



**KERN HEALTH  
SYSTEMS**

**FINANCE COMMITTEE  
MEETING**

**Friday, February 2, 2018**

**at**

**8:00 a.m.**

**Kern Health Systems  
5701 Truxtun Avenue, Suite 201  
Bakersfield, CA 93309**

**For more information, call (661) 664-5000**



## AGENDA

### FINANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS  
**5701 Truxtun Avenue, Suite 201**  
Bakersfield, California 93309

Friday, February 2, 2018

8:00 A.M.

All agenda item supporting documentation is available for public review at Kern Health Systems in the Administration Department, 9700 Stockdale Highway, Bakersfield, 93311 during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday, following the posting of the agenda. Any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location.

**PLEASE REMEMBER TO TURN OFF ALL CELL PHONES, PAGERS OR ELECTRONIC DEVICES DURING MEETINGS.**

#### COMMITTEE TO RECONVENE

Members: Deats, Casas, McGlew, Melendez, Rhoades

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

STAFF RECOMMENDATION SHOWN IN CAPS

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PUBLIC PRESENTATIONS

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

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Committee members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code Section 54954.2(a)(2))
- CA-3) Minutes for KHS Finance Committee meeting on December 8, 2017 - APPROVE
- 4) Report on KHS investment portfolio for the fourth quarter ending December 31, 2017 (Fiscal Impact: None) – RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 5) Report on 2017 annual review of KHS Investment Policy (Fiscal Impact: None) – RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 6) Report on 2017 annual travel report (Fiscal Impact: None) – RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 7) Proposed Agreement with Level 3 CenturyLink, for voice and data services for the KHS Stockdale location from February 14, 2018 through February 13, 2019, in an amount not to exceed \$112,843.20 (Fiscal Impact: \$112,843.20; Budgeted) – APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 8) Report on Kern Health Systems financial statements for November 2017 (Fiscal Impact: None) – RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 9) Report on Accounts Payable Vendor Report, Administrative Contracts under \$100,000 budgeted and \$50,000 non-budgeted, and non-claims paid through QNXT system for November 2017 (Fiscal Impact: None) – RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS

ADJOURN TO FRIDAY, APRIL 6, 2018 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 KHS Finance Committee may request assistance at the Kern Health Systems office, 9700 Stockdale Highway, Bakersfield, California, or by calling (661) 664-5000. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.



## SUMMARY

### FINANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS  
5701 Truxtun Avenue, Suite 201  
Bakersfield, California 93309

Friday, December 8, 2017

8:00 A.M.

COMMITTEE RECONVENED AT 8:00 A.M.

Members present: Deats, McGlew, Melendez

Members absent: Casas, Rhoades

NOTE: The vote is displayed in bold below each item. For example, Rhoades-Deats denotes Director Rhoades made the motion and Director Deats 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 (Government Code Section 54954.2(a)(2))  
**NO ONE HEARD**

- CA-3) Minutes for KHS Finance Committee meeting on October 6, 2017 -  
APPROVED  
**Melendez-McGlew: 3 Ayes; 2 Absent – Casas, Rhoades**
- 4) Report on KHS investment portfolio for the third quarter ending September 30, 2017  
(Fiscal Impact: None) – JON SAMPSON, UBS FINANCIAL, HEARD;  
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS  
**McGlew-Melendez: 3 Ayes; 2 Absent – Casas, Rhoades**
- 5) Proposed Retroactive Amendment No. 20 to Physician Services Agreement and  
Amendment No. 39 to Hospital and Other Facility Services Agreement with Kern  
Medical relating to services for Medi-Cal SPD enrollees pursuant to the  
Intergovernmental Agreement regarding the transfer of public funds between the  
County of Kern and the California Department of Health Care Services (Fiscal Impact:  
None) –  
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**Melendez-McGlew: 3 Ayes; 2 Absent – Casas, Rhoades**
- 6) Proposed policy with OPTUM for reinsurance to mitigate costs incurred by Kern  
Health Systems for members with high dollar inpatient admissions from January 1,  
2018 through December 31, 2018 in an amount not to exceed \$0.47 per member per  
month (Fiscal Impact: \$1,371,014 estimated; Budgeted) –  
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**McGlew-Melendez: 3 Ayes; 2 Absent – Casas, Rhoades**
- 7) Proposed Kern Health Systems 2018 Operating and Capital Budgets (Fiscal Impact:  
None) –  
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**McGlew-Deats: 3 Ayes; 2 Absent – Casas, Rhoades**
- 8) Proposed Budget Request for 2018 Project Consulting Professional Services, from  
January 1, 2018 through December 31, 2018 (Fiscal Impact: \$2,959,453; Budgeted) –  
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**McGlew-Melendez: 3 Ayes; 2 Absent – Casas, Rhoades**
- 9) Proposed Agreement with Optum, Inc, to provide Claims Edit Platform Solution,  
maintenance and support in an amount not to exceed \$1,624,098; additionally  
include purchase of hardware, software and professional services to support  
installation and deployment \$1,007,030, from December 14, 2017 through December  
14, 2020 (Fiscal Impact: \$2,631,128; Budgeted) –  
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**Melendez-McGlew: 3 Ayes; 2 Absent – Casas, Rhoades**



- 
- 10) Proposed Amendment with ZeOmega, Inc, for the implementation of the third phase of the Jiva Software Platform in an amount not to exceed \$338,875; additionally include professional services to support installation and function not to exceed \$2,669,086, from January 1, 2018 through December 31, 2018 (Fiscal Impact: \$3,007,961; Budgeted) –  
 APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**Melendez-McGlew: 3 Ayes; 2 Absent – Casas, Rhoades**
- NOTE – DIRECTOR MELENDEZ LEFT THE DAIS AT 9:35 A.M. AND DID NOT RETURN
- 11) Report on Kern Health Systems financial statements for September 2017 and October 2017 (Fiscal Impact: None) –  
 RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS  
**McGlew-Deats: 2 Ayes; 3 Absent – Casas, Melendez, Rhoades**
- 12) Report on Accounts Payable Vendor Report, Administrative Contracts under \$100,000 budgeted and \$50,000 non-budgeted, and non-claims paid through QNXT system for September 2017 and October 2017 (Fiscal Impact: None) –  
 RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS  
**McGlew-Deats: 2 Ayes; 3 Absent – Casas, Melendez, Rhoades**

ADJOURN TO FRIDAY, FEBRUARY 2, 2018 AT 8:00 A.M.

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

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**To: KHS Finance Committee**

**From: Robert Landis, CFO**

**Date: February 2, 2018**

**Re: Quarterly Review of Kern Health Systems Investment Portfolio**

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**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 time frame are typically utilized to pay providers, meet operating expenses, fund capital projects and distribute pass-through monies waiting for additional approvals and/or support to be paid. Additionally, extra liquidity is maintained in the event the State is late with its monthly capitation payment and/or MCO Tax reimbursements.

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

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

**Requested Action**

Receive and File; Refer to KHS Board of Directors

**Kern Health Systems  
Investment Portfolio  
December 31, 2017**

**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 waiting for additional approvals and/or support to be paid and monies owed to the State for MCO Taxes and/or overpayments. 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	(A)	(1)	\$ 9,100,000	3.61%	50%	0.50%	1 Day	None
Morgan Stanley Money Market	(B)	(1)	\$ 26,500,000	10.52%	20%	1.14%	1 Day	None
Local Agency Investment Fund (LAIF)	(C)	(2)	\$ 64,700,000	25.67%	50%	1.20%	2 Days	None
US T-Bills at Wells Fargo		(1)	\$ 48,500,000	19.25%	100%	1.12%	1 Day	Subject to Interest Rate Fluctuations
KHS Managed Portfolio at Wells Fargo	(D)	(1)	\$ 25,500,000	10.12%		1.27%	3 Days	Subject to Interest Rate Fluctuations
Sub-Total			\$ 174,300,000	69.17%		1.14%		

**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	(E)		\$ 71,200,000	28.25%		2.29%	3 Days	Subject to Interest Rate and Credit Fluctuations
KHS Managed Portfolio at Wells Fargo	(D)		\$ 6,500,000	2.58%		1.38%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total			\$ 77,700,000	30.83%		2.21%		
<b>Total Portfolio</b>			<b>\$ 252,000,000</b>	<b>100.00%</b>		<b>1.47%</b>		

**Yield Curve**

<u>Yield Curve</u>	<u>A</u>			
	<u>Treasuries</u>	<u>AA Corporate Bonds</u>	<u>Corporate Bonds</u>	<u>CD's</u>
1 year	1.80%	1.80%	1.90%	1.65%
2 year	1.90%	1.95%	2.05%	2.15%
3 year	2.00%	2.13%	2.20%	2.25%
5 year	2.35%	2.50%	2.70%	2.60%

- (A) Secured by collateral guaranteed by the US Government or an agency thereof.
  - (B) \$18 Billion money market fund managed by Morgan Stanley comprised of high -quality debt securities issued by the US Government.
  - (C) LAIF is part of a \$68 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.
  - (D) High quality diversified portfolio comprising certificate of deposits, commercial paper, corporate bonds and notes and municipal securities.
  - (E) 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, distribute pass-through monies waiting for additional approvals and/or support and monies owed to the State For MCO Taxes and/or overpayments. Extra liquidity is maintained in the event the State is late with its monthly capitation payment and/or MCO Tax Reimbursement Payments.
  - (2) Funds will be primarily utilized to fund various Grant Programs and 2018 capital projects, which includes building a new office building.



# UBS Client Review

as of December 31, 2017

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

**Financial Advisor:**  
 SAMPSON WEALTH MANAGEMENT GRP  
 (661) 663-3213

**Financial Advisor:**  
 Gary J. Sampson, CFP®, CRPC®  
 Jon Sampson, CFP®, CFM®, CRPC®  
 Nancy K. Sampson, CRPC®

## Prepared for

Kern Health Systems  
 BOARD REVIEW

## Accounts included in this review

Account	Name	Type
EB 02120	• BOND PORTFOLIO	• Portfolio Management Program
Risk profile:	Conservative	
Return Objective:	Current Income	

## What's inside

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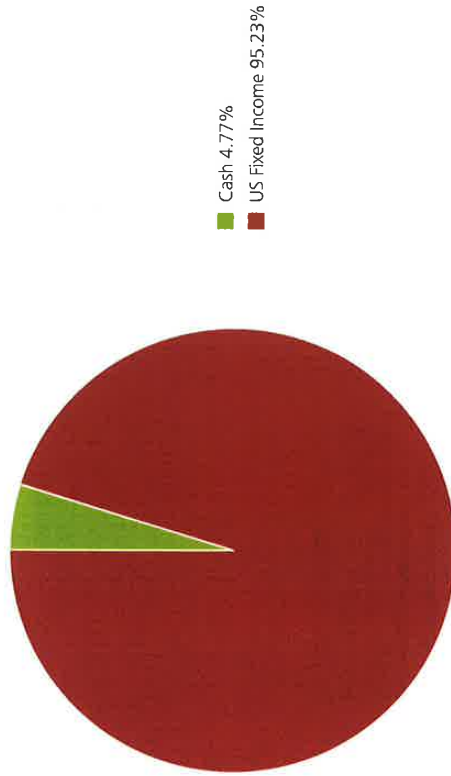
# Asset allocation review

as of December 31, 2017

Prepared for Kern Health Systems  
 EB 02120 • BOND PORTFOLIO • Portfolio Management Program  
 Risk profile: Conservative  
 Return Objective: Current Income

	Market value (\$)	% of portfolio
<b>Cash</b>	<b>3,392,132.82</b>	<b>4.77</b>
Cash	3,392,132.82	4.77
<b>Fixed Income</b>	<b>67,784,622.21</b>	<b>95.23</b>
US	67,784,622.21	95.23
Equity	0.00	0.00
Commodities	0.00	0.00
Non-Traditional	0.00	0.00
Other	0.00	0.00
<b>Total Portfolio</b>	<b>\$71,176,755.03</b>	<b>100%</b>

Balanced mutual funds represented in multiple asset classes based on Morningstar allocations

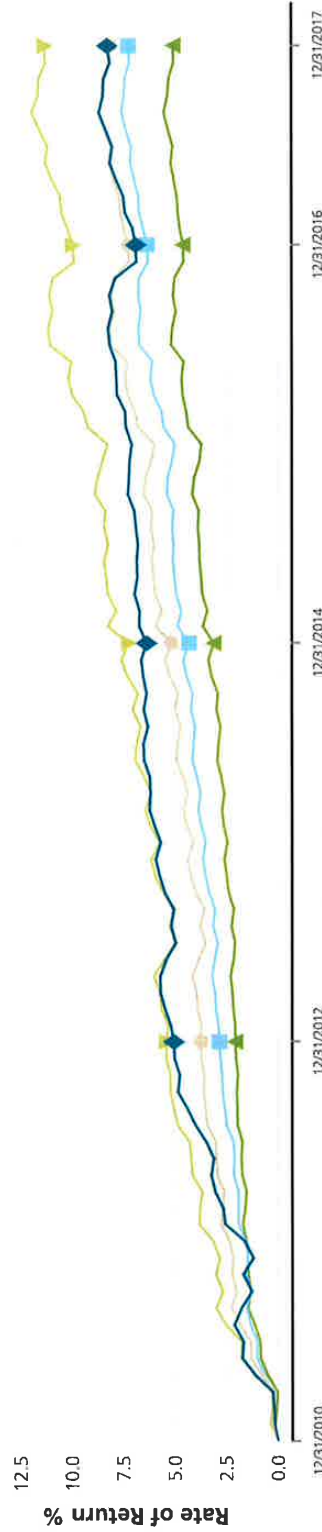


■ Cash 4.77%  
 ■ US Fixed Income 95.23%



# Cumulative performance as of December 31, 2017

Prepared for Kern Health Systems  
 EB 02120 • BOND PORTFOLIO • Portfolio Management Program  
 Risk profile: Conservative  
 Return Objective: Current Income



	12/31/2010 to 12/31/2012	12/31/2012 to 12/31/2014	12/31/2014 to 12/31/2016	12/31/2016 to 12/31/2017	Annualized 12/31/2010 to 12/31/2017
◆ Net Time-weighted ROR	5.07	6.39	6.90	8.31	1.15

**Benchmarks - Time-weighted returns**

■ Benchmark 1	3.75	5.16	7.27	8.18	1.13
■ Barclays Govt/Credit 1-3Y	2.88	4.33	6.36	7.26	1.01
▼ Barclays Govt/Credit 1-5Y	5.44	7.25	9.99	11.38	1.55
▲ Barclays US Gov 1-3Y	2.08	3.12	4.60	5.07	0.71

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



# Bond summary

as of December 31, 2017

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

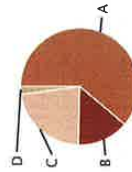
**Prepared for Kern Health Systems**  
 EB 02120 • BOND PORTFOLIO • Portfolio Management Program  
 Risk profile: Conservative  
 Return Objective: Current Income

## Bond overview

Total quantity	67,902,000
Total market value	\$67,413,878.24
Total accrued interest	\$370,743.97
Total market value plus accrued interest	\$67,784,622.21
Total estimated annual bond interest	\$1,499,210.50
Average coupon	2.25%
Average current yield	2.22%
Average yield to maturity	2.29%
Average yield to worst	2.29%
Average modified duration	2.53
Average effective maturity	2.65

## Credit quality of bond holdings

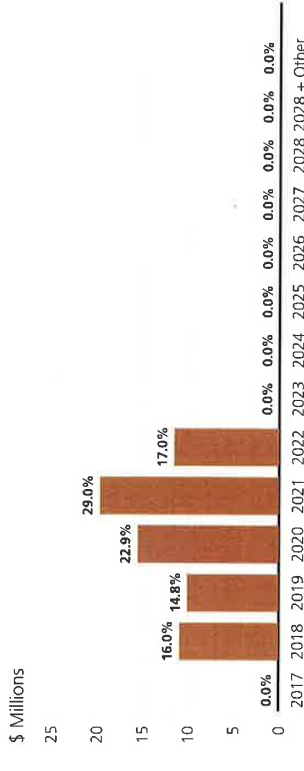
Effective credit rating	Issues	Value on 12/31/2017 (\$)	% of port.
A Aaa/AAA/AAA	16	41,479,059.48	61.28
B Aa/AA/AA	9	9,502,601.83	13.99
C A/A/A	17	15,292,453.67	22.52
D Baa/BBB/BBB	2	1,510,507.22	2.21
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	0	0.00	0.00
G Not rated	0	0.00	0.00
<b>Total</b>	<b>44</b>	<b>\$67,784,622.21</b>	<b>100%</b>



