



# ANNUAL REPORT 2022



MORONGO BASIN  
HEALTHCARE DISTRICT

## NEW CEO

The Board of Directors appointed Cindy Schmall as Chief Executive Office in December 2021.

Cindy had already been with the District for several years, serving as Chief Operations Officer. Her understanding of the District's internal systems has given her the expertise to move the organization forward.

In 2022, department leadership was restructured for better hands-on management of patient services. A new model was implemented for processing patient calls, resulting in improved patient satisfaction; new healthcare providers joined the team; and additional staff was hired to fulfill multiple federal grants, including outreach into the community for HIV and COVID-19 education and intervention.



*Cindy Schmall, CEO*

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

**VISION:** A healthy Morongo Basin.

**CORE VALUES:** Commitment, Collaboration, Accountability, Dignity and Integrity



## MORONGO BASIN HEALTHCARE DISTRICT

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**ABOUT MORONGO BASIN HEALTHCARE DISTRICT:** We focus on making healthcare more accessible to residents and operate community health centers which provide primary and specialty medicine, behavioral health and dental services, in both Twentynine Palms and Yucca Valley. The District operates the LIFT Transportation program, providing free, non-urgent transportation to medical and dental appointments. Through education campaigns and sponsored events, the District seeks to improve local residents' lifestyle choices that lead to healthy eating and better management of disease processes, and through health screenings to encourage early detection of diseases.





# THE YEAR IN REVIEW

## ACHD RECERTIFICATION

The District achieved recertification status with the Association of California Healthcare Districts for its transparency in governance.

Transparency is demonstrated on the District's website with evidence of board member training and compliance, posting board meeting minutes, financial audits and internal policies covering finance management and reporting, and in providing public information. Recertification is updated every three years.

## NEW WEBSITE DESIGN

Staff updated the District website with a new design. In addition to transparency in governance, the site provides information about the District's programs and health center services. Visit the site at [MorongoBasinHealth.org](https://MorongoBasinHealth.org).

## BUSINESS OF THE YEAR

Morongo Basin Healthcare District was named "Business of the Year" for 2022 by the Basin Wide Foundation. This honor is awarded to businesses within the Morongo Basin that have made an important impact in the community.

## TRANSITION FROM AT-LARGE TO BY-DIVISION ELECTIONS

In 2022, the Board of Directors initiated the process to restructure the local election of board members. The process requires five public hearings to be convened for community members to provide feedback as the District moves through the transition. The first public hearing is scheduled in February 2023.

The California Voting Rights Act was written to encourage "by district," (or by zone) elections, designed to give greater representation to historically disadvantaged groups.

Federal law specifies zones for equal population (within a 10% range). The healthcare District has five publically elected representatives so there will be five election zones. The targeted result is a balanced population without disadvantaging any group of people.

The by-zone election will initiate with the 2024 voting ballot.



*BOARD OF DIRECTORS  
(from left) Dianne Markle-Greenhouse,  
Supinda Sirihekaphong, Misty Evans,  
Heidi Stiemsma, and Debra Savitt;  
not shown, Greg Brown*

## BOARD OF DIRECTORS

The Board of Directors experienced two vacated seats in 2022:

- Supinda Sirihekaphong replaced Dale Mondary (January 2022); her term concluded December 31, 2022. She did not seek reelection.
- Heidi Stiemsma replaced Greg Brown (October 2022) and will complete that term December 2024.

In the 2022 election, Pat Cooper filed to fill the seat vacated by Supinda Sirihekaphong; she will fill a two-year

term of office. Incumbants Misty Evans and Debra Savitt were seated for another four-year term.

The Board of Directors meets monthly on the second Thursday of the month at 6:00 p.m. to conduct District business. The public is invited to join the meetings on the District's administrative Yucca Valley campus or by remote platform. The link for remote access is presented on the website with the meeting agenda.

# FINANCES

Hi-Desert Memorial Health Care District dba Morongo Basin Healthcare District is a public entity organized under Local Hospital District Law as set forth in the Health and Safety Code of the State of California. It is a political subdivision of the State of California and is generally not subject to federal or state income taxes.

