



MORONGO BASIN HEALTHCARE DISTRICT

Resolution for the Adoption of the Annual Budget for the Morongo Basin Healthcare District

Resolution No. 17-07

A RESOLUTION PROVIDING FOR THE ADOPTION OF A BUDGET FOR THE MORONGO BASIN HEALTHCARE DISTRICT, FOR TWELVE (12) MONTHS BEGINNING JULY 1, 2017 AND ENDING JUNE 30, 2018 APPROPRIATING FUNDS FOR EACH ITEM OF EXPENDITURES THEREIN PROVIDED FOR AND FOR OTHER PURPOSES.

WHEREAS, the Morongo Basin Healthcare District Board of Directors has made a comprehensive review and evaluation of the proposed budget submitted by the Chief Executive Officer (CEO) and;

WHEREAS, it is the finding and conclusion of the Morongo Basin Healthcare District Board of Directors that the anticipated revenues and expenditures for Fiscal year 2018 appear to be as accurate as possible for budgetary purposes.

NOW, THEREFORE, BE IT RESOLVED BY THE MORONGO BASIN HEALTHCARE DISTRICT BOARD OF DIRECTORS:

1. This resolution shall be known as the budget resolution for the Morongo Basin Healthcare District, for the twelve (12) month period beginning July 1, 2017 and ending June 30, 2018. The attached budget, incorporated herein as if set out word for word and figure for figure, reflects estimated revenues and expenditures as set forth in the attached budget.
2. The respective funds for each item of expenditure proposed in the budget for Fiscal year 2018 are hereby approved and adopted for the operation of the Healthcare District by the Board of Directors, on this date and constitutes an appropriation of funds which are lawfully applicable to the items contained within the budget.
3. The Chief Executive officer or her designated representative may approve for payment, out of funds appropriated by this budget or otherwise approved by the Board of Directors for those purposes, or may disapprove any bills, debts, or liabilities asserted as claims against the Healthcare District as permitted in the Matrix of Authorization (Policy LD-208). All matters outside the scope of authority of those authorized in the matrix will be referred to the Board of Directors for review and approval.
4. The Chief Executive Officer may bring the budget back to the Board of Directors for a mid-year review as appropriate to make any modification to unforeseen expenditures

and revenue in the month of December. During this period of review the budget may be altered or revised by action of this governing board and funds may be subsequently appropriated to another purpose except as prohibited by law.

5. All applicable provisions apply as it relates to Procurement and the competitive bidding process.

CERTIFICATION

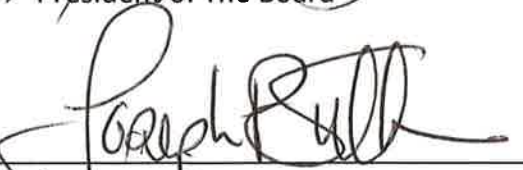
This Resolution was passed and adopted at the regular meeting of the Board of Directors of the Hi-Desert Memorial Health Care District on the eleventh day of June 8, 2017 by the following roll call vote:

- Director Armstrong: Yes No Abstain Absent
Director Doyle: Yes No Abstain Absent
Director Hoffman: Yes No Abstain Absent
Director Markle-Greenhouse: Yes No Abstain Absent
Director Sullivan: Yes No Abstain Absent

Approved: _____


President of The Board

ATTESTED: _____


Secretary of the Board

Attachment: Morongo Basin Healthcare District Budget Fiscal Year 2018



MORONGO BASIN HEALTHCARE DISTRICT

Morongo Basin Health Care District Staff Report/Recommendation Approval of the District Operating Budget

SUBJECT: District Operating Budget for FY 18

INTRODUCTION: The Operating Budgets for the Health Center, Transportation, District, and Consolidated District were reviewed during the Budget Workshop and changes were made as requested by the District Board.

ACTION ITEM: Approval of the Consolidated District Operating Budget for FY 18.

ASSUMPTIONS:

The Health Center budget assumptions include 2% volume increase in Yucca Valley Medical and Twentynine Palms Dental; 18% volume increase in Twentynine Palms Medical; Yucca Valley Dental to match Twentynine Palms dental volume; 22%-25% deduction from revenue reimbursement, and \$88,000 net increase cost for new EHR.

Transportation budget includes FTE increase of 0.5, increase in one-way trips from 10,000 to 10,900 in the Hi-Desert, additional 100 one-way trips to Coachella Valley, ARMC, Loma Linda, and operation of an additional vehicle. Grant funding: waiting for award; the grant has not been included in the budget.