## Investment type allocation

Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
Municipals	6,494,519.33	0.00	6,494,519.33	9.58
U.S. corporates	19,811,043.39	0.00	19,811,043.39	29.23
U.S. federal agencies	41,012,858.08	0.00	41,012,858.08	60.50
U.S. treasuries	466,201.40	0.00	466,201.40	0.69
<b>Total</b>	<b>\$67,784,622.20</b>	<b>\$0.00</b>	<b>\$67,784,622.20</b>	<b>100%</b>

## Bond maturity schedule



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





**Prepared for Kern Health Systems**  
 EB 02120 • BOND PORTFOLIO • Portfolio Management Program  
 Risk profile: Conservative  
 Return Objective: Current Income

# Bond holdings

as of December 31, 2017

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

## 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
2017	0	0			NA	NA	NA				
2018	12	10,785,000	330,845.00	3.05%	2.00%	2.00%	0.63	10,878,492.5	-36,943.70	10,931,614.59	16.08%
2019	7	9,979,000	203,607.50	2.04%	2.01%	2.01%	1.36	10,067,791.07	-62,836.31	10,050,029.17	14.84%
2020	7	15,629,000	339,277.50	2.19%	2.51%	2.51%	2.37	15,794,743.42	-303,615.51	15,550,058.82	22.98%
2021	12	19,920,000	364,978.00	1.86%	2.32%	2.32%	3.29	20,010,636.21	-412,691.51	19,704,379.65	29.07%
2022	6	11,589,000	260,502.50	2.27%	2.46%	2.46%	4.26	11,601,107.19	-122,805.12	11,548,539.98	17.03%
2023	0	0			NA	NA	NA				
2024	0	0			NA	NA	NA				
2025	0	0			NA	NA	NA				
2026	0	0			NA	NA	NA				
2027	0	0			NA	NA	NA				
2028	0	0			NA	NA	NA				
2029	0	0			NA	NA	NA				
2030	0	0			NA	NA	NA				
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2041	0	0			NA	NA	NA				
2042	0	0			NA	NA	NA				
2043	0	0			NA	NA	NA				
2044	0	0			NA	NA	NA				
2045	0	0			NA	NA	NA				
2046	0	0			NA	NA	NA				
2046 +	0	0			NA	NA	NA				
Other	0	0			NA	NA	NA				
<b>Total</b>	<b>44</b>	<b>67,902,000</b>	<b>\$1,499,210.50</b>	<b>2.22%</b>	<b>2.29%</b>	<b>2.29%</b>	<b>2.53</b>	<b>\$68,352,770.39</b>	<b>\$-938,892.15</b>	<b>\$67,784,622.21</b>	



Prepared for Kern Health Systems  
 EB 02120 • BOND PORTFOLIO • Portfolio Management Program  
 Risk profile: Conservative  
 Return Objective: Current Income

Bond holdings - as of December 31, 2017 (continued)

Details of bond holdings

Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) YTW (%)	Modified duration	Adjusted cost basis (\$) Unreal. gfi (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
	<b>67,902,000</b>	<b>2.25%</b>	<b>08/25/2020</b>	<b>NA</b>	<b>\$1,499,210.50</b> <b>2.22%</b>	<b>2.29%</b> <b>2.29%</b>	<b>2.53</b>	<b>\$68,352,770.39</b> <b>\$-938,892.15</b>	<b>NA</b>	<b>\$67,413,878.24</b> <b>\$370,743.97</b>	<b>100%</b>
											<b>\$67,784,622.21</b>

Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) YTW (%)	Modified duration	Adjusted cost basis (\$) Unreal. gfi (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
<b>Maturing 2018</b>											
A3/A/BBB+ NR/NR/NR	650,000	5.95%	01/18/2018		38,675.00 5.94%	2.88% 2.88%	0.05	651,383.05 -356.05	100.158	651,027.00 17,511.18	0.97%
GOLDMAN SACHS GROUP INC 05.950% 011818 DTD011808 FC071808 NTS CUSIP: 38141GFG4 Initial Purchase Date: 12/03/2015 Original Maturity: 01/18/2018											
Baa1/A-/BBB+ NR/NR/NR	500,000	5.50%	02/01/2018		27,500.00 5.48%	2.23% 2.23%	0.09	501,477.99 -47.99	100.286	501,430.00 11,458.33	0.74%
AT&T INC CALL @MMW+8P 05.500% 020118 DTD020108 FC080108 CUSIP: 00206RAJ1 Initial Purchase Date: 07/09/2013 Original Maturity: 02/01/2018											
Aa3/AA-/AA- NR/AA-/NR	250,000	5.95%	03/01/2018		14,875.00 5.91%	1.72% 1.72%	0.17	251,874.60 -74.60	100.720	251,800.00 4,958.33	0.37%
ST OF CA VAR GEN OBLI BN TAX BE/R/ 5.950 030118 DTD 040110 /CA CUSIP: 130638FT4 Initial Purchase Date: 03/16/2015 Original Maturity: 03/01/2018											
A2/A+/A NR/NR/NR	1,000,000	1.63%	04/02/2018		16,250.00 1.63%	1.80% 1.80%	0.26	1,000,242.77 -722.77	99.952	999,520.00 4,017.36	1.48%
GENERAL ELEC CAP CORP 01.625% 040218 DTD040213 FC100213 NTS B/E CUSIP: 36962G6W9 Initial Purchase Date: 04/15/2013 Original Maturity: 04/02/2018											
A1/AA-/A NR/NR/NR	335,000	1.35%	05/15/2018		4,522.50 1.35%	1.76% 1.76%	0.38	334,762.15 -284.75	99.844	334,477.40 577.88	0.50%
ST STREET CORP NTS B/E 01.350% 051518 DTD051513 FC111513 CUSIP: 857477AK9 Initial Purchase Date: 11/02/2015 Original Maturity: 05/15/2018											



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Bond holdings - as of December 31, 2017 (continued)

	Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%)/ Modified YTW (%) duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
<b>Maturing 2018</b>											
EI DU PONT DE NEMOURS 06.000% 07/15/18 DTD072808 FC011509 CALL@MMW +30BP CUSIP: 263534BT5 Initial Purchase Date: 10/27/2015 Original Maturity: 07/15/2018	A3/A+- NR/NR/NR	450,000	6.00%	07/15/2018		27,000.00 5.88%	2.06% 2.06%	459,760.53 -216.03	102.121	459,544.50 12,450.00	0.68%
PAJARO VLY CAL USD TAX SR B BE/R/ 2.070 08/01/18 DTD 020713 /CA CUSIP: 695802MR6 Initial Purchase Date: 10/29/2015 Original Maturity: 08/01/2018	Aa2/NR/A+ Aa2/NR/NR	300,000	2.07%	08/01/2018		6,210.00 2.07%	1.78% 1.78%	301,168.29 -655.29	100.171	300,513.00 2,587.50	0.45%
SACRAMENTO CA PENSION OB AGC TAX OID99.264 BE/R/ 5.600 08/01/18 DTD 092811 /CA CUSIP: 786056BE0 Initial Purchase Date: 06/29/2016 Original Maturity: 08/01/2018	A2/NR/AA Baa1/NR/A-	500,000	5.60%	08/01/2018		28,000.00 5.51%	2.87% 2.87%	511,537.84 -3,637.84	101.580	507,900.00 11,666.67	0.75%
INTERCONTINENTAL EXCHANGE 02.500% 10/15/18 DTD100813 FC041514 CALL@MMW+20BP CUSIP: 45866FAB0 Initial Purchase Date: 10/29/2015 Original Maturity: 10/15/2018	A2/NR/A NR/NR/NR	300,000	2.50%	10/15/2018		7,500.00 2.49%	2.01% 2.01%	301,508.83 -354.43	100.385	301,154.40 1,583.33	0.45%
FHLB NTS 01.050 % DUE 102618 DTD 072616 FC 10262016 CUSIP: 3130A8RPO Initial Purchase Date: 08/02/2016 Original Maturity: 10/26/2018	Aaa/NR/AA+ NR/NR/NR	5,000,000	1.05%	10/26/2018		52,500.00 1.06%	1.81% 1.81%	5,000,000.00 -31,000.00	99.380	4,969,000.00 9,479.17	7.37%
BAKER HUGHES INC NTS 07.500% 11/15/18 DTD102808 CALL@MAKE WHOLE +50BPS CUSIP: 057224AY3 Initial Purchase Date: 11/03/2015 Original Maturity: 11/15/2018	A3/NR/A- NR/NR/NR	750,000	7.50%	11/15/2018		56,250.00 7.17%	2.23% 2.23%	783,320.59 819.41	104.552	784,140.00 7,187.50	1.16%
MERRILL LYNCH GLOBAL NTS 06.875% 11/15/18 DTD112498 FC051599 CUSIP: 590188JN9 Initial Purchase Date: 10/27/2015 Original Maturity: 11/15/2018	A3/A+- NR/NR/NR	750,000	6.88%	11/15/2018		51,562.50 6.60%	2.09% 2.09%	781,455.86 -413.36	104.139	781,042.50 6,588.54	1.16%
<b>Total 2018</b>		<b>10,785,000</b>	<b>3.10%</b>	<b>08/02/2018</b>		<b>\$330,845.00</b> <b>3.05%</b>	<b>2.00%</b> <b>2.00%</b>	<b>\$10,878,492.50</b> <b>\$-36,943.70</b>		<b>\$10,841,548.80</b> <b>\$90,065.79</b>	<b>16.08%</b>



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Bond holdings - as of December 31, 2017 (continued)

Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) YTW (%)	Modified duration	Adjusted cost basis (\$) Unreal. gr (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
<b>Maturing 2019</b>											
Aaa/AAA/AA+ NR/NR/NR	5,000,000	1.03%	04/05/2019		51,500.00 1.04%	1.90% 1.90%	1.25	4,996,250.00 -50,750.00	98.910	4,945,500.00 12,302.78	7.34%
FFCB BOND 01.030 % DUE 040519 DTD 070516 FC CUSIP: 3133EGJW6 Initial Purchase Date: 06/29/2016 Original Maturity: 04/05/2019											
Aaa/AA-/AA- Aaa/AA-/NR	2,500,000	2.25%	05/01/2019		56,250.00 2.24%	1.99% 1.99%	1.31	2,509,349.37 -899.37	100.338	2,508,450.00 9,375.00	3.72%
CALIFORNIA ST TAX BE/R/ 2.250 050119 DTD 050114 /CA CUSIP: 13063CKL3 Initial Purchase Date: 05/20/2014 Original Maturity: 05/01/2019											
Aaa/AAA/AA+ NR/NR/NR	594,000	1.13%	07/26/2019	01/26/2018 100.00	6,682.50 1.14%	1.95% 1.95%	1.54	593,109.00 -6,718.14	98.719	586,390.86 2,877.19	0.87%
FNMA NTS 01.125 % DUE 072619 DTD 072616 FC 01262017 CUSIP: 3135G0M59 Initial Purchase Date: 08/02/2016 Original Maturity: 07/26/2019											
A3/ABBB+ NR/NR/NR	750,000	5.63%	09/23/2019		42,187.50 5.34%	2.43% 2.43%	1.64	788,666.39 1,698.61	105.382	790,365.00 11,484.38	1.17%
MORGAN STANLEY 05.625% 092319 DTD 092309 FC032310 MMW+358P CUSIP: 61747YCJ2 Initial Purchase Date: 08/28/2015 Original Maturity: 09/23/2019											
Aaa/AA-/AA- NR/AA-/NR	400,000	6.20%	10/01/2019		24,800.00 5.78%	2.02% 2.02%	1.65	428,661.96 38.04	107.175	428,700.00 6,200.00	0.64%
CALIFORNIA ST TAX BE/R/ 6.200 100119 DTD 101509 /CA CUSIP: 13063A7G3 Initial Purchase Date: 12/30/2015 Original Maturity: 10/01/2019											
Aaa/AAA/AA+ NR/NR/NR	485,000		10/01/2019			2.30% 2.30%	1.69	467,582.65 -1,381.25	96.124	466,201.40 0.00	0.69%
FHLMC MED TERM NTS 00.0000% DUE 100119 CUSIP: 3128XZSW6 Initial Purchase Date: 06/03/2015 Original Maturity: 10/01/2019											
A3/A-/A- NR/NR/NR	250,000	8.88%	11/15/2019		22,187.50 7.94%	2.44% 2.44%	1.74	284,171.70 -4,824.20	111.739	279,347.50 2,835.07	0.41%
UNTD TECHNOLOGIES CORP 08.875% 111519 DTD 111389 FC051590 DEB CUSIP: 913017ARO Initial Purchase Date: 09/08/2016 Original Maturity: 11/15/2019											
<b>Total 2019</b>	<b>9,979,000</b>	<b>2.20%</b>	<b>05/24/2019</b>		<b>\$203,607.50</b> <b>2.04%</b>	<b>2.01%</b> <b>2.01%</b>	<b>1.36</b>	<b>\$10,067,791.07</b> <b>\$-62,836.31</b>		<b>\$10,004,954.76</b> <b>\$45,074.41</b>	<b>14.84%</b>



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**Bond holdings - as of December 31, 2017 (continued)**

	Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) / Modified YTW (%) duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
<b>Maturing 2020</b>											
ABBOTT LABS NTS B/E 02.000% 031520 DTD031015 FC091515 CALL@MW+10BP CUSIP: 002824AZ3 Initial Purchase Date: 05/12/2016 Original Maturity: 03/15/2020	Baa3/WD/BBB NR/NR/NR	1,000,000	2.00%	03/15/2020		20,000.00 2.02%	2.39% 2.39%	999,370.00 -7,640.00	99.173	991,730.00 5,888.89	1.47%
FNMA NTS 01.500 % DUE 032320 DTD 032316 FC 09232016 CUSIP: 31366G3CC7 Initial Purchase Date: 03/01/2016 Original Maturity: 03/23/2020	Aaa/AAA/AA+ NR/NR/NR	1,750,000	1.50%	03/23/2020	03/23/2018 100.00	26,250.00 1.52%	2.13% 2.13%	1,748,250.00 -22,050.00	98.640	1,726,200.00 7,145.83	2.56%
NBCUNIVERSAL MEDIA LLC 05.150% 043020 DTD043011 CALL@MW+25BP CUSIP: 639468AD2 Initial Purchase Date: 09/08/2016 Original Maturity: 04/30/2020	A3/A-/A- NR/NR/NR	2,000,000	5.15%	04/30/2020		103,000.00 4.83%	2.26% 2.26%	2,165,640.84 -34,800.84	106.542	2,130,840.00 17,166.67	3.16%
QUALCOMM INC NTS B/E 02.250% 052020 DTD052015 FC112015 CUSIP: 747525AD5 Initial Purchase Date: 02/22/2017 Original Maturity: 05/20/2020	A1/NR/A NR/NR/NR	2,879,000	2.25%	05/20/2020		64,777.50 2.27%	2.58% 2.58%	2,888,802.58 -31,999.67	99.229	2,856,802.91 7,377.44	4.24%
FILM/C MED TERM NTS 01.500 % DUE 062920 DTD 062916 FC 12292016 CUSIP: 3134G9LQ8 Initial Purchase Date: 06/03/2016 Original Maturity: 06/29/2020	Aaa/AAA/AA+ NR/NR/NR	3,500,000	1.50%	06/29/2020	12/29/2017 100.00	52,500.00 1.55%	2.74% 2.74%	3,500,000.00 -102,130.00	97.082	3,397,870.00 291.67	5.04%
JP MORGAN CHASE & CO 02.550% 102920 DTD102915 FC042916 NTS B/E CUSIP: 46625HXX4 Initial Purchase Date: 11/04/2015 Original Maturity: 10/29/2020	A3/A-/A- NR/NR/NR	1,000,000	2.55%	10/29/2020	02/24/2018 100.00	47,250.00 1.40%	2.64% 2.64%	3,498,250.00 -113,505.00	96.707	3,384,745.00 16,668.75	5.02%
<b>Total 2020</b>		<b>15,629,000</b>	<b>2.21%</b>	<b>06/16/2020</b>		<b>\$339,277.50</b> <b>2.19%</b>	<b>2.51%</b> <b>2.51%</b>	<b>\$15,794,743.42</b> <b>\$-303,615.51</b>		<b>\$15,491,127.91</b> <b>\$58,950.91</b>	<b>22.98%</b>



