



Hi-Desert Memorial Health Care District dba
Morongo Basin Healthcare District
BOARD OF DIRECTORS REGULAR MEETING MINUTES

August 13, 2026 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
- Jacqueline Todd

Administrative Staff:

- Tricia Gehrlein, CAO
- Debbie Anderson, CFO *(by remote)*
- Karen Graley, Board Clerk *(by remote)*
- Tela Thornett, Operations Manager
- Caitlyn Marmon, HR Assistant

Guests

- Karen Faulis, CEO, Hi-Desert Medical Center *(by remote)*
- Michael Metts, Principle, Dudek
- Steve Stuart, hydro geologist
- Marc Greenhouse, CHC board member

CALL TO ORDER

Director Greenhouse 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.

ROLL CALL

Karen Graley, Board Clerk, conducted a roll call and declared a quorum.

OBSERVANCE

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

PUBLIC COMMENT

None presented.

APPROVAL OF THE MEETING AGENDA

- **Motion 26-50:** Director Evans motioned to approve the meeting agenda as presented; second by Director Stiemsma, motion passed by unanimous vote.

APPROVAL OF THE CONSENT AGENDA

- **Motion 26-51:** Director Stiemsma motioned to approve the minutes of July 2, 2026, regular monthly business meeting, second by Director Todd. Motion passed by unanimous vote.

PRESENTATION

WASTE WATER TREATMENT FACILITY – Mike Metts, Principle, Dudek

Mr. Metts stated that the design and construction of the wastewater treatment station on the medical center property was done by Dudek engineering. Dudek has maintained oversight since the beginning. The wastewater discharge requirements (WDR) were issued by the county of San



Bernardino. We are very proud that there have been no violations during the life of the plant. The WDR was recently rewritten. The solid discharge measurement was lowered (the plant is well below the new level), and they added additional monitoring requirements for the seeping pits. The plant discharge flows into seeping pits 30 feet below grade where it percolates its way into the groundwater. The new WDR requires additional monitoring wells to ensure that groundwater is not contaminated by the discharge. He stated the discharge is tested for nitrates, but the regional board wants data on the groundwater table some 400 feet below the plant.

Staff attended the regional board's review meeting and proposed using an existing district well already on site for additional monitoring, but it was deemed too far from the discharge plant to be effective. They require a small well placed both downstream and upstream of the flow to provide data on nitrate levels in the immediate area of the plant.

Director Evans asked if legal has been consulted regarding the healthcare district's legal responsibilities of the project versus the water district's responsibilities. CAO Gehrlein assured the Directors that CEO Schmall has been in discussion with legal counsel regarding the project and fiscal responsibilities.

Mr. Metts has submitted a proposal to the regional board that stated we would prepare a plan for the required monitoring. Once that plan is approved, implementation must begin within six months of approval. There was further discussion about using a downstream well, the effects of nitrates, and future updates.

The Directors thanked Mr. Metts and his associates for the information presented.

ACTION ITEMS

APPROVE POLICY LD-224 CONFLICT OF INTEREST

Motion 26-52 Motion by Director Evans, second by Director Todd, to approve policy LD-224 Conflict of Interest which was updated with title changes; motion passed by unanimous vote.

CAO Tricia Gehrlein introduced the action item, explaining that there were minor changes to the policy. She also asked the Directors to complete new attestation forms for District compliance.

APPROVE RESOLUTION DECLARING VOLUNTEER STATUS

Motion 26-53 Motion by Director Stiemsma, second by Director Todd, to approve Resolution #26-04 declaring that volunteers shall be deemed employees of the District for the purpose of providing Workers' Compensation coverage while providing their services. Motion passed by roll call vote, 5:0.

CAO Gehrlein introduced Resolution 26-04 and explained that it declares that volunteers are deemed employees for the District and provides workers compensation insurance coverage. This is important for events such as community talks or health fairs when, for example, if we were to ask Dr. Paul to be a volunteer for us. We would want to ensure that his safety is taken into consideration as any other employee. The board must pass a resolution for legal and insurance purposes to provide coverage under our workman's comp plan.

ACCEPT RESIGNATION OF DIRECTOR STIEMSMA – Cindy Schmall, CEO

Motion 26-54 Motion by Director Cooper, second by Director Todd, to accept the resignation of Heidi Stiemsma from the Board of Directors, effective August 31, 2026. Motion passed by unanimous vote.



CAO Gehrlein introduced the action item. The Directors expressed their appreciation for Director Stiemsma's service to the District and to the community.

