



Morongo Basin Health Care District
Community Health Center
GOVERNING BOARD MEETING

MINUTES of Thursday, October 9, 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*)
- Dianne Markle-Greenhouse (*present*)
- Eric Menendez (*present*)
- Gloria Cabrera (*present*)
- Hermoine Gutierrez Rios (*present*)
- Jackie Todd (*present*)
- Marc Greenhouse (*present*)
- Lisa Ryan (*present*)
- Pat Cooper (*present*)
- Sean Loomis (*present*)

STAFF:

- Beverly Krushat, CHC Board Clerk (*present*)
- Cindy Schmall, CEO (*present*)
- Debbie Anderson, CFO (*remote*)
- Fredi Levitt, BH Manager (*present*)
- JJ Greer, SR Site Supervisor (*remote*)
- Janeen Duff, Director Strategic Initiatives (*present*)
- Jill Goodwin, Clinical Services Manager (*present*)
- Kim Harrison, Business Office Services Director (*present*)
- Mia Fisher, Dental Manager (*present*)
- Sheri Tincher, Patient Financial Manager (*present*)
- Tina Huff, Integrated Health Services Director (*absent*)
- Tricia Gehrlein, CPE/CO (*remote*)

CALL TO ORDER – Board meeting was called to order by Mark Greenhouse at 5:00 p.m.

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

OBSERVANCES –

Dianne Markle-Greenhouse led the pledge of allegiance.
Sean Loomis read the Mission, Vision, and Core statements.

PUBLIC COMMENTS – None

APPROVAL OF MEETING AGENDA -

Motion 25-114: MSC (Briggs/Ryan) 10/0/0 motion carried to approve October 9, 2025, agenda.

APPROVAL OF CHC CONSENT AGENDA –

Motion 25-115: MSC (Gutierrez Rios/Menendez) 10/0/0 motion carried to approve the September 11, 2025 meeting minutes.

ACTION ITEMS

ELECTION VICE CHAIR OFFICER – *Cindy Schmall, CEO*

CEO Schmall described the Vice President role to the members of the board. The Vice President serves to lead meetings in the absence of our current Chair, Mark Greenhouse. We're looking for volunteers to fill this position temporarily.

Dianne Markle-Greenhouse responded that she would volunteer to handle this responsibility, but she is not available next month. Sean Loomis volunteered to lead the November 2025 CHC board meeting and Dianne Markle Greenhouse will resume the Vice President Roll at the December 11, 2025 meeting.

Motion 25-116: MSC (Briggs/Ryan) 10/0/0 motion carried for Sean Loomis to act as Vice President for the month of November 2025 after which Dianne Markle Greenhouse will assume the role beginning December 11, 2025.

LEGISLATIVE CHANGES UPDATE – *Tricia Gehrlein, CPE/CO*

CPE/CO Gehrlein stated that she, CEO Schmall, and Director Huff recently attended the IEHP Health Summit. The West Coast Health Alliance—comprising California, Oregon, Washington, and Hawaii—has been established. The main aim of this alliance is to provide vaccine recommendations, feeling that CDC guidelines alone are insufficient. Although there are broad recommendations on vaccinations, we generally adhere to CDC guidelines unless directed otherwise.

A significant impact on our clinics arises from changes in telehealth regulations. During COVID-19, the rules were expanded to allow primary care, in addition to behavioral health, to conduct telehealth visits. These rules expired on September 30th. Currently, reinstating such a rule would require Congressional action. While government bodies are currently inactive, we are unable to perform telehealth visits for Medicare patients and have stopped offering telehealth appointments for commercial patients, as commercial insurers typically follow CMS Medicare's lead.

For IEHP patients, we are proceeding cautiously with telehealth services since no clear direction has been provided by IEHP or state authorities regarding the acceptability of telehealth with Medi-Cal patients. Meanwhile, behavioral health telehealth visits remain unaffected and continue as usual.

Another issue looming on the horizon involves the use of clinic addresses for billing telehealth services, expiring on December 31st. Providers may need to revert to using their home address, which raises privacy concerns and NPI coverage challenges. This change could halt home-based telehealth services without reimbursement compliance. We are closely monitoring these developments as they significantly impact patient care.