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Bond holdings - as of December 31, 2017 (continued)

Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / Modified YTW (%) duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
<b>Maturing 2021</b>										
A3/A/A- NR/NR/NR	400,000	3.63%	01/15/2021		14,500.00 3.51%	2.48% 2.48%	419,155.49 -5,767.49	103.347	413,388.00 6,686.11	0.61%
E I DU PONT DE NEMOURS 03.625% 011521 DTD092310 CALL@MW+15BP B/E CUSIP: 263534C83 Initial Purchase Date: 06/03/2016 Original Maturity: 01/15/2021										
Aaa/AAA/AA+ NR/NR/NR	4,500,000	1.47%	02/17/2021		66,150.00 1.50%	2.19% 2.19%	4,496,625.00 -94,050.00	97.835	4,402,575.00 24,622.50	6.53%
FFCB BOND 01.470 % DUE 021721 DTD 081716 FC 02172017 CUSIP: 3133EGRN7 Initial Purchase Date: 08/12/2016 Original Maturity: 02/17/2021										
Aaa/AAA/AA+ NR/NR/NR	3,525,000	1.50%	03/30/2021	12/30/2017 100.00	52,875.00 1.54%	2.27% 2.27%	3,524,118.75 -83,472.00	97.607	3,440,646.75 13,218.75	5.10%
FHLMC MED TERM NTS 01.500 % DUE 033021 DTD 093016 FC 03302017 CUSIP: 3134GAE00 Initial Purchase Date: 09/08/2016 Original Maturity: 03/30/2021										
A3/A/A- NR/NR/NR	250,000	4.25%	04/01/2021		10,625.00 4.04%	2.56% 2.56%	268,808.55 -5,703.55	105.242	263,105.00 2,656.25	0.39%
E I DU PONT DE NEMOURS 04.250% 040121 DTD032511 CALL@MW+15BP CUSIP: 263534CE7 Initial Purchase Date: 09/08/2016 Original Maturity: 04/01/2021										
A3/NR/A NR/NR/NR	1,000,000	4.10%	06/01/2021	03/01/2021 100.00	41,000.00 3.89%	2.48% 2.36%	1,054,096.31 -1,316.31	105.278	1,052,780.00 3,416.67	1.56%
BURLINGTON NTHN SANTA FE 04.100% 060121 DTD051911 CALL@MW +15BP CORP NTS CUSIP: 12189LAD3 Initial Purchase Date: 02/22/2017 Original Maturity: 06/01/2021										
Aaa/AAA/AA+ NR/NR/NR	3,750,000	1.53%	07/28/2021	01/28/2018 100.00	57,375.00 1.58%	2.45% 2.45%	3,750,000.00 -117,337.50	96.871	3,632,662.50 24,384.38	5.39%
FNMA NTS 01.530 % DUE 072821 DTD 072816 FC 01282017 CUSIP: 3136G3S97 Initial Purchase Date: 08/02/2016 Original Maturity: 07/28/2021										
Aaa/NR/AA+ NR/NR/NR	500,000	1.55%	09/01/2021		7,750.00 1.59%	2.35% 2.35%	499,375.00 -13,425.00	97.190	485,950.00 2,583.33	0.72%
FHLB NTS 01.550 % DUE 090121 DTD 090116 FC 03012017 CUSIP: 3130A9B19 Initial Purchase Date: 09/08/2016 Original Maturity: 09/01/2021										



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Bond holdings - as of December 31, 2017 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / Modified YTW (%) duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
<b>Maturing 2021</b>											
LOS ANG CAL TAX SR A BE/R/ 2.150 090121 DTD 122116 /CA	Aa2/NR/NR NR/NR/NR	1,000,000	2.15%	09/01/2021		21,500.00 2.16%	2.33% 2.33%	994,250.00 -440.00	99.381	993,810.00 7,166.67	1.47%
CUSIP: 544351KQ1 Initial Purchase Date: 12/23/2016 Original Maturity: 09/01/2021											
CISCO SYSTEMS INC B/E 01.850% 092021 DTD092016 FC032017 CALL@MW+10BP CUSIP: 17275RB/J0	A1/NR/AA- NR/NR/NR	1,000,000	1.85%	09/20/2021	08/20/2021 100.00	18,500.00 1.89%	2.37% 2.37%	993,660.00 -12,250.00	98.141	981,410.00 5,190.28	1.46%
Initial Purchase Date: 09/15/2017 Original Maturity: 09/20/2021											
FHLB BOND 01.520 % DUE 092321 DTD 092316 FC 03232017	Aaa/NR/AA+ NR/NR/NR	2,290,000	1.52%	09/23/2021		34,808.00 1.56%	2.30% 2.30%	2,289,150.00 -62,720.40	97.224	2,226,429.60 9,475.51	3.30%
CUSIP: 3130A9FB2 Initial Purchase Date: 09/27/2016 Original Maturity: 09/23/2021											
FHLB BOND 01.600 % DUE 092721 DTD 092716 FC 03272017	Aaa/NR/AA+ NR/NR/NR	255,000	1.60%	09/27/2021		4,080.00 1.63%	2.17% 2.17%	255,000.00 -5,235.15	97.947	249,764.85 1,065.33	0.37%
CUSIP: 3130A9JZ5 Initial Purchase Date: 09/27/2016 Original Maturity: 09/27/2021											
MISSISSIPPI ST TAX SR G BE/R/ 2.470 110121 DTD 120815 /MS	Aa2/AA/AA Aa2/AA/NR	1,450,000	2.47%	11/01/2021		35,815.00 2.46%	2.37% 2.37%	1,466,397.11 -10,974.11	100.374	1,455,423.00 5,969.17	2.16%
CUSIP: 605581GN1 Initial Purchase Date: 02/22/2017 Original Maturity: 11/01/2021											
<b>Total 2021</b>		<b>19,920,000</b>	<b>1.85%</b>	<b>06/12/2021</b>		<b>\$364,978.00</b> <b>1.86%</b>	<b>2.32%</b> <b>2.32%</b>	<b>\$20,010,636.21</b> <b>\$-412,691.51</b>		<b>\$19,597,944.70</b> <b>\$106,434.95</b>	<b>29.07%</b>
<b>Maturing 2022</b>											
APPLE INC NTS B/E 02.500% 020922 DTD020917 FC080917 CALL@MW+10BP CUSIP: 037833CM0	Aa1/NR/AA+ NR/NR/NR	2,000,000	2.50%	02/09/2022	01/09/2022 100.00	50,000.00 2.50%	2.48% 2.48%	2,004,835.05 -3,075.05	100.088	2,001,760.00 19,722.22	2.97%
Initial Purchase Date: 02/22/2017 Original Maturity: 02/09/2022											



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Bond holdings - as of December 31, 2017 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / Modified YTW (%) duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
<b>Maturing 2022</b>											
PEPSICO INC NTS B/E 02.250%	A1/A+/A+ NR/NR/NR	1,089,000	2.25%	05/02/2022	04/02/2022	24,502.50 2.27%	2.50% 2.50%	1,087,301.16 -9,594.09	98.963	1,077,707.07 4,015.69	1.60%
050222 DTD050217 FC110217 CALL@MMW+10BP CUSIP: 713448DT2					100.00						
Initial Purchase Date: 05/16/2017 Original Maturity: 05/02/2022											
QUALCOMM INC NTS B/E 03.000% 052022 DTD052015 FC112015 CALL@MMW+15BP CUSIP: 747525AE3	A1/NR/A NR/NR/NR	1,000,000	3.00%	05/20/2022		30,000.00 3.00%	2.98% 2.98%	1,026,070.98 -25,160.98	100.091	1,000,910.00 3,416.67	1.48%
Initial Purchase Date: 09/15/2017 Original Maturity: 05/20/2022											
FHLB NTS 02.000 % DUE 090122 DTD 090117 FC 03012018 CUSIP: 3130ACD84	Aaa/NR/AA+ NR/NR/NR	3,000,000	2.00%	09/01/2022		60,000.00 2.04%	2.40% 2.40%	2,988,750.00 -42,090.00	98.222	2,946,660.00 20,000.00	4.37%
Initial Purchase Date: 09/26/2017 Original Maturity: 09/01/2022											
FFCB BOND 02.100 % DUE 092622 DTD 092617 FC 03262018 CUSIP: 3133EHZX4	Aaa/AAA/AA+ NR/NR/NR	2,000,000	2.10%	09/26/2022	09/26/2018	42,000.00 2.12%	2.35% 2.35%	1,999,000.00 -21,260.00	98.887	1,977,740.00 11,083.33	2.93%
Initial Purchase Date: 09/26/2017 Original Maturity: 09/26/2022											
FFCB BOND 02.160 % DUE 101122 DTD 101117 FC 04112018 CUSIP: 3133EH58	Aaa/AAA/AA+ NR/NR/NR	2,500,000	2.16%	10/11/2022	10/11/2018	54,000.00 2.18%	2.40% 2.40%	2,495,150.00 -21,625.00	98.941	2,473,525.00 12,000.00	3.67%
Initial Purchase Date: 10/17/2017 Original Maturity: 10/11/2022											
<b>Total 2022</b>		<b>11,589,000</b>	<b>2.25%</b>	<b>07/20/2022</b>		<b>\$260,502.50</b> <b>2.27%</b>	<b>2.46%</b> <b>2.46%</b>	<b>\$11,601,107.19</b> <b>\$-122,805.12</b>		<b>\$11,478,302.07</b> <b>\$70,237.91</b>	<b>17.03%</b>
<b>Total Bond Portfolio</b>											
		<b>67,902,000</b>	<b>2.25%</b>	<b>08/25/2020</b>	<b>NA</b>	<b>\$1,499,210.50</b> <b>2.22%</b>	<b>2.29%</b> <b>2.29%</b>	<b>\$68,352,770.39</b> <b>\$-938,892.15</b>	<b>NA</b>	<b>\$67,413,878.24</b> <b>\$370,743.97</b>	<b>100%</b>





## Disclosures applicable to accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. This report presents information since December 31, 2002. This report does not include complete account activity or performance of your accounts before this date. 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 accounts 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.

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.

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

The account listing may or may not include all of your accounts with UBS FS. The accounts included in this review shown on the first page or listed at the top of each page.

**Client Accounts:** This report includes 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 accounts 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 accounts records.

**Performance:** This report presents accounts activity and performance starting 1/23/02. For accounts opened prior to 1/23/02, this report does not include the complete account activity or performance of your accounts prior to that date. For consolidated reports, the Performance Start Date will be the earliest performance start date of any of the individual accounts selected for the consolidation time period. If an individual account's performance information is not available for a full reporting time period (month to date, quarter to date, year to date or performance to date), the individual's net of fee time weighted return will not be displayed. For consolidated accounts that include different account Performance Start Dates, the consolidated Additions/Withdrawals, Income Earned and Investment Appreciation/Depreciation will include all activity that occurred during the consolidated reporting time period. Accounts that hold or held insurance products will be reported on from the month end date of when insurance and annuity activity could be obtained from the carrier. Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

**Time-weighted Returns (prior to 10/31/2010):** 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 weights each contribution/withdrawal based upon the day the cashflow 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.

**Time-weighted Returns (after 10/31/2010):** 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. All cash flows are posted at end of day. 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.

**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 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.

**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. The benchmark is not managed and does not reflect the deduction of any fees and expenses, which will lower returns. Indices are not actively managed and investors cannot directly invest in indices. The portfolio's investment strategy is not restricted to securities in the benchmark. 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.

**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.

**Dividends/Interest:** Dividend and interest earned, when shown on a report, 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. Commissions are not included in the fee calculation.

**Net of fees:** When indicated, the information is shown net of fees and commission charges to your accounts for the time period shown. For example, if your accounts are charged an asset based fee during the month the report is produced, net of fees performance information would reflect the deduction of those fees. Please see your program documents regarding fee schedules.

**Performance Start Date Changes:** The Performance Start Date for accounts marked with a "w" 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



## Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

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.

**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" 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 one line item (i.e., lumped tax lots). 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.

**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 accounts 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 liquid 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.

**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.

**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 monthly 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.

**Equity Style:** The Growth, Value and Core labels are determined by Standard and Poor's using a price-to-book ratio methodology. The Growth, Value and Core labels are based on how a company's price-to-book ratio compares to the median price-to-book ratio for its industry based on the company's assigned Industry Sector. If the company's ratio is greater than or equal to the industry median, it is classified as a growth stock. If the company's ratio is less than the industry median, it is classified as a value stock. If a security includes both growth and value attributes, it is classified as a core stock. If price-to-book is not available or the industry's median is not available, this item will be Unclassified.

**Equity Capitalization:** Market Capitalization is defined as the number of shares outstanding times the market value. Equity securities are classified as Large Cap if they have a capitalization of 8 billion or above. Securities with capitalization between 1.8 and 7.9 billion are classified as Mid Cap. Securities with capitalization below 1.79 billion are classified as Small Cap. Unclassified securities are those for which no capitalization is available or applicable.

**Current Yield:** Current yield is defined as the estimated annual income divided by the total market value.

**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 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.

**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.

**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 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.

**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



## Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

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.

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# Additional information about your performance

as of December 31, 2017

## Benchmark composition

Consolidated

Benchmark\_1

Start - Current: 50% Barclays US Gov 1-3Y; 50% Barclays Govt/Credit 1-5Y

Prepared for Kern Health Systems  
EB 02120 • BOND PORTFOLIO • Portfolio Management Program  
Risk profile: Conservative  
Return Objective: Current Income

Kern Health Systems  
Investment Activity for 4th Quarter 2017

**PURCHASES**

Trade Date	Activity	Description	Ratings (Mdy/Fitch/S&P)	Quantity	Maturity Date	Coupon	YTM	Price	Cost
10/17/2017	BOUGHT	FFCB BOND	Aaa/AAA/AA+	2,500,000	10/11/2022	2.16%	2.20%	99.806	\$ (2,495,150.00)
weighted avg. YTM: 2.20%									
									\$ (2,495,150.00)

**MATURITIES / REDEMPTIONS**

Date	Activity	Description	Ratings (Mdy/Fitch/S&P)	Quantity	Maturity Date	Proceeds
10/02/2017	MATURITY	NEVADA ST TAX		-425,000	10/01/2017	\$ 425,000.00
10/02/2017	MATURITY	ST of CA GEN OBL		-250,000	10/01/2017	\$ 250,000.00
12/05/2017	MATURITY	CHEVRON CORP		-808,000	12/05/2017	\$ 808,000.00
12/20/2017	MATURITY	FNMA NTS		-2,000,000	12/20/2017	\$ 2,000,000.00
						\$ 3,483,000.00

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

**Statement Period**  
**12/01/2017 - 12/31/2017**

**WELLS FARGO SECURITIES**  
 Wells Fargo Bank, N.A.  
 707 WILSHIRE BOULEVARD  
 LOS ANGELES CA 90017  
 JONATHAN CHUANG  
 1-213-614-2206

**Account Number**  
 1AB84780

KERN HEALTH SYSTEMS  
 9700 STOCKDALE HWY

**Account Value Summary USD**

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

	Amount Last Statement Period	Amount This Statement Period	Portfolio %
Cash	\$ 0.00	\$ 0.00	0%
Money Market Mutual Funds	20,257,238.44	26,488,755.05	25%
Bonds	98,818,854.25	80,453,877.63	75%
Stocks	0.00	0.00	0%
<b>Total Account Value</b>	<b>\$ 119,076,092.69</b>	<b>\$ 106,942,632.68</b>	<b>100%</b>
<b>Value Change Since Last Statement Period</b>		<b>\$ (12,133,460.01)</b>	
<b>Percent Decrease Since Last Statement Period</b>			<b>10%</b>
<b>Value Last Year-End</b>		<b>\$</b>	<b>N/A</b>
<b>Percent Increase Since Last Year-End</b>			<b>N/A</b>

**Income Summary USD**

	This Period	Year-To-Date
Interest	\$ 186,366.00	\$ 657,569.65
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	20,078.20	133,234.73
Other	0.00	0.00
<b>Income Total</b>	<b>\$ 206,444.20</b>	<b>\$ 790,804.38</b>

**Money Market Mutual Funds Summary USD**

Description	Amount
<b>Opening Balance</b>	<b>\$ 20,257,238.44</b>
Deposits and Other Additions	130,116,095.01
Distributions and Other Subtractions	(123,904,656.60)
Dividends Reinvested	20,078.20
Change in Value	0.00
<b>Closing Balance</b>	<b>\$ 26,488,755.05</b>

**Safekeeping**

## Important Information

This statement is provided to customers of Wells Fargo Securities, LLC ("WFS"), broker dealer 0250. Statements are provided monthly for accounts with transactions and/or security positions. The account statement contains a list of securities held in safekeeping by WFS as of the statement date and provides details of purchase and sale transactions, the receipt and disbursement of cash and securities, and other activities relating to the account during the statement period.

