



**DESERT HEALTHCARE DISTRICT
BOARD MEETING
Board of Directors
September 26, 2017
2:00 P.M.**

Jerry Stergios Building, 2nd floor
Arthur H. "Red" Motley Boardroom
1140 N. Indian Canyon Drive, Palm Springs, California 92262
This meeting is handicapped-accessible

Teleconference Location:

Monterey Marriott Lobby – 350 Calle Principal, Monterey, CA 93940 – Vice-President Hazen

Page(s)	AGENDA	Item Type
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Any item on the agenda may result in Board Action

- | | | |
|------------------------|--|--------|
| | <p>A. CALL TO ORDER – President Rogers
 Roll Call
 _____ Director Zendle _____ Director Wortham _____ Director
 Matthews
 _____ Vice-President Hazen _____ President Rogers</p> | |
| | <p>B. PLEDGE OF ALLEGIANCE</p> | |
| 1-4 | <p>C. APPROVAL OF AGENDA</p> | Action |
| | <p>D. PUBLIC COMMENT
 At this time, comments from the audience may be made on items <u>not</u> listed on the agenda that are of public interest and within the subject-matter jurisdiction of the District. The Board has a policy of limiting speakers to no more than three minutes. The Board cannot take action on items not listed on the agenda. Public input may be offered on agenda items when they come up for discussion and/or action.</p> | |
| | <p>E. CONSENT AGENDA
 All Consent Agenda item(s) listed below are considered to be routine by the Board of Directors and will be enacted by one motion. There will be no separate discussion of items unless a Board member so requests, in which event the item(s) will be considered following approval of the Consent Agenda.</p> | |
| 5-15
16-20
21-23 | <p>1. BOARD MINUTES
 a. Board Meeting of July 25, 2017
 b. Special Board Meeting of August 9, 2017
 c. Special Board Meeting of August 17, 2017</p> | |
| | <p>2. FINANCE and ADMINISTRATION</p> | |



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- | | | |
|----------------|--|-------------|
| 24-46 | a. Consideration for Approval of District July-August 2017 Financial Statements | |
| 47-52 | b. Cure Cardiovascular Consultants Sublease Agreement with Dr. Bernstein.
F&A Committee approved September 12, 2017 | |
| | F. DESERT HEALTHCARE DISTRICT CEO REPORT – | Information |
| | Herb K. Schultz, CEO | |
| 53-62 | 1. Little Hoover Commission Report on Healthcare and Special Districts.
2. Association of Healthcare Districts, California Special Districts Association, and District Hospital Leadership Forum Efforts to Update Governing Statues. | |
| 63-98 | 3. Repeal/Replace Affordable Care Act (ACA). | |
| | G. DESERT REGIONAL MEDICAL CENTER CEO REPORT – | Information |
| | Michele Finney, CEO
Seismic Update | |
| | H. DESERT REGIONAL MEDICAL CENTER GOVERNING BOARD OF DIRECTORS' REPORT – | Information |
| | President Rogers, RN and Director Les Zendle, MD | |
| | I. INFORMATIONAL ITEMS | Information |
| | J. COMMITTEE REPORTS | |
| | 1. PROGRAM COMMITTEE - | |
| | Chair/Vice-President Hazen
No September Meeting | |
| | 2. FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE – | |
| | Chair/Director Matthews | |
| 99-101 | a. Draft Minutes of the September 12, 2017 | Information |
| 102-103 | b. CFO Report & Las Palmas Leasing Update | Information |
| 104-135 | c. Investment Reports – Highmark Capital Management. | Information |



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- | | | |
|----------------|--|---------------|
| 136-137 | <p>3. HOSPITAL GOVERNANCE AND OVERSIGHT COMMITTEE - Chair/Director Les Zendle, MD and President Carole Rogers, RN</p> <ul style="list-style-type: none"> a. Draft Minutes of the July 24, 2017 b. No September meeting – Next scheduled meeting is October 23, 2017 | Information |
| | <p>4. AD HOC COMMITTEE – NEW PROVIDERS, FACILITIES, PROGRAMS & SERVICES - Chair/Vice-President Kay Hazen and Director Mark Matthews</p> | Information |
| | <p>K. OLD BUSINESS</p> <ul style="list-style-type: none"> 1. West Valley Homelessness Initiative Update | Information |
| | <p>L. NEW BUSINESS</p> <ul style="list-style-type: none"> a. Pending Grant Requests | |
| 138-163 | <ul style="list-style-type: none"> 1. Grant #887 Coachella Valley Economic Development (formerly One Future Coachella Valley) – <i>Mental Health Career Pathways</i> – Consideration to approve a 12-month no cost grant extension through September 30, 2018. | Action |
| 164-173 | <ul style="list-style-type: none"> 2. Grant #947 Coachella Valley Volunteers in Medicine – <i>Primary Healthcare & Support Services to District Residents</i> – Consideration to approve the amount of \$121,500. | Action |
| 174-184 | <ul style="list-style-type: none"> 3. Grant #948 Pegasus Hippo Therapy – <i>Equine Therapy for District Residents – All Ages, All Disabilities</i>: \$93,829. | Action |
| | <p>M. LEGAL COMMENTS & REPORT</p> | Information |
| | <p>N. DIRECTORS' COMMENTS & REPORTS</p> | Information |
| | <p>O. ADJOURNMENT TO EXECUTIVE SESSION</p> | Information |
| | <p>P. CONVENE TO CLOSED SESSION OF THE DESERT HEALTHCARE DISTRICT BOARD OF DIRECTORS</p> | |



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1. PUBLIC EMPLOYEE PERFORMANCE
EVALUATION pursuant to Government Code 54957
– Title: Chief Executive Officer

- Q. RECONVENE TO OPEN SESSION OF THE DESERT
HEALTHCARE DISTRICT BOARD OF DIRECTORS**

- R. REPORT AFTER CLOSED SESSION**

- S. ADJOURNMENT**

NOES: 0
ABSTAIN:
ABSENT: 1 Vice-President Hazen
Motion Passed 4-0

PUBLIC COMMENTS

None

CONSENT AGENDA

Submitted for approval:

1. BOARD MINUTES

- a. Meeting of June 27, 2017
- b. Special Meeting of June 27, 2017

- Director Zendle requested a revision to the last bullet point in Old Business - Director Zendle stated that more public education is necessary for the public to combat the misinformation on homelessness.

#17-60 MOTION WAS MADE by Director Zendle and seconded by Director Matthews to approve the Consent Agenda with a revision to the June 27, 2017 Board Meeting Minutes – Old Business final bullet.

Motion passed unanimously.

Roll Call Vote:

AYES 4 Director Zendle; Director Wortham; Director Matthews; President Rogers

NOES: 0

ABSTAIN:

ABSENT: 1 Vice-President Hazen

Motion Passed 4-0

2. FINANCE AND ADMINISTRATION

- a. Consideration for Approval of District June 2017 Financial Statements
F&A Committee approved July 11, 2017

#17-61 MOTION WAS MADE by Director Zendle and seconded by President Rogers to approve the June 2017 Financial Statements.

Motion passed unanimously.

Roll Call Vote:

AYES 4 Director Zendle; Director Wortham; Director Matthews; President Rogers

NOES: 0

ABSTAIN:

ABSENT: 1 Vice-President Hazen

Motion Passed 4-0

- b. Fire Sprinkler Estimate for Las Palmas Medical Plaza

**#17-62 MOTION WAS MADE by Director Matthews and seconded by Director Wortham to approve the Fire Sprinkler Estimate for Las Palmas Medical Plaza.
Motion passed unanimously.**

Roll Call Vote:

**AYES 4 Director Zendle; Director Wortham; Director Matthews;
President Rogers**

NOES: 0

ABSTAIN:

ABSENT: 1 Vice-President Hazen

Motion Passed 4-0

- c. New Lease Proposal LPMP – Suite 1E 201-203 Palmtree Clinical Research

**#17-63 MOTION WAS MADE by Director Matthews and seconded by Director Zendle to approve the New Lease Proposal LPMP – Suite 1E 201-203 Palmtree Clinical Research.
Motion passed unanimously.**

Roll Call Vote:

**AYES 4 Director Zendle; Director Wortham; Director Matthews;
President Rogers**

NOES: 0

ABSTAIN:

ABSENT: 1 Vice-President Hazen

Motion Passed 4-0

- d. Lease Extension LPMP – Suite 3E 104-105 LabCorp

**#17-64 MOTION WAS MADE by Director Matthews and seconded by Director Zendle to approve the Lease Extension LPMP – Suite 3E 104-105 LabCorp.
Motion passed unanimously.**

Roll Call Vote:

**AYES 4 Director Zendle; Director Wortham; Director Matthews;
President Rogers**

NOES: 0

ABSTAIN:

ABSENT: 1 Vice-President Hazen

Motion Passed 4-0

- e. Lease Extension LPMP Suite 3W 103-104 Dr. Gundry

**#17-65 MOTION WAS MADE by Director Matthews and seconded by Director Zendle to approve the Lease Extension LPMP – Suite 3W 103.
Motion passed unanimously.**

Roll Call Vote:

AYES **4 Director Zendle; Director Wortham; Director Matthews;
President Rogers**

NOES: **0**

ABSTAIN:

ABSENT: **1 Vice-President Hazen**

Motion Passed 4-0

- f. Lease Transfer LPMP – Suite 2W 102 Dr. Fazouni

**#17-66 MOTION WAS MADE by Director Matthews and seconded by Director Zendle to approve Lease Extension LPMP – Suite 2W 102 Dr. Fazouni.
Motion passed unanimously.**

Roll Call Vote:

AYES **4 Director Zendle; Director Wortham; Director Matthews;
President Rogers**

NOES: **0**

ABSTAIN:

ABSENT: **1 Vice-President Hazen**

Motion Passed 4-0

3. DESERT HEALTHCARE FOUNDATION

- a. Consideration to approve Grant #937 Desert Healthcare Foundation – West Valley Homelessness Initiative - \$2,000,000 (moved to the Foundation)

- Herb K. Schultz, CEO, outlined the Desert Healthcare Foundation West Valley Homelessness Initiative - \$2,000,000 collective fund. Mr. Schultz explained that the cities of Palm Springs, Rancho Mirage, Palm Desert, and Coachella have made commitments to contribute to the collective fund. The Aqua Caliente Band of Indians, Cathedral City, and Desert Hot Springs are considering matching funds.

**#17-67 MOTION WAS MADE by Director Wortham and seconded by Director Zendle to approve Grant #937 Desert Healthcare Foundation – West Valley Homelessness Initiative – \$2,000,000 collective fund.
Motion passed unanimously.**

Roll Call Vote:

AYES **4 Director Zendle; Director Wortham; Director Matthews;
President Rogers**

NOES: **0**

ABSTAIN:

ABSENT: **1 Vice-President Hazen**

Motion Passed 4-0

DESERT HEALTHCARE DISTRICT CEO REPORT

- Herb K. Schultz, CEO commenced his report by honoring the services provided to the District by the deceased Jim Hicks. Jr., lifelong champion of charitable organizations including the Desert Healthcare Foundation; Barbara Sinatra; Founder, Barbara Sinatra Children’s Center and generous donor of the Desert Hospital; and John Furbee, longtime Desert Hot Springs resident, business owner, and philanthropist.
- Director Matthews provided remarks on the tremendous work of Jim Hicks, Jr., Barbara Sinatra, and John Furbee explaining their contributions to the communities of Coachella Valley and the Desert Hospital.
- Mr. Schultz further detailed his CEO report that included the West Valley Homelessness Initiative, Consultant Mary Odell’s collaboration with Pacific Health Consultant Group on the implementation phase of the Strategic Plan, the Dream Homes Initiative grant for consideration, Well in the Desert grant consideration for new vans, two RFP’s for Behavioral Health and Homelessness Consultants, and the District Expansion.

DESERT REGIONAL MEDICAL CENTER CEO REPORT

- Michele Finney, CEO, Desert Regional Medical Center provided an update on the Southern California Edison upgrades, OSHPD approval and permits to commence work on the Sinatra elevators, isolation rooms approval by OSHPD, and other Medical Center repairs.
- Director Zendle announced Ms. Finney’s upcoming open house for employees that did not have the opportunity to meet Ms. Finney at the prior open house.

DESERT REGIONAL MEDICAL CENTER GOVERNING BOARD OF DIRECTORS REPORT

- President Rogers provided a report of the Governing Board of Directors explaining that Ms. Finney’s report included many items discussed at the meeting.
- Director Zendle expressed his appreciation with the improvement in patient satisfaction.

INFORMATIONAL ITEMS

- Herb K. Schultz, CEO summarized the American Healthcare Act Senate debate including the repeal vote, and the repeal and replacement bill.

COMMITTEE REPORTS

- Program Committee – Chairman Vice-President Hazen
 - a. Draft Minutes of July 11, 2017
 - b. Grants Payment Schedule and Pipeline FYE June 30, 2017
 - c. Progress Reports
 1. Grant #889 HARC – 3rd Report
 2. Grant #910 FIND Food Bank – 3rd Report
 3. Grant #907 Volunteers in Medicine – 2nd Report
 4. Grant #908 Angel View – 2nd Report
 5. Grant #870 Mizell Senior Center – 4th Report
 - d. Final Reports
 1. Grant #907 Volunteers in Medicine
 2. Grant #870 Mizell Senior Center
- Donna Craig, Senior Program Officer explained the details of the Progress Reports and Final Reports.
- e. Pending Requests for Consideration
 1. Grant #926 Ranch Recovery Centers: Purchase & Installation of Emergency Generator – Consideration to approve a six month no-cost grant extension through September 30, 2017.

#17-68 MOTION WAS MADE by Director Matthews and seconded by Director Zendle to approve Grant #926 Ranch Recovery Centers: Purchase & Installation of an Emergency Generator – Consideration to approve a six month no-cost grant extension through September 30, 2017.

Motion passed unanimously.

Roll Call Vote:

AYES 4 Director Zendle; Director Wortham; Director Matthews; President Rogers

NOES: 0

ABSTAIN:

ABSENT: 1 Vice-President Hazen

Motion Passed 4-0

Grant #938 Mizell Senior Center: A Matter of Balance Phase 2 - \$400,300 for 24 months

- Donna Craig, Senior Program Officer described Mizell Senior Center: A Matter of Balance Phase 2.
- Director Matthews acknowledged the growth of Mizell Senior Center under the direction of Executive Director, Ginny Foat. Ms. Foat explained that the Center would not be able to continue the programs without the assistance of the District.

#17-69 MOTION WAS MADE by Director Matthews and seconded by Director Zendle to approve Grant #938 Mizell Senior Center: A Matter of Balance Phase 2 - \$400,300 for 24 months.

Motion passed unanimously.

Roll Call Vote:

**AYES 4 Director Zendle; Director Wortham; Director Matthews;
President Rogers**

NOES: 0

ABSTAIN:

ABSENT: 1 Vice-President Hazen

Motion Passed 4-0

Grant #934 Well in the Desert: New Vans for Client Pickup & Deliveries - \$84,570

- Donna Craig, Senior Program Officer explained the Well in the Desert's request for new vans.
- Arlene, Rosenthal, Executive Director, Well in the Desert described the program and services and the operational aspects, including the challenges associated with the heroin epidemic of some experiencing homelessness.
- Director Zendle inquired on the County's role with substance use disorders and treatment, especially for potential patients that qualify for Medi-Cal.
- Director Wortham explained that last year there were some discussions with the County concerning addressing the behavioral health and substance use disorders in the Coachella Valley. Director Wortham requested that Staff contact the County to determine their goals and obtain an update.

#17-70 MOTION WAS MADE by Director Matthews and seconded by President Rogers to approve Grant #934 Well in the Desert: New Vans for Client Pickup & Deliveries - \$84,570.

Motion passed unanimously.

Roll Call Vote:

**AYES 4 Director Zendle; Director Wortham; Director Matthews;
President Rogers**

NOES: 0

ABSTAIN:

ABSENT: 1 Vice-President Hazen

Motion Passed 4-0

Grant #936 Hidden Harvest: Senior Markets & Healthy Fairs - \$95,000

- Donna Craig, Senior Program Officer explained the Hidden Harvest – Senior Markets & Health Fairs grant proposal.
- Director Zendle requested the history and background of the various agencies grant requests for future reference at Board Meetings.

#17-71 MOTION WAS MADE by Director Zendle and seconded by Director Matthews to approve Grant #936 Hidden Harvest: Senior Markets & Healthy Fairs - \$95,000. Motion passed unanimously.

Roll Call Vote:

AYES **4 Director Zendle; Director Wortham; Director Matthews; President Rogers**

NOES: **0**

ABSTAIN:

ABSENT: **1 Vice-President Hazen**

Motion Passed 4-0

Grant #939 Loma Linda University: Dream Homes Initiative - \$178,016 for 16 months

- Director Wortham recused herself from the discussion and exited the room.
- Donna Craig, Senior Programs Officer explained the Dream Homes Initiative grant request.
- Dr. Juan Carlos Belliard, Assistant Vice-President for Community Engagement and Diversity and Director of the Institute of Community Partnerships at Loma Linda University expressed his thanks to the District and explained the work with city officials in Cathedral City to make the project a success.

#17-72 MOTION WAS MADE by Director Zendle and seconded by Director Matthews to approve Grant #939 Loma Linda University: Dream Homes Initiative - \$178,016 for 16 months. Motion passed unanimously.

Roll Call Vote:

AYES **3 Director Zendle; Director Matthews; President Rogers**

NOES: **0**

ABSTAIN:

ABSENT: **1 Vice-President Hazen**

RECUSAL: **1 Director Wortham**

Motion Passed 3-0

6. Recommendation to Board of Directors to consider approval of Mary Odell's Scope of Work for Three Year Strategic Plan Implementation.

- Herb K. Schultz, CEO provided an overview of Mary Odell's Scope of Work for the Three Year Strategic Plan Implementation.
- Director Matthews recommended moving the action to the Desert Healthcare Foundation Board of Directors Meeting for approval.

#17-73 MOTION WAS MADE by Director Matthews and seconded by Director Zendle to move the action to the Desert Healthcare Foundation Board of Directors Meeting for approval.

Motion passed unanimously.

Roll Call Vote:

AYES **4 Director Zendle; Director Wortham; Director Matthews;
President Rogers**

NOES: **0**

ABSTAIN:

ABSENT: **1 Vice-President Hazen**

Motion Passed 4-0

7. RFP for a Behavioral Health Consultant – Draft Review

- Herb K. Schultz, CEO explained the RFP for a Behavioral Health Consultant.
- Director Zendle inquired if the position would assist with an inpatient psychiatric facility at Desert Regional Medical Center.
- Mr. Schultz explained that the position coincides with the strategic priorities and issues concerning the programmatic elements, and the facility matters may be addressed by the consultant once the scope of work is finalized.
- Director Wortham recommends a subcommittee for behavioral health engagement, and time set aside for the subcommittee to confer with the consultant.
- Director Zendle approves the behavioral health and homelessness consultant RFP's suggesting that the CEO and Staff determine the best way for the Board to engage with both consultants for inpatient psychiatric services.

#17-74 MOTION WAS MADE by Director Zendle and seconded by Director Wortham to approve an RFP for a Behavioral Health Consultant.

Motion passed unanimously.

Roll Call Vote:

AYES **4 Director Zendle; Director Wortham; Director Matthews;
President Rogers**

NOES: **0**

ABSTAIN:

ABSENT: **1 Vice-President Hazen**

Motion Passed 4-0

8. RFP for Homelessness Consultant – Draft Review

#17-75 MOTION WAS MADE by Director Zendle and seconded by Director Wortham to approve an RFP for Homelessness Consultant.

Motion passed unanimously.

Roll Call Vote:

AYES **4 Director Zendle; Director Wortham; Director Matthews;
President Rogers**

NOES: 0
ABSTAIN:
ABSENT: 1 Vice-President Hazen
Motion Passed 4-0

2. FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE - Director Matthews
 - a. Draft Minutes of July 11, 2017
 - b. COO Report & Las Palmas Leasing Update
 - c. Resolution #1701 Statement of Investment Policy for FY 17-18

- Director Matthews explained the Minutes of the July 11, 2017 meeting.
- Chris Christensen, CFO explained Resolution #17-01 Statement of Investment Policy for FY17-18.

#17-76 MOTION WAS MADE by Director Zendle and seconded by President Rogers to approve Resolution #17-01 Statement of Investment Policy for FY 17-18. Motion passed unanimously.

Roll Call Vote:
AYES 4 Director Zendle; Director Wortham; Director Matthews; President Rogers
NOES: 0
ABSTAIN:
ABSENT: 1 Vice-President Hazen
Motion Passed 4-0

- c. Disability Claim Potential Settlement
 - Chris Christensen, CFO explained the disability claim for a potential settlement.
 - President Rogers and Director Zendle recommends tabling the vote and obtaining more information on the matter.
 - Director Matthews recommends tabling the settlement and forwarding to the CEO for further consideration.

#17-77 MOTION WAS MADE by Director Matthews and seconded by Director Zendle to table and forward to the CEO for his consideration. Motion passed unanimously.

HOSPITAL GOVERNANCE AND OVERSIGHT COMMITTEE

- Director Zendle explained the most recent Committee meeting and provided an overview.

3. AD HOC COMMITTEE ON DISTRICT EXPANSION

- Herb K. Schultz, CEO explained that work is continuing with Supervisor Perez's office and his staff for a potential reallocation of funding sources. Mr. Schultz stated that

Staff recommends waiting until early September for a possible outcome from the Board of Supervisors vote before moving forward with any decisions.

OLD BUSINESS

None

NEW BUSINESS

None

LEGAL COUNSEL COMMENTS & REPORTS

- Jeff Scott, Legal Counsel, reported on AB-1479 (Bonta) concerning the Public Records Act (PRA) explaining that the bill would require all public agencies to designate an individual who will be responsible for responding to PRA requests. The bill also imposes civil penalties up to \$5,000 if a court finds that an agency knowingly and willfully without substantial justification failed to respond to the request. Attorney Scott indicated that he would keep the Board posted on the progress of the bill.

DIRECTORS' COMMENTS & REPORTS

- President Rogers requested that any Board Members with additional items for the monthly agendas contact her directly.
- Director Zendle inquired if the Board has an opportunity during the Directors Comments & Reports to request agenda items.
- In future meetings, the Board will provide any forthcoming agenda items in the Directors Comments & Reports.

ADJOURNMENT TO EXECUTIVE SESSION at 4:01 p.m. in honor of Jim Hicks, Jr. Barbara Sinatra, and John Furbee.

CONVENE TO CLOSED SESSION OF THE DESERT HEALTHCARE DISTRICT BOARD OF DIRECTORS

REPORT AFTER CLOSED SESSION

Jeff Scott, Legal Counsel, reported that the Board in closed session discussed the initiation of future programs, services, and facilities and took no action.

ADJOURNMENT

The meeting adjourned at 5:20 p.m.

ATTEST: _____

Carole Rogers, President
Desert Healthcare District Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Clerk to the Board

**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
AUGUST 09, 2017**

A Meeting of the Board of Directors of the Desert Healthcare District was held in the Jerry Stergios Building - 1st Floor, Palm Springs, CA.

Attendance

Members

Carole Rogers, RN – President - *Telephonic*
Kay Hazen – Vice-President/Secretary
Mark Matthews – Treasurer - *Telephonic*
Jennifer Wortham, Dr.PH - Director
Les Zendle, MD – Director

Absent

Staff

Herb K. Schultz, CEO
Chris Christensen, COO/CFO
Donna Craig, Chief Grants Officer
Alejandro Espinoza, Director Programs/Projects
Mary Pannoni, Accounting/Admin. Support
Andrea S. Hayles, Clerk to the Board

Legal Counsel

Jeff Scott

Guests

CALL TO ORDER

The meeting was called to order at 1:04 p.m. by Vice-President Hazen.

APPROVAL OF AGENDA

Vice-President Hazen asked for a motion to approve the agenda.

#17-78 MOTION WAS MADE by Director Matthews and seconded by Director Zendle to approve the agenda.

Motion passed unanimously.

Roll Call Vote:

AYES: 4 Director Zendle; Director Wortham; Director Matthews;
Vice-President Hazen;

NOES: 0

ABSTAIN:

ABSENT: 1 President Rogers

Motion Passed 4-0

PUBLIC COMMENTS

None

ADJOURNMENT TO EXECUTIVE SESSION at 1:05 p.m.

President Rogers joined telephonically at 1:17 p.m.

CONVENE TO CLOSED SESSION OF THE DESERT HEALTHCARE DISTRICT BOARD OF DIRECTORS

1. REPORT INVOLVING TRADE SECRETS pursuant to Health & Safety Code 32106 - concerning proposed new services and facilities. Estimated date of public disclosure: March 2018
2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION pursuant to Government Code 54957 – Title: CEO

RECONVENE TO OPEN SESSION OF THE DESERT HEALTHCARE DISTRICT BOARD OF DIRECTORS

REPORT AFTER CLOSED SESSION

Jeff Scott, Legal Counsel, reported that the Board in closed session discussed the initiation of future programs, services and facilities and took no action. The Board also in closed session voted unanimously as part of the CEO's evaluation to exercise a 3-year option to extend his contract, which shall be subject to mutually agreeable terms and conditions, and neither party shall be obligated to accept any particular terms or conditions.

CEO REPORT

Herb K. Schultz, CEO reported that the discussions regarding potential funding sources for the expansion with the County are continuing. Vice-President Hazen explained that President Rogers determined in the interest of time and efficiency the Ad Hoc Expansion Committee was merged with the existing members of the Ad Hoc Facilities, Programs, and Services Committee. Vice-President Hazen and Director Matthews will continue the work of the Ad Hoc Committee and provide recommendations to the Board.

OLD BUSINESS

1. Consideration to approve an increase to professional services performed by Pacific Health Consulting Group for the 3 Year Strategic Plan.
 - Herb K. Schultz, CEO explained that there is a protocol for approving contracts; however, with the affairs of the Strategic Planning process, the CEO neglected to follow the procedure that includes review and direction by the F&A Committee. The Board approved the initial contract; currently, there are no written procedures, but in the future, any increases in professional services will be presented to the F&A Committee. Mr. Schultz described the data survey, various needs assessments and plans for health in the Coachella Valley that required additional in-person and conference calls resulting in supplemental hours not included in the preliminary contract.

**#17-79 MOTION WAS MADE by Director Zendle and seconded by Director Wortham to approve an increase to professional services performed by Pacific Health Consulting Group for the 3 Year Strategic Plan.
Motion passed unanimously.**

Roll Call Vote:

**AYES 5 Director Zendle; Director Wortham; Director Matthews;
Vice-President Hazen; President Rogers**

NOES: 0

ABSTAIN:

ABSENT: 5

Motion Passed 5-0

NEW BUSINESS

1. Consideration to approve a professional services agreement for Kaufman Hall to provide consulting services for programs and services, facilities and funding.

- Herb K. Schultz, CEO requested that the Board table the item until the next Board Meeting. As the first priority in the Strategic Plan, the work that will commence once a contract is considered is concerning the implementation of facility, programs and services throughout the Coachella Valley further explaining that more work is necessary.
- Vice-President Hazen explained that the additional work relates to defining the scope of work to ensure completion with clarity. In addition, at the approval of the Board, Vice-President Hazen stated the importance of moving forward sooner than later and requested a Special Board Meeting to approve the Kaufman Hall professional services agreement.
- Director Wortham inquired if the Board can authorize the agreement up to a certain amount to avert any delays.
- Jeff Scott, Legal Counsel explained that the CEO can authorize up to \$25,000.

**#17-80 MOTION WAS MADE by Director Zendle and seconded by Director Wortham to table the professional services agreement for Kaufman Hall to provide consulting services for programs and services, facilities and funding.
Motion passed unanimously.**

Roll Call Vote:

**AYES 5 Director Zendle; Director Wortham; Director Matthews;
Vice-President Hazen; President Rogers**

NOES: 0

ABSTAIN:

ABSENT: 5
Motion Passed 5-0

#17-81 MOTION WAS MADE by Director Wortham and seconded by Director Zendle to authorize up to \$25,000 under the authority of the professional services agreement for Kaufman Hall to provide consulting services for programs and services, facilities and funding until the scope of work is finalized.

Motion passed unanimously.

Roll Call Vote:

**AYES 5 Director Zendle; Director Wortham; Director Matthews;
Vice-President Hazen; President Rogers**

NOES: 0

ABSTAIN:

ABSENT: 5

Motion Passed 5-0

2. a) Consideration to approve terminating the current 3-year lease with Dr. Himelman at Las Palmas Medical Plaza, Suite 1W 202-203.
 - Chris Christensen, CFO explained that Dr. Himelman, the current lessee is selling his practice to Dr. Bagheri. As a result, Dr. Himelman's lease will terminate and a new 5-year lease will be executed for Dr. Bagheri's practice with Cure Cardiovascular Consultants.
 - Director Zendle stated that Dr. Bagheri is an interventionist cardiologist, a member of Desert Regional Medical Center Governing Board, and he fully supports approval of the lease.
 - Vice-President Hazen inquired if the recommendations are within the standard lease terms and whether the lease would prompt an increase as part of a transfer from an old lease to a new lease.
 - Mr. Christensen explained that Dr. Himelman's lease will terminate and Dr. Bagheri will execute a new 5-year lease.
 - Director Matthews requested a motion to move to approve terminating the lease subject to the acceptance of the new 5-year lease with Cure Cardiovascular Consultants which would retain Dr. Himelman's lease as active in the event Dr. Bagheri is unable to take possession of Dr. Himelman's practice.

#17-82 MOTION WAS MADE by Director Matthews and seconded by Director Zendle to approve terminating the current 3-year lease with Dr. Himelman at Las Palmas Medical

PUBLIC COMMENTS

Director Wortham provided an informational handout for PEACEfest – an annual fundraiser drawing attention to homelessness and hunger. Director Wortham requested that the Board agenda the PEACEfest for the September Board Meeting. The PEACEfest could potentially become the Foundation’s annual fundraiser, which coincides with the One Coachella strategic priority, including a co-sponsorship with the County.

OLD BUSINESS

- 1. Consideration to approve a professional service agreement for Kaufman Hall to provide consulting services for programs and services, facilities and funding.

Herb K. Schultz, CEO explained that Steve Hollis, Senior Vice President and Jody Hill-Mischel, Managing Director, Kaufman Hall are the leads for consulting services.

#17-85 MOTION WAS MADE by Director Zendle and seconded by Director Wortham to approve the professional service agreement for Kaufman Hall to provide consulting services for programs and services, facilities and funding.

Motion passed unanimously.

Roll Call Vote:

AYES 4 Director Zendle; Director Wortham; Director Matthews; President Rogers

NOES: 0

ABSTAIN:

ABSENT: 1 Vice-President Hazen

Motion Passed 4-0

- 2. Consideration to approve four job descriptions for the job titles consistent with the June 2017 enactment of the District/Foundation’s Three-year Strategic Plan.

- Herb K. Schultz, CEO explained the Board approved Strategic Plan Organizational Infrastructure at its June Board Meeting. Mary Odell, Philanthropy Consultant, evaluated the job descriptions with recommended changes that include a Chief Operating Officer.
- Director Zendle supports the job descriptions, but other than programming and grants inquired on the Chief Operating Officer’s operational function.
- Mr. Schultz explained that there is a significant amount of day-to-day operations that the CFO is managing such as human resources, IT and information systems, and contracts.

**#17-86 MOTION WAS MADE by Director Zendle and seconded by Director Wortham to approve four job descriptions for the job titles consistent with the June 2017 enactment of the District/Foundation's Three-year Strategic Plan.
Motion passed unanimously.**

Roll Call Vote:

**AYES 4 Director Zendle; Director Wortham; Director Matthews;
President Rogers**

NOES: 0

ABSTAIN:

ABSENT: 1 Vice-President Hazen

Motion Passed 4-0

ADJOURNMENT

The meeting adjourned at 4:00 p.m.

ATTEST: _____

Carole Rogers, President
Desert Healthcare District Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Clerk to the Board

DESERT HEALTHCARE DISTRICT
JULY-AUGUST 2017 FINANCIAL STATEMENTS
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DESERT HEALTHCARE DISTRICT
YEAR TO DATE VARIANCE ANALYSIS
ACTUAL VS BUDGET
TWO MONTHS ENDED AUGUST 31, 2017

Scope: \$25,000 Variance per Statement of Operations Summary

Account	YTD		Over(Under)	Explanation
	Actual	Budget	Budget	
4000 - Income	\$ 1,384,726	\$ 1,296,616	\$ 88,110	Higher interest income from FRF investments \$97K, lower NEOPB Grant Income \$9k.
6500 - Professional Fees Expense	\$ 26,029	\$ 79,412	\$ (53,383)	Budget is straight line. Have not incurred expense.
9999-1 Unrealized loss on invest	\$ (26,398)	\$ 250,000	\$ (276,398)	Continuing market price fluctuations for fixed income investments - Treasury's and Agency Bonds.

Desert Healthcare District
Cumulative Profit & Loss Budget vs. Actual
 July through August 2017

	MONTH			MONTH			TOTAL		
	Jul 17	Budget	\$ Over Budget	Aug 17	Budget	\$ Over Budget	Jul - Aug 17	Budget	\$ Over Budget
Income									
4000 • Income	644,710	648,308	(3,598)	740,016	648,308	91,708	1,384,726	1,296,616	88,110
4500 • LPMP Income	91,593	97,930	(6,337)	90,801	97,930	(7,129)	182,394	195,860	(13,466)
4501 • Miscellaneous Income	9,319	6,250	3,069	14,371	6,250	8,121	23,690	12,500	11,190
Total Income	745,622	752,488	(6,866)	845,188	752,488	92,700	1,590,810	1,504,976	85,834
Expense									
5000 • Direct Expenses	44,560	42,285	2,275	31,210	42,285	(11,075)	75,770	84,570	(8,800)
6000 • General & Administrative Exp	35,333	37,411	(2,078)	37,379	37,411	(32)	72,712	74,822	(2,110)
6325 • CEO Discretionary Fund		417	(417)		417	(417)		834	(834)
6445 • LPMP Expenses	72,750	79,514	(6,764)	76,362	79,514	(3,152)	149,112	159,028	(9,916)
6500 • Professional Fees Expense	9,939	39,706	(29,767)	16,090	39,706	(23,616)	26,029	79,412	(53,383)
6700 • Trust Expenses	20,406	21,154	(748)	20,909	21,154	(245)	41,315	42,308	(993)
Total Expense Before Grants & Unrealized Loss	182,988	220,487	(37,499)	181,950	220,487	(38,537)	364,938	440,974	(76,036)
7000 • Grants Expense	758,114	401,667	356,447	28,803	401,667	(372,864)	786,917	803,334	(16,417)
9999-1 • Unrealized (gain)loss on invest	(878)	125,000	(125,878)	(25,520)	125,000	(150,520)	(26,398)	250,000	(276,398)
Net Income	(194,602)	5,334	(199,936)	659,955	5,334	654,621	465,350	10,668	454,682

Desert Healthcare District
Cumulative Profit & Loss Budget vs. Actual
 July through August 2017

	MONTH			MONTH			TOTAL		
	Jul 17	Budget	\$ Over Budget	Aug 17	Budget	\$ Over Budget	Jul - Aug 17	Budget	\$ Over Budget
Income									
4000 · Income									
4010 · Property Tax Revenues	524,141	524,141	0	524,141	524,141	0	1,048,282	1,048,282	0
4200 · Interest Income	118,820	112,500	6,320	203,322	112,500	90,822	322,142	225,000	97,142
4300 · DHC Recoveries	1,749	1,868	83	1,749	1,868	83	3,498	3,332	166
4400 · Grant Income		10,000	(10,000)	10,803	10,000	803	10,803	20,000	(9,197)
Total 4000 · Income	644,710	648,307	(3,597)	740,015	648,307	91,708	1,384,725	1,286,614	88,111
4500 · LPMP Income	91,594	97,931	(6,337)	90,801	97,931	(7,130)	182,395	195,862	(13,467)
4501 · Miscellaneous Income	9,319	6,250	3,069	14,371	6,250	8,121	23,690	12,500	11,190
Total Income	745,623	752,488	(6,865)	845,187	752,488	92,699	1,580,810	1,504,976	85,834
Expense									
5000 · Direct Expenses									
5100 · Administration Expense									
5110 · Wages Expense	47,461	70,981	(23,520)	49,110	70,981	(21,871)	98,571	141,962	(45,391)
5111 · Allocation to LPMP - Payroll	(3,658)	(3,658)		(3,658)	(3,658)		(7,316)	(7,316)	
5112 · Vacation/Sick/Holiday Expense	10,792	6,923	3,869	3,238	6,923	(3,685)	14,030	13,846	184
5114 · Allocation to Foundation	(26,563)	(51,096)	24,533	(26,563)	(51,096)	24,533	(53,126)	(102,192)	49,066
5115 · Allocation to NEOPB		(10,424)	10,424	(7,833)	(10,424)	2,591	(7,833)	(20,848)	13,015
5119 · Allocation to RSS/CVHIP-DHCF	(4,693)	(2,718)	(1,975)	(5,298)	(2,718)	(2,580)	(9,991)	(5,436)	(4,555)
5120 · Payroll Tax Expense	3,970	5,430	(1,460)	3,534	5,430	(1,896)	7,504	10,860	(3,356)
5130 · Health Insurance Expense									
5131 · Premiums Expense	7,202	10,886	(3,684)	7,300	10,886	(3,586)	14,502	21,772	(7,270)
5135 · Reimb./Co-Payments Expense	298	2,839	(2,541)		2,839	(2,839)	298	5,678	(5,380)
Total 5130 · Health Insurance Expense	7,500	13,725	(6,225)	7,300	13,725	(6,425)	14,800	27,450	(12,650)
5140 · Workers Comp. Expense		745	(745)		745	(745)		1,490	(1,490)
5145 · Retirement Plan Expense	3,288	5,749	(2,461)	3,583	5,749	(2,166)	6,871	11,498	(4,627)
5160 · Education Expense	25	292	(267)	169	292	(123)	194	584	(390)
Total 5100 · Administration Expense	38,122	35,949	2,173	23,582	35,949	(12,367)	61,704	71,898	(10,194)
5200 · Board Expenses									
5210 · Healthcare Benefits Expense									
5211 · Health Insurance Expense	3,330	4,055	(725)	3,330	4,055	(725)	6,660	8,110	(1,450)
5219 · Reimbursements/Co-Payments Exp	1,771						1,771		
5224 · Retired Board - Medical Expense	1,237	1,237		1,237	1,237		2,474	2,474	
Total 5210 · Healthcare Benefits Expense	6,338	5,292	1,046	4,567	5,292	(725)	10,905	10,584	321
5230 · Meeting Expense	187	667	(480)	1,870	667	1,203	2,057	1,334	723
5240 · Catering Expense		333	(333)	185	333	(148)	185	666	(481)
5250 · Mileage Reimbursement Expense		42	(42)		42	(42)		84	(84)
Total 5200 · Board Expenses	6,525	6,334	191	6,622	6,334	288	13,147	12,668	479
Total 5000 · Direct Expenses	44,647	42,283	2,364	30,204	42,283	(12,079)	74,851	84,566	(9,715)
6000 · General & Administrative Exp									
6110 · Payroll fees Expense	145	229	(84)	145	229	(84)	290	458	(168)
6120 · Bank and Investment Fees Exp	9,959	9,333	626	9,975	9,333	642	19,934	18,666	1,268
6125 · Depreciation Expense	1,153	1,181	(28)	1,153	1,181	(28)	2,306	2,362	(56)
6126 · Depreciation-Solar Parking lot	15,072	15,072		15,072	15,072		30,144	30,144	
6130 · Dues and Membership Expense	938	2,275	(1,337)	1,188	2,275	(1,087)	2,126	4,550	(2,424)
6200 · Insurance Expense	945	700	245	945	700	245	1,890	1,400	490
6300 · Minor Equipment Expense		42	(42)		42	(42)		84	(84)
6305 · Auto Allowance & Mileage Exp	462	500	(38)	462	500	(38)	924	1,000	(76)
6306 · Staff- Auto Mileage reimb		104	(104)	527	104	423	527	208	319
6309 · Personnel Expense		104	(104)		104	(104)		208	(208)
6310 · Miscellaneous Expense		42	(42)		42	(42)		84	(84)
6311 · Cell Phone Expense	583	540	43	511	540	(29)	1,094	1,080	14
6312 · Wellness Park Expenses		208	(208)		208	(208)		416	(416)
6315 · Security Monitoring Expense	108	38	70	881	38	843	989	76	913
6340 · Postage Expense	279	542	(263)	200	542	(342)	479	1,084	(605)

