



KERN HEALTH SYSTEMS

GOVERNANCE AND COMPLIANCE COMMITTEE MEETING

**Thursday, September 25, 2025
at
8:30 a.m.**

**Kern Health Systems
2900 Buck Owens Blvd.
4th floor – Kern River Room
Bakersfield, CA 93308**

For more information, call (661) 664-5000

AGENDA

GOVERNANCE AND COMPLIANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Thursday, September 25, 2025

8:30 A.M.

All agenda item supporting documentation is available for public review at Kern Health Systems in the Administration Department, 2900 Buck Owens Boulevard, Bakersfield, CA 93308 during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday, following the posting of the agenda. Any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location.

PLEASE SILENT CELL PHONES AND OTHER ELECTRONIC DEVICES DURING THE MEETING

COMMITTEE TO RECONVENE

Members: Acharya, Hoffmann, Meave, Turnipseed
ROLL CALL:

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" ARE CONSIDERED TO BE ROUTINE AND NON-CONTROVERSIAL BY KERN HEALTH SYSTEMS STAFF. THE "CA" REPRESENTS THE CONSENT AGENDA. CONSENT ITEMS WILL BE CONSIDERED FIRST AND MAY BE APPROVED BY ONE MOTION IF NO MEMBER OF THE COMMITTEE OR AUDIENCE WISHES TO COMMENT OR ASK QUESTIONS. IF COMMENT OR DISCUSSION IS DESIRED BY ANYONE, THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND WILL BE CONSIDERED IN LISTED SEQUENCE WITH AN OPPORTUNITY FOR ANY MEMBER OF THE PUBLIC TO ADDRESS THE COMMITTEE CONCERNING THE ITEM BEFORE ACTION IS TAKEN.

STAFF RECOMMENDATION SHOWN IN CAPS

AGENDA

Governance and Compliance Committee Meeting
Kern Health Systems

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PUBLIC PRESENTATIONS

- 1) This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda but under the jurisdiction of the Committee. Committee members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Committee at a later meeting. Also, the Committee may take action to direct the staff to place a matter of business on a future agenda. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THANK YOU!**

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Committee members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code Section 54954.2(a)(2))

COMMITTEE MATTERS

- 3) Report on Kern Health Systems Enterprise Risk Management Project Update (Fiscal Impact: None) -
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 4) Report on Non-Emergency Medical Transportation Strategies (Fiscal Impact: None) –
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 5) Report on Kern Health Systems Regulatory Audit Schedule (Fiscal Impact: None) –
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 6) Report on Kern Health Systems Managed Care Accountability Set (MCAS) Non-engaged membership strategies (Fiscal Impact: None) –
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS

ADJOURN TO THURSDAY, NOVEMBER 20, 2025 AT 8:30 A.M.

**AMERICANS WITH DISABILITIES ACT
(Government Code Section 54953.2)**

The meeting facilities at Kern Health Systems are accessible to persons with disabilities. Disabled individuals who need special assistance to attend or participate in a meeting of the KHS Finance Committee may request assistance at the Kern Health Systems office, 2900 Buck Owens Boulevard, Bakersfield, California 93308 or by calling (661) 664-5000. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.



MEMORANDUM

TO: Kern Health Systems Governance and Compliance Committee
FROM: Deborah Murr, Chief Compliance and Fraud Prevention Officer
SUBJECT: Enterprise Risk Assessment Project Update
DATE: September 25, 2025

BACKGROUND

Establishing an Enterprise Risk Management (ERM) program will provide the knowledge and framework to identify and evaluate emerging through design and launching a program that combines existing risk management practices, explanation of how enterprise risk management will benefit Kern Health Systems (KHS) and facilitate conversations around the topic of risk for all stakeholders.

Initiated on February 4, 2025, Moss Adams/Baker Tilly and the KHS Compliance department completed Phase 1 in May 2025 while currently implementing Phase 2 and planning for Phase 3 for an estimated project completion in December 2025.

January -April 2025 Planning and Management	May-August 2025 Field Work	September-December 2025 Reporting and Deliverables
ERM Program	ERM Leadership/Oversight	Perform Enterprise Risk Assessment
ERM Committee Composition/Charter	Risk Training Plan (Board, senior leadership, staff level)	Monitoring Plan
Policy/Document Review	Risk Governance Structure	Outcomes Roadmap
Foundational Process Identification	Risk Tolerance/Response Framework	Deliverables/Action Items for 2026 Remediation
	ERM Risk Assessment Process	

Risk Management Framework



REQUESTED ACTION

Receive and file the Enterprise Risk Assessment Project update and refer to the KHS Board of Directors.