For WFS customers who choose to maintain a safekeeping account at Wells Fargo Bank, N.A. ("Bank"), this statement is accompanied by a separate Bank safekeeping statement. The Bank safekeeping statement, if applicable, contains a list of securities held in safekeeping by the Bank as of the statement date.

**Pricing:** Security and brokered certificate of deposit ("CD") 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. For exchange-listed securities, the price provided is the closing price at month end. For unlisted securities, it is the "bid" price at month end. The price of CDs that mature in one year or less are shown at last price traded. The price of CDs that mature in greater than one year and of other 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.

**Brokered CD Pricing:** Like bonds, brokered CDs are subject to price fluctuation and the value of a CD, if sold prior to maturity, may be less than at the time of its purchase. Significant loss of principal could result. While WFS generally makes a market in CDs it underwrites, the secondary market for CDs that it does not underwrite may be very limited. In those cases, WFS will use its best efforts to help investors find a buyer.

**SIPC:** WFS is a member of the Securities Investor Protection Corporation ("SIPC"). In the event of insolvency or liquidation of WFS, securities held in safekeeping at WFS are covered by SIPC against the loss, but not investment risk, up to a maximum of \$500,000 per customer, which includes a \$250,000 limit on claims for cash held in the account. SIPC protection does not provide any protection whatsoever against investment risk, including the loss of principal on an investment. This coverage does not apply to securities held in safekeeping by the Bank. Additional information about SIPC, including a SIPC brochure, may be obtained by visiting [www.sipc.org](http://www.sipc.org) or by calling SIPC at 1-202-371-8300.

**FINRA BrokerCheck Program:** WFS is a member of the Financial Industry Regulatory Authority (FINRA). Under its BrokerCheck program, FINRA provides certain information regarding the disciplinary history of broker-dealers and their associated persons. Information can be obtained from the FINRA BrokerCheck program hotline number (1-800-289-9999) or the FINRA website ([www.finra.org](http://www.finra.org)). A brochure describing the FINRA BrokerCheck program will be furnished upon written request.

**Free Credit Balances:** Any customer free credit balances may be used in the business of WFS subject to limitation of 17 CFR Section 240 § 15c(3)-3 under the Securities Exchange Act of 1934. In the course of normal business operations, a customer has the right to receive delivery of the following: any free credit balances to which he or she is entitled, any fully paid securities to which he or she is entitled, and any securities purchased on margin upon full payment of indebtedness to WFS.

**Equity Order Routing:** WFS will generally route equity and listed options orders taking into consideration among other factors, the quality and speed of execution, as well as the credits, cash or other payments it may receive from any exchange, broker-dealer or market center. This may not be true if a customer has directed or placed limits on any orders. Whenever possible, WFS will route orders in an attempt to obtain executions at prices equal or superior to the nationally displayed best bid or offer. WFS will also attempt to obtain the best execution regardless of any compensation it may receive. The nature and source of credits and payments WFS receives in connection with specific orders will be furnished to a customer upon request. WFS prepares quarterly reports describing its order routing practices for non-directed orders routed to a particular venue for execution. A printed copy of this report along with other compliance and regulatory information is available upon written request or by visiting: <https://www.wellsfargo.com/securities/regulatory>.

**Equity Extended Hours Trading:** See important information relating to equities trading before and after regular trading hours at: [www.wellsfargo.com/securities/regulatory](http://www.wellsfargo.com/securities/regulatory).

**Equity Open Orders:** Open orders will remain in effect until executed or canceled by you. Failure to cancel an open order may result in the transaction being executed for your account. WFS has no responsibility to cancel an open order at its own initiative.

**Dividend Reinvestment:** In any dividend reinvestment transaction, WFS acted as agent. Additional information regarding transactions of this nature will be furnished to a customer upon written request.

**Account Transfers:** A fee will be charged to customers transferring their existing WFS account to another broker/dealer or any other financial institution.

**Non-deposit investment products recommended, offered or sold by WFS, including mutual funds, are not federally insured or guaranteed by or obligations of the Federal Deposit Insurance Corporation ("FDIC"), the Federal Reserve System or any other agency; are not bank deposits; are not obligations of, or endorsed or guaranteed in any way by any bank or WFS; and are subject to risk, including the possible loss of principal, that may cause the value of the investment and investment return to fluctuate.**

**When the investment is sold, the value may be higher or lower than the amount originally invested. WFS is a subsidiary of Wells Fargo & Company, is not a bank or thrift, and is separate from Wells Fargo & affiliated bank or thrift. WFS is a registered broker-dealer and member of FINRA. No affiliate of WFS is responsible for the securities sold by WFS.**

**Mutual Funds:** The distributor of Wells Fargo Funds is affiliated with WFS-Wells Fargo Securities, LLC.

Institutional Prime and Institutional Tax Exempt money market mutual funds are required to price and transact at a net asset value ("NAV") per share that fluctuates based upon the pricing of the underlying portfolio of securities and this requirement may impact the value of those fund shares. Additionally, Institutional Prime and Institutional Tax Exempt funds may be subject to redemption fees and/or gates that can affect the availability of funds invested.

Mutual funds are sold by prospectus, which includes more complete information on risks, charges, expenses and other matters of interest. Investors should read the prospectus carefully before investing.

**Financial Statements:** WFS financial statements are available upon request.

**Trade Confirmations:** Investment purchases and sales are subject to the terms and conditions stated on the trade confirmation relating to that transaction. In the event of a conflict between the trade confirmation and this statement, the trade confirmation will govern.

**Listed Options:** Commissions and other charges related to the execution of listed option transactions have been included in confirmations of such transactions that have been previously furnished and are available upon request. Promptly advise your WFS sales representative of any material change in your investment objectives or financial situation.

**Customer Complaints and Reporting Discrepancies:** Customer complaints, statement reporting inaccuracies or discrepancies should be promptly reported in writing to:

Customer Service  
90 South 7th Street  
5th Floor, MAC N9305-05F  
Minneapolis, MN 55402  
[wiscustomerservice@wellsfargo.com](mailto:wiscustomerservice@wellsfargo.com)

Customers may also report complaints, inaccuracies or discrepancies by calling 1-800-645-3751 option 5. International callers should call 1-877-856-8878. To further protect their rights, including rights under the Securities Investor Protection Act, customers should also reconfirm in writing to the above address any oral communications with WFS relating to the inaccuracies or discrepancies.

**Eurodollar Deposits:** Funds invested in a Eurodollar Deposit are held on deposit at the Bank's Grand Cayman Island branch, a foreign branch of the Bank. As an offshore deposit liability payable at the Bank's Grand Cayman Island branch, the deposits are subject to Grand Cayman Island laws, regulations and governmental actions regarding exchange controls, assets seizures and other restrictions. Deposits payable only outside the U.S. also have a lower priority than deposits payable at a U.S. branch in liquidation. In addition, deposits held in a foreign U.S. bank branch are not insured by the FDIC or otherwise guaranteed by the U.S. government or any of its agencies.

**KERN HEALTH SYSTEMS**  
Account Number: 1AB84780

**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>								
912796LC1	UNITED STATES TREASURY BILL	01/04/18	0.000%	25,000,000.000	99.9937	24,998,425.25		
02587CDJ6	AMERICAN EXPRESS FSB INTEREST BEARING CERTIFICATE OF DEPOSIT	01/08/18	1.400%	250,000.000	100.0011	250,002.75		
912828HN3	UNITED STATES TREASURY IDX	01/15/18	1.625%	20,000,000.000	99.9883	23,546,840.22		N
24422EST7	JOHN DEERE CAPITAL CORP	01/16/18	1.350%	2,000,000.000	99.9799	1,999,597.06		N
6541E1AG4	NIKE INC 4(2) DISCOUNTED COMMERCIAL PAPER	01/16/18	0.000%	3,000,000.000	99.9286	2,997,858.00		
94974BFG0	WELLS FARGO & COMPANY	01/16/18	1.500%	1,000,000.000	99.9893	999,892.69		N
94988JA1	WELLS FARGO BANK NA	01/22/18	1.650%	500,000.000	99.9801	499,900.45		N
46625HJF8	JPMORGAN CHASE & CO	01/25/18	2.267%	2,400,000.000	100.0479	2,401,149.43		N
931142CJ0	WAL-MART STORES INC	02/15/18	5.800%	3,000,000.000	100.4418	3,013,252.95		N
24422ESB6	JOHN DEERE CAPITAL CORP	03/12/18	1.300%	1,000,000.000	99.9187	999,187.19		N
06050TLY6	BANK OF AMERICA NA	03/26/18	1.650%	2,000,000.000	100.0048	2,000,095.08		N
191216BA7	COCA-COLA CO/THE	04/01/18	1.150%	2,000,000.000	99.8667	1,997,333.58		N
38141GFM1	GOLDMAN SACHS GROUP INC	04/01/18	6.150%	1,000,000.000	101.0524	1,010,524.45		N
02587DYK8	AMERICAN EXPRESS CENTURION BK INTEREST BEARING CERTIFICATE OF DEPOSIT	06/04/18	1.450%	250,000.000	99.9833	249,958.25		N
05580ADH4	BMW BANK NORTH AMERICA INTEREST BEARING CERTIFICATE OF DEPOSIT	06/11/18	1.400%	250,000.000	99.9687	249,921.75		
17275RAY8	CISCO SYSTEMS INC	06/15/18	1.898%	1,000,000.000	100.0991	1,000,991.28		N
738798BG1	POWAY CA REDEV AGY SUCCESSOR A TXBL-REF-PAGUAY REDEV PROJ-SER	06/15/18	1.780%	1,000,000.000	99.9850	999,850.00		N
14912L6L0	CATERPILLAR FINANCIAL SE	06/16/18	1.700%	2,000,000.000	99.9428	1,998,855.84		N
02006LSF1	ALLY BANK INTEREST BEARING CERTIFICATE OF DEPOSIT	07/16/18	1.650%	250,000.000	99.9744	249,996.00		
140420TH3	CAPITAL ONE BANK USA INTEREST BEARING CERTIFICATE OF DEPOSIT	07/16/18	1.600%	250,000.000	99.9744	249,996.00		
48126XAM7	JP MORGAN CHASE BANK INTEREST BEARING CERTIFICATE OF DEPOSIT	08/16/18	1.100%	250,000.000	99.6086	249,021.50		Y
05581WJ73	BMO HARRIS BANK NA INTEREST BEARING CERTIFICATE OF DEPOSIT	08/17/18	1.050%	250,000.000	99.5988	248,997.00		
254672F86	DISCOVER BANK INTEREST BEARING CERTIFICATE OF DEPOSIT	08/17/18	1.000%	250,000.000	99.6446	249,111.50		
02665WAC5	AMERICAN HONDA FINANCE	10/10/18	2.125%	1,300,000.000	100.1577	1,302,049.49		N

Safekeeping



KERN HEALTH SYSTEMS  
Account Number: 1AB84780

**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>								
795450ZE8	SALLIE MAE BK/SALT LIKE INTEREST BEARING CERTIFICATE OF DEPOSIT	10/12/18	1.150%	250,000,000	99.4722	248,680.50		
89236TCU7	TOYOTA MOTOR CREDIT CORP	02/19/19	1.700%	1,000,000,000	99.5548	995,547.72		N
13063CKL3	CALIFORNIA ST TXBL-VARIOUS PURPOSE	05/01/19	2.250%	1,310,000,000	100.3380	1,314,427.80		N
94888JD5	WELLS FARGO BANK NA	05/24/19	1.750%	1,000,000,000	99.4443	994,443.04		N
02665WBEO	AMERICAN HONDA FINANCE	07/12/19	1.200%	1,000,000,000	98.6169	986,169.02		N
44890RAD3	HART 2014-A A4	08/15/19	1.320%	155,730,562	99.9942	155,721.54		N
58768MAC5	MBALT 2016-B A3	08/15/19	1.350%	1,000,000,000	99.6600	996,600.30		N
161571HG2	CHAIT 2016-A6 A6	01/15/20	1.100%	1,000,000,000	99.9600	999,600.00		N
				76,915,730.562		80,453,877.63		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>									
12/07/17	12/07/17	Received	912796MJ5	UNITED STATES TREASURY BILL	30,000,000.00		0.00	0.00	0.00
12/14/17	12/14/17	Receive	912828HN3	UNITED STATES TREASURY IDX	20,000,000.00		0.00	0.00	0.00
12/15/17	12/15/17	Security Receipt	6541E1AG4	NIKE INC 4(2)DISCOUNTED	3,000,000.00		0.00	0.00	0.00
12/27/17	12/27/17	Receive	912796LC1	UNITED STATES TREASURY BILL	25,000,000.00		0.00	0.00	0.00
<b>Income / Payment Activity USD</b>									
12/04/17	12/04/17	Interest	02587DYK8	AMERICAN EXPRESS CENTURIOR BK				1,817.47	1,817.47
12/05/17	12/05/17	Matured	89236TDL6	TOYOTA MOTOR CREDIT CORP			2,422,000.00		2,422,000.00
12/05/17	12/05/17	Interest	89236TDL6	TOYOTA MOTOR CREDIT CORP				9,588.16	9,588.16
12/06/17	12/06/17	Matured	369604BC6	GENERAL ELECTRIC CO			1,500,000.00		1,500,000.00
12/06/17	12/06/17	Interest	369604BC6	GENERAL ELECTRIC CO				39,375.00	39,375.00
12/07/17	12/07/17	Matured	912796LB3	UNITED STATES TREASURY BILL			30,000,000.00		30,000,000.00

