

Hi-Desert Memorial Health Care District dba  
**Morongo Basin Healthcare District**  
**BOARD OF DIRECTORS REGULAR MEETING MINUTES**  
January 13, 2025 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
  
- Karen Faulis, CEO HDMC (*remote*)

Administrative Staff:

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

**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 Greenhouse read the mission and vision statements. Director Cooper led the assembly in the pledge of allegiance.

**PUBLIC COMMENT**

No public comment was presented.

**OATH OF OFFICE**

CEO Cindy Schmall administered the oath of office to Directors Cooper, Greenhouse and Stiemsma. There was a photoshoot following the oaths of office.

**BUSINESS REQUIRING BOARD ACTION**

NOMINATION & ELECTION OF BOARD OFFICERS

Board Clerk Karen Graley administered the nomination and election of board officers.

- **Motion 25-01:** Directors Evans and Greenhouse motioned to elect Director Stiemsma as President of the board; motion seconded by Director Cooper; the motion passed by unanimous vote; Director Stiemsma was elected President of the board.
- **Motion 25-02:** Director Evans motioned to elect Director Greenhouse as Vice President of the board; motion seconded by Director Stiemsma; the motion passed by unanimous vote; Director Greenhouse was elected Vice President of the board.



- **Motion 25-03:** Director Evans motioned to elect Director Cooper as Secretary of the board; motion seconded by Director Greenhouse; the motion passed by unanimous vote; Director Cooper was elected Secretary of the board.
- **Motion 25-04:** Director Greenhouse motioned to elect Director Evans as Treasurer of the board; motion seconded by Director Cooper; the motion passed by unanimous vote; Director Evans was elected Treasurer of the board.

Director Evans passed the gavel to Director Stiemsma. The officers of the Board of Directors:

- President: Director Stiemsma
- Vice President: Director Greenhouse
- Secretary: Director Cooper
- Treasurer: Director Evans

#### APPROVAL OF THE MEETING AGENDA

**Motion 25-05:** Director Evans motioned to approve the meeting agenda; second by Director Greenhouse, motion passed by unanimous vote.

#### APPROVAL OF THE CONSENT AGENDA

- **Motion 25-06:** Director Evans motioned to approve the minutes of the regular meeting of the Board of Directors on December 5, 2024 as presented, second by Director Greenhouse, motion passed by unanimous vote.

#### APPROVAL OF THE 2025 ANNUAL BUSINESS CALENDAR

The 2025 Business Calendar was reviewed. There were no questions.

- **Motion 25-07:** Motion by Director Greenhouse to approve the 2025 Annual Business Calendar as presented; second by Director Evans, motion passed by unanimous vote.

#### APPOINTMENT OF DISTRICT BOARD MEMBERS TO THE CHC GOVERNING BOARD

The board engaged in a brief discussion about availability. Directors Cooper and Greenhouse agreed to represent the Board of Directors at the CHC Governing Board meetings for another term.

- **Motion 25-08:** Motion by Director Evans to appoint Directors Cooper and Greenhouse to sit on the CHC Governing Board; second by Director Stiemsma. The motion passed by unanimous vote.

#### ACKNOWLEDGE BOARD VACANCY IN ZONE 3

CEO Cindy Schmall explained that Jackie Todd did not file for candidacy on the November 2024 general election ballot. She served as the public representative for voting zone 3 on the redistrict map. No other community members registered for the election. The seat is now vacant and will be appointed as defined by law.

The board's clerk provided an explanation of the vacancy process and deadlines as defined in the California Brown Act. The Board of Directors acknowledged the vacancy and instructed staff to proceed with issuing the Public Notice of Vacancy for voting zone 3.

- **Motion 25-09:** Motion by Director Evans to acknowledge the vacant board seat for voting zone 3; second by Director Greenhouse. The motion passed by unanimous vote.

#### APPROVAL OF AMENDMENT TO THE TENET LEASE AGREEMENT

CEO Cindy Schmall acknowledged Karen Faulis on remote attendance. Ms. Schmall gave the background history that prompted this consideration. Exhibit B in the lease agreement listed properties leased by the medical center, not owned by the medical center. The attorneys updated the Exhibit B which now lists seven properties. This does not change the lease agreement, but



simply corrects Exhibit B with an accurate list of properties. Ms. Faulis stated it does not change the annual payment amount even though the square footage has now changed.

- **Motion 25-10:** Motion by Director Evans to approve the amendment to the Tenet lease as identified in the lease amendment; second by Director Greenhouse. The motion passed by unanimous vote.

