



# MORONGO BASIN HEALTHCARE DISTRICT

## AGENDA

HI-DESERT MEMORIAL HEALTH CARE DISTRICT dba MORONGO BASIN HEALTHCARE DISTRICT  
**BOARD OF DIRECTORS REGULAR BUSINESS MEETING**

May 1, 2025 at **6:10** 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](http://MBHDistrict.org) and (2) selecting at the top of the page the purple tab “Board Meeting Agendas.” (3) Click on the URL link presented at the agenda buttons and (4) enter the meeting using the ID and Passcode listed here (ID: 222-209-500 | Passcode: 5Cdq34). Access to the meeting will require the download of the Microsoft Teams application on the device used if not already done so.

### CALL TO ORDER

### ROLL CALL

### OBSERVANCE OF CEREMONY

The reading of District statements and the pledge of allegiance were observed in the meeting immediately preceding this regular business meeting of the Board of Directors. This observance is waived for this agenda.

### 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 respond. 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.

### APPROVAL OF MEETING AGENDA

- **Motion 25-34** to approve the meeting agenda as presented.

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

Minutes of the regular business meeting of the Board of Directors, April 3, 2025

- **Motion 25-35** to approve the consent agenda as presented.

### DISCUSSION – FEDERAL LEGISLATIVE CHANGES – *Cindy Schmall, CEO*

As requested at the February regular business meeting, this discussion is for updates on new information resulting from federal legislative changes. Staff has not received new information to present for discussion.

**REPORTS**

HUMAN RESOURCE QUARTERLY REPORT – *Cindy Schmall, CEO*

HRSA ONSITE VISIT – *Cindy Schmall, CEO*

FINANCIAL REPORT – *Debbie Anderson, CFO*-----Tab 2

- **Motion 25-36** to accept monthly financial report(s)

CEO REPORT – *Cindy Schmall, CEO* -----Tab 3

**CALENDAR REVIEW** -----Tab 4

- May 3 Annual Community Health & Resource Fair, YV Community Center, 10a-2p
- May 8 CHC Governing Board
- June 5 Board of Directors – discussion to assure a quorum

**DIRECTOR COMMENTS**

**ADJOURN MEETING TO CLOSED SESSION**

- Pursuant to Government Code 54957, conference involving employee performance evaluation: CEO.

**RECONVENE TO OPEN SESSION AND ADJOURN MEETING**

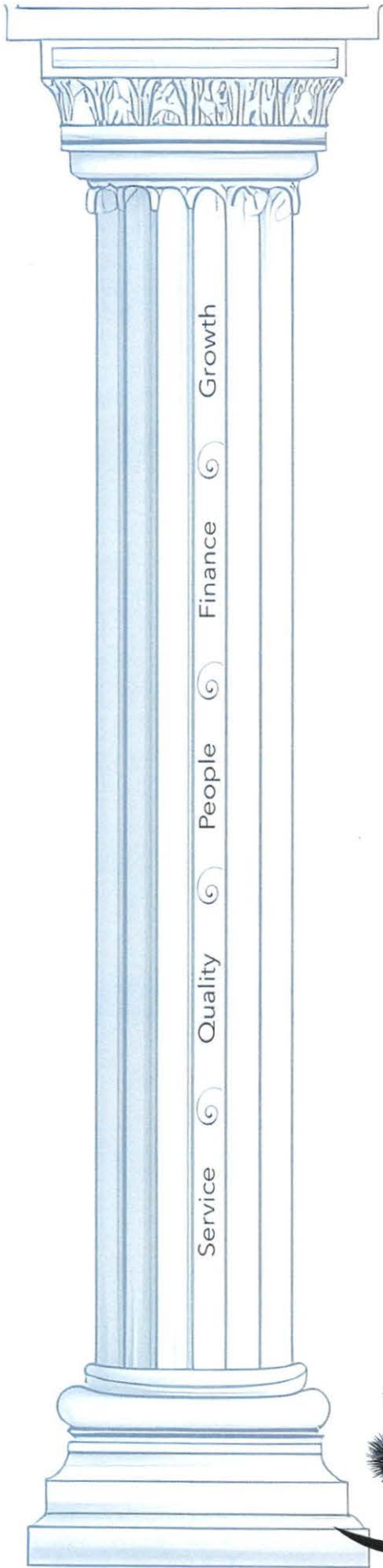
I CERTIFY THAT A COPY OF THIS AGENDA WAS POSTED PER SECTION 54954.2 OF THE CALIFORNIA GOVERNMENT CODE.

  
\_\_\_\_\_  
*Karen Graley, Board Clerk*

*Posted: May 28, 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, suite 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](mailto:kgraley@MBHDistrict.org).



**TAB #1**  
**CONSENT AGENDA**

MINUTES FOR  
LAST MONTH'S MEETINGS



MORONGO BASIN  
HEALTHCARE DISTRICT  
[MorongoBasinHealth.org](http://MorongoBasinHealth.org)



Hi-Desert Memorial Health Care District dba  
**Morongo Basin Healthcare District**  
**BOARD OF DIRECTORS REGULAR MEETING MINUTES**  
April 3, 2025 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

Administrative Staff:

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

Guests

- Robert McCarthy, RBC Wealth Management (*remote*)

**CALL TO ORDER**

Director Stiemsma 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.

**OBSERVANCE**

Reading of District statements and reciting the pledge of allegiance was waived as the observances were administered in the preceding Foundation meeting.

**PUBLIC COMMENT**

No public comment was presented.

APPROVAL OF THE MEETING AGENDA

- **Motion 25-29:** Director Greenhouse motioned to approve the meeting agenda; second by Director Cooper, motion passed by unanimous vote.