Desert Healthcare District
Cumulative Profit & Loss Budget vs. Actual
 July through August 2017

	MONTH			MONTH			TOTAL		
	Jul 17	Budget	\$ Over Budget	Aug 17	Budget	\$ Over Budget	Jul - Aug 17	Budget	\$ Over Budget
6350 • Copier Rental/Fees Expense	428	458	(30)	392	458	(66)	820	918	(98)
6351 • Travel Expense	376	500	(124)	1,188	500	688	1,574	1,000	574
6352 • Meals & Entertainment Exp		333	(333)	345	333	12	345	668	(321)
6355 • Computer Services Expense	1,852	2,376	(524)	3,317	2,376	941	5,189	4,752	417
6360 • Supplies Expense	1,164	1,333	(169)	293	1,333	(1,040)	1,457	2,668	(1,209)
6380 • LAFCO Assessment Expense	1,783	1,500	283	1,783	1,500	283	3,568	3,000	568
Total 6000 • General & Administrative Exp	35,247	37,410	(2,163)	38,387	37,410	977	73,634	74,820	(1,186)
6325 • CEO Discretionary Fund		417	(417)		417	(417)		834	(834)
6445 • LPMP Expenses	72,751	79,512	(6,761)	76,382	79,512	(3,150)	149,113	159,024	(9,911)
6500 • Professional Fees Expense									
6516 • Professional Services Expense	(1,850)	25,750	(27,400)	542	25,750	(25,208)	(1,108)	51,500	(52,608)
6520 • Annual Audit Fee Expense	1,449	1,458	(7)	1,449	1,458	(7)	2,898	2,912	(14)
6530 • PR/Communications/Website		2,500	(2,500)	4,000	2,500	1,500	4,000	5,000	(1,000)
6560 • Legal Expense	10,140	10,000	140	10,100	10,000	100	20,240	20,000	240
Total 6500 • Professional Fees Expense	9,939	39,708	(29,767)	16,091	39,708	(23,615)	26,030	79,412	(53,382)
6700 • Trust Expenses									
6711 • Disability Admin. Fee Expense		537	(537)		537	(537)		1,074	(1,074)
6720 • Pension Plans Expense									
6721 • Legal Expense		208	(208)		208	(208)		416	(416)
6725 • RPP Pension Expense	20,000	20,000		20,000	20,000		40,000	40,000	
6728 • Pension Audit Fee Expense	408	408	(2)	909	408	501	1,315	818	499
Total 6720 • Pension Plans Expense	20,408	20,616	(210)	20,909	20,616	293	41,315	41,232	83
Total 6700 • Trust Expenses	20,408	21,153	(747)	20,909	21,153	(244)	41,315	42,306	(991)
Total Expenses Before Grants & Unrealized Loss	182,990	220,481	(37,491)	181,953	220,481	(38,528)	364,943	440,962	(76,019)
7000 • Grants Expense									
7010 • Major Grant Awards Expense	758,114	391,667	366,447	18,000	391,667	(373,667)	776,114	783,334	(7,220)
7027 • Grant Exp - NEOPB		10,000	(10,000)	10,803	10,000	803	10,803	20,000	(9,197)
Total 7000 • Grants Expense	758,114	401,667	358,447	28,803	401,667	(372,864)	786,917	803,334	(16,417)
9999-1 • Unrealized (gain)/loss on Invest	(878)	125,000	(125,878)	(25,520)	125,000	(150,520)	(26,398)	250,000	(276,398)
Net Income	(194,803)	5,340	(199,943)	659,951	5,340	654,611	465,360	10,680	454,670

Las Palmas Medical Plaza
Cumulative Profit & Loss Budget vs. Actual
 July through August 2017

	MONTH			MONTH			TOTAL		
	Jul 17	Budget	\$ Over Budget	Aug 17	Budget	\$ Over Budget	Jul - Aug 17	Budget	\$ Over Budget
Income									
4500 · LPMP Income									
4505 · Rental Income	65,724	70,038	(4,312)	65,182	70,038	(4,874)	130,886	140,072	(9,186)
4510 · CAM Income	25,870	27,812	(1,942)	25,639	27,812	(2,173)	51,509	55,824	(4,115)
4513 · Misc. Income		83	(83)		83	(83)		166	(166)
4500 · LPMP Income	91,594	97,931	(6,337)	90,801	97,931	(7,130)	182,395	195,862	(13,467)
Expense									
6445 · LPMP Expenses									
6420 · Insurance Expense	1,100	1,000	100	1,100	1,000	100	2,200	2,000	200
6425 · Building - Depreciation Expense	22,923	22,923	0	22,923	22,923	0	45,846	45,846	0
6426 · Tenant Improvements -Dep Exp	14,044	14,853	(809)	14,044	14,853	(809)	28,088	29,706	(1,618)
6427 · HVAC Maintenance Expense	1,231	1,333	(102)		1,333	(1,333)	1,231	2,666	(1,435)
6428 · Roof Repairs Expense		208	(208)		208	(208)		416	(416)
6431 · Building -Interior Expense		208	(208)		208	(208)		416	(416)
6432 · Plumbing -Interior Expense		208	(208)		208	(208)		416	(416)
6433 · Plumbing -Exterior Expense		208	(208)		208	(208)		416	(416)
6434 · Allocation Internal Prop. Mgmt	3,658	3,658		3,658	3,658		7,316	7,316	
6435 · Bank Charges	976	1,000	(24)	868	1,000	(132)	1,844	2,000	(156)
6437 · Utilities -Vacant Units Expense		333	(333)	139	333	(194)	139	666	(527)
6439 · Deferred Maintenance Repairs Ex		1,042	(1,042)		1,042	(1,042)		2,084	(2,084)
6440 · Professional Fees Expense	10,117	10,187	(50)	10,117	10,187	(50)	20,234	20,334	(100)
6441 · Legal Expense		83	(83)		83	(83)		166	(166)
6458 · Elevators - R & M Expense	1,449	917	532	209	917	(708)	1,658	1,834	(176)
6460 · Exterminating Service Expense	180	208	(28)	180	208	(28)	360	416	(56)
6463 · Landscaping Expense	1,250	1,250		6,936	1,250	5,686	8,186	2,500	5,686
6467 · Lighting Expense		500	(500)		500	(500)		1,000	(1,000)
6468 · General Maintenance Expense		83	(83)		83	(83)		166	(166)
6470 · Maint. / Janitorial Service Exp		417	(417)		417	(417)		834	(834)
6471 · Marketing-Advertising		1,458	(1,458)		1,458	(1,458)		2,916	(2,916)
6475 · Property Taxes Expense	6,000	6,000		6,000	6,000		12,000	12,000	
6476 · Signage Expense		250	(250)		250	(250)		500	(500)
6480 · Rubbish Removal Medical Waste E	1,325	1,400	(75)		1,400	(1,400)	1,325	2,800	(1,475)
6481 · Rubbish Removal Expense	2,123	2,039	84	2,123	2,039	84	4,246	4,078	168
6482 · Utilities/Electricity/Exterior		833	(833)	1,795	833	962	1,795	1,666	129
6484 · Utilities - Water (Exterior)	538	583	(45)	575	583	(8)	1,113	1,166	(53)
6485 · Security Expenses	5,837	6,250	(413)	5,695	6,250	(555)	11,532	12,500	(968)
6490 · Miscellaneous Expense		100	(100)		100	(100)		200	(200)
6445 · LPMP Expenses	72,751	79,512	(6,761)	76,362	79,512	(3,150)	149,113	159,024	(9,911)
Net Income	18,843	18,419	424	14,439	18,419	(3,980)	33,282	36,838	(3,556)

Desert Healthcare District
Balance Sheet
As of August 31, 2017

		Aug 31, 17
ASSETS		
Current Assets		
Checking/Savings		
	1000 · CHECKING CASH ACCOUNTS	1,071,967
	1100 · INVESTMENT ACCOUNTS	54,664,343
	Total Checking/Savings	55,736,310
Accounts Receivable		
	1201 · Accounts Receivable	63,956
Other Current Assets		
	1270 · Prepaid Insurance -Ongoing	33,074
	1279 · Pre-Paid Fees	41,491
	1281 · NEOPB Receivable	26,821
	1295 · Property Tax Receivable	1,075,926
	Total Other Current Assets	1,177,313
	Total Current Assets	56,977,579
Fixed Assets		
	1300 · FIXED ASSETS	4,888,729
	1335-00 · ACC DEPR	(1,415,716)
	1400 · LPMP Assets	7,519,587
	Total Fixed Assets	10,992,601
Other Assets		
	1700 · OTHER ASSETS	2,928,331
	TOTAL ASSETS	70,898,511
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
	2000 · Accounts Payable	18,707
	2001 · LPMP Accounts Payable	12,240
	Total Accounts Payable	30,947
Other Current Liabilities		
	2002 · LPMP Property Taxes	12,000
	2006 · Unearned income	(1,589)
	2131 · Grant Awards Payable	2,051,230
	2133 · Accrued Accounts Payable	139,550
	2141 · Accrued Vacation Time	24,918
	2142 · Accrued Sick Time	29,586
	2155 · Grant Payable - NEOPB	4,983

Desert Healthcare District
Balance Sheet
As of August 31, 2017

		Aug 31, 17
	2186 · Retired BOD Medical - Current	20,255
	2188 · Current Portion - LTD	14,803
	2190 · Investment Fees Payable	17,532
	Total Other Current Liabilities	2,313,267
	Total Current Liabilities	2,344,215
	Long Term Liabilities	
	2170 · RPP - Pension Liability	2,915,121
	2171 · RPP-Deferred Inflows-Resources	3,242,061
	2280 · Long-Term Disability	59,748
	2281 · Grants Payable - Long-term	10,455,641
	2286 · Retirement BOD Medical Liabilit	74,724
	2290 · LPMP Security Deposits	56,023
	Total Long Term Liabilities	16,803,318
	Total Liabilities	19,147,532
	Equity	
	3900 · *Retained Earnings	51,285,628
	Net Income	465,350
	Total Equity	51,750,979
	TOTAL LIABILITIES & EQUITY	70,898,511

Desert Healthcare District
Balance Sheet
As of August 31, 2017

	Aug 31, 17
ASSETS	
Current Assets	
Checking/Savings	
1000 · CHECKING CASH ACCOUNTS	
1010 · Union Bank - Checking	837,841
1046 · Las Palmas Medical Plaza	233,627
1047 · Petty Cash	500
Total 1000 · CHECKING CASH ACCOUNTS	1,071,967
1100 · INVESTMENT ACCOUNTS	
1130 · Facility Replacement Fund	
1129 · F R Fund - Restricted-Pulmonary	1,000,000
1130 · Facility Replacement Fund - Other	54,530,285
Total 1130 · Facility Replacement Fund	55,530,285
1135 · Unrealized Gain(Loss) FRF	(865,942)
Total 1100 · INVESTMENT ACCOUNTS	54,664,343
Total Checking/Savings	55,736,310
Accounts Receivable	
1201 · Accounts Receivable	
1204 · LPMP Accounts Receivable	(13,608)
1205 · Misc. Accounts Receivable	7,500
1211 · A-R Foundation - Exp Allocation	70,064
Total Accounts Receivable	63,956
Other Current Assets	
1270 · Prepaid Insurance -Ongoing	33,074
1279 · Pre-Paid Fees	41,491
1281 · NEOPB Receivable	26,821
1295 · Property Tax Receivable	1,075,926
Total Other Current Assets	1,177,313
Total Current Assets	56,977,579
Fixed Assets	
1300 · FIXED ASSETS	
1310 · Computer Equipment	75,769
1315 · Computer Software	68,770
1320 · Furniture and Fixtures	27,085
1325 · Offsite Improvements	300,849
1331 · DRMC - Parking lot	4,416,257
Total 1300 · FIXED ASSETS	4,888,729
1335-00 · ACC DEPR	

Desert Healthcare District
Balance Sheet
As of August 31, 2017

		Aug 31, 17
	1335 · Accumulated Depreciation	(183,159)
	1336 · Acc. Software Depreciation	(66,400)
	1337 · Accum Deprec- Solar Parking Lot	(1,085,355)
	1338 · Accum Deprec - LPMP Parking Lot	(80,802)
	Total 1335-00 · ACC DEPR	(1,415,716)
	1400 · LPMP Assets	
	1401 · Building	8,705,680
	1402 · Land	2,165,300
	1403 · Tenant Improvements -New	1,965,325
	1404 · Tenant Improvements - CIP	129,550
	1406 · Building Improvements	
	1406.1 · LPMP-Replace Parking Lot	676,484
	1406 · Building Improvements - Other	1,364,337
	Total 1406 · Building Improvements	2,040,821
	1407 · Building Equipment Improvements	350,663
	1409 · Accumulated Depreciation	
	1410 · Accum. Depreciation	(6,743,406)
	1412 · T I Accumulated Dep.-New	(1,094,346)
	Total 1409 · Accumulated Depreciation	(7,837,751)
	Total 1400 · LPMP Assets	7,519,587
	Total Fixed Assets	10,992,601
	Other Assets	
	1700 · OTHER ASSETS	
	1731 · Wellness Park	1,693,800
	1740 · RPP-Deferred Outflows-Resources	1,234,531
	Total Other Assets	2,928,331
	TOTAL ASSETS	70,898,511
	LIABILITIES & EQUITY	
	Liabilities	
	Current Liabilities	
	Accounts Payable	
	2000 · Accounts Payable	18,707
	2001 · LPMP Accounts Payable	12,240
	Total Accounts Payable	30,947
	Other Current Liabilities	
	2002 · LPMP Property Taxes	12,000
	2006 · Unearned income	(1,589)
	2131 · Grant Awards Payable	2,051,230

Desert Healthcare District
Balance Sheet
As of August 31, 2017

		Aug 31, 17
	2133 · Accrued Accounts Payable	139,550
	2141 · Accrued Vacation Time	24,918
	2142 · Accrued Sick Time	29,586
	2155 · Grant Payable - NEOPB	4,983
	2186 · Retired BOD Medical - Current	20,255
	2188 · Current Portion - LTD	14,803
	2190 · Investment Fees Payable	17,532
	Total Other Current Liabilities	2,313,267
	Total Current Liabilities	2,344,215
	Long Term Liabilities	
	2170 · RPP - Pension Liability	2,915,121
	2171 · RPP-Deferred Inflows-Resources	3,242,061
	2280 · Long-Term Disability	59,748
	2281 · Grants Payable - Long-term	10,455,641
	2286 · Retirement BOD Medical Liabilit	74,724
	2290 · LPMP Security Deposits	56,023
	Total Long Term Liabilities	16,803,318
	Total Liabilities	19,147,532
	Equity	
	3900 · *Retained Earnings	51,285,628
	Net Income	465,350
	Total Equity	51,750,979
	TOTAL LIABILITIES & EQUITY	70,898,511

Desert Healthcare District
A/R Aging Summary
As of August 31, 2017

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	Comments
Desert Family Medical Center	(3,395)	-	-	-	-	(3,395)	Prepaid
Desert Healthcare Foundation-	31,861	-	31,256	6,948	-	70,064	Due from Foundation
Desert Oasis Healthcare Medical Group	(1,933)	-	-	-	-	(1,933)	Prepaid
Laboratory Corporation of America	-	(4,620)	-	-	-	(4,620)	Prepaid
Quest Diagnostics Incorporated	-	(3,659)	-	-	-	(3,659)	Prepaid
Sovereign	750	-	750	750	5,250	7,500	Slow Pay
TOTAL	27,284	(8,280)	32,006	7,698	5,250	63,956	

Desert Healthcare District
Deposit Detail
 July through August 2017

Type	Date	Name	Amount
Deposit	07/05/2017		1,749
		T-Mobile	(1,749)
TOTAL			(1,749)
Deposit	07/27/2017		44,087
		Riverside County Treasurer-	(21,401)
		Riverside County Treasurer-	(9,940)
		Herb K. Schultz-	(88)
		Southern California Edison	(8,369)
		Principal Financial Group-	(207)
		ACHD	(200)
Payment	07/27/2017	Kay Hazen-Reimburse Premiums	(2,383)
Payment	07/27/2017	Sovereign	(1,500)
TOTAL			(44,088)
Deposit	07/27/2017		15,993
		Riverside County Treasurer-	(15,993)
TOTAL			(15,993)
Deposit	07/27/2017		1,754
		Riverside County Treasurer-	(1,754)
TOTAL			(1,754)
Deposit	07/27/2017		566
		Riverside County Treasurer-	(566)
TOTAL			(566)
Deposit	07/28/2017		89,279
		Riverside County Treasurer-	(89,279)
TOTAL			(89,279)
Deposit	08/01/2017		12,301

Desert Healthcare District
Deposit Detail
July through August 2017

Type	Date	Name	Amount
		Riverside County Treasurer-	(12,301)
TOTAL			(12,301)
Deposit	08/01/2017		10,022
		Riverside County Treasurer-	(10,022)
TOTAL			(10,022)
Deposit	08/01/2017		19,528
		Riverside County Treasurer-	(19,528)
TOTAL			(19,528)
Deposit	08/01/2017		34,774
		Riverside County Treasurer-	(34,774)
TOTAL			(34,774)
Deposit	08/02/2017		1,749
		T-Mobile	(1,749)
TOTAL			(1,749)
Deposit	08/24/2017		22,328
		Southern Cal Edison	(7,440)
		Image Source	(399)
		Riverside County Treasurer-	(14,489)
TOTAL			(22,328)
Deposit	08/31/2017		6,181
		Southern Cal Edison	(6,181)
TOTAL			(6,181)
		Total Deposits	260,311

DESERT HEALTHCARE DISTRICT
PROPERTY TAX RECEIPTS FY 2017 - 2018
RECEIPTS - TWELVE MONTHS ENDED JUNE 30, 2018

	FY 2017-2018 Projected/Actual					FY 2016-2017 Projected/Actual				
	Budget %	Budget \$	Act %	Actual Receipts	Variance	Budget %	Budget \$	Act %	Actual Receipts	Variance
July	2.5%	\$ 152,663	1.3%	\$ 79,912	\$ (72,750)	2.5%	\$ 157,242	0.3%	\$ 18,312	\$ (138,930)
Aug	1.6%	\$ 97,704	1.7%	\$ 101,498	\$ 3,794	1.6%	\$ 100,635	0.9%	\$ 57,097	\$ (43,538)
Sep	2.6%	\$ 158,769	2.4%	\$ 147,194	\$ (11,575)	2.6%	\$ 163,532	0.0%		
Oct	0.0%	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	0.0%		
Nov	0.4%	\$ 24,426	0.0%	\$ 2,455	\$ (21,971)	0.4%	\$ 25,159	0.0%		
Dec	16.9%	\$ 1,031,999	17.6%	\$ 1,075,328	\$ 43,330	16.9%	\$ 1,062,958	0.0%		
Jan	31.9%	\$ 1,947,974	33.0%	\$ 2,014,083	\$ 66,110	31.9%	\$ 2,006,413	0.0%		
Feb	0.0%	\$ -	0.8%	\$ 50,338	\$ 50,338	0.0%	\$ -	0.0%		
Mar	0.3%	\$ 18,320	0.2%	\$ 11,638	\$ (6,681)	0.3%	\$ 18,869	0.0%		
Apr	5.5%	\$ 335,858	5.8%	\$ 356,027	\$ 20,169	5.5%	\$ 345,933	0.0%		
May	19.9%	\$ 1,215,194	19.9%	\$ 1,215,601	\$ 408	19.9%	\$ 1,251,649	0.0%		
June	18.4%	\$ 1,123,596	16.8%	\$ 1,025,799	\$ (97,797)	18.4%	\$ 1,157,304	0.0%		
Total	100%	\$ 6,106,500	99.6%	\$ 6,079,874	\$ (26,626)	100.00%	\$ 6,289,695	1.2%	\$ 75,409	\$ (182,469)

**Las Palmas Medical Plaza
Deposit Detail - LPMP
July through August 2017**

Type	Date	Name	Amount
Deposit	07/10/2017		17,540
Payment	07/10/2017	Derakhsh Fozouni, M.D.	(4,215)
Payment	07/10/2017	Derakhsh Fozouni, MD -	(2,298)
Payment	07/10/2017	Aijaz Hashmi, M.D., Inc.	(2,656)
Payment	07/10/2017	Brad A. Wolfson, M.D.	(3,212)
Payment	07/10/2017	Ramy Awad, M.D.	(2,406)
Payment	07/10/2017	Ronald Himelman, M.D.	(2,752)
TOTAL			(17,540)
Deposit	07/18/2017		61,992
Payment	07/18/2017	Peter Jamieson, M.D.	(2,844)
Payment	07/18/2017	Pathway Pharmaceuticals, Inc.	(2,162)
Payment	07/18/2017	Desert Family Medical Center	(3,395)
Payment	07/18/2017	Cohen Musch Thomas Medical Group	(3,365)
Payment	07/18/2017	Milauskas Eye Institute Medical Group	(5,862)
Payment	07/18/2017	Steven Gundry, M.D.	(5,192)
Payment	07/18/2017	Dennis Spurgin, D.C.	(2,601)
Payment	07/18/2017	Desert Regional Medical Center	(4,658)
Payment	07/18/2017	Tenet HealthSystem Desert, Inc	(5,265)
Payment	07/18/2017	Tenet HealthSystem Desert, Inc.	(26,646)
TOTAL			(61,992)
Deposit	07/25/2017		4,620
Payment	07/25/2017	Laboratory Corporation of America	(4,620)
TOTAL			(4,620)
Deposit	07/27/2017		1,933
Payment	07/27/2017	Desert Oasis Healthcare Medical Group	(1,933)
TOTAL			(1,933)
Deposit	07/31/2017		3,659
Payment	07/31/2017	Quest Diagnostics Incorporated	(3,659)
TOTAL			(3,659)

**Las Palmas Medical Plaza
Deposit Detail - LPMP
July through August 2017**

Type	Date	Name	Amount
Deposit	08/10/2017		16,749
Payment	08/10/2017	Derakhsh Fozouni, M.D.	(4,215)
Payment	08/10/2017	Derakhsh Fozouni, MD -	(1,434)
Payment	08/10/2017	Aijaz Hashmi, M.D., Inc.	(2,656)
Payment	08/10/2017	Brad A. Wolfson, M.D.	(3,286)
Payment	08/10/2017	Ramy Awad, M.D.	(2,406)
Payment	08/10/2017	Ronald Himelman, M.D.	(2,752)
TOTAL			(16,749)
Deposit	08/15/2017		18,808
Payment	08/15/2017	Steven Gundry, M.D.	(5,192)
Payment	08/15/2017	West Pacific Medical Laboratory	(1,849)
Payment	08/15/2017	Cohen Musch Thomas Medical Group	(3,365)
Payment	08/15/2017	Pathway Pharmaceuticals, Inc.	(2,162)
Payment	08/15/2017	Desert Family Medical Center	(3,395)
Payment	08/15/2017	Peter Jamieson, M.D.	(2,844)
TOTAL			(18,808)
Deposit	08/24/2017		4,620
Payment	08/24/2017	Laboratory Corporation of America	(4,620)
TOTAL			(4,620)
Deposit	08/24/2017		47,017
		Cure Cardiovascular Consultants	(1,984)
Payment	08/24/2017	Milauskas Eye Institute Medical Group	(5,862)
Payment	08/24/2017	Desert Regional Medical Center	(4,658)
Payment	08/24/2017	Tenet HealthSystem Desert, Inc	(5,265)
Payment	08/24/2017	Tenet HealthSystem Desert, Inc.	(26,646)
Payment	08/24/2017	Dennis Spurgin, D.C.	(2,601)
TOTAL			(47,017)
Deposit	08/28/2017		3,659
Payment	08/28/2017	Quest Diagnostics Incorporated	(3,659)

Las Palmas Medical Plaza
Deposit Detail - LPMP
 July through August 2017

Type	Date	Name	Amount
TOTAL			(3,659)
Deposit	08/31/2017		8,693
Payment	08/31/2017	Desert Oasis Healthcare Medical Group	(1,933)
Payment	08/31/2017	Desert Family Medical Center	(3,395)
Payment	08/31/2017	Cohen Musch Thomas Medical Group	(3,365)
TOTAL			(8,693)
		Total Deposits	189,290

Desert Healthcare District
Check Register
As of August 31, 2017

Type	Date	Num	Name	Amount
1000 · CHECKING CASH ACCOUNTS				
1010 · Union Bank - Checking				
Bill Pmt -Check	07/11/2017	14514	Alejandro Espinoza-	(718)
Bill Pmt -Check	07/11/2017	14515	Andrea S. Hayles-	(119)
Bill Pmt -Check	07/11/2017	14516	Angel View Inc.	(32,535)
Bill Pmt -Check	07/11/2017	14517	Boyd & Associates	(108)
Bill Pmt -Check	07/11/2017	14518	Boys & Girls Club of Coachella Valley	(1,885)
Bill Pmt -Check	07/11/2017	14519	Brian Wachs, CPA	(500)
Bill Pmt -Check	07/11/2017	14520	Chris Christensen	(120)
Bill Pmt -Check	07/11/2017	14521	Coachella Valley Volunteers in Medicine	(12,080)
Bill Pmt -Check	07/11/2017	14522	County of Riverside Auditor-Controller	(21,390)
Bill Pmt -Check	07/11/2017	14523	Donna Den Bleyker.	(149)
Bill Pmt -Check	07/11/2017	14524	Frazier Pest Control, Inc.	(30)
Bill Pmt -Check	07/11/2017	14525	Image Source	(537)
Bill Pmt -Check	07/11/2017	14526	Premier Healthcare Solutions	(1,093)
Bill Pmt -Check	07/11/2017	14527	Principal Life Insurance Co.	(739)
Bill Pmt -Check	07/11/2017	14528	Ready Refresh	(43)
Bill Pmt -Check	07/11/2017	14529	Shred-It	(79)
Bill Pmt -Check	07/11/2017	14530	So.Cal Computer Shop	(550)
Bill Pmt -Check	07/11/2017	14531	Time Warner Cable	(205)
Bill Pmt -Check	07/11/2017	14532	Underground Service Alert of Southern Cal	(2)
Bill Pmt -Check	07/11/2017	14533	Vanessa Smith-	(11)
Bill Pmt -Check	07/11/2017	14534	Verizon Wireless	(208)
Liability Check	07/13/2017		QuickBooks Payroll Service	(824)
Liability Check	07/13/2017		QuickBooks Payroll Service	(23,898)
General Journal	07/17/2017	01-01	401a payment - 07/14/17 payroll	(1,644)
General Journal	07/17/2017	01-01	457b payment - 07/14/17 payroll	(3,021)
Bill Pmt -Check	07/19/2017	14535	ACHD	(11,250)
Bill Pmt -Check	07/19/2017	14536	Alejandro Espinoza-	(181)
Bill Pmt -Check	07/19/2017	14537	Archer Norris	(135)
Bill Pmt -Check	07/19/2017	14538	Burke Consulting	(2,000)
Bill Pmt -Check	07/19/2017	14539	Calif. Public Employees'Retirement System	(10,205)
Bill Pmt -Check	07/19/2017	14540	CoPower Employers' Benefits Alliance	(1,684)
Bill Pmt -Check	07/19/2017	14541	First Bankcard (Union Bank)	(1,055)
Bill Pmt -Check	07/19/2017	14542	Herb K. Schultz-	(184)
Bill Pmt -Check	07/19/2017	14543	Law Offices of Scott & Jackson	(22,900)
Bill Pmt -Check	07/19/2017	14544	Mizell Senior Center	(40,330)
Bill Pmt -Check	07/19/2017	14545	Pitney Bowes Global Financial Services	(279)
Bill Pmt -Check	07/19/2017	14546	The LGBT Community Center	(18,000)

Desert Healthcare District
Check Register
As of August 31, 2017

Type	Date	Num	Name	Amount
Bill Pmt -Check	07/19/2017	14547	Visiting Nurse Assoc of Inland Counties	(12,500)
Bill Pmt -Check	07/19/2017	14548	Xerox Financial Services	(392)
Bill Pmt -Check	07/19/2017	14549	First Bankcard (Union Bank)	(1,159)
Bill Pmt -Check	07/19/2017	14550	Staples Credit Plan	(575)
Bill Pmt -Check	07/25/2017	14551	Safehouse of the Desert	(101,904)
Bill Pmt -Check	07/25/2017	14552	Vanessa Smith-	(221)
Liability Check	07/27/2017		QuickBooks Payroll Service	(23,923)
Liability Check	07/27/2017		QuickBooks Payroll Service	(1,021)
Check	07/31/2017		Service Charge	(959)
General Journal	07/31/2017	01-02	July 2017 LTD Payment - Jena Marie Van Earl	(1,234)
General Journal	07/31/2017	01-03	401a payment - 07/28/17 payroll	(1,644)
General Journal	07/31/2017	01-03	401a payment - 07/28/17 payroll	(3,021)
General Journal	07/31/2017	01-04	Record Medical Reimb - July 2017	(2,069)
Bill Pmt -Check	08/04/2017	14553	Andrea S. Hayles-	(187)
Bill Pmt -Check	08/04/2017	14554	Archer Norris	(140)
Bill Pmt -Check	08/04/2017	14555	Brian Wachs, CPA	(500)
Bill Pmt -Check	08/04/2017	14556	California Special Districts Association	(25)
Bill Pmt -Check	08/04/2017	14557	Image Source	-
Bill Pmt -Check	08/04/2017	14558	Principal Life Insurance Co.	(758)
Bill Pmt -Check	08/04/2017	14559	Ready Refresh	(43)
Bill Pmt -Check	08/04/2017	14560	Shred-It	(79)
Bill Pmt -Check	08/04/2017	14561	So.Cal Computer Shop	(1,526)
Bill Pmt -Check	08/04/2017	14562	Time Warner Cable	(205)
Bill Pmt -Check	08/04/2017	14563	Underground Service Alert of Southern Cal	(12)
Bill Pmt -Check	08/04/2017	14564	Verizon Wireless	(704)
Bill Pmt -Check	08/09/2017	14565	Burke Consulting	(2,000)
Bill Pmt -Check	08/09/2017	14566	Foundation of PSUSD	(5,000)
Bill Pmt -Check	08/09/2017	14567	Frazier Pest Control, Inc.	(30)
Bill Pmt -Check	08/09/2017	14568	Image Source	(584)
Bill Pmt -Check	08/09/2017	14569	Pacific Health Consulting Group	(67,529)
Bill Pmt -Check	08/09/2017	14570	Palm Springs Alarm	(631)
Bill Pmt -Check	08/09/2017	14571	Palm Springs Chamber of Commerce	(250)
Bill Pmt -Check	08/09/2017	14572	Staples Credit Plan	(263)
Bill Pmt -Check	08/09/2017	14573	The Nyhart Company	(957)
Bill Pmt -Check	08/09/2017	14574	Xerox Financial Services	(428)
Liability Check	08/10/2017		QuickBooks Payroll Service	(23,911)
Liability Check	08/10/2017		QuickBooks Payroll Service	(1,253)
General Journal	08/14/2017	02-01	401a payment - 08/11/17 payroll	(1,792)
General Journal	08/14/2017	02-01	457b payment - 08/11/17 payroll	(3,132)

Desert Healthcare District
Check Register
As of August 31, 2017

Type	Date	Num	Name	Amount
Bill Pmt -Check	08/16/2017	14575	Alejandro Espinoza-	(659)
Bill Pmt -Check	08/16/2017	14576	Andrea S. Hayles-	(34)
Bill Pmt -Check	08/16/2017	14577	Boys & Girls Club of Coachella Valley	(7,128)
Bill Pmt -Check	08/16/2017	14578	Calif. Public Employees'Retirement System	(10,205)
Bill Pmt -Check	08/16/2017	14579	Mizell Senior Center	(90,068)
Bill Pmt -Check	08/16/2017	14580	Moss, Levy & Hartzheim LLP	(9,000)
Bill Pmt -Check	08/16/2017	14581	Regional Access Project Foundation	(5,000)
Bill Pmt -Check	08/16/2017	14582	So.Cal Computer Shop	(117)
Bill Pmt -Check	08/16/2017	14583	Well in the Desert	(76,318)
Bill Pmt -Check	08/17/2017	14584	Chris Christensen	(169)
Bill Pmt -Check	08/17/2017	14585	First Bankcard (Union Bank)	(4,023)
Bill Pmt -Check	08/24/2017	14586	Blackbaud, Inc.	(2,120)
Bill Pmt -Check	08/24/2017	14587	Coachella Valley Economic Partnership	(166,028)
Bill Pmt -Check	08/24/2017	14588	CoPower Employers' Benefits Alliance	(1,684)
Bill Pmt -Check	08/24/2017	14589	Hidden Harvest Corporation	(42,750)
Bill Pmt -Check	08/24/2017	14590	Pitney Bowes Purchase Power	(200)
Bill Pmt -Check	08/24/2017	14591	Principal Life Insurance Co.	(856)
Liability Check	08/24/2017		QuickBooks Payroll Service	(23,347)
Liability Check	08/24/2017		QuickBooks Payroll Service	(1,166)
General Journal	08/28/2017	02-04	401a payment - 08/25/17 payroll	(1,792)
General Journal	08/28/2017	02-04	457b payment - 08/25/17 payroll	(3,132)
Bill Pmt -Check	08/31/2017	14593	Cash - Mary Pannoni	(409)
Bill Pmt -Check	08/31/2017	14594	Image Source	(414)
Bill Pmt -Check	08/31/2017	14595	Jewish Family Service of the Desert	(108,102)
Bill Pmt -Check	08/31/2017	14596	Palm Springs Alarm	(250)
Bill Pmt -Check	08/31/2017	14597	Paws & Hearts	(3,000)
Bill Pmt -Check	08/31/2017	14598	Ready Refresh	(43)
Bill Pmt -Check	08/31/2017	14599	Shred-It	(79)
Bill Pmt -Check	08/31/2017	14600	Sodexo	(185)
Bill Pmt -Check	08/31/2017	14601	Time Warner Cable	(205)
Bill Pmt -Check	08/31/2017	14602	Transgender Community Coalition	(5,000)
Bill Pmt -Check	08/31/2017	14603	Verizon Wireless	(653)
Bill Pmt -Check	08/31/2017	14607	Boys & Girls Club of Coachella Valley	(2,527)
Check	08/31/2017		Service Charge	(975)
General Journal	08/31/2017	02-03	August 2017 LTD Payment - Jena Marie Van Earl	(1,234)
TOTAL				(1,042,120)

**Las Palmas Medical Plaza
Check Register
As of August 31, 2017**

Type	Date	Num	Name	Amount
1000 - CHECKING CASH ACCOUNTS				
1046 - Las Palmas Medical Plaza				
Bill Pmt -Check	07/11/2017	9689	Amtech Elevator Services	(1,239)
Bill Pmt -Check	07/11/2017	9690	Desert Air Conditioning Inc.	(2,371)
Bill Pmt -Check	07/11/2017	9691	Desert Water Agency	(569)
Bill Pmt -Check	07/11/2017	9692	Imperial Security	(4,271)
Bill Pmt -Check	07/11/2017	9693	INPRO-EMS Construction	(11,297)
Bill Pmt -Check	07/11/2017	9694	Palm Springs Disposal Services Inc	(2,039)
Bill Pmt -Check	07/11/2017	9695	Pink, Inc.	(1,250)
Bill Pmt -Check	07/19/2017	9696	Amtech Elevator Services	(1,146)
Bill Pmt -Check	07/19/2017	9697	Frazier Pest Control, Inc.	(180)
Bill Pmt -Check	07/19/2017	9698	Frontier Communications	(209)
Bill Pmt -Check	07/19/2017	9699	Imperial Security	(1,566)
Bill Pmt -Check	07/19/2017	9700	Pink, Inc.	(1,250)
Bill Pmt -Check	07/19/2017	9701	Southern California Edison	(1,675)
Bill Pmt -Check	07/19/2017	9702	Stericycle, Inc.	(1,455)
Check	07/31/2017		Service Charge	(976)
Bill Pmt -Check	08/04/2017	9703	Desert Water Agency	(538)
Bill Pmt -Check	08/04/2017	9704	Imperial Security	(4,271)
Bill Pmt -Check	08/04/2017	9705	Palm Springs Disposal Services Inc	(2,123)
Bill Pmt -Check	08/08/2017	9706	INPRO-EMS Construction	(10,117)
Bill Pmt -Check	08/09/2017	9707	Desert Air Conditioning Inc.	(1,231)
Bill Pmt -Check	08/09/2017	9708	Southern California Edison	(1,934)
Bill Pmt -Check	08/09/2017	9709	Stericycle, Inc.	(1,325)
Bill Pmt -Check	08/16/2017	9710	Frazier Pest Control, Inc.	(180)
Bill Pmt -Check	08/16/2017	9711	Frontier Communications	(209)
Bill Pmt -Check	08/16/2017	9712	Imperial Security	(2,848)
Bill Pmt -Check	08/16/2017	9713	Pink, Inc.	(5,686)
Bill Pmt -Check	08/24/2017	9714	Pink, Inc.	(1,250)
Bill Pmt -Check	08/31/2017	9715	Desert Water Agency	(575)
Bill Pmt -Check	08/31/2017	9716	Imperial Security	(2,848)
Check	08/31/2017		Service Charge	(868)
TOTAL				(67,496)



MEMORANDUM

DATE: September 12, 2017

TO: F&A Committee

RE: Retirement Protection Plan (RPP)

Current number of participants in Plan:

Active – still employed by hospital	139
Vested – no longer employed by hospital	61
Former employees receiving annuity	<u>14</u>
Total	<u>214</u>

The outstanding liability for the RPP is approximately **\$5.0M** (Actives - \$3.6M and Vested - \$1.4M). Per the June 30, 2017 Actuarial Valuation, the RPP has an Unfunded Pension Liability of approximately **\$2.9M**. A monthly accrual of \$20K is being recorded each month as an estimate for FY2018.

The payouts, excluding monthly annuity payments, made from the Plan for the Two (2) months ended August 31, 2017 totaled **\$64K**. Monthly annuity payments (14 participants) total **\$2.0K** per month.



Date: September 26, 2017

To: Board of Directors

Subject: Cure Cardiovascular Consultants, Inc. - Las Palmas Medical Plaza Suite #1W 202-203 – Sublease Agreement with Dr. Robert Bernstein.

