



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

**February 25, 2016 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 Sullivan, President
- Director Doyle, Vice President
- Director Cooper, Secretary
- Director Hoffman, Treasurer
- Director Avels

Media:

- None

Guests:

- Andrea Carter, FG Creative
- Nichole Cauley, Martie Avels scholarship recipient
- Terri-Jordan Birt, Martie Avels scholarship recipient
- Dianne Greenhouse, Kiwanis Club
- Rebecca Unger, Joshua Tree Chamber of Commerce

Administrative Staff:

- Jackie Combs, CEO
- Karen Graley, Board Clerk
- Patricia White, Controller
- Dean Moore, President, MBHD Foundation
- Nora Maughan, Hi-Desert Family Health Clinics (HDFHC), Executive Director

**CALL TO ORDER**

Director Sullivan called the meeting to order at 5:34 p.m.

**ROLL CALL**

Karen Graley, Board Clerk, conducted roll call:

- Director Sullivan: present
- Director Doyle: present
- Director Cooper: present
- Director Hoffman: present
- Director Avels: present

**OBSERVANCES**

- Director Sullivan read the healthcare District's mission, vision and core values statements.
- Director Hoffman led the Pledge of Allegiance.

**PUBLIC COMMENTS**

No public comment.

## APPROVAL OF MEETING AGENDA

**Motion 16-11:** Director Hoffman motioned to approve the meeting agenda as presented; motion was seconded by Director Doyle; motion passed by unanimous vote.

## PRESENTATION OF SCHOLARSHIP RECIPIENTS

Dean Moore, President of the Morongo Basin Healthcare District Foundation, presented the recipients of the Martie Avels Nursing Scholarship for 2016: Nichole Cauley and Terri-Jordan Birt.

Director Avels acknowledged that the scholarship program is competitive and congratulated both recipients. She talked about the importance of home-grown nurses to this community.

Director Doyle congratulated both recipients as well and commented that the scholarship program was very important in quality care and in the reduction of registry fees at the hospital.

## APPROVAL OF CONSENT AGENDA

The Consent Agenda presented the following items for approval:

- Minutes: Regular Meeting of the Board of Directors, February 10, 2016

**Motion 16-12:** Director Avels motioned to approve the consent agenda as amended; motion seconded by Director Doyle; motion passed by unanimous vote.

## REPORTS

### Marketing Plan Framework, Andrea Carter, FG Creative

Ms. Carter presented her background; she lives in the lower desert but has worked with Hi-Desert Medical Center for 15 years in a consultant capacity. She has seen the community grow and healthcare advance in the valley; she takes pride in being involved in our history.

Ms. Carter acknowledged the progress that has been made in transitioning the District to its new role in the Morongo Basin and that it is time to educate the community about the new direction of the District. The primary target audiences are community agencies and organizations, followed by the general population. The purpose of the plan is to raise community awareness about the District through education.

The message will define why the District exists, its resources and the benefit to community. FG Creative has been working with Jackie and Karen to develop a plan; the identified tactics include:

- Website. The website is foundational to the education process; it is the catalyst for getting the word out; it is the call to action for more information. The new website will launch to desk top and mobile products.
- Database: Create a database for refined and targeted electronic communication such as event announcement and program development.
- Print Campaign. Launch an educational campaign with a call to action (see our website); build anticipation to learn more.
- Collateral Materials. Create rack cards to be handed out at community presentations; a presentation folder, a customized PowerPoint to present at organization meetings to connect and engage with District.
- Community Magazine. Continue with the historical community magazine and use it as an educational tool. It will provide continuity because the community is familiar with the magazine, but the messaging will change.



- Direct Mail. Send a direct mail piece to community leadership announcing the new face of the healthcare District and direct them to the website. Use it to build anticipation for coming events and programs. “We’re a part of you.”
- Community Presentations. Schedule presentations before community organizations to educate about the District.
- Press Releases. Use press releases to raise public awareness; promote anything new. Announcing the website is a big piece. The District definitely has a story to be told.
- Radio. Radio can be used for targeted messaging, such as, “Get to know your healthcare District.” It would be used to reinforce other District messaging.

The messaging will tell the audience why they should care about their healthcare district. “What’s in it for me?”

