MORONGO BASIN HEALTHCARE DISTRICT

REVISED AGENDA

HI-DESERT MEMORIAL HEALTH CARE DISTRICT dba MORONGO BASIN HEALTHCARE DISTRICT

BOARD OF DIRECTORS REGULAR BUSINESS MEETING

January 13, ~~January 9~~, 2025 at 6:00 p.m.

District Offices | 760.820.9229

6530 La Contenta Road, Suite 400, Yucca Valley, CA 92284

INSTRUCTIONS FOR JOINING THIS MEETING REMOTELY

This public meeting may be accessed through the Microsoft Teams platform. Join the meeting by **(1)** visiting the District website at MBHDistrict.org and **(2)** selecting at the top of the page the purple tab "Board Meeting Agendas" **(3)** Click on the URL link presented under the agenda buttons and **(4)** enter the meeting using the ID and Passcode listed below. Access to the meeting will require the download of the Microsoft Teams application on the device being used if not already done so.

Meeting ID: 222 209 726 500 Passcode: 5Cdq34

CALL TO ORDER

ROLL CALL

READING OF MISSION, VISION & CORE VALUES STATEMENTS

- ***Mission Statement:*** *To improve the health and wellness of the communities we serve.*
- ***Vision:*** *A healthy Morongo Basin.*
- ***Core Values:*** *Commitment, Collaboration, Accountability, Dignity, Integrity, Equity.*

PLEDGE OF ALLEGIANCE - *Please stand as able.*

PUBLIC COMMENTS

The public comment portion of this agenda provides an opportunity for the public to address the Board of Directors on items not listed on the agenda that *are of interest to the public at large* and are within the subject matter jurisdiction of this Board. The Board of Directors is prohibited by law from taking action on matters discussed that are not on the agenda, and no adverse conclusions should be drawn if the Board does not respond to public comments at this time. In all such instances we will be unable to Comments are to be limited to three minutes per speaker respond publicly because of California Brown Act and/or due to patient confidentiality obligations. In all cases, your concerns will be referred to the Chief Executive Officer for review and a timely response. and shall not exceed a total of 20 minutes. All comments are to be directed to the Board of Directors and shall not consist of any personal attacks. Members of the public are expected to maintain a professional, courteous decorum during their comments. Public input may be offered on an agenda item when the item comes up for discussion and/or action. Members of the public who wish to speak should notify the meeting chairperson through the application's "Chat" option.

OATH OF OFFICE FOR ELECTED OFFICIALS

CEO Cindy Schmall to administer the oath of office to Directors Cooper, Greenhouse and Stiemsma

ACTION ITEMS

NOMINATION & ELECTION OF BOARD OFFICERS – *Karen Graley, Board Clerk*

- ***Motion 25-01*** to elect a President of the Board of Directors
- ***Motion 25-02*** to elect a Vice President of the Board of Directors
- ***Motion 25-03*** to elect a Secretary of the Board of Directors
- ***Motion 25-04*** to elect a Treasurer of the Board of Directors

APPROVAL OF MEETING AGENDA

- ***Motion 25-05*** to approve the meeting agenda as presented.

APPROVAL OF CONSENT AGENDA ---------- Tab 1

Minutes of the regular business meeting of the Board of Directors, December 5, 2024

- ***Motion 25-06*** to approve the consent agenda as presented.

APPROVE 2025 ANNUAL BUSINESS CALENDAR – *Cindy Schmall, CEO* ---------- Tab 2

- ***Motion 25-07*** to approve the 2025 annual business calendar as presented.

APPOINTMENT OF DISTRICT BOARD MEMBERS TO THE CHC GOVERNING BOARD

- ***Motion 25-08*** to appoint two members of the Board of Directors to sit on the Community Health Center's governing board as stated in the co-application agreement.

ACKNOWLEDGE BOARD VACANCY IN ZONE 3 – *Cindy Schmall, CEO* ---------- Tab 3

- ***Motion 25-09*** to acknowledge the vacant seat for voting zone #3.

APPROVE AMENDMENT TO THE TENET LEASE AGREEMENT – *Cindy Schmall, CEO*

- ***Motion 25-10*** to approve the amendment to the Tenet lease as identified in the lease amendment.

RATIFY REVISED BYLAWS – *Cindy Schmall, CEO* ---------- *Tab 4*

- ***Motion 25-11*** to ratify revisions to the Bylaws as presented.

APPROVE CONTRACT FOR BILLING SERVICES – *Debbie Anderson, CFO* ---------- Tab 5

- ***Motion 25-12*** to approve the contract for billing services.

REVIEW AND APPROVE FINANCIAL POLICIES – *Debbie Anderson, CFO* ---------- Tab 6

- FN-CA-101 Bank Reconciliations & Positive Pay
- FN-CA-102 Petty Cash and Cash Drawers
- FN-CA-103 Voided Checks
- FN-CA-105 Federal Cash Drawdowns
- FN-FA-102 Deletion Fixed Assets / Surplus
- FN-FA-103 Elimination District Surplus Real Property
- FN-GA-101 Chart of Accounts/Accounting System
- FN-GA-102 Allocations
- FN-GA-103 Financial Statements
- FN-GA-105 Budgets

- ***Motion 25-13*** to approve financial policies as presented.

APPROVE CAPITAL EXPENDITURE – *Cindy Schmall, CEO* ---------- *Tab 7*

- ***Motion 25-14*** to approve capital expenditure of $18,929 for the Split Rock project.

REPORTS

FINANCIAL REPORT – *Debbie Anderson, CFO* ---------- Tab 8

- ***Motion 25-15*** to accept financial report(s)

CEO REPORT – *Cindy Schmall, CEO* ---------- Tab 9

- Video: update from CEO of IEHP
- Strategic Plan update *(handout)*
- ACHD Strategic Plan: provided for board information *(handout)*

CALENDAR REVIEW ---------- Tab 10

DIRECTOR COMMENTS

ADJOURN MEETING TO CLOSED SESSION

- Pursuant to Government Code 54956.9(b)(1) potential litigation, Corporate Compliance report.

RECONVENE TO OPEN SESSION AND ADJOURN MEETING

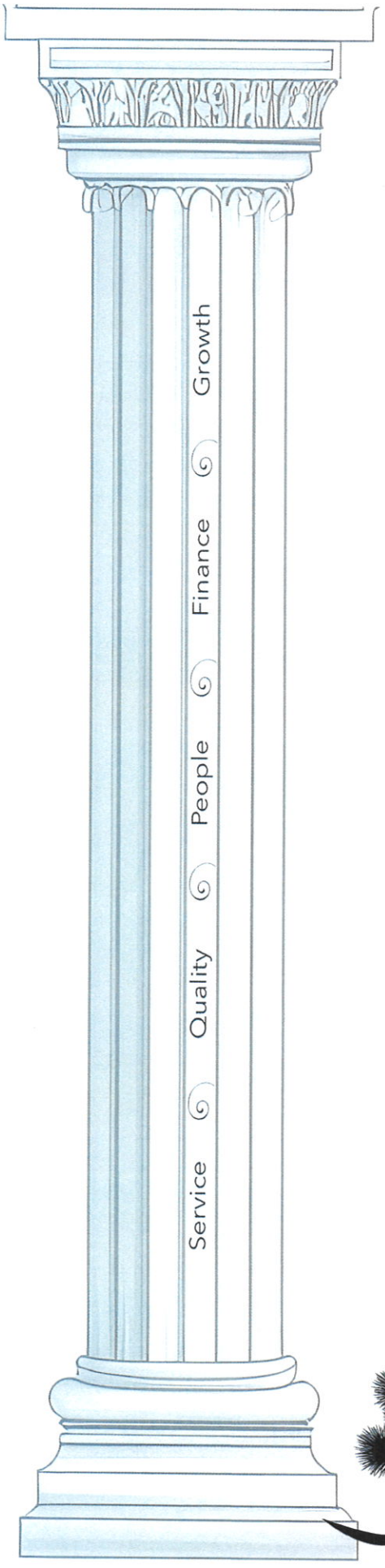
I CERTIFY THAT A COPY OF THIS AGENDA WAS POSTED PER SECTION 54954.2 OF THE CALIFORNIA GOVERNMENT CODE.

Karen Graley, Board Clerk

Posted: January 6, 2024

The Morongo Basin Healthcare District Board of Directors' meeting facility is accessible to persons with disabilities. If assistive listening devices or other auxiliary aids or services are needed to participate in the public meeting, requests should be made through the Staff Aide at least three (3) business days prior to the meeting. The Board Clerk's telephone number is 760.820-9229 and the office is located at 6530 La Contenta Rd, #100, Yucca Valley, CA. California Relay Service is 711.

In conformity with Government Code Section 54957.5, any writing that is a public record, that relates to an item listed on this agenda, and that will be distributed to all or a majority of Morongo Basin Healthcare District Board of Directors less than twenty-four (24) hours prior to the meeting for which this agenda relates, will be available for public inspection at the time the writing is distributed. This inspection may be made during the meeting at the address/meeting room(s) listed above or an electronic copy may be requested in advance of the meeting via email message to kgraley@MBHDistrict.org.



TAB #1
CONSENT AGENDA

MINUTES FOR
LAST MONTH'S MEETINGS

MORONGO BASIN
HEALTHCARE DISTRICT
MorongoBasinHealth.org

MORONGO BASIN HEALTHCARE DISTRICT

Service Quality People Finance Growth

Hi-Desert Memorial Health Care District dba

Morongo Basin Healthcare District

MINUTES FOR THE BOARD OF DIRECTORS PUBLIC HEARING

December 5, 2024 at 6:00 p.m.

Convened on the La Contenta campus; the public was invited to attend the meeting on campus or via Microsoft Teams, an electronic, remote platform.

- ***Mission Statement:*** *To improve the health and wellness of the communities we serve.*
- ***Vision:*** *A healthy Morongo Basin.*
- ***Core Values:*** *Commitment, Collaboration, Accountability, Dignity, Integrity, Equity.*

Board of Directors:
- Director Cooper
- Director Evans
- Director Markle-Greenhouse
- Director Stiemsma
- Jacquelin Todd

Community Members:
- Marc Greenhous, CHC board member

CHC Governing Board:
- CEO Cindy Schmall
- Debbie Anderson, CFO
- Tricia Gehrlein, Chief Patient Experience Officer
- Karen Graley, Board Clerk
- Beverly Krushat, Executive Assistant
- Janeen Duff, Grants & Special Program Manager

CALL TO ORDER

Director Evans called the meeting to order at 6:00 p.m. The meeting was convened on the La Contenta campus and by electronic platform using Microsoft Teams platform.

ROLL CALL

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

OBSERVANCES

Director Stiemsma read the mission and vision statements. Director Evans led the assembly in the flag salute.

APPROVAL OF MEETING AGENDA

Motion 24-72: Director Stiemsma motioned to approve the meeting agenda as presented; second by Director Greenhouse and passed by unanimous vote.

PUBLIC COMMENT

Director Evans read the statement for the Public Hearing as presented on the agenda.

Pursuant to California Health and Safety Code Section 32103, the Board of Directors of Hi-Desert Memorial Health Care District (doing business as Morongo Basin Healthcare District) has convened a Public Hearing to receive public comment and consider adoption of a resolution increasing Board member compensation from $105 per day to $110 per day for attendance at a meeting of the Board.

Notice of Public Hearing was posted November 20, 2024, and two legal notices were published in the local newspapers on November 20 and 27, 2024, inviting the public to attend the Public Hearing and provide oral and/or written comments.

The text of the proposed Resolution 24-03 adopting the increased stipend was incorporated into the posted agenda for reference. The resolution will be considered by the Directors at the regular monthly business meeting following this public hearing.

Director Evans asked for public comment. Karen Graley, board clerk, announced no written or verbal response from the public had been received. There was no public present at the meeting.

There was discussion about the Resolution. Cindy Schmall, CEO, asked the board's pleasure for making the increase an annual business agenda item. The discussion was deferred to the regular business meeting following this meeting.

ADJOURN MEETING

The meeting adjourned at 6:06 p.m. to the regular monthly business meeting.

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Heidi Stiemsma, Secretary of the Board

Board meeting minutes recorded by K. Graley, Board Clerk.

MORONGO BASIN HEALTHCARE DISTRICT

Service Quality People Finance Growth

Hi-Desert Memorial Health Care District dba

Morongo Basin Healthcare District

BOARD OF DIRECTORS REGULAR MEETING MINUTES

December 5, 2024 at 6:15 p.m.

Convened on the La Contenta campus; the public was invited to attend the meeting on campus or via Microsoft Teams, an electronic, remote platform.

- ***Mission Statement:*** *To improve the health and wellness of the communities we serve.*
- ***Vision:*** *A healthy Morongo Basin.*
- ***Core Values:*** *Commitment, Collaboration, Accountability, Dignity, Integrity, Equity.*

Board of Directors:
- Director Cooper
- Director Evans
- Director Markle-Greenhouse
- Director Stiemsma
- Jacquelin Todd

- Linda Evans, Chief Strategy Officer, Desert Care Network *(remote)*

Administrative Staff:
- CEO Cindy Schmall
- Debbie Anderson, CFO
- Tricia Gehrlein, Chief Patient Experience Officer *(remote)*
- Karen Graley, Board Clerk *(remote)*
- Beverly Krushat, Executive Assistant
- Janeen Duff, Director Strategic Initiatives

CALL TO ORDER

Director Evans called the meeting to order at 6:15 p.m. The meeting was convened on the La Contenta campus and by electronic platform using Microsoft Teams platform.

