



Hi-Desert Memorial Health Care District dba  
**Morongo Basin Healthcare District**  
**BOARD OF DIRECTORS REGULAR MEETING MINUTES**  
February 6, 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 *not present*
- Director Markle-Greenhouse
- Director Stiemsma
  
- Karen Faulis, CEO, HDMC (*remote*)
- Jason Reuben, CFO, HDMC (*remote*)
- Marc Greenhouse, CHC board member
- Eric Menendez, CHC board member (*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 (*remote*)

**CALL TO ORDER**

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

**PUBLIC COMMENT**

No public comment was presented.

**BUSINESS ITEMS REQUIRING BOARD ACTION**

APPROVAL OF THE MEETING AGENDA

- **Motion 25-16:** Director Greenhouse motioned to approve the meeting agenda; second by Director Cooper, motion passed with the addition of financial policy FN-AP-101 that was missed in the agenda packet. It was noted that there were no changes to the content of this policy and is included in the three-year cycle of review. Motion passed by unanimous vote.

APPROVAL OF THE CONSENT AGENDA

- **Motion 25-17:** Director Greenhouse motioned to approve the minutes of the regular meeting of the Board of Directors on January 13, 2025 as presented, second by Director Cooper motion passed by unanimous vote.



### ACCEPT HDMC HOLDINGS, LLC REMAINDER OF 2024 ANNUAL UPDATE

Jason Reuben, CFO, Hi-Desert Medical Center, presented the remainder of the 2024 capital improvement update. The first portion was presented at the September 5, 2024 regular business meeting.

It was noted that the lease calls for spending 15% of QAF income on capital improvements. This update includes total monies spent as of December 2024. Mr. Reuben's PowerPoint presentation itemized the total capital cash spend of \$18,325,059 spanning years 2015 through 2023. This amount exceeded the required 15% QAF commitment.

Mr. Reuben answered questions from board members. It was noted that the roof replacement happened over multiple years. CEO Faulis explained that a portion of the hospital roof was repaired due to leakage, and the remainder of the project was completed after new HVAC units were installed. The Helen Gray and office building roofs are complete. Seismic requirements are satisfied, and the facilities are in compliance with state criteria.

Director Stiemsma thanked Mr. Reuben for the report, saying it was clearly presented.

- **Motion 25-18:** Motion by Director Cooper to accept the updated information from HDMC Holdings, LLC; second by Director Greenhouse, motion passed by unanimous vote.

### APPROVAL OF FINANCIAL POLICIES

It was noted that the content of these policies are unchanged and were presented to comply with the District's three-year review policy.

- FN-AP-101 Cash Disbursements
- FN-AP-102 Accrual Vendor Invoices
- FN-AP-103 Credit Memo
- FN-AP-105 Procurement Standards
- FN-CA-104 Investment HDMHCD Funds
- FN-GA-104 Grants & Compliance
- FN-AR-101 Cash Receipts
- FN-AR-102 Charge Capture
- FN-AR-103 Collections
- FN-AR-104 Billing

- **Motion 25-19:** Motion by Director Cooper to approve the list of financial policies as presented; second by Director Greenhouse. The motion passed by unanimous vote.

### APPROVAL OF HUMAN RESOURCE POLICIES

Cindy Schmall explained that these human resource policies are presented unchanged to satisfy the internal policy for three-year review. There was no discussion.

- HR-226 Accident Investigation Reporting
- HR-271 Temporary Alternative Work
- HR 267 Substance Abuse

- **Motion 25-20:** Motion by Director Greenhouse to approve the list of human resource policies as presented; second by Director Cooper. The motion passed by unanimous vote.

### APPROVAL OF AMENDMENT TO THE TENET LEASE AGREEMENT

CEO Cindy Schmall acknowledged Karen Faulis, CEO Hi-Desert Medical Center who attended by remote platform. Ms. Schmall gave the background history on the HDMC Holdings, LLC lease agreement that prompted this action item.

Exhibit B in the lease agreement listed properties leased by the medical center, not owned by the medical center. The attorneys recently updated Exhibit B which now lists seven properties owned by the healthcare District and leased to HDMC Holdings, LLC. 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 Cooper to approve the amendment to Exhibit B as identified in the lease amendment; second by Director Greenhouse. The motion passed by unanimous vote.

## **DISCUSSION – POTENTIAL CHANGES TO HEALTHCARE DISTRICT OPERATIONS**

Cindy Schmall provided context for the discussion, citing recent actions taken by the new federal administration and the potential impact on the operations of the healthcare District.

Director Evans was not present but provided a statement that Cindy Schmall read for the discussion.

