



COMMUNITY HEALTH CENTER (CHC) GOVERNING BOARD MEETING

MEETING AGENDA

Thursday, April 10, 2025, at 5:00 p.m.

District Administrative Offices: 6530 La Contenta Road, Suite 400, Yucca Valley CA 92284

The public may also attend the meeting via the electronic link provided below:

INSTRUCTIONS FOR JOINING THIS MEETING BY REMOTE LINK

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 the purple tab “Board Meeting Agendas” at the top of the home page. (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 may require the download of the Microsoft Teams application on the device being used.

- Meeting ID: 247 316 109 916
- Passcode: 6T4KA7sq

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE – Please stand as able.

READING OF MISSION AND VISION STATEMENTS

Mission Statement: *To improve the health and wellness of the communities we serve.*

Vision Statement: *A healthy Morongo Basin.*

Core Values: *Commitment, Collaboration, Accountability, Dignity, Integrity, and Equity*

PUBLIC COMMENTS

The public comment portion of this agenda provides an opportunity for the public to address the Governing Board on items not listed on the agenda and that are of interest to the public at large and are within the subject matter jurisdiction of this Board. The Governing Board 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. Comments that concern individual incidences of patient care are welcome, however, we encourage doing so only after other administrative avenues for redress have been fully exhausted. In all such instances we will be unable to ever respond publicly due to patient confidentiality obligations. In all cases, your concerns will be referred to the Administrator for review and a timely response. Comments are limited to three (3) minutes per speaker. All comments are to be directed to the Governing Board 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 and will be limited to 90 seconds per speaker. Members of the public who wish to speak shall proceed when called by the Chairperson of the Board. Please state your name and community of residence for the record.

APPROVAL OF MEETING AGENDA

Pages 1-2

- *Motion 25-79: Motion to approve the meeting Agenda as published.*

APPROVAL OF CHC CONSENT AGENDA

Pages 3-9

- *Motion 25-80: Motion to approve the March 20, 2025, minutes.*

ACTION ITEMS

RESULTS OF IEHP SURVEY – *Jill Goodwin, Clinical Services Manager*

FINANCIAL REPORT – *Debbie Anderson, CFO*

Pages 10-13

- *Motion 25-81: Motion to accept and file the February 2025 Financial Report.*

HRSA VISIT REVIEW EDUCATION – *Tricia Gehrlein, CPE/CO*

REPORTING

CEO REPORT – *Cindy Schmall, CEO*

Page 14

CALENDAR REVIEW – *Cindy Schmall, CEO*

Pages 15-16

BOARD MEMBERS COMMENTS

ADJOURN MEETING

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

Beverly Krushat

Posted April 7, 2025, at 4:00 p.m.

Beverly Krushat, *CHC Board Clerk*

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 Executive Assistant at least three (3) business days prior to the meeting. The Executive Assistant's telephone number is 760.820-9229 and the office is located at 6530 La Contenta Rd, #100, Yucca Valley, CA. The 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 bkrushat@mbhdistrict.org.



Morongo Basin Health Care District
Community Health Center
GOVERNING BOARD MEETING

MINUTES of Thursday, March 20, 2025, at 5:00 p.m.

This meeting convened on the District's campus at 6530 La Contenta Road, Suite 400, Yucca Valley, CA 92284. The meeting was also accessible by Microsoft Teams remote platform.

***Mission Statement:** To improve the health and wellness of the communities we serve.*

***Vision Statement:** A healthy Morongo Basin.*

***Core Values:** Commitment, Collaboration, Accountability, Dignity, Integrity, and Equity*

PRESENT:

- Cody Briggs (*present*)
- Pat Cooper (*present*)
- Mary Dunn (*present*)
- Dianne Markle-Greenhouse (*present*)
- Marc Greenhouse (*present*)
- Nicola Keller (*present*)
- Sean Loomis (*present*)
- Eric Menendez (*present*)
- Lisa Ryan (*present*)
- Jackie Todd (*present*)

STAFF:

- Cindy Schmall, CEO (*present*)
- Debbie Anderson, CFO (*remote*)
- Tina Huff, Integrated Health Services Director (*present*)
- Jill Goodwin, Clinical Svcs. Mgr. (*present*)
- Tricia Gehrlein, Chief Patient Experience/ Compliance Officer (*present*)
- Janeen Duff, Director Strategic Initiatives (*present*)
- Beverly Krushat, CHC Board Clerk (*present*)

CALL TO ORDER – Board meeting was called to order by Marc Greenhouse at 5:02 p.m.

