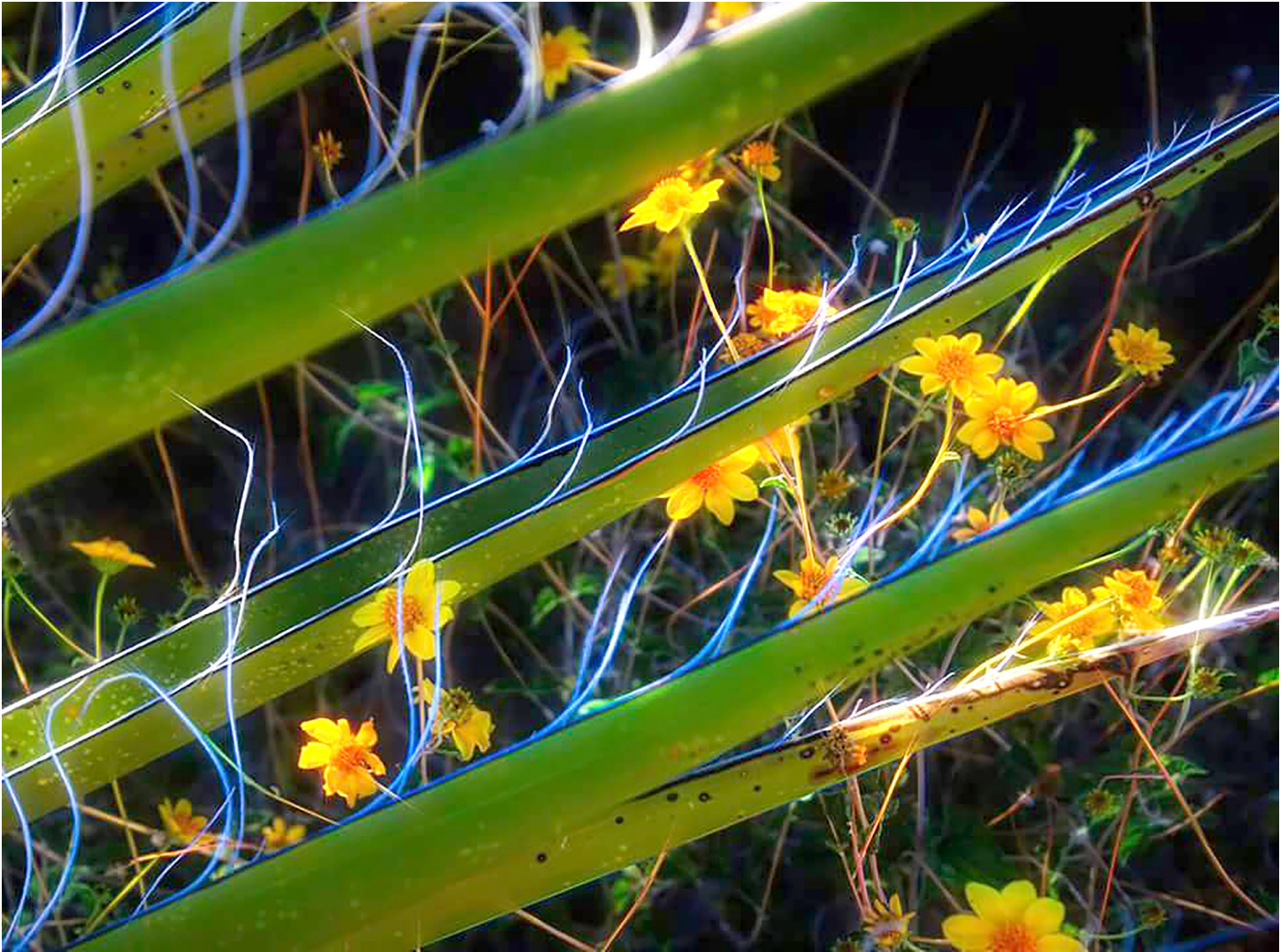




MORONGO BASIN  
HEALTHCARE DISTRICT

# ANNUAL REPORT 2018

*Photographer: Deborah Anderson, Controller, Morongo Basin Healthcare District*



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# THE DISTRICT'S HEALTH



## BOARD OF DIRECTORS

The Healthcare District's Board of Directors is comprised of five publically-elected representatives who oversee District assets in the delivery of healthcare to the Morongo Basin.