APPROVAL OF THE CONSENT AGENDA

- **Motion 25-30:** Director Evans motioned to approve the minutes of the regular meeting of the Board of Directors on March 6, and the emergency meeting of the Board of Directors, March 12, 2025, as presented, second by Director Greenhouse motion passed by unanimous vote.

**PRESENTATION**

RBC WEALTH MANAGEMENT UPDATE REPORT

Robert McCarthy of RBC Wealth Management gave an overview of District investment accounts. RBC has worked with the District for 30 years. “Since 2022 when the feds raised rates,” he said “we’ve been in defense mode, using short term bonds and then transitioned to long-term bonds. Performance has been solid. Current challenges are difficult to manage. Both political parties have



been spending since the pandemic, and it cannot be sustained.” The bond market did not respond well. Risk is at a high level. There’s a 50 percent chance the U.S. tariffs will work. Trade tariffs contribute to inflation and higher interest rates.

RBC is conservative and has locked in term rates. Investments will remain in both short and long-term bonds. We have locked in good yields at five percent for 10 years. Total portfolio value is at \$35 million.

## **BUSINESS ITEMS REQUIRING BOARD ACTION**

### RESOLUTION: BANK SIGNATURES

CEO Cindy Schmall introduced the action item to update bank account signatures. There was no discussion.

- **Motion 25-31:** Motion by Director Greenhouse to approve Resolution #25-01 to add employee Janeen Duff as an authorized signature on District accounts; second by Director Evans. Motion passed by a roll call vote.

### APPROVAL OF POLICIES

Policy IM-238 AI Use, and policy HR-213 Travel Reimbursement were presented for review. There were no questions.

- **Motion 25-32:** Motion by Director Evans to approve policies IM-238 and HR-213 as presented; second by Director Greenhouse. The motion passed by unanimous vote.

### DISCUSSION – FEDERAL LEGISLATIVE CHANGES

Cindy Schmall stated there is no new specific information to present regarding anticipated federal or state changes that would influence District operations. She said staff is waiting for further official information and instruction.

She handed out a fact sheet regarding the HRSA transition. They have announced a reduction of 20,000 employees. The significant areas of impact are INH and DMD. INH is decreasing its workforce by 1,200 employees. CMS manages Medi-Cal funding. HRSA will be incorporated into a new division.

We do not have a lot of information; there’s quite a bit of speculation. Ms. Schmall shared that the local paper reported that FIND Foods has experienced significant cuts in federal food distribution for 29 Palms. There’s been talk about cuts to QAF funding and she asked Tricia to expound on that impact. She stated there have been cuts to staff in that area which most likely will slow down the QAF process.

## **STAFF REPORTS**

### HUMAN RESOURCES QUARTERLY REPORT

CEO Schmall asked to defer the report to the May meeting.

### FINANCIAL REPORT

Ms. Anderson reported that the consolidated financials for the month of February 2025 show income of \$555,368 and year to date income of \$3,180,468. Non-clinic financials for February show income of \$429,797 and a year-to-date income of \$3,200,515. The clinic financials for the month of February show income of \$123,571 and year to date loss of \$(20,047).

The health centers historically have not shown a profit. This anomaly triggered a review to ascertain why February numbers showed a profit. We discovered:



- First, the PPS adjustments for Behavioral Health are now being reimbursed at the new rate. The PPS rate went from \$163.49 (interim rate) to \$289.10 per service.
- Second, the ARP Capital Grant has changed the organization's net position. Normally, when an expense is incurred, it is reflected in the Statement of Change in Net Position (P&L) and offset by reimbursement income with a zero net effect. However, much of the equipment purchased through the capital grant is classed as capital (IE: over \$5,000). It is capitalized over several years and we only take a portion (via depreciation) on the P&L. The equipment purchased via this grant and capitalized is approximately \$200,000. Depreciation on these new items is about \$17,000 over budget, resulting in a net effect on the P&L of about \$183,000.
- Finally, patient visit volumes have increased bringing more revenue. Year to date volume stands at 25,342 visits. If projected through the end of the fiscal year, volumes should finish the fiscal year at 38,013 visits.
- In conclusion, all three of these factors have improved the P&L.
  - **Motion 25-33:** Director Greenhouse motioned to accept the financial report as presented, second by Director Cooper; motion passed by unanimous vote.

#### CPE & CO QUARTERLY REPORT

Tricia Gehrlein reviewed the Uniform Data Submission Quality Measures reported to HRSA. The data is based on patients who were treated in the health center. Each measure targets a specific subset of our patient population, and outcomes in these measures are one indicator of the quality of care received. Scores are based on complete documentation in the patients' charts. Incomplete documentation results in a lower quality score.

- Eight of the 16 measures were equal to or an improvement over last year. They were Breast Cancer Screening, Cervical Cancer Screening, controlling High Blood Pressure, HIV Screening, HIV Linkage to Care, Preventive Care and BMI Screening with Follow Up Plan (adults). Pediatric measures were Dental Sealants for Children and Preventive Care and Screening and Follow Up Plan.
- Eight of the 16 measures showed a decrease in performance when compared to last year: Childhood Immunizations, Colorectal Cancer Screening, Depression Remission at 12 Months, Diabetes: hemoglobin A1c poor control, Ischemic Vascular Disease/use of Aspirin or Another Antiplatelet, Tobacco Screening and Intervention, Statin Therapy, and Weight Assessment and Counseling for Nutrition/Physical Activity for Children and Adolescents (BMI).
- Three of the measures met or exceeded 2024 goals: HIV Screening, HIV Linkage to Care, and Dental Sealants for Children.
- In response to the findings, staff will focus on accurate documentation and increase monitoring to identify negative trends for immediate intervention and improvement.

For 2024, staff serviced 8,800 unique individuals, an increase from 2023 (8,472 individuals). 2024 is the last year HRSA will accept manual reporting. 2025 HRSA will extract data electronically from the electronic health record.