KERN HEALTH SYSTEMS  
Account Number: 1AB84780

**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>									
12/11/17	12/11/17	Interest	05560ADH4	BMW BANK NORTH AMERICA				1,754.79	1,754.79
12/12/17	12/12/17	Matured	05531FAM5	BB&T CORPORATION		3,000,000.00	3,000,000.00		3,000,000.00
12/12/17	12/12/17	Interest	05531FAM5	BB&T CORPORATION				18,125.00	18,125.00
12/15/17	12/15/17	Interest	738798BG1	POWAY CA REDEV AGY SUCCESSOR A				8,900.00	8,900.00
12/15/17	12/15/17	Matured	89417EAC3	TRAVELERS COS INC		2,900,000.00	2,900,000.00		2,900,000.00
12/15/17	12/15/17	Interest	89417EAC3	TRAVELERS COS INC				83,375.00	83,375.00
12/15/17	12/15/17	Paydown	44890RAD3	HART 2014-A A4		88,479.01	88,479.01		88,479.01
12/15/17	12/15/17	Interest	44890RAD3	HART 2014-A A4				268.63	268.63
12/15/17	12/15/17	Interest	17275RAY8	CISCO SYSTEMS INC				4,120.28	4,120.28
12/15/17	12/15/17	Interest	161571HG2	CHAIR 2016-A6 A6				916.67	916.67
12/15/17	12/15/17	Interest	58768MAC5	MBALT 2016-B A3				1,125.00	1,125.00
12/18/17	12/18/17	Interest	14912L6L0	CATERPILLAR FINANCIAL SE				17,000.00	17,000.00
12/22/17	12/22/17	Matured	45113UZN5	IBM CREDIT LLC 4(2) DISCOUNTED		4,000,000.00	4,000,000.00		4,000,000.00
12/28/17	12/28/17	Matured	912796MJ5	UNITED STATES TREASURY BILL		50,000,000.00	50,000,000.00		50,000,000.00
12/29/17	12/29/17	Matured	74005HZV7	PRAXAIR INC DISCOUNTED		3,000,000.00	3,000,000.00		3,000,000.00
12/29/17	12/29/17	Matured	2546RZV1	WALT DISNEY COMPANY 4(2)		3,000,000.00	3,000,000.00		3,000,000.00

**Cash Activity USD**

Transaction / Trade Date	Settlement / Eff. Date	Activity	Description	Debit Amount / Disbursements	Credit Amount / Receipts
12/05/17	12/05/17	ACH/DDA Transaction	DESIGNATED DDA	15,000,000.00	
12/07/17	12/07/17	Journal	AUTO SK SETTLEMENT	29,980,750.00	
12/12/17	12/12/17	ACH/DDA Transaction	DESIGNATED DDA	9,200,000.00	
12/12/17	12/12/17	ACH/DDA Transaction	DESIGNATED DDA	3,000,000.00	
12/13/17	12/13/17	ACH/DDA Transaction	DESIGNATED DDA		60,000,000.00
12/14/17	12/14/17	Journal	AUTO SK SETTLEMENT	23,713,734.38	
12/15/17	12/15/17	Journal	AUTO SK SETTLEMENT	2,986,533.33	
12/19/17	12/19/17	ACH/DDA Transaction	DESIGNATED DDA	10,000,000.00	
12/20/17	12/20/17	ACH/DDA Transaction	DESIGNATED DDA	5,000,000.00	
12/27/17	12/27/17	Journal	AUTO SK SETTLEMENT	24,994,388.89	
12/28/17	12/28/17	Wires	WIRE TRANSFER TO:	30,000,000.00	

**Money Market Fund Activity**

Morgan Stan TreasSvc 8314

\*As of December 31, 2017

USD

Dividend earned  
this period  
20,078.20

7 day\*  
simple yield  
1.130%

30 day\*  
simple yield  
1.030%

**Safekeeping**

KERN HEALTH SYSTEMS  
Account Number: 1AB84780

**Money Market Fund Activity (Continued)**

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	<b>Beginning Balance</b>		<b>1.0000</b>	<b>20,257,238.44</b>		<b>20,257,238.44</b>
12/04/17	Purchase	1,817.47		1,817.47		20,259,055.91
12/05/17	Purchase	2,422,000.00		2,422,000.00		22,681,055.91
12/05/17	Redemption	(15,000,000.00)		(15,000,000.00)		7,681,055.91
12/06/17	Purchase	1,539,375.00		1,539,375.00		9,220,430.91
12/06/17	Purchase	9,588.16		9,588.16		9,230,019.07
12/07/17	Purchase	19,250.00		19,250.00		9,249,269.07
12/11/17	Purchase	1,754.79		1,754.79		9,251,023.86
12/12/17	Purchase	3,018,125.00		3,018,125.00		12,269,148.86
12/12/17	Redemption	(3,000,000.00)		(3,000,000.00)		9,269,148.86
12/12/17	Redemption	(9,200,000.00)		(9,200,000.00)		69,148.86
12/13/17	Purchase	60,000,000.00		60,000,000.00		60,069,148.86
12/14/17	Redemption	(23,713,734.38)		(23,713,734.38)		36,355,414.48
12/15/17	Purchase	3,087,184.59		3,087,184.59		39,442,599.07
12/15/17	Redemption	(2,996,533.33)		(2,996,533.33)		36,446,065.74
12/18/17	Purchase	17,000.00		17,000.00		36,463,065.74
12/19/17	Redemption	(10,000,000.00)		(10,000,000.00)		26,463,065.74
12/20/17	Redemption	(5,000,000.00)		(5,000,000.00)		21,463,065.74
12/22/17	Purchase	4,000,000.00		4,000,000.00		25,463,065.74
12/27/17	Redemption	(24,994,388.89)		(24,994,388.89)		468,676.85
12/28/17	Purchase	50,000,000.00		50,000,000.00		50,468,676.85
12/28/17	Redemption	(30,000,000.00)		(30,000,000.00)		20,468,676.85
12/29/17	Purchase	6,000,000.00		6,000,000.00		26,468,676.85
12/29/17	Reinvest	20,078.20			20,078.20	26,488,755.05
	<b>Ending Balance</b>		<b>1.0000</b>	<b>26,488,755.05</b>		<b>26,488,755.05</b>





**To: KHS Finance Committee**

**From: Robert Landis, CFO**

**Date: February 2, 2018**

**Re: 2017 Annual Review of Kern Health Systems Investment Policy**

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**Background**

The KHS Investment Portfolio follows the Board approved Investment Policy (Attachment 1). As part of their annual review, Senior Management **is not recommending any revisions to the Investment Policy at this time.** The Investment Policy stipulates the following order of investment objectives:

KHS utilizes three different investment organizations to invest the cash that is not needed for the immediate needs of the agency (Attachment 2). All investments follow the Board approved investment policy that stipulates the following order of investment objectives:

- Preservation of principal
- Liquidity
- Yield

**UBS** is a national brokerage firm with a Bakersfield office that administers the KHS Board approved investment policy in a segregated account. Investments are in high quality bonds with an average duration of approximately 2 1/2 years. For the 2017 year UBS investments earned the highest returns.

The **Local Agency Investment Fund (LAIF)** is a public agency that allows smaller public agencies to pool their money and get the economies of scale that larger agencies with large portfolios receive. The California State Treasurer operates LAIF. Because it serves many agencies with short term liquidity needs, investments have an average six month duration.

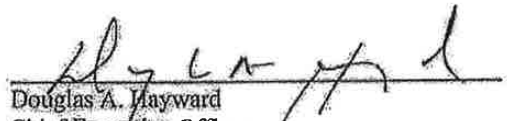
**Wells Fargo** is KHS' local bank and offers a money market fund. This is beneficial since surplus cash can be easily moved to and from the checking accounts. Money market funds offer preservation of principal, are highly liquid, and currently earn a very low interest rate. Additionally KHS invests directly with the Wells Fargo Securities Fixed Income division in high quality bonds, commercial paper and FDIC insured certificates of deposit.

**Requested Action**


Receive and File; Refer to KHS Board of Directors.



KERN HEALTH SYSTEMS			
POLICY AND PROCEDURES			
SUBJECT: Investment Policy		POLICY #: 80.11-I	
DEPARTMENT: Finance			
Effective Date: 2010-10	Review/Revised Date: 04/20/2015	DMHC	PAC
		DHCS	QI/UM COMMITTEE
		BOD	X FINANCE COMMITTEE

  
 Douglas A. Hayward  
 Chief Executive Officer

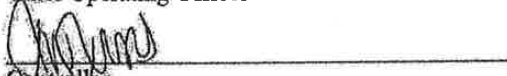
Date 4/20/15

  
 Chief Financial Officer

Date 4/20/15

  
 Chief Operating Officer

Date 4/17/15

  
 Controller

Date 4/17/15

**POLICY:**

This Annual Investment Policy sets forth the investment guidelines for all Operating Funds and Board-Designated Reserve Funds of Kern Health Systems invested on and after the date of adoption. The objective of this Annual Investment Policy is to ensure Kern Health Systems' funds are prudently invested according to the Board of Director's objectives to preserve capital, provide necessary liquidity and to achieve a market-average rate of return through economic cycles.

Investments may only be made as authorized by this Annual Investment Policy. The Kern Health Systems Annual Investment Policy has been prepared in accordance with sections 53600 et seq. and 53630 et seq. of the California Government Code (the Code) as well as customary standards of prudent investment management. Irrespective of these policy provisions, should the provisions of the Code be or become more restrictive than those contained herein, such provisions will be considered immediately incorporated into the Annual Investment Policy and adhered to.

- A. Safety of Principal -- Safety of principal is the foremost objective of Kern Health Systems. Each investment transaction shall seek to ensure that capital losses are avoided, whether from institutional default, broker-dealer default, or erosion of market value of securities.
- B. Liquidity -- Liquidity is the second most important objective of Kern Health Systems. It is important that each portfolio contain investments for which there is a secondary market and which offer the flexibility to be easily sold at any time with minimal risk of loss of either the principal or interest based upon then prevailing rates.
- C. Total Return -- Kern Health Systems' portfolios shall be designed to attain a market-average rate of return through economic cycles given an acceptable level of risk.

**II. OBJECTIVES**

Safety of principal is the primary objective of Kern Health Systems. Each investment transaction shall seek to ensure that large capital losses are avoided from securities or broker-dealer default. Kern Health Systems shall seek to ensure that capital losses are minimized from the erosion of market value. Kern Health Systems shall seek to preserve principal by mitigating the two types of risk, credit risk and market risk.

Credit risk, the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in only permitted investments and by diversifying the investment portfolio according to this Annual Investment Policy.

Market risk, the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by matching maturity dates, to the extent possible, with Kern Health Systems' expected cash flow draws. It is explicitly recognized herein, however that, in a diversified portfolio, occasional losses are inevitable and must be considered within the context of the overall investment return.

**III. PRUDENCE**

Kern Health Systems' Board of Directors or persons authorized to make investment decisions on behalf of Kern Health Systems are trustees and fiduciaries subject to the prudent investor standard. The standard of prudence to be used by investment officials shall be the "prudent person" standard as defined in Code Section 53600.3 and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the Annual Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control developments.

**THE PRUDENT PERSON STANDARD:** When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of Kern Health Systems, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

**IV. ETHICS AND CONFLICTS OF INTEREST**

Kern Health Systems' officers and employees involved in the investment process shall refrain from personal and professional business activities that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Kern Health Systems' officers and employees involved in the investment process are not permitted to have any material financial interests in financial institutions, including state or federal credit unions, that conduct business with Kern Health Systems, and they are not permitted to have any personal financial or investment holdings that could be materially related to the performance of Kern Health Systems' investments.

**V. DELEGATION OF AUTHORITY**

Authority to manage Kern Health Systems' investment program is derived from an order of the Board of Directors. Management responsibility for the investment program is hereby delegated to Kern Health Systems' Chief Financial Officer. No person may engage in an investment transaction except as provided under the terms of this Annual Investment Policy and the procedures established by the Chief Financial Officer.

The Chief Financial Officer shall be responsible for all actions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

**A. Financial Benchmarks**

Kern Health Systems' portfolios shall be designed to attain a market-average rate of return through economic cycles given an acceptable level of risk. The performance benchmark for each investment portfolio will be based upon the market indices for short-term investments of comparable risk and duration. These performance benchmarks will be agreed to by Kern Health Systems' Chief Financial Officer and the Investment Managers and will be reviewed by the Board of Directors quarterly.

**B. Safekeeping**

The investments purchased by the Investment Manager shall be held by Custodian Bank acting as the agent of Kern Health Systems under the terms of a custody agreement in compliance with Code Section 53608.

**C. Periodic Review of the Annual Investment Policy**

The Chief Financial Officer is responsible for providing the Board of Directors with a statement of investment policy, and the Board of Directors is responsible for adopting the Annual Investment Policy and ensuring investments are made in compliance with this Annual Investment Policy. This Annual Investment Policy shall be reviewed annually by the Board of Directors at a public meeting pursuant to Section 53646 (a) of the California Government Code.

The Chief Financial Officer is responsible for directing Kern Health Systems' investment program and for compliance with this policy pursuant to the delegation of authority to invest funds or to sell or exchange securities. The Chief Financial Officer shall make a quarterly report to the Board of Directors in accordance with Code Section 53646(b).



D. Chief Financial Officer's Procedures

The following procedures will be performed by the Chief Financial Officer:

1. The Operating Funds and Board-Designated Reserve Funds targeted average maturities will be established and reviewed periodically.
2. All Investment Managers will be provided a copy of the Annual Investment Policy, which will be appended to an Investment Manager's investment contract. Any investments made by the Investment Manager outside the Annual Investment Policy may subject the Investment Manager to termination for cause.
3. Investment diversification and portfolio performance will be reviewed monthly to ensure that risk levels and returns are reasonable and that investments are diversified in accordance with this policy.
4. The Chief Financial Officer will evaluate candidates for the role of Investment Manager. The candidates will be reviewed and approved by the CEO and the Board of Directors.

E. Duties and Responsibilities of Finance Committee:

The Chief Financial Officer and staff are responsible for the day-to-day management of Kern Health Systems' investment portfolio and the making of specific investments. The Board of Directors is responsible for Kern Health Systems' Annual Investment Policy. The Finance Committee shall not make or direct Kern Health Systems staff to make any particular investment, purchase any particular investment product, or do business with any particular investment companies or brokers. It shall not be the purpose of the Finance Committee to advise on particular investment decisions of Kern Health Systems.

The duties and responsibilities of the Finance Committee shall consist of the following:

1. Annually review Kern Health Systems' Annual Investment Policy before its consideration by the Board of Directors and recommend revisions, as necessary, to the Finance Committee of the Board of Directors.
2. Quarterly review Kern Health Systems' investment portfolio for conformance with Kern Health Systems' Annual Investment Policy diversification and maturity guidelines, and make recommendations to the Finance Committee of the Board of Directors as appropriate.
3. Provide comments to Kern Health Systems' staff regarding potential investments and potential investment strategies.
4. Perform such additional duties and responsibilities as may be required from time to time by specific action and direction of the Board of Directors.

**VI. DEFINITIONS**

- A. Operating Funds are intended to serve as a money market account for Kern Health Systems to meet daily operating requirements. Deposits to this fund are comprised of State warrants that represent Kern Health Systems' monthly capitation revenues from its State contracts. Disbursements from this fund to Kern Health Systems' operating cash accounts are intended to meet operating expenses, payments to providers and other payments required in day-to-day operations.

**VII PERMITTED INVESTMENTS**

Kern Health Systems' policy is to invest only in instruments as permitted by the Code, subject to the limitations of this Annual Investment Policy. Permitted investments are subject to a maximum stated term of five years. The Board of Directors must grant express written authority to make an investment or to establish an investment program of a longer term.

Maturity shall mean the stated final maturity of the security, or the unconditional put option date if the security contains such provision. Term or tenure shall mean the remaining time to maturity when purchased.

Permitted investments shall include:

**A. U.S. Treasuries**

These investments are direct obligations of the United States of America and securities which are fully and unconditionally guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States of America.

U.S. Government securities include:

1. Treasury Bills: U.S. government Securities issued and traded at a discount.
2. Treasury Notes and Bonds: Interest bearing debt obligations of the U.S. government which guarantees interest and principal payments.
3. Treasury STRIPS: U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book-entry record-keeping system.
4. Treasury Inflation Protected (TIPs) securities: Special Treasury notes or bonds that offer protection from inflation. Coupon payments and underlying principal are automatically increased to compensate for inflation as measured by the consumer price index (CPI).

U. S. Treasury coupon and principal STRIPS as well as TIPs are not considered to be derivatives for the purpose of this Annual Investment Policy and are, therefore, permitted investments pursuant to the Annual Investment Policy.

