



MORONGO BASIN HEALTHCARE DISTRICT

Morongo Basin Health Care District
Community Health Center
GOVERNING BOARD MEETING
MINUTES of Thursday, June 13, 2024, 6:00 p.m.

This meeting convened on the District's campus at 6530 La Contenta Road, Suite 400, Yucca Valley, CA 92284. 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, and Equity*

PRESENT:

- Cody Briggs (*absent*)
- Patricia "Pat" Cooper (*present*)
- Bryan Goldfarb (*absent*)
- Nicola Keller (*present*)
- Jennifer Rendon (*absent*)
- Heidi Stiemsma (*present*)
- Jackie Todd (*present*)

STAFF:

- Cindy Schmall, CEO (*present*)
- Debbie Anderson, CFO (*remote*)
- Beverly Krushat, CHC Board Clerk (*present*)
- Kathy Alkire, Patient Educator (*remote*)
- Janeen Duff, Program Dev. Liaison (*remote*)
- Tricia Gehrling, Patient Experience Manager (*remote*)
- Tina Huff, Chief Clinical Operations Officer (*present*)

CALL TO ORDER – Board meeting was called to order by Nikola Keller at 6:00 p.m.

ROLL CALL - Beverly Krushat conducted roll call and confirmed that there is a quorum.

OBSERVANCES -

Pledge of Allegiance – Heidi Stiemsma led the Pledge of Allegiance.

Mission, Vision, and Core Statements – Jackie Todd read the Mission, Vision, and Core statements.

PUBLIC COMMENTS – None

APPROVAL OF MEETING AGENDA -

Motion 24-25: MSC (Stiemsma/Todd) 4/0/3 motion carried to approve the agenda.

APPROVAL OF CHC CONSENT AGENDA –

- May 9, 2024, meeting minutes.

Motion 24-26: MSC (Stiemsma/Todd) 4/0/3 motion carried to approve the Consent Agenda with a correction to add "Equity" to the Core Values of the Mission Statement.

GOVERNING BOARD BY-LAWS AND CO-APP – Cindy Schmall, CEO

CEO Schmall asked Tricia Gehrling, Patient Experience Manager, to review the Governing Board By-Laws and to bring it back to the Board at the July 11, 2024, meeting for review and approval.

BUDGET DISCUSSION/PRESENTATION – Debbie Anderson, CFO

- Payer funding mix remains consistent with prior year funding mix.
- Average billing rates & contractual/write-off rates have been calculated based on historical average rates multiplied by visits
- Capitation fees, 340B revenue, medical records, and other operating revenue have all been projected based on trending amounts tempered by historical information.
- Grant Funding is estimated based on known amounts currently
- Salaries have been increased substantially due to SB-525 expectations
- Budgeted FTE's remain filled the entire year and benefits don't cease due to staff turnover
- Physician fee amounts are based on units of service that determine underlying revenue and assume the payer mix will remain consistent (IE: the mix between contracted and employed).
- Expenses with known contracted amounts are budgeted based on those amounts. Known increases are also factored into the budget.
- Expenses that are variable (physician fees based on units, outside billing service based on collections, etc.) are based on the underlying data.
- PPS adjustments not in for BH but they are expected

FY2024 CHALLENGES

- Visits are not increasing/flat; hard to get replacement providers due to national shortages & unrealistic salary expectations. Specialty has dropped off due to providers aging & retirement.
- Salaries need to be increased to meet SB-525 requirements
- Health benefits increased 15.4% last year and have averaged 9.7% in last 4 years.
- Insurance policies have averaged 15% + increases in last 3 years.
- IT needs have increased substantially in last few years

The Budget was discussed at length with no action required at this time. CEO Schmall stated that the final budget will come back to the CHC Board first on July 11th because the MBHD Board doesn't meet until July 18th because of the July 4th holiday.

STAFF REPORTS

FINANCIAL REPORT – Debbie Anderson, CFO, reviewed the following April 2024 Financial Report with the Board members:

OVERVIEW

The clinic financials for the month of April show a loss of \$(47,964) and year to date shows a loss of \$(844,021). (See Table 1 & 2)

Clinics showed a smaller loss this month (\$47,964) versus the average \$(135,000) they have had for the past 5 months. This was due to a one-time bump in 340B revenue that was discovered due to an internal audit and some back billing that took place for patient services revenue.

Please remember staffing pattern expectations play a significant role in budget to actual visit variances. For example, providers hired are expected to produce a certain number of visits. If the provider hire does not happen, or happens late, then the visit/patient services revenue budget gets misaligned from budgeted numbers.

CLINIC CHANGE IN NET POSITION

Table 1 Clinics April 2024

Clinics	Actual Mth	Budget Mth	Over/(Under)	% of Budget
Patient services (net)	621,260	722,407	(101,147)	-14.00%
Grant Revenue	156,854	156,197	657	0.42%
340B Revenue	49,268	39,382	9,887	25.10%
Capitation Fees	169,612	147,809	21,803	14.75%
Records & Interest	410	141	269	191.79%
Cost Report Adjustments	(122,081)	(116,667)	(5,414)	-4.64%
Quality	36,020	34,783	1,237	3.56%