Director Stiemsma responded, "Yes, this is obviously a sad thing for me, too. I'm starting to tear up, so ignore me. But yeah, this has been a very important part of my life for the last two years. I'm grateful to have served. I'm grateful to everybody that is here. I would not have resigned if it hadn't been for life circumstances bringing me to a new space, new chapter. So, thank you all."

Director Greenhouse reminded her, "You are always welcome to attend a meeting, even virtually. We'd be happy to see you. We wish you well and all the best in your new endeavors. Thank you."

STAFF REPORTS

IEHP QUALITY REIMBURSEMENT PROGRAM – *Tricia Gehrlein, CAO*

Ms. Gehrlein provided an overview of the IEHP quality program and the changes that affect reimbursement to the health center. Pay for Performance, called P4P, is an income line on the CHC budget because we receive dollars from the Inland Empire Health Plan based on our performance. In this presentation, we will explain what performance means, why we receive money, where the money comes from, and why we never really know how much reimbursement we will receive.

In the state of California, Medi-Cal Managed Care dollars are allotted for financial rewards to providers, such as Inland Empire Health Plan (IEHP), for improving healthcare quality. The state incentivizes them to do well. They in turn incentivize those of us who accept their patients to meet specific measurements, because if we do well, then they do well, and the dollars will follow. IEHP sets the measurement rules for performance and reimburses for achieving those defined goals.

The P4P program tracks specific measures with benchmarks and goals identified. There is a minimum threshold to meet. Once the minimum has been met there is a tier system with assigned scores to determine the amount of the earned reward. Ms. Gehrlein presented a grid from the IEHP website that showed the tier levels and the related reimbursement for achieving those thresholds.

She explained that the P4P program has significantly more measures than the more familiar UDS HRSA program. Bonus dollars are available based on measure outcomes. UDS does not give financial rewards as performance is an expectation for a federally qualified health center. P4P calculates scores on the full 9,000 patients assigned to CHC, whether or not they are seen or treated in our health centers. The reimbursement score is based on the health outcomes of those 9,000 patients. As an example, the IEHP patient named Jackie has been assigned to CHC, but we've never seen her, not once. She's not complied with getting her annual health exam. Yet, we are held accountable for that measurement. In UDS program, if we do not see her as a patient, we do not include her in the scoring. Additionally, IEHP bases its score on claims billed. Did Jackie pick up her prescribed medication? If IEHP didn't receive a pharmacy claim documenting she picked up her prescribed medication, we do not receive score credit in the P4P program.

IEHP has a very detailed formula to calculate scores based on patient health outcomes. The scoring criteria has evolved over the last three years.

Last year, 2025, we talked a lot about the impact of federal bill HR1 which is the federal government's new rules for Medicaid. Last year we were told by IEHP to expect less P4P dollars based on HR1 projected outcomes. There are now fewer people enrolled in California's Medi-Cal program. Less people means less money. IEHP also removed from the program measures that were easier for us to attain. That has made our score more difficult to achieve. And then suddenly,



without notice or explanation, in August of last year, IEHP separated our clinics into two reporting units rather than one reporting unit with an accumulated score. This change has made achieving the qualifying scores more difficult to attain.

When dollars are earned, it's paid out over the course of a year, divided into twelve monthly payments. Because IEHP calculates payment from confirming claims, payment is delayed, allowing time for the outstanding claims to be processed. In 2023, the combined clinic reimbursement was \$602,000 but was not paid until fiscal year 2024-25 because of the typical six-month lag. In 2024, the clinics combined received about \$648,000, which was very nice, but it was less than we were expecting. For 2025, we just found out we will receive \$648,000; no increase, but no decrease.

Our patient census has not been greatly impacted yet by the changes brought by HR1. The first group to lose benefits were because of immigration status. Our community does not have a large population in that category.

I want to state for the record, we do the right thing for our patients because it is the right thing to do. We focus on quality care to get the highest score because it's the right thing for the patient. And if you do the right thing, the dollars will follow, but we do not do it to chase the dollars. Our number one goal is always, always, always patient care. It's just nice when we get money for it.

Our clinical team has focused their attention on these P4P measures because they're the same as UDS measures. We want to improve our UDS measure scores. That is our over-arching goal, as then our efforts will improve these numbers naturally.

It is unknown how P4P in 2026 and 2027 will deliver. There are more changes coming with HR1. For example, in the new year, Medi-Cal subscribers will have a work or volunteer requirement to continue the program. We expect many to lose their benefits, further reducing program funding. This is a very unpredictable model. We don't rely on it. We don't depend on it. We're grateful when we get it. But again, we're just focused on quality for quality's sake.