The District operates federally qualified health centers in Yucca Valley and Twentynine Palms, California, to provide medical, dental and behavioral health services to patients. Financial support for the District includes fees charged for services performed and federal and state sources.

An annual financial audit is performed by a reputable CPA firm and is posted on the District's website at MorongoBasinHealth.org.

In 2022 financial policies and procedures were reviewed and revised to align with new accounting principles generally accepted in the United States for best internal control and transparency in managing public assets. The 2022 annual financial audit had no findings.

## CHARITY CARE

The District provides charity care to patients who are financially unable to pay for healthcare services they receive. The District's policy is not to pursue collection of amounts determined to qualify as charity care. Accordingly, the District does not report these amounts in net operating revenues or in the allowance for uncollectible accounts. It determines

## ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	2022	2021
<u>Current assets</u>		
Cash and cash equivalents	10,010,869	2,094,897
Investments	16,485,447	17,199,117
Receivables	2,821,078	4,105,926
Prepaid expenses	323,410	195,902
Total current assets	29,640,804	23,595,842
<u>Noncurrent assets</u>		
Lease receivable	27,581,041	-
Capital assets, net	8,656,849	9,391,147
Total noncurrent assets	36,237,890	9,391,147
TOTAL ASSETS	65,878,694	32,986,989
<u>Deferred outflows of resources</u>		
Prepaid water treatment capacity fee	373,052	447,663
<b>Total assets &amp; deferred outflows of resources</b>	<b>66,251,746</b>	<b>33,434,652</b>

## LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

<u>Current liabilities</u>		
Accounts payable	565,501	376,689
Accrued payroll & liabilities	265,626	216,617
Accrued paid time off	292,127	337,129
Current portion of long-term debt	74,610	74,610
Current maturities of lease liabilities	61,029	-
Total current liabilities	1,258,893	1,005,045
<u>Noncurrent liabilities</u>		
Long-term debt, net of current portion	298,442	373,052
Lease liabilities, net of current maturities	27,652	-
Total noncurrent liabilities	326,094	373,052
TOTAL LIABILITIES	1,584,987	1,378,097
<u>Deferred inflows of resources</u>		
Deferred lease revenue for hospital real property & fixed equip	29,427,510	1,000,000
<u>Net position</u>		
Net investment in capital assets	8,568,168	9,391,147
Restricted by donors for specific operating purposes	-	112,393
Unrestricted	26,671,081	21,553,015
Total net position	35,239,249	31,056,555
<b>Total liabilities, deferred inflows of resources, &amp; net position</b>	<b>66,251,746</b>	<b>33,434,652</b>

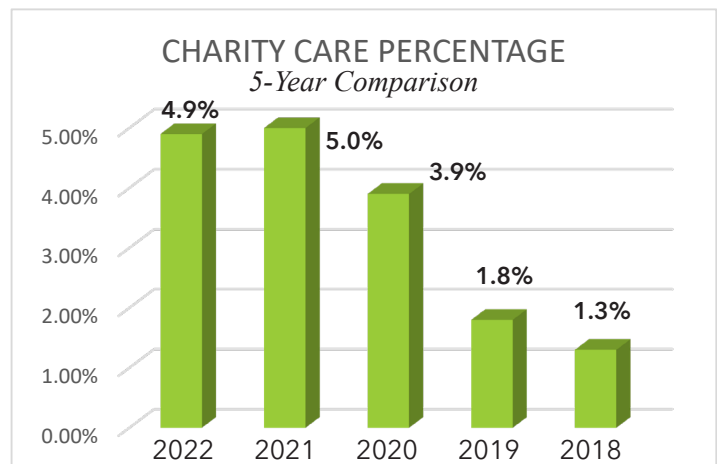
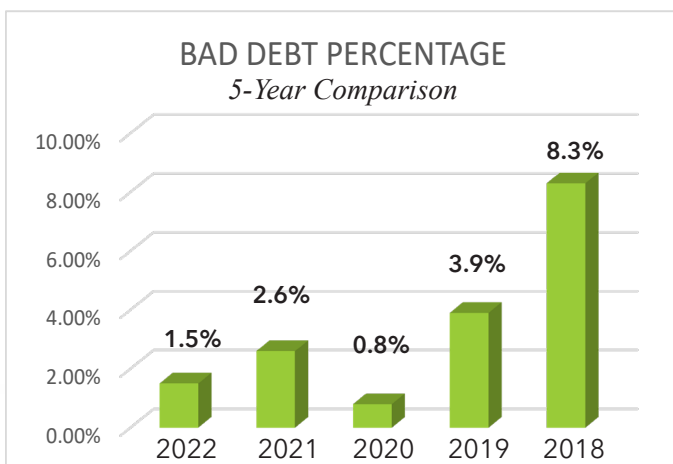