Staff recommendation: Consideration to approve the sublease agreement between Cure Cardiovascular Consultants, Inc. and Dr. Robert Bernstein, at the Las Palmas Medical Plaza.

Background:

- A new lease agreement was executed with Cure Cardiovascular Consultants, Inc. effective September 1, 2017.
- Cure Cardiovascular Consultants, Inc. wishes to execute a sublease with Dr. Robert Bernstein, who has been subleasing at the same suit with the former tenant, Dr. Himelman.
- The F&A Committee reviewed and approved the request at the September 12, 2017 meeting and recommended to forward to the Board for approval.
- Staff requests consideration to approve the sublease agreement Cure Cardiovascular Consultants, Inc. and Dr. Robert Bernstein.

Fiscal Impact:

No fiscal impact.

SPACE SHARING AGREEMENT

THIS SPACE SHARING AGREEMENT (the “**Agreement**”) is entered into and effective as of September 1, 2017 (“**Effective Date**”) by and between CURE CARDIOVASCULAR CONSULTANTS, INC., a California corporation (“**Sublessor**”), and ROBERT F. BERNSTEIN, M.D., an individual (“**Sublessee**”). The Effective date and the commencement of the Term are conditioned upon and subject to Sublessor’s execution of the Lease referenced in Recital A below. Should the lease not be executed, this Agreement will be null and void.

RECITALS

A. Pursuant to that certain Las Palmas Medical Plaza Commercial Lease dated _____, 2017 (the “**Lease**”) by and between Desert Healthcare District (d.b.a. Las Palmas Medical Plaza) (“**Landlord**”) and the Sublessor, Sublessor leases certain real property consisting of approximately 1,280 sq. ft. and located at 555 E Tachevah Dr., Ste 1W202, Palm Springs, CA 92262 (the “**Office**”), for use in the Sublessor’s cardiology practice. A copy of the Lease is attached hereto as **Exhibit A**.

B. Sublessor desires to sublease to Sublessee, and Sublessee desires to sublease from Sublessor, a portion of the Office space and equipment therein for Sublessee’s own cardiology and internal medicine practice, and to provide for the sharing of certain expenses in connection therewith.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties agree as follows.

1. **Office Sharing.** Sublessor hereby subleases to Sublessee, and Sublessee hereby subleases from Sublessor, fifty percent (50%) of the Office, including sharing equally in the office space, examination rooms, and all cardiovascular testing equipment (the “**Equipment**”) at the Office. Sublessee acknowledges and agrees to all of the terms and conditions of the Lease as may be applicable to Sublessee or to the Landlord’s rights and remedies, including but not limited to Use and Occupancy (Article 6), Trade Fixtures and Signs (Article 7), Alterations, Repairs, Restoration (Article 8), Condemnation (Article 9) and Defaults and Remedies (Article 12).

2. **Rent and Expenses.**

(a) **Office Rent.** Sublessee shall pay to Sublessor each month an amount equal to fifty percent (50%) of the then-current monthly rent due under the Lease

pursuant to Article 4 thereof (including rent, Common Area Maintenance Costs, Real Estate Taxes and Insurance (Triple Net Fees).

(b) Office Expenses. To the extent not already included within amounts due from Sublessee to Sublessor pursuant to Section 2(a) above, Sublessee shall pay to Sublessor an amount equal to fifty percent (50%) of all general Office expenses, including utilities (electricity, gas, and pest control), water and housekeeping supplies (including exam room paper). Such charges shall also include any expenses charged by Landlord with respect to the condition of the Office upon Lease termination.

(c) Maintenance Expenses. In order to provide for the proper functioning and maintenance of the Equipment, the Sublessor and Sublessee agree to share in the costs of such maintenance and repairs to the Equipment, with Sublessor paying sixty percent (60%) and Sublessee paying forty percent (40%) of such expenses.

3. Payment Terms. Within two (2) weeks of the first of each month, Sublessor shall provide an invoice (the "**Invoice**") to Sublessee for all costs and expenses due from Sublessee under Section 2 above for the previous month. Sublessee agrees to pay each Invoice within two (2) weeks of receipt.

4. Term. This Agreement shall be effective on the date hereof and continue until the earlier to occur of either (i) the Lease terminates, (ii) either party hereto elects to terminate this Agreement upon at least sixty (60) days' notice to the other party hereto for any reason, or (iii) immediately for cause. Each party hereto shall be liable for all charges through and including the termination date.

5. Cooperation. Sublessor and Sublessee covenant to cooperate in good faith to share the Office in accordance with this Agreement and to execute documents or take other actions as may be reasonably necessary from time to time to give effect to this Agreement.

6. Sublessor and Sublessee Relationship only. The relationship between the parties hereto is that of Sublessor and Sublessee only. The Parties are not business associates, partners, joint ventures, agents, employees of one another, shareholders or the like, and have separate, distinct and unrelated medical practices.

7. Indemnity. The Parties hereto shall defend, indemnify and hold each other and their principals harmless from and against any claims or lawsuits that arise or are asserted against the other as a result of the actions taken by the other which give rise to any such claim or lawsuit. The scope of the defense and indemnity provided under this section shall include indemnity for the attorneys and expert fees incurred by the party to be indemnified.

8. Malpractice Insurance. Each party hereto shall maintain in full force and effect during the Term of this Agreement Professional Liability Insurance in the minimum amounts of \$1,000,000 per occurrence and \$3,000,000 annual aggregate.

Sublessee shall provide proof of said insurance to Sublessor prior to the commencement of this Agreement.

6. Entire Agreement. This Agreement supersedes any prior understanding or agreement and it is the entire agreement between the parties in respect of the subject matter hereof, and there are no other agreements, written or oral, nor may this Agreement be modified except in writing and executed by all of the parties hereto.

7. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

8. Notice. Any notice or communication given pursuant to this Agreement shall be in writing and delivered personally, by confirmed facsimile transmission, or mailed by certified mail, postage prepaid (mailed notices shall be deemed given when actually received), at the following addresses:

As to Sublessor: Michael Bagheri, M.D.
555 E Tachevah Dr., Ste 1W202.
Palm Springs, CA 92262

As to Sublessee: Robert F. Bernstein, M.D.
555 E Tachevah Dr., Ste 1W202,
Palm Springs, CA 92262

or to such other address or addresses as hereinafter shall be furnished as provided in this Section by any of the parties to the others.

9. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors and assigns. Sublessee may not lease, sublease, or assign this Agreement without the prior written consent of the Sublessor.

10. Counterparts. Separate counterparts of this Agreement may be signed and together shall constitute one agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, and intending to be legally bound, the parties execute this Agreement effective as of the date first above written.

SUBLESSOR

CURE CARDIOVASCULAR CONSULTANTS, INC.

By: Michael Bagheri, President

SUBLESSEE

ROBERT F. BERNSTEIN, M.D.

By: Robert F. Bernstein, M.D.

EXHIBIT A

Lease



TO: Board of Directors
Desert Healthcare District/Foundation

FROM: Herb K. Schultz
CEO, Desert Healthcare District/Foundation

DATE: August 31, 2017

SUBJECT: Release of Little Hoover Commission Report on Healthcare and Special Districts

Late yesterday afternoon, the state's Little Hoover Commission released its report to the Legislature and public outlining numerous recommendations to strengthen oversight and increase the transparency and accountability of activities undertaken by healthcare and other special districts. **Most of the accountability and transparency recommendations are activities already undertaken by DHCD/F in the exact form or close to the form recommended.**

A copy of the report can be found through the link. My recommendation is that Board Members read the 8-page executive summary which provides all of the information you need to know as opposed to reading the entire report. In addition, I plan to make a presentation and engage the Board in a discussion at the September 26 Board Meeting on these recommendations and draft legislation per recommendation #1.

<http://www.lhc.ca.gov/report/special-districts-improving-oversight-transparency>

Bottom Line: The three major recommendations specific to only healthcare districts perfectly align with the positions and activities the District/Foundation and I have undertaken since November on the Board's behalf. Although the Report's recommendations are mostly not problematic, the language of the Report – a bit negative – leaves us to believe there will be a myriad of challenges in the upcoming legislative debate per recommendation #1.

In summary, the three recommendations specific to health care districts include:

1. **The Legislature should update the 1945 legislative “practice acts” that enabled voters to create local hospital districts, renamed healthcare districts in the early 1990s**

The Association of California Healthcare Districts (ACHD), of which we are an active member, during the study process, committed to working together with our other state association, the California Special District Association (CSDA) as well as the District Hospital Leadership Forum (DHLF) organization exclusively for Districts that run their hospitals), on the development of draft legislation to update the healthcare district governing statute.

On your behalf and based on my experience and expertise, I am playing a leadership role on the tri-association working group (ACHD is in the lead) that is developing the draft legislation. In addition, earlier this summer, I participated in a half-day advisory committee session held by the Little Hoover Commission as the sole Healthcare District representative in addition to the associations. We have a long way to go to finalize the draft legislation – including completing and agreeing on the draft at the working group level (input from our Board will be essential) and putting the draft through each association’s internal governing process.

Further, finalized draft legislation likely will be taken to the chair of the Assembly Committee on Local Government for discussion and hopefully form the basis of a Committee Bill at the start of next year’s Legislative Session in January. **The importance of updating our governing state cannot be understated, but this will be a long dialogue and debate, likely not ending until a year from now at the August close of next year’s Legislative Session.**

2. **The Legislature, which has been increasingly inclined to override local LAFCO processes and authority to press changes on healthcare districts, should defer these decisions to LAFCOs.**
3. The Association of California Health Healthcare Districts and its member districts should step up efforts to define and share best practices among themselves.

The remaining recommendations, for all districts, including moving towards higher quality local control by investing more oversight through LAFCOs as opposed to state mandated laws. Moreover, in the area of improving transparency and public involvement, most of the recommendations are to strengthen financial and website-related requirements; DHCD/F for the most part, in one form or another, already meets the requirements of these recommendations.

As always, I will keep you updated on any major development and in the interim, please let me know if you have any questions or need additional information.

Executive Summary

Special districts, the workhorses of public service delivery created by the California Legislature during the earliest days of statehood, represent the most common form of local government. They have prevailed through endless upheaval as California morphed from a state of rural open spaces into one of the world's most powerful economic engines and home to nearly 40 million people. Today special districts generate some \$21 billion in annual revenues and employ more than 90,000 local government workers.¹

In 2016 and 2017, the Little Hoover Commission reviewed and analyzed California's 2,071 independent special districts and the State of California's role and responsibility in overseeing them.² The Legislature not only created special districts and enacted the practice acts by which they are governed, but it retained the power to create new districts and also to dissolve them. In the early 1960s, the Legislature had the foresight to develop a local oversight mechanism, Local Agency Formation Commissions (LAFCOs) tasked with bringing more rational planning practices and reining in inappropriate growth by considering local government boundary decisions. LAFCOs have the authority to initiate dissolutions and consolidations of special districts, although ultimately local voters have the final say. The process is slow -- intentionally slow according to some --and occasionally frustrated parties attempt to bypass the local process by taking issues directly to the Legislature. This tension, in part, prompted the Commission to update its 2000 review of special districts to consider whether the local oversight process works as intended or whether a different process or a greater role for the Legislature would be more effective.

The Commission's review broke new ground, but also revisited issues first identified in its May 2000 report, *Special Districts: Relics of the Past or Resources for the Future?* The 2000 report declared that California's expansive special district sector often amounted to a poorly overseen and largely invisible governing sector serving residents who know little about who runs them or

what they pay in taxes to sustain them. The Commission nearly two decades ago questioned the soundness of special districts' financial management and asked if their numbers might be pared back through consolidations. Yet Commissioners also acknowledged in their 2000 analysis that special districts provide Californians valuable services and are "physically closest to their communities." The Commission concluded that despite its range of criticisms, special districts should remain, in the end, local institutions best served by local decision-making.

In its newest review the Commission heard from some who still contend that special districts are ripe for consolidation and represent convoluted, dispersed, under-the-radar government. Frustrated with the local oversight process, various local special district issues percolated up into bills in the 2015-16 legislative session as the Commission began its study, potentially signifying that the current system of oversight fails to work as well as intended.

In this review, the Commission found special districts themselves could do a better job of telling their own story to overcome the stigma that they function as hidden government. During an advisory committee meeting, Chair Pedro Nava encouraged special districts to "tell your story." There are very few government entities in a position to let people know that they work directly for the public and that the taxes and fees they collect fund local services, he said.

In testimony, the Commission also learned that despite the perception that special districts continue to proliferate in California, the number of special districts has declined 5 percent since 1997, while the number nationally increased by 10 percent.³ Thirty-three states have more special districts per capita than California. Despite frequent calls for dissolving or consolidating these local governments, special districts seem to have pluses that render them tolerable to those they govern and able to forestall movements to purge them or fold their work into city and county governments.

The Commission's 2016-2017 review delved into four primary arenas concerning special districts:

- Oversight of special districts, specifically, opportunities to bolster the effectiveness of Local Agency Formation Commissions (LAFCOs).
- The continued need for districts to improve transparency and public engagement.
- The frequently-controversial evolution of California's healthcare special districts, which in the 1940s and 1950s built a far-ranging system of hospitals that are mostly now gone due to a tremendous transformation in healthcare from hospitalization to preventive care.
- The urgency of climate change adaptation in California and the front-line roles that special districts, particularly water, wastewater treatment and flood control districts, play in preparing their communities and defending them from harm.

Toward Higher-Quality Local Control

As in 2000, the Commission held fast to the concept that special districts are essentially local institutions. Whether their individual endeavors are praised or panned, special districts seemingly reflect the wishes of local voters. They also reflect the politics of LAFCOs, unique oversight bodies in each county with authority to judge their performances and recommend whether they should continue to exist. The Commission again determined that LAFCOs should be the leading voice on the status of special districts in California – and that they need more tools to do the job well.

Commissioners perplexed by the seemingly slow progress in dissolutions and consolidations at one point during the study asked if a lack of money prevented LAFCOs and special districts from initiating consolidations or conducting the mandated Municipal Service Reviews that can identify opportunities for improved efficiency in service delivery. A chorus of stakeholders suggested a small, one-time infusion of grant funding, tied to specified outcomes to ultimately improve efficiency and save taxpayer dollars, was indeed warranted. They also called for various statutory changes that could bolster the effectiveness of LAFCOs.

Clearly, special districts can be improved. Given the routine front-line services they provide, the historic climate challenges these districts face in keeping California stable, as well as the need to provide the best possible healthcare to millions of residents, LAFCOs and the state have obligations to see that they succeed. To that end, the Commission offers 20 recommendations to guide the Legislature and Governor going forward. The first eight of those recommendations address the basic structure and governing issues revolving around special districts:

Recommendation 1: The Legislature and the Governor should curtail a growing practice of enacting bills to override LAFCO deliberative processes and decide local issues regarding special district boundaries and operations.

The Legislature and Governor have reason to be frustrated with slow and deliberative LAFCO processes. But these are local institutions of city, county and special district members often better attuned to local politics than those in the State Capitol. Exemptions where the Legislature gets involved should be few, and in special cases where the local governing elites are so intransigent or negligent – or so beholden to entrenched power structures – that some higher form of political authority is necessary.

Recommendation 2: The Legislature should provide one-time grant funding to pay for specified LAFCO activities, to incentivize LAFCOs or smaller special districts to develop and implement dissolution or consolidation plans with timelines for expected outcomes. Funding should be tied to process completion and results, including enforcement authority for corrective action and consolidation.

The Commission rarely recommends additional funding as a solution. However, a small one-time infusion of \$1 million to \$3 million in grant funding potentially could save California taxpayers additional money if it leads to streamlined local government and improved efficiency in service delivery. This funding could provide an incentive for LAFCOs or smaller districts to start a dissolution or consolidation process. Participants in the Commission's public process suggested the Strategic Growth Council or Department of Conservation could administer this one-time funding.

Recommendation 3: The Legislature should enact and the Governor should sign SB 448 (Wieckowski) which would provide LAFCOs the statutory authority to conduct reviews of inactive districts and to dissolve them without the action being subject to protest and a costly election process.

There has been no formal review to determine the number of inactive special districts – those that hold no meetings and conduct no public business. Rough estimates gauge the number to be in the dozens. Simplifying the LAFCOs' legal dissolution process would represent a significant step toward trimming district rolls in California. The Commission supports SB 448 and encourages the Legislature to enact the measure and for the Governor to sign the bill.

Recommendation 4: The Governor should sign AB 979 (Lackey), co-sponsored by the California Special Districts Association and the California Association of Local Agency Formation Commissions. The bill would strengthen LAFCOs by easing a process to add special district representatives to the 28 county LAFCOs where districts have no voice.

The Cortese-Knox-Hertzberg Reorganization Act of 2000 (AB 2838, Hertzberg) provided the option to add two special district members to county LAFCOs to broaden local governing perspectives. Nearly two decades later, 30 counties have special district representatives on their LAFCOs alongside city council members and county supervisors. This change provides LAFCOs a more diverse decision-making foundation and stronger finances. But 28 counties, mostly in rural California have not added special district representatives to their LAFCO governing boards, citing scarce resources. Presently, a majority of a county's special districts must pass individual resolutions within one year supporting a change. This has repeatedly proved itself a formidable obstacle to broadening the outlook of local LAFCOs. AB 979 (Lackey) would allow a simple one-time election process where districts could easily – and simultaneously – decide the question.

Recommendation 5: The Legislature should adopt legislation to give LAFCO members fixed terms, to ease political pressures in controversial votes and enhance the independence of LAFCOs.

The California Association of Local Agency Formation Commissions (CALAFCO) testified on August 25, 2016, that

individual LAFCO members are expected to exercise their independent judgment on LAFCO issues rather than simply represent the interests of their appointing authority. But this is easier said than done when representatives serve on an at-will basis. The CALAFCO hearing witness said unpopular votes have resulted in LAFCO board members being removed from their positions. Fixed terms would allow voting members to more freely exercise the appropriate independence in decision-making.

Recommendation 6: The Legislature should convene an advisory committee to review the protest process for consolidations and dissolutions of special districts and to develop legislation to simplify and create consistency in the process.

Complicated and inconsistent processes potentially impact a LAFCO's ability to initiate a dissolution or consolidation of a district. If 10 percent of district constituents protest a LAFCO's proposed special district consolidation, a public vote is required. If a special district initiates the consolidation, then a public vote is required if 25 percent of the affected constituents protest. Additionally, the LAFCO must pay for all costs for studies and elections if it initiates a consolidation proposal, whereas the district pays these costs if it proposes or requests the consolidation. Various participants in the Commission's public process cautioned against setting yet another arbitrary threshold and advised the issue warranted further study before proposing legislative changes. They called for more consistency in the process.

Recommendation 7: The Legislature should require every special district to have a published policy for reserve funds, including the size and purpose of reserves and how they are invested.

The Commission heard a great deal about the need for adequate reserves, particularly from special districts with large infrastructure investments. The Commission also heard concerns that reserves were too large. To better articulate the need for and the size of reserves, special districts should adopt policies for reserve funds and make these policies easily available to the public.

Recommendation 8: The State Controller's Office should standardize definitions of special district financial reserves for state reporting purposes.

Presently, it is difficult to assess actual reserve levels held by districts that define their numbers one way and the State Controller's Office which defines them another way. The State Controller's Office is working to standardize numbers following a year-long consultation with a task force of cities, counties and special districts. To improve transparency on reserves, a subject that still eludes effective public scrutiny, they should push this project to the finish line as a high priority.

Improving Transparency and Public Involvement

Because there are thousands of special districts in California, performing tasks as varied as managing water supply to managing rural cemeteries, the public has little practical ability to ascertain the functionality of special districts, including the scope of services these local districts provide, their funding sources, the use of such funds and their governance structure. Although publicly elected boards manage independent special districts, constituents lack adequate resources to identify their local districts much less the board members who collect and spend their money.

The Commission saw a number of opportunities for special districts to do a better job communicating with the public, primarily through improvements to district websites and more clearly articulating financing policies, including adopting and making publicly available fund reserve policies. Existing law requires special districts with a website to post meeting agendas and to post or provide links to compensation reports and financial transaction reports that are required to be submitted to the State Controller's Office. The State Controller's Office – despite having a software platform from the late 1990s – attempts to make all the information it receives as accessible as possible.

Many special districts already utilize their websites to effectively communicate with their constituents and voluntarily follow the nonprofit Special District Leadership Foundation's transparency guidelines and receive the foundation's District Transparency Certificate of Excellence. But often, these districts are the exception and not the rule. The Commission makes three recommendations to improve special district transparency and to better engage the public served by the districts:

Recommendation 9: The Legislature should require that every special district have a website.

Key components should include:

- **Name, location, contact information**
- **Services provided**
- **Governance structure of the district, including election information and the process for constituents to run for board positions**
- **Compensation details – total staff compensation, including salary, pensions and benefits, or a link to this information on the State Controller's website**
- **Budget (including annual revenues and the sources of such revenues, including without limitation, fees, property taxes and other assessments, bond debt, expenditures and reserve amounts)**
- **Reserve fund policy**
- **Geographic area served**
- **Most recent Municipal Service Review**
- **Most recent annual financial report provided to the State Controller's Office, or a link to this information on the State Controller's website**
- **Link to the Local Agency Formation Commission and any state agency providing oversight**

Exemptions should be considered for districts that fall under a determined size based on revenue and/or number of employees. For districts in geographic locations without reliable Internet access, this same information should be available at the local library or other public building open and accessible to the public, until reliable Internet access becomes available statewide.

Building on this recommendation, every LAFCO should have a website that includes a list and links to all of the public agencies within each county service area and a copy of all of the most current Municipal Service Reviews. Many LAFCOs currently provide this information and some go further by providing data on revenues from property taxes

and user fees, debt service and fund balance changes for all the local governments within the service area. At a minimum, a link to each agency would enable the public to better understand the local oversight authority of LAFCOs and who to contact when a problem arises.

Recommendation 10: The State Controller’s Office should disaggregate information provided by independent special districts from dependent districts, nonprofits and joint powers authorities.

Over the course of this study, the Commission utilized data available on the State Controller’s website to attempt to draw general conclusions about independent special districts, such as overall revenues, number of employees and employee compensation. Presently, it is difficult to do this without assistance as information for independent districts is mixed with various other entities.

Recommendation 11: The California Special Districts Association, working with experts in public outreach and engagement, should develop best practices for independent special district outreach to the public on opportunities to serve on boards.

The Commission heard anecdotally that the public does not understand special district governance, does not often participate or attend special district board meetings and often does not know enough about candidates running to fill board positions. Often, the public fails to cast a vote for down-ballot races. Two county registrars provided the Commission information that showed in many instances those who voted for federal or statewide offices did not vote for local government officials at the same rate, whether they were city council positions, special district positions or local school or community college district positions.

What is the Role for Healthcare Districts?

The Commission found in its review that special districts were as diverse as the services provided and the millions of Californians served. To gain deeper insight on one type of local government service provider, the Commission took a closer look at an often-controversial group: healthcare districts that no longer operate hospitals. These entities struggle to explain their relevance within the rapidly evolving healthcare industry,

which emphasizes preventative care over hospitalization. Amid uncertainty about the future of the Affordable Care Act, many of these districts claim they are carving out new roles in preventative care. Yet the Legislature, local grand juries, LAFCOs and healthcare analysts continue to question their relevance and need to exist. Presently, just 37 of 79 California healthcare districts operate 39 hospitals, mostly in rural areas with few competitors or other alternatives – and few suggest the need to dissolve those districts.

Controversy tends to afflict districts in former rural areas that became suburbanized in recent decades and grew into competitive healthcare markets. The 2015-16 legislative session included a rash of legislation that considered whether to force district dissolutions or modify district boundaries – even though those decisions are the responsibility of LAFCOs. Nonetheless, most healthcare districts officials continue to maintain they are more flexible than counties in defining priorities and are pioneering a new era of preventative care under the umbrella of “wellness.” Officials say their districts are misunderstood by critics who lack understanding about how much the healthcare landscape is changing. They also say that local voters generally support their local missions and how they allocate their share of property taxes in the community.

As part of its special districts review, the Commission convened a two-hour advisory committee with experts to shed light on healthcare districts. During the course of the Commission’s study, the Association of Healthcare Districts convened a workgroup to develop recommendations, in part, in response to legislative scrutiny. These recommendations were considered and discussed during the November advisory committee meeting. Participants analyzed whether counties or healthcare districts are best positioned as local and regional healthcare providers and discussed the role of LAFCOs in consolidating, dissolving or steering healthcare districts toward more relevant roles. During the meeting Commissioners also pushed districts to share and adopt best practices and define better metrics to measure what they are accomplishing with their shares of local property taxes. Three Commission recommendations arose from the discussion as well as numerous interviews with experts during the study:

Recommendation 12: The Legislature should update the 1945 legislative “practice acts” that enabled voters to create local hospital districts, renamed healthcare districts in the early 1990s.

Experts widely agree that statutory language in the acts no longer reflects the evolution of healthcare during the past seventy years, particularly the shift from hospital-based healthcare to modern preventive care models.

Recommendation 13: The Legislature, which has been increasingly inclined to override local LAFCO processes and authority to press changes on healthcare districts, should defer these decisions to LAFCOs.

LAFCOs have shown successes in shaping the healthcare district landscape and should be the primary driver of change. Given the controversies over healthcare districts, the California Association of Local Agency Formation Commissions and LAFCOs should be at the forefront of studying the relevance of healthcare districts, potential consolidations and dissolutions of districts. To repeat a theme of Recommendation 1, the Legislature should retain its authority to dissolve healthcare districts or modify boundaries, but this authority should be limited to cases in which local political elites are so intransigent or negligent – or so beholden to local power structures – that some form of higher political authority is deemed necessary.

Recommendation 14: The Association of California Healthcare Districts and its member districts should step up efforts to define and share best practices among themselves.

A Commission advisory committee meeting discussion clearly showed that not enough thought or interest has been assigned to sharing what works best in rural, suburban and urban areas among members. The association should formally survey its members and collectively define their leading best practices and models for healthcare, as well as guidelines to improve the impacts of grantmaking in communities.

Front-line Roles for Climate Change Adaptation

At the Commission’s August 25, 2016, hearing, Chair Pedro Nava asked a simple question of special district attendees vigorously defending their need for robust reserve funds:

How are they assessing future climate change impacts when amassing reserves for long-range infrastructure spending? That question, rooted in the Commission’s 2014 climate adaptation report *Governing California Through Climate Change*, became the genesis of a deeper exploration of awareness of and preparations for climate change among special districts. In an October 27, 2016, hearing focused on special districts efforts to adapt to climate change, the Commission learned that:

- Special districts, even while vastly outnumbering cities and counties in California, have generally not participated at the levels of cities and counties in the state’s emerging climate adaptation information gathering and strategizing. Often that is because they lack land-use authority. Nonetheless, it is critical that their experienced voices be at the table.
- Many larger infrastructure-intensive water, wastewater and flood control districts stand at the forefront nationally in preparing for the varying, changing precipitation patterns – too much or too little water – at the heart of anticipated climate change impacts.

The Commission found it encouraging that many special districts are reducing the need for imported water by diversifying supplies and producing vastly more recycled water. Districts also are steering more stormwater runoff in wet years into groundwater recharge basins for use in dry years. The actions that all agencies must eventually take are already being done by some. The Commission agreed that these leading-edge actions and infrastructure spending strategies represent models for other districts to follow. Accordingly, the Commission makes six recommendations focused on climate change adaptation:

Recommendation 15: The Legislature should place a requirement that special districts with infrastructure subject to the effects of climate change should formally consider long-term needs for adaptation in capital infrastructure plans, master plans and other relevant documents.

Most special districts, especially the legions of small districts throughout California, have their hands full meeting their daily responsibilities. Many have few resources and little staff time to consider long-range issues, particularly those with the heavy uncertainty of

climate change adaptation. Making climate change a consideration in developing capital infrastructure plans and other relevant planning documents would formally and legally elevate issues of adaptation and mitigation, especially for districts where immediate concerns make it too easy to disregard the future.

Recommendation 16: The California Special Districts Association (CSDA), in conjunction with its member districts, should document and share climate adaptation experiences with the Integrated Climate Adaptation and Resilience Program’s adaptation information clearinghouse being established within the Governor’s Office of Planning and Research (OPR). Similarly, CSDA and member districts should step up engagement in the state’s current Fourth Assessment of climate threats, a state research project designed to support the implementation of local adaptation activities. The CSDA also should promote climate adaptation information sharing among its members to help districts with fewer resources plan for climate impacts and take actions.

The OPR clearinghouse promises to be the definitive source of climate adaptation planning information for local governments throughout California. At the Commission’s October 27, 2016, hearing, an OPR representative invited more district participation in state climate adaptation processes. It is critical that special districts and their associations assume a larger participatory role – both within state government and among their memberships – to expand the knowledge base for local governments statewide.

Recommendation 17: The state should conduct a study – by either a university or an appropriate state department – to assess the effect of requiring real estate transactions to trigger an inspection of sewer lines on the property and require repairs if broken.

The responsibility to safeguard California and adequately adapt to climate change impacts falls on every resident of California. This begins at home with maintenance and upgrading of aging sewer laterals. Requiring inspections and repairs during individual property transactions is an optimum way to slowly rebuild a region’s collective wastewater infrastructure in the face of climate change. At the community level, repairs will help prevent excess stormwater during major climate events from overwhelming wastewater systems and triggering sewage

spills into public waterways. The Oakland-based East Bay Municipal Utility District has instituted an ordinance that requires property owners to have their private sewer laterals inspected if they buy or sell a property, build or remodel or increase the size of their water meter. If the lateral is found to be leaking or damaged, it must be repaired or replaced. The state should consider implementing this policy statewide.

Recommendation 18: State regulatory agencies should explore the beginnings of a new regulatory framework that incorporates adaptable baselines when defining a status quo as climate impacts mount.

With climate change what has happened historically will often be of little help in guiding regulatory actions. State regulations designed to preserve geographical or natural conditions that are no longer possible or no longer exist already are creating problems for special districts. Wastewater agencies, for example, face conflicting regulations as they divert more wastewater flows to water recycling for human needs and less to streams historically home to wildlife that may or may not continue to live there as the climate changes. While it is not easy for regulators to work with moving targets or baselines, climate change is an entirely new kind of status quo that requires an entirely new approach to regulation.

Recommendation 19: The California Special Districts Association, and special districts, as some of the closest-to-the-ground local governments in California, should step up public engagement on climate adaptation, and inform and support people and businesses to take actions that increase their individual and community-wide defenses.

Special districts are uniquely suited to communicate with and help prepare millions of Californians for the impacts of climate change. Nearly all have public affairs representatives increasingly skilled at reaching residents through newsletters, social media and public forums. District staff grapple constantly with new ways to increase their visibility. Many will find they can build powerful new levels of public trust by helping to prepare their communities for the uncertainty ahead.

Recommendation 20: The California Special Districts Association and special districts should lead efforts to seek and form regional partnerships to maximize climate adaptation resources and benefits.

Water, wastewater and flood control districts are already bringing numerous agencies to the table to pool money, brainpower and resources for big regional projects. The East Bay Municipal Utility District has arrangements with many Bay Area and Central Valley water agencies to identify and steer water to where it is most needed for routine demands and emergencies alike. The Metropolitan Water District and Sanitation Districts of Los Angeles County also increasingly pool their joint resources to steer more recycled water to groundwater recharge basins for dry years. Likewise, the Santa Clara Valley Water district and other state and federal agencies are collectively planning and funding 18 miles of levees to protect the region from sea level rise. These partnerships among special districts and other government agencies clearly hint at what will be increasingly necessary as climate impacts begin to mount.

ACA SUMMARY Current Law	GRAHAM-CASSIDY-HELLER-JOHNSON AMENDMENT
March 23, 2010	September 13, 2017
<ul style="list-style-type: none"> • Require most U.S. citizens and legal residents to have health insurance. • Create state-based health insurance exchanges through which individuals and small businesses can compare plans, apply for financial assistance, purchase coverage. • Provide refundable premium tax credits, based on income and cost of coverage, for individuals/families with income between 100-400% of the federal poverty level. • Impose new insurance market regulations, including requiring guaranteed issue of all non-group health plans during annual open enrollment and special enrollment periods; limiting rating variation to 4 factors: age (3 to 1 ratio), geographic rating area, family composition, and tobacco use (1.5 to 1 ratio); prohibiting pre-existing condition exclusion periods; prohibiting lifetime and annual limits on coverage; and extending dependent coverage to age 26. 	<ul style="list-style-type: none"> • Repeal ACA mandates (2016), and premium and cost sharing subsidies (2020). • Establish new state block grant program, the Market-based Health Care Grant Program, appropriated at \$1.176 trillion over 7 years, to fund state-designed health care reform programs. Block grant funding would be instead of current federal spending for marketplace premium and cost sharing subsidies and the Medicaid expansion. Effectively, states must elect block grant funding or their residents will be ineligible for any federal financial assistance for health care coverage after 2019. • Retain private market rules, but permit states to waive premium rating rules, including the prohibition on health status rating, essential health benefits and medical loss ratio rebate requirements for those covered through the block grant program. • Establish new short-term federal reinsurance program with federal

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| <ul style="list-style-type: none"> • Require ten essential health benefits be covered by all individual and small group health insurance • Require plans to provide no-cost preventive benefits and limit annual cost-sharing. • Expand Medicaid to 138% of the federal poverty level at state option and require a single, streamlined application for tax credits, Medicaid, and CHIP. • Extend CHIP funding to 2015 and increase the match rate by 23 percentage points up to 100%. • Close the Medicare Part D doughnut hole and enhance coverage of preventive benefits in Medicare. • Reduce Medicare spending by reducing payments for Medicare Advantage plans, hospitals, and other providers. • Establish the Independent Payment Advisory Board and the Center for Medicare and Medicaid Innovation (CMMI). | <p>funding of \$25 billion for 2019 and 2020.</p> <ul style="list-style-type: none"> • Encourage use of Health Savings Accounts by increasing annual tax-free contribution limit and through other changes. • Repeal authority to cover Medicaid expansion adults as of September 1, 2017, for non-expansion states and as of January 1, 2020, for expansion states. Repeal the enhanced FMAP for the Medicaid expansion effective January 1, 2020. • Convert federal Medicaid funding to a per capita allotment and limit growth in federal Medicaid spending beginning in 2020. State per-enrollee amounts for 4 groups would increase at a rate of medical CPI for children and adults and medical CPI plus one percentage point for the elderly and disabled adults for 2020 – 2024 and then by CPI-U for children and adults and medical CPI for elderly and disabled adults for 2025 and beyond; provide state option to receive a block grant for nonelderly non-disabled adults. |
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ACA SUMMARY Current Law	GRAHAM-CASSIDY-HELLER-JOHNSON AMENDMENT
	<ul style="list-style-type: none"> • Add state option to require work as a condition of Medicaid eligibility for nonelderly adults who are not disabled or pregnant. • Prohibit federal Medicaid funding for Planned Parenthood clinics for one year. • Provide supplemental funding for community health centers of \$422 million for FY 2017. • No change to Medicare benefit enhancements or provider/Medicare Advantage plan payments. • Repeal several ACA revenue provisions.
<p>Require U.S. citizens and legal residents to have qualifying health coverage.</p> <p>Individuals without coverage pay a tax penalty of the greater of \$695 per year, indexed by inflation, or 2.5% of household income. Exemptions granted for affordability, financial hardship, religious objections, other reasons.</p>	<p>Tax penalty for not having minimum essential coverage is eliminated effective January 1, 2016</p>
<ul style="list-style-type: none"> • Provide refundable, advanceable premium tax credits to eligible individuals with incomes between 100-400% FPL to purchase insurance 	<ul style="list-style-type: none"> • For 2018-2019, ACA premium tax credit formula and eligibility standards are unchanged, except

through the exchanges. Credits computed on sliding scale so people pay no more than a required percentage of income for the second lowest cost silver plan for their age in their area. Credit amount decreases as income increases; amount increases as cost (including age-rated premium) of benchmark plan increases. Annually index individual required contribution by premium growth over income growth through 2018. U.S. citizens and legal immigrants who meet income limits and who are not eligible for affordable coverage through an employer or public program are eligible for tax credit.

Examples of national average tax credit amount by age and income in 2017

include:

- For a 34 year old, the national average tax credit in 2017 is \$6,019 at 100% FPL, \$4,734 at 200% FPL, and \$0 at 401% FPL
- For a 49 year old, the national average tax credit in 2017 is \$7,686 at 100% FPL, \$6,400 at 200% FPL, and \$0 at 401% FPL

- For end of year reconciliation of advance credits, the cap on repayment of excess advance payments does not apply
- Tax credits cannot be used for plans that cover abortion, effective 2018.
- Starting in 2019, anyone (not just young adults and certain others) can buy a catastrophic health plan. The ACA single risk pool rating requirement also applies to catastrophic policies starting in 2019, which may have the effect of increasing premiums somewhat for such policies.
- Starting in 2020, repeal ACA income-based premium tax credits

ACA SUMMARY Current Law	GRAHAM-CASSIDY-HELLER-JOHNSON AMENDMENT
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- For a 64 year old, the national average tax credit in 2017 is \$12,068 at 100% FPL, \$10,782 at 200% FPL, \$0 at 401% FPL
- Premium tax credit can be applied to any individual health insurance policy, other than catastrophic policies, sold through the exchange
- Individuals who are eligible for public programs, including Medicare, Medicaid, CHIP, or for employer sponsored coverage that meets affordability and minimum value standards are not eligible for tax credit.

- Provide cost-sharing subsidies to eligible individuals with household income between 100%-250% FPL. Subsidies reduce deductibles, copays and OOP limit that otherwise apply under silver plans by increasing actuarial value of plan on sliding scale.
National average deductible and OOP limit under silver exchange plans in 2016 were:
- For an individual between 150-200% FPL, the national average annual deductible was \$221 and the national average annual OOP limit was \$874

ACA cost sharing subsidies are repealed effective January 1, 2020.

ACA SUMMARY Current Law	GRAHAM-CASSIDY-HELLER-JOHNSON AMENDMENT
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- For an individual between 200-250% FPL, the national average annual deductible was \$709 and the national average annual OOP limit was \$1,795
- For an individual between 250-300% FPL, the national average annual deductible was \$2,491 and the national average annual OOP limit was \$4,850
- For an individual > 250% FPL, the national average annual deductible was \$3,064 and the national average annual OOP limit was \$6,160

- Require guaranteed issue of all non-group health plans during annual open enrollment (3 months for 2017 plan year). Insurers also must offer 60-day special enrollment periods (SEP) for individuals after qualifying events. Small group health insurance plans must be guaranteed issue year round.
- Require insurers to set prices to reflect expected costs for single risk pool. Rating variation permitted for just 4 factors: age (limited to 3 to 1 ratio), geographic rating area, family composition, and tobacco use (limited to 1.5 to 1 ratio).