MEMORANDUM

TO: Kern Health Systems Governance and Compliance Committee
FROM: Deborah Murr, Chief Compliance and Fraud Prevention Officer
SUBJECT: Non-Emergency Medical Transportation Strategies
DATE: September 25, 2025

BACKGROUND

Kern Health Systems (KHS) contracts with third party transportation brokers to arrange non-emergency transportation for beneficiaries unable to obtain transportation independently to medical appointments.

Potentially fraudulent activities include billing for trips that didn't occur, using unauthorized drivers or vehicles, payment to members to schedule trips, and providing transportation to locations not authorized as eligible under the transportation benefit.

To curb fraudulent activity, KHS has implemented and strengthened several safeguards including:

- New technology
- Provider and vehicle screening, such as enrolling providers and monitoring driver and vehicle credentials
- Advance reservation
- Pre-trip approval, such as verifying eligibility prior to scheduling a trip
- Post-trip validation, such as validating that trips occurred through trip logs
- Distance limitations
- Internal alternative options

Any identified aberrancies are submitted to the Compliance Special Investigation Unit (SIU) for further review and potential corrective actions if warranted.

REQUESTED ACTION

Receive and file the Non-Emergency Medical Transportation Strategies and refer to the KHS Board of Directors.

NON-EMERGENCY MEDICAL TRANSPORTATION STRATEGIES

GOVERNANCE AND COMPLIANCE COMMITTEE

Deborah Murr, MHA, CHC, BS-HCM, RN
Chief Compliance and Fraud Prevention Officer
Kern Health Systems

AGENDA



Issues Identified



Trending



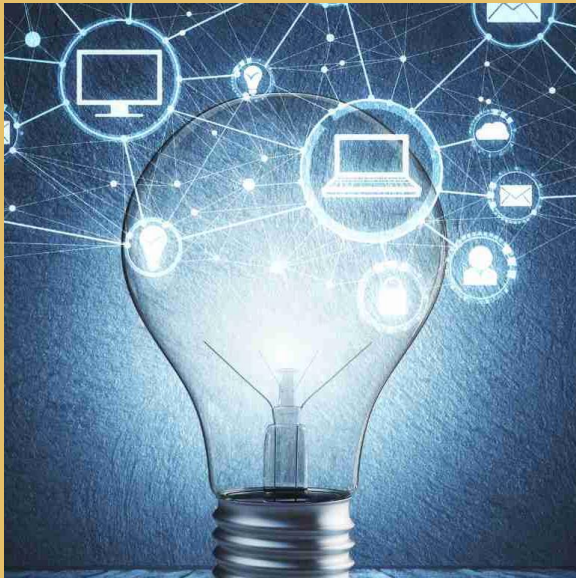
Innovative solutions



Performance

CHANGE PROMPTS

Issues Identified



IDENTIFIED ABERRANCIES

Regulatory Audit findings

Modification to service level outlined in the Physician Certification Statement (PCS) form.

Door-to-door assistance

Verification of no-show rates for NEMT and NMT providers

Investigation of FWA

Vendor

Member

Financial findings

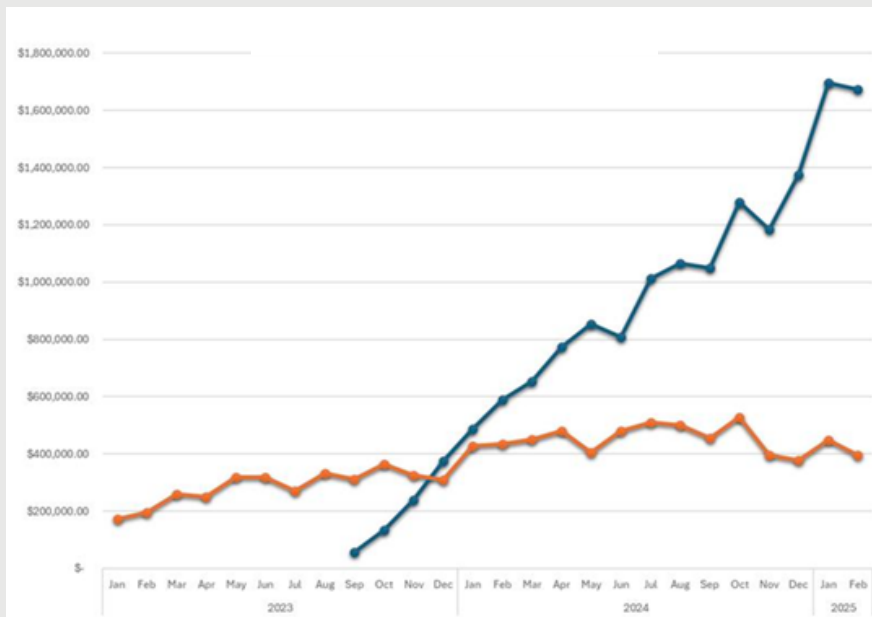
Data reveals a steady increase in costs and utilization