Patient Satisfaction Surveys: The health centers are contract with Press-Ganey to conduct patient satisfaction surveys. They work with staff to interpret survey responses into actionable data. 2024 survey scores improved in adult, pediatric and behavioral health departments, and decreased in dental because of provider turnover and a resulting gap in availability.

CEO REPORT – *Cindy Schmall, CEO*  
CEO Cindy Schmall reported:



- Janeen Duff, Director of Strategic Initiatives is now overseeing Community Programs. She was invited by Morongo Unified School District to sit on their advisory committee.
- IEHP leadership has identified the healthcare District as a Key Group in the Yucca Valley area and has asked for assistance in launching their Yucca Valley RASC initiative. The purpose of the project is to positively impact our rural areas by collaborating with local providers and resources to address needs specific to health, wellness, and community. This is a direct outcome of IEHP visiting our health center last year.
- In response to the anticipated cuts to Medi-Cal funding, the District has implemented a hiring freeze except for essential positions. As staff prepare for the expected funding cuts, we are assessing and consolidating positions within the organization to reduce expenses and reassign employees to fill open positions. The hope is to limit costs wherever possible to prepare for the reduced revenue flow.
- Our recent IEHP audit was a success with a score of 84 percent.
- The Split Rock expansion project is projected to conclude in August 2025. HRSA accepted the latest change to the grant timeline to allow for additional purchases of equipment.
- Dentist Aseel is now seeing patients in both health center dental offices. We anticipate caring for new patients soon.

#### **DIRECTOR COMMENTS**

DIRECTOR COOPER: “Thank you for all the information.”

DIRECTOR GREENHOUSE: “Thank you to staff for the research and the hard work. It’s all been explained so well.”

DIRECTOR EVANS: I appreciate everyone’s effort. Special thanks to Karen Graley for her support, history and knowledge. She also thanked Beverly Krushat for her continuing support.

DIRECTOR STIEMSMA: “Thank you Cindy for your time invested in the new phone system.”

#### **CLOSED SESSION**

At 7:31 p.m. the open session was dismissed. The Directors convened closed session, pursuant to Government Code 54956.9(b)(1) for potential litigation (1 case) at 7:35 p.m.

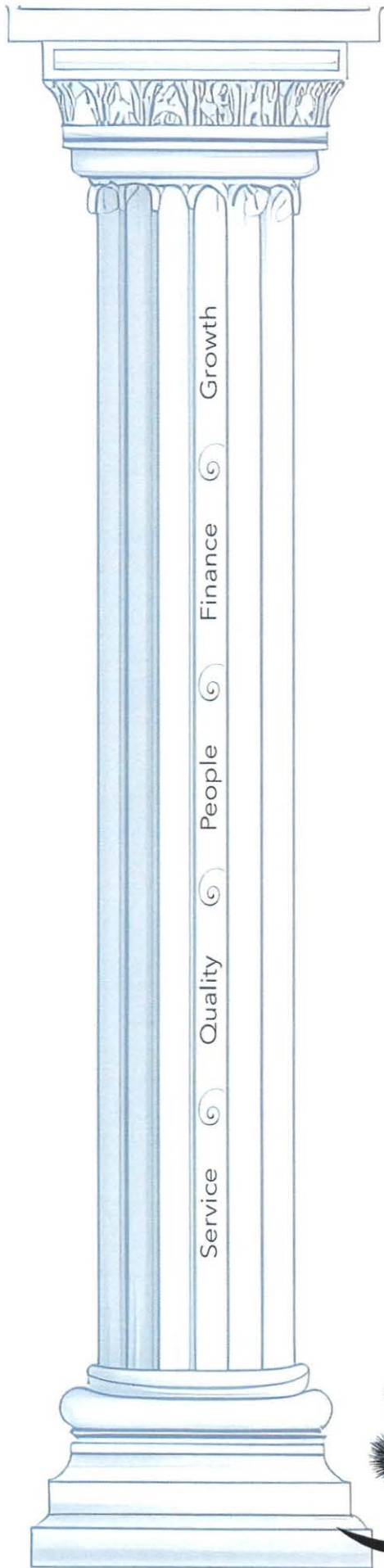
#### **MEETING ADJOURNED**

The Directors reconvened to open session and adjourned the meeting at 7:58 p.m. Director Stiemsma reported that the CEO was instructed to continue to work with the attorneys.

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Patricia Cooper, Secretary of the Board

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



## TAB #2 FINANCIAL REPORT



MORONGO BASIN  
HEALTHCARE DISTRICT  
[MorongoBasinHealth.org](http://MorongoBasinHealth.org)





# MORONGO BASIN HEALTHCARE DISTRICT

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

April 22, 2025

To: MBHD Board of Directors

From: Deborah Anderson, CFO

Re: CFO's Report for March 2025

## OVERVIEW

The consolidated financials for the month of March show income of \$608,605 and year to date shows income of \$3,789,074. (See Table 1 & 2)

The non-clinic financials for the month of March show income of \$280,571 and year to date shows income of \$3,481,086. (See Table 3 & 4)

The clinic financials for the month of March show income of \$328,034 and year to date shows income of \$307,987. (See Table 5 & 6)

PPS adjustments received in FY 24-25 have been identified. As a reminder, we recognized \$841,569 of PPS adjustments in the previous fiscal year that related to prior fiscal years. In the current fiscal year, we are recognizing \$613,424 of PPS adjustments that relate to FY 23-24 and prior, bringing the total to \$1,454,993 of back PPS adjustments.

To date, the clinic financials show income of \$307,987. If we back out the \$613,424 of prior year PPS adjustments, then the clinic financials land at a net deficit of (\$305,437). However, this is still much better than the projected (budgeted) loss of (\$2,046,989). As a reminder, budgets are based on known information and expectations that are likely to occur. When those expectations differ, that is when we get budget variances. For this year, most of the differing expectations have been positive, which is why the clinics are doing so much better than projected.