FINANCIAL REPORT - *Debbie Anderson, CFO*

Motion 26-55: Director Stiemsma motioned to accept the financial report as presented, second by Director Todd; motion passed by unanimous vote.

CFO Anderson presented the June financial report. Consolidated financials for the month of June 2026 show income of \$3,885,805 and year to date income of \$7,501,118. Non-clinic financials for June show income of \$3,926,557 and a year-to-date income of \$6,959,957. The health center financials for the month of June show a loss of \$(40,752) and year to date income of \$541,160.

CFO Anderson noted that these are tentative financials for June. As we compare what we did versus the budget, we have a large variance between the two. It's about three million for non-clinic activity because we received an additional \$2.2 million from the hospital lease and an additional \$800,000 from investment and tax income. Neither of these could be budgeted as we had no way to project that income. As an example, we could not project how the market would perform for the investment income, or the amount of QAF monies paid to the medical center.

In reviewing the tentative year-end close for the clinics, we did better at projecting the budget. The variance was about \$2.8 million in more revenue. Specifically, it is due to \$1.3 million more in patient services income because of higher patient visits. We budgeted about 36,440 patient visits for the fiscal year. We concluded the fiscal year with 38,306 patient visits. We also received more



grant money. Usually, the amount of grant dollars received is the same amount paid out, but we had a rather odd grant in that we were able to buy capital and capital assets do not land on the statement of net position. Additionally, we had \$10 million more in 340B revenue, and \$6 million more in quality money.

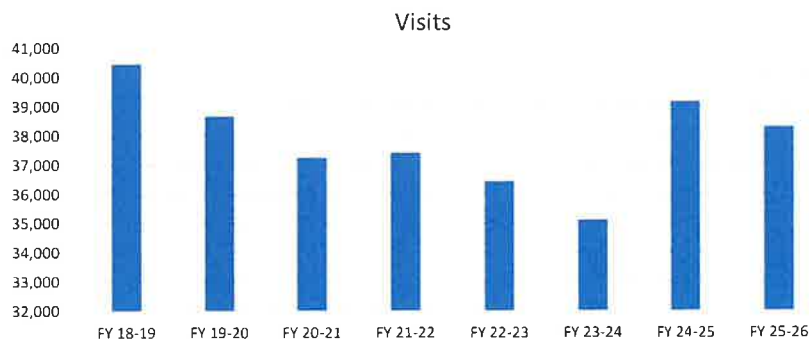
June's books are held open for an additional two to three months to capture everything for the fiscal year. We will revisit June when that data is finalized.

I added a secondary chart to the patient visits graph. I think it helps pinpoint how we've been doing with the visits over the last eight years. It shows that we were trending downward as we endured those COVID years and struggled to recover thereafter. And then in 2024-25, patient visits increased. We did not do quite as well in fiscal year 2025-26, but we beat our budgeted numbers. When you consider the turnover of provider staff, we've done well. Definite kudos to the staff who have worked so diligently to make sure those visits stayed consistent, and in fact, exceeded budget, despite the disruptions we had with the provider turnover.

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	3,346
Oct	3,551	3,892	3,264	3,282	3,071	3,027	3,697	3,296
Nov	3,229	3,353	2,627	3,116	2,936	2,928	2,952	2,585
Dec	2,858	3,304	2,976	2,785	2,881	2,556	3,027	3,000
Jan	3,698	4,010	2,921	2,925	3,001	3,226	3,316	3,210
Feb	3,198	3,763	3,190	3,068	2,882	2,980	3,303	2,903
Mar	3,515	2,927	3,516	3,332	3,331	3,032	3,338	3,415
Apr	3,660	2,066	3,460	3,094	2,896	3,016	3,648	3,430
May	3,662	2,200	3,043	3,239	3,247	3,143	3,564	3,241
Jun	3,344	2,786	3,082	3,218	2,939	2,652	3,275	3,304
Total	40,466	38,672	37,250	37,415	36,425	35,106	39,166	38,306
Total YTD	40,466	38,672	37,250	37,415	36,425	35,106	39,166	38,306

Chart B Visits FY Comparison



CEO STAFF REPORT

CAO Gehrlein referred the Directors to the written report in the agenda packet.

- The annual ACHD Conference is in Monterrey this year, October 7-9. Those who wish to attend should let CEO Schmall know as soon as possible for registration. Please see your folder for the flyer regarding the conference. She will be attending part of the conference. Staff have



closely reviewed the criteria for the Trustee, CEO and District of the Year, however due to the requirement that to be eligible the person or organization must have been publicized in news articles or other media; we did not meet the requirements.