ROLL CALL

Karen Graley, Board Clerk, conducted roll call and declared a quorum.

OBSERVANCES

Director Evans announced that observances were conducted in the Public Hearing immediately preceding this regular business meeting of the Board of Directors and would not be repeated in this meeting.

PUBLIC COMMENT

Linda Evans, Chief Strategy Officer, Desert Care Network, reported that Measure AA, the lease-purchase agreement on the November ballot, was approved by 72%. This is a 30-year lease between Desert Healthcare Distrct and Tenet Health.

APPROVAL OF MEETING AGENDA

Motion 24-73: Director Greenhouse motioned to approve the meeting agenda; second by Director Stiemsma, motion passed by unanimous vote.

APPROVAL OF THE CONSENT AGENDA

- **Motion 24-74**: Director Stiemsma motioned to approve the Consent Agenda with the correction of adding Tricia Gehrlein to the list of attendees at the November 7 meeting, second by Director Greenhouse, motion passed by unanimous vote.
  - Minutes: Regular meeting of the Board of Directors, November 7, 2024
  - Minutes: Special meeting of the Board of Directors, November 13, 2024

ACTION ITEMS

RESOLUTION: INCREASE BOARD MEETING STIPENDS – *Director Evans*
Director Evans reviewed Resolution 24-03 to increase board member compensation from $105 per meeting/day to $110 per meeting/day, noting that the stipend would become effective 60 days after adoption of Resolution 24-03. No public comment was received regarding the resolution. There was discussion about making the incremental stipend increase an annual action item. Staff will consult with legal counsel to ensure compliance with law.

- **Motion 24-75**: Motion by Director Stiemsma to adopt Resolution 24-03 to increase the Board of Directors' meeting stipend amount from $105 to $110 for each meeting/day; second by Director Todd. Resolution 24-03 was adopted by a roll call vote. The vote was unanimous.

APPROVE CEO PERFORMANCE EVALUATION – *Director Evans*
Director Evans called for a motion to approve the CEO performance evaluation.

- **Motion 24-76**: Motion by Director Cooper to approve the CEO Performance Evaluation as recommended by the joint boards' committee in the November 13, 2024 special meeting (closed session); second by Director Greenhouse. The motion passed by unanimous vote.

APPROVE POLICY FN-AP-104 LEVELA OF AUTHORIZATION – *Debbie Anderson, CFO*
Ms. Anderson explained the redline changes that included updating titles and language; there were no significant changes to the text.

- **Motion 24-77**: Motion by Director Stiemsma to approve policy FN-AP-104 Levels of Authorization as presented; second by Director Todd. The motion passed by unanimous vote.

BYLAWS REVIEW – *Cindy Schmall, CEO*
Ms. Schmall referred the Directors to tab 4 in the agenda packet where redline edits were presented. She explained that ACHD recommended specific language be added to exclude seating immediate family members or terminated employees on the board.

Director Evans expressed concern about adhering to the restriction of family and employee members being seated through the election process and suggested that this may be specific to when appointing to a board vacancy. Staff will consult with legal counsel to clarify.

Also, text was updated to reflect new legislation for remote participation by board members (AB2303) and defines the ad hoc committee for CEO performance evaluation to reflect participation of both boards.

- **Motion 24-78** Motion by Director Greenhouse to approve edits to the Bylaws as presented, second by Director Stiemsma. The motion was amended to approve all changes but section 1 regarding seating restrictions. The motion passed by unanimous vote.

DISCUSSION – *Cindy Schmall, CEO*
Ms. Schmall referred the Directors to tab 5 in the agenda packet for a summary of the amended law AB2302 Section 54953 of the Government Code. The law was revised to more effectively restrict legislative member attendance at meetings by remote platform, specifically restricting remote attendance to only twice a year for "just cause" or "emergency circumstances."

REPORTS

COMMUNITY OUTREACH UPDATE – *Tricia Gehrlein, Chief Patient Experience Officer*
Ms. Gehrlein referred the Directors to tab 6. The written report listed November and December events where the District's community health workers (CHW) serve as ambassadors, ensuring good relationships with other service organizations, introducing the District and health centers, and engaging the community in conversation and education. They also work with our patients to secure resources such as assisting with applications for utilities, health insurance and county resources. They also attend the monthly ReachOut meetings. Director Greenhouse stated her appreciation of CHWs attending these meetings and representing the District.

HUMAN RESOURCES REPORT – *Cindy Schmall, CEO*
Ms. Schmall referred the Directors to tab 7 that listed HR activity for the quarter. She noted that our employee turnover rate is below the national average. We have been unsuccessful in filling the opening for an HR Director, so department management remains with the CEO. Tela Thornett has been promoted to HR Supervisor and has been doing an excellent job with the new responsibilities.

FINANCIAL REPORT – *Debbie Anderson, CFO*
Ms. Anderson reported that the consolidated financials for the month of October show a loss of income of $(243,884) and year to date income of $1,317,226. Non-clinic financials for October show a loss of $(223,894) and year to date income of $1,684,037. The clinic financials for the month of October show a loss of $(19,990) and year to date loss of $(366,811). The non clinic operating income after allocation is on par with budget. Operating income after allocation was $60,432 and the budget for the month was $56,764. Investment losses caused a negative change in the District's net position. Year to date, the non-clinic changes in net position of $1,684,037 is doing much better than budgeted, which was $1,421,476.

The ARP capital income was booked showing a small loss of $(19,990) for the clinics. This brings the year-to-date loss to $(366,811). In comparison, the year-to-date budget is $(893,358), so clinics also are doing better than budgeted.

Ms. Anderson reviewed clinic patient visit history and the focused effort of management to increase patient visits. October shows that visits have exceeded budget!

- **Motion 24-79**: Director Stiemsma motioned to accept the financial report as presented, second by Director Cooper; motion passed by unanimous vote.

CEO REPORT – *Cindy Schmall, CEO*
CEO Cindy Schmall referred Directors to her written report under tab 9 in the agenda packet. Additionally, she highlighted:

- Good news for the Split Rock project, the electrical panels that the board approved at $71,000 came in just under $30,000. The panels will arrive in four to five months, not the projected 12 months.
- The purchase of the property in Yucca Valley is due to close escrow this week. This is disclosure of the closed sessions on October 21 and November 7, 2024.
- Two Wellness Wheel vehicles have been wrapped with the new logo, and the dental mobile unit has been wrapped. *(The dental van was available for viewing before the meeting.)*

- She announced the promotion of Janeen Duff as Director of Strategic Initiatives, with a focus on community relations and implementation of strategic plan initiatives, working directly with Cindy Schmall.
- Tina Huff, Chief Clinical Operations Officer has stepped down. Tricia Gehrlein will provide health center oversight as Chief Patient Experience Officer.

CALENDAR REVIEW AND COORDINATION

- December 19: Annual Employee holiday party.
- Board meeting January 9, 2025, moved from January 2.

DIRECTOR COMMENTS

DIRECTOR COOPER: "Thank you for all the staff reports. Congratulations to Janeen Duff on her promotion."

DIRECTOR GREENHOUSE: "Thank you to staff for being here and always doing a wonderful job." She thanked Linda Evans for joining the meeting tonight. She also spoke to "the great strides the organization has made this year in expanding services, and expanding our presence in the community. Staff is to be commended. They are very appreciated."

DIRECTOR TODD: "I appreciate everybody and all the work they do."

DIRECTOR STIEMSMA: "I want to thank Cindy for specifically calling out some positive comments that came out of an exit interview, that was really refreshing because so many time we just hear the bad feedback." She congratulated Janeen Duff on her promotion.

DIRECTOR EVANS: "I want to wish everyone a happy holiday season. I appreciate you all, and I agree with what Dianne said. I commend the board and all the employees. I think healthcare is so over complicated and there's a lot of changes right now. I encourage you to keep going in what we are doing because it's so important and it matters."

ADJOURN MEETING

The meeting adjourned at 6:59 p.m.

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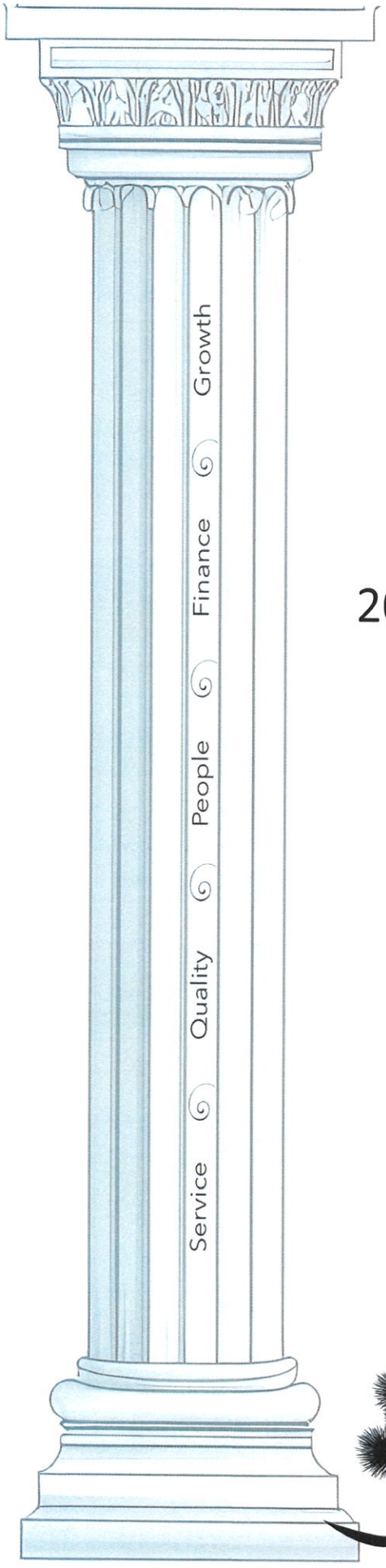
Heidi Stiemsma, Secretary of the Board

Board meeting minutes recorded by K. Graley, Board Clerk.



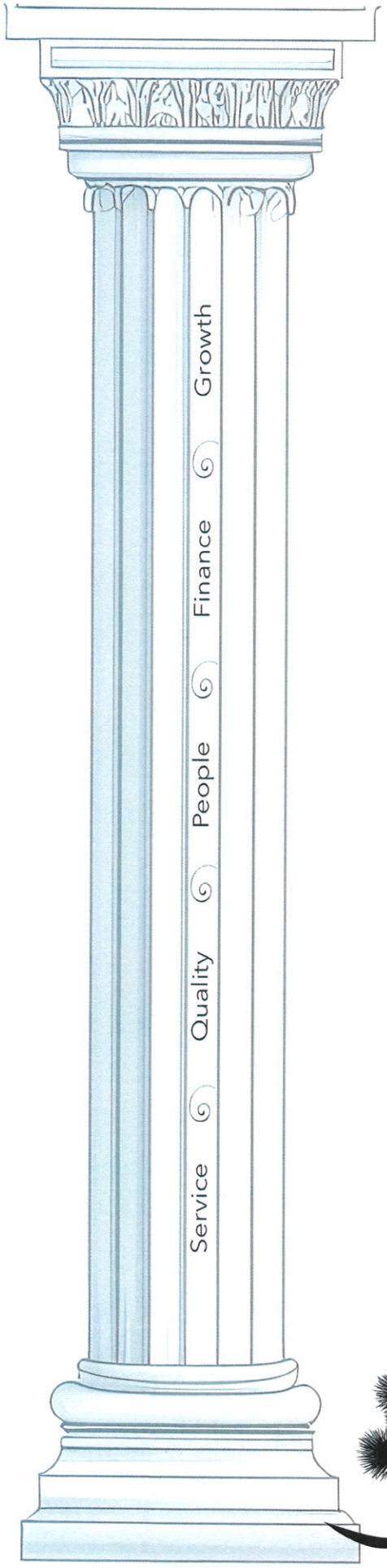
TAB #2
ACTION ITEM

2025 ANNUAL BUSINESS CALENDAR

MORONGO BASIN
HEALTHCARE DISTRICT
MorongoBasinHealth.org

STANDING MBHD 2025 ANNUAL BUSINESS CALENDAR

	Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
action	Oaths of office for newly elected/re-elected members	x											
action	Elect board officers	x											
action	Approve annual business calendar for 2025	x											
action	Appoint 2 representatives to the CHC Governing Board	x											
action	Appoint auditor for annual financial audit									x			
action	Budget: review and approval					x		x					
action	Stipend increase: public hearing & resolution										x		
action	Ratify ad hoc committee recommendations for CEO eval tool				x								
action	Approve CEO performance eval as per ad hoc committee												x
action	Accept annual financial audit (TBD)												
board	Board self-assessment survey results								x				
board	CEO Eval Committee meets to assess & deliver eval											x	
report	Corp Compliance update, Tricia Gehrlein				x						x		
report	Desert Care Network quarterly report, Linda Evans			x			x			x			x
report	Grants Update: semi-annual report, Janeen Duff		x						x				
report	Human Resource quarterly report	x			x			x			x		
report	Legislative Update - ACHD											x	
report	Quality Program: annual overview, Tricia Gehrlein					x							
report	HDMC Holdings, LLC annual update		finish 2024						2025 rpt				
report	Strategic Plan 24-27 (2x/yr)				x					x			
educ	Brown Act: joint education w/CHC board			x									
maybe	Orientation of newly elected members, if applicable	x											
maybe	Resolution to adjust bank signatures, if applicable	x											
maybe	Ratify co-app agreement (every 3yrs / last 2023)												
maybe	Bylaws: review biannually, last reviewed 2024												
clerk	Board Self Assessment Survey: issue link to board						x						
clerk	CEO Performance Eval: issue survey link to board										x		
clerk	HRSA Conflict of Interest form presented for signature	x											
clerk	Issue IRS reporting Form 700 (Filing deadline April 15)			x									
clerk	Schedule ethics training / electronic link sent to Directors		x										
clerk	Schedule sex harass training: w/in first 6mo + every 2yrs				x								



