



**KERN HEALTH  
SYSTEMS**

**REGULAR MEETING OF THE  
BOARD OF DIRECTORS**

**Thursday, August 17, 2023**

**at**

**8:00 A.M.**

**At**

**Kern Health Systems  
2900 Buck Owens Boulevard  
Bakersfield, CA 93308**

**The public is invited.**

**For more information - please call (661) 664-5000.**



**AGENDA**

**BOARD OF DIRECTORS**

**KERN HEALTH SYSTEMS  
2900 Buck Owens Boulevard  
Bakersfield, California 93308**

Regular Meeting  
Thursday, August 17, 2023

8:00 A.M.

All agenda item supporting documentation is available for public review on the Kern Health Systems website: <https://www.kernfamilyhealthcare.com/about-us/governing-board/>  
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 on the KHS website.

**PLEASE SILENT CELL PHONES AND OTHER ELECTRONIC DEVICES DURING THE MEETING**

**BOARD TO RECONVENE**

Directors: Watson, Thygerson, Patel, Abernathy, Acharya, Bowers, Elliott, Hoffmann, McGlew, Meave, Nilon, Patrick, Singh, Tamsi, Turnipseed  
ROLL CALL:

**ADJOURN TO CLOSED SESSION**

CLOSED SESSION

- 1) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) –

8:20 A.M.

BOARD TO RECONVENE

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

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 BOARD 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 BOARD CONCERNING THE ITEM BEFORE ACTION IS TAKEN.

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

- 2) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board 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 Board at a later meeting. Also, the Board 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. THE MEETING FACILITATOR WILL INDICATE WHEN THERE IS 15 SECONDS REMAINING TO YOUR PRESENTATION TIME!

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 3) On their own initiative, Board 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))
- CA-4) Minutes for Kern Health Systems Board of Directors regular meeting on June 15, 2023 (Fiscal Impact: None) – APPROVE
- 5) Appreciation recognition of Alex Garcia for 3+ years of dedicated service as a member of the Kern Health Systems Board of Directors (Fiscal Impact: None) – RECEIVE AND FILE
- 6) Kern County Board of Supervisors appointment of Ross Elliott, 1<sup>st</sup> District Community Representative, for term expiring April 21, 2026, appointment of Ganesh Acharya, 4<sup>th</sup> District Community Representative, for term expiring April 21, 2025 and reappointment of Jay Tamsi, 3<sup>rd</sup> District Community Representative, for term expiring June 30, 2026 (Fiscal Impact: None) – RECEIVE AND FILE

- 
- 7) Proposed Amendment No. 1 to Agreement with Emily Duran, for services as Kern Health Systems Chief Executive Officer (Fiscal Impact: None) –  
 APPROVE; AUTHORIZE CHAIRMAN TO SIGN
  - 8) Report on Proposed Kern Health Systems 2023-2025 Grant Programs (Fiscal Impact: Up to \$4 million per year for two years; Not-budgeted) –  
 APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO PERFORM GRANT ADMINISTRATION, REVIEW AND APPROVAL PROCESS
  - 9) Report on Proposed Kern Health Systems 2023-2025 Strategic Initiatives (Fiscal Impact: Up to \$6 million per year for two years; Not-budgeted) –  
 APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO PERFORM STRATEGIC INITIATIVES ADMINISTRATION, REVIEW AND APPROVAL PROCESS
  - CA-10) Report on Kern Health Systems investment portfolio for the 2<sup>nd</sup> quarter ending June 30, 2023 (Fiscal Impact: None) –  
 RECEIVE AND FILE
  - CA-11) Proposed renewal and binding of insurance coverages for General Liability and Excess Liability from September 29, 2023 through September 29, 2024 and Earthquake Insurance from October 15, 2023 through October 15, 2024 (Fiscal Impact: \$515,000 Estimated; Budgeted) –  
 APPROVE
  - CA-12) Proposed renewal and binding of employee benefit plans for medical, vision, dental, life insurance, short-term and long-term disability, and long-term care effective January 1, 2024 (Fiscal Impact: \$9,500,000 Estimated; Budgeted) –  
 APPROVE
  - 13) Report on Kern Health Systems Financial Statements for May 2023 and June 2023 (Fiscal Impact: None) –  
 RECEIVE AND FILE
  - CA-14) Report on Accounts Payable Vendor Report, Administrative Contracts between \$50,000 and \$200,000 for May 2023 and June 2023 and IT Technology Consulting Resources for the period ended May 31, 2023 (Fiscal Impact: None) –  
 RECEIVE AND FILE
  - CA-15) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) –  
 APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
  - 16) Kern Health Systems Chief Compliance and Fraud Prevention Officer report (Fiscal Impact: None) –  
 RECEIVE AND FILE
  - 17) Report on Kern Health Systems Operation Performance and Review of the Kern Health Systems Grievance Report (Fiscal Impact: None) –  
 RECEIVE AND FILE

- 18) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) –  
RECEIVE AND FILE
- 19) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) –  
RECEIVE AND FILE
- CA-20) Miscellaneous Documents –  
RECEIVE AND FILE
  - A) Minutes for Kern Health Systems Finance Committee meeting on June 9, 2023
  - B) Minutes for Kern Health Systems Quality Improvement Committee meeting on June 22, 2023
  - C) Minutes for Kern Health Systems Drug Utilization Review Committee meeting on June 26, 2023
  - D) Minutes for Kern Health Systems Public Policy Committee meeting on June 27, 2023

ADJOURN TO OCTOBER 12, 2023 AT 8:00 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 Board of Directors may request assistance at the Kern Health Systems office, 2900 Buck Owens Boulevard, Bakersfield, California 93308 or by calling (661) 664-5010. 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.

## SUMMARY

### BOARD OF DIRECTORS

KERN HEALTH SYSTEMS  
**2900 Buck Owens Boulevard**  
Bakersfield, California 93308

Regular Meeting  
Thursday, June 15, 2023

8:00 A.M.

#### BOARD RECONVENED

Directors: Watson, Thygerson, Patel, Abernathy, Bowers, Garcia, Hoffmann, McGlew, Meave, Nilon, Patrick, Singh, Tamsi, Turnipseed

ROLL CALL: 9 Present; 5 Absent – Patel, Bowers, Hoffmann, Singh, Tamsi

NOTE: The vote is displayed in bold below each item. For example, McGlew-Patrick denotes Director McGlew made the motion and Director Patrick seconded the motion.

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" WERE CONSIDERED TO BE ROUTINE AND APPROVED BY ONE MOTION.

#### BOARD ACTION SHOWN IN CAPS

ADJOURNED TO CLOSED SESSION

**Garcia**

#### CLOSED SESSION

- 1) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) – SEE RESULTS BELOW
- 2) PUBLIC EMPLOYEE PERFORMANCE EVALUATION –  
Title: Chief Executive Officer (Government Code Section 54957) – SEE RESULTS BELOW

NOTE: DIRECTOR BOWERS ARRIVED DURING CLOSED SESSION

NOTE: DIRECTOR HOFFMANN ARRIVED DURING CLOSED SESSION

NOTE: DIRECTOR TAMSİ ARRIVED DURING CLOSED SESSION

8:30 A.M.

BOARD RECONVENED

REPORT ON ACTIONS TAKEN IN CLOSED SESSION -

Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) RECOMMENDED FOR **INITIAL CREDENTIALING MAY 2023** – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON RUSTAGI; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON GOUSSE; DIRECTOR MEAVE ABSTAINED FROM VOTING ON GOUSSE; DIRECTOR TURNIPSEED ABSTAINED FROM VOTING ON PASSARELLI, LIN, ONG

Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) RECOMMENDED FOR **RECREREDENTIALING MAY 2023** – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON CHAVEZ, FATEHCHEHR, SALVADOR; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON GAREWAL, KOCSIS; DIRECTOR MEAVE ABSTAINED FROM VOTING ON GAREWAL, KOCSIS; DIRECTOR TURNIPSEED ABSTAINED FROM VOTING ON ADVENTIST HEALTH DELANO, AMJADI, GAREWAL, MEDINA

Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) RECOMMENDED FOR **INITIAL CREDENTIALING JUNE 2023** – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON MORALES, BRUNDAGE LANE NAVIGATION CENTER, KHALTAR, LOPEZ; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON SHAKESPEARE, BECK, ROJAS-PARRA; DIRECTOR MEAVE ABSTAINED FROM VOTING ON BECK, ROJAS-PARRA; DIRECTOR TURNIPSEED ABSTAINED FROM VOTING ON LACOVIELLO, JAWANDA, LYNCH

Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) RECOMMENDED FOR **RECREREDENTIALING JUNE 2023** – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON HOU, LAWRENCE, LOEB, MCBRIDE, SMITH, WEINSTEIN, WOFFORD; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON PHAST PHARMACY, YOUR DRUG STORE; DIRECTOR MCGLEW ABSTAINED FROM VOTING ON BUXTON, FINSTAD; DIRECTOR MEAVE ABSTAINED FROM VOTING ON MANGAT; DIRECTOR TURNIPSEED ABSTAINED FROM VOTING ON DATTA, DENNIS-JOHNSON, HOU, MCBRIDE



Item No. 2 concerning a PUBLIC EMPLOYEE PERFORMANCE EVALUATION – Title: Chief Executive Officer (Government Code Section 54957) – HEARD; NO REPORTABLE ACTION TAKEN

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

- 3) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board 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 Board at a later meeting. Also, the Board 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. THE MEETING FACILITATOR WILL INDICATE WHEN THERE IS 15 SECONDS REMAINING TO YOUR PRESENTATION TIME!**  
**NO ONE HEARD**

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 4) On their own initiative, Board 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))

CHAIRMAN WATSON REPORTED THAT DIRECTORS NILON, THYGERSON, TURNIPSEED AND WATSON WILL SERVE AS THE AD HOC BYLAWS COMMITTEE AND WILL BE MEETING WITH COUNTY COUNSEL TO REVIEW AND UPDATE THE BYLAWS

CHAIRMAN WATSON REPORTED THAT ROSS ELLIOTT WAS APPOINTED BY THE BOARD OF SUPERVISORS TO REPLACE ELSA MARTINEZ AND THAT DIRECTOR ELLIOTT WILL BE SEATED AT THE AUGUST 17<sup>TH</sup> BOARD MEETING

RECOMMENDATIONS FOR BOARD TREASURES WILL BE ANNOUNCED AT THE AUGUST MEETING; DIRECTOR NILON ASKED THAT ALL NOMINEES BE BROUGHT TO THE BOARD; SECOND BY DIRECTOR BOWERS

- CA-5) Minutes for Kern Health Systems Board of Directors regular meeting on April 13, 2023 (Fiscal Impact: None) – APPROVED  
**Nilon-McGlew: 12 Ayes; 2 Absent – Patel, Singh**

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- 6) Appreciation recognition of Elsa Martinez for 3 years of dedicated service as a member of the Kern Health Systems Board of Directors (Fiscal Impact: None) – RECEIVED AND FILED  
**Nilon-Bowers: 12 Ayes; 2 Absent – Patel, Singh**
- 7) Report on Kern Health Systems D-SNP Medicare Update (Fiscal Impact: None) – BETSY SEALS, REBELLIS GROUP, HEARD; RECEIVED AND FILED  
**Garcia-Bowers: 12 Ayes; 2 Absent – Patel, Singh**
- CA-8) Report on Kern Health Systems 2021-2022 Provider Grant Final Report (Fiscal Impact: None) – RECEIVED AND FILED  
**Nilon-McGlew: 12 Ayes; 2 Absent – Patel, Singh**
- NOTE: DIRECTOR GARCIA LEFT THE DAIS AT 9:29; BEFORE THE DISCUSSION OF ITEM 9
- 9) Report from the Milliman actuary firm regarding capital reserves (Fiscal Impact: None) – AARON GATES, MILLIMAN, HEARD; APPROVED  
**Nilon-Bowers: 10 Ayes; 1 Abstention -Turnipseed; 3 Absent – Patel, Garcia, Singh**
- 10) Report on Proposed Kern Health Systems 2023-2025 Grant Program (Fiscal Impact: Up to \$10 million per year for two years; Not-budgeted) – CINDY STEWART, OMNI, HEARD; ITEM MOVED TO AUGUST 17<sup>TH</sup> BOARD MEETING  
**Nilon-McGlew: 10 Ayes; 4 Absent – Patel, Garcia, Singh, Turnipseed**
- NOTE: DIRECTOR TURNIPSEED LEFT THE DAIS AT 10:41 AM; DURING THE DISCUSSION OF ITEM 10
- CA-11) Report on Kern Health Systems Provider Network Capacity Study (Fiscal Impact: None) – RECEIVED AND FILED  
**Nilon-McGlew- 12 Ayes; 2 Absent – Patel, Singh**
- CA-12) Report on Kern Health Systems investment portfolio for the first quarter ending March 31, 2023 (Fiscal Impact: None) – RECEIVED AND FILED  
**Nilon-McGlew- 12 Ayes; 2 Absent – Patel, Singh**
- CA-13) Proposed renewal and binding of insurance coverages for crime, excess crime, property, fiduciary liability, cyber insurance, excess cyber insurance, managed care errors and omissions, flood insurance and deadly weapon response program from July 1, 2023 through June 30, 2024 (Fiscal Impact: \$650,000 Estimated; Budgeted) – APPROVED  
**Nilon-McGlew- 12 Ayes; 2 Absent – Patel, Singh**
- 14) Report on Kern Health Systems Financial Statements for February 2023, March 2023 and April 2023 (Fiscal Impact: None) – RECEIVED AND FILED  
**McGlew-Tamsi: 10 Ayes; 4 Absent – Patel, Garcia, Singh, Turnipseed**

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- CA-15) Report on Accounts Payable Vendor Report, Administrative Contracts between \$50,000 and \$200,000 for February 2023, March 2023 and April 2023 and IT Technology Consulting Resources for the period ended March 31, 2023 (Fiscal Impact: None) – RECEIVED AND FILED  
**Nilon-McGlew- 12 Ayes; 2 Absent – Patel, Singh**
- CA-16) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN  
**Nilon-McGlew- 12 Ayes; 2 Absent – Patel, Singh**
- 17) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) – RECEIVED AND FILED  
**Patrick-Thygerson: 10 Ayes; 4 Absent – Patel, Garcia, Singh, Turnipseed**
- 18) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) – RECEIVE AND FILE  
**Patrick-Bowers: 12 Ayes; 2 Absent – Patel, Singh**
- CA-19) Proposed retroactive approval of Gohar Gevorgyan, M.D. and Atul Aggarwal, M.D. to serve on the Kern Health Systems Physician Advisory Committee (Fiscal Impact: None) – APPROVED  
**Nilon-McGlew- 12 Ayes; 2 Absent – Patel, Singh**
- CA-20) Miscellaneous Documents – RECEIVED AND FILED  
**Nilon-McGlew- 12 Ayes; 2 Absent – Patel, Singh**
- A) Minutes for Kern Health Systems Quality Improvement Committee meeting on March 16, 2023
  - B) Minutes for Kern Health Systems Drug Utilization Review Committee meeting on March 21, 2023
  - C) Minutes for Kern Health Systems Public Policy Committee meeting on March 28, 2023
  - D) Minutes for Kern Health Systems Physician Advisory Committee meeting on April 5, 2023
  - E) Minutes for Kern Health Systems Finance Committee meeting on April 7, 2023

ADJOURN TO AUGUST 17, 2023 AT 8:00 A.M.  
**Bowers**

/s/ Vijaykumar Patel, M.D., Secretary  
Kern Health Systems Board of Directors





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**MEMORANDUM**

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**TO:** Kern Health Systems Board of Directors  
**FROM:** Kristen Beall Watson, Chairman  
**SUBJECT:** Service Recognition for KHS Board of Director  
**DATE:** August 17, 2023

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**Background**

Alex Garcia has served as a member of the Kern Health Systems Board of Directors from June 30, 2020 – August 8, 2023. In addition, Alex also served on the Nominating, Compensation and Finance Committees during his term.

Alex’s unique perspective on the role of public service was invaluable in helping the Board navigate the many challenges facing Kern Health Systems during his years of service.

On behalf of the Kern Health Systems Board of Directors, please know how much we appreciated Member Garcia’s participation and input on Kern Health Systems Board of Directors over the years.

**Recognition**

The Board of Directors will recognize Board Member Garcia’s contribution with a service recognition award to commemorate his service on the Board.

**Requested Action**

Receive and File.





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**MEMORANDUM**

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**TO:** Kern Health Systems Board of Directors  
**FROM:** Kristen Beall Watson, Chairman  
**SUBJECT:** Kern Health Systems Board of Directors Appointments  
**DATE:** August 17, 2023

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**Background**

On May 23, 2023, the Kern County Board of Supervisors appointed Ross Elliott as First District Community Representative to the Kern Health Systems Board of Directors. Mr. Elliott replaces Elsa Martinez.

On June 27, 2023, the Kern County Board of Supervisors appointed Ganesh Acharya as Fourth District Community Representative to the Kern Health Systems Board of Director to fill the vacant seat.

Also, on June 20, 2023, the Kern County Board of Supervisors reappointed Jay Tamsi as Third District Community Representative to the Kern Health Systems Board of Directors.

The Board of Directors of Kern Health Systems welcomes our newest members, Mr. Elliott and Mr. Acharya and congratulates Jay Tamsi on his reappointment.

The appointment letters and a complete roster of the Kern Health Systems Board are attached.

**Requested Action**

Receive and File.

**BOARD OF SUPERVISORS  
COUNTY OF KERN**

**SUPERVISORS**

**PHILLIP PETERS  
ZACK SCRIVNER  
JEFF FLORES  
DAVID COUCH  
LETICIA PEREZ**

District 1  
District 2  
District 3  
District 4  
District 5



**KATHLEEN KRAUSE**  
**CLERK OF THE BOARD OF SUPERVISORS**  
Kern County Administrative Center  
1115 Truxtun Avenue, 5th Floor  
Bakersfield, CA 93301  
Telephone (661) 868-3585  
TTY (800) 735-2929  
[www.kerncounty.com](http://www.kerncounty.com)

May 23, 2023

Mr. Ross Elliott  
225 Berry Way  
Bodfish, CA 93205



Dear Mr. Elliott:

Congratulations on your appointment to the Kern Health Systems Board of Directors.

Enclosed please find the Oath of Office for your appointment as First District Community Representative Member to the Kern Health Systems Board of Directors, term to expire April 21, 2026. You may take the Oath of Office in the office of the Clerk of the Board located in the Kern County Administrative Center, 1115 Truxtun Avenue, Fifth Floor, Bakersfield, or you may take it before a Notary Public in your vicinity. If the Oath is taken before a Notary Public, please ask the Notary to attach a Jurat. **The Oath must be administered and received by the Clerk of the Board before you can participate on the Kern Health Systems Board of Directors.**

To serve on the Kern Health Systems Board of Directors, you are required to fill out a Form 700, Statement of Economic Interests. Please complete, sign and return the Form 700 (cover page and any applicable schedules) to Kern Health Systems no later than thirty (30) days from your date of appointment. For your convenience, a Form 700 packet is enclosed. The form is also available at <http://www.fppc.ca.gov/Form700.html>.

Pursuant to State law, you are required to complete a course in ethics training approved by the Fair Political Practices Commission and Attorney General. You must receive the required training within one year of your appointment and every two years thereafter. Your Agency's Manager will provide information regarding training opportunities.

On behalf of the Kern County Board of Supervisors, I would like to extend our sincere appreciation for your commitment to serve on the Kern Health Systems Board of Directors. If my office can ever be of assistance to you, please call on us.

Sincerely,

A handwritten signature in cursive script that reads "Kathleen Krause".

**KATHLEEN KRAUSE**  
Clerk of the Board

Enclosure

cc: Kern Health Systems  
2900 Buck Owens Boulevard  
Bakersfield, CA 93308



*Rec'd  
6-30-23*

**BOARD OF SUPERVISORS  
COUNTY OF KERN**

**SUPERVISORS**

**PHILLIP PETERS  
ZACK SCRIVNER  
JEFF FLORES  
DAVID COUCH  
LETICIA PEREZ**

District 1  
District 2  
District 3  
District 4  
District 5



**KATHLEEN KRAUSE  
CLERK OF THE BOARD OF SUPERVISORS  
Kern County Administrative Center  
1115 Truxtun Avenue, 5th Floor  
Bakersfield, CA 93301  
Telephone (661) 868-3585  
TTY (800) 735-2929  
www.kerncounty.com**

June 27, 2023

Mr. Ganesh Acharya  
1405 Wedgewood Drive  
Bakersfield, CA 93311

Dear Mr. Acharya:

Congratulations on your appointment to the Kern Health Systems Board of Directors.

Enclosed please find the Oath of Office for your appointment as Fourth District Community Representative Member to the Kern Health Systems Board of Directors, term to expire April 21, 2025. You may take the Oath of Office in the office of the Clerk of the Board located in the Kern County Administrative Center, 1115 Truxtun Avenue, Fifth Floor, Bakersfield, or you may take it before a Notary Public in your vicinity. If the Oath is taken before a Notary Public, please ask the Notary to attach a Jurat. **The Oath must be administered and received by the Clerk of the Board before you can participate on the Kern Health Systems Board of Directors.**

To serve on the Kern Health Systems Board of Directors, you are required to fill out a Form 700, Statement of Economic Interests. Please complete, sign and return the Form 700 (cover page and any applicable schedules) to the **Kern Health Systems no later than thirty (30) days from your date of appointment.** For your convenience, a Form 700 packet is enclosed. The form is also available at <http://www.fppc.ca.gov/Form700.html>.

Pursuant to State law, you are required to complete a course in ethics training approved by the Fair Political Practices Commission and Attorney General. You must receive the required training within one year of your appointment and every two years thereafter. Your Agency's Manager will provide information regarding training opportunities.

On behalf of the Kern County Board of Supervisors, I would like to extend our sincere appreciation for your commitment to serve on the Kern Health Systems Board of Directors. If my office can ever be of assistance to you, please call on us.

Sincerely,

**KATHLEEN KRAUSE  
Clerk of the Board**

Enclosure

cc: Kern Health Systems  
2900 Buck Owens Boulevard  
Bakersfield, CA 93308

**BOARD OF SUPERVISORS  
COUNTY OF KERN**

*rec'd  
6-23-23*

**SUPERVISORS**

**PHILLIP PETERS  
ZACK SCRIVNER  
JEFF FLORES  
DAVID COUCH  
LETICIA PEREZ**

District 1  
District 2  
District 3  
District 4  
District 5



**KATHLEEN KRAUSE**  
**CLERK OF THE BOARD OF SUPERVISORS**  
Kern County Administrative Center  
1115 Truxtun Avenue, 5th Floor  
Bakersfield, CA 93301  
Telephone (661) 868-3585  
TTY (800) 735-2929  
www.kerncounty.com

June 20, 2023

Mr. Jay Tamsi  
2308 D Street  
Bakersfield, CA 93301

Dear Mr. Tamsi:

Congratulations on your re-appointment to the Kern Health Systems Board of Directors.

Enclosed is the Official Appointment covering your re-appointment as Third District Community Representative Member to the Kern Health Systems Board of Directors, term to expire June 30, 2026.

Pursuant to State law, you are required to complete a course in ethics training approved by the Fair Political Practices Commission and Attorney General. You must receive the required training within one year of your appointment and every two years thereafter. Your Agency's Manager will provide information regarding training opportunities.

On behalf of the Kern County Board of Supervisors, I would like to extend our sincere appreciation for your commitment to serve on the Kern Health Systems Board of Directors. If my office can ever be of assistance to you, please call on us.

Sincerely,

A handwritten signature in cursive script that reads "Kathleen Krause".

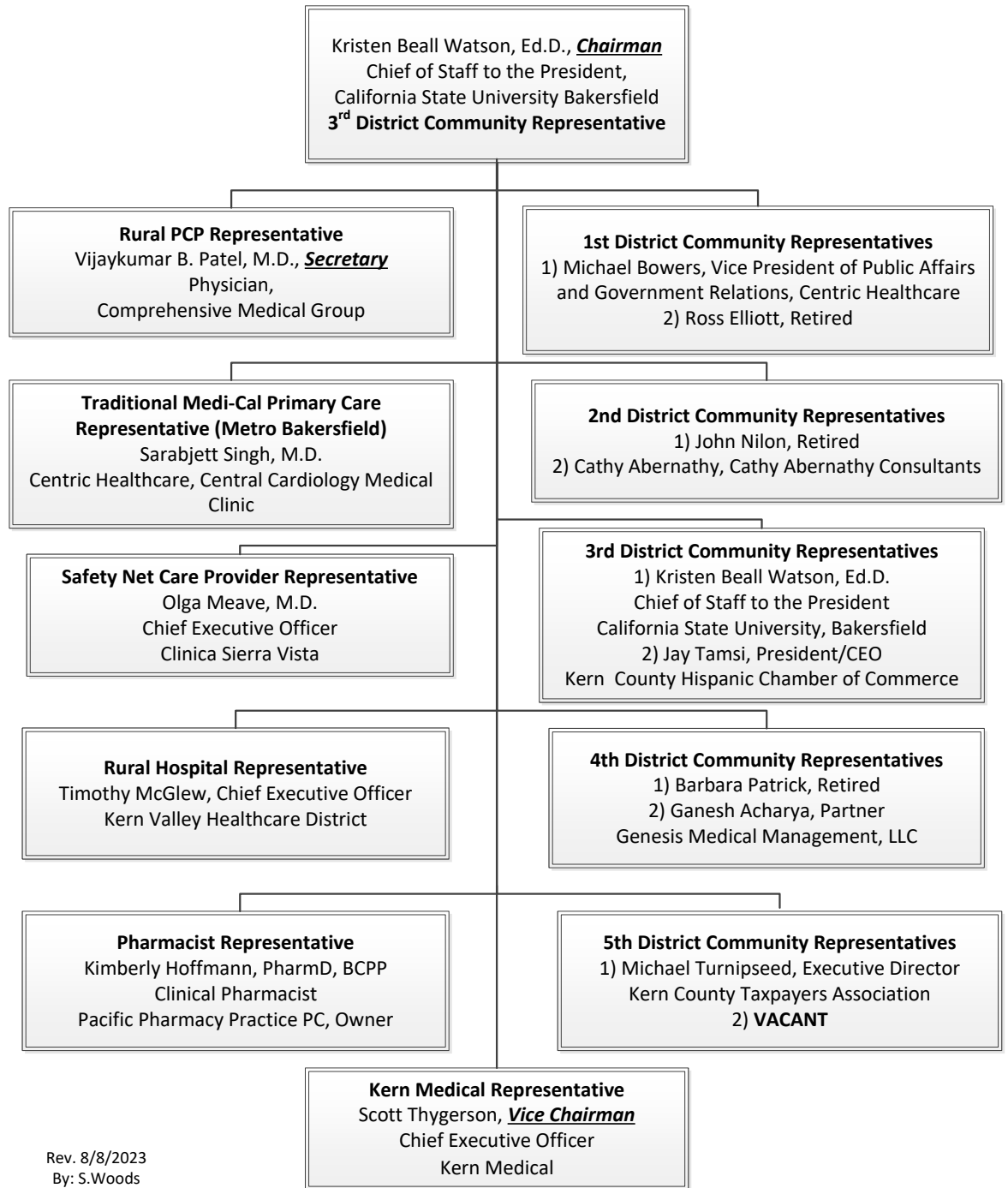
**KATHLEEN KRAUSE**  
Clerk of the Board

Enclosure

cc: Kern Health Systems  
2900 Buck Owens Boulevard  
Bakersfield, CA 93308



**BOARD OF DIRECTORS**



Rev. 8/8/2023  
 By: S.Woods





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**MEMORANDUM**

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**TO:** Kern Health Systems Board of Directors  
**FROM:** Kristen Beall Watson, Chairman  
**SUBJECT:** Amendment to the Chief Executive Officer’s Employment Agreement  
**DATE:** August 17, 2023

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**BACKGROUND**

On June 15, 2023, the KHS Board of Directors met to evaluate the performance of Emily Duran, KHS CEO. The KHS Compensation Committee was tasked to evaluate a merit increase and develop an amendment to the CEO’s employment agreement.

Enclosed are comments from the KHS Board of Directors regarding key performance successes during the rating period of April 18, 2022 – April 17, 2023. Also enclosed is the 2023-2024 amendment to the Chief Executive Officers Employment Agreement, which includes 2023 Corporate Performance Goals to be used to assist the Board with the CEO’s next annual employment performance review.

**REQUESTED ACTION**

Approval of the Amendment to the Chief Executive Officer’s Employment Agreement and authorization for KHS Board Chairman to sign on Kern Health Systems behalf.

**KHS CEO EVALUATION 2023**

Comments from the Board of Directors:

Emily, the Board of Directors is very pleased with your performance in your first year as CEO. The Board believes you have positioned KHS for success moving forward, including the next cycle of state and federal initiatives.

On a personal qualities note, the Board finds you extremely knowledgeable, innovative, responsive, and strategic. You meet your responsibilities and the challenges of the position head-on. You keep the Board well informed and are transparent in your approach to the Board.

Regarding improved community relations, the Board has found your efforts exceptional. Your approach to seeing each community as a unique element with an understanding of its individual needs and desires is noteworthy. You recognize that the value of general public trust must be balanced with the specific needs of our membership.

The Board is appreciative of your efforts as outlined in your Year 1 Contract – Performance Report. The report highlights exceptional performance in several key areas. Of special note was the reported success in the 2022 Corporate Goals. The Board was also pleased with the success of the Return to Work project with only 2 employees opting to no longer work at KHS.

As we move forward with our future Goals, the Board was looking for a commitment to health-related outcomes, significantly moving the needle forward on MCAS and Stars measures. The Board feels these improvements will not only ensure KHS viability as a health care leader but also recognize the positive impact on the overall health of our members when we are successful with meeting these HEDIS measures. Finally, as the goals are established it is critically important to recognize the impact the safety net providers have on improving outcomes and the overall success of the KHS mission.

**AMENDMENT NO. 1  
TO AGREEMENT FOR PROFESSIONAL SERVICES  
CONTRACT EMPLOYEE  
(Kern Health Systems- Emily Duran)**

This Amendment No. 1 to the Agreement for Professional Services (“Amendment”) is made and entered into this 17th day of August 2023 between Kern Health Systems, a county health authority (“KHS”) and Emily Duran (“Executive”).

**RECITALS**

- (a) KHS and Executive has heretofore entered into an Agreement for Professional Services dated April 18, 2022 (“Agreement”), whereby Executive is employed by KHS to serve as Chief Executive Officer; and
- (b) The Board and Executive have agreed to amend the provisions for Executive Compensation contained in the Agreement; and
- (c) The parties agree to amend certain terms and conditions of the Agreement as hereinafter set forth; and

The Agreement is amended by this Amendment No. 1 effective April 18, 2023.

NOW, THEREFORE, in consideration of the material advantages accruing to the two parties and the mutual covenants contained herein and incorporating by this reference the foregoing recitals, and intending to be legally and ethically bound hereby, KHS and Executive agree to amend the Agreement as follows:

- 1. Section 4.1.2 Base Salary is hereby deleted in its entirety and superseded by the following:  
“4.1.2 Base Salary. KHS shall pay Executive a base salary of 467,500 annually.”
- 2. Section 4.1.3 Performance-based Review; Salary Adjustment is hereby deleted in its entirety and superseded by the following:  
“Performance-based Review; Salary Adjustment. Executive shall be subject to an annual performance review based on achievement of Board approved reasonable and achievable goals, included herein as Exhibit A to this Agreement. Salary increases are subject to satisfactory completion of Executive’s annual goals which shall be described in Executive’s annual employee performance review. For payroll administration, the effective date of any merit increase shall be the first day of the payroll period in which Executive is eligible for such increase. Any adjustment in base salary shall be in writing and signed by both parties through a formal amendment to this Agreement.”

[Signatures follow on next page]

IN WITNESS TO THE FOREGOING, the parties have entered into this Amendment No. 1 to Agreement as of the day and year first written above.

KERN HEALTH SYSTEMS

EXECUTIVE

By \_\_\_\_\_  
Kristen Beall Watson  
Chairman, Kern Health Systems

By \_\_\_\_\_  
Emily Duran

APPROVED AS TO FORM:

By \_\_\_\_\_  
Deputy Counsel for Kern Health Systems



**EXHIBIT A**

CEO Corporate Performance Goals  
For Calendar Year 2023

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## CEO Corporate Performance Goals for Calendar Year 2023

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### **Background**

The Corporate Performance Goals for 2023 take into consideration the continued projects and initiatives as outlined in the California Advancing and Innovating Medi-Cal (CalAIM) plan. The transformational projects outlined by the Department of Health Care Services (DHCS) are an effort to reform the delivery of clinical and social support services and truly make “A Better Medi-Cal for Californians.” With this goal in mind, the corporate roadmap for KHS in 2023 will focus on continuing to realign services and create programs that will provide quality health outcomes in a more equitable delivery model.

A few important items to highlight:

- Goals are subject to change due to modifications, budget, or delayed timelines imposed by DHCS.
- A new Three-Year Strategic Plan is scheduled and expected to be adopted in late 2022 that may include other priority projects the KHS Board of Directors may wish to include.
- Safety Net Providers (Kern Medical, Omni Family Health and Clinica Sierra Vista) are a key stakeholder in accomplishing KHS goals and will be encouraged, where appropriate, to participate in their achievement or considered in their outcomes.

As KHS embarks on expanding our scope to a whole person care approach, the plan must be strategic in incorporating the key components of CalAIM. Additionally, compliance and regulatory oversight will be a key focus for all goals. Partnerships will be critical, and resources will be leveraged. Collaborative opportunities will be maximized, and we will take advantage of any access to special funds available. The overarching goal is to continue to be the health plan of choice for our community and create a more integrated delivery system for our members.

**Goal 1: Behavioral Health Program** – Over the last several years, managed care plans have experienced a number of behavioral health focused services that transitioned under their scope of services. In 2018, the managed care plans assumed responsibility of Autistic Behavioral Therapy (ABA) and non-specialty mental health service delivery. Most recently, the plans are to collaborate with the specialty mental health provider to incorporate a “No Wrong Door” structure which



requires close engagement between providers in coordinating behavioral and mental health care for the member, regardless of initial screening or service entry point. KHS currently lacks the personnel to oversee the services specific to behavioral health, and with an increased focus in care integrations, the need to develop a department is essential.

**Deliverables:**

- Develop and incorporate a Behavioral Health department into the KHS organizational structure. Create/update policies, procedures and operationalize the department in the 1st – 2nd Quarter, 2023.
- Evaluate and ensure the mental health provider network is adequate to provide all outlined non specialty mental health services (NSMHS) and communicate with MHPs regarding DHCS requirements. Create a formal collaborative structure with Kern Behavioral Health and Recovery Services and other entities that provide behavioral and mental health services during the 2nd Quarter, 2023.
- Further evaluate and develop the implementation of Primary Care Provider Roles with Substance Use Disorder services / Medication Assisted Treatment services. Coordinate with participating Primary Care Providers, Inpatient Hospitals, Emergency Rooms, or other contracted medical settings for Medications for Addiction Treatment (MAT – aka Medication Assisted Treatment) starting in the 3rd Quarter, 2023.
- Evaluate the availability of emergency stabilization services. Coordinate with participating Primary Care Providers and Kern Behavioral Health and Recovery Services regarding access to care for substance use disorder (SUD) services in the 4th Quarter, 2023.

**Goal 2: Quality and Health Equity Program** – DHCS has published the 2022 Comprehensive Quality Strategy (CQS) that focuses on guiding principles of eliminating health disparities from inherent delivery system bias, using community-based partnerships; data driven improvements that address the whole person; and transparency, accountability and member involvement. These principles and strategies are meant to improve the clinical outcomes (MCAS) of our membership. There are also three specific MCAS focus areas that include children’s preventative care, maternity care and birth equity, and behavioral health integration.

**Deliverables:**



- Identify organizational structure for the role of a Health Equity Officer, as required in the DHCS CQS. This position will be responsible for carrying out the CQS strategies in collaboration with the Quality Improvement and Population Health Management departments. Project to launch 1st Quarter, 2023.
- Identify and assess members risks guiding the development of care management programs and focused strategies in the 2nd Quarter, 2023.
- Create strategies to engage members as “owners of their own care”. Member Engagement Program - Develop a robust member and community engagement program in the 2nd and 3<sup>rd</sup> Quarter, 2023
- Develop communication strategies that will focus on keeping families and communities healthy via prevention during the 3rd Quarter, 2023.
- Create early interventions for rising risk and patient centered chronic disease management by the end of the 3rd Quarter, 2023.
- Expand on programs that focus on whole person care for high-risk populations, addressing drivers of health by the end of the 4th Quarter, 2023

**Goal 3: Health Information Data Exchange & Security** – Kern Health Systems is accountable to the Health Insurance Portability and Accountability Act of 1995 (HIPAA) Security Rule which leverages the National Institute Standards and Technology (NIST) for Information Security (InfoSec) practices. Additionally, the plan is obligated through contracts with the State of California to ensure that the health plan maintains data and systems following these standards. As KHS continues to expand on the health information data exchanges with numerous provider groups that potentially do not have technology safeguards in place, it also raises KHS security concerns. As a result, KHS continuously scrutinizes and updates its information and cyber security protocols and practices to ensure that the best strategies and tools are being used based to provide a secure and protected environment. Over the next year, KHS will establish 24-hour monitoring of its Information Security systems to ensure that there is immediate action to avoid potential threats. After the installation of this new system, KHS will perform its annual 3<sup>rd</sup> party audit of the Information Security procedures and controls and provide an Executive presentation to key stakeholders.

**Deliverables:**

- Procure, install, and configure new logging and monitoring system in the 1st Quarter, 2023



- Perform annual 3<sup>rd</sup> party audit following the NIST security framework to independently evaluate Kern Health Systems starting the 2nd Quarter, 2023
- Analyze audit and perform risk management and remediation on any findings to close gaps by end of 3rd Quarter, 2023
- Provide an Executive presentation to key stakeholders on the status of the Corporate Information Security strategies and audit by end of 4th Quarter, 2023.

**Goal 4: Dual Eligible Special Needs Population (DSNP) and Medicare-** Promoting integrated care by incorporating mandatory Medi-Cal Managed care enrollment for individuals who are dual eligible for (Medi-Cal and Medicare) is part of the CalAIM initiative to improve health. Although this is optional for managed care plans, it is strongly recommended by DHCS. The goal is to promote integration and align enrollment of the DSNP population, increase coordination of care, and better health outcomes. KHS would be eligible to offer a Medicare Advantage product in 2025-2026 contingent on preparation, fiscal and operational feasibility, and both DHCS and CMS approvals. In order to evaluate our role and readiness for this new line of business, the process and preparation is being initiated.

**Deliverables:**

- KHS will embark in a detailed Medicare Advantage Fiscal and Operational Feasibility study and gap analysis. This will require the procurement of consulting services that have the expertise in Medicare implementation for Medi-Cal focused plans. This process will start in the 1<sup>st</sup> Quarter of 2023 with final reporting by 4<sup>th</sup> Quarter, 2023.
- NCQA Gap Analysis will be initiated and will encompass all KHS departments. Education and training will be provided to all stakeholders on NCQA standards and accreditation processes. The Gap Analysis will assess the current plan position against NCQA standards starting in the 1<sup>st</sup> Quarter, 2023.
- Conduct NCQA readiness and gap assessment across all Health Plan functions and relevant NCQA standards starting in the 3<sup>rd</sup> – 4<sup>th</sup> Quarter, 2023.



- Develop a deliverable document with gaps and recommendations for remediation with reference to NCQA standard requirements. Develop timeline for readiness and application process will start in the 3<sup>rd</sup> – 4<sup>th</sup> Quarter, 2023.

**CY 2024-2025:** NCQA Readiness: Continue implementation of NCQA gap closure plan. Start NCQA application process which is normally 12 months prior to survey. This process will include application/file preparation, operationalizing and implementing new processes and policies in clinical, contracting, and technology operations.

**Goal 5 – DHCS Incentive Programs** - Starting in 2021, DHCS introduced Incentive Programs to promote health plan, provider, and community service organizations collaborative participation to carry out the development of several areas of the CalAIM initiatives. These incentive programs are not a requirement and participation is voluntary, however these funds are available to assist in building program and service delivery models, including infrastructure.

**Goal 5a - Incentive Payment Program (IPP)**

CalAIM’s Enhanced Care Management (ECM) and Community Support Services (CSS) programs launched in January 2022, requiring significant new investments in care management capabilities, CSS infrastructure, information technology (IT), data exchange, and workforce capacity for both health plans and providers. Incentive funding will be available through 2024 to help pay for these investments. In PY 1 (CY2022), KHS accomplished foundational goals in line with DHCS defined milestones. Beginning in January 2023, KHS will focus efforts on regional coordination and oversight to advance the goals of CalAIM and support successful implementation of ECM and Community Supports programs.

In PY 2 (CY2023), KHS will prioritize the following programmatic components:

- Prepare for variability in ECM / CSS eligibility and enrollment for different populations of focus and services scheduled for go-live beginning January 1st, 2023 and July 1, 2023 in accordance with each program’s Policy Guide
- Improve efficiency of submission and evaluation processes to reduce administrative burdens, creating additional quality outcome reporting mechanisms required by Priority Areas 2-3 (ECM/Community Supports Capacity Building) for Incentive Payment retention
- Award KHS Provider Network as they achieve milestones outlined in their Incentive Payment Program funding applications and requested/approved by KHS



- Meaningfully incorporate feedback from regional partners, stakeholders, and entities in Kern County regarding ECM and Community Supports take-up
- Assess completeness and improvements made by the Plan and ECM and CSS Providers above the baseline benchmarks established by the Gap / Needs Assessment measures and Gap-Filling Plan in PY1

KHS will ensure incentive dollars do not overlap with other DHCS incentive programs or with services funded through the rates. All Incentive Payment measures will continue to be evaluated and reported to DHCS according to a measure set delivered to MCPs. Incentive payments will be distributed over three payment cycles each year of the incentive program following determination of the maximum potential annual incentive dollar amount for each health plan like KHS.

**Deliverables:**

- KHS will host CalAIM Roundtables in partnership with key stakeholders, and/or continue promoting local engagement efforts with regional partners through diverse forums starting in 1<sup>st</sup> Quarter, 2023.
- Establish quarterly performance monitoring capabilities ensuring milestones are met by KHS Provider Network and CBOs in order to award Provider proposals with earned dollars for Program Year 2023.
- Track high-priority budgeted solutions implemented, respective to each Priority Area strategy, as they are outlined in the Program Year 2 Incentive Payment Measure Set prior to an initial submission scheduled by DHCS by end of 3<sup>rd</sup> Quarter, 2023.

**Goal 5b - Housing and Homelessness Incentive Program (HHIP)**

Housing and Homeless Incentive Program launched in January 2022 as part of the state's overarching home and community-based services (HCBS) spending plan. MCPs can earn incentive payments for investments and progress in addressing homelessness as a social determinant of health and keeping individuals housed. HHIP is a voluntary incentive program that will enable KHS to earn incentive funds for making progress in addressing homelessness and housing insecurity as social determinants of health. Incentive funding will be available through 1st Quarter, 2024 to help pay for these investments.

Beginning in January 2023, KHS will focus efforts on regional funding, plan coordination, and fulfillment of county-wide needs through alignment with county Homeless Housing, Assistance and Prevention (HHAP) program.



In PY 2 (CY2023), KHS will prioritize the following programmatic components:

- Achieve investments in access and long-term availability of affordable housing in Kern County
- Increase continuous case management for closed loop and end-to-end housing support referrals
- Create informed data connections between healthcare and homelessness focused entities
- Improve screening and connective tools for discharge planning

**Deliverables:**

- Implement the “Local Homelessness Plan (LHP)” determining what is necessary to meet structural and capacity requirements to fulfill HHIP objectives by 1st Quarter, 2023.
- Complete and submit to DHCS the “MCP Submission 1” outlining implementation approach to address gaps and needs by February 2023.
- Create performance monitoring capability to measure the Local Homelessness Plan (LHP) success as defined as demonstrated performance against measure targets linked to achievement of HHIP milestones by 2nd Quarter, 2023.
- Complete and submit to DHCS the “MCP Submission 2” outlining implementation approach to address gaps and needs by December 2023.

**Goal 5c - Student Behavioral Health Improvement Program (SBHIP)**

The Student Behavioral Health Improvement Program launched in January 2022 and provides incentives to increase coordination among Medi-Cal MCPs, LEAs, and county mental health plans with the understanding it will significantly impact the delivery of services to this population and ultimately benefit all delivery systems. Creating a comprehensive and continuous system of care for Medi-Cal students to access the entire scope of available benefits is consistent with the national movement of increasing access to Medicaid services in schools.

In Program Year 1 (CY2022), Medi-Cal MCPs will receive an assessment allocation to initiate the SBHIP assessment. The remaining portion of the assessment funds will be released upon submission of the completed assessment package and DHCS approval of the requested items.

For Incentive Program Years 2 (calendar year 2023) and 3 (calendar year 2024), Medi-Cal MCPs will receive incentive payments from DHCS based on achieving outlined milestones and performance metrics to reward completing SBHIP component milestones and reporting all performance metrics.





In PY 2 (CY2023), KHS will prioritize the following programmatic components:

- The SBHIP Bi-Quarterly Report is a required component of the SBHIP for each targeted intervention selected. Report must be submitted by the end of every other quarter throughout the duration of the project or until the Project Outcome Report (Milestone Two) has been submitted.

**Deliverables:**

- Implement the “Project Plan (Milestone One)” determining what is necessary to fulfill SBHIP initiatives including each targeted intervention & the County Needs Assessment for Program Year 2, starting the 1st Quarter, 2023.
- Complete and submit to DHCS an initial Bi-Quarterly Report by end of 2nd Quarter, 2023.
- Complete and submit to DHCS a second Bi-Quarterly Report by end of 4th Quarter, 2023.

**Goal 6 - Institutionalizing Telehealth Coverage Revisions as New (Permanent) Medi-Cal Benefit** - Telehealth Services has shown to be an effective method for maintaining the physician / patient relationship during the pandemic. DHCS modified its benefits to expand telehealth as an alternative to office visits during the stay-at-home order. DHCS intends to make permanent and expand several telehealth provisions that were allowed during the Public Health Emergency, effective in 2023.

The final State Budget passed in July 2021 instructed DHCS to extend the Public Health Emergency (PHE) telehealth flexibilities through 2022. It also required DHCS to form a workgroup to further discuss the ongoing permanent telehealth flexibilities that will be effective beginning 2023. The details of DHCS’ proposal are included in the 2022-2023 State Budget process which concludes in the Summer. In the interim, KHS continues to work with our Provider Network to make use of the existing telehealth flexibilities.

Specifically, DHCS proposes:

- Continuing coverage of synchronous video and audio-only telehealth coverage across multiple services and delivery systems, as covered during the PHE.
- Continuing to reimburse FQHCs/RHCs at their regular rate for visits delivered via telehealth, including visits delivered via (1) synchronous video, (2) synchronous audio-only, and (3) store and forward. Continuing the exemption from site limitations for patient



or provider, which allows providers and/or beneficiaries to be in locations outside of the clinic to render and/or receive care, respectively.

- Continuing parity in reimbursement levels between in-person services and select telehealth modalities (synchronous video, synchronous audio-only, or asynchronous store and forward, as applicable) across delivery systems.
- Establishing specific utilization management protocols for all telehealth services and enhancing monitoring of telehealth services to prevent fraud, waste, and abuse.
- allowing use of telehealth to meet network adequacy standards in health plans (revise the alternate access standards (AAS) submission process accordingly)

With a large portion of Kern County designated as a medically underserved geographical area, KHS is challenged with meeting access standards based on the size of our enrolled population and provider availability. Allowing including Telehealth services to our provider count will favorably impact service access and improve our scores.

**Deliverables:**

- Determine the impact to the participating provider network by 1st Quarter, 2023. Determine the impact to KHS, its policy, procedures, protocols, tracking and reporting by 1st Quarter, 2023
- Inform participating providers telehealth will become a permanent benefit effective 2023 under Medi-Cal by 4th Quarter, 2022
- Convey logistical information about the benefit and procedures providers will need to follow when using telehealth services and receiving payment for telehealth services by 1st Quarter, 2023
- Inform members that telehealth will be added to their Medi-Cal benefits explaining what it is, why it is beneficial and how this service will be provided and used for the member's benefit by 1st Quarter, 2023
- Post implementation, audit each activity to ensure installation and performance meets KHS and government agencies expectations (ongoing over 2023).

*\*Dates may change based on final APL adoption and allowable timeframe for implementation*



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**MEMORANDUM**

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**TO:** Kern Health Systems Board of Directors  
**FROM:** Emily Duran, Chief Executive Officer  
**SUBJECT:** 2023-2025 Provider Grant Program  
**DATE:** August 17, 2023

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**Background**

The 2023-2025 Kern Health Systems (KHS) Grant Program was presented at the June KHS Board of Directors meeting but was deferred pending additional review and analysis. The programs have been restructured, but still directly aligned with the organizations three-year strategic plan that focuses on increasing access to quality care.

**Discussion**

KHS is requesting \$8 million in grants for a very comprehensive and much needed Grant Program. All grants will be administered by KHS and will require a close collaboration with several providers and require clearly defined outcomes and performance expectations. For this grant period, we are striving to improve access to care by expanding on the KHS provider network with an emphasis on quality of care.

There are two (2) grant programs being proposed that will cover the key areas of our corporate strategic plan:

- 1) Provider Recruitment & Retention (R & R) Grant Program** will provide opportunities for our network to improve access to Primary Care, Specialty Care, and Behavioral Health Services in Kern County. Focus areas will include increasing provider capacity, increase appointments availability, and expand access in rural areas by recruiting and retaining physicians. (\$3,000,000)

- 2) **Quality Grant Program** will focus on developing innovative partnerships with network providers to elevate the quality of care delivered to our members. This program will focus on practice transformation initiatives that will drive performance of preventive health services, closing gaps in care, improving MCAS metrics and create a quality focused level of care. (\$5,000,000)

A presentation will be provided with details of the proposed grant program.

**Requested Action**

- 1) Approve 2023-2025 Grant Programs in the amount of \$8,000,000.
- 2) Approve KHS CEO to perform grant administration, approval, and oversight process.

# KHS Provider Grant Programs | 2023 – 2025

Board of Directors

August 17, 2023



Emily Duran  
Chief Executive Officer



# Introduction

- KHS is proposing the following grant funding opportunities for current network providers.

	<b>Program Name</b>	<b>Total Grant Funding Request</b>
<b>Grant Program</b>	Provider Recruitment & Retention (R & R) Grant Program	\$3,000,000
	Quality Grant Program	\$5,000,000
<b>Total Funding Request</b>		<b>\$8,000,000</b>



# Grant Programs Breakdown

	Program Name	Funding Request	Key Activities	KHS Strategic Goal
Grant Programs	R&R Grant	\$3,000,000	<b>Recruitment &amp; Retention Program:</b> The R & R grant will provide opportunities for our Providers to improve access to Primary Care, Specialty Care, and Behavioral Health Services in Kern County.	<b>Strategic Goal #2:</b> Workforce: Develop Initiatives for the recruitment and retention of both internal and external workforce needed to fulfill KHS's mission
	Quality Grant	\$5,000,000	<b>Mobile clinics:</b> Increase access to preventive health care services in all areas of Kern County by providing immunizations, well-care visits, children, adolescents, adults, mammograms, lead screening, A1C testing, chlamydia screening.	<b>Strategic Goal #1:</b> Quality and Equity Deliver exceptional quality outcomes and health equity for all KHS members  <b>HE Strategic Goal:</b> Increase overall quality with a drive to reach and achieving Managed Care Accountability Set (MCAS) Minimum Performance Levels (MPL) and closing disparity gaps
			<b>Electronic Medical Record (EMR) &amp; Data Exchange:</b> To establish a Health Information Exchange (also called a health data exchange) that enables providers and KHS to share patient information electronically between systems	
			<b>Children Domain:</b> Increase kept appoints by WCV and W30 measures and leverage appointments to close additional gaps in care	
<b>Cancer Prevention &amp; Reproductive Health Domain:</b> Increase kept appoints for CHL (Chlamydia Screening) and CSS (Cervical Cancer Screening) measures and leverage appointments to close additional gaps in care.				
		<b>\$8,000,000</b>		



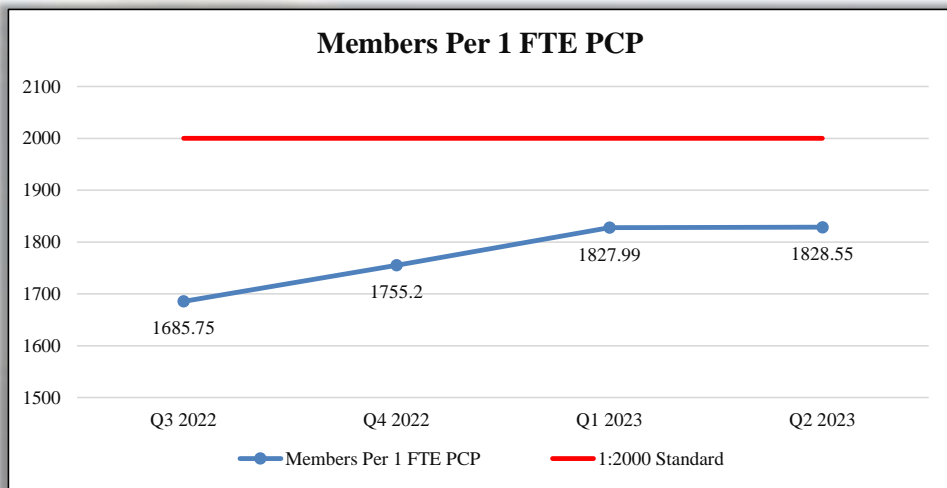
## Provider Recruitment & Retention (R & R) Grant

- The R & R grant will provide opportunities for our Providers to improve access to Primary Care, Specialty Care, and Behavioral Health Services in Kern County.
- The following specialties were categorized as a high need for the network:
  - **Allergy/Immunology, Cardiology, ENT/Otolaryngology, Oncology, Ophthalmology, Orthopedic Surgery, and ABA Clinical Psychologist & Psychiatrist.**
- In addition, due to the rural nature of Kern County, our members are challenged with reliable **transportation**. The R & R Program will offer KHS contracted transportation providers the opportunity to increase gurney and wheelchair vans which will help to increase accessibility to medical appointments.



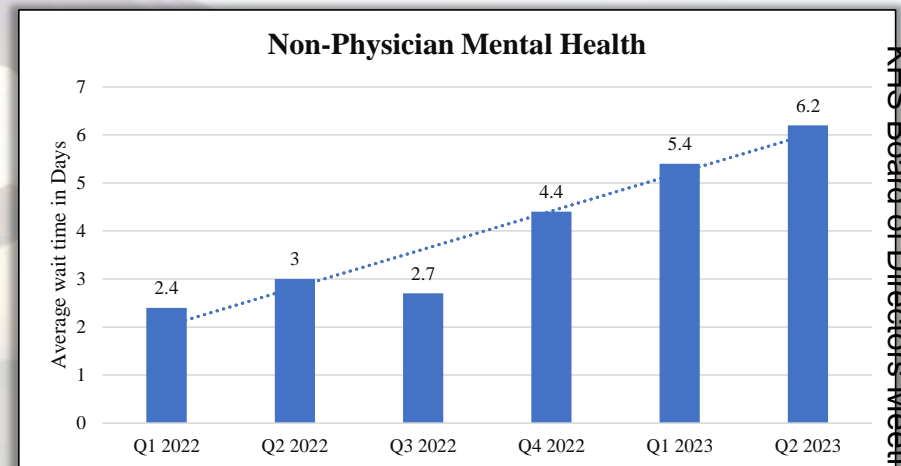


# R&R Grant Impact



As membership increases, so does the demand for PCPs. Adding the R&R Grant will help the Plan maintain/improve compliance with the membership to PCP ratio standard as more providers are recruited in the network.

Currently the Plan is meeting appointment availability standards for Non-Physician\* Mental Health Providers; however, the Plan has been experiencing **increased wait times (in days)** for Non-Physician Mental Providers. Adding more Non-Physician Mental Providers will be able to reduce wait times for members and provide members with more follow-up appointment opportunities.



\*Licensed Clinical Social Worker (LCSW)  
 Licensed Marriage and Family Therapist (LMFT)  
 Doctor of Psychology (PsyD)

# Quality Grant Program

## Background:

- In December 2022, DHCS published the 2021 Health Plan Quality Ranking that ranked all Medi-Cal plans. As a result, the MCAS Quality Program is in the process of a full reconfiguration with the goal to make significant performance improvements in measurement year 2023 and beyond. **Creating and establishing programs, infrastructure, and best practices that can be implemented immediately to increase performance in the near term is the first step.** Establishing high performance practice habits and member engagement to support KHS' mission of increasing the health status of our members is always the driving force behind such efforts.

## Goal:

- The goal of the Quality Grant is to help increase the Managed Care Accountability Set (MCAS) performance measures by providing grant funding for preventative health services. Providers will be encouraged to submit best clinical practice programs with an emphasis on practice transformation models.



# Quality Grant Program (*continued*)

Quality focus:

- **Mobile Clinics**

- Increase access to preventative health care services in all areas of Kern County
- Services: immunizations, well-care visits, children, adolescents, adults, mammograms, lead screening, A1C testing, chlamydia screening

- **Electronic Medical Record (EMR) & Data Exchange**

- To establish a Health Information Exchange (also called a health data exchange) that enables providers and KHS to share patient information electronically between systems

- **Children Domain**

- Increase kept appointments for WCV (Well Care Visit) and W30 measures and leverage appointments to close additional gaps in care

- **Cancer Prevention & Reproductive Health Domain**

- Increase kept appointments for CHL (Chlamydia Screening) and CCS (Cervical Cancer Screening) measures and leverage appointments to close additional gaps in care



# Funding Breakdown

Grant Program	80% split* SNP	20% split* All Other	Funding Request	Total Funding Request
Provider Recruitment & Retention (R & R) Grant Program	\$2,400,000	\$600,000	\$3,000,000	<b>\$8,000,000</b>
Quality Grant Program	\$4,000,000	\$1,000,000	\$5,000,000	

**\*80/20% distribution for the KHS Grant Program in accordance with KHS ordinances:**

***2.94.090 Distribution of reserves and reports to the board of supervisors.***

*“Distribution of reserves shall be made on an 80/20 basis. The eighty (80) percent split shall be reserved for distribution only to the safety net providers which consist of Kern Medical Center, Omni Family Health, and Clinica Sierra Vista. The twenty (20) percent split shall be allocated to the Kern Health Systems Grant Program for distribution among the qualified private practice physicians and non-safety net providers.”*



# Program Guidelines

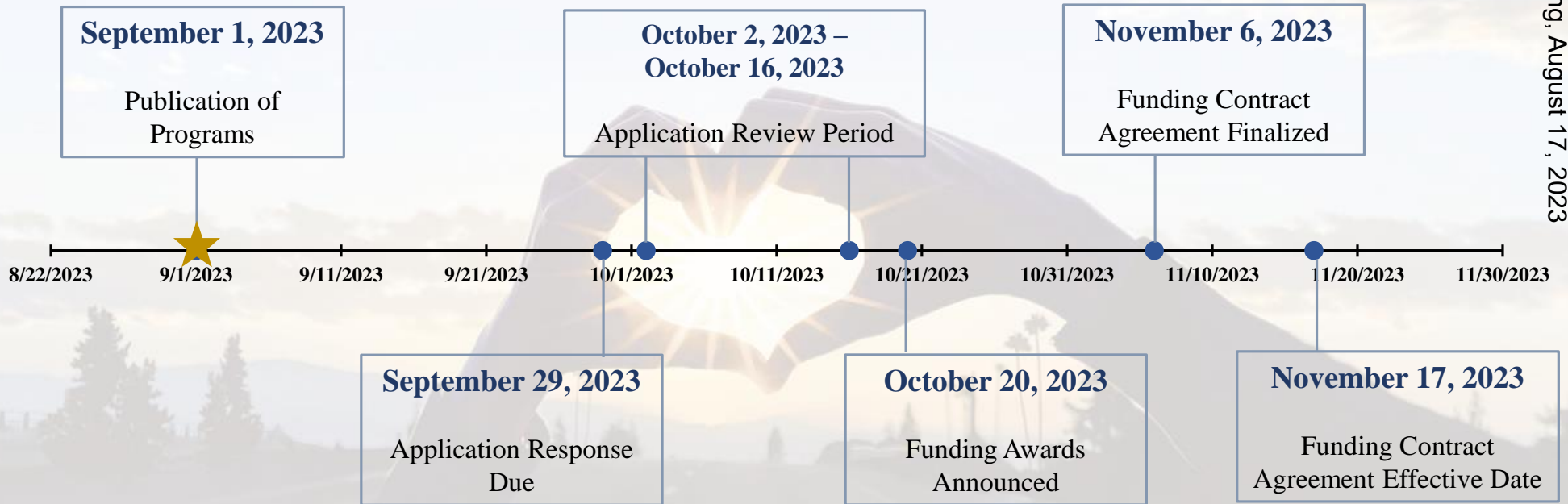
1. Proposed projects must demonstrate alignment to the program focus area
2. Must be a KHS contracted healthcare provider, group, and/or hospital
3. Contracted provider, group, and/or hospital must be in good standing
4. Contracted entity must meet ALL KHS credentialing requirements
5. For Recruitment and Retention Grant
  - Physicians/Mid-Levels must be new to Kern Family Health Care network, and new to Kern County

*Applicants are encouraged to engage with KHS prior to submitting their applications to ensure they submit a complete application. KHS will also provide technical assistance to applicants as they determine how to develop and establish these programs. Submitted applications will be reviewed on a rolling basis as they are received until the deadline.*



# Proposed Timeline

**Grant Program Time Period: 2 Years**  
**November 2023 – October 2025**



# Requested Action

**The requested action from the KHS Board of Directors:**

- 1) Approve 2023 – 2025 KHS Provider Grant Programs in the amount of **\$8,000,000.**
- 2) Approve KHS CEO to perform Grant Program administration, approval, and oversight process.



# You + Us = a better day!

## Questions

For additional information, please contact:

**Emily Duran**

**Chief Executive Officer**







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## MEMORANDUM

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**TO:** Kern Health Systems Board of Directors  
**FROM:** Emily Duran, Chief Executive Officer  
**SUBJECT:** 2023-2025 KHS Strategic Initiatives  
**DATE:** August 17, 2023

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### **Background**

Kern Health Systems is striving to develop innovative partnerships designed to advance health equity and provide the highest quality of care to vulnerable populations.

The proposed strategic initiatives support KHS's health equity goals by expanding access to care in rural communities, improving the quality of care for our most vulnerable populations, enhancing provider diversity and leveraging trusted messengers to deepen the connection and understanding of the various communities within in our service area.

### **Discussion**

KHS is requesting funding of \$12 million to support the below initiatives. All initiatives will be administered by KHS and will require a close collaboration with several community partners and local academic institutions and require clearly defined outcomes and performance expectations. We are striving to strengthen and support community health education, integrated behavioral health, and increase the healthcare workforce capacity.

There are two (2) strategic initiatives being proposed:

- 1) **Healthcare Workforce Expansion Program** will partner with contracted healthcare providers and the local educational institutions to expand the nursing and physician medical professionals. (\$10,000,000)

- 2) **Community Based Organization (CBO) Program** will create innovative social service delivery models that will focus on reducing barriers to care and focus on wellness and healthy living. (\$2,000,000)

A presentation will be provided with details of the proposed grant program.

**Requested Action**

- 1) Approve 2023-2025 Strategic Initiatives in the amount of \$12,000,000.
- 2) Approve KHS CEO to perform Initiative Program administration, approval, and oversight process.

# KHS Strategic Initiatives | 2023 – 2025

Board of Directors

August 17, 2023



Emily Duran  
Chief Executive Officer



# Introduction

- Kern Health Systems (KHS) is striving to develop innovative partnerships designed to advance health equity and provide the highest quality of care to vulnerable populations.
  - The proposed strategic initiatives support KHS's health equity goals by expanding access to care in rural communities, improving the quality of care for our most vulnerable populations, enhancing provider diversity and leveraging trusted messengers to deepen the connection and understanding of the various communities within in our service area.
- KHS is proposing the following strategic initiative opportunities for local academic institutions and community-based organizations:

	Strategic Initiative Name	Total Funding Request
Strategic Initiative	Healthcare Workforce Expansion Initiative	\$10,000,000
	Community Based Initiative	\$2,000,000
<b>Total Funding Request</b>		<b>\$12,000,000</b>



# CalAIM Vision

**California Advancing and Innovating Medi-Cal (CalAIM)**, focuses on improving health equity, quality of care and wellbeing for Medi-Cal members by expanding access to coordinated, whole-person care and addressing health-related social needs of the population.



# Strategic Initiative: Breakdown

	Name	Funding Request	Key Activities	KHS Strategic Goal
Strategic Initiative	<b>Healthcare Workforce Expansion Initiative</b>	\$10,000,000	<b>Rural Residency Development &amp; Nursing Program Expansion:</b> The Rural Residency Development program will focus on expanding local residency/postgraduate training programs with our local healthcare partners. The Nursing program expansion will help increase enrollment in pre-licensure nursing programs in Kern County.	<b>Strategic Goal #2: Workforce:</b> Develop Initiatives for the recruitment and retention of both internal and external workforce needed to fulfill KHS's mission
	<b>Community Based Initiative</b>	\$2,000,000	<b>Health and wellness education campaigns:</b> Develop Health & wellness focused initiatives based on top diagnosis. Ex: Fitness programs, nutrition campaign for children and adolescents, etc.	<b>Strategic Goal #3: CalAIM:</b> Continue to develop, implement, and grow the programs and policies included under DHCS' CalAIM initiative
			<b>Member navigation outreach and education to retain Medi-Cal coverage:</b> Provide education on the renewal process and basic access to care on eligibility.	
<b>Homeless outreach data:</b> Through the Homeless Management Information System (HMIS), KHS will be focusing on collecting accurate data related to homelessness. Our community providers will have access to the data which will result in linking the homeless members to the current resources available in Kern County through our CBO's.				
		<b>\$12,000,000</b>		



# CalAIM's Impact on the KHS Strategic Initiatives

## Healthcare workforce Initiative

- As outlined by the Department of Health Care Services (DHCS) via the CalAIM initiative, KHS is required to operate a Medicare Advantage Dual Eligible Special Needs Plan (D-SNP) by 1/1/2026.
- Both CalAIM and the D-SNP program introduce significant regulatory requirements to KHS which will require additional internal and external workforce resources to support expansion in membership.

## Community Based Initiative

- Members are being connected to Community Supports to meet their social needs, including medically supportive foods or housing supports. Community Supports. A new services under the CalAIM initiative.
- Community-based organizations (CBO's) have been key partners in helping address these social needs for MCP's.
- KHS is currently contracted with 13 CBO's that provide array of support services. As we invest in our community organizations through this strategic initiative, we hope to grow that number to help increase resources for our members.



# Healthcare Workforce Expansion Initiative

Local hospitals and clinics face critical staffing shortages that could jeopardize access to care in the communities we serve. The healthcare workforce expansion initiative will focus on partnerships with contracted healthcare partners and local academic institutions to expand local nursing and physician medical professionals.

The nursing workforce program will have an emphasis on expanding and increasing enrollment in pre-licensure nursing programs in Kern County. The physician workforce program will focus on expanding local residency / postgraduate training programs with our local healthcare partners.

## **Program and Opportunity Goals:**

- 1) Increase enrollment for nursing and residency programs;
- 2) Recruit and retain nursing and residency faculty to allow for the increased enrollment;
- 3) Expansion of residency program types (e.g. Family Medicine, Psychiatry, Surgery, Pediatrics, etc.);
- 4) Capital investment for simulation labs, facility, and equipment.





# Community Based Organization (CBO) Initiative

Effective partnerships and contracts between health care organizations and CBOs are an important way to improve the overall health and well-being of the individuals and communities served by each organization.

The CBO Initiative will assist in the development of local resources for our members. The funds will be available to CBOs that support community-based strategies and policy efforts to improve health and well being associated with social determinants and seek to prevent and reduce health inequities for marginalized community members.

## **Program and Opportunity Goals:**

- 1) Health and wellness education campaigns;
- 2) Member navigation outreach and education to retain Medi-Cal coverage;
- 3) Homeless outreach data



# Funding Breakdown

Initiative Program	Funding Request	Total Funding Request
Healthcare Workforce Expansion Initiative	\$10,000,000	<b>\$12,000,000</b>
Community Based Organization (CBO) Initiative	\$2,000,000	



# Program Guidelines

Proposed projects must demonstrate alignment to the program focus area

## 1. Healthcare Workforce Expansion Initiative

### a. Residency Programs

- Be an accredited school of medicine
- Physical campus in Kern county

### b. Nursing Programs

- Be an accredited school of nursing
- Physical campus in Kern county

## 2. Community Based Initiative

### a. CBO must be in good IRS Standing

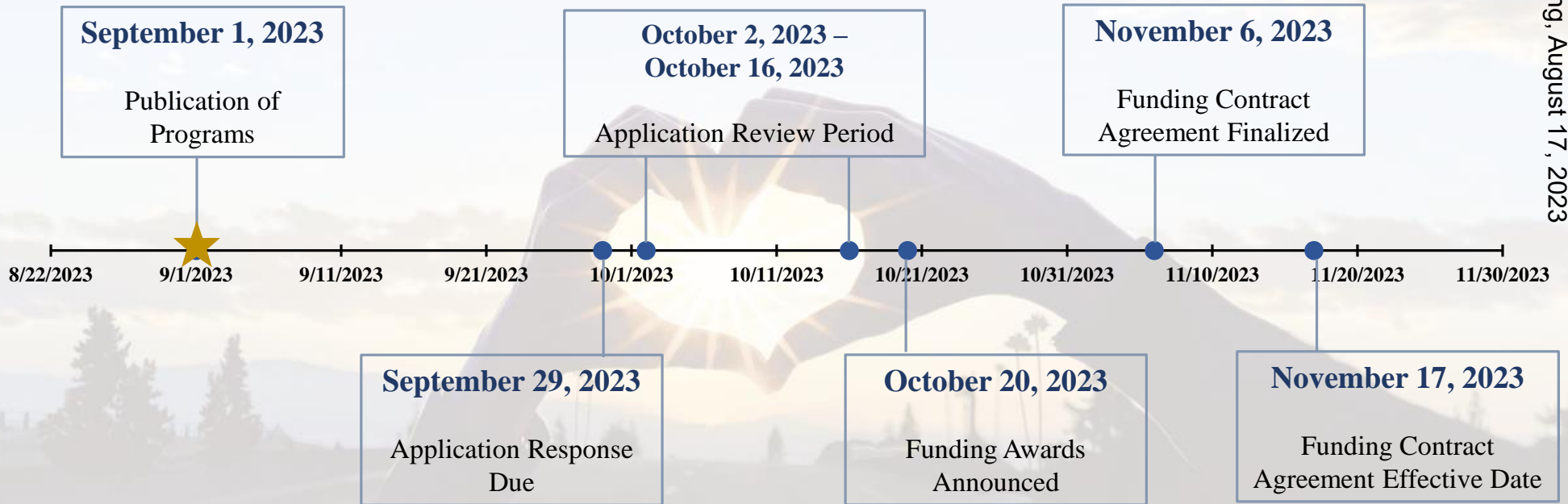
### b. Contracted CBO must be in good standing and must meet ALL KHS credentialing requirements

*Applicants are encouraged to engage with KHS prior to submitting their applications to ensure they submit a complete application. KHS will also provide technical assistance to applicants as they determine how to develop and establish these programs. Submitted applications will be reviewed on a rolling basis as they are received until the deadline.*



# Proposed Timeline

**Initiative Program Time Period: 2 Years  
November 2023 – October 2025**



# Requested Action

**The requested action from the KHS Board of Directors:**

- 1) Approve 2023 – 2025 Strategic Initiatives in the amount of **\$12,000,000.**
- 2) Approve KHS CEO to perform Initiative Program administration, approval, and oversight process.



# You + Us = a better day!

## Questions

For additional information, please contact:

**Emily Duran**

**Chief Executive Officer**





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**MEMORANDUM**

---

**TO:** Kern Health Systems Board of Directors  
**FROM:** Robert Landis, Chief Financial Officer  
**SUBJECT:** Quarterly Review of Kern Health Systems Investment Portfolio  
**DATE:** August 17, 2023

---

**Background**

The Kern Health Systems (“KHS”) Investment Policy stipulates the following order of investment objectives:

- Preservation of principal
- Liquidity
- Yield

The investment portfolios are designed to attain a market-average rate of return through economic cycles given an acceptable level of risk. KHS currently maintains the following investment portfolios:

**Short-Term Portfolio (Under 1 year)**

Funds held in this period are typically utilized to pay providers, meet operating expenses and fund capital projects. Additionally, extra liquidity is maintained in the event the State is late with its monthly capitation payment.

**Long-Term Portfolio (1-5 years)**

Funds held in this time period are typically for reserves and to take advantage of obtaining higher yields.

**Requested Action**

Receive and File.

# KHS Board of Directors Meeting, August 17, 2023

## Kern Health Systems Investment Portfolio June 30, 2023

### Short Term Portfolio (under 1 year)

Funds held in this time frame are typically utilized to pay providers, meet operating expenses, distribute pass-through monies, potential State premium recoupments and for amounts owed under various Risk Corridors. Extra liquidity is maintained in the event the State is late with its monthly capitation payment.

<u>Description</u>		<u>Dollar Amount</u>	<u>% of Portfolio</u>	<u>Maximum Allowed Per Policy</u>	<u>Approximate Current Yield</u>	<u>Liquidity</u>	<u>Principal Fluctuation</u>
Wells Fargo - Cash		(1) \$ 700,000	0.15%	100%		1 Day	None
Money Market Accounts	(A)	(1) \$ 104,500,000	22.82%	40%	4.95%	1 Day	None
Local Agency Investment Fund (LAIF)	(B)	(2) \$ 39,500,000	8.62%	50%	3.17%	2 Days	None
US T-Bills & Federal Agencies at Wells Fargo		(1) \$ 189,400,000	41.35%	100%	5.08%	1 Day	Subject to Interest Rate Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	(1) \$ 1,100,000	0.24%		4.50%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total		\$ 335,200,000	73.19%		4.80%		

### Long Term Port Folio ( 1 - 5 years)

Funds held in this time frame are typically for reserves and to take advantage of obtaining higher yields.

UBS Managed Portfolio	(D)	\$ 60,400,000	13.19%		5.41%	3 Days	Subject to Interest Rate and Credit Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	\$ 62,400,000	13.62%		5.04%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total		\$ 122,800,000	26.81%		5.22%		
<b>Total Portfolio</b>		<b>\$ 458,000,000</b>	<b>100.00%</b>		<b>4.91%</b>		

<u>Yield Curve</u>	<u>Yield Curve</u>			
	<u>Treasuries</u>	<u>AA Corporate Bonds</u>	<u>A Corporate Bonds</u>	<u>CD's</u>
1 year	5.34%	5.40%	5.55%	5.25%
2 year	4.76%	5.01%	5.17%	5.00%
3 year	4.24%	4.82%	5.04%	4.75%
5 year	4.11%	4.65%	4.83%	4.50%

- (A) Money market fund comprised of US Treasury and Repurchase Agreement Obligations.
- (B) LAIF is part of a \$178 Billion Pooled Money Investment Account managed by the State Treasurer of CA. Majority of portfolio is comprised of Treasuries, CD's, Time Deposits and Commercial Paper.
- (C) High quality diversified portfolio comprising Federal Agency Securities
- (D) High quality diversified portfolio comprising certificate of deposits, corporate bonds and notes, municipal securities and US Treasury Securities. Includes investments maturing in less than 1 year that will be re-invested for over 1 year at maturity.
- (1) Funds are utilized to pay providers, meet operating expenses and distribute pass-through monies, potential State premium recoupments and for amounts owed under various Risk Corridors. Extra liquidity is maintained in the event the State is late with its monthly capitation payment.
- (2) Funds are primarily utilized to fund various Grant Programs and 2023 capital projects.





**Branch office**  
9201 Camino Media  
Suite 230  
Bakersfield, CA 93311

**Financial Advisor**  
THE COHEN GROUP  
6616633200

# UBS Client Review

As of June 30, 2023

**Report Prepared for:** Kern Health Systems

<b>Account Number</b>	<b>Account Name</b>	<b>Type</b>
EX XX120	BOND PORTFOLIO	Portfolio Management Program
Risk profile:	Conservative	
Return Objective:	Current Income	

## What's inside

Portfolio Review. . . . .	2
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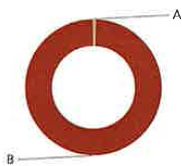
## Portfolio Review

as of June 30, 2023

### Asset Allocation Review

	Value on 06/30/2023 (\$)	% of Portfolio
<b>A Cash</b>	<b>307,911.08</b>	<b>0.51</b>
Cash	307,911.08	0.51
US	307,911.08	0.51
<b>B Fixed Income</b>	<b>60,057,860.82</b>	<b>99.49</b>
US	60,057,860.82	99.49
Government	5,226,917.56	8.66
Corporate IG Credit	54,830,943.26	90.83
<b>C Equity</b>	<b>0.00</b>	<b>0.00</b>
<b>D Commodities</b>	<b>0.00</b>	<b>0.00</b>
<b>E Non-Traditional</b>	<b>0.00</b>	<b>0.00</b>
<b>F Other</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Portfolio</b>	<b>\$60,365,771.90</b>	<b>100%</b>

Balanced mutual funds and Insurance & Annuity products are allocated in the 'Other' category



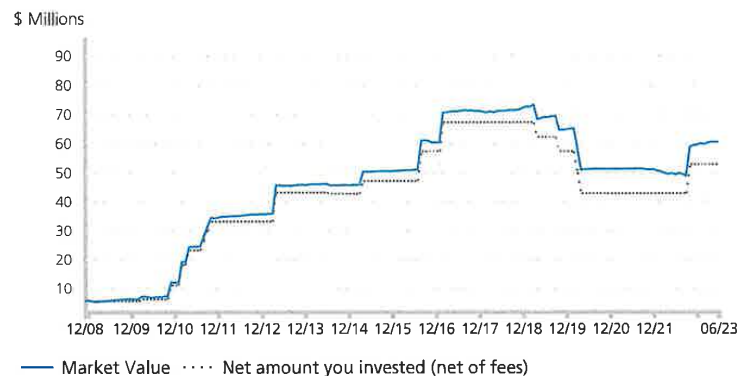
EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

### Sources of Portfolio Value



### Portfolio Value and Investment Results

	Performance returns (annualized > 1 year)			
	For period of	For period of	YTD	YTD
	12/31/2022 to 03/31/2023	03/31/2023 to 06/30/2023	12/31/2022 to 06/30/2023	12/31/2022 to 06/30/2023
<b>Opening value</b>	<b>59,490,576.84</b>	<b>60,142,064.85</b>	<b>59,490,576.84</b>	<b>59,490,576.84</b>
Net deposits/withdrawals	-22,280.50	-19,602.63	-41,883.13	-41,883.13
Div./interest income	266,742.34	410,573.82	677,316.16	677,316.16
Change in accr. interest	85,108.42	-48,199.15	36,909.27	36,909.27
Change in value	321,917.75	-119,064.99	202,852.76	202,852.76
<b>Closing value</b>	<b>60,142,064.85</b>	<b>60,365,771.90</b>	<b>60,365,771.90</b>	<b>60,365,771.90</b>
Net Time-weighted ROR	1.10	0.37	1.47	1.47

Net deposits and withdrawals include program and account fees.

### Summary of Gains and Losses

	Short term (\$)	Long term (\$)	Total (\$)
<b>2022 Realized gains and losses</b>	<b>0.00</b>	<b>-60,398.10</b>	<b>-60,398.10</b>
Taxable	0.00	-60,398.10	-60,398.10
Tax-Deferred	0.00	0.00	0.00
<b>2023 Year to date</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Taxable	0.00	0.00	0.00
Tax-Deferred	0.00	0.00	0.00

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

Accrued interest, if any, has been included in the total market value.

Report created on: August 01, 2023

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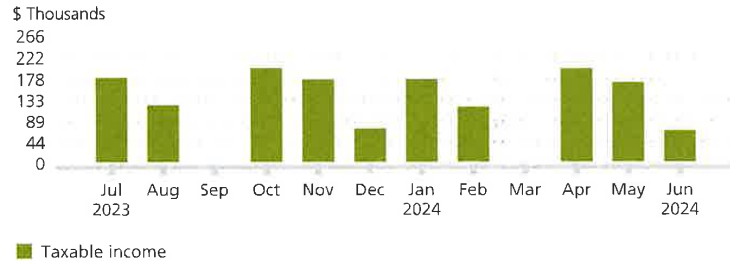


# Portfolio Review

as of June 30, 2023 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program  
 Prepared for: Kern Health Systems  
 Risk profile: Conservative  
 Return Objective: Current Income

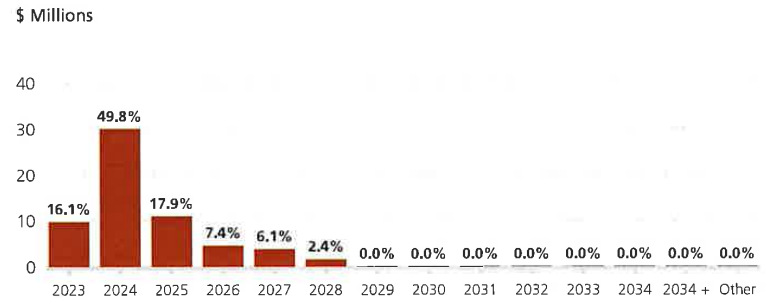
## Expected Cash Flow



**Total taxable income: \$1,520,892.79**  
**Total expected cash flow: \$1,520,892.79**

Cash flows displayed account for known events such as maturities and mandatory puts.

## Bond Maturity Schedule



Effective maturity schedule  
 Cash, mutual funds and some preferred securities are not included.

## Equity Sector Analysis

Compared to S&P 500 index

	Value on 06/30/2023 (\$)	Actual (%)	Model (%)	Gap (%)
Communication Services	0.00	0.00	8.92	-8.92
Consumer Discretionary	0.00	0.00	11.08	-11.08
Consumer Staples	0.00	0.00	7.13	-7.13
Energy	0.00	0.00	4.21	-4.21
Financials	0.00	0.00	12.18	-12.18
Health Care	0.00	0.00	12.95	-12.95
Industrials	0.00	0.00	8.45	-8.45
Information Technology	0.00	0.00	27.70	-27.70
Materials	0.00	0.00	2.46	-2.46
Real Estate	0.00	0.00	2.42	-2.42
Utilities	0.00	0.00	2.50	-2.50
<b>Total classified equity</b>	<b>\$0.00</b>			
Unclassified Securities	0.00			

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.  
 Accrued interest, if any, has been included in the total market value.