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

OBSERVANCES –

Dianne Markle-Greenhouse led the pledge of allegiance.

Mary Dunn read the Mission and Vision statements.

PUBLIC COMMENTS – None

APPROVAL OF MEETING AGENDA -

Motion 25-74: MSC (Keller/Briggs) 9/0/0 motion carried to approve the agenda.

APPROVAL OF CHC CONSENT AGENDA –

- Meeting minutes of February 13, 2025–
- Correction to item “Financial Report” listed on the Agenda as December 2024; it has been updated to reflect January 2025.

Motion 25-75: MSC (Briggs/Markle-Greenhouse) 9/0/0 motion carried to approve the February 13, 2025, minutes.

ACTION ITEMS

ADDITIONAL ADMINISTRATIVE AND BH SITES – *Cindy Schmall, CEO*

The Board was asked to approve 58295 29 Palms Hwy., Yucca Valley, CA 92284 as an additional administrative site and 57463 29 Palms Hwy., Yucca Valley, CA 92284 as an additional BH health site.

CEO Schmall asked the Board to approve an additional administrative site, the District purchased the 21st Century Oncology building in Yucca Valley, which is exactly 3 doors down from our existing clinic space in Yucca Valley. Our goal is to ultimately build it out and create some new space for our medical clinics, but in the meantime, we would like to extend our administrative services into this new site. It represents the clinics and the district offices very nicely.

The second thing is the approval of the Airway space at 57463 29 Palms Highway, Yucca Valley, CA 92284. We're looking to remodel the current existing Behavioral Health space because it's got the same carpet from 1990 and has not had any work done to it in many years. However, in order to do this, we need to move the team out and put them somewhere where they can practice confidentially and quietly. Also, to be in a conducive environment for confidentiality with Behavioral Health therapy and medication management services. We're asking tonight for the Board to approve the additional two (2) sites to our HRSA list of locations.

Motion 25-76: MSC (Ryan/Menendez) 9/0/0 motion carried to approve the additional two (2) sites to the HRSA list of locations.

FINANCIAL REPORT – *Debbie Anderson, CFO*

The clinic financials for the month of January shows income of \$133 and year-to-date shows a loss of (\$143,617). The audited financial statements have been completed, which means that we now have final numbers for Year-End June 30, 2024. Amounts that changed since the last Board report in July 2024 for June 2024 are summarized below:

(1,157,249.16) previously reported.

- 742,855.82 PPS Adjustments for BH
- (89,380.98) Final Revenue & Contractuals adjustments made in September
- 37,236.16 Additional grant income, ARP, HIV, American Heart received after June for FY 23-24
- 11,440.00 CAL AIM recieved after June for FY 23-24
- 343,144.80 Donated Vaccines entry
- (3,819.36) Late bills - Additional SUTA, bill for board districting, & PTO adjustments received after June
- (29,899.55) Late grant expenses backdated to June 2024
- (358,812.57) Doanted Vaccines & 340B expenses entry
- (10,039.53) Difference in allocations due to district changes

- 642,724.79**

(514,524.37) Final Net Surplus

CLINIC CHANGE IN NET POSITION

Table 2 Clinics January 2025

Clinics	Actual Mth	Budget Mth	Over/(Under)	% of Budget
Patient services (net)	787,703	662,398	125,305	18.92%
Grant Revenue	169,841	127,742	42,098	32.96%
340B Revenue	36,727	31,924	4,803	15.05%
Capitation Fees	186,470	166,695	19,775	11.86%
Records & Interest	221	140	81	57.94%
Cost Report Adjustments	(126,527)	(141,667)	15,140	10.69%
Quality	4,946	43,217	(38,271)	-88.56%
	1,059,380	890,449	168,931	18.97%

Table 2 (continued)