TAB #3
ACTION ITEM

BOARD OF DIRECTORS VACANCY

MORONGO BASIN
HEALTHCARE DISTRICT
MorongoBasinHealth.org

MORONGO BASIN
HEALTHCARE DISTRICT
6530 La Contenta Road, Suite 100, Yucca Valley California 92284 | 760.820.9229

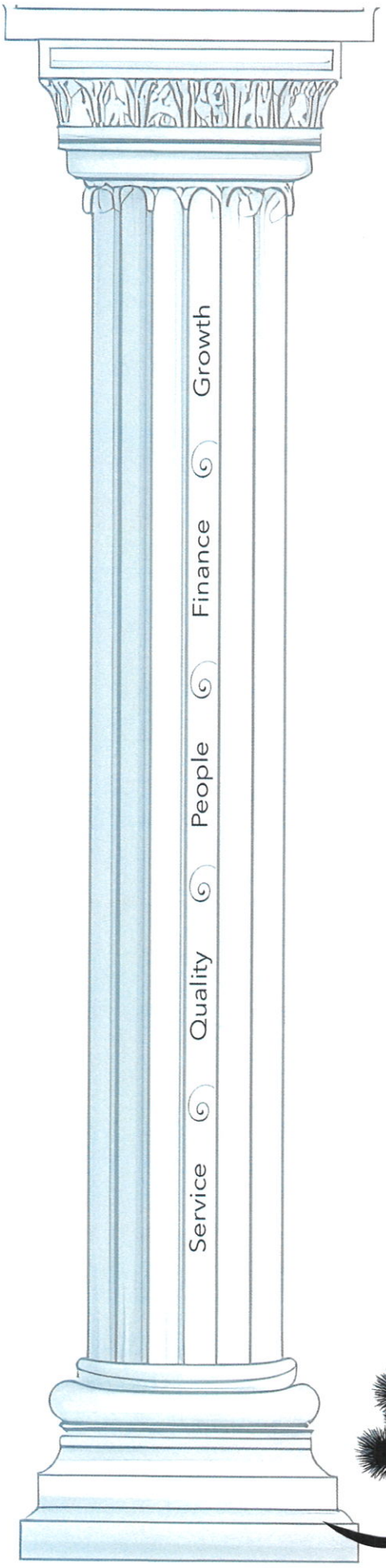
January 6, 2025

To: Board of Directors
From: Karen Graley, Board Clerk
Re: Process to Fulfill Requirements for a Board Vacancy

The California Brown Act provides a process and specific timeframe to fill a vacancy for an elected board. This information is provided for your information. The Board Clerk will:

1. Notify the county election officials of the resignation within 15 days of receiving the resignation. For the seat vacated by Jacqueline Todd, the date of vacancy will be January 9, 2025. The vacant seat must be appointed within 60 days of receiving the resignation. For this vacant seat, that will be Friday, March 7, 2025.
2. A minimum of 15 days before the vacant seat is appointed, a Notice of Vacancy is to be posted at three conspicuous places within the District. We typically post the Notice of Vacancy within two weeks of receiving the resignation. The official notice is posted at the healthcare District's administrative office, the Town of Yucca Valley, the City of 29 Palms, in the local newspapers and on our Facebook and Instagram accounts. A press release is issued to radio and print to inform the community of this opportunity.
3. Because of redistricting in 2023, eligible community members must reside within the voting zone represented by the vacant seat. For this vacancy, that voting zone is Zone 3 on the redistricting map. The map of voting zones is available at MorongoBasinHealth.org / Board. A QR code is provided below for convenient viewing.
4. A minimum of 15 days before the March 7 deadline, a special meeting of the Board of Directors will be scheduled for the Board of Directors to interview candidates and then appoint the seat. The appointed community member takes the oath of office and is seated for the next meeting of the board.
5. The Board Clerk informs the election officials of the seated board member within 15 days of the appointment.

Historically, Director Savitt resigned from the Board of Directors in April 2024. Jackie Todd was the only community member who responded to our recruitment efforts to fill that vacancy. The person seated to this new vacancy will complete the remainder of the four-year term vacated by Directors Savitt and Todd, and serve until December 31, 2026 when the seat is then subject to the general election ballot.



TAB #4
ACTION ITEM

REVISED BYLAWS

MORONGO BASIN
HEALTHCARE DISTRICT
MorongoBasinHealth.org

MORONGO BASIN
HEALTHCARE DISTRICT
6530 La Contenta Road, Suite 100, Yucca Valley CA 92284 | 760.820.9229

The attached bylaws for the HI-Desert Memorial Health Care District dba Morongo Basin Healthcare District were reviewed and adopted at the regular meeting of the Board of Directors on January 9, 2025 as certified by the following signatures.

Misty Evans, President

Heidi Stiemsma, Secretary

- ADOPTED: 1979
- REVISED: JULY 22, 1981
- REVISED: APRIL 12, 1983
- ADDENDUM (Fair Hearing Plan): MAY 10, 1983
- REVISED: DECEMBER 10, 1985
- REVISED: MARCH 4, 1987
- REVISED: APRIL 12, 1989
- REVISED: JUNE 13, 1990
- REVISED: MARCH 14, 1994
- REVISED: JUNE 20, 1995
- REVISED: JUNE 18, 1996
- REVISED: October 14, 1997
- REVISED: DECEMBER 14, 1999
- REVISED: DECEMBER 12, 2000
- REVISED: May 22, 2004
- REVISED: August 10, 2004
- REVISED: July 11, 2006
- REVISED: November 14, 2006
- REVISED: May 8, 2007
- REVISED: July 8, 2008
- REVISED: October 14, 2008
- REVISED: September 8, 2009
- REVISED: July 13, 2010
- REVISED: April 12, 2011
- REVISED: October 8, 2013
- REVISED: December 10, 2013
- REVISED: September 9, 2015 (Post Affiliation)
- REVISED: October 20, 2015
- REVISED: February 10, 2016
- REVISED: September 21, 2017
- REVISED: June 2, 2022
- REVISED: November 3, 2022
- REVISED: December 5, 2024
- REVISED: January 9, 2025

HI-DESERT MEMORIAL HEALTH CARE DISTRICT
dba Morongo Basin Healthcare District
BYLAWS

ARTICLE I
SCOPE AND PURPOSE

Section 1. Nature of District: Hi-Desert Memorial Health Care District dba Morongo Basin Healthcare District (the **"District")** is a district organized under the Local Health Care District Law of the State of California, California Health and Safety Code Sections 32000 and following.

Section 2. Bylaws: These bylaws are intended for the regulation of Hi-Desert Memorial Healthcare District DBA: Morongo Basin Health Care District and such other health care facilities, as the District may hereafter operate, and shall be regarded as rules and regulations of the District adopted pursuant to the Local Health Care District Law.

Section 3. Purposes: The jurisdiction, powers and purposes of the District, its Board of Directors ("Board") and its officers and agents shall be as now or hereafter provided by the provisions of The Local Health Care District Law and shall be examined and re-evaluated at least every two (2) years and revised as necessary. Subject thereto, the purposes of the District shall include, but not necessarily be limited to the following:

(a) Within the limits of community and district resources, to promote healthcare resources to the community, regardless of sex, race, creed, religion, color, ancestry or national origin and any other legally protected class.

(b) To coordinate the services of the District with community agencies or health care facilities providing specialized care.

(c) To conduct educational and research activities essential to the attainment of its purposes.

(d) To do any and all other legal acts and things necessary to carry out the provisions of The Local Health Care District Law.

Section 4. Dissolution: Any proposal for dissolution of the District shall be subject to confirmation of the voters in the District in accordance with California Government Laws.

Section 5. Profit or Gain: There shall be no contemplation of profit or pecuniary gain, and no distribution of profits to any individual, under any guise whatsoever, nor any distribution of assets or surpluses to any individual on the dissolution of the District.

Section 6. Disposition of Surplus: Should the operation of the District result in a surplus of revenue over expenses during any particular period, such surplus may be used

and dealt with by the Directors for improvements in the District's facilities; for the care of the sick, injured or disabled; promotion of community health; or for other purposes not inconsistent with The Local Health Care District Law, or these Bylaws.

ARTICLE II
OFFICES

The principal office of the District is hereby fixed and located at 6530 La Contenta Road, Yucca Valley, CA 92284. Branch or subordinate offices may be established by the Board at any time or place.

ARTICLE III
DIRECTORS

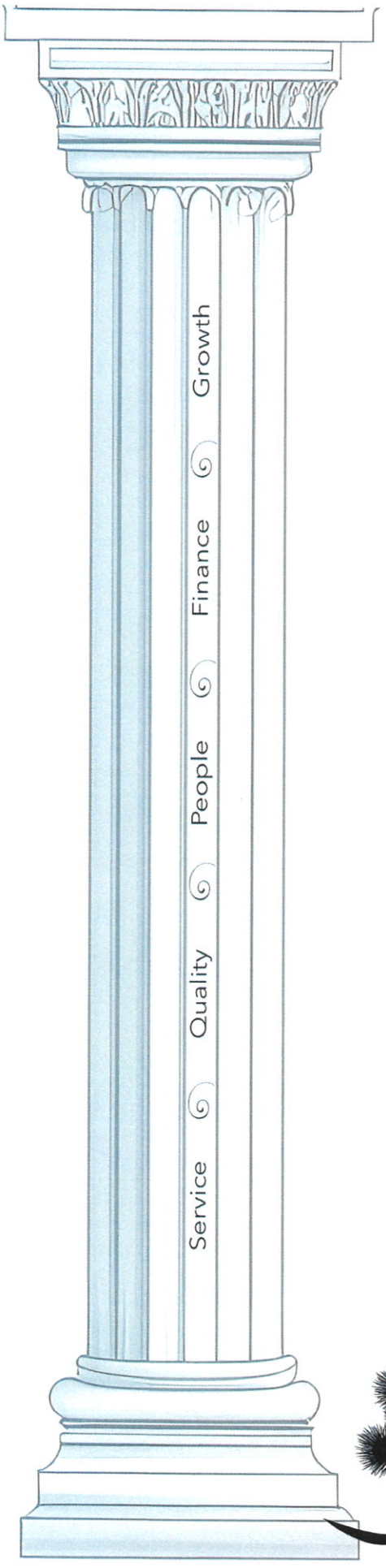
Section 1. Numbers and Qualifications: The Board shall consist of five (5) members, each of whom shall be a registered voter residing in the District.

(a) Board members may not be from the same zone or voting district;

(b) Board members must live in the zone or voting district they represent.

~~(a) Board members may not be immediate family members of each other or of District employees (i.e. spouse, children, parents, or siblings through blood, adoption, or marriage).~~

~~(b) Persons previously employed by the District may not be seated on the Board of Directors for one year after terminating employment.~~



TAB #5
ACTION ITEM

STAFF RECOMMENDATION FOR CONTRACTED BILLING SERVICES

MORONGO BASIN
HEALTHCARE DISTRICT
MorongoBasinHealth.org

MORONGO BASIN
HEALTHCARE DISTRICT

Morongo Basin Healthcare District Board of Directors
Staff Report/Recommendation
December 31, 2024

SUBJECT:
Revenue Cycle Management Contract

INTRODUCTION:
Five years ago, the District outsourced revenue cycle management. The initial contract was for two years, with renewals in one-year increments. We recently evaluated the contract performance and discovered that the current vendor wants to reduce her workload. She recommended another revenue cycle management company to assume her operations, Athelos.

FACTS BEARING ON THE ACTION:
We compared a total of three companies for revenue cycle management services. We want a vendor who will employ sufficient staff to process the billing timely and uninterrupted. We also want the vendor to have a working knowledge of eCW in both medical and dental billing, and to be able to make recommendations to us for more efficient utilization of the eCW program.