However, there is one projection that is critical that the board understands - the line item of cost report adjustments, which year to date has a \$205,000 positive impact on revenue. Cost report adjustments are how we attempt to reconcile the interim rate payments received for Medi-Cal patients to what in fact we should receive from the state. For example, if we believe based on facts & circumstances that we will need to pay back \$1.5 million, we will accrue this liability on the balance sheet and recognize this as an expense on the Statement of Revenue, Expenses and Change in Net Position (P&L). Then, in a later year when the payment reconciliations are completed and finalized, the change between what was originally anticipated to what is actually going to be paid is then recognized on the P&L. An example: if we accrued \$1.5 million, but in fact wind up having to pay \$1.6 million, then the difference of 100K we have to pay then gets recognized on the P&L as an expense. On the other hand, if we only have to pay \$1.3 million, then the savings of 200K gets recognized on the P&L as income. Since these are big numbers, the estimates can have a significant impact on the P&L change in net position. This is one of the reasons why this line is separated in the presentation of the P&L's, so the board can understand the impact these estimates have on the P&L change in net position.

All of this means that due to the multi years it takes to fully reconcile a fiscal year payment reconciliation with the state, a P&L for any given year is never going to be 100% isolated to that year alone. Because of the necessary material estimates needed for the payment reconciliations, a current year P&L will always have figures adjusting the P&L up or down due to latest data received from the state for prior years. The goal of course is to have these estimates be as accurate as possible so that the adjustments are minimal and immaterial.

## CONSOLIDATED CHANGE IN NET POSITION

Table 1 Consolidated March 2025

Consolidated	Actual Mth	Budget Mth	Over/(Under)	% of Budget
Income	1,600,314	1,062,083	538,231	50.68%
Expense	(1,225,013)	(1,247,668)	22,655	1.82%
Operating Income/(Loss) before Allocation	<b>375,301</b>	<b>(185,585)</b>	<b>560,886</b>	<b>302.23%</b>
Non-Operating	234,192	54,458	179,734	330.04%
<b>Change in Net Position</b>	<b>608,605</b>	<b>(131,128)</b>	<b>739,733</b>	<b>564.13%</b>

Table 2 Consolidate Year to Date

Consolidated	Actual YTD	Budget YTD	Over/(Under)	% of Budget
Income	11,329,994	9,673,925	1,656,069	17.12%
Expense	(10,597,312)	(11,311,408)	714,096	6.31%
Operating Income/(Loss) before Allocation	<b>732,682</b>	<b>(1,637,483)</b>	<b>2,370,165</b>	<b>144.74%</b>
Non-Operating	3,057,256	766,469	2,290,788	298.88%
<b>Change in Net Position</b>	<b>3,789,074</b>	<b>(871,014)</b>	<b>4,660,088</b>	<b>535.02%</b>

## NON-CLINICS CHANGE IN NET POSITION

Table 3 Non-Clinics March 2025

Non Clinic	Actual Mth	Budget Mth	Over/(Under)	% of Budget
GRANT REVENUE	3,303	-	3,303	100.00%
TENET LEASE -Amort of \$2M lease	200,482	203,054	(2,572)	-1.27%
INTEREST INCOME (TENET LEASE)	817	21	796	3820.60%
OTHER OPERATING REVENUE	408	125	283	226.23%
	<b>205,010</b>	<b>203,200</b>	<b>1,810</b>	<b>0.89%</b>
Salaries	126,780	155,907	29,127	18.68%
Fringe	38,988	32,850	(6,138)	-18.69%
Purchased Services	6,389	22,535	16,147	71.65%
IT, Network & Phones	18,001	19,216	1,215	6.32%
Supplies	2,635	4,723	2,088	44.20%
R&M	1,788	4,345	2,557	58.85%
Leases/Rentals	-	26	26	100.00%
Utilities	3,562	4,809	1,247	25.93%
Insurance	30,758	36,800	6,043	16.42%
Other	16,588	20,067	3,479	17.34%
Depreciation	61,202	60,172	(1,030)	-1.71%
	<b>306,691</b>	<b>361,452</b>	<b>54,761</b>	<b>15.15%</b>
Operating Income/(Loss) before Allocation	(101,682)	(158,252)	56,571	35.75%
Allocation of Overhead for Health Centers	148,948	189,309	(40,360)	-21.32%
Operating Income/(Loss) after Allocation	47,267	31,056	16,211	52.20%

Table 3 (continued)

Non Clinic	Actual Mth	Budget Mth	Over/(Under)	% of Budget
Non-Operating Tax Revenue	63,116	33,766	29,350	86.92%
Non-Operating Investment Income	164,353	13,968	150,385	1076.63%
Non-Operating Rental Income	6,723	6,723	-	0.00%
Discontinued Operations	(888)	-	(888)	0.00%
	233,304	54,458	178,846	328.41%
<b>Change in Net Position</b>	<b>280,571</b>	<b>85,514</b>	<b>195,057</b>	<b>228.10%</b>

