



Morongo Basin Health Care District
Community Health Center
GOVERNING BOARD MEETING
MINUTES of Thursday, July 11, 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 (*present*)
- Patricia "Pat" Cooper (*present*)
- Bryan Goldfarb (*remote*)
- Nicola Keller (*present*)
- Jennifer Rendon (*absent*)
- Heidi Stiemsma (*present*)
- Jackie Todd (*remote*)
- Marc Greenhouse (*present*)

STAFF:

- Cindy Schmall, CEO (*present*)
- Debbie Anderson, CFO (*remote*)
- Beverly Krushat, CHC Board Clerk (*present*)
- 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 there is a quorum.

OBSERVANCES -

Pat Cooper led the pledge and read the Mission and Vision statements.

PUBLIC COMMENTS – None

APPROVAL OF MEETING AGENDA -

Motion 24-29: MSC (Briggs/Stiemsma) 5/0/2 motion carried to approve the agenda.

APPROVAL OF CHC CONSENT AGENDA –

- June 13, 2024, Meeting Minutes

Motion 24-30: MSC (Stiemsma/Briggs) 5/0/2 motion carried to approve the Consent Agenda with a correction to add Tina Huff, Chief Clinical Operations Officer, to the staff attendance section of the minutes.

DISCUSSION AND APPROVAL OF POTENTIAL BOARD MEMBER – Cindy Schmall, CEO

Board members discussed potential Board member Marc Greenhouse’s application to the CHC Board. Mr. Greenhouse stated that he has been coming to the Board meetings for 8 years and would like to finally be a part of the team.

A unanimous decision was reached by the Board to appoint Marc Greenhouse to the CHC Board of Directors.

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

CEO Schmall reminded the Board that at the last meeting she had instructed Tricia Gehrlein, CO, to review the By-Laws and Co-App. CO Gehrlein updated the Board on the very few updates that were made, which were minimal.

Motion 24-31: MSC (Stiemsma/Green) 5/0/2 motion carried to approve the Governing Board By-Laws and Co-App as presented.

RATIFY CHC OPERATIONS BUDET FY 24/25 – Debbie Anderson, CFO

CFO Anderson gave the Budget presentation with the summary sections outlined below:

CHC BUDGET

Description	Proposed Budget				
	FY 21-22 Actual	FY 22-23 Actual	Calendar 2023 Actual	FY 23-24 Budget	FY 24-25 Budget
Total Patient service revenue net	7,818,305	6,856,404	7,017,239	8,274,847	7,617,578
Total Grant Revenue	2,563,457	2,848,237	2,064,326	1,891,861	1,589,338
Total Lease & Rental Income	-	-	-	-	-
Total Capitation	875,533	1,838,430	1,969,146	1,773,710	2,000,339
Total 340B Revenue	545,790	437,835	414,289	451,100	367,124
Total Medical Records	1,324	1,481	1,225	1,562	1,560
Total Cost Report Adjustments	(83,886)	(2,060,638)	(2,760,639)	(1,400,000)	(1,700,000)
Total Quality	296,576	439,605	521,760	417,400	518,600
Total Other Operating Revenue	207	6	100	50	50
Total Operating Income	12,017,307	10,361,359	9,227,447	11,410,529	10,394,588
Total Salaries and Wages	4,913,763	5,333,484	5,398,249	6,022,663	6,315,826
Total Fringe Benefits and Payroll Taxes	993,037	1,081,101	1,141,063	1,287,538	1,312,596
Total Physician Fees/Contract Labor	1,767,448	1,232,170	995,995	960,525	1,263,830
Total Purchased Services	693,774	686,185	662,110	784,083	776,087
Total IT, Network and Phones	219,387	186,751	229,406	248,438	208,712
Total Supplies	776,013	649,026	597,590	708,842	608,408
Total Repair and Maintenance	46,799	60,954	50,393	67,990	55,404
Total Rent and Lease	169,758	176,004	12,984	20,175	4,527
Total Utilities	67,164	72,090	68,662	61,546	74,870
Total Insurance	2,394	2,773	2,857	3,544	1,827
Total Other Direct Expense	88,437	131,481	137,602	161,302	85,972
Total Depreciation	272,992	187,915	216,597	177,894	175,076
Total Operating Expenses	10,010,967	9,799,933	9,513,509	10,504,539	10,883,135
Net Op Inc (Loss) b4 Depr & Overhead	2,006,340	561,426	(286,061)	905,990	(488,547)
District Overhead	(1,536,138)	(1,727,519)	(1,860,345)	(1,918,075)	(2,265,161)
Total Overhead	(1,536,138)	(1,727,519)	(1,860,345)	(1,918,075)	(2,265,161)
Net Operating Income/(Loss)	470,202	(1,166,093)	(2,146,406)	(1,012,085)	(2,753,707)
Non-Operating Income Gain/Loss Sale of As	-	(21,618)	(19,946)	-	-
Non-Operating Income(Loss)	-	(21,618)	(19,946)	-	-
FINAL INCOME/(LOSS)	470,202	(1,187,711)	(2,166,352)	(1,012,085)	(2,753,707)