District budget assumptions include Tax Revenue change undetermined and based on current revenue. In addition, the Bad Debt Recovery has been reduced by \$47,777; included are 0.9 FTE for Administrative Assistant, 0.15 FTE for housekeeping, and 0.5 FTE for Health Educator related to the Strategic Plan.

FACTS BEARING ON THE ACTION: The budget is based on current year's expenses, stated assumptions, and cost adjusted for volume increases.

DISCUSSION: The net income for the District is a positive \$1,772,396 after staff merit raises. The \$600,000 tax collections and the \$2 million lease payment from the hospital is included as a revenue source.

CONCLUSION: This budget is based on known factors as of today. The budget should be reviewed mid-year and restated if necessary.

ACTION RECOMMENDED: Approval of the budget with a mid-year review.

**Morongo Basin Healthcare District
CONSOLIDATED DISTRICT, TRANSPORTATION, & HEALTH CENTER FY 2018 BUDGET**

	DESCRIPTION	Projected for	Projected for
		EOY FY17 Total	FY18 Total
REVENUE			
	SELF-PAY	78,046	83,568
	MEDICAID/MEDICARE/MGD CARE/PRIVATE INS	5,166,991	5,575,361
	DENTAL	1,107,471	1,930,732
	GROSS OPERATING REVENUE	6,352,508	7,589,661
	DEDUCTIONS FROM REVENUE (CONTRACTUALS)	(1,135,648)	(1,662,623)
NET OPERATING REVENUE		5,216,860	5,927,038
OTHER REVENUE			
	CAPITATION REIMBURSEMENT	100,093	102,095
	GRANT REVENUE -- HRSA	1,080,632	1,569,465
	TENET LEASE -Amort of \$2M lease	2,000,000	2,000,000
	RENTAL INCOME	28,968	28,968
	TAX REVENUE	600,000	600,000
	INTEREST INCOME - MED RCRDS	4,358	3,600
	BAD DEBT RECOVERY	147,666	100,000
	OTHER REVENUE--STLMNTS/REIMBURSMENTS	980,364	0
	TRANSPORTATION--GRANT REVENUE	75,000	0
	TRANSPORTATION--OTHER REVENUE--Donated Funds	8,945	0
TOTAL OTHER REVENUE		5,026,026	4,404,128
NET REVENUE		10,242,887	10,331,166

OPERATING EXPENSES:		
SALARY AND WAGES-SUBTOTAL	2,755,565	3,527,464
FRINGE BENEFITS-SUBTOTAL	773,269	1,008,787
PHYSFEES/CONTRACT LABOR-SUBTOTAL	1,692,789	1,885,504
PURCHASE SERVICES-SUBTOTAL	676,288	610,606
SUPPLIES-SUBTOTAL	321,448	291,364
REPAIR AND MAINTENANCE-SUBTOTAL	47,222	46,231
LEASE AND RENTALS-SUBTOTAL	299,066	303,647
UTILITIES-SUBTOTAL	185,057	185,725
INSURANCE EXPENSES-SUBTOTAL	239,560	242,029
OTHER DIRECT EXPENSES-SUBTOTAL	1,074,978	345,029
TOTAL OPERATING EXPENSE	8,065,242	8,446,386
NET INCOME	2,177,645	1,884,780
LESS FY 2018 MERIT INCREASE MAXIMUM 3%		(112,384)
NET INCOME AFTER MERIT		1,772,396