## OPERATING REVENUE AND EXPENSES

	2022	2021
<u>Operating Revenues</u>		
Net patient service revenue	9,155,746	10,785,220
Grants	2,966,580	1,864,097
Lease revenue	4,007,536	2,000,000
Other	319,701	248,673
Total operating revenues	16,449,563	14,897,990
<u>Operating expenses</u>		
Salaries and wages	6,256,962	5,433,595
Employee benefits	1,353,884	1,095,838
Contract labor	53,703	26,621
Professional fees	2,014,056	2,245,905
Purchased services	661,190	698,177
Supplies	1,401,178	1,417,295
Insurance	196,100	161,681
Leases and rentals	170,179	309,585
Depreciation & amortization	1,062,685	921,481
Repairs & maintenance	75,579	71,833
Utilities	99,294	89,860
It, network, & phones	393,982	366,216
Other	349,331	513,553
Total operating expenses	14,088,123	13,351,640
Operating income	2,361,440	1,546,350
<u>Nonoperating revenues (expenses)</u>		
Tax revenue	875,369	805,701
CARES Act Provider Relief Fund	-	805,561
COVID-19 grants	-	736,374
Investment loss, net	(712,138)	(29,252)
Rental income	97,020	96,012
Lease interest income	1,258,682	-
Loss on uncollectible promises to give	-	(105,000)
Contributions	413,181	363,351
Transfer to Foundation	(112,393)	-
Total nonoperating revenues, net	1,819,721	2,672,747
<u>Gain (loss) from discontinued hospital operations</u>		
Net patient service revenue	1,533	(382,629)
<b>Change in net position</b>	<b>4,182,694</b>	<b>3,836,468</b>

the costs associated with providing charity care by aggregating the applicable direct and indirect costs, including salaries and wages, benefits, supplies, and other operating expenses, based on data from its costing system. The costs of caring for charity care patients for the years ended June 30, 2022 and 2021, were approximately \$748,000 and \$674,000, respectively. Funds received from grants to subsidize charity care services, among other purposes, provided for the years ended June 30, 2022 and 2021, were approximately \$1,533,000.

Additionally, the District funds and operates a non-urgent medical transportation program, and provides education and resources at no cost to the community. These community benefits are not quantified here.



These charts illustrate the percentage of patient revenue that has been earned but is determined to be uncollectible, or not billed as part of the District's Sliding Fee Discount Program (charity care).

# OUTREACH

The opportunity to fulfill the vision of a “healthy Morongo Basin” means being a presence within the community. We seek to fulfill that vision through community events where District teams present education and access to resources in an effort to influence and educate the populace toward making healthier lifestyle choices.

COMMUNITY RESOURCES & HEALTH FAIRS are hosted by the District twice a year, in partnership with the Town of Yucca Valley in May, and City of 29 Palms in October. Health-related organizations and agencies join the District’s health fairs to provide

resources to the community. Over the years, the fairs have drawn from 300 to 500 community members at each event.

**COMMUNITY BENEFIT ASSISTANCE.** Our certified enrollment counselor assists community members with enrolling for health insurance benefit programs such as Medi-Cal or Covered California. As a Certified Enrollment Counselor for Covered California, she assisted 74 community members with the enrollment process in 2022.