NON-CLINIC BUDGET

Description	Proposed Budget				
	FY 21-22 Actual	FY 22-23 Actual	Calendar 2023 Actual	FY 23-24 Budget	FY 24-25 Budget
Total Patient service revenue net	-	-	-	-	-
Total Grant Revenue	403,123	78,783	137,457	90,000	58,750
Total Lease & Rental Income	4,007,536	4,280,312	3,920,040	1,279,457	3,279,457
Total Other Operating Revenue	25,155	6,424	6,341	6,700	1,500
Total Operating Income	4,435,815	4,365,520	4,063,838	1,376,157	3,339,707
Total Salaries and Wages	1,388,195	1,428,542	1,548,257	1,538,230	1,888,186
Total Fringe Benefits and Payroll Taxes	266,659	288,501	345,116	381,032	422,199
Total Physician Fees/Contract Labor	-	-	-	-	-
Total Purchased Services	267,724	173,284	141,277	157,909	140,173
Total IT, Network and Phones	174,595	175,401	190,623	177,698	230,598
Total Supplies	317,307	37,182	44,524	38,191	56,906
Total Repair and Maintenance	37,539	43,937	48,652	44,887	52,177
Total Rent and Lease	422	366	(2,326)	5,685	310
Total Utilities	32,139	39,833	49,811	36,110	58,966
Total Insurance	242,893	305,548	319,704	340,458	397,947
Total Other Direct Expense	262,550	186,884	190,896	200,501	241,409
Total Depreciation	789,697	787,534	795,788	780,133	722,061
Total Operating Expenses	3,779,719	3,467,011	3,672,322	3,700,833	4,210,931
Net Op Inc (Loss) b4 Depr & Overhead	656,095	898,508	391,516	(2,324,676)	(871,224)
District Overhead	1,536,138	1,727,519	1,860,345	1,918,075	2,265,161
Total Overhead	1,536,138	1,727,519	1,860,345	1,918,075	2,265,161
Net Operating Income/(Loss)	2,192,234	2,626,028	2,251,861	(406,601)	1,393,936
Non-Operating Income Investments	(712,346)	89,738	1,380,259	250	118,650
Non-Operating Income Lease Interest Income	1,258,682	1,216,168	1,824,739	1,199,736	1,157,194
Non-Operating Income Tax Revenue	875,369	1,013,328	1,102,003	875,369	1,023,461
Non-Operating Income Rental Income	97,020	98,044	109,449	95,164	80,680
Non-Operating Income Old Hospital Income	1,533	(122,113)	(121,696)	-	-
Non-Operating Income Gain/Loss Sale of Assets	-	-	-	-	-
Total Non-Operating Income/(Loss)	1,520,258	2,295,164	4,294,753	2,170,519	2,379,985
FINAL INCOME/(LOSS)	3,712,491	4,921,191	6,546,614	1,763,917	3,773,921

