



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

March 23, 2017 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 Doyle, President
- Director Armstrong, Vice President
- Director Sullivan, Secretary
- Director Hoffman, Treasurer
- Director Markle-Greenhouse

Administrative Staff:

- Jackie Combs, CEO
- Karen Graley, Board Clerk
- P.K. White, Controller
- Joe Ruddon, Director Business Development
- Cindy Schmall, Director Operations

Guests:

- Ron Stewart, Operation Consultant, clinics
- Karen Faulis, CEO, Hi-Desert Medical Center
- Scott Wartelle, CFO, Hi-Desert Medical Center
- Beverly Fick, COO, Hi-Desert Medical Center
- Kurt Schauppner, Desert Trail
- Rebecca Unger

CALL TO ORDER

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

ROLL CALL

Karen Graley, Board Clerk, conducted roll call:

- Director Doyle: present
- Director Armstrong: present
- Director Hoffman: present
- Director Sullivan: present
- Director Greenhouse: present

OBSERVANCES

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

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

APPROVAL OF MEETING AGENDA

Motion 17-24: Director Hoffman motioned to approve the meeting agenda as presented; motion was seconded by Director Armstrong; 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, March 9, 2017
- Policy: HR-201 Literature Distribution & Solicitation (*revised*)



- Policy: HR-203 Payroll Deduction Authorization Form (*revised*)
- Policy: HR-221 Job Opportunity Program (*revised*)
- Policy: HR-225 Job Descriptions (*revised*)
- Policy: HR-207 Manual Payroll Check Requests (*retired*)
- Policy: HR-209 Employee Recognition Days (*retired*)
- Policy: HR-211 CNA Reimbursement (*retired*)
- Policy: HR-227 In-House Registry Program (*retired*)

Motion 17-25: Director Hoffman motioned to approve the consent agenda as presented; motion seconded by Director Greenhouse; motion passed by unanimous vote.

PRESENTATION

HDMC HOLDINGS, LLC CAPITAL UPDATE - Karen Faulis & Scott Wartelle

Mr. Wartelle greeted the board and presented a PowerPoint as a summary of the HDMC Holdings, LLC capital update. During the current year, administration met with department directors and medical staff to solicit their input on needs for capital expenditures. The directors ranked the list of requests by priority.

Director Hoffman asked if there were any major changes to the original list; Mr. Wartelle responded that there were none.

Mr. Wartelle reviewed the summary, noting what had been completed from the original list. Based upon physician feedback, the spacelab portable monitor for pre-op was ranked lower on the list of priorities. Additionally, several items were deferred or deleted. As an example, Tenet negotiated a deal with a vendor where if a specific quantity of reagents were purchased, the vendor would place the equipment at no cost.

- MRI software upgrade is under corporate review.
- Ventilators purchases are complete and included the ICU and CCC.
- Time clock, voicemail back up, etc. is part of the IT bucket. A second fiber optic cable is being laid by a second vendor to allow for uninterrupted use.
- Emergency generator at CCC: quotes are at \$1.1 million making the project significantly over budget (\$200,000).
- Patient room renovations: improvements have already begun for the hospital rooms; the plan is to upgrade individual rooms as they become available based on census.
- Hospital entrance remodel: outpatient registration has already been relocated to the main lobby with new furniture and paint, but no additional upgrade is warranted.
- Seismic considerations: a consultant has been hired to manage the project which includes an underground water tank as discussed at a previous meeting.
- Road improvements: projected costs are now at \$1.2 million. Any property improvements requiring a County permit will trigger road improvements on both sides of the hospital property. The project has been deferred until triggered by other improvements.
- Parking lot paving is scheduled for the hospital campus and CCC.
- ADA compliance: The Machris building where outpatient rehab is located will require wheelchair accommodations.
- Duct Work was listed on the schedule, but staff has been unable to locate any problems with ducting.
- CCC renovations: are being addressed and include upgrading showers, tile, carpeting and painting based on census and room availability.
- Roofing: Includes hospital, out buildings and CCC. The roofing consultant recommended that they begin the hospital roof this year.
- Tenet has added items to the Schedule such as new stretchers, HVAC (3 units at the CCC); new power switch at CCC. The base capital did not provide a contingency for maintenance and repair such as new beds, etc.

Mr. Wartelle estimates they will spend \$10.2 million with a savings of 1.6 million



Mr. Sullivan complimented Mr. Wartelle on the comprehensive report. This is a partnership between Morongo Basin Healthcare District and Hi-Desert Medical Center. It is gratifying to see that the improvements are being processed. Your reasons for re-prioritizing the list is sound. Mr. Wartelle was appreciative of the compliment, stating that it is a living document that will be adapted to meet the needs of the medical center.

Director Hoffman asked about the Machris Building roof repair, confirmed that it was on the list as an “out building” and is included in the maintenance schedule.

Director Doyle asked what qualifies as a capital expense. Mr. Wartelle stated it is anything over \$500. She asked about the listed contingency monies listed; if all of the money is not spent on the specified project, what happens to the leftover monies? Mr. Wartelle stated that remaining monies stay in the pot and are redirected to other capital projects. 2016 saw a lot of OSHPD projects that have been delayed in their approval process; that money is still intact and designated for the listed projects.

Director Doyle asked about the physician recruitment program and how many physicians have been recruited: Karen Faulis, CEO, stated a total of five physicians have been recruited including for the hospitalist program. Additional physicians are being recruited. Cardiology is being expanded through the Foundation.