H1B Visa Changes:

The cost for new H1B visa applicants has increased significantly to \$100,000. Previously, the cost was under \$5,000, possibly even under \$3,000. Notably, there is no exemption for physicians, although it's believed this adjustment primarily impacts the tech industry. There is hope that an exemption for physicians might be considered in the future due to the critical physician shortage in the United States.

This change is anticipated to make medical school admissions more competitive, especially when combined with a reduction in available federal loans. As resources tighten, it's likely we will see an increase in nurse practitioners and physician assistants, potentially accompanied by a relaxation of restrictions on their scope of care. Further developments on this are forthcoming.

However, while attempting to recruit healthcare providers, this visa fee increase poses significant challenges in hiring from abroad, including places like Canada.

Rural Health Transformation Initiative:

On another front, California is in the process of applying for a share of the Rural Health Transformation funds. This initiative offers \$10 billion annually for five years, targeting rural areas specifically. States that apply will share \$5 billion equally, with the balance allocated based on the application scoring. Details on the scoring rubric are yet to be released, but active steps are being taken. California has involved stakeholders, including FQHCs and local government entities, in the application process. We are among the 36 FQHCs that provided feedback.

The final application will be accessible on the California Department of Healthcare Access and Information's website. Once available, I will review it meticulously and update everyone on the details promptly.

Monitoring Medicaid Work Requirements and Eligibility Verification:

We are continuing to monitor the Medicaid work requirements and verification of eligibility. There haven't been any changes since our last discussion. This is part of the larger legislative package we're keeping an eye on.

Impact of the Premium Tax Credit Expiration:

The loss of the premium tax credit has been a contentious issue, notably during recent budget discussions in Congress, contributing to the current government shutdown. The Democrats supported an extension of these credits, but the Republicans opposed including this in the budget negotiations.

Currently, the premium tax credits are set to expire at the end of the year. This expiration will affect individuals purchasing insurance through the health exchange, especially those whose employers do not provide health insurance or who are self-insured. Without these credits, policyholders will no longer receive a tax return credit to offset their premium costs. Consequently, insurance costs are expected to surge by about 66% in our county and state, which is likely to be unaffordable for many.

Local Impact and Insurance Rate Increases:

Many of our patients on a sliding fee scale have consulted with Sheree Fansler and considered Covered California, but they often find the premiums and deductibles prohibitive, making the sliding scale more advantageous for them. This situation will likely worsen as we move forward. In California, insurance premiums are expected to rise by about 10%. However, due to the specifics of our county and the area's healthcare needs, we anticipate a slightly higher increase of about 12.5% across the board for health insurance.

In the last election, AB 1113 was introduced as a bill specifically targeting Federally Qualified Health Centers (FQHCs), with direct implications for our organization. The bill mandated that FQHCs allocate 90% of their annual expenditures, as reported in tax filings, toward direct patient care. This excluded costs associated with building operations and infrastructure.

According to a survey conducted by the California Primary Care Association, a significant partner of ours representing FQHCs nationwide, about 46% of existing FQHCs would struggle to meet this stringent spending requirement. Failure to comply would subject these health centers to substantial financial penalties potentially amounting to millions of dollars annually. Such financial burdens could lead to the closure of nearly half of the FQHCs due to unsustainable losses.

Fortunately, this bill was overturned in the last election. However, the Service Employees International Union (SEIU), a major union organization, is determined to reintroduce similar legislation. This time, their push aims to enforce unionization within California's FQHCs.

The proposed new assembly bill, yet to be officially numbered, includes severe provisions. It proposes state audits for FQHCs failing to meet financial thresholds and holds CEOs accountable to the point of facing jail time for up to a year if found negligent. Moreover, clinic boards like ours could be sued directly by patients dissatisfied with their care, regardless of proven negligence.

This sweeping legislative effort has deeply concerned stakeholders, as SEIU leverages significant financial resources to advocate for its passage.

Note: Legislative changes update received for information only no action taken.

ACTION ITEMS

MOVE MEETING NIGHT TO FIRST WED OF THE MONTH AT 5 PM – Cindy Schmall, CEO

CEO Schmall stated that several months ago, we discussed the possibility of aligning our meeting with the district board meeting. The motivation behind this is the significant amount of preparation required for both meetings, which demands considerable staff time and resources.