The initial step is to launch the website and then begin the design for the direct mail piece announcing the District and refer them to the website for more information. Next will be to start building social media channels as a vehicle for reaching the public.

Director Hoffman said he would like to see some form of video presentation; he doesn’t see the benefit of using radio or print. Ms. Carter stated that the direct mail would target specific community leadership and is not a traditional mass mailing to residences. As for television, a 30-second spot could be considered; a video on the website is targeted once the District has new programs in place that demonstrate new services or collaboration with other organizations. The video could also be incorporated into the community presentations.

Director Doyle also questioned the use of direct mail. Ms. Carter stated that the intent of the multi-faceted campaign is to saturate the market and thereby raise community awareness; “I’ve been hearing a lot about the healthcare District.”

Karen Graley presented the website design which is currently under construction. The Directors offered comments about the design.

Community member, Rebecca Unger, representing Joshua Tree Chamber of Commerce, addressed the Directors. She acknowledged that the Chamber would be pleased to partner with the healthcare District, advising that the Chamber has a mail list that can help get the word out. She also suggested that the Saturday newspaper edition is very popular with the community and that would be a good place to place print information. She stated that the local Chambers need rack cards and brochures. She also pointed out that this is an election year and it’s important that the community know about the District and how they can be part of the board.

#### Financial Report for January, 2016, Patricia White, CFO

Ms. White referred the directors to Tab 3 of the agenda packet for the financial report. She stated that she has been intensely focused on revenue and expense entries to assure accurate data. Three revised pages were disbursed for schedules of investments and a fiscal year restated budget, 2015-2016.

The plan is that separate financial reports will be presented for each facility (clinics, foundation and district) along with a consolidated report.

The check register will be presented with future reports. For now, the District and clinic registers must be separated from within the software. The foundation has an independent bank account.

Line classifications for District revenue will be added.



Revenue: District revenue shows the income from two collection agencies. This is different than the legacy accounts which were previously reported.

Operating Expenses:

- Account #5052-5057 Payroll: The data groups together salaries and wages and is blended with home health and hospice which correlates to the “home health and hospice reimbursement” shown under revenue. Although some district staff are included in the “Clerical and other admin” line, it is mostly home health and hospice staff expense. The District has been paid for the expenses through January for the home health and hospice payroll.
- Account #5467 Contract EOC/RM Services: The data reflects the Joshua Basin Water District (JBWD) treatment plant contract amortization. There was discussion about the history of the treatment plant. Ms. Combs plans to present an overview of the JBWD contract at the next meeting. Only the maintenance fee is reimbursed by Tenet. The treatment plant was included in the \$2 million purchase agreement, but did not include the replacement costs for the facility. The Directors requested that the attorney advise why the \$800,000 in replacement costs were not included in the agreement.

Ms. White stated significant scrutiny and analysis resulted in the financial reports for the three months presented (November – January). She continues to audit July through October, 2015 and will not present a consolidated report until she is confident that all of the data is accurate; the next report will contain additional months as the audit is completed. Eventually, the standard report will present the current month compared to budget with variances.

Ms. Combs stated that Staff is moving as quickly as possible through the audit process and will present updated information when they are confident that accurate numbers from Meditech are being imported to the correct classifications.

Director Avels stated that this financial report is clearly presented. Staff confidence in the numbers is important to building trust with the Board of Directors.

Director Hoffman reviewed the financial reports presented in the agenda packet and prepared a written response which he read during the meeting.

*Director Hoffman comments for the February 25, 2016 Board Meeting minutes as it pertains to the Financial Statements for January 2016.*

*Director Hoffman has reviewed the financial statements prepared by administration for review by the entire Board of Directors. Over the course of the past eight months, administration has been diligent in formulating standard financial statements for the board.*

*For the period of time up to January 2016 the District did not have a Chief Financial staff member to present financial data. We relied on the CFO from the FQHC who had similar difficulties.*

*Since January 2016 the newly appointed Controller has been extremely occupied in establishing trueed financial statements. This process was compounded by the lack of adequate coordination during affiliation with Tenet and the creation of a District not operating a hospital. In addition, similar actions were required for the FQHC and the Foundation. The Controller remains engaged with daily fixing and reclassifying transactions within our financial data system. Therefore, it can be stated with accuracy that the financial statements of the District are still being formulated to portray detailed and complete financial reports that can stand the test of an external audit at fiscal year-end.*