Shown here from left are Joe Sullivan, Dianne Markle-Greenhouse, Bob Armstrong, Marge Doyle and Paul Hoffman. Director Hoffman retired from the board in December and will be replaced by Misty Evans who won election on the November ballot.

The Board of Directors meet monthly to conduct District business, typically on the first and third Thursday of the month at 5:30 p.m. The public is invited to attend, make comment and weigh-in on items of business.

Meeting agendas are posted to the District's website 72-hours prior to meeting. Meeting minutes are also posted for public record to the District's website at [MBHDDistrict.org / Meetings and Minutes](http://MBHDDistrict.org/Meetings%20and%20Minutes).

## LEASE AGREEMENT

Hi-Desert Medical Center was owned and operated by Hi-Desert Memorial Health Care District for over 40 years. It became increasingly difficult for a small rural hospital to be financially successful and recruit needed physicians to care for Basin residents. Under the threat of having to close the hospital, the District's Board of Directors sought an organization to secure the future of the medical center.

The Board leased its properties in 2015 to Tenet Healthcare, Inc. for the continued operation of the medical center.

The lease agreement is for 30 years and provides for upgrades to existing buildings and systems, and for the recruitment of

physician specialists to care for the community. The District retains ownership of the physical property.

The District's Board of Directors receive semi-annual reports from Tenet regarding compliance with specific lease requirements, but has no jurisdiction over the operations of the medical center or patient care.

The District maintains a growing investment account in the event that Tenet prematurely terminates the 30-year lease agreement and the District would have to resume operations of the medical center.

## REAL ESTATE ACQUISITION

At their December meeting, the Board of Directors voted to purchase the La Contenta Business Center in Yucca Valley where the District's primary office is located.

The 29,750 sq. ft. complex was purchased for \$2.5 million and will generate revenue for the District.

The 2019 annual \$2 million lease payment from Tenet, plus \$500,000 transferred from investments, make up the cash payment with no long-term debt incurred.

The property is fully leased; no change is anticipated to the existing lease agreements.



# FINANCIAL REPORT

The financial records of the healthcare District are audited annually by a CPA firm. The auditor’s report for fiscal year ended June 30, 2018 is posted on the District’s website at [MBHDistrict.org / Meetings and Minutes / 2018](http://MBHDistrict.org / Meetings and Minutes / 2018).

The audit was administered in accordance with Government Auditing Standards, and Uniform Guidance. Highlights of the auditor’s 2018 fiscal year report included:

- No material weaknesses or deficiencies were found. This means that the internal financial controls are appropriate and financial reports are dependable for making financial decisions.
- Long-term debt to net position is at two percent. The District’s only long-term debt is specific to the water treatment plant on the hospital property. Large, long-term financial obligations such as loans or leases, can restrict growth in an organization.




## ASSETS AND DEFERRED OUTFLOW OF RESOURCES

	2018	2017
<i>Current assets</i>		
Cash and cash equivalents	\$ 786,663	\$ 1,734,865
Investments	14,614,826	12,568,519
Receivables		
Patients	972,141	885,437
Grants	576,142	238,257
Other	16,816	71,712
Prepaid expenses	147,479	35,545
<b>Total current assets</b>	<b>\$ 17,114,067</b>	<b>\$ 15,534,335</b>
<i>Noncurrent assets</i>		
Capital assets, net	8,896,335	9,570,386
<b>Total assets</b>	<b>26,010,402</b>	<b>25,104,721</b>
<i>Deferred outflow of resources</i>		
Prepaid water treatment capacity fee	671,494	746,106
<b>Total assets and deferred outflow of resources</b>	<b>\$ 26,681,896</b>	<b>\$ 25,850,827</b>