#### RATIFY REVISED BYLAWS

CEO Cindy Schmall noted that staff had presented recommended language from ACHD in the previous bylaws revision (December 2024). She consulted with our attorney who provided the language now presented for approval.

- **Motion 25-11:** Motion by Director Greenhouse to approve the Bylaws as revised; second by Director Cooper. The motion passed by unanimous vote.

#### APPROVE CONTRACT FOR BILLING SERVICES

CFO Debbie Anderson presented the action item. The Staff Recommendation under Tab 5 in the agenda packet provided background information and why staff is recommending this company to provide revenue cycle services for the health centers.

- **Motion 25-12:** Motion by Director Greenhouse to approve the contract for revenue cycle management services; second by Director Evans. The motion passed by unanimous vote.

#### APPROVE FINANCIAL POLICIES

Ms. Anderson explained that the policies were presented to comply with our internal policy that policies be reviewed every three-years. There were no revisions to these policies.

- 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:** Motion by Director Evans to approve the financial policies as presented; second by Director Greenhouse. The motion passed by unanimous vote.

#### APPROVE CAPITAL EXPENDITURE

CEO Cindy Schmall referred the Directors to Tab 7 in the agenda packet and explained that the wrong flooring had been specified in the original building plans. Even though staff corrected it, the manufacturer lost the change order. This additional expenditure will correct that. The replacement product is the same sheet vinyl used in the treatment rooms, will provide visual continuity in the design, and is easy to maintain.

- **Motion 25-14** Motion by Director Greenhouse to approve the capital expenditure of \$18,929 for the Split Rock project; second by Director Evans. The motion passed by unanimous vote.

### **STAFF REPORTS**

#### FINANCIAL REPORT

Ms. Anderson reported that the consolidated financials for the month of November shows income of \$174,097 and year to date income of \$1,491,323. Non-clinic financials for November shows income of \$293,420 and year to date income of \$1,977,457. The clinic financials for the month of November show a loss of \$(119,323) and year to date loss of \$(486,134).



Visits for November landed at 3,015 in comparison to budgeted visits of 2,902, the second month in a row the health centers exceeded budgeted visits. Due to this improvement, the clinics' year to date change in net position is less than budgeted. Year to date was projected to have a loss of over \$1.1 million; instead, losses are \$(486,000). Budget challenges included:

- HRSA FQHC base grant dollars have remained static since February 2019 at \$1,532,907.
- Salaries were increased to meet SB-525 requirements.
- Health benefits increased year much higher than the nominal 3-5%
- IT needs have increased substantially in the last few years

CEO Cindy Schmall pointed out that patient visit volume has steadily increased over the year, and significantly so for the last two months. Director Stiemsma asked if the trend was the result of interventions that have been implemented in clinic administration. Cindy responded she believes it is the result of multiple interventions such as more effectively tracking no-show activity, calling patients on the wait list to fill open appointments, a new physician was onboarded and physician contracts set volume goals (the target is the minimum set by Medi-Cal).

- **Motion 25-15:** Director Cooper motioned to accept the financial report as presented, second by Director Greenhouse; 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:

- A handout was provided showing the ACHD strategic plan.
- Director Evans asked about the county Vital Signs program mentioned in the written report. CEO Schmall does not have the details and will advise once she's received them from the county, though she expects it will be related to behavioral health..
- Ms. Schmall provided a handout as an update on the healthcare district's strategic plan.
- The employee satisfaction survey is scheduled for February.
- She played the video where the CEO of IEHP updated information on reimbursement. She noted that IEHP will not be reinstating the P4P reimbursement program.

Director Evans asked for an update on the partnership with Morongo Unified School District.

#### **CALENDAR REVIEW AND COORDINATION**

- February 24 Special board meeting to appoint the vacant seat
- March 8 and 9: Flying Doctors event

#### **DIRECTOR COMMENTS**

**DIRECTOR COOPER:** She thanked Debbie Anderson for the great financial report.

**DIRECTOR GREENHOUSE:** She offered congratulations to the board members who have committed to another term of office. "It's going to be another great year!"

**DIRECTOR STIEMSMA:** "I was very pleased to see the increase in patient volumes."

**DIRECTOR EVANS:** She thanked Cindy for the strategic plan update.

#### **ADJOURN MEETING TO CLOSED SESSION**

The Directors convened to closed session, pursuant to Government Code 54956.9(b)(1) potential litigation, Corporate Compliance report, at 7:16 p.m.



**RECONVENE TO OPEN SESSION AND ADJOURN MEETING**

The Directors reconvened to open session and adjourned the meeting at 7:46 p.m. Director Stiemsma stated that the staff report was received and there was no resulting action.

  
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Patricia Cooper, Secretary of the Board

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