia St. Clair (*not present*)
- Jackie Todd (*on-site*)
- Jack Williams (*remote*)

#### **STAFF:**

- Cindy Schmall, CEO (*on-site*)
- Karen Graley, Board Clerk (*remote*)
- Debbie Anderson, CFO (*on-site*)
- Joe Ruddon, Director Business Development (*on-site*)
- Angela Wilhite, Director Human Resources (*on-site*)
- Kathy Alkire, Senior Manager Quality Program (*on-site*)
- Janine Duff, Grants Administrator
- Ana Nunez, Administrative Assistant
- Tina Huff, Director of Clinical Care

**CALL TO ORDER:** The meeting was called to order by Greg Brown at 6:00 p.m.

**ROLL CALL:** Karen Graley, board clerk, conducted roll call and declared a quorum.

#### **OBSERVANCES:**

- Debra Savitt led the assembly in the Pledge of Allegiance.
- Nicola Keller read the mission and vision statements.

#### **PUBLIC COMMENTS:**

There were no public comments.

#### **APPROVAL OF MEETING AGENDA:**

**Motion 22-42:** Motion by Pat Cooper to approve the meeting Agenda with corrections; motion seconded by Debra Savitt; the motion passed by unanimous vote.

#### **APPROVAL OF CHC CONSENT AGENDA:**

**Motion 22-43:** Motion by Debra Savitt, second by Nicola Keller, to approve the Consent Agenda as presented; the motion passed by unanimous vote. There was no discussion.

- Minutes of the Governing Board regular business meeting April 14, 2022
- Re-ratify the Governor's proclamation of state of emergency and authorize remote teleconference meetings of the legislative body, CHC Governing Board.

## **ACTION ITEMS**

### APPROVAL OF CHC ANNUAL OPERATING BUDGET – *Debbie Anderson, CFO*

CEO Cindy Schmall gave an overview of the budget process and encouraged board members to ask questions.

Debbie Anderson, CFO, introduced the 2022-23 operating budget with a PowerPoint presentation. She began with general budget assumptions. Service lines were analyzed by provider. The budget anticipates one additional provider in the adult department. Dental was reduced by half an FTE.

The proposed budget was presented with four previous years as a comparison of service lines. Because last year patient visits were significantly below budget, this new budget shows a moderate six percent increase over last year's actual visits.

Debra Savitt asked if we planned to bring on another chiropractor; Cindy Schmall responded that we currently do not have facility space to accommodate another provider. There was discussion about how to bring more patients to the health center. Bryan Goldfarb asked about the reduction in dental services in 29 Palms; Cindy Schmall responded that 29 Palms has a very high no-show rate; the reduction in hours is hoping to curb that rate. There was discussion about possible solutions for engaging no-show patients.

During the review of gross and net revenue, Debbie Anderson explained the difference for capitated rate and fee for service. Other budgeted revenue includes HRSA, other government and private grants, and 340B income. The total projected operating revenue is \$11,372,448.

The expenses budget increased for health insurance premiums and higher unemployment insurance. Debra Savitt asked what the advantage is in hiring providers as employees; Cindy Schmall explained that a flat rate as an employee is better for the health center than the provider getting a percentage of the reimbursement. Debbie Anderson explained what the overhead allocations include. Total projected operating expenses are \$9,553,097.

She reminded the board that the budget is our "best guess" for the fiscal year. The projected profit is \$290,875.

Cindy Schmall asked the board members if they were in agreement with the budget assumptions. There were no questions about the assumptions after Debbie Anderson's detailed explanation. Nicola Keller stated she was impressed that we're projecting a \$300,000 income coming out of the COVID pandemic; she stated she was pleased to see the proposed five percent employee compensation increase.

- **Motion 22-44:** Motion by Pat Cooper to approve the health center's operating budget for fiscal year 2022-23 as presented; second by Debra Savitt; motion passed by unanimous vote.

### APPROVE THE RELOCATION OF 29 PALMS HEALTH CENTER – *Cindy Schmall, CEO*

Cindy Schmall, CEO, presented that the District intends to move all clinic services and consolidate them to a single location at the Split Rock property. This will be more convenient for patients to access services rather than the current configuration with services split between two locations, as well as resolve the limited physical space at the current health center site. The strategy is to place a modular building on the Split Rock site. Cindy asked for approval of the relocation. There was no discussion as the board was in agreement with the plan.

- **Motion 22-45:** Motion by Bryan Goldfarb to approve the relocation of the 29 Palms health center to the Split Rock property in 29 Palms; second by Debra Savitt; motion passed by unanimous vote.

## REPORTS

### FINANCE REPORT – *Debbie Anderson, CFO*

Ms. Anderson presented the financial statement for March. The clinics show income of \$(89,733) and a year-to-date loss of \$(344,132). March's patient visits were improved over February coming in at 3,275 visits. "However," she said, "we are starting to see the effects of the IEHP managed care in that the contractual allowances are starting to come in at a higher percent."

She stated because we are now billing Medi-Cal as a "wrap" as opposed to full Medi-Cal, we are reimbursed less per visit. Even though the visits are up for the month of March, the net patient revenue is less than previous months.

Finally, as an FQHC we will do a Medi-Cal reconciliation at year end which will take into consideration both the capitation and the lesser payments. The reconciliation is designed to balance the disparity. The process is detailed, but effectively we should be no worse and no better than if we didn't have capitation, it just that the timing of the payments has changed.

Jack Williams asked about the Medi-Cal PPS rate and reconciliation process which Debbie then explained.

- **Motion 22-46:** Motion by Pat Cooper to accept the Chief Financial Officer's report as presented; second by Jackie Todd; the motion passed by unanimous vote.

### CEO REPORT – *Cindy Schmall, CEO*

Ms. Schmall referred the Board to Tab 3 of the agenda packet for her written report. She introduced Tina Huff, nurse practitioner, who was recently promoted to the Director of Clinical Care over all of the clinic services.

**BOARD CALENDAR:** The calendars were reviewed.

### **MEMBER COMMENTS:**

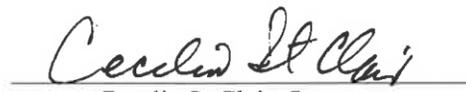
- **PAT COOPER:** Thanked Debbie Anderson for the detailed review of the budget.
- **DEBRA SAVITT:** She also thanked Debbie Anderson for the explanations on the budget.

## MEETING ADJOURNMENT

The meeting was adjourned at 7:54 p.m.

*Minutes recorded by Karen Graley, Board Clerk*

  
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Greg Brown, Chairperson

  
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Cecelia St Clair, Secretary