MORONGO BASIN HEALTHCARE DISTRICT

Service Quality People Finance Growth

Hi-Desert Memorial Health Care District dba

Morongo Basin Healthcare District

BOARD OF DIRECTORS REGULAR MEETING MINUTES

October 2, 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

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

Guests
- Marc Greenhouse, CHC board member

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 a roll call and declared a quorum.

OBSERVANCES

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

PUBLIC COMMENT

No public comment was presented.

APPROVAL OF THE MEETING AGENDA

- **Motion 25-59**: Director Evans motioned to approve the meeting agenda; second by Director Greenhouse, motion passed by unanimous vote.

APPROVAL OF THE CONSENT AGENDA

- **Motion 25-60**: Director Greenhouse motioned to approve the minutes of the regular meeting of the Board of Directors dated September 4, 2025 with the correction that Tela Thornett was not present at the meeting, second by Director Evans ; motion passed by unanimous vote.

PROCESS FOR EVALUATION TO ADD NEW SERVICES

CEO Cindy Schmall presented an overview for the evaluation process staff ~~usres~~ users to add new District services. The process includes determining if the service is wanted by the community (conversations with patients and community survey at health fairs); does it improve community access to care; does it meet the District's mission to improve health and wellness; is there

reimbursement for the service; are grants available; what resources are needed to support the new service (space, supplies, staffing); is there opportunity for collaboration with other entities in the area; is someone else providing that service to our communities. A similar list of considerations is used for keeping or expanding existing services. Some services are required by the HRSA grant and can be provided by contracting with another provider source. Ms. Schmall reiterated that the considerations are always discussed with staff before implementing any changes. Director Greenhouse thanked Ms. Schmall for the research behind the evaluation process. Director Stiemsma said she had been curious about the criteria used

DISCUSSIONS

DISCUSSION: BOARD OF DIRECTORS INCREASE OF STIPEND AMOUNT
Background information provided in the agenda packet included:

- On December 5, 2024, the District Board of Directors voted to increase the stipend from $105 to $110. This proposed new increase would raise the stipend from $110 to $115.50 per meeting day, effective January 1, 2026.
- Legal notice to advise of the increase and the public hearing date must be published in local newspaper once a week for two consecutive weeks. Staff will publish the legal notice on October 22 and 29 in the Hi-Desert Star and Desert Trail.
- The public hearing will be conducted Thursday, November 6, 2025, to receive public comments. Following the public hearing, the Resolution to increase the stipend amount will be presented for approval on the Board of Directors' November regular business agenda.

The Directors agreed to proceed with the process. Director Greenhouse noted that fuel costs have not dropped.

DISCUSSION CEO PERFORMANCE EVALUATION TOOL
Ms. Schmall gave a historical overview of the process. It was noted that both the District and CHC boards were not satisfied with the third-party vendor's survey tool and had expressed interest in developing a tool more suitable to the District. Ms. Schmall stated that senior staff are evaluated on how they measure against established goals. She recommended that the new tool be based on a similar measurement of goals and agreed to create a sample tool and present it at the November regular board meeting for review.

DISCUSSION: BOARD OF DIRECTORS VACANT SEAT
Ms. Schmall stated that staff continue to recruit candidates for the open seat. A list of marketing efforts were summarized on the meeting agenda: September communications to Basin residents included a radio spot, Facebook and Instagram posts, Facebook advertising on search engine results and general platform feeds (2,500 views), two print ads in newspapers, and a handout distributed at outreach lectures and events. There was a brief discussion, but no new recruitment strategy was presented. Ms. Schmall will reach out to a past board member to determine if she would be willing to serve again.