Clinics	Actual Mth	Budget Mth	Over/(Under)	% of Budget
Salaries - Clinic	524,261	552,203	27,943	5.06%
Fringe - Clinic	99,737	105,870	6,133	5.79%
Phys Fees - Clinic	82,200	109,898	27,698	25.20%
Purchases Services - Clinic	55,006	65,901	10,895	16.53%
IT, Network & Phones - Clinic	40,924	17,393	(23,532)	-135.30%
Supplies - Clinic	20,959	31,428	10,469	33.31%
Supplies - 340B	32,595	21,180	(11,415)	-53.90%
R&M - Clinic	3,630	4,698	1,068	22.73%
Leases/Rentals - Clinic	5,970	377	(5,592)	-1482.41%
Utilities - Clinic	4,821	6,544	1,723	26.33%
Ins - Clinic	486	152	(334)	-219.14%
Other - Clinic	4,949	7,329	2,379	32.46%
Depreciation	16,935	14,590	(2,345)	-16.08%
	892,473	937,562	45,089	4.81%
Operating Income/(Loss) before Allocation	166,906	(47,113)	214,020	454.27%
Allocation of Overhead for Health Centers	(166,773)	(198,323)	31,550	15.91%
Change in Net Position	133	(245,437)	245,570	100.05%

- Patient Services revenue is due to PPS adjustments. Still pending is the reversal once we get the backup.
- Grant revenue variance due to bookings for the ARP equipment grant and the continuation of the HIV grant.
- Capitation fees variance is due to higher capitation due to absorbing patients from a local doctor's office that no longer services IEHP patients.
- Quality payments are not as high due to complexities of timing, bundled scores, improvement from the previous year, and other factors.
- Salaries & fringe variance is due to positions budgeted not filled, so savings took place.
- Physician variance is due to an independent contractor coming onto payroll.
- Due to the ARP grant, IT equipment continues to be over budget as we purchase items for that grant that was not accounted for in the budget.
- 340B supplies are higher since revenue for the previous month was higher.
- 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 3 Clinics Year to Date

Clinics	Actual YTD	Budget YTD	Over/(Under)	% of Budget
Patient services (net)	4,919,695	4,486,241	433,453	9.66%
Grant Revenue	1,229,626	950,626	278,999	29.35%
340B Revenue	217,951	216,211	1,739	0.80%
Capitation Fees	1,249,892	1,166,864	83,027	7.12%
Records & Interest	1,147	948	199	20.98%
Cost Report Adjustments	(926,167)	(991,667)	65,500	6.60%
Quality	216,154	302,517	(86,363)	-28.55%
	6,908,296	6,131,742	776,555	12.66%

Table 3 (continued)

Clinics	Actual YTD	Budget YTD	Over/(Under)	% of Budget
Salaries - Clinic	3,175,994	3,721,369	545,375	14.66%
Fringe - Clinic	670,792	764,551	93,759	12.26%
Phys Fees - Clinic	798,730	744,311	(54,419)	-7.31%
Purchases Services - Clinic	431,264	454,430	23,166	5.10%
IT, Network & Phones - Clinic	177,071	121,749	(55,322)	-45.44%
Supplies - Clinic	309,362	212,852	(96,511)	-45.34%
Supplies - 340B	153,709	145,000	(8,709)	-6.01%
R&M - Clinic	43,728	32,444	(11,283)	-34.78%
Leases/Rentals - Clinic	7,310	2,641	(4,669)	-176.79%
Utilities - Clinic	48,389	46,249	(2,140)	-4.63%
Ins - Clinic	2,032	1,066	(967)	-90.68%
Other - Clinic	106,149	50,404	(55,745)	-110.60%
Depreciation	116,517	102,128	(14,389)	-14.09%
	6,041,047	6,399,194	358,146	5.60%
Operating Income/(Loss) before Allocation	867,249	(267,452)	1,134,701	424.26%
Allocation of Overhead for Health Centers	(1,036,867)	(1,343,190)	306,323	22.81%
Operating Income/(Loss) after Allocation	(169,617)	(1,610,642)	1,441,024	89.47%
Non-Operating	26,000	-	26,000	-100.00%
	26,000	-	26,000	-100.00%
Change in Net Position	(143,617)	(1,610,642)	1,467,024	91.08%

- 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.