TRENDING

Sustainability



EARLY TRENDS



January 2024 - February 2025

Ride Grouping	Members	Rides
1 BELOW 49	22,804	243,866
2 50 - 100	2,575	181,000
3 101 - 250	1,735	267,481
4 251 - 500	855	297,832
5 501+	196	122,609
Grand Total	28,165	1,112,788

**INNOVATIVE
SOLUTIONS**



GUARDRAILS

- Technology
- Administrative Enhancements
- Oversight and Reporting
- Operational efficiency

CONTROL AREA	PRIORITY	SOLUTION	DATE
Mobile Application	Provider Attestation & Trip Verification	Provider training and adoption	7/11/2025
Advance Reservation	48 Hours Notice w/ clinical exceptions	Member/Provider pairing Chemo/dialysis/ discharge	6/16/2025
Standing Order (STO)	90-day expiration	Re-evaluation process	6/15/2025
Distance	50 miles maximum w/ specialty exceptions	Closest facility vs member choice	8/1/2025
Member History	Legitimate Need Validation	Limit mode of transportation Restriction code to eligibility file	6/4/2025
Locations	Approved destination	Provider file flags	5/15/2025; 8/15/2025

PERFORMANCE OUTCOMES



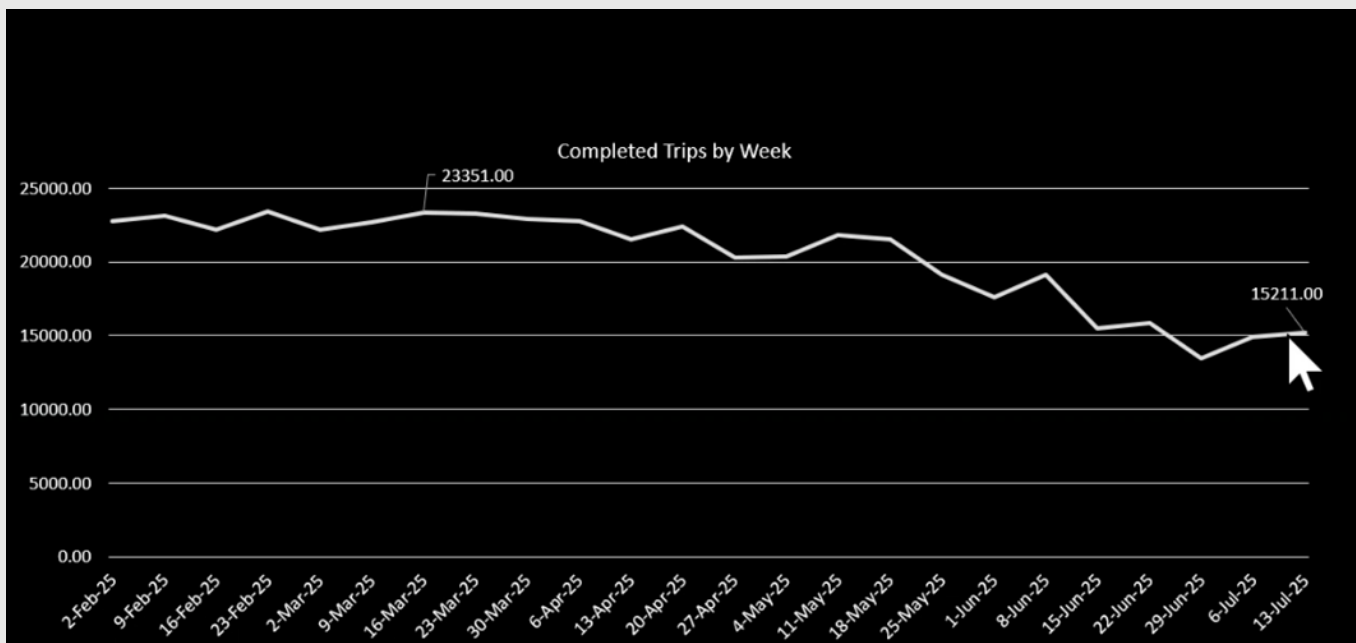
TRENDING

Week 1 Progress		End of Week Trends by Date	Trip Count	Properly Handled Trips	% of Properly Handled Trips	KHS Provider Network Adoption	Driver Count	Event Fallout Trends
Monday (June 2nd): 18.41%		6-Jun	8486	2886	34.01%	33		
Tuesday (June 3rd): 23.03%		13-Jun	9276	4555	49.11%	37		
Wednesday (June 4th): 50.67%		22-Jun	8374	4753	56.76%	37	289	5.26%
Thursday (June 5th): 52.45%		29-Jun	8485	5481	64.59%	37	282	5.35%
Friday (June 6th): 53.90%		6-Jul	7713	5172	66.89%	35	294	5.15%
		13-Jul	8081	6289	77.82%	37	322	3.57%
		20-Jul	7888	6724	85.24%	35	309	2.79%
		27-Jul						
		3-Aug						
		SUM	58303	35860				
		AVG	8329	5123	62.06%			
		% Change Previous Week	-2.39%	+6.92%	+9.53%	-5.41%	-4.04%	
		% Change June to July/Current	-31.60%	+37.18%	+49.96%	-0.93%	+8.00%	-46.84%

TRENDING

Month	Avg. Weekday Volume	% Change Since March
March	4137	
April	4007	3%
May	3754	9%
June 1-15 th *	3323	20%
June 16th – EOM **	2445	41%
July	2623	37%

TRENDING



THANK YOU

Deborah Murr
Kern Health Systems
Bakersfield CA
661.664.5141
deborahm@khs-net.com





MEMORANDUM

TO: Kern Health Systems Governance and Compliance Committee
FROM: Deborah Murr, Chief Compliance and Fraud Prevention Officer