FY 24-25 OPERATIONAL BUDGET

Description	Final Approved Budget		
	Clinic FY 24-25 Budget	Non Clinic FY 24-25 Budget	Consol FY 24-25 Budget
Total Patient service revenue net	7,617,578	-	7,617,578
Total Grant Revenue	1,589,338	58,750	1,648,088
Total Lease & Rental Income	-	3,279,457	3,279,457
Total Capitation	2,000,339	-	2,000,339
Total 340B Revenue	367,124	-	367,124
Total Medical Records	1,560	-	1,560
Total Cost Report Adjustments	(1,700,000)	-	(1,700,000)
Total Quality	518,600	-	518,600
Total Other Operating Revenue	50	1,500	1,550
Total Operating Income	10,394,588	3,339,707	13,734,295
Total Salaries and Wages	6,315,826	1,888,186	8,204,012
Total Fringe Benefits and Payroll Taxes	1,312,596	422,199	1,734,796
Total Physician Fees/Contract Labor	1,263,830	-	1,263,830
Total Purchased Services	776,087	140,173	916,260
Total IT, Network and Phones	208,712	230,598	439,310
Total Supplies	608,408	56,906	665,314
Total Repair and Maintenance	55,404	52,177	107,581
Total Rent and Lease	4,527	310	4,837
Total Utilities	74,870	58,966	133,836
Total Insurance	1,827	397,947	399,774
Total Other Direct Expense	85,972	241,409	327,381
Total Depreciation	175,076	722,061	897,136
Total Operating Expenses	10,883,135	4,210,931	15,094,067
Net Op Inc (Loss) b4 Depr & Overhead	(488,547)	(871,224)	(1,359,771)

CAPITAL BUDGET

Morongo Basin Community Health Center Capital Budget						
Project or Equipment	Cost	Age Current Equipment	Expected Life New Purchase	Acquisition or Start Date	Completion Date	Notes
X-Ray Sensors x6 Dental Program (all locations)	22,500 22,500	5 years	7 Years	11/2024	11/2024	Patient Care/Improvement; software not supported
New Vehicle w/wheelchair lift UFT Program	80,000 80,000	N/A	5 Years	9/2024	9/2024	Replace Aging Vehicle from 2017; 250,000+ miles,
Parking Lot Crack Repair/Resurface YV Campus	36,000 36,000	6 years	8 Years	11/2024	11/2024	Safety Issues (Trip/Fall Hazard)
Refresh & Update for anticipated program movements YV 58375 Suite A	7,500 7,500	15 Years +	5 Years	11/2024	11/2024	Patient Care/Improvement/Campus Consolidation
Refresh & Update for anticipated program movements YV 58375 Suites B-C	7,500 7,500	15 Years +	5 Years	11/2024	11/2024	Patient Care/Improvement/Campus Consolidation
Window Replacements YV 58375 Suites A-C (All)	16,000 16,000	15 Years +	39 Years	11/2024	11/2024	Non dual paned windows, lacks efficiency
Renovations of building for anticipated program movements YV 58383 Ste #101	100,000 100,000	15 Years +	39 Years	11/2024	11/2024	Patient Care/Improvement/Campus Consolidation
Upgrade & Replace Main District Office A/C System 6530 La Contenta Ste 100-101	39,000 39,000	15 Years +	10 Years	11/2024	11/2024	Aging AC System 15+ years old
Dental Roof Replacement SR 6380 Ste #103	22,450 22,450	20 Years +	10 Years	11/2024	11/2024	Aging Roof, 20+ years old
Asphalt Parking Lot	197,000	N/A	8 years	1/2025	1/2025	Expand Current Location
Concrete Sidewalks	67,000	N/A	15 years	1/2025	1/2025	Expand Current Location
Modular Building	766,000	N/A	25 years	1/2025	1/2025	Expand Current Location
Septic System	100,000	N/A	15 Years	1/2025	1/2025	Expand Current Location
Permits	5,000	N/A	25 years	1/2025	1/2025	Expand Current Location
Electrical	225,000	N/A	25 years	1/2025	1/2025	Expand Current Location
Water & Gas Connections SR Campus	5,000 1,365,000	N/A	25 years	1/2025	1/2025	Expand Current Location
Total Health Center Capital Projects & Acquisitions	1,695,950					

Motion 24-32: MSC (Briggs/Cooper) 5/0/2 motion carried to ratify and approve the FY 24-25 Budget.

STAFF REPORTS

FINANCIAL REPORT – Debbie Anderson, CFO

OVERVIEW

CFO Anderson reported that the clinic financials for the month of May show a loss of \$(96,368) and year to date shows a loss of \$(1,014,953). (See Table 1 & 2). The Department of Healthcare Services PPS audit has been extended to July 12th and we anticipate it will be extended yet again. Once completed, we will have the final PPS rate, and we will then be able to work through any additional amounts that would be paid through the PPS process. Patient services variance due to providers that were 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. Other variance due to heavy recruiting efforts.