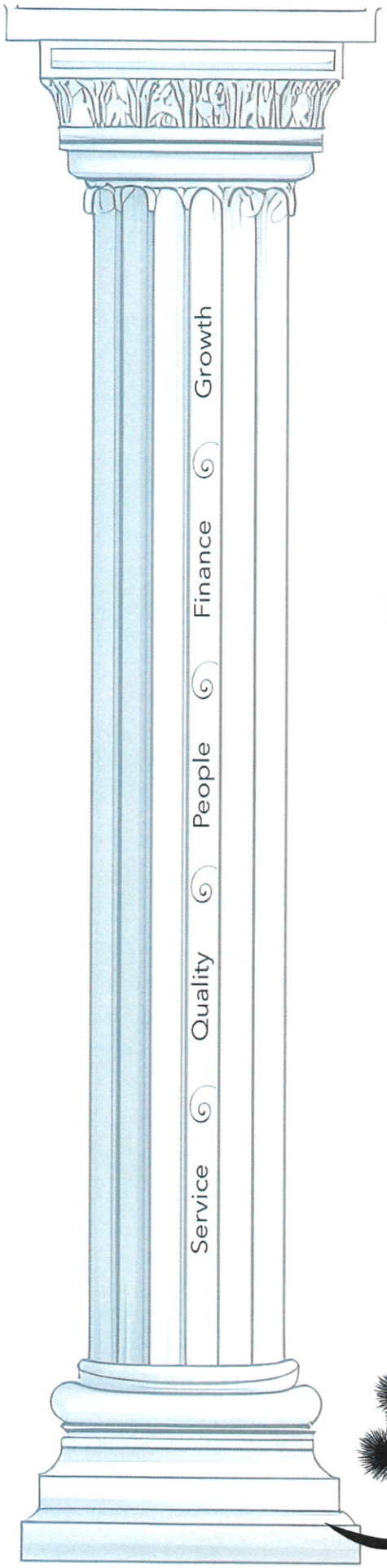
The current vendor recommends Athelos to provide revenue cycle management services. They use a "lay over" program instead of having everything centralized in eCW. This means they use one database for clinical data and another for financial data, which seems an inefficient process. They would charge the same amount for services that we pay our current vendor.

Of the three companies considered, we liked two companies, Zymeda and Medusind. They both have strong FQHC experience in California and know the eCW program (which we need to better utilize if we can just be shown what we don't know). However, while Zymdeda does know eCW, they haven't processed dental, so this would be new to them.

Medusind comes recommended by CHAISR and quoted services at less than what we are paying currently.

CONCLUSION:
After attending presentations, and reviewing the proposals, we felt Medusind was the best company to contract with because of their overall knowledge and experience. Additionally, they were recommended by CHAISR, who has had a positive experience with this company. They offer additional services which are not included in the basic fee structure, such as peer review, credentialling and enrollment, referral department assessments, and provider score card reviews. Finally, based on the fee structure, this contract should provide cost savings of approximately $75,000.

ACTION RECOMMENDED:
Staff is recommending moving forward with Medusind for the outsourcing of revenue cycle management.



TAB #6
ACTION ITEM

FINANCIAL POLICIES FOR REVIEW

MORONGO BASIN
HEALTHCARE DISTRICT
MorongoBasinHealth.org

MORONGO BASIN HEALTHCARE DISTRICT	**DEPARTMENT / MANUAL: ADMINISTRATIVE MANUAL**
ORIGINAL DATE: February 2022	REVIEW & REVISION DATES:
TITLE: **BANK RECONCILIATIONS & POSITIVE PAY**	APPROVED BY: ADMIN: Dave Lum Date: 2-3-22 CEO: C. Schmall Date: 2/2/22 GOVERNING BOARD: Misty Dawn Gu Date: 2/3/22

PURPOSE

To set forth the policy and procedure for bank reconciliations and positive pay.

POLICY

All monthly bank accounts will be reconciled timely and take measures to prevent unauthorized checks and EFT's from being paid. Checks will be sequential in order, so that inconsistent checks can investigated.

PROCEDURE

Reconciliation

1. The Chief Executive Officer (CEO), Chief Financial Officer (CFO), and the staff accountant all have access to the bank accounts online to view activity. Only the CEO can initiate transactions. The CFO goes in at least weekly to review transactions and see the cash balance. Physical bank statements, when they come, are given unopened to the CEO so the CEO can review them. Once the CEO has completed his/her review, the CEO will initial the bank statement and then give them to the Staff Accountant. The CEO has 7 days in which to do this. Since the CEO also has check signing authority, the bank statement is also reviewed by the CFO. The CFO has online access to compare the bank statement against the bank online transactions to determine if any discrepancies on the bank statement exist.

2. Four accounts are always kept at an imprest amount of $1,000. This includes the payroll account (only used for the EFT payment for payroll), the maintenance & operations accounts (only used for cash disbursements), the revenue account (only used for cash receipts), and the FSA account (only used for FSA transactions). The HRSA grant account is kept at an imprest amount of $0. The money market account contains all the cash that is swept from the other bank accounts, so it is the only account that the balance varies from month to month.

3. Bank reconciliations take place monthly. Once the Staff Accountant receives the bank account, the Staff Accountant will reconcile it within 14 days.

4. For the revenue account, the Staff Accountant exports the data from the online bank account to an excel spreadsheet. The staff accountant compares the data against the bank statement and then code the data via columns into various categories such as EFT patient revenue, credit card revenue, manual deposits (which get further subdivided), county tax collections, capitated income, quality payment income, 340B income, Tenet income, and misc income. The various columns are

then coded, and if needed, further subdivided (for example, credit card income is subdivided into employee benefit payments, rent payments, and patient services income). A journal entry will then be created for import into the general ledger, which the staff accountant then imports.

5. All of the manual deposits will be reviewed and coded with the appropriate general ledger coding. Individual patient payments are labeled with the unique payment ID that corresponds to the EHR for comparison to EHR data. Additionally, payments that the outside billing company has posted will be kept on an excel log, along with their individual payment ID's.

6. The CFO will compare the payment ID's entered into the EHR database for the month with the payments accounted for in the bank statement by the Staff Accountant and the outside billing company and investigate any differences. When everything balances, the CFO will post the entry.

7. For all other accounts, the Staff Accountant exports the data from the online bank account to an excel spreadsheet. Using columns, data is coded, outstanding checks are identified, and a journal entry is created for export, which the staff accountant then imports into the general ledger. The CFO reviews the journal entry and posts it.

8. Final bank reconciliations are printed out and signed by the CFO.

Positive Pay

1. When the check run is completed on Thursday, the AP Accountant will prepare a list of the check processed in an excel file that meets the bank import parameters.
2. The AP accountant will then upload the check listing to the bank
3. The CFO will approve the check listing within the bank portal.
4. When exceptions arise (IE when checks don't match the check listing uploaded), the CFO and the CEO are notified via e-mail to check the bank website. The CFO is the default person to investigate why a check became an exception. Based on the result of that investigation, the CFO will approve or deny the payment. The CFO cannot create a new payments out of the bank account, nor can the CFO sign checks.

REFERENCES

- NA

ATTACHMENTS

- NA

MORONGO BASIN HEALTHCARE DISTRICT	**DEPARTMENT / MANUAL: FINANCE**
ORIGINAL DATE: February 2022	**REVIEW & REVISION DATES:**
TITLE: **PETTY CASH AND CASH DRAWERS**	**APPROVED BY:** ADMIN: _____ Date: 2-3-22 CEO: _____ Date: 2/2/22 GOVERNING BOARD: _____ Date: 2/3/22

PURPOSE

To set forth the policy and procedures for petty cash & cash drawers.

POLICY

Petty cash funds are maintained by the organization. The funds are to be used for miscellaneous or unexpected purchases and the same approval procedures apply as mentioned in the cash disbursement section. The usual amount for the fund is $100; however, with approval of the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) the fund may be set up for a different amount. A cash box will be provided to the clinic and should be kept in a secure, locked location. Reimbursement frequency is at the direction of the Clinic Manager; however, if the fund is reimbursed more than twice a month, the CFO may consider increasing the petty cash fund.

PROCEDURE

Petty Cash

The manager and/or supervisor oversees the petty cash fund at the clinic locations. The Staff Accountant oversees the petty cash fund at the accounting office. The following shall apply to petty cash reimbursement:

1. All disbursements made from petty cash are acknowledged by initials by the receiving party.

2. All money returned to the petty cash fund is counted and verified by the position in charge of the petty cash fund. Receipts for items purchased with petty cash must be included with the return and should include appropriate account allocations as well as manager approval.

3. Whenever a petty cash reimbursement is requested, a petty cash reconciliation form will be completed, receipts on hand will be attached, and the form will be signed by the manager of the department.

4. The staff accountant and the manager of the petty cash fund together will periodically count the cash in the petty cash fund.

5. No checks will be cashed by the petty cash fund.

6. Petty cash reimbursement forms received in finance by Tuesday will processed the same week and the reimbursement will be ready on Friday of the same week. Forms received after Tuesday will be processed the next week

Cash Drawer Procedures

The petty cash drawers at the clinics are also used as a cash drawer to make change for patient payments. The following shall apply to petty cash change replacement when it is needed:

1. When the clinic manager requests change, the amount needed is placed into a money bag and brought to finance by the manager.

2. Change will be taken from the Finance petty cash fund and entered on the Petty Cash Tracking Sheet.

3. The initials of one finance employee and the manager or supervisor who brought the money on the Petty Cash Tracking Sheet attest to the amount of the money taken for change and the amount of money received, which should be the same.

4. The change is placed into the money bag and brought back to the clinic.

REFERENCES

- NA

ATTACHMENTS

- NA

MORONGO BASIN HEALTHCARE DISTRICT	**DEPARTMENT / MANUAL: FINANCE**
ORIGINAL DATE: April 2017	**REVIEW & REVISION DATES: (supersedes CHC-212)** 2/22
TITLE: **VOIDED CHECKS**	APPROVED BY: ADMIN: _____ Date: 2-3-22 CEO: _____ Date: 2/2/22 GOVERNING BOARD: _____ Date: 2/3/22

PURPOSE

To set forth the policy and procedures regarding voided checks

POLICY

All accounts payable checks will be voided after the appropriate timeframe and the proper research has been completed. Voided checks will be reviewed by the Chief Financial Officer (CFO) and retained in the finance office.

PROCEDURE

It is the responsibility of the Accounts Payable Accountant to void checks on the Maintenance and Operations account when it has been determined that a check is outdated or needs to be replaced.

1. For checks that have been issued, the AP Accountant will research the check number to determine that the check has not been cashed.

2. The AP Accountant will upload and/or enter into the positive pay portal of the bank account that the check is no longer active.

3. The CFO will approve the file to cancel positive pay payment on the bank website for the voided check.

Checks that have been incorrectly printed or spoiled because of printer malfunction must also be voided.

1. The AP Accountant will void the check in the accounting system and then deface the check by writing void on the face and/or in the signature space.

2. The defaced voided check will be retained in the accounting office in the void checks folder.

3. All voided checks are to be submitted to the CFO on a weekly basis.

REFERENCES

- NA

ATTACHMENTS

- NA

MORONGO BASIN HEALTHCARE DISTRICT	**DEPARTMENT / MANUAL: ADMINISTRATIVE**
ORIGINAL DATE: **March 2022**	REVIEW & REVISION DATES:
TITLE: **FEDERAL CASH DRAWDOWNS POLICY**	**APPROVED BY:** CEO: _____ Date: 3/3/2022 ADMIN: _____ Date: 3/3/2022 GOVERNING BOARD: _____ Date: 3/7/22

PURPOSE

To ensure federal cash drawdowns are done appropriately and in a manner that meets federal guidelines.

POLICY

Federal cash drawdowns will be made and administered in a manner consistent with the payment standards required by the U.S. Department of Health and Human Services found at 45 CFR Part 75, state and local statutes and executive orders as applicable.

PROCEDURES

Bank Account Requirement

Federal funds will be drawn down into an account which is FDIC insured and interest bearing. Interest amounts earned on federal funds in that account in excess of the allowable amount will be refunded to the granting agency as required.

Documentation

The documentation maintained for each federal grant payment will account for the receipt, obligation and expenditure of funds. Draw downs will only be used as a reimbursement to the District for expenditures that have already been incurred:

i. A listing of the expenditures that are being reimbursed in sufficient detail to satisfy the documentation requirements of 45 CFR 75
ii. Information regarding the date of federal grant payment receipt and the timing of expenditures relative to the receipt of the federal funds.

Method

The preferred method of reimbursement will be via electronic fund transfer if available. Requests for draws through the federal payment management system will follow the steps and processes outlined with the system. If the draw is not through the federal payment management system, then the draw should be done consistent with the terms of the grant and the processes required by the awarding agency.

Oversight and Monitoring

The initial grant draw request and support for expenditures will be prepared by the Finance Department and submitted to the Chief Executive Officer for review and approval.

REFERENCES

- NA

ATTACHMENTS

- NA

MORONGO BASIN HEALTHCARE DISTRICT	**DEPARTMENT / MANUAL: FINANCE**
ORIGINAL DATE: February 2022	**REVIEW & REVISION DATES: (supersedes LD-226)**
TITLE: **DELETION OF FIXED ASSETS OR NON-CAPITALIZED SURPLUS ITEMS**	APPROVED BY: ADMIN: _____ Date: 2-3-22 CEO: _____ Date: 2/2/22 GOVERNING BOARD: _____ Date: 2/3/22

PURPOSE

To set forth the policies and procedures associated with the deletion of fixed assets and other non-capitalized surplus items.