Director Doyle stated that tonight’s agenda did not allow for an action item to approve the change in schedule G of the agreement, but that the board would vote at the next regular meeting of the board.

REPORTS

MORONGO BASIN HEALTHCARE DISTRICT UPDATE, Jackie Combs, CEO

Ms. Combs updated the Board of Directors with the following verbal report:

- The HRSA site visit of the clinics is schedule for May or June, 2017.
- We have purchased the van from HDMC; the title is complete.

FINANCIAL REPORT – FEBRUARY 2017, Patricia White, Controller

Ms. White directed the board’s attention to the printed report presented in the Agenda packet.

DISTRICT:

REVENUE was where we projected it to be. We still have bad debt but is being collected.

EXPENSES

- We were above budget in personnel due to hiring of additional staff.
- Professional Fees includes payments for the audit process; furniture was purchased for newly hired staff.
- Director Greenhouse asked about the supplemental reimbursement. Ms. White explained that in December the District received a payback for hospital business before July 2015. We are still receiving reimbursements and payment settlements from previous years. These monies have been isolated from the District operations as they relate to closed years for past obligations and revenues. Director Doyle asked if this trend will happen for the clinics. Ms. Combs stated that the Medi-Cal auditor indicated he would be out for review of clinic business.

TRANSPORTATION:

Nothing extraordinary in this month. Of course, there is no activity in revenue because the grant has been fully expended and there is no additional revenue. Director Doyle asked if the report could be configured to show the grant funding as amortized over the twelve months. Ms. White responded



that the report is configured to show revenue as expenses are paid in accordance with the grant agreement. Details about the transportation grant and the projected client-trips will be presented at the budget workshop.

CLINICS:

Ms. White stated that the Morongo Basin Community Health Center financial report consists of 23 pages. She asked the directors what information this board would like to see each month. She affirmed that the MBCHC finance committee scrutinizes the data and Jeff Chawenson, director of finance, presents the financial report to the MBCHC governing board at their monthly meetings.

Director Armstrong asked about the number of “unknowns” at the poverty level as presented in the data. Ms. Combs stated that the patient volunteers information about their income; it does not impact our reimbursement.

Ms. White presented three graphs showing patient volumes, covering two years of data. Director Doyle asked about the disparity between years. The hypothesis is that the visits are logged when the providers close the chart and that is impacted by provider performance, vacations and holidays.

Ms. White states we are now seeing progress in resolving the billing issues related to software. Medicare billing will produce about \$219,000 in reimbursement for January. February and March billing are in process and looking encouraging.

INVESTMENTS:

Ms. White presented the report.

Director Hoffman stated changes should be made to the historical investment policy, and RBC needs to certify that they are in compliance with the policy.

ACTION ITEMS:

- Motion 17-26: Motion by Director Hoffman, second by Director Sullivan to accept the financial report as presented; motion passed unanimously.

CALENDAR REVIEW AND COORDINATION

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

- The Budget Workshop was scheduled for Wednesday, May 24, 6pm.

AGENDA

- Approval of HDMC Holdings changes to Schedule G
- Update on Needs Assessment
- Roof update
- Strategic Plan Update
- Veteran resources through clinics or hospital – staff report

DIRECTOR COMMENTS

- Director Greenhouse: Thank you for all the information, the progress, and reports, for making it tangible.
- Director Sullivan: Thanked Scott Wartelle for the Schedule G report. It’s exactly the kind of information we need to confirm we have a partnership. We hear good things about the hospital

and so appreciate your commitment to carry through. He also thanked PK White for the excellent financial report. He acknowledged that two months ago he took on the project to revise the board bylaws and hasn't been able to work with Dianne yet. He hopes to report the progress soon and close the loop that that will benefit us greatly.

- Director Hoffman: Thanked Scott Wartelle and HDMC staff for the report; it gives us assurance that we are partnering in this endeavor, that we're on the same page. Mr. Wartelle stated that they will return next year to provide an updated report.
- Director Armstrong: no comment.
- Director Doyle: I, too, want to thank you, Scott for your presentation. We're used to detail and you gave us what we wanted. I appreciate the time you invested in this comprehensive report. Mr. Wartelle stated that they are tracing the progress monthly and can present mid-year updates if wanted. She thanked staff for their hard work, and PK White for the great audit.

MEETING TRANSITION

The public portion of the meeting adjourned at 6:38 p.m.

The closed session was convened at 7:00 p.m.

- *Pursuant to Government Code section 32106 of the Health and Safety Code: Report involving Trade Secret. Estimated date of public disclosure is projected to June, 2017.*

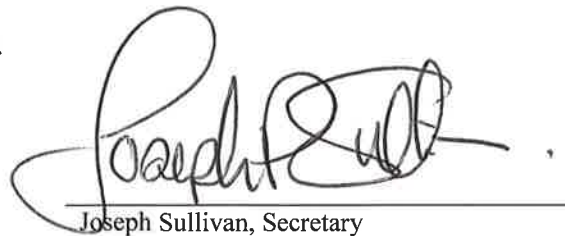
MEETING RECONVENED TO OPEN SESSION at 8:00 to receive Closed Session report. Director Doyle reported Staff was directed to provide progress reports as available on topics discussed.

MEETING ADJOURNMENT

Director Doyle adjourned the meeting at 8:05 p.m.

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


Marge Doyle, President


Joseph Sullivan, Secretary