Table 4 Non-Clinics Year to Date

Non Clinic	Actual YTD	Budget YTD	Over/(Under)	% of Budget
GRANT REVENUE	64,697	58,750	5,947	10.12%
TENET LEASE -Amort of \$2M lease	1,824,074	1,827,488	(3,414)	-0.19%
INTEREST INCOME (TENET LEASE)	9,798	188	9,611	5125.33%
OTHER OPERATING REVENUE	1,368	1,125	243	21.62%
	<b>1,899,937</b>	<b>1,887,551</b>	<b>12,386</b>	<b>0.66%</b>
Salaries	1,212,261	1,455,136	242,875	16.69%
Fringe	269,925	311,093	41,168	13.23%
Phys Fees	-	-	-	0.00%
Purchased Services	91,611	83,550	(8,062)	-9.65%
IT, Network & Phones	146,213	172,948	26,736	15.46%
Supplies	29,469	42,511	13,041	30.68%
R&M	46,910	39,108	(7,802)	-19.95%
Leases/Rentals	366	233	(133)	-57.23%
Utilities	42,373	45,718	3,345	7.32%
Insurance	253,633	309,375	55,742	18.02%
Other	156,227	180,605	24,378	13.50%
Depreciation	550,747	541,545	(9,201)	-1.70%
	<b>2,799,734</b>	<b>3,181,822</b>	<b>382,088</b>	<b>12.01%</b>
Operating Income/(Loss) before Allocation	(899,797)	(1,294,271)	394,474	30.48%
Allocation of Overhead for Health Centers	1,350,492	1,703,777	(353,285)	-20.74%
Operating Income/(Loss) after Allocation	450,695	409,506	41,189	10.06%
Non-Operating Tax Revenue	766,713	617,159	149,554	24.23%
Non-Operating Investment Income	2,203,511	88,800	2,114,711	2381%
Non-Operating Rental Income	61,033	60,510	523	0.86%
Discontinued Operations	(865)	-	(865)	0.00%
	3,030,391	766,469	2,263,922	295.37%
<b>Change in Net Position</b>	<b>3,481,086</b>	<b>1,175,975</b>	<b>2,305,111</b>	<b>196.02%</b>

- Salaries & fringe variance is due to positions budgeted not filled along with staff turnover, so savings took place.
- 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 workers compensation & property insurances not increasing as much as they have in past years (30% increases in PY versus 15% in current year)
- Other variance is due to less community relations costs & vehicle costs than budgeted

- Allocation of overhead variance is due to less overhead being moved to the clinics.
- Tax variance due to higher property values. The investment income variance is due to market factors including interest/dividend rates and realized/unrealized losses on investments.
- Investment income variance is due to market factors including interest/dividend rates and realized/unrealized losses on investments.

## CLINIC CHANGE IN NET POSITION

Table 5 Clinics March 2025

Clinics	Actual Mth	Budget Mth	Over/(Under)	% of Budget
Patient services (net)	946,133	632,289	313,844	49.64%
Grant Revenue	148,312	127,742	20,570	16.10%
340B Revenue	47,077	30,473	16,605	54.49%
Capitation Fees	196,062	166,695	29,367	17.62%
Records & Interest	203	134	70	52.20%
Cost Report Adjustments	(6,595)	(141,667)	135,071	95.34%
Quality	64,112	43,217	20,895	48.35%
	<b>1,395,304</b>	<b>858,883</b>	<b>536,421</b>	<b>62.46%</b>
Salaries - Clinic	505,086	504,186	(900)	-0.18%
Fringe - Clinic	142,227	112,288	(29,939)	-26.66%
Phys Fees - Clinic	81,195	104,903	23,708	22.60%
Purchases Services - Clinic	65,259	64,410	(849)	-1.32%
IT, Network & Phones - Clinic	23,187	17,393	(5,795)	-33.32%
Supplies - Clinic	34,952	29,999	(4,953)	-16.51%
Supplies - 340B	33,042	20,528	(12,514)	-60.96%
R&M - Clinic	4,262	4,610	348	7.54%
Leases/Rentals - Clinic	100	377	277	73.49%
Utilities - Clinic	4,410	5,631	1,221	21.68%
Ins - Clinic	486	152	(334)	-219.14%
Other - Clinic	8,023	7,149	(874)	-12.22%
Depreciation	16,092	14,590	(1,502)	-10.30%
	<b>918,321</b>	<b>886,216</b>	<b>(32,106)</b>	<b>-3.62%</b>
Operating Income/(Loss) before Allocation	476,983	(27,333)	504,316	1845.09%
Allocation of Overhead for Health Centers	(148,948)	(189,309)	40,360	21.32%
<b>Change in Net Position</b>	<b>328,034</b>	<b>(216,641)</b>	<b>544,676</b>	<b>251.42%</b>

Table 6 Clinics Year to Date

Clinics	Actual YTD	Budget YTD	Over/(Under)	% of Budget
Patient services (net)	6,618,245	5,690,602	927,643	16.30%
Grant Revenue	1,628,613	1,206,111	422,502	35.03%
340B Revenue	302,136	274,255	27,882	10.17%
Capitation Fees	1,632,989	1,500,254	132,735	8.85%
Records & Interest	1,624	1,203	421	35.03%
Cost Report Adjustments	(1,069,740)	(1,275,000)	205,260	16.10%
Quality	316,189	388,950	(72,761)	-18.71%
	<b>9,430,057</b>	<b>7,786,374</b>	<b>1,643,683</b>	<b>21.11%</b>

Table 6 (continued)

Clinics	Actual YTD	Budget YTD	Over/(Under)	% of Budget
Salaries - Clinic	4,138,147	4,705,731	567,585	12.06%
Fringe - Clinic	934,710	985,851	51,140	5.19%
Phys Fees - Clinic	961,130	944,126	(17,004)	-1.80%
Purchases Services - Clinic	563,062	582,460	19,399	3.33%
IT, Network & Phones - Clinic	221,892	156,534	(65,358)	-41.75%
Supplies - Clinic	368,202	269,993	(98,209)	-36.37%
Supplies - 340B	220,912	184,753	(36,159)	-19.57%
R&M - Clinic	49,978	41,487	(8,491)	-20.47%
Leases/Rentals - Clinic	9,035	3,395	(5,639)	-166.09%
Utilities - Clinic	57,914	58,234	320	0.55%
Ins - Clinic	3,004	1,370	(1,634)	-119.23%
Other - Clinic	120,016	64,345	(55,671)	-86.52%
Depreciation	149,577	131,307	(18,270)	-13.91%
	<b>7,797,578</b>	<b>8,129,586</b>	<b>332,009</b>	<b>4.08%</b>
Operating Income/(Loss) before Allocation	1,632,479	(343,212)	1,975,691	575.65%
Allocation of Overhead for Health Centers	(1,350,492)	(1,703,777)	353,285	20.74%
Operating Income/(Loss) after Allocation	281,987	(2,046,989)	2,328,977	113.78%
Non-Operating	26,000	-	26,000	-100.00%
	26,000	-	26,000	-100.00%
<b>Change in Net Position</b>	<b>307,987</b>	<b>(2,046,989)</b>	<b>2,354,977</b>	<b>115.05%</b>