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	3,030
Aug	3,886	3,587	3,016	3,425	3,315	3,195	2,975
Sep	3,140	3,501	3,069	3,134	3,256	2,593	3,041
Oct	3,562	3,892	3,267	3,282	3,071	3,027	3,697
Nov	3,249	3,353	2,632	3,116	2,936	2,928	2,952
Dec	2,898	3,304	2,984	2,705	2,881	2,556	3,027
Jan	3,698	4,011	2,926	2,925	3,001	3,226	3,317
Feb	3,198	3,763	3,192	3,068	2,882	2,980	
Mar	3,515	2,927	3,521	3,332	3,331	3,032	
Apr	3,660	2,066	3,461	3,094	2,896	3,016	
May	3,662	2,200	3,043	3,239	3,247	3,143	
Jun	3,344	2,786	3,086	3,218	2,939	2,652	
Total	40,867	38,673	37,288	37,415	36,425	35,106	22,039
Total July - Dec	23,488	24,931	20,985	21,464	21,130	20,283	22,039

Mary Dunn asked how many patients did we see in total for 2024?
 CEO Schmall responded with a total of 8,416 for 2023 and 8,800 for 2024.

Motion 25-77: MSC (Markle-Greenhouse/Ryan) 9/0/0 motion carried to approve the Financials for January 2025.

SLIDING FEE DISCOUNT PROGRAM EVALUATION AND POLICY REVIEW – Debbie Anderson, CFO

One of the responsibilities of this Board is to basically evaluate the effectiveness of the Sliding Fee Discount Program. This is a very important part of what I need in order to prove to HRSA that we have had these conversations with the Board. A sliding fee discount is basically that if a person cannot pay and this is delineated from a person, that's not willing to pay. This is a person who physically can't pay because of financial reasons, they can apply for this program called the Sliding Fee Discount Program. What it does is: Say that your bill is \$200.00 and you cannot afford to pay this. When you apply for the Sliding Fee Discount Program, you will pay a significantly reduced fee. Part of this policy is that we talk about what fees a patient would pay. For example, for medical and behavioral health services, we break it up into levels. A, B, C, and D and A is your 100% and under the poverty level, which we'll get to in a second. B is from 100% to 150% of the federal poverty level, C is from 150% to 175%, and D is from 175% to 200%.

HRSA requires that folks that are above 200% of the poverty level, are not allowed to participate in the Sliding Fee Discount Program. HRSA also stipulates that if you are at a level, which is 100% or below the poverty level, we can only charge you a nominal fee. We have \$15-nominal, \$25-second tier, \$50-third tier, and \$75-4th tier. A nominal fee is a fee that is incidental. It does not create a hardship on the patient to go ahead and pay that. And this is what historically we have charged for medical and behavioral. Whereas, Dental is a much more expensive service, with a completely separate fee for Dental. We have \$20 and we break it into diagnostic basic restorative and major. The patient will also have to pay for their lab fee. What that means is if you're getting a crown, you'll have to pay for the crown cost. If you're getting the denture, you'll have to pay for the denture cost. However, every time you come for a visit, depending upon your slide, you will be charged according to this schedule right here. So my first question and what I'd like feedback on, especially from our patient members is do we feel that these fees are still appropriate? \$15 has been in existence, for about 3 years now, because the last time we looked at this was back in 2022 and back then it was decided \$15 was pretty nominal. Now based on inflation and everything I don't think \$15.00 is too much, but I would like the Board's input.

Board Comments

Eric Menendez asked if there is a different copy that they hand out to the patient that is easier to understand.

CFO Anderson replied that when a person applies for this program they meet one-on-one with a financial counselor.

CPE/CO Gehrlein stated that you may remember my many PowerPoint presentations of the responsibility of this Board versus the district Board. This falls squarely in your hands, and when HRSA comes, this is what they are razor focused on, this particular policy. It's very important to them every year or every three years, that when they come for our audits that they pay attention to this particular policy because this is probably the biggest policy and they will ask about it. Which is one of the reasons Debbie went into such great detail to ensure that you understand it and you didn't have any challenges or questions about it, our purpose is to serve the those who have difficulty meeting financial needs. HRSA wants to ensure that we are doing that with integrity and that this Board agrees that we are doing that.