- ACA market rules are retained, but states can waive key market rules as part of their block grant program.
- Prohibition on turning applicants down based on health status is not changed and cannot be waived.
- ACA rating rules continue; however, states can waive and permit premium rating based on health status as part of their block grant program.
- Prohibition on pre-existing condition exclusion periods is not changed and cannot be waived.
- Establish new federal short-term reinsurance program for insurers in the individual market. Program is

ACA SUMMARY Current Law	GRAHAM-CASSIDY-HELLER-JOHNSON AMENDMENT
<ul style="list-style-type: none"> Prohibit pre-existing condition exclusions. 	<p>funded at \$25 billion over 2 years (\$10 billion in 2019 and \$15 billion in 2020).</p>
<ul style="list-style-type: none"> Require all plans offered in the individual and small group markets to cover ten categories of essential health benefits: ambulatory care, emergency care, hospitalization, maternity and newborn care, mental health and substance use care, prescription drugs, rehabilitative and habilitative services, laboratory services, preventive care, chronic disease management, and pediatric dental and vision care. Prohibit lifetime and annual dollar limits on coverage under individual and group health plans Limit annual cost-sharing to \$7,150/individual and \$14,300/family in 2017, indexed to inflation. Exchange plans must be offered at 4 cost sharing levels based on actuarial value (AV) categories: Bronze (60% AV); Silver (70% AV), Gold (80% AV) and Platinum (90% AV). Catastrophic plans with lower AV also offered to young adults. 	<ul style="list-style-type: none"> ACA requirement to cover 10 essential health benefit categories is not changed, but states can waive as part of their block grant program. ACA requirement for maximum out-of-pocket limit on cost sharing is not changed, and does not appear to be waivable by states through their block grant program. ACA requirement for plans to be offered at specified actuarial values/metal levels is not changed and does not appear to be waivable by states through their block grant program. However, the bill adjusts state block grant amounts based on the actuarial value of coverage provided, suggesting that states may have discretion to vary the actuarial value of coverage provided to their residents. Prohibition on lifetime and annual dollar limits is not changed; however, the prohibition on annual limits applies to limits on essential health

ACA SUMMARY Current Law	GRAHAM-CASSIDY-HELLER-JOHNSON AMENDMENT
<ul style="list-style-type: none"> • Prohibit cost sharing for preventive health benefits in individual and group plans • Require in-network level of cost sharing for out-of-network emergency services • Prohibit abortion coverage from being required. Federal premium and cost-sharing subsidies cannot pay for abortion beyond saving the life of the woman or in cases of rape or incest (Hyde amendment). If a subsidy-eligible individual enrolls in a plan that chooses to cover abortion services federal subsidy funds must be segregated from private premium payments or state funds. Prohibit plans from discriminating against any provider because of an unwillingness to provide, pay for, provide coverage of, or refer for abortions. 	<p>benefits, which can be waived by states through their block grant program.</p> <ul style="list-style-type: none"> • Requirement for group plans and individual market plans to cover preventive benefits with no cost sharing is not changed, but can be waived in the individual market by states through their block grant program. • Requirement for all plans to apply in-network level of cost sharing for out-of-network emergency services is not changed; it is not clear whether states can waive this requirement through their block grant program. • Redefine qualified health plans eligible for tax credits to exclude any plan that covers abortion services beyond those for saving the life of the woman or in cases of rape or incest (Hyde amendments), effective in 2018.
<ul style="list-style-type: none"> • Require all plans offered in the individual and small group markets to cover ten categories of essential health benefits including maternity care and preventive care, such as contraception and cancer screenings. 	<ul style="list-style-type: none"> • ACA essential health benefit requirement for individual and small group health insurance policies is not changed, including requirement to cover maternity care as an essential health benefit; however, states can

ACA SUMMARY Current Law

GRAHAM-CASSIDY-HELLER-JOHNSON AMENDMENT

- Prohibit preexisting conditions exclusions which historically have included pregnancy, prior C-section, and history of domestic violence.
- Prohibit discriminatory premium pricing based on gender (gender rating).
- Prohibit abortion coverage from being required. Federal premium and cost-sharing subsidies cannot pay for abortion beyond saving the life of the woman or in cases of rape or incest (Hyde amendment). If a subsidy-eligible individual enrolls in a plan that chooses to cover abortion services federal subsidy funds must be segregated from private premium payments or state funds.
- Prohibit plans from discriminating against any provider because of an unwillingness to provide, pay for, provide coverage of, or refer for abortions.

- waive the essential health benefits through their block grant program
- Requirement for individual and group plans to cover preventive benefits, such as contraception and cancer screenings, with no cost sharing is not changed, but can be waived in the individual market by states through their block grant program.
- Prohibition on gender rating is not changed.
- Prohibition on pre-existing conditions exclusions, including for pregnancy, prior C-section, and history of domestic violence, is not changed.
- Prohibit federal Medicaid funding for Planned Parenthood clinics for one year, effective upon date of enactment. Specifies that federal funds to states including those used by managed care organizations under state contract are prohibited from going to such entity.
- Redefine qualified health plans eligible for tax credits to exclude any plan that covers abortion services, beyond those for saving the life of the woman or in cases of rape or incest (Hyde amendment), effective in 2018.

	<ul style="list-style-type: none">• Disqualify small employers from receiving tax credits if their plans include abortion coverage beyond Hyde limitations, effective in 2018.• Prohibit HSA funds from being used to pay for either abortion services or premiums for plans that include coverage for abortion--beyond Hyde limitations.• Clarify that state 1332 waivers will not affect the authority of the Secretary of HHS to enforce the requirement that premiums for plans covering abortion include a separate, segregated payment for the abortion benefits.
<ul style="list-style-type: none">• Leave in place HSA rules as authorized by the Medicare Modernization Act of 2003, including:• Individuals must be enrolled in qualified high deductible health plan (HDHP) in order to make tax deductible contributions to an HSA• Eligible individuals may contribute up to \$3,350 annually (2016-2017) tax free, amount indexed annually to CPI. Additional catch up contribution of up to \$1,000 may be made by persons over	<ul style="list-style-type: none">• Modify certain rules for HSAs, changes take effect January 1, 2018, unless otherwise noted:<ul style="list-style-type: none">○ Increase annual tax free contribution limit to equal the limit on out-of-pocket cost sharing under qualified high deductible health plans (\$6,550 for self only coverage, \$13,100 for family coverage in 2017, indexed for inflation).○ Additional catch up contribution of up to \$1,000 may be made by persons over age 55. Both spouses

age 55. Contribution limits doubled for enrollment in family coverage

- Amounts withdrawn for qualified medical expenses are not subject to income tax. Qualified medical expenses include amounts paid out-of-pocket for services subject to deductible or other cost sharing, and for other uncovered services, such as eyeglasses, dental care, or long term care. Nutritional supplements and health club fees are not qualified medical expenses. ACA also excluded over-the-counter drugs as a qualified expense. Tax free HSA withdrawals cannot be used to pay for insurance premiums, with exception for COBRA premiums, health insurance premiums paid while receiving unemployment benefits, and long term care insurance premiums up to certain limits. Amounts withdrawn for any non-qualified expense are subject to income tax; in addition, before age 65 a 20% tax penalty applies for non-qualified distributions.
- Upon death of account holder, HSA can rollover tax free to an HSA of surviving spouse; for any non-spousal beneficiary,

can make catch up contributions to the same HSA.

- Amounts withdrawn for qualified medical expenses are not subject to income tax. Qualified medical expense definition expanded to include over-the-counter medications and expenses incurred up to 60 days prior to date HSA was established.
- Tax penalty for HSA withdrawals used for non-qualified expenses is reduced from 20% to 10%, effective January 1, 2017.
- Provide that qualified medical expenses include expenses for premiums for qualified high deductible health plans; qualified premium expenses must be net of any otherwise applicable ACA premium tax credit. In addition, premium expenses claimed as deduction by self-employed individuals, or premium contribution by employees excluded from gross income cannot be paid with HSA funds.

ACA SUMMARY Current Law	GRAHAM-CASSIDY-HELLER-JOHNSON AMENDMENT
<p>the account ceases to be a HSA and account balance becomes taxable to the beneficiary.</p>	<ul style="list-style-type: none"> ○ Also, provide that qualified medical expenses include fees paid to private concierge physician practices. ○ Expenses paid with HSA funds cannot be used to pay for either abortion services or premiums for plans that include coverage for abortion--beyond Hyde limitations.
<p>Create a temporary national high-risk pool to provide health coverage to individuals with pre-existing medical conditions 2010-2013.</p>	<p>States may use Market-based Health Care Grant Program funds to establish mechanisms for high-risk individuals to purchase non-group coverage, and for other purposes.</p>
<p>Permit states with similar rules to enter into interstate compacts to share enforcement and allow insurers to sell policies in any compacting state. Insurers selling policies through a compact would only be subject to the laws and regulations of the state where the policy is written or issued, except for rules pertaining to market conduct, unfair trade practices, network adequacy, and consumer protections. Compacts may only be approved if it is determined that the compact will provide coverage that is at</p>	<p>No provision.</p>

ACA SUMMARY Current Law	GRAHAM-CASSIDY-HELLER-JOHNSON AMENDMENT
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least as comprehensive and affordable as coverage provided through the exchanges.

- Create state-based health insurance exchanges and Small Business Health Options Program (SHOP) exchanges through which individuals and small businesses with up to 100 employees can purchase qualified coverage. Exchanges must display all qualified health plans and facilitate comparison by consumers and small businesses. Exchanges must offer call center and navigator services to help consumers and small businesses apply for coverage and financial assistance and compare plans. Require the federal government to establish an exchange in states that choose not to establish their own.
- Apply single risk pool rating requirement to plans offered both on and off the exchange. Plans offered both on and off the exchange that are otherwise the same must be offered at same price.
- Apply individual insurance market rating and other rules to coverage provided to associations, but not related to employment, and sold to individuals.

- The bill does not change ACA provisions requiring establishment of State exchanges. Other waiver language and the elimination of marketplace subsidies seems to mean that exchanges might not continue.
- Single risk pool rating requirement for plans first sold on or after January 1, 2014 is retained Starting in 2019 the single risk pool rating requirement applies to catastrophic plans.

ACA SUMMARY Current Law	GRAHAM-CASSIDY-HELLER-JOHNSON AMENDMENT
<p>Generally, where association coverage is offered to employer members to provide coverage to their employees, the size of each employer determines whether rules of the small group or large group market apply.</p>	
<p>Provide dependent coverage for children up to age 26 for all individual and group policies.</p>	<p>Requirement to provide dependent coverage for children up to age 26 for all individual and group policies is not changed.</p>
<ul style="list-style-type: none"> • Set minimum medical loss ratio standards for all health plans. Insurers must provide rebates to policyholders for the amount of the premium revenue spent on clinical services and quality that is less than 85% for plans in the large group market and 80% for plans in the individual and small group markets. Establish a process for reviewing increases in health plan premiums and require plans to justify increases. • Require all health plans to offer independent external review to resolve claims disputes. • Require all plans to report transparency data on enrollment, disenrollment, claims payment practices and denials, 	<ul style="list-style-type: none"> • Minimum medical loss ratio standards for all health plans are not changed; however, states can waive MLR rebate requirements through their block grant program. • Requirement for all health plans to offer independent external review is not changed. • Requirements for all plans to report transparency data, and to provide standard, easy-to-read summary of benefits and coverage are not changed.

ACA SUMMARY Current Law	GRAHAM-CASSIDY-HELLER-JOHNSON AMENDMENT
<p>out of network claims, and other performance measures required by the Secretary. Require all plans to provide standard, easy-to-read summary of benefits and coverage.</p>	
<ul style="list-style-type: none"> • Impose a tax penalty on employers with 50 or more full-time employees that do not offer coverage that meets standards for affordability and minimum value. In general, large employers subject to the mandate cannot reimburse employees for the purchase of individual health insurance. • Apply a “Cadillac tax” on high-cost health plans beginning in 2020: an excise tax on insurers of employer-sponsored health plans whose value exceeds \$10,200 for individuals, \$27,500 for families (higher thresholds for plans with retirees, higher cost due to age, gender, or high-risk work of employees). Plan value includes employer contributions to health savings accounts (HSAs) and health reimbursement accounts (HRAs). Excise tax is 40% of plan value in excess of threshold. 	<ul style="list-style-type: none"> • Tax penalty for large employers that do not provide health benefits is reduced to zero, retroactive to January 1, 2016 • Wellness incentives permitted under the ACA are not changed. • Repeal tax credits for low-wage small employers, effective January 1, 2020. Prohibit small business tax credits from being used to purchase plans that cover abortions beyond Hyde limitations, effective in 2018

ACA SUMMARY Current Law	GRAHAM-CASSIDY-HELLER-JOHNSON AMENDMENT
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- Require employers with more than 200 employees to auto enroll employees into the group health plan; employees may opt out of coverage
- Permit employers to adopt wellness incentives, up to 30% of cost of group health plan (50% if wellness incentives include tobacco cessation incentives) for group health plan participants to meet wellness targets
- Provide tax credits for 2 years for low-wage small employers (up to 25 employees). Credit amount up to 50% of the employer’s premium contribution

Expansion/Financing

- Expand Medicaid eligibility to all non-elderly adults with incomes up to 138% FPL based on modified adjusted gross income at state option. As under current law undocumented immigrants are not eligible for Medicaid. Provide newly eligible adults with a benefit package that meets the essential health benefits. To finance the eligibility expansion, states will receive 100% federal funding for 2014 through 2016, 95% federal financing in 2017, 94% federal financing in 2018, 93% federal financing in 2019,

Financing

- Repeal the enhanced match rate for the Medicaid expansion for expansion states as of January 1, 2020.
 - Eliminate coverage group for adults up to 138% FPL as of September 1, 2017 for non-expansion states and as of January 1, 2020 for expansion states.
 - Eliminate option to extend coverage to adults above 133% FPL as of September 1, 2017 for non-expansion states and as of January 1, 2020 for expansion states.

and 90% federal financing for 2020 and subsequent years.

Children's Health Insurance Program (CHIP)

- Require states to maintain current income eligibility levels for children in Medicaid and the Children's Health Insurance Program (CHIP) until 2019 and extend funding for CHIP through 2015. Beginning in 2015, increase CHIP match rate by 23 percentage points up to a cap of 100%.

Other changes to Medicaid

- Increase the Medicaid drug rebate percentage for brand name and non-innovator, multiple source drugs and extend the drug rebate to Medicaid managed care plans.
- Reduce aggregate Medicaid DSH allotments. Require the Secretary to develop a methodology to distribute the DSH reductions based on uninsured rates.
- Create demonstration projects to test health home models and new payment methodologies.

- Creates new optional coverage group as of January 1, 2020 for members of Indian tribes up to 138% FPL in states that had expanded coverage as of December 31, 2019, who were enrolled in Medicaid as of December 31, 2019, and do not have a break in eligibility of 6 months (or a longer period specified by the state).
- Ends the "expansion state" enhanced match rate transition percentage as of January 1, 2020.
- Convert federal Medicaid financing to a per capita cap beginning in FY 2020.
 - Set total medical assistance expenditures for a state as the sum of the per-enrollee amounts for 4 groups - elderly, blind and disabled adults, children, and other adults - multiplied by the number of enrollees in each group.
 - The base year for per-enrollee amounts is determined using state-selected 8 consecutive quarters of expenditure data from FY 2014 through the third quarter of FY 2017 for enrollees subject to the per capita caps. Secretary has discretion to

- Provide states with new options for offering home and community-based services.

adjust data as deemed appropriate. Base year amounts are inflated to 2019 by medical CPI. The target expenditures in 2020 are calculated based on the 2019 per-enrollee amounts for each enrollment group adjusted to maintain the ratio of non-DSH supplemental payments to total payments and multiplied by the number of enrollees in each group. Expenditures exclude administrative costs, DSH, Medicare cost-sharing, and safety net provider payment adjustments in non-expansion states. Certain categories of individuals, including CHIP, those receiving services through Indian Health Services, those eligible for Breast and Cervical Cancer services, partial-benefit enrollees (including partial duals), and children who qualify on the basis of being blind or disabled are excluded.

- Increase per-enrollee amounts by medical CPI for adults and children and medical CPI plus one percentage point for the elderly and disabled for 2020 through 2024. For FY 2025 and

beyond, increase per-enrollee amounts by CPI-U for adults and children and medical CPI for elderly and disabled.

- Direct the Secretary to calculate and apply per capita cap payment provisions for categories that were not satisfactorily submitted as if they were a single 1903A enrollee category and the growth factor otherwise applied shall be decreased by one percentage point.
- Direct the Secretary to adjust target per-enrollee amounts by .5% to 2% for states spending 25% or more above the mean per capita expenditures and by .5% to 3% for states spending 25% or more below the mean per capita expenditures, to be closer to the mean beginning in 2020. (Adjustments applied in aggregate and not for each enrollee group in 2020 and 2021).

Adjustments are to be budget neutral to the federal government and excludes adjustments to certain low-density states (Alaska, Montana,

North Dakota, South Dakota and Wyoming).

- States with medical assistance expenditures exceeding the target amount for a fiscal year will have payments in the following fiscal year reduced by the amount of the excess payments.
- Change to per capita cap financing is delayed for certain low-density states (Alaska, Montana, North Dakota, South Dakota, and Wyoming) if their Market-based Health Care Grant Program (described below) allotment is less than the state's CY 2020 allotment increased by medical CPI or if the Secretary determines the state's allotment is insufficient, considering unique state circumstances, to provide comprehensive and adequate assistance to individuals in the state under the Market-based Health Care Grant Program.
- Add state option to elect Medicaid block grant instead of per capita cap for nonelderly non-disabled adults for a period of 5 fiscal years, beginning in FY

2020, through the Medicaid Flexibility Program.

- States are required to provide for eligibility for mandatory adults (including adults receiving cash assistance, pregnant women with incomes up to 133% FPL and foster care children up to age 26).
- States must provide, as targeted health assistance, hospital care, lab and x-ray services, nursing facility services, physician services, home health care, rural health clinic and federally-qualified health center services, family planning services, pregnancy-related services including nurse midwife and freestanding birth center services. The targeted health assistance must have an actuarial value of 95% of Medicaid benchmark coverage and must include mental health and substance use disorder services on parity with physical health services. States may impose cost sharing on enrollees up to 5% of family income annually.
- States would not have to comply with other federal requirements including

comparability, statewideness, free of choice of provider, and other provisions deemed appropriate by the Secretary.

- The block grant amount for the initial fiscal year a state elects the block grant is based on the state’s target per capita medical assistance expenditures for the fiscal year multiplied by the number adult enrollees (adults in the base period increased by population growth plus three percentage points) and the federal average medical assistance matching rate for the state for the fiscal year. In subsequent fiscal years, the block grant amount is increased by annual CPI-U.
- States have a maintenance of effort (MOE) requirement equal to the state share of the CHIP enhanced FMAP without the 23 percentage point increase.
- States must submit an application that includes a description of the program, including the conditions of eligibility for program enrollees, the amount, duration and scope of

services, and covered benefits; a certification that the state will meet requirements related to data and program evaluations; and a statement of program goals related to quality, access, growth rate targets, consumer satisfaction, and outcomes. The application is subject to state and federal notice and comment periods.

- Provide for a maximum of \$5 billion for public health emergencies between 1/1/20 and 12/31/24 that is excluded from per capita cap and block grant amounts. Amounts for a state would be equal to the amount spent on medical assistance for enrollees in areas of state subject to emergency that exceeds amount spent in most recent fiscal year for that population without the emergency. Secretary must declare public health emergency and determine that exclusion is appropriate.
- Reduce FY 2021-2025 DSH cuts for certain states (amount of reduction is the difference between the state's CY 2020 Market-based Health Care Grant Program (described below) allotment

increased by medical-CPI and the state’s allotment for the last CY). Provides 1-time DSH increase for FY 2026 for these states (increase is the difference between state’s total DSH cuts for FY 2021-2025 and the total DSH cut reduction received by the state for FY 2021-2025).

- Phase down the safe harbor threshold for provider taxes from 6.0% to 5.6% in FY 2021; 5.2% in 2022; 4.8% in 2023; 4.4% in 2024; and 4% in 2025 and beyond.
- Provide \$8 billion for FY 2023-2026 for quality performance bonus payments to states that have lower than expected medical assistance expenditures and meet quality performance or improvement for certain measures defined by the Secretary with state consultation. Payments provided to states as an increase in FMAP.
- Create a Home and Community Based Services (HCBS) demonstration of \$8 billion from January 2020 through December 2023 for 100% FMAP for HCBS provided under Section 1915 (c), (d), or (i) to per capita cap enrollees

who are seniors or adults with disabilities. The Secretary shall select states with priority given to 15 with lowest population density.

- Increase federal match to 100% for medical assistance provided by non-Indian Health Service providers for tribal enrollees.
- Reduce federal match rate for territories from 55% to 50% as of January 1, 2020.

Other Changes

- Create state option to conduct eligibility redeterminations every 6 months (or more frequently) for expansion enrollees beginning October 1, 2017; increase the state administrative match rate by 5 percentage points from October 1, 2017 through December 31, 2019 for administering more frequent redeterminations.
- Change 3-month retroactive coverage requirement to 2 months beginning October 1, 2017 except for those 65+ or individuals eligible based on a disability.

- Eliminates enrollment simplification and Marketplace coordination requirements as of January 1, 2020.
- Create state option to require work as a condition of eligibility for nondisabled, nonelderly Medicaid enrollees as of October 1, 2017, by participating in work activities as defined in the TANF program¹ for a period of time as determined by the state and as directed and administered by the state.
 - Exempts pregnant women through 60-days post-partum, children under 19, individuals who are the only parent/caretaker relative in family of child under age 6 or child with disability, individuals under age 20 who are married or head of household and maintain satisfactory attendance at secondary school or equivalent or participate in education directly related to employment, regular participants in inpatient or intensive outpatient substance use disorder treatment and rehabilitation programs that satisfy state criteria, and full-time

students at institutions of higher education.

- Provides 5 percentage point increase in the federal administration matching rate to implement the work requirement.
- Provide state option to cover qualified psychiatric hospital (IMD) services for adults ages 21-65 beginning in FY 2019. Services for individuals limited to up to 30 consecutive days and up to 90 days in a calendar year. States must maintain the number of licensed IMD beds and the state funding for IMD services and psychiatric outpatient care as of enactment of provision or, if higher, as of date of application to provide coverage. Federal matching funds are 50% or the state's regular FMAP as of September 30, 2018.
- Repeal the essential health benefits requirement for those receiving alternative benefit packages, including the expansion group, as of December 31, 2019.
- Eliminate hospital presumptive eligibility provisions for all groups and provision allowing other providers to

ACA SUMMARY Current Law	GRAHAM-CASSIDY-HELLER-JOHNSON AMENDMENT
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	<p>determine presumptive eligibility for expansion adults and low-income parents, effective January 1, 2020.</p> <ul style="list-style-type: none"> • Repeal enhanced FMAP for the Community First Choice Option to provide attendant care services effective January 1, 2020. • Prohibit federal Medicaid funding for Planned Parenthood for one year, effective upon date of enactment.
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<p><i>Coverage enhancements</i></p> <ul style="list-style-type: none"> • Gradually close the Medicare Part D coverage gap (“donut hole”) by 2020 • Prohibit Medicare Advantage plans from imposing higher cost-sharing requirements for some Medicare covered benefits than is required under traditional Medicare. <p><i>Changes to Provider Payments</i></p> <ul style="list-style-type: none"> • Eliminate cost-sharing for Medicare covered preventive services that are recommended (rated A or B) by the U.S. Preventive Services Task Force and waive the Medicare deductible for colorectal cancer screening tests. • Reduce payments for Medicare Advantage (MA) plans; phase-in 	<p><i>Revenues</i></p> <ul style="list-style-type: none"> • Reinstate the tax deduction for employers who receive Part D retiree drug subsidy (RDS) payments to provide creditable prescription drug coverage to Medicare beneficiaries, beginning after December 31, 2016. • The HI payroll tax on high earners is not changed <p><i>Coverage enhancements</i></p> <ul style="list-style-type: none"> • ACA benefit enhancements (no-cost preventive benefits; phased-in coverage in the Part D coverage gap) are not changed <p><i>Reductions to provider and plan payments</i></p>
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adjustments to plan payments for coding practices and provide the Secretary the authority to further adjust plan payments for coding intensity.

- Reduce payment updates for hospitals and other Medicare providers.
- Reduce Medicare Disproportionate Share Hospital (DSH) payments.

Other changes to Medicare

- Increase Medicare premiums (Parts B and D) for higher income beneficiaries (those with incomes above \$85,000/individual and \$170,000/couple).
- Establish an Independent Payment Advisory Board to recommend strategies to reduce the per capita rate of growth in Medicare spending if spending exceeds a target growth rate.
- Establish various quality, payment and delivery system changes, including a new Center for Medicare and Medicaid Innovation to test, evaluate, and expand methods to control costs and promote quality of care.

- ACA reductions to Medicare provider payments and Medicare Advantage payments are not changed.

Other ACA provisions related to Medicare are not changed, including:

- Increase Medicare premiums (Parts B and D) for higher income beneficiaries (those with incomes above \$85,000/individual and \$170,000/couple).
- Authorize an Independent Payment Advisory Board to recommend ways to reduce Medicare spending if the rate of growth in Medicare spending exceeds a target growth rate.
- Establish various quality, payment and delivery system changes, including a new Center for Medicare and Medicaid Innovation to test, evaluate, and expand methods to control costs and promote quality of care; Medicare Shared Savings Accountable Care Organizations; and penalty programs for hospital readmissions and hospital-acquired conditions.

ACA SUMMARY Current Law

GRAHAM-CASSIDY-HELLER-JOHNSON AMENDMENT

- Establish a state based health insurance exchange and provide oversight of health plans with regard to the new insurance market regulations, consumer protections, rate reviews, solvency, reserve fund requirements, premium taxes, and to define rating areas.
- Establish an office of health insurance consumer assistance or an ombudsman program to serve as an advocate for residents who are uninsured or covered under any private coverage and to help consumers appeal denied claims
- Permit states to create a Basic Health Plan for uninsured individuals with incomes between 138% and 200% FPL in lieu of these individuals receiving premium subsidies to purchase coverage in the exchanges.
- Permit states to obtain a five-year waiver of certain new health insurance requirements if the state can demonstrate that it provides health coverage to all residents that is at least as comprehensive as the coverage required under an Exchange plan and that the state plan does not increase the federal budget deficit.

- Establish new short-term block grant program for states called the Market-based Health Care Grant Program.
 - Appropriate funding of \$1.176 trillion over 7 years (\$146 billion for calendar year 2020, \$146 billion for 2021, \$157 billion for 2022, \$168 billion for 2023, \$179 billion for 2024, \$190 billion for 2025, and \$190 billion for 2026). Block grant funds would be available instead of ACA spending for private marketplace subsidies and the Medicaid expansion. No block grant program funding is authorized or appropriated after 2026.
 - Program funds can be used for any of 7 purposes:
 - a program or mechanism to help high-risk individuals purchase health coverage
 - a reinsurance program to stabilize premiums in the private individual market
 - direct payments to health care providers
 - assistance to reduce deductibles, other cost sharing and out-of-

- pocket costs for individuals enrolled in the individual market
- a program or mechanism to help individuals buy non-group coverage
- to provide private insurance coverage to individuals who are eligible for Medicaid, limited to no more than 15% of a state’s allotment, except that states may use 20% of their allotment for this purpose if states submit a waiver application and the Secretary determines that funds are used to supplement and not supplant state Medicaid spending
- to provide private managed care coverage to individuals who are not eligible for Medicaid or CHIP
- States providing coverage through this program may seek waivers of premium rating rules, including the prohibition on health status rating, essential health benefits requirements, and medical loss ratio rebate requirements for insurers participating in the program and for consumers covered through the

program. However, the Secretary may not waive any federal statutory requirements enacted before January 1, 2009.

- o Allocation of block grant amounts in 2020 is based on State spending in the premium assistance base period inflated to November 2019. The premium assistance base period amount is determined using state-selected 4 consecutive quarters from FY 2014 through the first quarter of FY 2018 for federal payments to states for Medicaid expansion enrollees and Basic Health Program (BHP) enrollees, and advance payment of premium tax credits (APTCs) and cost sharing subsidies provided to marketplace enrollees. Base period amounts for Medicaid expansion payments are inflated to November 2019 by the projected increase in Medicaid expenditures as determined by the Medicaid and CHIP Payment and Access Commission. Base period amounts for BHP payments, APTCs, and cost

- sharing subsidies are inflated to November 2019 by medical CPI.
- In 2026, the allocation of block grant funding is based on the ratio of the number of low-income residents with incomes 50%-138% of the poverty level to the total number of low-income residents (50%-138% FPL) across all states. Allocations for 2021-2025 would phase-in the transition from the allocation based on the state’s base period funding to the allocation in 2026 based on the state’s share of the low-income population.
- Beginning in 2021, adjustments to state allocations will also be made based on population risk factors using clinical risk categories and the actuarial value of coverage provided to the enrolled low-income population, The Secretary may also adjust the allocation based on population factors that impact health expenditures, including demographic characteristics, wage rates, and income. If the total state allocation amounts using the specified formula

and including any adjustments exceed the appropriated block grant amount for any year, the amount for each state would be reduced proportionally.

o The bill does not amend ACA state waiver authority under Section 1332. However, states would be granted more expansive waiver authority through the new block grant program.

- State consumer assistance/ombudsman program is not changed, and is not funded.
- State option to establish a Basic Health Program (BHP) is not changed, though federal funding to support BHP would end in 2020.
- States continue to administer the Medicaid program with Federal matching funds available up to the federal per capita cap with the option of a block grant for certain populations.

- Tax penalties associated with individual and large employer mandate; Cadillac tax on high-cost employer-sponsored group health plans

- Certain ACA taxes repealed, effective January 1, 2017, except where otherwise noted:

- Increase the Medicare payroll tax (HI) rate on wages by 0.9% (from 1.45% to 2.35%) on earnings over \$200,000 for individual taxpayers and \$250,000 for married couples filing jointly and impose a 3.8% tax on unearned income for higher-income taxpayers (thresholds are not indexed).
- New taxes on health insurers: \$8 billion in 2014; \$11.3 billion in 2015-2016; \$13.9 billion in 2017; \$14.3 billion in 2018, indexed in later years by the rate of premium growth. Lower rates or exemptions for non-profit insurers.
- New taxes on pharmaceutical manufacturers: \$2.8 billion in 2012-2013; \$3.0 billion in 2014-2016; \$4.0 billion in 2017; \$4.1 billion in 2018; and \$2.8 billion in 2019 and later.
- New excise tax of 2.3% on the sale of medical devices (delayed until 2018).
- Exclude the costs for over-the-counter drugs not prescribed by a doctor from being reimbursed through a tax preferred health savings account (HSA)
- Increase the tax on HSA distributions that are not used for qualified medical expenses from 10% to 20%.
 - Tax penalties associated with individual and large employer mandate, reduced to zero effective on January 1, 2016
 - Excise tax on medical devices repealed, effective January 1, 2018
 - Provision excluding costs for over-the-counter drugs from being reimbursed through a tax preferred health savings account (HSA)
 - Other expansions of HSA tax preferences, effective January 1, 2018
 - Provision increasing the tax (from 10% to 20%) on HSA distributions that are not used for qualified medical expenses
- Cap federal Medicaid funding, effective FY 2020; enhanced match for Medicaid expansion population repealed beginning January 1, 2020.
- Appropriate \$2 billion for federal administration of the premium tax credit changes, State block grant program, Medicaid changes, and other implementation responsibilities.

[1] Work activities under the TANF program include unsubsidized employment, subsidized private sector employment, subsidized public sector employment, work experience (including refurbishing publicly assisted housing) if sufficient private sector employment is not available, on-the-job training, job search and job readiness assistance, community service programs, vocational educational training (not to exceed 12 months for any individual), job skills training directly related to employment, education directly related to employment for those who have not received a high school diploma or certificate of high school equivalency, satisfactory attendance at secondary school or in a general equivalency certificate course for those who have not already completed, and provision of child care services to an individual participating in a community service program.

**DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE
MEETING MINUTES
September 12, 2017**

Meeting of the Finance, Administration, Real Estate and Legal Committee of the Desert Healthcare District was held in the Desert Healthcare District Conference Room, 2nd Floor, Palm Springs, CA

Attendance:

Members

Mark Matthews, Chairman/Treasurer
Dr. Les Zendle, Director

Absent

Herb K. Schultz, CEO
Sid Rubenstein

Staff

Chris Christensen, CFO
Donna Craig, Senior Program Officer
Mary Pannoni, Accounting/Admin Support
Alejandro Espinoza, Program Officer and Outreach Director
Andrea S. Hayles, Clerk to the Board

Community Members

Arthur Shorr, Community Member

CALL TO ORDER

The meeting was called to order at 3:01 p.m. by Chairman Matthews.

APPROVAL OF AGENDA

Chairman Matthews asked for an approval of the agenda.

It was moved and seconded (Director Zendle, Community Member Shorr) to approve the agenda. Motion passed unanimously.

PUBLIC COMMENT

There were no public comments.

APPROVAL OF MINUTES

Submitted for approval:

1. Minutes – July 11, 2017

It was moved and seconded (Director Zendle, Community Member Shorr) to approve the minutes of July 11, 2017. Motion passed unanimously.

CEO REPORT – None

CHIEF FINANCIAL OFFICER’S REPORT - LPMP Leasing Update

Chris Christensen, CFO provided an overview of his Report, which included the Las Palmas Medical Plaza occupancy rate/unit rental status and leasing activity. Mr. Christensen explained that the Committee previously approved Palmtree Medical Research’s (PMR) lease agreement, PMR has resolved the architectural components, and PMR is prepared to execute the lease. However, it could take up six months to complete the tenant improvements; therefore, Palmtree is requesting a lease commencement date of the earlier Certificate of Occupancy for February 1, 2018.

It was moved and seconded (Director Zendle, Community Member Shorr) to accept the change to the Palmtree Medical Research commencement date of the earlier Certificate of Occupancy for February 1, 2018.

Motion passed unanimously.

FINANCIAL REPORTS

1. Financial Statements – The District’s and LPMP Financial Statements for July - August 2017 was reviewed.
2. Accounts Receivable Aging Summary – The August 2017 accounts receivable detail was reviewed.
3. Deposits – District – The District’s July - August 2017 deposits detail was reviewed.
4. Property Tax Receipts – The property tax receipts were reviewed.
5. Deposits – LPMP – The LPMP’s July - August 2017 deposit detail was reviewed.
6. DHCD Check Register – The August 2017 DHCD check register for the District was reviewed.
7. LPMP Check Register – The August 2017 LPMP check register was reviewed.
8. RPP Update – The RPP update was reviewed.
9. Grant Payment Schedule - The grant payment schedule was reviewed.

It was moved and seconded (Chair Matthews, Director Zendle) to approve the July - August 2017 District Financial Reports - Items 1-9 and to forward to the Board for approval.

Motion passed unanimously.

PUBLIC COMMENT

There were no public comments.

OTHER MATTERS

1. Cure Cardiovascular Consultants sublease agreement with Dr. Bernstein

Chris Christensen, CFO explained the specifics of the sublease agreement between Dr. Beghari, Cure Cardiovascular Consultants and Dr. Bernstein.

It was moved and seconded (Director Zendle, Community Member Shorr) to forward to the Board for approval.

Motion passed unanimously.

2. Investment Reports – Highmark Capital Management – District & RPP – Informational

Chris Christensen, CFO explained the Highmark Capital Management Investment Report stating that once the third quarter reports are available, representative Bob Adams will attend an upcoming F&A Meeting to answer any questions.

PUBLIC COMMENT

There were no public comments.

ADJOURNMENT

The meeting was adjourned at 3:16 p.m.

ATTEST: _____

Mark Matthews, Chairman Finance and Administration Committee/Treasurer
Desert Healthcare District Board of Directors

Chief Financial Officer's Report

September 12, 2017

Operations:

The annual audit field work has been completed. Final Audit Reports will be presented at the October F&A Committee meeting.

Beginning the recruiting process for the Chief Operating Officer and Director of Communications and Marketing.

Las Palmas Medical Plaza - Property Management:

Occupancy:

See attached unit rental status report.

93.4% currently occupied –

Total annual rent including CAM fees is \$1,099,999.

Leasing Activity:

New leases have recently been executed with Palmtree Medical Research and Cure Cardiovascular Consultants, Inc.

**Las Palmas Medical Plaza
Unit Rental Status
As of September 1, 2017**

Unit	Tenant Name	Deposit	Lease Dates		Term	Unit Sq Feet	Percent of Total	Monthly Rent	Annual Rent	Rent Per Sq Foot	Monthly	Total Monthly	Total Annual
			From	To							CAM	Rent Inclg CAM	Rent Inclg CAM
											\$ 0.60		
1W, 105	Vacant					1,060	2.15%						
2W, 102	Vacant					640	1.30%						
3W, 105-106	Vacant					1,536	3.11%						
Total - Vacancies						3,236	6.56%						
Total Suites-33 - 29 Suites Occupied		\$ 54,166.90				49,356	93.4%	\$ 65,797.06	\$ 789,584.72	\$ 1.43	\$ 25,869.60	\$ 91,666.66	\$ 1,099,999.92
Summary - All Units													
Occupied		46,120	93.4%										
Vacant		3,236	6.6%										
Total		49,356	100%										

Desert Healthcare District Portfolio Review

Second Quarter 2017

Presented by

Robert L. Adams, CFA

HighMark Capital Management, Inc. is a subsidiary of Union Bank.

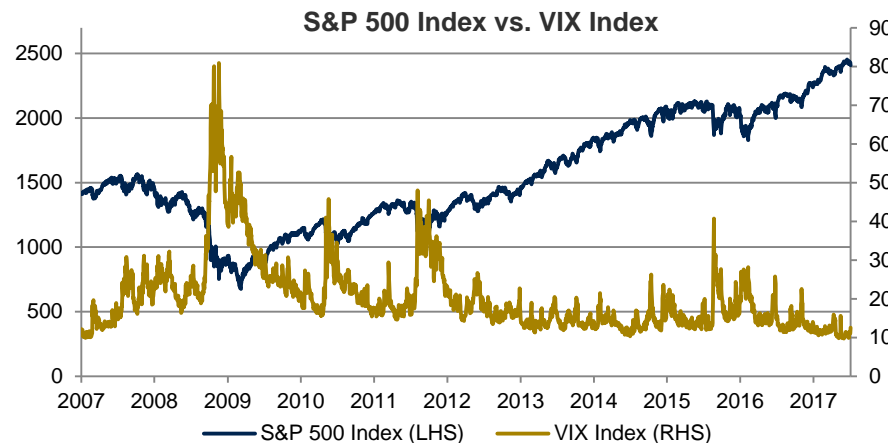
**Economic and Market Perspectives
 Q3 2017**

The relative calm of domestic equity and bond markets indicated that investors tuned out of most of the political drama that dominated headlines once again in the second quarter. Rather, corporate fundamentals and economic data releases remained in focus. Yet interestingly, the respective lenses through which bond and stock market investors interpreted these signals have led to divergent opinions as to what lies ahead.

As we noted in last quarter’s Perspectives, the so-called ‘hard’ economic data did not follow the more optimistic ‘soft’ data driven by expectations of a pro-growth agenda out of Washington. While this disparity remained largely unreconciled in the second quarter, it did not stop investors in the two major asset classes from speculating on which direction the convergence might play out. Stock investors found themselves riding the wave of consumer and small business enthusiasm, while bond investors took a ‘show me’ posture as interest rates fell amid weak inflation and real growth data.

Aside from the healthy returns global stock markets enjoyed in the first half of 2017, the other glaring sign that equity investors are anticipating positive economic developments is the level of realized and expected market risk or volatility. The domestic measure of future stock market (S&P 500 Index) volatility is an index called VIX – short for “volatility index.”

The VIX often has an inverse relationship to stock prices, so a low level of the index is commonly coincident with rising stock prices. Conversely, stock prices tend to fall when VIX is high or rising. Because of this relationship, the index is also called the market’s ‘fear gauge.’ After setting historic lows and breaking into single-digit territory during the second quarter, stock investors are decidedly more fearless than fearful. Even episodic bouts of worry have generally evaporated rapidly as a ‘buy the dip’ mentality prevails.