- 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.
- Cost Report adjustments due to the filing of the FY 23-24 payment reconciliations
- 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 along with staff turnover, so savings took place.
- Due to the ARP grant, IT equipment & supplies are bought that were not accounted for in the budget.
- Supplies 340B variance is due to less drug replenishment done at 340B pricing due to drug restrictions
- 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.

## Statement of Net Position

<b>Morongo Basin Healthcare District</b>	<b>Statements of Net Position</b>
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Assets and Deferred Outflow of Resources	June 30, 2024 (Audited)	Mar 31, 2025 (Unaudited)	Difference
<b>Current Assets</b>			
Cash and cash equivalents	2,848,886	2,905,148	56,262
Investments	35,667,736	38,871,247	3,203,511
Receivables			-
Patients	726,951	398,743	(328,207)
Estimated third-party payer settlements	-	-	-
Accrued Interest	582,899	281,582	(301,317)
Lease	834,202	873,671	39,469
Rentals	81,901	21,799	(60,102)
Grants	273,957	21,133	(252,824)
Other	248,691	207,212	(41,479)
Receivables Sub-Total	2,748,601	1,804,141	(944,460)
Prepaid expenses	180,606	91,014	(89,591)
<b>Total current assets</b>	<b>41,445,828</b>	<b>43,671,550</b>	<b>2,225,722</b>
<b>Noncurrent Assets</b>			
Lease receivable	26,019,890	25,146,219	(873,671)
Capital assets, net	8,195,555	9,680,155	1,484,600
<b>Total Noncurrent Assets</b>	<b>34,215,445</b>	<b>34,826,374</b>	<b>610,929</b>
<b>Deferred Outflow of Resources</b>			
Prepaid water capacity fee	223,831	149,221	(74,610)
<b>Total Assets and Deferred Outflow of Resources</b>	<b>75,885,105</b>	<b>78,647,145</b>	<b>2,762,040</b>
<b>Liabilities, Deferred Inflow of Resources, and Net Position</b>			
<b>Current Liabilities</b>			
Accounts payable	547,811	35,811	(512,000)
Accrued payroll and related liabilities	314,215	250,635	(63,581)
Accrued paid time off	236,880	211,043	(25,837)
Estimated 3rd party payor settlements	2,774,073	3,477,886	703,812
Current portion of long term debt	167,667	117,200	(50,467)
Deferred Revenue	-	-	-
<b>Total Current Liabilities</b>	<b>4,040,647</b>	<b>4,092,574</b>	<b>51,928</b>
<b>Noncurrent Liabilities</b>			
Long-term debt, net of current portion	270,910	212,051	(58,858)
<b>Total Liabilities</b>	<b>4,311,556</b>	<b>4,304,625</b>	<b>(6,931)</b>
<b>Deferred inflow of resources</b>			
Deferred lease revenue for hospital and equipment	27,015,408	25,995,306	(1,020,103)
<b>Total Deferred Inflow of Resources</b>	<b>27,015,408</b>	<b>25,995,306</b>	<b>(1,020,103)</b>
<b>Net position</b>			
Net investment in capital assets	26,019,890	25,146,219	(873,671)
Restricted by donors for specific operating purposes	-	-	-
Unrestricted	18,538,250	23,200,994	4,662,744
<b>Total net position</b>	<b>44,558,140</b>	<b>48,347,214</b>	<b>3,789,074</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Net Position</b>	<b>75,885,105</b>	<b>78,647,145</b>	<b>2,762,040</b>

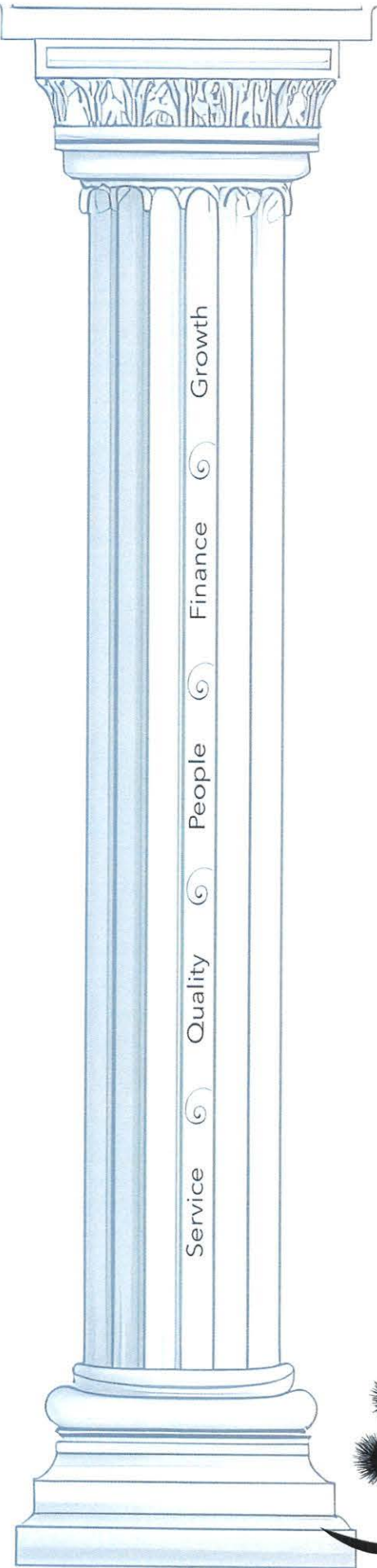
**MORONGO BASIN HEALTHCARE DISTRICT**  
**Schedule of Investments**  
**Mar 31, 2025**