Maximum term: Five Years

## B. Federal Agencies and U.S. Government Sponsored Enterprises

These investments represent obligations, participations, or other instruments of, or issued by, a federal agency or a United States government sponsored enterprise, including those issued by, or fully guaranteed as to principal and interest by, the issuers. These are U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture). Often simply referred to as "Agencies", the following are specifically allowed:

1. Federal Home Loan Banks (FHLB)
2. Federal Home Loan Mortgage Corporation (FHLMC)
3. Federal National Mortgage Association (FNMA)
4. Federal Farm Credit Banks (FFCB)
5. Student Loan Marketing Association (SLMA)
6. Government National Mortgage Association (GNMA)
7. Small Business Administration (SBA)
8. Export-Import Bank of the United States
9. U.S. Maritime Administration
10. Washington Metro Area Transit
11. U.S. Department of Housing & Urban Development
12. Tennessee Valley Authority
13. Federal Agricultural Mortgage Company (FAMC)
14. Temporary Liquidity Guarantee (TLG) Program securities
15. Temporary Corporate Credit Union Liquidity Guarantee Program (TCCULGP) securities

Any Federal Agency and U.S. Government Sponsored Enterprise security not specifically mentioned above is not a permitted investment.

## C. State of California and Local Agency Obligations

Registered state warrants, treasury notes or bonds of the State of California and bonds, notes, warrants or other evidences of indebtedness of any local agency of the State, including bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the state or local agency or by a department, board, agency or authority of the State or local agency. Such obligations must be issued by an entity whose general obligation debt is rated P-1 by Moody's and A-1 by Standard & Poor's or equivalent or better for short-term obligations, or A by Moody's or A by Standard & Poor's or better for long-term debt. Public agency bonds issued for private purposes (industrial development bonds) are specifically excluded as allowable investments.

Maximum Term: Five years

## D. State and Local Agency Obligations Outside of California

Registered state warrants, treasury notes or bonds of any U.S. State and bonds, notes, warrants or other evidences of indebtedness of any local agency of the State, including bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the state. Such obligations must be issued by an entity whose general obligation debt is rated P-1 by

Moody's and A-1 by Standard & Poor's or equivalent or better for short-term obligations, or A by Moody's or A by Standard & Poor's or better for long-term debt. Public agency bonds issued for private purposes (industrial development bonds) are specifically excluded as allowable investments. Any single investment in a particular State is limited to 5% of portfolio at time of Purchase.

Maximum Term: Five years

Maximum of 20% of the portfolio

E. Bankers Acceptances

Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the bankers acceptance (BA) upon maturity if the drawer does not. Eligible bankers acceptances:

1. Are eligible for purchase by the Federal Reserve System, and are drawn on and accepted by a bank rated F1 or better by Fitch Ratings or are rated A-1 for short-term deposits by Standard & Poor's and P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency.
2. May not exceed the five percent (5%) limit of any one commercial bank and may not exceed the five percent limit for any security of any bank.

Maximum Term: 180 days

F. Commercial Paper

Commercial paper (CP) is unsecured promissory notes issued by companies and government entities at a discount. Commercial paper is negotiable (marketable or transferable), although it is typically held to maturity. The maximum maturity is 270 days, with most CP issued for terms of less than 30 days. Commercial paper must meet the following criteria:

1. Rated P-1 by Moody's and A-1 or better by Standard & Poor's, and
2. Have an A or higher rating for the issuer's debt, other than commercial paper, if any, as provided for by Moody's and Standard & Poor's, and
3. Issued by corporations organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000), and
4. May not represent more than ten percent (10%) of the outstanding commercial paper of the issuing corporation.

Maximum Term: 270 days

G. Negotiable Certificates of Deposit

A negotiable (marketable or transferable) receipt for a time deposit at a bank or other financial institution for a fixed time and interest rate. Negotiable Certificates of Deposit must be issued by a nationally or state-chartered bank or state or federal association or by a state licensed branch of a foreign bank, which have been rated F1 or better by Fitch Ratings, or are rated A-1 for short-term deposits by Standard & Poor's and P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency. Maturities greater than one year and less than five years shall not exceed the FDIC Insurance maximum amount at the time of purchase.

Maximum term: Five years

#### H. Repurchase Agreements

A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date.

Repurchase agreements collateralized by U. S. Treasuries, GNMA's, FNMA's or FHLMC's with any registered broker-dealer subject to the Securities Investors Protection Act or any commercial banks insured by the FDIC so long as at the time of the investment such primary dealer (or its parent) has an uninsured, unsecured and unguaranteed obligation rated P-1 short-term or A-2 long-term or better by Moody's, and A-1 short-term or A long-term or better by Standard & Poor's, provided:

1. A broker-dealer master repurchase agreement signed by the investment manager (acting as "Agent") and approved by Kern Health Systems; and,
2. The securities are held free and clear of any lien by Kern Health Systems' custodian or an independent third party acting as agent ("Agent") for the custodian, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$50 million and the custodian shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for Kern Health Systems' custodian; and,
3. A perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of Kern Health Systems' custodian and Kern Health Systems; and
4. The Agent provides Kern Health Systems' custodian and Kern Health Systems with valuation of the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required one hundred and two percent (102%) collateral percentage is not restored within two business days of such valuation.

Maximum Term: One year

Reverse repurchase agreements are not allowed.

I. Corporate Debt Securities

Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

1. For the purpose of this Annual Investment Policy, corporate securities that are rated A or better by both Moody's and Standard & Poor's, or by one of either of Moody's or Standard & Poor's and with a comparable rating by a nationally recognized rating service on longer term debt, and
2. Are issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States and have total assets in excess of five hundred million dollars (\$500,000,000), and
3. May not represent more than ten percent (10%) of the issue in the case of a specific public offering. This limitation does not apply to debt that is "continuously offered" in a mode similar to commercial paper, i.e. medium term notes ("MTNs"). Under no circumstance can the MTNs or any other corporate security of any one corporate issuer represent more than 5% of the portfolio.

Maximum Term: Five years

J. Money Market Funds

Shares of beneficial interest issued by diversified management companies (commonly called money market funds):

1. Which are rated AAA (or equivalent highest ranking) by two of the three largest nationally recognized rating services, and,
2. Such investment may not represent more than ten percent (10%) of the money market fund's assets.

K. Mortgage or Asset-backed Securities

Pass-through securities are instruments by which the cash flow from the mortgages, receivables or other assets underlying the security is passed-through as principal and interest payments to the investor.

Though these securities may contain a third party guarantee, they are a package of assets being sold by a trust, not a debt obligation of the sponsor. Other types of "backed" debt instruments have assets (such as leases or consumer receivables) pledged to support the debt service.

Any mortgage pass-through security, collateralized mortgage obligations, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond which

1. Are rated AAA (Code AA) by a nationally recognized rating service, and
2. Are issued by an issuer having an A or better rating by a nationally recognized rating service for its long-term debt.

Maximum Term: Operating Funds – Five years

L. Variable and Floating Rate Securities

Variable and floating rate securities are appropriate investments when used to enhance yield and reduce risk. They should have the same stability, liquidity and quality as traditional money market securities. A variable rate security provides for the automatic establishment of a new interest rate on set dates. For the purposes of this Annual Investment Policy, a Variable

Rate Security and Floating Rate Security where the rate of interest is readjusted no less frequently than every 762 calendar days shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest so long as the next readjustment period is within 5 years.

Variable and floating rate securities, which are restricted to investments in permitted Federal Agencies and U.S. Government Sponsored Enterprises securities, Corporate Securities, Mortgage or Asset-backed Securities and Negotiable Certificates of Deposit, must utilize traditional money market reset indices such as U. S. Treasury bills, Federal Funds, commercial paper or LIBOR. Investments in floating rate securities whose reset is calculated using more than one of the above indices are not permitted, i.e. dual index notes.

Maximum Term: Operating Funds – Five Years

M. Local Agency Investment Fund (LAIF)

The Local Agency Investment Fund (LAIF) is a voluntary program created by statute (Section 16429.1 et seq.) as an investment alternative for California's local governments and special districts managed by the State Treasurer. This program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office investment staff at no additional cost to the taxpayer. All securities are purchased under the authority of Government Code Section 16430 and 16480.4. The State Treasurer's Office takes delivery of all securities purchased on a delivery versus payment basis using a third party custodian. All investments are purchased at market and a market valuation is conducted monthly. The investment objective of LAIF mirrors those of KHS' with preservation of capital being the primary objective and liquidity second. Any agency with funds on deposit with LAIF can withdraw those funds within 24 hours' notice.

Maximum Term: Five Years

## VIII. POLICIES

### A. Securities Lending

Investment securities shall not be lent to an Investment Manager or broker.

### B. Leverage

The investment portfolio, or investment portfolios managed by an Investment Manager, cannot be used as collateral to obtain additional investable funds.

### C. Other Investments

Any investment not specifically referred to herein will be considered a prohibited investment.

### D. Underlying Nature of Investments

Kern Health Systems and its Investment Manager shall not make investments in organizations which have a line of business that is visibly in conflict with the interests of public health (which shall be defined by the Kern Health Systems Board of Directors). Furthermore, Kern Health Systems shall not make investments in organizations with which it has a business relationship through contracting, purchasing or other arrangements.

Kern Health Systems' Board of Directors will provide the Investment Manager with a list of corporations that do not comply with its Annual Investment Policy and shall immediately notify its Investment Manager of any changes.

### E. Investment Managers

Outside Investment Managers must certify that they will purchase securities from broker/dealers (other than themselves) or financial institutions in compliance with Code Section 53601.5 and this Annual Investment Policy.

### F. Derivatives

Except as expressly permitted by this policy, investments in derivative securities are not allowed.

### G. Rating Category

Rating category shall mean with respect to any long-term category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier.



H. Rating Downgrades

Kern Health Systems may from time to time be invested in a security whose rating is downgraded below the quality criteria permitted by this investment policy.

If the rating of any security held as an investment falls below the investment guidelines, the Investment Manager shall notify the Chief Financial Officer or designee within two (2) business days of the downgrade. A decision to retain a downgraded security shall be approved by the Chief Financial Officer or designee within five (5) business days of the downgrade.

I. Maximum Stated Term

Maximum stated term for permitted investments shall be determined based on the settlement date (not the trade date) upon purchase of the security and the stated final maturity of the security, or the unconditional put option date if the security contains such provision.

J. Diversification Guidelines

Diversification limits ensure the portfolio is not unduly concentrated in the securities of one type, industry, or entity, thereby assuring adequate portfolio liquidity should one sector or company experience difficulties.

Kern Health Systems' Investment Manager must review the portfolio it manages to ensure compliance with Kern Health Systems' diversification guidelines on an ongoing basis.

<i>INSTRUMENTS</i>	MAXIMUM % OF PORTFOLIO AT TIME OF PURCHASE
A. U.S. Treasuries (including U.S. Treasury Coupon and principal STRIPS as well as TIPS)	100%
B. Federal Agencies and U.S. Government Sponsored Enterprises	100%
C. State of California and Local Agency Obligations	100%
D. State and Local Agency Obligations Outside of California	20%
E. Bankers Acceptances	40%
F. Commercial Paper	25%
G. Negotiable Certificates of Deposit	30%
H. Repurchase Agreements	100%
I. Corporate Securities	30%

<i>INSTRUMENTS</i>	MAXIMUM % OF PORTFOLIO AT TIME OF PURCHASE
J. Money Market Funds	20%
K. Mortgage and Asset-backed Securities	20%
L. Variable and Floating Rate Securities	30%
M. Local Agency Investment Fund (LAIF)	50%

- a. Issuer/Counterparty Diversification Guidelines – The percentages specified below shall be adhered to on the basis of the entire portfolio:
- i. Any one Federal Agency or Government Sponsored Enterprise 35%
  - ii. Any one repurchase agreement counterparty name
    - If maturity/term is  $\leq$  7 days 50%
    - If maturity/term is  $>$  7 days 25%
- b. Issuer/Counterparty Diversification Guidelines for All Other Securities described in Subsections A-K in VII. Permitted Investments of this Annual Investment Policy. Any one corporation, bank, local agency, or other corporate name for one or more series of securities, and specifically with respect to special purpose vehicles issuers for mortgage and asset-backed securities, the maximum applies to all such securities backed by the same type of assets of the same issuer. 5%

Negotiable Certificates of Deposit with maturities greater than one year and less than five years shall not exceed the FDIC Insurance maximum amount at the time of purchase.

Each Investment Advisor shall adhere to the diversification limits discussed in this section. If one Investment Advisor exceeds the aforementioned diversification limits, the Investment Advisor shall inform the Kern Health Systems Chief Financial Officer and second Investment Advisor (if any) by close of business on the day of the occurrence. Within the parameters authorized by the Government code, the Committee recognizes the practicalities of portfolio management, securities maturing, and changing status, and market volatility, and, as such, will consider breaches in:

- i. The context of the amount in relation to the total portfolio concentration;
- ii. Market and security specific conditions contributing to a breach in policy; and
- iii. The managers' actions to enforce the spirit of the policy and decisions made in the best interest of the portfolio.

**REFERENCE:**

**Revision 2016-01:** Minor revision to correct acronym in §VIII Policies, item M. CFO request that policy goes to Board of Directors in February. **Revision 2015-04:** Item "M" Local Agency Investment Fund (LAIF) added to Section VII Permitted Investments as approved by KHS Board of Directors at April 2015 meeting. **Revision 2014-08:** Policy revised by Controller to allow for non-California municipal investments as approved by KHS Board of Directors. **Revision 2010-11:** Policy revised to conform to government code requirements. The Board of Directors approved current policy on October 14, 2010.

Attachment 2

**KERN HEALTH SYSTEMS  
2017 INVESTMENT ANALYSIS**

	<u>UBS</u>	<u>LAIF</u>	<u>Wells Fargo Securities</u>
December 31, 2017 Balance	71,168,856	64,858,065	106,942,633
Average Monthly Balance	70,056,753	64,621,650	135,493,042
Total Dividend/Revenue (YTD)	1,492,289	643,817	1,281,588
Percentage	2.13%	1.00%	0.95%



**To: KHS Finance Committee**  
**From: Robert Landis, CFO**  
**Date: February 2, 2018**  
**Re: 2017 Annual Report for Travel**

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**Background**

Kern Health Systems Employee Travel and Expense Reimbursement Policy requires an annual report (attached) to be submitted to the KHS Board of Directors.

**Discussion**

KHS encourages employees to attend conferences and seminars to:

1. Obtain updated information on key issues that they are concerned about.
2. Interact with other health plans that may be experiencing similar issues and problems and to solve those issues together.
3. Have issues addressed on a specific topic by recognized experts who are up to date with the latest developments in the field.
4. Evaluate the latest technologies that can potentially help make KHS more efficient.
5. Learn about facts and statistics that will help employees better understand the changing dynamics in the healthcare industry.

During 2017 \$109,771.09 was spent on employee travel, which was approximately \$10,000 more than the prior year. The majority of this amount relates to the increased need of the Information Technology Department to attend vendor conferences. KHS has increased its footprint in large commercial systems such as ZeOmega, TriZetto and Healthx. Attendance at vendor conferences provides KHS with insights into the systems current functionality, a better understanding of the software product roadmaps, and the ability to network with peer health plans that use the products. The Information Technology Department will continue to leverage these conferences in order to maximize the positive impact on the operations of the plan.

**Requested Action**

Receive and file for informational purposes only.