Report created on: August 01, 2023



## Portfolio Review

as of June 30, 2023 (continued)

### Summary of Performance by Account

	Performance start date	Value on 06/30/2023 (\$)	% of portfolio		Performance returns (annualized > 1 year)			
					For period of 12/31/2022 to 03/31/2023	For period of 03/31/2023 to 06/30/2023	YTD 12/31/2022 to 06/30/2023	YTD 12/31/2022 to 06/30/2023
EX XX120 BOND PORTFOLIO•PMP•The Cohen Group Fixed Income - PIV Risk profile: Conservative Return objective: Current Income	Dec 08, 2008	60,365,771.90	100.00%	Net time-weighted	1.10%	0.37%	1.47%	1.47%
<b>Total Portfolio</b>	<b>Dec 08, 2008</b>	<b>\$60,365,771.90</b>	<b>100%</b>	<b>Net time-weighted</b>	<b>1.10%</b>	<b>0.37%</b>	<b>1.47%</b>	<b>1.47%</b>
<b>Benchmarks - Annualized time-weighted returns</b>					For period of 12/31/2022 to 03/31/2023	For period of 03/31/2023 to 06/30/2023	YTD 12/31/2022 to 06/30/2023	YTD 12/31/2022 to 06/30/2023
Blended Index					1.39%	-0.08%	1.30%	1.30%
Blended Index 2					1.24%	0.54%	1.79%	1.79%
US Treasury Bill - 3 Mos					1.09%	1.22%	2.33%	2.33%
BBG US Agg (1-3 Y)					1.51%	-0.36%	1.15%	1.15%
S&P 500					7.50%	8.74%	16.89%	16.89%

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

**Blended Index: 11/04/2019 - Current:** 45% BBG US Corp 1-3Y Incp76; 55% BBG US Agg Gvt & CR 1-3 Y+ **Blended Index 2: Start - Current:** 30% BofA 1Y Trs Note; 40% BofA US Corp 1-3Y A-AAA; 30% US Treasury Bill - 3 Mos  
+Additional benchmark information can be found on the benchmark composition page.

Report created on: August 01, 2023

Page 4 of 21



# Asset Allocation Review

as of June 30, 2023

## Summary of Asset Allocation

	Market value (\$)	% of Portfolio
<b>Cash</b>	<b>307,911.08</b>	<b>0.51</b>
Cash	307,911.08	0.51
US	307,911.08	0.51
<b>Fixed Income</b>	<b>60,057,860.82</b>	<b>99.49</b>
<b>US</b>	<b>60,057,860.82</b>	<b>99.49</b>
Government	5,226,917.56	8.66
Corporate IG Credit	54,830,943.26	90.83
<b>Equity</b>	<b>0.00</b>	<b>0.00</b>
<b>Commodities</b>	<b>0.00</b>	<b>0.00</b>
<b>Non-Traditional</b>	<b>0.00</b>	<b>0.00</b>
<b>Other</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Portfolio</b>	<b>\$60,365,771.90</b>	<b>100%</b>

Balanced mutual funds and Insurance & Annuity products are allocated in the 'Other' category

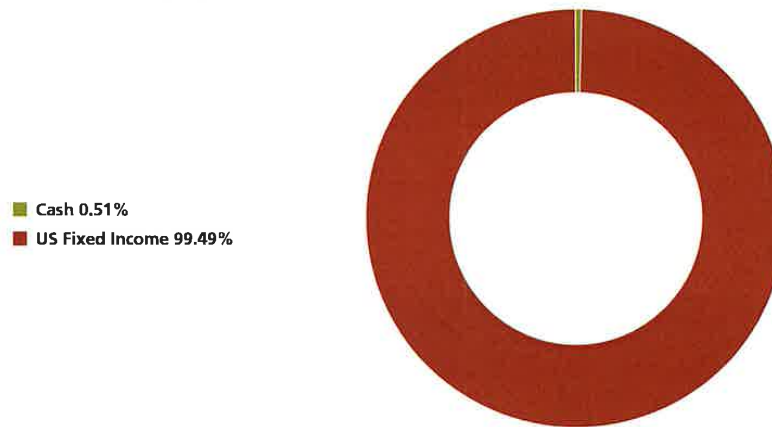
EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

Total Value: \$60,365,771.90



Accrued interest, if any, has been included in the total market value.

Report created on: August 01, 2023



## Asset Allocation by Account

as of June 30, 2023

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for: Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

	Equities (\$/%)			Fixed Income (\$/%)			Non-Traditional (\$/%)	Commodities (\$/%)	Other (\$/%)	Total	
	Cash (\$/%)	U.S.	Global	International	U.S.	Global					International
	307,911.08	0.00	0.00	0.00	60,057,860.82	0.00	0.00	0.00	0.00	0.00	\$60,365,771.90
<b>Total Portfolio</b>	<b>0.51</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>99.49</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>100%</b>
	307,911.08	0.00	0.00	0.00	60,057,860.82	0.00	0.00	0.00	0.00	0.00	\$60,365,771.90
	0.51	0.00	0.00	0.00	99.49	0.00	0.00	0.00	0.00	0.00	100.00%

EX XX120 , BOND PORTFOLIO , BSA PMP

Risk profile: Conservative

Return objective: Current Income

	Equities (\$/%)			Fixed Income (\$/%)			Non-Traditional (\$/%)	Commodities (\$/%)	Other (\$/%)	Total	
	Cash (\$/%)	U.S.	Global	International	U.S.	Global					International
	307,911.08	0.00	0.00	0.00	60,057,860.82	0.00	0.00	0.00	0.00	0.00	\$60,365,771.90
<b>Total Portfolio</b>	<b>0.51</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>99.49</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>100%</b>

Balanced mutual funds and Insurance & Annuity products are allocated in the 'Other' category

Accrued interest, if any, has been included in the total market value.

Report created on: August 01, 2023



## Bond Summary

as of June 30, 2023

### Bond Overview

Total quantity	61,955,000
Total market value	\$59,880,963.75
Total accrued interest	\$405,482.57
Total market value plus accrued interest	\$60,286,446.32
Total estimated annual bond interest	\$1,538,006.25
Average coupon	2.49%
Average current yield	2.57%
Average yield to maturity	5.41%
Average yield to worst	5.41%
Average modified duration	1.44
Average effective maturity	1.55

### Credit Quality of Bond Holdings

Effective credit rating	Issues	Value on 06/30/2023 (\$)	% of port.
<b>A</b> Aaa/AAA/AAA	6	6,720,282.97	11.18
<b>B</b> Aa/AA/AA	5	7,123,129.42	11.83
<b>C</b> A/A/A	31	45,474,146.43	75.37
<b>D</b> Baa/BBB/BBB	1	968,887.50	1.61
<b>E</b> Non-investment grade	0	0.00	0.00
<b>F</b> Certificate of deposit	0	0.00	0.00
<b>G</b> Not rated	0	0.00	0.00
<b>Total</b>	<b>43</b>	<b>\$60,286,446.32</b>	<b>100%</b>



### EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for: Kern Health Systems

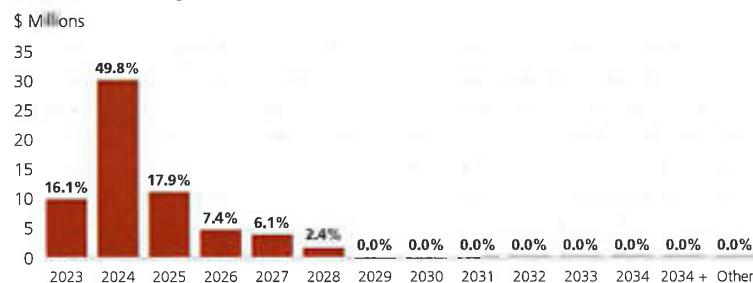
Risk profile: Conservative

Return Objective: Current Income

### Investment Type Allocation

Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
U.S. corporates	54,830,943.26	0.00	54,830,943.26	90.95
U.S. federal agencies	5,226,917.55	0.00	5,226,917.55	8.67
U.S. treasuries	228,585.50	0.00	228,585.50	0.38
<b>Total</b>	<b>\$60,286,446.31</b>	<b>\$0.00</b>	<b>\$60,286,446.31</b>	<b>100%</b>

### Bond Maturity Schedule



Effective maturity schedule

Cash, mutual funds and some preferred securities are not included

Includes all fixed income securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.

Report created on: August 01, 2023



# Bond Holdings

as of June 30, 2023

**EX XX120 • BOND PORTFOLIO • Portfolio Management Program**  
**Prepared for Kern Health Systems**  
 Risk profile: Conservative  
 Return Objective: Current Income

## Summary of Bond Holdings

Maturity Year	Issues	Quantity	Est. annual income (\$)	Current yield (%)	Yield to maturity (%)	Yield to worst (%)	Modified duration	Adjusted cost basis (\$)	Unrealized gain/loss (\$)	Mkt. value (\$)	% of bond portfolio maturing
2023	7	9,830,000	35,400.00	0.37%	4.88%	4.88%	0.27	9,825,353.51	-132,164.01	9,701,987.83	16.19%
2024	20	31,025,000	747,506.25	2.50%	5.75%	5.75%	1.13	31,306,292.48	-1,459,500.73	30,001,062.24	49.84%
2025	8	11,100,000	407,850.00	3.79%	5.42%	5.42%	1.80	11,066,402.86	-299,474.86	10,906,195.92	17.98%
2026	3	4,650,000	148,500.00	3.34%	4.89%	4.89%	2.62	4,452,975	-12,007.50	4,491,242.50	7.42%
2027	4	3,850,000	133,125.00	3.64%	4.90%	4.90%	3.51	3,639,288	17,019.00	3,700,427.83	6.11%
2028	1	1,500,000	65,625.00	4.44%	4.73%	4.73%	4.31	1,493,730	-16,950.00	1,485,530.00	2.47%
2029	0	0			N/A	N/A	N/A				
2030	0	0			N/A	N/A	N/A				
2031	0	0			N/A	N/A	N/A				
2032	0	0			N/A	N/A	N/A				
2033	0	0			N/A	N/A	N/A				
2034	0	0			N/A	N/A	N/A				
2035	0	0			N/A	N/A	N/A				
2036	0	0			N/A	N/A	N/A				
2037	0	0			N/A	N/A	N/A				
2038	0	0			N/A	N/A	N/A				
2039	0	0			N/A	N/A	N/A				
2040	0	0			N/A	N/A	N/A				
2041	0	0			N/A	N/A	N/A				
2042	0	0			N/A	N/A	N/A				
2043	0	0			N/A	N/A	N/A				
2044	0	0			N/A	N/A	N/A				
2045	0	0			N/A	N/A	N/A				
2046	0	0			N/A	N/A	N/A				
2047	0	0			N/A	N/A	N/A				
2048	0	0			N/A	N/A	N/A				
2048 +	0	0			N/A	N/A	N/A				
Other	0	0			N/A	N/A	N/A				
<b>Total</b>	<b>43</b>	<b>61,955,000</b>	<b>\$1,538,006.25</b>	<b>2.57%</b>	<b>5.41%</b>	<b>5.41%</b>	<b>1.44</b>	<b>\$61,784,041.85</b>	<b>\$-1,903,078.10</b>	<b>\$60,286,446.32</b>	

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.

Report created on: August 01, 2023





# Bond Holdings

as of June 30, 2023 (continued)

**EX XX120 • BOND PORTFOLIO • Portfolio Management Program**  
**Prepared for Kern Health Systems**  
 Risk profile: Conservative  
 Return Objective: Current Income

## Details of Bond Holdings

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
<b>Total Bond Portfolio</b>		<b>61,955,000</b>	<b>2.49%</b>	<b>01/15/2025</b>	<b>N/A</b>	<b>\$1,538,006.25</b> <b>2.57%</b>	<b>5.41%</b> <b>5.41%</b>	<b>1.44</b>	<b>\$61,784,041.85</b> <b>\$-1,903,078.10</b>	<b>N/A</b>	<b>\$59,880,963.75</b> <b>\$405,482.57</b> <b>\$60,286,446.32</b>	<b>100%</b>
<b>Maturing 2023</b>												
JOHN DEERE CPTL CORP 00.700% 070523 DTD060420 FC010521 MED TERM NTS	A2/A+ NR/NR/NR	1,000,000	0.70%	07/05/2023		7,000.00 0.70%	0.70% 0.70%	0.01	1,000,047.87 -47.87	100.000	1,000,000.00 3,402.78	1.67%
PACCAR FINANCIAL CORP 00.350% 081123 DTD081120 FC021121 MED TERM NTS	A1/NR/A+ NR/NR/NR	2,000,000	0.35%	08/11/2023		7,000.00 0.35%	5.04% 5.04%	0.11	2,000,000.00 -10,640.00	99.468	1,989,360.00 2,702.78	3.32%
UNITED STATES TREAS BILL DUE 08/15/23	Aaa/NR/AA+ NR/NR/NR	230,000		08/15/2023			4.84% 4.84%	0.12	226,217.74 2,367.76	99.385	228,585.50 0.00	0.38%
PEPSICO INC NTS B/E 00.400% 100723 DTD100720 FC040721	A1/NR/A+ NR/NR/NR	600,000	0.40%	10/07/2023		2,400.00 0.40%	4.74% 4.74%	0.26	600,274.31 -7,210.31	98.844	593,064.00 553.33	0.99%
FFCB BOND 00.290 % DUE 110223 DTD 110220 FC 05022021	NR/AAA/AA+ NR/NR/NR	2,000,000	0.29%	11/02/2023		5,800.00 0.30%	5.60% 5.60%	0.33	1,998,818.00 -34,158.00	98.233	1,964,660.00 934.44	3.28%
FANNIE MAE NTS 00.310 % DUE 111623 DTD 111620 FC 05162021	Aaa/AAA/AA+ NR/NR/NR	2,000,000	0.31%	11/16/2023	08/16/2023 100.00	6,200.00 0.32%	5.60% 5.60%	0.36	1,999,800.00 -38,940.00	98.043	1,960,860.00 757.78	3.27%
BANK OF NY MELLON CORP 00.350% 120723 DTD120720 FC060721 NTS B/E	A1/AA-/A NR/NR/NR	2,000,000	0.35%	12/07/2023	11/07/2023 100.00	7,000.00 0.36%	5.44% 5.44%	0.42	2,000,195.59 -43,535.59	97.833	1,956,660.00 447.22	3.27%
<b>Total 2023</b>		<b>9,830,000</b>	<b>0.37%</b>	<b>10/10/2023</b>		<b>\$35,400.00</b> <b>0.37%</b>	<b>4.88%</b> <b>4.88%</b>	<b>0.27</b>	<b>\$9,825,353.51</b> <b>\$-132,164.01</b>		<b>\$9,693,189.50</b> <b>\$8,798.33</b>	<b>16.19%</b>

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.

Report created on: August 01, 2023



## Bond Holdings

as of June 30, 2023 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
<b>Maturing 2024</b>												
US BANCORP MED TERM NTS 03.375% 020524 DTD020419 FACTOR 1.000000000000	A3/A+/A NR/NR/NR	300,000	3.38%	02/05/2024	01/05/2024 100.00	10,125.00 3.42%	5.88% 5.88%	0.57	305,110.80 -9,469.80	98.547	295,641.00 4,078.13	0.49%
MICROSOFT CORP NTS B/E 02.875% 020624 DTD020617 FC080617 CALL@MW+12.5BP	Aaa/WD/AAA NR/NR/NR	875,000	2.88%	02/06/2024	12/06/2023 100.00	25,156.25 2.92%	5.46% 5.46%	0.57	875,811.01 -13,997.26	98.493	861,813.75 10,062.50	1.44%
COMCAST CORP NTS B/E 03.700% 041524 DTD100518 FC041519 CALL@MW+15BP	A3/A-/A- NR/NR/NR	1,500,000	3.70%	04/15/2024	03/15/2024 100.00	55,500.00 3.75%	5.49% 5.49%	0.76	1,513,722.65 -34,332.65	98.626	1,479,390.00 11,562.50	2.47%
APPLE INC NTS B/E 2.850% 051124 DTD051117 FC111117 CALL@MW+12.5BP	Aaa/NR/AA+ NR/NR/NR	400,000	2.85%	05/11/2024	03/11/2024 100.00	11,400.00 2.91%	5.44% 5.44%	0.83	408,238.90 -16,886.90	97.838	391,352.00 1,551.67	0.65%
AMAZON COM INC NTS B/E 00.450% 051224 DTD051221 CALL@MW+2.5BP	A1/AA-/AA NR/NR/NR	2,000,000	0.45%	05/12/2024		9,000.00 0.47%	5.39% 5.39%	0.84	1,997,660.00 -80,280.00	95.869	1,917,380.00 1,200.00	3.20%
JPMORGAN CHASE & CO NTS 03.625% 051324 DTD051314 FC111314 B/E	A1/AA-/A- NR/NR/NR	1,800,000	3.63%	05/13/2024		65,250.00 3.69%	5.74% 5.74%	0.83	1,846,562.64 -78,440.64	98.229	1,768,122.00 8,518.75	2.95%
US BANCORP NTS B/E 02.400% 073024 DTD072919 FC013020	A3/A+/A NR/NR/NR	2,000,000	2.40%	07/30/2024	05/30/2024 100.00	48,000.00 2.49%	5.83% 5.83%	1.03	1,967,640.00 -38,720.00	96.446	1,928,920.00 20,000.00	3.22%
BB&T CORP NTS B/E 02.500% 080124 DTD072919 FC020120	A3/A-/A- NR/NR/NR	1,000,000	2.50%	08/01/2024	07/01/2024 100.00	25,000.00 2.60%	6.33% 6.33%	1.03	1,021,019.29 -60,639.29	96.038	960,380.00 10,347.22	1.60%
UNITEDHEALTH GROUP INC 02.375% 081524 DTD072519 CALL@MW+10BP NTS	A3/A+/A+ NR/NR/NR	2,250,000	2.38%	08/15/2024		53,437.50 2.46%	5.51% 5.51%	1.07	2,252,851.26 -78,766.26	96.626	2,174,085.00 20,039.06	3.63%

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## Bond Holdings

as of June 30, 2023 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for: Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
<b>Maturing 2024</b>												
JOHN DEERE CAPITAL CORP 00.625% 091024 DTD091021 FC031022 NTS B/E	A2/A+/A NR/NR/NR	1,400,000	0.63%	09/10/2024		8,750.00 0.66%	5.47% 5.47%	1.15	1,400,744.30 -78,136.30	94.472	1,322,608.00 2,673.61	2.21%
PAYPAL HOLDINGS INC NTS 02.400% 100124 DTD092619 FC040120 CALL@MW+15BP	A3/A-/A- NR/NR/NR	2,250,000	2.40%	10/01/2024	09/01/2024 100.00	54,000.00 2.50%	5.68% 5.68%	1.20	2,262,885.75 -100,995.75	96.084	2,161,890.00 13,350.00	3.61%
SIMON PPTY GROUP LP B/E 03.375% 100124 DTD091014 FC040115 CALL@MW+15BP	A3/WD/A- NR/NR/NR	1,900,000	3.38%	10/01/2024	07/01/2024 100.00	64,125.00 3.48%	5.96% 5.96%	1.19	1,957,005.54 -115,563.54	96.918	1,841,442.00 15,853.13	3.08%
BK OF NY MELLON CORP NTS 00.850% 102524 DTD102521 FC042522 B/E	A1/AA-/A NR/NR/NR	1,500,000	0.85%	10/25/2024	09/25/2024 100.00	12,750.00 0.91%	5.76% 5.76%	1.27	1,500,930.68 -93,300.68	93.842	1,407,630.00 2,302.08	2.35%
BB&T CORP MED TERM NTS 02.850% 102624 DTD102617 FC042618 B/E	A3/A-/A- NR/NR/NR	2,000,000	2.85%	10/26/2024	09/26/2024 100.00	57,000.00 2.97%	6.05% 6.05%	1.26	1,983,511.38 -63,891.38	95.981	1,919,620.00 10,133.33	3.21%
PNC FINL SERV GRP INC WT 02.200% 110124 DTD110119 FC050120 EXP NTS B/E	A3/A-/A- NR/NR/NR	2,000,000	2.20%	11/01/2024	10/01/2024 100.00	44,000.00 2.32%	6.15% 6.15%	1.27	2,044,388.05 -144,228.05	95.008	1,900,160.00 7,211.11	3.17%
GENERAL DYNAMICS CORP 02.375% 111524 DTD091417 FC051518 CALL@MW+10BP	A3/WD/A- NR/NR/NR	1,750,000	2.38%	11/15/2024	09/15/2024 100.00	41,562.50 2.48%	5.55% 5.55%	1.32	1,789,030.85 -111,585.85	95.854	1,677,445.00 5,195.31	2.80%
ORACLE CORP NTS B/E 02.950% 111524 DTD110917 FC051518 CALL@MW+15BP	Baa2/BBB/BBB NR/NR/NR	1,000,000	2.95%	11/15/2024	09/15/2024 100.00	29,500.00 3.06%	5.61% 5.61%	1.31	1,027,494.82 -62,294.82	96.520	965,200.00 3,687.50	1.61%
TRUIST BANK NTS B/E 02.150% 120624 DTD120619 FC060620	A2/A+/A NR/NR/NR	2,000,000	2.15%	12/06/2024	11/06/2024 100.00	43,000.00 2.28%	6.39% 6.39%	1.37	1,995,582.90 -110,062.90	94.276	1,885,520.00 2,866.67	3.15%

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Report created on: August 01, 2023



## Bond Holdings

as of June 30, 2023 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for: Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
<b>Maturing 2024</b>												
WAL MART STORES INC NTS 02.650% 121524 DTD102017 FC061518 CALL@MW+10BP	Aa2/AA/AA NR/NR/NR	1,900,000	2.65%	12/15/2024	10/15/2024 100.00	50,350.00 2.75%	5.30% 5.30%	1.40	1,953,841.49 -123,552.49	96.331	1,830,289.00 2,097.92	3.06%
STATE STREET CORP B/E 03.300% 121624 DTD121514 FC061615	A1/AA-/A NR/NR/NR	1,200,000	3.30%	12/16/2024		39,600.00 3.42%	5.84% 5.84%	1.39	1,202,260.17 -44,356.17	96.492	1,157,904.00 1,540.00	1.93%
<b>Total 2024</b>		<b>31,025,000</b>	<b>2.42%</b>	<b>09/04/2024</b>		<b>\$747,506.25</b> <b>2.50%</b>	<b>5.75%</b> <b>5.75%</b>	<b>1.13</b>	<b>\$31,306,292.48</b> <b>-\$1,459,500.73</b>		<b>\$29,846,791.75</b> <b>\$154,270.49</b>	<b>49.84%</b>
<b>Maturing 2025</b>												
JPMORGAN CHASE & CO B/E 03.125% 012325 DTD012315 FC072315	A1/AA-/A NR/NR/NR	2,400,000	3.13%	01/23/2025	10/23/2024 100.00	75,000.00 3.24%	5.42% 5.42%	1.47	2,478,284.36 -159,980.36	96.596	2,318,304.00 32,708.33	3.87%
BK OF NY MELLON CORP B/E 03.000% 022425 DTD022415 FC082415	A1/AA-/A NR/NR/NR	1,300,000	3.00%	02/24/2025	01/24/2025 100.00	39,000.00 3.12%	5.55% 5.55%	1.56	1,328,980.50 -80,525.50	96.035	1,248,455.00 13,650.00	2.08%
BURLINGTN NORTH SANTA FE 03.000% 040125 DTD030915 FC100115 CALL@MW+15BP	A3/NR/AA- NR/NR/NR	1,000,000	3.00%	04/01/2025	01/01/2025 100.00	30,000.00 3.12%	5.28% 5.28%	1.66	957,230.00 5,080.00	96.231	962,310.00 7,416.67	1.61%
PNC BK B/E 03.250% 060125 DTD060115 FC120115	A2/A+/A NR/NR/NR	300,000	3.25%	06/01/2025	05/01/2025 100.00	9,750.00 3.41%	5.88% 5.88%	1.81	295,368.00 -9,525.00	95.281	285,843.00 785.42	0.48%
UNION PAC CORP NTS B/E 03.750% 071525 DTD060818 FC011519 CALL@MW+15BP	A3/A-/A- NR/NR/NR	2,000,000	3.75%	07/15/2025	05/15/2025 100.00	75,000.00 3.86%	5.29% 5.29%	1.89	1,940,760.00 160.00	97.046	1,940,920.00 34,375.00	3.24%
MORGAN STANLEY B/E 04.000% 072325 DTD072315 FC012316 CALL@MW+25BP	A1/A+/A- NR/NR/NR	1,800,000	4.00%	07/23/2025		72,000.00 4.12%	5.52% 5.52%	1.91	1,798,200.00 -50,796.00	97.078	1,747,404.00 31,400.00	2.92%

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## Bond Holdings

as of June 30, 2023 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
<b>Maturing 2025</b>												
COMCAST CORP NTS B/E 3.950% 101525 DTD100518 FC041519 CALL@MW+15BP	A3/A-/A- NR/NR/NR	1,000,000	3.95%	10/15/2025	08/15/2025 100.00	39,500.00 4.05%	5.13% 5.13%	2.14	968,230.00 6,460.00	97,469	974,690.00 8,229.17	1.63%
FFCB BOND 05.200 % DUE 110325 DTD 110322 FC 05032023	Aaa/AAA/AA+ NR/NR/NR	1,300,000	5.20%	11/03/2025	11/03/2023 100.00	67,600.00 5.24%	5.59% 5.59%	2.15	1,299,350.00 -10,348.00	99,154	1,289,002.00 10,703.33	2.15%
<b>Total 2025</b>		<b>11,100,000</b>	<b>3.68%</b>	<b>06/04/2025</b>		<b>\$407,850.00</b> <b>3.79%</b>	<b>5.42%</b> <b>5.42%</b>	<b>1.80</b>	<b>\$11,066,402.86</b> <b>\$-299,474.86</b>		<b>\$10,766,928.00</b> <b>\$139,267.92</b>	<b>17.98%</b>
<b>Maturing 2026</b>												
LOCKHEED MARTIN CORP B/E 03.550% 011526 DTD112315 FC071516 CALL@MW+20BP	A3/A-/A- NR/NR/NR	1,500,000	3.55%	01/15/2026	10/15/2025 100.00	53,250.00 3.66%	4.84% 4.84%	2.35	1,445,685.00 8,370.00	96,937	1,454,055.00 24,406.25	2.43%
BANK OF AMER CORP NTS 03.500% 041926 DTD041916 FC101916 B/E	A1/AA-/A- NR/NR/NR	1,650,000	3.50%	04/19/2026		57,750.00 3.65%	5.09% 5.09%	2.60	1,581,525.00 742.50	95,895	1,582,267.50 11,389.58	2.64%
ARCHER-DANIELS-MIDL& CO 02.500% 081126 DTD081116 FC021117 CALL@MW+15BP	A2/A/A NR/NR/NR	1,500,000	2.50%	08/11/2026	05/11/2026 100.00	37,500.00 2.67%	4.72% 4.72%	2.91	1,425,765.00 -21,120.00	93,643	1,404,645.00 14,479.17	2.35%
<b>Total 2026</b>		<b>4,650,000</b>	<b>3.20%</b>	<b>04/25/2026</b>		<b>\$148,500.00</b> <b>3.34%</b>	<b>4.89%</b> <b>4.89%</b>	<b>2.62</b>	<b>\$4,452,975.00</b> <b>\$-12,007.50</b>		<b>\$4,440,967.50</b> <b>\$50,275.00</b>	<b>7.42%</b>

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## Bond Holdings

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Risk profile: Conservative

Return Objective: Current Income

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
<b>Maturing 2027</b>												
MORGAN STANLEY B/E 03.625% 012027 DTD012017 FC072017	A1/A+/A- NR/NR/NR	1,000,000	3.63%	01/20/2027	11/15/2026 100.00	36,250.00 3.82%	5.20% 5.20%	3.22	913,100.00 36,200.00	94.930	949,300.00 16,111.11	1.59%
AMAZON.COM INC NTS B/E 03.300% 041327 DTD041322 FC101322 CALL@MW+10BP	A1/AA-/AA NR/NR/NR	1,000,000	3.30%	04/13/2027	03/13/2027 100.00	33,000.00 3.47%	4.69% 4.69%	3.47	942,880.00 9,220.00	95.210	952,100.00 7,058.33	1.59%
QUALCOMM INC NTS B/E 03.250% 052027 DTD052617 FC112017 CALL @MW+20BP	A2/NR/A NR/NR/NR	350,000	3.25%	05/20/2027	02/20/2027 100.00	11,375.00 3.43%	4.77% 4.77%	3.57	336,483.00 -5,166.00	94.662	331,317.00 1,263.89	0.55%
META PLATFORMS INC NTS 03.500% 081527 DTD080922 FC021523 CALL@MW+15BP	A1/NR/AA- NR/NR/NR	1,500,000	3.50%	08/15/2027	07/15/2027 100.00	52,500.00 3.69%	4.88% 4.88%	3.72	1,446,825.00 -23,235.00	94.906	1,423,590.00 19,687.50	2.38%
<b>Total 2027</b>		<b>3,850,000</b>	<b>3.46%</b>	<b>05/13/2027</b>		<b>\$133,125.00</b> <b>3.64%</b>	<b>4.90%</b> <b>4.90%</b>	<b>3.51</b>	<b>\$3,639,288.00</b> <b>\$17,019.00</b>		<b>\$3,656,307.00</b> <b>\$44,120.83</b>	<b>6.11%</b>
<b>Maturing 2028</b>												
ESTEE LAUDER CO INC NTS 04.375% 051528 DTD051223 FC111523 CALL@MW+15BP	A1/NR/A+ NR/NR/NR	1,500,000	4.38%	05/15/2028	04/15/2028 100.00	65,625.00 4.44%	4.73% 4.73%	4.31	1,493,730.00 -16,950.00	98.452	1,476,780.00 8,750.00	2.47%
<b>Total 2028</b>		<b>1,500,000</b>	<b>4.38%</b>	<b>05/15/2028</b>		<b>\$65,625.00</b> <b>4.44%</b>	<b>4.73%</b> <b>4.73%</b>	<b>4.31</b>	<b>\$1,493,730.00</b> <b>\$-16,950.00</b>		<b>\$1,476,780.00</b> <b>\$8,750.00</b>	<b>2.47%</b>
<b>Total Bond Portfolio</b>		<b>61,955,000</b>	<b>2.49%</b>	<b>01/15/2025</b>	<b>N/A</b>	<b>\$1,538,006.25</b> <b>2.57%</b>	<b>5.41%</b> <b>5.41%</b>	<b>1.44</b>	<b>\$61,784,041.85</b> <b>\$-1,903,078.10</b>	<b>N/A</b>	<b>\$59,880,963.75</b> <b>\$405,482.57</b> <b>\$60,286,446.32</b>	<b>100%</b>

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.

Report created on: August 01, 2023



## Additional Information About Your Portfolio

as of June 30, 2023

### Benchmark Composition

#### Account EX XX120

Blended Index

**Start - 05/15/2017:** 50% BBG US Gvt 1-3 Y; 50% BBG USAgg GvtCr 1-5Y

**05/15/2017 - 05/31/2018:** 100% BBG Agg Bond

**05/31/2018 - 11/04/2019:** 100% BBG Agg Bond

**11/04/2019 - Current:** 45% BBG US Corp 1-3Y Incp76; 55% BBG US Agg Gvt & CR 1-3 Y

Blended Index 2

**Start - Current:** 30% BofA 1Y Trs Note; 40% BofA US Corp 1-3Y A-AAA; 30% US Treasury Bill - 3 Mos

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income



## Disclosures Applicable to Accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS FS account statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports. You should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise.

UBS FS offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including fee-based financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provides detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

In our attempt to provide you with the highest quality information available, we have compiled this report using data obtained from recognized statistical sources and authorities in the financial industry. While we believe this information to be reliable, we cannot make any representations regarding its accuracy or completeness. Please keep this guide as your Advisory Review.

Please keep in mind that most investment objectives are long term. Although it is important to evaluate your portfolio's performance over multiple time periods, we believe the greatest emphasis should be placed on the longer period returns.

Please review the report content carefully and contact your Financial Advisor with any questions.

**Client Accounts:** This report may include all assets in the accounts listed and may include eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your accounts and does not reflect the performance of your accounts in the fee-based program. As a result, the performance reflected in this report can vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs. For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. When shown on a report, the risk profile and return objectives describe your overall goals for these accounts. For each account you maintain, you choose one return objective and a primary risk profile. If you have questions regarding these objectives or wish to change them, please contact your Financial Advisor to update your account records.

**Performance:** This report presents account activity and performance depending on which inception type you've chosen. The two options are: (1) All Assets (Since Performance Start): This presents performance for all assets since the earliest possible date; (2) Advisory Assets (Advisory Strategy Start) for individual advisory accounts: This presents Advisory level performance since the Latest Strategy Start date; If an account that has never been managed is included in the consolidated report, the total performance of that unmanaged account will be included since inception.

**Time-weighted Returns for accounts / SWP/AAP sleeves (Monthly periods):** The report displays a time weighted rate of return (TWR) that is calculated using the Modified Dietz Method. This calculation uses the beginning and ending portfolio values for the month and weighs each contribution/withdrawal based upon the day the cash flow occurred. Periods greater than one month are calculated by linking the monthly returns. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. All periods shown which are greater than 12 months are annualized. This applies to all performance for all assets before 09/30/2010, Advisory assets before 12/31/2010 and SWP sleeves before 04/30/2018.

**Time-weighted Returns for accounts / SWP/AAP sleeves (Daily periods):** The report displays a time weighted rate of return (TWR) that is calculated by dividing the portfolio's daily gain/loss by the previous day's closing market value plus the net value of cash flows that occurred during the day, if it was positive. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. Periods greater than one day are calculated by linking the daily returns. All periods shown which are greater than 12 months are annualized. For reports generated prior to 01/26/2018, the performance calculations used the account's end of day value on the performance inception (listed in the report under the column "ITD") and all cash flows were posted at end of day. As a result of the change, the overall rate of return (TWR) and beginning market value displayed can vary from prior generated reports. This applies to all performance for all assets on or after 09/30/2010, Advisory assets on or after 12/31/2010, SWP/AAP sleeves on or after 04/30/2018 as well as all Asset Class and Security level returns.

**Money-weighted returns:** Money-weighted return (MWR) is a measure of the rate of return for an asset or portfolio of assets. It is calculated by finding the daily Internal Rate of Return (IRR) for the period and then compounding this return by the number of days in the period being measured. The MWR incorporates the size and timing of cash flows, so it is an effective measure of returns on a portfolio.

**Annualized Performance:** All performance periods greater than one year are calculated (unless otherwise stated) on an annualized basis, which represents the return on an investment multiplied or divided to give a comparable one year return.

**Cumulative Performance:** A cumulative return is the aggregate amount that an investment has gained or lost over time, independent of the period of time involved.

**Net of Fees and Gross of Fees Performance:** Performance is presented on a "net of fees" and "gross of fees" basis, where indicated. Net returns do not reflect Program and wrap fees prior to 10/31/10 for accounts that are billed separately via invoice through a separate account billing arrangement. Gross returns do not reflect the deduction of fees, commissions or other charges. The payment of actual fees and expenses will reduce a client's return. The compound effect of such fees and expenses should be considered when reviewing returns. For example, the net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance. It should also be noted that where gross returns are compared to an index, the index performance also does not reflect any transaction costs, which would lower the performance results. Market index data maybe subject to review and revision.

**Benchmark/Major Indices:** The past performance of an index is not a guarantee of future results. Any benchmark is shown for informational purposes only and relates to historical performance of market indices and not the performance of actual investments. Although most portfolios use indices as benchmarks, portfolios are actively managed and generally are not restricted to investing only in securities in the index. As a result, your





## Disclosures Applicable to Accounts at UBS Financial Services Inc. *(continued)*

portfolio holdings and performance may vary substantially from the index. Each index reflects an unmanaged universe of securities without any deduction for advisory fees or other expenses that would reduce actual returns, as well as the reinvestment of all income and dividends. An actual investment in the securities included in the index would require an investor to incur transaction costs, which would lower the performance results. Indices are not actively managed and investors cannot invest directly in the indices. Market index data maybe subject to review and revision. Further, there is no guarantee that an investor's account will meet or exceed the stated benchmark. Index performance information has been obtained from third parties deemed to be reliable. We have not independently verified this information, nor do we make any representations or warranties to the accuracy or completeness of this information.

**Blended Index - For Advisory accounts,** Blended Index is designed to reflect the asset categories in which your account is invested. For Brokerage accounts, you have the option to select any benchmark from the list.

For certain products, the blended index represents the investment style corresponding to your client target allocation. If you change your client target allocation, your blended index will change in step with your change to your client target allocation.

**Blended Index 2 - 8 -** are optional indices selected by you which may consist of a blend of indexes. For advisory accounts, these indices are for informational purposes only. Depending on the selection, the benchmark selected may not be an appropriate basis for comparison of your portfolio based on its holdings.

For strategies that are highly customized, such as Concentrated Equity Solutions (CES), benchmarks are broad market indices included for general reference and are not intended to show comparative market performance or potential portfolios with risk or return profiles similar to your account. Benchmark indices are shown for illustrative purposes only.

**Custom Time Periods:** If represented on this report, the performance start date and the performance end date have been selected by your Financial Advisor in order to provide performance and account activity information for your account for the specified period of time only. As a result, only a portion of your account's activity and performance information is presented in the performance report, and, therefore, presents a distorted representation of your account's activity and performance.

**Net Deposits/Withdrawals:** When shown on a report, this information represents the net value of all cash and securities contributions and withdrawals, program fees (including wrap fees) and other fees added to or subtracted from your accounts from the first day to the last day of the period. When fees are shown separately, net deposits / withdrawals does not include program fees (including wrap fees). When investment return is displayed net deposits / withdrawals does not include program fees (including wrap fees). For security contributions and withdrawals, securities are calculated using the end of day UBS FS price on the day securities are delivered in or out of the accounts. Wrap fees will be included in this calculation except when paid via an invoice or through a separate accounts billing arrangement. When shown on Client summary and/or Portfolio review report, program fees (including wrap fees) may not be included in net deposits/withdrawals. PACE Program fees paid from sources other than your PACE account are treated as a contribution. A PACE Program Fee rebate that is not reinvested is treated as a withdrawal.

**Deposits:** When shown on a report, this information represents the net value of all cash and securities contributions added to your accounts from the first day to the last day of the period. On Client Summary Report and/or Portfolio Review Report, this may exclude the Opening balance. For security contributions, securities are calculated using the end of day UBS FS price on the day securities are delivered in or out of the accounts.

**Withdrawals:** When shown on a report, this information represents the net value of all cash and securities withdrawals subtracted from your accounts from the first day to the last day of the period. On Client summary and/or portfolio review report Withdrawals may not include program fees (including wrap fees). For security withdrawals, securities are calculated using the end of day UBS FS price on the day securities are delivered in or out of the accounts.

**Dividends/Interest:** Dividend and interest earned, when shown on a report, does not include income on securities that have been lent out & does not reflect your account's tax status or reporting requirements. Use only official tax reporting documents (i.e. 1099) for tax reporting purposes. The classification of private investment distributions can only be determined by referring to the official year-end tax-reporting document provided by the issuer.

**Change in Accrued Interest:** When shown on a report, this information represents the difference between the accrued interest at the beginning of the period from the accrued interest at the end of the period.

**Change in Value:** Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest. Change in Value may include programs fees (including wrap fees) and other fees.

**Fees:** Fees represented in this report include program and wrap fees. Program and wrap fees prior to October 1, 2010 for accounts that are billed separately via invoice through a separate account billing arrangement are not included in this report.

**Performance Start Date Changes:** The Performance Start Date for accounts marked with a '^' have changed. Performance figures of an account with a changed Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS FS. As a result, the overall performance of these accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS FS recommends reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and will show performance and activity information from the earliest available inception date. The change in Performance Start Date may be the result of a performance gap due to a zero-balance that prevents the calculation of continuous returns from the inception of the account. The Performance Start Date may also change if an account has failed one of our performance data integrity tests. In such instances, the account will be labeled as 'Review Required' and performance prior to that failure will be restricted. Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details regarding your new Performance Start Date.

**Closed Account Performance:** Accounts that have been closed may be included in the consolidated performance report. When closed accounts are included in the consolidated report, the performance report will only include information for the time period the account was active during the consolidated performance reporting time period.

**Important information on options-based strategies:** Options involve risk and are not suitable for everyone. Prior to buying or selling an option investors must read a copy of the Characteristics & Risks of Standardized Options, also known as the options disclosure document (ODD). It explains the characteristics and risks of



## Disclosures Applicable to Accounts at UBS Financial Services Inc. *(continued)*

exchange traded options. The options risk disclosure document can be accessed at the following web address: [www.optionsclearing.com/about/publications/character-risks](http://www.optionsclearing.com/about/publications/character-risks).

Concentrated Equity Solutions (CES) managers are not involved in the selection of the underlying stock positions. The Manager will advise only on the options selection in order to pursue the strategy in connection with the underlying stock position(s) deposited in the account. It is important to keep this in mind when evaluating the manager's performance since the account's performance will include the performance of the underlying equity position that is not being managed. CES use options to seek to achieve your investment objectives regarding your concentration stock position. Options strategies change the potential return profile of your stock. In certain scenarios, such as call writing, the call position will limit your ability to participate in any potential increase in the underlying equity position upon which the call was written. Therefore, in some market conditions, particularly during periods of significant appreciation of the underlying equity position(s), the CES account will decrease the performance that would have been achieved had the stock been held long without implementing the CES strategy.

**Portfolio:** For purposes of this report "portfolio" is defined as all of the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS FS or elsewhere.

**Percentage:** Portfolio (in the "% Portfolio / Total" column) includes all holdings held in the account(s) selected when this report was generated. Broad asset class (in the "% broad asset class" column) includes all holdings held in that broad asset class in the account(s) selected when this report was generated.

**Tax lots:** This report displays security tax lots as either one line item (i.e., lumped tax lots) or as separate tax lot level information. If you choose to display security tax lots as one line item, the total cost equals the total value of all tax lots. The unit cost is an average of the total cost divided by the total number of shares. If the shares were purchased in different lots, the unit price listed does not represent the actual cost paid for each lot. The unrealized gain/loss value is calculated by combining the total value of all tax lots plus or minus the total market value of the security.

If you choose to display tax lot level information as separate line items on the Portfolio Holdings report, the tax lot information may include information from sources other than UBS FS. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. As a result this information may not be accurate and is provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. See your monthly statement for additional information.

**Pricing:** All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS account statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

Report created on: August 01, 2023

**Cash:** Cash on deposit at UBS Bank USA is protected by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in principal and accrued interest per depositor for each ownership type. Deposits made in an individual's own name, joint name, or individual retirement account are each held in a separate type of ownership. Such deposits are not guaranteed by UBS FS. More information is available upon request.

**Asset Allocation:** Your allocation analysis is based on your current portfolio. The Asset Allocation portion of this report shows the mix of various investment classes in your account. An asset allocation that shows a significantly higher percentage of equity investments may be more appropriate for an investor with a more aggressively investment strategy and higher tolerance for risk. Similarly, the asset allocation of a more conservative investor may show a higher percentage of fixed income investments.

**Separately Managed Accounts and Pooled Investment Vehicles** (such as mutual funds, closed end funds and exchanged traded funds): The asset classification displayed is based on firm's proprietary methodology for classifying assets. Please note that the asset classification assigned to rolled up strategies may include individual investments that provide exposure to other asset classes. For example, an International Developed Markets strategy may include exposure to Emerging Markets, and a US Large Cap strategy may include exposure to Mid Cap and Small Cap, etc.

**Mutual Fund Asset Allocation:** If the option to unbundle balanced mutual funds is selected and if a fund's holdings data is available, mutual funds will be classified by the asset class, subclass, and style breakdown of their underlying holdings. Where a mutual fund or ETF contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the fund to those sectors measured as a percentage of the total fund's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a daily basis to UBS FS based on data supplied by the fund which may not be current. Mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, any analysis that includes mutual funds may not accurately reflect the current composition of these funds. If a fund's underlying holding data is not available, it will be classified based on its corresponding overall Morningstar classification. All data is as of the date indicated in the report.

All pooled investment vehicles (such as mutual funds, closed end mutual funds, and exchange traded funds) incorporate internal management and operation expenses, which are reflected in the performance returns. Please see relevant fund prospectus for more information. Please note, performance for mutual funds is inclusive of multiple share classes.

**Ineligible Assets:** We require that you hold and purchase only eligible managed assets in your advisory accounts. Please contact your Financial Advisor for a list of the eligible assets in your program. These reports may provide performance information for eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your advisory assets. As a result, the performance reflected in this report can vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs. For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. Neither UBS nor your Financial Advisor will act as your investment adviser with respect to Ineligible Assets.

**Variable Annuity Asset Allocation:** If the option to unbundle a variable annuity is selected and if a variable annuity's holdings data is available, variable annuities will be classified by the asset class, subclass, and style breakdown for their underlying holdings. Where a variable annuity contains equity holdings from multiple equity



## Disclosures Applicable to Accounts at UBS Financial Services Inc. *(continued)*

sectors, this report will proportionately allocate the underlying holdings of the variable annuity to those sectors measured as a percentage of the total variable annuity's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a weekly basis to UBS FS based on data supplied by the variable annuity which may not be current. Portfolio holdings of variable annuities change on a regular (often daily) basis. Accordingly, any analysis that includes variable annuities may not accurately reflect the current composition of these variable annuities. If a variable annuity's underlying holding data is not available, it will remain classified as an annuity. All data is as of the date indicated in the report.

**Equity Style:** The Growth, Value and Core labels are determined by Morningstar. If an Equity Style is unclassified, it is due to non-availability of data required by Morningstar to assign it a particular style.

**Equity Capitalization:** Market Capitalization is determined by Morningstar. Equity securities are classified as Large Cap, Mid Cap or Small Cap by Morningstar. Unclassified securities are those for which no capitalization is available on Morningstar.

**Equity Sectors:** The Equity sector analysis may include a variety of accounts, each with different investment and risk parameters. As a result, the overweighting or underweighting in a particular sector or asset class should not be viewed as an isolated factor in making investment/liquidation decisions; but should be assessed on an account by account basis to determine the overall impact on the account's portfolio.

**Classified Equity:** Classified equities are defined as those equities for which the firm can confirm the specific industry and sector of the underlying equity instrument.

**Estimated Annual Income:** The Estimated Annual Income is the dividend/interest rate paid by the investment solely as of the date of this report, annualized yearly per share and multiplied by the quantity of shares held in the selected account(s). For Expected Cash Flow and Portfolio Holdings reports prior to June 23, 2023, savings products & sweep funds do not display such calculations and instead, values are displayed as N/A. For all other reports, Estimated Annual Income for savings products & sweep funds is not calculated or factored into aggregate calculations and will be displayed as 0.

**Current Yield:** Current yield calculations display the current yield of the investment solely as of the date of this report, is defined as the estimated annual income divided by the total market value. For Portfolio Holdings report generated prior to June 23, 2023, savings products & sweep funds do not include such information and instead, values are displayed as N/A. For all other reports, Current Yield for savings products & sweep funds is not calculated or factored into aggregate calculations and will be displayed as 0.

**Bond Rating:** These ratings are obtained from independent industry sources and are not verified by UBS FS. Securities without rating information are left blank. Rating agencies may discontinue ratings on high yield securities.

**NR:** When NR is displayed under bond rating column, no ratings are currently available from that rating agency.

**High Yield:** This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

**Credit/Event Risk:** Investments are subject to event risk and changes in credit quality of the issuer. Issuers can experience economic situations that may have adverse effects on the market value of their securities.

**Interest Rate Risk:** Bonds are subject to market value fluctuations as interest rates rise and fall. If sold prior to maturity, the price received for an issue may be less than the original purchase price.

**Reinvestment Risk:** Since most corporate issues pay interest semiannually, the coupon payments over the life of the bond can have a major impact on the bond's total return.

**Call Provisions:** When evaluating the purchase of a corporate bond, one should be aware of any features that may allow the issuer to call the security. This is particularly important when considering an issue that is trading at a premium to its call price, since the return may be negatively impacted if the issue is redeemed. Should an issue be called, investors may be faced with an earlier than anticipated reinvestment decision, and may be unable to reinvest their principal at equally favorable rates.

**Effective Maturity:** Effective maturity is the expected redemption due to pre-refunding, puts, or maturity and does not reflect any sinking fund activity, optional or extraordinary calls. Securities without a maturity date are left blank and typically include Preferred Securities, Mutual Funds and Fixed Income UITs.

**Yields:** Yield to Maturity and Yield to Worst are calculated to the worst call.

**Accrued Interest:** Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

**Bond Averages:** All averages are weighted averages calculated based on market value of the holding, not including accrued interest.

**Tax Status:** "Taxable" includes all securities held in a taxable account that are subject to federal and/or state or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

**Cash Flow:** This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated – but prior to the report run ("As of") date – are not reflected in this report. In determining the potential cash flows, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS FS generally updates this information as it is received, the firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash



## Disclosures Applicable to Accounts at UBS Financial Services Inc. *(continued)*

flows and do not in any way guarantee accuracy.

**Expected Cash Flow reporting for Puerto Rico Income Tax Purposes:** Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees or associated persons provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

**Bond sensitivity analysis:** This analysis uses Modified Duration which approximates the percentage price change of a security for a given change in yield. The higher the modified duration of a security, the higher its risk. For callable securities, modified duration does not address the impact of changing interest rates on a bond's expected cash flow as a result of a call or prepayment.

**Gain/Loss:** The gain/loss information may include calculations based upon non-UBS FS cost basis information. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. In addition, if this report contains positions with unavailable cost basis, the gain/(loss) for these positions are excluded in the calculation for the Gain/(Loss). As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms when preparing your tax return. See your monthly statement for additional information.

**Gain/Loss reporting for Puerto Rico Income Tax Purposes:** Gain/(Loss) reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received gain/(loss) reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Pursuant to the Puerto Rico Internal Revenue Code (PRIRC) long-term capital gains are derived from the sale or exchange of capital assets held longer than six (6) months. For the purposes of this report only, long term gains and losses are represented by assets held for a period of more than six (6) months. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers for purposes other than determining realized gain/loss for Puerto Rico income tax purposes. Neither UBS FS nor its employees or associated persons provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

**Gain/Loss 60/40:** Index options listed in this report may be subject to IRS Tax Code - section 1256 categorizing them as broad-based index options. If so, the index may be eligible to be treated as 60% long term and 40% short terms for tax purposes. Please contact your tax professional to determine eligibility.

**Accounts Included in this Report:** The account listing may or may not include all of your accounts with UBS FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page or listed at the top of each page. If an account number begins with "@" this denotes assets or liabilities held at other financial institutions. Information about these assets, including valuation, account type

and cost basis, is based on the information you provided to us, or provided to us by third party data aggregators or custodians at your direction. We have not verified, and are not responsible for, the accuracy or completeness of this information.

Account name(s) displayed in this report and labels used for groupings of accounts can be customizable "nicknames" chosen by you to assist you with your recordkeeping or may have been included by your financial advisor for reference purposes only. The names used have no legal effect, are not intended to reflect any strategy, product, recommendation, investment objective or risk profile associated with your accounts or any group of accounts, and are not a promise or guarantee that wealth, or any financial results, can or will be achieved. All investments involve the risk of loss, including the risk of loss of the entire investment.

For more information about account or group names, or to make changes, contact your Financial Advisor.

**Account changes:** At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:

- 1) Have there been any changes to your financial situation or investment objectives?
  - 2) Would you like to implement or modify any restrictions regarding the management of your account?
- If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change any investment restrictions on your account.

**ADV disclosure:** A complimentary copy of our current Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

**Important information for former Piper Jaffray and McDonald Investments clients:** As an accommodation to former Piper Jaffray and McDonald Investments clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006 and McDonald Investments accounts prior to February 9, 2007, the date the respective accounts were converted to UBS FS. UBS FS has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

For insurance, annuities, and 529 Plans, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an "as of" date is included in the description.

Investors outside the U.S. are subject to securities and tax regulations within their applicable jurisdiction that are not addressed in this report. Nothing in this report shall be construed to be a solicitation to buy or offer to sell any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.

Performance History prior to the account's inception at UBS Financial Services, Inc. may have been included in this report and is based on data provided by third party sources. UBS Financial Services Inc. has not independently verified this information nor does UBS Financial Services Inc. guarantee the accuracy or validity of



## Disclosures Applicable to Accounts at UBS Financial Services Inc. *(continued)*

the information.

**Important information about brokerage and advisory services.** As a firm providing wealth management services to clients, UBS Financial Services Inc. offers investment advisory services in its capacity as an SEC-registered investment adviser and brokerage services in its capacity as an SEC-registered broker-dealer. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that clients understand the ways in which we conduct business, that they carefully read the agreements and disclosures that we provide to them about the products or services we offer. For more information, please review client relationship summary provided at [ubs.com/relationshipsummary](https://ubs.com/relationshipsummary).

### **UBS Financial Services account protection**

The Firm is a member of the Securities Investor Protection Corporation (SIPC), which protects securities customers of its members up to \$500,000 (including \$250,000 for claims for cash). Explanatory brochure available upon request or at [www.sipc.org](http://www.sipc.org). The SIPC asset protection limits apply to all accounts that you hold in a particular capacity.

The Firm, together with certain affiliates, has also purchased supplemental insurance. The maximum amount payable to all eligible clients, collectively under this protection is \$500 million as of December 10, 2019. Subject to the policy conditions and limitations, cash at the Firm is further protected for up to \$1.9 million in the aggregate for all your accounts held in a particular capacity. A full copy of the policy wording is available upon request.

Neither the SIPC protection nor the supplemental protection apply to:

- Certain financial assets controlled by (and included in your account value) but held away from UBS Financial Services. For example certain (i) insurance products, including variable annuities, and (ii) shares of mutual funds registered in the name of the account holder on the books of the issuer or transfer agent;
- Investment contracts or investment interests (e.g., limited partnerships and private placements) that are not registered under the Securities Act of 1933;
- Commodities contracts (e.g., foreign exchange and precious metal contracts), including futures contracts and commodity option contracts;
- Securities on loan to UBS Financial Services; and
- Deposit accounts (except certificates of deposit) at UBS Bank USA, UBS AG U.S. branches and banks in the FDIC Insured Deposit Program.

The SIPC protection and the supplemental protection do not apply to these assets even if they otherwise appear on your statements. The SIPC protection and the supplemental protection do not protect against changes in the market value of your investments (whether as a result of market movement, issuer bankruptcy or otherwise).

 **UBS**  
**Kern Health Systems**  
 Account Number: EBXXX20

Your Financial Advisor  
 THE COHEN GROUP  
 Phone : 661-663-3200/800-628-8022

Filtered by: Entry Date 04/01/2023-06/30/2023, Call/Redemption

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
05/11/23	05/11/23	CALL REDEMPTION	APPLE INC NTS B/E 00.750% 051123 DTD051120	8558E5	-3,000,000.00	REDEMPTION	3,000,000.00
05/01/23	05/01/23	CALL REDEMPTION	PEPSICO INC NTS B/E 00.750% 050123 DTD050120	818GM7	-1,500,000.00	REDEMPTION	1,500,000.00

Filtered by: Entry Date 04/01/2023-06/30/2023, Bought

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
05/22/23	05/24/23	BOUGHT	QUALCOMM INC NTS B/E 03.250% 052027 DTD052617 Trade#:02288 Blot:9;	837253	350,000.00	\$96.14	-336,609.39
05/17/23	05/19/23	BOUGHT	META PLATFORMS INC NTS 03.500% 081527 DTD080922 Trade#:28025 Blot:9;	733TT4	1,500,000.00	\$96.46	-1,460,533.33
05/17/23	05/19/23	BOUGHT	ESTEE LAUDER CO INC NTS 04.375% 051528 DTD051223 Trade#:29273 Blot:9;	709DH4	1,500,000.00	\$99.58	-1,495,006.04
05/08/23	05/10/23	BOUGHT	ARCHER-DANIELS-MIDL& CO 02.500% 081126 DTD081116 Trade#:08953 Blot:9;	667LW6	1,500,000.00	\$95.05	-1,435,035.83
04/18/23	04/19/23	BOUGHT	UNITED STATES TREAS BILL DUE 08/15/23 Trade#:15542 Blot:0;	FF44R9	230,000.00	\$98.36	-226,217.74

*This report is provided for informational purposes with your consent. Your UBS Financial Services Inc. ("UBSFS") accounts statements and confirmations are the official record of your holdings, balances, transactions and security values. UBSFS does not provide tax or legal advice. You should consult with your attorney or tax advisor regarding your personal circumstances. Rely only on year-end tax forms when preparing your tax return. Past performance does not guarantee future results and current performance may be lower or higher than past performance data presented. Past performance for periods greater than one year are presented on an annualized basis. UBS official reports are available upon request.*

*As a firm providing wealth management services to clients, UBS Financial Services Inc. offers both investment advisory services and brokerage services. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that clients understand the ways in which we conduct business and that they carefully read the agreements and disclosures that we provide to them about the products or services we offer. For more information visit our website at [ubs.com/workingwithus](https://ubs.com/workingwithus).*

*The information is based upon the market value of your account(s) as of the close of business on June 30, 2023, is subject to daily market fluctuation and in some cases may be rounded for convenience. Your UBS account statements and trade confirmation are the official records of your accounts at UBS. We assign index benchmarks to our asset allocations, strategies in our separately managed accounts and discretionary programs based on our understanding of the allocation, strategy, the investment style and our research. The benchmarks included in this report can differ from those assigned through our research process. As a result, you may find that the performance comparisons may differ, sometimes significantly, from that presented in performance reports and other materials that are prepared and delivered centrally by the Firm. Depending upon the composition of your portfolio and your investment objectives, the indexes used in this report may not be an appropriate measure for comparison purposes, and as such, are represented for illustration only. Your portfolio holdings and performance may vary significantly from the index. Your financial advisor can provide additional information about how benchmarks within this report were selected. **You have discussed the receipt of this individually customized report with your Financial Advisor and understand that it is being provided for informational purposes only. If you would like to revoke such consent, and no longer receive this report, please notify your Financial Advisor and/or Branch Manager.***



Wells Fargo Bank, N.A.  
 333 SOUTH GRAND AVENUE  
 8TH FLOOR  
 LOS ANGELES CA 90071

JONATHAN CHUANG  
 1-213-253-6202

**Bank Account Statement**  
**Wells Fargo Bank, N.A.**

**Statement Period**  
**06/01/2023 - 06/30/2023**

KERN HEALTH SYSTEMS  
 2900 BUCK OWENS BOULEVARD

**Account Number**  
 [REDACTED]

**Account Value Summary USD**

	Amount Last Statement Period	Amount This Statement Period	% Portfolio
Cash	\$ 0.00	\$ 0.00	0%
Money Market Mutual Funds	110,326,387.89	104,250,656.92	29%
Bonds	249,123,596.33	252,947,481.16	71%
Stocks	0.00	0.00	0%
<b>Total Account Value</b>	<b>\$ 359,449,984.22</b>	<b>\$ 357,198,138.08</b>	<b>100%</b>

This summary does not reflect the value of unpriced securities. Repurchase agreements are reflected at par value.

**Value Change Since Last Statement Period** \$ (2,251,846.14)  
**Percent Decrease Since Last Statement Period** 1%  
**Value Last Year-End** \$ 282,409,116.61  
**Percent Increase Since Last Year-End** 26%

**Income Summary USD**

	This Period	Year-To-Date
Interest	\$ 567,326.39	\$ 1,067,825.70
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	539,498.20	2,341,497.19
Other	0.00	0.00
<b>Income Total</b>	<b>\$ 1,106,824.59</b>	<b>\$ 3,409,322.89</b>

**Interest Charged USD**

Description	This Period
Debit Interest For June 2023	0.00
<b>Total Interest Charged</b>	<b>\$ 0.00</b>

**Money Market Mutual Funds Summary USD**

Description	Amount
<b>Opening Balance</b>	<b>\$ 110,326,387.89</b>
Deposits and Other Additions	166,567,326.39
Distributions and Other Subtractions	(173,182,555.56)
Dividends Reinvested	539,498.20
Change in Value	0.00
<b>Closing Balance</b>	<b>\$ 104,250,656.92</b>

### Important Information

This statement is provided to customers of Wells Fargo Bank, N.A. (the "Bank"). Statements are provided monthly for accounts with transactions and/or security positions.

**Pricing:** Security and other asset prices shown on the statement are obtained from independent vendors or internal pricing models. While we believe the prices are reliable, we cannot guarantee their accuracy. The prices indicated herein are as of the stated valuation date, which may not be the date of this statement, and are subject to change without notice. For exchange-listed securities, the price provided is the closing price of the relevant security at month end. For unlisted securities, it is the "bid" price of the relevant security at month end. The prices of instruments that trade infrequently are estimated using similar securities for which prices are available. Prices on the statement may not necessarily be obtained when the asset is sold.

**Cash Balances:** Cash held at the Bank is not covered by SIPC, but is instead eligible for FDIC insurance of up to \$250,000 per depositor, per institution, in accordance with FDIC rules.

**Mutual Funds:** You have the right, in the course of normal business operations, to withdraw balances in the Bank Deposit Sweep or redeem shares of the money market mutual fund used in the sweep, subject to any open commitments in any of your accounts and have the proceeds returned to your accounts or remitted to you. Note, however, that as required by federal banking regulations, the banks in the Bank Deposit Sweep reserve the right to require seven days prior notice before permitting a transfer out of the Bank Deposit Sweep. In addition, the money market mutual funds in the sweep reserve the right to require one or more day's prior notice before permitting withdrawals. The Bank makes certain money market mutual funds available through the Bank Deposit Sweep and has

entered into agreements with the mutual fund companies with respect to the available funds. Mutual funds are sold by prospectus only. Please read the prospectus for further information including sales charges, deferred sales charges, withdrawal charges and management or other fees.

**Muni Substitute Interest:** With respect to transactions involving your purchase of a municipal security having interest that is exempt from federal and/or state income taxes, if you do not receive good delivery of such securities on settlement date (i.e., all requirements for transferring title from the seller to the buyer have occurred), the interest that you accrue from the settlement date of the transaction until you receive good delivery may be considered by the Internal Revenue Service ("IRS") to be taxable ("substitute") interest. If you sell such securities before receiving good delivery, the IRS may consider all of the interest that you accrue to be taxable. You should consult with your tax advisors regarding the tax implication of any such fail to receive scenario.

**Non-deposit investment products offered or sold by the Bank, including investments in mutual funds available through the Bank, are not federally insured or guaranteed by or obligations of the U.S. government, the Federal Deposit Insurance Corporation ("FDIC"), the Federal Reserve System or any other government agency; are not bank deposits; are not obligations of, or endorsed or guaranteed in any way by any bank or the Bank; and are subject to risk, including the possible loss of principal, that may cause the value of the investment and the investment return to fluctuate. When the investment is sold, the amount may be higher or lower than the amount originally invested.**

**Customer Complaints and Reporting Discrepancies:** All inquiries, statement reporting inaccuracies or discrepancies, or complaints regarding your account or the activity therein should be directed to:

Customer Service  
90 South 7<sup>th</sup> Street  
5th Floor, MAC N9303-054  
Minneapolis, MN 55402  
1-800-645-3751, option 5,  
WFSCustomerService@Wellsfargo.com.

To further protect their rights, customers should also re-confirm in writing to the above address any oral communications with the Bank relating to inaccuracies or discrepancies.

The Bank's financial statements are available upon request.



**KERN HEALTH SYSTEMS**

Account Number: ██████████

**Portfolio Holdings** *Security positions held with Wells Fargo Bank N.A.*

Security ID	Description	Maturity Date	Coupon	Current Par / Original Par	Market Price*	Market Value	Original Par Pledged**	Callable
<b>Bonds USD</b>								
912797FX0	UNITED STATES TREASURY BILL	07/11/23	0.000%	20,000,000.000	99.8897	19,977,937.40		
3133EJUS6	FEDERAL FARM CREDIT BANK	07/17/23	2.875%	4,940,000.000	99.9046	4,935,287.83		N
912797FY8	UNITED STATES TREASURY BILL	07/18/23	0.000%	20,000,000.000	99.7907	19,958,130.00		
912796ZZ5	UNITED STATES TREASURY BILL	07/20/23	0.000%	20,000,000.000	99.7634	19,952,672.00		
313312JQ4	FED FARM CRD DISCOUNT NT	07/26/23	0.000%	15,000,000.000	99.6918	14,953,770.60		N
06406FAD5	BANK OF NY MELLON CORP	08/16/23	2.200%	1,090,000.000	99.5921	1,085,553.53		Y
912796Z36	UNITED STATES TREASURY BILL	08/17/23	0.000%	10,000,000.000	99.3563	9,935,633.10		
3130AUGE8	FEDERAL HOME LOAN BANK	09/27/23	4.850%	5,000,000.000	99.7842	4,989,209.45		Y
3130AU4F8	FEDERAL HOME LOAN BANK	09/27/23	4.875%	5,000,000.000	99.8277	4,991,387.35		Y
3130ATJB4	FEDERAL HOME LOAN BANK	10/26/23	4.500%	5,000,000.000	99.6887	4,984,433.35		Y
3130AUVB7	FEDERAL HOME LOAN BANK	11/28/23	5.000%	5,000,000.000	99.7293	4,986,463.90		Y
3130AVH54	FEDERAL HOME LOAN BANK	11/30/23	4.950%	5,000,000.000	99.7314	4,986,569.00		Y
3130ATVJ3	FEDERAL HOME LOAN BANK	12/06/23	5.000%	5,000,000.000	99.8152	4,990,762.00		N
3130AVBE1	FEDERAL HOME LOAN BANK	12/22/23	5.350%	5,000,000.000	99.7882	4,989,409.00		Y
3130AVDJ8	FEDERAL HOME LOAN BANK	12/28/23	5.550%	5,000,000.000	99.8040	4,990,198.60		Y
3130AVR87	FEDERAL HOME LOAN BANK	01/26/24	5.125%	5,000,000.000	99.6890	4,984,449.95		Y
3130AVH47	FEDERAL HOME LOAN BANK	01/30/24	5.000%	5,000,000.000	99.6441	4,982,203.05		Y
3130AVW40	FEDERAL HOME LOAN BANK	02/08/24	5.150%	5,000,000.000	99.6345	4,981,725.45		Y
3130AW3U2	FEDERAL HOME LOAN BANK	02/22/24	5.050%	5,000,000.000	99.7867	4,989,335.20		Y
3130AUZ23	FEDERAL HOME LOAN BANK	03/01/24	5.250%	5,000,000.000	99.6750	4,983,752.45		Y
3130AWD64	FEDERAL HOME LOAN BANK	03/07/24	5.250%	5,000,000.000	99.8969	4,994,846.65		Y
3134GY6Z0	FREDDIE MAC	03/22/24	5.050%	5,000,000.000	99.5081	4,975,403.65		Y
3135GAGV7	FANNIE MAE	04/26/24	5.125%	10,000,000.000	99.5116	9,951,155.50		Y
3135GAHK0	FANNIE MAE	05/08/24	5.000%	5,000,000.000	99.3929	4,969,642.50		Y
3134GYS60	FREDDIE MAC	06/17/24	5.200%	5,000,000.000	99.3999	4,969,992.85		Y
3135GAHX2	FANNIE MAE	06/28/24	5.330%	5,000,000.000	99.9213	4,996,064.55		Y
3135GAG47	FANNIE MAE	07/12/24	5.050%	10,000,000.000	99.4898	9,948,984.50		Y
3134GYEM0	FREDDIE MAC	07/19/24	4.800%	5,000,000.000	99.2375	4,961,874.30		Y
3134GYJM5	FREDDIE MAC	08/28/24	5.050%	5,000,000.000	99.3781	4,968,907.45		Y
3135GAJ36	FANNIE MAE	12/27/24	5.500%	5,000,000.000	99.9734	4,998,670.15		Y
3134GYP63	FREDDIE MAC	01/13/25	5.000%	5,000,000.000	98.9960	4,949,799.35		Y
3135GAH20	FANNIE MAE	01/27/25	5.250%	5,000,000.000	99.2058	4,960,288.40		Y

Statement Ending:

**KERN HEALTH SYSTEMS**

Account Number: ██████████

**Portfolio Holdings (Continued)** *Security positions held with Wells Fargo Bank N.A.*

Security ID	Description	Maturity Date	Coupon	Current Par / Original Par	Market Price*	Market Value	Original Par Pledged**	Callable
<b>Bonds USD</b>								
3135GAHT1	FANNIE MAE	02/24/25	5.250%	3,000,000.000	99.1755	2,975,265.60		Y
3134GXS88	FREDDIE MAC	02/28/25	4.000%	5,000,000.000	97.8121	4,890,604.80		Y
3134GYQP0	FREDDIE MAC	05/01/25	5.375%	5,000,000.000	99.2886	4,964,431.40		Y
3134GYRH7	FREDDIE MAC	05/15/25	5.300%	5,000,000.000	99.2124	4,960,617.60		Y
3134GYSG8	FREDDIE MAC	05/22/25	5.050%	5,000,000.000	98.9916	4,949,579.45		Y
3134GYS94	FREDDIE MAC	05/15/26	5.000%	5,000,000.000	98.6494	4,932,469.25		Y
				254,030,000.000		252,947,481.16	0.00	

\*See important information regarding security pricing on Page 2.

\*\*Total amount that is pledged to or held for another party or parties. Refer to the Pledge Detail Report for more information.

**Daily Account Activity**

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
<b>Transaction Activity USD</b>									
06/05/23	06/06/23	Security Receipt	912796ZZ5	UNITED STATES TREASURY BILL	20,000,000.00	99.3717778	(19,874,355.56)	0.00	(19,874,355.56)
06/05/23	06/07/23	Security Receipt	3130AWD64	FEDERAL HOME LOAN BANK	5,000,000.00	100.0000000	(5,000,000.00)	0.00	(5,000,000.00)
06/20/23	06/20/23	Security Receipt	912797FX0	UNITED STATES TREASURY BILL	20,000,000.00	99.7141667	(19,942,833.33)	0.00	(19,942,833.33)
06/20/23	06/20/23	Security Receipt	912797FY8	UNITED STATES TREASURY BILL	20,000,000.00	99.6150000	(19,923,000.00)	0.00	(19,923,000.00)
06/28/23	06/28/23	Security Receipt	313312JQ4	FED FARM CRD DISCOUNT NT	15,000,000.00	99.6157778	(14,942,366.67)	0.00	(14,942,366.67)
06/13/23	06/28/23	Security Receipt	3135GAHX2	FANNIE MAE	5,000,000.00	100.0000000	(5,000,000.00)	0.00	(5,000,000.00)
06/26/23	06/30/23	Security Receipt	3135GAJ36	FANNIE MAE	5,000,000.00	100.0000000	(5,000,000.00)	0.00	(5,000,000.00)
06/26/23	07/10/23	Security Receipt	3135GAJ28	FANNIE MAE	5,000,000.00	100.0000000	(5,000,000.00)	0.00	(5,000,000.00)
06/21/23	07/12/23	Security Receipt	3130AWHA1	FEDERAL HOME LOAN BANK	5,000,000.00	100.0000000	(5,000,000.00)	0.00	(5,000,000.00)
06/29/23	07/19/23	Security Receipt	3135GAJA0	FANNIE MAE	5,000,000.00	100.0000000	(5,000,000.00)	0.00	(5,000,000.00)
06/29/23	07/19/23	Security Receipt	3135GAJ85	FANNIE MAE	5,000,000.00	100.0000000	(5,000,000.00)	0.00	(5,000,000.00)

**Income / Payment Activity USD**

06/06/23	06/06/23	Interest	3130ATVJ3	FEDERAL HOME LOAN BANK				145,138.89	145,138.89
06/07/23	06/07/23	Matured	313312GP9	FEDERAL FARM CREDIT BANK			20,000,000.00		20,000,000.00
06/07/23	06/07/23	Matured	313312GP9	FEDERAL FARM CREDIT BANK	(20,000,000.00)				
06/14/23	06/14/23	Matured	313312GW4	FED FARM CRD DISCOUNT NT			20,000,000.00		20,000,000.00
06/14/23	06/14/23	Matured	313312GW4	FED FARM CRD DISCOUNT NT	(20,000,000.00)				

Statement Ending:

**KERN HEALTH SYSTEMS**

Account Number: ██████████

**Daily Account Activity (Continued)**

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
<b>Income / Payment Activity USD</b>									
06/15/23	06/15/23	Matured	3130AT2E6	FEDERAL HOME LOAN BANK			5,000,000.00		5,000,000.00
06/15/23	06/15/23	Matured	3130AT2E6	FEDERAL HOME LOAN BANK	(5,000,000.00)				
06/15/23	06/15/23	Interest	3130AT2E6	FEDERAL HOME LOAN BANK				83,250.00	83,250.00
06/20/23	06/20/23	Matured	313588HC2	FANNIE DISCOUNT NOTE			15,000,000.00		15,000,000.00
06/20/23	06/20/23	Matured	313588HC2	FANNIE DISCOUNT NOTE	(15,000,000.00)				
06/22/23	06/22/23	Interest	3134GY6Z0	FREDDIE MAC				126,250.00	126,250.00
06/22/23	06/22/23	Interest	3130AVBE1	FEDERAL HOME LOAN BANK				66,875.00	66,875.00
06/22/23	06/22/23	Matured	912796ZQ5	UNITED STATES TREASURY BILL			5,000,000.00		5,000,000.00
06/22/23	06/22/23	Matured	912796ZQ5	UNITED STATES TREASURY BILL	(5,000,000.00)				
06/26/23	06/26/23	Matured	931142EK5	WALMART INC			1,000,000.00		1,000,000.00
06/26/23	06/26/23	Matured	931142EK5	WALMART INC	(1,000,000.00)				
06/26/23	06/26/23	Interest	931142EK5	WALMART INC				17,000.00	17,000.00
06/27/23	06/27/23	Interest	3130AU4F8	FEDERAL HOME LOAN BANK				60,937.50	60,937.50
06/27/23	06/27/23	Matured	313588HK4	FANNIE DISCOUNT NOTE			15,000,000.00		15,000,000.00
06/27/23	06/27/23	Matured	313588HK4	FANNIE DISCOUNT NOTE	(15,000,000.00)				
06/28/23	06/28/23	Matured	3130AVDH2	FEDERAL HOME LOAN BANK			5,000,000.00		5,000,000.00
06/28/23	06/28/23	Matured	3130AVDH2	FEDERAL HOME LOAN BANK	(5,000,000.00)				
06/28/23	06/28/23	Interest	3130AVDH2	FEDERAL HOME LOAN BANK				67,875.00	67,875.00

**Cash Activity USD**

Transaction / Trade Date	Settlement / Eff. Date	Activity	Description	Debit Amount / Disbursements	Credit Amount / Receipts
06/06/23	06/06/23	ACH/DDA Transaction	DESIGNATED DDA	10,000,000.00	
06/07/23	06/07/23	ACH/DDA Transaction	DESIGNATED DDA		40,000,000.00
06/07/23	06/07/23	ACH/DDA Transaction	DESIGNATED DDA		40,000,000.00
06/13/23	06/13/23	ACH/DDA Transaction	DESIGNATED DDA	20,000,000.00	
06/20/23	06/20/23	ACH/DDA Transaction	DESIGNATED DDA	20,000,000.00	
06/22/23	06/22/23	ACH/DDA Transaction	DESIGNATED DDA	2,000,000.00	
06/27/23	06/27/23	ACH/DDA Transaction	DESIGNATED DDA	20,000,000.00	
06/28/23	06/28/23	ACH/DDA Transaction	DESIGNATED DDA	5,500,000.00	
06/28/23	06/28/23	ACH/DDA Transaction	DESIGNATED DDA	5,000,000.00	
06/30/23	06/30/23	ACH/DDA Transaction	DESIGNATED DDA	1,000,000.00	

Statement Ending:

**KERN HEALTH SYSTEMS**  
Account Number: ██████████

**Money Market Fund Activity**

<b>Morgan Stan TreasSvc 8314</b>		<b>Dividend paid this period</b>	<b>7 day* simple yield</b>	<b>30 day* simple yield</b>
*As of June 30, 2023				
USD		248.76	4.900%	4.890%

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	<b>Beginning Balance</b>		<b>1.0000</b>	<b>60,243.26</b>		<b>60,243.26000</b>
06/01/23	Reinvest	248.76000			248.76	60,492.02000
	<b>Ending Balance</b>		<b>1.0000</b>	<b>60,492.02</b>		<b>60,492.02000</b>

<b>Goldman FS Tr Ob Ins 468</b>		<b>Dividend paid this period</b>	<b>7 day* simple yield</b>	<b>30 day* simple yield</b>
*As of June 30, 2023				
USD		269,794.50	4.970%	4.970%

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	<b>Beginning Balance</b>		<b>1.0000</b>	<b>50,075,205.95</b>		<b>50,075,205.95000</b>
06/01/23	Reinvest	269,794.50000			269,794.50	50,345,000.45000
06/06/23	Redemption	(19,874,355.56000)		(19,874,355.56)		30,470,644.89000
06/06/23	Purchase	145,138.89000		145,138.89		30,615,783.78000
06/07/23	Redemption	(5,000,000.00000)		(5,000,000.00)		25,615,783.78000
06/07/23	Purchase	20,000,000.00000		20,000,000.00		45,615,783.78000
06/07/23	Purchase	40,000,000.00000		40,000,000.00		85,615,783.78000
06/13/23	Redemption	(20,000,000.00000)		(20,000,000.00)		65,615,783.78000
06/14/23	Purchase	20,000,000.00000		20,000,000.00		85,615,783.78000
06/15/23	Purchase	5,083,250.00000		5,083,250.00		90,699,033.78000
06/20/23	Purchase	15,000,000.00000		15,000,000.00		105,699,033.78000
06/20/23	Redemption	(20,000,000.00000)		(20,000,000.00)		85,699,033.78000
06/20/23	Redemption	(19,923,000.00000)		(19,923,000.00)		65,776,033.78000
06/22/23	Purchase	5,193,125.00000		5,193,125.00		70,969,158.78000
06/22/23	Redemption	(2,000,000.00000)		(2,000,000.00)		68,969,158.78000
06/26/23	Purchase	1,017,000.00000		1,017,000.00		69,986,158.78000
06/27/23	Purchase	15,060,937.50000		15,060,937.50		85,047,096.28000
06/27/23	Redemption	(20,000,000.00000)		(20,000,000.00)		65,047,096.28000
06/28/23	Redemption	(5,000,000.00000)		(5,000,000.00)		60,047,096.28000
06/28/23	Purchase	5,067,875.00000		5,067,875.00		65,114,971.28000
06/28/23	Redemption	(14,942,366.67000)		(14,942,366.67)		50,172,604.61000
06/30/23	Redemption	(5,000,000.00000)		(5,000,000.00)		45,172,604.61000
	<b>Ending Balance</b>		<b>1.0000</b>	<b>45,172,604.61</b>		<b>45,172,604.61000</b>

Statement Ending:

KERN HEALTH SYSTEMS  
Account Number: ██████████

**Money Market Fund Activity (Continued)**

JPMorgan UST Plus Inst 3918

\*As of June 30, 2023

USD

Dividend paid  
this period

269,454.94

7 day\*  
simple yield

5.070%

30 day\*  
simple yield

4.930%

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	<b>Beginning Balance</b>		<b>1.0000</b>	<b>60,190,938.68</b>		<b>60,190,938.68000</b>
06/01/23	Reinvest	269,454.94000			269,454.94	60,460,393.62000
06/06/23	Redemption	(10,000,000.00000)		(10,000,000.00)		50,460,393.62000
06/07/23	Purchase	40,000,000.00000		40,000,000.00		90,460,393.62000
06/20/23	Redemption	(19,942,833.33000)		(19,942,833.33)		70,517,560.29000
06/28/23	Redemption	(5,500,000.00000)		(5,500,000.00)		65,017,560.29000
06/28/23	Redemption	(5,000,000.00000)		(5,000,000.00)		60,017,560.29000
06/30/23	Redemption	(1,000,000.00000)		(1,000,000.00)		59,017,560.29000
	<b>Ending Balance</b>		<b>1.0000</b>	<b>59,017,560.29</b>		<b>59,017,560.29000</b>



## PMIA/LAIF Performance Report as of 07/19/23



### Quarterly Performance Quarter Ended 06/30/23

LAIF Apportionment Rate <sup>(2)</sup> :	3.15
LAIF Earnings Ratio <sup>(2)</sup> :	0.00008636172883763
LAIF Administrative Cost <sup>(1)*</sup> :	TBD
LAIF Fair Value Factor <sup>(1)</sup> :	0.984828499
PMIA Daily <sup>(1)</sup> :	3.26
PMIA Quarter to Date <sup>(1)</sup> :	3.01
PMIA Average Life <sup>(1)</sup> :	260

### PMIA Average Monthly Effective Yields<sup>(1)</sup>

<b>June</b>	<b>3.167</b>
May	2.993
April	2.870
March	2.831
February	2.624
January	2.425

### Pooled Money Investment Account Monthly Portfolio Composition <sup>(1)</sup> 06/30/23 \$178.4 billion

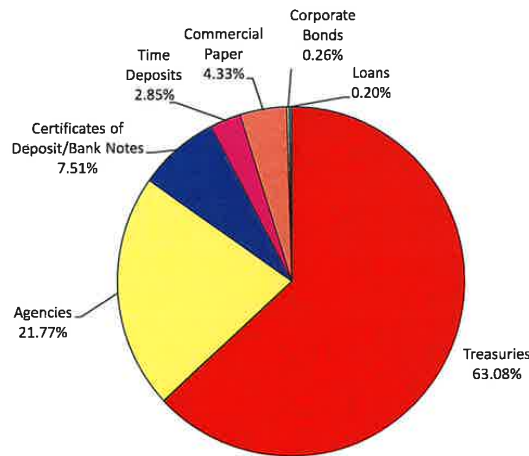


Chart does not include \$2,861,000.00 in mortgages, which equates to 0.002%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

\*The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.

Source:

<sup>(1)</sup> State of California, Office of the Treasurer

<sup>(2)</sup> State of California, Office of the Controller



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## MEMORANDUM

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**TO:** Kern Health Systems Board of Directors  
**FROM:** Robert Landis, Chief Financial Officer  
**SUBJECT:** Primary and Excess Liability Insurance/Earthquake Insurance Renewals  
**DATE:** August 17, 2023

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### **Background**

Liability Coverage insures against third party losses for general liability, public officials errors and omissions, employment related practices liability and auto liability.

Excess liability provides additional limits over the Liability Coverage offered above the \$5,000,000 primary liability coverage.

Earthquake insures against the peril of earthquake for KHS owned property.

KHS utilizes Alliant Insurance Services (“Alliant”) as its insurance agent to access the insurance carrier market and perform the day-to-day servicing of the account. Alliant has provided early indications for the expiring coverage. It is recommended that Kern Health Systems renew coverages as outlined below.

### **Discussion**

- **Liability Coverage**
  - Special Liability Insurance Program (SLIP) – Great American E&S Insurance Company (**Current Carrier**)
  - Rating: Carrier has a rating of A+ Superior XV from AM Best
  - Term: September 29, 2023 through September 29, 2024. Program common anniversary date is September 29<sup>th</sup> and coverage renews for annual term in September.
  - General Liability - \$5,000,000
  - Auto Liability - \$5,000,000
  - Uninsured Motorist - \$1,000,000
  - Public Officials’ and Employees’ Errors and Omissions - \$5,000,000 each wrongful act/\$5,000,000 Aggregate
  - Employment Practices Liability - \$5,000,000 each wrongful act/\$5,000,000 Aggregate
  - Employee Benefits Liability - \$5,000,000
  - Deductibles: \$10,000 except \$25,000 for Employment Practices Liability
  - Annual Not to Exceed Premium Estimate: \$240,000
  - Prior year’s annual premium was \$214,936

Two claims currently filed.

- **Excess Liability Insurance**

- Hallmark Specialty Insurance Company (current carrier) was downgraded by AM Best's Rating Agency. Starstone Specialty Insurance Company (Core Specialty) acquired Hallmark Financial Services, Inc. excess and surplus lines of business and has agreed to rewrite the existing coverage for the period of May 2023 to September 2023. Management is recommending renewing coverage with Starstone Specialty Insurance Company (Core Specialty).