MORONGO BASIN HEALTHCARE DISTRICT

DISTRICT FY 2018 BUDGET ADJUSTED

DESCRIPTION	Projected for	Projected for	Budget Workshope Recommendations:
	EOY FY17 Total	FY18 Total	
REVENUE			
NET LEASE -Amort of \$2M lease	2,000,000	2,000,000	
RENTAL INCOME	28,968	28,968	
TAX REVENUE	600,000	600,000	
INTEREST INCOME - MED RCRDS	4,358	3,600	
BAD DEBT RECOVERY	147,666	100,000	Reduce original \$147,666 by 47,666
OTHER REVENUE--STTLMNTS/REIMBURSMENTS	980,364	0	
TOTAL REVENUE	3,761,356	2,732,568	
OPERATING EXPENSES:			
SALARY AND WAGES-SUBTOTAL	551,298	723,678	
FRINGE BENEFITS-SUBTOTAL	251,163	267,243	
PHYSFEES/CONTRACT LABOR-SUBTOTAL	60,075	1,800	
PURCHASE SERVICES-SUBTOTAL	420,136	249,177	Reduce original \$266,337 by 17,160 See detailed ledger below
SUPPLIES-SUBTOTAL	18,412	9,950	
REPAIR AND MAINTENANCE-SUBTOTAL	1,023	1,500	
LEASE AND RENTALS-SUBTOTAL	55,834	60,416	
UTILITIES-SUBTOTAL	38,556	38,556	
INSURANCE EXPENSES-SUBTOTAL	230,603	231,450	
OTHER DIRECT EXPENSES-SUBTOTAL	931,255	170,033	
TOTAL OPERATING EXPENSE	2,558,355	1,753,804	Reduces original 1,770,964 by 17,160
NET OPERATING INCOME BEFORE OVERHEAD ALLOCATION	1,203,001	978,764	Reduces original 1,009,271 by 30,507
PLUS ALLOCATION FROM HEALTH CENTER FOR OVERHEAD	683,292	670,835	
NET OPERATING INCOME AFTER OVERHEAD ALLOCATION	1,886,293	1,649,599	Reduces original 1,680,106 by 30,507
LESS FY 2018 MERIT INCREASE MAXIMUM 3%		(21,710)	
NET OPERATING INCOME AFTER MERIT		1,627,889	Reduces original \$1,658,395 by 30,506

DESCRIPTION	Projected for	Projected for	
	EOY FY17 Total	FY18 Total	
PURCHASE SERVICES-DETAIL			
CONSULTING FEES	1,252	1,252	
LEGAL FEES - GENERAL	140,714	140,714	
DISTRICT -LEGAL/SETTLEMENT	68,810	10,000	
AUDITING FEES	40,234	40,234	
OTHER PROFESSIONAL FEES	19,904	6,000	
COLLECTION FEES	53,160	36,000	Reduce original 53,160 by 17,160
CONTRACT SERVICES	86,212	3,912	
CONTRACT - RECORD STORAGE	5,531	5,532	
INFORMATION SYSTEMS	1,176	1,176	
DISTRICT-PAYROLL FEES	3,144	4,357	
PURCHASE SERVICES-SUBTOTAL	420,136	249,177	Reduces original 255,337 by 17,160

**Morongo Basin Healthcare District
Transportation Budget FY 2018**

	Projected FY17	FY 18 Budget
OPERATING REVENUE		
GRANT REVENUE	75,000	0
OTHER REVENUE--Donated Funds	8,945	
TOTAL REVENUE	83,945	0
OPERATING EXPENSES		
SALARY AND WAGES	116,878	128,807
FRINGE BENEFITS	14,265	16,353
PURCHASE SERVICES	2,267	2,644
SUPPLIES	1,158	1,274
REPAIR & MAINTENANCE	10,095	11,546
UTILITIES	3,383	3,947
INSURANCE EXPENSES	8,956	10,579
OTHER DIRECT EXPENSES	22,087	26,409
TOTAL OPERATING EXPENSE	179,089	201,559
Total Net Income	(95,144)	(201,559)
Less 3% Merit Increase		(3,864)
Total Net Income after 3% Merit		(205,423)

MORONGO BASIN HEALTHCARE DISTRICT

Health Center FY18 Budget			
		Projected FY2017	2018 Budget
Revenue	Self-Pay	78,046	83,568
	Medicaid/Medicare/Mge Care	5,166,991	5,575,361
	Dental	1,107,471	1,930,732
	Gross Operating Revenue	6,352,508	7,589,661
	Deductions from Revenue (Contractuals)	(1,135,648)	(1,662,623)
	Net Operating Revenue	5,216,860	5,927,038
	Other Revenue--Capitated Total	100,093	102,095
	340B Revenue	0	0
	Other Revenue--Grants Total	1,080,632	1,569,465
Revenue Total	Net Revenue	6,397,585	7,598,598
Operating Expenses	Salaries and Wages	2,087,389	2,674,979
	Fringe Benefits and Payroll Taxes	507,840	725,191
	Physican Fees/Contract Labor	1,632,714	1,883,704
	Purchased Services	253,886	358,785
	Supplies	301,878	280,140
	Utilities	143,118	143,222
	Repair and Maintenance	36,104	33,185
	Other Direct Expense	121,636	148,587
	Rent/Lease	243,231	243,231
Operating Expenses Total		5,327,798	6,491,022
Net Incm Before District Overhead		1,069,788	1,107,575
	Less District overhead allocation	(683,292)	(670,835)
	Net Income After District Overhead	386,496	436,740
	Less Merit increase @ 3%		(86,810)
Net income			349,930