POLICY

Any capitalized assets that are no longer usable (i.e., outdated, irreparable, worn, etc.) will be deleted from the Fixed Assets Schedule and properly disposed of with the exception of real property. Any items that have not been capitalized and are considered personal property will be removed from service and either disposed of or donated.

PROCEDURE

Any assets to be deleted are to be reviewed by the Chief Executive Officer (CEO) to verify whether it is appropriate to retire the assets. No asset is to be discarded or removed from any premises without proper review and documentation.

1. The manager, facilities, or the Chief Financial Officer (CFO) is to notify the CEO as to why the asset needs to be deleted.
2. The CEO is to determine whether any salvage dollars can be received from the asset, and if so, makes the necessary contacts.
3. Any asset that is to be removed from the District must have documentation that explains the rationale for disposing of the Fixed Asset. The documentation must be signed by both the CEO and the CFO
4. If the asset has been bought with federal or state grant monies, the CFO will reach out to the appropriate awarding agency to determine if the asset needs to revert back to said awarding agency. This too will be documented in writing.
5. Once all approvals have been completed, at month end, the CFO will remove the asset from the master fixed assets list. If the asset has not been fully depreciated, the asset will be retired with a loss. If the item has been 100% depreciated, the item can be retired.
6. Surplus items may be disposed of appropriately if damaged or no longer functional.
7. All surplus items may, at the discretion of the Board of Directors, be sold at fair market value. The CEO will establish the fair market value.
8. Items at less than fair market may be donated or sold to another California Healthcare District.

REFERENCES

- FN-FA-103 Surplus Real Property

ATTACHMENTS

- A-Equipment Disposal Form

MORONGO BASIN HEALTHCARE DISTRICT	**DEPARTMENT / MANUAL: FINANCE**
ORIGINAL DATE: May 2021	**REVIEW & REVISION DATES: (supersedes LD)** 2/22
TITLE: **ELIMINATION OF DISTRICT SURPLUS REAL PROPERTY**	APPROVED BY: ADMIN: _____ Date: 2-3-22 CEO: _____ Date: 2/2/22 GOVERNING BOARD: _____ Date: 2/3/22

PURPOSE

To establish a procedure in accordance with Health and Safety Code section 32121.2 and the Surplus Land Act, which went into effect on January 1, 2021 (Government Code sections 54220 et seq.) for the disposal of surplus real property. For the purpose of this policy, "real property" refers to land and all structures attached to it.

POLICY

The Morongo Basin Healthcare District complies with the Surplus Land Act and all Health and Safety codes that apply to Districts and/or Public Agencies by following the procedure below.

PROCEDURE

1. Determine whether Surplus Land Act applies. The District staff shall determine whether the surplus property is "exempt surplus land." If real property can be characterized as "exempt surplus land," then the District need not follow the procedures set forth in this Section A. For the District's purposes, the term "exempt surplus land" means one or more of the following:
   a. Surplus land which is (a) less than 5,000 square feet in area, (b) less than the minimum legal residential building lot size for the jurisdiction in which the parcel is located, or 5,000 square feet in area, whichever is less, or (c) has no record access and is less than 10,000 square feet in area. The property must not be contiguous to land owned by a state or local agency, which is used for open space, or low- and moderate-income housing purposes. If the surplus land is not sold to an owner of contiguous land, it is not considered exempt surplus land and is subject to the provisions of the Surplus Land Act.
   b. Surplus land that the District is exchanging for another property necessary for the District's use.
   c. Surplus land that the District is transferring to another local, state, or federal agency for the agency's use.
   d. Surplus land that is a former street, right of way, or easement, and is conveyed to an owner of an adjacent property.
2. Notice to selected public entities. At the same time the District contacts the local planning authority, the District shall send a written notice of availability of the property to the following entities within whose jurisdiction the property is located:
   a. The local entity assisting in developing low and moderate income housing. (Health & Safety Code section 50079)
   b. Housing sponsors who have notified the Department of Housing and Community Development of their interest in surplus land. (Health & Safety Code section 50074)
   c. The city and county parks/recreation department, any regional park authority, and the State Resources Agency for park and recreation or open space purposes.

d. The local school district if the property is suitable for school facilities construction or use by a school district for open-space purposes.

e. Any local nonprofit neighborhood enterprise association corporation. (Government Code section 7073)

f. Any program area agent established by the Economic Employment and Incentive Act. (Government Code section 7078)

g. All notices shall be sent by electronic mail, or by certified mail and include the location and a description of the property. Any of the entities desiring to purchase or lease surplus land must notify the District within sixty (60) days after the District's notice of availability of the land is sent via certified mail or provided via electronic mail. The District must then enter into good-faith negotiations to determine the sales price. If no agreement is reached within ninety (90) days, the District may proceed with the general disposition process set forth below without further regard to surplus land procedures.

h. The required ninety (90) day period for participating in negotiations does not include the time for commissioning of appraisals, due diligence prior to disposition, discussions with brokers or real estate agents not representing a potential buyer, or other studies to determine value or best use of land, issuance of a request for qualifications, development of marketing materials, or discussions conducted exclusively among District employees and Board members.

3. Report To California Department Of Housing And Community Development (the "Department"). Prior to agreeing to terms for the disposition of surplus land, the District will provide to the Department the following information. This information may be submitted after the District has sent Notices Of Availability and concluded negotiations with any interested party(ies).

   a. The Notices Of Availability;

   b. Description of the negotiations conducted with any interested party(ies); and

   c. A copy of any restrictions to be recorded against the land regarding any residential units and any requirement that a certain percentage of such units be sold or rented at an affordable housing cost, as required by the applicable law.

   d. Any purchase and sale transaction shall be contingent upon the District not receiving a notice of noncompliance from the Department within thirty (30) days from the date the above-mentioned information is received by the Department.

REFERENCES

Health and Safety Code section 32121.2

MORONGO BASIN HEALTHCARE DISTRICT	**DEPARTMENT / MANUAL: FINANCE**
ORIGINAL DATE: **February 2022**	**REVIEW & REVISION DATES:**
TITLE: **CHART OF ACCOUNTS AND FINANCIAL MANAGEMENT ACCOUNTING SYSTEM**	**APPROVED BY:** ADMIN: _____ Date: 2-3-22 CEO: _____ Date: 2/2/22 GOVERNING BOARD: _____ Date: 2/3/22

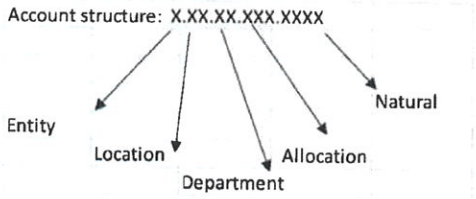
PURPOSE

To set forth the policy and procedures that define the structure of the chart of accounts and the financial management accounting system.

POLICY

The structure of the chart of accounts should be set up to ensure accuracy and organization of data necessary to compile efficient and meaningful financial data.

General ledger accounts will be structured so that financial statements can be shown by entity, building location, department/cost center/service line or grant, allocation, and natural classification (expense type).



Entity delineates between 3, all service lines, and 1, only the clinic service lines. Location is tied to each of the buildings the district operates out of. Service line states what service line the expense pertains to, which is used for direct expenses. Allocation in the general ledger coding tells accounting which allocation to use. Natural delineates the category of expense to be used.

The financial management system should also be set up to allow for the compilation of efficient and meaningful financial data and reporting as well as to ensure the fiscal integrity of grant financial transactions.

The financial management system must specifically identify in its accounts all grant (including federal awards) received and expended as well as any federal programs under which they were received (see 45 CFR 75.302).

This financial management system must also provide for all of the following:

1. Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements (see 45 CFR 75.341 and 75.342).
2. Records that identify the source (receipt) and application (expenditure) of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest, and be supported by source documentation (see: 45 CFR 75.302(b)(3)).

The financial management system will be used in a manner that allows data to be tracked, compiled, organized, and exported.

PROCEDURE

Chart of Accounts

1. To add an account, staff will ask the Chief Financial Officer (CFO) to add it in the accounting software system and explain why the new account is needed. If reasonable, the CFO will add the new account to the financial management system.
2. The CFO will maintain in the financial accounting system all entities, locations, departments, allocations, and natural account segments that make up the full general ledger account.
3. At least yearly, the CFO will review the chart of accounts for needed additions/deletions/changes.

General Ledger

1. The general ledger is automated and maintained using the Blackbaud Financial Edge accounting software. Currently the District utilizes the Accounts Payable module.

2. The accounting system can track grants by federal program via the department code above. A master listing of all entities, locations, departments (including departments that are grant based), allocations and natural components of the full general ledger account is kept in the master vender file. Additionally, all components referred to above are setup in the accounting system configuration/tables. To comply with CFR Title 45, Subtitle A, Subchapter A, Part §75.302, all accounting records that are grant based (whether they are federal, state, or private based) should use the department string that correlates to the grant so that the source and application of receipts and disbursements, federal awards, authorizations, obligations, unobligated balances, assets, expenditures and income and interest can be tracked.

3. The CFO reviews all transactions monthly for any unusual transactions.

REFERENCES

- NA

ATTACHMENTS

- NA

MORONGO BASIN HEALTHCARE DISTRICT	**DEPARTMENT / MANUAL: FINANCE**
ORIGINAL DATE: **February 3, 2022**	**REVIEW & REVISION DATES:**
TITLE: **ALLOCATIONS**	APPROVED BY: ADMIN: _____ Date: 2-3-22 CEO: _____ Date: 2/2/22 GOVERNING BOARD: _____ Date: 2/3/22

PURPOSE

To set forth policy and procedures that define the allocation logic being used.

POLICY

Every expense transaction is to be coded as a direct expense (an expense that is only attributable to one service line), shared expense (an expense to be split between two or more service lines, but not all service lines), or indirect expense (an expense that gets shared between all service lines). Shared and indirect expenses are to be allocated based on either square footage, FTE's.

Expenses that are facilities (such as rent, utilities, building depreciation, etc.) are allocated on the basis of square footage. Expenses that are considered administration (such as HR, IT, accounting, the office of the CEO, and other expenses that logic dictates shouldn't be allocated on square footage basis) are allocated via FTE's.

The clinic service lines are substantial, and therefore there is a layer of shared costs that is unique to the clinics that the non-clinic service lines don't share in. These shared costs will only be allocated to the clinics, and not the non-clinic service lines.

PROCEDURE

1. The general ledger account is comprised of five parts (see FN-GA101). The third part of the full general ledger account deals with department/cost center/service line and grant. Grants and service lines usually take in indirect and shared costs; they are 'stand-alone' because at the end of the month, they remain intact. Departments and cost centers usually are allocated into the grants and service lines and are 'flow through' because at the end of the month their balance will be zero.
2. Flow through departments and cost centers are "cleared out" at the end of the month and reallocated to grant and service lines. The accounts used for the clinics only allocations are accounts 4999 for income and 5929 for expenses. The accounts used for the allocations that hit all service lines (the district allocations) are placed into accounts 4998 for income and 5930 for expenses.
3. At the end of every month, the CFO will export the general ledger accounts that need to be allocated to an excel file called Allocation Worksheet. The allocation worksheet will allocate the accounts based on the FTE and square footage inputs. The results of the allocations will be imported back into the financial management software.
4. Due to the complexity of the allocations, only the CFO performs this task.

REFERENCES

- NA

ATTACHMENTS

- NA

MORONGO BASIN HEALTHCARE DISTRICT	**DEPARTMENT / MANUAL: FINANCE**
ORIGINAL DATE: **February 2022**	REVIEW & REVISION DATES:
TITLE: **FINANCIAL STATEMENTS**	APPROVED BY: ADMIN: _____ Date: 2-3-22 CEO: _____ Date: 2/2/22 GOVERNING BOARD: _____ Date: 2/3/22

PURPOSE

To set forth the policy and procedures relating to financial statements.

POLICY

Financial data will be compiled and summarized in order to issue and report upon both internal & external financial statements. The underlying data will be accurate, timely, and complete.

PROCEDURE

Monthly

1. Journal entries are to be prepared monthly. Most journal entries are prepared by accounting staff, although some of the more complex entries (such as entering revenue & write-offs of the CW database) are imported into the general ledger by the CFO. Backup for every journal entry is maintained. Journal entries are to be locked before the next month's journal entries begin, with the exception of June for fiscal year end. Those journal entries will be locked upon receipt of the final audit.
2. Within the master vendor file, a listing of recurring journal entries is to be maintained. This will have the index of where the backup for the journal entries is kept.
3. Once the monthly, recurring JE's are completed and/or imported, a trail balance is run. All balance sheet accounts are then traced through to the sub-schedules supporting the account and are updated if they have not already been updated during the JE process. Any variances are immediately investigated. In addition, many income statement accounts are also traced through to sub-schedules to ensure large natural classification accounts are accurate.
4. Allocations are run by the CFO. The accounts that require allocation are exported to the allocation worksheet in excel and then the allocation journal entry is imported back into the general ledger. A statement of revenue, expenses, and changes in net position by service line is then run to ensure no lingering allocations remain.
5. Grants monitoring will take place by the CFO. The general ledger is exported, and each line is reviewed to ensure that items charged to grants allowable by the grants and comply with cost principles. Expenses are then summarized and compared against the grant budget. Line-item variances as well as total grant expenses between actual and budget are compared and investigated. If large variances exist, special meetings will be called to discuss the variance issues and how best to resolve them. If needed, the grant manager will also be contacted. Once this has been completed, the month is locked (soft closed) preventing any more entries for the month from hitting the general ledger.
6. Month end reports are to be run, reviewed, and distributed to the CEO, and program managers and supervisors.
7. Occasionally, there is conflict between accuracy, timeliness, and being complete. In those instances, professional judgement will dictate the higher priorities.