SUBJECT: Regulatory Audit Schedule
DATE: September 25, 2025

BACKGROUND

Kern Health Systems (KHS) is required to implement an effective Compliance Program that meets the regulatory requirements set forth in both the Department of Health Care Services (DHCS) contract and the Department of Managed Health Care (DMHC) Knox-Keene license.

The principles outlined in the regulatory guidelines are applicable to all KHS relevant decisions, situations, communications, and developments that align with requirements defined by the Office of Inspector General (OIG). The Governing Board is required to exercise reasonable oversight with respect to the implementation and effectiveness of the Compliance program.

DISCUSSION

Department of Health Care Services (DHCS)

2025 Information Technology Focused Audit

DHCS conducted a virtual audit from 08/12/2025 – 08/14/2025 of the Plan's internal controls to ensure the Plan is in compliance with HIPAA requirements for the audit period 05/01/2024 – 04/30/2025.

Specific areas of focus for DHCS' audit will include, but are not limited to the following:

- Data protection and encryption
- Disaster Recovery
- Interoperability

KHS is awaiting notification and based on the findings, corrective action may be required.

2024 Routine Medical Audit

The DHCS 2024 Medical Survey completed on 12/20/2024. The Plan received the Preliminary Audit Reports, reporting no findings for the audit period for both our main DHCS contract and the state supported services contract.

2023 Limited Scope Medical and Focused Transportation/Behavioral Health Audit

The DHCS 2023 Limited Scope Medical Audit and Focused Audit for Transportation/Behavioral Health closed six of the seven findings with a Corrective Action Plan (CAP) update submitted to DHCS on 5/2/2025. KHS is currently awaiting final closure of the one remaining finding.

Department of Managed Health Care (DMHC)

2024 Routine Financial Audit

KHS received the final report from the 2024 Routine Examination of Fiscal and Administrative Affairs for the quarter ended 09/30/2024 from DMHC (Financial Audit) conducted on April 7, 2025 and concluded the Onsite (Virtual) financial audit in May 2025.