**FLYING DOCTORS ANNUAL EVENT** is sponsored by the District. This collaboration of organizations brings free dental and vision care to the underserved community in the Morongo Basin. The health center dental team volunteers their time to this annual event.

The District’s outreach team is also present to provide other resources such as health center services, and assistance with enrollment in Medi-Cal and Covered California insurance programs.

An **ANTI-VAPING CAMPAIGN** was produced in collaboration with the Morongo Unified School District. The campaign’s goal was to educate parents and school students of the significant risks associated with vaping.

The District launched a social media and digital marketing campaign targeting parents. The school district created curriculum for students. Posters were displayed on campus to reinforce the message.

**COVID TEST TO TREAT:** The Morongo Basin Healthcare District received a California







Department of Public Health COVID "Test 2 Treat" grant. This grant provided resources to emphasize COVID testing and therapeutics within 24 to 48 hours of testing positive.

Our community was below the state averages for COVID vaccination rates when we began this project in October 2022.

The grant focused on outreach, targeting especially vulnerable and vaccine resistant populations in our community. Our outreach team, which includes a registered nurse trained in COVID testing and therapeutics, and a community outreach health worker, regularly attended community functions to stress the importance of vaccination and for those who test positive for COVID, treatments

available. They also conducted COVID vaccination and testing drive-through events as well as community presentations and events around our community.

Educational handouts including responses to common vaccine objections were developed, as was a "COVID Nurse Hotline" to respond to community questions about COVID symptoms and referral information for medications for those testing positive.

Our outreach team developed relationships with key places of worship in our community where vaccine resistance was high, targeting one particularly influential church in an African American population. We partnered with church leadership to conduct monthly COVID testing kit distribution in conjunction with their existing

*The CHC dental team at the 2022 Flying Doctors event*

food drive giveaways.

Since our outreach testing efforts began, as of June 2023, we have provided 112 vaccines, distributed 475 rapid COVID tests and treated 80 patients with anti-virals medications. Additionally, the team reached 375 people in our communities with COVID vaccination and treatment information. They planned and coordinated more than 15 COVID specific vaccination and information events, and participated in other events where COVID information was included.

## OUTREACH

# OUTREACH

The healthcare District accepted a grant beginning 2021 to address issues surrounding testing, prevention, and treatment of HIV. The grant was based within the outreach department and initially was staffed by a Community Health Worker.

The District examined baseline performance for HIV measures within the District's health centers in 2020 and found them to be dismal with a testing rate of 8.82% compared to a national average of 32.29%. Linkage to care was 0% against a national standard of 81.41%. Clearly, the district had not performed well in this important area of patient care and required significant improvement.

Initial efforts involved community educational presentations and distribution of oral, at home tests. The focus was primarily on the MSM population in our community. This resulted in partial improvement with a rise in testing rates to 29.89% in 2021. Linkage to care remained at 0%.

All of this occurred against the unanticipated backdrop of both COVID 19 and the Monkey pox outbreak which created multiple barriers to success.



In mid-2022 a registered nurse was hired to lead the effort. This nurse took a more global approach to addressing HIV in the community and the District. The initial change was to broaden the scope of the outreach to persons of all ages, sexual identities, and sexual orientations. Internal as well as external individuals were targeted. A physician champion, certified in HIV prevention, was also recruited to assist with clinical expertise.

Medical staff in the District's health centers were presented with and approved a standardized protocol allowing nurses to enter HIV testing orders for patients who had not previously been tested. Daily order entry and monitoring of the outcomes of this effort began immediately afterward. Provider response to this change in process was overwhelmingly positive.

The community presentation was modified to address a more diverse audience with the understanding that the community is rural, impoverished, conservative, and lacks accurate information about the subject.

The District is fortunate to be geographically close to a center of excellence for HIV care. DAP Health Center, provider of HIV care since 1984, is located just 32 miles from the Morongo Basin Healthcare District in an area of high-density HIV disease. A memorandum of understanding was obtained with them to provide a clinical and referral source for patients from the Hi-Desert with complex HIV disease. This relationship has blossomed from a legal agreement to a fully integrated collaboration.