- Some residual hospital transactions lingered into the 2018 fiscal year. Outstanding balances remaining from hospital patients prior to 2015 have been “forgiven” and will be written off by the District.
- Cash-on-hand for Morongo Basin Healthcare District is 651 days. Cash-on-hand is used as an indicator of an organization’s financial health should revenue not be available to support operations. The common level of cash-on-hand in the healthcare industry is 180 days.

The District is in a stable financial position due to minimal long-term debt and a robust level of cash on hand.

## Reinvestment of Community Funds

	Real Estate Acquisition	<b>\$2,500,000</b>
	Mobile Medical Unit	<b>375,000</b>
	Property Improvements	<b>200,000</b>
<b>Total Amount Reinvested</b>		<b>\$3,075,000</b>



The La Contenta Business Center recently purchased by the District.

# MAKING HEALTHCARE ACCESSIBLE



qualified health centers, are community-based and patient directed organizations that serve populations with limited access to healthcare. The centers must be governed by a community board comprised of a majority (51 percent or more) of health center patients who represent the population being served. Community members not associated with the

health center complete the board composition.

Designed to deliver primary healthcare, they serve as a safety-net provider to the most vulnerable and underserved populations. Services are provided to all, with fees adjusted based on the ability to pay.

**Morongo Basin Community Health Center** provides primary healthcare to adults and children with expanded specialty

services such as dental care, pain management, and chiropractic care.

The health center governing board that served during most of calendar year 2018 resigned at the November meeting. A new board is being seated in 2019 to oversee the center.

The health center continues to recruit providers to expand services to Morongo Basin residents.

## MOBILE CLINIC

The District's 2017 Community Health Needs Assessment identified access to healthcare as a major issue in the Morongo Basin. In response, the District acquired a new Mobile Medical Unit (MMU) which will be an extension of the Morongo Basin Community Health Center, providing access to primary care for the entire family.

The MMU will serve the more remote areas of our Basin, traveling to community centers and other locations from Wonder Valley to Yucca Mesa and beyond. With support from First 5 and in partnership with the Morongo Unified School District, the MMU will also offer dental screenings at elementary schools, with school sites to be expanded over the next two years.

The 29 Palms Band of Mission Indians partnered with the healthcare District as a financial supporter and will contribute \$175,00 over a five-year period.

Look for the state-of-the-art "clinic on wheels" at a location near you beginning in early 2019!

## HEALTH CENTERS

One in every fifteen people living in the United States depends on health center services for quality and cost effective care. Born out of President Lyndon Johnson's War on Poverty in the '60s, health centers have become integral to the health of underserved populations and remote areas.

Health centers are regulated by HRSA, the Health Resources and Services Administration. Federally



*When the sites and visit dates are established for the Mobile Medical Unit, the schedule will be posted at [MBHDistrict.org](http://MBHDistrict.org).*



## PATIENT CARE

Owned and operated by the healthcare District, the Morongo Basin Community Health Center provides a growing selection of patient services in 29 Palms and Yucca Valley. With extended hours and some Saturday appointments, patients have more opportunity to access needed care, including:

- Primary Medical Care
- Pediatric Medical Care
- Dental Chare for adults & children
- Chiropractic Care
- Pain Management
- Consultation for general and orthopaedic surgeries
- Behavioral Health

While the health center accepts most PPO insurances, Medicare, and Medi-Cal/IEHP, because of its federally qualified status, no one is turned away because of their inability to pay for care. Patients may qualify for a discounted rate based on household size and income. Call 760-365-9305 for a convenient appointment.