- The Hi-Desert Medical Center (HDMC) Behavioral Health program is suffering due to the retirement of their therapy services LCSW. Karen Faulis, CEO of HDMC has reached out to the District to identify whether we can partner with them to assist with LCSW services.
- Staff have looked closely at three different grant opportunities and have determined that we are unable to qualify. However, we have several collaborative grants in the works with IEHP and Reach Out.
- Over the past few months, the District management team participated in our first business continuity assessment (aka BIA). This was conducted by Wipfli and we have received the preliminary report. We have also experienced a security test to ensure that our systems are not vulnerable. This is part of an overall effort to ensure that all of our systems are secure.
- Last week, unrelated to the above, our entire system went down for about four hours. Staff and providers used downtime procedures to continue operations. The outage was part of a Microsoft system update for most of the west coast.
- To date there has been no additional progress at Split Rock. We continue to be on hold for the approval of the installation of the fire alarm system and the removal of the limb from the Joshua Tree at the front of the property.
- I am pleased to report that we had some significant success this year with planning special immunization days for back-to-school kids. Alyssa Burton, PA and Tina Huff, FNP both offered up several days on their schedules to help facilitate the need for well child visits and immunizations. San Bernardino County has also stepped up and has provided on site immunizations to Medi-Cal eligible clients.
- The IEHP mobile mammogram program is headed our way again in September and we will be partnering with them to get patients access to screening mammogram services. Last year we only saw about 13 women but this year we have more notice and will be able to plan for more patients.
- We have hired a physician! Dr. Malekian will be starting in October and will supplement staff at 29 Palms and Yucca Valley. She will see both adult and pediatric patients.
- IEHP P4P Quality reimbursement for last year came in at approximately \$648,000. This reimbursement is based on the clinic's compliance with IEHP mandated program for items that are part of our quality measures but also includes a component of how quickly we see patients and our follow-up on referrals etc. Congratulations to Tricia Gehrlein and the clinical team for all their hard work!
- HRSA has selected our team to participate in a special learning session regarding a new UDS measure on Substance Use Disorder. Tricia Gehrlein, Tina Huff, Angie Villaluz and Chantel Stanberry-Noel will be participating.

CAO Gehrlein reviewed the 2024-27 strategic plan update.

CALENDAR REVIEW AND COORDINATION



The August and September calendars were reviewed. CAO Gehrlein thanked board members who were able to attend the employee event on August 7.

DIRECTOR COMMENTS

DIRECTOR TODD: "The discharge plant update was an interesting presentation and a lot to consider."

DIRECTOR COOPER: "Thank you for the reports and the information tonight. It was a lot."

DIRECTOR EVANS: "I wanted to thank Michael and Steve because I thought their input on the discharge plant was really important tonight. And then I wanted to say farewell and all the best to Heidi. And thank you to staff for all you do every day. I know it's complicated and you do so much."

DIRECTOR STIEMSMA: "I had a couple of things. First, the employee luncheon actually was lovely. I loved the skits staff presented. It was really fun seeing people in their departments and how they presented themselves and what they do. It was just really neat. So, if you weren't there, the different departments did a skit for what their department does as part of the patient experience. They had posters and some departments used costumes. Yeah. It was really, really neat. I also wanted to commend whoever was responsible for a successful system downtime during the Microsoft update because that is remarkable. Having been in situations at hospitals when a computer system goes down and clinicians have to switch quickly to downtime charting, the fact that the event was seamless to patient care is pretty impressive. So, congrats on that. And of course, thank you for everything and I will miss you guys a lot."

DIRECTOR GREENHOUSE: "Again, thank you staff. And, Heidi, we all wish you the very best in your endeavors. We will miss you very much."

MEETING ADJOURNED TO CLOSE SESSION

The open session was adjourned at 7:45 p.m.


Jackie Todd, Secretary of the Board

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

**MORONGO BASIN HEALTHCARE DISTRICT
BOARD OF DIRECTORS
ADDENDUM TO MEETING MINUTES dated August 13, 2026**

Comment offered by Director Evans:

Please add the following to meeting minutes for August 13, 2026.

1. I clarified who the revised regs were coming from for the wastewater treatment. I asked if they could issue fines and they said yes.
2. I also asked what we as the health care district are responsible for in consideration of protecting the financials for our constituents.
3. Tricia was also to follow up with Cindy regarding the suggestions made by the guest speakers to follow up with a local water agency to see if we can utilize any existing wells as they mentioned there is one nearby.
4. I also asked Karen Faulis, CEO Hi-Desert Medical Center for any questions and she said she would follow up with their legal team to see what responsibility they bear.
5. I was also told Tricia would follow up with Cindy and our legal prn and further information would be brought back to the board at a future agenda. Thank you.