- Starstone Specialty Insurance Company (Core Specialty)
- Rating: Carrier has an A- XII rating from AM Best
- Per Occurrence or Wrongful Act Limit: \$5,000,000 excess of \$5,000,000 (SLIP)
- Term: September 29, 2023 through September 29, 2024
- Annual Not to Exceed Premium Estimate: \$190,000
- Prior year's premium was \$175,525.

Two claims currently filed.

This year's total Liability Coverage \$10 million; Last year's total Liability Coverage \$10 million

- **Earthquake Insurance**

- Everest Indemnity Insurance Company 80% and General Security Indemnity Company of Arizona 20%
- Rating: Carriers have range of A, XV to A+ XV rating from AM Best
- Term: October 15, 2023 through October 15, 2024
- Earthquake Limit per occurrence: \$25,000,000
- Earthquake Aggregate: \$25,000,000
- Earthquake Deductible 3% Per unit (unit is defined as replacement cost of the covered Property – Building, Contents and Business Income separately), subject to a minimum of \$25,000.
- All Other Perils \$25,000 Deductible
- Annual Premium Not to Exceed Premium Estimate: \$85,000. Prior year's premium was \$52,679 including mid-term addition of solar panels.

No claims were filed last year.

Representatives from Alliant will be available to answer questions relating to the insurance renewals.

**Requested Action**

Approve.





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## MEMORANDUM

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**TO:** Kern Health Systems Board of Directors  
**FROM:** Anita Martin, Chief Human Resources Officer  
**SUBJECT:** Employee Benefits Renewal 2024  
**DATE:** August 17, 2023

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### **Background**

Kern Health Systems (“KHS”) annually reviews and evaluates the employee benefit package. During the evaluation period, factors taken into consideration are the improvements of benefits, cost of premium, feasibility of continuation of current plan(s), comprehensive administrative services provided by the carrier(s), plan documents, summary plan descriptions and the employee communication process clearly written program material including comprehensive summary of benefits, etc.

Four of the core benefits (Vision, Life, Short and Long-Term Disability and Long-Term Care) are currently in rate guarantees. For Medical and Dental insurance, we were able to secure 2024 premium renewals (gross) with an increase of 16.5 % which equates to \$1,337,300. **Due to this significant increase, KHS intends to move to a self-insured product as of January 1, 2025.**

Management is proposing the following:

- A one-year renewal with Kaiser Permanente HMO and PPO plans with no benefit changes. An RFP was issued to market this year’s renewal. All carriers either declined to quote or proposed uncompetitive rates. Kaiser Permanente initially asked for a 25% increase. This renewal increase was due primarily to the medical loss ratio being 117% and 3 large ongoing claims equaling 28% of all claims. Our broker was able to negotiate rate relief of 5% bringing the renewal increase down to 20%. Based on current staffing levels, the monthly premium will be approximately \$691,500 or \$8,300,000 annually.
- Move the dental carrier to Delta Dental HMO and PPO plans with no change in benefits and a 2-year rate guarantee. The existing dental carrier, Premier Access, was requesting an increase of 11% to the dental plans. Delta Dental was able to match the benefit offering and provide a larger network of providers with an 8% decrease from the current rates. The move to Delta Dental from Premier Access will decrease annual costs by \$42,700 instead of a \$55,200 increase. Based on current staffing levels, the monthly premium will be approximately \$39,000 or \$468,000 annually.

- Vision to renew with VSP with no benefit or rate changes. This is the third year of a 4-year rate guarantee. The current annual cost if enrollment stays at the current level will be \$115,000.
- Renew with Prudential for the following lines: Basic Life, Voluntary Life, Short Term disability and Long-Term disability with no benefit or rate changes. This is the second year of a 3-year rate guarantee. The current annual cost if enrollment stays at the current level will be \$ 353,000.
- Livongo/Teladoc, a stand-alone Mental Health benefit that provides coverage for employees and their families, to renew with no benefit or rate changes. The annual cost if enrollment stays at the current level will be \$ 33,000.
- Maintain current Long Term Care policy with Unum. This policy has not received an increase in rates since 2020. The annual cost if enrollment stays at the current level will be \$ 153,000.

KHS has an increase of \$1,380,000 in medical premiums and a decrease of \$42,700 in dental premiums. KHS overall benefits renewal increase is approximately 16.5%.

Representatives from INSURICA will be available to answer questions relating to the employee benefit renewal.

**Requested Action**

Approve the renewal and binding of employee benefit plans for medical, dental, vision, life insurance, short-term, long-term disability, long-term care, and Livongo.



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**MEMORANDUM**

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**TO:** Kern Health Systems Board of Directors  
**FROM:** Robert Landis, Chief Financial Officer  
**SUBJECT:** May 2023 Financial Results  
**DATE:** August 17, 2023

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The May results reflect a \$17,869,011 Net Increase in Net Position which is a \$18,127,283 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$5.2 million favorable variance primarily due to:
  - A) \$2.9 million favorable variance primarily due from receiving a \$5.4 million payment under the Student Behavioral Health Incentive Program and from \$2.0 million of unfavorable **timing differences** on waiting for DHCS approval to record revenue under the CalAim Incentive Payment Program and the Housing and Homelessness Incentive Program.
  - B) \$1.5 million favorable variance in Rate/Income Adjustments primarily due to a favorable MCO Tax Reconciliation adjustment of approximately \$.9 million for the period July 1, 2013 - June 30, 2016 and prior year reinsurance recoveries of approximately \$.6 million.
- 2) Total Medical Costs reflect a \$12.5 million favorable variance primarily due to:
  - A) \$2.4 million favorable variance in Inpatient primarily due to lower-than-expected utilization.
  - B) \$3.3 million favorable variance in Other Medical primarily due to lower-than expected utilization of the new Long-Term Care services provided during the first quarter of 2023.
  - C) \$2.4 million favorable variance in Non-Claims Expense Adjustment primarily due to a favorable reduction in the Proposition 56 liability resulting from a favorable determination letter from DHCS for the period July 1, 2019 – December 31, 2020.
  - D) \$4.5 million favorable variance primarily from IBNR Adjustments relating to the prior year.

The May Medical Loss Ratio is 76.5% which is favorable to the 92.8 % budgeted amount. The May Administrative Expense Ratio is 6.4% which is favorable to the 6.9% budgeted amount.

The results for the 5 months ended May 31, 2023 reflect a Net Increase in Net Position of \$53,340,943. This is a \$56,720,795 favorable variance to budget and includes approximately \$17.6 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 82.8% which is favorable to the 93.0% budgeted amount. The year-to-date Administrative Expense Ratio is 6.5% which is favorable to the 7.0% budgeted amount.

**Kern Health Systems  
Financial Packet  
May 2023**

**KHS – Medi-Cal Line of Business**

Comparative Statement of Net Position	Page 1
Statement of Revenue, Expenses, and Changes in Net Position	Page 2
Statement of Revenue, Expenses, and Changes in Net Position - PMPM	Page 3
Statement of Revenue, Expenses, and Changes in Net Position by Month	Page 4-5
Statement of Revenue, Expenses, and Changes in Net Position by Month - PMPM	Page 6-7
Schedule of Revenues	Page 8
Schedule of Medical Costs	Page 9
Schedule of Medical Costs - PMPM	Page 10
Schedule of Medical Costs by Month	Page 11
Schedule of Medical Costs by Month – PMPM	Page 12
Schedule of Administrative Expenses by Department	Page 13
Schedule of Administrative Expenses by Department by Month	Page 14

**KHS Group Health Plan – Healthy Families Line of Business**

Comparative Statement of Net Position	Page 15
Statement of Revenue, Expenses, and Changes in Net Position	Page 16

**KHS Administrative Analysis and Other Reporting**

Monthly Member Count	Page 17
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<b>KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF MAY 31, 2023</b>			
<b>ASSETS</b>	<b>MAY 2023</b>	<b>APRIL 2023</b>	<b>INC(DEC)</b>
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 149,446,874	\$ 202,299,763	\$ (52,852,889)
Short-Term Investments	309,357,810	249,762,657	59,595,153
Premiums Receivable - Net	96,442,410	97,032,056	(589,646)
Premiums Receivable - Hospital Direct Payments	400,522,455	378,713,731	21,808,724
Interest Receivable	336,015	168,015	168,000
Provider Advance Payment	869,559	849,155	20,404
Other Receivables	1,106,095	1,497,194	(391,099)
Prepaid Expenses & Other Current Assets	6,092,819	4,621,274	1,471,545
<b>Total Current Assets</b>	<b>\$ 964,174,037</b>	<b>\$ 934,943,845</b>	<b>\$ 29,230,192</b>
<b>CAPITAL ASSETS - NET OF ACCUM DEPREE:</b>			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	1,153,250	1,189,884	(36,634)
Computer Hardware and Software - Net	20,630,245	21,179,800	(549,555)
Building and Building Improvements - Net	33,633,059	33,410,765	222,294
Capital Projects in Progress	1,706,837	3,261,262	(1,554,425)
<b>Total Capital Assets</b>	<b>\$ 61,214,097</b>	<b>\$ 63,132,417</b>	<b>\$ (1,918,320)</b>
<b>LONG TERM ASSETS:</b>			
Restricted Investments	300,000	300,000	-
Officer Life Insurance Receivables	1,572,984	1,572,984	-
<b>Total Long Term Assets</b>	<b>\$ 1,872,984</b>	<b>\$ 1,872,984</b>	<b>\$ -</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 8,154,860</b>	<b>\$ 8,154,860</b>	<b>\$ -</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 1,035,415,978</b>	<b>\$ 1,008,104,106</b>	<b>\$ 27,311,872</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES:</b>			
Accrued Salaries and Employee Benefits	\$ 4,768,379	\$ 5,488,558	(720,179)
Accrued Other Operating Expenses	3,646,344	3,479,111	167,233
Claims Payable (Reported)	15,234,137	21,481,418	(6,247,281)
IBNR - Inpatient Claims	64,079,235	65,623,493	(1,544,258)
IBNR - Physician Claims	18,275,049	20,201,931	(1,926,882)
IBNR - Accrued Other Medical	27,600,562	28,737,001	(1,136,439)
Risk Pool and Withholds Payable	4,975,098	4,441,225	533,873
Statutory Allowance for Claims Processing Expense	2,831,842	2,831,842	-
Other Liabilities	109,619,189	111,411,118	(1,791,929)
Accrued Hospital Directed Payments	400,340,112	378,531,389	21,808,723
<b>Total Current Liabilities</b>	<b>\$ 651,369,947</b>	<b>\$ 642,227,086</b>	<b>\$ 9,142,861</b>
<b>NONCURRENT LIABILITIES:</b>			
Net Pension Liability	11,718,206	11,418,206	300,000
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 11,718,206</b>	<b>\$ 11,418,206</b>	<b>\$ 300,000</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 230,571</b>	<b>\$ 230,571</b>	<b>\$ -</b>
<b>NET POSITION:</b>			
Net Position - Beg. of Year	318,756,311	318,756,311	-
Increase (Decrease) in Net Position - Current Year	53,340,943	35,471,932	17,869,011
<b>Total Net Position</b>	<b>\$ 372,097,254</b>	<b>\$ 354,228,243</b>	<b>\$ 17,869,011</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 1,035,415,978</b>	<b>\$ 1,008,104,106</b>	<b>\$ 27,311,872</b>

			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA					
			STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION					
CURRENT MONTH MEMBERS			FOR THE MONTH ENDED MAY 31, 2023			YEAR-TO-DATE MEMBER MONTHS		
ACTUAL	BUDGET	VARIANCE				ACTUAL	BUDGET	VARIANCE
214,544	214,600	(56)	Family Members			1,058,872	1,065,000	(6,128)
100,354	94,500	5,854	Expansion Members			491,823	470,500	21,323
18,398	18,000	398	SPD Members			91,414	89,000	2,414
401	450	(49)	LTC Members			1,603	1,800	(197)
22,218	23,700	(1,482)	Other Members			98,097	103,500	(5,403)
15,699	14,000	1,699	Kaiser Members			76,288	70,000	6,288
371,614	365,250	6,364	<b>Total Members - MCAL</b>			1,818,097	1,799,800	18,297
<b>REVENUES</b>								
44,450,874	43,424,246	1,026,628	Title XIX - Medicaid - Family and Other			206,434,137	211,876,254	(5,442,117)
38,238,101	34,679,353	3,558,748	Title XIX - Medicaid - Expansion Members			182,626,376	172,665,602	9,960,774
19,083,062	20,577,030	(1,493,968)	Title XIX - Medicaid - SPD Members			94,850,494	101,741,983	(6,891,489)
3,026,025	3,192,840	(166,815)	Title XIX - Medicaid - LTC Members			11,978,837	12,771,360	(792,523)
-	-	-	Premium - MCO Tax			-	-	-
21,792,771	21,172,581	620,190	Premium - Hospital Directed Payments			108,076,249	105,132,467	2,943,782
651,530	435,872	215,658	Investment Earnings And Other Income			6,144,283	2,137,292	4,006,991
-	77,389	(77,389)	Reinsurance Recoveries			-	381,117	(381,117)
5,509	-	5,509	Rate Adjustments - Hospital Directed Payments			(574,637)	-	(574,637)
1,497,916	-	1,497,916	Rate/Income Adjustments			2,972,784	-	2,972,784
128,745,788	123,559,312	5,186,476	<b>TOTAL REVENUES</b>			612,508,523	606,706,075	5,802,448
<b>EXPENSES</b>								
Medical Costs:								
21,747,296	21,745,331	(1,965)	Physician Services			103,148,076	107,282,519	4,134,443
6,643,597	6,988,464	344,867	Other Professional Services			29,339,107	34,651,380	5,312,273
5,131,679	5,823,867	692,188	Emergency Room			25,423,144	28,725,041	3,301,897
21,382,030	23,825,911	2,443,881	Inpatient			112,805,824	117,758,268	4,952,444
95,311	77,389	(17,922)	Reinsurance Expense			556,243	381,117	(175,126)
11,009,988	10,524,411	(485,577)	Outpatient Hospital			52,528,596	51,851,977	(676,619)
22,151,470	25,481,032	3,329,562	Other Medical			106,680,554	123,449,238	16,768,684
533,873	526,979	(6,894)	Pay for Performance Quality Incentive			2,612,724	2,595,822	(16,902)
21,792,771	21,172,581	(620,190)	Hospital Directed Payments			108,076,249	105,132,467	(2,943,782)
123,932	-	(123,932)	Hospital Directed Payment Adjustment			(1,358,362)	-	1,358,362
(2,449,080)	-	2,449,080	Non-Claims Expense Adjustment			(2,324,005)	-	2,324,005
(4,472,016)	-	4,472,016	IBNR, Incentive, Paid Claims Adjustment			(12,870,448)	-	12,870,448
103,690,851	116,165,964	12,475,113	<b>Total Medical Costs</b>			524,617,702	571,827,828	47,210,126
25,054,937	7,393,348	17,661,589	<b>GROSS MARGIN</b>			87,890,821	34,878,247	53,012,574
Administrative:								
3,792,281	4,009,841	217,560	Compensation			18,200,935	20,049,204	1,848,269
1,530,859	1,690,082	159,223	Purchased Services			7,018,796	8,450,409	1,431,613
134,551	227,316	92,765	Supplies			603,064	1,136,581	533,517
685,407	649,950	(35,457)	Depreciation			3,411,900	3,249,748	(162,152)
441,734	449,119	7,385	Other Administrative Expenses			2,485,748	2,245,593	(240,155)
300,950	-	(300,950)	Administrative Expense Adjustment			1,332,417	-	(1,332,417)
6,885,782	7,026,307	140,525	<b>Total Administrative Expenses</b>			33,052,860	35,131,534	2,078,674
110,576,633	123,192,271	12,615,638	<b>TOTAL EXPENSES</b>			557,670,562	606,959,362	49,288,800
18,169,155	367,041	17,802,114	<b>OPERATING INCOME (LOSS) BEFORE TAX</b>			54,837,961	(253,287)	55,091,248
-	-	-	<b>MCO TAX</b>			-	-	-
18,169,155	367,041	17,802,114	<b>OPERATING INCOME (LOSS) NET OF TAX</b>			54,837,961	(253,287)	55,091,248
<b>NONOPERATING REVENUE (EXPENSE)</b>								
(543)	-	(543)	Provider Grants/CalAIM/Home Health			(543)	-	(543)
(299,601)	(625,313)	325,712	D-SNP Expenses			(1,496,475)	(3,126,565)	1,630,090
(300,144)	(625,313)	325,169	<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>			(1,497,018)	(3,126,565)	1,629,547
17,869,011	(258,272)	18,127,283	<b>NET INCREASE (DECREASE) IN NET POSITION</b>			53,340,943	(3,379,852)	56,720,795
76.5%	92.8%	16.3%	<b>MEDICAL LOSS RATIO</b>			82.8%	93.0%	10.3%
6.4%	6.9%	0.4%	<b>ADMINISTRATIVE EXPENSE RATIO</b>			6.5%	7.0%	0.5%

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED MAY 31, 2023			YEAR-TO-DATE		
						ACTUAL	BUDGET	VARIANCE
<b>ENROLLMENT</b>								
214,544	214,600	(56)	Family Members	1,058,872	1,065,000	(6,128)		
100,354	94,500	5,854	Expansion Members	491,823	470,500	21,323		
18,398	18,000	398	SPD Members	91,414	89,000	2,414		
401	450	(49)	LTC Members	1,603	1,800	(197)		
22,218	23,700	(1,482)	Other Members	98,097	103,500	(5,403)		
15,699	14,000	1,699	Kaiser Members	76,288	70,000	6,288		
371,614	365,250	6,364	<b>Total Members - MCAL</b>	<b>1,818,097</b>	<b>1,799,800</b>	<b>18,297</b>		
<b>REVENUES</b>								
187.74	182.23	5.52	Title XIX - Medicaid - Family and Other	178.43	181.32	(2.90)		
381.03	366.98	14.05	Title XIX - Medicaid - Expansion Members	371.33	366.98	4.34		
1,037.24	1,143.17	(105.93)	Title XIX - Medicaid - SPD Members	1,037.59	1,143.17	(105.58)		
7,546.20	7,095.20	451.00	Title XIX - Medicaid - LTC Members	7,472.76	7,095.20	377.56		
0.00	0.00	0.00	Premium - MCO Tax	0.00	0.00	0.00		
61.23	60.28	0.95	Premium - Hospital Directed Payments	62.05	60.78	1.27		
1.83	1.24	0.59	Investment Earnings And Other Income	3.53	1.24	2.29		
0.00	0.22	(0.22)	Reinsurance Recoveries	0.00	0.22	(0.22)		
0.02	0.00	0.02	Rate Adjustments - Hospital Directed Payments	(0.33)	0.00	(0.33)		
4.21	0.00	4.21	Rate/Income Adjustments	1.71	0.00	1.71		
361.73	351.77	9.96	<b>TOTAL REVENUES</b>	<b>351.65</b>	<b>350.74</b>	<b>0.91</b>		
<b>EXPENSES</b>								
<b>Medical Costs:</b>								
61.10	61.91	0.81	Physician Services	59.22	62.02	2.80		
18.67	19.90	1.23	Other Professional Services	16.84	20.03	3.19		
14.42	16.58	2.16	Emergency Room	14.60	16.61	2.01		
60.08	67.83	7.76	Inpatient	64.76	68.08	3.31		
0.27	0.22	(0.05)	Reinsurance Expense	0.32	0.22	(0.10)		
30.93	29.96	(0.97)	Outpatient Hospital	30.16	29.98	(0.18)		
62.24	72.54	10.31	Other Medical	61.25	71.37	10.12		
1.50	1.50	0.00	Pay for Performance Quality Incentive	1.50	1.50	0.00		
61.23	60.28	(0.95)	Hospital Directed Payments	62.05	60.78	(1.27)		
0.35	0.00	(0.35)	Hospital Directed Payment Adjustment	(0.78)	0.00	0.78		
(6.88)	0.00	6.88	Non-Claims Expense Adjustment	(1.33)	0.00	1.33		
(12.56)	0.00	12.56	IBNR, Incentive, Paid Claims Adjustment	(7.39)	0.00	7.39		
291.34	330.72	39.39	<b>Total Medical Costs</b>	<b>301.19</b>	<b>330.57</b>	<b>29.38</b>		
70.40	21.05	49.35	<b>GROSS MARGIN</b>	<b>50.46</b>	<b>20.16</b>	<b>30.30</b>		
<b>Administrative:</b>								
10.66	11.42	0.76	Compensation	10.45	11.59	1.14		
4.30	4.81	0.51	Purchased Services	4.03	4.89	0.86		
0.38	0.65	0.27	Supplies	0.35	0.66	0.31		
1.93	1.85	(0.08)	Depreciation	1.96	1.88	(0.08)		
1.24	1.28	0.04	Other Administrative Expenses	1.43	1.30	(0.13)		
0.85	0.00	(0.85)	Administrative Expense Adjustment	0.76	0.00	(0.76)		
19.35	20.00	0.66	<b>Total Administrative Expenses</b>	<b>18.98</b>	<b>20.31</b>	<b>1.33</b>		
310.68	350.73	40.04	<b>TOTAL EXPENSES</b>	<b>320.17</b>	<b>350.88</b>	<b>30.72</b>		
51.05	1.04	50.00	<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>31.48</b>	<b>(0.15)</b>	<b>31.63</b>		
0.00	0.00	0.00	<b>MCO TAX</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		
51.05	1.04	50.00	<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>31.48</b>	<b>(0.15)</b>	<b>31.63</b>		
<b>NONOPERATING REVENUE (EXPENSE)</b>								
0.00	0.00	0.00	Gain on Sale of Assets	0.00	0.00	0.00		
(0.00)	0.00	(0.00)	Reserve Fund Projects/Community Grants	(0.00)	0.00	(0.00)		
(0.84)	(1.78)	0.94	Health Home	(0.86)	(1.81)	0.95		
(0.84)	(1.78)	0.94	<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(0.86)</b>	<b>(1.81)</b>	<b>0.95</b>		
50.21	(0.74)	50.94	<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>30.62</b>	<b>(1.95)</b>	<b>32.58</b>		
76.5%	92.8%	16.3%	<b>MEDICAL LOSS RATIO</b>	<b>82.8%</b>	<b>93.0%</b>	<b>10.3%</b>		
6.4%	6.9%	0.4%	<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>6.5%</b>	<b>7.0%</b>	<b>0.5%</b>		

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH MAY 31, 2023	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER
	2022	2022	2022	2022	2022	2022	2022
<b>ENROLLMENT</b>							
Members - MCAL	315,663	319,333	323,572	324,961	325,920	329,121	331,947
<b>REVENUES</b>							
Title XIX - Medicaid - Family and Other	35,766,911	37,731,384	37,514,641	37,941,354	37,957,277	37,949,223	39,648,035
Title XIX - Medicaid - Expansion Members	29,600,713	30,533,210	30,993,375	31,238,545	31,275,148	31,549,369	32,934,833
Title XIX - Medicaid - SPD Members	14,887,158	15,402,431	15,833,803	15,065,828	15,760,220	15,913,345	15,878,315
Title XIX - Medicaid - LTC Members	-	-	-	-	-	-	-
Premium - MCO Tax	9,872,493	9,910,584	10,883,460	10,883,459	10,883,460	10,883,459	10,883,460
Premium - Hospital Directed Payments	17,928,276	18,280,365	18,674,627	18,595,974	18,857,014	18,961,885	19,322,384
Investment Earnings And Other Income	357,517	(633,952)	1,002,315	(121,473)	353,347	179,268	888,027
Reinsurance Recoveries	-	-	-	-	-	-	-
Rate Adjustments - Hospital Directed Payments	(23,892)	5,129	9,235	(4,343)	(4,606,563)	9,926	(5,267)
Rate/Income Adjustments	(4,649,731)	(364,397)	350,036	245,168	203,911	124,448	1,298,007
<b>TOTAL REVENUES</b>	<b>103,739,445</b>	<b>110,864,754</b>	<b>115,261,492</b>	<b>113,844,512</b>	<b>110,683,814</b>	<b>115,570,923</b>	<b>120,847,794</b>
<b>EXPENSES</b>							
<b>Medical Costs:</b>							
Physician Services	17,895,843	18,921,901	18,984,281	18,198,409	18,622,853	18,169,774	18,483,343
Other Professional Services	4,835,075	5,112,961	5,137,341	5,208,793	5,024,917	5,041,998	5,432,710
Emergency Room	4,139,529	3,167,228	4,764,039	4,661,044	4,773,821	4,790,820	5,682,299
Inpatient	21,395,635	19,551,774	22,935,749	20,834,103	22,797,560	22,462,437	18,414,421
Reinsurance Expense	56,248	57,216	(33,668)	(25,136)	142,533	58,493	58,838
Outpatient Hospital	8,281,163	9,196,013	10,013,268	9,928,749	9,352,210	9,319,855	8,727,267
Other Medical	16,301,024	15,522,071	15,416,935	15,241,576	15,744,662	16,418,094	16,382,849
Pay for Performance Quality Incentive	473,494	478,060	485,358	485,358	490,964	493,681	493,681
Hospital Directed Payments	17,928,276	18,280,365	18,674,627	18,595,974	18,857,014	18,961,885	19,322,384
Hospital Directed Payment Adjustment	(3,419)	5,129	9,235	(4,343)	(4,064,727)	9,926	(5,266)
Non-Claims Expense Adjustment	(1,371,999)	29,799	17,040	5,019	9,821	(248,768)	4,018
IBNR, Incentive, Paid Claims Adjustment	(3,724,314)	(4,072,490)	(238,100)	487,881	(789,121)	(435,695)	(436,641)
<b>Total Medical Costs</b>	<b>86,206,555</b>	<b>86,250,027</b>	<b>96,166,105</b>	<b>93,617,427</b>	<b>90,962,507</b>	<b>95,042,500</b>	<b>92,559,903</b>
<b>GROSS MARGIN</b>							
Administrative:	17,532,890	24,614,727	19,095,387	20,227,085	19,721,307	20,528,423	28,287,891
Compensation	3,259,102	2,980,813	3,307,910	3,148,970	3,213,222	3,387,496	3,241,130
Purchased Services	927,532	850,526	1,078,360	1,144,312	997,356	1,009,393	1,034,408
Supplies	145,499	66,970	74,368	117,566	85,530	66,157	258,430
Depreciation	575,899	626,073	576,074	583,814	583,673	584,905	622,602
Other Administrative Expenses	300,845	329,335	414,331	315,625	298,240	304,229	320,234
Administrative Expense Adjustment	(2,834)	811,890	425,467	300,000	420,793	299,429	299,689
<b>Total Administrative Expenses</b>	<b>5,206,043</b>	<b>5,665,607</b>	<b>5,876,510</b>	<b>5,610,287</b>	<b>5,598,814</b>	<b>5,651,609</b>	<b>5,776,493</b>
<b>TOTAL EXPENSES</b>	<b>91,412,598</b>	<b>91,915,634</b>	<b>102,042,615</b>	<b>99,227,714</b>	<b>96,561,321</b>	<b>100,694,109</b>	<b>98,336,396</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>12,326,847</b>	<b>18,949,120</b>	<b>13,218,877</b>	<b>14,616,798</b>	<b>14,122,493</b>	<b>14,876,814</b>	<b>22,511,398</b>
<b>MCO TAX</b>	<b>9,888,018</b>	<b>9,894,051</b>	<b>10,883,459</b>	<b>10,883,460</b>	<b>10,883,459</b>	<b>10,883,460</b>	<b>10,883,460</b>
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>2,438,829</b>	<b>9,055,069</b>	<b>2,335,418</b>	<b>3,733,338</b>	<b>3,239,034</b>	<b>3,993,354</b>	<b>11,627,938</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>744,870</b>	<b>(1,996,822)</b>	<b>(3,380)</b>	<b>57,925</b>	<b>(27,966)</b>	<b>(5,428)</b>	<b>4,000</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>3,183,699</b>	<b>7,058,247</b>	<b>2,332,038</b>	<b>3,791,263</b>	<b>3,211,068</b>	<b>3,987,926</b>	<b>11,631,938</b>
<b>MEDICAL LOSS RATIO</b>	<b>89.9%</b>	<b>82.2%</b>	<b>90.4%</b>	<b>88.9%</b>	<b>89.0%</b>	<b>88.7%</b>	<b>80.8%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>6.9%</b>	<b>6.9%</b>	<b>6.9%</b>	<b>6.6%</b>	<b>6.5%</b>	<b>6.6%</b>	<b>6.4%</b>



KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH MAY 31, 2023	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	13 MONTH
	2022	2023	2023	2023	2023	2023	TOTAL
<b>ENROLLMENT</b>							
Members - MCAL	336,514	332,414	349,465	351,010	353,005	355,915	4,348,840
<b>REVENUES</b>							
Title XIX - Medicaid - Family and Other	34,345,215	38,355,206	40,922,562	41,044,003	41,661,492	44,450,874	505,288,177
Title XIX - Medicaid - Expansion Members	30,862,645	35,864,920	36,154,732	35,902,983	36,465,640	38,238,101	431,614,214
Title XIX - Medicaid - SPD Members	15,500,822	18,119,057	19,012,691	19,068,659	19,567,025	19,083,062	219,092,416
Title XIX - Medicaid - LTC Members	-	201,227	2,814,382	2,968,601	2,968,601	3,026,025	11,978,837
Premium - MCO Tax	10,883,460	-	-	-	-	-	85,083,835
Premium - Hospital Directed Payments	27,573,903	21,209,673	21,515,947	21,609,701	21,948,157	21,792,771	266,270,677
Investment Earnings And Other Income	714,738	1,400,146	440,597	2,337,674	1,314,336	651,530	8,884,070
Reinsurance Recoveries	152,481	-	-	-	-	-	152,481
Rate Adjustments - Hospital Directed Payments	12,446,127	(684,297)	33,520	32,816	37,815	5,509	7,255,715
Rate/Income Adjustments	333,950	(968,410)	350,076	1,115,116	978,086	1,497,916	514,176
<b>TOTAL REVENUES</b>	<b>132,813,341</b>	<b>113,497,522</b>	<b>121,244,507</b>	<b>124,079,553</b>	<b>124,941,153</b>	<b>128,745,788</b>	<b>1,536,134,598</b>
<b>EXPENSES</b>							
<b>Medical Costs:</b>							
Physician Services	16,678,607	20,302,072	19,187,941	20,648,045	21,262,722	21,747,296	249,103,087
Other Professional Services	6,175,363	5,493,905	5,413,638	6,067,168	5,720,799	6,643,597	71,308,265
Emergency Room	5,082,054	5,195,994	4,633,288	5,199,635	5,262,548	5,131,679	62,483,978
<b>Inpatient</b>	<b>12,591,938</b>	<b>22,641,712</b>	<b>21,804,027</b>	<b>22,997,133</b>	<b>23,980,922</b>	<b>21,382,030</b>	<b>273,789,441</b>
Reinsurance Expense	59,818	90,859	180,937	94,363	94,773	95,311	930,585
Outpatient Hospital	9,093,742	9,616,781	9,652,797	11,362,056	10,886,974	11,009,988	126,440,863
Other Medical	6,543,097	15,528,820	23,011,370	23,040,484	22,948,410	22,151,470	224,250,862
Pay for Performance Quality Incentive	504,771	498,590	524,238	526,516	529,507	533,873	6,518,091
Hospital Directed Payments	27,573,903	21,209,673	21,515,947	21,609,701	21,948,157	21,792,771	266,270,677
Hospital Directed Payment Adjustment	12,446,126	(684,297)	33,520	(869,333)	37,816	123,932	7,034,299
Non-Claims Expense Adjustment	(1,071,264)	(128,832)	3,429	72,961	177,517	(2,449,080)	(4,950,339)
IBNR, Incentive, Paid Claims Adjustment	(6,704,318)	9,076	32,166	(4,009,312)	(4,430,362)	(4,472,016)	(28,783,246)
<b>Total Medical Costs</b>	<b>88,973,837</b>	<b>99,774,353</b>	<b>105,993,298</b>	<b>106,739,417</b>	<b>108,419,783</b>	<b>103,690,851</b>	<b>1,254,396,563</b>
<b>GROSS MARGIN</b>	<b>43,839,504</b>	<b>13,723,169</b>	<b>15,251,209</b>	<b>17,340,136</b>	<b>16,521,370</b>	<b>25,054,937</b>	<b>281,738,035</b>
<b>Administrative:</b>							
Compensation	4,707,264	3,547,045	3,492,028	3,754,627	3,614,954	3,792,281	45,446,842
Purchased Services	1,262,419	939,926	1,549,694	1,516,766	1,481,551	1,530,859	15,323,102
Supplies	220,189	87,606	161,043	106,568	113,296	134,551	1,637,773
Depreciation	627,772	680,616	679,350	682,158	684,369	685,407	8,192,712
Other Administrative Expenses	966,290	660,263	384,578	557,118	442,055	441,734	5,734,877
Administrative Expense Adjustment	508,526	109,675	301,496	320,296	300,000	300,950	4,395,377
<b>Total Administrative Expenses</b>	<b>8,292,460</b>	<b>6,025,131</b>	<b>6,568,189</b>	<b>6,937,533</b>	<b>6,636,225</b>	<b>6,885,782</b>	<b>80,730,683</b>
<b>TOTAL EXPENSES</b>	<b>97,266,297</b>	<b>105,799,484</b>	<b>112,561,487</b>	<b>113,676,950</b>	<b>115,056,008</b>	<b>110,576,633</b>	<b>1,335,127,246</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>35,547,044</b>	<b>7,698,038</b>	<b>8,683,020</b>	<b>10,402,603</b>	<b>9,885,145</b>	<b>18,169,155</b>	<b>201,007,352</b>
<b>MCO TAX</b>	<b>10,883,459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,082,826</b>
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>24,663,585</b>	<b>7,698,038</b>	<b>8,683,020</b>	<b>10,402,603</b>	<b>9,885,145</b>	<b>18,169,155</b>	<b>115,924,526</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(34,557)</b>	<b>(60,423)</b>	<b>(153,079)</b>	<b>(672,750)</b>	<b>(310,622)</b>	<b>(300,144)</b>	<b>(2,758,376)</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>24,629,028</b>	<b>7,637,615</b>	<b>8,529,941</b>	<b>9,729,853</b>	<b>9,574,523</b>	<b>17,869,011</b>	<b>113,166,150</b>
<b>MEDICAL LOSS RATIO</b>	<b>59.8%</b>	<b>85.2%</b>	<b>84.7%</b>	<b>84.0%</b>	<b>84.0%</b>	<b>76.5%</b>	<b>83.3%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>10.1%</b>	<b>6.5%</b>	<b>6.6%</b>	<b>6.8%</b>	<b>6.4%</b>	<b>6.4%</b>	<b>6.9%</b>

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH MAY 31, 2023	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER
	2022	2022	2022	2022	2022	2022	2022
<b>ENROLLMENT</b>							
Members - MCAL	315,663	319,333	323,572	324,961	325,920	329,121	331,947
<b>REVENUES</b>							
Title XIX - Medicaid - Family and Other	168.25	176.65	173.99	175.92	175.56	174.37	180.89
Title XIX - Medicaid - Expansion Members	341.10	343.27	340.07	338.95	338.39	334.55	344.93
Title XIX - Medicaid - SPD Members	913.04	917.14	941.54	880.12	911.57	926.33	919.20
Title XIX - Medicaid - LTC Members	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Premium - MCO Tax	31.28	31.04	33.64	33.49	33.39	33.07	32.79
Premium - Hospital Directed Payments	56.80	57.25	57.71	57.23	57.86	57.61	58.21
Investment Earnings And Other Income	1.13	(1.99)	3.10	(0.37)	1.08	0.54	2.68
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	(0.08)	0.02	0.03	(0.01)	(14.13)	0.03	(0.02)
Rate/Income Adjustments	(14.73)	(1.14)	1.08	0.75	0.63	0.38	3.91
<b>TOTAL REVENUES</b>	<b>328.64</b>	<b>347.18</b>	<b>356.22</b>	<b>350.33</b>	<b>339.60</b>	<b>351.15</b>	<b>364.06</b>
<b>EXPENSES</b>							
Medical Costs:							
Physician Services	56.69	59.25	58.67	56.00	57.14	55.21	55.68
Other Professional Services	15.32	16.01	15.88	16.03	15.42	15.32	16.37
Emergency Room	13.11	9.92	14.72	14.34	14.65	14.56	17.12
Inpatient	67.78	61.23	70.88	64.11	69.95	68.25	55.47
Reinsurance Expense	0.18	0.18	(0.10)	(0.08)	0.44	0.18	0.18
Outpatient Hospital	26.23	28.80	30.95	30.55	28.69	28.32	26.29
Other Medical	51.64	48.61	47.65	46.90	48.31	49.88	49.35
Pay for Performance Quality Incentive	1.50	1.50	1.50	1.49	1.51	1.50	1.49
Hospital Directed Payments	56.80	57.25	57.71	57.23	57.86	57.61	58.21
Hospital Directed Payment Adjustment	(0.01)	0.02	0.03	(0.01)	(12.47)	0.03	(0.02)
Non-Claims Expense Adjustment	(4.35)	0.09	0.05	0.02	0.03	(0.76)	0.01
IBNR, Incentive, Paid Claims Adjustment	(11.80)	(12.75)	(0.74)	1.50	(2.42)	(1.32)	(1.32)
<b>Total Medical Costs</b>	<b>273.10</b>	<b>270.09</b>	<b>297.20</b>	<b>288.09</b>	<b>279.09</b>	<b>288.78</b>	<b>278.84</b>
<b>GROSS MARGIN</b>	<b>55.54</b>	<b>77.08</b>	<b>59.01</b>	<b>62.24</b>	<b>60.51</b>	<b>62.37</b>	<b>85.22</b>
Administrative:							
Compensation	10.32	9.33	10.22	9.69	9.86	10.29	9.76
Purchased Services	2.94	2.66	3.33	3.52	3.06	3.07	3.12
Supplies	0.46	0.21	0.23	0.36	0.26	0.20	0.78
Depreciation	1.82	1.96	1.78	1.80	1.79	1.78	1.88
Other Administrative Expenses	0.95	1.03	1.28	0.97	0.92	0.92	0.96
Administrative Expense Adjustment	(0.01)	2.54	1.31	0.92	1.29	0.91	0.90
<b>Total Administrative Expenses</b>	<b>16.49</b>	<b>17.74</b>	<b>18.16</b>	<b>17.26</b>	<b>17.18</b>	<b>17.17</b>	<b>17.40</b>
<b>TOTAL EXPENSES</b>	<b>289.59</b>	<b>287.84</b>	<b>315.36</b>	<b>305.35</b>	<b>296.27</b>	<b>305.95</b>	<b>296.24</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>39.05</b>	<b>59.34</b>	<b>40.85</b>	<b>44.98</b>	<b>43.33</b>	<b>45.20</b>	<b>67.82</b>
<b>MCO TAX</b>	<b>31.32</b>	<b>30.98</b>	<b>33.64</b>	<b>33.49</b>	<b>33.39</b>	<b>33.07</b>	<b>32.79</b>
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>7.73</b>	<b>28.36</b>	<b>7.22</b>	<b>11.49</b>	<b>9.94</b>	<b>12.13</b>	<b>35.03</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>2.36</b>	<b>(6.25)</b>	<b>(0.01)</b>	<b>0.18</b>	<b>(0.09)</b>	<b>(0.02)</b>	<b>0.01</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>10.09</b>	<b>22.10</b>	<b>7.21</b>	<b>11.67</b>	<b>9.85</b>	<b>12.12</b>	<b>35.04</b>
<b>MEDICAL LOSS RATIO</b>	<b>89.9%</b>	<b>82.2%</b>	<b>90.4%</b>	<b>88.9%</b>	<b>89.0%</b>	<b>88.7%</b>	<b>80.8%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>6.9%</b>	<b>6.9%</b>	<b>6.9%</b>	<b>6.6%</b>	<b>6.5%</b>	<b>6.6%</b>	<b>6.4%</b>

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH MAY 31, 2023	DECEMBER 2022	JANUARY 2023	FEBRUARY 2023	MARCH 2023	APRIL 2023	MAY 2023	13 MONTH TOTAL
<b>ENROLLMENT</b>							
Members - MCAL	336,514	332,414	349,465	351,010	353,005	355,915	4,348,840
<b>REVENUES</b>							
Title XIX - Medicaid - Family and Other	156.69	175.30	175.80	175.43	177.53	187.74	174.86
Title XIX - Medicaid - Expansion Members	323.22	373.01	369.48	365.87	367.09	381.03	351.16
Title XIX - Medicaid - SPD Members	897.35	1,038.82	1,030.33	1,029.51	1,052.05	1,037.24	963.13
Title XIX - Medicaid - LTC Members	0.00	7,452.85	7,425.81	7,477.58	7,440.11	7,546.20	7,472.76
Premium - MCO Tax	32.34	0.00	0.00	0.00	0.00	0.00	19.56
Premium - Hospital Directed Payments	81.94	63.80	61.57	61.56	62.18	61.23	61.23
Investment Earnings And Other Income	2.12	4.21	1.26	6.66	3.72	1.83	2.04
Reinsurance Recoveries	0.45	0.00	0.00	0.00	0.00	0.00	0.04
Rate Adjustments - Hospital Directed Payments	36.99	(2.06)	0.10	0.09	0.11	0.02	1.67
Rate/Income Adjustments	0.99	(2.91)	1.00	3.18	2.77	4.21	0.12
<b>TOTAL REVENUES</b>	<b>394.67</b>	<b>341.43</b>	<b>346.94</b>	<b>353.49</b>	<b>353.94</b>	<b>361.73</b>	<b>353.23</b>
<b>EXPENSES</b>							
<b>Medical Costs:</b>							
Physician Services	49.56	61.07	54.91	58.82	60.23	61.10	57.28
Other Professional Services	18.35	16.53	15.49	17.28	16.21	18.67	16.40
Emergency Room	15.10	15.63	13.26	14.81	14.91	14.42	14.37
Inpatient	37.42	68.11	62.39	65.52	67.93	60.08	62.96
Reinsurance Expense	0.18	0.27	0.52	0.27	0.27	0.27	0.21
Outpatient Hospital	27.02	28.93	27.62	32.37	30.84	30.93	29.07
Other Medical	19.44	46.72	65.85	65.64	65.01	62.24	51.57
Pay for Performance Quality Incentive	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Hospital Directed Payments	81.94	63.80	61.57	61.56	62.18	61.23	61.23
Hospital Directed Payment Adjustment	36.99	(2.06)	0.10	(2.48)	0.11	0.35	1.62
Non-Claims Expense Adjustment	(3.18)	(0.39)	0.01	0.21	0.50	(6.88)	(1.14)
IBNR, Incentive, Paid Claims Adjustment	(19.92)	0.03	0.09	(11.42)	(12.55)	(12.56)	(6.62)
<b>Total Medical Costs</b>	<b>268.04</b>	<b>300.15</b>	<b>303.30</b>	<b>304.09</b>	<b>307.13</b>	<b>291.34</b>	<b>288.44</b>
<b>GROSS MARGIN</b>	<b>126.64</b>	<b>41.28</b>	<b>43.64</b>	<b>49.40</b>	<b>46.80</b>	<b>70.40</b>	<b>64.78</b>
<b>Administrative:</b>							
Compensation	13.99	10.67	9.99	10.70	10.24	10.66	10.45
Purchased Services	3.75	2.83	4.43	4.32	4.20	4.30	3.52
Supplies	0.65	0.26	0.46	0.30	0.32	0.38	0.38
Depreciation	1.87	2.05	1.94	1.94	1.94	1.93	1.88
Other Administrative Expenses	2.87	1.99	1.10	1.59	1.25	1.24	1.32
Administrative Expense Adjustment	1.51	0.33	0.86	0.91	0.85	0.85	1.01
<b>Total Administrative Expenses</b>	<b>24.64</b>	<b>18.13</b>	<b>18.79</b>	<b>19.76</b>	<b>18.80</b>	<b>19.35</b>	<b>18.56</b>
<b>TOTAL EXPENSES</b>	<b>292.68</b>	<b>318.28</b>	<b>322.10</b>	<b>323.86</b>	<b>325.93</b>	<b>310.68</b>	<b>307.01</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>102.00</b>	<b>23.16</b>	<b>24.85</b>	<b>29.64</b>	<b>28.00</b>	<b>51.05</b>	<b>46.22</b>
<b>MCO TAX</b>	<b>32.34</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>19.56</b>
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>69.65</b>	<b>23.16</b>	<b>24.85</b>	<b>29.64</b>	<b>28.00</b>	<b>51.05</b>	<b>26.66</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(0.10)</b>	<b>(0.18)</b>	<b>(0.44)</b>	<b>(1.92)</b>	<b>(0.88)</b>	<b>(0.84)</b>	<b>(0.63)</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>69.55</b>	<b>22.98</b>	<b>24.41</b>	<b>27.72</b>	<b>27.12</b>	<b>50.21</b>	<b>26.02</b>
<b>MEDICAL LOSS RATIO</b>	<b>61.3%</b>	<b>85.2%</b>	<b>84.7%</b>	<b>84.0%</b>	<b>84.0%</b>	<b>76.5%</b>	<b>83.3%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>10.1%</b>	<b>6.5%</b>	<b>6.6%</b>	<b>6.8%</b>	<b>6.4%</b>	<b>6.4%</b>	<b>6.9%</b>

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED MAY 31, 2023	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
<b>R E V E N U E S</b>						
<b>Title XIX - Medicaid - Family &amp; Other</b>						
34,253,124	34,666,711	(413,587)	Premium - Medi-Cal	166,585,823	168,521,204	(1,935,381)
1,844,039	2,782,482	(938,443)	Premium - Maternity Kick	12,736,954	13,912,410	(1,175,456)
670,293	690,715	(20,422)	Premium - Enhanced Care Management	3,188,080	3,272,777	(84,697)
211,469	156,801	54,668	Premium - Major Organ Transplant	1,033,223	768,682	264,541
-	532,969	(532,969)	Premium - Cal AIM	-	2,555,697	(2,555,697)
3,616,316	3,688,540	(72,224)	Premium - Provider Enhancement	17,909,492	18,324,479	(414,987)
168,091	188,834	(20,743)	Premium - Ground Emergency Medical Transportation	831,728	937,104	(105,376)
3,571,473	245,400	3,326,073	Premium - Student Behavioral Health Incentive	3,571,473	1,227,000	2,344,473
-	352,514	(352,514)	Premium - Housing and Homelessness Incentive	-	1,762,570	(1,762,570)
116,069	119,280	(3,211)	Other	577,364	594,330	(16,966)
44,450,874	43,424,246	1,026,628	<b>Total Title XIX - Medicaid - Family &amp; Other</b>	<b>206,434,137</b>	<b>211,876,253</b>	<b>(5,442,116)</b>
<b>Title XIX - Medicaid - Expansion Members</b>						
33,080,818	30,521,405	2,559,414	Premium - Medi-Cal	162,999,937	151,959,344	11,040,594
496,657	236,486	260,171	Premium - Maternity Kick	2,595,342	1,182,429	1,412,913
813,398	956,970	(143,572)	Premium - Enhanced Care Management	4,004,644	4,764,270	(759,626)
334,426	239,010	95,416	Premium - Major Organ Transplant	1,648,352	1,189,910	458,442
-	424,746	(424,746)	Premium - Cal AIM	-	2,104,639	(2,104,639)
1,724,248	1,583,365	140,883	Premium - Provider Enhancement	8,501,945	7,883,315	618,630
240,509	206,571	33,938	Premium - Ground Emergency Medical Transportation	1,185,831	1,028,415	157,416
1,511,801	195,905	1,315,896	Premium - Student Behavioral Health Incentive	1,511,801	979,525	532,276
-	281,415	(281,415)	Premium - Housing and Homelessness Incentive	-	1,407,075	(1,407,075)
36,244	33,480	2,764	Other	178,524	166,680	11,844
38,238,101	34,679,353	3,558,748	<b>Total Title XIX - Medicaid - Expansion Members</b>	<b>182,626,376</b>	<b>172,665,602</b>	<b>9,960,774</b>
<b>Title XIX - Medicaid - SPD Members</b>						
17,490,030	18,735,840	(1,245,810)	Premium - Medi-Cal	87,979,398	92,638,321	(4,658,923)
414,360	514,620	(100,260)	Premium - Enhanced Care Management	2,082,872	2,544,510	(461,638)
241,690	163,620	78,070	Premium - Major Organ Transplant	1,215,765	809,010	406,755
-	260,625	(260,625)	Premium - Cal AIM	-	1,272,426	(1,272,426)
513,412	466,188	47,224	Premium - Provider Enhancement	2,582,595	2,305,041	277,554
140,511	144,180	(3,669)	Premium - Ground Emergency Medical Transportation	706,805	712,890	(6,085)
283,059	119,827	163,232	Premium - Student Behavioral Health Incentive	283,059	599,135	(316,076)
-	172,130	(172,130)	Premium - Housing and Homelessness Incentive	-	860,650	(860,650)
19,083,062	20,577,030	(1,493,968)	<b>Total Title XIX - Medicaid - SPD Members</b>	<b>94,850,494</b>	<b>101,741,983</b>	<b>(6,891,489)</b>
<b>Title XIX - Medicaid - LTC Members</b>						
2,999,038	3,167,252	(168,214)	Premium - Medi-Cal	11,890,497	12,669,008	(778,511)
9,108	10,190	(1,082)	Premium - Enhanced Care Management	36,070	40,760	(4,690)
10,959	15,055	(4,096)	Premium - Major Organ Transplant	43,148	60,220	(17,072)
-	-	-	Premium - Cal AIM	-	-	-
193	343	(150)	Premium - Provider Enhancement	685	1,372	(687)
655	-	655	Premium - Ground Emergency Medical Transportation	2,365	-	2,365
6,072	-	6,072	Premium - Student Behavioral Health Incentive	6,072	-	6,072
-	-	-	Premium - Housing and Homelessness Incentive	-	-	-
3,026,025	3,192,840	(166,815)	<b>Total Title XIX - Medicaid - LTC Members</b>	<b>11,978,837</b>	<b>12,771,360</b>	<b>(792,523)</b>

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED MAY 31, 2023	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			<b>PHYSICIAN SERVICES</b>			
4,159,263	4,480,231	320,968	Primary Care Physician Services	20,327,075	22,065,307	1,738,232
15,505,030	14,682,601	(822,429)	Referral Specialty Services	72,471,427	72,498,351	26,924
2,073,703	2,573,198	499,495	Urgent Care & After Hours Advise	10,304,274	12,673,561	2,369,287
9,300	9,300	-	Hospital Admitting Team	45,300	45,300	-
21,747,296	21,745,331	(1,965)	<b>TOTAL PHYSICIAN SERVICES</b>	<b>103,148,076</b>	<b>107,282,519</b>	<b>4,134,443</b>
			<b>OTHER PROFESSIONAL SERVICES</b>			
353,005	359,701	6,696	Vision Service Capitation	1,724,266	1,771,415	47,149
2,088,352	2,804,617	716,265	Medical Departments - UM Allocation *	10,289,713	14,023,083	3,733,370
2,409,753	1,471,615	(938,138)	Behavior Health Treatment	8,282,599	7,241,333	(1,041,266)
195,793	440,145	244,352	Mental Health Services	1,358,030	2,169,867	811,837
1,596,694	1,912,385	315,691	Other Professional Services	7,684,499	9,445,681	1,761,182
6,643,597	6,988,464	344,867	<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>29,339,107</b>	<b>34,651,380</b>	<b>5,312,273</b>
5,131,679	5,823,867	692,188	<b>EMERGENCY ROOM</b>	<b>25,423,144</b>	<b>28,725,041</b>	<b>3,301,897</b>
21,382,030	23,825,911	2,443,881	<b>INPATIENT HOSPITAL</b>	<b>112,805,824</b>	<b>117,758,268</b>	<b>4,952,444</b>
95,311	77,389	(17,922)	REINSURANCE EXPENSE PREMIUM	556,243	381,117	(175,126)
11,009,988	10,524,411	(485,577)	OUTPATIENT HOSPITAL SERVICES	52,528,596	51,851,977	(676,619)
			<b>OTHER MEDICAL</b>			
2,254,991	1,669,286	(585,705)	Ambulance and NEMT	10,171,745	8,227,630	(1,944,115)
451,622	1,016,037	564,415	Home Health Services & CBAS	3,774,901	5,017,407	1,242,506
785,929	1,592,010	806,081	Utilization and Quality Review Expenses	4,428,689	7,960,048	3,531,359
4,695,700	9,132,939	4,437,239	Long Term/SNF/Hospice	34,278,586	42,800,809	8,522,223
5,561,460	5,415,576	(145,884)	Provider Enhancement Expense - Prop. 56	27,544,981	26,674,549	(870,432)
562,775	512,606	(50,169)	Provider Enhancement Expense - GEMT	2,547,556	2,544,488	(3,068)
1,811,803	2,063,870	252,067	Enhanced Care Management	8,624,539	10,091,199	1,466,660
758,618	545,762	(212,856)	Major Organ Transplant	3,743,464	2,686,431	(1,057,033)
3,833,523	2,456,255	(1,377,268)	Cal AIM Incentive Programs	5,355,781	12,130,282	6,774,501
1,435,049	1,076,692	(358,357)	DME/Rebates	6,210,312	5,316,394	(893,918)
22,151,470	25,481,032	3,329,562	<b>TOTAL OTHER MEDICAL</b>	<b>106,680,554</b>	<b>123,449,238</b>	<b>16,768,684</b>
533,873	526,979	(6,894)	<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	<b>2,612,724</b>	<b>2,595,822</b>	<b>(16,902)</b>
21,792,771	21,172,581	(620,190)	<b>HOSPITAL DIRECTED PAYMENTS</b>	<b>108,076,249</b>	<b>105,132,467</b>	<b>(2,943,782)</b>
123,932	-	(123,932)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	(1,358,362)	-	1,358,362
(2,449,080)	-	2,449,080	NON-CLAIMS EXPENSE ADJUSTMENT	(2,324,005)	-	2,324,005
(4,472,016)	-	4,472,016	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(12,870,448)	-	12,870,448
103,690,851	116,165,964	12,475,113	<b>Total Medical Costs</b>	<b>524,617,702</b>	<b>571,827,828</b>	<b>47,210,126</b>

\* Medical costs per DMHC regulations

			KERN HEALTH SYSTEMS MEDI-CAL					
CURRENT MONTH			SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED MAY 31, 2023			YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE				ACTUAL	BUDGET	VARIANCE
			<b>PHYSICIAN SERVICES</b>					
11.69	12.76	1.07	Primary Care Physician Services			11.67	12.76	1.09
43.56	41.80	(1.76)	Referral Specialty Services			41.61	41.91	0.30
5.83	7.33	1.50	Urgent Care & After Hours Advise			5.92	7.33	1.41
0.03	0.03	0.00	Hospital Admitting Team			0.03	0.03	0.00
61.10	61.91	0.81	<b>TOTAL PHYSICIAN SERVICES</b>			59.22	62.02	2.80
			<b>OTHER PROFESSIONAL SERVICES</b>					
0.99	1.02	0.03	Vision Service Capitation			0.99	1.02	0.03
5.87	7.98	2.12	Medical Departments - UM Allocation *			5.91	8.11	2.20
6.77	4.19	(2.58)	Behavior Health Treatment			4.76	4.19	(0.57)
0.55	1.25	0.70	Mental Health Services			0.78	1.25	0.47
4.49	5.44	0.96	Other Professional Services			4.41	5.46	1.05
18.67	19.90	1.23	<b>TOTAL OTHER PROFESSIONAL SERVICES</b>			16.84	20.03	3.19
			<b>EMERGENCY ROOM</b>					
14.42	16.58	2.16				14.60	16.61	2.01
			<b>INPATIENT HOSPITAL</b>					
60.08	67.83	7.76				64.76	68.08	3.31
			<b>REINSURANCE EXPENSE PREMIUM</b>					
0.27	0.22	(0.05)				0.32	0.22	(0.10)
			<b>OUTPATIENT HOSPITAL SERVICES</b>					
30.93	29.96	(0.97)				30.16	29.98	(0.18)
			<b>OTHER MEDICAL</b>					
6.34	4.75	(1.58)	Ambulance and NEMT			5.84	4.76	(1.08)
1.27	2.89	1.62	Home Health Services & CBAS			2.17	2.90	0.73
2.21	4.53	2.32	Utilization and Quality Review Expenses			2.54	4.60	2.06
13.19	26.00	12.81	Long Term/SNF/Hospice			19.68	24.74	5.06
15.63	15.42	(0.21)	Provider Enhancement Expense - Prop. 56			15.81	15.42	(0.39)
1.58	1.46	(0.12)	Provider Enhancement Expense - GEMT			1.46	1.47	0.01
5.09	5.88	0.79	Enhanced Care Management			4.95	5.83	0.88
2.13	1.55	(0.58)	Major Organ Transplant			2.15	1.55	(0.60)
10.77	6.99	(3.78)	Cal AIM Incentive Programs			3.07	7.01	3.94
4.03	3.07	(0.97)	DME			3.57	3.07	(0.49)
62.24	72.54	10.31	<b>TOTAL OTHER MEDICAL</b>			61.25	71.37	10.12
			<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>					
1.50	1.50	0.00				1.50	1.50	0.00
			<b>HOSPITAL DIRECTED PAYMENTS</b>					
61.23	60.28	(0.95)				62.05	60.78	(1.27)
			<b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>					
0.35	0.00	(0.35)				(0.78)	0.00	0.78
			<b>NON-CLAIMS EXPENSE ADJUSTMENT</b>					
(6.88)	0.00	6.88				(1.33)	0.00	1.33
			<b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>					
(12.56)	0.00	12.56				(7.39)	0.00	7.39
291.34	330.72	39.39	<b>Total Medical Costs</b>			301.19	330.57	29.38

\* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH MAY 31, 2023	JANUARY 2023	FEBRUARY 2023	MARCH 2023	APRIL 2023	MAY 2023	YEAR TO DATE 2023
<b>PHYSICIAN SERVICES</b>						
Primary Care Physician Services	4,153,283	3,799,063	3,973,992	4,241,474	4,159,263	20,327,075
Referral Specialty Services	14,090,583	13,535,172	14,603,368	14,737,274	15,505,030	72,471,427
Urgent Care & After Hours Advise	2,048,906	1,845,306	2,061,385	2,274,974	2,073,703	10,304,274
Hospital Admitting Team	9,300	8,400	9,300	9,000	9,300	45,300
<b>TOTAL PHYSICIAN SERVICES</b>	<b>20,302,072</b>	<b>19,187,941</b>	<b>20,648,045</b>	<b>21,262,722</b>	<b>21,747,296</b>	<b>103,148,076</b>
<b>OTHER PROFESSIONAL SERVICES</b>						
Vision Service Capitation	332,837	342,049	345,365	351,010	353,005	1,724,266
Medical Departments - UM Allocation *	2,029,340	1,998,969	2,193,964	1,979,088	2,088,352	10,289,713
Behavior Health Treatment	1,234,423	1,340,804	1,751,711	1,545,908	2,409,753	8,282,599
Mental Health Services	378,598	277,029	277,573	229,037	195,793	1,358,030
Other Professional Services	1,518,707	1,454,787	1,498,555	1,615,756	1,596,694	7,684,499
<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>5,493,905</b>	<b>5,413,638</b>	<b>6,067,168</b>	<b>5,720,799</b>	<b>6,643,597</b>	<b>29,339,107</b>
<b>EMERGENCY ROOM</b>	<b>5,195,994</b>	<b>4,633,288</b>	<b>5,199,635</b>	<b>5,262,548</b>	<b>5,131,679</b>	<b>25,423,144</b>
<b>INPATIENT HOSPITAL</b>	<b>22,641,712</b>	<b>21,804,027</b>	<b>22,997,133</b>	<b>23,980,922</b>	<b>21,382,030</b>	<b>112,805,824</b>
<b>REINSURANCE EXPENSE PREMIUM</b>	<b>90,859</b>	<b>180,937</b>	<b>94,363</b>	<b>94,773</b>	<b>95,311</b>	<b>556,243</b>
<b>OUTPATIENT HOSPITAL SERVICES</b>	<b>9,616,781</b>	<b>9,652,797</b>	<b>11,362,056</b>	<b>10,886,974</b>	<b>11,009,988</b>	<b>52,528,596</b>
<b>OTHER MEDICAL</b>						
Ambulance and NEMT	1,792,123	1,754,080	2,159,726	2,210,825	2,254,991	10,171,745
Home Health Services & CBAS	970,272	809,536	996,283	547,188	451,622	3,774,901
Utilization and Quality Review Expenses	776,558	583,384	940,138	1,342,680	785,929	4,428,689
Long Term/SNF/Hospice	2,732,047	9,988,072	8,775,140	8,087,627	4,695,700	34,278,586
Provider Enhancement Expense - Prop. 56	5,430,893	5,482,690	5,503,401	5,566,537	5,561,460	27,544,981
Provider Enhancement Expense - GEMT	496,477	513,773	505,452	469,079	562,775	2,547,556
Enhanced Care Management	1,428,973	1,778,842	1,790,813	1,814,108	1,811,803	8,624,539
Major Organ Transplant	751,183	712,804	753,883	766,976	758,618	3,743,464
Cal AIM Incentive Programs	30,326	279,307	295,429	917,196	3,833,523	5,355,781
DME	1,119,968	1,108,882	1,320,219	1,226,194	1,435,049	6,210,312
<b>TOTAL OTHER MEDICAL</b>	<b>15,528,820</b>	<b>23,011,370</b>	<b>23,040,484</b>	<b>22,948,410</b>	<b>22,151,470</b>	<b>106,680,554</b>
<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	<b>498,590</b>	<b>524,238</b>	<b>526,516</b>	<b>529,507</b>	<b>533,873</b>	<b>2,612,724</b>
<b>HOSPITAL DIRECTED PAYMENTS</b>	<b>21,209,673</b>	<b>21,515,947</b>	<b>21,609,701</b>	<b>21,948,157</b>	<b>21,792,771</b>	<b>108,076,249</b>
<b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>	<b>(684,297)</b>	<b>33,520</b>	<b>(869,333)</b>	<b>37,816</b>	<b>123,932</b>	<b>(1,358,362)</b>
<b>NON-CLAIMS EXPENSE ADJUSTMENT</b>	<b>(128,832)</b>	<b>3,429</b>	<b>72,961</b>	<b>177,517</b>	<b>(2,449,080)</b>	<b>(2,324,005)</b>
<b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>	<b>9,076</b>	<b>32,166</b>	<b>(4,009,312)</b>	<b>(4,430,362)</b>	<b>(4,472,016)</b>	<b>(12,870,448)</b>
<b>Total Medical Costs</b>	<b>99,774,353</b>	<b>105,993,298</b>	<b>106,739,417</b>	<b>108,419,783</b>	<b>103,690,851</b>	<b>524,617,702</b>

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH MAY 31, 2023	JANUARY 2023	FEBRUARY 2023	MARCH 2023	APRIL 2023	MAY 2023	YEAR TO DATE 2023
<b>PHYSICIAN SERVICES</b>						
Primary Care Physician Services	12.49	10.87	11.32	12.02	11.69	11.67
Referral Specialty Services	42.39	38.73	41.60	41.75	43.56	41.61
Urgent Care & After Hours Advise	6.16	5.28	5.87	6.44	5.83	5.92
Hospital Admitting Team	0.03	0.02	0.03	0.03	0.03	0.03
<b>TOTAL PHYSICIAN SERVICES</b>	<b>61.07</b>	<b>54.91</b>	<b>58.82</b>	<b>60.23</b>	<b>61.10</b>	<b>59.22</b>
<b>OTHER PROFESSIONAL SERVICES</b>						
Vision Service Capitation	1.00	0.98	0.98	0.99	0.99	0.99
Medical Departments - UM Allocation *	6.10	5.72	6.25	5.61	5.87	5.91
Behavior Health Treatment	3.71	3.84	4.99	4.38	6.77	4.76
Mental Health Services	1.14	0.79	0.79	0.65	0.55	0.78
Other Professional Services	4.57	4.16	4.27	4.58	4.49	4.41
<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>16.53</b>	<b>15.49</b>	<b>17.28</b>	<b>16.21</b>	<b>18.67</b>	<b>16.84</b>
<b>EMERGENCY ROOM</b>	<b>15.63</b>	<b>13.26</b>	<b>14.81</b>	<b>14.91</b>	<b>14.42</b>	<b>14.60</b>
<b>INPATIENT HOSPITAL</b>	<b>68.11</b>	<b>62.39</b>	<b>65.52</b>	<b>67.93</b>	<b>60.08</b>	<b>64.76</b>
<b>REINSURANCE EXPENSE PREMIUM</b>	<b>0.27</b>	<b>0.52</b>	<b>0.27</b>	<b>0.27</b>	<b>0.27</b>	<b>0.32</b>
<b>OUTPATIENT HOSPITAL SERVICES</b>	<b>28.93</b>	<b>27.62</b>	<b>32.37</b>	<b>30.84</b>	<b>30.93</b>	<b>30.16</b>
<b>OTHER MEDICAL</b>						
Ambulance and NEMT	5.39	5.02	6.15	6.26	6.34	5.84
Home Health Services & CBAS	2.92	2.32	2.84	1.55	1.27	2.17
Utilization and Quality Review Expenses	2.34	1.67	2.68	3.80	2.21	2.54
Long Term/SNF/Hospice	8.22	28.58	25.00	22.91	13.19	19.68
Provider Enhancement Expense - Prop. 56	16.34	15.69	15.68	15.77	15.63	15.81
Provider Enhancement Expense - GEMT	1.49	1.47	1.44	1.33	1.58	1.46
Vaccine Incentive Program Expense	0.00	0.00	0.00	0.00	0.00	0.00
Behaviorial Health Integration Program	0.00	0.00	0.00	0.00	0.00	0.00
Enhanced Care Management	4.30	5.09	5.10	5.14	5.09	4.95
Major Organ Transplant	2.26	2.04	2.15	2.17	2.13	2.15
Cal AIM Incentive Programs	0.09	0.80	0.84	2.60	10.77	3.07
DME	3.37	3.17	3.76	3.47	4.03	3.57
<b>TOTAL OTHER MEDICAL</b>	<b>46.72</b>	<b>65.85</b>	<b>65.64</b>	<b>65.01</b>	<b>62.24</b>	<b>61.25</b>
<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>
<b>HOSPITAL DIRECTED PAYMENTS</b>	<b>63.80</b>	<b>61.57</b>	<b>61.56</b>	<b>62.18</b>	<b>61.23</b>	<b>62.05</b>
<b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>	<b>(2.06)</b>	<b>0.10</b>	<b>(2.48)</b>	<b>0.11</b>	<b>0.35</b>	<b>(0.78)</b>
<b>NON-CLAIMS EXPENSE ADJUSTMENT</b>	<b>(0.39)</b>	<b>0.01</b>	<b>0.21</b>	<b>0.50</b>	<b>(6.88)</b>	<b>(1.33)</b>
<b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>	<b>0.03</b>	<b>0.09</b>	<b>(11.42)</b>	<b>(12.55)</b>	<b>(12.56)</b>	<b>(7.39)</b>
<b>Total Medical Costs</b>	<b>300.15</b>	<b>303.30</b>	<b>304.09</b>	<b>307.13</b>	<b>291.34</b>	<b>301.19</b>



CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED MAY 31, 2023	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
605,342	503,782	(101,560)	110 - Executive	2,986,335	2,518,907	(467,428)
255,614	269,724	14,110	210 - Accounting	1,188,590	1,348,622	160,032
365,330	388,290	22,960	220 - Management Information Systems	1,797,232	1,941,448	144,216
26,942	26,641	(301)	221 - Business Intelligence	116,836	133,205	16,369
376,413	421,256	44,843	222 - Enterprise Development	1,723,455	2,106,280	382,825
136,105	201,164	65,059	223 - Enterprise Configuration	725,663	1,005,820	280,157
498,225	675,879	177,654	225 - Infrastructure	3,027,494	3,379,397	351,903
672,659	690,413	17,754	230 - Claims	3,179,572	3,452,065	272,493
320,496	272,020	(48,476)	240 - Project Management	1,142,681	1,360,100	217,419
260,301	145,307	(114,994)	310 - Health Services - Utilization Management	1,105,201	726,535	(378,666)
598	51,625	51,027	311 - Health Services - Quality Improvement	2,438	258,125	255,687
89	143	54	312 - Health Services - Education	883	715	(168)
36,574	70,663	34,089	313 - Pharmacy	179,337	353,315	173,978
(223)	3,292	3,515	314 - Enhanced Care Management	28,068	16,460	(11,608)
74,045	78,415	4,370	316 - Population Health Management	342,982	392,075	49,093
5	1,218	1,213	317 - Community Based Services	302	6,090	5,788
6	31,941	31,935	318 - Housing & Homeless Incentive Program	27	159,705	159,678
-	134,370	134,370	319 - CAL AIM Incentive Payment Program (IPP)	179,280	671,850	492,570
11,639	947	(10,692)	601 - Behavioral Health	11,639	4,735	(6,904)
(1,665)	4,315	5,980	602 - Quality & Health Equity	-	21,575	21,575
329,256	345,411	16,155	320 - Provider Network Management	1,627,151	1,727,055	99,904
908,944	1,205,474	296,530	330 - Member Services	4,371,095	6,027,370	1,656,275
984,437	871,256	(113,181)	340 - Corporate Services	4,628,696	4,356,280	(272,416)
140,250	145,475	5,225	360 - Audit & Investigative Services	696,596	727,375	30,779
69,262	56,416	(12,846)	410 - Member Engagement	300,747	282,080	(18,667)
169,876	210,572	40,696	420 - Sales/Marketing/Public Relations	658,115	1,052,860	394,745
344,312	361,965	17,653	510 - Human Resources	1,700,027	1,809,825	109,798
300,950	(141,667)	(442,617)	Administrative Expense Adjustment	1,332,417	(708,335)	(2,040,752)
6,885,782	7,026,307	140,525	Total Administrative Expenses	33,052,860	35,131,534	2,078,674

<b>KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED MAY 31, 2023</b>	<b>JANUARY 2023</b>	<b>FEBRUARY 2023</b>	<b>MARCH 2023</b>	<b>APRIL 2023</b>	<b>MAY 2023</b>	<b>YEAR TO DATE 2023</b>
110 - Executive	687,266	488,878	631,414	573,435	605,342	2,986,335
210 - Accounting	228,231	226,501	220,815	257,429	255,614	1,188,590
220 - Management Information Systems (MIS)	365,046	378,747	348,807	339,302	365,330	1,797,232
221 - Business Intelligence	63,805	672	10,109	15,308	26,942	116,836
222 - Enterprise Development	353,608	328,061	331,145	334,228	376,413	1,723,455
223 - Enterprise Configuration	104,241	216,683	121,896	146,738	136,105	725,663
225 - Infrastructure	412,631	771,628	668,401	676,609	498,225	3,027,494
230 - Claims	620,932	609,445	645,581	630,955	672,659	3,179,572
240 - Project Management	140,118	191,244	253,669	237,154	320,496	1,142,681
310 - Health Services - Utilization Management	194,388	186,938	208,456	255,118	260,301	1,105,201
311 - Health Services - Quality Improvement	89	90	(97)	1,758	598	2,438
312 - Health Services - Education	88	297	(8)	417	89	883
313- Pharmacy	39,747	39,846	37,420	25,750	36,574	179,337
314 - Enhanced Care Management	475	20,697	(112)	7,231	(223)	28,068
316 -Population Health Management	62,921	63,361	75,452	67,203	74,045	342,982
317 - Community Based Services	165	821	(711)	22	5	302
318 - Housing & Homeless Incentive Program	-	1,200	(1,185)	6	6	27
319 - CAL AIM Incentive Payment Program (IPP)	-	84,699	51,654	42,927	-	179,280
601 - Behavioral Health	-	-	-	-	11,639	11,639
602 - Quality & Health Equity	-	1,665	-	-	(1,665)	-
320 - Provider Network Management	317,123	285,888	388,095	306,789	329,256	1,627,151
330 - Member Services	802,035	804,897	998,660	856,559	908,944	4,371,095
340 - Corporate Services	892,136	958,999	902,329	890,795	984,437	4,628,696
360 - Audit & Investigative Services	138,360	130,101	142,110	145,775	140,250	696,596
410 - Member Engagement	68,972	61,237	45,193	56,083	69,262	300,747
420 - Sales/Marketing/Public Relations	60,714	98,793	207,085	121,647	169,876	658,115
510 - Human Resources	362,364	315,305	331,059	346,987	344,312	1,700,027
<b>Total Department Expenses</b>	<b>5,915,456</b>	<b>6,266,693</b>	<b>6,617,237</b>	<b>6,336,225</b>	<b>6,584,832</b>	<b>31,720,443</b>
<b>ADMINISTRATIVE EXPENSE ADJUSTMENT</b>	<b>109,675</b>	<b>301,496</b>	<b>320,296</b>	<b>300,000</b>	<b>300,950</b>	<b>1,332,417</b>
<b>Total Administrative Expenses</b>	<b>6,025,131</b>	<b>6,568,189</b>	<b>6,937,533</b>	<b>6,636,225</b>	<b>6,885,782</b>	<b>33,052,860</b>

<b>KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF MAY 31, 2023</b>			
<b>ASSETS</b>	<b>MAY 2023</b>	<b>APRIL 2023</b>	<b>INC(DEC)</b>
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,138,656	\$ 1,132,517	6,139
Interest Receivable	4,000	2,000	2,000
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 1,142,656</b>	<b>\$ 1,134,517</b>	<b>\$ 8,139</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES:</b>			
Other Liabilities	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET POSITION:</b>			
Net Position- Beg. of Year	1,130,625	1,130,625	-
Increase (Decrease) in Net Position - Current Year	12,031	3,892	8,139
Total Net Position	\$ 1,142,656	\$ 1,134,517	\$ 8,139
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 1,142,656</b>	<b>\$ 1,134,517</b>	<b>\$ 8,139</b>

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED MAY 31, 2023	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
<b>ENROLLMENT</b>						
-	-	-	Members	-	-	-
<b>REVENUES</b>						
-	-	-	Premium	-	-	-
2,000	-	2,000	Interest	12,031	-	12,031
-	-	-	Other Investment Income	-	-	-
2,000	-	2,000	<b>TOTAL REVENUES</b>	<b>12,031</b>	<b>-</b>	<b>12,031</b>
<b>EXPENSES</b>						
-	-	-	Medical Costs	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
2,000	-	2,000	<b>GROSS MARGIN</b>	<b>12,031</b>	<b>-</b>	<b>12,031</b>
<b>Administrative</b>						
-	-	-	Management Fee Expense and Other Admin Exp	-	-	-
-	-	-	Total Administrative Expenses	-	-	-
-	-	-	<b>TOTAL EXPENSES</b>	<b>-</b>	<b>-</b>	<b>-</b>
2,000	-	2,000	<b>OPERATING INCOME (LOSS)</b>	<b>12,031</b>	<b>-</b>	<b>12,031</b>
-	-	-	<b>TOTAL NONOPERATING REVENUE (EXPENSES)</b>	<b>-</b>	<b>-</b>	<b>-</b>
2,000	-	2,000	<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>12,031</b>	<b>-</b>	<b>12,031</b>
0%	0%	0%	<b>MEDICAL LOSS RATIO</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
0%	0%	0%	<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

**KERN HEALTH SYSTEMS  
MONTHLY MEMBERS COUNT**

**KERN HEALTH SYSTEMS**

<b>MEDI-CAL</b>		<b>2023 MEMBER MONTHS</b>	<b>JAN'23</b>	<b>FEB'23</b>	<b>MAR'23</b>	<b>APR'23</b>	<b>MAY'23</b>
<b>ADULT AND FAMILY</b>							
ADULT	324,831	58,409	65,757	66,276	66,418	67,971	
CHILD	734,041	149,881	145,505	145,753	146,329	146,573	
<b>SUB-TOTAL ADULT &amp; FAMILY</b>	<b>1,058,872</b>	<b>208,290</b>	<b>211,262</b>	<b>212,029</b>	<b>212,747</b>	<b>214,544</b>	
<b>OTHER MEMBERS</b>							
PARTIAL DUALS - FAMILY	4,304	851	875	903	822	853	
PARTIAL DUALS - CHILD	0	0	0	0	0	0	
PARTIAL DUALS - BCCTP	52	6	10	10	10	16	
<b>FULL DUALS (SPD)</b>							
SPD FULL DUALS	93,741	9,649	20,632	21,019	21,092	21,349	
<b>SUBTOTAL OTHER MEMBERS</b>	<b>98,097</b>	<b>10,506</b>	<b>21,517</b>	<b>21,932</b>	<b>21,924</b>	<b>22,218</b>	
<b>TOTAL FAMILY &amp; OTHER</b>	<b>1,156,969</b>	<b>218,796</b>	<b>232,779</b>	<b>233,961</b>	<b>234,671</b>	<b>236,762</b>	
<b>SPD</b>							
SPD (AGED AND DISABLED)	91,414	17,442	18,453	18,522	18,599	18,398	
<b>MEDI-CAL EXPANSION</b>							
ACA Expansion Adult-Citizen	483,282	94,512	96,241	96,427	97,590	98,512	
ACA Expansion Duals	8,541	1,637	1,613	1,703	1,746	1,842	
<b>SUB-TOTAL MED-CAL EXPANSION</b>	<b>491,823</b>	<b>96,149</b>	<b>97,854</b>	<b>98,130</b>	<b>99,336</b>	<b>100,354</b>	
<b>LONG TERM CARE (LTC)</b>							
LTC	128	27	-1	33	34	35	
LTC DUALS	1,475	0	380	364	365	366	
<b>TOTAL LTC</b>	<b>1,603</b>	<b>27</b>	<b>379</b>	<b>397</b>	<b>399</b>	<b>401</b>	
<b>TOTAL KAISER</b>	<b>76,288</b>	<b>14,759</b>	<b>14,960</b>	<b>15,308</b>	<b>15,562</b>	<b>15,699</b>	
<b>TOTAL MEDI-CAL MEMBERS</b>	<b>1,818,097</b>	<b>347,173</b>	<b>364,425</b>	<b>366,318</b>	<b>368,567</b>	<b>371,614</b>	



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## MEMORANDUM

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**TO:** Kern Health Systems Board of Directors  
**FROM:** Robert Landis, Chief Financial Officer  
**SUBJECT:** June 2023 Operating Results  
**DATE:** August 17, 2023

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The June results reflect a \$15,399,196 Net Increase in Net Position which is a \$15,706,914 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$7.3 million favorable variance primarily due to:
  - A) \$2.4 million favorable variance primarily due to higher-than-expected budgeted Expansion membership.
  - B) \$2.7 million favorable variance primarily due from receiving a \$5.2 million payment under the Housing and Homeless Incentive Program and from \$1.8 million of unfavorable **timing differences** on waiting for DHCS approval to record revenue under the CalAim Incentive Payment Program and the Student Behavioral Health Incentive Program.
  - C) \$1.0 million favorable variance in Premium-Hospital Directed Payments primarily due to higher-than-expected budgeted membership offset amounts included in 2B below.
  - D) \$1.0 million favorable variance in Investment Earnings primarily due from higher than forecasted interest rates being earned on the investment portfolio.
- 2) Total Medical Costs reflect a \$8.7 million favorable variance primarily due to:
  - A) \$4.7 million favorable variance in Inpatient primarily due to lower-than-expected utilization over the last several months.
  - B) \$1.0 million unfavorable variance in Hospital Directed Payments primarily due to higher-than-expected budgeted membership offset amounts included in 1C above.
  - C) \$4.8 million favorable variance primarily from IBNR Adjustments relating to the prior year.

The June Medical Loss Ratio is 78.5% which is favorable to the 92.8 % budgeted amount. The June Administrative Expense Ratio is 6.7% which is favorable to the 6.9% budgeted amount.

The results for the 6 months ended June 30, 2023 reflect a Net Increase in Net Position of \$68,740,139. This is a \$72,427,709 favorable variance to budget and includes approximately \$22.2 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 82.0% which is favorable to the 93.0% budgeted amount. The year-to-date Administrative Expense Ratio is 6.6% which is favorable to the 7.0% budgeted amount.