Description	Institution	2/28/2025	3/31/2025	Variance
Public Interest Acct	PWB	3,375,397.91	2,963,994.56	(411,403.35)
Less O/S checks	PWB	(24,150.12)	(64,046.71)	(39,896.59)
		<u>3,351,247.79</u>	<u>2,899,947.85</u>	<u>(451,299.94)</u>
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		<u>3,355,247.79</u>	<u>2,903,947.85</u>	<u>(451,299.94)</u>
Investment Access**	RBC	33,687,558.69	35,330,958.44	1,643,399.75
Money Market	RBC	1,717,299.94	3,225,435.52	1,508,135.58
Total Value of Accts		<u>35,404,858.63</u>	<u>38,556,393.96</u>	<u>3,151,535.33</u>
Est Accured Bond Int.		302,035.64	314,852.95	12,817.31
Total Portfolio Value		<u>35,706,894.27</u>	<u>38,871,246.91</u>	<u>3,164,352.64</u>
Total Cash		38,760,106.42	41,460,341.81	2,700,235.39
Total Market Value		39,062,142.06	41,775,194.76	2,713,052.70

Chart A – Visits History Chart

Month	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Jul	2,942	3,283	3,091	2,877	2,670
Aug	3,766	3,587	3,015	3,425	3,315
Sep	3,043	3,501	3,065	3,134	3,256
Oct	3,551	3,892	3,264	3,282	3,071
Nov	3,229	3,353	2,627	3,116	2,936
Dec	2,858	3,304	2,976	2,705	2,881
Jan	3,698	4,010	2,921	2,925	3,001
Feb	3,198	3,763	3,190	3,068	2,882
Mar	3,515	2,927	3,516	3,332	3,331
Apr	3,660	2,066	3,460	3,094	2,896
May	3,662	2,200	3,043	3,239	3,247
Jun	3,344	2,786	3,082	3,218	2,939
Total	40,466	38,672	37,250	37,415	36,425
Total July - March	29,800	31,620	27,665	27,864	27,343





# TAB #3 CEO REPORT



MORONGO BASIN  
HEALTHCARE DISTRICT  
[MorongoBasinHealth.org](http://MorongoBasinHealth.org)



# MORONGO BASIN HEALTHCARE DISTRICT

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

May 1, 2025

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

## DISTRICT

- The April 17 Yucca Valley Chamber Mixer was poorly attended but did have some important connections for us. Protestors staged at the entrance over concerns about the Yucca Valley Animal Shelter operations, but they were not disruptive. The Mayor, town manager and city council members were among those that attended the event.
- There are no new legislative updates for this meeting. I am scheduled to participate in the May 6 and 7 ACHD Advocacy Day activities in Sacramento. Here is our position and focus on the pending legislation:

### **Support:**

- AB 533 (Flora) Design Build: ACHD's sponsored bill which re-establishes design build authority for healthcare districts, as specified.
- SB 669 (McGuire) Standby Perinatal Unit: Would allow qualifying hospitals to pilot a standby perinatal unit to preserve access to labor and delivery services in their communities.
- SB 812 (Allen) Youth Drop-in Centers: Would allow qualifying youth drop-in centers to receive reimbursement directly from the Children and Youth Behavioral Health Initiative (CYBHI) Fee Schedule.

### **Opposition:**

- SB 632 (Arreguin) Workers' Compensation: Establishes a rebuttable presumption for hospital workers for COVID-19, musculoskeletal disease, and cancer.
- AB 810 (Irwin) Website & Email Domains: Would require all special districts to, by 2031, move all email addresses and domains to ca.gov or .gov.
- Due to the HRSA site visit, the anticipated 25/26 Budget discussion will be delayed. We expect to call a special meeting to review proposed numbers.

## HEALTH CENTER

- Some ancillary health center staff have moved into the new building at 58295 29 Palms Hwy. Patient Financial Services, Medical Records and Enrollment will be at that location for patient convenience since it is only two doors down from our clinics.

- The HRSA onsite visit did not go as well as hoped. We have some time to make corrections to documents and updates to our form 5A (services provided). I will be giving you an overview during our May 1 meeting.
- The grant for the capital equipment at Split Rock Has been extended to August 2025. We continue to work on electrical and some other construction at the site as we await project bids. We are pursuing a generator for the new building to help prevent downtime when there are power outages.
- CHC Board now has 10 members but not enough patient members. We will continue to work on this.