	911,344	984,052	(72,708)	-7.39%
Salaries - Clinic	419,107	509,610	90,503	17.76%
Fringe - Clinic	119,393	106,153	(13,239)	-12.47%
Phys Fees - Clinic	111,165	83,855	(27,310)	-32.57%
Purchases Services - Clinic	61,196	65,330	4,135	6.33%
IT, Network & Phones - Clinic	18,852	20,703	1,851	8.94%
Supplies - Clinic	25,714	40,413	14,699	36.37%
Supplies - 340B	16,797	21,053	4,256	20.22%
R&M - Clinic	6,992	5,746	(1,245)	-21.67%
Leases/Rentals - Clinic	414	1,681	1,267	75.39%
Utilities - Clinic	3,971	4,105	134	3.25%
Ins - Clinic	1,666	295	(1,371)	-464.14%

Clinics	Actual Mth	Budget Mth	Over/(Under)	% of Budget
Other - Clinic	10,440	13,802	3,362	24.36%
Depreciation	16,048	14,825	(1,224)	-8.26%
	811,754	887,572	75,818	8.54%
Operating Income/(Loss) before Allocation	99,590	96,480	3,110	3.22%
Allocation of Overhead for Health Centers	(147,554)	(167,451)	19,897	11.88%
Change in Net Position	(47,964)	(70,971)	23,006	32.42%

Table 1 (continued)

Patient services variance due providers budgeted did not occur or occurred late so corresponding visits did not happen as expected. Capitation fees variance is due to higher patients on the rosters than anticipated. Salaries variance due to staff shortages & turnover of staff, resulting in less staff employed than budgeted, including those that produce visits. Physician fees variance due to new contractor for BH that was not budgeted.

Table 2 Clinics Year to Date

Clinics	Actual YTD	Budget YTD	Over/(Under)	% of Budget
Patient services (net)	5,915,934	6,895,706	(979,772)	-14.21%
Grant Revenue	1,496,414	1,579,468	(83,053)	-5.26%
340B Revenue	321,535	375,917	(54,382)	-14.47%
Capitation Fees	1,646,518	1,478,091	168,427	11.39%
Records & Interest	1,593	1,343	250	18.63%
Cost Report Adjustments	(1,171,702)	(1,166,667)	(5,035)	-0.43%
Quality	452,450	347,833	104,617	30.08%
	8,662,743	9,511,691	(848,948)	-8.93%
Salaries - Clinic	4,426,090	5,026,607	600,517	11.95%
Fringe - Clinic	992,364	1,072,860	80,497	7.50%
Phys Fees - Clinic	869,030	800,438	(68,593)	-8.57%
Purchases Services - Clinic	583,887	653,358	69,471	10.63%
IT, Network & Phones - Clinic	208,417	207,032	(1,385)	-0.67%
Supplies - Clinic	266,339	385,758	119,419	30.96%
Supplies - 340B	214,449	204,944	(9,505)	-4.64%
R&M - Clinic	40,749	56,658	15,909	28.08%
Leases/Rentals - Clinic	3,763	16,812	13,049	77.62%
Utilities - Clinic	56,137	51,523	(4,614)	-8.95%
Ins - Clinic	2,959	2,953	(6)	-0.19%
Other - Clinic	108,152	134,418	26,266	19.54%
Depreciation	154,546	148,245	(6,301)	-4.25%
	7,926,879	8,761,606	834,726	9.53%

Operating Income/(Loss) before Allocation	735,864	750,085	(14,221)	-1.90%
Allocation of Overhead for Health Centers	(1,581,557)	(1,598,396)	16,839	1.05%
Operating Income/(Loss) after Allocation	(845,693)	(848,311)	2,618	0.31%
Non-Operating	1,672	-	1,672	-100.00%
	1,672	-	1,672	-100.00%
Change in Net Position	(844,021)	(848,311)	4,290	0.51%

340B variance due to drug manufacturer blocks being implemented by the pharmaceutical companies. Quality variance is due to concerted effort to increase patient quality. Purchased services variance is due to not having to pay as much to contacted billing company since visits are down. Supplies variance is due less ordering of clinic supplies than budgeted, and equipment budgeted but not bought yet. R&M variance is due to delays in getting Split Rock up and running. Other variance is due to less recruiting costs being expended than budgeted.

Motion 24-28: MSC (Stiemsma/Todd) 4/0/3 motion carried to accept the April 2024 Financial report.

CEO REPORT – Cindy Schmall, CEO

CEO Schmall informed the Board that we continue to be on the search for potential Board members and that there is a potential Board member that may be able to attend the July CHC Board meeting.

Also, the grading on Split Rock was completed on Tuesday, June 11, 2024. We were approved on all of the Capital Grants, and now we are in the process of ordering all of the equipment. However, when they came out to do the site visit the architect added a foundation to the plan which no-one does any more. This means we have to go back and correct the error.


Tina Huff, Chief Clinical Operations Manager and Fredi-Ruth Levitt, Behavioral Health Manager, have been hard at work on a HRSA Grant for \$600K for BH expansion into Substance Abuse Disorder. This is a much-needed service for all the communities.

CALENDAR REVIEW_- CEO Schmall informed the Board that they will meet as usual on July 11th but because of the July 4th holiday the District Board will now meet on July 18th. She also reminded Board members of the July 19, 2024, District Mission event. The week of August 4th is “CHC Week”, lunch invites will be extended to the Board.

BOARD MEMBER COMMENTS –

Dianne Markle-Greenhouse thanked Debbie for her budget presentation, very well presented and all Board members agreed that it was a very informative presentation.

MEETING ADJOURNMENT - Meeting was adjourned at 7:07 p.m.


 Heidi Stiemsma, Secretary of the Board

Minutes recorded by Beverly Krushat, CHC Board Clerk and Executive Assistant.