Year End

1. For year end, the general ledger will be held open longer so that straggling expenses can be accounted for in the proper fiscal year. Additionally, once the yearly audit is done, a hard close takes place in the accounting system. This hard close is only for fiscal year end, and once performed, that fiscal year cannot be changed.

2. Initial revenue & write-off comparison to the EHR is entered into the General Ledger. A second run will be done in late August to early September to ensure all transactions are materially entered into the general ledger.
8. A sub schedule of all balance sheet accounts will be created/updated.
9. If required, the CFO will prepare a Schedule of Expenditures of Federal Awards (SEFA) to determine if a single audit is required to be performed in accordance with the Single Audit Act. If the SEFA exceeds $750,000, the District will be required to have a single act in addition to the annual audit. The selection and engaging of an audit firm will be performed by the District Board of Directors. Once completed, the reports on these audits shall be submitted to the Federal Audit Clearinghouse (FAC) within the earlier of 30 calendar days after receipt or nine months after the FY's end.
10. The CFO will prepare the audited financial statements (including notes) to be reviewed by the Board selected audit firm.

Policy Statements for the audited financial statements

Reporting Entity

Hi-Desert Memorial Healthcare District d/b/a Morongo Basin Healthcare District (the "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. The District is a political subdivision of the State of California and is generally not subject to federal or state income taxes under Section 115 of the Internal Revenue Code. The District is governed by a five-member Board of Directors. The District operates federally qualified health centers in Yucca Valley and Twentynine Palms, California, to provide medical, dental, and behavioral healthcare services for patients. Financial support for the district includes fees charged for services performed and federal and state sources. The district provides healthcare services primarily to individuals who reside in the local area.

The District operates with oversight from both a Board of Directors and a Community Health Center Governing Board (CHC Governing Board). The Board of Directors consists of five community members elected to four-year terms. The CHC Governing Board consists of at least nine and not more than thirteen members, with at least 51percent of its members being consumers of services at the CHC (consumer members). Consumer board members must be a current registered patient of the health center and must have accessed the health center in the past 24 months to receive at least one or more in-scope services that generated a health center visit. A legal guardian of a patient who is a dependent child or adult may be considered a patient for purposes of board representation.

The Morongo Basin Healthcare District Foundation (the "Foundation") was formed by the District. The Foundation is a California nonprofit public benefit corporation organized to solicit funds and help promote healthcare services within the district boundaries. The District is the sole corporate member of the Foundation and has the right to appoint all members of the Foundation's Board of Directors. The Foundation's operations are not significant to the District and have not been included in the District 's financial statements.

Enterprise Fund Accounting

The District's accounting policies conform to GAAP as applicable to proprietary funds of governments. The District uses enterprise fund accounting. Revenue and expenses are recognized on the accrual basis using the economic resources measurement focus.

Use of Estimates

The preparation of the accompanying financial statements in conformity with GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual result s may differ from these estimates.

The District considers significant accounting estimates to be those that require more significant judgments and include the valuation of patient accounts receivable, including contractual adjustments and allowance for uncollectible accounts and estimated third-party payers' settlements.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with original maturity dates of three months or less. Cash and cash equivalents are carried at cost, which approximates fair value.

Investment and Investment Income

Investments are measured at fair value in the accompanying statements of net position. Investment income or loss, including realized gains and losses on investments, interest, and dividends, is included in nonoperating income and revenue in excess of expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from excess of revenue over expenses unless the investments are trading securities. Realized gains and losses are determined by specific identification.

The District monitors the difference between the cost and fair value of its investments. A decline in market value of an individual investment security below cost that is deemed to be other-than temporary results in an impairment, and the District reduces the investment's carrying value to fair value. A new cost basis is established for the investment, and any important loss is recorded as a realized loss in investment income.

Prepaid expenses

Prepaid expenses are expenses paid during the fiscal year relating to expenses incurred in future periods. Prepaid expenses are amortized over the expected benefit period of the related expense.

Patient Accounts Receivable and Credit Policy

Patient accounts receivable are uncollateralized patient obligations that are stated at the amount management expects to collect from outstanding balances. These obligations are primarily from local residents, most of whom are insured under third-party payor agreements. The District bills third-party payors on the patients' behalf, or, if a patient is uninsured, the patient is billed directly. Once claims are settled with the primary payor, any secondary insurance is billed, and patients are billed for copay and deductible amounts that are the patients' responsibility. Payments on patient accounts receivable are applied to the specific claim identified on the remittance advice or statement.

Patient accounts receivable are recorded in the accompanying statements of net position net of contractual adjustments and allowances for doubtful accounts, which reflect management's estimate of the amounts that won't be collected. Management provides for contractual adjustments under terms of third-party reimbursement agreements through a reduction of net patient revenue and a credit to a contractual allowance. In addition, management provides for probable uncollectible amounts, primarily for uninsured patients and amounts patients are personally responsible for, through a reduction of net patient revenue and a credit to a valuation allowance.

In evaluating the collectability of patient accounts receivable, the District analyzes past results and identifies t rend s for each of its major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. Specifically, for receivables associated with services provided to patients who have third -party coverage, the District analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely.

For receivables associated with self-pay patients, which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the District records a significant provision for bad debts in the period of service based on its experience, which indicates that many patients are unable or unwilling to pay the portion of t heir bill for which they are financially responsible. The difference between the standard rates, or the discounted rates, if negotiated, and the amounts collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Capital Assets

The District capitalizes assets whose costs exceed $5,000 and that have an estimated useful life of at least two years. Major expenses for capital assets, including repairs that increase the useful life, are capitalized. Maintenance, repairs, and minor renewals are accounted for as expenses when incurred.

Property and equipment acquisitions are recorded at cost or, if donated, at acquisition value at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method using these asset lives:

Land improvements	5 to 20 years
Buildings and building improvements	5 to 39 years
Equipment	3 to 20 years

Impairment of Long-Lived Assets

Capital assets are reviewed for impairment when events or changes in circumstances suggest the service utility of the capital asset might have significantly and unexpectedly declined. Capital assets are considered impaired if both the decline in service utility of the capital asset is large in magnitude, and the event or change in circumstance is outside the normal life cycle of the capital asset. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The determination of the impairment loss is independent of the event or circumstance in which the impairment occurred. Impairment losses, if any, are recorded in the statements of revenues, expenses, and changes in net position. There were no impairment losses recorded for the years ended June 30, 2020, and 2019.

Compensated Absences

The District' s employees earn paid time off (PTO) for vacation, holidays, and short-term illnesses based upon years of service. The related liability is accrued during the period in which it is earned and will be paid to an employee upon either termination or retirement.

Net Position

Net position of the District is classified in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted expendable net position is a noncapital net position that must be used for a particular purpose as specified by creditors, grantors, or contributors external to the facility, reduced by the outstanding balances of any related borrowings. Unrestricted net position is the remaining net position that does not meet the definitions above. When the District has both restricted and unrestricted resources available to finance a particular program, it is the District's policy to use restricted resources before unrestricted resources.

Operating Revenue and Expenses

The District ' s statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenue and expenses. Operating revenue result s from exchange transactions associated with providing healthcare services-the District's principal activity. Nonexchange re venue, including grants, property taxes, and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenue. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

The District considers the lease income and related expenses, primarily depreciation, to be an operating activity, as the lease contributes to the achievement of the District's purpose of providing healthcare services.

Net Patient Revenue

The District recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. Certain third-party payor reimbursement agreements are subject to audit and retrospective adjustments. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

For uninsured patients, the District recognizes revenue based on its standard rates for services provided. On the basis of historical experience, a significant portion of the District 's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the District records a significant provision for bad debts related to uninsured patients in the period the services are provided.

Charity Care

The District provides care to patients who meet certain criteria under its sliding fee schedule without charge or at amounts less than established rate s. The District maintains records to identify the amount of charges forgone for services and supplies furnished under the charity care policy. Because the District does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue in the accompanying statements of revenue, expenses, and changes in net position.

Grants and Contributions

From time to time, the District receives grant s from the federal government and the State of California, as well as contributions from individuals and private organizations. Revenue from grants and contributions, including contributions of capital assets, are recognized when all eligibility requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts restricted to capital acquisitions are reported after nonoperating revenue and expenses. Grants that are for specific projects or purposes related to the District's operating activities are reported as operating revenue. Grants that are used to subsidize operating deficits are reported as nonoperating revenue. Contributions, except for capital contributions, are reported as nonoperating revenue.

Advertising Costs

Advertising costs are expensed as incurred.

REFERENCES

- NA

ATTACHMENTS

- NA

MORONGO BASIN HEALTHCARE DISTRICT	**DEPARTMENT / MANUAL: FINANCE**
ORIGINAL DATE: **April 2017**	REVIEW & REVISION DATES: (supersedes CHC-203) **2/22**
TITLE: **BUDGETS**	APPROVED BY: ADMIN: _____ Date: 2-3-22 CEO: _____ Date: 2/2/22 GOVERNING BOARD: _____ Date: 2/3/22

PURPOSE

To set forth the policy and procedures for the annual preparation of capital and operating budgets.

POLICY

Capital and operating budgets will be prepared annually, prior to the start of the new fiscal year. The operating budget will be approved by both the District board of Directors and the CHC Board of Directors, whereas the capital budget only needs to be approved by the District Board of Directors.

PROCEDURE

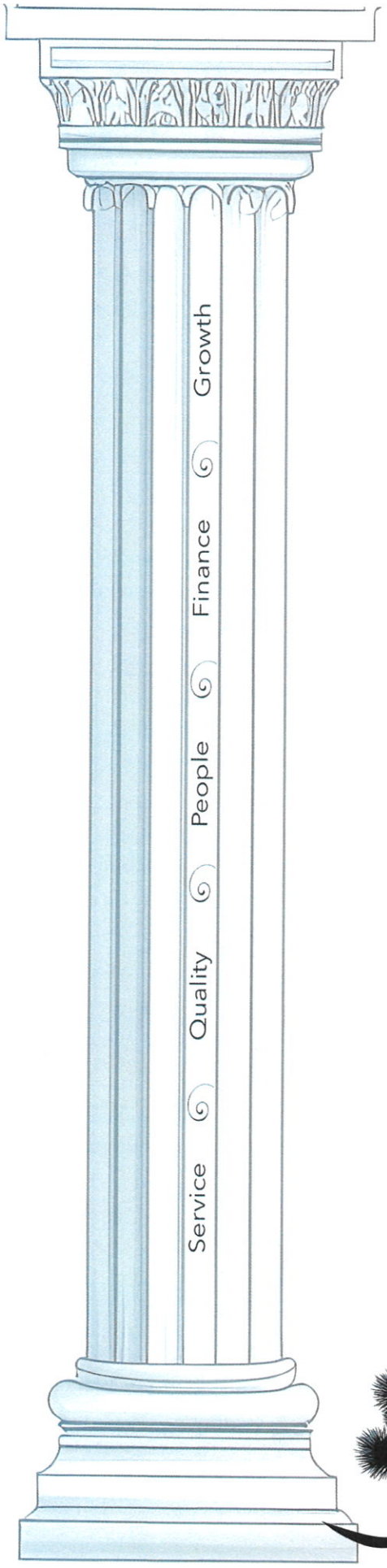
1. Budgets will be prepared by the CFO.
2. The operating budget will initially be based on past years patient volumes, revenue and expenses, and staffing patterns.
3. The operating budget will then take into consideration projected revenues & expenses for service line expansion/contractions or changes, known expense increases (such as contractual rent increases, etc.), and other current events that can be known to affect service delivery.
4. The budget will be prepared in enough detail that separately identifiable grants/programs can be isolated into their own budget.
5. The capital budget will be prepared by the CFO but will rely heavily upon input from the CEO. The capital budget will include equipment, installation, and renovation cost that meet the capitalization policy (see Capital Expenditures Policy).
6. The CEO must review capital items available through the group purchasing agreements to determine if the preferred vendor offers more advantageous pricing and terms. Where professional and technical instruments, tools, and parts are involved, deviations from specified brand names may occur.
7. Both budgets will be reviewed by the CEO and recommended changes directed back to the CFO.
8. The Operating budget for the health centers will be brought to the CHC Governing Board for approval. Once approves, then the overall budget will be brought to the District Board of Directors for approval.