*“As a special healthcare district, we have the obligation to do any and all things necessary under the law to provide access to healthcare and meet our constituents’ needs. I would request our CEO and leadership make sure we explore all avenues of protecting our constituents’ rights to access healthcare. As we have a new presidential administration that has made vocal to target transgender and immigrant groups, we must be prepared to act in accordance with the laws we are bound by as your elected board, and also to support our district leaders and staff as they provide care to our communities. My hope is this will be an ongoing, living conversation within our board, and that our CEO and staff will bring back recommendations and information to help us make the most sound decisions to protect our community from those that would seek to impact equity in healthcare access.*

*This is no longer about the right or left. This is about right and wrong, life and death. We are bound ethically and must show up. These are unprecedented times that will require out of the box thinking and collaboration. I know this board and our special healthcare district will continue to provide high quality access to care for all.”*

Ms. Schmall updated information on the brief federal freeze of HRSA grants. Access has been restored, and drawdowns can be made. We received a HRSA statement instructing the District to follow the President’s executive orders. The management team met collectively to assess what internal changes needed to be made. We will edit some forms to meet mandates. Yesterday, the District received a second HRSA memo rescinding the previous memo. Currently we haven’t made any changes. The HRSA site visit has been canceled, and we’ve been advised to stop preparation for the site visit. As we receive new information, staff is responsive. Because the CHC is under the public agency of the district, we are compelled to abide with the law. Should ICE arrive, we will comply without compromising HIPAA protected information.

Cindy was in a meeting with the county Vital Signs committee. Members shared that their facilities had been visited by ICE.

Public comment by Eric Menendez asked if staff had been educated about an ICE response. Cindy stated that staff are to call their manager to respond to ICE inquiries.

Janeen Duff spoke to the upcoming Flying Doctors event in March. The MUSD Superintendent and organizers of the event discussed this and have instructed staff to comply with ICE requests and instructions.

Director Greenhouse requested that the discussions on this topic be included on future agendas to keep the board of directors informed.



## STAFF REPORTS

### FINANCIAL REPORT

Ms. Anderson reported that the consolidated financials for the month of December 2024 show income of \$951,973 and year to date income of \$2,443,295. Non-clinic financials for December shows income of \$609,590 and a year to date loss of \$(143,751). The clinic financials for the month of December show income of \$342,383 and year to date loss of \$(143,751).

Patient visits for December landed at 3,058 in comparison to budgeted visits of 3,206, so we did not exceed budgeted visits. However, in late December and early January clinic staff were hit with sickness which affected visit capabilities.

Additionally, in December the PPS adjustments for behavioral health were received. However, the state pays incrementally. The process is first a letter is received from DHCS followed by an accounts receivable notice from MMIS. Then the payment arrives with a Medi-Cal RA accounts receivable number that ties back to the letters. We record payments received but cannot allocate what is being paid without the corresponding letters. We know the payments are for behavioral health since they came through the behavioral health NPI, but beyond that we are still trying to sort what payment goes with what year, what is for PPS adjustments, and what is for normal cost report adjustments.

Additionally, the PPS amounts are estimated for the audited financial statements that ended June 30, 2024. Once the letters arrive we can reverse the estimated amounts from the profit and loss. This WILL impact this year's profit and loss once everything is finalized. The profit and loss being presented for December shows too much income and because of the complexities surrounding figuring out what the income is supposed to be, the true income to be recognized in this year can't be sorted until we receive those letters. We accrued approximately \$850,000 for the PPS adjustments, but without those letters, it is difficult to allocate the income.

Finally, it may be a few months before we can get those letters. Historically, to request reprinted letters can take anywhere from 3 to 14 months since Medi-Cal does not have a phone number and all requests for MMIS adjustments must be mailed to them and then are processed in the order received.

- **Motion 25-21:** Director Greenhouse 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 in the agenda packet. Additionally, she highlighted:

- We are experiencing major phone issues and are working with Spectrum to resolve the problem. It is beyond our control. The degradation of the system is from a hack, yet the system continues to devolve. We are close to implementing a new system.
- CHAIRS asked for an FQHC representative on the IEHP board. We are meeting with IEHP to discuss the issue.
- February 27 and 28 I will be at the ACHD board meeting in Sacramento.
- The HRSA capital equipment grant: equipment has been ordered. Not only must the equipment be delivered before the grant expires, but the equipment must be in use. This has been problematic in that we don't yet have the new functional building at Split Rock. The equipment





is being installed and implemented in the temporary clinic space to comply with grant requirements. The grant is for \$600,000. To date, \$220,000 has been drawn down.

- Director Greenhouse stated that CHC patients have been advised we are no longer accepting Delta Care (different than Delta Dental). Debbie Anderson provided background information and statistics to explain why CHC no longer accepts the Delta Care insurance product.

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

- CHC Governing Board monthly meetings have been moved to the second Thursday of the month.
- February 24 Special board meeting to appoint the board's vacant seat.
- March 8 and 9: Flying Doctors event.

#### **DIRECTOR COMMENTS**

DIRECTOR COOPER: Thanked Debbie Anderson for the financial report.

DIRECTOR GREENHOUSE: Thanked everyone who attended tonight's meeting on remote platform. She thanked Debbie Anderson, Cindy Schmall and Beverly Krushat for their work.

DIRECTOR STIEMSMA: Thanked Cindy Schmall for her response in the discussion and stated that we need to work together to sort out future changes.

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

At 7:10 p.m. the Directors and Marc Greenhouse, representing the CHC Governing Board, convened to closed session, pursuant to Government Code 54957 for employee performance evaluation related to the CEO.

#### **RECONVENE TO OPEN SESSION AND ADJOURN MEETING**

The Directors reconvened to open session and adjourned the meeting at 7:30 p.m. Director Stiemsma stated the board accepted and approved the adjustment to the CEO's salary, and at the request of the CEO deferred the discussion of salary increase until May of 2025.

  
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Patricia Cooper, Secretary of the Board

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