DISCUSSION: FEDERAL AND STATE LEGISLATIVE CHANGES
Ms. Schmall, CEO, stated that no updated information has been received since her presentation to the Board of Directors at the August meeting. She referenced a handout prepared by Tricia Gehrlein, noting that information changes almost daily and that they published it as late as possible to capture those changes. Ms. Gehrlein presented:

- A new West Coast Health Alliance has been formed, comprised of Hawaii, California, Oregon and Washington states. The alliance is primarily focused on vaccination recommendations not in line with CDC. They have not addressed other health issues.
- Telehealth extensions that were put in place during the pandemic, including behavioral health services, expired September 30, 2025. Currently, we cannot provide telehealth services in primary care to Medicare patients. It is unknown how this will impact private insurance or Medi-Cal patients. Because we do not know if we will be reimbursed, we are proceeding cautiously with continuing telehealth to our IEHP, Medi-Cal and other patients. Behavioral health services are exempt at this time.
- During the pandemic, CMS allowed practitioners to conduct telehealth appointments from their home office and use the clinic as a billing address. This permission expires December 31, 2025. If continued permission is not granted, providers will have to see patients onsite as their personal residence is not included in our NPI. To add their personal residence to our NPI would mean their residence address would be listed on every bill. Staff is assessing this issue daily to determine how to best serve our patients with telehealth services.
- An H1B visa is required to enter the U.S. and provide professional specialty services. In our context, that means qualified medical personnel. Changes to H1B visa program do not impact our operations immediately. but has potential for long-term impact as we hire providers with an H1B visa. The renewal fee has been raised from $50,000 to $100,000. Because of the shortage of healthcare providers, we're hoping the H1B will be exempted from the fee increase.
- The Big Beautiful Bill stated $50 billion over five years will be distributed to applicants through the Rural Health Transformation application process. That application has been released to states by the federal government. The Department of Healthcare Access and Information (HAID) is leading the application process for the State of California. The intent is to fund $10 billion a year for five years. The first $5 billion is to be distributed evenly to all state applicants, regardless of the content of their application. They are expecting all 50 states will apply, so that $5 billion will be shared equally to those applicants.

  The second $5 billion is subject to the content of the federal application which was released in September and is due in November. In California, HAID published a survey asking organizations to respond. 36 federally qualified health centers responded to the survey; we were one of the respondents. HAID has hosted webinars on how to complete the application. They have included feedback from their initial survey into the application. It is unknown if the applicants will receive any money or how much.
- Federal supplemental support for health insurance premiums expires December 31, 2025. Failure to extend that support will significantly impact California and Covered California enrollment. It is anticipated that in California, the average health insurance policy, whether private or employer-sponsored coverage, will increase by 10.3%.
- Federal school loans for medical education have been capped by the new bill at $200,000. A drop in enrollment for medical-related education is anticipated as this reduced availableamount is insufficient for achieving the required education.

- Ms. Schmall spoke about California bill AB-1113 which was previously shut down by the Senate. The measure is being resurrected by SEIU, a union, and the United Health Workers who are targeting a wealthy FQHC in San Diego. Their intent is to unionize federally qualified health centers (FQHC). Somehow, the union has incorporated special healthcare districts with non-profit 501c3 organizations. The 501c3 organizations are required to prove that 90% of the collected income is being spent on direct patient care and excludes overhead for buildings and equipment. It's projected that 48% of the FQHC facilities would fail because of the bill. The bill has not been published yet. If passed, the bill would include that a FQHC CEO could be imprisoned for a year for non-compliance, and patients could sue because they are unhappy with services provided by the facility. Discussion followed. The Directors agreed the bill is a huge overreach by the union. Advocacy workshops are being formed to work against the bill.

STAFF REPORTS

ACHD CONFERENCE REPORT

Director Greenhouse and Cindy Schmall attended the ACHD conference in San Diego. Director Greenhouse spoke about sessions addressing ethics in governance, finance, inspirational stories, and presentations by other districts regarding their innovative and successful endeavors. The conference showed that all districts are navigating similar challenges.

HR QUARTERLY UPDATE

Tela Thornett, Human Resources Manager, presented statistics for third quarter activity (July through September).

- Third quarter terminations were eight: six were voluntary, one gave no notice. Two were providers.
- New hires: nine.
- Total number of full-time and part-time employees is 99.
- Exit interviews: Five exit surveys were sent with three returned.
- Survey trends identify lack of career opportunities with the organization; paid-time-off is average, and communication is below average.
- Benefits: open enrollment runs through October 24. Employees have opportunity to make changes to their chosen plan.
- Ms. Thornett stated that the new employee orientation has been revamped with more staff participating in the orientating process. The last three new hires are flourishing rather than the disconnect we've previously experienced with new employees.