REFERENCES

- NA

ATTACHMENTS

- NA



TAB #7
ACTION ITEM

STAFF RECOMMENDATION FOR CAPITAL EXPENDITURE

MORONGO BASIN
HEALTHCARE DISTRICT
MorongoBasinHealth.org

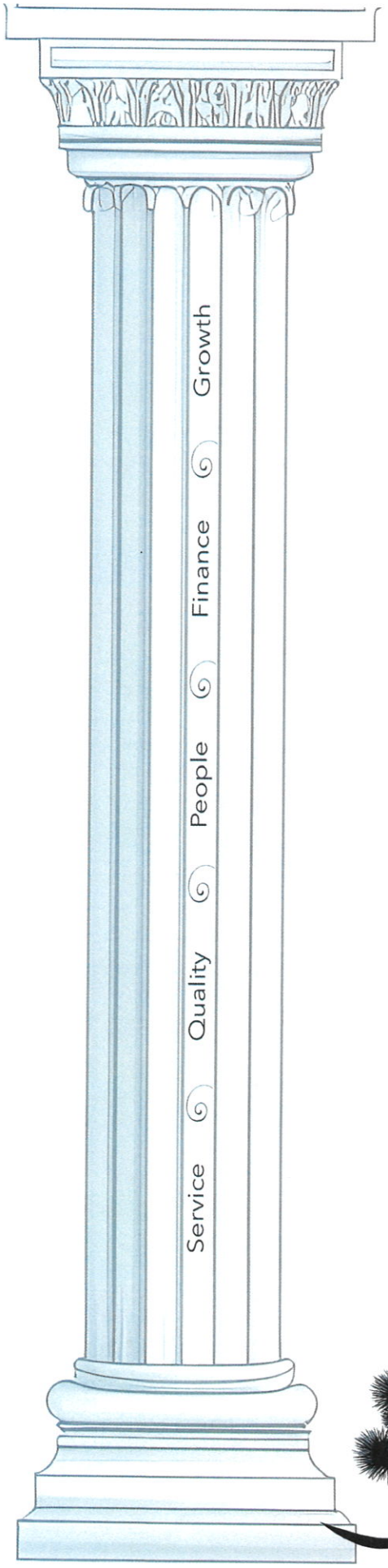
MORONGO BASIN
HEALTHCARE DISTRICT

Morongo Basin Healthcare District Board of Directors
Staff Report/Recommendation
January 6, 2025

SUBJECT:
Expansion project at Split Rock – approval of capital expenditure of $18,929.

FACTS BEARING ON THE ACTION:
The original project quote for flooring called for the use of VCT (individual tiles) in the clinic hallways. The maintenance required for upkeep of this product is prohibitive. A sheet vinyl to match the flooring in the treatment rooms is the proposed replacement. This request includes the 4-inch rubber base board for the project.

ACTION RECOMMENDED:
Staff recommends the approval of the additional capital expenditure of $18,929 for the project to move forward.



TAB #8
FINANCIAL REPORT

FINANCIAL STATEMENTS

MORONGO BASIN
HEALTHCARE DISTRICT
MorongoBasinHealth.org

MORONGO BASIN
HEALTHCARE DISTRICT

6530 La Contenta Road, Suite 100, Yucca Valley California 92284 | 760.820.9229

December 31, 2024

To: MBHD Board of Directors

From: Deborah Anderson, CFO

Re: CFO's Report for November 2024

OVERVIEW

The consolidated financials for the month of November show income of $174,097 and year to date shows income of $1,491,323. (See Table 1& 2)

The non-clinic financials for the month of November show income of $293,420 and year to date shows income of $1,977,457. (See Table 3 & 4)

The clinic financials for the month of November show a loss of $(119,323) and year to date shows a loss of $(486,134). (See Table 5 & 6)

Visits for November landed at 3,015 in comparison to budgeted visits of 2,902, so for the second month in a row we exceeded budgeted visits. Due to this improvement, the clinics year to date change in net position is quite a bit less than budgeted. Year to date we were expecting to have a loss of over $1.1 million; instead we have losses of $(486,000). This may not seem significant, but as we look back on the budget, there were some challenges surrounding it such as:

- HRSA FQHC base grant dollars stay the same at $1,532,907. Been this amount since 2/1/2019
- Salaries need to be increased to meet SB-525 requirements
- Health benefits have increases year over year much higher than the nominal 3-5%
- IT needs have increased substantially in last few years

So even though the clinics have losses, there is some respite in that losses haven't been as large as expected, despite the challenges above.

CONSOLIDATED CHANGE IN NET POSITION

Table 1 Consolidated November 2024

Consolidated	Actual Mth	Budget Mth	Over/(Under)	% of Budget
Income	1,057,531	1,020,200	37,331	3.66%
Expense	(1,155,718)	(1,213,947)	58,229	4.80%
Operating Income/(Loss) before Allocation	**(98,187)**	**(193,747)**	95,559	49.32%
Non-Operating	272,284	164,457	107,827	65.57%
Change in Net Position	174,097	(29,290)	203,386	694.40%

Table 2 Consolidate Year to Date

Consolidated	Actual YTD	Budget YTD	Over/(Under)	% of Budget
Income	5,593,376	5,444,660	148,716	2.73%
Expense	(5,884,255)	(6,327,361)	443,106	7.00%
Operating Income/(Loss) before Allocation	**(290,879)**	**(882,700)**	591,821	67.05%
Non-Operating	1,782,202	222,614	1,559,588	700.58%
Change in Net Position	1,491,323	(660,086)	2,151,409	325.93%

NON-CLINICS CHANGE IN NET POSITION

Table 3 Non-Clinics November 2024

Non Clinic	Actual Mth	Budget Mth	Over/(Under)	% of Budget
GRANT REVENUE	-	21,250	(21,250)	-100.00%
TENET LEASE -Amort of $2M lease	203,771	203,054	717	0.35%
INTEREST INCOME (TENET LEASE)	1,116	21	1,095	5256.41%
OTHER OPERATING REVENUE	-	125	(125)	-100.00%
	204,887	**224,450**	**(19,563)**	**-8.72%**
Salaries	127,221	155,907	28,686	18.40%
Fringe	33,488	32,699	(790)	-2.42%
Puchased Services	5,363	7,501	2,138	28.50%
IT, Network & Phones	19,149	19,216	67	0.35%
Supplies	555	4,274	3,719	87.02%
R&M	2,152	4,281	2,129	49.73%
Leases/Rentals	-	26	26	100.00%
Utilities	2,720	4,273	1,553	36.34%
Insurance	30,300	36,800	6,501	17.67%
Other	22,377	18,863	(3,515)	-18.63%
Depreciation	60,251	60,172	(79)	-0.13%
	303,577	**344,012**	**40,435**	**11.75%**
Operating Income/(Loss) before Allocation	(98,690)	(119,562)	20,872	17.46%
Allocation of Overhead for Health Centers	145,826	171,279	(25,453)	-14.86%
Operating Income/(Loss) after Allocation	47,136	51,718	(4,581)	-8.86%
Non-Operating Tax Revenue	129,618	143,766	(14,147)	-9.84%
Non-Operating Investment Income	109,768	13,968	95,800	685.85%
Non-Operating Rental Income	6,898	6,723	174	2.59%
	246,284	164,457	81,827	49.76%
Change in Net Position	**293,420**	**216,175**	**77,245**	**35.73%**

Grant revenue variance is due to transportation billing being completed earlier than anticipated (note prior months had overages of amounts billed when compared to budget & YTD still shows over budget). Salaries variance is due positions budgeted not filled, so savings took place. Allocation of overhead variance is due to less overhead being moved to the clinics. Investment variance due to unrealized gains on the investment portfolio.

Table 4 Non-Clinics Year to Date

Non Clinic	Actual YTD	Budget YTD	Over/(Under)	% of Budget
GRANT REVENUE	61,394	46,250	15,144	32.74%
TENET LEASE -Amort of $2M lease	1,018,856	1,015,271	3,585	0.35%
INTEREST INCOME (TENET LEASE)	5,935	104	5,831	5596.71%

Table 4 (continued)

Non Clinic	Actual YTD	Budget YTD	Over/(Under)	% of Budget
OTHER OPERATING REVENUE	482	625	(143)	-22.88%
	1,086,667	**1,062,250**	**24,417**	**2.30%**
Salaries	693,489	816,658	123,168	15.08%
Fringe	160,632	175,212	14,580	8.32%
Puchased Services	54,508	38,060	(16,448)	-43.22%
IT, Network & Phones	68,438	96,082	27,644	28.77%
Supplies	16,244	23,842	7,598	31.87%
R&M	31,737	21,759	(9,977)	-45.85%
Leases/Rentals	144	129	(15)	-11.54%
Utilities	24,569	25,975	1,406	5.41%
Insurance	130,603	162,173	31,570	19.47%
Other	96,533	100,938	4,405	4.36%
Depreciation	308,165	300,858	(7,307)	-2.43%
	1,585,062	**1,761,687**	**176,625**	**10.03%**
Operating Income/(Loss) before Allocation	(498,394)	(699,436)	201,042	28.74%
Allocation of Overhead for Health Centers	719,649	955,558	(235,908)	-24.69%
Operating Income/(Loss) after Allocation	221,255	256,121	(34,866)	-13.61%
Non-Operating Tax Revenue	129,618	143,766	(14,147)	-9.84%
Non-Operating Investment Income	1,592,792	45,232	1,547,560	3421%
Non-Operating Rental Income	33,791	33,617	174	0.52%
	1,756,202	222,614	1,533,588	688.90%
Change in Net Position	**1,977,457**	**478,735**	**1,498,721**	**313.06%**

Purchased services variance due to an increase in legal fees. Savings are occurring in IT due to software costs going down due to changes in the structuring of Microsoft licenses and applications for staff. Insurance variance due to amounts not increasing as much as they have in past years.

CLINIC CHANGE IN NET POSITION

Table 5 Clinics November 2024

Clinics	Actual Mth	Budget Mth	Over/(Under)	% of Budget
Patient services (net)	563,534	572,071	(8,537)	-1.49%
Grant Revenue	166,266	127,742	38,524	30.16%
340B Revenue	39,171	27,571	11,601	42.08%
Capitation Fees	187,025	166,695	20,330	12.20%
Records & Interest	160	121	39	31.87%
Cost Report Adjustments	(141,667)	(141,667)	(0)	-0.00%
Quality	38,154	43,217	(5,062)	-11.71%
	852,644	**795,750**	**56,894**	**7.15%**
Salaries - Clinic	443,479	504,186	60,706	12.04%
Fringe - Clinic	116,538	111,751	(4,787)	-4.28%
Phys Fees - Clinic	108,115	94,912	(13,203)	-13.91%
Puchases Services - Clinic	63,210	63,620	410	0.64%
IT, Network & Phones - Clinic	25,874	17,393	(8,481)	-48.76%
Supplies - Clinic	33,619	27,142	(6,477)	-23.86%
Supplies - 340B	21,397	19,225	(2,172)	-11.30%
R&M - Clinic	8,503	4,433	(4,070)	-91.81%

Table 5 (continued)

Clinics	Actual Mth	Budget Mth	Over/(Under)	% of Budget
Leases/Rentals - Clinic	100	377	277	73.49%
Utilities - Clinic	4,486	5,365	879	16.38%
Ins - Clinic	486	152	(334)	-219.14%
Other - Clinic	9,694	6,791	(2,903)	-42.75%
Depreciation	16,641	14,590	(2,052)	-14.06%
	852,142	**869,935**	**17,794**	**2.05%**
Operating Income/(Loss) before Allocation	502	(74,185)	74,687	100.68%
Allocation of Overhead for Health Centers	(145,826)	(171,279)	25,453	14.86%
Operating Income/(Loss) after Allocation	(145,323)	(245,464)	100,141	40.80%
Non-Operating	26,000	-	26,000	-100.00%
	26,000	-	26,000	-100.00%
Change in Net Position	**(119,323)**	**(245,464)**	126,141	51.39%

Grant revenue variance due to bookings for the ARP equipment grant. The 340B revenue variance is due to pharmaceutical drug restrictions placed on FQHC's by the drug companies. Salaries variance is due to positions budgeted not filled, so savings took place. The physician fees are over due to increases in visits being done by BH, Peds, and Chiro. Due to the ARP grant, supplies & IT continue to be over budget as we purchase items for that grant that was not accounted for in the budget. Since there were less expenses than budgeted in district (non-clinics P&L) for the month, the allocation of overhead expenses is not as much as budgeted.