# LEGISLATIVE REPORT

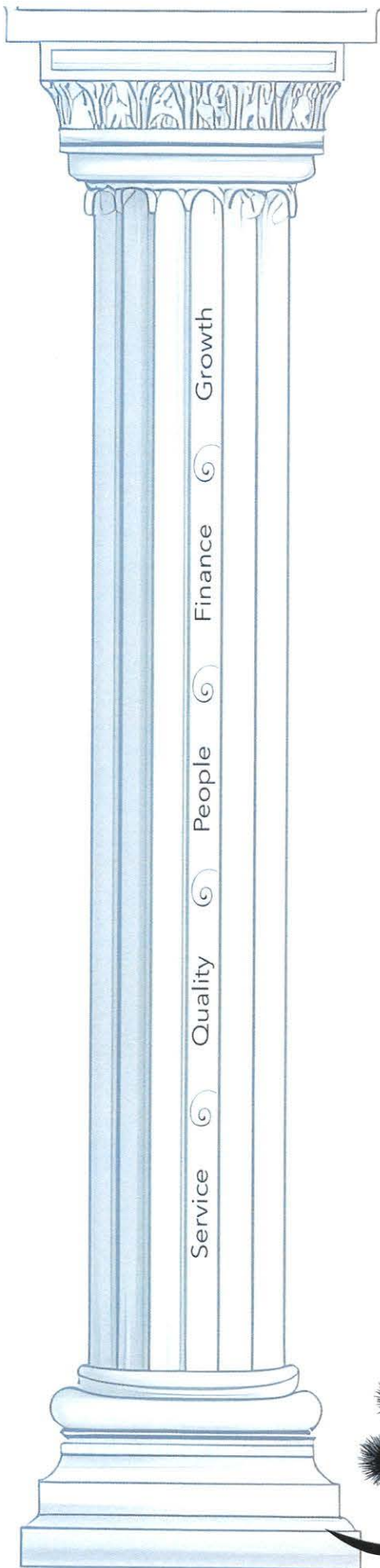
ASSOCIATION OF CALIFORNIA HEALTHCARE DISTRICTS



**ACHD**

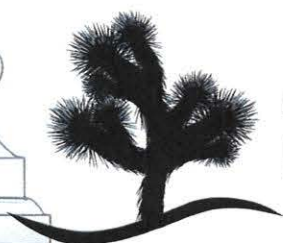
## ACHD Legislative Report

Subject and Bill	Status	Position
<b>AB 259 (Rubio, Blanca D) Open meetings: local agencies: teleconferences.</b> Preserves important teleconferencing procedures that have afforded public agency board members the flexibility to attend meetings they might have otherwise not been able to attend.	ASSEMBLY L. GOV. 2/10/2025	Support
<b>Access to Care</b>		
<b>SB 29 (Laird D) Civil actions: decedent's cause of action.</b> Eliminates the sunset on previous legislation that allowed heirs to all ongoing personal injury litigation to receive the awards, without accounting for MICRA.	SENATE APPR. 4/2/2025	Oppose unless Amended
<b>SB 669 (McGuire D) Rural hospitals: standby perinatal medical services.</b> Establishes a pilot for hospitals, as specified, to operate standby perinatal units.	SENATE HEALTH 3/5/2025	Support
<b>Finance</b>		
<b>SB 246 (Grove R) Medi-Cal: graduate medical education payments.</b> Authorizes the Department of Healthcare Services (DHCS) to seek reimbursement for indirect graduate medical education costs for non-designated public hospitals.	SENATE APPR. 4/2/2025	Support
<b>Labor Relations</b>		
<b>AB 339 (Ortega D) Local public employee organizations: notice requirements.</b> Requires the governing body of a local public agency (non-school) to provide written notice to the employee organization no less than 120 days prior to issuing a request for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization.	ASSEMBLY APPR. 3/19/2025	Oppose
<b>AB 340 (Ahrens D) Employer-employee relations: confidential communications.</b> Restricts an employer's ability to conduct internal investigations to the detriment of employees' and the public's safety and well-being, adding new costs and liability for public employers.	ASSEMBLY APPR. 3/19/2025	Oppose
<b>AB 1109 (Kalra D) Evidentiary privileges: union agent-represented worker privilege.</b> Restricts an employer's ability to conduct investigations to the detriment of employees' and the public's safety and well-being, add new costs and liability for public employers, and interfere with administrative and judicial proceedings necessary to protect the public's interest and public agencies' duty to be responsible stewards of public funds.	ASSEMBLY JUD. 3/13/2025	Oppose
<b>Local Government</b>		
<b>AB 533 (Flora R) Health care districts: design-build process.</b> Would re-authorize healthcare districts to utilize the design build process for clinic and hospital construction.	ASSEMBLY APPR. 3/26/2025	Sponsor
<b>AB 1337 (Ward D) Information Practices Act of 1977.</b> Applies the Information Practices Act of 1977 ("IPA," or "the Act") to all local agencies.	ASSEMBLY APPR. 4/1/2025	Oppose
<b>Workers' Compensation</b>		
<b>SB 632 (Arreguin D) Workers' compensation: hospital employees.</b> Creates a workers' compensation presumption for hospital employees who provide direct patient care, with infectious disease, cancer, musculoskeletal injury, post-traumatic stress disorder, respiratory disease, including COVID-19, claims.	SENATE L., P.E. & R. 3/5/2025	Oppose



**TAB #4**  
**CALENDAR REVIEW**

**BOARD MEETING**  
**MONTHLY CALENDARS**



**MORONGO BASIN**  
**HEALTHCARE DISTRICT**  
MorongoBasinHealth.org

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			

CALENDAR OF BOARD MEETINGS

# MAY 2025

JUNE 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
27	28	29	30	1 6:00p District Board of Directors	2	3 YV HEALTH FAIR
4	5	6	7	8 5:00p CHC Governing Board	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25 Memorial Day	26	27	28	29	30	31

MAY 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

# CALENDAR OF BOARD MEETINGS

# JUNE 2025

JULY 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
1	2	3	4	5 6:00p District Board of Directors	6	7
8	9	10	11	12 5:00p CHC Governing Board	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	1	2	3	4 Independence Day	5

JUNE 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					

CALENDAR OF BOARD MEETINGS

# JULY 2025

AUGUST 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
29	30	1	2	3 <b>Board meeting rescheduled for holiday observance</b>	4 Independence Day	5
6	7	8	9	10 <b>6:00p District Board of Directors</b>	11	12
13	14	15	16	17 <b>5:00p CHC Governing Board</b>	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2