Source: Bloomberg

Meanwhile, bond investors, in the face of a more hawkish Fed, are not buying into the optimism driven by the prospect of a pro-growth fiscal agenda. True to its traditional skeptical nature, bond market behavior reflects a future that resembles the recent past—one of low growth and subdued inflation. Driven by soft economic data and a lack of meaningful progress on fiscal policy reform, longer-term bond yields fell as the yield curve flattened during the quarter.

A flattening yield curve is one of the most ominous signals the bond market can send investors. It can also be one of the most prescient signs of future economic conditions. However, distortions created by both domestic and foreign central bank activity currently make the yield curve's forecasting ability somewhat questionable. What remains clear is that the bond market stands by its belief that the 'proof is in the pudding.'

Second Quarter Economic and Market Highlights

U.S. Growth: The U.S. economy grew by 1.4%¹ in the first quarter. This tepid growth rate was in line with first quarter readings of past years, but is expected to rebound in the second quarter based on early estimates.

Inflation: May CPI rose at a 1.9% annualized rate falling from a near 5-year peak of 2.7% in February. Excluding food and energy, prices rose by a modest 1.7%, giving the Fed some consternation as it seeks to normalize its monetary policy².

Employment: The U.S. labor market remained healthy as unemployment fell in May by 0.1% to 4.3% - a 16-year low. Job growth has remained steady as the domestic economy added an average of 180,000 new jobs per month in the first half of the year. Despite low levels of unemployment, wage growth remained relatively subdued at 2.5% year-over-year³.

Energy: Oil entered bear market territory in June as U.S. production and inventories rose. After reaching a 12-month high of \$54.45 in Q1, West Texas Intermediate Crude Oil traded below \$43 per barrel, its lowest level since August 2016⁴.

Corporate Earnings: S&P 500 earnings growth beat expectations, growing by 13.9% compared to last year according to Factset. 75% of firms beat analyst consensus expectations.

Consumer: The University of Michigan Index of Consumer Sentiment fell off its recent highs in June but remains at an above-average level. A lack of progress in Washington may have contributed to a decline in the future expectations segment of the survey.

¹U.S. Bureau of Economic Analysis

²Bloomberg: Y-o-Y Urban Consumers NSA

³U.S. Bureau of Labor Statistics

⁴Bloomberg

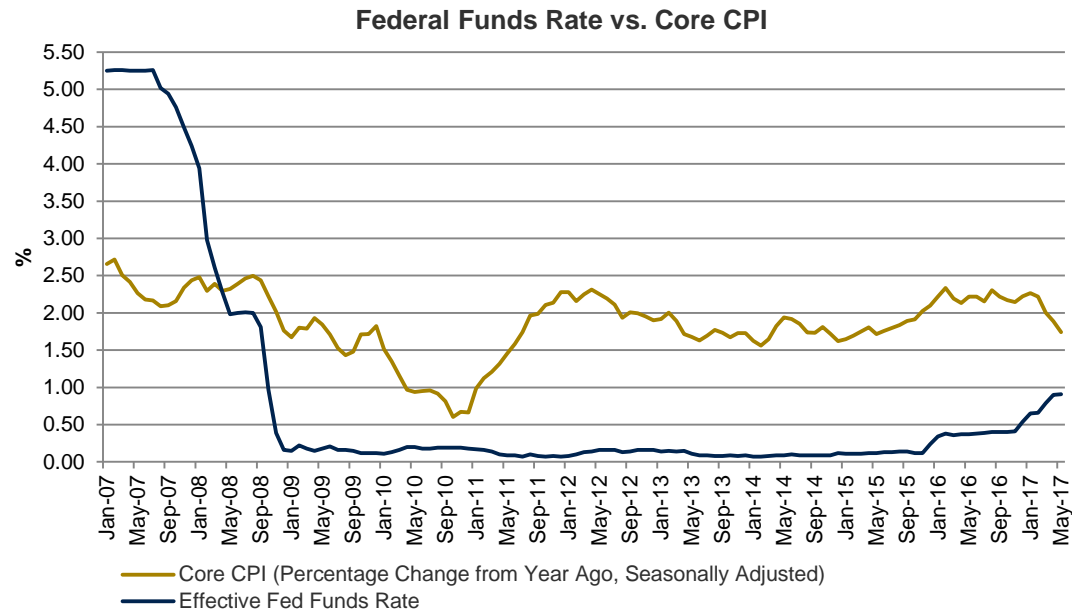
Market Performance

<i>As of 6/30/2017</i>	% Total Return					
	Q2 2017	YTD 2017	1-Year	3-Year	5-Year	10-Year
S&P 500 Index	3.1	9.3	17.9	9.6	14.6	7.2
MSCI EAFE Index (Net)	6.1	13.8	20.3	1.2	8.7	1.0
MSCI Emerging Markets Index (Net)	6.3	18.4	23.8	1.1	4.0	1.9
Barclays US Aggregate Bond Index	1.5	2.3	-0.3	2.5	2.2	4.5
BofA ML US Treasury Bills	0.2	0.3	0.5	0.3	0.2	0.7
Bloomberg Commodity Index	-3.0	-5.3	-6.5	-14.8	-9.3	-6.5

Source: Morningstar Direct
Periods greater than one year are annualized.

No Easy Task

Despite core inflation dipping below its stated 2% target, the Federal Open Market Committee (the Committee) raised short-term interest rates by 0.25% for the second time in 2017 at its June meeting, raising from 0.75% -1% to 1% -1.25%. This move marked just the fourth time the Fed has hiked rates since initially moving off the zero-bound range in December 2015. The Committee is expected to move rates higher once more this year to target a Fed Funds rate of 3% by 2020. In a press conference following the announcement of the policy change, Fed Chairwoman Janet Yellen suggested one-off declines in wireless phone service plans and prescription drugs may have contributed to what the Committee felt was temporary weakness in core inflation.



Source: Federal Reserve Bank of St. Louis

At her press conference following the Committee meeting, Chairwoman Yellen announced details on how it will begin to slowly unwind its \$4.5 trillion balance sheet by reducing bond holdings built up under the quantitative easing programs used to stimulate financial markets following the Global Financial Crisis. At an undetermined date this year, the Fed expects to allow \$10 billion per month of U.S. Treasuries and agency mortgage securities to mature without reinvestment. The run-off will increase by \$10 billion every three months until it maxes out at \$50 billion per month.

As desperately as the Fed wants to return to an equilibrium state of monetary policy in order to restock the ammunition required to fight future cyclical downturns, prevailing inflation trends have not cooperated. Concerns about elevated prices for financial assets have also motivated monetary policy makers to turn hawkish. So, when prices for goods and services began to accelerate late last year, the Fed felt that its opportunity to commence a sustained campaign to normalize interest rate policy had finally arrived. After years of unfulfilled projections of getting out of the stimulus game, the Fed hopes three consecutive quarters of hikes and a plan to shrink its balance sheet marks the beginning of a gradual exit strategy from an unprecedented level of monetary stimulus.

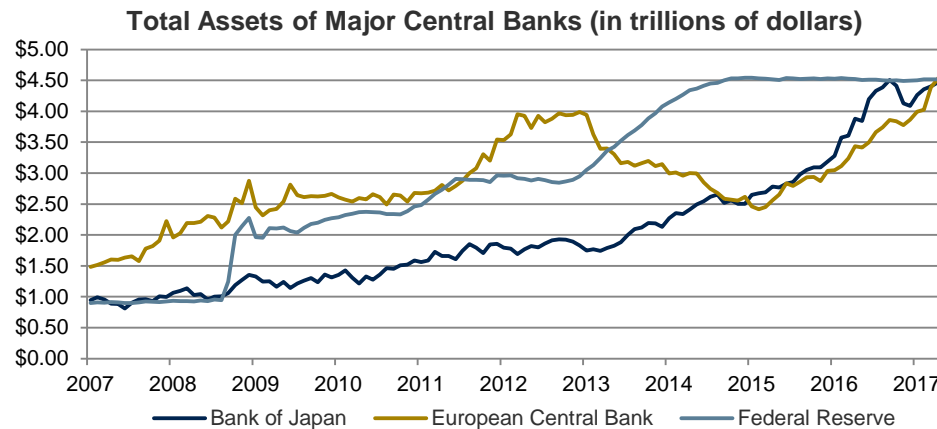
Looking forward, two major questions will stay top of mind for FOMC members. Is the weakness in inflation in fact temporary, as the Chairwoman suggests, and what is the neutral rate of interest (a rate that is neither restrictive nor stimulative for the economy)? The answers to these questions will determine if the Fed can continue to hike and where rates will settle.

Normally, as the economy reaches full employment, the central bank would look to tap the brakes to avoid a spike in core inflation driven by higher wages. However, the traditional relationship between labor market tightness and labor costs suggested by an economic model called the Phillips curve is not holding up. Many theories have been floated as to why wage inflation remains so elusive in an environment of such low unemployment. A new paradigm of disinflationary wage pressure from rapidly advancing technology has been suggested by one Fed Governor. Our aging population may also be keeping a lid on prices. If the Fed determines structural forces are in play, they are likely to allow themselves more leeway around their stated 2% inflation target.

Assuming the inflation dynamic improves, allowing stimulus to be weaned, the question then shifts to where to stop. As of the last meeting, the Fed's dot plot suggests that 3% is the current consensus expectation of FOMC members. But the neutral rate is an unobservable and evolving figure subject to many economic variables. Materially missing the mark in either direction could have significantly negative implications for both the domestic and global economies. Such a challenge is why central banking is often characterized as walking a tightrope with a blindfold. We expect the Fed to tread carefully from here and to err on the 'undershoot' side given current inflation trends and high levels of public and private debt.

Coming of Age

The duration of the current U.S. economic expansion and a flattening yield curve has some market participants worried that a recession and preemptive equity market sell-off may be imminent. This concern appears premature, as duration is not a contributing factor to the end of an expansion cycle's life and the yield curve remains upward sloping. While economic expansions in the U.S. have run about five years on average, the current cycle will enter its ninth year this quarter. Only expansions in the 60s and 90s have exceeded its duration. In addition to being atypically old, this cycle has been characterized by some other important distinctions that make comparisons by duration unreliable.



Source: Bloomberg

Perhaps the most obvious distinction is the extraordinary length to which global central banks went to rescue financial markets in response to the Global Financial Crisis. As illustrated in the chart above, major central bank balance sheets have expanded dramatically since 2007. Although the Fed is now pulling back, it remains accommodative. Most importantly, the Fed remains aware it has the ability to prematurely splash cold water on an economy that has not been close to running hot in either observed inflation or real growth

terms. The same goes for other major central banks. Given the interconnectedness of the global economy, importing an economic weakness is a practical source of concern. The European Central Bank and the Bank of Japan are keenly aware that their respective economies are still fragile and continue to require monetary stimulus support.

While all central banks try to stay ahead of the curve when it comes to inflation, a new structural paradigm is sinking in for policy makers. That is, demographically challenged developed markets are likely to require more liquidity than in the past to fight the dual headwinds of low labor force and productivity growth – the main drivers of economic growth. Add in the disinflationary power of technology and globalization and central bankers will be worrying much more about the impact of deflation than inflation.

The flattening Treasury yield curve, a reliable economic barometer, is responding in part to the continued stalling of pro-growth legislation in conjunction with disappointments in recent readings on inflation. Measured by the difference between the interest rate on long and short maturity Treasuries, the yield curve is now below pre-election levels. Following last November’s Presidential election, the yield curve steepened on the anticipation of an economic ‘reflation’ (a term used to indicate conditions of higher growth and inflation) generated by stimulative fiscal policy – namely tax cuts and deregulation.

As we noted last quarter, the Trump administration and congressional Republicans stumbled out of the gate, as major legislation on health care and tax reform failed to make progress. The second quarter was equally unproductive. Ultimately, however, we believe the Republicans will find a path forward for tax cuts in some form, but the timing of implementation and the impact on the economy remains uncertain.



Source: Federal Reserve Bank of St. Louis, National Bureau of Economic Research

Looking back to the cycle peak steepness of the yield curve in early 2011, one could argue the recent decline is nothing more than a continuation of the market's gradual acceptance of some of the structural realities mentioned above. In that regard, investors are simply adjusting to the 'new normal' economic landscape of lower future growth and inflation and are not predicting an impending recession. Should the curve invert (turn negative), as it has ahead of every recession since 1980, worry would be justified in our eyes. Until then, we will take comfort in the expectation that central bankers will tread carefully in these uncharted waters.

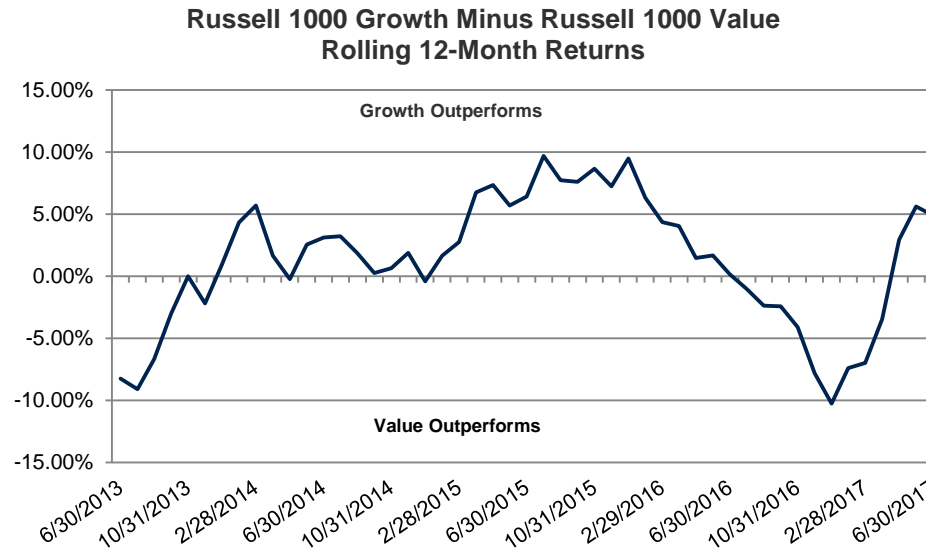
Caveat emptor – “Let the buyer beware”

Originally coined by CNBC host Jim Cramer in 2010, the acronym “FANG” represents four high-growth companies: Facebook, Amazon, Netflix and Google (now Alphabet). Since then, the acronym has been modified by others looking to quickly group a select basket of the most popular, high quality growth stocks. Add Apple, replace Netflix with Microsoft, as Goldman Sachs did, and you have “FAAMG.”

Perhaps market analysts have gotten a little carried away with their love of acronyms, but the general theme remains the same: technology focused stocks with high earnings growth rates are the darlings of the U.S. stock market this year. With inflation and real growth looking more elusive, investors have gravitated to companies that can grow independent of the economic cycle. Such a phenomenon is consistent with previous periods of growth stock outperformance.

While companies that can grow earnings faster than the market nearly always enjoy a premium valuation, they are certainly not without risk. Yet the market seems to be ignoring this reality as it piles in. Thus far in 2017, realized price volatility of the FAAMG stocks has been below that of utility stocks according to Goldman Sachs. Simply looking at the 7.4% first half of 2017 outperformance by the technology-heavy NASDAQ 100 index compared to the more broadly diversified S&P 500 index is a clear sign that investors favor the perceived safe harbor of growth even if it is not part of the acronym de jour.

Such favoritism is a notable shift from the market's initial direction post-election. The pro-growth agenda of a newly-elected, business-friendly President and politically aligned Republican Congress was expected to reinvigorate sub-par activity levels of the current economic expansion cycle. A rotation away from growth companies and toward more cyclically sensitive value stocks ensued. But missteps and delays in Washington challenged that outlook and investors came back to growth stocks under the evolving narrative that odds of an economic second wind were fading.



Source: Morningstar Direct

Without hope of fiscal stimulus, investors have shifted their attention to signs the economy may be slowing down. Surveys of manufacturers' outlooks and measures of production are peaking, while industrial commodity prices (copper, aluminum, zinc, etc.) have steadily declined since January. In response, longer-term interest rates have ground down from their post-election peak even as the Fed raises short-term rates.

The ongoing narrowing of market leadership is a common characteristic as expectations for a moderating economic environment emerge. Since the Great Recession, the U.S. economy has experienced multiple 'mini-cycles', or signs of moderating growth, that eventually rebound without ever lapsing into a recession. The corresponding rotation of market leadership highlights just how much sensitivity the stock prices of seemingly cyclically immune businesses have to the evolving macroeconomic outlook.

To be clear, this is no Dot Com Bubble. Most of today's market-leading technology companies generate substantial cash flow from well-established markets, have little or no debt and plenty of cash. In this sense, they are considered 'high quality' companies. But elevated valuations, and perhaps more notably low realized levels of volatility, appear to ignore the inherent business risk of technology companies and their counter-cyclical stock price behavior. In other words, should the President's fiscal policy agenda regain its footing and inflation expectations accelerate, expect growth stocks to be reintroduced to the concept of volatility.

Conclusion

A mixed interpretation of divergent economic signals is a logical outcome, especially in light of uncertainty on the fiscal policy front. The market's current low volatility profile may not be accurately reflecting both known and unknown future threats to financial asset prices. The stakes for fiscal policy action are only increasing as the Fed wants to gradually reduce its influence on the economy and markets. Lack of clarity on this front will continue to negatively impact business and personal spending decisions until Washington confirms the status of promised pro-growth reforms. Market and economic indicators will likely suffer from distortion under such a regime. Ultimately, we expect some progress to be made, but exactly how much will remain an open question until legislation is signed into law.

Over the near-term, prospects for the equity market will be brighter if meaningful tax cuts and deregulation come to fruition; though a rotation of sector leadership should also be expected under such a scenario. Bond returns are likely to face headwinds, but the persistent demand for yield should keep rates in check.

James St. Aubin, Head of Investment Strategy

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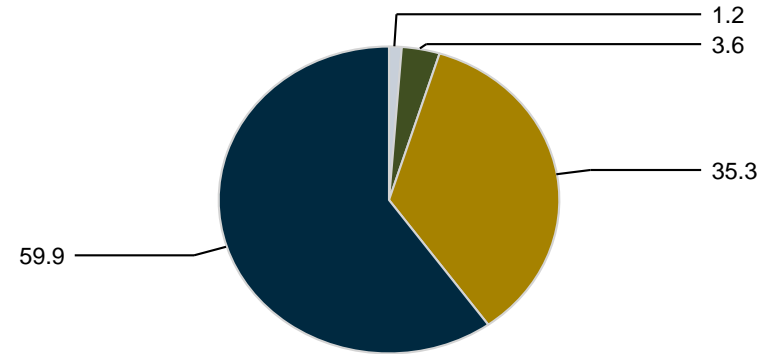
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Investment Review through 06/30/2017
Investment Objective: DOCUMENT DIRECTED - IS
Investment Officer: ROBERT L. ADAMS
Inception Date: 05/01/1998

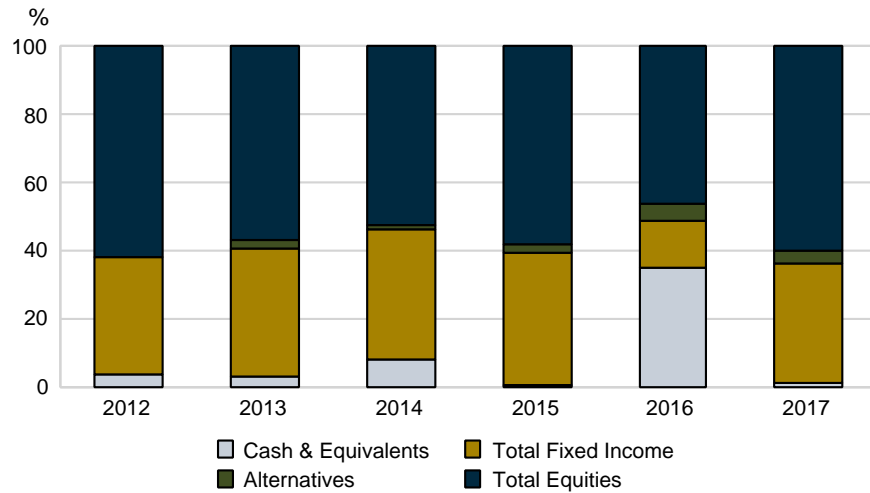
Asset Allocation Summary

Market Value by Asset Class

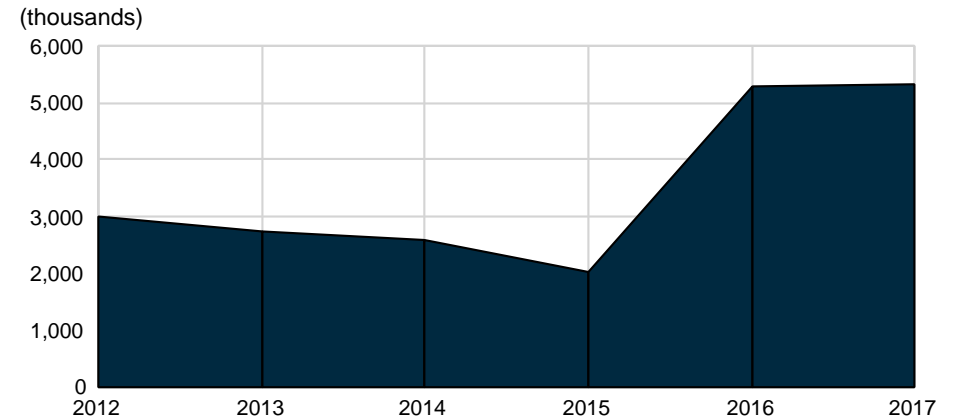
	Market Value	% of Mkt Val
Total Equities	3,200,875	59.9
Total Fixed Income	1,883,916	35.3
Alternatives	194,432	3.6
Cash & Equivalents	64,388	1.2
Total	5,343,610	100.0



Annual Allocation



Annual Ending Market Values



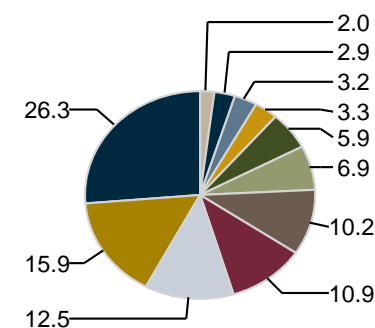
Portfolio Analytics

Largest 10 Holdings - YTD Return

	Market Value	% of Mkt Val	Return
ISHARES MSCI EAFE ETF	374,900	7.0	14.77
ISHARES S&P 500 VALUE ETF	325,376	6.1	4.64
ISHARES S&P 500 GROWTH ET	324,335	6.1	13.40
ISHARES RUSSELL 2000 ETF	221,949	4.2	4.79
ISHARES MSCI EAFE GROWTH	203,390	3.8	17.54
ISHARES MSCI EAFE VALUE E	201,630	3.8	11.96
EATON VANCE FLTG RT & HI	189,786	3.6	2.66
ISHARES MSCI EMERGING MKT	181,081	3.4	18.83
SCHWAB STRATEGIC TR	175,910	3.3	3.28
VANGUARD INDEX FUNDS S&P	172,097	3.2	3.19

Equity Holdings Analysis - Individual Holdings

	% of Mkt Val
Information Tech.	26.3
Financials	15.9
Health Care	12.5
Consumer Disc.	10.9
Industrials	10.2
Energy	6.9
Consumer Staples	5.9
Materials	3.3
Utilities	3.2
Real Estate	2.9
Telecom Services	2.0
Total	100.0



Top 10 Performers YTD

	Market Value	% of Mkt Val	Return
PIMCO HIGH YIELD,INSTL #1	0	.0	105.15
ADOBE SYS INC	4,526	.1	37.32
BAXTER INTL INC COM	5,463	.1	37.15
ROYAL CARIBBEAN CRUISES L	6,473	.1	34.12
FACEBOOK INC CL A	11,927	.2	31.05
APPLIED MATLS INC	9,997	.2	28.43
PVH CORP	5,840	.1	26.62
AMERICAN TOWER CORP	8,509	.2	26.38
MEDTRONIC PLC SHS	7,988	.2	25.83
APPLE INC COM	23,187	.4	25.39

Bottom 10 Performers YTD

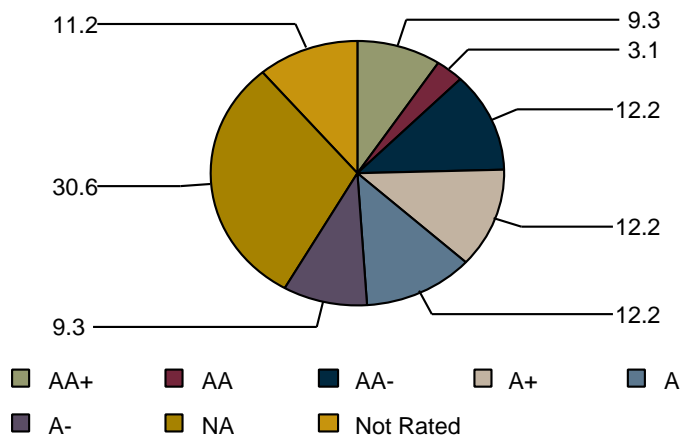
	Market Value	% of Mkt Val	Return
TRACTOR SUPPLY CO	2,873	.1	-28.30
HALLIBURTON CO	6,449	.1	-20.64
VERIZON COMMUNICATIONS	8,798	.2	-14.30
OCCIDENTAL PETE CORP	2,789	.1	-13.98
GENERAL ELEC CO	9,538	.2	-13.14
EOG RES INC	7,694	.1	-10.26
CHEVRON CORP. COMMON STOC	10,746	.2	-9.70
DOLLAR TREE STORES	4,894	.1	-9.34
CONCHO RES INC	2,188	.0	-8.48
GOLDMAN SACHS GROUP INC	4,660	.1	-6.80

Fixed Income Analysis

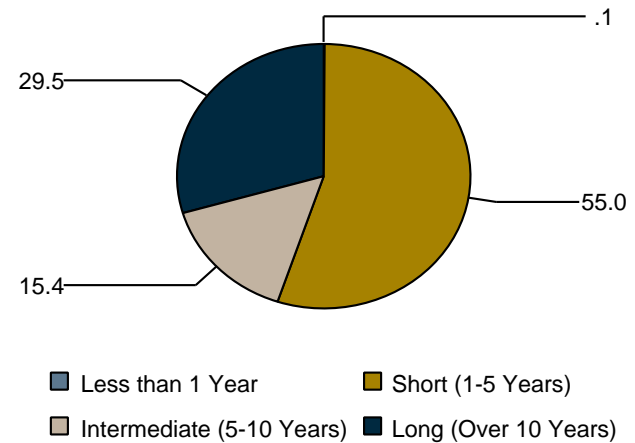
Fixed Income Analysis

	06/30/2017	03/31/2017	06/30/2016	06/30/2015	06/30/2014
Duration	7.69	7.17	5.86	5.38	4.65
Coupon	3.13	3.02	2.77	2.62	2.90
Yield to Maturity	2.51	2.48	1.98	1.97	1.67
Maturity	10.50	9.64	7.46	6.75	6.09
Current Yield	3.02	2.93	2.64	2.55	2.80
Face Amount	1,630,608	1,600,438	585,999	876,065	977,257
Market Value	1,683,369	1,643,276	609,181	892,446	1,002,323
Cost	1,685,392	1,650,262	602,769	900,164	1,010,990

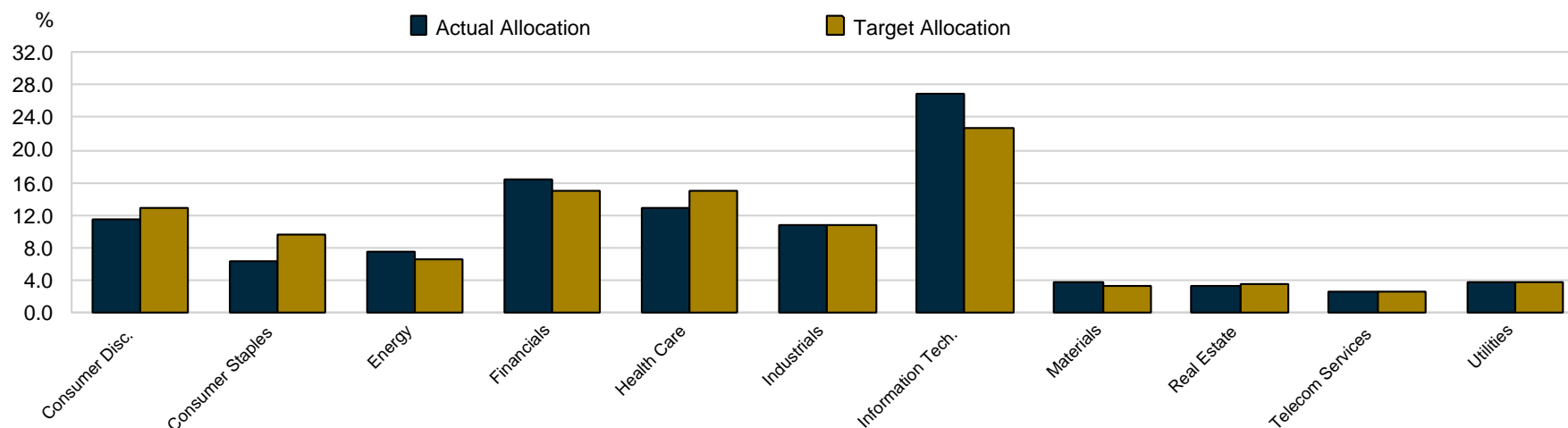
Quality Allocation by Market Value



Maturity Allocation by Market Value



Equity Sector Allocation vs. SP500 Target



	Market Value	Actual Allocation	Target Allocation	Variance
Consumer Disc.	47,335	10.9	12.3	-1.4
Consumer Staples	25,577	5.9	9.1	-3.2
Energy	29,866	6.9	6.0	.9
Financials	69,050	15.9	14.6	1.4
Health Care	54,084	12.5	14.5	-2.0
Industrials	44,157	10.2	10.3	-.1
Information Tech.	113,975	26.3	22.3	4.0
Materials	14,257	3.3	2.9	.4
Real Estate	12,509	2.9	2.9	.0
Telecom Services	8,798	2.0	2.1	-.1
Utilities	13,952	3.2	3.2	.1
Total Common Stock	433,559	100.0	100.0	.0



Summary Investment Performance
DESERT HOSPITAL RETIREMENT PLAN
Account 6746128600
Period: 05/01/1998 - 06/30/2017

Beginning Market Value	\$ 12,016,944.00
Beginning Accrued Income	\$ 77,673.00
Beginning Portfolio Value	\$ 12,094,617.00
Contributions	\$ 4,023,591.54
Withdrawals	\$-15,773,928.61
Gain (Loss)	\$ 1,532,228.30
Interest and Dividends	\$ 3,532,830.39
Net Accrued Income	\$ -65,728.25
Ending Market Value	\$ 5,331,665.62
Ending Accrued Income	\$ 11,944.75
Ending Portfolio Value	\$ 5,343,610.37
iMoneyNet, Inc. Taxable (All)	1.79%
Total Fixed Income	4.10%
BC Intmtd US Aggregate Index	4.73%
Total Equities	6.14%
Russell 2000 Growth Index (USD)	5.79%
Russell 2000 Index (USD)	7.19%
Russell 2000 Value Index (USD)	8.13%
S&P 500 Composite Index	6.13%
S&P 500/Citigroup Growth Index	5.91%
S&P 500/Citigroup Value Index	5.89%
S&P MidCap 400 Index	9.83%
Total Account Net of Fees	4.75%
Total Investment Return	\$ 4,999,330.44

Selected Period Performance
DESERT HOSPITAL RETIREMENT PLAN
Account 6746128600
Period Ending: 06/30/2017

Sector	Market Value	3 Months	1 Year	3 Years	5 Years	10 Years	15 Years	Inception to Date 05/01/1998
Cash & Equivalents	64,388	.17	.39	.19	.12			
iMoneyNet, Inc. Taxable (All)		.12	.27	.11	.08			
Total Fixed Income	1,883,916	1.02	-.15	1.70	1.64	3.28	3.46	4.10
BC Intmdt US Aggregate Index		.92	-.16	2.01	1.87	4.04	4.07	4.73
Large Cap Blend Category	781,566	2.29	15.77	7.79	13.03	6.14		
S&P 500 Composite Index		3.09	17.90	9.61	14.63	7.18		
Large-Cap Value Funds	325,376	1.44	15.63	7.65	13.61			
S&P 500/Citigroup Value Index		1.51	15.86	7.79	13.82			
Large-Cap Growth Funds	324,335	4.45	19.45	10.99	15.19			
S&P 500/Citigroup Growth Index		4.42	19.30	11.03	15.24			
Mid Cap Funds	255,220	2.75	16.59	7.78	14.69			
S&P MidCap 400 Index		1.97	18.57	8.53	14.92			
Small-Cap Blended Funds	221,949	2.53	24.72	7.58				
Russell 2000 Index (USD)		2.46	24.60	7.36				
Small-Cap Value Funds	89,153	.63	24.57	7.25				
Russell 2000 Value Index (USD)		.67	24.86	7.02				
Small-Cap Growth Funds	88,604	4.52	24.79	8.26	14.57			
Russell 2000 Growth Index (USD)		4.39	24.40	7.64	13.98			
International Equity Funds	1,085,339	5.89	20.23	.77	6.34			
MSCI Eafe + EM Free(net) Index		6.16	21.11	1.17	7.56			
Total Equities	3,200,875	3.76	19.47	6.30	11.98	5.28		
S&P 500 Composite Index		3.09	17.90	9.61	14.63	7.18		
65% S&P 500/ 15% Russell 2000/ 20% MSCI EAFE		3.62	19.49	7.65	13.38	6.00		
Total Managed Portfolio	5,343,610	2.78	11.71	4.78	7.91	4.44	6.50	5.45
Total Account Net of Fees	5,343,610	2.60	10.95	4.05	7.16	3.72	5.77	4.75

Portfolio Inception: 05/01/1998

Returns are gross of account level investment advisory fees and net of any fees, including fees to manage mutual fund or exchange traded fund holdings. Returns for periods over one year are annualized. The sources believed to be accurate and reliable. Past performance is not indicative of future returns. Securities are not FDIC insured, have no bank guarantee, and may lose value.