**Kern Health Systems  
Financial Packet  
June 2023**

**KHS – Medi-Cal Line of Business**

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**KHS Group Health Plan – Healthy Families Line of Business**

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**KHS Administrative Analysis and Other Reporting**

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<b>KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF JUNE 30, 2023</b>			
<b>ASSETS</b>	<b>JUNE 2023</b>	<b>MAY 2023</b>	<b>INC(DEC)</b>
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 144,791,409	\$ 149,446,874	\$ (4,655,465)
Short-Term Investments	313,233,927	309,357,810	3,876,117
Premiums Receivable - Net	93,407,862	96,442,410	(3,034,548)
Premiums Receivable - Hospital Direct Payments	422,726,244	400,522,455	22,203,789
Interest Receivable	434,749	336,015	98,734
Provider Advance Payment	806,231	869,559	(63,328)
Other Receivables	1,000,214	1,106,095	(105,881)
Prepaid Expenses & Other Current Assets	6,184,841	6,092,819	92,022
<b>Total Current Assets</b>	<b>\$ 982,585,477</b>	<b>\$ 964,174,037</b>	<b>\$ 18,411,440</b>
<b>CAPITAL ASSETS - NET OF ACCUM DEP'RE:</b>			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	1,109,286	1,153,250	(43,964)
Computer Hardware and Software - Net	20,073,411	20,630,245	(556,834)
Building and Building Improvements - Net	33,556,253	33,633,059	(76,806)
Capital Projects in Progress	1,823,871	1,706,837	117,034
<b>Total Capital Assets</b>	<b>\$ 60,653,527</b>	<b>\$ 61,214,097</b>	<b>\$ (560,570)</b>
<b>LONG TERM ASSETS:</b>			
Restricted Investments	300,000	300,000	-
Officer Life Insurance Receivables	1,620,493	1,572,984	47,509
<b>Total Long Term Assets</b>	<b>\$ 1,920,493</b>	<b>\$ 1,872,984</b>	<b>\$ 47,509</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 8,154,860</b>	<b>\$ 8,154,860</b>	<b>\$ -</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 1,053,314,357</b>	<b>\$ 1,035,415,978</b>	<b>\$ 17,898,379</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES:</b>			
Accrued Salaries and Employee Benefits	\$ 5,088,702	\$ 4,768,379	320,323
Accrued Other Operating Expenses	4,035,010	3,646,344	388,666
Claims Payable (Reported)	21,044,410	15,234,137	5,810,273
IBNR - Inpatient Claims	55,073,052	64,079,235	(9,006,183)
IBNR - Physician Claims	19,235,635	18,275,049	960,586
IBNR - Accrued Other Medical	26,782,168	27,600,562	(818,394)
Risk Pool and Withholds Payable	5,508,970	4,975,098	533,872
Statutory Allowance for Claims Processing Expense	3,195,869	2,831,842	364,027
Other Liabilities	91,361,413	109,619,189	(18,257,776)
Accrued Hospital Directed Payments	422,543,901	400,340,112	22,203,789
<b>Total Current Liabilities</b>	<b>\$ 653,869,130</b>	<b>\$ 651,369,947</b>	<b>\$ 2,499,183</b>
<b>NONCURRENT LIABILITIES:</b>			
Net Pension Liability	11,718,206	11,718,206	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 11,718,206</b>	<b>\$ 11,718,206</b>	<b>\$ -</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 230,571</b>	<b>\$ 230,571</b>	<b>\$ -</b>
<b>NET POSITION:</b>			
Net Position - Beg. of Year	318,756,311	318,756,311	-
Increase (Decrease) in Net Position - Current Year	68,740,139	53,340,943	15,399,196
<b>Total Net Position</b>	<b>\$ 387,496,450</b>	<b>\$ 372,097,254</b>	<b>\$ 15,399,196</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 1,053,314,357</b>	<b>\$ 1,035,415,978</b>	<b>\$ 17,898,379</b>



CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA			YEAR-TO-DATE MEMBER MONTHS		
			STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED JUNE 30, 2023					
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE		
215,886	215,000	886	Family Members	1,274,758	1,280,000	(5,242)		
101,498	94,500	6,998	Expansion Members	593,321	565,000	28,321		
18,680	18,000	680	SPD Members	110,094	107,000	3,094		
417	450	(33)	LTC Members	2,020	2,250	(230)		
21,387	23,700	(2,313)	Other Members	119,484	127,200	(7,716)		
15,881	14,000	1,881	Kaiser Members	92,169	84,000	8,169		
373,749	365,650	8,099	<b>Total Members - MCAL</b>	<b>2,191,846</b>	<b>2,165,450</b>	<b>26,396</b>		
			<b>REVENUES</b>					
45,303,824	43,462,506	1,841,318	Title XIX - Medicaid - Family and Other	251,737,961	255,338,760	(3,600,799)		
38,910,749	34,679,353	4,231,396	Title XIX - Medicaid - Expansion Members	221,537,125	207,344,955	14,192,170		
19,664,806	20,577,030	(912,224)	Title XIX - Medicaid - SPD Members	114,515,300	122,319,014	(7,803,714)		
3,130,269	3,192,840	(62,571)	Title XIX - Medicaid - LTC Members	15,109,106	15,964,200	(855,094)		
-	-	-	Premium - MCO Tax	-	-	-		
22,188,234	21,179,470	1,008,764	Premium - Hospital Directed Payments	130,264,483	126,311,937	3,952,546		
1,485,525	436,604	1,048,921	Investment Earnings And Other Income	7,629,808	2,573,896	5,055,912		
-	77,478	(77,478)	Reinsurance Recoveries	-	458,594	(458,594)		
15,555	-	15,555	Rate Adjustments - Hospital Directed Payments	(559,082)	-	(559,082)		
213,618	-	213,618	Rate/Income Adjustments	3,186,402	-	3,186,402		
130,912,580	123,605,281	7,307,299	<b>TOTAL REVENUES</b>	<b>743,421,103</b>	<b>730,311,356</b>	<b>13,109,747</b>		
			<b>EXPENSES</b>					
			Medical Costs:					
21,895,594	21,765,145	(130,449)	Physician Services	125,043,670	129,047,664	4,003,994		
6,838,173	6,992,064	153,891	Other Professional Services	36,177,280	41,643,444	5,466,164		
5,555,164	5,829,427	274,263	Emergency Room	30,978,308	34,554,468	3,576,160		
19,096,686	23,840,427	4,743,741	Inpatient	131,902,510	141,598,694	9,696,184		
96,097	77,478	(18,619)	Reinsurance Expense	652,340	458,594	(193,746)		
10,557,328	10,530,688	(26,640)	Outpatient Hospital	63,085,924	62,382,665	(703,259)		
25,626,415	25,494,099	(132,316)	Other Medical	132,306,969	148,943,337	16,636,368		
533,872	527,581	(6,291)	Pay for Performance Quality Incentive	3,146,596	3,123,403	(23,193)		
22,188,234	21,179,470	(1,008,764)	Hospital Directed Payments	130,264,483	126,311,937	(3,952,546)		
15,555	-	(15,555)	Hospital Directed Payment Adjustment	(1,342,807)	-	(1,342,807)		
3,040	-	(3,040)	Non-Claims Expense Adjustment	(2,320,965)	-	(2,320,965)		
(4,829,330)	-	4,829,330	IBNR, Incentive, Paid Claims Adjustment	(17,699,778)	-	(17,699,778)		
107,576,828	116,236,379	8,659,551	<b>Total Medical Costs</b>	<b>632,194,530</b>	<b>688,064,206</b>	<b>55,869,676</b>		
23,335,752	7,368,903	15,966,849	<b>GROSS MARGIN</b>	<b>111,226,573</b>	<b>42,247,150</b>	<b>68,979,423</b>		
			Administrative:					
3,620,970	4,034,841	413,871	Compensation	21,821,905	24,084,044	2,262,140		
1,863,224	1,690,082	(173,142)	Purchased Services	8,882,020	10,140,490	1,258,470		
30,404	227,316	196,912	Supplies	633,468	1,363,898	730,430		
685,551	649,950	(35,601)	Depreciation	4,097,451	3,249,748	(847,703)		
562,847	449,119	(113,728)	Other Administrative Expenses	3,048,595	3,344,661	296,066		
501,326	-	(501,326)	Administrative Expense Adjustment	1,833,743	-	(1,833,743)		
7,264,322	7,051,307	(213,015)	<b>Total Administrative Expenses</b>	<b>40,317,182</b>	<b>42,182,841</b>	<b>1,865,659</b>		
114,841,150	123,287,685	8,446,536	<b>TOTAL EXPENSES</b>	<b>672,511,712</b>	<b>730,247,047</b>	<b>57,735,336</b>		
16,071,430	317,596	15,753,834	<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>70,909,391</b>	<b>64,309</b>	<b>70,845,083</b>		
-	-	-	<b>MCO TAX</b>	<b>-</b>	<b>-</b>	<b>-</b>		
16,071,430	317,596	15,753,834	<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>70,909,391</b>	<b>64,309</b>	<b>70,845,083</b>		
			<b>NONOPERATING REVENUE (EXPENSE)</b>					
-	-	-	Provider Grants/CalAIM/Home Health	(543)	-	(543)		
(672,234)	(625,313)	(46,921)	D-SNP Expenses	(2,168,709)	(3,751,878)	1,583,169		
(672,234)	(625,313)	(46,921)	<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(2,169,252)</b>	<b>(3,751,878)</b>	<b>1,582,626</b>		
15,399,196	(307,717)	15,706,914	<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>68,740,139</b>	<b>(3,687,570)</b>	<b>72,427,709</b>		
78.5%	92.8%	14.3%	<b>MEDICAL LOSS RATIO</b>	<b>82.0%</b>	<b>93.0%</b>	<b>11.0%</b>		
6.7%	6.9%	0.2%	<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>6.6%</b>	<b>7.0%</b>	<b>0.4%</b>		

CURRENT MONTH			STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED JUNE 30, 2023	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
<b>ENROLLMENT</b>						
215,886	215,000	886	Family Members	1,274,758	1,280,000	(5,242)
101,498	94,500	6,998	Expansion Members	593,321	565,000	28,321
18,680	18,000	680	SPD Members	110,094	107,000	3,094
417	450	(33)	LTC Members	2,020	2,250	(230)
21,387	23,700	(2,313)	Other Members	119,484	127,200	(7,716)
15,881	14,000	1,881	Kaiser Members	92,169	84,000	8,169
373,749	365,650	8,099	<b>Total Members - MCAL</b>	2,191,846	2,165,450	26,396
<b>REVENUES</b>						
190.94	182.08	8.86	Title XIX - Medicaid - Family and Other	180.56	181.45	(0.90)
383.36	366.98	16.39	Title XIX - Medicaid - Expansion Members	373.38	366.98	6.40
1,052.72	1,143.17	(90.45)	Title XIX - Medicaid - SPD Members	1,040.16	1,143.17	(103.01)
7,506.64	7,095.20	411.44	Title XIX - Medicaid - LTC Members	7,479.76	7,095.20	384.56
0.00	0.00	0.00	Premium - MCO Tax	0.00	0.00	0.00
62.00	60.23	1.77	Premium - Hospital Directed Payments	62.04	60.68	1.36
4.15	1.24	2.91	Investment Earnings And Other Income	3.63	1.24	2.40
0.00	0.22	(0.22)	Reinsurance Recoveries	0.00	0.22	(0.22)
0.04	0.00	0.04	Rate Adjustments - Hospital Directed Payments	(0.27)	0.00	(0.27)
0.60	0.00	0.60	Rate/Income Adjustments	1.52	0.00	1.52
365.81	351.50	14.31	<b>TOTAL REVENUES</b>	354.06	350.87	3.20
<b>EXPENSES</b>						
Medical Costs:						
61.18	61.89	0.71	Physician Services	59.55	62.00	2.45
19.11	19.88	0.78	Other Professional Services	17.23	20.01	2.78
15.52	16.58	1.05	Emergency Room	14.75	16.60	1.85
53.36	67.80	14.43	Inpatient	62.82	68.03	5.21
0.27	0.22	(0.05)	Reinsurance Expense	0.31	0.22	(0.09)
29.50	29.95	0.45	Outpatient Hospital	30.05	29.97	(0.07)
71.61	72.50	0.89	Other Medical	63.01	71.56	8.54
1.49	1.50	0.01	Pay for Performance Quality Incentive	1.50	1.50	0.00
62.00	60.23	(1.77)	Hospital Directed Payments	62.04	60.68	(1.36)
0.04	0.00	(0.04)	Hospital Directed Payment Adjustment	(0.64)	0.00	0.64
0.01	0.00	(0.01)	Non-Claims Expense Adjustment	(1.11)	0.00	1.11
(13.49)	0.00	13.49	IBNR, Incentive, Paid Claims Adjustment	(8.43)	0.00	8.43
300.60	330.55	29.94	<b>Total Medical Costs</b>	301.09	330.57	29.48
65.21	20.96	44.25	<b>GROSS MARGIN</b>	52.97	20.30	32.68
Administrative:						
10.12	11.47	1.36	Compensation	10.39	11.57	1.18
5.21	4.81	(0.40)	Purchased Services	4.23	4.87	0.64
0.08	0.65	0.56	Supplies	0.30	0.66	0.35
1.92	1.85	(0.07)	Depreciation	1.95	1.56	(0.39)
1.57	1.28	(0.30)	Other Administrative Expenses	1.45	1.61	0.15
1.40	0.00	(1.40)	Administrative Expense Adjustment	0.87	0.00	(0.87)
20.30	20.05	(0.25)	<b>Total Administrative Expenses</b>	19.20	20.27	1.06
320.90	350.60	29.69	<b>TOTAL EXPENSES</b>	320.29	350.84	30.54
44.91	0.90	44.01	<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	33.77	0.03	33.74
0.00	0.00	0.00	<b>MCO TAX</b>	0.00	0.00	0.00
44.91	0.90	44.01	<b>OPERATING INCOME (LOSS) NET OF TAX</b>	33.77	0.03	33.74
<b>NONOPERATING REVENUE (EXPENSE)</b>						
0.00	0.00	0.00	Gain on Sale of Assets	0.00	0.00	0.00
0.00	0.00	0.00	Reserve Fund Projects/Community Grants	(0.00)	0.00	(0.00)
(1.88)	(1.78)	(0.10)	Health Home	(1.03)	(1.80)	0.77
(1.88)	(1.78)	(0.10)	<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	(1.03)	(1.80)	0.77
43.03	(0.88)	43.91	<b>NET INCREASE (DECREASE) IN NET POSITION</b>	32.74	(1.77)	34.51
78.5%	92.8%	14.3%	<b>MEDICAL LOSS RATIO</b>	82.0%	93.0%	11.0%
6.7%	6.9%	0.2%	<b>ADMINISTRATIVE EXPENSE RATIO</b>	6.6%	7.0%	0.4%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH JUNE 30, 2023	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
	2022	2022	2022	2022	2022	2022	2022
<b>ENROLLMENT</b>							
Members - MCAL	319,333	323,572	324,961	325,920	329,121	331,947	336,514
<b>REVENUES</b>							
Title XIX - Medicaid - Family and Other	37,731,384	37,514,641	37,941,354	37,957,277	37,949,223	39,648,035	34,345,215
Title XIX - Medicaid - Expansion Members	30,533,210	30,993,375	31,238,545	31,275,148	31,549,369	32,934,833	30,862,645
Title XIX - Medicaid - SPD Members	15,402,431	15,833,803	15,065,828	15,760,220	15,913,345	15,878,315	15,500,822
Title XIX - Medicaid - LTC Members	-	-	-	-	-	-	-
Premium - MCO Tax	9,910,584	10,883,460	10,883,459	10,883,460	10,883,459	10,883,460	10,883,460
Premium - Hospital Directed Payments	18,280,365	18,674,627	18,595,974	18,857,014	18,961,885	19,322,384	27,573,903
Investment Earnings And Other Income	(633,952)	1,002,315	(121,473)	353,347	179,268	888,027	714,738
Reinsurance Recoveries	-	-	-	-	-	-	152,481
Rate Adjustments - Hospital Directed Payments	5,129	9,235	(4,343)	(4,606,563)	9,926	(5,267)	12,446,127
Rate/Income Adjustments	(364,397)	350,036	245,168	203,911	124,448	1,298,007	333,950
<b>TOTAL REVENUES</b>	<b>110,864,754</b>	<b>115,261,492</b>	<b>113,844,512</b>	<b>110,683,814</b>	<b>115,570,923</b>	<b>120,847,794</b>	<b>132,813,341</b>
<b>EXPENSES</b>							
Medical Costs:							
Physician Services	18,921,901	18,984,281	18,198,409	18,622,853	18,169,774	18,483,343	16,678,607
Other Professional Services	5,112,961	5,137,341	5,208,793	5,024,917	5,041,998	5,432,710	6,175,363
Emergency Room	3,167,228	4,764,039	4,661,044	4,773,821	4,790,820	5,682,299	5,082,054
Inpatient	19,551,774	22,935,749	20,834,103	22,797,560	22,462,437	18,414,421	12,591,938
Reinsurance Expense	57,216	(33,668)	(25,136)	142,533	58,493	58,838	59,818
Outpatient Hospital	9,196,013	10,013,268	9,928,749	9,352,210	9,319,855	8,727,267	9,093,742
Other Medical	15,522,071	15,416,935	15,241,576	15,744,662	16,418,094	16,382,849	6,543,097
Pay for Performance Quality Incentive	478,060	485,358	485,358	490,964	493,681	493,681	504,771
Hospital Directed Payments	18,280,365	18,674,627	18,595,974	18,857,014	18,961,885	19,322,384	27,573,903
Hospital Directed Payment Adjustment	5,129	9,235	(4,343)	(4,064,727)	9,926	(5,266)	12,446,126
Non-Claims Expense Adjustment	29,799	17,040	5,019	9,821	(248,768)	4,018	(1,071,264)
IBNR, Incentive, Paid Claims Adjustment	(4,072,490)	(238,100)	487,881	(789,121)	(435,695)	(436,641)	(6,704,318)
<b>Total Medical Costs</b>	<b>86,250,027</b>	<b>96,166,105</b>	<b>93,617,427</b>	<b>90,962,507</b>	<b>95,042,500</b>	<b>92,559,903</b>	<b>88,973,837</b>
<b>GROSS MARGIN</b>	<b>24,614,727</b>	<b>19,095,387</b>	<b>20,227,085</b>	<b>19,721,307</b>	<b>20,528,423</b>	<b>28,287,891</b>	<b>43,839,504</b>
Administrative:							
Compensation	2,980,813	3,307,910	3,148,970	3,213,222	3,387,496	3,241,130	4,707,264
Purchased Services	850,526	1,078,360	1,144,312	997,356	1,009,393	1,034,408	1,262,419
Supplies	66,970	74,368	117,566	85,530	66,157	258,430	220,189
Depreciation	626,073	576,074	583,814	583,673	584,905	622,602	627,772
Other Administrative Expenses	329,335	414,331	315,625	298,240	304,229	320,234	966,290
Administrative Expense Adjustment	811,890	425,467	300,000	420,793	299,429	299,689	508,526
<b>Total Administrative Expenses</b>	<b>5,665,607</b>	<b>5,876,510</b>	<b>5,610,287</b>	<b>5,598,814</b>	<b>5,651,609</b>	<b>5,776,493</b>	<b>8,292,460</b>
<b>TOTAL EXPENSES</b>	<b>91,915,634</b>	<b>102,042,615</b>	<b>99,227,714</b>	<b>96,561,321</b>	<b>100,694,109</b>	<b>98,336,396</b>	<b>97,266,297</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>18,949,120</b>	<b>13,218,877</b>	<b>14,616,798</b>	<b>14,122,493</b>	<b>14,876,814</b>	<b>22,511,398</b>	<b>35,547,044</b>
MCO TAX	9,894,051	10,883,459	10,883,460	10,883,459	10,883,460	10,883,460	10,883,459
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>9,055,069</b>	<b>2,335,418</b>	<b>3,733,338</b>	<b>3,239,034</b>	<b>3,993,354</b>	<b>11,627,938</b>	<b>24,663,585</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(1,996,822)</b>	<b>(3,380)</b>	<b>57,925</b>	<b>(27,966)</b>	<b>(5,428)</b>	<b>4,000</b>	<b>(34,557)</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>7,058,247</b>	<b>2,332,038</b>	<b>3,791,263</b>	<b>3,211,068</b>	<b>3,987,926</b>	<b>11,631,938</b>	<b>24,629,028</b>
<b>MEDICAL LOSS RATIO</b>	<b>82.2%</b>	<b>90.4%</b>	<b>88.9%</b>	<b>89.0%</b>	<b>88.7%</b>	<b>80.8%</b>	<b>59.8%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>6.9%</b>	<b>6.9%</b>	<b>6.6%</b>	<b>6.5%</b>	<b>6.6%</b>	<b>6.4%</b>	<b>10.1%</b>

KHS Board of Directors Meeting, August 17, 2023

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH JUNE 30, 2023	JANUARY 2023	FEBRUARY 2023	MARCH 2023	APRIL 2023	MAY 2023	JUNE 2023	13 MONTH TOTAL
<b>ENROLLMENT</b>							
Members - MCAL	332,414	349,465	351,010	353,005	355,915	357,868	4,391,045
<b>REVENUES</b>							
Title XIX - Medicaid - Family and Other	38,355,206	40,922,562	41,044,003	41,661,492	44,450,874	45,303,824	514,825,090
Title XIX - Medicaid - Expansion Members	35,864,920	36,154,732	35,902,983	36,465,640	38,238,101	38,910,749	440,924,250
Title XIX - Medicaid - SPD Members	18,119,057	19,012,691	19,068,659	19,567,025	19,083,062	19,664,806	223,870,064
Title XIX - Medicaid - LTC Members	201,227	2,814,382	2,968,601	2,968,602	3,026,025	3,130,269	15,109,106
Premium - MCO Tax	-	-	-	-	-	-	75,211,342
Premium - Hospital Directed Payments	21,209,673	21,515,947	21,609,701	21,948,157	21,792,771	22,188,234	270,530,635
Investment Earnings And Other Income	1,400,146	440,597	2,337,674	1,314,336	651,530	1,485,525	10,012,078
Reinsurance Recoveries	-	-	-	-	-	-	152,481
Rate Adjustments - Hospital Directed Payments	(684,297)	33,520	32,816	37,815	5,509	15,555	7,295,162
Rate/Income Adjustments	(968,410)	350,076	1,115,116	978,086	1,497,916	213,618	5,377,525
<b>TOTAL REVENUES</b>	<b>113,497,522</b>	<b>121,244,507</b>	<b>124,079,553</b>	<b>124,941,153</b>	<b>128,745,788</b>	<b>130,912,580</b>	<b>1,563,307,733</b>
<b>EXPENSES</b>							
Medical Costs:							
Physician Services	20,302,072	19,187,941	20,648,045	21,262,722	21,747,296	21,895,594	253,102,838
Other Professional Services	5,493,905	5,413,638	6,067,168	5,720,799	6,643,597	6,838,173	73,311,363
Emergency Room	5,195,994	4,633,288	5,199,635	5,262,548	5,131,679	5,555,164	63,899,613
Inpatient	22,641,712	21,804,027	22,997,133	23,980,922	21,382,030	19,096,686	271,490,492
Reinsurance Expense	90,859	180,937	94,363	94,773	95,311	96,097	970,434
Outpatient Hospital	9,616,781	9,652,797	11,362,056	10,886,974	11,009,988	10,557,328	128,717,028
Other Medical	15,528,820	23,011,370	23,040,484	22,948,410	22,151,470	25,626,415	233,576,253
Pay for Performance Quality Incentive	498,590	524,238	526,516	529,507	533,873	533,872	6,578,469
Hospital Directed Payments	21,209,673	21,515,947	21,609,701	21,948,157	21,792,771	22,188,234	270,530,635
Hospital Directed Payment Adjustment	(684,297)	33,520	(869,333)	37,816	123,932	15,555	7,053,273
Non-Claims Expense Adjustment	(128,832)	3,429	72,961	177,517	(2,449,080)	3,040	(3,575,300)
IBNR, Incentive, Paid Claims Adjustment	9,076	32,166	(4,009,312)	(4,430,362)	(4,472,016)	(4,829,330)	(29,888,262)
<b>Total Medical Costs</b>	<b>99,774,353</b>	<b>105,993,298</b>	<b>106,739,417</b>	<b>108,419,783</b>	<b>103,690,851</b>	<b>107,576,828</b>	<b>1,275,766,836</b>
<b>GROSS MARGIN</b>	<b>13,723,169</b>	<b>15,251,209</b>	<b>17,340,136</b>	<b>16,521,370</b>	<b>25,054,937</b>	<b>23,335,752</b>	<b>287,540,897</b>
Administrative:							
Compensation	3,547,045	3,492,028	3,754,627	3,614,954	3,792,281	3,620,970	45,808,710
Purchased Services	939,926	1,549,694	1,516,766	1,481,551	1,530,859	1,863,224	16,258,794
Supplies	87,606	161,043	106,568	113,296	134,551	30,404	1,522,678
Depreciation	680,616	679,350	682,158	684,369	685,407	685,551	8,302,364
Other Administrative Expenses	660,263	384,578	557,118	442,055	441,734	562,847	5,996,879
Administrative Expense Adjustment	109,675	301,496	320,296	300,000	300,950	501,326	4,899,537
<b>Total Administrative Expenses</b>	<b>6,025,131</b>	<b>6,568,189</b>	<b>6,937,533</b>	<b>6,636,225</b>	<b>6,885,782</b>	<b>7,264,322</b>	<b>82,788,962</b>
<b>TOTAL EXPENSES</b>	<b>105,799,484</b>	<b>112,561,487</b>	<b>113,676,950</b>	<b>115,056,008</b>	<b>110,576,633</b>	<b>114,841,150</b>	<b>1,358,555,798</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>7,698,038</b>	<b>8,683,020</b>	<b>10,402,603</b>	<b>9,885,145</b>	<b>18,169,155</b>	<b>16,071,430</b>	<b>204,751,935</b>
<b>MCO TAX</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,194,808</b>
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>7,698,038</b>	<b>8,683,020</b>	<b>10,402,603</b>	<b>9,885,145</b>	<b>18,169,155</b>	<b>16,071,430</b>	<b>129,557,127</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(60,423)</b>	<b>(153,079)</b>	<b>(672,750)</b>	<b>(310,622)</b>	<b>(300,144)</b>	<b>(672,234)</b>	<b>(4,175,480)</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>7,637,615</b>	<b>8,529,941</b>	<b>9,729,853</b>	<b>9,574,523</b>	<b>17,869,011</b>	<b>15,399,196</b>	<b>125,381,647</b>
<b>MEDICAL LOSS RATIO</b>	<b>85.2%</b>	<b>84.7%</b>	<b>84.0%</b>	<b>84.0%</b>	<b>76.5%</b>	<b>78.5%</b>	<b>82.5%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>6.5%</b>	<b>6.6%</b>	<b>6.8%</b>	<b>6.4%</b>	<b>6.4%</b>	<b>6.7%</b>	<b>6.8%</b>

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH JUNE 30, 2023	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
	2022	2022	2022	2022	2022	2022	2022
<b>ENROLLMENT</b>							
Members - MCAL	319,333	323,572	324,961	325,920	329,121	331,947	336,514
<b>REVENUES</b>							
Title XIX - Medicaid - Family and Other	176.65	173.99	175.92	175.56	174.37	180.89	156.69
Title XIX - Medicaid - Expansion Members	343.27	340.07	338.95	338.39	334.55	344.93	323.22
Title XIX - Medicaid - SPD Members	917.14	941.54	880.12	911.57	926.33	919.20	897.35
Title XIX - Medicaid - LTC Members	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Premium - MCO Tax	31.04	33.64	33.49	33.39	33.07	32.79	32.34
Premium - Hospital Directed Payments	57.25	57.71	57.23	57.86	57.61	58.21	81.94
Investment Earnings And Other Income	(1.99)	3.10	(0.37)	1.08	0.54	2.68	2.12
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.45
Rate Adjustments - Hospital Directed Payments	0.02	0.03	(0.01)	(14.13)	0.03	(0.02)	36.99
Rate/Income Adjustments	(1.14)	1.08	0.75	0.63	0.38	3.91	0.99
<b>TOTAL REVENUES</b>	<b>347.18</b>	<b>356.22</b>	<b>350.33</b>	<b>339.60</b>	<b>351.15</b>	<b>364.06</b>	<b>394.67</b>
<b>EXPENSES</b>							
<b>Medical Costs:</b>							
Physician Services	59.25	58.67	56.00	57.14	55.21	55.68	49.56
Other Professional Services	16.01	15.88	16.03	15.42	15.32	16.37	18.35
Emergency Room	9.92	14.72	14.34	14.65	14.56	17.12	15.10
Inpatient	61.23	70.88	64.11	69.95	68.25	55.47	37.42
Reinsurance Expense	0.18	(0.10)	(0.08)	0.44	0.18	0.18	0.18
Outpatient Hospital	28.80	30.95	30.55	28.69	28.32	26.29	27.02
Other Medical	48.61	47.65	46.90	48.31	49.88	49.35	19.44
Pay for Performance Quality Incentive	1.50	1.50	1.49	1.51	1.50	1.49	1.50
Hospital Directed Payments	57.25	57.71	57.23	57.86	57.61	58.21	81.94
Hospital Directed Payment Adjustment	0.02	0.03	(0.01)	(12.47)	0.03	(0.02)	36.99
Non-Claims Expense Adjustment	0.09	0.05	0.02	0.03	(0.76)	0.01	(3.18)
IBNR, Incentive, Paid Claims Adjustment	(12.75)	(0.74)	1.50	(2.42)	(1.32)	(1.32)	(19.92)
Total Medical Costs	270.09	297.20	288.09	279.09	288.78	278.84	268.04
<b>GROSS MARGIN</b>	<b>77.08</b>	<b>59.01</b>	<b>62.24</b>	<b>60.51</b>	<b>62.37</b>	<b>85.22</b>	<b>126.64</b>
<b>Administrative:</b>							
Compensation	9.33	10.22	9.69	9.86	10.29	9.76	13.99
Purchased Services	2.66	3.33	3.52	3.06	3.07	3.12	3.75
Supplies	0.21	0.23	0.36	0.26	0.20	0.78	0.65
Depreciation	1.96	1.78	1.80	1.79	1.78	1.88	1.87
Other Administrative Expenses	1.03	1.28	0.97	0.92	0.92	0.96	2.87
Administrative Expense Adjustment	2.54	1.31	0.92	1.29	0.91	0.90	1.51
Total Administrative Expenses	17.74	18.16	17.26	17.18	17.17	17.40	24.64
<b>TOTAL EXPENSES</b>	<b>287.84</b>	<b>315.36</b>	<b>305.35</b>	<b>296.27</b>	<b>305.95</b>	<b>296.24</b>	<b>292.68</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>59.34</b>	<b>40.85</b>	<b>44.98</b>	<b>43.33</b>	<b>45.20</b>	<b>67.82</b>	<b>102.00</b>
<b>MCO TAX</b>	<b>30.98</b>	<b>33.64</b>	<b>33.49</b>	<b>33.39</b>	<b>33.07</b>	<b>32.79</b>	<b>32.34</b>
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>28.36</b>	<b>7.22</b>	<b>11.49</b>	<b>9.94</b>	<b>12.13</b>	<b>35.03</b>	<b>69.65</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(6.25)</b>	<b>(0.01)</b>	<b>0.18</b>	<b>(0.09)</b>	<b>(0.02)</b>	<b>0.01</b>	<b>(0.10)</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>22.10</b>	<b>7.21</b>	<b>11.67</b>	<b>9.85</b>	<b>12.12</b>	<b>35.04</b>	<b>69.55</b>
<b>MEDICAL LOSS RATIO</b>	<b>82.2%</b>	<b>90.4%</b>	<b>88.9%</b>	<b>89.0%</b>	<b>88.7%</b>	<b>80.8%</b>	<b>61.3%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>6.9%</b>	<b>6.9%</b>	<b>6.6%</b>	<b>6.5%</b>	<b>6.6%</b>	<b>6.4%</b>	<b>10.1%</b>

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH JUNE 30, 2023	JANUARY 2023	FEBRUARY 2023	MARCH 2023	APRIL 2023	MAY 2023	JUNE 2023	13 MONTH TOTAL
<b>ENROLLMENT</b>							
Members - MCAL	332,414	349,465	351,010	353,005	355,915	357,868	4,391,045
<b>REVENUES</b>							
Title XIX - Medicaid - Family and Other	175.30	175.80	175.43	177.53	187.74	190.94	176.65
Title XIX - Medicaid - Expansion Members	373.01	369.48	365.87	367.09	381.03	383.36	354.49
Title XIX - Medicaid - SPD Members	1,038.82	1,030.33	1,029.51	1,052.05	1,037.24	1,052.72	973.96
Title XIX - Medicaid - LTC Members	7,452.85	7,425.81	7,477.58	7,440.11	7,546.20	7,506.64	7,479.76
Premium - MCO Tax	0.00	0.00	0.00	0.00	0.00	0.00	17.13
Premium - Hospital Directed Payments	63.80	61.57	61.56	62.18	61.23	62.00	61.61
Investment Earnings And Other Income	4.21	1.26	6.66	3.72	1.83	4.15	2.28
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.03
Rate Adjustments - Hospital Directed Payments	(2.06)	0.10	0.09	0.11	0.02	0.04	1.66
Rate/Income Adjustments	(2.91)	1.00	3.18	2.77	4.21	0.60	1.22
<b>TOTAL REVENUES</b>	<b>341.43</b>	<b>346.94</b>	<b>353.49</b>	<b>353.94</b>	<b>361.73</b>	<b>365.81</b>	<b>356.02</b>
<b>EXPENSES</b>							
Medical Costs:							
Physician Services	61.07	54.91	58.82	60.23	61.10	61.18	57.64
Other Professional Services	16.53	15.49	17.28	16.21	18.67	19.11	16.70
Emergency Room	15.63	13.26	14.81	14.91	14.42	15.52	14.55
Inpatient	68.11	62.39	65.52	67.93	60.08	53.36	61.83
Reinsurance Expense	0.27	0.52	0.27	0.27	0.27	0.27	0.22
Outpatient Hospital	28.93	27.62	32.37	30.84	30.93	29.50	29.31
Other Medical	46.72	65.85	65.64	65.01	62.24	71.61	53.19
Pay for Performance Quality Incentive	1.50	1.50	1.50	1.50	1.50	1.49	1.50
Hospital Directed Payments	63.80	61.57	61.56	62.18	61.23	62.00	61.61
Hospital Directed Payment Adjustment	(2.06)	0.10	(2.48)	0.11	0.35	0.04	1.61
Non-Claims Expense Adjustment	(0.39)	0.01	0.21	0.50	(6.88)	0.01	(0.81)
IBNR, Incentive, Paid Claims Adjustment	0.03	0.09	(11.42)	(12.55)	(12.56)	(13.49)	(6.81)
Total Medical Costs	300.15	303.30	304.09	307.13	291.34	300.60	290.54
<b>GROSS MARGIN</b>	<b>41.28</b>	<b>43.64</b>	<b>49.40</b>	<b>46.80</b>	<b>70.40</b>	<b>65.21</b>	<b>65.48</b>
Administrative:							
Compensation	10.67	9.99	10.70	10.24	10.66	10.12	10.43
Purchased Services	2.83	4.43	4.32	4.20	4.30	5.21	3.70
Supplies	0.26	0.46	0.30	0.32	0.38	0.08	0.35
Depreciation	2.05	1.94	1.94	1.94	1.93	1.92	1.89
Other Administrative Expenses	1.99	1.10	1.59	1.25	1.24	1.57	1.37
Administrative Expense Adjustment	0.33	0.86	0.91	0.85	0.85	1.40	1.12
Total Administrative Expenses	18.13	18.79	19.76	18.80	19.35	20.30	18.85
<b>TOTAL EXPENSES</b>	<b>318.28</b>	<b>322.10</b>	<b>323.86</b>	<b>325.93</b>	<b>310.68</b>	<b>320.90</b>	<b>309.39</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>23.16</b>	<b>24.85</b>	<b>29.64</b>	<b>28.00</b>	<b>51.05</b>	<b>44.91</b>	<b>46.63</b>
<b>MCO TAX</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>17.12</b>
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>23.16</b>	<b>24.85</b>	<b>29.64</b>	<b>28.00</b>	<b>51.05</b>	<b>44.91</b>	<b>29.50</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(0.18)</b>	<b>(0.44)</b>	<b>(1.92)</b>	<b>(0.88)</b>	<b>(0.84)</b>	<b>(1.88)</b>	<b>(0.95)</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>22.98</b>	<b>24.41</b>	<b>27.72</b>	<b>27.12</b>	<b>50.21</b>	<b>43.03</b>	<b>28.55</b>
<b>MEDICAL LOSS RATIO</b>	<b>85.2%</b>	<b>84.7%</b>	<b>84.0%</b>	<b>84.0%</b>	<b>76.5%</b>	<b>78.5%</b>	<b>82.5%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>6.5%</b>	<b>6.6%</b>	<b>6.8%</b>	<b>6.4%</b>	<b>6.4%</b>	<b>6.7%</b>	<b>6.8%</b>

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED JUNE 30, 2023	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
<b>REVENUES</b>						
<b>Title XIX - Medicaid - Family &amp; Other</b>						
34,614,362	34,697,555	(83,193)	Premium - Medi-Cal	201,200,185	203,218,759	(2,018,574)
2,362,355	2,782,482	(420,127)	Premium - Maternity Kick	15,099,309	16,694,892	(1,595,583)
677,514	690,763	(13,249)	Premium - Enhanced Care Management	3,865,594	3,963,540	(97,946)
216,614	156,825	59,789	Premium - Major Organ Transplant	1,249,837	925,507	324,330
-	534,868	(534,868)	Premium - Cal AIM	-	3,090,565	(3,090,565)
3,654,684	3,693,774	(39,090)	Premium - Provider Enhancement	21,564,176	22,018,253	(454,077)
171,181	189,026	(17,845)	Premium - Ground Emergency Medical Transportation	1,002,909	1,126,130	(123,221)
-	245,400	(245,400)	Premium - Student Behavioral Health Incentive	3,571,473	1,472,400	2,099,073
3,487,489	352,514	3,134,975	Premium - Housing and Homelessness Incentive	3,487,489	2,115,084	1,372,405
119,625	119,300	325	Other	696,989	713,630	(16,641)
45,303,824	43,462,506	1,841,318	<b>Total Title XIX - Medicaid - Family &amp; Other</b>	<b>251,737,961</b>	<b>255,338,759</b>	<b>(3,600,798)</b>
<b>Title XIX - Medicaid - Expansion Members</b>						
33,459,623	30,521,405	2,938,219	Premium - Medi-Cal	196,459,560	182,480,749	13,978,812
789,658	236,486	553,172	Premium - Maternity Kick	3,385,000	1,418,915	1,966,085
823,255	956,970	(133,715)	Premium - Enhanced Care Management	4,827,899	5,721,240	(893,341)
338,100	239,010	99,090	Premium - Major Organ Transplant	1,986,452	1,428,920	557,532
-	424,746	(424,746)	Premium - Cal AIM	-	2,529,385	(2,529,385)
1,742,196	1,583,365	158,831	Premium - Provider Enhancement	10,244,141	9,466,680	777,461
243,034	206,571	36,463	Premium - Ground Emergency Medical Transportation	1,428,865	1,234,986	193,879
-	195,905	(195,905)	Premium - Student Behavioral Health Incentive	1,511,801	1,175,430	336,371
1,478,208	281,415	1,196,793	Premium - Housing and Homelessness Incentive	1,478,208	1,688,490	(210,282)
36,675	33,480	3,195	Other	215,199	200,160	15,039
38,910,749	34,679,353	4,231,396	<b>Total Title XIX - Medicaid - Expansion Members</b>	<b>221,537,125</b>	<b>207,344,955</b>	<b>14,192,170</b>
<b>Title XIX - Medicaid - SPD Members</b>						
18,042,776	18,735,840	(693,064)	Premium - Medi-Cal	106,022,174	111,374,161	(5,351,987)
427,110	514,620	(87,510)	Premium - Enhanced Care Management	2,509,982	3,059,130	(549,148)
249,330	163,620	85,710	Premium - Major Organ Transplant	1,465,095	972,630	492,465
-	260,625	(260,625)	Premium - Cal AIM	-	1,533,051	(1,533,051)
529,638	466,188	63,450	Premium - Provider Enhancement	3,112,233	2,771,229	341,004
144,951	144,180	771	Premium - Ground Emergency Medical Transportation	851,756	857,070	(5,314)
-	119,827	(119,827)	Premium - Student Behavioral Health Incentive	283,059	718,962	(435,903)
271,001	172,130	98,871	Premium - Housing and Homelessness Incentive	271,001	1,032,780	(761,779)
19,664,806	20,577,030	(912,224)	<b>Total Title XIX - Medicaid - SPD Members</b>	<b>114,515,300</b>	<b>122,319,013</b>	<b>(7,803,713)</b>
<b>Title XIX - Medicaid - LTC Members</b>						
3,102,716	3,167,252	(64,536)	Premium - Medi-Cal	14,993,213	15,836,260	(843,047)
9,442	10,190	(748)	Premium - Enhanced Care Management	45,512	50,950	(5,438)
11,333	15,055	(3,722)	Premium - Major Organ Transplant	54,481	75,275	(20,794)
-	-	-	Premium - Cal AIM	-	-	-
198	343	(145)	Premium - Provider Enhancement	883	1,715	(832)
673	-	673	Premium - Ground Emergency Medical Transportation	3,038	-	3,038
-	-	-	Premium - Student Behavioral Health Incentive	6,072	-	6,072
5,907	-	5,907	Premium - Housing and Homelessness Incentive	5,907	-	5,907
3,130,269	3,192,840	(62,571)	<b>Total Title XIX - Medicaid - LTC Members</b>	<b>15,109,106</b>	<b>15,964,200</b>	<b>(855,094)</b>

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED JUNE 30, 2023	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			<b>PHYSICIAN SERVICES</b>			
4,419,579	4,485,339	65,760	Primary Care Physician Services	24,746,654	26,550,646	1,803,992
15,425,047	14,694,305	(730,742)	Referral Specialty Services	87,896,474	87,192,656	(703,818)
2,041,968	2,576,500	534,532	Urgent Care & After Hours Advise	12,346,242	15,250,061	2,903,819
9,000	9,000	-	Hospital Admitting Team	54,300	54,300	-
<b>21,895,594</b>	<b>21,765,145</b>	<b>(130,449)</b>	<b>TOTAL PHYSICIAN SERVICES</b>	<b>125,043,670</b>	<b>129,047,664</b>	<b>4,003,994</b>
			<b>OTHER PROFESSIONAL SERVICES</b>			
355,915	360,111	4,196	Vision Service Capitation	2,080,181	2,131,526	51,345
2,418,747	2,804,617	385,870	Medical Departments - UM Allocation *	12,708,460	16,827,700	4,119,240
2,090,128	1,473,049	(617,079)	Behavior Health Treatment	10,372,727	8,714,383	(1,658,344)
258,806	440,504	181,698	Mental Health Services	1,616,836	2,610,371	993,535
1,714,577	1,913,784	199,207	Other Professional Services	9,399,076	11,359,465	1,960,389
<b>6,838,173</b>	<b>6,992,064</b>	<b>153,891</b>	<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>36,177,280</b>	<b>41,643,444</b>	<b>5,466,164</b>
			<b>EMERGENCY ROOM</b>			
5,555,164	5,829,427	274,263	EMERGENCY ROOM	30,978,308	34,554,468	3,576,160
			<b>INPATIENT HOSPITAL</b>			
19,096,686	23,840,427	4,743,741	INPATIENT HOSPITAL	131,902,510	141,598,694	9,696,184
			<b>REINSURANCE EXPENSE PREMIUM</b>			
96,097	77,478	(18,619)	REINSURANCE EXPENSE PREMIUM	652,340	458,594	(193,746)
			<b>OUTPATIENT HOSPITAL SERVICES</b>			
10,557,328	10,530,688	(26,640)	OUTPATIENT HOSPITAL SERVICES	63,085,924	62,382,665	(703,259)
			<b>OTHER MEDICAL</b>			
2,412,744	1,670,763	(741,981)	Ambulance and NEMT	12,584,489	9,898,393	(2,686,096)
374,989	1,016,626	641,637	Home Health Services & CBAS	4,149,890	6,034,033	1,884,143
1,393,601	1,592,010	198,409	Utilization and Quality Review Expenses	5,822,290	9,552,058	3,729,768
8,480,647	9,135,259	654,612	Long Term/SNF/Hospice	42,759,233	51,936,069	9,176,836
5,630,380	5,421,548	(208,832)	Provider Enhancement Expense - Prop. 56	33,175,361	32,096,097	(1,079,264)
502,239	512,788	10,549	Provider Enhancement Expense - GEMT	3,049,795	3,057,276	7,481
2,586,249	2,063,915	(522,334)	Enhanced Care Management	11,210,788	12,155,115	944,327
774,606	545,785	(228,822)	Major Organ Transplant	4,518,070	3,232,215	(1,285,855)
2,195,256	2,458,058	262,802	Cal AIM Incentive Programs	7,551,037	14,588,341	7,037,304
1,275,704	1,077,347	(198,357)	DME/Rebates	7,486,016	6,393,741	(1,092,275)
<b>25,626,415</b>	<b>25,494,099</b>	<b>(132,316)</b>	<b>TOTAL OTHER MEDICAL</b>	<b>132,306,969</b>	<b>148,943,337</b>	<b>16,636,368</b>
			<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>			
533,872	527,581	(6,291)	PAY FOR PERFORMANCE QUALITY INCENTIVE	3,146,596	3,123,403	(23,193)
			<b>HOSPITAL DIRECTED PAYMENTS</b>			
22,188,234	21,179,470	(1,008,764)	HOSPITAL DIRECTED PAYMENTS	130,264,483	126,311,937	(3,952,546)
			<b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>			
15,555	-	(15,555)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	(1,342,807)	-	1,342,807
			<b>NON-CLAIMS EXPENSE ADJUSTMENT</b>			
3,040	-	(3,040)	NON-CLAIMS EXPENSE ADJUSTMENT	(2,320,965)	-	2,320,965
			<b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>			
(4,829,330)	-	4,829,330	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(17,699,778)	-	17,699,778
<b>107,576,828</b>	<b>116,236,379</b>	<b>8,659,551</b>	<b>Total Medical Costs</b>	<b>632,194,530</b>	<b>688,064,206</b>	<b>55,869,676</b>

\* Medical costs per DMHC regulations



CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED JUNE 30, 2023			YEAR-TO-DATE		
						ACTUAL	BUDGET	VARIANCE
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE		
			<b>PHYSICIAN SERVICES</b>					
12.35	12.76	0.41	Primary Care Physician Services	11.79	12.76	0.97		
43.10	41.79	(1.32)	Referral Specialty Services	41.86	41.89	0.03		
5.71	7.33	1.62	Urgent Care & After Hours Advise	5.88	7.33	1.45		
0.03	0.03	0.00	Hospital Admitting Team	0.03	0.03	0.00		
61.18	61.89	0.71	<b>TOTAL PHYSICIAN SERVICES</b>	59.55	62.00	2.45		
			<b>OTHER PROFESSIONAL SERVICES</b>					
0.99	1.02	0.03	Vision Service Capitation	0.99	1.02	0.03		
6.76	7.98	1.22	Medical Departments - UM Allocation *	6.05	8.08	2.03		
5.84	4.19	(1.65)	Behavior Health Treatment	4.94	4.19	(0.75)		
0.72	1.25	0.53	Mental Health Services	0.77	1.25	0.48		
4.79	5.44	0.65	Other Professional Services	4.48	5.46	0.98		
19.11	19.88	0.78	<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	17.23	20.01	2.78		
15.52	16.58	1.05	<b>EMERGENCY ROOM</b>	14.75	16.60	1.85		
53.36	67.80	14.43	<b>INPATIENT HOSPITAL</b>	62.82	68.03	5.21		
0.27	0.22	(0.05)	REINSURANCE EXPENSE PREMIUM	0.31	0.22	(0.09)		
29.50	29.95	0.45	<b>OUTPATIENT HOSPITAL SERVICES</b>	30.05	29.97	(0.07)		
			<b>OTHER MEDICAL</b>					
6.74	4.75	(1.99)	Ambulance and NEMT	5.99	4.76	(1.24)		
1.05	2.89	1.84	Home Health Services & CBAS	1.98	2.90	0.92		
3.89	4.53	0.63	Utilization and Quality Review Expenses	2.77	4.59	1.82		
23.70	25.98	2.28	Long Term/SNF/Hospice	20.36	24.95	4.59		
15.73	15.42	(0.32)	Provider Enhancement Expense - Prop. 56	15.80	15.42	(0.38)		
1.40	1.46	0.05	Provider Enhancement Expense - GEMT	1.45	1.47	0.02		
7.23	5.87	(1.36)	Enhanced Care Management	5.34	5.84	0.50		
2.16	1.55	(0.61)	Major Organ Transplant	2.15	1.55	(0.60)		
6.13	6.99	0.86	Cal AIM Incentive Programs	3.60	7.01	3.41		
3.56	3.06	(0.50)	DME	3.57	3.07	(0.49)		
71.61	72.50	0.89	<b>TOTAL OTHER MEDICAL</b>	63.01	71.56	8.54		
1.49	1.50	0.01	PAY FOR PERFORMANCE QUALITY INCENTIVE	1.50	1.50	0.00		
62.00	60.23	(1.77)	<b>HOSPITAL DIRECTED PAYMENTS</b>	62.04	60.68	(1.36)		
0.04	0.00	(0.04)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	(0.64)	0.00	0.64		
0.01	0.00	(0.01)	NON-CLAIMS EXPENSE ADJUSTMENT	(1.11)	0.00	1.11		
(13.49)	0.00	13.49	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(8.43)	0.00	8.43		
300.60	330.55	29.94	<b>Total Medical Costs</b>	301.09	330.57	29.48		

\* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH JUNE 30, 2023	JANUARY 2023	FEBRUARY 2023	MARCH 2023	APRIL 2023	MAY 2023	JUNE 2023	YEAR TO DATE 2023
<b>PHYSICIAN SERVICES</b>							
Primary Care Physician Services	4,153,283	3,799,063	3,973,992	4,241,474	4,159,263	4,419,579	24,746,654
Referral Specialty Services	14,090,583	13,535,172	14,603,368	14,737,274	15,505,030	15,425,047	87,896,474
Urgent Care & After Hours Advise	2,048,906	1,845,306	2,061,385	2,274,974	2,073,703	2,041,968	12,346,242
Hospital Admitting Team	9,300	8,400	9,300	9,000	9,300	9,000	54,300
<b>TOTAL PHYSICIAN SERVICES</b>	<b>20,302,072</b>	<b>19,187,941</b>	<b>20,648,045</b>	<b>21,262,722</b>	<b>21,747,296</b>	<b>21,895,594</b>	<b>125,043,670</b>
<b>OTHER PROFESSIONAL SERVICES</b>							
Vision Service Capitation	332,837	342,049	345,365	351,010	353,005	355,915	2,080,181
Medical Departments - UM Allocation *	2,029,340	1,998,969	2,193,964	1,979,088	2,418,747	2,418,747	12,708,460
Behavior Health Treatment	1,234,423	1,340,804	1,751,711	1,545,908	2,409,753	2,090,128	10,372,727
Mental Health Services	378,598	277,029	277,573	229,037	195,793	258,806	1,616,836
Other Professional Services	1,518,707	1,454,787	1,498,555	1,615,756	1,596,694	1,714,577	9,399,076
<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>5,493,905</b>	<b>5,413,638</b>	<b>6,067,168</b>	<b>5,720,799</b>	<b>6,973,992</b>	<b>6,838,173</b>	<b>36,177,280</b>
<b>EMERGENCY ROOM</b>	<b>5,195,994</b>	<b>4,633,288</b>	<b>5,199,635</b>	<b>5,262,548</b>	<b>5,131,679</b>	<b>5,555,164</b>	<b>30,978,308</b>
<b>INPATIENT HOSPITAL</b>	<b>22,641,712</b>	<b>21,804,027</b>	<b>22,997,133</b>	<b>23,980,922</b>	<b>21,382,030</b>	<b>19,096,686</b>	<b>131,902,510</b>
<b>REINSURANCE EXPENSE PREMIUM</b>	<b>90,859</b>	<b>180,937</b>	<b>94,363</b>	<b>94,773</b>	<b>95,311</b>	<b>96,097</b>	<b>652,340</b>
<b>OUTPATIENT HOSPITAL SERVICES</b>	<b>9,616,781</b>	<b>9,652,797</b>	<b>11,362,056</b>	<b>10,886,974</b>	<b>11,009,988</b>	<b>10,557,328</b>	<b>63,085,924</b>
<b>OTHER MEDICAL</b>							
Ambulance and NEMT	1,792,123	1,754,080	2,159,726	2,210,825	2,254,991	2,412,744	12,584,489
Home Health Services & CBAS	970,272	809,536	996,283	547,188	451,622	374,989	4,149,890
Utilization and Quality Review Expenses	776,558	583,384	940,138	1,342,680	785,929	1,393,601	5,822,290
Long Term/SNF/Hospice	2,732,047	9,988,072	8,775,140	8,087,627	4,695,700	8,480,647	42,759,233
Provider Enhancement Expense - Prop. 56	5,430,893	5,482,690	5,503,401	5,566,537	5,561,460	5,630,380	33,175,361
Provider Enhancement Expense - GEMT	496,477	513,773	505,452	469,079	562,775	502,239	3,049,795
Enhanced Care Management	1,428,973	1,778,842	1,790,813	1,814,108	1,811,803	2,586,249	11,210,788
Major Organ Transplant	751,183	712,804	753,883	766,976	758,618	774,606	4,518,070
Cal AIM Incentive Programs	30,326	279,307	295,429	917,196	3,833,523	2,195,256	7,551,037
DME	1,119,968	1,108,882	1,320,219	1,226,194	1,435,049	1,275,704	7,486,016
<b>TOTAL OTHER MEDICAL</b>	<b>15,528,820</b>	<b>23,011,370</b>	<b>23,040,484</b>	<b>22,948,410</b>	<b>22,151,470</b>	<b>25,626,415</b>	<b>132,306,969</b>
<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	<b>498,590</b>	<b>524,238</b>	<b>526,516</b>	<b>529,507</b>	<b>533,873</b>	<b>533,872</b>	<b>3,146,596</b>
<b>HOSPITAL DIRECTED PAYMENTS</b>	<b>21,209,673</b>	<b>21,515,947</b>	<b>21,609,701</b>	<b>21,948,157</b>	<b>21,792,771</b>	<b>22,188,234</b>	<b>130,264,483</b>
<b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>	<b>(684,297)</b>	<b>33,520</b>	<b>(869,333)</b>	<b>37,816</b>	<b>123,932</b>	<b>15,555</b>	<b>(1,342,807)</b>
<b>NON-CLAIMS EXPENSE ADJUSTMENT</b>	<b>(128,832)</b>	<b>3,429</b>	<b>72,961</b>	<b>177,517</b>	<b>(2,449,080)</b>	<b>3,040</b>	<b>(2,320,965)</b>
<b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>	<b>9,076</b>	<b>32,166</b>	<b>(4,009,312)</b>	<b>(4,430,362)</b>	<b>(4,472,016)</b>	<b>(4,829,330)</b>	<b>(17,699,778)</b>
<b>Total Medical Costs</b>	<b>99,774,353</b>	<b>105,993,298</b>	<b>106,739,417</b>	<b>108,419,783</b>	<b>104,021,246</b>	<b>107,576,828</b>	<b>632,194,530</b>

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH JUNE 30, 2023	JANUARY 2023	FEBRUARY 2023	MARCH 2023	APRIL 2023	MAY 2023	JUNE 2023	YEAR TO DATE 2023
<b>PHYSICIAN SERVICES</b>							
Primary Care Physician Services	12.49	10.87	11.32	12.02	11.69	12.35	11.79
Referral Specialty Services	42.39	38.73	41.60	41.75	43.56	43.10	41.86
Urgent Care & After Hours Advise	6.16	5.28	5.87	6.44	5.83	5.71	5.88
Hospital Admitting Team	0.03	0.02	0.03	0.03	0.03	0.03	0.03
<b>TOTAL PHYSICIAN SERVICES</b>	<b>61.07</b>	<b>54.91</b>	<b>58.82</b>	<b>60.23</b>	<b>61.10</b>	<b>61.18</b>	<b>59.55</b>
<b>OTHER PROFESSIONAL SERVICES</b>							
Vision Service Capitation	1.00	0.98	0.98	0.99	0.99	0.99	0.99
Medical Departments - UM Allocation *	6.10	5.72	6.25	5.61	6.80	6.76	6.05
Behavior Health Treatment	3.71	3.84	4.99	4.38	6.77	5.84	4.94
Mental Health Services	1.14	0.79	0.79	0.65	0.55	0.72	0.77
Other Professional Services	4.57	4.16	4.27	4.58	4.49	4.79	4.48
<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>16.53</b>	<b>15.49</b>	<b>17.28</b>	<b>16.21</b>	<b>19.59</b>	<b>19.11</b>	<b>17.23</b>
<b>EMERGENCY ROOM</b>	<b>15.63</b>	<b>13.26</b>	<b>14.81</b>	<b>14.91</b>	<b>14.42</b>	<b>15.52</b>	<b>14.75</b>
<b>INPATIENT HOSPITAL</b>	<b>68.11</b>	<b>62.39</b>	<b>65.52</b>	<b>67.93</b>	<b>60.08</b>	<b>59.80</b>	<b>62.82</b>
<b>REINSURANCE EXPENSE PREMIUM</b>	<b>0.27</b>	<b>0.52</b>	<b>0.27</b>	<b>0.27</b>	<b>0.27</b>	<b>0.27</b>	<b>0.31</b>
<b>OUTPATIENT HOSPITAL SERVICES</b>	<b>28.93</b>	<b>27.62</b>	<b>32.37</b>	<b>30.84</b>	<b>30.93</b>	<b>29.50</b>	<b>30.05</b>
<b>OTHER MEDICAL</b>							
Ambulance and NEMT	5.39	5.02	6.15	6.26	6.34	6.74	5.99
Home Health Services & CBAS	2.92	2.32	2.84	1.55	1.27	1.05	1.98
Utilization and Quality Review Expenses	2.34	1.67	2.68	3.80	2.21	3.89	2.77
Long Term/SNF/Hospice	8.22	28.58	25.00	22.91	13.19	23.70	20.36
Provider Enhancement Expense - Prop. 56	16.34	15.69	15.68	15.77	15.63	15.73	15.80
Provider Enhancement Expense - GEMT	1.49	1.47	1.44	1.33	1.58	1.40	1.45
Vaccine Incentive Program Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Behaviorial Health Integration Program	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Enhanced Care Management	4.30	5.09	5.10	5.14	5.09	7.23	5.34
Major Organ Transplant	2.26	2.04	2.15	2.17	2.13	2.16	2.15
Cal AIM Incentive Programs	0.09	0.80	0.84	2.60	10.77	6.13	3.60
DME	3.37	3.17	3.76	3.47	4.03	3.56	3.57
<b>TOTAL OTHER MEDICAL</b>	<b>46.72</b>	<b>65.85</b>	<b>65.64</b>	<b>65.01</b>	<b>62.24</b>	<b>71.61</b>	<b>63.01</b>
<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>1.49</b>	<b>1.50</b>
<b>HOSPITAL DIRECTED PAYMENTS</b>	<b>63.80</b>	<b>61.57</b>	<b>61.56</b>	<b>62.18</b>	<b>61.23</b>	<b>62.00</b>	<b>62.04</b>
<b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>	<b>(2.06)</b>	<b>0.10</b>	<b>(2.48)</b>	<b>0.11</b>	<b>0.35</b>	<b>0.04</b>	<b>(0.64)</b>
<b>NON-CLAIMS EXPENSE ADJUSTMENT</b>	<b>(0.39)</b>	<b>0.01</b>	<b>0.21</b>	<b>0.50</b>	<b>(6.88)</b>	<b>0.01</b>	<b>(1.11)</b>
<b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>	<b>0.03</b>	<b>0.09</b>	<b>(11.42)</b>	<b>(12.55)</b>	<b>(12.56)</b>	<b>(13.49)</b>	<b>(8.43)</b>
<b>Total Medical Costs</b>	<b>300.15</b>	<b>303.30</b>	<b>304.09</b>	<b>307.13</b>	<b>292.26</b>	<b>307.04</b>	<b>301.09</b>

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED JUNE 30, 2023	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
763,935	528,782	(235,153)	110 - Executive	3,750,270	3,047,689	(702,581)
247,295	269,724	22,429	210 - Accounting	1,435,885	1,618,346	182,461
355,130	388,290	33,160	220 - Management Information Systems	2,152,362	2,329,738	177,376
22,540	26,641	4,101	221 - Business Intelligence	139,376	159,846	20,470
412,669	421,256	8,587	222 - Enterprise Development	2,136,124	2,527,536	391,412
171,714	201,164	29,450	223 - Enterprise Configuration	897,377	1,206,984	309,607
515,544	675,879	160,335	225 - Infrastructure	3,543,038	4,055,276	512,238
645,714	690,413	44,699	230 - Claims	3,825,286	4,142,478	317,192
264,636	272,020	7,384	240 - Project Management	1,407,317	1,632,120	224,803
(106,448)	145,307	251,755	310 - Health Services - Utilization Management	998,753	871,842	(126,911)
783	51,625	50,842	311 - Health Services - Quality Improvement	3,221	309,750	306,529
385	143	(242)	312 - Health Services - Education	1,268	858	(410)
122,778	70,663	(52,115)	313- Pharmacy	302,115	423,978	121,863
829	3,292	2,463	314 - Enhanced Care Management	28,897	19,752	(9,145)
71,685	78,415	6,730	316 -Population Health Management	414,667	470,490	55,823
29	1,218	1,189	317 - Community Based Services	331	7,308	6,977
23	31,941	31,918	318 - Housing & Homeless Incentive Program	50	191,646	191,596
97,232	134,370	37,138	319 - CAL AIM Incentive Payment Program (IPP)	276,512	806,220	529,708
(11,571)	947	12,518	601 - Behavioral Health	68	5,682	5,614
194	4,315	4,121	602 - Quality & Health Equity	194	25,890	25,696
327,933	345,411	17,478	320 - Provider Network Management	1,955,084	2,072,466	117,382
1,002,188	1,205,474	203,286	330 - Member Services	5,373,283	7,232,844	1,859,561
921,752	871,256	(50,496)	340 - Corporate Services	5,550,448	5,227,536	(322,912)
157,915	145,475	(12,440)	360 - Audit & Investigative Services	854,511	872,850	18,339
27,762	56,416	28,654	410 - Member Engagement	328,509	338,496	9,987
370,758	210,572	(160,186)	420 - Sales/Marketing/Public Relations	1,028,873	1,263,432	234,559
379,592	361,965	(17,627)	510 - Human Resources	2,079,619	2,171,790	92,171
501,326	(141,667)	(642,993)	Administrative Expense Adjustment	1,833,743	(850,002)	(2,683,745)
7,264,322	7,051,307	(213,015)	Total Administrative Expenses	40,317,182	42,182,841	1,865,659

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED JUNE 30, 2023	JANUARY 2023	FEBRUARY 2023	MARCH 2023	APRIL 2023	MAY 2023	JUNE 2023	YEAR TO DATE 2023
110 - Executive	687,266	488,878	631,414	573,435	605,342	763,935	3,750,270
210 - Accounting	228,231	226,501	220,815	257,429	255,614	247,295	1,435,885
220 - Management Information Systems (MIS)	365,046	378,747	348,807	339,302	365,330	355,130	2,152,362
221 - Business Intelligence	63,805	672	10,109	15,308	26,942	22,540	139,376
222 - Enterprise Development	353,608	328,061	331,145	334,228	376,413	412,669	2,136,124
223 - Enterprise Configuration	104,241	216,683	121,896	146,738	136,105	171,714	897,377
225 - Infrastructure	412,631	771,628	668,401	676,609	498,225	515,544	3,543,038
230 - Claims	620,932	609,445	645,581	630,955	672,659	645,714	3,825,286
240 - Project Management	140,118	191,244	253,669	237,154	320,496	264,636	1,407,317
310 - Health Services - Utilization Management	194,388	186,938	208,456	255,118	260,301	(106,448)	998,753
311 - Health Services - Quality Improvement	89	90	(97)	1,758	598	783	3,221
312 - Health Services - Education	88	297	(8)	417	89	385	1,268
313- Pharmacy	39,747	39,846	37,420	25,750	36,574	122,778	302,115
314 - Enhanced Care Management	475	20,697	(112)	7,231	(223)	829	28,897
316 -Population Health Management	62,921	63,361	75,452	67,203	74,045	71,685	414,667
317 - Community Based Services	165	821	(711)	22	5	29	331
318 - Housing & Homeless Incentive Program	-	1,200	(1,185)	6	6	23	50
319 - CAL AIM Incentive Payment Program (IPP)	-	84,699	51,654	42,927	-	97,232	276,512
601 - Behavioral Health	-	-	-	-	11,639	(11,571)	68
602 - Quality & Health Equity	-	1,665	-	-	(1,665)	194	194
320 - Provider Network Management	317,123	285,888	388,095	306,789	329,256	327,933	1,955,084
330 - Member Services	802,035	804,897	998,660	856,559	908,944	1,002,188	5,373,283
340 - Corporate Services	892,136	958,999	902,329	890,795	984,437	921,752	5,550,448
360 - Audit & Investigative Services	138,360	130,101	142,110	145,775	140,250	157,915	854,511
410 - Member Engagement	68,972	61,237	45,193	56,083	69,262	27,762	328,509
420 - Sales/Marketing/Public Relations	60,714	98,793	207,085	121,647	169,876	370,758	1,028,873
510 - Human Resources	362,364	315,305	331,059	346,987	344,312	379,592	2,079,619
<b>Total Department Expenses</b>	<b>5,915,456</b>	<b>6,266,693</b>	<b>6,617,237</b>	<b>6,336,225</b>	<b>6,584,832</b>	<b>6,762,996</b>	<b>38,483,439</b>
<b>ADMINISTRATIVE EXPENSE ADJUSTMENT</b>	<b>109,675</b>	<b>301,496</b>	<b>320,296</b>	<b>300,000</b>	<b>300,950</b>	<b>501,326</b>	<b>1,833,743</b>
<b>Total Administrative Expenses</b>	<b>6,025,131</b>	<b>6,568,189</b>	<b>6,937,533</b>	<b>6,636,225</b>	<b>6,885,782</b>	<b>7,264,322</b>	<b>40,317,182</b>

<b>KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF JUNE 30, 2023</b>			
<b>ASSETS</b>	<b>JUNE 2023</b>	<b>MAY 2023</b>	<b>INC(DEC)</b>
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,120,728	\$ 1,138,656	(17,928)
Interest Receivable	9,065	4,000	5,065
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 1,129,793</b>	<b>\$ 1,142,656</b>	<b>\$ (12,863)</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES:</b>			
Other Liabilities	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET POSITION:</b>			
Net Position- Beg. of Year	1,130,625	1,130,625	-
Increase (Decrease) in Net Position - Current Year	(832)	12,031	(12,863)
Total Net Position	\$ 1,129,793	\$ 1,142,656	\$ (12,863)
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 1,129,793</b>	<b>\$ 1,142,656</b>	<b>\$ (12,863)</b>

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED MAY 31, 2023	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
<b>ENROLLMENT</b>						
-	-	-	Members	-	-	-
<b>REVENUES</b>						
-	-	-	Premium	-	-	-
(12,863)	-	(12,863)	Interest	(832)	-	(832)
-	-	-	Other Investment Income	-	-	-
(12,863)	-	(12,863)	<b>TOTAL REVENUES</b>	(832)	-	(832)
<b>EXPENSES</b>						
-	-	-	Medical Costs	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
(12,863)	-	(12,863)	<b>GROSS MARGIN</b>	(832)	-	(832)
<b>Administrative</b>						
-	-	-	Management Fee Expense and Other Admin Exp	-	-	-
-	-	-	Total Administrative Expenses	-	-	-
-	-	-	<b>TOTAL EXPENSES</b>	-	-	-
(12,863)	-	(12,863)	<b>OPERATING INCOME (LOSS)</b>	(832)	-	(832)
-	-	-	<b>TOTAL NONOPERATING REVENUE (EXPENSES)</b>	-	-	-
(12,863)	-	(12,863)	<b>NET INCREASE (DECREASE) IN NET POSITION</b>	(832)	-	(832)
0%	0%	0%	<b>MEDICAL LOSS RATIO</b>	0%	0%	0%
0%	0%	0%	<b>ADMINISTRATIVE EXPENSE RATIO</b>	0%	0%	0%

<b>KERN HEALTH SYSTEMS MONTHLY MEMBERS COUNT</b>							
<b>KERN HEALTH SYSTEMS</b>							
<b>MEDI-CAL</b>	<b>2023 MEMBER MONTHS</b>	<b>JAN'23</b>	<b>FEB'23</b>	<b>MAR'23</b>	<b>APR'23</b>	<b>MAY'23</b>	<b>JUN'23</b>
<b>ADULT AND FAMILY</b>							
ADULT	394,531	58,409	65,757	66,276	66,418	67,971	69,700
CHILD	880,227	149,881	145,505	145,753	146,329	146,573	146,186
<b>SUB-TOTAL ADULT &amp; FAMILY</b>	<b>1,274,758</b>	<b>208,290</b>	<b>211,262</b>	<b>212,029</b>	<b>212,747</b>	<b>214,544</b>	<b>215,886</b>
<b>OTHER MEMBERS</b>							
PARTIAL DUALS - FAMILY	4,304	851	875	903	822	853	0
PARTIAL DUALS - CHILD	0	0	0	0	0	0	0
PARTIAL DUALS - BCCTP	72	6	10	10	10	16	20
<b>FULL DUALS (SPD)</b>							
SPD FULL DUALS	115,108	9,649	20,632	21,019	21,092	21,349	21,367
<b>SUBTOTAL OTHER MEMBERS</b>	<b>119,484</b>	<b>10,506</b>	<b>21,517</b>	<b>21,932</b>	<b>21,924</b>	<b>22,218</b>	<b>21,387</b>
<b>TOTAL FAMILY &amp; OTHER</b>	<b>1,394,242</b>	<b>218,796</b>	<b>232,779</b>	<b>233,961</b>	<b>234,671</b>	<b>236,762</b>	<b>237,273</b>
<b>SPD</b>							
SPD (AGED AND DISABLED)	110,094	17,442	18,453	18,522	18,599	18,398	18,680
<b>MEDI-CAL EXPANSION</b>							
ACA Expansion Adult-Citizen	582,799	94,512	96,241	96,427	97,590	98,512	99,517
ACA Expansion Duals	10,522	1,637	1,613	1,703	1,746	1,842	1,981
<b>SUB-TOTAL MED-CAL EXPANSION</b>	<b>593,321</b>	<b>96,149</b>	<b>97,854</b>	<b>98,130</b>	<b>99,336</b>	<b>100,354</b>	<b>101,498</b>
<b>LONG TERM CARE (LTC)</b>							
LTC	165	27	-1	33	34	35	37
LTC DUALS	1,855	0	380	364	365	366	380
<b>TOTAL LTC</b>	<b>2,020</b>	<b>27</b>	<b>379</b>	<b>397</b>	<b>399</b>	<b>401</b>	<b>417</b>
<b>TOTAL KAISER</b>	<b>92,169</b>	<b>14,759</b>	<b>14,960</b>	<b>15,308</b>	<b>15,562</b>	<b>15,699</b>	<b>15,881</b>
<b>TOTAL MEDI-CAL MEMBERS</b>	<b>2,191,846</b>	<b>347,173</b>	<b>364,425</b>	<b>366,318</b>	<b>368,567</b>	<b>371,614</b>	<b>373,749</b>



# KERN·HEALTH SYSTEMS

**May AP Vendor Report**  
**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	587,434.41	2,880,293.82	MAY. 2023 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T3130	OPTUMINSIGHT, INC ****	505,210.51	1,249,311.51	2023/2024 EASY GROUP LICENSE YEAR 5	MIS INFRASTRUCTURE
T4350	COMPUTER ENTERPRISE	447,797.39	2,318,713.65	APR. 2023 PROFESSIONAL SERVICES/CONSULTING SERVICES	VARIOUS
T4737	TEKSYSTEMS, INC.	264,910.31	1,153,521.67	APR. 2023 PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T5155	A-C ELECTRIC COMPANY ****	258,943.87	1,351,291.87	CARPPOOL SOLAR PROJECT	CAPITAL
T1180	LANGUAGE LINE SERVICES INC ****	173,705.04	385,488.65	MAR. & APR. 2023 INTERPRETATION SERVICES	HEALTH EDUCATION
T5432	CATALYST SOLUTIONS, LLC	121,875.80	631,214.46	APR. & MAY 2023 PROFESSIONAL SERVICES	BUSINESS INTELLIGENCE
T5337	CAZADOR CONSULTING GROUP INC	120,700.22	461,066.74	APR. 2023 TEMPORARY HELP - (1) IT: (24) MS: HR (1)	VARIOUS
T5452	BLACKHAWK ENGAGEMENT SOLUTIONS, INC	116,184.00	1,051,730.00	PREFUND MCAS MEMBER REWARDS PROGRAM	UTILIZATION MANAGEMENT-QI
T3449	CDW GOVERNMENT ****	100,966.46	1,477,727.78	ANNUAL NUTANIX RENEWAL & HARDWARE	MIS ADMINISTRATION
T2458	HEALTHCARE FINANCIAL, INC	66,967.41	350,650.85	MAR. & APR. 2023 PROFESSIONAL SERVICES	ADMINISTRATION
T5022	SVAM INTERNATIONAL INC	56,330.00	268,037.00	APR. 2023 PROFESSIONAL SERVICES	MIS ADMINISTRATION
T3972	JOURNEY AIR CONDITIONING CO., INC ****	50,035.00	50,035.00	HVAC NEW UNIT & INSTALL	CAPITAL

# KERN·HEALTH SYSTEMS

**May AP Vendor Report**  
**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4237	FLUIDEDGE CONSULTING, INC	49,330.00	259,965.00	APR. 2023 CONSULTING SERVICES	VARIOUS
T5658	THE PRUDENTIAL INSURANCE COMPANY OF AMERICA	48,323.97	235,085.83	MAY 2023 VOLUNTARY LIFE, AD&D INSURANCE PREMIUM	VARIOUS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC	45,903.27	993,374.22	APR. 2023 PROFESSIONAL SERVICES & APR. 2023 EDI CLAIM PROCESSING	VARIOUS
T5546	BITWISE TECHNOLOGY CONSULTING, LLC	45,137.63	189,723.15	APR. 2023 OCR & PROFESSIONAL SERVICES	VARIOUS
T5421	PREMIER ACCESS INSURANCE COMPANY	44,058.05	214,093.71	MAY 2023 EMPLOYEE DENTAL BENEFITS PREMIUM	VARIOUS
T5562	JDM SOLUTIONS INC	43,200.00	218,520.00	APR. 2023 PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T2918	STINSON'S ****	42,259.23	112,290.01	MAR. & APR. 2023 OFFICE SUPPLIES	VARIOUS
T5344	SIGNATURE STAFF RESOURCES LLC	40,056.00	86,968.00	APR. 2023 PROFESSIONAL SERVICES	BUSINESS INTELLIGENCE
T2584	UNITED STATES POSTAL SVC. - HASLER ****	40,000.00	130,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T5292	ALL'S WELL HEALTH CARE SERVICES	36,936.40	194,337.23	APR. 2023 TEMPORARY HELP - (1) HE: (1) BE	VARIOUS
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	35,250.00	202,800.00	APR. 2023 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T4585	DELANO UNION SCHOOL DISTRICT ****	35,000.00	45,000.00	APR. 2023 SCHOOL WELLNESS GRANT	COMMUNITY GRANTS
T4733	UNITED STAFFING ASSOCIATES	34,950.19	223,832.87	APR. 2023 TEMPORARY HELP - (1) FIN: (1) UM: (12) MS: (1) CS	VARIOUS

# KERN·HEALTH SYSTEMS

**May AP Vendor Report**  
**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4657	DAPONDE SIMPSON ROEWE PC ****	34,835.00	77,236.25	MAR. 2023 LEGAL FEES	VARIOUS
T4452	WELLS FARGO	34,557.87	114,251.44	ACH- MISC CREDIT CARD PURCHASES	VARIOUS
T1861	CERIDIAN HCM, INC.	30,298.68	129,077.92	APR. & MAY 2023 MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T5520	BG HEALTHCARE CONSULTING, INC ****	28,425.00	63,900.00	MAR. & APR. 2023 PROFESSIONAL SERVICES	POPULATION HEALTH MANAGEMENT
T2167	PG&E	27,885.45	153,013.41	MAY. 2023 UTILITIES	CORPORATE SERVICES
T3011	OFFICE ALLY, INC	27,335.96	140,564.04	APR. 2023 EDI CLAIM PROCESSING	CLAIMS
T4460	PAYSPAN, INC	26,159.88	124,168.70	APR. 2023 CLAIMS ACTIVITY	FINANCE
T4165	SHI INTERNATIONAL CO. ****	25,647.79	273,183.40	PROOFPOINT LICENSE RENEWAL & WORKFIT STANDING DESKS	MIS INFRASTRUCTURE
T2869	COMMUNITY ACTION PARTNERSHIP OF KERN ****	25,000.00	25,000.00	MAY 2023 COMMUNITY GRANT	COMMUNITY GRANTS
T5503	SECURE-CENTRIC INC. ****	24,494.10	24,494.10	ANNUAL RUBRIK ENTERPRISE SUPPORT	MIS INFRASTRUCTURE
T5509	NGUYEN CAO LUU-TRONG	24,075.00	141,900.00	APR. 2023 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T5530	JONES LANG LASALLE AMERICAS, INC ****	23,960.00	23,960.00	CUBICLE SCHEDULING APP IMPLEMENTATION & TRAIING	CORPORATE SERVICES

# KERN·HEALTH SYSTEMS

**May AP Vendor Report**  
**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T2787	SAGE SOFTWARE, INC ****	23,561.11	23,561.11	SAGE 300 CLOUD SOFTWARE RENEWAL	FINANCE
T5701	THE GRANGER NETWORKS LLC	22,000.00	44,000.00	SUPERVISOR BOOTCAMP	ADMINISTRATION
T5524	REST & REASSURE, LLC ****	21,000.00	40,500.00	JAN. & APR. 2023 PROFESSIONAL SERVICES	POPULATION HEALTH MANAGEMENT
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	20,773.01	97,334.87	APR. 2023 EDI CLAIM PROCESSING	CLAIMS
		<b>3,831,474.01</b>			
	TOTAL VENDORS OVER \$20,000	3,831,474.01			
	TOTAL VENDORS UNDER \$20,000	476,648.63			
	TOTAL VENDOR EXPENSES- MAY	<b>\$ 4,308,122.64</b>			

Note:  
 \*\*\*\*New vendors over \$20,000 for the month of May

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	2,880,293.82	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4350	COMPUTER ENTERPRISE	2,318,713.65	PROFESSIONAL SERVICES/CONSULTING SERVICES	VARIOUS
T3449	CDW GOVERNMENT	1,477,727.78	NUTANIX RENEWAL & ADOBE LICENSES	MIS INFRASTRUCTURE
T5155	A-C ELECTRIC COMPANY	1,351,291.87	CARPPOOL SOLAR PROJECT	CAPITAL
T3130	OPTUMINSIGHT, INC	1,249,311.51	ANNUAL LICENSED SOFTWARE	MIS INFRASTRUCTURE
T4737	TEKSYSTEMS, INC.	1,153,521.67	PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T5452	BLACKHAWK ENGAGEMENT SOLUTIONS INC	1,051,730.00	PREFUND MEMBER INCENTIVES & MCAS MEMBER REWARDS PROGRAM	UTILIZATION MANAGEMENT-HE & QI
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC	993,374.22	PROFESSIONAL SERVICES & ANNUAL LICENSING	VARIOUS
T4699	ZEOMEGA, INC	766,615.22	PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T5432	CATALYST SOLUTIONS, LLC	631,214.46	PROFESSIONAL SERVICES	BUSINESS INTELLIGENCE
T5337	CAZADOR CONSULTING GROUP INC	461,066.74	TEMPORARY HELP	VARIOUS
T1408	DELL MARKETING L.P.	454,906.52	MONITORS AND WORKSTATIONS	MIS INFRASTRUCTURE

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1071	CLINICA SIERRA VISTA	443,858.91	HEALTH HOMES GRANT & PROVIDER CARE QUALITY GRANT PROGRAM	COMMUNITY GRANTS
T1180	LANGUAGE LINE SERVICES INC	385,488.65	INTERPRETATION SERVICES	HEALTH EDUCATION
T2458	HEALTHCARE FINANCIAL, INC	350,650.85	PROFESSIONAL SERVICES	ADMINISTRATION
T5466	ZIPARI, INC	297,256.00	2023 JIVA MEMBER PORTAL	MIS INFRASTRUCTURE
T4165	SHI INTERNATIONAL CO.	273,183.40	NETWORK SWITCHES WITH SUPPORT	MIS INFRASTRUCTURE
T5022	SVAM INTERNATIONAL INC	268,037.00	PROFESSIONAL SERVICES	MIS ADMINISTRATION
T4237	FLUIDEDGE CONSULTING, INC	259,965.00	CONSULTING SERVICES	VARIOUS
T4331	COTIVITI, INC	242,155.27	2023 HEDIS LICENSE & PROFESSIONAL SERVICES	HEALTH SERVICES - QI
T5658	THE PRUDENTIAL INSURANCE COMPANY OF AMERICA	235,085.83	VOLUNTARY LIFE, AD&D INSURANCE PREMIUM	VARIOUS
T4733	UNITED STAFFING ASSOCIATES	223,832.87	TEMPORARY HELP	VARIOUS
T5562	JDM SOLUTIONS INC	218,520.00	PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T5421	PREMIER ACCESS INSURANCE COMPANY	214,093.71	EMPLOYEE DENTAL BENEFITS PREMIUM	VARIOUS

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	202,800.00	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T5292	ALL'S WELL HEALTH CARE SERVICES	194,337.23	TEMPORARY HELP	VARIOUS
T5546	BITWISE TECHNOLOGY CONSULTING, LLC	189,723.15	OCR SERVICES AND PROFESSIONAL SERVICES	VARIOUS
T2469	DST HEALTH SOLUTIONS, LLC	167,100.00	ANNUAL ACG LICENSE & SUPPORT	BUSINESS INTELLEGENCE
T2167	PG&E	153,013.41	UTILITIES	CORPORATE SERVICES
T4452	WELLS FARGO	148,809.20	ACH- MISC CREDIT CARD PURCHASES	VARIOUS
T5509	NGUYEN CAO LUU-TRONG	141,900.00	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T3011	OFFICE ALLY, INC	140,564.04	EDI CLAIM PROCESSING	CLAIMS
T4708	HEALTH MANAGEMENT ASSOCIATES, INC	138,595.00	PROFESSIONAL SERVICES	ADMINISTRATION
T2584	UNITED STATES POSTAL SVC - HASLER	130,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T1861	CERIDIAN HCM, INC.	129,077.92	MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T4460	PAYSPAN, INC	124,168.70	ELECTRONIC CLAIMS/PAYMENTS	FINANCE

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5340	GARTNER INC	117,060.00	ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES	MIS ADMINISTRATION
T2918	STINSON'S	112,290.01	OFFICE SUPPLIES	VARIOUS
T2933	SIERRA PRINTERS, INC	110,210.65	PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS	VARIOUS
T5145	CCS ENGINEERING FRESNO INC	103,015.35	JANITORIAL SERVICES	CORPORATE SERVICES
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	97,334.87	2023 EDI CLAIM PROCESSING	CLAIMS
T5486	ALLIED GENERAL CONTRACTORS, INC	93,650.00	OFFICE PAINTING & CONSTRUCTION	CAPITAL
T4353	TWE SOLUTIONS, INC	91,933.22	CORTEX XDR PRO LICENSES	MIS INFRASTRUCTURE
T5344	SIGNATURE STAFF RESOURCES LLC	86,968.00	2023 PROFESSIONAL SERVICES	BUSINESS INTELLIGENCE
WT/ACH	USPS	80,000.00	FUND KHS POSTAL ONE/EPS ACCOUNT	CORPORATE SERVICES
T4657	DAPONDE SIMPSON ROWE PC	77,236.25	LEGAL FEES	VARIOUS
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	77,000.00	2023 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T4484	JACOBSON SOLUTIONS	76,148.22	TEMPORARY HELP	HEALTH SERVICES - UM
T2413	TREK IMAGING INC	74,851.21	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS



# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4501	ALLIED UNIVERSAL SECURITY SERVICES	74,392.27	ONSITE SECURITY	CORPORATE SERVICES
T4483	INFUSION AND CLINICAL SERVICES, INC	73,427.67	DIABETIC GRANT PROGRAM	COMMUNITY GRANTS
T2955	DELTA ELECTRIC INC	72,705.00	OFFICE REMODEL ELECTRICAL WORK	CORPORATE SERVICES
T5111	ENTISYS 360, E360	69,201.68	NUTANIX ACROPOLIS SOFTWARE LICENSE	MIS INFRASTRUCTURE
T4963	LINKEDIN CORPORATION	65,388.50	ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES	HUMAN RESOURCES
T5520	BG HEALTHCARE CONSULTING, INC	63,900.00	PROFESSIONAL SERVICES	POPULATION HEALTH MANAGEMENT
T1128	HALL LETTER SHOP	62,796.67	MEMBER ID CARDS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS	VARIOUS
T1005	COLONIAL LIFE & ACCIDENT	60,030.00	LIFE INSURANCE PREMIUM	VARIOUS
T4792	KP LLC	58,328.13	PROVIDER DIRECTORIES	PROVIDER NETWORK MANAGEMENT
T5436	THE BEACON STUDIOS LLC	56,502.00	TV COMMERCIAL PRODUCTION	MEDIA & ADVERTISING
T5121	TPX COMMUNICATIONS	56,122.37	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE
T2941	KERN PRINT SERVICES INC	55,262.90	OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD	VARIOUS
T1022	UNUM LIFE INSURANCE CO.	54,776.93	EMPLOYEE PREMIUM	PAYROLL DEDUCTION

