



Morongo Basin Health Care District
Community Health Center

GOVERNING BOARD MEETING

MINUTES of Thursday, May 11, 2023, 6:00 p.m.

This meeting convened on the District's campus at 6530 La Contenta Road, Yucca Valley, suite 400. The meeting was also accessible by Microsoft Teams remote platform.

Mission Statement: To improve the health and wellness of the communities we serve.

Vision Statement: A healthy Morongo Basin.

Core Values: Commitment, Collaboration, Accountability, Dignity, Integrity

PRESENT:

- Cody Briggs (*not present*)
- Patricia "Pat" Cooper (*present*)
- Bryan Goldfarb (*present*)
- Nicola Keller (*present*)
- Jennifer Rendon (*present*)
- Cecelia St. Clair (*present*)
- Heidi Stiemsma (*present*)
- Jackie Todd (*present*)
- Jack Williams (*present*)

STAFF:

- Cindy Schmall, CEO
- Karen Graley, Board Clerk (*remote*)
- Debbie Anderson, CFO
- Tina Huff, Director Clinical Care
- Tela Thornton, Administrative Assistant
- Janeen Duff, Program Development Liaison
- Jenifer Rendon, community member

CALL TO ORDER: The meeting was called to order by Nicola Keller at 6:00 p.m.

ROLL CALL: Karen Graley, board clerk, conducted roll call and declared a quorum.

OBSERVANCES:

Heidi Stiemsma led the assembly in the Pledge of Allegiance

Jack Williams read the mission and vision statements.

PUBLIC COMMENTS:

No public comments were presented.

APPROVAL OF MEETING AGENDA:

- **Motion 23-34:** Motion by Heidi Stiemsma to approve the meeting Agenda as presented; motion seconded by Jack Williams; the motion passed by unanimous vote.

APPROVAL OF CHC CONSENT AGENDA:

Motion 23-35: Motion by Pat Cooper, second by Heidi Stiemsma, to approve the Consent Agenda as presented; the motion passed by unanimous vote. There was no discussion.

- Minutes of the Governing Board regular business meeting April 13, 2023

ACTION ITEMS

ACCEPT RESIGNATION

Ms. Keller presented the resignation of Mr. Penalva, Cindy Schmall stated he served on the board for several years. She expressed appreciation for his service.

- **Motion 23-36:** Motion by Jack Williams to accept the resignation of Alejandro Penalva from the Governing Board; motion seconded by Jackie Todd; the motion passed by unanimous vote.

APPOINTMENT TO THE GOVERNING BOARD

Cindy Schmall presented a copy of Jennifer Rendon's application with confidential information

redacted. Ms. Schmall stated that she met with Ms. Rendon and recommends her to be seated on the governing board as a consumer (patient member). Ms. Rendon spoke to her experience.

- **Motion 23-37:** Motion by Pat Cooper to appoint Jennifer Rendon to the Governing Board; motion seconded by Jack Williams; the motion passed by unanimous vote.

DECLINE HRSA CAPITAL GRANT

Ms. Schmall provided background information on the HRSA capital grant and its history with the District, stating that staff received the notice of funding for \$602,000 to be used for expansion of the Yucca Valley facility. At its May meeting, the District board expressed concern when presented with the newly discovered specifics of the grant and recommended to the CHC governing board to decline the grant.

Ms. Schmall explained that staff submitted the request to HRSA to redirect the project funding from Yucca Valley to 29 Palms Split Rock to place a 5,000 square foot building on the property to expand services. HRSA required the application be resubmitted which caused further delay in funding and the project. Four months passed waiting for approval. Then HRSA called with changes and more forms to be submitted; we jumped through those hoops and are still waiting for approval. The HRSA representative made it clear that the project cannot break ground or alter the property in any way without HRSA's final approval.

Then, very recently we were advised that a Notice of Lien must be submitted before final approval can be given. The lien would give HRSA part ownership of the Split Rock property for an extended period. In the future, we could not sell or change the property in any way without the approval of HRSA.

Ms. Schmall stated that we are not remotely close to having a final decision from HRSA for this project and can't move forward in any way until it is received. We are only at the second step of many for final approval. The clinic has been operating in 800 square feet. Patient volumes are dropping because staff can't keep pace in the limited space, even with the mobile medical unit scheduled on site for multiple days to provide additional clinic space. Chiropractic services were suspended at Split Rock because the space was needed for other clinic services; patients are being redirected to the Yucca Valley facility for chiropractic care.

We are waiting for the City's final approval to proceed. Once we have their approval the project could move forward with placing the septic system and other infrastructure pieces. But with HRSA's process we cannot do that. The modular building is ready for placement and being stored by the builder. Without HRSA in the equation, we could complete the project and be providing for our patients by September.

Ms. Schmall noted that the CHC Governing Board is the governing entity over the federally qualified health center. Once this board votes on the motion to decline the grant money, then the issue goes before the District board to approve using District assets to replace the capital grant monies for the project. The District board does not have authority to determine clinic status; their authority is the financial component of the project.

Ms. Schmall asked the board to decline the HRSA capital grant. The board members asked questions for clarification and had robust discussion regarding their options. Jennifer Rendon asked if declining the grant would have negative repercussions for the health center. Ms. Schmall assured her there would be no repercussions from declining the HRSA grant.

- **Motion 23-38:** Motion by Jack Williams to decline the HRSA capital grant of \$602,000 awarded in 2021 and authorize staff to continue with the Split Rock project; motion seconded by Pat Cooper; the motion passed by unanimous vote.