EMPLOYEE TITLE	CONFERENCE TITLE	In County (In), Out of County (Out), or Out of State (OS)	LOCATION	DATES	Registration	Fare & Lodging	Meals	TOTAL AMOUNT SPENT
1 Chief Executive Officer	LHPC Board Meeting & Strategic Retreat	Out	Redondo Beach, CA	1/23/17-1/25/17	-	724.22	48.00	772.22
2 Chief Operating Officer	QTR COO Meeting	Out	San Francisco, CA	1/18/17-1/19/17	-	604.76	103.50	708.26
3 Chief Financial Officer	QTR CFO Meeting	Out	Los Angeles, CA	2/16/17-2/17/17	-	366.45	48.00	414.45
4 Chief Executive Officer	LHPC Policy MT & 2 Legislative MT	Out	Sacramento, CA	2/12/17-2/15/17	-	324.59	160.00	684.59
5 Chief Operating Officer	ALC Site Visit	OS	St. George, UT	2/22/17-2/23/17	-	693.17	89.25	782.42
6 Chief Executive Officer	CAHP 2017 Seminar-Medi-Cal Financing: Today & Tomorrow	Out	Burbank, CA	2/27/17 - 03/02/17	100.00	1,352.95	112.00	1,564.95
7 Chief Financial Officer	CAHP 2017 Seminar-Medi-Cal Financing: Today & Tomorrow	Out	Burbank, CA	3/2/17-3/2/17	100.00	56.00	-	156.00
8 Chief Executive Officer	LAHP & CAHP PAC 14th Annual	Out	Napa Valley, CA	3/12/17-3/15/17	-	948.21	172.50	1,120.71
9 Chief Executive Officer	ACAP 2017 Spring Board Meeting	Out	Costa Mesa, CA	3/20/17-3/22/17	-	606.09	96.00	702.09
10 Chief Financial Officer	ACAP 2017 CFO Meeting	Out	Costa Mesa, CA	3/22/17-3/24/17	-	633.76	96.00	729.76
11 Chief Operating Officer	COO MT.	Out	Santa Barbara, CA	5/4/17-5/5/17	-	581.25	129.50	710.75
12 Chief Executive Officer	LHPC May Board Meeting	Out	Sacramento, CA	05/14/17 - 05/16/17	-	896.53	112.00	1,008.53
13 Chief Operating Officer	Trizetto/Cognizant Healthcare Conference	OS	San Antonio, TX	5/21/17-5/24/17	-	1,843.69	208.00	2,051.69
14 Chief Executive Officer	CAHP 2017 Seminar : Improving Mental & Behavioral Health Care Services	Out	Burbank, CA	5/23/17-5/24/17	100.00	226.67	80.00	406.67
15 Chief Executive Officer	All Plan CEO Meeting	Out	Sacramento, CA	06/13/17 - 06/14/17	-	250.13	144.00	394.13
16 Chief Executive Officer	ACAP CEO 2017	OS	Washington, DC	06/27/17 - 06/30/17	-	1,402.82	258.75	1,661.57
17 Chief Financial Officer	Local Health Plan CFO Meeting	Out	Campbell, CA	7/13/17-7/15/17	-	479.85	64.00	543.85
18 Chief Operating Officer	COO MT.	Out	Fairfield, CA	8/10/2017-8/11/17	-	606.24	76.50	682.74
19 Chief Executive Officer	CSDA Understanding The Brown Act	In	Bakersfield, CA	8/16/17	25.00	-	-	25.00
20 Chief Operating Officer	CSDA Understanding The Brown Act	In	Bakersfield, CA	8/16/17	25.00	-	-	25.00
21 Chief Financial Officer	QTR All Plan CFO Meeting	Out	Sacramento, CA	9/6/17	-	107.41	48.00	155.41
22 Chief Executive Officer	QTR CEO Meeting	Out	Sacramento, CA	9/5/17-9/6/17	-	417.58	112.00	529.58
23 Chief Executive Officer	LHPC September Board Meeting	Out	Sacramento, CA	9/17/17-9/18/17	-	270.65	112.00	382.65
24 Chief Financial Officer	CAHP Annual Conference	Out	Huntington Beach, CA	10/8/17-10/10/17	-	907.78	48.00	955.78
25 Chief Executive Officer	CAHP Annual Conference	Out	Huntington Beach, CA	10/8/17-10/11/17	475.00	979.90	112.00	1,566.90
26 Chief Operating Officer	CAPH Annual Conference	Out	Huntington Beach, CA	10/8/17-10/11/17	-	1,178.89	144.00	1,322.89

# KERN • HEALTH SYSTEMS

EMPLOYEE TITLE	CONFERENCE TITLE	In County (In), Out of County (Out), or Out of State (OS)	LOCATION	DATES	Registration	Fare & Lodging	Meals	TOTAL AMOUNT SPENT
Various - Data Operations Manager, BI (1), Corp. Training and Development Manager, HR(1), Director of Member Services (1), Provider Relations Manager (1), Administrative Director, JHP(1), 27) Deputy Director of HS-UM(1)	LHPC Medi-Cal Managed Care 101	Out	Sacramento, CA	10/22/17-10/23/17	129.54	1,170.72	592.00	1,892.26
28) Chief Executive Officer	ACAP 2017 Fall Board & Marketplace Meeting	OS	Denver, CO	11/13/17-11/16/17	-	1,891.76	120.75	2,012.51
29) Chief Operating Officer	Cognizant Executive Vision Summit	Out	Dana Point, CA	11/13/17 - 11/15/17	-	684.40	48.00	732.40
Various- Senior Accountant (2), Data Operations Manager, BI (1), Corp. Training and Development Manager, HR(1), Director of Member Services (1), PR Contracting Manager (1), 30) Administrative Director of HS-UM(1)	LHPC Medi-Cal Managed Care 101	Out	Rancho Cucamonga, CA	12/03/17-12/04/17	129.54	831.77	499.50	1,460.81
<b>Executive Total</b>					<b>1,084.08</b>	<b>21,238.24</b>	<b>3,834.25</b>	<b>26,156.57</b>
31) Assistant Controller	Milliman Healthcare Training Seminar - Actuarial Training	Out	San Diego, CA	10/2/17-10/5/17	1,550.00	1,186.14	192.00	2,928.14
32) Accounting Manager Various-Acc. Dept. Assistant Controller (1), Manager (1), Supervisor (1) Senior Accountant (2), Accountant (2) Accounting Clerk(3), 33) Sr. Support Clerk(1)	Milliman Healthcare Training Seminar - Actuarial Training	Out	San Diego, CA	10/2/17-10/5/17	1,400.00	742.44	192.00	2,334.44
<b>Finance Total</b>					<b>3,200.00</b>	<b>1,928.58</b>	<b>384.00</b>	<b>5,517.58</b>
Director of Technical Operations, 34) Information Technology	LHP On-Site CIO Meeting	Out	San Francisco, CA	1/26/17-1/27/17	-	540.12	111.00	651.12
35) Chief Information Officer Director of Technical Operations,	LHP On-Site CIO Meeting	Out	San Francisco, CA	1/26/17-1/27/17	-	267.09	111.00	378.09
36) Information Technology	Tecstro Board of Directors Meeting	OS	Las Vegas, NV	2/5/17-2/9/17	-	1,250.73	272.00	1,522.73
37) Chief Information Officer	ALC Site Visit	OS	St. George, UT	2/22/17-2/23/17	-	518.22	89.25	607.47
38) Technical Analyst II Director of Technical Operations,	2017 Zeomega Client Conference	OS	Plano, TX	5/1/17-5/5/17	299.00	1,404.36	206.50	1,909.86
39) Information Technology Director of Technical Operations,	Women in Healthcare II Event	Out	San Francisco, CA	5/19/17-5/20/17	-	2,114.72	370.00	2,484.72
40) Information Technology	2017 Cognizant Healthcare Conference	OS	San Antonio, TX	5/20/17-5/24/17	-	609.50	-	609.50



EMPLOYEE TITLE	CONFERENCE TITLE	In County (In), Out of County (Out), or Out of State (OS)	LOCATION	DATES	Registration	Fare & Lodging	Meals	TOTAL AMOUNT SPENT
41 Chief Information Officer	LHPC: CIO Meeting (Cal Optima)	Out	Orange, CA	5/4/17-5/3/17	-	153.46	96.00	249.46
42 Data Analyst IV	Sister Plan Analytic Forum-Santa Clara Family Health Plan	Out	Campbell, CA	4/27/17-4/28/17	-	212.21	96.00	308.21
43 IT Configuration Supervisor, MIS	2017 Cognizant Healthcare Conference	OS	San Antonio, TX	5/20/17-5/24/17	1,250.00	1,482.77	192.00	2,924.77
44 Data Operations Manager	Sister Plan Analytic Forum-Santa Clara Family Health Plan	Out	Campbell, CA	4/27/17-4/28/17	-	335.67	96.00	431.67
45 Data Operations Manager Various - Director of Technical Operations, IT(1), Member Health Educator, Bilingual (1), Claims Systems Process Improvement Program(1), Director Government Affairs & Business Development,	LHPC: CIO Meeting (Cal Optima)	Out	Orange, CA	5/4/17-5/5/17	-	271.34	96.00	367.34
46 PM(1)	BYP Summit	In	Bakersfield, CA	5/18/17	133.10	-	-	133.10
Various - Data Operations Manager, BI (1), Project Manager II, MIS(1), Data Operations Manager, BI, (1), Project Manager Supervisor, MIS(1)	PMF, CA Central Valley Chapter	In	Bakersfield, CA	6/8/17	100.00	-	-	100.00
48 Chief Information Officer	AHIP Institute & Expo 2017	OS	Austin, TX	6/6/17-6/9/17	1,545.00	1,093.53	147.50	2,786.03
49 Data Operations Manager	EDW Meeting - Santa Clara Family Health Plan	Out	Campbell, CA	8/30/17-8/31/17	-	599.76	96.00	695.76
50 Database Administrator IV	EDW Meeting - Santa Clara Family Health Plan	Out	Campbell, CA	8/30/17-8/31/17	-	405.12	-	405.12
51 Data Operations Manager Director of Technical Operations,	Healthcare Analytics Summit 2017	OS	Salt Lake City, UT	9/12/17-9/14/17	595.00	1,161.80	177.00	1,933.80
52 Information Technology	2017 Fall QUsers Conference	OS	New Orleans, LA	9/16/17-9/21/17	-	1,642.35	368.00	2,010.35
53 IT Configuration Supervisor, MIS	2017 Fall QUsers Conference	OS	New Orleans, LA	9/17/17-9/20/17	500.00	1,572.69	256.00	2,328.69
54 Chief Information Officer	LHP on-site CIO Meeting	Out	Alameda, CA	9/21/17-9/22/17	-	1,241.70	103.50	1,345.20
55 Chief Information Officer	2017 CAHP Annual Conference	Out	Huntington Beach, CA	10/8/17-10/11/17	725.00	1,288.84	128.00	2,141.84
56 Programmer	IT DEV Connections	Out	San Francisco, CA	10/23/17-10/26/17	1,299.00	1,644.31	222.00	3,165.31
57 Chief Information Officer	Healthx 2017 Customer Conference	OS	Indianapolis, IN	10/23/17-10/25/17	-	2,247.42	121.50	2,368.92
58 Chief Information Officer	Transforming Health Information Exchange in California	Out	Sacramento, CA	10/31/17-11/2/17	125.00	114.77	80.00	319.77



# KERN • HEALTH SYSTEMS

EMPLOYEE TITLE	CONFERENCE TITLE	In County (In), Out of County (Out), or Out of State (OS)	LOCATION	DATES	Registration	Fare & Lodging	Meals	TOTAL AMOUNT SPENT
59) Data Operations Manager	Transforming Health Information Exchange in California	Out	Sacramento, CA	10/31/17-11/2/17	125.00	350.58	80.00	555.58
60) Supervisor Database Management	Pass Summit 2017	OS	Seattle, WA	10/31/17 - 11/03/17	2,195.00	924.37	240.50	3,359.87
61) Chief Information Officer	Cognizant Executive Vision Summit	Out	Dana Point, CA	11/13/17 - 11/15/17	-	946.3	48.00	994.30
<b>MIS Total</b>					<b>8,391.10</b>	<b>24,393.93</b>	<b>3,803.75</b>	<b>37,088.78</b>
62) Deputy Director of Claims	2017 Trizetto Healthcare Conference	OS	San Antonio, TX	5/20/17-5/24/17	-	1,451.52	176.00	1,627.52
63) Director of Claims	2017 Trizetto Healthcare Conference	OS	San Antonio, TX	5/20/17-5/24/17	1,250.00	1,391.52	240.00	2,881.52
64) Director of Claims	LHPC Claim Department	Out	Santa Barbara, CA	8/24/2017	-	387.71	92.50	480.21
65) Director of Claims	2017 Cognizant Ouser Conference	OS	New Orleans, LA	9/17/17-9/20/17	500.00	1,508.46	240.00	2,248.46
66) Deputy Director of Claims	2017 Cognizant Ouser Conference	OS	New Orleans, LA	9/17/17-9/20/17	500.00	1,464.46	192.00	2,156.46
67) Director of Claims	Annual Kaiser Claims Audit	Out	Downey, CA	12/04/17 - 12/05/17	-	242.00	96.00	338.00
<b>Claims Total</b>					<b>2,250.00</b>	<b>6,445.67</b>	<b>1,036.50</b>	<b>9,732.17</b>
68) Credential Lead Providers Relations Program Manager	Cactus 2017 Roadshow & Users Group Meeting	Out	Los Angeles, CA	2/20/17-2/22/17	450.00	783.51	32.00	1,265.51
69) Manager	Public Works Workshop	Out	Camarillo, CA	3/15/2017	-	131.10	18.56	149.66
70) Provider Relations Rep I	Visit to ALC (New Transportation Vendor)	OS	Las Vegas, NV & St. George, UT	6/4/17-6/6/17	-	451.54	128.00	579.54
71) Credentialing Lead	CA Medical Staff Services Annual Ed Conf.	Out	Long Beach, CA	6/11/17-6/21/17	550.00	846.50	16.00	1,412.50
72) Provider Relations Manager	Visit to ALC (New Transportation Vendor)	OS	Las Vegas, NV & St. George, UT	6/4/17-6/6/17	-	393.23	128.00	521.23
73) Provider Relations Program Manager	New Buyer Basics Seminar Through CAPPO	Out	Ventura, CA	8/2/2017	99.00	138.57	64.00	301.57



EMPLOYEE TITLE	CONFERENCE TITLE	In County (In), Out of County (Out), or Out of State (OS)	LOCATION	DATES	Registration	Fare & Lodging	Meals	TOTAL AMOUNT SPENT
74 Provider Relations Program Manager	Public Works Compliance I01	Out	Fresno, CA	9/19/2017	125.00	-	32.00	157.00
75 Director of Provider Relations	Public Works Compliance I01	Out	Fresno, CA	9/19/2017	125.00	113.42	32.00	270.42
76 Provider Relations Manager	ICE 2017 Annual Conference	Out	San Francisco, CA	12/3/17-12/6/17	625.00	-	-	625.00
77 Senior Provider Network Analyst	ICE 2017 Annual Conference	Out	San Francisco, CA	12/3/17-12/6/17	625.00	-	-	625.00
<b>Provider Relations Total</b>								
78 Director of Procurement and Facilities, Corporate Services	California Assoc. of Public Procurement Officials Annual Conference	Out	Napa, CA	1/23/17-1/27/17	-	1,001.48	327.75	1,329.23
79 Maintenance Coordinator	Six Sigma Training & PMP Training	Out	Los Angeles, CA	4/10/2017	-	117.70	32.00	149.70
80 Director of Procurement and Facilities, Corporate Services	California Assoc. of Public Procurement Officials Prevaling Wage Conference	In	Bakersfield, CA	4/3/2017	39.00	-	-	39.00
81 Maintenance Coordinator	Six Sigma Training & PMP Training	Out	Burbank, CA	5/1/2017 - 5/6/17	-	110.22	192.00	302.22
<b>Corporate Services Total</b>								
82 Director Government Affairs and Business Development	CAHP- State Programs Committee	Out	Sacramento, CA	1/18/17-1/19/17	-	523.85	80.00	603.85
83 Director Government Affairs and Business Development	CHP- Medi-Cal Financing: Today & Tomorrow	Out	Burbank, CA	3/22/2017	75.00	-	-	75.00
84 Lead Project Manager, MIS	LHPC Board Meeting & CAHP State Programs Committee Meeting & CAHP Annual Conference	Out	Huntington Beach, CA	10/9/17-10/11/17	475.00	908.16	80.00	1,463.16
85 Project Management Supervisor	PMI Global Conference	OS	Chicago, IL	10/27/17-10/30/17	1,395.00	1,590.44	203.50	3,188.94
86 Project Manager II, MIS	PMI 4C Chapter	Out	Agoura Hills, CA	8/24/17	35.00	127.24	-	162.24
<b>Project Management Total</b>								
					<b>1,980.00</b>	<b>3,149.69</b>	<b>363.50</b>	<b>5,493.19</b>