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	51,900.00	2022 AUDIT FEES	FINANCE
T1960	LOCAL HEALTH PLANS OF CALIFORNIA	51,363.62	WEBINAR REGISTRATIONS & SPECIAL DUES ASSESSMENT	VARIOUS
T3972	JOURNEY AIR CONDITIONING CO., INC ****	50,035.00	HVAC NEW UNIT & INSTALL	CAPITAL
T2726	DST PHARMACY SOLUTIONS, INC	48,524.50	PHARMACY CLAIMS	PHARMACY
T5479	TRANSFORMING LOCAL COMMUNITIES, INC	47,647.40	DEC. 2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	47,377.00	2023 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T4514	A.J. KLEIN, INC T.DENATALE, B. GOLDNER	47,372.68	LEGAL FEES	ADMINISTRATION
T4585	DELANO UNION SCHOOL DISTRICT ****	45,000.00	SCHOOL WELLNESS GRANT	COMMUNITY GRANTS
T5645	RIDGECREST REGIONAL HOSPITAL	45,000.00	PROVIDER QUALITY CARE GRANT PROGRAM	COMMUNITY GRANTS
T4503	VISION SERVICE PLAN	44,465.43	EMPLOYEE HEALTH BENEFITS	VARIOUS
T5701	THE GRANGER NETWORK LLC	44,000.00	SUPERVISOR BOOTCAMP	ADMINISTRATION
T2969	AMERICAN BUSINESS MACHINES INC	43,727.25	HARDWARE AND MAINTENANCE	CORPORATE SERVICES

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5107	CITRIX SYSTEMS, INC	42,619.20	CITRIX LICENSE RENEWAL	MIS INFRASTRUCTURE
T5319	CITIUSTECH INC	42,498.00	FAST+ ANNUAL MAINTENANCE & SUPPORT	MIS INFRASTRUCTURE
T5480	PRESS GANEY ASSOCIATES LLC	40,985.25	2023 ECM & PROVIDER SATISFACTION SURVEYS	VARIOUS
T5524	REST & REASSURE, LLC ****	40,500.00	2023 PROFESSIONAL SERVICES	POPULATION HEALTH MANAGEMENT
T4265	SIERRA SCHOOL EQUIPMENT COMPANY	39,947.72	BOARDROOM FURNITURE	CORPORATE SERVICES
T5467	MOSS ADAMS LLP	37,597.00	2023 CLAIMS AUDIT TOOL SUPPORT & LICENSES	MIS INFRASTRUCTURE
T5329	RELAY NETWORK, LLC	36,666.69	TEXT MESSAGING SUBSCRIPTION	CAPITAL PROJECT
T5435	TEGRIA SERVICES GROUP - US, INC	36,500.00	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T5367	ADVENTIST HEALTH DELANO	35,910.73	PROVIDER GRANT PROGRAM	COMMUNITY GRANT
T1272	COFFEY COMMUNICATIONS INC	35,840.64	MEMBER NEWSLETTER/WEBSITE IMPLEMENTATION	HEALTH EDUCATION/MEDIA & ADVERTISING
T4059	KERN VALLEY HEALTHCARE DISTRICT	35,327.26	2022 PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T2578	AMERICAN HEART ASSOCIATION - KERN COUNTY	35,000.00	SPONSORSHIP	MEDIA & ADVERTISING
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	32,152.06	2023 EDI CLAIM PROCESSING	CLAIMS

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**  
**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5550	CHARTER COMMUNICATIONS OPERATING, LLC	31,838.60	INTERNET SERVICES	MIS INFRASTRUCTURE
T5568	MICHELLE OXFORD	30,910.89	CONSULTING SERVICES	EXECUTIVE
T5574	CARMAX AUTO SUPERSTORES, INC	30,451.85	COMPANY VEHICLE	CORPORATE SERVICES
T5392	THE KNOWLEDGE ACADEMY INC	30,155.00	CA PROJECT MANAGEMENT TRAINING	MIS ADMINISTRATION
T5687	IRISE EXECUTIVE COACHING LLC	30,000.00	EXECUTIVE RETREAT	ADMINISTRATION
T5429	JANE MACADAM	29,118.77	2022 HYBRID COMMUTING	COMPLIANCE
T5684	REBELLIS GROUP LLC	29,040.00	MAPD BUSINESS CONSULTING	MEDICARE
T4554	THE KEN BLANCHARD COMPANIES	28,845.93	LEADERSHIP TRAINING COURSES	HUMAN RESOURCES
T4982	NGC US, LLC	28,550.00	PREFUND MEMBER INCENTIVES - COVID 19 INCENTIVE PROGRAM	VARIOUS
T5583	THE MIHALIK GROUP, LLC	28,000.00	NCQA TRAINING	HEALTH SERVICES - QI
T3986	JACQUELYN S JANS	27,330.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T5201	JAC SERVICES, INC	26,896.08	AC MAINTENANCE & SERVICE	CORPORATE SERVICES
T5300	CENTRAL VALLEY OCCUPATION MEDICAL GROUP, INC	26,780.00	COVID-19 TESTING	HUMAN RESOURCES

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5592	BRAND CO MARKETING ****	26,277.95	KHS STORE INVENTORY ITEMS/RECRUITMENT	VARIOUS
T4731	GO TO TECHNOLOGY CONSULTING, LLC	25,062.00	INTERNET SERVICES	MIS INFRASTRUCTURE
T2851	SINCLAIR TELEVISION OF BAKERSFIELD, LLC ****	25,030.00	ADVERTISEMENT - MEDIA	MARKETING
T4607	AGILITY RECOVERY SOLUTIONS INC	25,008.07	PROFESSIONAL SERVICES	ADMINISTRATION
T2869	COMMUNITY ACTION PARTNERSHIP OF KERN ****	25,000.00	2023 COMMUNITY GRANT	COMMUNITY GRANTS
T2641	MARANATHA GARDENING & LANDSCAPING, INC ****	24,957.50	2023 BUILDING MAINTENANCE	CORPORATE SERVICE
T5503	SECURE-CENTRIC INC ****	24,494.10	RUBRIK ENTERPRISE SUPPORT	MIS INFRASTRUCTURE
T2446	AT&T MOBILITY ****	23,966.22	CELLULAR PHONE/INTERNET USAGE	MIS INFRASTRUCTURE
T5530	JONES LANG LASALLE AMERICAS, INC ****	23,960.00	CUBICLE SCHEDULING APP IMPLEMENTATION & TRAIING	CORPORATE SERVICES
T2787	SAGE SOFTWARE, INC ****	23,561.11	SAGE 300 CLOUD SOFTWARE RENEWAL	FINANCE
T5317	PRESIDIO NETWORKED SOLUTIONS GROUP LLC	23,125.00	NUTANIX HARDWARE & SOFTWARE - SECURITY PROGRAM ASSESSMENT	MIS INFRASTRUCTURE
T4182	THE LAMAR COMPANIES ****	23,062.80	OUTDOOR ADVERTISEMENT - BILLBOARDS	ADVERTISING
T5109	RAND EMPLOYMENT SOLUTIONS ****	21,430.43	TEMPORARY HELP	VARIOUS
T2441	LAURA J BREZINSKI ****	21,250.00	MARKETING MATERIALS	MARKETING

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5578	KIMBERY A MARTIN	21,052.50	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T2580	GOLDEN EMPIRE TRANSIT DISTRICT ****	20,900.00	OUTDOOR ADVERTISEMENT - BUSES	ADVERTISING
T1097	NCQA	20,580.00	HEDIS, VOL 2 PLUS QUALITY COMPASS AND POPULATION HEALTH PROGRAM ACCREDITATION	HEALTH SERVICES - QI
T5535	PANAMA-BUENA VISTA UNION SCHOOL DISTRICT	20,000.00	SCHOOL WELLNESS GRANT	COMMUNITY GRANTS
		<u>23,937,107.73</u>		
	TOTAL VENDORS OVER \$20,000	23,937,107.73		
	TOTAL VENDORS UNDER \$20,000	1,225,441.78		
	TOTAL VENDOR EXPENSES- MAY	<u>\$ 25,162,549.51</u>		

Note:

\*\*\*\*New vendors over \$20,000 for the month of May

# KERN·HEALTH SYSTEMS

**June AP Vendor Report**  
**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T5452	BLACKHAWK ENGAGEMENT SOLUTIONS, INC	706,910.00	1,758,640.00	PREFUND MCAS MEMBER REWARDS PROGRAM	UTILIZATION MANAGEMENT-QI
T1045	KAISER FOUNDATION HEALTH - HMO	607,589.71	3,487,883.53	JUN. 2023 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T1071	CLINICA SIERRA VISTA ****	468,022.56	911,881.47	JAN. - APR. 2023 PROVIDER GRANTS & 2023 COMMUNITY GRANTS	COMMUNITY GRANTS
T5466	ZIPARI, INC ****	303,289.68	600,545.68	JUN. 2023 - NOV. 2023 JIVA MEMBER PORTAL	MIS INFRASTRUCTURE
T4350	COMPUTER ENTERPRISE	289,136.60	2,607,850.25	MAY. 2023 PROFESSIONAL SERVICES/CONSULTING SERVICES	VARIOUS
T4737	TEKSYSTEMS, INC.	272,977.62	1,426,499.29	MAY. 2023 PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T5684	REBELLIS GROUP LLC ****	239,990.93	269,030.93	MAY. 2023 MAPD BUSINESS CONSULTING	MEDICARE
T2726	DST PHARMACY SOLUTIONS, INC ****	168,221.13	216,745.63	PHARMACY CLAIMS JUN. 22 - APR. 23 SERVICE CHARGE	PHARMACY
T5738	INSURICA - WALTER MORTENSEN INSURANCE ****	118,770.00	118,770.00	2023-2024 ANNUAL WORKERS' COMP PREMIUM	ADMINISTRATION
T5503	SECURE-CENTRIC INC.	100,300.10	124,794.20	RUBRIK CLOUD DATA MANAGEMENT SOFTWARE	MIS INFRASTRUCTURE
T2918	STINSON'S	89,794.14	202,084.15	FURNITURE - 50% DEPOSIT FOR 33 NEW CUBICLES	CAPITAL PROJECT
T4217	CONTEXT 4 HEALTHCARE, INC ****	86,083.12	86,083.12	ANNUAL RENEWAL AMA FEES & CPT LICENSE	MIS INFRASTRUCTURE
T5701	THE GRANGER NETWORKS LLC	84,650.00	128,650.00	SUPERVISOR BOOTCAMP	ADMINISTRATION

# KERN·HEALTH SYSTEMS

**June AP Vendor Report**  
**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T5111	ENTISYS 360, E360 ****	84,412.66	153,614.34	NUTANIX AOS SOFTWARE & LICENSE RENEWAL	MIS INFRASTRUCTURE
T5337	CAZADOR CONSULTING GROUP INC	84,398.22	545,464.96	MAY. 2023 TEMPORARY HELP - (1) IT: (24) MS: HR (1)	VARIOUS
T1180	LANGUAGE LINE SERVICES INC	81,940.99	467,429.64	MAY. 2023 INTERPRETATION SERVICES	HEALTH EDUCATION
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC	80,597.27	1,073,971.49	MAY. 2023 PROFESSIONAL SERVICES & MAY. 2023 EDI CLAIM PROCESSING	VARIOUS
T2961	SOLUTION BENCH, LLC ****	76,461.55	91,581.55	M-FILES SOFTWARE ANNUAL RENEWAL	MIS INFRASTRUCTURE
T4657	DAPONDE SIMPSON ROWE PC	71,592.50	148,828.75	APR. 2023 LEGAL FEES	VARIOUS
T2584	UNITED STATES POSTAL SVC. - HASLER	40,000.00	130,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T5022	SVAM INTERNATIONAL INC	62,350.00	330,387.00	MAY. 2023 PROFESSIONAL SERVICES	MIS ADMINISTRATION
T5583	THE MIHALIK GROUP LLC ****	54,080.00	82,080.00	CONSULTING SERVICES	HEALTH SERVICES - QI
T5562	JDM SOLUTIONS INC	54,000.00	272,520.00	MAY. 2023 PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T5644	JENNIFER ELIZABETH CLANCY ****	49,500.00	49,500.00	FEB - MAY 2023 CONSULTING SERVICES	UTILIZATION MANAGEMENT-UM
T5658	THE PRUDENTIAL INSURANCE COMPANY OF AMERICA	48,435.88	283,521.71	JUNE 2023 VOLUNTARY LIFE, AD&D INSURANCE PREMIUM	VARIOUS



# KERN·HEALTH SYSTEMS

**June AP Vendor Report**  
**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4514	A.J. KLEIN, INC. T. DENATALE, B. GOLDNER ****	45,267.44	92,640.12	MAY. 2023 LEGAL FEES	VARIOUS
T5421	PREMIER ACCESS INSURANCE COMPANY	44,288.31	258,382.02	JUN. 2023 EMPLOYEE DENTAL BENEFITS PREMIUM	VARIOUS
T2509	USPS ****	44,039.15	44,039.15	PERMIT #88 SUMMER ISSUE FAMILY HEALTH MAGAZINE POSTAGE FUNDING	HEALTH EDUCATION
T5344	SIGNATURE STAFF RESOURCES LLC	40,336.00	127,304.00	MAY. 2023 PROFESSIONAL SERVICES	BUSINESS INTELLIGENCE
T4733	UNITED STAFFING ASSOCIATES	36,311.35	260,144.22	MAY. 2023 TEMPORARY HELP - (1) FIN: (1) UM: (12) MS: (1) CS	VARIOUS
T4460	PAYSPAN, INC	34,077.29	158,245.99	MAY. 2023 CLAIMS ACTIVITY	FINANCE
T4452	WELLS FARGO	33,156.44	181,965.64	ACH- MISC CREDIT CARD PURCHASES	VARIOUS
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	32,550.00	235,350.00	MAY. 2023 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T3011	OFFICE ALLY, INC	32,384.92	172,948.96	APR. 2023 EDI CLAIM PROCESSING	CLAIMS
T5734	CAROL ANN STILTNER ****	31,012.20	31,012.20	APR. - JUN. 2023 PROFESSIONAL SERVICES	MEDICARE
T2167	PG&E	29,962.47	182,975.88	JUN. 2023 UTILITIES	CORPORATE SERVICES

# KERN·HEALTH SYSTEMS

**June AP Vendor Report**  
**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T2955	DELTA ELECTRIC INC ****	28,390.00	101,095.00	OFFICE REMODEL ELECTRICAL WORK	CORPORATE SERVICES
T4237	FLUIDEDGE CONSULTING, INC	25,520.00	285,485.00	MAY. 2023 CONSULTING SERVICES	VARIOUS
T2458	HEALTHCARE FINANCIAL, INC	24,000.00	374,650.85	MAR. 2023 PROFESSIONAL SERVICES	ADMINISTRATION
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	22,871.44	120,206.31	MAY. 2023 EDI CLAIM PROCESSING	CLAIMS
T5292	ALL'S WELL HEALTH CARE SERVICES	22,220.84	216,558.07	MAY. 2023 TEMPORARY HELP - (1) HE: (1) BE	VARIOUS
T2869	COMMUNITY ACTION PARTNERSHIP OF KERN	20,000.00	45,000.00	2023 COMMUNITY GRANT	COMMUNITY GRANTS
		<b>4,869,892.51</b>			
	TOTAL VENDORS OVER \$20,000	4,899,892.51			
	TOTAL VENDORS UNDER \$20,000	762,705.68			
	TOTAL VENDOR EXPENSES- JUNE	<b>\$ 5,662,598.19</b>			

Note:  
 \*\*\*\*New vendors over \$20,000 for the month of June

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	3,487,883.53	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4350	COMPUTER ENTERPRISE	2,607,850.25	PROFESSIONAL SERVICES/CONSULTING SERVICES	VARIOUS
T5452	BLACKHAWK ENGAGEMENT SOLUTIONS INC	1,758,640.00	PREFUND MEMBER INCENTIVES & MCAS MEMBER REWARDS PROGRAM	UTILIZATION MANAGEMENT-HE & QI
T3449	CDW GOVERNMENT	1,479,600.20	NUTANIX RENEWAL & ADOBE LICENSES	MIS INFRASTRUCTURE
T4737	TEKSYSTEMS, INC.	1,426,499.29	PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T5155	A-C ELECTRIC COMPANY	1,351,291.87	CARPPOOL SOLAR PROJECT	CAPITAL
T3130	OPTUMINSIGHT, INC	1,249,311.51	ANNUAL LICENSED SOFTWARE	MIS INFRASTRUCTURE
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC	1,073,971.49	PROFESSIONAL SERVICES & ANNUAL LICENSING	VARIOUS
T1071	CLINICA SIERRA VISTA	911,881.47	HEALTH HOMES GRANT & PROVIDER CARE QUALITY GRANT PROGRAM	COMMUNITY GRANTS
T4699	ZEOMEGA, INC	766,615.22	PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T5432	CATALYST SOLUTIONS, LLC	642,325.52	PROFESSIONAL SERVICES	BUSINESS INTELLIGENCE
T5466	ZIPARI, INC	600,545.68	2023 JIVA MEMBER PORTAL	MIS INFRASTRUCTURE
T5337	CAZADOR CONSULTING GROUP INC	545,464.96	TEMPORARY HELP	VARIOUS
T1180	LANGUAGE LINE SERVICES INC	467,429.64	INTERPRETATION SERVICES	HEALTH EDUCATION

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**  
**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1408	DELL MARKETING L.P.	454,906.52	COMPUTER EQUIPMENT	MIS INFRASTRUCTURE
T2458	HEALTHCARE FINANCIAL, INC	374,650.85	PROFESSIONAL SERVICES	ADMINISTRATION
T5022	SVAM INTERNATIONAL INC	330,387.00	PROFESSIONAL SERVICES	MIS ADMINISTRATION
T4237	FLUIDEDGE CONSULTING, INC	285,485.00	CONSULTING SERVICES	VARIOUS
T5658	THE PRUDENTIAL INSURANCE COMPANY OF AMERICA	283,521.71	VOLUNTARY LIFE, AD&D INSURANCE PREMIUM	VARIOUS
T4165	SHI INTERNATIONAL CO.	280,493.86	NETWORK SWITCHES WITH SUPPORT	MIS INFRASTRUCTURE
T5562	JDM SOLUTIONS INC	272,520.00	PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T5684	REBELLIS GROUP LLC	269,030.93	MAPD BUSINESS CONSULTING	MEDICARE
T4733	UNITED STAFFING ASSOCIATES	260,144.22	TEMPORARY HELP	VARIOUS
T5421	PREMIER ACCESS INSURANCE COMPANY	258,382.02	EMPLOYEE DENTAL BENEFITS PREMIUM	VARIOUS
T4331	COTIVITI, INC	255,654.52	2023 HEDIS LICENSE & PROFESSIONAL SERVICES	HEALTH SERVICES - QI
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	235,350.00	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T2726	DST PHARMACY SOLUTIONS, INC	216,745.63	PHARMACY CLAIMS	PHARMACY
T5292	ALL'S WELL HEALTH CARE SERVICES	216,558.07	TEMPORARY HELP	VARIOUS

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2918	STINSON'S	202,084.15	OFFICE SUPPLIES	VARIOUS
T5546	BITWISE TECHNOLOGY CONSULTING, LLC	188,131.80	OCR SERVICES AND PROFESSIONAL SERVICES	VARIOUS
T2167	PG&E	182,975.88	UTILITIES	CORPORATE SERVICES
T4452	WELLS FARGO	181,965.64	ACH- MISC CREDIT CARD PURCHASES	VARIOUS
T3011	OFFICE ALLY, INC	172,948.96	EDI CLAIM PROCESSING	CLAIMS
T2469	DST HEALTH SOLUTIONS, LLC	167,100.00	ANNUAL ACG LICENSE & SUPPORT	BUSINESS INTELLEGENCE
T5509	NGUYEN CAO LUU-TRONG	159,035.50	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T4460	PAYSPAN, INC	158,245.99	ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T5111	ENTISYS 360, E360	153,614.34	NUTANIX ACROPOLIS SOFTWARE LICENSE	MIS INFRASTRUCTURE
WT/ACH	USPS	150,000.00	FUND KHS POSTAL ONE/EPS ACCOUNT	CORPORATE SERVICES
T4708	HEALTH MANAGEMENT ASSOCIATES, INC	149,542.50	PROFESSIONAL SERVICES	ADMINISTRATION
T4657	DAPONDE SIMPSON ROWE PC	148,828.75	LEGAL FEES	VARIOUS
T1861	CERIDIAN HCM, INC.	130,225.42	MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T2584	UNITED STATES POSTAL SVC - HASLER	130,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5701	THE GRANGER NETWORK LLC	128,650.00	SUPERVISOR BOOTCAMP	ADMINISTRATION
T5344	SIGNATURE STAFF RESOURCES LLC	127,304.00	2023 PROFESSIONAL SERVICES	BUSINESS INTELLIGENCE
T5503	SECURE-CENTRIC INC	124,794.20	RUBRIK ENTERPRISE SUPPORT	MIS INFRASTRUCTURE
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	120,206.31	2023 EDI CLAIM PROCESSING	CLAIMS
T5145	CCS ENGINEERING FRESNO INC	119,725.42	JANITORIAL SERVICES	CORPORATE SERVICES
T5738	INSURICA - WALTER MORTENSEN INSURANCE ****	118,770.00	2023-2024 ANNUAL WORKERS' COMP PREMIUM	ADMINISTRATION
T5340	GARTNER INC	117,060.00	ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES	MIS ADMINISTRATION
T2933	SIERRA PRINTERS, INC	110,554.42	PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS	VARIOUS
T2955	DELTA ELECTRIC INC	101,095.00	OFFICE REMODEL ELECTRICAL WORK	CORPORATE SERVICES
T5486	ALLIED GENERAL CONTRACTORS, INC	93,650.00	OFFICE PAINTING & CONSTRUCTION	CAPITAL
T4514	A.J. KLEIN, INC T.DENATALE, B. GOLDNER	92,640.12	LEGAL FEES	ADMINISTRATION
T4353	TWE SOLUTIONS, INC	91,933.22	CORTEX XDR PRO LICENSES	MIS INFRASTRUCTURE
T2961	SOLUTION BENCH, LLC ****	91,581.55	M-FILES SOFTWARE ANNUAL RENEWAL	MIS INFRASTRUCTURE
T4501	ALLIED UNIVERSAL SECURITY SERVICES	89,234.90	ONSITE SECURITY	CORPORATE SERVICES

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4217	CONTEXT 4 HEALTHCARE, INC ****	86,083.12	ANNUAL RENEWAL AMA FEES & CPT LICENSE	MIS INFRASTRUCTURE
T5583	THE MIHALIK GROUP, LLC	82,080.00	NCQA TRAINING	HEALTH SERVICES - QI
T4483	INFUSION AND CLINICAL SERVICES, INC	80,177.67	DIABETIC GRANT PROGRAM	COMMUNITY GRANTS
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	77,000.00	2023 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T2413	TREK IMAGING INC	76,246.48	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T4484	JACOBSON SOLUTIONS	76,148.22	TEMPORARY HELP	HEALTH SERVICES - UM
T5520	BG HEALTHCARE CONSULTING, INC	74,700.00	PROFESSIONAL SERVICES	POPULATION HEALTH MANAGEMENT
T1128	HALL LETTER SHOP	74,538.42	MEMBER ID CARDS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS	VARIOUS
T1005	COLONIAL LIFE & ACCIDENT	71,968.07	LIFE INSURANCE PREMIUM	VARIOUS
T5121	TPX COMMUNICATIONS	68,254.39	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE
T1022	UNUM LIFE INSURANCE CO.	67,451.30	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T4963	LINKEDIN CORPORATION	65,388.50	ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES	HUMAN RESOURCES
T2941	KERN PRINT SERVICES INC	64,953.44	OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD	VARIOUS
T4792	KP LLC	63,569.15	PROVIDER DIRECTORIES	PROVIDER NETWORK MANAGEMENT

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5436	THE BEACON STUDIOS LLC	56,502.00	TV COMMERCIAL PRODUCTION	MEDIA & ADVERTISING
T4503	VISION SERVICE PLAN	53,684.73	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	51,900.00	2022 AUDIT FEES	FINANCE
T1960	LOCAL HEALTH PLANS OF CALIFORNIA	51,363.62	WEBINAR REGISTRATIONS & SPECIAL DUES ASSESSMENT	VARIOUS
T3972	JOURNEY AIR CONDITIONING CO., INC	50,035.00	HVAC NEW UNIT & INSTALL	CAPITAL
T5644	JENNIFER ELIZABETH CLANCY ****	49,500.00	PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T4585	DELANO UNION SCHOOL DISTRICT	49,000.00	SCHOOL WELLNESS GRANT	COMMUNITY GRANTS
T5479	TRANSFORMING LOCAL COMMUNITIES, INC	47,647.40	DEC. 2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	47,377.00	2023 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T2969	AMERICAN BUSINESS MACHINES INC	45,357.63	HARDWARE AND MAINTENANCE	CORPORATE SERVICES
T5329	RELAY NETWORK, LLC	45,000.03	TEXT MESSAGING SUBSCRIPTION	CAPITAL PROJECT
T2869	COMMUNITY ACTION PARTNERSHIP OF KERN	45,000.00	2023 COMMUNITY GRANT	COMMUNITY GRANTS
T5645	RIDGECREST REGIONAL HOSPITAL	45,000.00	PROVIDER QUALITY CARE GRANT PROGRAM	COMMUNITY GRANTS
T2509	USPS ****	44,039.15	PERMIT #88 SUMMER ISSUE FAMILY HEALTH MAGAZINE POSTAGE FUNDING	HEALTH EDUCATION



# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5107	CITRIX SYSTEMS, INC	42,619.20	CITRIX LICENSE RENEWAL	MIS INFRASTRUCTURE
T5319	CITIUSTECH INC	42,498.00	FAST+ ANNUAL MAINTENANCE & SUPPORT	MIS INFRASTRUCTURE
T5480	PRESS GANEY ASSOCIATES LLC	40,985.25	2023 ECM & PROVIDER SATISFACTION SURVEYS	VARIOUS
T5524	REST & REASSURE, LLC	40,500.00	2023 PROFESSIONAL SERVICES	POPULATION HEALTH MANAGEMENT
T1272	COFFEY COMMUNICATIONS INC	40,016.97	MEMBER NEWSLETTER/WEBSITE IMPLEMENTATION	HEALTH EDUCATION/MEDIA & ADVERTISING
T4265	SIERRA SCHOOL EQUIPMENT COMPANY	39,947.72	BOARDROOM FURNITURE	CORPORATE SERVICES
T5367	ADVENTIST HEALTH DELANO	39,910.73	PROVIDER GRANT PROGRAM	COMMUNITY GRANT
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	38,946.76	2023 EDI CLAIM PROCESSING	CLAIMS
T5550	CHARTER COMMUNICATIONS OPERATING, LLC	37,673.81	INTERNET SERVICES	MIS INFRASTRUCTURE
T5467	MOSS ADAMS LLP	37,597.00	2023 CLAIMS AUDIT TOOL SUPPORT & LICENSES	MIS INFRASTRUCTURE
T5592	BRAND CO MARKETING	37,582.18	KHS STORE INVENTORY ITEMS	HUMAN RESOURCES
T5435	TEGRIA SERVICES GROUP - US, INC	36,500.00	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T4059	KERN VALLEY HEALTHCARE DISTRICT	35,327.26	2022 PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T2578	AMERICAN HEART ASSOCIATION - KERN COUNTY	35,000.00	SPONSORSHIP	MEDIA & ADVERTISING
T3986	JACQUELYN S JANS	32,850.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5734	CAROL ANN STILTNER ****	31,012.20	PROFESSIONAL SERVICES	MEDICARE
T5568	MICHELLE OXFORD	30,910.89	CONSULTING SERVICES	EXECUTIVE
T5201	JAC SERVICES, INC	30,577.08	AC MAINTENANCE & SERVICE	CORPORATE SERVICES
T5574	CARMAX AUTO SUPERSTORES, INC	30,451.85	COMPANY VEHICLE	CORPORATE SERVICES
T5392	THE KNOWLEDGE ACADEMY INC	30,155.00	CA PROJECT MANAGEMENT TRAINING	MIS ADMINISTRATION
T2851	SINCLAIR TELEVISION OF BAKERSFIELD, LLC	30,030.00	ADVERTISEMENT - MEDIA	MARKETING
T5012	KERN MEDICAL CENTER FOUNDATION ****	30,000.00	VALLEY FEVER WALK SPONSOSHIP	MARKETING
T5687	IRISE EXECUTIVE COACHING LLC	30,000.00	EXECUTIVE RETREAT	ADMINISTRATION
T2446	AT&T MOBILITY	29,142.22	CELLULAR PHONE/INTERNET USAGE	MIS INFRASTRUCTURE
T5429	JANE MACADAM	29,118.77	2022 HYBRID COMMUTING	COMPLIANCE
T4554	THE KEN BLANCHARD COMPANIES	28,845.93	LEADERSHIP TRAINING COURSES	HUMAN RESOURCES
T4982	NGC US, LLC	28,550.00	PREFUND MEMBER INCENTIVES - COVID 19 INCENTIVE PROGRAM	VARIOUS
T2641	MARANATHA GARDENING & LANDSCAPING, INC	27,427.50	2023 BUILDING MAINTENANCE	CORPORATE SERVICE
T5300	CENTRAL VALLEY OCCUPATION MEDICAL GROUP, INC	26,780.00	COVID-19 TESTING	HUMAN RESOURCES

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4182	THE LAMAR COMPANIES	26,020.96	OUTDOOR ADVERTISEMENT - BILLBOARDS	ADVERTISING
T5578	KIMBERY A MARTIN	25,525.50	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T2441	LAURA J BREZINSKI	25,500.00	MARKETING MATERIALS	MARKETING
T4731	GO TO TECHNOLOGY CONSULTING, LLC	25,062.00	INTERNET SERVICES	MIS INFRASTRUCTURE
T4607	AGILITY RECOVERY SOLUTIONS INC	25,008.07	PROFESSIONAL SERVICES	ADMINISTRATION
T2580	GOLDEN EMPIRE TRANSIT DISTRICT	24,900.00	OUTDOOR ADVERTISEMENT - BUSES	ADVERTISING
T5408	MARY HARRIS ****	24,815.00	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T5530	JONES LANG LASALLE AMERICAS, INC	23,960.00	CUBICLE SCHEDULING APP IMPLEMENTATION & TRAINING	CORPORATE SERVICES
T4785	COMM GAP ****	23,783.75	INTERPRETATION SERVICES	HEALTH EDUCATION
T2787	SAGE SOFTWARE, INC	23,581.11	SAGE 300 CLOUD SOFTWARE RENEWAL	FINANCE
T5109	RAND EMPLOYMENT SOLUTIONS	23,420.78	TEMPORARY HELP	VARIOUS
T5317	PRESIDIO NETWORKED SOLUTIONS GROUP LLC	23,125.00	NUTANIX HARDWARE & SOFTWARE - SECURITY PROGRAM ASSESSMENT	MIS INFRASTRUCTURE
T1347	ADVANCED DATA STORAGE ****	21,481.62	STORAGE AND SHREDDING SERVICES	CORPORATE SERVICES
T5669	THE OPEN DOOR NETWORK ****	21,418.00	2023 SPONSORSHIPS & COMMUNITY GRANT	MARKETING

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4216	NEXSTAR BROADCASTING INC ****	20,900.00	ADVERTISEMENT - MEDIA	MARKETING
T1097	NCQA	20,580.00	HEDIS, VOL 2 PLUS QUALITY COMPASS AND POPULATION HEALTH PROGRAM ACCREDITATION	HEALTH SERVICES - QI
T4993	LEGALSHIELD ****	20,551.75	EMPLOYEE PAID VOLUNTARY COVERAGE	PAYROLL DEDUCTION
T5535	PANAMA-BUENA VISTA UNION SCHOOL DISTRICT	20,000.00	SCHOOL WELLNESS GRANT	COMMUNITY GRANTS
		<b>29,285,594.21</b>		
	TOTAL VENDORS OVER \$20,000	29,285,594.21		
	TOTAL VENDORS UNDER \$20,000	1,543,100.69		
	TOTAL VENDOR EXPENSES- JUNE	<b>\$ 30,828,694.90</b>		

Note:  
\*\*\*\*New vendors over \$20,000 for the month of June

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
<b>January</b>							
Jacquelyn S. Jans	\$135,840.00	Yes	MRK	Louie Iturriria	Marketing & Corporate Image Consulting	1/2/2023	12/31/2024
HD Dynamics	\$50,000.00	Yes	PNM	Amisha Pannu	Consulting services for Microsoft Dynamics CRM	1/2/2023	12/31/2023
Rest and Reassure, LLC	\$144,000.00	Yes	PHM	Deb Murr	Consulting services for Cal-Aim & PHM dept requirements	1/2/2023	12/31/2023
BG Healthcare	\$189,000.00	Yes	PHM	Deb Murr	Consulting services	1/2/2023	12/23/2022
SHI	\$51,094.74	Yes	IT	Richard Pruitt	VMWare renewal	1/1/2023	12/31/2023
Catalyst	\$199,999.00	Yes	Exec	Michelle Oxford	D-SNP and related Medicare health plan resource	1/30/2023	6/2/2023
Jennifer Clancy	\$49,500.00	Yes	BH	Deb Murr	Behavioral Health Department Development	1/30/2023	5/30/2023
Lamar	\$69,115.56	Yes	MRK	Louie Iturriria	(6) Billboards for advertising	1/23/2023	6/30/2024
Cotiviti	\$175,000.00	Yes	QI	Jane Daughenbaugh	Medical record retrieval services	1/27/2023	5/31/2023
<b>February</b>							
Gartner	\$117,060.00	Yes	IT	Richard Pruitt	Executive Programs Member license for CIO	2/1/2023	1/31/2024
Language Line	\$75,000.00	Yes	HE	Isabel Silva	Interpreting services	2/28/2023	2/27/2024
Coffey Communications	\$120,000.00	Yes	HE	Isabel Silva	Printing agreement	2/15/2023	2/14/2024
Lifesigns	\$80,000.00	Yes	HE	Isabel Silva	ASL interpreting services	2/23/2023	2/22/2025
Entisys360	\$69,201.68	Yes	IT	Richard Pruitt	Nutanix Prod APP storage expansion	2/8/2023	2/7/2024
<b>March</b>							
GET Bus	\$72,900.00	Yes	MRK	Louie Iturriria	Four (4) King Kong outdoor advertisements	3/1/2023	6/30/2024
Dell	\$79,746.97	Yes	IT	Richard Pruitt	Laptops (25), docking stations (50), & monitors (100)	3/6/2023	3/6/2027
The Granger Network	\$110,000.00	Yes	HR	Anita Martin	Supervisor Bootcamp	3/31/2023	6/31/23
<b>April</b>							
Advanced Medical Reviews (AMR)	\$182,000.00	Yes	UM	Misty Dominguez	Peer to Peer Medical Reviews	4/1/2023	3/31/2025
<b>May</b>							
IntelAgree	\$129,675.00	Yes	CS	Andrea Hylton	Contracting Management Software	5/24/2023	5/23/2026
CDW-G	\$98,501.35	Yes	IT	Richard Pruitt	Nutanix Xi Leap renewal	5/27/2023	5/26/2024
Dell	\$84,751.00	Yes	IT	Richard Pruitt	Microsoft Unified Support Services	5/10/2023	5/9/2024
Tel-Tec	\$197,196.01	Yes	IT	Richard Pruitt	Camera surveillance system phase 1	5/24/2023	10/31/2023
<b>June</b>							
HMA	\$99,000.00	Yes	ACCT	Veronica Barker	Actuarial services (RDT, DSR's & Rate Analysis)	6/1/2023	5/31/2024
Milliman	\$199,000.00	Yes	ACCT	Veronica Barker	Actuarial services (D-SNP, Category of services, & Gap Analysis)	6/1/2023	5/31/2024
TWE Solutions	\$96,900.00	Yes	IT	Richard Pruitt	24x7 Security Monitoring Services	6/14/2023	6/13/2024

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
Relay Network	\$199,999.00	Yes	IT	Richard Pruitt	Mobile Communication Platform; Unlimited Texting	6/1/2023	5/31/2024
Healthwise	\$113,609.00	Yes	HE	Isabel Silva	Interactive self-management tools and patient education materials	6/5/2023	6/4/2024
The Granger Network	\$198,500.00	Yes	HR	Anita Martin	Leadership Development: Creating the Next Era	6/7/2023	11/30/2023
Context4 Healthcare	\$86,083.12	Yes	IT	Richard Pruitt	RCD-10, HCPCS, and CPT codes through American Medical Association	6/27/2023	6/26/2024
Bitfocus	\$168,704.94	Yes	MIS	Richard Pruitt	Clarity Human Services SaaS & professional services	6/22/2023	6/21/2024
LinkedIn	\$55,890.00	Yes	HR	Anita Martin	Online job postings (5 slots)	6/1/2023	5/31/2026

2023 TECHNOLOGY CONSULTING RESOURCES																		
ITEM	PROJECT	CAP/EXP	BUDGET	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YTD	TOTAL	REMAINING BALANCE
#	Project Name																	
1	Member Engagement	CA	\$158,500	\$23,832	\$22,640	\$26,215	\$23,832	\$26,215									\$122,734	\$35,766
2	DSNP MCAS Star Software	CA	\$158,500	\$0	\$0	\$0	\$0	\$0									\$0	\$158,500
3	Population Health Management	CA	\$301,000	\$34,348	\$32,436	\$38,231	\$36,047	\$40,719									\$181,781	\$119,219
4	DSNP JIVA Medicare Module	CA	\$81,750	\$0	\$0	\$0	\$0	\$0									\$0	\$81,750
5	Data Lineage and Cataloging System	CA	\$91,012	\$0	\$0	\$0	\$0	\$0									\$0	\$91,012
6	IT Staff Augmentation	EX	\$7,365,693	\$549,087	\$472,083	\$607,699	\$248,118	\$556,605									\$2,433,592	\$4,932,101
7	PM Staff Augmentation	EX	\$1,185,600	\$17,940	\$91,885	\$142,020	\$391,554	\$157,653									\$801,052	\$384,548
8	DSNP Staff Augmentation	EX	\$6,515,185	\$81,624	\$309,241	\$386,281	\$412,054	\$221,676									\$1,410,875	\$5,104,310
<b>Totals:</b>		<b>Totals</b>	<b>\$15,857,240</b>	<b>\$706,831</b>	<b>\$928,285</b>	<b>\$1,200,446</b>	<b>\$1,111,605</b>	<b>\$1,002,868</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,950,035</b>	<b>\$10,907,205</b>

Updated 7/25/23





**KERN HEALTH SYSTEMS  
BOARD OF DIRECTORS  
NEW VENDOR CONTRACTS  
August 17, 2023**

Legal Name DBA	Specialty	Address	Comments	Contract Effective Date
<b>PAC 07/01/2023</b>				
No Meeting				
<b>PAC 08/02/2023</b>				
Ad Astra Behavior Analytic Services, LP	ABA/Behavioral Health	6077 Coffee Road Ste 4 #1141 Bakersfield CA 93308	*BH/MH Provider 60- day Turnaround	<b>*Retro-Eff 8/1/23</b>
LLC MFH Heavenly Path Therapy - Maribel Flores Hartford dba: Maribel Flores Hartford	Marriage/Family Therapy	110 South Montclair St Ste 205 Bakersfield CA 93309	*BH/MH Provider 60- day Turnaround	<b>*Retro-Eff 8/1/23</b>
Cristina Franco dba: Avanza Behavioral Solutions	ABA/Behavioral Health	7721 Gallup Drive Bakersfield CA 93309	*BH/MH Provider 60- day Turnaround	<b>*Retro-Eff 8/1/23</b>
Domitilo Campos Espinoza dba: RT Transportation	Transportation	3500 21st Street Bakersfield CA 93301		9/1/2023
Expressable Speech-Language Pathology, P.C.	Speech Pathology	633 West Fifth Street, Office #2876B Los Angeles CA 90071	TeleRemote Only	9/1/2023
Guardian Angel Home Care of Bakersfield, LLC	Home Health	5001 E Commerce Ctr Dr Ste 240 Bakersfield CA 93309		9/1/2023
KC Wellness Center A Nurse Practitioner LED Corp dba: KC Wellness Center	PCP / Family Practice	331 S. H Street Bakersfield CA 93304		9/1/2023
Padilla Physical Therapy & Fitness Inc. dba: Padilla Physical Therapy & Fitness	Physical Therapy	1420 7th Street Wasco CA 93280		9/1/2023
Sukjae Lee dba: Bakersfield Acupuncture Clinic	Acupuncture	4800 Stockdale Hwy Ste. 407 Bakersfield CA 93309	Existing Provider: Sukjae Lee AC	9/1/2023

**KERN HEALTH SYSTEMS  
BOARD OF DIRECTORS  
TERMED CONTRACTS  
August 17, 2023**

Legal Name DBA	Specialty	Address	Comments	Term Effective Date
AcariaHealth Pharmacy #13, Inc.	Pharmacy	5310 Whittier Blvd. Whittier CA	Site Closed	7/13/2023
JB & MM Consulting Services, LLC. Pacific Coast Home Health Services, LLC.	Home Health	2535 16th Street Ste. 300 Bakersfield CA	License Expired	7/25/2023
Mallik Thatipelli, MD	Internal Medicine	2808 F Street Ste. A Bakersfield CA	Resigned	8/1/2023
Michelle L. Remmes MD	Internal Medicine	2205 19th Street Bakersfield CA	Site Closed	7/31/2023



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**MEMORANDUM**

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**TO:** Kern Health Systems Board of Directors  
**FROM:** Deborah Murr, Chief Compliance and Fraud Prevention Officer  
**SUBJECT:** Compliance Program Update  
**DATE:** August 17, 2023

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**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.

This report provides an update on the KHS Compliance Program activities during the 1<sup>st</sup> and 2<sup>nd</sup> Quarter 2023 and any new or relevant recent activity updates.

**REQUESTED ACTION**

Receive and file.

# Compliance Report

**Board of Directors**

**August 17, 2023**



**Deborah Murr, MHA, BS-HCM, RN  
Chief Compliance and Fraud  
Prevention Officer**



# Agenda

- New Compliance Report Format
  - Infographic of Key Performance Indicators (KPI)
- Compliance Communications
  - KHS Specific
  - Regulatory
- Supplemental Data Reports
- Key Performance Indicators Overview
- Compliance Capsule Education
- 2023 Compliance Workplan Update



# Compliance Communications

- Creation of Board Member and KHS Compliance Committee
  - Transparency
- Annual Board of Directors Compliance Training
  - Knowledge base
- CMS Compliance Scoring
  - DHCS Medical Audit Fiscal Year 2022-2023
- DMHC Audit
  - Initial findings pending



# CMS Scoring

## CMS Compliance Scoring

- DHCS Medical Audit Fiscal Year 2022-2023

Compliance Score %					
Standard Number	CFR	Compliance Review Standard	Total Points Available	Total Points Scored	KHS 2022
1	§438.206	Availability of Services	30	24	80%
2	§438.207	Assurance of Adequate Capacity and Services	8	8	100%
3	§438.208	Coordination and Continuity of Care	36	32	89%
4	§438.210	Coverage and Authorization of Services	36	30	83%
5	§438.214	Provider Selection	8	6	75%
6	§438.224	Confidentiality	12	10	83%
7	§438.228	Grievance and Appeal Systems	80	64	80%
8	§438.230	Sub-contractual Relationships and Delegation	20	14	70%
9	§438.236	Practice Guidelines	12	12	100%
10	§438.242	Health Information Systems	18	18	100%
11	§438.330	QAPI Program	28	28	100%
12	§438.56	Disenrollment: Requirements and Limitations	2	2	100%
13	§438.100	Enrollee Rights	18	14	78%
14	§438.114	Emergency and Post-stabilization Services	16	16	100%
<b>Total Points</b>			<b>324</b>	<b>278</b>	<b>86%</b>

# Supplemental Data Reports (SDR)

- **Value Based Payment (VBP)**

VBP arrangements for Primary Care Practitioners (PCPs) and other provider types providing primary care to children and adults

- **Federally Qualified Health Centers (FQHCs) Alternative Payment Models (APM)**

Cost report for contracted FQHCs participating in the APM, including members enrolled irrespective of immigration status

- **Enhance Care Management (ECM)**

ECM network detailing providers/locations, members/ages served, and populations of focus

- **Community Supports (CSS)**

CSS network detailing providers/locations, types of services offered and how authorized, and count of members served

- **External Quality Review Recommendations (EQRO)**

Report on degree which health plan addressed recommendations for improving performance through targeted quality improvement activities





# Key Performance Indicator Overview

- All Plan Letters (APL)
- Retrospective audits
- Regulatory findings
- Consumer complaints/Independent Medical Reviews
- 2024 Operational Readiness
- HIPAA (Privacy) Activity
- Fraud, Waste, Abuse (FWA) Activity
- DHCS Medical Audit



# Compliance Education



## Compliance Capsule – June 2023

### "I feel like this could be considered Fraud, Waste or Abuse, what should I do?"

If you ever encounter a scenario that makes you feel that it could be considered Fraud, Waste, or Abuse (FWA), here's some great news! KHS has a team and a system in place for reporting and reviewing potential FWA incidents. No need to second guess yourself! Pass it along to the Fraud Team for review and set your mind at ease knowing that you did the right thing, no matter the outcome.



- **Abuse** means practices that are inconsistent with sound fiscal and business practices or medical standards, and result in an unnecessary cost to the Medi-Cal program, or in reimbursement for services that are not Medically Necessary or that fail to meet professionally recognized standards for health care. It also includes Member practices that result in unnecessary cost to the Medi-Cal program.
- **Fraud** means an intentional deception or misrepresentation made by persons with the knowledge that the deception could result in some unauthorized benefit to themselves or some other person, and includes any act that constitutes Fraud under applicable federal or State law, including 42 CFR section 455.2 and W&I Code section 14043.1(i).
- **Waste** means the overutilization or inappropriate utilization of services and misuse of resources.

#### Examples of Fraud, Waste and Abuse

##### Provider:

- ✓ Billing for services not rendered
- ✓ Providing unnecessary services
- ✓ Altering medical records
- ✓ Kickbacks and bribery

##### Member:

- ✓ Falsification of information to obtain coverage or services
- ✓ Using transportation benefits for non-medical related business
- ✓ Loaning, selling, or using another person's insurance I.D.
- ✓ Identity Theft

##### What can I do?

Do not wait! KHS has only 10 days to report potential FWA to the State. The clock starts ticking the moment YOU suspect fraud, waste, or abuse so please report within 2 days when possible.



The preferred submission method is through use of Work Items. The FWA reporting form and process instructions can be found on the KHS intranet under "Employee Resources". There's a link to the form titled "FWA Reporting" and a quick guide link titled "FWA Process". Please feel free to email the Fraud Team anytime for assistance, we're always happy to help!

Employee Resources			
<a href="#">NEW Emergency P...</a>	<a href="#">Cerdian Davforce</a>	<a href="#">Suggestion Box</a>	<a href="#">Employee Benefits</a>
<a href="#">Employee Docs</a>	<a href="#">Forms</a>	<a href="#">CalPERS</a>	<a href="#">KHS Phone List</a>
<a href="#">EOM Award</a>	<a href="#">KFHC Online Store</a>	<a href="#">Compliance Guide</a>	<a href="#">Cisco Phone Tr...</a>
<a href="#">Code Of Conduct</a>	<a href="#">Emergency Actio...</a>	<a href="#">Informational V...</a>	<a href="#">FWA Reporting</a>
<a href="#">FWA Process</a>			

Other options are to report to your Supervisor, the Director of Compliance and Regulatory Affairs at [jane.macadam@khs-net.com](mailto:jane.macadam@khs-net.com), or the Fraud Team email node: [FraudTeam@khs-net.com](mailto:FraudTeam@khs-net.com). You can also make an anonymous report by calling the Ethics Hotline at 1.833.607.6589, available 24/7. All calls to the hotline are strictly confidential.

##### What protection do I have when reporting potential FWA or calling the Ethics Hotline?

Kern Health Systems maintains a strict non-retaliation policy and does not discriminate against employees who, in good faith, submit a report or notify an appropriate government or law enforcement agency when they have reason to believe Kern Health Systems - or any of our members, providers, or subcontractors - is violating a state or federal statute, or is violating or not complying with our DHCS Contract, or any other state or federal rule or regulation.



## Compliance Capsule – July 2023

### DMHC vs. DHCS

Although the DMHC and DHCS are two different State Departments, they share regulatory authority over Medi-Cal health plans like Kern Family Health Care (KFHC) and work together to ensure health plans comply with the law. Below are several key functions of the two Departments and how they impact KFHC and our Members.



The DMHC (Department of Managed Health Care), located in Sacramento, is the State consumer protection agency that oversees the operations of managed care organizations. Their focus is protecting healthcare consumers - below are some examples:

- Ensures that health plans such as KFHC follow the law and remain financially stable.
- Protects health care rights of more than **28.4 million** Californians. The DMHC Help Center helped approximately **2.6 million members** in resolving complaints and issues with their health plan.
- Performs medical surveys (a comprehensive evaluation) of KFHC and all other managed care plans to ensure the law is being followed.
- The Knox-Keene Health Care Service Plan Act of 1975 is a set of laws administered by the DMHC that regulates and licenses health care plans. KFHC received its Knox-Keene license in 1996.



The DHCS (Department of Health Care Services), is also located in Sacramento and oversees and administers the Medi-Cal program. Its mission is to provide Californians with affordable, integrated, high-quality health care, including medical, dental, mental health, substance use treatment services, and long-term care.

- KFHC has a contract with the DHCS with regulations we must follow.
- Approximately 83% of enrollees in California receive care from a Medi-Cal managed care plan.
- DHCS funds health care services for about **15.4 million** Medi-Cal beneficiaries.
- About one-third of Californians receive health care services by DHCS, making the Department the largest health care purchaser in California.
- DHCS also performs medical surveys (a comprehensive evaluation) of KFHC and all other managed care plans, as well as other oversight activities, to ensure the DHCS contract requirements are followed.

Both DMHC and DHCS issue "All Plan Letters" (APL):

- APLs provide information or interpretation of changes in policy or procedure at the Federal or State levels and provides instruction to Plans (such as KHS) on how to implement these changes on an operational basis.

The Compliance Department promotes ethical conduct and commitment to ensuring compliance with all regulatory requirements and serves as a resource for employees and subcontractors; acts as the liaison between operational departments and regulators; conducts investigations, monitoring, and audits; and coordinates implementation of new or updated requirements, among others.

To learn more about our regulators, visit their websites at [dmhc.ca.gov](http://dmhc.ca.gov) and [dhcs.ca.gov](http://dhcs.ca.gov). You can also reach out to the Compliance Department at [compliance@khs-net.com](mailto:compliance@khs-net.com) or the Chief Compliance and Fraud Prevention Officer at 661.664.5141, or [deborah.murr@khs-net.com](mailto:deborah.murr@khs-net.com) with questions or comments.

# You + Us = a better day!

## Questions

Deborah Murr, Chief Compliance and Fraud Prevention Officer

[deborah.murr@khs-net.com](mailto:deborah.murr@khs-net.com)

(661)664-5141



**Compliance KPI's**  
1<sup>st</sup> | 2<sup>nd</sup> Quarter 2023

**COMPLIANCE REPORT**



**Compliance Communications**

**All Plan Letter (APL's) & Guidance Letters**

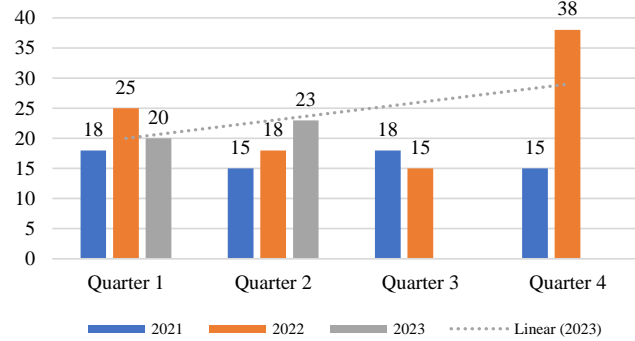
**KHS Highlights**

- Creation of Board Member & KHS Compliance Committee
- Annual Board of Directors Compliance Training
- Centers for Medicare and Medicaid Services (CMS) compliance Scoring Fiscal Year 2022 – 2023

**Department of Managed Health Care (DMHC)**

- Annual audit conducted January 2023, pending initial findings report.

**Quarterly Comparison of APL's & Guidance Letters**



All Plan Letters and Guidance Letters Received		
2021	2022	2023
66	96	43

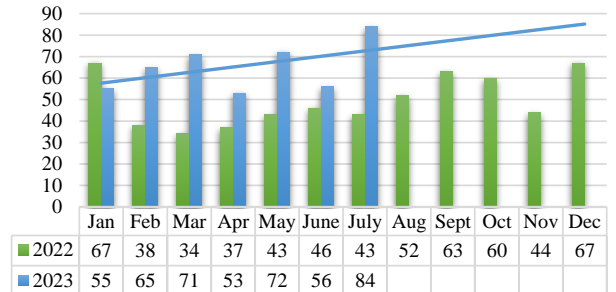
**Retrospective Audits & Reviews**

Year	APL Number	APL Name	Status
2022	APL 22-005	No Wrong Door for Mental Health Services Policy	Completed
2022	APL 22-006	Medi-Cal Managed Care Health Plan Responsibilities for Non-Specialty Mental Health Services	Completed
2022	APL 22-020	Community-Based Adult Services Emergency Remote Services	Completed
2022	APL 22-028	Adult and Youth Screening and Transition of Care Tools for Medi-Cal Mental Health Services	Completed
2023	APL 23-009	Authorizations for Post-Stabilization Care Services	Completed
2023	APL 23-004	Skilled Nursing Facilities – Long Term Care Benefit Standardization and Transition of Members to Managed Care	In-Progress
2023	APL 23-005	Requirements for Coverage of Early & Periodic Screening, Diagnostic, and Treatment Services for Medi-Cal Members Under the Age of 21	Upcoming
2022	APL 21-017	Community Supports Requirements (revised)	Upcoming
2022	APL 22-030	Initial Health Appointment	Upcoming
2023	APL 21-004	Standards for Determining Threshold Languages, Nondiscrimination Requirements, and Language Assistance Services (revised)	Upcoming
2023	APL 21-011	Grievance and Appeal Requirements, Notice and “Your Rights” Templates (revised)	Upcoming
2022	APL 22-016	Community Health Workers Services Benefit (revised)	Upcoming
2023	APL 23-010	Responsibilities for Behavioral Health Treatment Coverage for Members Under the Age of 21	Upcoming

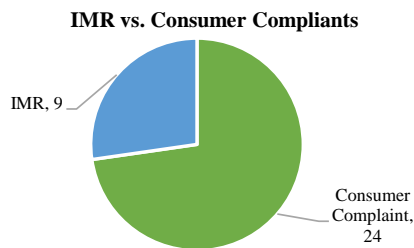
**Regulatory Reports & Filings**

Regulatory Reports & Filings Submissions to Government Agencies		
Regulatory Agency	June 2023	July 2023
DHCS Total	47	74
DMHC Total	9	10

**Number of Plan to Regulator Submissions  
2022 vs. 2023**



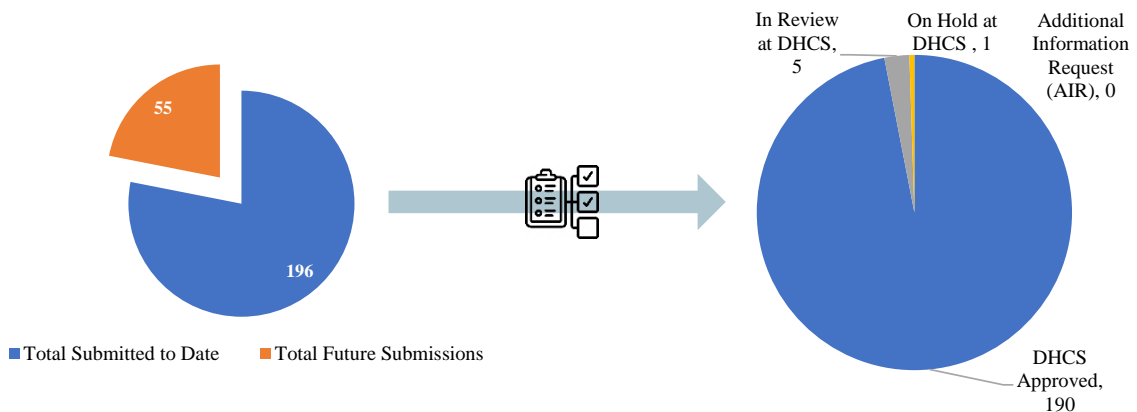
**DMHC Consumer Complaints & Independent Medical Reviews (IMR) as of 7/31/2023**



KHS Decision	
Uphold	14
Overturn	9
Return to plan (RTP)	5
Misdirected	4
Potential Quality Issue (PQI)	1
<b>Grand Total</b>	<b>33</b>

DHMC Decision	
Closed	16
Favor of Plan	7
Favor of Member	5
In Review	3
Withdrawn	2
<b>Grand Total</b>	<b>33</b>

**2024 Operational Contract Readiness: Total Deliverables as of 7/31/2023**

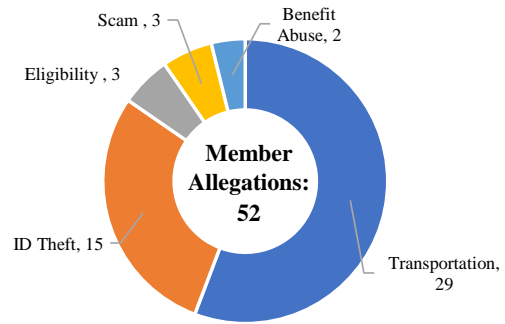
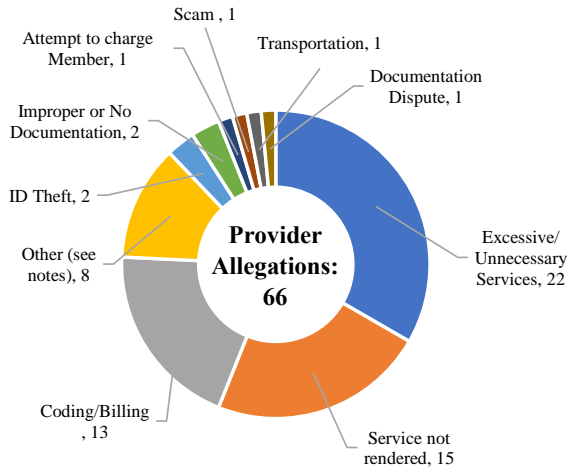


**HIPPA Breach Activity: June and July 2023**

**Summary of Potential Protected Health Information (“PHI”) Disclosures for the months of June and July 2023:**  
 The Plan is dedicated to ensuring the privacy and security of the PHI and personally identifiable information (“PII”) that may be created, received, maintained, transmitted, used or disclosed in relation to the Plan’s members. The Plan strictly complies with the standards and requirements of Health Insurance Portability and Accountability Act (“HIPAA”) and the Health Information Technology for Economic and Clinical Health Act (“HITECH”).

In June and July 2023, the Compliance Department investigated and reviewed forty-four **(44) allegations of privacy concerns** and fifteen (15) of the cases were sent to the State for their review. Forty (40) cases were closed as non-breaches and four (4) cases are still under review by the State.

**Fraud, Waste, and Abuse (FWA)**

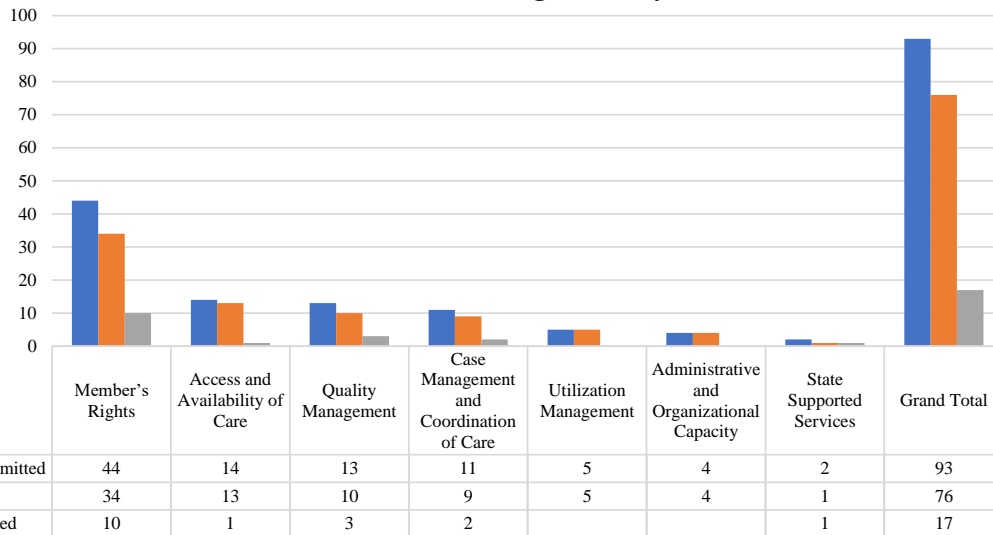


**DHCS Regulatory Medical Audit | 2022**

**DHCS Audit Finding Summary**



KHS had a total of **29** findings across the six categories audited by DHCS.



Metric	Description
<b>Regulatory Communications</b>	
Special Communications	
<b>All Plan Letters (APL's) &amp; Guidance Letters</b>	
<b>Department of Health Care Services (DHCS)</b>	
<b>APL 23-014</b> Proposition 56 Value-Based Payment Program Directed Payments (Issued 6/9/2023)	The APL provides the Plan with guidance on value-based directed payments, funded by Proposition 56, to Network Providers for qualifying services tied to performance on designated health care quality measures in the domains of prenatal and postpartum care, early childhood prevention, chronic disease management, and behavioral health care.
<b>APL 23-015</b> Proposition 56 Directed Payments for Private Service (Issued 6/9/2023)	The APL provides the Plan with information on required directed payments, funded by Proposition 56, for the provision of specified state-funded medical pregnancy termination services.
<b>APL 23-016</b> Directed Payments for Developmental Screening Services (Issued 6/9/2023)	The APL provides the Plan with guidance on directed payments, funded Proposition 56, for the provision of standardized developmental screening services for children.
<b>APL 23-017</b> Directed Payments for Adverse Childhood Experiences Screening Services (Issued 6/13/2023)	The APL provides the Plan with guidance on directed payments, funded by Proposition 56, for the provision of standardized Adverse Childhood Experiences screening services for adults (through 64 years of age) and children.
<b>APL 23- 018</b> Managed Care Health Plan Transition Policy Guide (Issued 6/23/2023)	The APL provides the Plan with guidance on the 2024 MCP Transition, effective January 1, 2024. Included with the APL, the 2024 Managed Care Plan Transition Policy Guide establishes and details the requirements for the implementation of the 2024 MCP Transition.
<b>APL 23-008</b> Proposition 56 Directed Payments for Family Planning Services (Issued 4/28/2023 and revised 6/27/2023)	The APL provides the Plan with guidance on directed payments, funded by Proposition 56, for the provision of specified family planning services.
<b>APL 23-019</b> Proposition 56 Directed Payments for Physician Services (Supersedes APL 19-015) (Issued 7/25/2023)	The APL provides the Plan with guidance on directed payments, funded by Proposition 56, for the provision of specified physician services.
<b>APL 23-020</b> Requirements for Timely Payment of Claims (Issued 7/26/2023)	The APL reminds the Plan of their legal and contractual obligation to timely pay claims submitted by Providers for Covered Services to MCP Members.
<b>Department of Managed Health Care (DMHC)</b>	
<b>APL 23-017</b> Impact of the end of federal Public Health Emergency on health plan coverage of COVID-19 tests, immunizations, and therapeutics (Issued 7/21/2023)	The APL addresses the impact of the end of the COVID-19 public health emergency on health plan coverage of COVID-19 tests, immunizations, and therapeutics.
<b>Retrospective Audits &amp; Reviews</b>	
The Compliance Department conducts retrospective audits on regulatory All Plan Letters and issues guidance. From the published requirements, the Compliance Department conducts a risk analysis and identifies those that pose a higher degree of risk to the Plan. All Plan Letters published in 2022 and the first and second quarter of 2023 were evaluated and selected for review based on the risk assessment.	
<b>Regulatory Reports &amp; Filings</b>	
<b>Regulatory Reports &amp; Filings</b>	KHS is required to submit certain types of information to both DHCS and DMHC for various reasons. In some cases, plans are required under statute or regulation to regularly submit reports or documentation to establish initial or

<p><b>Submission to Government Agencies</b></p>	<p>ongoing compliance with the law (e.g., timely access reporting, financial reporting). In other cases, plans are required to submit reports or documentation when they are planning to make an operational, business, product, or other change that affects the scope or applicability of their license.</p> <p>Those submissions often come in the form of an amendment or material modification to the plan’s license and, in some cases, are subject to Department approval prior to making the requested change to plan operations.</p>
<p><b>Regulatory Submissions 2022 vs 2023</b></p>	<p>Regulatory submissions to both DHCS and DMHC will continue to increase annually in relation to the various legislative and CalAIM requirements either currently or planned for implementation in 2024-2026.</p>
<p><b>DMHC Consumer Complaints &amp; Independent Medical Reviews as of 7/31/2023</b></p>	
<p>The Plan addresses and tracks enrollee complaints and requests for independent medical review (IMR) as assigned by the DMHC. There was a total of 9 IMR’s vs 24 Consumer complaints.</p>	
<p><b>2024 Operational Contract Readiness</b></p>	
<p>DHCS initiated Operational Readiness Activities associated with the 2024 contract in February 2023. The new 2024 contract incorporates some significant changes – some of which have been communicated in APLs, and some of which have not. The 2024 contract will amplify DHCS’s ongoing investment in its vision for Medi-Cal and includes significant requirements for expanding California Advancing and Innovation Medi-Cal (CalAIM) framework, provision of benefits for all, regardless of immigration status, implement Children and Youth Behavioral Health initiative, expand Behavioral Health Continuum infrastructure, increased funding for Home and Community Based Services, new benefits to support culturally competent services, and provide alignment with DHCS’s Comprehensive Quality Strategy and Equity Roadmap.</p>	
<p><b>Submission Summary</b></p>	<p>A total of 196 deliverables have been submitted; KHS is on track to deliver remaining items by the required due dates.</p> <p>Project underway to ensure the successful implementation of all required updates needed for 2024.</p>
<p><b>Submission Status</b></p>	<p>Of the materials submitted to date, 190 have been approved by DHCS, with 5 items under review at DHCS, and 1 on hold at DHCS.</p> <p>DHCS has advised they will be conducting a readiness review in September, the details of which are still forthcoming from DHCS.</p>
<p><b>Fraud, Waste, and Abuse (FWA)</b></p>	
<p>The Plan investigates and reports information and evidence of alleged fraud, waste, &amp; abuse cases to appropriate state and federal officials. Information compiled during an investigation is forwarded to the appropriate state and federal agencies as required.</p>	
<p><b>DHCS Regulatory Medical Audit   2022</b></p>	
<p>DHCS conducted a routine medical survey of KHS in late 2022/early 2023. The survey period is 11/01/2021 – 10/31/2022:</p> <ul style="list-style-type: none"> <li>• KHS had a total of twenty-nine (29) findings across the six (6) categories audited by DHCS.</li> <li>• KHS submitted our initial Corrective Action Plan on 06/08/2023 and currently submits a monthly response to any additional requests from DHCS for clarification and/or additional supporting documentation.             <ul style="list-style-type: none"> <li>○ Our first monthly update was submitted on 07/15/2023, with the next update due 08/15/2023.</li> <li>○ Ninety-three (93) separate corrective actions were submitted for the twenty-nine (29) findings, which included but were not limited to: policy updates, job aids, refresher trainings, updated reports and internal monitoring/auditing processes.                 <ul style="list-style-type: none"> <li>▪ DHCS has accepted seventy-six (76) of the actions submitted</li> <li>▪ DHCS has partially accepted seventeen (17) of the actions submitted</li> <li>▪ The Corrective Action Plans for sixteen (16) of the twenty-nine (29) findings have been fully accepted by DHCS</li> <li>▪ The Corrective Action Plans for thirteen (13) of the twenty-nine (29) findings have been partially accepted by DHCS.</li> </ul> </li> </ul> </li> </ul>	



**KERN HEALTH SYSTEMS  
2023  
Compliance Program**

ACTIVITY	DETAIL/TASK	TARGET DATE	ACCOUNTABILITY	Risk	STATUS	Q1 COMMENTS	Q2 COMMENTS	Q3 COMMENTS	Q4 COMMENTS
<b>Compliance Plan</b>									
<b>A. Annual Review/Update of Compliance Documents and Written Policies and Procedures</b>									
1. 2023 Compliance Plan	Create 2023 Compliance Plan and for Executive approval	3/31/2023	Director of Compliance		Complete	Draft submitted to CCO 03/29/2023			
1a. Obtain Board Approval	Obtain Board Approval of Compliance Plan	4/16/2023	Chief Compliance Officer		Complete		BOD approval on 4/16/2023		
2. Review/Update and Approval of Compliance Code of Conduct	Update Code of Conduct to align with 2024 DHCS Contract and obtain Board approval	8/22/2023	Director of Compliance		In Progress		Updated Code of Conduct to incorporate 2024 language; approved by DHCS on 06/14/2023; will be reviewed by CEO/CCO to determine if additional updates are needed.		
2a. Obtain Board Approval of Compliance Code of Conduct	Obtain Board Approval of Compliance Code of Conduct	11/15/2023	Chief Compliance Officer		In Progress				
3. Review/Update and Approval of Compliance Guide	Update Code of Conduct to align with 2024 DHCS Contract and obtain Board approval	8/22/2023	Director of Compliance		In Progress				
3a. Obtain Compliance Committee Approval of Compliance Guide	Obtain Compliance Committee Approval of Compliance Guide	11/15/2023	Chief Compliance Officer		Complete				
4. Create 2023 Compliance Program	Create 2023 Compliance Program description and obtain Board approval	5/22/2023	Director of Compliance		Complete				
4a. Obtain Compliance Committee Approval of Compliance Program	Obtain Compliance Committee Approval of Compliance Program	11/15/2023	Chief Compliance Officer		In Progress	Many reviews/updates underway as part of 2024 contract readiness	Updated to incorporate 2024 language; approved by DHCS on 06/14/2023; will be reviewed by CEO/CCO to determine if additional updates are needed.		
5. Coordinate Departmental Review/Update of all Policy and Procedures	Create schedule & ensure all policies	12/31/2023	Compliance Manager Compliance Analyst Compliance Specialist		In Progress	Many reviews/updates underway as part of 2024 contract readiness	Currently reconciling policies updated through 2024 contract readiness activities vs. policy updates for other regulatory efforts.		
5a. Create schedule and distribute to stakeholders	Create schedule for policy reviews and distribute	8/15/2023	Compliance Manager		In Progress		In progress and on track		
5b. Track to completion	All policies to be reviewed by end of year	12/31/2023	Compliance Manager Compliance Analyst Compliance Specialist						
5c. Report Policy Review Status in Compliance Committee Meetings	Provide quarterly update to Compliance Committee (number reviewed/to be reviewed by department)	3Q 2023 forward	Compliance Manager Compliance Analyst Compliance Specialist				Updated to begin reporting in Compliance Committee in the third quarter meeting		
6. Review/Update Compliance Policy & Procedures	Review/Update all Compliance owned policy and procedures	9/30/2023	Director of Compliance Compliance Manager		In Progress		Several policies updated through 2024 Contract Readiness deliverables; remaining policies will be reviewed by target date		
6a. Create Public versions of policies where needed (e.g. FWA, HIPAA)	Create public facing versions of identified policies (e.g. HIPAA; FWA; etc)	8/31/2023	Director of Compliance Compliance Analyst		In Progress		Updated for 2024 DHCS Contract Readiness; public-facing policies created, will be sent internally for review and then filed with regulators for approvals by 08/31/2023		
6b. Finalize New HIPAA Privacy policies and procedures	Create missing privacy-related policies and procedures	8/31/2023	Director of Compliance Compliance Manager		In Progress		Updated for 2024 DHCS Contract Readiness. Gaps also identified for Federal HIPAA requirements and additional policies being created. In progress; will be sent internally for review and then filed with regulators for approvals by 08/31/2023		
<b>B. Compliance Committee and Oversight</b>									
1. Conduct Committee Meetings at least quarterly									
1a. Conduct Compliance Committee meetings at least quarterly	Create agenda, minutes and action items, related reporting and documents for review and hold meeting quarterly	Quarterly	Director of Compliance Compliance Manager		In Progress	Q1 Meeting held 03/27/2023	Q2 Meeting held 07/10/2023		
1b. Conduct Fraud, Waste, and Abuse Committee at least quarterly	Create agenda, minutes and action items, related reporting and documents for review and hold meeting quarterly	Quarterly	Director of Compliance Compliance Manager		In Progress	Q1 Meeting held 04/17/2023	Q2 Meeting held 07/25/2023		
1c. Conduct Delegation Oversight Committee at least quarterly	Create agenda, minutes and action items, related reporting and documents for review and hold meeting quarterly	Quarterly	Director of Compliance Compliance Manager		In Progress	Q1 Meeting held 03/24/2023	Q2 Meeting held 07/26/2023		

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KERN HEALTH SYSTEMS  
2023  
Compliance Program

ACTIVITY	DETAIL/TASK	TARGET DATE	ACCOUNTABILITY	Risk	STATUS	Q1 COMMENTS	Q2 COMMENTS	Q3 COMMENTS	Q4 COMMENTS
2. Review/update Committee Charters at least annually	Review/Update Charters and obtain Committee Approvals							Will schedule review/approval to align with 2024 contract implementation	
2a. Compliance Committee	Review/Update Charter	11/30/2023	Chief Compliance Officer		In Progress			Will schedule review/approval to align with 2024 contract implementation	
2a.1 Obtain Committee Approval	Obtain Committee Approval on updated Charter	11/30/2023	Chief Compliance Officer		In Progress			Will schedule review/approval to align with 2024 contract implementation	
2b. FWA Committee	Review/Update Charter	11/30/2023	Chief Compliance Officer		In Progress			Will schedule review/approval to align with 2024 contract implementation	
2a.1 Obtain Committee Approval	Obtain Committee Approval on updated Charter	11/30/2023	Chief Compliance Officer		In Progress			Will schedule review/approval to align with 2024 contract implementation	
2c. Delegation Oversight Committee	Review/Update Charter	11/30/2023	Chief Compliance Officer		In Progress			Will schedule review/approval to align with 2024 contract implementation	
2c.1 Obtain Committee Approval	Obtain Committee Approval on updated Charter	11/30/2023	Chief Compliance Officer		In Progress			Will schedule review/approval to align with 2024 contract implementation	
3. Provide regular Compliance Updates to the Board of Directors	Distribute monthly Compliance Corner email communication by th 10th of each month	Bi-Monthly BOD Meetings	Chief Compliance and Fraud Prevention Officer/Director of Compliance		In Progress	02/16/2023 BOD Update	Due to agenda, update not provided	8/16/2023 BOD update	
<b>C. Effective Training and Education</b>									
1. In coordination with HR, review/update Corporate Compliance Training for calendar year 2024									
1a. Compliance Training	Review/update Compliance Training	11/30/2023	Director of Compliance		In Progress	In progress	Reviewed for 2023, but additional enhancements to be created for 2024 training.		
1b. Fraud, Waste, and Abuse Training	Review/Update FWA Training	11/30/2023	Director of Compliance		In Progress		Reviewed for 2023, but additional enhancements to be created for 2024 training.		
1c. HIPAA/Privacy Training	Review/Update HIPAA/Privacy Training	11/30/2023	Director of Compliance		In Progress		Reviewed for 2023, but additional enhancements to be created for 2024 training.		
2. In coordination with HR, track/report on completion of mandatory training (Compliance, FWA, HIPAA)	Track annual training to completion	12/30/2023	Director of Compliance (HR resource TBD)		In Progress		Working with 2024 DHCS Contract Project team to develop Compliance Dashboard to include this		
2a. Report training status in quarterly Compliance Committee Meetings	Report status of training completions, by department, in quarterly Compliance Committee Meetings	Quarterly	Director of Compliance (HR resource TBD)		In Progress		On track to report in October Compliance Committee Meeting and moving forward		
3. Review/Update New Hire Orientation Overview	Review/Update Compliance New Hire Orientation Overview	5/15/2023	Director of Compliance		Complete				
4. Compliance & Ethics Week	Plan and Execute activities for annual Compliance & Ethics Week	11/15/2023	Compliance Manager Compliance Team Members						
5. Establish Compliance Training for Subcontractors	Establish content and method for delegated entity/subcontractor Compliance training	10/31/2023	Compliance Manager Director of Compliance						
5a. Identify Delegated Entities/Subcontractors to receive training	Identify subcontractors to which Compliance Training applies	8/31/2023	Compliance Manager Director of Compliance						
5b. Implement Compliance Training for Subcontractors	Implement delegated entity/identified subcontractor training	12/31/2023	Compliance Manager Director of Compliance						
6. Review and provide feedback on content of Provider Manual	Review and continually expand upon content of Provider Manual for Compliance-related topics	Quarterly	Compliance Manager Director of Compliance		Complete	Compliance Manager Completed Review Director to review and submit to PNM	Provided feedback to PNM for updating FWA section in Q2		
7. Compliance distributes notifications to key stakeholders of any DHCS-related meeting/webinar/presentations	Receive, review, distribute regulatory updates regarding trainings, webinars, meetings to relevant stakeholders	Ongoing	Compliance Manager		In Progress		On track to provide additional information to include regarding HIPAA for Q3 review		

**KERN HEALTH SYSTEMS  
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ACTIVITY	DETAIL/TASK	TARGET DATE	ACCOUNTABILITY	Risk	STATUS	Q1 COMMENTS	Q2 COMMENTS	Q3 COMMENTS	Q4 COMMENTS
8. 2024 DHCS Contract Readiness Activities	Compliance coordinates with project team and key stakeholders on deliverables, AIRs, and implementation readiness	Ongoing	Director of Compliance Compliance Analyst		In Progress		196 deliverables submitted to date and 190 approved by DHCS; 5 items still under DHCS review and 1 on hold by DHCS. 55 deliverables with future due dates remain and are on target for submission.		
9. Compliance key personnel attend regulatory-focused meetings:	Attend calls and report relevant updates to key stakeholders								
9a. LHPC call (weekly)		Weekly	Director of Compliance		In progress		Compliance attends weekly calls		
9b. CAHPS meeting (weekly)		Weekly	Manager of Compliance		In progress		Compliance attends weekly calls		
9c. DHCS Plan Call (including Payment Call) (weekly)		Weekly	Director of Compliance		In progress		Compliance attends weekly calls		
9d. DHCS topic-specific webinars/meetings (ad hoc)		As scheduled	Director of Compliance Compliance Manager		In progress		Compliance attends weekly calls topic-specific and webinars as scheduled by DHCS		
9e. DMHC Roundtable Meetings (quarterly)		Quarterly	Director of Compliance		In progress		Compliance Director attends quarterly		
9f. LHPC Compliance Officer Meetings (monthly)		Monthly	Chief Compliance Officer Director of Compliance		In progress		Compliance attends monthly		
9g. LHPC Compliance Officer Contract Readiness (bi-monthly)		Bi-Monthly	Chief Compliance Officer Director of Compliance		Complete		This meeting ended in Q1 and conversation rolled into 9f above.		
<b>D. Effective Lines of Communication</b>									
1. Distribute Monthly "Compliance Capsule" email communications	Distribute monthly Compliance Capsule email communication by th 15th of each month	05/15/2023 - 12/15/2023	Compliance Manager Compliance Analysts		In progress		Began sending out monthly Compliance Capsule and posting to Ceridian: May Compliance Capsule: HIPAA June Compliance Capsule: FWA	July Compliance Capsule: DMHC vs DHCS Education	
2. Conduct Compliance Awareness Survey	Compliance will implement a compliance survey to obtain feedback from employees regarding various compliance topics such as training, retaliation, HIPAA, and the Compliance HelpLine. Such surveys evaluate how well the compliance program is functioning and identify areas that can be strengthened.	9/30/2023	Compliance Manager / Director of Compliance						
4. Focus at least one monthly Compliance Capsule email on methods for communication with Compliance		8/15/2023	Director of Compliance		In progress			On track to distribute for August Compliance Capsule	
5. Compliance Updates			Chief Compliance Officer Director of Compliance		In progress				
5a. Compliance provide updates at monthly in Executive Officers Meeting		Monthly	Chief Compliance Officer Director of Compliance		In Progress	Updates on Compliance issues provided during monthly ELT meetings 2/28/23; 3/28/23.	Updates on Compliance issues provided during monthly ELT meetings 4/11/23; 5/2/23; 5/23/23; 6/6/23; 6/20/2023.		
5b. Compliance provides updates at least every-other-month in Operations Meeting		At least every other month	Chief Compliance Officer Director of Compliance		In Progress				
6. Compliance continues to coordinate communication and hold meetings as needed regarding regulatory updates (APLs, emails, DHCS weekly meetings, etc.)		Ongoing	Compliance Manager Director of Compliance		In Progress				
7. Participate in weekly Grievance & Appeals review meetings	review materials, attend meetings, request updates, provide education in weekly meetings	weekly	Director of Compliance		In Progress	Compliance Director has participated and provided feedback in each weekly meeting	Compliance Director has participated and provided feedback in each weekly meeting		
8. Participate in weekly Discriminations review meetings	review materials, attend meetings, request updates, provide education in weekly meetings	weekly	Director of Compliance		In Progress	Compliance Director has participated and provided feedback in each weekly meeting	Compliance Director has participated and provided feedback in each weekly meeting		
<b>E. Well Publicized Disciplinary Standards</b>									
1. In coordination with HR, ensure review of new hires against exclusionary databases and report out in Compliance Committee		9/30/2023	Director of Compliance						
2. Incorporate further emphasis on disciplinary standards into Compliance materials, trainings, policies, and new hire orientation		9/30/2023	Director of Compliance				Incorporated into new Compliance Program Policy 06/14/2023 On track to complete incorporation into other references by target date		

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KERN HEALTH SYSTEMS  
2023  
Compliance Program

ACTIVITY	DETAIL/TASK	TARGET DATE	ACCOUNTABILITY	Risk	STATUS	Q1 COMMENTS	Q2 COMMENTS	Q3 COMMENTS	Q4 COMMENTS
<b>F. Routine Monitoring and Identification of Compliance Risks</b>									
1. Complete Risk Assessments and incorporate into Compliance Auditing/Monitoring Plan for 2024									
		8/30/2023	Director of Compliance						
1a. 2022 APLs		8/30/2023	Director of Compliance		In Progress		Compliance completed risk assessment of 2022 APLs and prioritized for retrospective reviews		
1b. 2022 DHCS Medical Survey Findings		8/30/2023	Director of Compliance						
1c. 2023 DMHC Medical Survey Findings		8/30/2023	Director of Compliance						
1d. Prior Regulatory Audits		8/30/2023	Director of Compliance						
4. Establish Routine monthly Operational Reporting for Monitoring/Oversight/Identification of Potential Compliance Issues (e.g. Grievance timeliness)									
		04/30/2023	Director of Compliance		In Progress	Has been added to 2024 Readiness project as acceptance criteria	Defined requirements and currently working with 2024 DHCS Contract Readiness Project Team to develop Compliance Dashboard On Track for Grievance team to provide independent timeliness reporting in Q3 Compliance Committee Meeting		
5. Based on final monitoring plan, report on items being monitored in quarterly Compliance Committee Meeting									
		10/31/2023	Director of Compliance				On track to report out in 10/9/2023 Compliance Committee Meeting		
6. Based on final internal auditing plan, conduct and report out on all audits in the Compliance Committee Meeting (# TBD)									
		Q3 2023	Director of Compliance		In Progress			Internal retrospective audit began in 7/2023-will report out in Q3 Compliance committee	
<b>G. Procedures and Systems for Prompt Response to Compliance Issues</b>									
1. Create Compliance Issues Tracking Log									
		2/1/2023	Director of Compliance		Complete	Log created and 2023 items being tracked			
1a. Report on status of Compliance Issues in quarterly Compliance Committee Meetings		Q3, Q4 meetings	Director of Compliance Manager of Compliance		In Progress		Log implemented; Compliance Committee Reporting will begin with 10/09/2023 Compliance Committee Meeting		
2. Create Compliance Policy for Prompt Response to compliance Issues (include tracking mechanism, reporting, CAP process)									
		06/30/2023	Director of Compliance		Complete		Draft policy completed		
2a. Create Corrective Action Plan template for CAPs (internal/external)		06/30/2023	Director of Compliance		Pause/Delay		Began compiling options for actual template On track to finalize by end of Q3		
2b. Report on status of CAPs in quarterly Compliance Committee Meetings		Q2, Q3, Q4 meetings	Director of Compliance		In Progress		No Corrective Action Plans issued		
<b>H. Fraud, Waste, and Abuse (FWA)</b>									
1. Attend Annual and Quarterly DOJ FWA Trainings									
		12/31/2023	Director of Compliance Chief Compliance Officer Compliance Analyst		In Progress	Director of Compliance and Compliance Analyst attended in February	CCO attended 5/9/23 in San Francisco		
2. Review/Update Annual FWA Plan									
	Review, update, and submit annual FWA plan to DMHC	12/31/2023	Director of Compliance						
3. Facilitate FWA Data Mining Workgroup at least every other month									
	Facilitate workgroup meetings and prioritize	Ongoing	Director of Compliance		In Progress				
3b. Identify and assess at least one FWA Data Mining Initiative per quarter		Ongoing	Director of Compliance / Compliance Analyst Data Mining Workgroup		In Progress	* Impossible Visits and high-level E&M currently underway * Data refresh for transportation requested for 2nd quarter initiative	Transportation (ghost/duplicate trips)		
4. Conduct investigations regarding potential FWA and provide Updated FWA Reporting to FWA Committee									
		Ongoing	Director of Compliance / Compliance Analyst		In Progress		Investigations ongoing; 104 cases received in 2023 through June 30, 2023; 80 complete. Status reported in 04/17/2023 FWA Committee		
<b>I. Delegation Oversight</b>									
1. Schedule & Coordinate Annual Delegation Oversight Audits									
						Part of Compliance Audit/Monitoring Plan			

**KERN HEALTH SYSTEMS  
2023  
Compliance Program**

ACTIVITY	DETAIL/TASK	TARGET DATE	ACCOUNTABILITY	Risk	STATUS	Q1 COMMENTS	Q2 COMMENTS	Q3 COMMENTS	Q4 COMMENTS
1a. Kaiser		9/30/2023	PNM		In progress		Monthly oversight reports continue through Q1-Q2 2023 KP requesting to delay oversight audit until September 2023 due to other scheduled audits.	On track to complete by end of Q3	
1b. VSP		8/31/2023	PNM/UM		In progress	Claims and Credentialing completed	Monthly oversight reports continue through Q1-Q2 2023	On track to complete by end of Q3	
1c. Stria		8/31/2023	Robin Dow-Morales - monthly Stria quality audit Director of Compliance		Complete		Stria/Bitwise business furloughed/closed May 2023- services no longer utilized/delegated. Claims oversight completed monthly Audits through March.		
1d. American Logistics (AL)		9/30/2023	Member Services Marketing		In progress		Monthly oversight reports continue through Q1-Q2 2023	Anticipated audit completion October 2023	
1e. Health Dialog		8/31/2023	UM		In progress	Identify additional elements that need to be audited (in progress)	Monthly oversight reports continue through Q1-Q2 2023	Anticipated completion September	
2. Determine additional Subcontractors to be audited (e.g. Interpreter, Health Education vendors, etc.) and develop schedule		8/30/2023	Director of Compliance (w/ Director of C&L/HE)		In progress		Language line oversight implemented		
3. Participate in quarterly delegated subcontractor joint operating meetings (JOM)									
3a. Kaiser		Ongoing	Director of Compliance		In progress	Director of Compliance participated in 03/21/2023 JOM	Director of Compliance participated in 06/23/2023 JOM		
3b. VSP		Ongoing	Director of Compliance		In progress	Director of Compliance participated in 02/01/2023 JOM	Director of Compliance participated in 05/10/2023 JOM		
3c. AL		Ongoing	Director of Compliance		In progress		Director of Compliance added to distribution and participated in 05/25/2023 JOM		
3d. Health Dialog		Ongoing	Director of Compliance		In progress		Director of Compliance added to distribution and participated in 05/11/2023 JOM		
4. Create delegation reporting and compliance plan in accordance with 2024 contract readiness requirements			Director of Compliance		Complete		Delegation reporting and compliance plan was drafted and submitted to DHCS for approval on 06/14/2023		
4a. Delegation Function Matrix		6/30/2023	Director of Compliance		Complete		Delegation Function Matrix was drafted and submitted to DHCS for approval on 06/14/2023		
4b. Delegation Justification and Plan		6/30/2023	Director of Compliance		Complete		Delegation justification and plan was drafted and submitted to DHCS for approval on 06/14/2023		
4c. Contract Requirements Grid		6/30/2023	Director of Compliance		Complete		Delegation reporting and compliance plan was drafted and submitted to DHCS for approval on 06/14/2023		
5. Track Delegated Entity Compliance with APLs through APL grid attestation at least quarterly	Distribute APL grid to Kaiser and VSP; follow up as needed with subcontractors to complete; report out on status in Delegation Oversight Committee quarterly	Send by the 15th of the month following each quarter	Compliance Manager		In progress	2022 Grid distributed and responses received	Q1 distributed to Kaiser and VSP 04/03/2023	Q2 distributed to Kaiser and VSP 07/17/2023	
5a. Report status of Delegates APL compliance quarterly	Report status in Delegation Oversight Committee meeting quarterly	Meeting schedule	Compliance Manager		In progress		On Track to review in 07/26/2023 Delegation Oversight Committee Meeting		
5b. Determine if/how to incorporate other subcontractors and which subcontractors and begin distribution/tracking	Distribute APL grid and track to ensure responses received	Meeting schedule	Compliance Manager		In progress				

KHS Board of Directors Meeting, August 17, 2023





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## MEMORANDUM

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**TO:** Kern Health Systems Board of Directors  
**FROM:** Alan Avery, Chief Operating Officer  
**SUBJECT:** 2<sup>nd</sup> Quarter 2023 Operations Report  
**DATE:** August 17, 2023

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Kern Health System's (KHS) Operational Departments continue to meet all regulatory and health plan performance goals during the 2<sup>nd</sup> Quarter of 2023. Operational efficiency and productivity continue to look great as we manage the increased claims submission and membership volume. As of June 2023, KHS is all hands-on deck to assist our members with renewing their Medi-Cal coverage.