Nicola Keller stated that she agrees with what you are doing now and it is very thorough. A few years ago, when we reviewed this policy, for those of you that weren't on the Board at that time, we decided to increase the amount that was charged from \$10 to \$15. This is a very minimal amount for anyone to pay.

Marc Greenhouse asked if there have been any patients that have found this difficult to pay?

CEO Schmall responded not to my knowledge.

Cody Briggs asked If you're 200% over the poverty level is a hardship still something that somebody could apply for or you need to be within that set.

CFO Anderson replied that No hardship is distinct from this, and anyone can apply for a hardship, and if we have a policy for that hardship that explains when you can. Basically, if you're a full fee for example, but you meet the criteria for hardship, then we will go ahead and grant that hardship and then go ahead and waive 50% of the fee. The hardship is in addition and it is a separate policy from this.

CEO Schmall responded that the answer to Cody's question is yes we do offer hardship to patients at 200% and above.

Motion 25-78: MSC (Briggs/Dunn) 9/0/0 motion carried to approve the updated changes to Policy Number: FS-213 as presented.

FEE SCHEDULE – Debbie Anderson, CFO

The preamble to the fee schedule is that we need to understand what it is, and that this sets the fees that full patients will pay. If you walk in the door and you don't have any discounts, you're not on sliding fee, and you don't have insurance, these are charges you will pay as a patient. It is important to note that if a person qualifies for the Sliding Fee Discount Program, they will not pay these fees. They are going to pay the fees that we just went over in the Sliding Fee Discount Program. Why do we need to do this? These are the fees that determine the initial monies collected. It is basically the starting point, If the fees are too low, the Health Center will lose monies and may become fiscally unviable. If the fees are too high, patients may choose to go elsewhere and HRSA demands this. When we're looking at the fee schedule, what do we have to consider when we're reviewing it? Part of our responsibility is to look at prevailing wages or charges in our area as well as cost and make sure that they are designed to cover reasonable costs of the operation, our policy states. We'll review these fees every year and then fees are updated on April 1st.

Every year there are some new fees that were not part of the prior year schedule. They are going to be marked as new when we go to those schedules. The new fees are analyzed and we take a look at several different sources. We look at current Medicare reimbursement rates. If Medicare doesn't have rates, we'll look at medical rates. We look at comparative rates using online subscriptions and other data, and then we also look at aggregate numbers and try and average so that we can basically take all these different sources and kind of produce one figure, that looks reasonable for those particular CPT codes.

Sometimes you don't have all of the sources, and when you don't have all of the sources, this is kind of the logic. The Parameters Optum is one of the subscriptions we use that helps us get the current prevailing wages. Fees are never going to be lower than 1.5 of Medicare and will usually try and take 50% of the Optum fee. These fees are also important because, let's say in an insurance will pay \$100 for something? You know \$99.99 or something. If we only charge \$80.00 and the insurance company pays \$100, well guess what, they always pay the lower of, so if our fees are too low and the insurance would pay higher if we had a higher fee on the charge master, then we want to make sure that we increase our fees so that we are getting the full amount of what? The insurances pay some of the fees being adjusted. Our CPT codes. Some of the fees that go in there will be lab fees and we'll get into that as we go ahead and look at the fees when it goes into effect is April 1st of every year. We have divided this into medical or medical and dental.

CEO Schmall clarified that a CPT code is a charge code that is a universal language in healthcare, whether you are on the East Coast, New Mexico, or anywhere in the United States that CPT code will be

the same. It's based upon some of those office codes that are based upon the severity of the particular issue and things like that. The point of all of this is just to explain to you that these codes that are on the left-hand side, those CPT codes are universal codes used by every practitioner who provides that service. They are existing in the universe and we just take them and use the ones that we use in our clinics and take those charges based upon what Debbie's explaining to you now, does that make more sense? Debbie was also mentioning the Medicare fee schedule. Medicare every single year comes out with a list that says we think this number is worth this much money. Hopefully, if a person was uninsured, they're probably not going to have a lot of income and therefore they would qualify under the Sliding Fee Discount Program. If you have insurances, all insurances negotiate, we can bill \$270, but the insurances are going to pay according to the negotiated rates and they're always discounted down. The only time these fees ever will hit somebody is if they are a full fee patient with no insurance, no hardship, no discounts, and no sliding fee. When we look at what the other folks in the area are charging as well, our fees, even if they look big, are in line with the other dentists in the area.