By consolidating these meetings, we aim to streamline the reporting process and efficiently manage our schedules by completing all necessary tasks within a single week.

This was followed by a brief Q&A period of who can attend a Wednesday or a Thursday meeting and when would be the best time.

Motion 25-117: MSC (Markle-Greenhouse/Ryan) 10/0/0 motion carried to move the CHC Board meeting to the first Thursday of the month at 4:45 pm beginning January 2026. January 2026 meeting will be moved to the 2nd Thursday of the month due to New Years day falling on Thursday, January 1, 2026.

AUGUST 2025 FINANCIAL REPORT – Debbie Anderson, CFO

OVERVIEW

The clinic financials for the month of August show income of \$183,874 and year to date shows income of \$158,539. (See Table 1 & 2)

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) has not done so yet. Instead quality payments are remaining 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 BH. The BH contract we are utilizing is doing more services than originally anticipated, due in part to a BH 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 \$4500 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, and as such, purchases 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 YV 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.

CLINIC CHANGE IN NET POSITION

Table 1 Clinics August 2025

Clinics	Actual Mth	Budget Mth	Over/(Under)	% of Budget
Patient services (net)	707,586	634,474	73,112	11.52%
Grant Revenue	382,909	140,506	242,403	172.52%
340B Revenue	51,561	28,521	23,040	80.78%

Table 1 (continued)

Clinics	Actual Mth	Budget Mth	Over/(Under)	% of Budget
Capitation Fees	185,224	180,832	4,392	2.43%
Records & Interest	580	146	434	296.77%
Cost Report Adjustments	(137,361)	(137,360)	(0)	-0.00%
Quality	133,357	21,042	112,315	533.77%
Other/Misc	25,000	-	25,000	100.00%
	1,348,855	868,160	480,696	55.37%
Salaries - Clinic	475,297	488,704	13,407	2.74%
Fringe - Clinic	126,593	127,159	565	0.44%
Phys Fees - Clinic	83,460	69,765	(13,695)	-19.63%
Purchases Services - Clinic	64,339	62,458	(1,881)	-3.01%
IT, Network & Phones - Clinic	25,609	24,459	(1,149)	-4.70%
Supplies - Clinic	103,794	31,519	(72,275)	-229.30%
Supplies - 340B	36,815	24,155	(12,660)	-52.41%
R&M - Clinic	14,723	6,404	(8,319)	-129.90%
Leases/Rentals - Clinic	100	142	42	29.41%
Utilities - Clinic	10,138	10,465	328	3.13%
Ins - Clinic	287	302	14	4.75%
Other - Clinic	22,596	7,654	(14,942)	-195.21%
Depreciation	20,592	18,792	(1,801)	-9.58%
	984,343	871,978	(112,365)	-12.89%
Operating Income/(Loss) before Allocation	364,512	(3,819)	368,331	9645.80%
Allocation of Overhead for Health Centers	(180,638)	(177,457)	(3,182)	-1.79%
Change in Net Position	183,874	(181,275)	365,149	201.43%

Table 2 Clinics Year to Date

Clinics	Actual YTD	Budget YTD	Over/(Under)	% of Budget
Patient services (net)	1,476,709	1,299,160	177,549	13.67%
Grant Revenue	553,098	281,012	272,087	96.82%
340B Revenue	81,880	58,400	23,480	40.21%
Capitation Fees	372,094	361,664	10,431	2.88%
Records & Interest	583	299	284	94.81%
Cost Report Adjustments	(274,721)	(274,721)	0	0.00%
Quality	160,745	42,083	118,661	281.97%
Other/Misc	25,000	-	25,000	100.00%
	2,395,389	1,767,897	627,492	35.49%
Salaries - Clinic	1,001,403	1,023,951	22,548	2.20%
Fringe - Clinic	232,236	229,857	(2,379)	-1.03%
Phys Fees - Clinic	166,915	142,852	(24,063)	-16.84%
Purchases Services - Clinic	137,523	124,166	(13,357)	-10.76%
IT, Network & Phones - Clinic	46,342	48,919	2,577	5.27%
Supplies - Clinic	164,149	64,540	(99,610)	-154.34%
Supplies - 340B	46,717	49,154	2,437	4.96%