### Claims

We continue to experience an increase in the number of incoming provider claims received every month during the 2<sup>nd</sup> Quarter of 2023. During this past quarter, we received an increase of 192,000 claims submitted in comparison to the 1<sup>st</sup> Quarter of 2022. This increase can be attributed to the significant increase in new KHS membership, lack of member terminations due to the hold of the redetermination process, and members once again seeking healthcare services. We will continue to monitor this trend as we see the results of the member redetermination activity which begins with the July 1<sup>st</sup> eligibility. Given this continued increase in volume, we project we will exceed 4.2 million claims received in 2023 compared to 3.8 million in 2022. We do not have concerns with the increased number of claim receipts as 99% of claims continue to be submitted electronically with only 1% of the claims received via paper. These paper claims are then converted into an electronic file format allowing them to load electronically into the KHS claims workflow. Once loaded into the claims workflow, the QNXT core system processes them automatically. The auto adjudication of the claims continued to remain consistently high at 87%, meaning claims were received and processed without any manual intervention.

In 2022, the Claims Department implemented the Claims Provider Call Center where providers could contact the Claims Department directly with questions and concerns. Calls coming into the Claims Provider Call Center are either directly from provider offices or third-party billers acting on behalf of providers offices. Most calls from local providers are requesting clarification for claim denials, coding questions and regulatory guidelines. On the other hand, calls from third party billers are basic questions that could be addressed via the provider portal-receipt of claims, status, check number, paid amount, address, etc. These calls often take longer to resolve as we often need to help educate callers regarding basic terminology, coding, authorization guidelines, etc. During the 2<sup>nd</sup> Quarter of 2023 we noticed a slight decrease in the number of calls from the previous quarter, from 9348 to 8,129 calls. We attribute this slight decrease to the staff educating callers regarding how to use the KHS provider and PaySpan portals to answer their questions. In addition, multiple questions are addressed with the provider without having to make multiple calls.

### **Member Services**

Member and Provider calls to the Member Services Department decreased slightly during the 2<sup>nd</sup> Quarter of 2023 to 63,691 compared to the 1<sup>st</sup> Quarter of 2023 with a volume of 68,925 calls. This decrease is attributed to the significant membership increase in the 1<sup>st</sup> quarter requiring expanded new member outreach which resulted in the significant increase in the incoming returned calls from those outreach calls during the 1<sup>st</sup> quarter. The calls during the 2<sup>nd</sup> Quarter appear more in line with normal trend. The top five reasons members call Member Services remain the same: (1) New Member questions, (2) Changing PCP, (3) Making demographic changes, (4) ID Card replacement and (5) Checking referral status. There was a total of 84,668 outbound calls made during the 2<sup>nd</sup> Quarter of 2023 which is in line with previous quarters in 2022.

On-site member visits in the 2<sup>nd</sup> Quarter increased to 901 visitors to the building to address their questions and pick up new I.D. cards. We project on-site visits will significantly increase in the 3<sup>rd</sup> quarter due to the Medi-Cal redetermination efforts. We continue to successfully manage incoming phone activity by encouraging members to obtain their own personal account on the KHS Member Portal powered by the Zipari/HealthX member portal. Currently 63,698 members have online accounts which allows them to perform all of the top five reasons they would normally call Member Services.

### **Provider Relations**

On a quarterly basis, the Provider Network Management Department monitors network growth, capacity, and accessibility.

The Primary Care Provider (PCP) network increased by 11 providers while the specialty provider network decreased by one provider during the 2<sup>nd</sup> Quarter. Our complete contracted provider network consisted of 3,620 providers at the close of the Quarter.

The Provider Network Management Department monitors network capacity/adequacy via a Full-Time Equivalency (FTE) provider to member ratio, based on regulatory requirements. For PCPs, the regulatory standard is one FTE PCP for every 2,000 members. As of the 2<sup>nd</sup> Quarter of 2023, the Plan maintains a network of one FTE PCP for every 1,829 members, meeting the requirement. The Plan is also required to maintain a network of one FTE physician for every 1,200 members; as of the 2<sup>nd</sup> Quarter of 2023, the Plan maintains a network of one FTE Physician for every 397 members, meeting the requirement. Even as our membership continues to grow, the Plan's network continues to meet all regulatory capacity/adequacy requirements. The Plan's Provider Network Management Department maintains ongoing recruitment and contracting efforts to promote network growth and ensure access to care for Plan members.

The last key provider network indicator that we continually monitor, and report is PCP and Specialty care appointment availability. Non-urgent PCP appointments must be available within 10 days. We reported 1.9 days during the 2<sup>nd</sup> Quarter of 2023. Non-urgent appointments with a specialist must be available within 15 days. Our specialist appointment are currently 9.6 days.



**Human Resources**

During the 2<sup>nd</sup> Quarter of 2023, the Human Resources Department continued to support the increased recruiting efforts of the Plan, including onboarding 77 new hires and revising the New Employee Orientation and facilitated six New Hire Orientations. The department also conducted multiple trainings including Situational Leadership and Taking the Heat. During the 2<sup>nd</sup> Quarter, the HR team organized the Community Wellness & Farmers Market with over 85 vendors participating. The summer intern program was kicked off with over 100 students interviewed by multiple departments. 40 total interns were hired for the summer 8-week program. Lastly, a mid-year pulse survey was launched in June to measure the success of the departments corrective action plans from the last Employee Satisfaction Survey.

Staffing increased to 540 employees in the 2<sup>nd</sup> Quarter with employee turnover at 8.58%. We had 17 employees who left KHS voluntarily for other positions and 1 employee who retired.

**Grievance Report**

There was an increased in the total grievances (formal and exempt) during the 2<sup>nd</sup> Quarter of 2023. We believe this can be directly attributed to the substantial membership increase in the 1<sup>st</sup> quarter. Participants new to the health plan tend to file complaints/grievances in greater percentages due to either pent up medical needs or unrealistic expectations. The Utilization Management Department also confirmed that referral requests increased by over 3,000 during the 2<sup>nd</sup> Quarter as well. We will continue to monitor the areas with the most significant increase over the 1<sup>st</sup> Quarter—Access to Care, Quality of Service, Medical Necessity and Potential Inappropriate Care to determine if this is a one-time occurrence and look for trends to address.

The Department of Health Care Services (DHCS) requires health plans to forward copies of all member discrimination grievances within 10 days to the DHCS Office of Civil Rights when members allege discrimination based on any characteristic protected by federal or state nondiscrimination laws. Characteristics protected by federal, or state nondiscrimination laws include sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental ability, physical disability, medical condition, genetic information, marital status, gender, gender identity, sexual orientation, creed, or health status. The plan received 64 grievances classified as discrimination during the 2<sup>nd</sup> Quarter compared to 49 received during the previous quarter. All discrimination grievances were reported timely to DHCS Office of Civil Rights.

Part two of the Grievance Report is the disposition of the formal grievances. All formal grievances are sent to the Quality Department for clinical review to identify Potential Inappropriate Care issues. Following their review of the 1760 grievances received, 891 of the decisions were upheld, 362 required further review, and 507 were overturned and ruled in favor of the member. The Quality Department has not identified any trends that need to be addressed. The primary reason for overturning the original decision of the grievance occurs when we receive additional supporting documentation from the member or the provider.

Lastly, to fully understand the dynamics and relativity of the grievance volume, the plan calculates the number of grievances received in relation to the number of medical visits and the enrollment. During the 2<sup>nd</sup> Quarter, there was over a million medical encounters provided to our 370,000 members many of whom are new to managed care. In total, KHS received 1.25 grievances per 1,000 members, well within the range of the other LHPC Plan averages of 1.00 – 3.99 per month.

**Medi-Cal Redetermination**

During the 2<sup>nd</sup> Quarter, KHS created and began to execute an extensive Member Redetermination Strategy to assist KHS members in renewing their Medi-Cal coverage when their coverage comes up for renewal. To support the strategy, KHS partnered with the Kern County Department of Human Services by housing three DHS workers on-site. In addition to these DHS experts, KHS has added twenty Member Navigators who have been fully trained to assist members in the Medi-Cal renewal process. The Medi-Cal strategy is comprised of three parts: (1) member direct outreach (2) member and community outreach including revised advertising campaign and (3) provider and community partner collaboration.

KHS receives a weekly update file from the DHS with KHS enrolled members who are due to renew their eligibility within the next sixty days. We use this information to focus our efforts on those who have not completed the renewal process. A letter is mailed to each head of household sixty and thirty days in advance of their renewal date. In addition to the mailing, we conduct live outreach by our Member Navigators, text messages and robocalls. Members who do not complete their renewal application within ten days of their renewal will receive a text message, robocall and a personal call from one of the KHS Member Navigators. During the 2<sup>nd</sup> quarter 35,661 letters were mailed, 13,536 calls were made, and 83,444 text messages were sent.

Towards the end of the 2<sup>nd</sup> Quarter of 2023, the member and community outreach component of the redetermination strategy began. Community Enrollment Navigators were hired to work with our provider/community partners in Bakersfield and the outlying areas of Delano, McFarland, Taft and Arvin.

Collaboration efforts with the major Medi-Cal enrollment entities include Clinica Sierra Vista, Omni Family Health, Kern Medical, Community Health Initiative, CAPK, Community Health Workers and others. KHS maintains a list of enrollment agencies to refer members who need hands on assistance to the closest location.

Our first indicator of the effectiveness of our redetermination efforts was June renewals. Total members requiring renewal was 16,806. Based on the July membership file, 13,420 (79.9%) completed their renewal with 3,386 (20.1%) who were disenrolled as of July and are in the “05” category, meaning they have 90 days to complete their renewal and be retroactively renewed to July 1<sup>st</sup>.

**Requested Action**

Receive and File.

# 2<sup>nd</sup> Quarter 2023 | Operational Report

Board of Directors

August 17, 2023



Alan Avery  
Chief Operating Officer



## 2<sup>nd</sup> Quarter 2023 Claims Department Indicators

Activity	Goal	2 <sup>nd</sup> Quarter 2023	Status	1 <sup>st</sup> Quarter 2023	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Quarter
Claims Received		<b>1,146,582</b>		1,049,582	958,308	982,337	954,234
Electronic	95%	<b>99%</b>		99%	99%	99%	98%
Paper	5%	<b>1%</b>		1%	1%	1%	2%
Claims Processed Within 30 days	90%	<b>98%</b>		95%	99%	99%	99%
Claims Processed within 45 days	95%	<b>99%</b>		99%	99%	99%	99%
Claims Processed within 90 days	99%	<b>100%</b>		100%	100%	100%	100%
Claims Inventory-Under 30 days	96%	<b>99%</b>		99%	99%	99%	99%
31-45 days	<3%	<b>&lt;1%</b>		<1%	<1%	<1%	1%
Over 45 days	<1%	<b>&lt;1%</b>		<1%	<1%	<1%	<1%
Auto Adjudication	85%	<b>87%</b>		87%	86%	85%	87%
Audited Claims with Errors	<3%	<b>&lt;2%</b>		2%	<2%	2%	2%
Claims Disputes	<5%	<b>&lt;1%</b>		<1%	<1%	1%	1%
Provider Calls (New Category)		<b>8,129</b>		9,348	8841	7705	



# 2<sup>nd</sup> Quarter 2023 Member Service Indicators

Activity	Goal	2 <sup>nd</sup> Quarter 2023	Status	1 <sup>st</sup> Quarter 2023	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Quarter
Incoming Calls		<b>63,691</b>		68,925	56,216	66,020	66,410
Abandonment Rate	<5%	<b>1%</b>		4%	1%	1.00%	1.00%
Avg. Answer Speed	<2:00	<b>:18</b>		:53	:16	:09	:05
Average Talk Time	<8:00	<b>8:39</b>		8:50	8:14	7:34	7:22
Top Reasons for Member Calls	Trend	<b>1. New Member 2. PCP Change 3. Demographic Changes 4. ID Card 5. Referrals</b>		1. New Member 2. PCP Change 3. Demographic Changes 4. ID Card 5. Referrals	1. New Member 2. PCP Change 3. Demographic Changes 4. ID Card 5. Referrals	1. New Member 2. PCP Change 3. Demographic Changes 4. ID Card 5. Referrals	1. New Member 2. PCP Change 3. Demographic Changes 4. ID Card 5. Referrals
Outbound Calls	Trend	<b>84,668</b>		111,401	72350	85,326	77,818
# of Walk Ins	Trend	<b>901</b>		867	540	204	0
Member Portal Accounts-Q/Total	4%	<b>3292 63,698 (17.03%)</b>		2977 60,112 (16.37%)	2778 57,145 (16.41%)	4058 54,361 (15.93%)	3163 50,303 (15.09%)



# 2<sup>nd</sup> Quarter 2023 Provider Network Indicators

Activity	Goal	2 <sup>nd</sup> Quarter	Status	1 <sup>st</sup> Quarter 2023	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Quarter 2022
<b>Provider Counts</b>							
# of PCP		449		438	428	434	441
% Growth		2.51%		2.34%	(1.38%)	(1.81%)	0%
# of Specialist		502		504	505	495	448
% Growth		[-.39%]		[-.20%]	2.02%	10.49%	1.34%
FTE PCP Ratio	1:2000	1:1829		1:1828	1:1755	1:1759	1:1938
FTE Physician Ratio	1:1200	1:397		1:395	1:393	1:507	1:704
PCP	< 10 days	1.9 days		3.5 days	2.8 days	4.3days	6.5days
Specialty	< 15 days	9.6 days		10.6 days	6.9 days	12.2 days	9.5 days



# 2<sup>nd</sup> Quarter 2023 Human Resources Indicators

Activity	Budget	2 <sup>nd</sup> Quarter 2023	Status	1 <sup>st</sup> Quarter	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Quarter 2022
Staffing Count	604	<b>540</b>		518	486	480	478
Employee Turnover	12%	<b>8.58%</b>		4.80%	8.53%	8.97%	8.8%
Turnover Reasons	Voluntary (17) Involuntary (4) Retired (1)	<b>77.3%</b> <b>18.2%</b> <b>4.5%</b>		66.6% 0% 33.3%	68% 15% 17%	61% 16% 23%	65% 10% 25%



## 2<sup>nd</sup> Quarter 2023 Human Resources Indicators

Activity	Budget	2 <sup>nd</sup> Quarter 2023	Status	1 <sup>st</sup> Quarter	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Quarter 2022
Staffing Count	604	<b>540</b>		518	486	480	478
Employee Turnover	12%	<b>8.58%</b>		4.80%	8.53%	8.97%	8.8%
Turnover Reasons	Voluntary (17) Involuntary (4) Retired (1)	<b>77.3%</b> <b>18.2%</b> <b>4.5%</b>		66.6% 0% 33.3%	68% 15% 17%	61% 16% 23%	65% 10% 25%





# 2<sup>nd</sup> Quarter 2023 Grievance Report

Category	Q2 2023	Status	Issue	Q1 2023	Q4	Q3	Q2 2022
Access to Care	235	Yellow	Appointment Availability	107	108	132	117
Coverage Dispute	0	Green	Authorizations and Pharmacy	0	0	0	0
Medical Necessity	421	Yellow	Questioning denial of service	312	335	346	259
Other Issues	55	Green	Miscellaneous	48	38	30	20
Potential Inappropriate Care	703	Yellow	Questioning services provided. All cases forwarded to Quality Dept.	627	670	514	415
Quality of Service	282	Yellow	Questioning the professionalism, courtesy and attitude of the office staff. All cases forwarded to PR Department	163	156	86	120
Discrimination (New Category)	64	Green	Alleging discrimination based on the protected characteristics	49	46	73	34
<b>Total Formal Grievances</b>	<b>1760</b>	Green		1306	1353	1181	965
Exempt	1870	Green	Exempt Grievances-	1564	1816	2328	2087
<b>Total Grievances (Formal &amp; Exempt)</b>	<b>3630</b>	Green		2870	3169	3509	3052

**KHS Grievances per 1,000 members – 1.25/month.  
LHPC Average 1.0 – 3.99/month**



## Additional Insights-Formal Grievance Detail

Issue	2023 2 <sup>nd</sup> Quarter Grievances	Upheld Plan Decision	Further Review by Quality	Overtured Ruled for Member	Still Under Review
Access to Care	144	94	0	10	40
Coverage Dispute	0	0	0	0	0
Specialist Access	91	39	0	25	27
Medical Necessity	421	146	0	235	40
Other Issues	55	29	0	8	18
Potential Inappropriate Care	703	369	0	187	147
Quality of Service	282	163	0	38	81
Discrimination	64	51	0	4	9
<b>Total</b>	<b>1760</b>	<b>891</b>	<b>0</b>	<b>507</b>	<b>362</b>



# Medi-Cal Redeterminations Support

- Medi-Cal Redetermination Began with June 2023 Renewals
- KHS Member Redetermination Support Strategy
  - Partner with Kern County Department of Human Services-weekly data exchanges & onsite staffing
  - Direct Member Outreach-mail, robocalls, personal calls, texting
  - Member and Community Outreach including revised advertising campaign
  - Provider and Community Partner Collaboration



## Medi-Cal Redeterminations Results

- Total KHS Members requiring Renewal in June = 16,806
- Members Who Completed Enrollment Renewal = 13,420 (79.9%)
- Members Disenrolled 7/1/23 (placed in “05” category\*) = 3,386 (20.1%)
  - \*Members in 05 category are classified as terminated/non active but have 90 days to complete their renewal process and are retroactively renewed back to term date. After 90 days, beneficiary must start over reapply for coverage.



# You + Us = a better day!

## Questions

For additional information, please contact:

Alan Avery

Chief Operating Officer

(661) 664-5005







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## MEMORANDUM

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**TO:** Kern Health Systems Board of Directors  
**FROM:** Martha Tasinga, MD, MPH, MBA  
**SUBJECT:** Chief Medical Officer Report  
**DATE:** August 17, 2023

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### **BACKGROUND**

The Chief Medical Officer's presentation provides an update on the Population Health Management (PHM) programs, clinical services utilizations, and Medi-Cal Managed Care Accountability (MCAS) Measures for the 2<sup>nd</sup> Quarter of 2023.

In addition to the presentation a detailed dashboard is included (Attachments A – E) that showcase the medical management performance. The dashboard categories include physician, inpatient, outpatient hospital, and emergency room services. Additionally, the MCAS dashboard outlines the performance metrics for KHS.

### **REQUESTED ACTION**

Receive and File.

# Chief Medical Officer Report

Board of Directors  
August 17, 2023



**Martha Tasinga, MD, MPH, MBA**  
Chief Medical Officer





# Current: PHM Program

- Members at risk of complex transitions.
  - 80 new high-risk members identified (June and July)
  - All enrolled in transitions of care clinic
- ER Navigation program facilitates outpatient coordination after ER visits to reduce ER utilization
  - 101 new members identified and enrolled in the ER Navigation program.
  - Plan to expand to another hospital



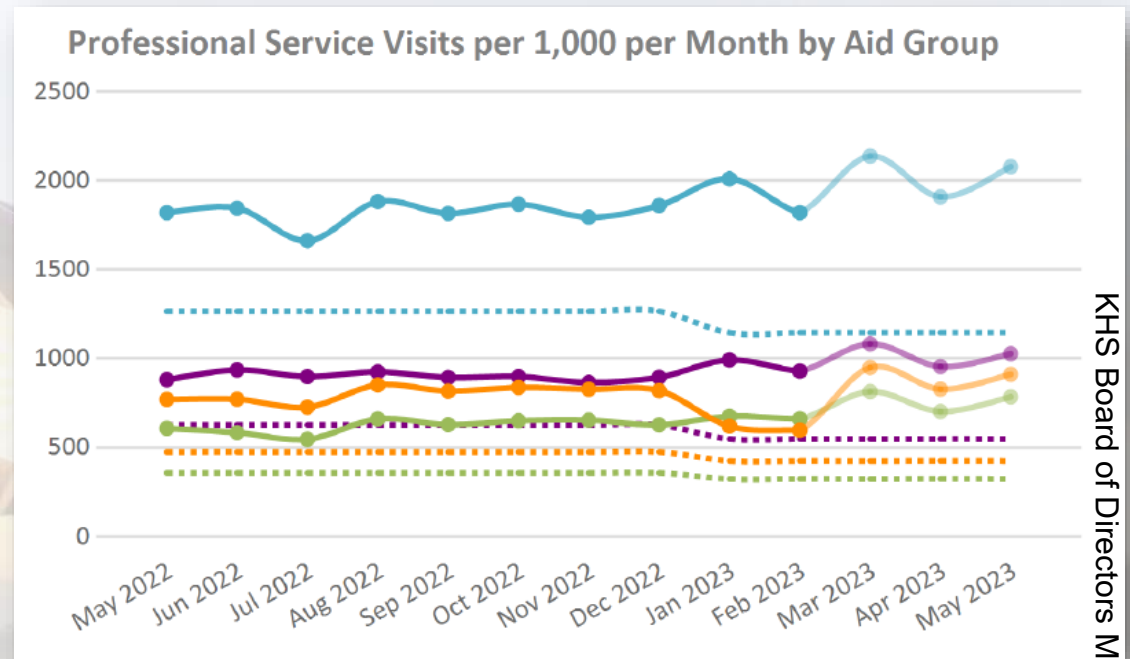
# New: PHM Program

- Maternal Mental Health, 14 – 23% of women experience depression during pregnancy
- KHS Baby Steps program for 1<sup>st</sup> and 2<sup>nd</sup> quarter of 2023
  - Out reached to 720 post partum members
  - Screened 494 screened for post partum depression (68.6%)
  - 28 screened positive and were referred to KBRS of management(5.6%)
- KHS Maternal Mental Health program (June and July)
  - 914 pregnant women called,
  - 276 unable to contact (30.2% unable to contact)
  - Reached 638 members(69.8%)
  - Completed 338 screenings for depression (52.9 %)
  - 12 positive and referred to KBHRS for management(3.5%)



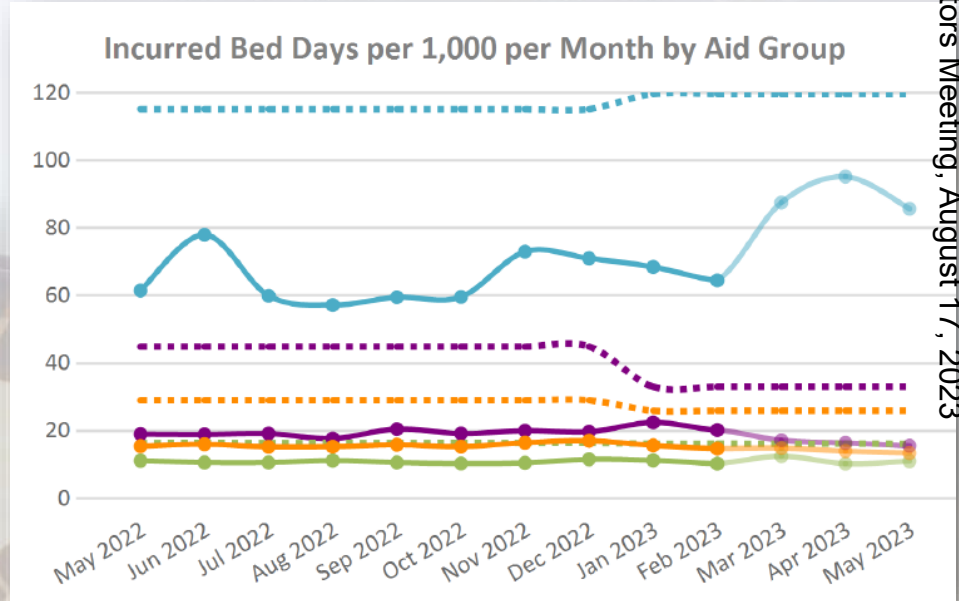
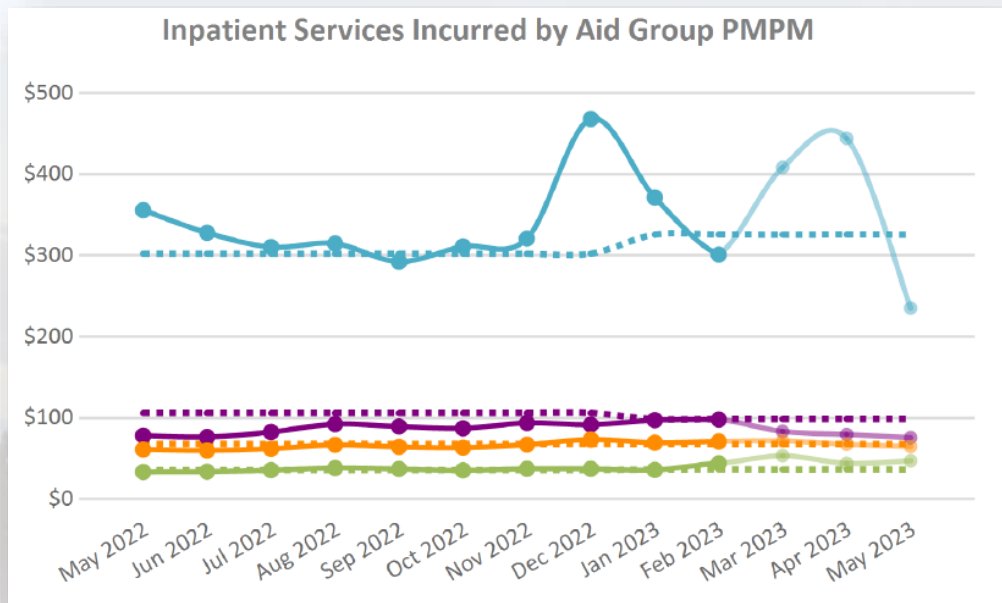
# Professional Services Utilization

- SPDs >2000 visits per 1000 members per month
- Other Aid codes less than 1000 visits per 1000 members per month
- Cost per professional visit has remained stable
- 83/1000 visits are related to wellness and prevention.
- Top 3 diagnosis
  - Hypertension
  - Diabetes
  - Upper respiratory related diagnosis



# Inpatient Utilization

Inpatient cost for all aid codes remained stable and close to projection through May 2023



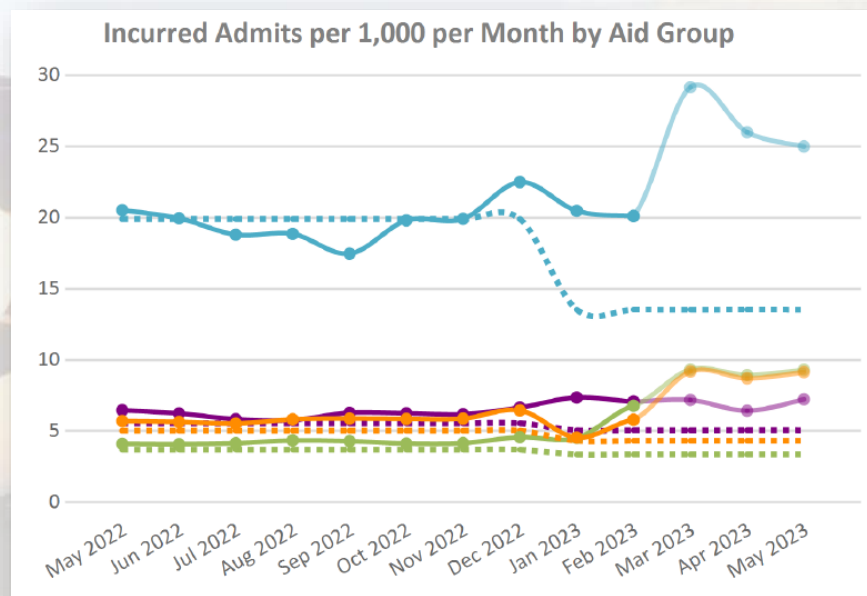
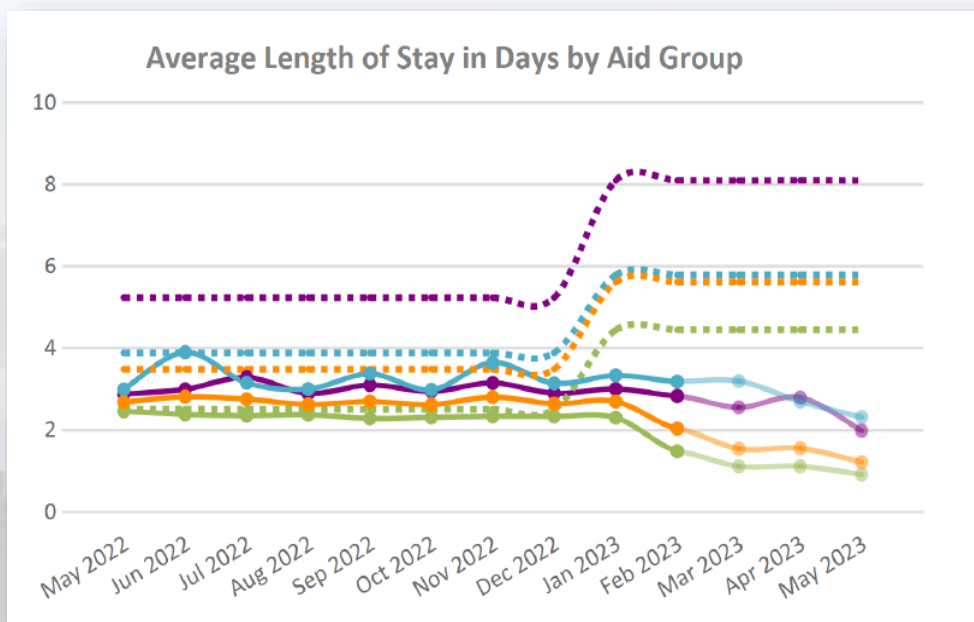
Bed days per 1000 members per month for the SPDs is trending up in the first quarter of 2023 but seems to drop in May. Possible delay in claims.

- MCAL Expansion - Actual
- MCAL Family\Other - Actual
- MCAL SPD - Actual
- Total Combined - Actual
- ⋯ MCAL Expansion - Budget
- ⋯ MCAL Family\Other - Budget
- ⋯ MCAL SPD - Budget
- ⋯ Total Combined - Budget
- - - MCAL Expansion - Forecast
- - - MCAL Family\Other - Forecast
- - - MCAL SPD - Forecast
- - - Total Combined - Forecast

# Inpatient Utilization *continued*

Overall average length of stay for all Aide codes in the Acute hospital continue to be below our projections for the first quarter of 2023.

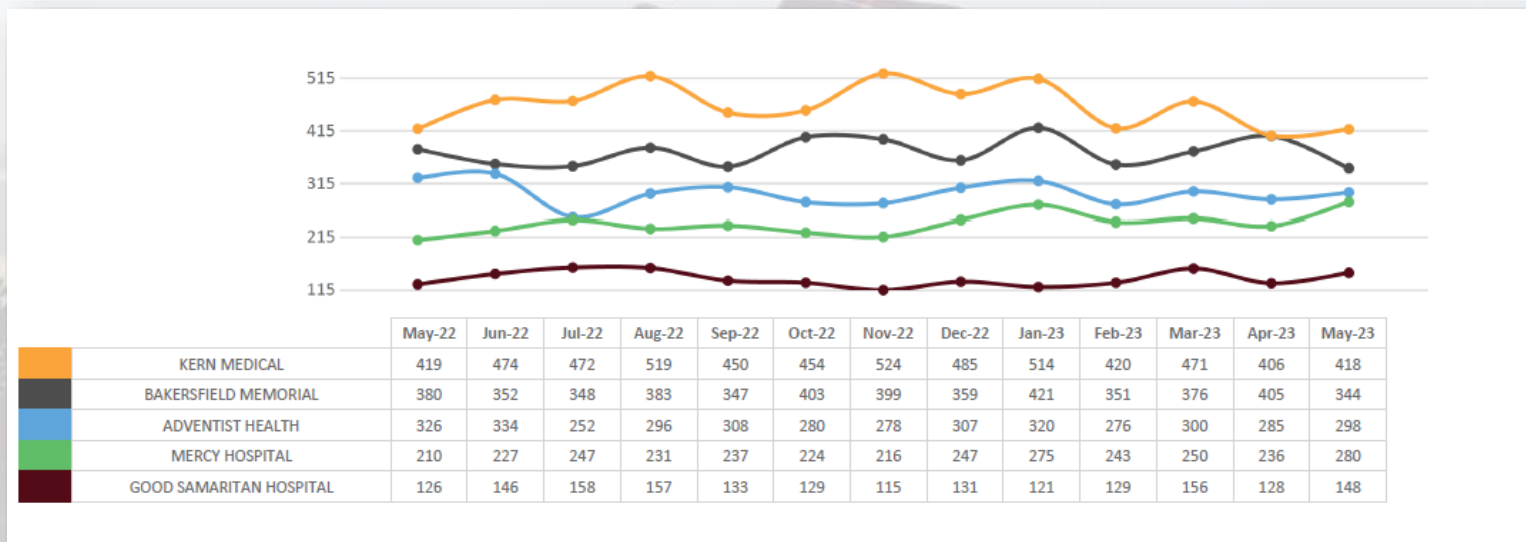
Total admits for SPDs is trending down for April and May 2023



- MCAL Expansion - Actual
- MCAL Family\Other - Actual
- MCAL SPD - Actual
- Total Combined - Actual
- MCAL Expansion - Budget
- MCAL Family\Other - Budget
- MCAL SPD - Budget
- Total Combined - Budget
- MCAL Expansion - Forecast
- MCAL Family\Other - Forecast
- MCAL SPD - Forecast
- Total Combined - Forecast

# Inpatient Utilization *continued*


- Top 4 reasons for inpatient stay are related to pregnancy and delivery.
  - Average 400 deliveries every month
- Most inpatient stays are at Kern Medical with BMH a close second




# Hospital Outpatient Utilization


These are services provided in the outpatient section of the hospital. However, it also includes patients who are admitted to the hospital for observation usually less than 2 days LOS

Top diagnosis for utilization of these services in descending order

 Chronic Kidney/end stage kidney disease

 Diabetes

 Hypertension

 Supervision of high-risk pregnancy

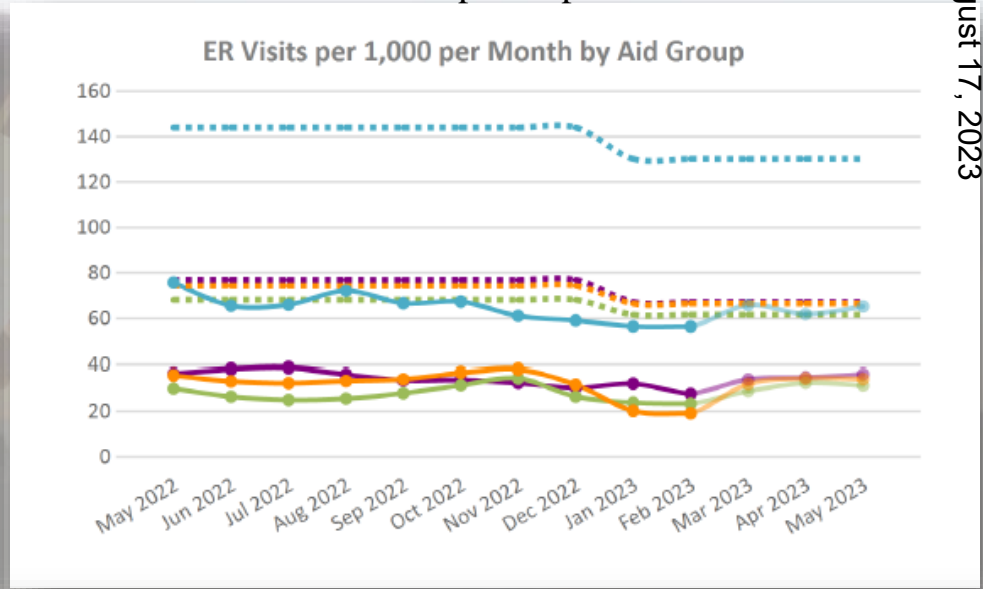
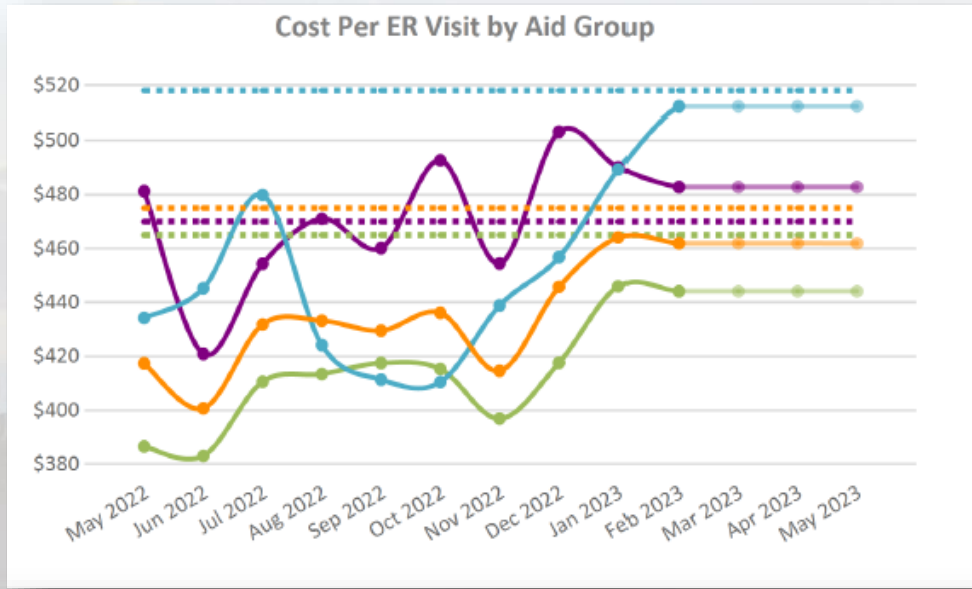


# Emergency Room Visits

Top diagnoses for ED visit in descending order of frequency

- Upper respiratory infections followed by
- Urinary tract infections
- Abdominal and pelvic pain

**Below projections cost per ER visit and visits per 1,000 per month by AID codes**

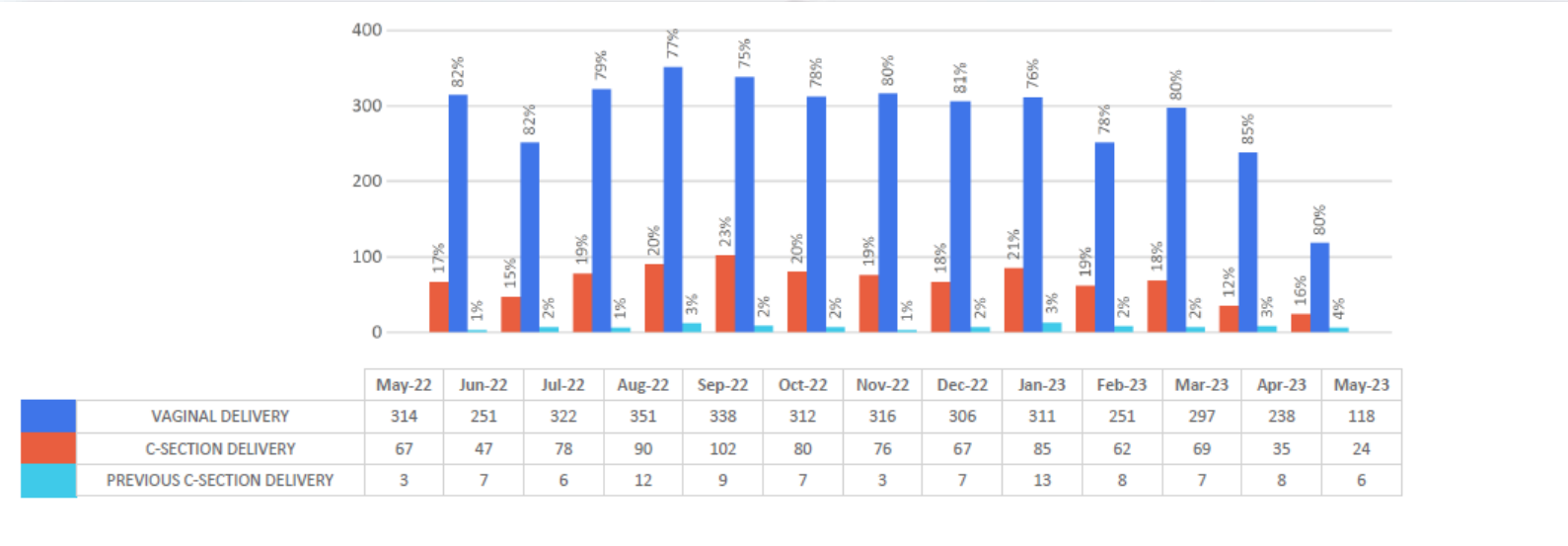


MCAL Expansion - Actual    
  MCAL Family\Other - Actual    
  MCAL SPD - Actual    
  Total Combined - Actual  
 MCAL Expansion - Budget    
  MCAL Family\Other - Budget    
  MCAL SPD - Budget    
  Total Combined - Budget  
 MCAL Expansion - Forecast    
  MCAL Family\Other - Forecast    
  MCAL SPD - Forecast    
  Total Combined - Forecast



# OB Services

- Primary C/Section average for 2023 first quarter is 16% compared to CA goal of 23%
- Top hospitals for deliveries
  - Bakersfield memorial hospital
  - Kern Medical Hospital



# Medi-Cal Managed Care Accountability (MCAS) Update



# MCAS Providers Focus Interventions

## Strategies and Interventions Implemented

- EMR access and cross walking data to reflect real-time compliance is ongoing
- Targeted support for the offices
  - Monthly meeting with providers to discuss MCAS measures
- Physician Pay for Performance (P4P)
  - Realigned P4P and incentivized providers to help close gaps in care
  - Provider P4P 1<sup>st</sup> Quarter of 2023 payment: \$1,288,709



# Member Focus Interventions

## Strategies and Interventions Implemented

- Member outreach continuing for members aging out of measures to encourage members to schedule their preventative health services
  - Robo calls & live calls, text messages, and mailers
- Member incentives
  - Pilot point of service gift cards for closing gap in care
- Coordinating transportation for members and helping make appointments for gaps closure



# Measure Specific Interventions

## Focused outreach on the aging out measures

- Stratification of the data by ages, the outreach team prioritize calling members aging out of measures
  - Child and Adolescent Well – Care Visits (WCV)
  - Childhood Immunization Status – Combination 10 (CIS-10)
  - Immunizations for Adolescents – Combination 2 (IMA-2)
  - Lead Screening in Children (LSC)
  - Well-Child Visits in the first 30 months of life (W30)
- Continuing Outreach to members within the 45 days of aging out and schedule doctor’s visits for preventative health care services.



# MCAS Measures: How are we doing?

**18 measure held to MPL | Reference Attachment E for details.**

- **1** measure meeting MPL
  - Breast Cancer Screening
- **12** measures compliance rate higher compared to last month
- **3** measures compliance rate slightly below from last month
  - Asthma Medication Ratio (AMR)
  - Prenatal and Postpartum Care (PPC Pre)
  - Prenatal and Postpartum Care (PPC Post)
- **2** new measures that have no baseline data to report
  - Developmental Screening in the First 3 Years of Life | CDEV
  - Prevention: Topical Fluoride for Children | TFLCH



# You + Us = a better day!

**For additional information, please contact:**

**Martha Tasinga, MD MPH MBA**

**Chief Medical Officer**



# **Kern Health Systems**

## **KHS Medical Management Performance Dashboard (Critical Performance Measurements)**



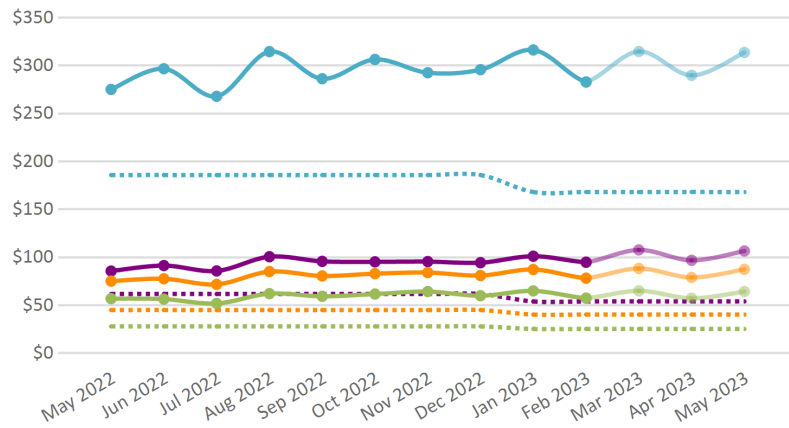


## Physician Services

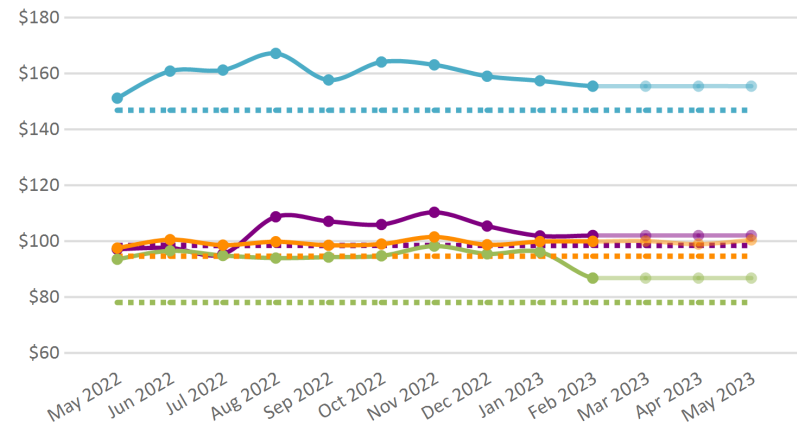
(Includes: Primary Care Physician Services, Referral Specialty Services, Other Professional Services and Urgent Care)

- MCAL Expansion - Actual
- MCAL Family\Other - Actual
- MCAL SPD - Actual
- Total Combined - Actual
- - - MCAL Expansion - Budget
- - - MCAL Family\Other - Budget
- - - MCAL SPD - Budget
- - - Total Combined - Budget
- MCAL Expansion - Forecast
- MCAL Family\Other - Forecast
- MCAL SPD - Forecast
- Total Combined - Forecast

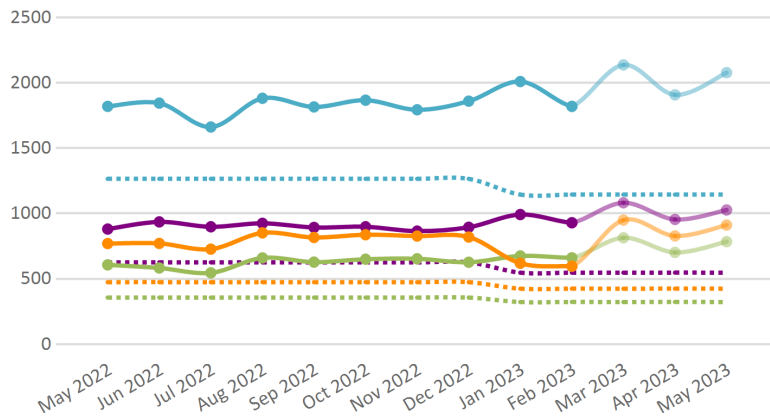
**Professional Services Incurred by Aid Group PMPM**



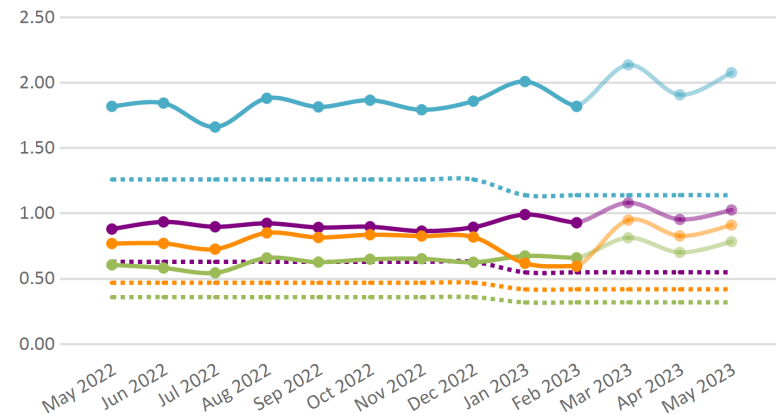
**Cost per Professional Service Visit by Aid Group**



**Professional Service Visits per 1,000 per Month by Aid Group**



**Professional Service Visits per Member per Month by Aid Group**



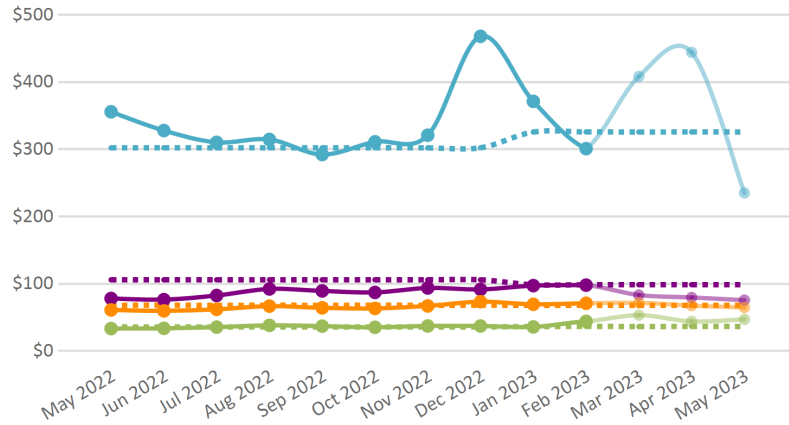


# Inpatient

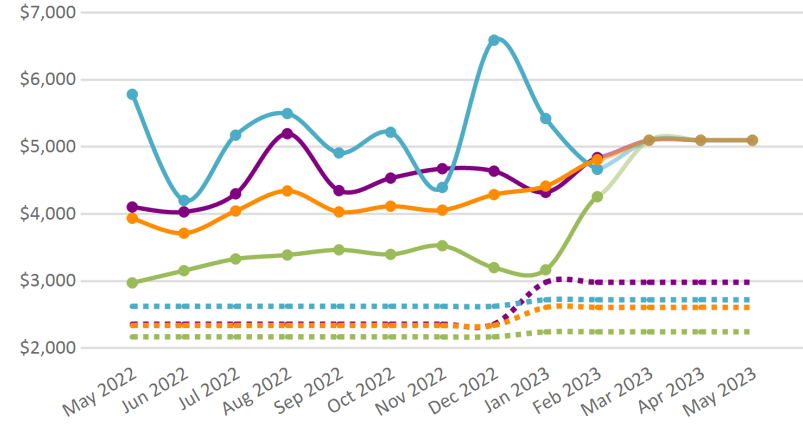
(Includes: Inpatient Hospital Claims)

- MCAL Expansion - Actual
- MCAL Family\Other - Actual
- MCAL SPD - Actual
- Total Combined - Actual
- MCAL Expansion - Budget
- MCAL Family\Other - Budget
- MCAL SPD - Budget
- Total Combined - Budget
- MCAL Expansion - Forecast
- MCAL Family\Other - Forecast
- MCAL SPD - Forecast
- Total Combined - Forecast

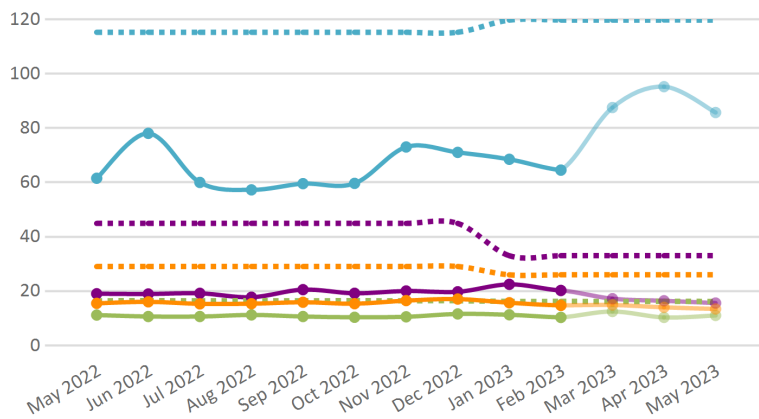
**Inpatient Services Incurred by Aid Group PMPM**



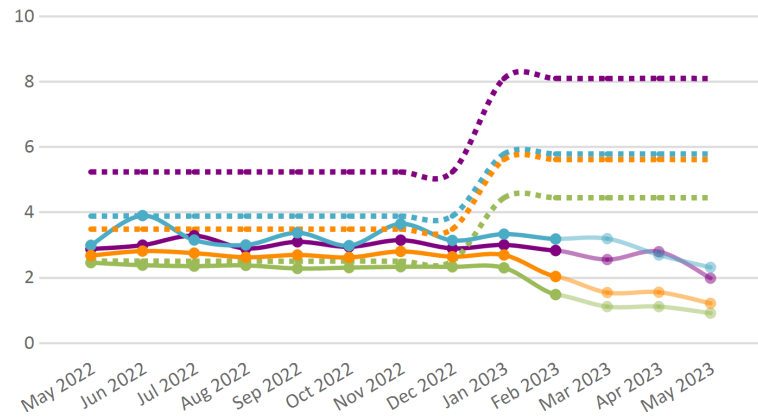
**Cost Per Bed Day by Aid Group**



**Incurred Bed Days per 1,000 per Month by Aid Group**



**Average Length of Stay in Days by Aid Group**

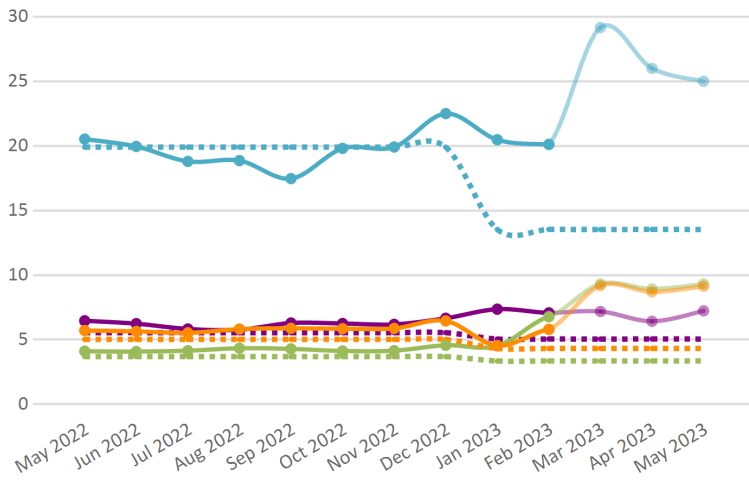


## Inpatient

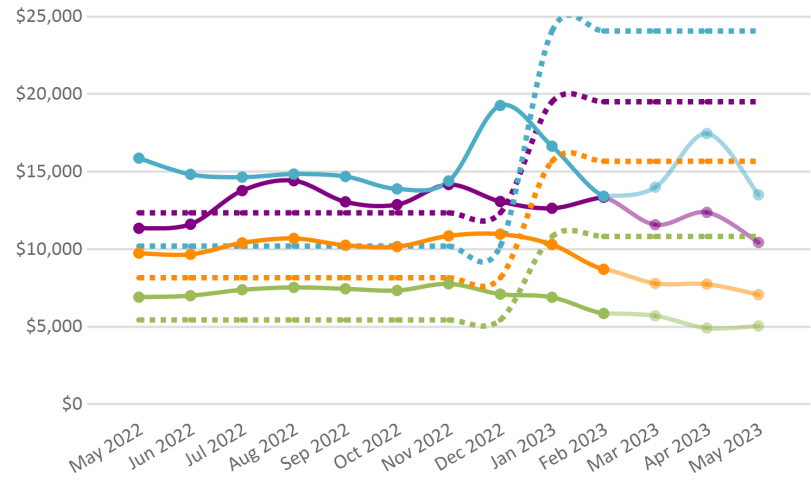
(Includes: Inpatient Hospital Claims)

- MCAL Expansion - Actual
- MCAL Family\Other - Actual
- MCAL SPD - Actual
- Total Combined - Actual
- MCAL Expansion - Budget
- MCAL Family\Other - Budget
- MCAL SPD - Budget
- Total Combined - Budget
- MCAL Expansion - Forecast
- MCAL Family\Other - Forecast
- MCAL SPD - Forecast
- Total Combined - Forecast

**Incurring Admits per 1,000 per Month by Aid Group**



**Cost per Admit by Aid Group**



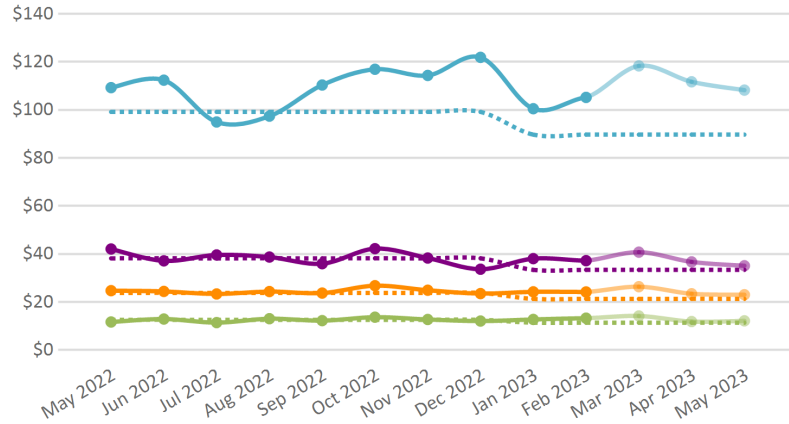


# Outpatient Hospital

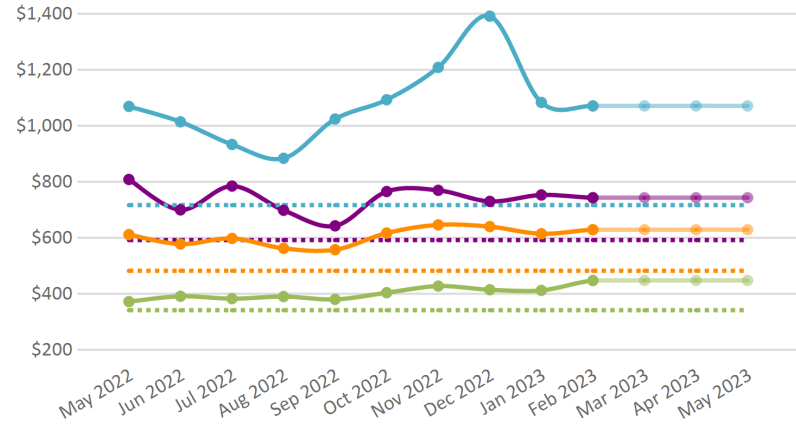
(Includes: Outpatient Diagnostic, Outpatient Surgery, Outpatient Observation, and Outpatient Other)

- MCAL Expansion - Actual
- MCAL Family\Other - Actual
- MCAL SPD - Actual
- Total Combined - Actual
- MCAL Expansion - Budget
- MCAL Family\Other - Budget
- MCAL SPD - Budget
- Total Combined - Budget
- MCAL Expansion - Forecast
- MCAL Family\Other - Forecast
- MCAL SPD - Forecast
- Total Combined - Forecast

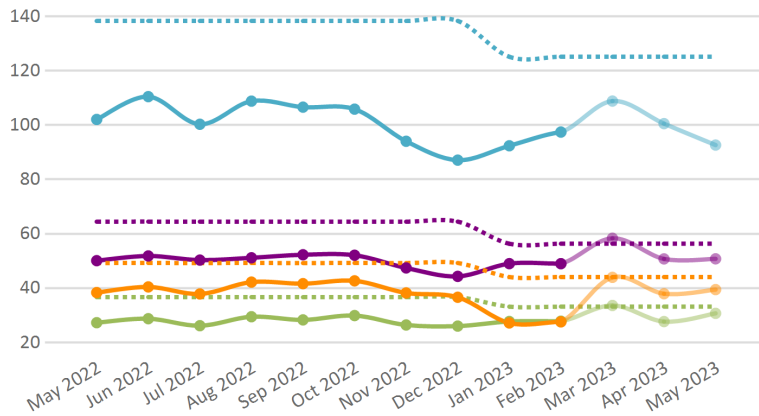
Outpatient Services Incurred by Aid Group PMPM



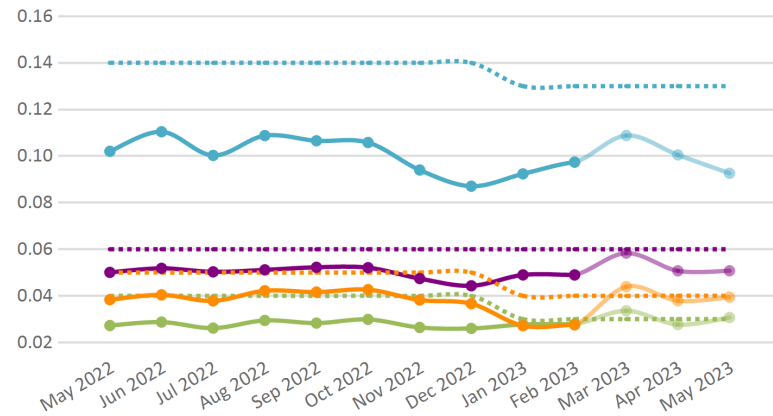
Cost Per Outpatient Visit by Aid Group



Outpatient Visits per 1,000 per Month by Aid Group



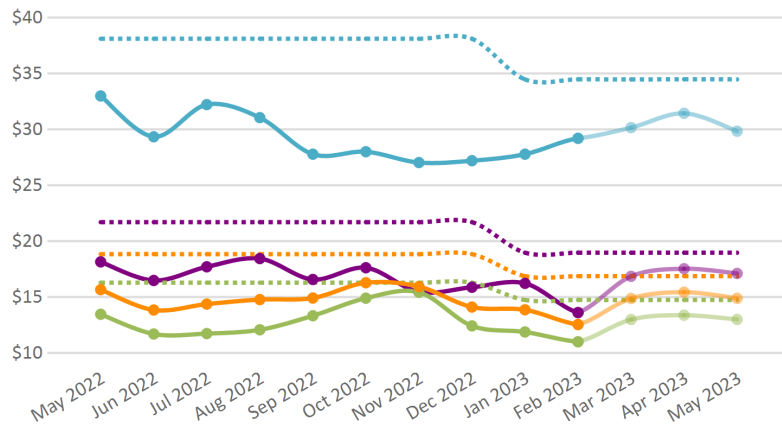
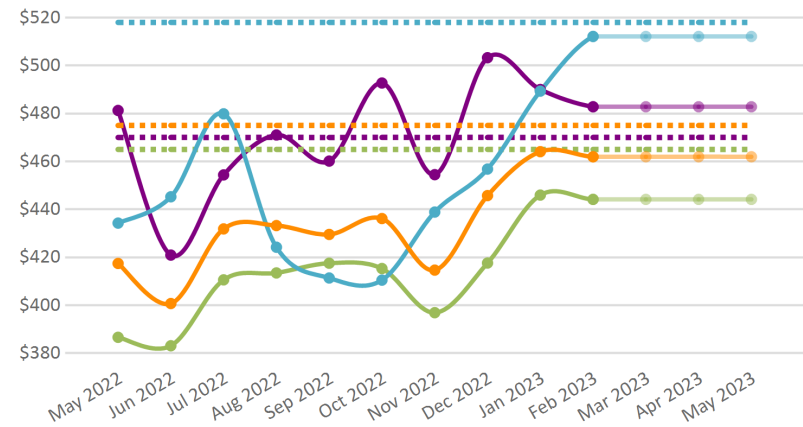
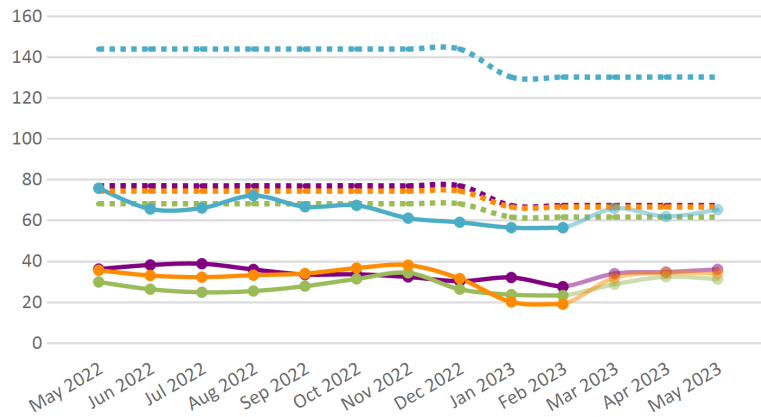
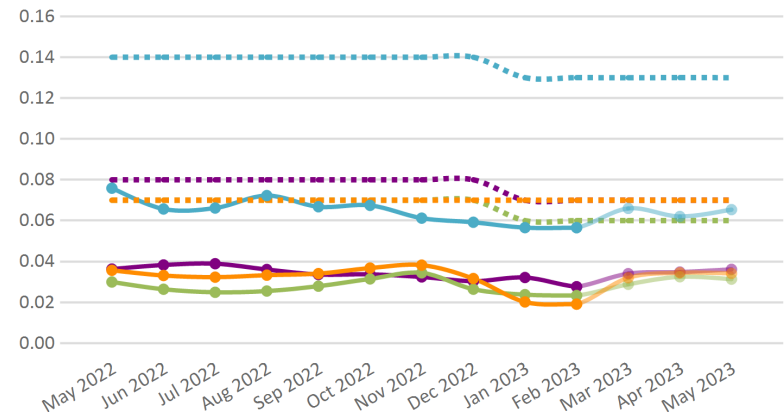
Outpatient Visits per Member per Month by Aid Group



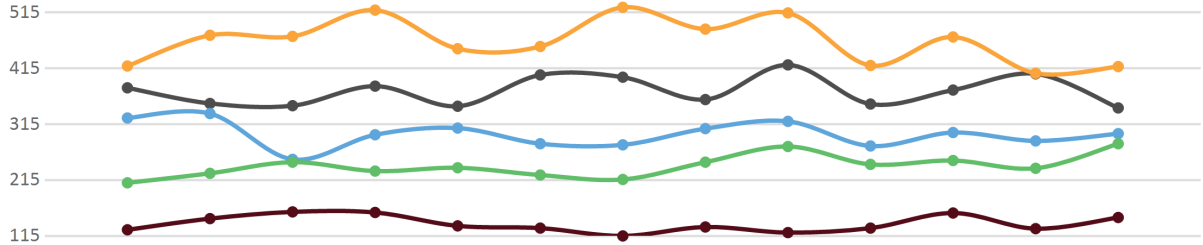


## Emergency Room

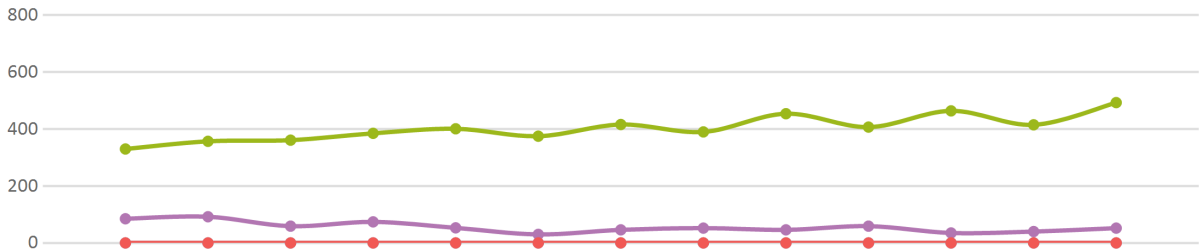
- MCAL Expansion - Actual    
 ● MCAL Family\Other - Actual    
 ● MCAL SPD - Actual    
 ● Total Combined - Actual
- ⋯ MCAL Expansion - Budget    
 ⋯ MCAL Family\Other - Budget    
 ⋯ MCAL SPD - Budget    
 ⋯ Total Combined - Budget
- MCAL Expansion - Forecast    
 ○ MCAL Family\Other - Forecast    
 ○ MCAL SPD - Forecast    
 ○ Total Combined - Forecast

**ER Services Incurred by Aid Group PMPM**

**Cost Per ER Visit by Aid Group**

**ER Visits per 1,000 per Month by Aid Group**

**ER Visits per Member per Month by Aid Group**


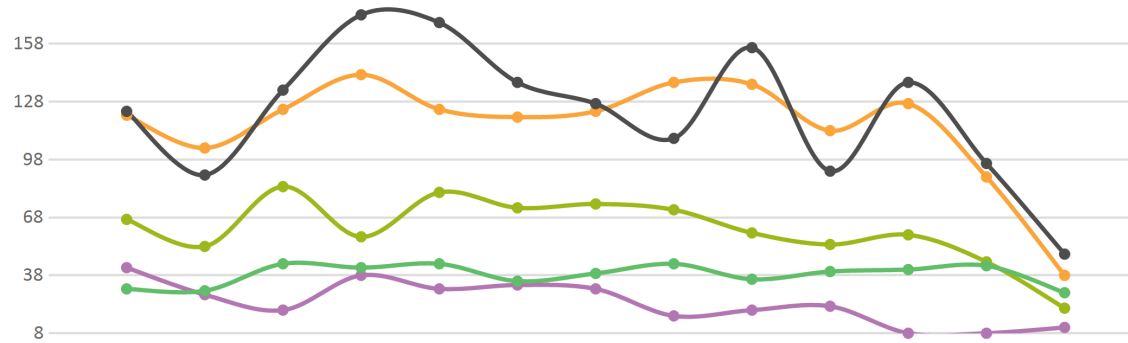
Inpatient Admits by Hospital



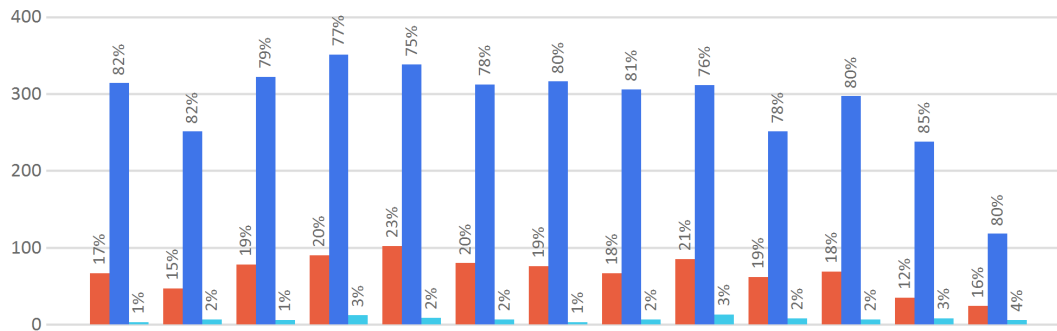
	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
KERN MEDICAL	419	474	472	519	450	454	524	485	514	420	471	406	418
BAKERSFIELD MEMORIAL	380	352	348	383	347	403	399	359	421	351	376	405	344
ADVENTIST HEALTH	326	334	252	296	308	280	278	307	320	276	300	285	298
MERCY HOSPITAL	210	227	247	231	237	224	216	247	275	243	250	236	280
GOOD SAMARITAN HOSPITAL	126	146	158	157	133	129	115	131	121	129	156	128	148



	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
DELANO REGIONAL HOSPITAL	85	92	59	74	53	30	46	52	46	59	35	40	52
BAKERSFIELD HEART HOSP	37	42	34	44	31	34	34	37	33	47	45	44	53
OUT OF AREA	330	357	361	385	401	375	416	390	454	407	464	415	493

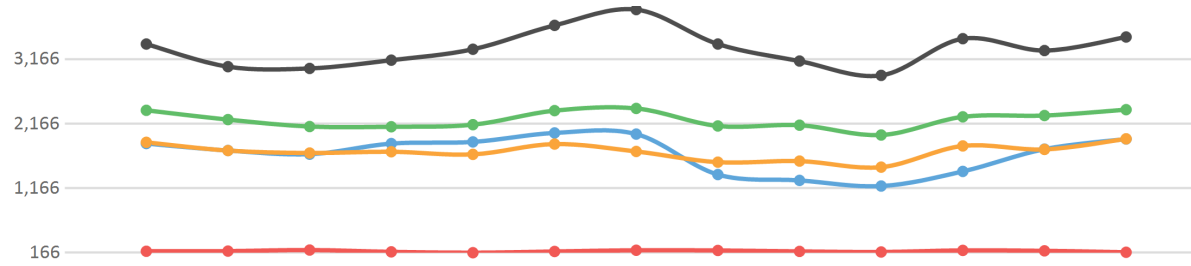
*Governed Reporting System*
**Obstetrics Metrics**


	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
BAKERSFIELD MEMORIAL	123	90	134	173	169	138	127	109	156	92	138	96	49
KERN MEDICAL	121	104	124	142	124	120	123	138	137	113	127	89	38
OTHER	67	53	84	58	81	73	75	72	60	54	59	45	21
MERCY HOSPITAL	31	30	44	42	44	35	39	44	36	40	41	43	29
DELANO REGIONAL HOSPITAL	42	28	20	38	31	33	31	17	20	22	8	8	11

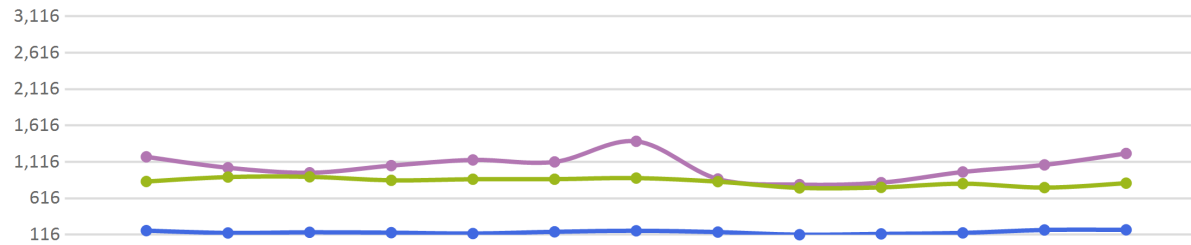


	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
VAGINAL DELIVERY	314	251	322	351	338	312	316	306	311	251	297	238	118
C-SECTION DELIVERY	67	47	78	90	102	80	76	67	85	62	69	35	24
PREVIOUS C-SECTION DELIVERY	3	7	6	12	9	7	3	7	13	8	7	8	6

Emergency Visits by Hospital



	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
BAKERSFIELD MEMORIAL	3,400	3,049	3,022	3,150	3,319	3,689	3,934	3,400	3,136	2,914	3,483	3,299	3,509
MERCY HOSPITAL	2,373	2,229	2,121	2,118	2,150	2,368	2,402	2,130	2,142	1,990	2,272	2,292	2,383
KERN MEDICAL	1,877	1,749	1,711	1,731	1,690	1,850	1,735	1,569	1,586	1,492	1,821	1,767	1,931
ADVENTIST HEALTH	1,858	1,750	1,693	1,857	1,883	2,022	2,004	1,377	1,287	1,199	1,426	1,771	1,928
BAKERSFIELD HEART HOSP	188	191	207	179	166	185	204	201	186	177	202	195	173



	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
DELANO REGIONAL HOSPITAL	1,186	1,036	967	1,065	1,143	1,116	1,399	881	804	831	978	1,075	1,232
OUT OF AREA	847	908	911	863	878	878	894	845	759	766	817	763	824
KERN VALLEY HEALTHCARE	172	140	149	144	132	156	170	152	116	127	141	181	183



### Asthma Medication Ratio

The percentage of members 5–64 years of age who were identified as having persistent asthma and had a ratio of controller medications to total asthma medications of 0.50 or greater during the measurement year.