CEO Schmall informed everyone that as a cost savings to dental patients, it's my understanding we have a new device that will help reduce costs for dentures.

Director Duff informed the Board that we have what's called a 3D printer and just like you it can create all sorts of objects in with 3D printers. Now you can also create dental appliances like dentures, partial dentures, crowns, impression trays, and bleaching trays. It's just this little, tiny printer and they have specific dental materials that they have to put into that and it does actually print out real appliances that custom fit into a person's individual mouth, this is a huge savings.

Motion 25-79: MSC (Briggs/Dunn) 9/0/0 motion carried to approve the Fee Schedule as presented.

CEO Report – *Cindy Schmall, CEO*

As of a couple of days ago, we received notification from HRSA that they will be coming out for their survey. The dates are April 22nd -April 24th. We have tried to warn them about the concerts and festivals going on throughout the entire month of April so they are rethinking that and will get back to us as soon as they have decided on dates.

Cody Briggs asked that since the dates keep changing, because my schedule is up in the air, what if I'm not here?

CEO Schmall said no, typically whoever can make it makes it, however, we ask that as many of you, as possible come. If you are out of the area no harm no foul.

Director Duff updated the Board on the successful Flying Doctors event and informed everyone that Senator Ochoa and Superintendent Amy Woods attended and were very impressed.

CALENDAR REVIEW – *Cindy Schmall, CEO*

CEO Schmall reviewed the upcoming calendars with the Board. She also reminded the everyone of upcoming Yucca Valley Chamber Mixer that MBHD is hosting on April 17, 2025, from 5-7 p.m. here in suites 600-700.

BOARD MEMBER COMMENTS – There were none.

ADJOURNMENT - Meeting adjourned at 6:22 p.m.



MORONGO BASIN HEALTHCARE DISTRICT

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

March 27, 2025

To: CHC Board of Directors

From: Deborah Anderson, CFO

Re: CFO's Report for February 2025

OVERVIEW

The clinic financials for the month of February show income of \$123,571 and year to date shows a loss of \$(20,047). (See Table 1 & 2)

Income for the clinics has been reviewed. Our clinics don't normally show a profit, and so we did some digging to understand why the clinics have been doing so much better. Three factors have played into the increase in the bottom line.

First, the PPS adjustments. Behavioral health is now being reimbursed for costs. Our PPS rate went from \$163.49 (interim rate) to \$289.10 per service. So our current services are getting reimbursed at a much higher rate than previously.

Secondly, the ARP Capital grant is having an impact on the change in net position. Normally, when we incur expenses, they go onto the Statement of Change in Net Position (P&L) and then we get the reimbursement income, and the two lines have a zero net effect. However, a lot of the equipment we are buying is capital (IE: over \$5,000). Therefore, we don't get to expense it, but instead have to capitalize it over a number of years, and we only take a portion (via depreciation) on the P&L. The equipment we have purchased via this grant that has been capitalized comes to approximately \$200,000. Depreciation on new items is about \$17,000 over budget, so there is a net effect on the P&L of about \$183,000.

Finally, we are improving our visits, which brings in more revenue. Year to date we have 25,342 visits. If we project this out, we are on track for 38,013 visits for the year. We haven't done that many visits for several years.

FY 18-19	40,867
FY 19-20	38,673
FY 20-21	37,288
FY 21-22	37,415
FY 22-23	36,425
FY 23-24	35,106
FY 24-25 (projected)	38,013

In conclusion, all 3 of these factors are helping the P&L do much better than previous expectations.