*The information reviewed by Director Hoffman today includes a consolidated Income Statement Trend Year to date to January 2016 For District and Foundation. However, it is not clear to Director Hoffman what information in the Statement clearly represents the Foundations financial data.*

*In discussions with the CEO, she reported that data from November to January is considered true (valid input), but does not include Meditech recorded revenues and expenses- Director Hoffman labeled each of the Statements presented today for purposes of this discussion.*

**Statement#1** represents the period from July 2015 to Jan 2016 and some aspects of the statement remains to be reconciled so a truer statement can be formed.

*The following questions are asked:*

- *Question #1: Why do we consolidate District statements with the Foundation's statements?*
- *Question#2: Will we receive a financial statement matching the financial categories with a budget line item?*
- *Question#3: Why do we not have a current balance sheet? Director Hoffman would assume we are making entries to the balance sheet and Income statement that has a bearing on our financial status?*

**Statement#2:** represents the District detailed monthly Income Statement Trend YTD

- *Question: Are these monthly numbers accurate?*

**Statement#3** represents an income statement for the periods 11-30-15 to 1-31-16. The following questions are asked:

- *Question#1 what is the purpose of Statement#3?*
- *Question#2: Do we have classification numbers for the source of Revenue?*

**Statement #4:** These Statements represent our Investment schedules. It is not clear where the notes apply to each segment of the two-page statement.

- *Question#1: Why does the second part of statement#4 not include the months of July, Aug, and Sept?*

*Director Hoffman cannot prove the accuracy of these financial statements since four months are missing, and validation of the data included or not included could not be confirmed (Data from July to Oct)*

*It is anticipated that by March 2016 the financial statements will improve and processes completed to enter all relative data and the Controller can state the financial statements are true and accurate.*

*Director Hoffman would like to see the following financial statements/reports presented once all data transactions are true and accurate. We should commend both the CEO and the Controller for their diligent efforts to compile the financial statements for the District. When the process has been completed Director Hoffman would hope to see the following statements presented to the Board of Directors as the financial reports for the District*

- *Executive Summary prepared by the Controller*
- *Balance Sheet*
- *Income Statement per month*
- *Income Statement Trend YTD*
- *Investment Schedule Check Register*
- *Year to Date Budget comparisons*
- *Financial Reports from the Foundation and the FQHC.*
- *What Grants have been submitted accepted and/or declined*



At the conclusion of reading the prepared statement, Director Hoffman said he was pleased that his questions had been answered in the verbal report.

Ms. White responded that she was appreciative of Director Hoffman's prepared statement and acknowledged that her everyday goal is to get accurate financial information into the hands of those who make decisions, and to the public. She is also planning now for an excellent year-end audit. It will be a clear, presentable, GAAP compliant record to turn over to the auditors. She said there is a lot of work to do but promised an accurate financial report as soon as the numbers have been properly scrutinized.

Director Doyle complimented Ms. White on her progress, echoing Directors Hoffman and Avels that she is answering the board's questions. "This is the most accurate financial report I've seen in fourteen months. Thank you."

Director Sullivan stated, "For my entire time on the District board, the financial reports coming from previous executives were cloudy and difficult to navigate. Your reports are easy to follow and transparent. You're well on your way to accomplishing what Director Hoffman has requested. We realize this takes time, but as time goes on we will be more and more satisfied with the financial reports."

Director Hoffman complimented Ms. White on the progress she has made.

Investments: Ms. Combs presented a revised investment report to reflect the information requested by Director Hoffman. Investments continue to gain ground. One million was moved to investments. \$290,000 came from Tenet from a true-up for home health and hospice; and \$49,000 came for their payment for expenses related to the water treatment plant. Ms. Combs stated a million was designated to the money market in case funds were needed.

Budget: A draft of the restated budget was presented for review. The budget was reviewed line by line and everything related to hospital operations was removed; this budget is presented without hospital data. The listed "tax revenue" is a conservative number based on the actual tax revenue of \$600,000 that has been received the past two years. Ms. Combs asked the Directors to review the draft budget and advise any changes at the next meeting; it will then be presented for formal approval. The restated budget shows a projected gain of \$1.5 million for the year.