The aforementioned rural and conservative nature of our District led to some objections, chiefly obtaining access to adolescent aged individuals with education, testing and overall comprehension. To address this, the District engaged in activities at the local teenage mental health facility participating in an 8-week wellness course which included subjects such as HIV and "sex 101". At the end of eight weeks every adolescent and young adult who participated agreed to testing and verbalized that they had personally benefited from the course.

In addition to this, the counselors at the local boys and girls club as well as the sexual assault program were educated, tested and encouraged to utilize their newfound knowledge to intervene with young people when appropriate.



Another consistent objection was perceived lack of risk status among older adults. We were able to share a story from our clinic-based practice that addressed this. A 65-year-old woman who had not had a sexual encounter in over 10 years presented to the clinic with a complaint of hair loss. Per our routine, she was tested for HIV. When her test results were positive, we immediately linked her to care at DAP Health Clinic. She was so grateful that she wrote a thank you letter to the staff expressing her relief at the handling of her situation. When the broad details of this case were shared with residents of our area, it effectively overcame their objections to testing.

Because of the impoverished nature of our community, the affordability of condoms presents a barrier to consistent safe sex



practices. To address this, the district undertook a condom distribution project placing free male and female condoms in each exam room as well as several outlying meeting locations. The uptake was dramatic, and thousands were distributed.

Accurate data for our small rural area in the largest county in the country is difficult to obtain. With each test provided, an anonymous demographic form was collected. One question on the form was "Have you ever heard of PrEP?" We were able to ascertain that in our area, 75% of individuals answered "no" to that question. This helped us set a baseline of data regarding the lack of PrEP awareness in our community. This was later utilized for provider education.

Another area of concern was awareness of current HIV testing, prevention, and treatment among the healthcare providers in our community. Since we were educating community members to seek help from their personal providers, we recognized that those providers needed up-to-date information as well. To this end, our physician-champion conducted medical staff education to the medical executive committee at our local hospital.

With all that we are doing to improve testing, prevention and treatment in our community we have established ourselves as leaders on the subject of HIV in our community. We receive provider and patient inquiries as a result.

Outcomes speak for themselves. Measures for testing in 2022 rose to 64% (up from 29.89%). The goal for 2023 is 80% with a current rate as of June 2023 at 73.33%. The national average at this time is currently 45%. We have successfully tested over 3,000 clients in our health centers through this process.

As of June 2023 our outreach team has presented HIV education to over 130 community groups and reached over 3,000 individuals externally. 661 at home tests have been distributed to persons external to our organization.

## OUTREACH



# HEALTH CENTER

MORONGO BASIN COMMUNITY HEALTH CENTER (CHC) is a federally qualified health center and receives grant monies from the Health Resources and Services Administration (HRSA) to improve access to healthcare for uninsured and underserved populations within the Morongo Basin.

The health center provides primary medical care for adults, chiropractic care, pediatric care, dental care and behavioral health services at two locations: City of 29 Palms and the Town of Yucca Valley.

HRSA requires a volunteer governing board comprised of 51% of health center patients, to provide oversight and support into the function and operation of the health center. In 2022 the governing board consisted of ten members: Patricia Cooper, Denise Cullum, Bryan Goldfarb, Nicola Keller, Alajandro Penalva, Cecelia St. Clair, Jackie Todd, Jack Williams and two appointed members of the District's Board of Directors. The CHC Governing Board meets on the second Thursday of the month to conduct health center business. The public is invited to attend.



**HRSA SURVEY:** In February 2022 HRSA surveyors conducted the three-year compliance survey; this year it was conducted from a remote location because of lingering COVID-19 concerns. Surveyors looked at medical records, contracts and policies and interviewed staff and governing board members. The survey was successfully completed with only 13 of 93 criteria requiring follow up.

**MEDI-CAL TRANSITION TO IEHP:** In January 2022, Medi-Cal required patients to choose an HMO health plan and transitioned health center reimbursement for services to a capitated format.