REPORTS

FINANCE REPORT – *Debbie Anderson, CFO*

The clinic financials for the month of March show a loss of \$(635,295) and year to date income of \$39,776.

The Medi-Cal payment reconciliation amounts for last year were finalized and placed into the general ledger in March. The payback amount is \$(682,350). This is causing the large negative change in net position this month for clinics. The ARP grant has ended as of March 31; final payments have been received and the grant is in the process of closing out. We spent 100% of the grant funds awarded to us.

Operating income continues to overall be higher than budgeted due to capitation, quality and patient services. As discussed in the overview, the ARP grant has finalized; no more income will be recorded on this grant. Salaries and benefits continue to be over budgeted due to higher personnel requirements for the managed care contract and physician fees continue to be below budget due to outside contracts that did not start. The non-operating variance is for the prior year payment reconciliation amounts recognized in March 2023.

The clinic payment reconciliations were completed for FY 21-22. As discussed previously, for beneficiaries who participate in Medi-Cal and are enrolled in Medicare, DHCS pays a supplemental payment, commonly referred to as the wrap payment, that is equal to the difference between the visits reimbursed at the PPS rate and the amount received by third party payers. DHCS pays this supplemental payment on a per visit basis each time a claim is filed (the payments received during the year), and a final payment once the year reconciliation is complete. If the amount of Medi-Cal Program interim payments and third party payments received by the FQHC/RHC is less than the amount of actual visits reimbursed at the PPS rate, the FQHC/RHC will be paid the difference. However, if the amount of Medi-Cal Program interim payments and third-party payments is more than the number of actual visits reimbursed at the PPS rate, the FQHC/RHC must repay DHCS the difference.

This year, due to the changes with IEHP and many of our patients becoming capitated, managed care patients, we received a lot more capitation income, which gets included into the payment reconciliations. Additionally, behavioral health services are carved out, meaning we get additional monies for these services from IEHP. All of this gets brought into the Medi-Cal reconciliations. Due to the excess of interim payments received, we have significant paybacks for the payment reconciliations. The total amount to be paid back is approximately \$682,350. These refunds have been expected and monies have been set aside to pay back these amounts. Jack Williams asked questions to clarify the reconciliation process.

Ms. Anderson noted that the switch to managed care was a substantial overhaul to our operations and resulted in hiring additional staff and expanding with new departments, i.e. financial services. Additionally, the volume of patient visits dropped because of the expansion issues at Split Rock but we expect them to return to past volumes once the project is completed.

There was discussion about making better projections for the next budget. Cindy Schmall stated that, “We now have a full year of financial data to draw upon, which we did not have last year when the budget was created. With the available background to look at, we’ll be able to plan a bit better for where we should close the next fiscal year.”

- **Motion 23-39:** Motion by Cecelia St. Clair to accept the financial report; second by Jack Williams; motion passed by unanimous vote.

STAFF REPORT – *Cindy Schmall, CEO*

Ms. Schmall referred the board members to her report in the agenda packet. She announced that Tina Huff has been made Chief Clinical Operations Officer. She is a nurse practitioner and had an interest in administration. She did an excellent job with clinic management. She is now overseeing adult, pediatric and behavioral services. One of the things we are working closely on is improving the efficiency in our clinics and increasing patient volumes.

Cecelia St. Clair asked for an example. Ms. Schmall responded that the goal is to increase the number of patient visits as per the prescribed methodology, a formula for the number of patients a provider can efficiently see in a day. Our providers are not meeting minimum expectations for volume. It can be for a variety of reasons. As an example, we have one provider whose father passed, and he was gone for a month. Providers may take additional time away that isn't budgeted. One of the things we are focused on is determining what each provider should be doing based on a calendar year. Eventually we will meet with each provider to discuss their volumes.

And then, there is a patient no-show rate of 35%, patients who just don't show up for their appointment. That can be as many as four or five patients in a day for a single provider. How do we offset that? Some of the options we are exploring as a solution to this problem is accepting same-day appointments or double booking patient visits.

Jack Williams asked about behavioral health services. Ms. Schmall gave an overview of services and staffing. We have hired students to provide therapy services but their availability is limited because of program restrictions. We have hired another LCSW after six months of posting the position. When Mr. Williams asked about reporting the extreme need we face and are unable to satisfy. She explained that we are doing what every facility is doing. This is a national crisis. The number of psychiatrists has decreased by an astronomical rate in the last ten years.

She continued with her report stating that historically all of our patient forms were on paper. We finally figured out how to make the forms electronic and now send the forms to the patient to execute on their phone. They do not need a computer to provide the information we need. They hit "submit" and they come back to us electronically on a HIPAA compliant network. We are getting a lot of positive feedback from patients.

BOARD CALENDAR:

The calendars were reviewed.

MEMBER COMMENTS:

- Jack Williams: He addressed Cindy Schmall and said, "Your brain is amazing! Thank you for all this information."
- Nicola Keller: "Appreciate the hard work. This is a tremendous team, it's amazing what you do here and all that you accomplish. We are very fortunate to have the people that we do."
- Pat Cooper: She welcomed Jennifer Rendon to the board; thanked Debbie Anderson for her report, and congratulated Tina Huff on her promotion. "Thank you, Cindy, you are above and beyond."

MEETING ADJOURNMENT

The meeting was adjourned at 7:25 p.m.

Minutes recorded by Karen Graley, Board Clerk



Cecelia St. Clair, Secretary