Holdings Report

Ticker	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield	
Cash										
Cash/Pending Trade	-638.600	1.00	-638.60	1.00	-638.60	.0	.00	.00	.0	
Total for Cash			-638.60		-638.60	.0		.00	.0	
Cash - Money Market										
FIRST AMERN GOVT OBLIG FD CL Z #3676	FGZXX	64,990.880	1.00	64,990.88	1.00	65,026.40	1.2	.01	488.34	.8
Total for Cash - Money Market			64,990.88		65,026.40	1.2		488.34	.8	
Taxable Fixed - Corporates										
ALABAMA PWR NTS 3.375% 10/01/20	APN3320	50,000.000	105.92	52,960.50	103.52	52,179.38	1.0	3.38	1,687.50	3.3
ALPHABET INC 3.375% 2/25/24		100,000.000	103.68	103,675.00	105.13	106,309.25	2.0	3.38	3,375.00	3.2
BERKSHIRE HATH FIN 3.000% 5/15/22	BH33022	50,000.000	104.53	52,264.50	103.16	51,772.67	1.0	3.00	1,500.00	2.9
CISCO SYS NTS 2.450% 6/15/20	CSN2420	100,000.000	101.52	101,522.00	101.61	101,713.89	1.9	2.45	2,450.00	2.4
COLGATE PALMOLIVE CO 2.950% 11/01/20	CL20	100,000.000	103.10	103,095.00	103.37	103,861.67	1.9	2.95	2,950.00	2.9
DISNEY WALT CO MTNS 2.300% 2/12/21	DWC2321	50,000.000	103.43	51,716.50	100.87	50,879.03	1.0	2.30	1,150.00	2.3
DU PONT E I NTS 3.625% 1/15/21	DPE3621	100,000.000	104.06	104,062.00	104.68	106,350.53	2.0	3.63	3,625.00	3.5
HOME DEPOT INC NT 2.250% 9/10/18	HDI2218	50,000.000	102.28	51,139.50	100.84	50,765.88	1.0	2.25	1,125.00	2.2
IBM CORP 3.375% 8/01/23	IC00323	100,000.000	103.56	103,559.00	103.91	105,319.25	2.0	3.38	3,375.00	3.2
MIDAMERICAN ENERGY 2.400% 3/15/19	BRK.B/19A	50,000.000	102.73	51,366.50	101.04	50,874.83	1.0	2.40	1,200.00	2.4
PRAXAIR INC	PX23	50,000.000	101.99	50,994.00	100.33	50,650.00	.9	2.70	1,350.00	2.7
WELLS FARGO NTS 3.500% 3/08/22	WFN3512	100,000.000	102.96	102,964.00	103.89	104,984.61	2.0	3.50	3,500.00	3.4
Total for Taxable Fixed - Corporates			929,318.50		935,660.99	17.5		27,287.50	2.9	
Taxable Fixed - Mortgages										
FGLMC G07029 4.000% 6/01/42	G07029F	94,119.560	106.20	99,957.92	106.30	100,049.09	1.9	4.00	3,764.78	3.8
FGLMC #C04305 3.000% 11/01/42	C04305F	67,357.550	104.36	70,293.93	100.38	67,779.88	1.3	3.00	2,020.73	3.0
FGLMC #C18024 5.500% 11/01/28	C18024F	1,449.750	103.75	1,504.11	110.17	1,603.86	.0	5.50	79.74	5.0
FGLMC #E01253 5.500% 12/01/17	E01253F	477.630	99.84	476.88	100.48	482.12	.0	5.50	26.27	5.5
FHLMC #B13755 4.500% 4/01/19	B13755F	4,139.590	104.91	4,342.70	102.22	4,247.17	.1	4.50	186.28	4.4
FGLMC #G60344 4.000% 12/01/45	G60344F	97,572.220	105.63	103,060.66	106.25	103,995.72	1.9	4.00	3,902.89	3.8
FNMA #254721 5.000% 5/01/18	254721A	702.390	101.45	712.60	102.40	722.21	.0	5.00	35.12	4.9
FNMA AS6340 3.5000% 12/1/2045	AS6340A	89,901.200	102.63	92,268.13	103.19	92,770.85	1.7	3.50	3,146.54	3.4
FNMA AU3742 3.5000% 8/1/2043	AU3742A	93,533.570	102.45	95,828.07	103.18	96,510.74	1.8	3.50	3,273.67	3.4
FNMA 995672 4.500% 4/01/39	995672A	14,752.370	101.70	15,003.62	107.51	15,914.86	.3	4.50	663.86	4.2
GNMA II #2629 6.000% 8/20/28	002629M	3,918.570	99.69	3,906.34	113.42	4,463.84	.1	6.00	235.11	5.3
GNMA II #003389 5.000% 5/20/33	003389M	5,397.710	103.75	5,600.12	110.11	5,965.64	.1	5.00	269.89	4.5

Holdings Report

	Ticker	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield	
	GNMA #474804 6.500% 9/15/28	474804X	1,909.380	101.19	1,932.05	109.28	2,096.85	.0	6.50	124.11	5.9
	GNMA #780912 6.500% 11/15/28	780912X	2,827.650	101.97	2,883.32	115.06	3,268.76	.1	6.50	183.80	5.6
	GNMA #781057 5.500% 6/15/29	781057X	2,548.570	100.38	2,558.13	112.18	2,870.64	.1	5.50	140.17	4.9
Total for Taxable Fixed - Mortgages					500,328.58		502,742.23	9.4		18,052.96	3.6
Taxable FX- US Govt Agcy											
	FHLMC NTS 2.375% 1/13/22	FN22322	50,000.000	105.66	52,830.60	102.10	51,603.67	1.0	2.38	1,187.50	2.3
Total for Taxable FX- US Govt Agcy					52,830.60		51,603.67	1.0		1,187.50	2.3
Taxable Fixed - US Treas											
	US TREAS NTS 1.750% 9/30/19	UTN1719	50,000.000	100.89	50,445.31	100.72	50,579.45	.9	1.75	875.00	1.7
	US TREAS NTS 2.250% 7/31/18	UTN2218	50,000.000	101.78	50,890.63	100.99	50,963.27	1.0	2.25	1,125.00	2.2
	US TREAS NTS 2.250% 4/30/21	UTN2221A	50,000.000	101.06	50,531.25	101.94	51,160.04	1.0	2.25	1,125.00	2.2
	US TREAS NTS 2.250% 7/31/21	UTN2221B	50,000.000	102.09	51,046.88	101.90	51,420.27	1.0	2.25	1,125.00	2.2
Total for Taxable Fixed - US Treas					202,914.07		204,123.03	3.8		4,250.00	2.1
Taxable Funds - Bank Loan											
	EATON VANCE FLTG RT & HI INCM I #904	EIFHX	21,300.330	8.79	187,276.01	8.88	189,785.52	3.6	.37	7,859.82	4.2
Total for Taxable Funds - Bank Loan					187,276.01		189,785.52	3.6		7,859.82	4.2
Taxable Funds - High Yield											
	PIMCO HIGH YIELD,INSTL #108	PHIYX	.020	7.00	.14	7.00	.14	.0	.48	.01	6.8
Total for Taxable Funds - High Yield					.14		.14	.0		.01	7.1
Con Discretionary - Dom CS											
	COMCAST CORP-CL A	CMCSA	305.000	33.52	10,223.65	38.92	11,918.64	.2	.63	192.15	1.6
	DOLLAR TREE STORES	DLTR	70.000	78.99	5,529.13	69.92	4,894.40	.1	.00	.00	.0
	LOWES COS INC	LOW	88.000	66.58	5,859.31	77.53	6,822.64	.1	1.64	144.32	2.1
	PVH CORP	PVH	51.000	88.20	4,498.01	114.50	5,839.50	.1	.15	7.65	.1
	STARBUCKS CORP	SBUX	127.000	56.54	7,181.02	58.31	7,405.37	.1	1.00	127.00	1.7
	TJX COS INC NEW	TJX	80.000	75.24	6,019.59	72.17	5,773.60	.1	1.25	100.00	1.7
	TIME WARNER INC	TWX	18.000	86.58	1,558.50	100.41	1,807.38	.0	1.61	28.98	1.6
	TRACTOR SUPPLY CO	TSCO	53.000	77.90	4,128.46	54.21	2,873.13	.1	1.08	57.24	2.0
Total for Con Discretionary - Dom CS					44,997.67		47,334.66	.9		657.34	1.4

Con Staples - Dom CS

Holdings Report

	Ticker	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield	
Con Staples - Dom CS											
	COCA-COLA CO	KO	194.000	42.93	8,328.92	44.85	8,772.68	.2	1.48	287.12	3.3
	COSTCO WHOLESALE CORP	COST	39.000	159.48	6,219.63	159.93	6,237.27	.1	2.00	78.00	1.3
	MONDELEZ INTL INC CL A	MDLZ	110.000	41.16	4,527.49	43.19	4,771.80	.1	.76	83.60	1.8
	WALGREENS BOOTS ALLIANCE INC COM	WBA	74.000	82.24	6,086.04	78.31	5,794.94	.1	1.60	118.40	2.0
	Total for Con Staples - Dom CS				25,162.08		25,576.69	.5		567.12	2.2
Energy - Dom CS											
	CHEVRON CORP. COMMON STOCK	CVX	103.000	112.12	11,548.62	104.33	10,745.99	.2	4.32	444.96	4.1
	CONCHO RES INC	CXO	18.000	131.36	2,364.40	121.53	2,187.54	.0	.00	.00	.0
	EOG RES INC	EOG	85.000	92.73	7,882.01	90.52	7,694.20	.1	.67	56.95	.7
	HALLIBURTON CO	HAL	151.000	48.59	7,336.89	42.71	6,449.21	.1	.72	108.72	1.7
	OCCIDENTAL PETE CORP	OXY	46.000	74.62	3,432.73	59.87	2,788.98	.1	3.08	141.68	5.1
	Total for Energy - Dom CS				32,564.65		29,865.92	.6		752.31	2.5
Financials - Domestic CS											
	AFFILIATED MANAGERS GROUP INC	AMG	38.000	153.56	5,835.30	165.86	6,302.68	.1	.80	30.40	.5
	AMERICAN INTL GROUP COM	AIG	103.000	62.18	6,404.05	62.52	6,439.56	.1	1.28	131.84	2.0
	BK NEW YORK MELLON CORP COM	BK	192.000	45.26	8,688.99	51.02	9,795.84	.2	.76	145.92	1.5
	CITIGROUP INC COM	C	171.000	53.28	9,110.22	66.88	11,436.48	.2	.64	109.44	1.0
	GOLDMAN SACHS GROUP INC	GS	21.000	213.74	4,488.53	221.90	4,659.90	.1	3.00	63.00	1.4
	INTERCONTINENTAL EXCHANGE INC	ICE	97.000	54.65	5,300.74	65.92	6,394.24	.1	.80	77.60	1.2
	JPMORGAN CHASE & CO	JPM	146.000	92.49	13,502.81	91.40	13,344.40	.2	2.00	292.00	2.2
	PNC FINANCIAL SERVICES GROUP	PNC	48.000	118.99	5,711.30	124.87	5,993.76	.1	3.00	144.00	2.4
	SCHWAB CHARLES CORP NEW	SCHW	109.000	34.72	3,784.78	42.96	4,682.64	.1	.32	34.88	.7
	Total for Financials - Domestic CS				62,826.72		69,049.50	1.3		1,029.08	1.5
Health Care - Dom CS											
	ABBOTT LABS COM	ABT	133.000	45.38	6,035.94	48.61	6,465.13	.1	1.06	140.98	2.2
	AETNA INC	AET	19.000	114.84	2,181.89	151.83	2,884.77	.1	2.00	38.00	1.3
	BAXTER INTL INC COM	BAX	90.000	42.93	3,863.26	60.54	5,463.00	.1	.64	57.60	1.1
	BIODERMA INC COM	BIIB	9.000	271.55	2,443.97	271.36	2,442.24	.0	.00	.00	.0
	BRISTOL MYERS SQUIBB CO	BMJ	95.000	59.07	5,612.10	55.72	5,293.40	.1	1.56	148.20	2.8
	CELGENE CORP	CELG	61.000	114.38	6,977.46	129.87	7,922.07	.1	.00	.00	.0
	GILEAD SCIENCES INC	GILD	31.000	85.14	2,639.41	70.78	2,194.18	.0	2.08	64.48	2.9
	HOLOGIC INC	HOLX	89.000	40.00	3,560.18	45.38	4,038.82	.1	.00	.00	.0
	LABORATORY CORP AMER HLDGS	LH	18.000	122.45	2,204.05	154.14	2,774.52	.1	.00	.00	.0

Holdings Report

	Ticker	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
LILLY ELI & CO	LLY	70.000	83.68	5,857.55	82.30	5,761.00	.1	2.08	145.60	2.5
MERCK & CO COM COM	MRK	137.000	57.14	7,828.35	64.09	8,844.72	.2	1.88	257.56	2.9
Total for Health Care - Dom CS				49,204.16		54,083.85	1.0		852.42	1.6
Industrials - Domestic CS										
EQUIFAX INC	EFX	43.000	115.73	4,976.42	137.42	5,909.06	.1	1.56	67.08	1.1
FORTIVE CORP COM	FTV	97.000	51.68	5,013.30	63.35	6,144.95	.1	.28	27.16	.4
GENERAL ELEC CO	GE	350.000	29.55	10,343.87	27.01	9,537.50	.2	.96	336.00	3.6
HUNT J B TRANS SVCS INC	JBHT	57.000	90.83	5,177.30	91.38	5,208.66	.1	.92	52.44	1.0
NORTHROP GRUMMAN CORP	NOC	23.000	242.73	5,582.90	256.71	5,904.33	.1	4.00	92.00	1.6
ROCKWELL COLLINS	COL	49.000	91.63	4,489.73	105.08	5,148.92	.1	1.32	64.68	1.3
UNITED PARCEL SERVICE CL B	UPS	57.000	109.59	6,246.63	110.59	6,303.63	.1	3.32	189.24	3.0
Total for Industrials - Domestic CS				41,830.15		44,157.05	.8		828.60	1.9
Info Tech - Domestic CS										
ADOBE SYS INC	ADBE	32.000	94.73	3,031.20	141.44	4,526.08	.1	.00	.00	.0
ALPHABET INC CAP STK CL A	GOOGL	20.000	770.55	15,411.06	929.68	18,593.60	.3	.00	.00	.0
ANALOG DEVICES INC	ADI	76.000	70.48	5,356.65	77.80	5,912.80	.1	1.80	136.80	2.3
APPLE INC COM	AAPL	161.000	104.53	16,830.13	144.02	23,187.22	.4	2.52	405.72	1.7
APPLIED MATLS INC	AMAT	242.000	28.36	6,862.13	41.31	9,997.02	.2	.40	96.80	1.0
CISCO SYS INC	CSCO	286.000	29.79	8,519.75	31.30	8,951.80	.2	1.16	331.76	3.7
FACEBOOK INC CL A	FB	79.000	117.53	9,284.57	150.98	11,927.42	.2	.00	.00	.0
MASTERCARD INC-A	MA	56.000	98.83	5,534.42	121.45	6,801.20	.1	.88	49.28	.7
MICROSOFT CORP	MSFT	279.000	54.97	15,336.59	68.93	19,231.47	.4	1.56	435.24	2.3
TEXAS INSTRS INC	TXN	63.000	67.91	4,278.44	76.93	4,846.59	.1	2.00	126.00	2.6
Total for Info Tech - Domestic CS				90,444.94		113,975.20	2.1		1,581.60	1.4
Materials - Domestic CS										
ECOLAB INC	ECL	48.000	113.79	5,461.90	132.75	6,389.76	.1	1.48	71.04	1.1
INTERNATIONAL FLAVORS & FRAGRANCES I	IFF	58.000	115.84	6,718.45	135.00	7,867.12	.1	2.56	148.48	1.9
Total for Materials - Domestic CS				12,180.35		14,256.88	.3		219.52	1.5
Real Estate - Dom CS										
AMERICAN TOWER CORP	AMT	64.000	101.75	6,511.92	132.32	8,509.44	.2	2.56	163.84	1.9
OUTFRONT MEDIA INC COM REIT	OUT	173.000	23.48	4,061.28	23.12	3,999.76	.1	1.44	249.12	6.2
Total for Real Estate - Dom CS				10,573.20		12,509.20	.2		412.96	3.3



Account Name: DESERT HOSPITAL RETIREMENT PLAN
Account ID: 6746128600

Investment Review
May 31, 2017 to June 30, 2017

Holdings Report

	Ticker	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield	
Telecom Services - Dom CS											
	VERIZON COMMUNICATIONS	VZ	197.000	52.52	10,347.12	44.66	8,798.02	.2	2.31	455.07	5.2
Total for Telecom Services - Dom CS					10,347.12		8,798.02	.2		455.07	5.2
Utilities-Dom Common Stock											
	EDISON INTL	EIX	86.000	71.14	6,118.21	78.19	6,771.00	.1	2.17	186.62	2.8
	WEC ENERGY GROUP INC COM	WEC	117.000	58.60	6,856.52	61.38	7,181.46	.1	2.08	243.36	3.4
Total for Utilities-Dom Common Stock					12,974.73		13,952.46	.3		429.98	3.1
Large-Cap Value Funds											
	ISHARES S&P 500 VALUE ETF	IVE	3,100.000	90.13	279,413.72	104.96	325,376.00	6.1	2.35	7,272.60	2.2
Total for Large-Cap Value Funds					279,413.72		325,376.00	6.1		7,272.60	2.2
Mid-Cap Value Funds											
	ISHARES RUS MID-CAP VALUE	IWS	1,525.000	71.27	108,685.43	84.09	128,237.25	2.4	1.68	2,555.90	2.0
Total for Mid-Cap Value Funds					108,685.43		128,237.25	2.4		2,555.90	2.0
Small-Cap Value Funds											
	ISHARES RUSSELL 2000 VALUE ETF	IWN	750.000	110.12	82,591.33	118.87	89,152.50	1.7	2.15	1,612.50	1.8
Total for Small-Cap Value Funds					82,591.33		89,152.50	1.7		1,612.50	1.8
Large-Cap Growth Funds											
	ISHARES S&P 500 GROWTH ETF	IVW	2,370.000	111.19	263,521.75	136.85	324,334.50	6.1	1.85	4,386.87	1.4
Total for Large-Cap Growth Funds					263,521.75		324,334.50	6.1		4,386.87	1.4
Mid-Cap Growth Funds											
	ISHARES RUS MID-CAP GRW ETF	IWP	1,175.000	85.20	100,105.86	108.07	126,982.25	2.4	1.05	1,236.10	1.0
Total for Mid-Cap Growth Funds					100,105.86		126,982.25	2.4		1,236.10	1.0
Small-Cap Growth Funds											
	ISHARES RUSSELL 2000 GROWTH ETF	IWO	525.000	142.31	74,712.85	168.77	88,604.25	1.7	1.47	771.23	.9
Total for Small-Cap Growth Funds					74,712.85		88,604.25	1.7		771.23	.9
Large-Cap Blended Funds											
	SCHWAB STRATEGIC TR	SCHX	3,045.000	56.45	171,875.38	57.77	175,909.65	3.3	1.04	3,178.98	1.8

Holdings Report

	Ticker	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
VANGUARD INDEX FUNDS S&P 500 ETF SHS	VOO	775.000	217.09	168,244.12	222.06	172,096.50	3.2	4.19	3,244.93	1.9
Total for Large-Cap Blended Funds				340,119.50		348,006.15	6.5		6,423.91	1.8
Small-Cap Blended Funds										
ISHARES RUSSELL 2000 ETF	IWM	1,575.000	117.48	185,025.22	140.92	221,949.00	4.2	1.90	2,997.23	1.4
Total for Small-Cap Blended Funds				185,025.22		221,949.00	4.2		2,997.23	1.4
Emerging Market Funds										
ISHARES MSCI EMERGING MKT FD	EEM	4,375.000	36.18	158,306.52	41.39	181,081.25	3.4	.59	2,572.50	1.4
Total for Emerging Market Funds				158,306.52		181,081.25	3.4		2,572.50	1.4
Foreign Large Growth Funds										
ISHARES MSCI EAFE GROWTH ETF	EFG	2,750.000	66.43	182,686.12	73.96	203,390.00	3.8	1.28	3,517.25	1.7
Total for Foreign Large Growth Funds				182,686.12		203,390.00	3.8		3,517.25	1.7
Foreign Large Value Funds										
ISHARES MSCI EAFE VALUE ETF	EFV	3,900.000	49.70	193,825.19	51.70	201,630.00	3.8	1.66	6,485.70	3.2
Total for Foreign Large Value Funds				193,825.19		201,630.00	3.8		6,485.70	3.2
Foreign Large Blended Funds										
ISHARES MSCI EAFE ETF	EFA	5,750.000	61.08	351,196.94	65.20	374,900.00	7.0	1.66	9,533.50	2.5
ISHARES TR HDG MSCI EAFE	HEFA	4,375.000	26.06	114,000.98	28.42	124,337.50	2.3	.70	3,071.25	2.5
Total for Foreign Large Blended Funds				465,197.92		499,237.50	9.3		12,604.75	2.5
Intl CS - Non-ADRs										
ALLERGAN PLC SHS	AGN	28.000	227.88	6,380.69	243.09	6,806.52	.1	2.80	78.40	1.2
DELPHI AUTOMOTIVE PLC	DLPH	34.000	76.22	2,591.31	87.65	2,980.10	.1	1.16	39.44	1.3
MEDTRONIC PLC SHS	MDT	90.000	74.43	6,698.48	88.75	7,987.50	.1	1.84	165.60	2.1
CHUBB LIMITED COM	CB	35.000	128.66	4,503.24	145.38	5,088.30	.1	2.84	99.40	2.0
ROYAL CARIBBEAN CRUISES LTD	RCL	59.000	80.14	4,728.17	109.23	6,472.89	.1	1.92	113.28	1.8
Total for Intl CS - Non-ADRs				24,901.89		29,335.31	.5		496.12	1.7
Global Macro										
EATON VANCE GLBL MAC ABS RT AD I#208	EGRX	9,014.850	9.98	90,009.02	10.57	95,286.99	1.8	.18	1,622.67	1.7
WESTERN ASSET MAC OPP IS FD #5102	LAOSX	8,488.410	10.44	88,577.08	11.68	99,144.61	1.9	.20	1,731.64	1.7
Total for Global Macro				178,586.10		194,431.60	3.6		3,354.31	1.7
Total				4,967,805.35		5,343,610.37	100.0		123,199.10	2.3



Account Name: DESERT HEALTHCARE DISTRICT
Account ID: 6736304730

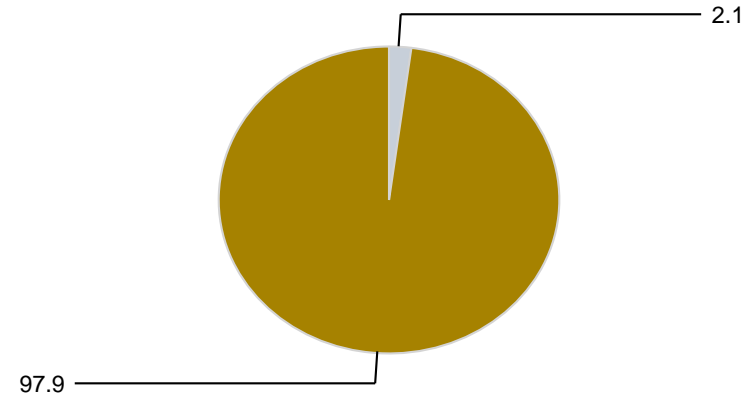
Investment Review
May 31, 2017 to June 30, 2017

Investment Review through 06/30/2017
Investment Objective: FIXED INCOME MANAGEMENT
Investment Officer: ROBERT L. ADAMS
Inception Date: 07/01/1998

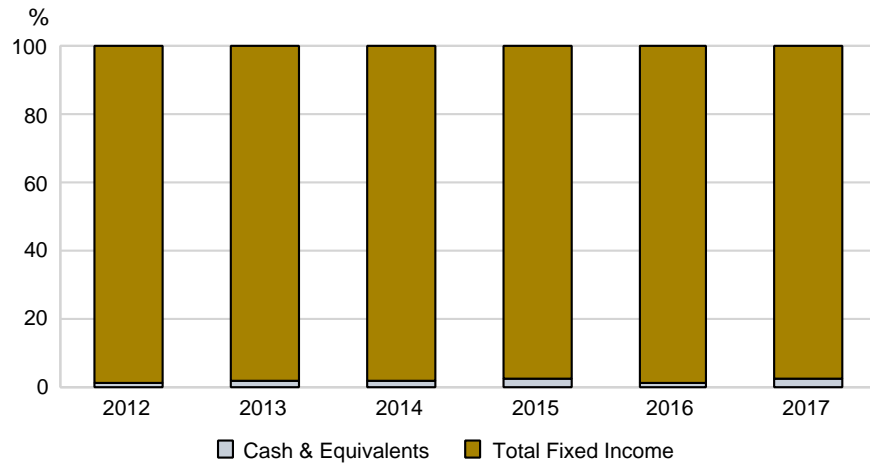
Asset Allocation Summary

Market Value by Asset Class

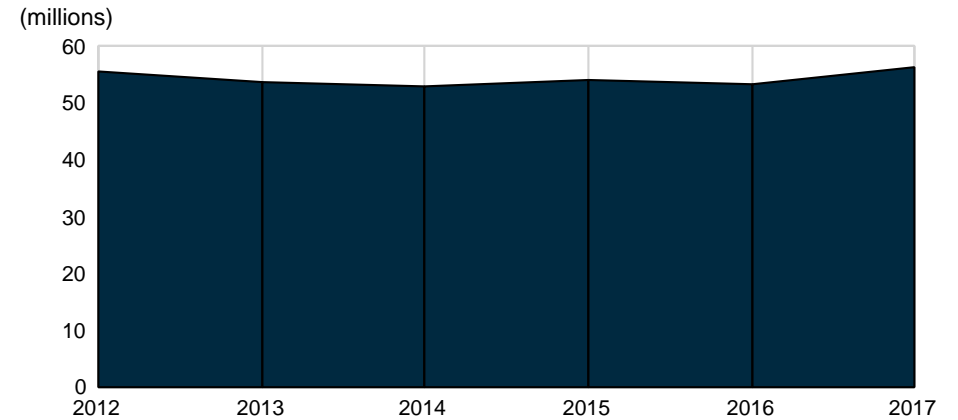
	Market Value	% of Mkt Val
Total Fixed Income	55,025,974	97.9
Cash & Equivalents	1,200,099	2.1
Total	56,226,073	100.0



Annual Allocation



Annual Ending Market Values

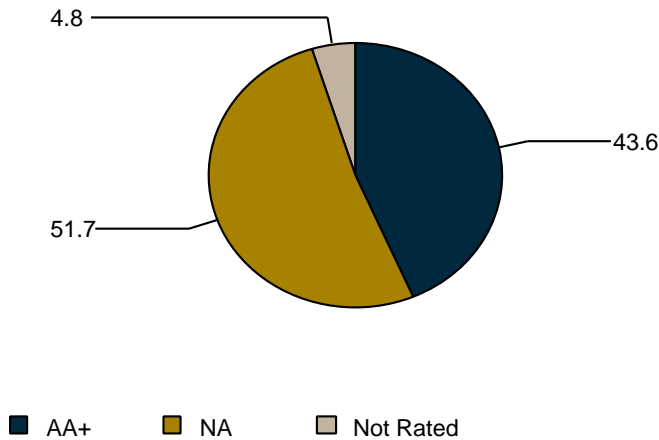


Fixed Income Analysis

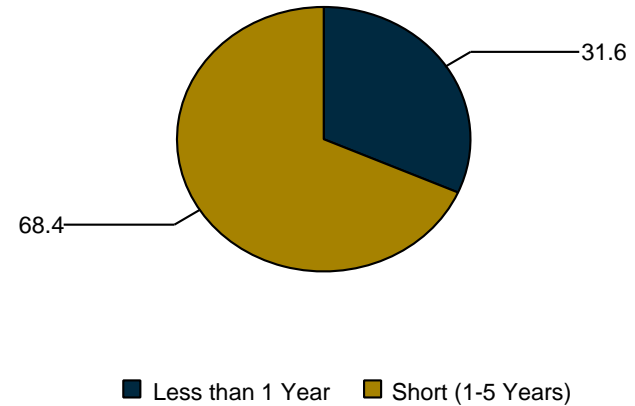
Fixed Income Analysis

	06/30/2017	03/31/2017	06/30/2016	06/30/2015	06/30/2014
Duration	2.14	1.92	2.04	1.94	1.92
Coupon	2.91	3.21	3.55	4.41	4.78
Yield to Maturity	1.75	1.69	.97	1.01	.95
Maturity	2.20	1.97	2.10	2.01	2.01
Current Yield	2.85	3.14	3.39	4.15	4.44
Face Amount	53,800,000	52,200,000	55,200,000	51,900,000	47,910,000
Market Value	54,644,090	53,182,884	57,516,417	54,904,210	51,497,980
Cost	55,939,358	54,862,859	59,317,021	57,901,746	54,015,357

Quality Allocation by Market Value



Maturity Allocation by Market Value





Summary Investment Performance
DESERT HEALTHCARE DISTRICT
Account 6736304730
Period: 07/01/1998 - 06/30/2017

Beginning Market Value	\$ 4,867,756.00
Beginning Accrued Income	\$ 29,993.00
Beginning Portfolio Value	\$ 4,897,749.00
Contributions	\$ 72,271,370.91
Withdrawals	\$ -42,353,392.91
Gain (Loss)	\$ -14,030,246.83
Interest and Dividends	\$ 35,087,990.49
Net Accrued Income	\$ 352,602.63
Ending Market Value	\$ 55,843,477.66
Ending Accrued Income	\$ 382,595.63
Ending Portfolio Value	\$ 56,226,073.29
iMoneyNet, Inc. Taxable (All)	1.77%
Total Fixed Income	3.41%
BC 1-3 Yr US Govt. Bd Index	3.18%
Total Account Net of Fees	3.15%
Total Investment Return	\$ 21,410,346.29



Selected Period Performance
DESERT HEALTHCARE DISTRICT
Account 6736304730
Period Ending: 06/30/2017

Sector	Market Value	3 Months	1 Year	3 Years	5 Years	10 Years	15 Years	Inception to Date 07/01/1998
Cash & Equivalents	1,200,099	.16	.42	.22	.14			
iMoneyNet, Inc. Taxable (All)		.12	.27	.11	.08			
Total Fixed Income	55,025,974	.33	-.06	.85	.77	2.17	2.52	3.41
BC 1-3 Yr US Govt. Bd Index		.20	-.07	.71	.65	2.01	2.31	3.18
Total Managed Portfolio	56,226,073	.33	-.04	.84	.76	2.14	2.49	3.35
Total Account Net of Fees	56,226,073	.28	-.24	.64	.57	1.94	2.30	3.15

Portfolio Inception: 07/01/1998

Returns are gross of account level investment advisory fees and net of any fees, including fees to manage mutual fund or exchange traded fund holdings. Returns for periods over one year are annualized. The information presented has been obtained from sources believed to be accurate and reliable. Past performance is not indicative of future returns. Securities are not FDIC insured, have no bank guarantee, and may lose value.

Holdings Report

Ticker	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield	
Cash - Money Market										
FIDELITY GOVT MMKT INST CL-I #57	FIDGOV	1,199,387.660	1.00	1,199,387.66	1.00	1,200,098.91	2.1	.01	9,945.32	.8
Total for Cash - Money Market				1,199,387.66		1,200,098.91	2.1		9,945.32	.8
Taxable FX- US Govt Agcy										
FHLB BDS 3.370% 2/23/18	FB33318C	1,000,000.000	102.77	1,027,720.10	101.32	1,025,142.22	1.8	3.37	33,700.00	3.3
FHLB BDS 1.375% 6/12/20	FB11320F	1,000,000.000	100.18	1,001,784.74	99.17	992,405.69	1.8	1.38	13,750.00	1.4
FHLB BDS 5.000% 11/17/17	FB55017B	1,000,000.000	109.07	1,090,728.60	101.41	1,020,181.11	1.8	5.00	50,000.00	4.9
FHLB BDS 4.750% 6/08/18	FB44718A	1,000,000.000	114.76	1,147,560.00	103.19	1,034,964.72	1.8	4.75	47,500.00	4.6
FHLB BDS 4.375% 6/14/19	FB44319	1,000,000.000	106.53	1,065,335.93	105.53	1,057,355.97	1.9	4.38	43,750.00	4.1
FHLB BDS 4.500% 9/13/19	FB44519B	1,500,000.000	108.26	1,623,921.73	106.42	1,616,565.00	2.9	4.50	67,500.00	4.2
FNMA NTS 4.600% 6/05/18	FN44618	1,000,000.000	104.69	1,046,890.78	103.03	1,033,592.22	1.8	4.60	46,000.00	4.5
FNMA BDS 1.500% 6/22/20	FB11520E	1,000,000.000	100.43	1,004,256.68	99.76	997,935.00	1.8	1.50	15,000.00	1.5
FNMA NTS 1.250% 5/06/21	FN11221B	1,500,000.000	100.11	1,501,665.87	98.24	1,476,389.58	2.6	1.25	18,750.00	1.3
FNMA NTS 2.000% 1/05/22	FN22022D	1,000,000.000	100.06	1,000,598.00	100.33	1,012,885.56	1.8	2.00	20,000.00	2.0
FNMA NTS 1.875% 9/18/18		1,000,000.000	101.21	1,012,093.58	100.62	1,011,604.58	1.8	1.88	18,750.00	1.9
FNMA NTS 1.875% 2/19/19	FN11819C	1,000,000.000	101.44	1,014,362.44	100.78	1,014,625.00	1.8	1.88	18,750.00	1.9
FNMA NTS 1.750% 11/26/19	FN11719J	2,000,000.000	100.55	2,010,903.24	100.55	2,014,482.78	3.6	1.75	35,000.00	1.7
FNMA NT 2.000% 11/30/20	FN22020AC	1,000,000.000	101.51	1,015,076.14	100.94	1,011,142.22	1.8	2.00	20,000.00	2.0
FHLMC NTS 5.500% 8/23/17	FN55517B	2,000,000.000	102.84	2,056,851.61	100.61	2,051,231.11	3.6	5.50	110,000.00	5.5
FHLMC NTS 4.875% 6/13/18	FN44808E	2,000,000.000	110.18	2,203,614.18	103.37	2,072,235.00	3.7	4.88	97,500.00	4.7
FHLMC NTS 3.750% 3/27/19	FN33719	1,000,000.000	105.70	1,056,990.69	104.03	1,050,131.67	1.9	3.75	37,500.00	3.6
FHLMC NTS 2.375% 1/13/22	FN22322	2,000,000.000	102.04	2,040,818.00	102.10	2,064,146.67	3.7	2.38	47,500.00	2.3
FHLMC NT 1.250% 10/02/19	FN11219	1,000,000.000	98.48	984,760.00	99.45	997,590.28	1.8	1.25	12,500.00	1.3
FHLMC NTS 1.500% 1/17/20	FN11520AG	1,000,000.000	99.99	999,940.00	99.92	1,005,993.33	1.8	1.50	15,000.00	1.5
FNMA NTS 4.377% 1/23/18	FN44318	1,000,000.000	112.65	1,126,510.00	101.69	1,036,140.17	1.8	4.38	43,770.00	4.3
Total for Taxable FX- US Govt Agcy				27,032,382.31		26,596,739.88	47.3		812,220.00	3.1
Taxable Fixed - US Treas										
US TREAS NTS 1.500% 12/31/18	UTN1518A	1,000,000.000	100.18	1,001,808.91	100.22	1,002,230.76	1.8	1.50	15,000.00	1.5
US TREAS NTS 2.250% 3/31/21	UTN2221	1,000,000.000	101.72	1,017,226.56	101.97	1,025,385.74	1.8	2.25	22,500.00	2.2
US TREAS NTS 2.125% 9/30/21	UTN2121B	1,000,000.000	103.87	1,038,700.40	101.36	1,018,971.53	1.8	2.13	21,250.00	2.1
US TREAS NTS 1.750% 9/30/19	UTN1719	1,000,000.000	101.27	1,012,728.64	100.72	1,011,588.91	1.8	1.75	17,500.00	1.7
US TREAS NTS 2.000% 10/31/21	UTN2021D	1,000,000.000	100.57	1,005,664.06	100.80	1,011,379.57	1.8	2.00	20,000.00	2.0
US TREAS NTS 2.125% 12/31/21		1,800,000.000	101.60	1,828,828.13	101.29	1,823,233.94	3.2	2.13	38,250.00	2.1
US TREAS NTS 4.750% 8/15/17	UTN4717	2,000,000.000	116.78	2,335,585.94	100.45	2,044,650.61	3.6	4.75	95,000.00	4.7

Holdings Report

Ticker	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield	
US TREAS NT 4.250% 11/15/17	UTN4217	2,000,000.000	107.44	2,148,818.81	101.14	2,033,675.98	3.6	4.25	85,000.00	4.2
US TREAS NTS 2.750% 2/15/19	UTN0019	2,000,000.000	103.47	2,069,477.30	102.23	2,065,202.98	3.7	2.75	55,000.00	2.7
US TREAS NTS 3.125% 5/15/19	UTN3119	1,000,000.000	104.55	1,045,504.67	103.23	1,036,261.17	1.8	3.13	31,250.00	3.0
US TREAS NTS 3.625% 2/15/20	UTN3620	1,000,000.000	107.06	1,070,571.13	105.44	1,068,028.78	1.9	3.63	36,250.00	3.4
US TREAS NTS 2.625% 8/15/20	UTN2620	1,000,000.000	104.30	1,042,985.58	103.14	1,041,231.88	1.9	2.63	26,250.00	2.5
US TREAS NTS 2.625% 11/15/20	UTN2620A	1,000,000.000	103.49	1,034,921.88	103.21	1,035,462.58	1.8	2.63	26,250.00	2.5
US TREAS NTS 2.625% 1/31/18	UTN2618	1,000,000.000	101.85	1,018,498.33	100.83	1,019,239.59	1.8	2.63	26,250.00	2.6
US TREAS NTS 2.750% 2/28/18	UTN2818	1,000,000.000	102.07	1,020,702.06	100.98	1,019,031.58	1.8	2.75	27,500.00	2.7
US TREAS NTS 2.875% 3/31/18	UTN0118	1,000,000.000	102.64	1,026,448.79	101.17	1,018,946.78	1.8	2.88	28,750.00	2.8
US TREAS NTS 2.375% 5/31/18	UTN2318	1,000,000.000	102.23	1,022,288.50	100.96	1,011,621.61	1.8	2.38	23,750.00	2.4
US TREAS NTS 2.250% 7/31/18	UTN2218	2,000,000.000	101.78	2,035,511.75	100.99	2,038,530.72	3.6	2.25	45,000.00	2.2
US TREAS NTS 2.000% 2/15/22	UTN2022	1,000,000.000	101.29	1,012,851.56	100.75	1,015,013.81	1.8	2.00	20,000.00	2.0
US TREAS NTS 2.000% 7/31/20	UTN2020	1,000,000.000	103.68	1,036,843.25	101.24	1,020,722.54	1.8	2.00	20,000.00	2.0
US TREAS NTS 2.000% 9/30/20	UTN2020A	1,000,000.000	102.51	1,025,087.37	101.22	1,017,217.32	1.8	2.00	20,000.00	2.0
US TREAS NTS 2.250% 4/30/21	UTN2221A	1,000,000.000	103.63	1,036,312.56	101.94	1,023,200.76	1.8	2.25	22,500.00	2.2
US TREAS NTS 2.250% 7/31/21	UTN2221B	1,000,000.000	101.96	1,019,609.38	101.90	1,028,405.36	1.8	2.25	22,500.00	2.2
Total for Taxable Fixed - US Treas				28,906,975.56		28,429,234.50	50.6		745,750.00	2.6
Total				57,138,745.53		56,226,073.29	100.0		1,567,915.32	2.8



Disclosures

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**DESERT HEALTHCARE DISTRICT
HOSPITAL GOVERNANCE AND OVERSIGHT COMMITTEE
MEETING MINUTES
July 24, 2017**

Meeting of the Hospital Governance and Oversight Committee of the Desert Healthcare District was held in the Desert Healthcare District Conference Room, 2nd Floor, Palm Springs, CA

Attendance:

Members

Carole Rogers, RN, President
Les Zendle, MD, Chairman/Director

Absent

Staff

Herb K. Schultz, CEO
Chris Christensen, COO/CFO
Donna Craig, Senior Program Officer
Alejandro Espinoza, Program Officer and Outreach Director
Mary Pannoni, Accounting/Admin Support
Andrea S. Hayles, Clerk to the Board

Legal Counsel

Jeff Scott

Guests

Mitch Blumberg, MD, Vice Chair, Governing Board, Desert Regional Medical Center
Michele Finney, CEO, Desert Regional Medical Center
Megan Hodge, Regional Assistant, Hospital Association of Southern California
Shelley Kaplan, Councilmember, Cathedral City
Brett Klein, Clinic Marketing Specialist, Eisenhower Medical Center
Keven Porter, Regional VP, Hospital Association of Southern California

CALL TO ORDER

The meeting was called to order at 10:03 a.m. by Chairman Zendle

Guests, Staff, and Committee Members introduced themselves.

APPROVAL OF AGENDA

There were no changes to the agenda.

APPROVAL OF MINUTES

Minutes of the June 16, 2017 Meeting

PUBLIC COMMENTS

None

OLD BUSINESS

1. Follow-up on 2005 Decision to Close Acute Psychiatry Beds at Desert Regional Medical Center
 - i. Minutes from Special Desert Healthcare District Board Meeting 09/21/05
 - ii. Excerpts from Special Desert Healthcare District Board Meeting 09/21/05
 - iii. Motion to Trigger Dispute Resolution 09/27/05
 - iv. Settlement Agreement 09/06

- Dr. Zendle explained that the documents were provided to the Committee to demonstrate (as an educational experience) how a "dispute resolution" in the past was handled according to the process outlined in the lease. There was no further discussion on the topic.

NEW BUSINESS

1. Plans for Hospital Inspection
 - Chairman Zendle explained the process of the Desert Regional Medical Center inspection.
 - Herb K. Schultz, CEO, Desert Healthcare District detailed the Staff’s conversations with experts and general consultants to assist the Committee and public with the inspection process.
 - Chairman Zendle conveyed that the consultants would make the recommendations with the Committee providing additional suggestions and ideas to fulfill the lease.
 - President Rogers referenced the Grossmont Hospital inspection that Attorney Scott provided to all in attendance at the June meeting.
 - Attorney Scott outlined the process of Grossmont Hospital’s inspection process.
 - Michele Finney, CEO, Desert Regional Medical Center, inquired on the time restraints for the inspections. Attorney Scott explained that the inspections usually require approx. 2 – 4 hours.
 - Chairman Zendle explained that Staff would develop a professional services agreement, the Committee will review all the components and make the appropriate recommendations to the Board of Directors.

NEXT STEPS

- The Committee will meet the fourth Monday of every month at 10:00 a.m.

ADJOURNED

- The Committee adjourned at 10:22 a.m.

ATTEST: _____

Les Zendle, MD, Chair/Director Hospital Governance and Oversight Committee
Desert Healthcare District Board of Directors



Date: September 26, 2017

To: BOARD OF DIRECTORS

Subject: Grant #887 – Coachella Valley Economic Partnership (CVEP) acting as fiscal agent for OneFuture Coachella Valley – no cost grant extension for twelve (12) months

The Desert Healthcare District awarded a \$737,900 grant to CVEP in September 2015 to support the Desert Healthcare District Mental Health College and Career Pathways Initiative. The term of the grant was from October 1, 2015 through September 30, 2017.

As a refresher, the purpose and use of the grant was to launch a regional, aligned effort to build a pipeline to produce a top quality mental health workforce from within their own student population (2 years of staffing and consulting fees to oversee and implement development of a Mental Health Career workforce pipeline; summer career conference; paid undergraduate internships; scholarships; and planning for a loan repayment program).

Also as a refresher, the District Board of Directors, at their March 28, 2017 meeting, approved an MOU between CVEP and the Coachella Valley Workforce Excellence or CVWE (now DBA OneFuture Coachella Valley) which allowed CVEP to continue to be the grantee for the District's grant, who in turn forwarded remaining grant funds to CVWE to carry out the deliverables of the grant (term ending September 30, 2017). If the no-cost extension is approved, the MOU will be extended to reflect the new grant end date of September 30, 2018.