#### Morongo Basin Healthcare District Update, Jackie Combs, CEO

Ms. Combs reported that the medical center's home health and hospice department has had their two-day licensing survey. There may be some policies that will need to be approved by this board as part of the plan of correction; she has consulted with the District's attorney to sort out the management agreement and how it impacts the survey.

Director Hoffman asked for clarification of approving the mentioned policies. Ms. Combs explained that the organization needs to be intact at the point of change in licensure. The District still has ownership of the license so the perspective is confusing. Hopefully, any outstanding issues will be resolved by April 1.

Ms. Combs terminated the Conifer contract for the legacy accounts; there was no further need for their support as Ms. Combs has been working directly with the hospital staff on the remaining accounts.

Ms. Combs reported that the roofing company visited the clinic admin building to assess damage and will revisit the site again this weekend to advise the best design solution.



## CALENDAR REVIEW AND COORDINATION

The calendars for the Board of Directors was reviewed and coordinated:

- The next regular meeting of the Board of Directors is Thursday, March 10 at 5:30 p.m.
- No changes were made to the calendar.

## NEXT AGENDA

- Water Treatment Plant – contract review
- Restated Budget – discussion and approval

## DIRECTOR COMMENTS

- Director Avels: “Congratulations to the Board of Directors because we’ve been brilliant as to who we hired; we did the right thing; Jackie Combs and Karen Graley started us off in the right direction and then Jackie hired Patricia White. I am thrilled with everything that’s going on and to have this trusting relationship. Nora Maughan, what you’re doing at the clinics is great, too. The scholarship program matters; it’s been going about 15 years; congratulations to the Foundation who made it happen all these years.”
- Director Cooper: Director Cooper thanked Jackie Combs and Patricia White for their reports; she also thanked Diane Greenhouse and Rebecca Unger for attending the meeting; she also thanked Karen Graley for presenting the website overview.
- Director Doyle: “It’s always nice to see the new group of nurses, always delightful to play a part in their growth. Patricia White you did a wonderful job with the financial report. Karen Graley, the website is great. Thank you to our guests and Rebecca Unger for your comments; and thank you to Jackie Combs for keeping it all together.”
- Director Hoffman: No comment made.
- Director Sullivan: “Obviously I want to associate myself with all those praise worthy comments from the Directors. This District sits on a foundation that is solid; we are diligent in pursuing what needs to be done.” Director Sullivan thanked the District for making the donation in memory of his mother; and thanked Staff for their hard work. “The bar is being raised at almost every meeting; we’re getting more information and learning more than ever before.”

## OPEN SESSION ADJOURNED

Director Sullivan adjourned the open session at 7:22 p.m.

## CONVENE TO CLOSED SESSION

The Board of Directors convened at 7:32 p.m. to Closed Session pursuant to:

- Government Code section 54957 of the Health and Safety Code: Employee Performance Evaluation, Chief Executive Officer; and,
- Government Code section 32106 of the Health and Safety Code: Report involving Trade Secret. Estimated date of public disclosure is projected to July 2016.



### **RECONVENE TO OPEN SESSION**

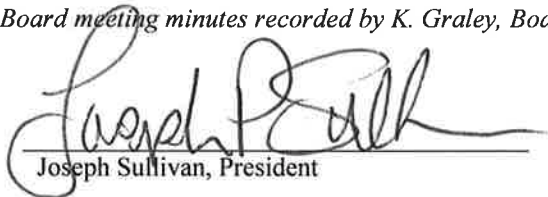
The Board of Directors reconvened to Open Session at 9:02 p.m. Director Sullivan reported that:

- CEO Evaluation: The Directors will present their evaluation to Ms. Combs on March 10 during closed session.
- Trade Secrets: Ms. Combs was directed to research the issue and report to the Directors at the closed session of March 10.

### **MEETING ADJOURNMENT**

Director Sullivan adjourned the meeting at 9:03 p.m.

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

  
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Joseph Sullivan, President

  
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Patricia Cooper, Secretary