## TRANSPORTATION

Statistics show about 3.6 million Americans miss or delay medical services simply because they lack adequate means of transportation to and from medical appointments. This has been widely recognized as a major issue in the Morongo Basin as well. In response, the Morongo Basin Healthcare District operates a free, non-emergency medical transportation service, known as the “LIFT” program.

This past year, our team served 1,000 clients, providing 8,785 one-way trips to and from medical appointments in the Morongo Basin. Our drivers provide “door-to-door” and “door-through-door” assistance for wheelchair-bound clients and those needing special assistance. This program includes service to anyone living in more remote areas of our Basin where public transportation may be limited. For many, our program is a life-saver. To learn more or to schedule an appointment, call 760-366-LIFT (5438).



*TOP: One of three vehicles used to transport residents from home to medical appointments by the District’s LIFT Transportation program. This vehicle was purchased with a TAG grant awarded to the healthcare District in 2017 by the Morongo Basin Transit Authority.*

*BOTTOM: MacArthur Wright, Mayor of 29 Palms and Joe Meer, Procurement Director, TAG Grant, Morongo Basin Transit Authority, present grant monies of \$20,000 to Joe Ruddon, Director of Business Development and the District’s Board of Directors at the December 6, 2018 meeting.*

## MAKING HEALTHCARE ACCESSIBLE IN 2018

**21** PROVIDERS AT **4** LOCATIONS  
CARED FOR OVER **8,000** PATIENTS

adult medical • pediatric medical • behavioral health • dental

**LIFT** TRANSPORTATION  
PROVIDED **1,000** CLIENTS  
**8,785** TRIPS TO MEDICAL APPOINTMENTS

# COMMUNITY OUTREACH

## HEALTH & WELLNESS

In addition to making healthcare more accessible to Basin residents, the District seeks to promote health and wellness throughout the Basin.

Using education programs and sponsoring community events that encourage physical activity and health, we seek to encourage healthy lifestyle changes.

SPONSORSHIPS have included:

- Concert in the Park, Yucca Valley
- Grubstakes Parade, Yucca Valley
- Kiwanis Bike Rodeo
- Pioneer Days Parade, 29 Palms
- Movie in the Park, 29 Palms
- 5K Heart Walk, Yucca Valley
- Unity Home domestic violence campaign
- Park to Park bike event, 29 Palms
- 5K Summer Splash, Joshua Tree
- Snow Day, Yucca Valley
- Holiday Light Parade, 29 Palms

EDUCATION OPPORTUNITIES in 2018 included:

- Smoking Cessation, a free seven-week series of classes offered twice a year.
- Diabetes Prevention Program is a lifestyle coaching program that teaches and inspires persons with indicators of Type 2 Diabetes how to make simple lifestyle changes to avoid developing the disease.
- Diabetes Management Program is a 12-week series of classes for those diagnosed with Type-2 Diabetes. This award-winning program provides tools and knowledge to successfully manage Diabetes, exploring both medical and nutritional factors, and provides supporting behavioral therapy.
- During the year, several seminars were presented at multiple locations across the Basin covering a range of health related topics such as Eating Healthy on a Budget; Managing Cholesterol Numbers; Living Well Summer Health & Wellness Workshops; and Manage Your Holiday Season.



First 5 team member, Paula Hewitt promotes dental care sometimes dressed as the Tooth Fairy.

## FIRST 5 DENTAL

Our Dental Outreach Team is responsible for providing on-site school dental screening and hygiene services in our new Mobile Medical Unit. Their mission is to improve the quality of oral health for children in the Morongo Basin.

San Bernardino County First 5 awarded the healthcare District \$600,000 in grant monies for this three-year program.

The program targets children of elementary school age who are covered by Medi-Cal benefits and who are not currently receiving dental services through another provider. Children will receive a complete dental exam, teeth cleaning, fluoride treatment, X-rays, sealants, and interim therapeutic restorations as needed.

The program will be expanded to additional elementary school sites in 2019.