CLINIC CHANGE IN NET POSITION

Table 1 Clinics February 2025

Clinics	Actual Mth	Budget Mth	Over/(Under)	% of Budget
Patient services (net)	752,417	572,071	180,346	31.53%
Grant Revenue	250,675	127,742	122,933	96.24%
340B Revenue	37,108	27,571	9,538	34.59%
Capitation Fees	187,036	166,695	20,341	12.20%
Records & Interest	274	121	153	125.90%
Cost Report Adjustments	(136,978)	(141,667)	4,689	3.31%
Quality	35,924	43,217	(7,293)	-16.88%
	1,126,457	795,750	330,707	41.56%
Salaries - Clinic	457,066	480,177	23,110	4.81%
Fringe - Clinic	121,691	109,012	(12,679)	-11.63%
Phys Fees - Clinic	81,205	94,912	13,707	14.44%
Purchases Services - Clinic	66,539	63,620	(2,919)	-4.59%
IT, Network & Phones - Clinic	21,634	17,393	(4,241)	-24.38%
Supplies - Clinic	23,888	27,142	3,254	11.99%
Supplies - 340B	34,160	19,225	(14,935)	-77.69%
R&M - Clinic	1,989	4,433	2,444	55.14%
Leases/Rentals - Clinic	1,625	377	(1,248)	-330.75%
Utilities - Clinic	5,115	6,354	1,239	19.50%
Ins - Clinic	486	152	(334)	-219.14%
Other - Clinic	5,843	6,791	948	13.95%
Depreciation	16,969	14,590	(2,379)	-16.31%
	838,209	844,177	5,968	0.71%
Operating Income/(Loss) before Allocation	288,247	(48,427)	336,675	695.22%
Allocation of Overhead for Health Centers	(164,677)	(171,279)	6,602	3.85%
Change in Net Position	123,571	(219,706)	343,277	156.24%

- Patient services variance due higher visits performed than budgeted & an increase in PPS rate.
- Grant revenue variance due to bookings for the ARP equipment grant and the continuation of the HIV grant.
- Capitation fees variance is due to higher capitation due to absorbing patients from a local doctor's office that no longer services IEHP patients.
- Fringe variance is due to less PTO used than anticipated.
- Physician variance is due to an independent contractor coming onto payroll.
- Supplies 340B variance is due to less drug replenishment done at 340B pricing due to drug restrictions

Table 2 Clinics Year to Date

Clinics	Actual YTD	Budget YTD	Over/(Under)	% of Budget
Patient services (net)	5,672,112	5,058,313	613,799	12.13%
Grant Revenue	1,480,301	1,078,369	401,932	37.27%
340B Revenue	255,059	243,782	11,277	4.63%
Capitation Fees	1,436,927	1,333,559	103,368	7.75%
Records & Interest	1,421	1,069	352	32.88%

Table 2 (continued)

Clinics	Actual YTD	Budget YTD	Over/(Under)	% of Budget
Cost Report Adjustments	(1,063,145)	(1,133,333)	70,189	6.19%
Quality	252,078	345,733	(93,656)	-27.09%
	8,034,753	6,927,492	1,107,261	15.98%
Salaries - Clinic	3,633,061	4,201,546	568,485	13.53%
Fringe - Clinic	792,483	873,563	81,080	9.28%
Phys Fees - Clinic	879,935	839,223	(40,712)	-4.85%
Purchases Services - Clinic	497,802	518,050	20,247	3.91%
IT, Network & Phones - Clinic	198,704	139,141	(59,563)	-42.81%
Supplies - Clinic	333,250	239,994	(93,256)	-38.86%
Supplies - 340B	187,869	164,225	(23,645)	-14.40%
R&M - Clinic	45,716	36,877	(8,839)	-23.97%
Leases/Rentals - Clinic	8,935	3,018	(5,917)	-196.04%
Utilities - Clinic	53,504	52,603	(901)	-1.71%
Ins - Clinic	2,518	1,218	(1,300)	-106.74%
Other - Clinic	111,993	57,195	(54,798)	-95.81%
Depreciation	133,485	116,717	(16,768)	-14.37%
	6,879,256	7,243,371	364,114	5.03%
Operating Income/(Loss) before Allocation	1,155,497	(315,879)	1,471,376	465.80%
Allocation of Overhead for Health Centers	(1,201,544)	(1,514,469)	312,925	20.66%
Operating Income/(Loss) after Allocation	(46,047)	(1,830,348)	1,784,301	97.48%
Non-Operating	26,000	-	26,000	-100.00%
	26,000	-	26,000	-100.00%
Change in Net Position	(20,047)	(1,830,348)	1,810,301	98.90%

- Quality payments are not as high due to complexities of timing, bundled scores, improvement from the previous year, and other factors.
- Due to the ARP grant, IT equipment & supplies are bought that were not accounted for in the budget.
- The other variance is due to recruitment fees paid for the new Split Rock doctor.
- Depreciation variance is due to depreciation on new items that were 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.
- The non-operating variance is due to a one time donation by the foundation.