Clinics	Actual YTD	Budget YTD	Over/(Under)	% of Budget
R&M - Clinic	26,341	12,911	(13,430)	-104.02%
Leases/Rentals - Clinic	200	283	83	29.43%
Utilities - Clinic	19,663	20,129	466	2.32%
Ins - Clinic	575	603	29	4.76%
Other - Clinic	27,487	15,539	(11,948)	-76.89%
Depreciation	41,339	37,583	(3,756)	-9.99%
	1,910,890	1,770,487	(140,403)	-7.93%
Operating Income/(Loss) before Allocation	484,498	(2,590)	487,089	18803.69%
Allocation of Overhead for Health Centers	(325,960)	(363,363)	37,403	10.29%
Change in Net Position	158,539	(365,954)	524,492	143.32%

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	FY 25-26
Jul	2,942	3,283	3,091	2,877	2,670	2,758	3,030	3,467
Aug	3,766	3,587	3,015	3,425	3,315	3,195	2,975	3,099
Sep	3,043	3,501	3,065	3,134	3,256	2,593	3,041	-
Oct	3,551	3,892	3,264	3,282	3,071	3,027	3,697	-
Nov	3,229	3,353	2,627	3,116	2,936	2,928	2,952	-
Dec	2,858	3,304	2,976	2,705	2,881	2,556	3,027	-
Jan	3,698	4,010	2,921	2,925	3,001	3,226	3,316	-
Feb	3,198	3,763	3,190	3,068	2,882	2,980	3,303	-
Mar	3,515	2,927	3,516	3,332	3,331	3,032	3,338	-
Apr	3,660	2,066	3,460	3,094	2,896	3,016	3,648	-
May	3,662	2,200	3,043	3,239	3,247	3,143	3,564	-
Jun	3,344	2,786	3,082	3,218	2,939	2,652	3,275	-
Total	40,466	38,672	37,250	37,415	36,425	35,106	39,166	6,566
Total YTD	6,708	6,870	6,106	6,302	5,985	5,953	6,005	6,566

This month, we reviewed the clinic's financials for August, and there are some noteworthy highlights. The clinic recorded an impressive income of \$183,000, pushing the year-to-date income to approximately \$158,000. This outcome was unexpected as we had anticipated losses due to some providers leaving, a process which began in August and will extend into September. Despite a decline in behavioral health and dental visits, we observed an increase in pediatric and chiropractic visits, while adult visits broke even. Consequently, patient revenue exceeded our budget projections for August. It's important to mention that the full departure of some providers next month may lead to a decrease in visits.

Additionally, we benefited from \$25,000 in funding through the MAP program. Contrary to expectations, quality payments are steady at Fiscal 2024-2025 levels, despite IEHP's memorandum indicating potential reductions. We foresee these drops occurring early next year, which currently results in a positive variance.

Physician fees are up, primarily within behavioral health, due to a higher service volume from our behavioral health contract provider. This increase compensates for a behavioral health provider's departure, which also led to salaries being under budget.

Further, purchase services year-to-date have not decreased significantly. This is due to a substantial payment to our record storage facility, set up in 2017. The annual cost has surged from about \$4,500 to roughly \$50,000—a significant increase over eight years.

Given that the district now owns property, there is a shift towards onsite storage to mitigate these costs. Many records are outdated and require shredding; a task being actively managed despite considerable close-out fees from the storage company.

The HIV grant concluded this month, with expenditures on supplies and community notifications recognized on August 31, which balanced the income and expenses with a net effect of zero. Moreover, window replacements at the Yucca Valley adult clinics, though individually minimal, collectively led to an over-budget repair and maintenance line item.

Motion 25-118: MSC (Ryan/Markle-Greenhouse) 10/0/0 motion carried to accept and file the August 2025 Financial Report.

CALENDAR REVIEW – Cindy Schmall, CEO

CEO Schmall reviewed the calendars for the upcoming events, talks, etc. with the board members.

CEO Schmall took this time to introduce two new possible board members, Esther Watson and Luciana Bassoli.

BOARD MEMBER COMMENTS –

Dianne Markle-Greenhouse thanked staff who attended the National Night Out at the Walmart parking lot and stated that the District was very well represented.

ADJOURNMENT – Meeting adjourned at 5:46 p.m.



Cody Briggs, Secretary of the Board