CHC staff received special training to use IEHP forms and data reporting in support of patient care. The Wellness Clinic was opened in Yucca Valley to fulfill the IEHP requirement that every IEHP patient receive an annual physical and appropriate screenings. Dedicated staff at the Wellness Clinic reach out to over 8,000 IEHP patients to schedule their annual physical.

**SPLIT ROCK PROPERTY:** The 29 Palms health center began relocation from the leased property on Hwy 62 to the 29 Palms Split Rock property, with dental being the first to relocate. The District is in the process of placing a 5,000 sq.ft. building on the Split Rock property. Project completion is targeting Fall 2023.





The 29 Palms dental team relocated from its original location to the Split Rock property in December.

Capital purchases this year included a soft-tissue laser and a panoramic x-ray machine for 2-D imaging. Both units have significantly improved patient care.

The MOBILE MEDICAL UNIT (MMU) supports the school-based dental program. In 2022, primary dental care was provided to 488 students at their respective school campuses during school hours.

The dental team also used the MMU to provide dental care to pre-school children at the local Head Start facility. The pediatric department provided school immunization clinics

and sports physicals prior to the start of the new school year.

The MMU was used to expand health center services. For ten months the unit was parked one day a week in downtown Joshua Tree, but response was underwhelming and the weekly visits were discontinued. The MMU was later redirected to the dental program.

**BEHAVIORAL HEALTH:** New providers were hired to round out the behavioral health team. Telepsychiatry rooms are provided on-site for patients to meet with remote providers. The offices were remodeled for a better patient experience.

The state legislature passed AB966 allowing for FQHC facilities to bill for ACSW and MFT services.

#### BLENDDED SERVICES UNIT:

To improve the overall patient experience, the Blended Services Unit was launched in June. This department is staffed by nurses and medical assistants who can answer patient medical questions, provide patient test results, medication refills, schedule appointments, coordinate transportation, and provide quick referral status as needed. The patient response to the restructure has been overwhelmingly positive.

**DENTAL SERVICES:** Drs. Chanette McDonald DDS, and Walter Druckenmiller DMD, joined the dental team in 2022.

## HEALTH CENTER



# HEALTH CENTER

## FOOD INSECURITY RELIEF

In 2022 the Morongo Basin Community Health Center incorporated a food-insecurity screening to its patient intake to better assess and respond to patient needs. Small food pantries were established at each of the health center locations so that staff can immediately provide bags of food to patients who need assistance. The health center distributed a total of 340 bags of food to patients in 2022.

NEW PROVIDERS were recruited in 2022 and provide care for patients at the multiple health center facilities.

- Dental: Chanette McDonald, DDS
- Dental: Walter Druckenmiller, DMD
- IEHP Wellness: Frank Paul, MD
- Pediatric Medicine: Tiffany Mduba, NP
- Adult Medicine: Ann Ala, NP
- Behavior Health: Gina Steffens, ACSW
- Behavior Health: George Giles, ACSW

## HYPERTENSION PROGRAM

The three-year HRSA grant to mitigate hypertension in the health center patient population incorporates patient participation through self-reporting blood pressure monitors. Staff is able to track compliance and follow up to educate patients.

In 2022, 825 patients were contacted. 220 of those patients enrolled in the hypertension program and received self-monitoring blood pressure machines that report directly to the patient's electronic record.

## Hypertension Program







# LIFT transportation services

For over 15 years the LIFT Transportation Program has provided free non-urgent transportation to medical and dental appointments for Morongo Basin residents. Partnering with Reach Out Morongo Basin, a CAL-TRANS grant was awarded to improve transportation options for Basin residents. Services include transport to higher levels of care outside

the Basin to regional healthcare providers. For some residents in our rural community, LIFT Transportation is their sole resource for accessing healthcare.

The vehicles are wheelchair accessible. Transport is limited to the patient and a caregiver. The program is operated within CDC guidelines to prevent transmission of communicable diseases.

The program is funded by the healthcare District.

## TRANSPORTATION



MORONGO BASIN  
HEALTHCARE DISTRICT