### Funds Spent for the Benefit of the Community in 2018

*Monies Not Reimbursed*

PATIENT CARE sliding fee discounts	\$ 114,375
PATIENT CARE bad debt	706,024
COMMUNITY OUTREACH, includes health fairs & events	227,117
TRANSPORTATION costs exluding grant monies	121,268
<b>TOTAL COMMUNITY Related Expenses Not Reimbursed</b>	<b>\$ 1,168,784</b>





*The Flying Doctors' group of volunteer healthcare professionals, 29 Palms Health Fair*

## HEALTH FAIRS

The District organizes two health fairs a year: in partnership with the Town of Yucca Valley for the spring event, and in partnership with the City of 29 Palms for the fall event. Designed to present health and community resources to Basin residents, both events host over 40 organizations who bring unique resources, and have consistently drawn over 500 visitors to each location.

This year, the 29 Palms event incorporated Los Medicos Voladores, a.k.a. “The Flying Doctors” into the venue. Volunteer healthcare professionals, including dentists and hygienists, provided free dental care to 79 people.

## LOCATIONS

District offices: 6530 La Contenta Rd, #100, Yucca Valley 760-820-9229  
 Morongo Basin Community Health Center locations: 760-365-9305

- 72724 Twentynine Palms Hwy, 29 Palms
- 58375 Twentynine Palms Hwy, Yucca Valley
- 57019 Yucca Trail, #C, Yucca Valley (dental only)

## PARTNERSHIPS

The healthcare District partners with local agencies and organizations to benefit Basin communities.

In addition to community partnerships for annual health fairs, the District has partnered with the Joshua Tree National Park to offer “Take A Hike,” a unique program that encourages walking and hiking for health benefits.

Other partnerships to benefit the community include Morongo Unified School District for child immunizations; the 29 Palms Band of Mission Indians in financial support of the mobile medical unit; as well as organizing collaboration between community groups to share efforts and resources.

## DISTRICT STAFF

The healthcare District contracts with and employs staff to provide the best care to patients and effective outreach to the communities we serve.

- 21 medical, dental, and behavioral health providers
- 52 patient care staff
- 5 transportation staff
- 25 support staff such as housekeeping, maintenance, finance, IT, and purchasing



*District senior staff from left: Deborah Anderson, Controller; Tricia Gehrlein, Director Population Health; Joe Ruddon, Director Business Development; Jackie Combs, CEO; Cindy Schmall, Director Operations; and Karen Graley, Director Communications*

Learn more about  
your healthcare  
District at  
**MBHDistrict.org**

*Following is an excerpt from Paul Hoffman's closing comments at his final Board of Directors meeting on December 6, 2018. Paul retired at the conclusion of his current term of office.*

"I was listening to Garth Brooks' song, 'The Dance,' and was thinking how to approach my last day with the healthcare District. Metaphorically, I chose to compare the song to my journey with the District.

Looking back on these 19 years, many of the actions we took as a board were in tune, and our patients enjoyed the music and dance. We danced with great pride and form.

Some dances were short and sweet; some were longer, like the MRI funding for military personnel in our Basin, the birthing center we've since outgrown, the creation of the community health centers, the quality of care provided to every patient, and the art displays in the hospital halls and lobby.

## PAUL HOFFMAN: 19 YEARS OF DANCING

I leave having enjoyed The Dance. My journey has been a great love song with many pleasant memories. I believe I've made a difference as a voice in the music.

The dance for the District lives on. Thank you for the opportunity to dance and for the memories."

*(Photos clockwise from top right)*

- 2005 Jackie Combs, Paul Hoffman and Alice Anderson
- 2006 long-time board member Carol Barrett resigns
- 2009 with board member Ellin Loveless
- 2011 at District health fair
- 2013 with board member Pat Cooper
- 2018 Director Hoffman accepts the American flag flown over the capitol building in Washington, D.C. from Dawn Rowe on behalf of Congressman Paul Cook in recognition of his years of service to the healthcare District and community.