Table 6 Clinics Year to Date

Clinics	Actual YTD	Budget YTD	Over/(Under)	% of Budget
Patient services (net)	3,158,664	3,191,554	(32,890)	-1.03%
Grant Revenue	868,497	695,142	173,355	24.94%
340B Revenue	135,734	153,815	(18,081)	-11.75%
Capitation Fees	876,292	833,475	42,818	5.14%
Records & Interest	711	674	36	5.38%
Cost Report Adjustments	(708,333)	(708,333)	0	0.00%
Quality	175,144	216,083	(40,939)	-18.95%
	4,506,709	**4,382,410**	**124,299**	**2.84%**
Salaries - Clinic	2,202,574	2,640,972	438,398	16.60%
Fringe - Clinic	486,263	560,256	73,993	13.21%
Phys Fees - Clinic	615,415	529,510	(85,905)	-16.22%
Puchases Services - Clinic	309,437	323,543	14,106	4.36%
IT, Network & Phones - Clinic	111,590	86,963	(24,627)	-28.32%
Supplies - Clinic	230,924	151,425	(79,499)	-52.50%
Supplies - 340B	86,898	103,292	16,394	15.87%
R&M - Clinic	37,984	23,137	(14,847)	-64.17%
Leases/Rentals - Clinic	1,081	1,886	805	42.69%
Utilities - Clinic	39,195	35,055	(4,140)	-11.81%
Ins - Clinic	1,060	761	(299)	-39.30%
Other - Clinic	94,058	35,926	(58,132)	-161.81%
Depreciation	82,715	72,948	(9,767)	-13.39%
	4,299,193	**4,565,674**	**266,481**	**5.84%**
Operating Income/(Loss) before Allocation	207,515	(183,264)	390,779	213.23%

Table 6 (continued)

Clinics	Actual YTD	Budget YTD	Over/(Under)	% of Budget
Allocation of Overhead for Health Centers	(719,649)	(955,558)	235,908	24.69%
Operating Income/(Loss) after Allocation	(512,134)	(1,138,822)	626,688	55.03%
Non-Operating	26,000	-	26,000	-100.00%
	26,000	-	26,000	-100.00%
Change in Net Position	**(486,134)**	**(1,138,822)**	652,688	57.31%

Quality payments are not as high due to complexities of timing, bundled scores, improvement from the previous year, and other factors. The R&M variance is due to higher supply costs for the peds & adult renovations. The other variance is due to recruitment fees paid for the new Split Rock doctor.

Statement of Net Position

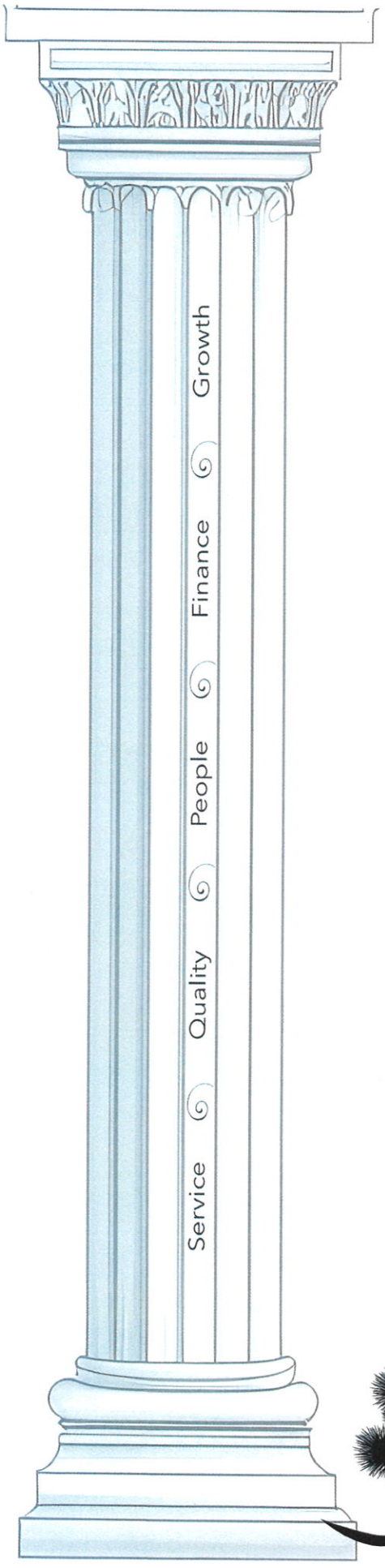
Assets and Deferred Outflow of Resources	June 30, 2024 (UnAudited)	Nov 30, 2024 (Unaudited)	Difference
Current Assets			
Cash and cash equivalents	2,848,886	4,036,986	1,188,100
Investments	35,667,736	35,260,529	(407,208)
Receivables			-
Patients	726,951	573,776	(153,174)
Estimated third-party payer settlements	-	-	-
Accrued Interest	582,899	1,068,648	485,749
Lease	834,202	834,202	-
Rentals	81,901	49,059	(32,842)
Grants	273,957	271,636	(2,321)
Other	248,691	79,699	(168,992)
Receivables Sub-Total	2,748,601	2,877,020	128,420
Prepaid expenses	180,606	148,357	(32,248)
Total current assets	41,445,828	42,322,892	877,064
Noncurrent Assets			
Lease receivable	26,019,890	26,019,890	-
Capital assets, net	8,195,555	8,055,062	(140,494)
Total Noncurrent Assets	34,215,445	34,074,952	(140,494)
Deferred Outflow of Resources			
Prepaid water capacity fee	223,831	149,221	(74,610)
Total Assets and Deferred Outflow of Resources	**75,885,105**	**76,547,065**	**661,960**
Liabilities, Deferred Inflow of Resources, and Net Position			
Current Liabilities			
Accounts payable	547,811	189,982	(357,828)
Accrued payroll and related liabilites	314,215	305,487	(8,729)
Accrued paid time off	236,880	229,586	(7,294)
Estimated 3rd party payor settlements	2,774,073	2,978,734	204,660
Current portion of long term debt	167,667	142,020	(25,647)
Deferred Revenue	-	-	-
Total Current Liabilities	4,040,647	3,845,809	(194,838)
Noncurrent Liabilities			
Long-term debt, net of current portion	270,910	203,108	(67,801)
Total Liabilities	**4,311,556**	**4,048,917**	**(262,639)**
Deferred inflow of resources			
Deferred lease revenue for hospital and equipment	27,015,408	26,448,685	(566,724)
Total Deferred Inflow of Resources	**27,015,408**	**26,448,685**	**(566,724)**
Net position			
Net investment in capital assets	26,019,890	26,019,890	-
Restricted by donors for specific operating purposes	-	-	-
Unrestricted	18,538,250	20,029,573	1,491,323
Total net position	44,558,140	46,049,463	1,491,323
Total Liabilities, Deferred Inflow of Resources, and Net Position	**75,885,105**	**76,547,065**	**661,960**

MORONGO BASIN HEALTHCARE DISTRICT
Schedule of Investments
Nov 30, 2024

Description	Institution	10/31/2024	11/30/2024	Variance
Public Interest Acct	PWB	4,013,758.77	4,114,919.74	101,160.97
Less O/S checks	PWB	(106,562.12)	(83,133.90)	23,428.22
		3,907,196.65	4,031,785.84	124,589.19
M & O Acct	PWB	1,000.00	1,000.00	-
Revenue Acct	PWB	1,000.00	1,000.00	-
Payroll Acct	PWB	1,000.00	1,000.00	-
FSA Acc't	PWB	1,000.00	1,000.00	-
Sub-Total		3,911,196.65	4,035,785.84	124,589.19
Investment Access**	RBC	33,090,296.70	33,260,364.52	170,067.82
Money Market	RBC	1,693,922.28	1,699,786.90	5,864.62
Total Value of Accts		34,784,218.98	34,960,151.42	175,932.44
Est Accured Bond Int.		366,541.77	300,377.11	(66,164.66)
Total Portfollo Value		35,150,760.75	35,260,528.53	109,767.78
Total Cash		38,695,415.63	38,995,937.26	300,521.63
Total Market Value		39,061,957.40	39,296,314.37	234,356.97

Chart A – Visits History Chart

Month	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Jul	3,055	3,283	3,091	2,877	2,670	2,758	3,055
Aug	3,886	3,587	3,016	3,425	3,315	3,195	2,992
Sep	3,140	3,501	3,069	3,134	3,256	2,593	3,047
Oct	3,562	3,892	3,267	3,282	3,071	3,026	3,748
Nov	3,249	3,353	2,632	3,116	2,936	2,974	3,015
Dec	2,898	3,304	2,984	2,705	2,881	2,613	
Jan	3,698	4,011	2,926	2,925	3,001	3,258	
Feb	3,198	3,763	3,192	3,068	2,882	2,998	
Mar	3,515	2,927	3,521	3,332	3,331	3,057	
Apr	3,660	2,066	3,461	3,094	2,896	3,026	
May	3,662	2,200	3,043	3,239	3,247	3,160	
Jun	3,344	2,786	3,086	3,218	2,939	2,679	
Total	40,867	38,673	37,288	37,415	36,425	35,337	15,857
Total July - Nov	16,892	17,616	15,075	15,834	15,248	14,546	15,857



TAB #9
CEO REPORT

MORONGO BASIN
HEALTHCARE DISTRICT
MorongoBasinHealth.org

MORONGO BASIN
HEALTHCARE DISTRICT
6530 La Contenta Road, Suite 100, Yucca Valley California 92284 | 760.820.9229

December 5, 2024

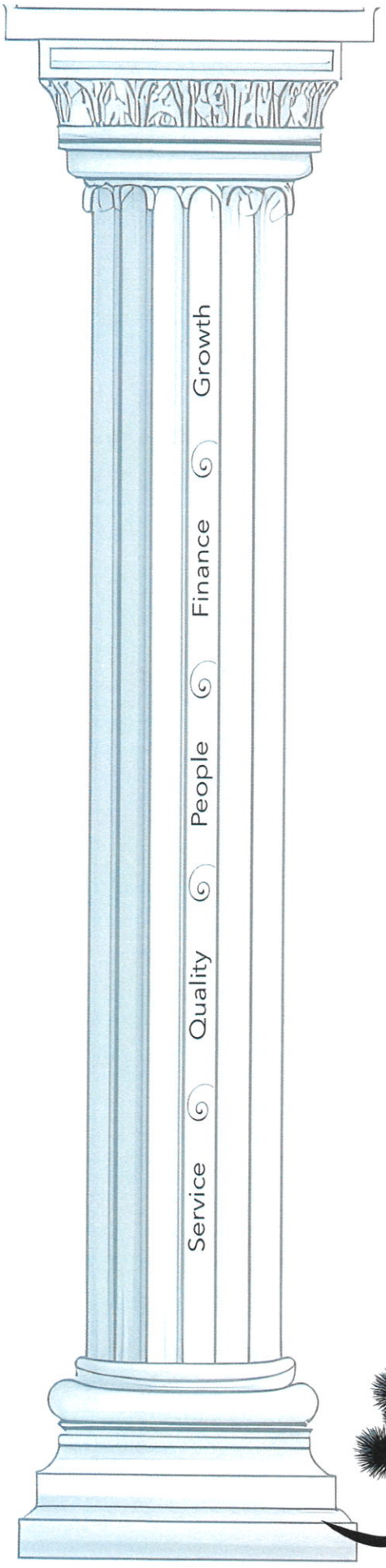
To: Board of Directors
From: Cindy Schmall, CEO
Re: CEO Board Report

District

- Tina Huff, Director of Integrated Services; Fredi Levitt, Manager of Behavioral Health and I met with Diana Fox from Reach Out to discuss collaboration on a substance use disorder grant they have in the Morongo Basin. We will meet again in a few weeks with a plan on how we may participate.
- I spoke with our attorney regarding increasing the board's stipend. She advised that each increase requires a public hearing. The process does not allow for an automatic continued annual increase.
- The ACHD Advocacy committee met and approved the new strategic plan to be submitted to ACHD board of directors. (see attached handout)
- The District is in process of converting our phone system to a new system that will have better clarity and less degradation.
- MBHD has been asked to lead an initiative for Community Vital Signs Implementation Plan for the entire San Bernardino County.
- The District is hosting the Yucca Valley Chamber of Commerce mixer on April 17 from 5-7 p.m. Our theme is "Spring into Wellness".
- Paul Hoffman and I met to discuss the Hi-Desert Medical Center Auxiliary and future plans.
- The Wellness Wheels Transportation program is looking for new vehicles to replace older models that are no longer road worthy. We are exploring hybrid-model vans in support of our strategic plan that states we will make decisions that are good for our environment and sustainable. The hybrid engines will significantly reduce transportation fuel costs.
- Heidi Stiemsma, Janeen Duff and Tina Huff attended the Vimy Awards on December 12. This is a Desert Care Network sponsored event that recognizes volunteers in medicine.
- The Human Resources department and department managers are in the process of completing annual evaluations. You may recall that we planned to do evaluations twice this year to adjust to a new date in December because March and April are such busy months for staff.
- Plans are under way to initiate the employee satisfaction survey in February 2025.

Health Center

- Leadership has met with several billing companies in the past month to look at opportunities to save money and ensure the clinics are maximizing billing to address revenue needs.
- Management is continuing to prepare for the HRSA on-site visit.
- The Split Rock project continues to progress.



TAB #10
CALENDAR REVIEW

BOARD MEETING
MONTHLY CALENDARS

MORONGO BASIN
HEALTHCARE DISTRICT
MorongoBasinHealth.org

CALENDAR OF BOARD MEETINGS

FEBRUARY 2025

JANUARY 2025

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

MARCH 2025

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
26	27	28	29	30	31	1
2	3	4	5	6 **4:45p Governing Board** **6:00p District Board of Directors**	7	8
9	10	11	12	13	14	15
16	17 Presidents' Day	18	19	20	21	22
23	24	25	26	27	28	1

FEBRUARY 2025

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	

CALENDAR OF BOARD MEETINGS

MARCH 2025

APRIL 2025

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
23	24	25	26	27	28	1
2	3	4	5	6 **4:45p Governing Board** **6:00p District Board of Directors**	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31	1	2	3	4	5