Areas of focus included:

- Financial Statements - none found
- Calculation of Tangible Net Equity - in compliance with the TNE requirements of Rule 1300.76 as of quarter ended September 30, 2024
- Compliance Issues - actions corrected findings for accuracy of claims payments related to Targeted Rate Increase (TRI) payment with monitoring and timely submission of management changes within 5 days to DMHC with desk level procedure

The Department determined the Plan's compliance efforts were responsive to the deficiencies cited and the corrective actions required. Therefore, no further response is required.

2023 Routine Medical Audit

The final report for the 2023 DMHC Medical Audit was received in October 2024 for audit period 09/01/2020 through 08/31/2022. Findings were related to:

- Delegate compliance with required utilization management notification standards
- Demonstrate care was not discontinued with concurrent review
- Post-stabilization care process errors
- Emergency services and treatment payment process

DMHC is conducting a follow up survey scheduled November 10, 2025 to validate corrective actions for the identified findings.

Office of Enforcement

KHS received a subpoena, and interrogatories notice from the DMHC Office of Enforcement in June 2025 related to the Utilization Management processes that were in place during the follow up review period 1/1/2023 through 1/1/2024. KHS provided responses to the Office of Enforcement on September 10, 2025 and is waiting for further information from DMHC.

Health Services Advisory Group (HSAG)

Network Adequacy Validation (NAV) Audit

The Code of Federal Regulations requires that states that contract with Medi-Cal plans have a qualified external quality review organization (EQRO) perform an annual external quality review (EQR) for each contracting plan. HSAG conducted the 2025 NAV audit on August 19, 2025 to ensure our provider network and Information Systems Capabilities align with the defined standards to meet our members needs. KHS is currently awaiting notice of the audit outcomes.

REQUESTED ACTION

Receive and file the Regulatory Audit Schedule and refer to the KHS Board of Directors.



MEMORANDUM

TO: Kern Health Systems Governance and Compliance Committee
FROM: Jake Hall, Senior Director of Contracting and Quality Performance
SUBJECT: Managed Care Accountability Set (MCAS) non-engaged membership strategies update
DATE: September 25, 2025

BACKGROUND

This memo provides a high-level summary of rate changes across MCAS measures impacted by “non-engaged” members. Non-engaged members are defined as not having any encounters during the previous 12-month period. Removing the non-engaged members will obviously show improvement in measure performance, of which a brief summary is below.

- **Diaper Bag Program**

Quality Performance has partnered with Kern Medical’s Labor & Delivery Unit to personally deliver diaper bags to new mothers during their hospital stay. Deliveries are made three times per week to maximize opportunities for engagement and ensure timely support for as many families as possible.

Each diaper bag contains essential newborn items and resources designed to assist mothers during their transition home and early recovery period, as well as:

- A magnet outlining the recommended well-child visit schedule for the first 30 months
- A flyer detailing our Member Engagement Rewards Program
- Kern Health Systems (KHS) contact information
- Additional educational and support materials

This initiative launched in late August, and to date, around 80 diaper bags have been successfully distributed. Follow-up outreach is underway to educate members on the importance of timely postpartum care (PPC-Post) and the W30 well-child visit measure. We are actively monitoring outcomes to assess the impact on compliance for previously non-engaged members.

- **Smart Watches**

To address the significant number of non-compliant members—over 90,000—in the denominator for the Well-Care Visit (WCV) measure, an incentive program was launched to encourage adolescents aged 13–18 to complete their annual well-care visits. As part of this initiative, a monthly drawing is held to select four winners from among those who have completed a visit.

To date, more than 24 smartwatches have been awarded to participating teens, reinforcing the importance of preventive care and promoting continued engagement in their health journey.

- **Text Messaging Campaigns**

Text messages are sent to non-engaged members monthly for the following MCAS areas of focus:

- Well-Care Visits
- Cervical Cancer Screening
- Breast Cancer Screening
- Prenatal and Postpartum
- Blood Lead Screening
- Chlamydia Screening
- Initial Health Appointments

147,849 text messages have been delivered year to date, 31,163 of which have been opened, and 4,980 actions have been taken.

- **Highest Rate Changes**

Prenatal and Postpartum Care (PPC-Pre) +15.50%, Follow Up After Emergency Department Visits (FUM) +13.71%, and Controlling Blood Pressure (CBP) +7.30%

REQUESTED ACTION

Receive and file the Managed Care Accountability Set (MCAS) non-engaged membership strategies update and refer to the KHS Board of Directors.