CLINIC CHANGE IN NET POSITION

Patient services variance due to providers that were 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. Other variance due to heavy recruiting efforts.

Table 2 Clinics Year to Date

Clinics	Actual YTD	Budget YTD	Over/(Under)	% of Budget
Patient services (net)	6,559,904	7,618,113	(1,058,208)	-13.89%
Grant Revenue	1,658,372	1,735,664	(77,292)	-4.45%
340B Revenue	343,361	415,298	(71,937)	-17.32%
Capitation Fees	1,813,238	1,625,901	187,337	11.52%
Records & Interest	1,943	1,484	460	30.99%
Cost Report Adjustments	(1,288,368)	(1,283,333)	(5,035)	-0.39%
Quality	487,123	382,617	104,506	27.31%
	9,575,573	10,495,743	(920,170)	-8.77%
Salaries - Clinic	4,871,527	5,559,381	687,854	12.37%
Fringe - Clinic	1,112,563	1,181,232	68,669	5.81%
Phys Fees - Clinic	976,335	884,293	(92,042)	-10.41%
Purchases Services - Clinic	649,362	718,829	69,467	9.66%
IT, Network & Phones - Clinic	224,185	227,735	3,550	1.56%
Supplies - Clinic	297,424	426,171	128,746	30.21%
Supplies - 340B	237,259	225,996	(11,263)	-4.98%
R&M - Clinic	51,596	62,405	10,809	17.32%
Leases/Rentals - Clinic	4,130	18,494	14,364	77.67%
Utilities - Clinic	61,143	55,502	(5,642)	-10.16%
Ins - Clinic	1,871	3,248	1,377	42.40%
Other - Clinic	150,242	148,220	(2,022)	-1.36%
Depreciation	170,127	163,070	(7,057)	-4.33%
	8,807,765	9,674,575	866,810	8.96%
Operating Income/(Loss) before Allocation	767,808	821,168	(53,360)	-6.50%
Allocation of Overhead for Health Centers	(1,784,433)	(1,765,847)	(18,586)	-1.05%
Operating Income/(Loss) after Allocation	(1,016,625)	(944,679)	(71,946)	-7.62%
Non-Operating	1,672	-	1,672	-100.00%
	1,672	-	1,672	-100.00%
Change in Net Position	(1,014,953)	(944,679)	(70,274)	-7.44%

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.

Chart A – Visits History Chart

Month	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Jul	2,297	3,055	3,283	3,091	2,877	2,670	2,758
Aug	3,063	3,886	3,587	3,016	3,425	3,315	3,195
Sep	2,748	3,140	3,501	3,069	3,134	3,256	2,593
Oct	3,393	3,562	3,892	3,267	3,282	3,071	3,026
Nov	3,202	3,249	3,353	2,632	3,116	2,936	2,974
Dec	2,777	2,898	3,304	2,984	2,705	2,881	2,613
Jan	3,894	3,698	4,011	2,926	2,925	3,001	3,258
Feb	3,074	3,198	3,763	3,192	3,068	2,882	2,999
Mar	3,399	3,515	2,927	3,521	3,332	3,331	3,057
Apr	3,283	3,660	2,066	3,461	3,094	2,896	3,026
May	3,791	3,662	2,200	3,043	3,239	3,247	3,160
Jun	2,589	3,344	2,786	3,086	3,218	2,939	
Total	37,510	40,867	38,673	37,288	37,415	36,425	32,659
Total July - May	34,921	37,523	35,887	34,202	34,197	33,486	32,659

Motion 24-33: MSC (Stiemsma/Cooper) 5/0/2 motion carried to accept the May 2024 Financial report.

CEO REPORT – Cindy Schmall, CEO


- Currently allowing Kaiser’s Mobil Mammogram unit to park on our properties in order to service the community.
- Updates about the Split Rock property in 29 Palms were given.
- District Mission Event is on July 19, 2024, from 5:30 to 7:30 p.m.
- CHC week is from August 5, 2024, to August 9, 2024. This is national recognition week for the Community Health Centers, and we do have some fun things going on. Make sure that you come out to Friday’s luncheon.

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.



Pat Cooper, Secretary of the Board

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