**AMR**

**Hits needed for MPL**

**8**

Rate: 64.47%

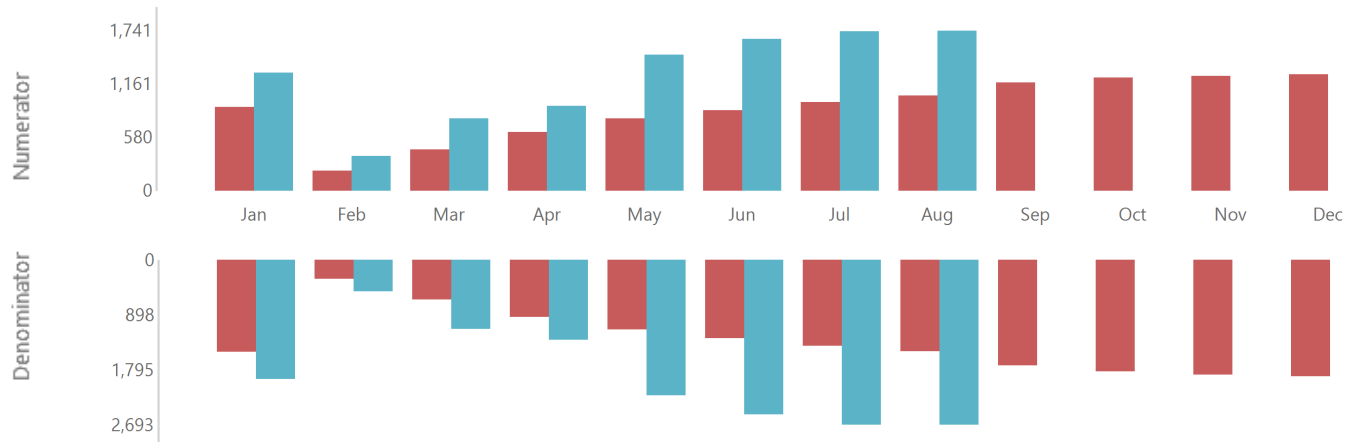
MPL: 64.78%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	60.57%	68.79%	68.71%	68.67%	68.99%	68.68%	68.59%	69.26%	67.98%	67.45%	66.68%	66.65%
2023	65.98%	73.26%	69.57%	70.18%	66.79%	65.54%	64.47%	64.65%				
MPL	64.78%	64.78%	64.78%	64.78%	64.78%	64.78%	64.78%	64.78%	64.78%	64.78%	64.78%	64.78%

1,735  

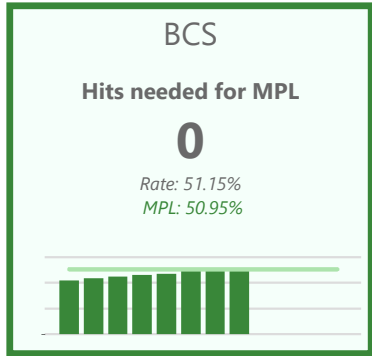

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2,691



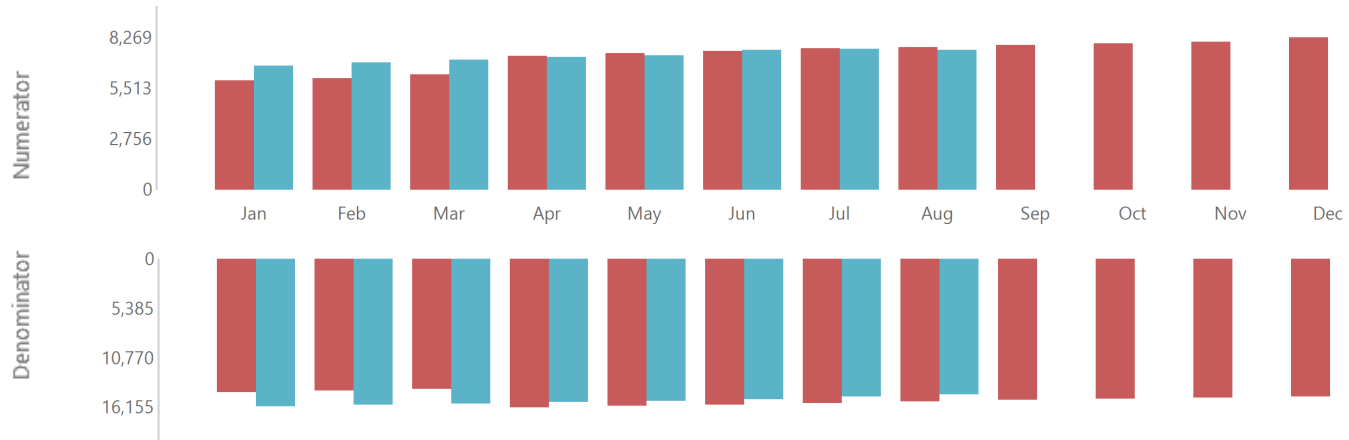
## Breast Cancer Screening

The percentage of women 50–74 years of age who had a mammogram to screen for breast cancer. Measurement period: January 1–December 31.



		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	2022	41.02%	42.37%	44.21%	45.00%	46.26%	47.57%	48.94%	49.87%	51.13%	52.18%	53.26%	55.23%
	2023	41.95%	43.55%	44.97%	46.30%	47.22%	49.59%	51.15%	51.61%				
	MPL	50.95%	50.95%	50.95%	50.95%	50.95%	50.95%	50.95%	50.95%	50.95%	50.95%	50.95%	50.95%

$$\frac{7,661}{14,977}$$



## Cervical Cancer Screening

The percentage of women 21–64 years of age who were screened for cervical cancer using either of the following criteria: • Women 21–64 years of age who had cervical cytology performed within the last 3 years. • Women 30–64 years of age who had cervical high-risk human papillomavirus (hrHPV) testing performed within the last 5 years. • Women 30–64 years of age who had cervical cytology/high-risk human papillomavirus (hrHPV) cotesting within the last 5 years.

**CCS**

**Hits needed for MPL**

**4,544**

Rate: 49.43%

MPL: 57.64%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	39.22%	39.89%	41.06%	41.99%	43.02%	43.93%	45.00%	46.02%	47.04%	47.87%	48.87%	50.46%
2023	43.40%	44.19%	45.37%	46.35%	47.38%	48.37%	49.43%	49.81%				
MPL	57.64%	57.64%	57.64%	57.64%	57.64%	57.64%	57.64%	57.64%	57.64%	57.64%	57.64%	57.64%

$$\frac{27,378}{55,382}$$



## Childhood Immunization Status

The percentage of children 2 years of age who had four diphtheria, tetanus and acellular pertussis (DTaP); three polio (IPV); one measles, mumps and rubella (MMR); three haemophilus influenza type B (HiB); three hepatitis B (HepB), one chicken pox (VZV); four pneumococcal conjugate (PCV); one hepatitis A (HepA); two or three rotavirus (RV); and two influenza (flu) vaccines by their second birthday. The measure calculates a rate for each vaccine and three combination rates.



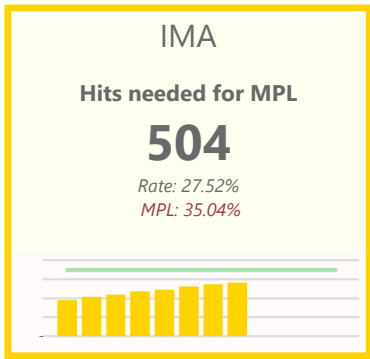
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	2022	11.82%	13.21%	14.37%	15.35%	16.00%	17.27%	17.58%	17.76%	18.04%	18.43%	18.94%	19.15%
	2023	11.04%	12.93%	14.34%	16.13%	16.92%	17.47%	17.74%	17.95%				
	MPL	34.79%	34.79%	34.79%	34.79%	34.79%	34.79%	34.79%	34.79%	34.79%	34.79%	34.79%	34.79%

$$\frac{1,064}{5,999}$$



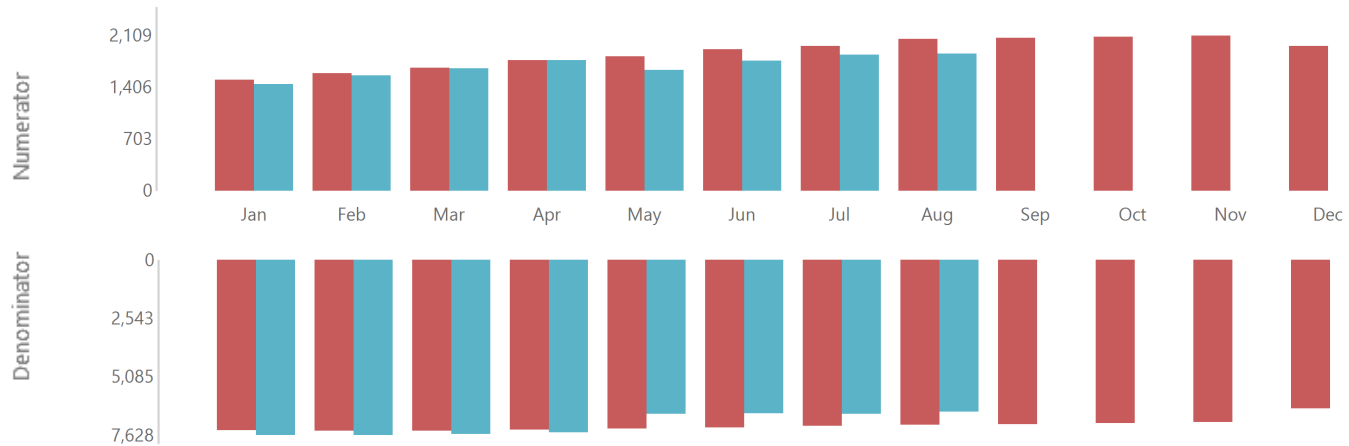
## Immunizations for Adolescents

The percentage of adolescents 13 years of age who had one dose of meningococcal vaccine, one tetanus, diphtheria toxoids and acellular pertussis (Tdap) vaccine, and have completed the human papillomavirus (HPV) vaccine series by their 13th birthday. The measure calculates a rate for each vaccine and two combination rates.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	20.30%	21.45%	22.40%	24.07%	24.81%	26.36%	27.21%	28.75%	29.12%	29.51%	29.85%	30.38%
2023	18.94%	20.59%	21.93%	23.64%	24.51%	26.37%	27.52%	28.19%				
MPL	35.04%	35.04%	35.04%	35.04%	35.04%	35.04%	35.04%	35.04%	35.04%	35.04%	35.04%	35.04%

$$\frac{1,846}{6,708}$$



## Chlamydia Screening in Women

The percentage of women 16–24 years of age who were identified as sexually active and who had at least one test for chlamydia during the measurement year.

**CHL Adults and Peds**

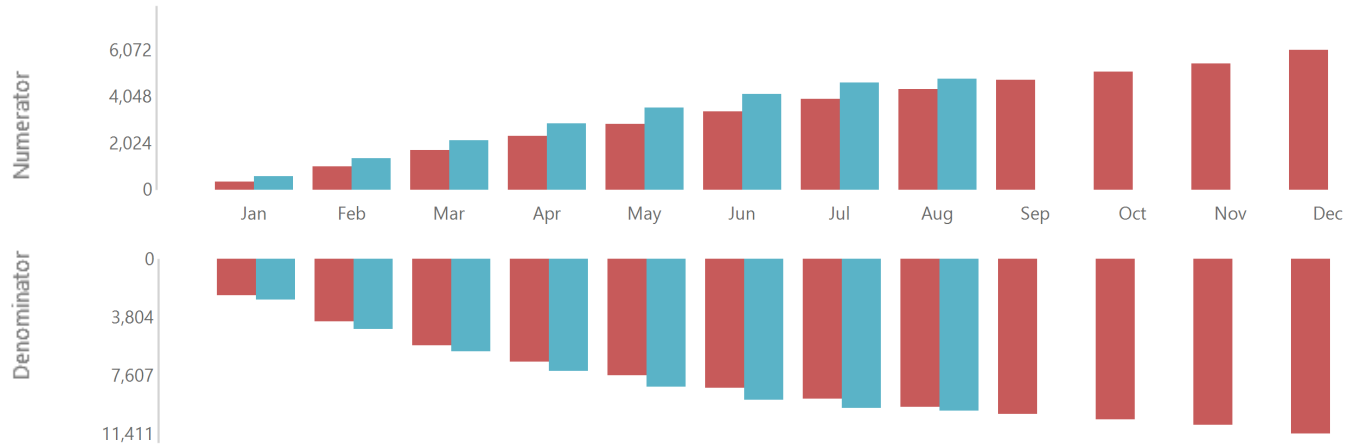
Hits needed for MPL

# 743

Rate: 47.69%  
MPL: 55.32%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	14.79%	24.82%	30.55%	34.58%	37.41%	40.41%	43.40%	45.28%	47.18%	48.98%	50.76%	53.21%
2023	21.50%	29.69%	35.35%	39.38%	42.65%	45.26%	47.69%	48.72%				
MPL	55.32%	55.32%	55.32%	55.32%	55.32%	55.32%	55.32%	55.32%	55.32%	55.32%	55.32%	55.32%

4,646  
 9,742



## Lead Screening in Children

The percentage of children 2 years of age who had one or more capillary or venous lead blood test for lead poisoning by their second birthday.

**LSC**

**Hits needed for MPL**

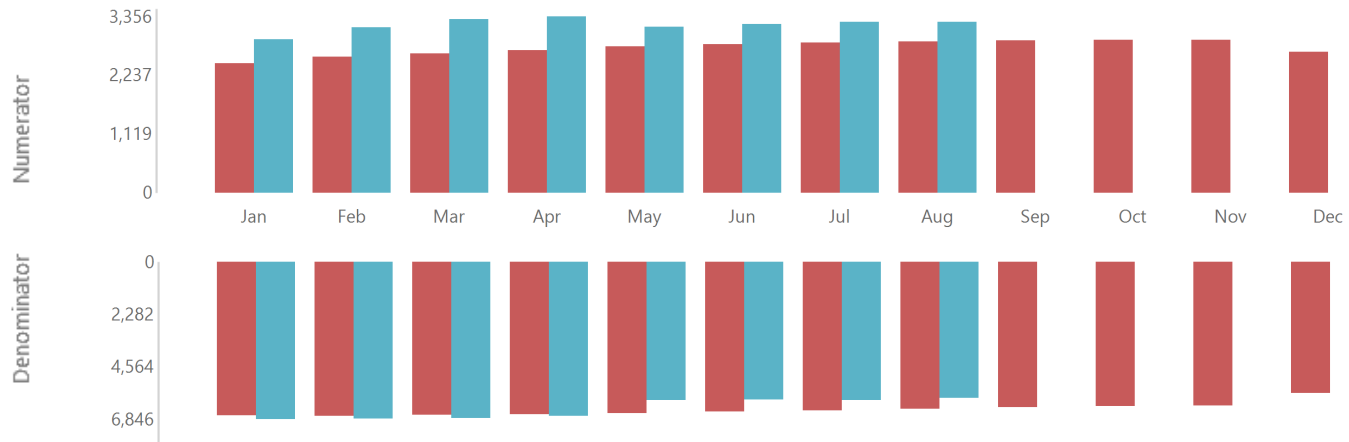
**597**

Rate: 54.06%

MPL: 63.99%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	36.86%	38.64%	39.76%	40.86%	42.27%	43.30%	44.18%	45.11%	45.79%	46.32%	46.50%	46.89%
2023	42.64%	46.09%	48.51%	50.07%	52.51%	53.47%	54.06%	54.73%				
MPL	63.99%	63.99%	63.99%	63.99%	63.99%	63.99%	63.99%	63.99%	63.99%	63.99%	63.99%	63.99%

$$\frac{3,253}{6,017}$$



### Child and Adolescent Well-Care Visits

The percentage of members 3–21 years of age who had at least one comprehensive well-care visit with a PCP or an OB/GYN practitioner during the measurement year.

**WCV**

**Hits needed for MPL**

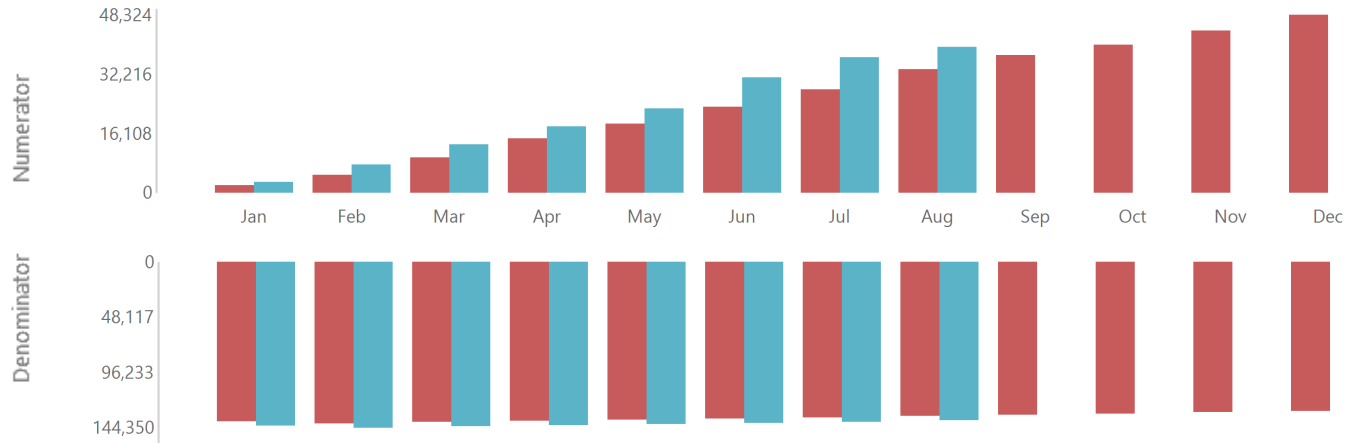
**31,362**

Rate: 26.44%

MPL: 48.93%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	1.40%	3.48%	6.86%	10.65%	13.63%	17.12%	20.70%	24.94%	28.04%	30.42%	33.70%	37.20%
2023	1.98%	5.24%	9.16%	12.62%	16.22%	22.30%	26.44%	28.67%				
MPL	48.93%	48.93%	48.93%	48.93%	48.93%	48.93%	48.93%	48.93%	48.93%	48.93%	48.93%	48.93%

$$\frac{36,871}{139,452}$$





## Controlling High Blood Pressure

The percentage of members 18–85 years of age who had a diagnosis of hypertension (HTN) and whose BP was adequately controlled (<140/90 mm Hg) during the measurement year.

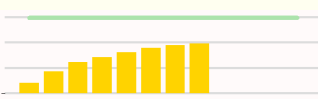
**CBP**

**Hits needed for MPL**

**5,269**

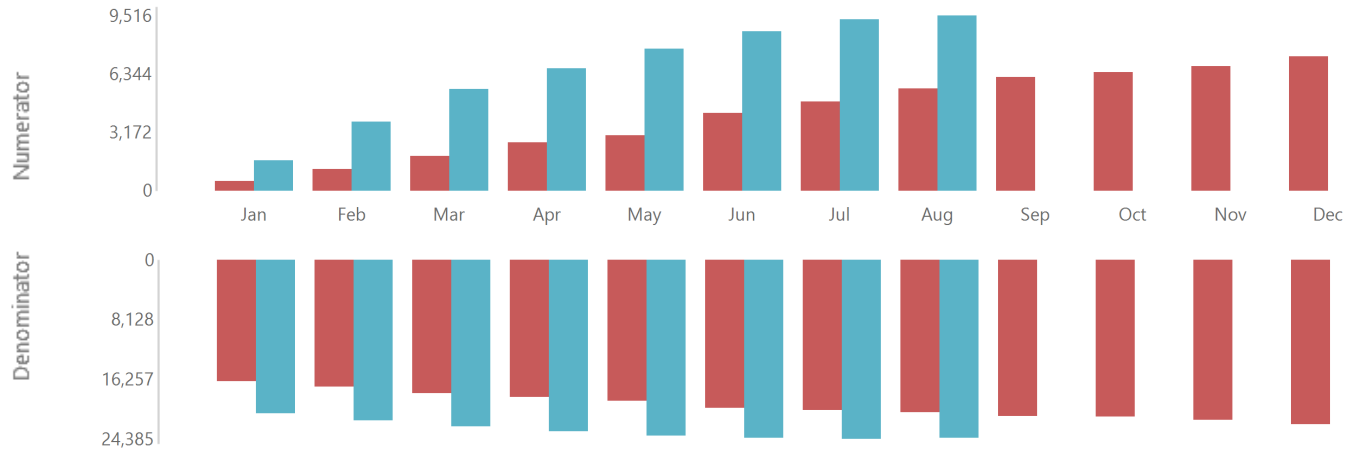
Rate: 38.24%

MPL: 59.85%



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	3.15%	6.84%	10.37%	14.12%	15.74%	20.90%	23.71%	26.81%	29.00%	30.22%	31.16%	32.66%
2023	7.85%	17.19%	24.42%	28.47%	32.36%	35.72%	38.24%	39.32%				
MPL	59.85%	59.85%	59.85%	59.85%	59.85%	59.85%	59.85%	59.85%	59.85%	59.85%	59.85%	59.85%

$$\frac{9,325}{24,385}$$



## Well-Child Visits in the First 30 Months of Life

The percentage of members who had the following number of well-child visits with a PCP during the last 15 months. Well-Child Visits in the First 15 Months. Children who turned 15 months old during the measurement year: Six or more well-child visits.

**W30 0 - 15 Months**

**Hits needed for MPL**

475

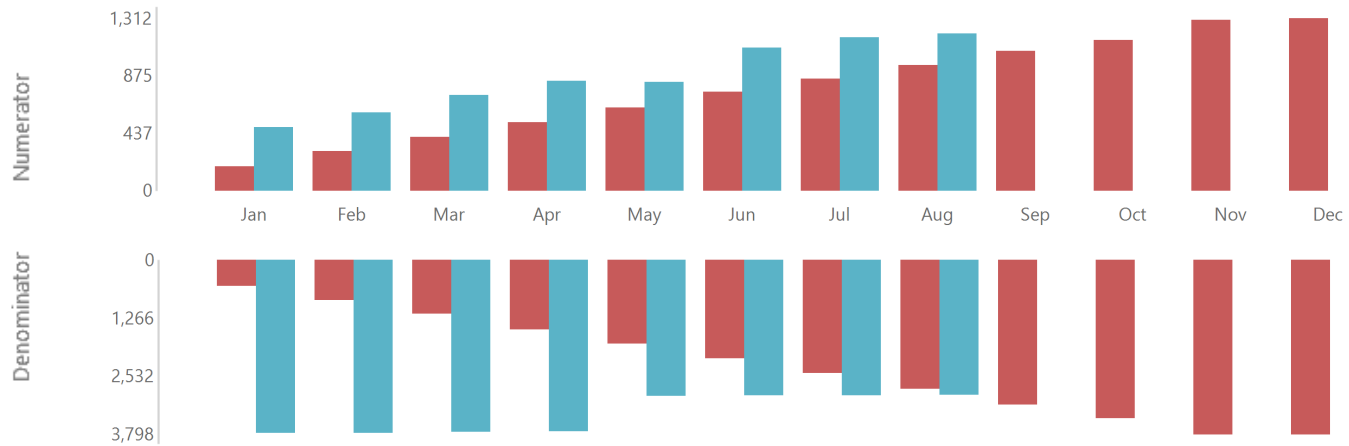
Rate: 39.59%  
MPL: 55.72%

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	2022	32.16%	33.90%	34.52%	34.32%	34.65%	35.01%	34.61%	34.04%	33.68%	33.24%	34.25%	34.54%
	2023	12.79%	15.81%	19.48%	22.46%	27.87%	36.89%	39.59%	40.83%				
	MPL	55.72%	55.72%	55.72%	55.72%	55.72%	55.72%	55.72%	55.72%	55.72%	55.72%	55.72%	55.72%

1,167

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2,948



### Well-Child Visits in the First 30 Months of Life

The percentage of members who had the following number of well-child visits with a PCP during the last 15 months. Well-Child Visits for Age 15 Months–30 Months. Children who turned 30 months old during the measurement year: Two or more well-child visits.

W30 15 - 30 Months

Hits needed for MPL

418

Rate: 59.44%

MPL: 65.83%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	41.60%	44.67%	46.61%	48.86%	50.34%	51.49%	52.65%	53.34%	53.95%	54.28%	54.84%	54.92%
2023	42.49%	46.54%	50.24%	53.15%	55.58%	57.89%	59.44%	60.00%				
MPL	65.83%	65.83%	65.83%	65.83%	65.83%	65.83%	65.83%	65.83%	65.83%	65.83%	65.83%	65.83%

3,894

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6,551



## Prenatal and Postpartum Care

The percentage of deliveries of live births on or between October 8 of the year prior to the measurement year and October 7 of the measurement year. Timeliness of Prenatal Care. The percentage of deliveries that received a prenatal care visit in the first trimester, on or before the enrollment start date or within 42 days of enrollment in the organization.

**PPC Pre**

**Hits needed for MPL**

**1,754**

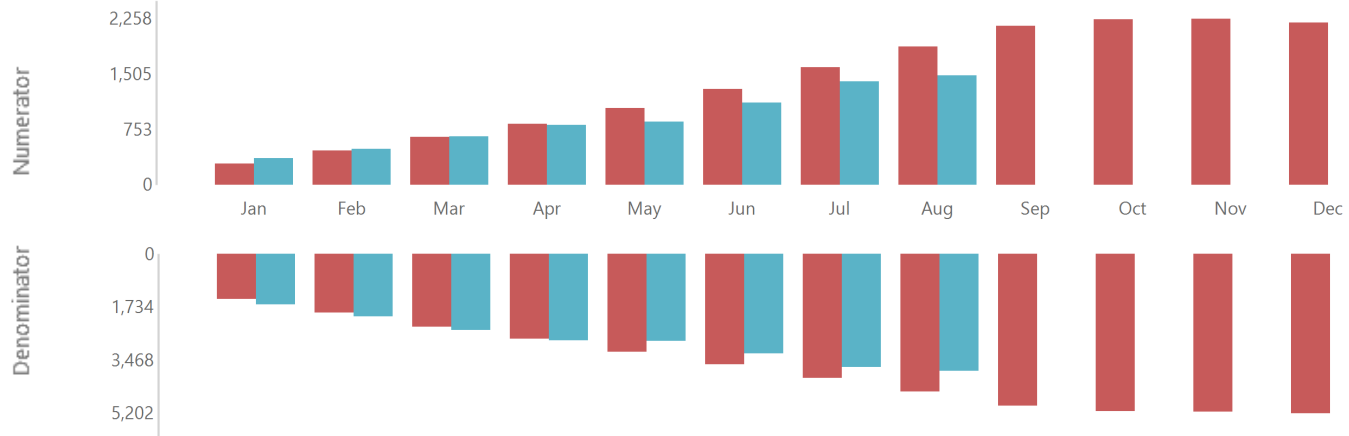
Rate: 37.92%  
MPL: 85.40%

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	2022	19.31%	24.03%	27.18%	29.76%	32.61%	36.01%	39.28%	41.75%	43.53%	43.77%	43.84%	42.39%
	2023	21.77%	23.83%	26.43%	28.58%	30.12%	34.28%	37.92%	38.78%				
	MPL	85.40%	85.40%	85.40%	85.40%	85.40%	85.40%	85.40%	85.40%	85.40%	85.40%	85.40%	85.40%

1,401  


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3,695



## Prenatal and Postpartum Care

The percentage of deliveries of live births on or between October 8 of the year prior to the measurement year and October 7 of the measurement year. Postpartum Care. The percentage of deliveries that had a postpartum visit on or between 7 and 84 days after delivery.

**PPC Post**

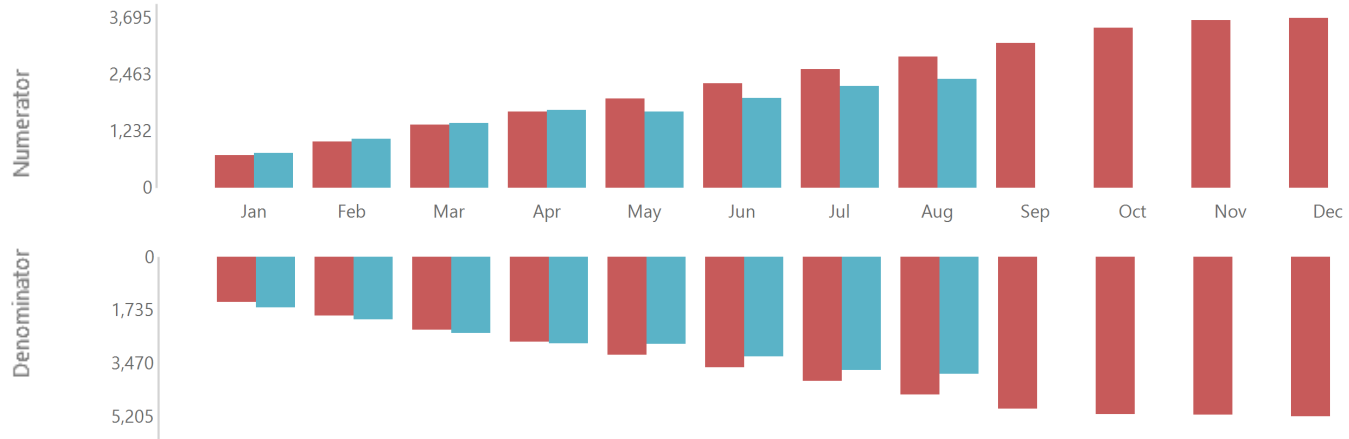
**Hits needed for MPL**

**645**

Rate: 59.89%  
MPL: 77.37%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	47.86%	52.61%	57.76%	59.93%	60.53%	62.79%	63.38%	63.36%	63.36%	67.57%	70.81%	70.99%
2023	45.41%	52.00%	56.72%	59.55%	58.08%	59.88%	59.89%	61.77%				
MPL	77.37%	77.37%	77.37%	77.37%	77.37%	77.37%	77.37%	77.37%	77.37%	77.37%	77.37%	77.37%

$$\frac{2,213}{3,695}$$



## Follow-Up After Emergency Department Visit for Mental Illness

The percentage of emergency department (ED) visits for members 6 years of age and older with a principal diagnosis of mental illness or intentional self-harm, who had a follow-up visit for mental illness within 30 days of the ED visit.

**FUM 30 Day Follow-up**

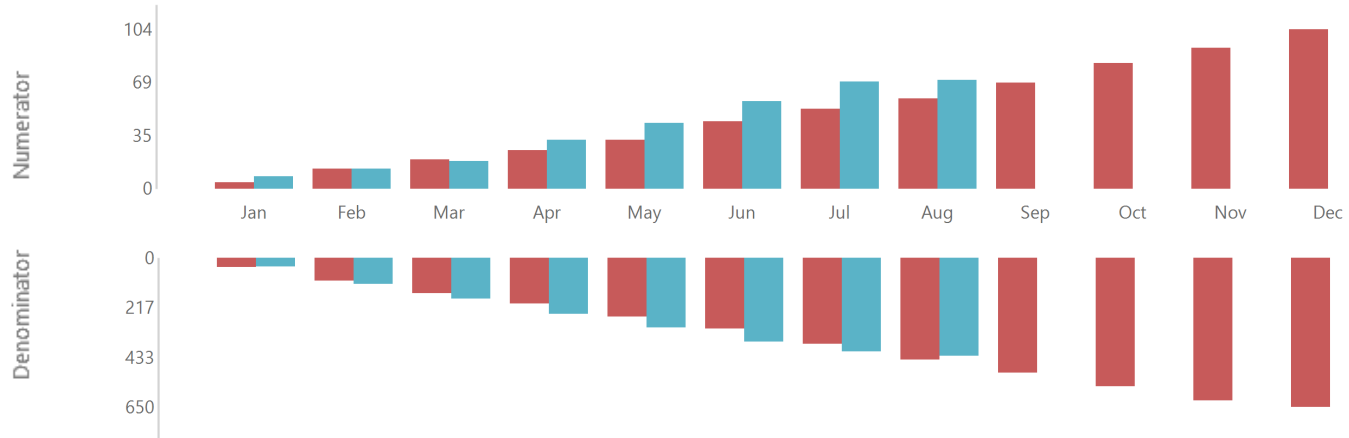
**Hits needed for MPL**

151

Rate: 17.20%  
MPL: 54.51%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	9.76%	13.00%	12.34%	12.50%	12.55%	14.29%	13.87%	13.29%	13.77%	14.67%	14.84%	16.00%
2023	20.51%	11.50%	10.06%	13.17%	14.14%	15.66%	17.20%	16.63%				
MPL	54.51%	54.51%	54.51%	54.51%	54.51%	54.51%	54.51%	54.51%	54.51%	54.51%	54.51%	54.51%

70  
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407



## Follow-Up After Emergency Department Visit for Substance Use

The percentage of emergency department (ED) visits among members age 13 years and older with a principal diagnosis of substance use disorder (SUD), or any diagnosis of drug overdose, for which there was follow-up within 30 days of the ED visit.

**FUA 30 Day Follow-up**

**Hits needed for MPL**

81

Rate: 11.46%

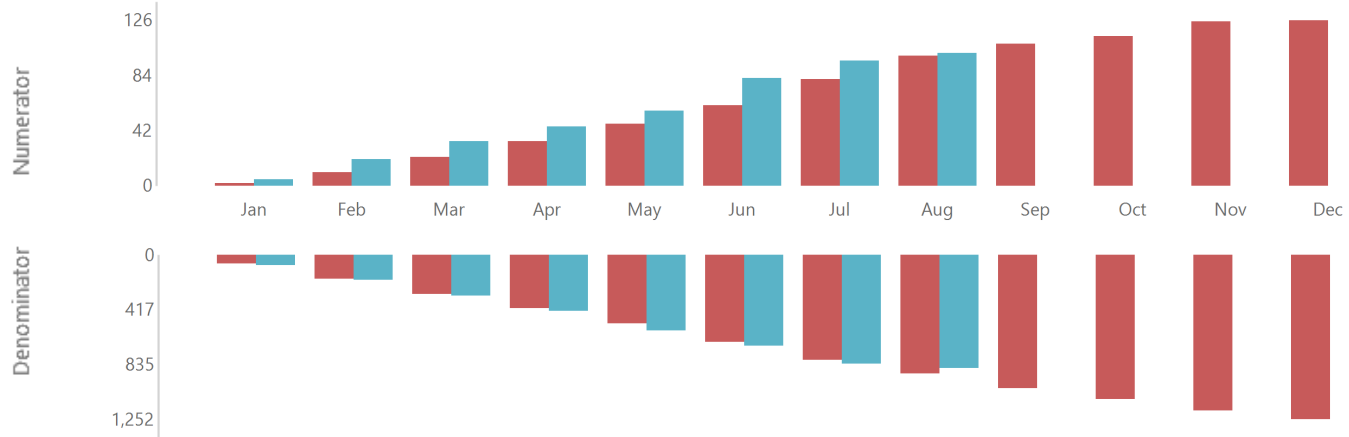
MPL: 21.24%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	3.03%	5.46%	7.36%	8.37%	8.99%	9.19%	10.13%	10.94%	10.62%	10.39%	10.53%	10.06%
2023	6.41%	10.36%	10.86%	10.56%	9.86%	11.82%	11.46%	11.73%				
MPL	21.24%	21.24%	21.24%	21.24%	21.24%	21.24%	21.24%	21.24%	21.24%	21.24%	21.24%	21.24%

95

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829



## Hemoglobin A1c Testing & Control for Patients With Diabetes

The percentage of members 18–75 years of age with diabetes (types 1 and 2) whose hemoglobin A1c (HbA1c) was at the following levels during the measurement year:

- HbA1c Control (<8.0%).
- HbA1c Poor Control (>9.0%).

Inverted Measure - a lower rate is desired for this measure.

**HBD HBA1C >9%**

**Hits needed for MPL**

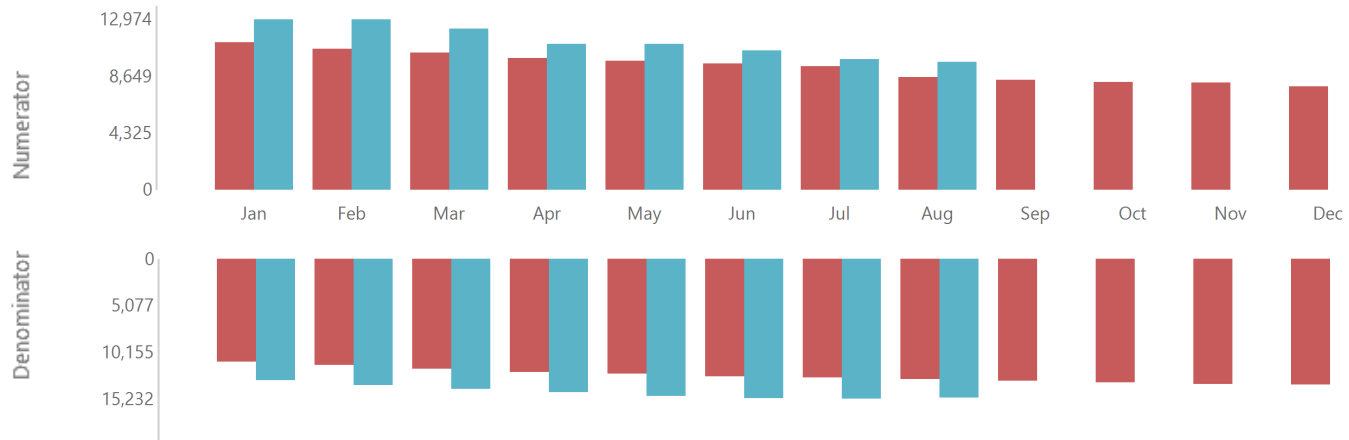
**3,870**

Rate: 65.31%

MPL: 39.90%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	99.84%	92.93%	87.25%	81.38%	78.48%	75.26%	72.48%	65.22%	63.19%	60.91%	60.01%	57.54%
2023	98.02%	94.51%	86.56%	76.35%	74.48%	69.80%	65.31%	64.26%				
MPL	39.90%	39.90%	39.90%	39.90%	39.90%	39.90%	39.90%	39.90%	39.90%	39.90%	39.90%	39.90%

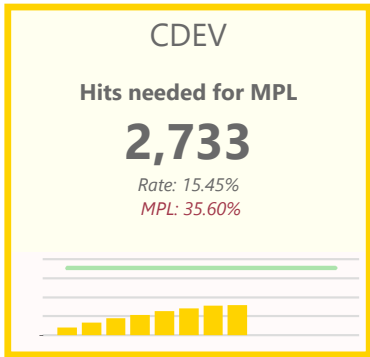
$$\frac{9,948}{15,232}$$





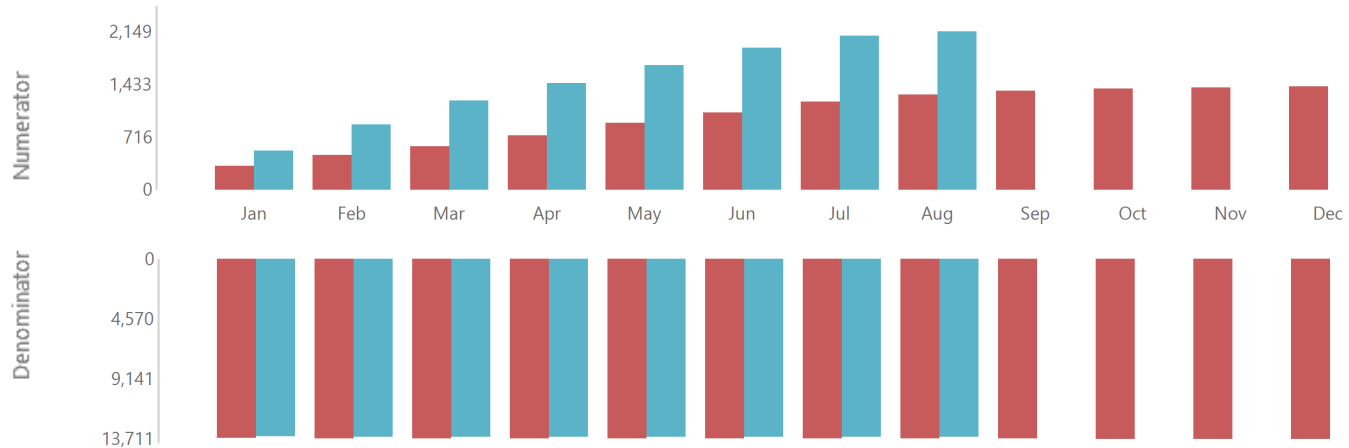
## Developmental Screening in the First 3 Years of Life

The percentage of children screened for risk of developmental, behavioral and social delays using a standardized screening tool in the 12 months preceding or on their first, second, or third birthday. This is a composite measure of screening in the first three years of life that includes three, age-specific indicators assessing whether children are screened in the 12 months preceding or on their first, second or third birthday.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	2.34%	3.45%	4.32%	5.41%	6.62%	7.68%	8.73%	9.42%	9.83%	10.00%	10.15%	10.23%
2023	3.89%	6.53%	8.95%	10.68%	12.49%	14.20%	15.45%	15.84%				
MPL	35.60%	35.60%	35.60%	35.60%	35.60%	35.60%	35.60%	35.60%	35.60%	35.60%	35.60%	35.60%

$$\frac{2,096}{13,567}$$



### Prevention: Topical Fluoride for Children

Percentage of children aged 1–21 years who received at least 2 topical fluoride applications as (a) dental OR oral health services, (b) dental services, and (c) oral health services within the reporting year.

**TFLCH**

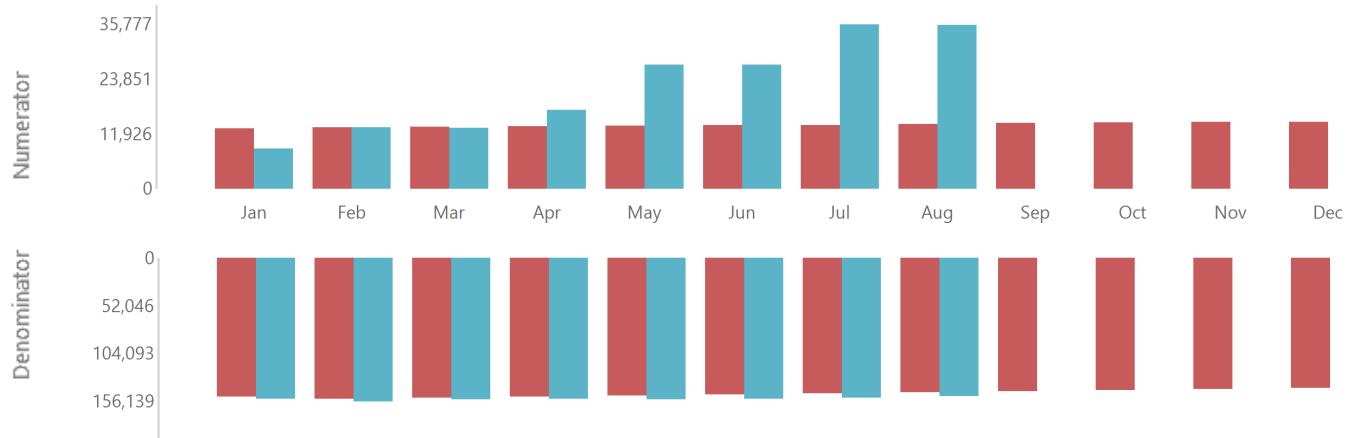
**Hits needed for MPL**

**40,351**

Rate: 23.50%  
MPL: 50.00%

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	2022	8.66%	8.68%	8.84%	9.00%	9.11%	9.25%	9.38%	9.58%	9.81%	9.97%	10.19%	10.30%
	2023	5.68%	8.54%	8.58%	11.21%	17.49%	17.55%	23.50%	23.64%				
	MPL	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%

$$\frac{35,777}{152,257}$$





# KERN HEALTH SYSTEMS

## **Chief Executive Officer's Report**

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### **Board of Directors Meeting**

**Emily Duran**

**August 17, 2023**

## **KHS STRATEGIC PLAN & CEO CORPORATE GOALS UPDATE**

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The KHS strategic plan identifies the key priority areas and serves as a roadmap for 2023 – 2025 for the organization. Overall, KHS remains on track in accomplishing the strategic goals. Included under **Attachment A: Strategic Plan Q2 Status Report** is a breakdown of the strategic plan and accomplishments after the close of the 2<sup>nd</sup> Quarter of 2023. In addition to the Strategic Plan, CEO corporate goals are monitored on a quarterly basis and are aligned with the KHS strategic plan. Included under **Attachment B: 2023 Corporate Goals Tracking** is an overview of the goals as well as a 2<sup>nd</sup> Quarter of 2023 update.

## **STATE PROGRAM DEVELOPMENT**

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KHS is preparing for the implementation of several Department of Health Care Services (DHCS) programs coming later in 2023 and 2024:

**Long Term Care (LTC), Phase 2:** Effective 1/1/24, DHCS will implement the next phase of the Long-Term Care carve-in by requiring members receiving care in Intermediate Care and Subacute Facilities to enroll in a Managed Care Plan (MCP) to receive their LTC benefits. An estimated 267 members in Kern County will be transitioned. DHCS shared draft All Plan Letter (APL) guidance with Plans in June and July. The APLs outlined the forthcoming requirements related to covered services, network readiness, continuity of care, and provider payments. Finalized APLs are expected to be released soon. The ICF/DD Readiness report for subacute care services is due to DHCS on September 1, 2023. DHCS will review the submission and provide its preliminary findings in early October. In November, Plans are expected to receive more detailed data from DHCS related to this population. Ongoing work continues within the internal project team preparing for the implementation of these new services/populations.

**Medi-Cal Expansion to Adults regardless of immigration status:** Effective 1/1/24, full-scope Medi-Cal eligibility will be expanded to individuals who are 26 through 49 years of age, and who do not have satisfactory immigration status or are unable to establish satisfactory immigration status. In late June DHCS shared updated estimates on the number of members who will transition to full-scope coverage. The number in Kern County is estimated to be 18,294. Additional updates to the estimates will be provided in the future. The State will be sharing additional information on these members as the expansion date approaches.

**Enhanced Care Management (ECM):** KHS staff, in collaboration with our local ECM partners, continue preparations for upcoming new ECM populations. As of 7/1/23, KHS is now offering ECM services to the Child and Youth populations, per DHCS eligibility requirements. The internal ECM team has identified 15 providers who will be rendering services to the Child and Youth population. In addition, staff has identified the members who qualify and is working to connect them with an ECM site. Effective 1/1/24, KHS will expand ECM to certain individuals transitioning from incarceration and to certain pregnant and postpartum individuals. Work is currently underway to prepare for these upcoming expansions. DHCS also recently updated the data sharing guidelines for the program, which is currently being reviewed with the ECM sites.

**2024 Health Plan Transitions:** Due to a recent State re-procurement of the Commercial Plans in Medi-Cal, beginning 1/1/24 Medi-Cal in Kern County will be administered by Anthem Blue Cross and Kaiser, in addition to KHS. This means members will be transitioning away from Health Net, into other options. Also, members who receive care from Kaiser through a subcontract with KHS will transition directly to Kaiser. DHCS released a transition guide and accompanying APL in late June. The guide includes requirements to ensure a smooth transition for members who are exiting Health Net. Additional guidance is expected via an updated transition guide in August. Due to these requirements, an internal project team is forming to prepare for the upcoming transition.

## **LEGISLATIVE SUMMARY UPDATE**

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**State Legislation:** There was a key deadline for bills to pass out of Policy Committees in mid-July. With this deadline passing, an additional handful of bills that were being tracked are no longer moving forward this session. The legislature reconvened from its summer recess in mid-August. They have until the end of the month to advance bills out of their fiscal committees. To-date, staff are still tracking over 50 bills of relevance. The bill tracking document is included under **Attachment C: Bill Tracking**. Staff remain highly engaged with our Associations in prioritizing, reviewing, and advocating on relevant bills. Additionally, the team recently completed productive in-person meetings with our local delegation chiefs of staff and legislative directors.

**State Budget:** The 2023-2024 state budget was finalized on July 10<sup>th</sup>. Despite budget shortfalls, Medi-Cal was spared any major cuts. Initiatives such as CalAIM and the Expansion of Medi-Cal to Adults regardless of immigration status remain on track. One major new revenue generator is the revised Managed Care Organization (MCO) tax proposal. The previous version of this tax was allowed to expire at the end of 2022. The final state budget included over \$19 billion to be generated through the MCO tax in a combination of State and Federal funds. For the first time, a significant portion of those MCO tax funds will be reinvested back into the Medi-Cal program. For 2024 this means increasing reimbursement rates to 87.5% of Medicare for certain primary care, maternity care, and non-specialty mental health services. Proposals for future year provider reimbursement increases will be outlined in next year's State Budget. The MCO tax proposal also included investments in residency slots, loans for distressed hospitals, and funding to hospitals for seismic retrofitting.

## Student Behavioral Health Incentive Program (SBHIP)

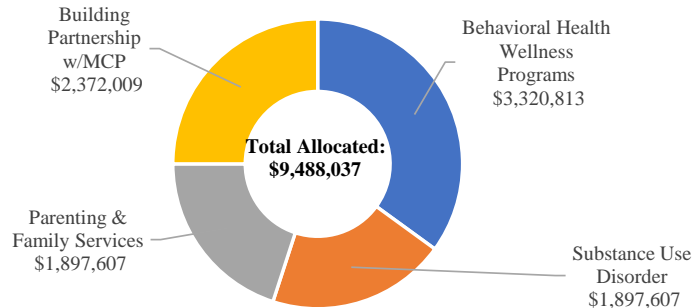
### \$9.5M Allocated Funds

Awardees include **8** Local Education Agencies (LEAs)

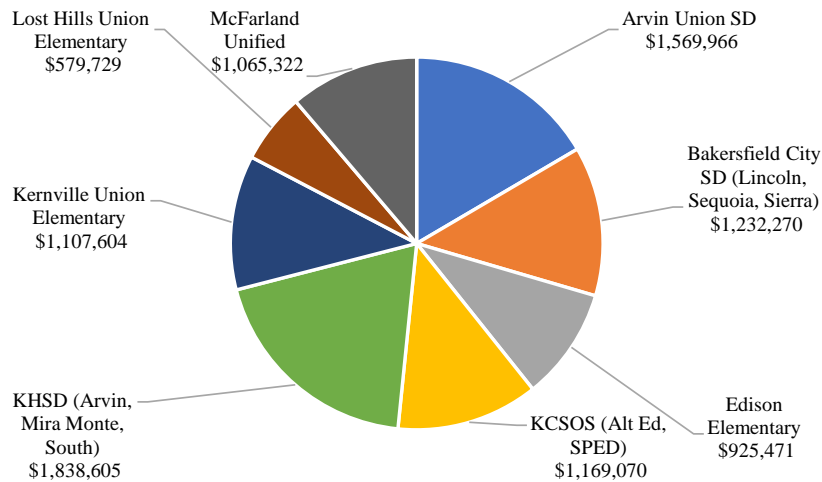
**Project Period:** January 1, 2023, to December 31, 2024

**Background:** The State Budget for 2021-2022 included \$13.2 million over three years in incentive funding to build infrastructure, partnerships, and capacity for school behavioral health services in Kern County. KHS and HealthNet collaboratively convened several stakeholders in Kern County including local education and behavioral health agencies, to collectively identify specific school districts, student populations, and interventions to build infrastructure and support behavioral services on or near campuses. Final fund distribution is contingent on meeting all DHCS outcomes.

### Allocation by Initiative



### Allocation by School District



### Current Status | Next Steps

Kern County Superintendent of Schools (KCSOS) will serve as the fiduciary intermediary for fund distribution to each of the identified school districts. **Each participating school districts submitted its first bi-quarterly reports in June 2023 for DHCS review and once approved, additional SBHIP funds will be released for distribution.**

Examples of the districts targeted interventions include expansion on family resource centers, teacher trainings, social worker staff recruiting, implementation of a referral tracking system, expansion of telehealth services, onsite behavioral health staff, and expansion of modular space for service offerings.

## Incentive Payment Program Funding Awards: CSS & ECM

**\$12.2** Awarded

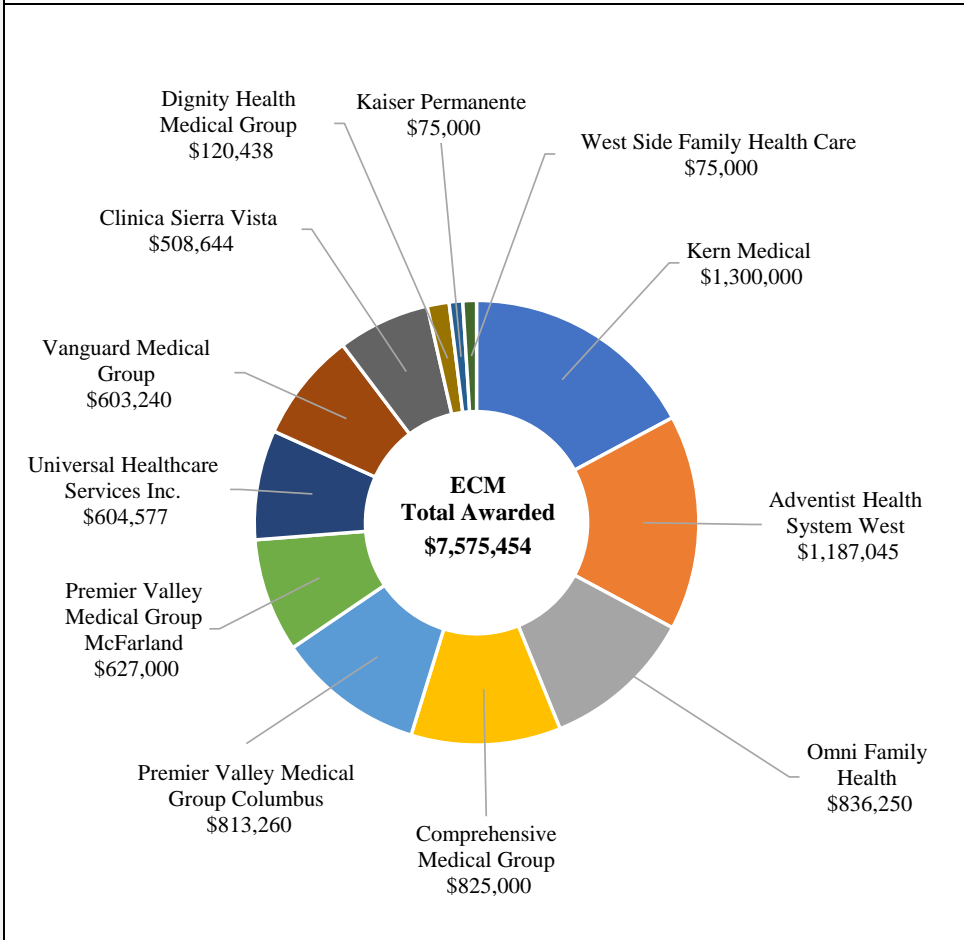
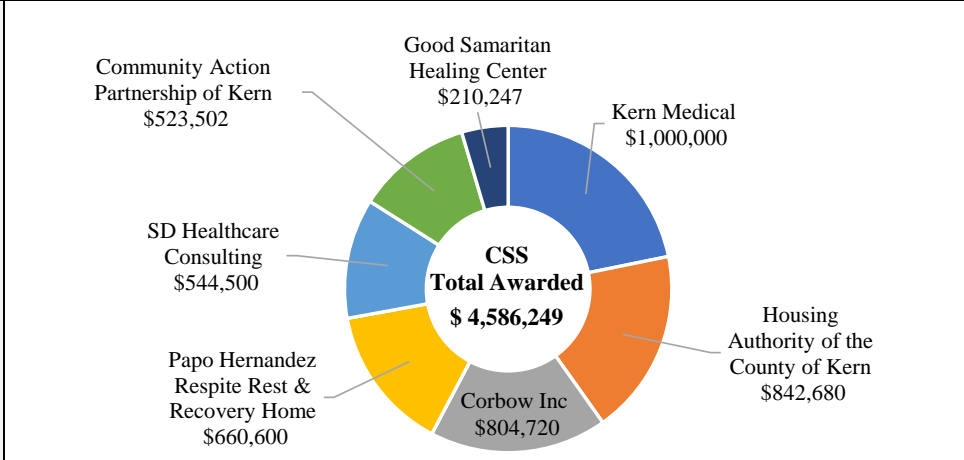
**7** CSS Organizations Funded

**12** ECM Organizations Funded

**Project Period:** January 1, 2022, to December 31, 2023

**Background:** The CalAIM Incentive Payment Program (IPP) is intended to support the implementation and expansion of Enhanced Care Management (ECM) and Community Supports (CSS) by incentivizing managed care plans (MCPs) to invest in provider capacity and delivery system infrastructure; bridge current silos across physical and behavioral health care service delivery; reduce health disparities and promote health equity; achieve improvements in quality performance; and encourage take-up of Community Supports.

KHS has awarded IPP Funding to the following providers to expand on ECM & CSS services. Final fund distribution is contingent on meeting all DHCS outcomes.



<p><b>Current Status</b></p>	<ul style="list-style-type: none"> <li>• Universal Health Care Niles went live July 1, 2023, ECM program serving East Bakersfield. Population of focus: adult and children.</li> <li>• SD Consulting went live July 1, 2023, providing Community support Services to Delano and Bakersfield for:             <ul style="list-style-type: none"> <li>○ Asthma Remediation</li> <li>○ Personal Care and Homemaker</li> <li>○ Respite Caregiver</li> </ul> </li> <li>• Bakersfield Community Healthcare went live July 1, 2023, providing CS services in Bakersfield and throughout Kern County for:             <ul style="list-style-type: none"> <li>○ Nursing Facility/Diversion to Assisted Living Facilities, such as Residential Care Facilities for elderly and adult residential facilities.</li> <li>○ Community Transition Services/Nursing Facility Transition to a home.</li> </ul> </li> <li>• Kern Medical is in the process of completing onboarding to provide Recuperative Care Services at Brundage Lane Navigation Center in Bakersfield.             <ul style="list-style-type: none"> <li>○ 19 beds will be available for members needing recuperative care services.</li> </ul> </li> </ul>
<p><b>Next Steps</b></p>	<ul style="list-style-type: none"> <li>• Premier Valley Medical Group scheduled to go live on September 1, 2023, providing ECM services in McFarland and surrounding areas.</li> <li>• Clinica Sierra Vista is scheduled to go live September 1, 2023, providing ECM services in Delano.</li> <li>• Good Samaritan Healing Center, scheduled to go live on September 1, 2023, providing Community Support in McFarland and surrounding areas for:             <ul style="list-style-type: none"> <li>○ Short Term Post Hospitalization</li> <li>○ Recuperative Care</li> </ul> </li> </ul>



## Housing and Homelessness Incentive Program

**\$19.3M Awarded**

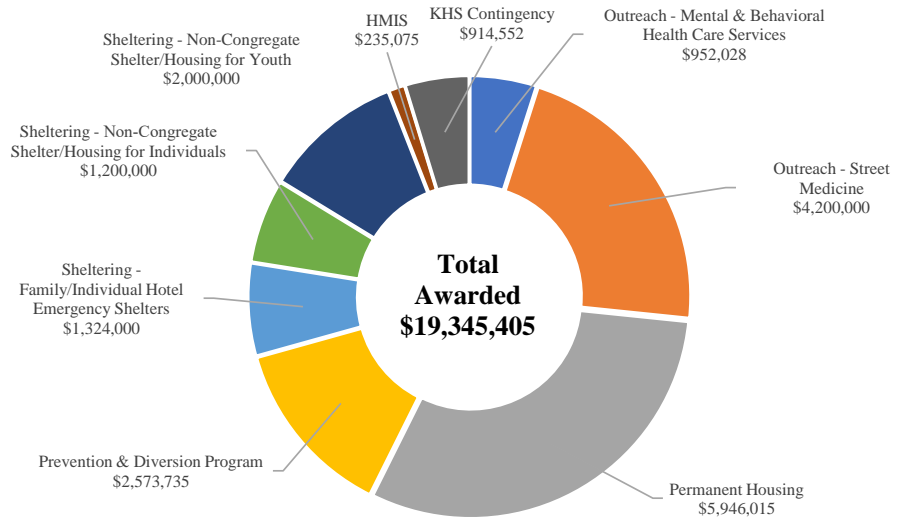
**19 Providers & Community Based Organizations Funded**

**Project Period:**

January 1, 2022, to December 31, 2023

Background: As a part of the State’s overarching home and community-based services (HCBS) spending plan, the California Department of Health Care Services (DHCS) launched the Housing and Homelessness Incentive Program (HHIP).

HHIP aims to prevent and reduce homelessness and housing instability & insecurity by addressing social determinants of health while improving health outcomes and accessibility to whole-person care for those who are a part of the Medi-Cal population and simultaneously experiencing or at risk of being homeless. Final fund distribution is contingent on meeting all DHCS outcomes.



Provider/CBO	Service	Amount Awarded
California Veterans Assistance Foundation	Permanent Housing	\$ 500,000
Casa Esperanza	Permanent Housing	\$ 540,015
Casa Esperanza	Prevention & Diversion Program	\$ 359,985
Chaparral Medical group	Outreach - Street Medicine	\$ 2,600,000
Chaparral Medical group	Permanent Housing	\$ 3,900,000
Clinica Sierra Vista	Outreach - Street Medicine	\$ 850,000
Corbow Inc	Prevention & Diversion Program	\$ 1,000,000
Flood Ministries	Outreach - Street Medicine	\$ 550,000
Golden Empire Affordable Housing, Inc	Permanent Housing	\$ 206,000
Habitat for Humanity Golden Empire	Prevention & Diversion Program	\$ 713,750
Housing Authority of the County of Kern	Permanent Housing	\$ 800,000
Housing Authority of the County of Kern	Sheltering - Non-Congregate Shelter/Housing for Youth	\$ 700,000
Housing Authority of the County of Kern	Sheltering - Non-Congregate Shelter/Housing for Youth	\$ 1,300,000
Kern Behavioral Health & Recovery Services	Outreach - Mental & Behavioral Health Care Services	\$ 576,000
Kern Behavioral Health & Recovery Services	Sheltering - Family/Individual Hotel Emergency Shelters	\$ 24,000
The Open Door Network	Outreach - Mental & Behavioral Health Care Services	\$ 96,484
The Open Door Network	Outreach - Mental & Behavioral Health Care Services	\$ 279,544
The Open Door Network	Sheltering - Family/Individual Hotel Emergency Shelters	\$ 1,300,000
The Open Door Network	Sheltering - Non-Congregate Shelter/Housing for Individuals	\$ 1,200,000
The Social Servant	Outreach - Street Medicine	\$ 200,000
United Way of Kern	Prevention & Diversion Program	\$ 500,000
HMIS		\$ 235,075
KHS Contingency		\$ 914,552
<b>Total</b>		<b>\$ 19,345,405</b>

<p><b>Current Status</b></p>	<ul style="list-style-type: none"> <li>• Corbow Inc is currently housing 11 LGBTQ + members offering interim sheltering.</li> <li>• Habitat Golden Empire, Prevention &amp; Diversion Program, completed 2 large repairs for elderly or low-income applicants which included HVAC, plumbing, and electrical repairs, 2 additional are in progress. In addition, they completed 40 minor repairs and have 39 others in progress.</li> <li>• Chaparral Medical Group (CMG) has hired 3 full time staff, Advance Practitioner, RN, and 1 Community Health Worker. They will be part of the fist CMG street Medicine team.</li> <li>• Clinica Sierra Vista expanded their Street Medicine team and providing street medicine in rural and urban areas of Kern and metro Bakersfield.</li> <li>• Kern Behavioral Health &amp; Recovery Services provided 55 outreach services in the outlying areas.</li> <li>• Casa Esperanza Transitional Home for Women have hired staff and secured facility and renovations have started.</li> <li>• Housing Authority has completed 50% of rehabilitation work for all three projects.</li> <li>• Golden Empire has housed 5 homeless individuals in Delano.</li> <li>• The Open-Door Network/Alliance Against Family Violence, Sheltering and Expansion family/individual Emergency Sheltering had their grand opening for their Bakersfield site that will be housed up to 11 people experiencing homelessness up to 24 months.</li> <li>• Social Servant provided street outreach to 34 individuals experiencing homelessness. In the last six months, Social Servant has participated in numerous health fairs and street outreach functions engaging a total of 144 members to date.</li> <li>• United Way of Kern County, Prevention and Diversion Program (rental assistance) has hired a full-time staff and has assisted 75 households during last quarter.</li> </ul>
<p><b>Next Steps</b></p>	<ul style="list-style-type: none"> <li>• California Veterans Assistance Foundation will start construction on 12 individual units.</li> <li>• Chaparral will purchase one mobile unit to expand street medicine.</li> <li>• Habitat Golden Empire will continue to conduct minor repairs for elderly.</li> <li>• Kern Behavioral Health and Recovery Services will continue to work closely with landlords to house people experiencing homelessness in outlying areas.</li> </ul>

**KHS AUGUST 2023 ENROLLMENT:**

**Member Demographics**

Member Age		Ethnicity		Language	
0-5	12%	Hispanic	62.7%	English	70%
6-18	30%	Caucasian	16.8%	Spanish	29%
19-44	36%	No Valid Data	9.6%	Other	<1%
45-64	16%	African American	5.8%		
65+	6%	Asian Indian	1.4%		
		Filipino	1.2%		
		Other	<1%		

*Percentage Increase/Decrease in Membership from previous month.*

	Enrollment Type				
	Medi-Cal	Seniors & Persons with Disabilities (SPDs)	Expanded Eligible	Kaiser Permanente (KP)	Total KHS Medi-Cal Managed Care Enrollment
2023-07	239,129	18,128	99,865	15,869	372,991
2023-08	238,486	18,050	100,261	15,953	372,750
% +/-	<b>-0.3%</b>	<b>-0.4%</b>	<b>+0.4%</b>	<b>+0.5%</b>	<b>-0.1%</b>

**Enrollment Update: Enrollment Update:** The unwinding of Medi-Cal continuous enrollment provision began April 1, 2023 for Medi-Cal eligibles who were due to renew their Medi-Cal eligibility starting in June 2023. Thus, beginning in June 2023, the “automated discontinuance process” for Medi-Cal Redeterminations resumed when beneficiaries do not complete the Annual Eligibility Redetermination process. These enrollees lost coverage beginning in July 2023.

**KHS DHS MEDI-CAL RENEWAL PARTNERSHIP**

**Background:** During the public health emergency (PHE), the Department of Health Care Services froze Medi-Cal redeterminations. Thus, the Kern County Department of Human Services suspended their “automated discontinuance process” for Medi-Cal Redeterminations when Medi-Cal beneficiaries did not complete the Annual Eligibility Redetermination process. The unwinding of Medi-Cal continuous enrollment provision began in April 2023 for Medi-Cal eligibles who are due to renew their Medi-Cal eligibility beginning in June 2023. During the unwinding of Medi-Cal continuous enrollment, the State, County, KHS and other stakeholders are working together to ensure continuity of coverage since the complete Medi-Cal redetermination process resumed. Given that more than half of Medi-Cal enrollees complete their annual renewal through the manual mailing process, it is important Kern DHS has updated contact information of Medi-Cal enrollees. Stakeholders, including KHS, are educating residents about the importance of sharing updated contact information such as mailing addresses, phone numbers, email addresses, etc. with Kern DHS. KHS also shares member demographic updates via a data exchange with Kern DHS.

As the unwinding of Medi-Cal continuous enrollment provision began, Kern DHS out stationed two full time Human Services Technicians (HST) staff and one part time Supervisor on-site at KHS. KHS funds these positions to assist Kern DHS process updates from KHS and complete the renewal process for KHS members. In addition to the 2.5 DHS staff, KHS has brought on board 20 additional staff (Member Navigators) who are fully trained to answer redetermination questions and can help members complete the renewal process. In April 2023, Kern DHS began sharing eligibility data with KHS that includes which members must complete the manual mailing renewal process along with timelines and due dates. KHS is communicating the importance of completing this process to members using text messages, mail, robocalls, phone calls, and the KFHC Member Portal. KHS is also sharing renewal information with staff and contracted providers so they can inform members of their upcoming renewal date and connect them with help completing the process.

**Update:** KHS brought on board five (5) additional staff (Community Enrollment Navigators) to answer redetermination questions and help members complete the renewal process. The Community Navigators are located at provider/community partner sites in Bakersfield and the outlying areas of Delano, McFarland, Taft, and Arvin. We also began conducting direct outreach to the disenrolled members in a hold status who have 90 days (from disenrollment date) to complete their renewal to be retroactively enrolled to their disenrollment date. In addition, the KFHC Advertising Campaign was revised to focus on redetermination awareness and encouraging members to take action. Please see **Attachment D: “Keep Your Medi-Cal. Renew Today!” Advertisements**. As a result of these efforts, of the 20,171 members requiring redetermination in August, 7,579 members or 37.57% have been successfully renewed. We will continue to reach out to the remaining 12,592 or 62.43% to remind them of the need to complete the redetermination process. The redetermination process for September members has recently begun. As of August 1, 6,098 members or 28.75% have been successfully renewed. This redetermination process will continue on a monthly basis until all 372,000 KHS members have gone thru the redetermination process by June of 2024.

**Next Steps:** KHS will continue the direct member outreach activities along with working with providers, local Medi-Cal enrollment entities, and community-based organizations to support the correct completion of the renewal applications which Kern DHS will review and use to determine eligibility. We will also continue direct outreach to the disenrolled members in a hold status.

## COMMUNITY EVENTS

<b>KHS will share sponsorship in the following events in June and July:</b>			
<b>Organization Name</b>	<b>Event Name</b>	<b>Purpose</b>	<b>Donated Amount</b>
Kern Valley Hospital Foundation	“River Rhythms, Crab Fest, KVHD Health Fair”	Support Foundation efforts to provide scholarships, promote exercise, healthy eating, and field trips for Skilled Nursing Facility patients	\$5,000
Kern Medical	“Party in the Parking Lot” – physicals, wellness checks, immunizations	Kids received physicals, wellness checks, immunizations, haircuts, a backpack, and giveaways.	\$5,200
Dignity Health Community Health Initiative	Training to Certified Enrollment Counselors (CEC) in support of Medi-Cal Redeterminations.	Funding will support materials and food service costs for three trainings in 2023 (each two-day trainings).	\$3,550
Bakersfield Recovery Services	“Back to School - Backpack Community Outreach”	Hosted a backpack event and resource fair at their location for elementary students at northeast Bakersfield schools.	\$500
Safe Haven Kid's League of California City	“Back 2 School Backpack Giveaway & Community/Youth Fair”	Hosted a backpack event and resource fair for local students.	\$1,000
Vision y Compromiso	“Back to School Summer Fest”	Hosted a backpack event and resource fair for local students in East Bakersfield.	\$1,000
Kern County Hispanic Chamber of Commerce	“27th Annual Hispanic Business Expo”	An expo featuring local businesses including the KHS recruitment team.	\$2,000
Noel Alexandria Foundation	“6th Annual Running with the Angels 5K Run/Walk”	Raise awareness and provide resources to families affected by pregnancy & infant loss.	\$750
The Blessing Corner	“Blessings and BBQ Drive Thru Fundraisers”	Support much-needed repair services of their building (flooring, new roof) after experiencing a flood.	\$1,000
Kern Athletic Fencing Foundation	“3 <sup>rd</sup> Annual En Garde Gala”	Support healthy development of children and those with special needs.	\$1,500
Kern County Hispanic Chamber of Commerce	“El Grito de Dolores” – commemoration of Mexican Independence	Support local commemoration of Mexican Independence.	\$2,000
Housing Authority: Housing and Opportunity Foundation	“Rock the Foundation”	Support, educate, and empower those in low-income housing to break the cycle of poverty	\$5,000
Kern County Cancer Foundation	“Kern Cancer Run/Walk Festival 2023”	Benefit pediatric transportation and financial assistance programs for cancer patients and their families.	\$1,000
Links for Life	“5K Lace’n It Up 5K Fun Run and Celebration Walk”	Provide breast cancer services to Kern County residents.	\$2,500

<b>KHS will also participate in the following events in August:</b>		
<b>Event Name</b>	<b>Time</b>	<b>Location</b>
Wonderful College Prep Academy “Back to School Parent Orientation”	Wednesday, August 2 <sup>nd</sup> 4:30pm – 7:30pm	Wonderful College Prep Academy – Delano & Lost Hills
Kern County Child Support Services “Ready, Set, Back to School Event”	Thursday, August 3 <sup>rd</sup> 9:00am – 12:00pm	Kern County Museum
The Blessing Corner “Back to School Event”	Friday, August 4 <sup>th</sup> 9:00am – 12:00pm	The Blessing Corner Ministries
Dreams and Hope for the Children “Back 2 School Event”	Monday, August 14 <sup>th</sup> 8:00am – 12:30pm	Sheriff’s Activity League

**Employee Video Newsletter**

KHS’ Video Employee Newsletter can be seen by clicking the following link:

<https://vimeo.com/852471920/5b286fbeat?share=copy>

**KHS Media Clips**

We compiled local media coverage that KHS received in June and July. Please see **Attachment E: Public Relations/Publicity Media Clips.**

**KHS ORGANIZATIONAL | COMMUNITY | MEMBERSHIP HIGHLIGHTS**

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**Kern PATH CPI – In-Person Meeting | June 27, 2023**

The Kern PATH Collaborative Planning and Implementation (CPI) Initiative, formerly known as the CalAIM Roundtable, promotes monthly engagement from contracted and prospective CalAIM partners with co-direction from designated facilitators and Plan leadership closely coordinating local programming, priorities, and operational strategy.

On June 27th, 2023, The Kern PATH CPI held its first in-person group meeting event from 12-3pm in Bakersfield with the purpose to build relationships and connections among Enhanced Care Management (ECM) and Community Supports providers, level set attendees’ understanding of CalAIM, gain clarity on the gaps impacting the Collaborative, identify best practices, propose solutions, and vision cast Kern County’s Community of Care. Sponsored by the DHCS, the HC2 Strategies Team alongside KHS and HealthNet welcomed over 75 registrants to connect face to face. Ongoing virtual meetings will continue to cover the following priority areas: Challenges and Opportunities, CalAIM Funding and Resources Updates, Data exchange opportunities, Provider Spotlights, Managed Care Plan Updates: Community Supports and Enhanced Care Management, and Participant choice between various breakout sessions. As a result of the successful June 27<sup>th</sup> event, these in-person meetings will continue quarterly. Other avenues for engagement with the Kern PATH CPI include Kern CalAIM PATH Steering Committee participation, CalAIM Provider Forum, CalAIM 101, and HC2 Office Hours.

**DHCS Listening Tour | June 28, 2023**

As part of the statewide DHCS Listening Tour, representatives from DHCS were on site to engage with KHS and community providers about topics ranging from CalAIM initiatives, Quality measures and performance, Behavioral Health, and much more. The session was attended by physicians, community-based organizations, community supports providers, and other vital members of the local health care community. A robust and productive dialogue was had, with the exchange of many great ideas that will shape the future of the Medi-Cal program.



**Provider Forum | June 28, 2023**

On June 28th, 2023, Kern Health Systems (KHS) hosted the second Provider Forum of the year. Various topics were discussed including Population Health Management, Enhanced Care Management, Community Support Services, Health Equity, and KHS Operational updates. The forum began with an introduction by the KHS Chief Executive Officer, Emily Duran. Emily provided an overview of the Medi-Cal renewal process and thanked everyone in attendance for their assistance in helping members complete their renewals and also for the quality care provided to KHS members, their patients.

- Population Health Management (PHM) was presented by Dr. Sukhpreet Sidhu, Medical Director, who discussed the areas of focus, Community Health Workers, and status of the program.
- Enhanced Care Management (ECM) was presented by Loni Hill-Pirtle, Director of Enhanced Care Management, provided an overview of the services members who are enrolled in the ECM

program receive. In addition, Loni also detailed the populations of focus and the locations where members can receive ECM services.

- Community Support Services (CSS) was presented by Adriana Salinas, Director of Community and Social Services. Adriana provided an overview of the CSS program including all current and future Community Support partners.
- Health Equity (HE) was presented by Pawan Gill, Health Equity Manger, where she provided an overview of the HE objectives and projected timelines.
- KHS Operational Updates were given by Alan Avery, Chief Operations Officer . Topics of discussion included Claims, Member Services Department statistics, and Member Grievances.

KHS hosted a total of 176 attendees and 51 Provider Groups. Positive feedback was received by attendees regarding the topics discussed.





### 2023 Summer Externship Update

KHS is currently wrapping up its 2023 Summer Externship Program that was announced earlier this year in April. There was an overwhelming response of 184 applicants during the short 10-day application window. Over 100 interviews were conducted, and 40 offers were extended to high school and college students that met all the requirements. The externs joined the KHS team from May to June working part-time through August.

The program was extremely rewarding for all with many success stories shared. One extern had no plans to attend college, but after his experience and mentorship at KHS, he applied to Bakersfield College, majoring in Computer Science. Others expressed their newfound respect for the organization, the leaders, and the community work done for our members. The testimonials were truly heartfelt and encouraging. We look forward to sponsoring this event again in 2024 and beyond.



### KHS Member Highlight

On June 26, 2023, the Community and Social Service (CSS) Supervisor received notification from The Social Servant of a family in immediate need of Housing Services. The CSS Supervisor contacted the family and encountered a mother in tears and desperate for assistance. The mother stated her family consisted of seven children, ages 12 months to 14 years old that were Kern Family Health Care Members; they had just received a 3-day eviction notice from their landlord. The mother explained that her husband had recently been deported, and although she had attempted to work as an agricultural fieldworker to financially sustain her children, she was unable to do so because much of her time and resources were devoted to her 4-year-old son who suffered from a heart condition. Her son had recently experienced two heart surgeries and was often required to travel for medical care to a specialist at UCLA Childrens Hospital.

The mother stated that she had already contacted 2-1-1 for help and had been referred to many of Kern County's community agencies for assistance. Sadly, many had turned her away due to her own undocumented citizenship status, a lack of funding that several community agencies were currently experiencing, and other reasons. She had even applied for SSI benefits for her sick child, and that request had also been denied. Her final attempt for help was to reach out Kern Family Health Care.

The CSS Supervisor reluctantly informed the mother that due to HUD guidelines that restrict services to undocumented individuals, she and her family did not qualify to receive housing services through Kern Health Systems. The CSS Supervisor assured her that KHS would make every effort to provide her family support, even though the mother was not herself a KHS Member.

The CSS Supervisor immediately reached out to the Health Equity (HE) Manager for assistance. The team understood the urgency and quickly began to reach out for resource options that might be available to the mother. The Team was able to successfully find the financial support to keep the family safely in their home, entities that would provide information for potential support of U.S. residency, and resources to care for the medical needs of her sick child.

Subsequently, the mother reached out to the CSS Supervisor, emotionally expressing her gratitude for the help she received. The mother stated she could not believe that an insurance company would take the time to help an undocumented mother and her family, as she felt undeserving. Her expressions of deep gratitude reflected the exceptional service delivered by our leaders, and the embodiment of KHS's aspiration to provide whole-person care for people of all backgrounds.

#### **KHS Program Highlight**

The Enhanced Care Management (ECM) program was implemented in January of 2022. ECM evolved out of the CalAIM (California Advancing and Innovating Medi-Cal) Initiative through the Department of Health Care Services (DHCS) and replaced the Health Homes Program (HHP). ECM modified the focus of managing members with chronic medical conditions to also address social determinants of health. ECM supports Kern Health Systems members through a whole-person and interdisciplinary approach to comprehensive case management/care coordination. The program has been designed to focus on our highest-cost and highest-need members. KHS members have eligibility into the program as prescribed by DHCS. In 2022, the program primarily focused on the Adult Populations of Focus, including:

- Adults and/or Families experiencing homelessness and experiencing at least one complex physical, behavioral, or developmental need.
- Adults at risk for avoidable hospital or ED utilization (5 or more ED visits or 3 or more unplanned hospital visits in the last 6 months).
- Adults with serious mental health issues and/or substance use disorder needs.
- Adults transitioning from incarceration (due to being a WPC county, the WPC pilot ended and was brought into the ECM initiative).

In January of 2022, 9 providers rolled over into the ECM program from HHP. Throughout 2022, KHS focused substantial resources on the implementation, expansion, and success of the overall program. By

the end of 2022, seven (7) more providers were added. DHCS has recently released embargoed data regarding the performance of ECM for each county, by each managed care plan. **We are excited to report that Kern Health Systems has the 5<sup>th</sup> highest percentage of membership enrolled in ECM overall, at 1.89% (Table 1).** Out of an average of 334,390 overall members for 2022, 6,310 KHS members were enrolled into ECM. Even more notable is that amongst Local Health Plans in California, Kern Health Systems has the 2<sup>nd</sup> highest enrollment in the state! A full report outlining ECM data can be found at: <https://storymaps.arcgis.com/collections/53cc039bc1d54e2e9fc0ac92f5b6511a>

Plan – Level Data Summary for ECM in CY 2022				
Plan	Total MCP Members	# of Counties Served	# of ECM Members	ECM Penetration Rate
AIDS Healthcare Foundation	787	1	45	5.72%
Contra Costa Health Plan	230,564	1	8,036	3.49%
Molina Healthcare of California	238,624	5	5,312	2.23%
Aetna Better Health of California	46,885	2	961	2.05%
<b>Kern Health Systems</b>	<b>334,390</b>	<b>1</b>	<b>6,310</b>	<b>1.89%</b>
Blue Shield of California Promise	121,882	1	1,619	1.33%
L.A. Care Health Plan	2,469,530	1	30,877	1.25%
Community Health Group	321,341	1	3,791	1.18%
Santa Clara Family Health Plan	297,765	1	3,297	1.11%
Inland Empire Health Plan	1,521,235	2	15,889	1.04%

*Table 1.*

In 2023, our ECM program has continued its focus on expansion, quality, and continued success of the program. We have added two (2) more Adult Populations of Focus, including Adults living in the community and at risk for long-term care institutionalization and adult nursing facility residents transitioning to the community. KHS has also added the Children/Youth Populations of Focus as of July 1<sup>st</sup>, including:

- Children/Youth experiencing homelessness.
- Children/Youth at risk for avoidable hospital or ED utilization (three (3) or more ED visits or two (2) or more unplanned hospital visits in the last 12 months).
- Children/Youth with serious mental health and/or substance use disorder needs.
- Children/Youth transitioning from a youth correctional facility.
- Children/Youth enrolled in CCS (California Children’s Services) and are experiencing at least one complex social factor.
- Children/Youth Involved in Child Welfare

So far, KHS has added four (4) new providers this year, and we are currently working to add five (5) additional providers (possibly more) by the end of the year. We are excited to continue this journey and will continue to focus on ensuring continued enrollment and success of the program.