The Request for the No-cost Extension: As a result of challenges faced in locating and recruiting eligible students for the scholarship program, staff time constraints as related to the launch of OneFuture Coachella Valley as a new nonprofit (separated from CVEP and received IRS designation as a 501 (c)3 on March 16, 2017 and retroactive to their incorporation date of September 23, 2016) and what staff has learned through the process of convening and planning with the working group, OneFuture Coachella Valley (OFCV) is requesting a 12-month no cost grant extension to complete scholarship awarding and implement needed course corrections. The *formal written request* is attached, referencing **four** specific budget line items that outline recommended next steps.

As a cross-reference the original 2-year grant approved budget, *Exhibit C*, is also attached with the four line items highlighted.

These four-line items are:

1. Health Career Connection (HCC) Internship Program (originally approved at \$60,000)
2. Mental Health & Behavioral Health Scholarship Program (originally approved at \$150,000)
3. Mental Health & Behavioral Health Loan Repayment Program (originally approved at \$50,000)
4. Faculty Externship (originally approved at \$20,000)

Among other materials attached for cross-reference are:

- 3rd progress report covering the time period from October 1, 2016 through March 31, 2017 outlining progress to date. The 4th report, covering the time period from April 1 to September 30, 2017 is not due until October 1, 2017.
- DHCD Scholar Academic Progress & Placement Overview
- Behavioral Health A-Team Tactical Plan
- Clinical Therapist Workforce Pathway
- Behavioral Health Jobs/Positions Related to Level of Education
- Exhibit B – Payment Schedule, Requirements and Deliverables to REVISED to reflect no-cost grant extension

PROGRAM STAFF recommendation: The Board of Directors approve a twelve (12) month no-cost grant extension, extending the grant agreement through September 30, 2018.

**Desert Healthcare District: Grant Extension Request
September 21, 2017**

OneFuture Coachella Valley (OFCV) is requesting an extension of its DHCD Mental & Behavioral Workforce grant.

Since 2015, OFCV has made significant progress in developing the Mental & Behavioral Health pipeline strategy by engaging stakeholders from education and employers who prepare and/or employ mental/behavioral health workers and professionals.

These stakeholders assisted in the formation of a working group (Behavioral Health Workforce Alignment Team) that has identified job demand, academic requirements for pathways completion and strategies needed to expand the pool of local students pursuing and succeeding in these careers. The Mental & Behavioral Health workgroup has provided direction on the academic majors that align with mental and behavioral health career paths, identified key obstacles to students gaining exposure and work based learning experience in these careers, and developed strategic focus areas to address these obstacles. The majors delineated by the working group have been integrated into the DHCD Mental & Behavioral Health scholarship application requirements that have guided the review process.

In addition, twenty-one local undergraduate junior and senior students received scholarships to pursue studies in behavioral health related majors, and ten of these students received a 10-week paid summer internship within the field. One student was hired by their employer (Safehouse of the Desert) after the externship experience.

As a result of challenges faced in locating and recruiting eligible students for the scholarship program, staff time constraints related to the launch of OFCV has a new non-profit and what we have learned through the process of convening and planning with the working group, OFCV would like to request a one (1) year no cost extension to complete scholarship awarding and implement needed course corrections. Following is an update for each of the grant areas on the work completed to date, our findings/lessons learned and recommended next steps.

Mental & Behavioral Health – Health Career Connection (HCC) Internship Program:

- Through this strategy OFCV partnered with HCC across two summers to place 10 local undergraduate students interested in pursuing mental and behavioral health careers in full-time, paid summer internships related to those careers. One of those students was hired after the internship experience by the host employer (Safehouse of the Desert.) The funds requested were intended to support OFCV staff or contractor to coordinate and implement the program. However, as a result of time demands on key team members working on the launch of the new OFCV nonprofit, we had to depend heavily on HCC to complete operational tasks.
1. The goal was to place a minimum of 10 students. In order to build on the momentum begun with behavioral health employers, we believe it is important to secure commitments for internship placements for the summer or 2018 in the coming 7 months. As a result we are requesting an extension

on this line item (\$31,000) to extend this work through September 2018 and secure placements for an additional five interns at behavioral health sites. (originally approved at \$60,000)

DHCD Mental & Behavioral Health Scholarship Program:

Since 2015, OFCV has awarded twenty-one (21) undergraduate students pursuing a mental and behavioral health major and career. In total, \$75,835 (51% of the awarded grant funds) was disbursed to these scholars out of the \$150,000 awarded for the scholarship program. Among the learning opportunities experienced in the awarding of the scholarship funds were the following:

1. Awareness & Exposure: Some students did not make the connection between their majors and the mental and behavioral health career opportunities. Although students may have been pursuing majors that align with mental and behavioral health, prospective applicants struggled with associating their majors with the careers. As a result, OFCV learned that there is a need to bring more awareness to the links between some of the mental and behavioral majors and careers in the field.
2. Insufficient Undergraduate Candidates: In addition to the lack of awareness among prospective applicants, OFCV also experienced challenges with recruiting qualified undergraduate applicants (college juniors and seniors). At the direction of the Mental & Behavioral Health workgroup, OFCV staff developed and implemented a marketing campaign that included advertising via radio, television, newspaper and flyers. In addition, more than 1000 emails were sent regarding the scholarship opportunities to college professors and staff for dissemination at College Desert, CSU San Bernardino, UC Riverside, UC Los Angeles, UC Irvine, University of Redlands and Brandman University. After debriefing with higher education partners at CSU San Bernardino, OFCV staff learned that students pursuing majors in the health industry sector often experience higher college course loads, while also participating in work based learning opportunities. As a result, it was suggested that students may lack the time to apply for these scholarship opportunities.
2. Building upon these learning opportunities, OFCV would like to utilize the remaining scholarship balance (\$74,165) to award students at CSU San Bernardino - Palm Desert as part of a pilot initiative that will: 1) bring awareness to students regarding the career opportunities and alignment of their majors to the mental and behavioral health sector, 2) integrate the completion of the DHCD Mental & Behavioral Health scholarship application into in-class projects, coupled with one-on-one assistance from OFCV staff, and 3) broaden the scholarship requirement to include post-bachelorette candidates. (originally approved at \$150,000)

Mental & Behavioral Health Loan Repayment Program:

- The Mental and Behavioral Health Working group completed the framework for a Loan Repayment Program, with an emphasis on the significant need among local nonprofits for post-baccalaureate students to fill demand positions while working on licensure requirements. While the framework is an

excellent start, it must be detailed further to be ready for implementation. Moreover, a structure for a collective fund to support the program on an ongoing basis must be developed.

3. We propose to utilize the remaining \$50,000 to support further work on this structure. (originally approved at \$50,000)

Faculty Externship:

- Four educators completed an in-depth 30 hour summer externship experience in 2016. They found it valuable but indicated that a lengthy summer program was difficult and they suggested a more flexible program, delivered during the school year for the second year. We vetted several formats and received agreement that a full-day seminar format would be valuable for teachers, however, were unable to find dates that worked for the teachers.

We propose to utilize the remaining \$10,000 during the 2017-2018 school year to deliver seminar format for a group of 12-20 pathway educators. (originally approved at \$20,000)

5 things we would do differently:

1. We underestimated the impact of the transition to a new nonprofit on staff time and distribution of work load. We would work to estimate the work flow more effectively.
2. Expecting a larger number of undergraduate students in the DHCD boundaries would be pursuing mental and behavioral health careers and therefore eligible for scholarships, we concurrently launched the Mental and Behavioral and the scholarship process. It would have been more effective to phase those steps so that the employer and education community was first mobilized and actively engaged in outreach and education to students, then scholarships were made available.
3. We would have structured the faculty externship program differently – as proposed – to address demands on faculty time and schedule.
4. We would have considered more fully the nuances to this particular workforce area to understand the greatest need is at the post-bac level.
5. We would have attempted to better estimate the timeline for deliverables throughout the grant.

DESERT HEALTHCARE DISTRICT GRANT EXTENSION AGREEMENT

This agreement is entered into by the Desert Healthcare District (“DISTRICT”), a California health care district organized and operating pursuant to Health and Safety Code section 32000 et seq., and Coachella Valley Economic Partnership (“RECIPIENT”) and is effective upon execution by both parties.

1. **Grant Extension**

Purpose and Use of Extension: Coachella Valley Economic Partnership is hereby granted a 12-month extension to the original grant agreement approved on September 22, 2015 for DHCD Mental Health College and Career Pathways Development Initiative

No additional funds will be disbursed. RECIPIENT shall use remaining dollars, if any, from original grant amount of \$737,900 during extension period.

2. **Term of Agreement**

The amended end of term of this agreement shall be September 30, 2018.

3. **Agreement Requirements**

RECIPIENT shall submit a final report with tracking documents to DISTRICT within thirty (30) days from the expiration of this agreement. All other requirements and conditions not specified in this extension agreement remain the same as in the original grant agreement.

4. **Signatories**

The persons executing this extension agreement on behalf of the RECIPIENT have been designated by the governing body or fiscal agent of the RECIPIENT as the official signatories of this agreement and all related documents. At least one of these persons is a member of the RECIPIENT'S governing board, and both persons have the authority to execute this agreement on behalf of RECIPIENT.

RECIPIENT:

Coachella Valley Economic Partnership
3111 East Tahquitz Canyon Way
Palm Springs, CA 92262

Name: President/Chair of RECIPIENT
Governing Body

Name: Executive Director

PLEASE PRINT

PLEASE PRINT

SIGNATURE

SIGNATURE

DATE

DATE

Authorized Signatory for Desert Healthcare District:

Name: Herb K. Schultz

Title: Chief Executive Officer

SIGNATURE

DATE

Desert Healthcare District
1140 N. Indian Canyon Dr.
Palm Springs, CA 92262

EXHIBIT B – Grant #887 *revised to reflect no-cost grant extension*

PAYMENT SCHEDULE, REQUIREMENTS & DELIVERABLES

<u>Project Title</u>	<u>Start/End</u>
DHCD Mental Health College and Career Pathways Development Initiative	10/1/2015 9/30/2017 9/30/2018

PAYMENTS:

(4) Payments: \$166,027.50
10% Retention: \$73,790.00

Total request amount: \$737,900.00

GRANT AND PAYMENT SCHEDULE REQUIREMENTS:

Scheduled Date	Grant Requirements for Payment	Payment
10/01/2015	Signed Agreement submitted & accepted	Advance of \$166,027.50 for time period 10/01/2015 - 03/31/2016
04/01/2016	1 st six month (10/01/2015 - 03/31/2016) progress and budget reports submitted & accepted	Advance of \$166,027.50 for time period 04/01/2016 - 09/30/2016
10/01/2016	2 nd six month (04/01/2016 - 09/30/2016) progress and budget reports submitted and accepted	Advance of \$166,027.50 for time period 10/01/2016 - 03/31/2017
04/01/2017	3 rd six month (10/01/2016 - 03/31/2017) progress and budget reports submitted and accepted	Advance of \$166,027.50 for time period 04/01/2017 - 9/30/2017
10/01/2017	4 th six month (04/01/2017 - 9/30/2017) progress and budget reports submitted and accepted	\$0
04/01/2018	5 th six month (10/1/2017 - 03/31/2018) progress and budget reports submitted and accepted	\$0
10/01/2018	6 th six month (04/01/2018 - 9/30/2018) progress and budget reports submitted and accepted	\$0
10/31/2018	Final report (10/01/2015 - 09/30/2018) submitted & accepted	\$73,790.00 (10 % retention)

TOTAL GRANT AMOUNT: \$737,900.00

DELIVERABLES:

PROJECT EVIDENCE

- By the end of the project, a Mental Health Workgroup, comprised of local employers who rely on a continuous supply of mental health workers will be actively engaged in a collective approach to develop their workforce, will devise annual tactical plan to increase the supply of mental health workers from within our student population and develop a method to track employment of these students within the mental health field.
- Mental health career pathways supports and programs will be available to all 8 high school career academies through career explorations, job shadows, internships, and career conferences
- A 2016 Tactical Plan for mental health workforce development will be adopted by the workgroup
- A Loan repayment pilot program will be detailed and ready for implementation
- 250 high school health academy students will have participated in the Emerging Health Professionals Career showcase and provided information and resources on mental health careers.
- A minimum of 15 health academy teachers and/or coordinators will have completed Faculty Externships in the mental health industry
- A minimum of 10 undergraduate students will have completed a CVEP-HCC internship in mental health-related settings.
- A total of 30 junior and senior college undergraduate students majoring in mental health pathways will have received scholarship funding.
- Mental health scholars will have participated in the student leadership development workshops, mental health-themed workshops, the HCC summer internship program (a minimum of 5 students) and completed a personal mission statement for college integrating their pathway goals.
- The end goal is to increase the number of students in the Coachella Valley who pursue and successfully complete college degree programs in mental healthcare related fields. The mental health workgroup will establish a baseline and measurement system to track this goal.

ADDITIONAL DELIVERABLES FROM THE NO-COST GRANT EXTENSION:

- Building upon these learning opportunities, OFCV would like to utilize the remaining scholarship balance (\$74,165) to award students at CSU San Bernardino - Palm Desert as part of a pilot initiative that will:
 - 1) bring awareness to students regarding the career opportunities and alignment of their majors to the mental and behavioral health sector,
 - 2) integrate the completion of the DHCD Mental & Behavioral Health scholarship application into in-class projects, coupled with one-on-one assistance from OFCV staff,
 - 3) broaden the scholarship requirement to include post-bachelorette candidates.
- Loan Repayment Program: it must be detailed further to be ready for implementation. Moreover, a structure for a collective fund to support the program on an ongoing basis must be developed.

Line Item Budget - Sheet 1 Operational Costs

Approved budgets are the basis for reporting all grant expenditures. Line items may not be added or changed without grant amendment. Prior authorization is required for transferring funds (<10%) between existing line items. Describe budget narrative in cell B38. You may insert rows or create additional worksheets if more space is needed to fully describe your budget.

PROGRAM OPERATIONS		Total Program Budget	Funds from Other Sources Detail on sheet 3	Amount Requested from DHCD
2 YEAR Total Labor	Detail on sheet 2	713000	275000	438000
Equipment (itemize)				
	1	0		
	2	0		
	3	0		
	4	0		
Supplies (itemize)				
	1	12000		12000
	2	4000		4000
	3	0		
	4	0		
Printing/Duplication		2000		2000
Mailing/Postage/Delivery		0		
Travel - local mileage and conference travel		10000		10000
Education/Training				
Facilities (Detail)				
	Office/Rent/Mortgage	0		
	Meeting Room Rental	0		
	Telephone/Fax/Internet	3000		3000
	Utilities	0		
	Insurance	0		
	Maintenance/Janitorial	0		
	Other Facility costs (itemize)			
	1	0		
	2	0		
	3	0		
	4	0		
Other Program Costs not described above (itemize)				
	1	10000		10000
	2	10000		10000
	3	300000	150000	150000
	4	50000		50000
	5	48900	27500	48900
	Indirect on Program Costs less Scholarship and LRP Funds*			
Total Program Budget		1190400	452500	737900

Line Item Budget - Sheet 1 Operational Costs

Budget Narrative

2 years of staffing and consulting fees to oversee and implement development of Mental Health Career workforce pipeline through CVEP's Healthcare Industry Council, employer recruitment and engagement, support for eight high school health academies (serving 1300 students), summer career conference, paid undergraduate internships, scholarships and planning for a loan repayment program. Efforts to Outcomes student tracking software student case management system to track academic progress and completion of scholarship requirements. Alignment portal/technology platform contract fee to utilize portal for partner registration, tactical planning, task assignment for collective impact initiative, communication, storage of planning documents and resources. \$50,000 in matching scholarships in year 1 and \$100,000 matching scholarships in year 2 to be awarded to junior and senior year undergraduate students pursuing mental health careers. \$50,000 in seed funding as base for Loan Repayment Program for college graduates returning to region and accepting positions in mental health workforce (this component will be designed by mental health employers through the Mental Health Workgroup). *Indirect calculated at 10% of program costs not included Scholarship and Loan Repayment Seed Funds. \$27,500 Indirect from other sources is related to The California Endowment grant.

**Line Item Budget
Sheet 2 - Labor Costs**

Staff Salaries		2 YEAR Salary (w/benefits)	% of Time Allocated to Program	2 YEAR Actual Program Salary	Amount of Salary Paid by DHCD Grant 2 YEAR
Employee Position/Title					
1	VP Workforce Excellence	237068	25.31%	60000	40000
2	Exec Director Next Gen Learning	218130	32.09%	70000	50000
3	Students Support Svs Coord	164404	18.25%	30000	20000
4	Industry Council/EHP Coord	72660	82.58%	60000	60000
5	Student Success Counselor	145952	34.26%	50000	50000
6	Research Director/Alignment P	254216	51.14%	130000	70000
7	Admin/Operations Coord	128342	47.53%	61000	50000
8					
Enter this amount in Section 1, Employee Salaries				Total >	340000
Budget Narrative	<p>Executive leadership to direct implementation of Mental Health Pathways initiative, including scholarship, career academy, faculty training, career academy programs. Exec Director of Next Generation Learning and Industry Council Coordinator will recruit mental health employers to support strategies of the program. Student Support Services staff to deliver scholarships, leadership and student support services for 3rd and 4th year undergraduate students pursuing Mental Health Career Pathways in priority focus areas including Social Work, Psychology, MFT, Counseling, Psychiatry, and others. Industry Council coordinator to focus Healthcare Industry Council objectives on supplying and expanding mental health workforce. Research/Alignment Portal manager to establish Mental Health Pathways portal pages, tactical planning, portal registration and communications structure. Admin to support committee and event planning, scholarship student communication, acctg and admin functions.</p>				
Consultants/Contractors		Hourly Rate	Hours/ Week	Monthly Fee	Amount of Salary Paid by DHCD Grant 2 YEARS
Consultant/Contractor Name					
1	Faculty Externship 10 month contract (2 yrs)			1000	20000
2	Mental Health Workgroup facilitator/consultant (TCE GRAN			2500	0
3	Contractor to coordinate CVEP-HCC summer internship prog			2500	60000
4	Emerging Health Professionals (undergraduate student) Stipends			900	18000
5	TCE funded College & Career Readiness Liaison CVUSD			est. 5000	0
6					
7					
8					
Enter this amount in Section 1, Professional Services/Consultants				Total >	438000

Line Item Budget
Sheet 2 - Labor Costs

Budget Narrative	<p>Contractor(s) to coordinate Faculty Externships for Health Academy Coordinators and Teachers, CVEP-HCC internship program - recruitment of paid internships and host sites within mental health career pathways, coordination of events and workshops, recruit mental health business partners for career explorations, professional interviews, mentors and Emerging Health Professionals career conference. Consultant to chair the Mental Health Workgroup, train on the Alignment facilitation and tactical planning/collective impact process (funded by TCE grant). Stipends for three (3) undergraduate health science students to lead Emerging Health Professionals Workgroup, plan the May 2016 and 2017 EHP Showcase and integrate mental health career pathways theme into monthly meetings with high school health academy students and the EHP Conference (\$300 per month stipends for 3 undergraduate students, 10 months per year, 2 years)</p>
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Line Item Budget - Other Program Funds

Funding for this program received from other sources		Amount
Fees		
Donations		
Grants (List Organizations)		
The California Endowment	1	Mental Health Pathways Workgroup and Expand College
College Futures	2	Matching Scholarship Funding
	3	
	4	
Fundraising (describe nature of fundraiser)		
Other Income, e.g., bequests, membership dues, in-kind services, investment income, fees from other agencies, etc. (Itemize)		
	1	
	2	
	3	
	4	
Total funding in addition to DHCD request		452500
Budget Narrative	<p style="color: red;">The California Endowment will provide 2 to 3 years of funding, \$275,000 program funding plus \$27,500 indirect to establish a Mental Health Workgroup of the CVEP Healthcare Industry Council to convene mental health employers in the region and align activities to identify gaps in the mental health workforce, mental health program capacity in the education pipeline and develop and implement strategies/tactical plans to address these and build a pipeline of mental health workers.</p>	

Progress Report

Coachella Valley Economic Partnership, Grant#: 887

DHCD Mental Health College and Career Pathways Development Initiative

Sheila Thornton

Tel: (760) 340-1575

Fax: (760) 548-0370

Sheila@cvep.com

Grant Amount: \$737,900

Paid to date: \$498,083

Balance: \$239,818

3rd Progress Report: 10/1/16 through 3/31/17

Due Date: 4/1/2017

The specific benefits or tangible effects to be achieved by the end of the grant period (9/30/2017):

- By the end of the project, a Mental Health Workgroup, comprised of local employers who rely on a continuous supply of mental health workers will be actively engaged in a collective approach to develop their workforce, will devise annual tactical plan to increase the supply of mental health workers from within our student population and develop a method to track employment of these students within the mental health field.
- Mental health career pathways support and programs will be available to all 8 high school career academies through career explorations, job shadows, internships, and career conferences
- A 2016 Tactical Plan for mental health workforce development will be adopted by the workgroup
- A Loan repayment pilot program will be detailed and ready for implementation
- 250 high school health academy students will have participated in the Emerging Health Professionals Career showcase and provided information and resources on mental health careers.
- A minimum of 15 health academy teachers and/or coordinators will have completed Faculty Externships in the mental health industry
- A minimum of 10 undergraduate students will have completed a CVEP-HCC internship in mental health-related settings.
- A total of 30 junior and senior college undergraduate students majoring in mental health pathways will have received scholarship funding.
- Mental health scholars will have participated in the student leadership development workshops, mental health-themed workshops, the HCC summer internship program (a

minimum of 5 students) and completed a personal mission statement for college integrating their pathway goals.

- The end goal is to increase the number of students in the Coachella Valley who pursue and successfully complete college degree programs in mental healthcare related fields. The mental health workgroup will establish a baseline and measurement system to track this goal.

PROGRESS:

The measurements to be utilized throughout the grant period:

CVEP will facilitate the strategic planning process with K-12 districts to advance Mental Health career strand development in regional Grades 7-12 health pathways, develop and manage the Scholarship Selection, Student Support and Leadership program, and oversee the Mental Health Workgroup of the Healthcare Industry Council; assure the group uses the Alignment Process to guide planning; and, facilitate review of the following documents to guide strategies: DHCD healthcare workforce labor market study recently completed, the OSHPD Mental Health Workforce roadmap/plan, the Mental Health Services Act, Workforce Education and Training Scopes of Work, and best-practice Mental Health career ladders/roadmaps.

Utilizing the Alignment Nashville model, CVEP has also begun to implement the use of the Com-Coefficient online system to facilitate cross-community tactical planning, report and track key indicators outlined in the Coachella Valley's Regional Plan for College and Career Readiness. All tactics, meetings tasks and decisions will be tracked, with attendance taken to capture business and education involvement, with goals and objectives and progress updated.

Career Academy and Pathway Support Timeline:

- October -- November 2015:
 - o Secure grant from The California Endowment to implement Mental Health Pathway Workgroup
 - o Launch Emerging Health Professions Workgroup planning process for May 2016 Health Career Conference with Mental Health Pathways theme lead by 3 undergraduate health sciences students, 12-15 junior and senior high school health academy student leaders and serving a minimum of 125 high school health academy sophomores annually.
 - o Launch recruitment campaign for Health Career Connection Summer internship program focused on Mental Health employment sites
- January 2016:
 - o Work with school districts to plan Mental Health Career Pathway Faculty Externships for 8-10 health career academy lead teachers and/or coordinators, to deliver information and training mental health careers, skills needed for success and career ladders and pathways available to their students. On average each health academy faculty impacts 130 students daily. Exposing teachers to the field of mental health is a proven method to scale exposure for students.
 - o Determine priority tactics to embed Mental Health Career Pathways in Health Career Academies

- Feb -- April 2016:
 - o Detail plans for priority Mental Health Pathways programs
- Plan implementation of Faculty Externship program
- Finalize programming for EHP Career Conference in May 2016
- May 2016: Implement EHP Career Conference for min 125 high school sophomores
- June -- September 2016:
 - o CVEP-HCC Internship program places minimum 5 interns in mental health workforce sites
 - o Mental Health Workgroup finalizes 12-month plan for:
 - Integrating mental health careers into academies
 - Supporting expansion of scholarship funding for students pursuing mental health careers
 - Developing loan repayment program to incentivize local students return to region's workforce
 - October 2016: Workgroup adopts 2016-17 Tactical Plan for Mental Health Workforce development

Mental Health Scholars Timeline:

Data on scholarship students will be tracked in the Efforts to Outcomes (ETO) student data tracking system. ETO allows CVEP staff to track and monitor scholarship academic performance and program completions. Following is the two-year timeline for scholars:

Year One: 2015-16 Academic Year

- October 2015: CVEP will identify and select 10 students in the Mental Health field
- October 2015: DHCD Application Review and Notification
- October 2015: CVEP will convene its Mental Health Workgroup to begin exploring the requirements for the development of a loan repayment program for students in a mental health major.
 - November 2015: Selected scholars will be contacted and provided with an orientation on DHCD Mental Health Scholarship Program Requirements.
 - o 100% of students will complete a Personal Mission Statement for College, which includes completion of a LinkedIn resume and minimum of three (3) academic and career advising sessions with CVEP Pathways to Success student leadership advisors.
 - o Scholars will participate in a minimum of two (2) leadership and professional development opportunities, including engagement in the Mental Health Workgroup
 - November 2015: Personal Mission Statement Check-In #1
 - January 2016: Mental Health Scholar Symposium
 - o Student will participate in three (3) workshops designed to expose students to career opportunities in the Coachella Valley. Mental Health scholars in their junior year in college will participate in a Health Career Connection (HCC) workshop and complete an application in preparation for their internship in the summer of 2016.
 - February 2016: Personal Mission Statement Check-In #2
 - o 100% of juniors in college will complete the Free Application for Federal Student Aid (FAFSA) and DHCD Mental Health Scholarship Application for the 2016-17 academic year.

- April 2016: Personal Mission Statement Check-In #3
- June 2016: CVEP Student Leadership Conference
- June -- August, 2016: Five scholars will participate in the HCC Summer Internship Program
- August-December 2016: Track placement in graduate programs and/or workforce placement

Year Two: 2016-17 Academic Year

- April 2016: CVEP will identify and select 20 students in the Mental Health field
- April-May 2016: DHCD Application Review and Notification
- June 2016: Scholars will attend CVEP PTS Award Ceremony
- June 2017: CVEP Student Leadership Conference
 - o 100% of students will complete a Personal Mission Statement for College, which includes completion of a LinkedIn resume and minimum of three (3) academic and career advising sessions with CVEP Pathways to Success student leadership advisors.
 - o Scholars will participate in a minimum of two (2) leadership and professional development opportunities, including engagement in the Mental Health Workgroup
- October 2016: CVEP will implement a student loan repayment under the direction and guidance of the Mental Health Workgroup
- November 2016: Personal Mission Statement Check-In #1
- January 2017: Mental Health Scholar Symposium
 - o Student will participate in three (3) workshops designed to expose students to career opportunities in the Coachella Valley. Mental Health scholars in their junior year in college will participate in a Health Career Connection (HCC) workshop and complete an application in preparation for their internship in the summer of 2017.
- February 2017: Personal Mission Statement Check-In #2
 - o 100% of junior in college will complete the Free Application for Federal Student Aid (FAFSA) and DHCD Mental Health Scholarship Application for the 2016-17 academic year
- April 2017: Personal Mission Statement Check-In #3
- June 2017: CVEP Student Leadership Conference
- June -- August, 2016: Five scholars will participate in the HCC Summer Internship Program
- August-December 2017: Track placement in graduate programs and/or workforce placement

Progress this period:

Career Academy and Pathway Support Timeline:

October & November 2016: The Behavioral Health Workforce Alignment Team worked on the Tactical Plan. After much discussion, the team decided on the following tactic: Cultivate positive awareness of mental and behavioral health services and career opportunities across K-16. The workgroup also identified four outcomes (actions) the group will undertake to move the tactic forward. The outcomes focused on school outreach, connecting with health academy school advisory committees, participating in the Emerging Health Professionals

Career Showcase to uplift behavioral health careers, and creating a job matrix of behavioral health jobs in the Coachella Valley.

December 2016: Jeff Oxendine continued leading the workgroup through a discussion on behavioral health pathway development. At the conclusion of this meeting the workgroup decided to focus on the Clinical Therapist Workforce Pathway. This pathway includes Marriage & Family Therapists (MFT), Licensed Clinical Social Workers (LCSW), and Licensed Professional Clinical Counselors (LPCC).

January 2017: The workgroup met twice to identify barriers students encounter along the Clinical Therapist Workforce Pathway. The group also developed recommendations to address those barriers.

February 2017: The team continued working on the Tactical Plan. They decided to add a tactic to address the lack of opportunities for students to gain experience in behavioral health careers at the undergraduate level. The tactic reads as follows: develop a behavioral health training/exposure program for undergraduate college students and recent college graduates interested in behavioral health careers. This tactic was strategically chosen to address one of the most significant barriers along the Clinical Therapist Workforce Pathway. The workgroup also added three outcomes (actions) in order to accomplish both tactics. The additional outcomes focused on creating an educational algorithm linking degrees (at the bachelors and masters level) to behavioral health careers, creating an online behavioral health hub for behavioral health careers, and designing the behavioral health training/exposure program for undergraduate students/recent college graduates.

March 2017: The Behavioral Health Workforce A-Team created the educational algorithm that links degrees to behavioral health careers. They have also made significant progress on the behavioral health job matrix for the Coachella Valley.

Mental Health Scholars Timeline:

Data on DHCD Mental Health scholarship recipients will be tracked in the Efforts to Outcomes (ETO) student case management system. ETO allows OneFuture Coachella Valley (OFCV) counselors to track and monitor student academic performance and progress towards degree completion. Following is an update on the DHCD Mental Health scholars:

In 2015, the DHCD and CVEP's Workforce Excellence Division (now a standalone non-profit called OneFuture Coachella Valley) partnered to award a total of thirty (30) Mental and Behavioral Health scholarships to DHCD district residents enrolled in their junior or senior year in college. In total, twenty-one (21) students have been awarded to date. Among this cohort, the following students have since graduated from college:

1. Catherine Ferrero (2016 Grad)
2. Andrea Rodriguez (2016 Grad)
3. Nancy Hernandez (2016 Grad)
4. Carol Aguilar (2017 Grad)
5. Franklyn Toatley (2017 Grad)
6. Lucy Donis (2017 Grad)
7. Leslie Martinez (2017 Grad)

8. Gabriella Scharff (2017 Grad)
9. Yesenia Diaz (2017 Grad)
10. Hope Stagg (2017 Grad)
11. Angela Angeles (2017 Grad)
12. Renta Flores (2017 Grad)

Additionally, the following eight (8) students from the original cohort are on track to enroll in college for the 2017-18 academic year:

1. Soleil Loayza
2. Andrew Siegand
3. Clara Velasco
4. Ashley Valenzuela
5. Violeta Valdez
6. Dawn Nepusz
7. Lorena Dailey
8. Norberto Frias

Finally, the following student only enrolled part-time so did not meet the eligibility requirements for the DHCD Mental and Behavioral Health scholarship program:

1. Diana Valenzuela

Attached is a detailed report of the twenty-one (21) scholars, including their academic data.

August-December 2016: Track placement in graduate programs and/or workforce placement

OFCV is excited to report that seven (7) of the twelve (12) students that have graduated to date have found employment. Following is a list of the students that are currently employed:

1. Catherine Forrero: Employed as a Behavioral Interventionist at a non-profit
2. Carol Aguilar: Employed at a non-profit in San Diego
3. Andrea Rodriguez: Employed as a Talent Acquisition Specialist at Alteryx6
4. Nancy Hernandez: Employed as an Instructional Assistant Behavioral Analysis Interventionist for New Port Mesa Unified School District
5. Gabriella Scharff: Employed at Desert Regional Medical Center
6. Yesenia Diaz: Employed at UCLA Health Center
7. Hope Stagg: Employed at Operation SafeHouse of the Desert and Family YMCA of the Desert

The following five (5) students are seeking employment opportunities or preparing for graduate/medical school:

1. Franklyn Toatley: Preparing for medical school

2. Lucy Donis: Preparing for graduate school
3. Leslie Martinez: Preparing for graduate school
4. Angela Angeles: Seeking employment
5. Renata Flores: Seeking employment

Attached is a report which provides a detailed summary of the aforementioned students.

October 2016: CVEP will implement a student loan repayment under the direction and guidance of the Mental Health Workgroup

We are currently finalizing an outline for a loan repayment program, and are looking into the possibility of leveraging the loan repayment program with Riverside University Health System Behavioral Health (RUHS BH). In essence, we could establish a matching process in which we match their loan repayment dollars with our student loan seed money. Another option would be to work directly with California State University, San Bernardino in Palm Desert and Brandman University to identify local students graduating from the clinical therapist programs to award the loan repayment incentives.

November 2016: Personal Mission Statement Check-In #1
All DHCD scholars completed their Personal Mission Statement Check-In.

January 2017: Mental Health Scholar Symposium
o Students will participate in three (3) workshops designed to expose students to career opportunities in the Coachella Valley. Mental Health scholars in their junior year in college will participate in a Health Career Connection (HCC) workshop and complete an application in preparation for their internship in the summer of 2017.

Despite multiple phone calls, emails and text messages, we only received eight HCC applications from the mental health scholars. We received applications from Hope Stagg, Angela Angeles, Andrew Siegand, Soleil Loayza, Renata Flores, Dawn Nepusz, Lorena Dailey and Leslie Martinez. Of the eight scholars that applied, Lorena Dailey and Leslie Martinez decided not to move forward in the process. Andrew Siegand decided to complete an HCC internship in Northern California as he is attending CSU Sacramento. He did, however, complete an HCC internship at Angel View in the Coachella Valley last summer. In summary, five mental health scholars will be participating in the Health Career Connection internship program in the Coachella Valley summer of 2017. The five scholars will be placed at behavioral health sites and will complete behavioral health internship projects.

In addition to these internship projects, the mental health scholars will participate in a field-study program which will include mini-site visits to non-traditional mental health organizations. Furthermore, all HCC interns will tour the RUHSBH facility and will be exposed to a "Meet the Experts" behavioral health career discussion panel. Both the mini-site visits and the behavioral health panel will focus on these elements:

What agencies/entities serve this sector?

How does the agency interact and connect with other agencies?
What is done to support a patient's recovery?
Discuss types of care and delivery systems
Career options

It was determined that an in-depth field-study and the Meet the Experts panel would be more impactful than the three workshops originally envisioned.

February 2017: Personal Mission Statement Check-In #2
o 100% of junior in college will complete the Free Application for Federal Student Aid (FAFSA) and DHCD Mental Health Scholarship Application for the 2016-17 academic year

All DHCD scholars completed their FAFSA application.

Tracking:

Is the project/program on track? **Yes**

On-Track Issues:

Although OFCV was able to identify and award twenty-one (21) students, the grade level requirement (juniors and seniors in college), coupled with the DHCD district boundary requirement made it challenging to identify and award the anticipated number of students. OFCV engaged the Mental & Behavioral Health Workgroup to assist with developing a communications plan to recruit more applicants. The communications plan included purchasing ad space in The Desert Sun, on-air interviews on local television news, e-mail messaging to colleges and universities with undergraduate degree programs in Mental & Behavioral health. These efforts yielded only a few additional qualified applicants.

Course correction if the project/program is not on track:

Drawing upon what we've learned through the development and implementation of the DHCD Mental & Behavioral Health Scholarship program, OFCV recommends broadening the junior/senior year in college requirement to include sophomores in college, which would engage students with the local behavioral health pipeline earlier and allow awards to more DHCD district residents. Additionally, OFCV proposes developing and implementing a pilot program with CSUSB Palm Desert and UC Riverside to target students that meet the DHCD scholarship requirements and assisting them with the application process. This will include streamlining of the process to make it easier for students to apply and be considered for the DHCD scholarships. Finally, as the Behavioral Health Workgroup advances their efforts to promote career opportunities within this sector, more students will be aware of local career opportunities and the corresponding education requirements, which should attract more students to pursue this specific course of study. We will meet with DCHD program staff to discuss.

DHCD Mental Health College and Career Pathways Development - April 1, 2017
 Scholar Academic Progress and Placement Overview

Participant First Name	Participant Last Name	Enrollment Status	Employment / Further Study	DHCD Academic Year Award	Post Secondary Institution	Major
Catherine	Forero	2016 Graduate	Employed as Behavior Interventionist for Nonprofit. Goal is to pursue a Master's Degree in Psychology. (Fall 2016)	2015-16	UC Riverside	Psychology
Carol	Aguilar	2017 Graduate	Employed at a nonprofit in San Diego	2015-16	CSU San Diego	Psychology
Andrea	Rodriguez	2016 Graduate	Employed as Talent Acquisition Specialist at Alteryx. Goal: Pursue Master's Degree to become a Certified Professional Human Resources professional (Fall 2016)	2015-16	UC Irvine	Psychology
Nancy	Hernandez	2016 Graduate	Employed as Instructional Assistant - Behavior Analysis Interventionist for Newport Mesa Unified School District. Goal: Master's Degree to become Board Certified Behavior Analyst (Fall 2016)	2015-16	UC Irvine	Psychology
Franklyn	Toatley	2017 Graduate	Studying for the MCAT Exam	2015-16 2016-17	UC Riverside	Psychology
Lucy	Donis	2017 Graduate	Studying for the GRE to apply to graduate school	2015-16 2016-17	CSU Channel Islands	Psychology
Leslie	Martinez	2017 Graduate	Applying to graduate school to pursue a masters degree in counseling	2015-16 2016-17	CSU Fullerton	Early Childhood Development
Norberto	Frias	Enrolled in college	Plans to apply to Dental School upon graduation	2016-17	UC Santa Barbara	Biology
Gabriella	Scharff	2017 Graduate	Employed at Desert Regional	2016-17	CSU San Bernardino (PD)	Nursing
Yesenia	Diaz	2017 Graduate	Employed at UCLA Health	2016-17	UC Los Angeles	Nursing
Soleil	Loayza	Enrolled in College	HCC Intern, Summer 2017 at Riverside University Health System - Behavioral Health	2016-17	CSU San Bernardino (PD)	Nursing
Hope	Stagg	2017 Graduate	HCC Intern, Summer 2017 - Employed at Operation SafeHouse of the Desert and Family YMCA of the Desert	2016-17	Northern Arizona University	Fitness Wellness
Andrew	Siegand	Enrolled in College	Pursuing opportunities to continue to gain experience in the behavioral health. HCC Intern, Summer 2017 in Northern CA	2016-17	CSU Sacramento	Communications
Clara	Velasco	Enrolled in college		2016-17	CSU San Bernardino (PD)	Nursing
Angela	Angeles	2017 Graduate	HCC Intern at Jewish Family Services, Summer 2017.	2016-17	UC Irvine	Psychology and Social Behavior and Education Services
Ashley	Valenzuela	Enrolled in college	Studying for GRE to pursue Master's in Psychology or Psychiatry	2016-17	Georgetown University	Psychology
Violeta	Valdez	Enrolled in college	Preparing to pursue a Master's Degree in Psychology	2016-17	CSU San Bernardino (PD)	Psychology
Diana	Valenzuela	Enrolled in college, part-time	No longer an active DHCD scholar due to part-time status.	2016-17	CSU San Bernardino (PD)	Psychology
Renata	Flores	2017 Graduate	HCC Intern, Summer 2017 at Latino Commission	2016-17	CSU San Bernardino	Psychology
Dawn	Nepusz	Enrolled in college	HCC Intern, Summer 2017 at UCR Family Medicine Clinic - Palm Springs	2016-17	CSU San Bernardino (PD)	Nursing
Lorena	Dailey	Enrolled in college		2016-17	CSU San Bernardino	Psychology

Outputs

- Assist and connect academies (CVHS, IHS, DHSHS and PDHS) with four (4) MBH professionals through advisory committees to inform curriculum
- Outreach to eight (8) schools K-16 to raise awareness around MBH careers/ pathway, especially among males. (It could be as guest speakers/career days)
- *Explore and connect with health academy, public safety academy, education academy, freshman academies, AP psychology, and child development*
- Create an algorithm linking degrees to jobs, which will eventually be shared with counselors.
- Include 4-6 MBH professionals in the EHP Career Showcase - Mental Health focus
- Monitor Dual enrollment of psychology courses.