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	2,570	2,758	3,030
Aug	3,886	3,587	3,016	3,425	3,315	3,195	2,975
Sep	3,140	3,501	3,069	3,134	3,256	2,593	3,041
Oct	3,562	3,892	3,267	3,282	3,071	3,027	3,697
Nov	3,249	3,353	2,632	3,116	2,936	2,928	2,952
Dec	2,898	3,304	2,984	2,705	2,881	2,556	3,027
Jan	3,698	4,011	2,926	2,925	3,001	3,226	3,317
Feb	3,198	3,763	3,192	3,068	2,882	2,980	3,303
Mar	3,515	2,927	3,521	3,332	3,331	3,032	
Apr	3,660	2,066	3,461	3,094	2,896	3,016	
May	3,662	2,200	3,043	3,239	3,247	3,143	
Jun	3,344	2,786	3,086	3,218	2,939	2,652	
Total	40,867	38,673	37,288	37,415	36,425	35,106	25,342
Total July - Feb	26,686	28,694	24,177	24,532	24,012	23,263	25,342



MORONGO BASIN HEALTHCARE DISTRICT

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

April 10, 2025

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

HEALTH CENTER

- The new billing company Medusind is in line to start April 1st. We have been working on getting them set up with access and they are working with Debbie and Kim Harrison to go live as quickly as possible.
- Our last IEHP audit was a success with a score of 84%. Congratulations to Jill Goodwin, Clinic Manager for her successful preparations!
- HRSA has confirmed the new site visit for April 22-24 2025. We are in preparation mode for the next few weeks. The surveys will want to meet with the board on April 23rd at 12 pm for about an hour and a half. Please let Beverly know if you are able to attend asap.
- Split Rock is now due to be completed in August 2025 due to contractor, costs and shipping delays. HRSA did accept our latest change to the Capital Grant so we still have time to add some equipment. We are currently working on a generator for the new building to help prevent downtime when there are power outages.
- Dr. Aseel has begun seeing patients in YV and SR Dental and is doing great. We will be able to start taking new patients again soon.
- On April 1st, 2025, the Community Health Association of the Inland Southern Region (CHAISR) participated in a meeting with Inland Empire Health Plan (IEHP) to discuss reimbursement rates for FQHC's they represent. Following that meeting we received feedback for Jarrod McNaughton, CEO of IEHP that they were going to discuss with Medi-Cal potential budget cuts that did not substantially impact our FQHC.

BOARD CALENDAR

April 2025

	Mon	Tue	Wed	Thu	Fri	Sat
		1 Adolescent Mental Health 10:00a w/Turn Agency Business Center Drive	2 Adolescent Mental Health 4:00p w/Turn Agency	3 6:00p Foundation Board 6:15p MBHD Board	4	5
6	7	8	9 HIV/Cal Fresh/Cov California Sign-Up JT Community Center 9:00a to 1:00p	10 5:00p CHC Board	11	12 Neighbor Helping Neighbor 9:00a to 1:00p Walmart Parking Lot
13	14 Breathing Better/Allergies 10:00a to 1:00p JT Community Center	15	16	17 Breathing Better/Allergies - TWP Sr. Center 10:00a to 1:00p YV Chamber Mixer Suites 600/700 at MBHD 5:00p to 7:00p	18	19
20	21	22	23	24	25	26
27	28	29	30	4/9 Breathing Better/Allergies -JT Community Center 10:00a to 1:00p 4/17 Bingo for Kids Palm Vista Elementary School 5:30p to 6:30p		

BOARD CALENDAR

May 2025

	Mon	Tue	Wed	Thu	Fri	Sat
				1 6:00p MBHD Board	2	3 Health & Resource Fair YV Community Center
4	5	6	7	8 5:00p CHC Board	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26 Memorial Day	27	28	29	30	31