### Strategic Plan Status Report: Q2 2023

Goal 1	
<b>Goal Name   Description</b>	<b><u>Quality and Equity</u></b> Deliver exceptional quality outcomes and health equity for KHS members
<b>Strategy 1</b>	Increase overall quality with a drive toward achieving Managed Care Accountability Set (MCAS) Minimum Performance Levels (MPL) and closing disparity gaps.
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>Developed Quality Grant program to invest in quality initiatives, pending approval by the KHS Board of Directors.</li> <li>Finalized pilot program to impact measures related to substance use and behavioral health follow-up visits.</li> <li>Updated MCAS dashboard to include urgency/completion stratification as well as member geographical information.</li> <li>Created initiatives in Member Services, QI, and with the providers for Gaps in Care outreach and closure.</li> <li>Conducting education and outreach including provider meetings, bulletins, and various community events.</li> </ul>
<b>Strategy 2</b>	Meet National Committee for Quality Assurance (NCQA) standards and work toward accreditation.
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>Comprehensive NCQA gap analysis and readiness assessment has been completed.</li> <li>Implementation timeline, strategy, and workplan developed.</li> <li>Initiating work according to the workplan.</li> </ul>
<b>Strategy 3</b>	Further maturity of the organization's Health Equity programs under the direction of the Chief Health Equity Officer.
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>Initial set of Quality Improvement and Health Equity Transformation Program (QIHETP) policies and procedures documented and approved. Additional strategic direction in development.</li> <li>Ongoing Diversity, Equity, and Inclusion work related to demographic data review and the development of Health Equity training program.</li> </ul>

**Strategic Plan Status Report: Q2 2023**

Goal 2	
<b>Goal Name   Description</b>	<b><u>Workforce</u></b> Develop initiatives for the recruitment and retention of both internal and external workforce needed to fulfill KHS' mission
<b>Strategy 1</b>	Identify Provider Network needs and gaps to inform target areas and approaches.
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>Finalized 2022 Network Capacity Report. Results were used in conjunction with on-going Quarterly Monitoring activities for identifying appropriate gap closure opportunities.</li> </ul>
<b>Strategy 2</b>	Strengthen and expand the KHS provider network through innovative and effective recruitment and retention programs.
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>Development of Provider Recruitment and Retention Grant Program and Healthcare Workforce Expansion Project.</li> <li>Contracted with additional Long Term Care facilities. KHS is now contracted with 94% of all LTC facilities in Kern.</li> <li>BC and CSUB Nursing and Social Worker scholarships awarded.</li> </ul>
<b>Strategy 3</b>	Identify business needs and gaps in current workforce to inform target areas and approaches.
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>Collaborative discussions with other Local Health Plans to review organizational structure best-practices.</li> <li>Ongoing internal work to review open and on-hold positions to ensure organizational needs are met.</li> </ul>
<b>Strategy 4</b>	Meet the growing operational demands of the organization by creating recruitment and retention programs for internal staffing and leadership needs.
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>Summer externship program was developed and launched.</li> <li>Updated KHS sign-on bonus program to align with latest market trends.</li> <li>Development in progress of the updated Recruitment and Retention Strategy.</li> </ul>

**Strategic Plan Status Report: Q2 2023**

<b>Goal 3</b>	
<b>Goal Name   Description</b>	<b><u>CalAIM</u></b> Continue to develop, implement, and grow the programs and policies included under DHCS' CalAIM initiative
<b>Strategy 1</b>	Continued growth and maturity of existing CalAIM programs – Population Health Management, Enhanced Care Management, Community Supports, and Long-Term Care.
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>• Expansion of ECM providers to an additional 3 locations which launched on or before 7/1.</li> <li>• Continued growth in contracting with Community Based Organizations to offer Community Supports.</li> <li>• Developed Admission, Discharge, and Transfer (ADT) data sharing with Kern Medical. Additional facilities are in progress.</li> </ul>
<b>Strategy 2</b>	Strengthen Existing and Establish New Community Partnerships to Support CalAIM.
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>• Recurring meetings with current and prospective CalAIM providers discussing program opportunities.</li> <li>• Reviewed and approved Program Year 2 Grant Funding requests for the CalAIM Incentive Payment Program.</li> <li>• Ongoing participation in a variety of community collaborative meetings.</li> </ul>
<b>Strategy 3</b>	Ongoing collaboration between KHS staff and the Department of Health Care Services (DHCS) on the development and implementation of future CalAIM initiatives.
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>• Internal project work underway to prepare for Phase II of the Long-Term Care transition effective 1/1/24.</li> <li>• Completed extensive work to launch a new Enhanced Care Management Population of Focus for Children and Youth.</li> </ul>

**Strategic Plan Status Report: Q2 2023**

<b>Goal 4</b>	
<b>Goal Name   Description</b>	<p><b><u>Medicare Duals Special Needs Plan (D-SNP)</u></b></p> <p>Develop and implement a competitive Medicare Duals Special Needs Plan (D-SNP) product in alignment with State and Federal requirements</p>
<b>Strategy 1</b>	Development of the long-term D-SNP strategy and implementation roadmap.
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>Finalized development of a 3-year product roadmap and timeline.</li> <li>Conducting population analysis to assess risk and developing overall Health Services strategy.</li> <li>Refining strategy and milestones for 2024 in support of annual internal planning.</li> </ul>
<b>Strategy 2</b>	Analysis of the appropriate market factors to maximize the competitiveness of the product.
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>Market and Competitor analysis completed for 2023.</li> </ul>
<b>Strategy 3</b>	Design and implementation of an efficient Medicare D-SNP offering with competitive advantages, leveraging KHS innovation and new business/new product development capabilities.
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>Conducting gap analysis and requirements gathering across functional areas.</li> <li>Developed 2023 and 2024 staffing model and resource plan.</li> <li>Reviewed provider network and creating provider payment and engagement strategies.</li> </ul>

**Strategic Plan Status Report: Q2 2023**

<b>Goal 5</b>	
<b>Goal Name   Description</b>	<b><u>Behavioral Health</u></b> Improve the integration, coordination and outcomes for members experiencing behavioral and mental health conditions
<b>Strategy 1</b>	Development and maturity of an internal Behavioral Health Department.
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>Initial Behavioral Health framework and policies completed. Continued development of additional policies and procedures to meet regulatory guidelines.</li> <li>Finalized hiring 2023 budgeted Behavioral Health staff.</li> <li>Executed amended scope of work and modified rates with 1 Behavioral Health Provider. Additional 2 contracts are being negotiated.</li> </ul>
<b>Strategy 2</b>	Evaluate and ensure the mental health provider network is adequate to provide all outlined non specialty mental health services (NSMHS).
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>Conducting internal analytics and surveys on provider capacity and appointment wait times to identify gaps in the network.</li> <li>Ongoing meetings with Kern Behavioral Health and Recovery Services (KBHRS) to share referrals/screenings for BH Services.</li> </ul>
<b>Strategy 3</b>	Communication and coordination with County Behavioral Health regarding DHCS requirements.
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>Established internal processes to coordinate referrals and developing policies and procedures to automate referrals.</li> <li>Developing a communication strategy to continue to engage KBHRS on coordination of DHCS requirements.</li> </ul>
<b>Strategy 4</b>	Further evaluate and develop the implementation of Primary Care Provider Roles with Substance Use Disorder services / Medication Assisted Treatment (MAT) services.
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>Completed phase 1 of analysis of provider data to determine usage of MAT medications.</li> <li>Met with Narcotic Treatment Programs (NTP) provider for initial outreach for potential new business opportunities.</li> </ul>



**Strategic Plan Status Report: Q2 2023**

Goal 6	
<b>Goal Name   Description</b>	<b><u>Member Engagement</u></b> Increase member engagement in their health care
<b>Strategy 1</b>	Identify and implement innovative and effective offerings designed to engage members more in their health care.
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>Developed job descriptions, conducted interviews, and hired Community Engagement Coordinator position. Additional candidates identified and being interviewed.</li> <li>Continued to support and expand street medicine initiatives designed to meet members where they are.</li> <li>Conducted proactive outreach to members in need of services and addressed barriers in receiving necessary care.</li> </ul>
<b>Strategy 2:</b>	Work with internal staff and external partners to develop strategies that ensure continuity of coverage for our members.
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>Finalized recurring data sharing process with County Department of Human Services (DHS) to bi-directionally share member demographic and re-enrollment information to assist in redetermination efforts.</li> <li>Ongoing execution of comprehensive multi-channel outreach efforts to members due for Medi-Cal redetermination.</li> <li>Engaging with local providers and community organizations to assist with the identification and education of members on the redetermination process.</li> </ul>
<b>Strategy 3:</b>	Leverage convenient technology to enhance the effectiveness of engagement and suit members’ needs.
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>Kicked-off internal project related to a Member Rewards software system Request for Proposal (RFP).</li> <li>Enhanced internal visibility into member gaps in care, to allow additional staff to assist in directing members to care.</li> </ul>

**Strategic Plan Status Report: Q2 2023**

Goal 7	
<b>Goal Name   Description</b>	<p><b><u>KHS Foundation</u></b></p> <p>Explore the opportunity for KHS to create a non-profit foundation to further its mission in the community</p>
<b>Strategy 1</b>	Conduct exploratory analysis of the necessary major components needed for the creation of a KHS non-profit foundation.
<b>Accomplishments</b>	<ul style="list-style-type: none"> <li>Finalized preliminary research on a potential KHS foundation, e.g., financials, goals, timelines.</li> <li>Initiated conversations with legal experts to advise on the filing requirements.</li> <li>Developing board presentation to review next steps.</li> </ul>



**Corporate Goals Status: Q2 2023**

Corporate Goal 1					
Name	<b>Behavioral Health Program</b>				
Description	Over the last several years, managed care plans have experienced a number of behavioral health focused services that transitioned under their scope of services. In 2018, the managed care plans assumed responsibility of Autistic Behavioral Therapy (ABA) and non-specialty mental health service delivery. Most recently, the plans are to collaborate with the specialty mental health provider to incorporate a “No Wrong Door” structure which requires close engagement between providers in coordinating behavioral and mental health care for the member, regardless of initial screening or service entry point. KHS currently lacks the personnel to oversee the services specific to behavioral health, and with an increased focus in care integrations, the need to develop a department is essential.				
Deliverables	Start Date	Due Date	% Complete	Q2 Status	
Develop and incorporate a Behavioral Health department into the KHS organizational structure. Create/update policies, procedures and operationalize the department in the 1st – 2nd Quarter, 2023.	1/1/2023	6/30/2023	100%	Initial Behavioral Health framework and policies completed.  Ongoing development of additional policies and procedures. Finalized hiring 2023 budgeted Behavioral Health staff.  Ongoing execution of the Behavioral Health Corporate Project, under the direction of the Behavioral Health Director.	
Evaluate and ensure the mental health provider network is adequate to provide all outlined non specialty mental health services (NSMHS) and communicate with MHPs regarding DHCS requirements. Create a formal collaborative structure with Kern Behavioral Health and Recovery Services and other entities that provide behavioral and mental health services during the 2nd Quarter, 2023.	1/1/2023	6/30/2023	100%	Internal structures established, and communications lines with Kern Behavioral Health and Recovery Services (KBHRS) are in place.  Ongoing internal analytics and surveys on provider capacity and appointment wait times to identify gaps in the network.  Ongoing collaboration with KBHRS to share referrals/screenings for BH Services.	
Further evaluate and develop the implementation of Primary Care Provider Roles with Substance Use Disorder services / Medication Assisted Treatment services. Coordinate with participating Primary Care Providers, Inpatient Hospitals, Emergency Rooms, or other contracted medical settings for Medications for Addiction Treatment (MAT – aka Medication Assisted Treatment) starting in the 3rd Quarter, 2023.	7/1/2023	12/31/2023	0%	N/A	
Evaluate the availability of emergency stabilization services. Coordinate with participating Primary Care Providers and Kern Behavioral Health and Recovery Services regarding access to care for substance use disorder (SUD) services in the 4th Quarter, 2023.	10/1/2023	12/31/2023	0%	N/A	

**Corporate Goals Status: Q2 2023**

Corporate Goal 2					
Name	Quality and Health Equity Program				
Description	DHCS has published the 2022 Comprehensive Quality Strategy (CQS) that focuses on guiding principles of eliminating health disparities from inherent delivery system bias, using community-based partnerships; data driven improvements that address the whole person; and transparency, accountability and member involvement. These principles and strategies are meant to improve the clinical outcomes of our membership. There are also three specific focus areas that include children’s preventative care, maternity care and birth equity, and behavioral health integration.				
Deliverables	Start Date	Due Date	% Complete	Q2 Status	
Identify organizational structure for the role of a Health Equity Officer, as required in the DHCS CQS. This position will be responsible for carrying out the CQS strategies in collaboration with the Quality Improvement and Population Health Management departments. Project to launch 1st Quarter, 2023.	1/1/2023	3/31/2023	100%	<p>Chief Health Equity Officer hired, and KHS Health Equity Office launched. Policies and procedures are being rolled out continuously.</p> <p>Health Equity Office structure completed and approved. Health Equity staff onboarded.</p> <p>Initial set of Quality Improvement and Health Equity Transformation Program (QIHETP) policies and procedures documented and approved. Additional strategic direction in development.</p>	
Identify and assess members risks guiding the development of care management programs and focused strategies in the 2nd Quarter, 2023.	1/1/2023	6/30/2023	100%	<p>Internal updates to Risk Stratification and Segmentation processes have been completed. Additional updates will occur as needed.</p> <p>Re-structured Care Management (CM) Team to ensure all members received appropriate CM services. Hired LVNs and Community Health Workers to provide Care Management to moderate and low-level risk members.</p>	
Create strategies to engage members as “owners of their own care”. Member Engagement Program - Develop a robust member and community engagement program in the 2nd and 3rd Quarter, 2023	4/1/2023	9/30/2023	40%	<p>Developed job descriptions, conducted interviews, and hired Community Engagement Coordinator position. Additional candidates identified and being interviewed.</p> <p>Continued to support and expand street medicine initiatives designed to meet members where they are.</p> <p>Conducted proactive outreach to members in need of services and addressed barriers in receiving necessary care.</p> <p>Ongoing execution of comprehensive multi-channel outreach efforts to members due for Medi-Cal redetermination.</p>	

## Attachment B

### Corporate Goals Status: Q2 2023

Develop communication strategies that will focus on keeping families and communities healthy via prevention during the 3rd Quarter, 2023.	7/1/2023	9/30/2023	0%	N/A
Create early interventions for rising risk and patient centered chronic disease management by the end of the 3rd Quarter, 2023.	4/1/2023	9/30/2023	60%	Conducted analysis on members diagnosed with obesity and diabetes. Developed special program description and scope of work to address this population. Finalizing provider contracts for this program.
Expand on programs that focus on whole person care for high-risk populations, addressing drivers of health by the end of the 4th Quarter, 2023.	4/1/2023	12/31/2023	60%	Developed and implemented Population Health Management Programs for Maternal Mental Health, Sickle Cell Anemia and eating disorders, and for members enrolled in Community-Based Adult Services and receiving Private Duty Nursing.  Additional program being developed for high-risk pregnancy.

Corporate Goals Status: Q2 2023

Corporate Goal 3				
Name	Health Information Data Exchange & Security			
Description	Kern Health Systems is accountable to the Health Insurance Portability and Accountability Act of 1995 (HIPAA) Security Rule which leverages the National Institute Standards and Technology (NIST) for Information Security (InfoSec) practices. Additionally, the plan is obligated through contracts with the State of California to ensure that the health plan maintains data and systems following these standards. As KHS continues to expand on the health information data exchanges with numerous provider groups that potentially do not have technology safeguards in place, it also raises KHS security concerns. As a result, KHS continuously scrutinizes and updates its information and cyber security protocols and practices to ensure that the best strategies and tools are being used based to provide a secure and protected environment. Over the next year, KHS will establish 24-hour monitoring of its Information Security systems to ensure that there is immediate action to avoid potential threats. After the installation of this new system, KHS will perform its annual 3rd party audit of the Information Security procedures and controls and provide an Executive presentation to key stakeholders.			
Deliverables	Start Date	Due Date	% Complete	Q2 Status
Procure, install, and configure new logging and monitoring system in the 1st Quarter, 2023.	1/1/2023	3/31/2023	100%	Logging and monitoring system has been procured and installed.  Currently monitoring 3rd party events
Perform annual 3rd party audit following the NIST security framework to independently evaluate Kern Health Systems starting the 2nd Quarter, 2023.	4/1/2023	9/30/2023	45%	Developed and published RFQ to solicit vendors to perform security audit. Selection being finalized. <b>Date moved due to ongoing RFQ in progress, overall timeline still on track.</b>  Audit scheduled to occur in August.
Analyze audit and perform risk management and remediation on any findings to close gaps by end of 3rd Quarter, 2023.	7/1/2023	9/30/2023	0%	N/A
Provide an Executive presentation to key stakeholders on the status of the Corporate Information Security strategies and audit by end of 4th Quarter, 2023.	10/1/2023	12/31/2023	0%	N/A

**Corporate Goals Status: Q2 2023**

Corporate Goal 4				
Name	<b>Dual Eligible Special Needs Population (DSNP) and Medicare</b>			
Description	Promoting integrated care by incorporating mandatory Medi-Cal Managed care enrollment for individuals who are dual eligible for (Medi-Cal and Medicare) is part of the CalAIM initiative to improve health. Although this is optional for managed care plans, it is strongly recommended by DHCS. The goal is to promote integration and align enrollment of the DSNP population, increase coordination of care, and better health outcomes. KHS would be eligible to offer a Medicare Advantage product in 2025-2026 contingent on preparation, fiscal and operational feasibility, and both DHCS and CMS approvals. In order to evaluate our role and readiness for this new line of business, the process and preparation is being initiated.			
<b>Goal 4a: National Committee for Quality Assurance (NCQA) Health Plan and Health Equity Accreditation</b>				
One component of DHCS' CalAIM initiative will require Health Plans to receive accreditation from the National Committee for Quality Assurance (NCQA) by 2026. This accreditation consists of a rigorous framework of policies and procedures designed to improve quality and quality measurement. Plans are evaluated across a number of departments and functions including Quality Improvement, Population Health Management, Provider Network Management, Utilization Management, and Member Services. Becoming NCQA accredited will require a multi-year approach to preparation. In 2023 KHS will assess current policy and procedure against the NCQA requirements to build out a remediation plan.				
Deliverables	Start Date	Due Date	% Complete	Q2 Status
KHS will embark in a detailed Medicare Advantage Fiscal and Operational Feasibility study and gap analysis. This will require the procurement of consulting services that have the expertise in Medicare implementation for Medi-Cal focused plans. This process will start in the 1st Quarter of 2023 with final reporting by 4th Quarter, 2023.	1/1/2023	12/31/2023	50%	Initial Milliman Gap Analysis completed by end of 2022. Internal Medicare leadership onboarded, and Corporate Project is executing.  Finalized development of a 3-year product roadmap and timeline. Market and Competitor analysis completed for 2023.  Conducting gap analysis and requirements gathering across functional areas. Developed 2023 and 2024 staffing model and resource plan.
NCQA Gap Analysis will be initiated and will encompass all KHS departments. Education and training will be provided to all stakeholders on NCQA standards and accreditation processes. The Gap Analysis will assess the current plan position against NCQA standards starting in the 1st Quarter, 2023.	12/1/2022	2/28/2023	100%	Procurement completed for NCQA consulting services related to gap analysis and readiness. NCQA gap analysis and readiness assessment has been initiated.  NCQA training conducted on health plan and health equity accreditation. Additional training will occur as needed through the course of the accreditation process.

**Corporate Goals Status: Q2 2023**

Conduct NCQA readiness and gap assessment across all Health Plan functions and relevant NCQA standards starting in the 3rd – 4th Quarter, 2023.	1/1/2023	7/31/2023	80%	Comprehensive NCQA gap analysis and readiness assessment has been completed
Develop a deliverable document with gaps and recommendations for remediation with reference to NCQA standard requirements. Develop timeline for readiness and application process will start in the 3rd – 4th Quarter, 2023.	6/1/2023	12/31/2023	60%	Implementation timeline, strategy, and workplan developed. Initiating work according to the workplan.



## Attachment B

### Corporate Goals Status: Q2 2023

Corporate Goal 5					
Name	DHCS Incentive Programs				
Description	Starting in 2021, DHCS introduced Incentive Programs to promote health plan, provider, and community service organizations collaborative participation to carry out the development of several areas of the CalAIM initiatives. These incentive programs are not a requirement and participation is voluntary, however these funds are available to assist in building program and service delivery models, including infrastructure.				
Goal 5a: Incentive Payment Program (IPP)					
Deliverables	Start Date	Due Date	% Complete	Q2 Status	
KHS will host CalAIM Roundtables in partnership with key stakeholders, and/or continue promoting local engagement efforts with regional partners through diverse forums starting in 1st Quarter, 2023.	1/1/2023	12/31/2023	60%	<p>CalAIM Kern Collaborative meetings held monthly in collaboration with HC2 Strategies and Health Net leadership promoting local engagement efforts with regional partners through this forum.</p> <p>Kern CalAIM Collaborative Steering Committee meeting also meeting monthly to offset planning and priority initiatives introduced at larger CalAIM Kern Collaborative meeting.</p>	
Establish quarterly performance monitoring capabilities ensuring milestones are met by KHS Provider Network and CBOs in order to award Provider proposals with earned dollars for Program Year 2023.	1/1/2023	12/31/2023	60%	<p>Providers are submitting monthly progress reports with updates on milestones.</p> <p>Monthly meetings with providers to offer support to ensure milestones are met and address any challenges.</p> <p>Some milestone completion dates have been adjusted as needed.</p>	
Track high-priority budgeted solutions implemented, respective to each Priority Area strategy, as they are outlined in the Program Year 2 Incentive Payment Measure Set prior to an initial submission scheduled by DHCS by end of 3rd Quarter, 2023.	1/1/2023	9/30/2023	65%	<p>KHS Grant team met with new Providers and CBOs who were awarded funds for IPP PY 2. Funds will be used for the implementation of new ECM programs and CSS services. Milestones and budgets were submitted, reviewed, and agreements were drafted.</p> <p>KHS Grant team is also collecting data in preparation for the DHCS submission due in Q3</p>	
Goal 5b: Housing and Homeless Incentive Program (IPP)					
Deliverables	Start Date	Due Date	% Complete	Q2 Status	
Implement the “Local Homelessness Plan (LHP)” determining what is necessary to meet structural and capacity requirements to fulfill HHIP objectives by 1st Quarter, 2023.	1/1/2023	3/31/2023	100%	<p>Contracts for HHIP were finalized and executed in December 2022. Progression towards fulfilling HHIP objectives is discussed via meetings, committees, and</p>	

**Corporate Goals Status: Q2 2023**

				working groups. HHIP projects are implemented and on track to meet milestones outlined in respective contracts addressing the needs in the County as outlined in the LHP.
Complete and submit to DHCS the “MCP Submission 1” outlining implementation approach to address gaps and needs by February 2023.	1/1/2023	3/10/2023	100%	Staff collected the necessary information for reporting and submitted by DHCS' updated due date of 3/10.
Create performance monitoring capability to measure the Local Homelessness Plan (LHP) success as defined as demonstrated performance against measure targets linked to achievement of HHIP milestones by 2nd Quarter, 2023.	3/1/2023	6/30/2023	100%	Progress reports collected monthly from HHIP contracted providers. Staff are providing support as needed to HHIP providers as new projects continue to make progress towards completion dates.
Complete and submit to DHCS the “MCP Submission 2” outlining implementation approach to address gaps and needs by December 2023.	10/1/2023	12/31/2023	0%	N/A
<b>Goal 5c - Student Behavioral Health Improvement Program (SBHIP)</b>				
<b>Deliverables</b>	<b>Start Date</b>	<b>Due Date</b>	<b>% Complete</b>	<b>Q2 Status</b>
Implement the “Project Plan (Milestone One)” determining what is necessary to fulfill SBHIP initiatives including each targeted intervention & the County Needs Assessment for Program Year 2, starting the 1st Quarter, 2023.	1/1/2023	12/31/2023	60%	Subgroup meetings with districts continue to be led by KHS.  Funding received from DHCS. Proposed project budgets have been received. Contract between the school districts and KHS has been signed and executed.
Complete and submit to DHCS an initial Bi-Quarterly Report by end of 2nd Quarter, 2023.	5/15/2023	6/30/2023	100%	All bi-quarterly reports were submitted by each district. KHS completed internal review and approval of the final bi-quarterly reports for each intervention. Documents submitted to DHCS on 6/28.
Complete and submit to DHCS a second Bi-Quarterly Report by end of 4th Quarter, 2023.	11/15/2023	12/31/2023	0%	N/A

## Attachment B

### Corporate Goals Status: Q2 2023

Corporate Goal 6				
Name	<b>Institutionalizing Telehealth Coverage Revisions as New (Permanent) Medi-Cal Benefit*</b>			
Description	Telehealth Services has shown to be an effective method for maintaining the physician/patient relationship during the pandemic. DHCS modified its benefits to expand telehealth as an alternative to office visits during the stay-at-home order. DHCS intends to make permanent and expand several telehealth provisions that were allowed during the Public Health Emergency, effective in 2023.			
Deliverables	Start Date	Due Date	% Complete	Q2 Status
Determine the impact to the participating provider network by 1st Quarter, 2023. Determine the impact to KHS, its policy, procedures, protocols, tracking and reporting by 1st Quarter, 2023.	1/1/2023	5/31/2023	100%	DHCS released the final Telehealth APL in mid-April. Internal review and analysis, operational planning, policy development, system configuration discussions completed.
Inform participating providers telehealth will become a permanent benefit effective 2023 under Medi-Cal by 4th Quarter, 2022.	5/1/2023	6/30/2023	100%	PNM developed a Provider Bulletin in collaboration with multiple business areas. Compliance notified Kaiser of the APL and their responsibilities.
Convey logistical information about the benefit and procedures providers will need to follow when using telehealth services and receiving payment for telehealth services by 1st Quarter, 2023.	5/1/2023	6/30/2023	100%	PNM developed a Provider Bulletin in collaboration with multiple business areas. Compliance notified Kaiser of the APL and their responsibilities.
Inform members that telehealth will be added to their Medi-Cal benefits explaining what it is, why it is beneficial and how this service will be provided and used for the member's benefit by 1st Quarter, 2023	5/1/2023	6/30/2023	100%	Member Handbook was previously updated. Notices were sent during COVID, and benefit didn't materially change.
Post implementation, audit each activity to ensure installation and performance meets KHS and government agencies expectations (ongoing over 2023).	5/1/2023	12/31/2023	25%	Team developed internal Telehealth Policy. DHCS policy and procedure requirements were submitted timely by 7/10. Ongoing discussion to develop internal quality monitoring process.

\*Subject to DHCS finalization of policy and release of guidance (APL)



## BILL TRACKER

Title	Description	Status
<b>AB 33 (Bains)</b>	<p>This bill would, subject to an appropriation, establish the Fentanyl Addiction and Overdose Prevention Task Force to undertake various duties relating to fentanyl abuse, including, among others, collecting and organizing data on the nature and extent of fentanyl abuse in California and evaluating approaches to increase public awareness of fentanyl abuse. The bill would require the task force to be cochaired by the Attorney General and the Surgeon General, or their designees, and would specify the membership of the task force. The bill would require the first meeting of the task force to take place no later than March 1, 2024, and would require the task force to meet at least once every 2 months. The bill would require the task force to submit an interim report to the Governor and the Legislature by January 1, 2025, and would require the task force to report its findings and recommendations to the Governor and the Legislature by July 1, 2025. The bill would repeal these provisions on January 1, 2026.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB33">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB33</a></p>	<p>06/28/23 - From committee: Do pass and re-refer to Com. on APPR with recommendation: To Consent Calendar.</p>
<b>AB 85 (Weber)</b>	<p>By 1/1/25 this bill would require a Plan to include coverage for screenings for social determinants of health, as defined. The bill would require providers to used specified tools or protocols when documenting patient responses to questions asked in these screenings.</p> <p>The bill would require a health care service plan or health insurer to provide physicians who provide primary care services with adequate access to community health workers, peer support specialists, lay health workers, community health representatives, or social workers in counties where the health care service plan or health insurer has enrollees or insureds, as specified. The bill would make social determinants of health screenings a covered benefit for Medi-Cal beneficiaries and would require the State Department of Health Care Services or a Medi-Cal managed care plan to provide reimbursement for those screenings.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB85">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB85</a></p>	<p>CAHP Opposed</p> <p>07/10/23 - In committee: Referred to APPR. suspense file.</p>

<p><b>AB 119</b></p>	<p>The bill would restructure the MCO provider tax, with certain modifications to the above-described provisions, including changes to the taxing tiers and tax amounts, for purposes of the tax periods of April 1, 2023, through December 31, 2023, and the 2024, 2025, and 2026 calendar years. The bill would create the Managed Care Enrollment Fund to replace the Health Care Services Special Fund. Under the bill, moneys deposited into the fund would, upon appropriation, be available to the department for the purpose of funding the following subcomponents to support the Medi-Cal program: (1) the nonfederal share of increased capitation payments to Medi-Cal managed care plans; (2) the nonfederal share of Medi-Cal managed care rates for health care services; and (3) transfers to the Medi-Cal Provider Payment Reserve Fund, as established pursuant to specified provisions.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB119">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB119</a></p>	<p>06/29/23 -  Chaptered by  Secretary of  State - Chapter  13, Statutes of  2023.</p>
<p><b>AB 254  (Bauer-  Kahan)</b></p>	<p>The Confidentiality of Medical Information Act (CMIA) prohibits a provider of health care, a health care service plan, a contractor, or a corporation and its subsidiaries and affiliates from intentionally sharing, selling, using for marketing, or otherwise using any medical information, as defined, for any purpose not necessary to provide health care services to a patient, except as provided. The CMIA makes a business that offers software or hardware to consumers, including a mobile application or other related device that is designed to maintain medical information in order to make the information available to an individual or a provider of health care at the request of the individual or a provider of health care for purposes of allowing the individual to manage the individual’s information or for the diagnosis, treatment, or management of a medical condition of the individual, a provider of health care subject to the requirements of the CMIA.</p> <p>This bill would revise the definition of “medical information” to include reproductive or sexual health application information, which the bill would define to mean information about a consumer’s reproductive or sexual health collected by a reproductive or sexual health digital service. The bill would make a business that offers a reproductive or sexual health digital service to a consumer for the purpose of allowing the individual to manage the individual’s information, or for the diagnosis, treatment, or management of a medical condition of the individual, a provider of health care subject to the requirements of the CMIA.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB254">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB254</a></p>	<p>07/06/23 -  From  committee: Do  pass and re-  refer to Com.  on APPR.</p>

<p><b>AB 317</b> (Weber)</p>	<p>This bill would require a health care service plan that offer coverage for a service that is within the scope of practice of a duly licensed pharmacist to pay or reimburse the cost of services performed by a pharmacist at an in-network pharmacy or by a pharmacist at an out-of-network pharmacy if the health care service plan or insurer has an out-of-network pharmacy benefit.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB317">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB317</a></p>	<p>06/29/23 - In Assembly. Concurrence in Senate amendments pending.</p>
<p><b>AB 352</b> (Bauer-Kahan)</p>	<p>This bill would require specified businesses that electronically store or maintain medical information on the provision of sensitive services on behalf of a provider of health care, health care service plan, pharmaceutical company, contractor, or employer to develop capabilities, policies, and procedures, on or before July 1, 2024, to enable certain security features, including limiting user access privileges and segregating medical information related to sensitive services, as specified.</p> <p>The bill would additionally prohibit a provider of health care, health care service plan, contractor, or employer from cooperating with any inquiry or investigation by, or from providing medical information to, an individual, agency, or department from another state or, to the extent permitted by federal law, to a federal law enforcement agency that would identify an individual or that is related to an individual seeking or obtaining an abortion or abortion-related services that are lawful under the laws of this state, unless the request for medical information is authorized in accordance with specified existing provisions of law.</p> <p>The bill would define “sensitive services” for these purposes to mean all health care services related to mental or behavioral health, sexual and reproductive health, sexually transmitted infections, substance use disorder, gender affirming care, and intimate partner violence.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB352">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB352</a></p>	<p>07/13/23 - From committee: Do pass and re-refer to Com. on APPR.</p>
<p><b>AB 365</b> (Aguiar-Curry)</p>	<p>This bill would add continuous glucose monitors and related supplies required for use with those monitors as a covered benefit under the Medi-Cal program, subject to utilization controls. The bill would require the department, by July 1, 2024, to review and update, as appropriate, coverage policies for continuous glucose monitors, as specified. The bill would authorize the department to require a manufacturer of a continuous glucose monitor to enter into a rebate agreement with the department.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB365">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB365</a></p>	<p>06/22/23 - From committee: Do pass and re-refer to Com. on APPR.</p>

<p><b>AB 425</b> <b>(Alvarez)</b></p>	<p>This bill would add pharmacogenomic testing as a covered benefit under Medi-Cal, as specified. The bill would define pharmacogenomic testing as laboratory genetic testing that includes, but is not limited to, a panel test, to identify how a person’s genetics may impact the efficacy, toxicity, and safety of medications, including medications prescribed for behavioral or mental health, oncology, hematology, pain management, infectious disease, urology, reproductive or sexual health, neurology, gastroenterology, or cardiovascular diseases.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB425">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB425</a></p>	<p>07/10/23 In committee: Referred to APPR suspense file.</p>
<p><b>AB 557</b> <b>(Hart)</b></p>	<p>This bill would revise the authority of a legislative body to hold a teleconference meeting under those abbreviated teleconferencing procedures when a declared state of emergency is in effect. Specifically, the bill would extend indefinitely that authority in the circumstances under which the legislative body either (1) meets for the purpose of determining whether, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees, or (2) has previously made that determination. The bill would also extend the period for a legislative body to make the above-described findings related to a continuing state of emergency and social distancing to not later than 45 days after the first teleconferenced meeting, and every 45 days thereafter, in order to continue to meet under the abbreviated teleconferencing procedures.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB557">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB557</a></p>	<p>06/29/23 - Read second time. Ordered to third reading.</p>
<p><b>AB 564</b> <b>(Villapudua)</b></p>	<p>This bill would require the department to allow a provider to submit an electronic signature for a claim or remittance form under the Medi-Cal program, to the extent not in conflict with federal law.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB564">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB564</a></p>	<p>06/14/23 - Referred to Com. on HEALTH.</p>

<p><b>AB 576 (Weber)</b></p>	<p>This bill would require the department, by March 1, 2024, to review and update Medi-Cal coverage policies for medication abortion to align with current evidence-based clinical guidelines. After the initial review, the bill would require the department to update its Medi-Cal coverage policies for medication abortion as needed to align with evidence-based clinical guidelines.</p> <p>The bill would require the department to allow flexibility for providers to exercise their clinical judgment when services are performed in a manner that aligns with one or more evidence-based clinical guidelines.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB576">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB576</a></p>	<p>07/10/23 In committee: Referred to APPR suspense file.</p>
<p><b>AB 608 (Schiavo)</b></p>	<p>This bill, during the one-year postpregnancy eligibility period, and as part of comprehensive perinatal services under Medi-Cal, would require the department to cover additional comprehensive perinatal assessments and individualized care plans and to provide additional visits and units of services in an amount, duration, and scope that are at least proportional to those available on July 27, 2021, during pregnancy and the initial 60-day postpregnancy period in effect on that date. The bill would require the department, in coordination with the State Department of Public Health, to consider input from certain stakeholders, as specified, in determining the specific number of additional comprehensive perinatal assessments, individualized care plans, visits, and units of services to be covered.</p> <p>The bill would require the department to cover comprehensive perinatal services that are rendered by a nonlicensed perinatal health worker in a beneficiary's home or other community setting away from a medical site, as specified. The bill would also require the department to allow a nonlicensed perinatal health worker rendering those services to be supervised by a community-based organization (CBO) or a local health jurisdiction (LHJ). For these purposes, the bill would require a CBO or LHJ supervising a nonlicensed perinatal health worker to provide those services under contract with a Comprehensive Perinatal Services Program provider.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB608">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB608</a></p>	<p>07/12/23 - Read second time and amended. Re-referred to Com. on APPR.</p>
<p><b>AB 614 (Wood)</b></p>	<p>This bill would specify that the director would be required to enter into contracts with managed care plans licensed pursuant to the Knox-Keene Health Care Service Plan Act of 1975, except as otherwise authorized under the Medi-Cal program. The bill would require the director, prior to issuing a new request for proposal or entering into new contracts, to provide an opportunity for interested stakeholders to provide input to inform the development of contract provisions.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB614">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB614</a></p>	<p>07/13/23 From committee: Do pass and re-refer to Com. on APPR with recommendation: To Consent Calendar.</p>



<p><b>AB 620 (Connolly)</b></p>	<p>Existing law requires a health care service plan that provides coverage for hospital, medical, or surgical expenses to provide coverage for the testing and treatment of phenylketonuria, including coverage for the formulas and special food products that are part of a prescribed diet, as specified.</p> <p>This bill would require a health care service plan contract that provides coverage for hospital, medical, or surgical expenses and is issued, amended, delivered, or renewed on and after January 1, 2024, to provide coverage for the testing and treatment of other chronic digestive diseases and inherited metabolic disorders, as specified.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB620">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB620</a></p>	<p>CAHP Opposed</p> <p>07/10/23 In Committee: Referred to APPR. suspense file.</p>
<p><b>AB 665 (Carrillo)</b></p>	<p>This bill would remove the requirement that, in order to consent to mental health treatment or counseling on an outpatient basis, or to residential shelter services, the minor must present a danger of serious physical or mental harm to themselves or to others, or be the alleged victim of incest or child abuse.</p> <p>This bill would add a registered psychologist, a registered psychological assistant, a psychological trainee, an associate clinical social worker, a social work intern, a clinical counselor trainee working under the supervision of a licensed professional, and a board-certified psychiatrist to the definition of professional person for these purposes.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB665">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB665</a></p>	<p>06/22/23 - Read second time. Ordered to third reading.</p>
<p><b>AB 719 (Boerner-Horvath)</b></p>	<p>This bill would require the department to require Medi-Cal managed care plans that are contracted to provide nonmedical transportation or nonemergency medical transportation to contract with public paratransit service operators who are enrolled Medi-Cal providers for the purpose of establishing reimbursement rates for nonmedical and nonemergency medical transportation trips provided by a public paratransit service operator. The bill would require the rates reimbursed by the managed care plan to the public paratransit service operator to be based on the department's fee-for-service rates for nonmedical and nonemergency medical transportation service. The bill would condition implementation of these provisions on receipt of any necessary federal approvals and the availability of federal participation.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB719">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB719</a></p>	<p>CAHP/LHPC Opposed</p> <p>07/10/23 - Read second time and amended. Re-referred to Com. on APPR.</p>

<p><b>AB 847 (Rivas)</b></p>	<p>This bill would extend eligibility for pediatric palliative care services for those individuals who have been determined eligible for those services prior to 21 years of age, until 26 years of age and would extend eligibility for hospice services after 21 years of age.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB847">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB847</a></p>	<p>07/10/23 - Read second time and amended. Re-referred to Com. on APPR.</p>
<p><b>AB 904 (Calderon)</b></p>	<p>This bill would require a health care service plan or health insurer, on or before January 1, 2025, to develop a maternal and infant health equity program that addresses racial health disparities in maternal and infant health outcomes through the use of doulas. This may be achieved by integrating the program into existing maternal health programs, including those encouraging the coverage of doula care, expanding existing doula pilot programs, or relying on a Medi-Cal doula benefit for local health plans.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB904">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB904</a></p>	<p>07/03/23 - In committee: Referred to APPR suspense file.</p>
<p><b>AB 907 (Lowenthal)</b></p>	<p>Would require a health care service plan on or after January 1, 2024, to provide coverage for the prophylaxis, diagnosis, and treatment of Pediatric Autoimmune Neuropsychiatric Disorder Associated with Streptococcal Infections (PANDAS) and Pediatric Acute-onset Neuropsychiatric Syndrome (PANS) that is prescribed or ordered by the treating physician and surgeon. The bill would prohibit a plan or insurer from denying or delaying coverage for PANDAS or PANS therapies because the enrollee or insured previously received treatment for PANDAS or PANS or was diagnosed with or received treatment for the condition under a different diagnostic name.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB907">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB907</a></p>	<p>CAHP Opposed</p> <p>07/10/23 - In committee: Referred to APPR. suspense file.</p>
<p><b>AB 931 (Irwin)</b></p>	<p>This bill would prohibit a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2025, that provides coverage for physical therapy from imposing prior authorization for the initial 12 treatment visits for a new episode of care for physical therapy.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB931">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB931</a></p>	<p>CAHP Opposed</p> <p>06/26/23 - In committee: Referred to suspense file.</p>

<p><b>AB 1011 (Weber)</b></p>	<p>This bill would prohibit a participating entity of a closed-loop referral system (CLRS) from selling, renting, releasing, disclosing, disseminating, making available, transferring, or otherwise communicating orally, in writing, or by electronic or other means, social care information stored in or transmitted through a CLRS in exchange for monetary or other valuable consideration. The bill would further prohibit a participating entity from using social care information stored in, or transmitted through, a CLRS for any purpose or purposes other than the social care purpose or purposes for which that social care information was collected or generated, except as specified.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0AB1011">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0AB1011</a></p>	<p>06/29/23 - Read second time and amended. Re-referred to Com. on APPR.</p>
<p><b>AB 1060 (Ortega)</b></p>	<p>Under the bill, prescription or nonprescription naloxone hydrochloride or another drug approved by the FDA for the complete or partial reversal of an opioid overdose would be a covered benefit under the Medi-Cal program. The bill would require a health care service plan contract or health insurance policy, as specified, to include coverage for the same medications under the same conditions.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0AB1060">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0AB1060</a></p>	<p>07/10/23 - In committee: Referred to APPR. suspense file.</p>
<p><b>AB 1085 (Maienschein)</b></p>	<p>This bill would require the department, if the independent analysis finds that the state has sufficient network capacity to meet state and federal guidelines to create a new housing support services benefit, to seek any necessary federal approvals for a Medi-Cal benefit to cover housing support services within 6 months of the completion of the analysis. The bill would require the department to report the outcomes of the analysis to the Legislature by July 1, 2024. Under the bill, subject to receipt of those federal approvals, a Medi-Cal beneficiary would be eligible for those services if they either experience homelessness or are at risk of homelessness, as specified. Under the bill, the services would include housing transition and navigation services, housing deposits, and housing tenancy and sustaining services, as defined.</p> <p>If the evaluation finds that the state has insufficient network capacity to meet state and federal guidelines to create a new housing support services benefit, the bill would require the department to provide recommendations for building capacity and a timeline for implementation consistent with the analysis findings.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0AB1085">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0AB1085</a></p>	<p>06/26/23 - In committee: Referred to suspense file.</p>
<p><b>AB 1122 (Bains)</b></p>	<p>This bill would require the Director of Health Care Services to develop a process to allow an applicant or provider to submit an alternative type of primary, authoritative source documentation to meet the requirement of provider enrollment. The bill would require the department to document each case of an applicant or provider submitting an alternative type of primary, authoritative source documentation, as specified.</p> <p>This bill would authorize the applicant or provider to submit its application for enrollment up to 30 days before having an established place of business and</p>	<p>07/06/23 - From committee: Do pass and re-refer to Com. on APPR with recommendation: To</p>

	<p>have its application considered by the department.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1122">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1122</a></p>	Consent Calendar.
<b>AB 1202 (Lackey)</b>	<p>This bill would require the department, no later than January 1, 2025, to prepare and submit a report to the Legislature that includes certain information, including an analysis of the adequacy of each Medi-Cal managed care plan’s network for pediatric primary care, including the number and geographic distribution of providers and the plan’s compliance with the above-described time or distance and appointment time standards.</p> <p>Under the bill, the report would also include data, disaggregated as specified, on the number of children and pregnant or postpartum persons who are Medi-Cal beneficiaries receiving certain health care services during the 2021–22, 2022–23, and 2023–24 fiscal years. The report would also include additional information regarding the department’s efforts to improve access to pediatric preventive care, as specified. The bill would require that the report be made publicly available through its posting on the department’s internet website. The bill would repeal these reporting provisions on January 1, 2029.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1202">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1202</a></p>	07/13/23 - Read second time and amended. Re-referred to Com. on APPR.
<b>AB 1241 (Weber)</b>	<p>Existing law requires providers furnishing service through video synchronous interaction or audio-only synchronous interaction, by a date set by the department, no sooner than January 1, 2024, to also either offer those services via in-person contact or arrange for a referral to, and a facilitation of, in-person care, as specified. This bill would instead require, under the above-described circumstance, a provider to maintain and follow protocols to either offer those services via in-person contact or arrange for a referral to, and a facilitation of, in-person care. The bill would specify that the referral and facilitation arrangement would not require a provider to schedule an appointment with a different provider on behalf of a patient.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1241">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1241</a></p>	06/29/23 - In Assembly. Concurrence in Senate amendments pending.

<p><b>AB 1288 (Reyes)</b></p>	<p>Would prohibit a health insurer from subjecting naloxone product, or another antagonist approved by the United States Food and Drug Administration, a buprenorphine product, methadone, or long-acting injectable naltrexone for detoxification or maintenance treatment of a substance use disorder to prior authorization or step therapy. Because a willful violation of these provisions by a health care service plan would be a crime, the bill would impose a state-mandated local plan.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0AB1288">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0AB1288</a></p>	<p>CAHP Opposed</p> <p>07/13/23 - Read second time and amended. Re- referred to Com. on APPR.</p>
<p><b>AB 1331 (Wood)</b></p>	<p>This bill would require the Center for Data Insights and Innovation to take over establishment, implementation, and all the functions related to the California Health and Human Services Data Exchange Framework on or before January 1, 2024, subject to an appropriation in the annual Budget Act. The bill would require the center to establish the CalHHS Data Exchange Board, with specified membership, to develop recommendations and to review, modify, and approve any modifications to the Data Exchange Framework data sharing agreement, among other things.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0AB1331">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0AB1331</a></p>	<p>07/13/23 - Read second time and amended. Re- referred to Com. on APPR.</p>
<p><b>AB 1451 (Jackson)</b></p>	<p>This bill would require a health care service plan contract or health insurance policy issued, amended, renewed, or delivered on or after January 1, 2024, to provide coverage for treatment of urgent and emergent mental health and substance use disorders. The bill would authorize treatment for the behavioral health crisis to be provided at the contracted facility, if the facility has the appropriate staff to provide that care. The bill would require the treatment to be provided without preauthorization, and to be reimbursed in a timely manner, pursuant to specified provisions.</p> <p>The bill's provisions would only be implemented upon appropriation by the Legislature for administrative costs of the departments. The bill would clarify that it would not relieve a health plan or insurer of existing obligations, as specified. Because a violation of the bill's requirements by a health care service plan would be a crime, the bill would impose a state-mandated local program.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=20232024_0AB1451">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=20232024_0AB1451</a></p>	<p>CAHP Opposed</p> <p>07/13/23 - Read a second time and amended. Re- referred to Com. on APPR.</p>

<p><b>AB 1470 (Quirk-Silva)</b></p>	<p>The bill, as part of CalAIM, and with respect to behavioral health services provided under the Medi-Cal program, would require the department to standardize data elements relating to documentation requirements, including, but not limited to, medically necessary criteria, and would require the department to develop standard forms containing information necessary to properly adjudicate claims pursuant to CalAIM Terms and Conditions. The bill would require the department to consult with representatives of specified associations and programs for purposes of implementing these provisions.</p> <p>The bill would require the department to conduct, on or before July 1, 2025, regional trainings for personnel and provider networks of applicable entities, including county mental health plans, Medi-Cal managed care plans, and entities within the fee-for-service delivery system, on proper completion of the standard forms. The bill would require each applicable entity to distribute the training material and standard forms to its provider networks, and to commence, no later than July 1, 2025, using the standard forms. The bill would require providers of applicable entities to use those forms, as specified. The bill would authorize the department to restrict the imposition of additional documentation requirements beyond those included on standard forms, as specified.</p> <p>The bill would require the department to conduct an analysis on the status of utilization of the standard forms by applicable entities, and on the status of the trainings and training material, in order to determine the effectiveness of implementation of the above-described provisions. The bill would require the department to prepare a report containing findings from the analysis no later than July 1, 2026, and a follow up report no later than July 1, 2028, and to submit each report to the Legislature and to post it on the department’s internet website.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id=202320240AB1470">https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id=202320240AB1470</a></p>	<p>07/10/23 - In committee: Referred to APPR. suspense file.</p>
<p><b>AB 1481 (Boerner Horvath)</b></p>	<p>This bill would expand the presumptive eligibility for pregnant women to all pregnant people, renaming the program “Presumptive Eligibility for Pregnant People” (PE4PP). The bill would also require the department to ensure that a pregnant person receiving coverage under PE4PP who applies for full-scope Medi-Cal benefits within 60 days receives coverage under PE4PP until their full-scope Medi-Cal application is approved or denied, as specified. The bill would require the department to require providers participating in the PE4PP program to provide information to pregnant persons enrolled in PE4PP on how to contact the person's county to expedite the county's determination of a Medi-Cal application.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB1481">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB1481</a></p>	<p>07/13/23 - Read a second time and amended. Referred to Com. on APPR.</p>

<p><b>SB 70 (Wiener)</b></p>	<p>This bill would prohibit limiting or excluding coverage of a drug, dose of a drug, or dosage form of a drug that is prescribed for off-label use if the drug has been previously covered for a chronic condition or cancer, regardless of whether or not the drug, dose, or dosage form is on the plan's or insurer's formulary. The bill would prohibit a health care service plan contract from requiring additional cost sharing not already imposed for a drug that was previously approved for coverage.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB70">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB70</a></p>	<p>CAHP Opposed</p> <p>06/29/23 - Read second time and amended. Re- referred to Com. on APPR.</p>
<p><b>SB 257 (Portantino)</b></p>	<p>This bill would require a health care service plan contract, a policy of disability insurance that provides hospital, medical, or surgical coverage, or a self-insured employee welfare benefit plan issued, amended, or renewed on or after January 1, 2025, to provide coverage without imposing cost sharing for, among other things, screening mammography and medically necessary diagnostic breast imaging, including diagnostic breast imaging following an abnormal mammography result and for an enrollee or insured indicated to have a risk factor associated with breast cancer, except as specified.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB257">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB257</a></p>	<p>CAHP Opposed</p> <p>06/28/23 - From committee: Do pass and re- refer to Com. on APPR.</p>
<p><b>SB 282 (Eggman)</b></p>	<p>This bill would authorize reimbursement for a maximum of 2 visits that take place on the same day at a single site, whether through a face-to-face or telehealth-based encounter, if after the first visit the patient suffers illness or injury that requires additional diagnosis or treatment, or if the patient has a medical visit and either a mental health visit or a dental visit, as defined. The bill would require the department, by July 1, 2024, to submit a state plan amendment to the federal Centers for Medicare and Medicaid Services reflecting those provisions.</p> <p>The bill would include a licensed acupuncturist within those health care professionals covered under the definition of a "visit."</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB282">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB282</a></p>	<p>LHPC Support</p> <p>07/12/23 - From committee: Do pass and re- refer to Com. on APPR. with recommendati on: To consent to calendar.</p>
<p><b>SB 311 (Eggman)</b></p>	<p>This bill would require the department to submit a state plan amendment no later than January 1, 2024, to enter into a Medicare Part A buy-in agreement with the federal Centers for Medicare and Medicaid Services.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB311">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB311</a></p>	<p>LHPC Support</p> <p>06/13/23 - From committee: Do pass and re- refer to Com. on APPR.</p>

<p><b>SB 324 (Limon)</b></p>	<p>This bill would add any clinically indicated treatment for endometriosis, as determined by the treating physician and consistent with nationally recognized evidence-based clinical guidelines, as a covered benefit under Medi-Cal without prior authorization or other utilization review.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0SB324">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0SB324</a></p>	<p>CAHP Opposed</p> <p>06/28/23 - From committee: Do pass and re- refer to Com. on APPR.</p>
<p><b>SB 326 (Eggman)</b></p>	<p>The bill would recast the MHSA by, among other things, renaming it the Behavioral Health Services Act (BHSA), expanding it to include treatment of substance use disorders, changing the county planning process, and expanding services for which counties and the state can use funds. The bill would revise the distribution of MHSA moneys.</p> <p>The bill would require counties to pursue reimbursement through various channels and would authorize the counties to report issues with managed care plans and insurers to the Department of Managed Health Care.</p> <p>Requires voter approval and would be effective upon passage beginning 1/1/25.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0SB326">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0SB326</a></p>	<p>07/13/23 - Read second time and amended. Re- referred to Com. on Health.</p>
<p><b>SB 339 (Weiner)</b></p>	<p>Existing law authorizes a pharmacist to furnish at least a 30-day supply of HIV preexposure prophylaxis, and up to a 60-day supply of those drugs if certain conditions are met. This bill would instead authorize a pharmacist to furnish up to a 90-day course of preexposure prophylaxis, or preexposure prophylaxis beyond a 90-day course, if specified conditions are met.</p> <p>This bill would require a health care service plan and health insurer to cover preexposure prophylaxis and postexposure prophylaxis furnished by a pharmacist, including costs for the pharmacist's services and related testing ordered by the pharmacist, and to pay or reimburse the cost of the service performed by a pharmacist at an in-network pharmacy or a pharmacist at an out-of-network pharmacy if the health care service plan or health insurer has an out-of-network pharmacy benefit.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0SB339">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0SB339</a></p>	<p>7/11/23- From committee: Do pass and re- refer to Com. on APPR.</p>



<p><b>SB 427 (Portantino )</b></p>	<p>This bill would prohibit a health care service plan from subjecting antiretroviral drugs, devices, or products that are either approved by the United States Food and Drug Administration (FDA) or recommended by the federal Centers for Disease Control and Prevention (CDC) for the prevention of HIV/AIDS to prior authorization or step therapy, but would authorize prior authorization or step therapy if at least one therapeutically equivalent version is covered without prior authorization or step therapy and the insurer provides coverage for a noncovered therapeutic equivalent antiretroviral drug, device, or product without cost sharing pursuant to an exception request.</p> <p>The bill would prohibit a health care service plan contract from imposing any cost-sharing or utilization review requirements for antiretroviral drugs, devices, or products that are either approved by the FDA or recommended by the CDC for the prevention of AIDS/HIV. The bill would require a non-grandfathered or grandfathered health care service plan contract or health insurance policy to provide coverage for those drugs, devices, or products, and would require a plan or insurer to provide coverage under the outpatient prescription drug benefit for those drugs, devices, or products, including by supplying participating providers directly with a drug, device, or product, as specified.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB427">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB427</a></p>	<p>CAHP Opposed</p> <p>07/14/23 - From committee: Do pass as amended and re-refer to Com. on APPR.</p>
<p><b>SB 496 (Limon)</b></p>	<p>By July 1, 2024, would expand the Medi-Cal schedule of benefits to include medically necessary biomarker testing, as prescribed, for the purposes of diagnosis, treatment, appropriate management, or ongoing monitoring of a Medi-Cal beneficiary's disease or condition to guide treatment decisions, as prescribed. The bill would subject restricted or denied use of biomarker testing for the purpose of diagnosis, treatment, or ongoing monitoring of medical condition to state and federal grievance and appeal processes.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB496">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB496</a></p>	<p>07/13/23- Read second time and amended. Re- referred to Com. on APPR.</p>
<p><b>SB 502 (Allen)</b></p>	<p>This bill would require the department to file all necessary state plan amendments to exercise the HSI option made available under CHIP provisions to cover vision services provided to low-income children statewide through a mobile optometric office, as specified.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB502">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB502</a></p>	<p>06/30/23 Read a second time and amended. Re-referred to Com. on APPR.</p>
<p><b>SB 525 (Durazo)</b></p>	<p>Commencing June 1, 2024 and until June 1, 2025, this bill would require a health care worker minimum wage of \$21 per hour for hours worked in covered health care employment, as defined. Commencing June 1, 2025, the bill would require a health care minimum wage of \$25 per hour for hours worked in covered health care employment, as defined, subject to adjustment, as prescribed.</p> <p>This bill would require, for covered health care employment where the employee is paid on a salary basis, that the employee earn a monthly salary equivalent to no less than 150% of the health care worker minimum wage for</p>	<p>07/13/23 From committee: Do pass and re- refer to Com. on APPR. Re- referred to Com. on APPR.</p>

	<p>full-time employment in order to qualify as exempt from the payment of minimum wage and overtime.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB525">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB525</a></p>	
<p><b>SB 537 (Becker)</b></p>	<p>This bill would authorize the legislative body of a multijurisdictional, cross-county agency, as specified, to use alternate teleconferencing provisions if the eligible legislative body has adopted an authorizing resolution, as specified. The bill would also require the legislative body to provide a record of attendance and the number of public comments on its internet website within 7 days after a teleconference meeting, as specified. The bill would require at least a quorum of members of the legislative body to participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The bill would require the legislative body to identify in the agenda each member who plans to participate remotely and to include the address of the publicly accessible building from each member will participate via teleconference. The bill would prohibit a member from participating remotely pursuant to these provisions unless the remote location is the member’s office or another location in a publicly accessible building and is more than 40 miles from the location of the in person meeting. The bill would repeal these alternative teleconferencing provisions on January 1, 2028.</p> <p>This bill would expand the circumstances of “just cause” to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB537">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB537</a></p>	<p>07/18/23 - From committee: Do pass as amended.</p>

<p><b>SB 598 (Skinner)</b></p>	<p>Would, on or after January 1, 2025, prohibit a health care service plan or health insurer from requiring a contracted health professional to complete or obtain a prior authorization for any covered health care services if the plan or insurer approved or would have approved not less than 90% of the prior authorization requests they submitted in the most recent one-year contracted period. The bill would set standards for this exemption and its denial, rescission, and appeal. The bill would authorize a plan or insurer to evaluate the continuation of an exemption not more than once every 12 months, and would authorize a plan or insurer to rescind an exemption only at the end of the 12-month period and only if specified criteria are met. The bill would require a plan or insurer to provide an electronic prior authorization process. The bill would also require a plan or insurer to have a process for annually monitoring prior authorization approval, modification, appeal, and denial rates to identify services, items, and supplies that are regularly approved, and to discontinue prior authorization on those services, items, and supplies that are approved 95% of the time.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB598">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB598</a></p>	<p>CAHP/LHPC Opposed</p> <p>07/13/23 From committee: Do pass as amended and re-refer to Com. on APPR.</p>
<p><b>SB 635 (Menjivar)</b></p>	<p>This bill would require a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2025, to include coverage for hearing aids for enrollees and insureds under 21 years of age, if medically necessary.</p> <p>Coverage for hearing aids shall include an initial assessment, new hearing aids at least every four years, new earmolds, new hearing aids if alterations to existing hearing aids cannot meet the needs of the enrollee, a new hearing aid if the existing one is no longer working, and fittings, adjustments, auditory training, and maintenance of the hearing aids.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB635">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB635</a></p>	<p>CAHP Concern</p> <p>07/13/23 - Read second time and amended. Re-referred to Com. on APPR.</p>
<p><b>SB 667 (Dodd)</b></p>	<p>Adds common gynecologic conditions to the practice of midwifery by a Certified Nurse Midwife (CNM). Permits a CNM who holds privileges in a general acute care hospital, as defined, to admit and discharge patients upon their own authority, within their scope of practice and in accordance with the bylaws of that facility, as specified. Updates and revises the authority for CNMs to furnish and order controlled substances classified in schedule II, III, IV, and V. Clarifies that a CNM may dispense drugs, which are defined in the pharmacy law as not dangerous, as specified. Adds a CNM to the definition of “prescriber” in the pharmacy law, as specified.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id=202320240SB667">https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id=202320240SB667</a></p>	<p>07/13/23 - Ordered to third reading.</p>

<p><b>SB 694 (Eggman)</b></p>	<p>This bill would make self-measured blood pressure (SMBP) devices and SMBP services, as defined, covered benefits under the Medi-Cal program subject to utilization controls. The bill would state the intent of the Legislature that those covered devices and services be no less in scope than the devices and services that are recognized under specified existing billing codes or their successors.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0SB694">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0SB694</a></p>	<p>06/21/23 - From committee: Do pass and re-refer to Com. on APPR.</p>
<p><b>SB 770 (Weiner)</b></p>	<p>This bill would direct the Secretary of the California Health and Human Services Agency to pursue waiver discussions with the federal government with the objective of a unified health care financing system that incorporates specified features and objectives, including, among others, a comprehensive package of medical, behavioral health, pharmaceutical, dental, and vision benefits, and the absence of cost sharing for essential services and treatments. The bill would further require the secretary to establish a Waiver Development Workgroup comprised of members appointed by the Governor, Speaker of the Assembly, and President Pro Tempore of the Senate, as specified. The bill would require the workgroup to include stakeholders representing various specified interests, including consumers, patients, health care professionals, labor unions, government agencies, and philanthropic organizations. The bill would also require the secretary to submit a complete set of recommendations regarding the elements to be included in a formal waiver application, as specified, by no later than June 1, 2024. The bill would also include findings and declarations of the Legislature related to the implementation of a unified health care financing system.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0SB770">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0SB770</a></p>	<p>CAHP Oppose</p> <p>07/12/23 - July 12 sent for first hearing. Placed on APPR, suspense file.</p>
<p><b>SB 805 (Portantino)</b></p>	<p>This bill would expand the criteria for a qualified autism service professional to include a behavioral health professional and a psychology associate, an associate marriage and family therapist, an associate clinical social worker, or an associate professional clinical counselor, as specified. The bill would expand the criteria for a qualified autism service paraprofessional to include a behavioral health paraprofessional, as specified.</p> <p>This bill would require the department to adopt emergency regulations to address the use of behavioral health professionals and behavioral health paraprofessionals in group practice provider behavioral intervention services. The bill would require the department to establish rates and the educational or experiential qualifications and professional supervision requirements necessary for these positions to provide behavioral intervention services, as specified.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0SB805">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0SB805</a></p>	<p>07/12/23 - From committee: Do pass and re-refer to Com. on APR. Re-referred to Com. on APPR.</p>

<p><b>SB 819 (Eggman)</b></p>	<p>Under existing law, an applicant or provider that is operated on separate premises and is license exempt, including an intermittent site or mobile health care unit that is operated by a licensed primary care clinic that provides all staffing, protocols, equipment, supplies, and billing services, is not required to enroll in the Medi-Cal program as a separate provider or comply with the enrollment procedures, if the licensed primary care clinic has notified the department of its separate locations, premises, intermittent sites, or mobile health care units.</p> <p>This bill would additionally exempt from the Medi-Cal enrollment procedures an intermittent site or mobile health care unit that is operated by the above-described government-run license-exempt clinic if that clinic has notified the department of its separate locations, premises, sites, or units.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0SB819">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20232024_0SB819</a></p>	<p>07/12/23 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To consent calendar. Re-referred to Com. on APPR.</p>
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August 17, 2023

# Marketing and Public Affairs

**Billboards—Keep Your Medi-Cal. Renew Today!**

English



Spanish



## GET Bus Advertisement— Keep Your Medi-Cal. Renew Today!



## Radio Ads— Keep Your Medi-Cal. Renew Today!

### English

[CLICK HERE: Renew Your Medi-Cal Today! A Message From Kern Family Health Care. \(English\).](#)

### Spanish

[CLICK HERE: ¡Renueve su Medi-Cal hoy! Un mensaje de Kern Family Health Care. \(Español\).](#)

## TV Ads— Keep Your Medi-Cal. Renew Today!

### English

[CLICK HERE: KFHC Enrollment \(English\).](#)

### Spanish

[CLICK HERE: KFHC Enrollment TV Spanish](#)



**KERN HEALTH  
SYSTEMS**

# Public Relations/ Publicity

## Media Clips

### **Celebrating Juneteenth: Traco Matthews breaks down the different levels of freedom that the holiday represents (Positive)**

**By: KGET-17 | June 19, 2023**

"We are celebrating Juneteenth on Studio 17 and our last guest is Chief Health Equity Officer for Kern Health Systems, Traco Matthews. "So, to me, Juneteenth, obviously represents freedom. But kind of different levels. What I mean is, it's the moment in time that freedom is declared, but also it represents a journey to a fuller experience of freedom." [Click here to read more.](#)

### **The Open Door Network opens new transitional housing recovery home. (Positive)**

**By: KGET-17 | July 11, 2023**

"The Open Door Network, in partnership with Kern Family Health Care, has opened a new transitional housing recovery home in downtown Bakersfield. The new Reimagined Hope House is located on 21st Street. The 11-bed facility offers services to connect clients with medical services, vital documents, employment assistance, mental health therapy, substance abuse groups and volunteer community projects to give clients a sense of purpose as they give back." [Click here to read more.](#)

### **The Open Door Network unveils its new transitional housing recovery home in Old Town Kern (Positive)**

**By: KBAK | July 18, 2023**

"In partnership with Kern Family Health Care, the 21st Street facility near V Street will offer services to connect clients with medical, vital documents, employment assistance, and more." [Click here to read more.](#)

### **Playing by the book for KDA literacy program (Positive)**

**By: The Bakersfield Californian | July 19, 2023**

"The program is funded by a mix of grants, sponsorships from the Arts Council of Kern County, California Arts Council, Chevron, Kern Family Health Care, Junior League of Bakersfield, Robert Grimm Family Foundation, 23ABC and the Wonderful Co. as well as private donors." [Click here to read more.](#)



## **Southwest Carpenters join efforts to rebuild four homes destroyed by floods**

*(Positive)*

**By: KERO 23abc** | July 24, 2023

"Kern Health Systems, The Southwest Carpenters Union, and Assemblywoman Jasmeet Bains have also joined alongside God's Pit Crew, St. John's Lutheran Church, and Pond locals in support. "We got the notice on Tuesday, we were able to gather 15 volunteers for today," said Jorge Torres. A representative for Union Local 743, he says each worker is skilled in drywall, insulation, doors, and rough carpentry." [Click here to read more.](#)

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## **Local advocate appointed to state's first panel on racial equity**

*(Positive)*

**By: The Bakersfield Californian** | July 28, 2023

"Matthews, a longtime community advocate who currently serves as the chief health equity officer at Kern Health Systems, will join six others from across California on the state's first Racial Equity Commission." [Click here to read more.](#)

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## **Activist Traco Matthews appointed to CA Racial Equity Commission**

*(Positive)*

**By: KGET-17** | July 28, 2023

"Traco Matthews, a Bakersfield community activist and Chief Health Officer of Kern Health Systems, has been appointed to California's first Racial Equity Commission." [Click here to read more.](#)

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## **Bakersfield Recovery Services to host its first 'Back to School Community Backpack Drive**

*(Positive)*

**By: KBAK** | August 2, 2023

"As parents prepare to send their students back to school, a local nonprofit is doing its part to equip students with essential tools for learning. "With this, our Back to School Drive, you know, our partners like the Wonderful Company, Kern Family Health Care, our Medical Director Dr. Jasmeet Bains—we want to be a part of the community." [Click here to read more.](#)

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## **Q&A: TRACO MATTHEWS IS APPOINTED TO CALIFORNIA'S RACIAL EQUITY COMMISSION**

*(Positive)*

**By: Kern Sol News** | August 3, 2023

"Governor Gavin Newsom announced his appointments to the first Racial Equity Commission for the State. Among his appointments is Bakersfield's local, Traco Matthews. Matthews is the Chief Health Equity Officer at Kern Health Systems, a pastor, and a community advocate." [Click here to read more.](#)

## **Mentions**

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### **Open Door Network opens new recovery home in downtown Bakersfield**

*(Positive)*

**By: KBAK** | July 11, 2023

"The Open Door Network and Kern Family Healthcare have opened a new recovery home in downtown Bakersfield." [Click here to read more.](#)

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### **Open Door Network holds opening ceremony for Reimagined Hope House**

*(Positive)*

**By: KERO 23abc** | July 12, 2023

"The Open Door Network, formerly known as the Bakersfield Homeless Center, partnered with Kern Family Health Care to open the Reimagined Hope House. A grand opening and ribbon-cutting ceremony was held to introduce the facility to local residents on Tues, July 11." [Click here to read more.](#)



## SUMMARY

### FINANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS  
**2900 Buck Owens Boulevard**  
Bakersfield, California 93308

Friday, June 9, 2023

8:00 A.M.

#### COMMITTEE RECONVENED

Members: Garcia, McGlew, Watson  
ROLL CALL: 2 Present; 1 Absent – Garcia

NOTE: The vote is displayed in bold below each item. For example, McGlew-Watson denotes Director McGlew made the motion and Director Watson seconded the motion.

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" WERE CONSIDERED TO BE ROUTINE AND APPROVED BY ONE MOTION.

#### COMMITTEE ACTION SHOWN IN CAPS

#### 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!**  
**NO ONE HEARD**

#### 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))

**SUMMARY**

Finance Committee Meeting  
Kern Health Systems

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DIRECTOR WATSON ANNOUNCED THAT ELSA MARTINEZ WAS NOT REAPPOINTED TO THE KHS BOARD AND THAT A NEW TREASURER WILL BE SELECTED AT THE AUGUST BOARD MEETING

- CA-3) Minutes for Kern Health Systems Finance Committee meeting on April 7, 2023 - APPROVED

**McGlew-Watson: 2 Ayes; 1 Absent - Garcia**

NOTE – DIRECTOR GARCIA ARRIVED AT 8:08 AM; DURING THE DISCUSSION OF ITEM 4

- 4) Report on Kern Health Systems investment portfolio for the first quarter ending March 31, 2023 (Fiscal Impact: None) – CHRISTOPHER MCGEHEE, UBS FINANCIAL, HEARD; RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS  
**McGlew-Garcia: All Ayes**
- 5) Proposed renewal and binding of insurance coverages for crime, excess crime, property, fiduciary liability, cyber insurance, excess cyber insurance, managed care errors and omissions, flood insurance and deadly weapon response program from July 1, 2023 through June 30, 2024 (Fiscal Impact: \$900,000 Estimated; Budgeted) – CHRIS TOBIN AND CANDANCE PORTER, ALLIANT, HEARD; APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**McGlew-Garcia: All Ayes**
- 6) Report from the Milliman actuary firm regarding capital reserves (Fiscal Impact: None) – AARON GATES AND MATT KRIDGEN, MILLIMAN, HEARD; RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS  
**McGlew-Garcia: All Ayes**
- 7) Report on Kern Health Systems financial statements for February 2023, March 2023 and April 2023 (Fiscal Impact: None) – RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS  
**McGlew-Garcia: All Ayes**
- 8) Report on Accounts Payable Vendor Report, Administrative Contracts between \$50,000 and \$200,000 for February 2023, March 2023 and April 2023 and IT Technology Consulting Resources for the period ended March 31, 2023 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS  
**McGlew-Garcia: All Ayes**

ADJOURN TO FRIDAY, AUGUST 11, 2023 AT 8:00 A.M.

/s/ Sheilah M. Woods, Clerk  
Kern Health Systems Board of Directors

## SUMMARY

### QUALITY IMPROVEMENT (QI) / UTILIZATION MANAGEMENT (UM) COMMITTEE

KERN HEALTH SYSTEMS  
2900 Buck Owens Blvd.  
Bakersfield, California 93308

Thursday, June 22, 2023

#### COMMITTEE RECONVENED

Members: Ansolabehere, Arya, Cox, Colayco, Jeffries, Kennedy, Komin, Melendez, Park, Tasinga (Miller alternate)  
ROLL CALL: 7 Present; 3 Absent – Arya, Cox, Colayco

MEETING CALLED TO ORDER AT 7:04 A.M. BY DR. MILLER, MD, KHS MEDICAL DIRECTOR

NOTE: The vote is displayed in bold below each item. For example, Ansolabehere-Arya denotes Member Ansolabehere made the motion and Member Arya seconded the motion.

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" WERE CONSIDERED TO BE ROUTINE AND APPROVED BY ONE MOTION.

#### COMMITTEE ACTION SHOWN IN CAPS

#### PUBLIC PRESENTATIONS

- 1) This portion of the meeting is reserved for persons to address the Committee Members on any matter not on this agenda but under the jurisdiction of the Committee Members. 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 Members at a later meeting. Also, the Committee Members may take action to direct the staff to place a matter of business on a future agenda.  
**NO ONE HEARD.**

**Summary of Proceedings**

Quality Improvement- Utilization Management Committee Meeting  
Kern Health Systems

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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 (Gov. Code Sec. 54954.2[a]) **NO ONE HEARD.**

CA-3) QI-UM Committee Q1 2023 Summary of Proceedings – APPROVED  
**Melendez-Miller: 7 Ayes; 3 Absent – Arya, Cox, Colayco**

CA-4) Physician Advisory Committee (PAC) Q1 2023 Summary of Proceedings – APPROVED  
**Melendez-Miller: 7 Ayes; 3 Absent – Arya, Cox, Colayco**

CA-5) Public Policy – Community Advisory Committee (PP-CAC) Q1 2023 Summary of Proceedings – APPROVED  
**Melendez-Miller: 7 Ayes; 3 Absent – Arya, Cox, Colayco**

CA-6) Drug Utilization Review (DUR) Committee Q1 2023 Summary of Proceedings – APPROVED  
**Melendez-Miller: 7 Ayes; 3 Absent – Arya, Cox, Colayco**

CA-7) Pharmacy TAR Log Statistics Q1 2022 – RECEIVED AND FILED  
**Melendez-Miller: 7 Ayes; 3 Absent – Arya, Cox, Colayco**

- 8) Quality Improvement Program Reporting Q1 2023 – APPROVED
- QI Reporting for Q1
  - Policy 2.72-I Provider Preventable Conditions
  - Policy 2.73-P Initial Health Assessment
- Melendez-Kennedy: 7 Ayes; 3 Absent – Arya, Cox, Colayco**

9) Utilization Management Program Reporting Q1 2023 – APPROVED  
**Melendez-Kennedy: 7 Ayes; 3 Absent – Arya, Cox, Colayco**

CA-10) Kaiser Reports (PROPRIETARY AND CONFIDENTIAL)

- KFHC APL Grievance Report Q1 2023 – RECEIVE AND FILE
- KFHC Volumes Report for Q1 2023 – RECEIVE AND FILE
- Kaiser Reports will be available upon Request

**Melendez-Miller: 7 Ayes; 3 Absent – Arya, Cox, Colayco**

11) Population Health Management (PHM) Reporting Q1 2023 – APPROVED  
**Melendez-Kennedy: 7 Ayes; 3 Absent – Arya, Cox, Colayco**

12) Grievance Operational Board Update Q1 2023 – APPROVED  
**Melendez-Kennedy: 7 Ayes; 3 Absent – Arya, Cox, Colayco**

**Summary of Proceedings**

Quality Improvement- Utilization Management Committee Meeting  
Kern Health Systems

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- 13) Grievance Summary Reports Q1 2023 – APPROVED  
**Melendez-Kennedy: 7 Ayes; 3 Absent – Arya, Cox, Colayco**
- 14) Credentialing Statistics Q1 2023 – APPROVED  
**Melendez-Kennedy: 7 Ayes; 3 Absent – Arya, Cox, Colayco**
- CA-15) Board Approved New & Existing Contracts Report – RECEIVED AND FILED  
**Melendez-Miller: 7 Ayes; 3 Absent – Arya, Cox, Colayco**
- CA-16) Credentialing & Recredentialing Summary Report – RECEIVED AND FILED  
**Melendez-Miller: 7 Ayes; 3 Absent – Arya, Cox, Colayco**
- CA-17) Network Review for Q1 2023 – RECEIVED AND FILED  
**Melendez-Miller: 7 Ayes; 3 Absent – Arya, Cox, Colayco**
- CA-18) Health Education Activity Report for Q1 2023 - APPROVED  
**Melendez-Miller: 7 Ayes; 3 Absent – Arya, Cox, Colayco**
- CA-19) Enhanced Case Management Program Report Q1 2023 – APPROVED  
**Melendez-Miller: 7 Ayes; 3 Absent – Arya, Cox, Colayco**

MEETING ADJOURNED AT 8:25 A.M. TO THURSDAY, SEPTEMBER 21, 2023 @  
7:00 A.M

## SUMMARY

### DRUG UTILIZATION REVIEW (DUR) COMMITTEE

KERN HEALTH SYSTEMS  
2900 Buck Owens Blvd.  
Bakersfield, California 93308

Monday, June 26, 2023  
6:30 P.M.

#### COMMITTEE RECONVENED

Members: Alison Bell, Pharm. D; Dilbaugh Gehlawat, M.D.; Kimberly Hoffmann, Pharm. D; James Patrick "Pat" Person, R.P.H.; Sam Ratnayake, M.D.; Sarabjeet Singh, M.D.; Vasanthi Srinivas, M.D.; Martha Tasinga, M.D., C.M.O.; Joseph Tran, Pharm. D; Bruce Wearda, R.Ph., Director of Pharmacy

ROLL CALL: 6 Present; 4 Absent – Ratnayake, Singh, Srinivas, Tran

Meeting called to order at 6:34 P.M. by Dr. Tasinga, MD, CMO

NOTE: The vote is displayed in bold below each item. For example, Bell-Gehlawat denotes Member Bell made the motion and Member Gehlawat seconded the motion.

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" WERE CONSIDERED TO BE ROUTINE AND APPROVED BY ONE MOTION.

#### COMMITTEE ACTION SHOWN IN CAPS

#### 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!  
**NO ONE HEARD**



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 (Gov. Code Sec. 54954.2[a])

BRUCE ANNOUNCED TO THE COMMITTEE MEDI-CAL RX WILL BE REINSTATING THE PRIOR AUTH CRITERIA FOR ENTERAL PRODUCTS FOR AGES GREATER THAN 22 YEARS STARTING IN SEPTEMBER. PER DHCS, PA APPROVAL IS SUBJECT TO THE CONTRACTED LIST AND MEETING COVERAGE CRITERIA, AKA: "BACK TO THE OLD COVERAGE RULES." ELEMENTS LIKE QUANTITY LIMITS, SPECIFIC PRODUCTS/MANUFACTURER LISTINGS, ETC.

DR. TASINGA ANNOUNCED THAT ALL PHYSICIANS WITH A DEA LICENSE WILL BE REQUIRED TO TAKE A OPIOID SAFETY TRAINING COURSE BY JULY 1ST, 2023.

- CA-3) Minutes for KHS Drug Utilization Review Committee Meeting on November 21, 2022 - APPROVED  
**Hoffmann-Bell: 6 Ayes; 4 Absent – Ratnayake, Singh, Srinivas, Tran**
- CA-4) Minutes for KHS Drug Utilization Review Committee meeting on March 21, 2023 – APPROVED  
**Hoffmann-Bell: 6 Ayes; 4 Absent – Ratnayake, Singh, Srinivas, Tran**
- CA-5) Report of Plan Utilization Metrics – RECEIVED AND FILED
- CA-6) Educational Articles – RECEIVED AND FILED

DR. TASINGA ADDED THAT THE PLAN IS MONITORING AND TAKING EFFORTS TO IMPROVE THE MENTAL HEALTH STATUS OF PREGNANT WOMEN. DEPRESSION CAN REALLY PLAY A PART IN CERTAIN PREGNANCIES.

- 7) CMS DUR Annual Survey Submitted – RECEIVED AND FILED

BRUCE DISCUSSED THAT THE PLAN SUBMITTED ITS CMS-DUR ANNUAL SURVEY ON TIME. THIS PAST YEAR DUE TO THE PHARMACY CARVE-OUT, KHS ONLY HAD TO COMPLETE THE ABBREVIATED SURVEY.

- 8) Opioid Utilization and Tracking – RECEIVED AND FILED

BRUCE ANNOUNCED THE RESULTS OF THE 2022 UTILIZATION REPORTS FOR OPIOIDS AND OTHER DRUGS FOR ANXIETY AND PAIN.

IT WAS DISCOVERED THAT MANY OF THE POSITIVE ACHIEVEMENTS OF INAPPROPRIATE UTILIZATION HAD BEEN WIPED OUT AS A RESULT OF MEDI-CAL RX REMOVING ALL PRIOR AUTH REQUIREMENTS AND DUR EDITS.

KIM HOFFMANN ASKED ABOUT THE ABILITY TO PRESCRIBE GREATER THAN A 30-DAY SUPPLY OF CONTROLLED SUBSTANCES, PARTICULARLY DRUGS FOR ADHD. IT WAS DISCUSSED BY COMMITTEE. PAT PERSON STATED THAT TYPICALLY PRESCRIPTIONS ARE WRITTEN WITH A “DO NOT FILL BEFORE” DATE ON THEM. KIM ALSO ASKED WHEN OR IF THE OPIOID COMMITTEE WOULD MEET AGAIN. BRUCE RESPONDED THIS WILL BE TAKEN OVER BY OUR NEW BEHAVIORAL HEALTH DEPARTMENT.

9) NCQA Announcement – RECEIVED AND FILED

BRUCE ANNOUNCED THAT KHS IS SEEKING NCQA ACCREDITATION AND IS UNDER-GOING ACTIVITIES IN PREPARATION TO SUBMIT FOR ACCREDITATION.

10) DUR Vacancy – DISCUSSION

A REQUIREMENT FOR DHCS 2024 CONTRACT IS A PHYSICIAN WHO SPECIALIZES IN GERIATRICS. BRUCE STATED THE 3 CANDIDATES HE CONTACTED DECLINED PARTICIPATION IN THE DUR COMMITTEE. IN ORDER TO BE COMPLIANT, WE ARE STILL LOOKING FOR A PHYSICIAN TO FILL THIS ROLE. KIM HOFFMANN MADE A SUGGESTION OF TODD FARRER.

11) Executive Order N-01-19: Medi-Cal Rx Update - DISCUSSION

BRUCE SHARED THE LATEST UPDATE ON MEDI-CAL RX, WHICH INCLUDED THE REINSTATEMENT OF THE ENTERAL PRODUCTS. KIM ASKED FOR CLARIFICATION ON WHAT IS THE ROLE OF THE DUR COMMITTEE. BRUCE SHARED WHAT WE ARE CURRENTLY DOING – REVIEWING UTILIZATION REPORTS, SHARING EDUCATION ARTICLES CREATED BY DHCS, MONITORING MEMBERS MEDICATION PROFILES FOR COMPLIANCE OR ADHERENCE.

ADJOURN TO CLOSED SESSION – N/A

**Summary – DUR Committee**  
Kern Health Systems  
Regular Meeting

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CLOSED SESSION

Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) –

COMMITTEE TO RECONVENE TO OPEN SESSION – N/A

MEETING ADJOURNED BY DR. TASINGA AT 7:30 PM TO SEPTEMBER 25, 2023  
AT 6:30 PM

## SUMMARY

### PUBLIC POLICY/COMMUNITY ADVISORY COMMITTEE

KERN HEALTH SYSTEMS  
2900 Buck Owens Boulevard  
Bakersfield, California 93308

Regular Meeting  
Tuesday, June 27, 2023

#### COMMITTEE RECONVENED

Members: Janet Hefner, Jennifer Wood, Jasmine Ochoa, Mark McAlister, Cecilia Hernandez-Colin, Beatriz Basulto, Tammy Torres, Yadira Ramirez, Michelle Bravo, Alex Garcia, Quon Louey, Kaelsun Singh Tyiska, Rukiyah Polk

ROLL CALL: 8 Present; 5 Absent – Jennifer Wood, Jasmine Ochoa, Mark McAlister, Tammy Torres, Yadira Ramirez

**Meeting called to order by Isabel Silva, Director of Health Education and Cultural and Linguistics Services, at 11:07 AM.**

NOTE: The vote is displayed in bold below each item. For example, Hefner-Wood denotes Member Hefner made the motion and Member Wood seconds the motion.

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" WERE CONSIDERED TO BE ROUTINE AND APPROVED BY ONE MOTION.

COMMITTEE ACTION SHOWN IN CAPS

#### 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!  
**NO ONE HEARD.**

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 (Gov. Code Sec. 54954.2[a]) **NO ONE HEARD.**
- CA-3) Minutes for Public Policy/Community Advisory Committee meeting on March 28, 2023 -  
APPROVED  
**Hefner-Louey: 8 Ayes; 5 Absent – Wood, Ochoa, McAlister, Torres, Ramirez**
- CA-4) Report on June2023 Medi-Cal Membership Enrollment -  
RECEIVED AND FILED  
**Hefner-Louey: 8 Ayes; 5 Absent – Wood, Ochoa, McAlister, Torres, Ramirez**
- CA-5) Report on Health Education for Q1 2023 -  
RECEIVED AND FILED  
**Hefner-Louey: 8 Ayes; 5 Absent – Wood, Ochoa, McAlister, Torres, Ramirez**
- 6) Report on Member Services Grievance Operational Report and Grievance Summary for Q1 2023 -  
APPROVED  
**Hefner-Louey: 8 Ayes; 5 Absent – Wood, Ochoa, McAlister, Torres, Ramirez**
- QUON LOUEY SUGGESTED TRACKING POSITIVE FEEDBACK IF POSSIBLE, AND KAELSUN SINGH-TYISKA SUGGESTED WE CREATE A QR CODE FOR EASIER ACCESS FOR MEMBERS TO COMMENT POSITIVE EXPERIENCES.
- 7) Marketing Department Medi-Cal Redetermination presentation -  
RECEIVED AND FILED
- 8) Health Education Tobacco Cessation Program presentation -  
RECEIVED AND FILED

MEETING ADJOURNED BY ISABEL SILVA, DIRECTOR OF HEALTH EDUCATION AND CULTURAL AND LIGUISTICS SERVICES,  
AT 11:57 AM TO SEPTEMBER 26, 2023 AT 11:00 AM