CORPORATE COMPLIANCE REPORT

Tricia Gehrlein, CCO, presented statistics.

- One ~~HIPPAA~~ HIPAA investigation was resolved with minimal impact.
- There was one investigation by IEHP which also was quickly resolved.
- 11 incident reports were received with no notable trends. Incident reports are just something unusual that happened in the clinic and should be documented. They are not necessarily negative in nature.
- Both Ms. Gehrlein and Ms. Schmall completed the Risk and Compliance Management Certification program through the Management Group Medical Association.

- Cindy Schmall has completed cyber security training; IT specialist, Kamrin West is taking the same course.
- Zero instances of breeches to patient confidential information.
- A records retention policy is being written.
- The workplace violence plan has been finalized for the State of California regulations and will be placed in the emergency binders at all District locations.

FINANCIAL REPORT

Ms. Anderson reported that the consolidated financials for the month of August 2025 show income of $616,240 and year to date income of $616,240. Non-clinic financials for August show income of $401,882 and a year-to-date income of $457,701. The health center financials for the month of August show income of $183,874 and year to date income of $158,539.

District investments did really well this month, showing unrealized gains of $328,790. This contributed significantly to the bottom line for the non-clinic financials. The operating income after allocation for non-clinic financials is less than 10% different from budget. So effectively all the variance we are seeing in the change in net position for the non-clinic financials have to do with investment income.

The clinic financials were a bit of a surprise. We were expecting losses due to some providers leaving and thus patient services (net) being down. However, while BH visits & Dental visits were down, Peds & Chiro visits were up, and Adult was just about a break even. Thus, the patient services revenue actually did better than budget for the month.

Additionally, we received some funding for the MAT program of $25,000, and quality payments that we expected to drop but haven't done so yet. Instead, quality payments remain steady with FY 24-25 amounts, which means these payments are more than we budgeted.

With regards to expenses, physician fees are up, mostly due to behavioral health. The behavioral health contract is doing more services than originally anticipated, due in part to a behavioral health provider leaving (note salaries are under budget).

Purchased services year to date did not come significantly down as expected since there was another large payment made to our records storage facility as part of the close-out with this facility. This facility went from costing $4,500 annually back in 2017 to about $50,000 annually as of June 2025. This is over 1000% increase in the last 8 years. Since the District has the storage, this was a project worked on last year and the beginning of this year to close out that contract when the renewal came up.

Also, this is final month of the HIV grant. Purchase of supplies and community notifications via various media sources concluded this month. Please note that the recognition of these expenses was included in income as well.

Finally, clinics replaced some windows at the Yucca Valley adult clinic. Individually, these window replacements don't meet the criteria for capitalization, but because we did multiple windows, it did cause the R&M line item to be over budget this month.

- **Motion 25-61**: Director Cooper motioned to accept the financial report as presented, second by Director Evans; motion passed by unanimous vote.

CALENDAR REVIEW AND COORDINATION

Calendars for October, November and December calendars were reviewed.

- Employee Event October 9.
- Heath Fair event October 11 at Freedom Plaza, 29 Palms.
- Director Greenhouse will not be available for the November board meeting.
- January 2026 meeting conflicts with the holidays. General agreement to move the board meeting to the second week of January.

DIRECTOR COMMENTS

- DIRECTOR COOPER: Thanked staff for their reports and expressed concern about the legislative changes that will impact the District.
- DIRECTOR GREENHOUSE: "Thank you Debbie, thank you Tricia for your reports; thank you staff for keeping us going month after month."
- DIRECTOR EVANS: She thanked staff for the great job everyone is doing.
- DIRECTOR STIEMSMA: "Looking forward to seeing everyone at the health fair on October 11."

ADJOURN MEETING TO CLOSED SESSION

Director Stiemsma adjourned the open session of the meeting at 7:22 p.m. Closed session convened at 7:24 p.m. pursuant to Section 54957 of the Government Code, conference involving personnel/benefits issue. Closed session concluded and convened to open session at 7:48 p.m. where Director Stiemsma reported that the CEO was instructed to proceed as directed by the board. Meeting closed at 7:49 p.m.

Patricia Cooper

Patricia Cooper, Secretary of the Board

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