Short Term Outcomes

- Increase from two to four health academies featuring mental and behavioral health pathways/themes
- 10% of health academy teachers have experience with mental and behavioral health professionals through faculty externships and Mental and Behavioral Health workgroup interaction
- 10% increase in the number of schools with school-wide awareness of mental and behavioral health pathways K-16

Mid-Term Outcomes

- 5% more students enrolling in Mental and Behavioral Health/social work related majors/certificates (need method for determining baseline)
- 5% increase in the number of Mental and Behavioral Health pathways in local health academies (Current: seven Health Career Academies, two with focus)
- 5% increase of those seeking mental and behavioral health services in the Coachella Valley (Need assistance to obtain baseline)

Long Term Outcome

- 5% increase in College/ Higher-Skills Training Completion (Current six-year college grad rate is 22%, Need method to calculate higher-skills training baseline)

Tactic

- Cultivate positive awareness of mental and behavioral health services and career opportunities across K-16.

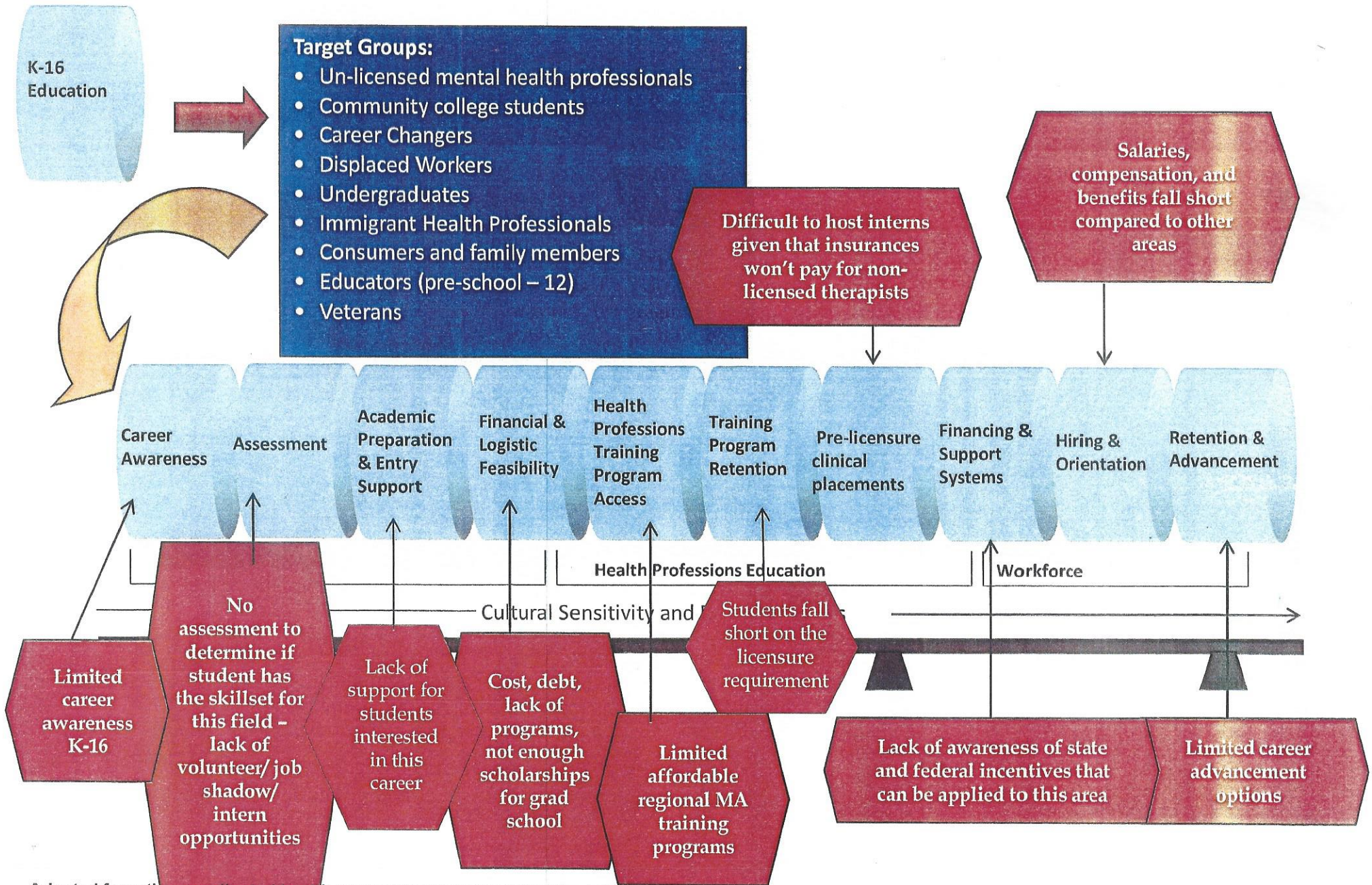
Vision

The Coachella Valley will have an abundant supply of mental and behavioral health professionals who are from our own student population and are responsive to the needs of our community.

Strategy

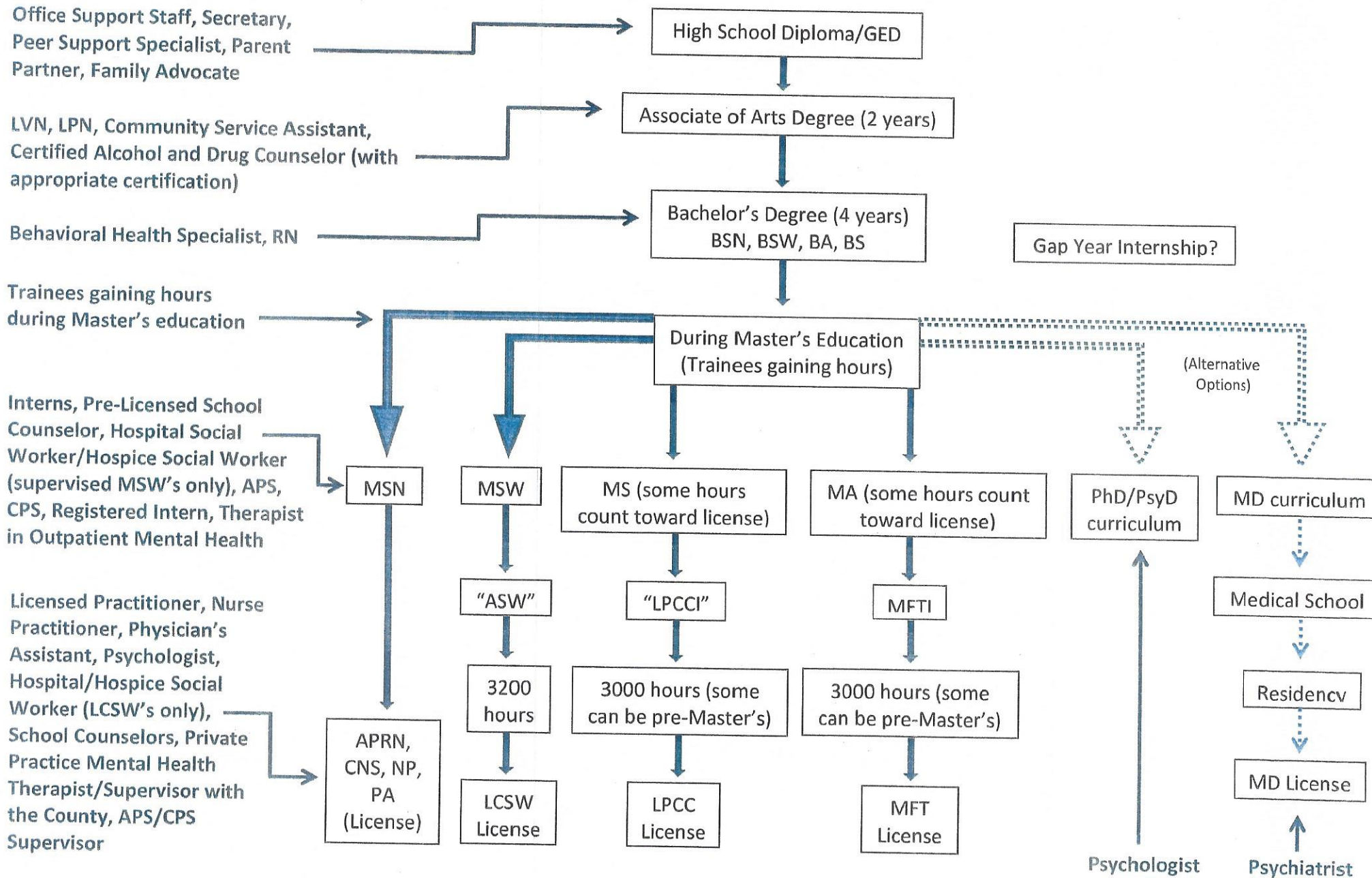
Mobilize local mental and behavioral health professionals, agencies and education systems to collectively develop and implement a plan that will increase the supply of qualified mental and behavioral health professionals from within our local student population.

Clinical Therapist Workforce Pathway



Adapted from the coordinated health career pathway developed by Jeff Oxendine.

Behavioral Health Jobs/Positions Related to Level of Education





Date: September 26, 2017

To: BOARD OF DIRECTORS

Subject: Grant #947 Coachella Valley Volunteers in Medicine

GRANT REQUEST: Project Title: *Primary Healthcare & Support Services to District Residents* – \$112,500

STAFF'S recommendation: that an award of \$112,500 be approved to CV Volunteers in Medicine to support primary healthcare and support services to District residents.

USE OF DISTRICT FUNDS:

- per average patient contact cost of \$135.000 for each District resident serviced by CV Volunteers in Medicine during the grant period
- The average per patient cost represents the cost of budgeted expenses to provide services and an anticipated 900 individual contacts with District residents
- For reference, here are two sets of patient numbers that Volunteers In Medicine serves – one set by all cities within the Coachella Valley during calendar year 2016 and the other set by cities within the District service area covering the time period of June 1, 2016 through May 31, 2017 (the previous approved District grant):

I. unduplicated patient numbers by city, served by Volunteers in Medicine from January to December 2016 VALLEY WIDE:

997 total patients for 3,410 in-clinic patient visits
Desert Hot Springs – 29 patients for 85 visits
Palm Springs – 36 for 99 visits
Cathedral City – 54 patients for 198 visits
Rancho Mirage – 4 patients for 16 visits
Palm Desert -89 patients for 297 visits
Indian Wells – 2 patients for 12 visits
La Quinta – 57 patients for 215 visits
Indio – 431 patients for 1531 visits
Coachella – 188 patients for 652 visits
County of Riverside – 106 patients for 305 visits

II. Unduplicated Patients by city, DISTRICT-WIDE served by Volunteers in Medicine for during the last grant period from June 1, 2016 through May 31, 2017

Palm Springs	46
North Palm Springs	2
Desert Hot Springs	42
Cathedral City	58
Rancho Mirage	5
Thousand Palms	16
Palm Desert	<u>114</u>
	283

Grant Request Summary

Coachella Valley Volunteers In Medicine, Grant #947

Tel: 760 342 4414 ext. 103
82-915 Avenue 48
Indio, CA 92201
<http://cvvim.org>

Contact:

Doug J. Morin
Tel: (760) 837-9066
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Historical (approved Requests)

Grant Year	Project Title	Grant Amount	Type	Disposition Date	Fund
2011	Capacity Building 2012	\$103,857	Achievement Building	5/22/2012	Grant budget
2012	Core Operating Support	\$125,224	Grant	6/25/2013	Grant budget
2014	CVVIM's Evolution in the Era of Affordable Care Act	\$112,924	Grant	9/23/2014	Grant budget
2015	Providing continued access to healthcare post implementation of the Affordable Care Act.	\$120,798	Grant	5/24/2016	Grant budget

About the Organization

Organization Type: Direct Service Provider\Medical

Background:

Coachella Valley Volunteers in Medicine (CVVIM) began providing primary healthcare services to low-income, adult residents of the Coachella Valley who were uninsured or underinsured in 2010. Our services include both medical and dental care, homeless medical outreach and related healthcare services such as case management, specialty clinics, disease education, wellness information and programs, health navigator services and community/social service referrals. To date, more than 25,000 unique patient visits only have been provided to nearly 2,500 distinct patients from across the Coachella Valley (not including other contacts for related healthcare services).

Proposal

Type of Request: Program operations\Sustaining program
Strategic Plan Link: GOAL#2: Facilitate access to and availability of health and wellness services for District Residents

***Project Title:* Primary healthcare and support services to District residents**

Total Project Cost: \$1,233,228
Requested from DHCD: \$121,500
Length of Project: 12 months
Start Date: 10/1/2017
End Date: 9/30/2018

Project Description:

This request strengthens and sustains current services and programs. CVVIM will provide primary health care services to District residents, including direct patient visits for medical and dental care and related support services, such as case management, health education and wellness programs, health navigator services and community/social service referrals.

Number of District individuals with this issue:

5,000

Core know-how as it pertains to this request:

CVVIM has demonstrated expertise in delivery of primary healthcare services delivered by volunteer physicians, dentists, nurse practitioners, physician assistants, nurses, other allied health professionals and support and administrative volunteers. Nearly 25,000 patient visits alone have been provided to more than 2,500 distinct patients since we began seeing patients in 2010.

Past Achievements as they relate to this request:

CVVIM has provided continuous coverage to eligible patients and successfully realigned our services, to the extent possible, post Affordable Care Act implementation. Integration of medical and dental care for improved provider communications and patient-centered care. Improved organizational financial stability, primarily with the successful production of a signature fundraising event, raising nearly \$240,000 over two years in NET revenue.

Future Program Sustainability: CVVIM continues to work a strategic fund development plan to diversify

revenue sources and broaden our donor base at all levels. Expenses are carefully monitored and whenever possible, new partners are developed to provide cash, discounted or in-kind services that will reduce program and administrative costs.

Participants:

(Description of District Residents who will benefit.)

Participant Number (District Residents): 200
Area to be served: All District Areas
Participant age group(s): (18-65) Adults
(65+) Seniors

Participant community: Services will be provided to 1) District residents, who are 2) low income, at or greater than 200% of Federal Poverty Guidelines, and who 3) are uninsured or unable to access their insurance because of costly co-payments or annual deductibles. (CVVIM

requires all patient applicants to verify their eligibility at time of intake and annually at the first scheduled visit post initial intake.)

Does this program serve residents outside the District Boundaries? If so, approximately how many and in what Coachella Valley cities?

CVVIM serves patients throughout the Coachella Valley. In 2016, approximately 25% of distinct patients seen resided within the District boundaries.

Results:

Specific benefits or tangible effects to be achieved:

At least 900 instances of reserved appointments/visits for medical and dental care, case management services, health/wellness programs and/or health navigator services will be provided to District residents.

Project Tracking:

Measurements to be used throughout project:

Scheduled patient appointments for medical and dental care, and health/wellness programs, as well as instances of case management or health navigator services will be tracked by patient residence zip code for requested reporting on grant progress and final services. Internally, these service numbers will be monitored monthly to forecast successful grant completion and to determine when or if any additional steps may be required to ensure success.

If there are unanticipated costs associated with this service or program, how will they be covered?

Any unanticipated costs will be assumed within the general budget.

Describe any critical changes to the organization, policy or staffing that are required to successfully implement this service or program. Will there be additional staff hired?

No organizational change is required for successful implementation of this service.

Key partners and their roles:

Not applicable.

Line Item Budget - Sheet 1 Operational Costs

Approved budgets are the basis for reporting all grant expenditures. Line items may not be added or changed without grant amendment. Prior authorization is required for transferring funds (<10%) between existing line items. Describe budget narrative in cell B38. You may insert rows or create additional worksheets if more space is needed to fully describe your budget.

PROGRAM OPERATIONS		Total Program Budget	Funds from Other Sources Detail on sheet 3	Amount Requested from DHCD
Total Labor Costs	Detail on sheet 2	778,400		0
Equipment (itemize)				
1	Depreciation	20,540		
2	Sm medical equipment	500		
3	IT hardware, software	14,000		
4		0		
Supplies (itemize)				
1	Clinical	9,000		
2	Care delivery (labs, x-ray, imaging, etc.)	89,000		
3	Office	3,150		
4		0		
Printing/Duplication		8,100		
Mailing/Postage/Delivery		3,000		
Travel		11,500		
Education/Training		500		
Facilities (Detail)				
	Office/Rent/Mortgage	94,200		
	Meeting Room Rental/Meeting Expenses	2,500		
	Telephone/Fax/Internet	3,600		
	Utilities	20,300		
	Insurance	5,950		
	Maintenance/Janitorial	18,400		
Other Facility costs (itemize)				
1	Landscaping, Trash, Security, Pest Contr	13,088		
2	Audit, Licenses, Fees and Dues	14,100		
3	Meals and entertainment	2,000		
4		0		
Other Program Costs not described above (itemize)				
1	Hazardous Waste Disposal	1,500		
2	Volunteer expenses	2,900		
3	Computer Maintenance/Service	15,000		
4	Direct District patient reimbursement	0		121,500
Total Program Budget		1,133,228	1,011,728	121,500

Line Item Budget - Sheet 1 Operational Costs

Budget Narrative	<p>Per average patient contact cost of \$135.00 for each District resident served by CVVIM during the grant period. The average per patient cost represents the cost of budeted expenses to provide services and we anticipate 900 individual contacts with District residents.</p>
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Line Item Budget
Sheet 2 - Labor Costs

Staff Salaries					
	Employee Position/Title	Annual Salary	% of Time Allocated to Program	Actual Program Salary	Amount of Salary Paid by DHCD Grant
1					
2					
3					
4					
5					
6					
7					
8					
<i>Enter this amount in Section 1, Employee Salaries</i>					Total > 0
Budget Narrative	Fully describe costs listed above in this cell (B12).				
Consultants/Contractors					
	Consultant/Contractor Name	Hourly Rate	Hours/Week	Monthly Fee	Amount of Salary Paid by DHCD Grant
1					
2					
3					
4					
5					
6					
7					
8					
<i>Enter this amount in Section 1, Professional Services/Consultants</i>					Total > 0
Budget Narrative	Fully describe costs listed above in this cell (B24).				

Line Item Budget - Other Program Funds

Funding for this program received from other sources		Amount
Fees		
Donations		
Grants (List Organizations)		
	1	
	2	
	3	
	4	
Fundraising (describe nature of fundraiser)		
Other Income, e.g., bequests, membership dues, in-kind services, investment income, fees from other agencies, etc. (Itemize)		
	1	
	2	
	3	
	4	
Total funding in addition to DHCD request		0
Budget Narrative	Fully describe program income listed above in this cell (B19). Note whether income is "projected" or actual.	

EXHIBIT B

PAYMENT SCHEDULES, REQUIREMENTS & DELIVERABLES

<u>Project Title</u>	<u>Start/End</u>
Primary Healthcare & Support Services to District Residents	10/1/2017 9/30/2018

PAYMENTS:

(2) Payments: \$54,675.00
 10% Retention: \$12,150.00

Total request amount: \$121,500.00

Scheduled Date	Grant Requirements for Payment	Payment
10/01/2017	Signed Agreement.	Advance of \$54,675.00 for time period 10/01/2017 - 3/31/2018
4/01/2018	1 st six-month (10/01/2017 - 3/31/2018) progress and budget reports submitted & accepted.	Advance of \$54,675.00 for time period 4/01/2018 - 9/30/2018
10/01/2018	2 nd six-month (4/01/2018 - 9/30/2018) progress and budget reports submitted & accepted.	\$0
10/31/2018	Final report (10/01/2017 - 9/30/2018) and final budget submitted and accepted.	\$12,150.00 (10% retention)

TOTAL GRANT AMOUNT: \$121,500.00

DELIVERABLES:

At least 900 instances of reserved appointments/visits for medical and dental care, case management services, health/wellness programs and/or health navigator services will be provided to District residents.



Date: September 26, 2017

To: BOARD OF DIRECTORS

Subject: Grant #948 Pegasus Therapeutic Riding

GRANT REQUEST: Project Title: *Equine Therapy for District Residents – All Ages, All Disabilities* – \$93,829

STAFF'S recommendation: that an award of \$93,829 be approved to Pegasus Therapeutic Riding to support free and physician-referred individual customized hippo/equine therapy to 105 multiple disabled District children and adults.

USE OF DISTRICT FUNDS: Pegasus Therapeutic Riding is asking DHCD to fund equine or hippo therapy for 105 disabled children and adults that are in the District.

- Equine Therapy provides full body range of motion exercise ("equine therapy") for approximately total of 225 multiple disabled residents from public schools, other agencies supporting the handicapped and home care clients throughout the Coachella Valley and Morongo Basin. This request will cover equine therapy for 105 District residents.
- All clients come to Pegasus with a signed recommendation from a practicing physician. No therapy is given to a client without the physician's sign off on an 8-page client packet/document. The packet contains health history and physician notes.
- Individual customized therapy plans are provided on horses trained to provide this service. Clients come once a week for a ½ hr session. Three volunteers work with each client. Muscles, limbs, minds and bodies are exercised in a country-like atmosphere with caring individuals.

Program Request Summary

Pegasus Riding Academy, Grant #948

Tel: 760-772-3057
 35-450 B Pegasus Court
 Palm Desert, CA 92211
<http://www.pegasusridingacademy.org>

Contact:

Robin Montgomery
 Tel: 760-770-0424
robinkay919@gmail.com

Historical (approved Requests)

Grant Year	Project Title	Grant Amount	Type	Disposition Date	Fund
2000		\$3,000	Grant	12/31/2000	
2003		\$5,000	Grant	12/31/2003	
2004		\$5,000	Grant	12/31/2004	
2009	"Riding for Recovery"	\$42,085	Improving Lives	9/22/2009	Grant budget
2010	Riding for Recovery	\$56,128	Improving Lives	11/23/2010	Grant budget
2011	Pegasus Riding for Recovery Equine Therapy for the disabled all ages, all disabilities.	\$154,736	Improving Lives	5/22/2012	Grant budget
2014	Riding for Recovery	\$119,424	Grant	11/19/2014	Grant budget
2015	Hippo Therapy helping to heal.	\$97,696	Grant	2/23/2016	Grant budget

About the Organization

Organization Type: Direct Service Provider\Disabled Services

Background:

Pegasus founded 1982 by Michael Cintas an Olympic Rider. It was to provide free "equine/ Hippo therapy ", to the disabled approved by the AMA in 1964. One employee was hired to adopted/train the first horses to be Equine Therapy Service Animals. Clients came on Saturdays. Pegasus had 2 horses, 6 riders and 7 volunteers. Lori Saner, a 10 year veteran of Equine/ HIPPO Therapy moved to Palm Springs in 1986 and volunteered. In a year, she had re-organized Pegasus, by creating the "Client Rider Packet" with medical data requiring a Doctors signature so we knew the client?s disability and could provide the therapy needed for this malady. She formed a new Board, set therapy times to include only 4-6 clients

w/ ½ hr. of therapy with 3 trained volunteers per client. She met with the medical communities and school districts to introduce them to Hippo/equine therapy. She grew the client base slowly so Pegasus could provide the best program possible. Pegasus would only provide Hippo/Equine Therapy it would not supply any other type of horse involved activities. Mission/ Purpose: Provide therapy at no cost for those with disabilities using rescued and adopted equines re-trained as therapy animals.

For the physically disabled, endeavor to strengthen muscles, loosen joints promote circulation to infirmed body parts and improve balance.

For the mentally handicapped work to promote a sense of accomplishment/empowerment by being able to steer a large animal, follow directions and for autistics give them an opportunity to learn new environments, reduce fear of tactile encounters, acceptance of wearing a safety helmet and be able to follow directions.

To serve children and adults of all ages, all disabilities.

Accomplishments: 1996 Pegasus out grew its location and moved to its current rented ranch facility. Pegasus built out the property with donated goods and grants that paid for necessities like bathrooms, trailers for offices, riding ring fences, cement sidewalks, mare motels and a covered Ramada. In 1997 Pegasus offered therapy 3 days a week. 2001 completed installation of a loading ramp making it easy for wheel chair and walking clients to simply slide onto the horse's specially made therapy saddle. 2002 therapy was now offered 4 days. 2005 school budget cuts, Pegasus had to find and pay for "Busing" for all Unified School special education classes with 4 weeks to do so. Busing was found, is in place, paid for by Pegasus. In 2006 Pegasus could increase services to include 120-140. Starting in 2011 Loma Linda Pediatric-Head Trauma sent children/adults, who lived in the or near the Coachella Valley to Pegasus, to help re-gain motor skills. Starting 2014 Pegasus added 20 minutes to its schedule to allow for socialization of our clients in our Ramada teaching basic courtesy. Additionally, a grantor paid for healthy snacks of Fresh Fruit, Vegetables and individual bottles of water to enjoy and each was some healthy food as they left. In 2017-2018 we will serve 225-230. Clients came from a large pool that includes, all three Unified School Districts Special Ed. classes for disabled children, Desert ARC, Neuro Vitality Center, Angel View and referrals from the Autism Foundations, ACT for MS, the Braille Institute, United Cerebral Palsy, The Barbara Sinatra Center and private Physicians. Participants must be certified disabled and cannot come to Pegasus without prior approval of the Client Package signed by a Physician. The Medical community has recognized Pegasus value. For the past 11 years COD Nursing students have come to Pegasus to learn about animal assisted therapy and helping the disabled of all ages. Pegasus is 98% staffed by 180-200 volunteers. Ten years were spent perfecting the program. Over the years "therapy routines", were taught to others so we now have 7 equine therapy leaders. In 2018 Pegasus will add a special class for Veterans with Posttraumatic Stress Disorder and Veteran Amputees.

Proposal

Type of Request: Program operations\Sustaining program
Strategic Plan Link: GOAL#2: Facilitate access to and availability of health and wellness services for District Residents

Project Title: Equine Therapy for District Residents- All Ages, All Disabilities

Total Project Cost: \$201,063
Requested from DHCD: \$93,829
Length of Project: 12 months
Start Date: 10/1/2017

End Date:

9/30/2018

Project Description:

1) We have 230 Clients registered for 2017. They come to us from 8:00 am-12:30 pm. Therapy is provided 4 days a week. There are 5-6 clients in a ½ hr. therapy session, each client has 3 trained volunteers working at their side. On Saturdays, home care clients come at 8:00- 1:00 pm. To insure wellness and proper health care every client must complete our 8-page client packet. It must be signed by a physician and returned to Pegasus prior to providing any therapy. This invaluable package gives the us a health history/ physician notes. This data tells us what the Special Needs client must have to improve a physical or mental disability. Therapy for Cerebral Palsy Clients is entirely different than therapy for an Autistic. The client package is an invaluable tool that allows our Head Equine Therapist to provide consistent, custom therapy for our clients. Client Packets are goods for only two years and must be up-dated and again signed by a physician. This keeps Pegasus, and the physician up to dated re the client's health.

This is specifically what Equine / Hippo Therapy does for the client's body. The legs and lower torso are exercised by the body of horse moving against the muscles in the human. It is a unique form of physical exercise. The horse's movements are three-dimensional: up and down, side to side, and back and forth and are synchronized in a precise, repetitive pattern, the same as the human gait. The client responds to the motions with improved body symmetry, improved muscle tone, increased head and neck control, improved balance and muscle strength. These movements are supplemented with specific arm, upper body and speech exercises called out by the Therapy Leader who is assisted by three volunteers working with each client. For the physically disabled therapy is designed to strengthen muscles, loosen joints and promote circulation to body parts disabled by infirmities. For the mentally handicapped this therapy offers a sense of accomplishment and self-esteem, by being able to steer a large animal as well as follow directions. Our Autistic clients make significant progress learning to become accustomed to new sights, sounds, textures, physical contact and wearing a safety helmet. Each client has 20 additional minutes doing "Socialization". It is a priority for people with all types of disabilities. The client learns rudimentary skills including, please, thank you, asking for, rather taking a toy, understanding when loud voices should and should not be used? and learning ?patience in the therapy arena as well as when they wait for their turn in the therapy ring?. For 36 years we have looked at ability rather incapacity. We believe that even the most disabled can make progress. Learning is a hallmark of the Pegasus program but without a, Detailed Client Packet how could one possibly treat these children and adults.

2) We Are asking the DHCD to fund the therapy of 105 Special Needs Clients from your district. They account for 34 different types of Birth Defects and diseases from Downs Syndrome to Prader Willi syndrome, Autism to Stroke, left side paralysis due to brain damage, spina bifida, Bipolar Disorder, Cerebral Palsy, Brain Anomaly, etc. Most will not recover from there disease or birth defect but studies show that Hippo therapy can lessen their health problems and possibly expand their life span. Those with mental disabilities can become more self-confident and once they are out of school system at age 22 may be able to perform some type of small job at employers participating in hiring the disabled.

Number of District individuals with this issue:

6,000

Future Program Sustainability: Pegasus takes a conservative approach to growth, budgets and out-reach. New clients/ Schools are wait listed until ample volunteers, trained therapy horses and transportation costs are in place to provide the proper services. A brief look at our actual financial performance over the years reveals an organization that is a long term fiscally responsible non-profit.

We work with our Grantor's and Major Donors as partners, if their strategy for giving changes as it has for some, they let us know well in advance so we are able to plan and find the necessary needed funds.

Participants:

(Description of District Residents who will benefit.)

Participant Number (District Residents):	105
Area to be served:	All District Areas
Participant age group(s):	All Ages
Participant community:	Pegasus serves the disabled, Special Needs population in our area. When you are working poor or indigent where do you get any no-cost health services for the disabled member of your family? Pegasus provides therapy services including transportation, healthy snacks to take home specifically for this segment of our population. Over the past 36 years we have provided services for 48 different disabilities to ages 18 months to 88.

Does this program serve residents outside the District Boundaries? If so, approximately how many and in what Coachella Valley cities?

1. We do serve clients outside of the District Boundaries. 2. There are 125 clients that come from: Banning, Beaumont, Blythe, Palm Desert, Indio, Coachella, La Quinta, Mecca, Salton City, Moreno Valley.

Results:

Specific benefits or tangible effects to be achieved:

105 Disabled adults and children from the District service area will receive free physician-referred equine/Hippo therapy for one year.

Project Tracking:

Measurements to be used throughout project:

Pegasus meets in Oct., Dec. and April with teachers/caregivers and /or parents to discuss progress. Results vary significantly based on the malady of the clients. With some progress is made simply by their continued attendance with others like Brain Damage re-learning motor skills benefits can be permanent.

Teachers, Caregivers and parents, facility managers are spoken too at the end of each quarter re the progress or lack of. Home care is done on site with the parents. There is a free exchange of ideas on how to help the clients' malady. Parents of this group have a closing session conference. We invite the entire Board to come to Pegasus and talk to our parents and caregivers.

The school/agency assessments done three times a year reveal open minded and realistic attitudes about progress. The head of the Equine Therapy program keeps notes gathered from volunteers, teachers, aides, and other therapy instructors on clients that are placed with the Rider Packets. Saturday parents we see and talk to about progress on a regular basis. Some Sat. parents Dec. Evaluation is not greeted warmly as many are not well versed regarding specific disabilities and expect much more from their child than can be accomplished. These parents are given literature from our library to bring them up to speed regarding expectations. We invite you to join us for a Sat. Therapy Session to meet our Sat. Riders families and hear firsthand about the progress their child has made with our therapy.

If there are unanticipated costs associated with this service or program, how will they be covered?

In 36 years of operation we have only had one major cost surprise. The loss of busing to Pegasus from the three unified school districts. We had to find \$20,000, get transportation approved by the schools

and Hwy. Patrol and had 4 weeks to make this all happen. We did We are a resourceful group and a cost surprise of \$20,000 we can manage.

Key partners and their roles:

Physicians & Medical community for the referrals

Volunteers, 200 who train for 3 months. They average 6 hours a week, at Pegasus. The total group of therapy volunteers donates 1200 hours + during the therapy season. We estimate their in-kind value at \$20,000.

Line Item Budget - Sheet 1 Operational Costs

Approved budgets are the basis for reporting all grant expenditures. Line items may not be added or changed without grant amendment. Prior authorization is required for transferring funds (<10%) between existing line items. Describe budget narrative in cell B38. You may insert rows or create additional worksheets if more space is needed to fully describe your budget.

PROGRAM OPERATIONS		Total Program Budget	Funds from Other Sources Detail on sheet 3	Amount Requested from DHCD
Total Labor Costs	Detail on sheet 2	88895	43202	45693
Equipment (itemize)				
1		0		
2		0		
3		0		
4		0		
Supplies (itemize)				
1	Office expense	6976	3698	3278
2	Supplies	4478	2375	2103
3		0		
4		0		
Printing/Duplication		0		
Mailing/Postage/Delivery		0		
Travel		0		
Education/Training		0		
Facilities (Detail)				
	Office/Rent/Mortgage	14400	7632	6768
	Meeting Room Rental	0		
	Telephone/Fax/Internet	0		
	Utilities	5600	2968	2632
	Insurance	8650	4584	4066
	Maintenance/Janitorial	3368	1785	1583
Other Facility costs (itemize)				
1	Client Bussing	28500	15105	13395
2	Vet care & feed	28300	14999	13301
3	Repairs	4160	4160	0
4	Truck,Tractor & Trailer	2148	1138	1010
Other Program Costs not described above (itemize)				
1		0		
2		0		
3		0		
4		0		
Total Program Budget		195475	101646	93829

Line Item Budget - Sheet 1 Operational Costs

Budget Narrative	<p>Utilities , Maintenance and Janitorial include the usual Electric, Gas and Water expenses,. Maintenance includes mostly plumbing repairs . Our 14 Therapy horses all have automatic water feeding bowls that continuously need some type of repair. Janitorial includes monthly insect spray with natural non-toxic ingredients , restrooms, and a cleaning of our Ramada Daily with natural antiseptic ingredients . Client Bussing and Vet care are two of our largest expenses. Busing in the DHCD area is paying for First Student to go the schools in your district pick up our clients deliver them to Pegasus in time for their therapy , pick them up and take them back to school. All of this is scheduled so these children can have the free school breakfast and lunch. Vet care is our single most important expense . Our vet sees our horses four times year to keep up with shots, medications and to approve their general health. This expense also includes a quarterly visits from our Farrier who custom makes all of our horses shoes and lifts . The Pegasus equines are all adopted, rescued, or donated most are aged. , with average being 18 years old. We retrain them (note Horses not trainable are found homes) to be bomb proof therapy equines. Older equines are easier to train, have a more mellow disposition but require attentive vets. A bad tooth , means a trip to the hoses hospital and that can cost \$5000.</p>
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Line Item Budget
Sheet 2 - Labor Costs

Staff Salaries					
Employee Position/Title	Annual Salary	% of Time Allocated to Program	Actual Program Salary	Amount of Salary Paid by DHCD Grant	
1	Ranch Manager	77258	100	77258	36311
2	Volunteer Coordinator	24000	100	24000	11280
3					
4					
5					
6					
7					
8					
<i>Enter this amount in Section 1, Employee Salaries</i>				Total >	47591
Budget Narrative	<p style="color: red;">Ranch Manager lives on our property and is responsible 24/7 for care and training of all horses , as well as assisting with therapy in the therapy arena . Salary expense is \$48,000 per yearr. Taxes/benefits costs are \$29,258. Volunteer Coordinator has responsibility of vetting , and assisting in training Volunteers. He also must make sure that there are a sufficient volunteers at Pegasus (3) for each participant each day of Hippo Therapy. Additional he goes into the field to find new volunteers to assist at Pegasus.. He is paid a fee of \$24,000.</p>				
Consultants/Contractors					
Consultant/Contractor Name	Hourly Rate	Hours/Week	Monthly Fee	Amount of Salary Paid by DHCD Grant	
1					
2					
3					
4					
5					
6					
7					
8					
<i>Enter this amount in Section 1, Professional Services/Consultants</i>				Total >	
Budget Narrative	<p style="color: red;">Fully describe costs listed above in this cell (B24).</p>				

Line Item Budget - Other Program Funds

Funding for this program received from other sources		Amount
Fees		
Donations		84000
Grants (List Organizations)		
1	Anderson	9000
2	Big Horn "Kate" Tennis -Ranch Repairs	53000
3		
4		
Fundraising (describe nature of fundraiser)		
	Pets on Parade	6772
	Riders award	17519
Other Income, e.g., bequests, membership dues, in-kind services, investment income, fees from other agencies, etc. (Itemize)		
1		
2		
3		
4		
Total funding in addition to DHCD request		170291

Budget Narrative

The organization holds three fund raising events each year . The expected net proceeds are shown above. In addition Pegasus submits I grant applications each year and has always been successful in raising adequate funds from grants and fundraising events to cover all expenses. The grant requests listed have been received : Anderson helps cover the total cost of the Volunteer Coordinator . The Big Horn "Kate " Tennis Tournament Big Horn Sponsored Fundraiser grant paid for a new roof and new electrical wiring and lighting at Pegasus. Regarding the 6 month financial statement Pegasus has grants from Desert Classic Charities \$20,000 , Indio \$5000, Wells Fargo \$10,000 ,Champions Volunteer Foundation \$7000, Grace Spellman Foundation \$5000, Donegan Burns Foundation \$10,000 and The Gary Broad Foundation \$20,000 expected to be received by the end of the year. Funds generated in excess of those needed for the program and operations will be transferred to the building and moving fund to cover expected costs of moving /building a new facility within the next two to three years.

EXHIBIT B

PAYMENT SCHEDULES, REQUIREMENTS & DELIVERABLES

<u>Project Title</u>	<u>Start/End</u>
Equine Therapy for District Residents – All Ages, All Disabilities	10/1/2017 9/30/2018

PAYMENTS:

(2) Payments: \$42,223.05
 10% Retention: \$9,382.90

Total request amount: \$93,829.00

Scheduled Date	Grant Requirements for Payment	Payment
10/01/2017	Signed Agreement.	Advance of \$42,223.05 for time period 10/01/2017 – 3/31/2018
4/1/2018	1 st six-month (10/01/2017 – 3/31/2018) progress and budget reports submitted & accepted.	Advance of \$42,223.05 for time period 4/01/2018 – 9/30/2018
10/01/2018	2 nd six-month (4/01/2018 – 9/30/2018) progress and budget reports submitted & accepted.	\$0
10/31/2018	Final report (10/1/2017 – 9/30/2018) and final budget submitted and accepted.	\$9,382.90 (10% retention)

TOTAL GRANT AMOUNT: \$93,829.00

DELIVERABLES:

105 disabled adults and children from the Desert Healthcare District service area will receive free physician-referred equine/Hippo therapy for one year.