# KERN·HEALTH SYSTEMS

EMPLOYEE TITLE	CONFERENCE TITLE	In Country (In), Out of Country (Out), or Out of State (Os)	LOCATION	DATES	Registration	Fare & Lodging	Meals	TOTAL AMOUNT SPENT
Director of Compliance & Regulatory Affairs	HCCA Managed Care Compliance Conference	OS	Scottsdale, AZ	1/28/17-1/31/17	749.00	1,297.91	162.25	2,209.16
Director of Compliance & Regulatory Affairs	CAHP- Provider Directory Advances in California	Out	Burbank, CA	4/12/17-4/13/17	75.00	81.60	-	156.60
Compliance Auditor	CAHP- Provider Directory Advances in California	Out	Burbank, CA	4/13/2017	75.00	310.23	-	385.23
Director of Compliance & Regulatory Affairs	CAHP 32nd Annual Conference	Out	Huntington Beach, CA	10/8/17-10/11/17	475.00	921.04	112.00	1,508.04
Director of Compliance & Regulatory Affairs	LHPC Compliance Summit	Out	San Francisco, CA	6/1/17	-	834.40	-	834.40
Director of Compliance & Regulatory Affairs	Managed Care Advisory Group Speaker	Out	Sacramento, CA	6/7/17-6/8/17	-	423.51	80.00	503.51
Compliance Auditor	Annual Kaiser Clinics Audit	Out	Downey, CA	12/04/17-12/05/17	-	115.50	96.00	211.50
<b>AIS Total</b>					<b>1,374.00</b>	<b>3,984.19</b>	<b>450.25</b>	<b>5,808.44</b>
Director of Marketing & Member Services	Provider Directory Advances in California	Out	Los Angeles, CA	4/13/2017	100.00	108.07	18.56	226.63
Member Engagement Program Manager	Visit to ALC (New Transportation Vendor)	OS	Las Vegas, NV & St. George, UT	6/4/17-6/6/17	-	822.60	128.00	950.60
Marketing & Public Affairs Rep	California Partnership of Health Care Advocates	Out	Sacramento, CA	9/5/17-9/6/17	-	526.44	80.00	606.44
Director of Marketing & Member Services	HealthX Conference	OS	Indianapolis, IN	10/23/17-10/24/17	-	1,220.73	81.00	1,301.73
Member Engagement Program Manager	HealthX Conference	OS	Indianapolis, IN	10/23/17-10/24/17	-	570.96	108.00	678.96
<b>Marketing Total</b>					<b>100.00</b>	<b>3,248.80</b>	<b>415.56</b>	<b>3,764.36</b>
Director of Member Service	ALC Site Visit	OS	St. George, UT	2/22/17-2/23/17	-	518.22	-	518.22
Director of Member Service	Member Service Directors Meeting	Out	Fairfield, CA	8/10/2017	-	259.02	76.50	335.52
<b>Member Services Total</b>					<b>-</b>	<b>777.24</b>	<b>76.50</b>	<b>853.74</b>



EMPLOYEE TITLE	CONFERENCE TITLE	In Country (In), Out of Country (Out), or Out of State (OS)	LOCATION	DATES	Registration	Fare & Lodging	Meals	TOTAL AMOUNT SPENT
101 Director or Human Resources	KC SHRM Jan. 2017 MT: 2017 Legal Update	In	Bakersfield, CA	1/4/2017	24.29	-	-	24.29
102 Recruiting Supervisor	KC SHRM Jan. 2017 MT: 2017 Legal Update	In	Bakersfield, CA	1/4/2017	24.29	-	-	24.29
103 Senior Benefits Administrator	KC SHRM Jan. 2017 MT: 2017 Legal Update	In	Bakersfield, CA	1/4/2017	24.29	-	-	24.29
104 Payroll Supervisor	KC SHRM Jan. 2017 MT: 2017 Legal Update	In	Bakersfield, CA	1/4/2017	24.29	-	-	24.29
105 Human Resources Assistant	KC SHRM Jan. 2017 MT: 2017 Legal Update	In	Bakersfield, CA	1/4/2017	24.29	-	-	24.29
106 Human Resources Assistant	KC SHRM Jan. 2017 MT: 2017 Legal Update	In	Bakersfield, CA	1/4/2017	24.28	-	-	24.28
107 HR Senior Support Clerk	KC SHRM Jan. 2017 MT: 2017 Legal Update	In	Bakersfield, CA	1/4/2017	24.27	-	-	24.27
108 Manager	Training & Development Workgroup for Local, not-for-profit, publicly governed managed health care plans	Out	Rancho Cucamonga, CA	1/26/17-1/27/17	-	153.71	-	153.71
109 Director or Human Resources	Training & Development Workgroup for Local, not-for-profit, publicly governed managed health care plans	Out	Rancho Cucamonga, CA	1/26/17-1/27/17	-	329.07	-	329.07
110 Director or Human Resources	KC SHRM Feb. 2017 MT	In	Bakersfield, CA	2/1/2017	21.25	-	-	21.25
111 Recruiting Supervisor	KC SHRM Feb. 2017 MT	In	Bakersfield, CA	2/1/2017	21.25	-	-	21.25
112 Senior Benefits Administrator	KC SHRM Feb. 2017 MT	In	Bakersfield, CA	2/1/2017	21.25	-	-	21.25
113 Payroll Supervisor	KC SHRM Feb. 2017 MT	In	Bakersfield, CA	2/1/2017	21.25	-	-	21.25
114 Payroll Administrator	KC SHRM Feb. 2017 MT	In	Bakersfield, CA	2/1/2017	21.25	-	-	21.25
115 Human Resources Assistant	KC SHRM Feb. 2017 MT	In	Bakersfield, CA	2/1/2017	21.25	-	-	21.25
116 Human Resources Assistant	KC SHRM Feb. 2017 MT	In	Bakersfield, CA	2/1/2017	21.25	-	-	21.25
117 HR Senior Support Clerk	KC SHRM Feb. 2017 MT	In	Bakersfield, CA	2/1/2017	21.25	-	-	21.25
118 Director or Human Resources	HR Director Offsite MT.	Out	Santa Barbara, CA	3/22/17-3/27/17	-	745.07	222.00	967.07
119 HR Senior Support Clerk	Wages & Hour Paranoia Conf.	In	Bakersfield, CA	3/1/2017	30.00	-	-	30.00
120 Human Resources Assistant	Wages & Hour Paranoia Conf.	In	Bakersfield, CA	3/1/2017	30.00	-	-	30.00
121 Payroll Supervisor	Wages & Hour Paranoia Conf.	In	Bakersfield, CA	3/1/2017	30.00	-	-	30.00
122 Payroll Administrator	Wages & Hour Paranoia Conf.	In	Bakersfield, CA	3/1/2017	30.00	-	-	30.00
123 Human Resources Assistant	Bakersfield College Job Fair	In	Bakersfield, CA	4/26/2017	27.50	-	-	27.50
124 Recruiting Supervisor	Bakersfield College Job Fair	In	Bakersfield, CA	4/26/2017	27.50	-	-	27.50
125 Manager	KC SHRM April 2017 MT	In	Bakersfield, CA	4/5/2017	20.00	-	-	20.00
126 Human Resources Assistant	KC SHRM April 2017 MT	In	Bakersfield, CA	4/5/2017	20.00	-	-	20.00
127 Human Resources Assistant	KC SHRM April 2017 MT	In	Bakersfield, CA	4/5/2017	20.00	-	-	20.00

# KERN·HEALTH SYSTEMS

EMPLOYEE TITLE	CONFERENCE TITLE	In Country (In), Out of Country (Out), or Out of State (OS)	LOCATION	DATES	Registration	Fare & Lodging	Meals	TOTAL AMOUNT SPENT
128 HR Senior Support Clerk	KC SHRM April 2017 MT	In	Bakersfield, CA	4/5/2017	20.00	-	-	20.00
129 Recruiting Supervisor	KC SHRM April 2017 MT	In	Bakersfield, CA	4/5/2017	20.00	-	-	20.00
130 Senior Benefits Administrator	KC SHRM April 2017 MT	In	Bakersfield, CA	4/5/2017	20.00	-	-	20.00
131 Recruiting Supervisor	KC SHRM May 2017 MT.	In	Bakersfield, CA	5/3/2017	20.00	-	-	20.00
132 Human Resources Assistant	KC SHRM May 2017 MT.	In	Bakersfield, CA	5/3/2017	20.00	-	-	20.00
133 Payroll Supervisor	KC SHRM May 2017 MT.	In	Bakersfield, CA	5/3/2017	20.00	-	-	20.00
134 Payroll Administrator	KC SHRM May 2017 MT.	In	Bakersfield, CA	5/3/2017	20.00	-	-	20.00
135 HR Senior Support Clerk	KC SHRM May 2017 MT.	In	Bakersfield, CA	5/3/2017	20.00	-	-	20.00
136 Human Resources Assistant	BC Job Fair	In	Bakersfield, CA	8/30/17	15.00	-	-	15.00
137 Recruiting Supervisor	BC Job Fair	In	Bakersfield, CA	8/30/17	15.00	-	-	15.00
138 HR Senior Support Clerk	Mid Year Legal Updates	In	Bakersfield, CA	6/7/17	20.00	-	-	20.00
139 Corporate Training & Development Manager	Mid Year Legal Updates	In	Bakersfield, CA	6/7/17	20.00	-	-	20.00
140 Director of Human Resources	Mid Year Legal Updates	In	Bakersfield, CA	6/7/17	20.00	-	-	20.00
141 Human Resources Assistant	Mid Year Legal Updates	In	Bakersfield, CA	6/7/17	20.00	-	-	20.00
142 Payroll Supervisor	Mid Year Legal Updates	In	Bakersfield, CA	6/7/17	20.00	-	-	20.00
143 Payroll Administrator	Mid Year Legal Updates	In	Bakersfield, CA	6/7/17	20.00	-	-	20.00
144 Recruiting Supervisor	Mid Year Legal Updates	In	Bakersfield, CA	6/7/17	20.00	-	-	20.00
145 Benefits Manager	Mid Year Legal Updates	In	Bakersfield, CA	6/7/17	20.00	-	-	20.00
146 Payroll Administrator	KC SHRM Aug. 2017 MT	In	Bakersfield, CA	08/02/17	20.00	-	-	20.00
147 Benefits Manager	KC SHRM Aug. 2017 MT	In	Bakersfield, CA	08/02/17	20.00	-	-	20.00
148 Benefits Assistant	KC SHRM Aug. 2017 MT	In	Bakersfield, CA	08/02/17	20.00	-	-	20.00
149 Director of Human Resources	KC SHRM Aug. 2017 MT	In	Bakersfield, CA	08/02/17	20.00	-	-	20.00
150 Recruiting Supervisor	KC SHRM Aug. 2017 MT	In	Bakersfield, CA	08/02/17	20.00	-	-	20.00
151 Human Resources Assistant	KC SHRM Aug. 2017 MT	In	Bakersfield, CA	08/02/17	20.00	-	-	20.00
152 Human Resources Assistant	KC SHRM Aug. 2017 MT	In	Bakersfield, CA	08/02/17	20.00	-	-	20.00
153 Director of Human Resources	KC SHRM Oct. 2017	In	Bakersfield, CA	10/10/17-10/11/17	199.00	-	-	199.00
154 Recruiting Supervisor	KC SHRM Oct. 2017	In	Bakersfield, CA	10/10/17-10/11/17	199.00	-	-	199.00

# KERN·HEALTH SYSTEMS

EMPLOYEE TITLE	CONFERENCE TITLE	In County (In, Out), or Out of State (OS)	LOCATION	DATES	Registration	Fare & Lodging	Meals	TOTAL AMOUNT SPENT
155 Payroll Supervisor Corporate Training & Development Manager	KC SHRM Oct. 2017	In	Bakersfield, CA	10/10/17-10/11/17	199.00	-	-	199.00
156	KC SHRM Oct. 2017	In	Bakersfield, CA	10/10/17-10/11/17	199.00	-	-	199.00
157 Benefits Manager	KC SHRM Oct. 2017	In	Bakersfield, CA	10/10/17-10/11/17	199.00	-	-	199.00
158 Human Resources Assistant	Political Correctness at Work	In	Bakersfield, CA	9/6/17	20.00	-	-	20.00
159 Recruiting Supervisor	Political Correctness at Work	In	Bakersfield, CA	9/6/17	20.00	-	-	20.00
160 Human Resources Assistant	Political Correctness at Work	In	Bakersfield, CA	9/6/17	20.00	-	-	20.00
161 Benefits Assistant	Political Correctness at Work	In	Bakersfield, CA	9/6/17	20.00	-	-	20.00
162 Benefits Assistant	KC SHRM Oct. 2017	In	Bakersfield, CA	10/10/17-10/11/17	199.00	-	-	199.00
163 Benefits Manager	Ceridian Insights 2017	OS	Las Vegas, NV	10/2/17-10/6/17	-	384.24	304.00	688.24
164 Recruiting Supervisor	Ceridian Insights 2017	OS	Las Vegas, NV	10/2/17-10/6/17	-	-	304.00	304.00
165 Payroll Supervisor	Insights 2017	OS	Las Vegas, NV	10/2/17-10/6/17	-	413.86	288.00	701.86
166 Director of Human Resources Corporate Training & Development Manager	Ceridian Conference	OS	Las Vegas, NV	10/2/17-10/6/17	-	588.06	304.00	892.06
167	Ceridian Conference	OS	Las Vegas, NV	10/2/17-10/6/17	-	572.15	304.00	876.15
168 Benefits Assistant	KC SHRM Nov 2017	In	Bakersfield, CA	11/8/17	40.00	-	-	40.00
169 Human Resources Assistant	KC SHRM Nov 2017	In	Bakersfield, CA	11/8/17	40.00	-	-	40.00

# KERN·HEALTH SYSTEMS

EMPLOYEE TITLE	CONFERENCE TITLE	In Country (In), Out of Country (Out), or Out of State (OS)	LOCATION	DATES	Registration	Fare & Lodging	Meals	TOTAL AMOUNT SPENT
170 Payroll Supervisor	KC SHRM Nov 2017	In	Bakersfield, CA	11/8/17	40.00	-	-	40.00
171 Payroll Administrator	KC SHRM Nov 2017	In	Bakersfield, CA	11/8/17	40.00	-	-	40.00
172 Human Resources Assistant	KC SHRM Dec 2017	In	Bakersfield, CA	12/6/17	20.00	-	-	20.00
173 Recruiting Supervisor	KC SHRM Dec 2017	In	Bakersfield, CA	12/6/17	20.00	-	-	20.00
174 Benefits Manager	KC SHRM Dec 2017	In	Bakersfield, CA	12/6/17	20.00	-	-	20.00
175 Benefits Assistant Corporate Training & Development	KC SHRM Dec 2017	In	Bakersfield, CA	12/6/17	20.00	-	-	20.00
176 Manager	KC SHRM Dec 2017	In	Bakersfield, CA	12/6/17	20.00	-	-	20.00
177 Payroll Supervisor	CalPERS Training on Adjustments	Out	Fresno, CA	12/13/17	-	-	122.52	122.52
<b>Human Resources Total</b>					<b>2,599.00</b>	<b>3,186.16</b>	<b>1,848.52</b>	<b>7,633.68</b>

Sub-Totals	Registration	Fare & Lodging	Meals
	24,116.18	72,439.77	13,215.14
<b>Grand Total</b>	<b>\$ 109,771.09</b>		





**Proposed administrative contract over \$100,000, February 12, 2018.**

1. Operational Agreement with Level 3/Century Link

a. Recommended Action

Approve; Authorize Chief Executive Officer to Sign

b. Contact

Richard Pruitt, Chief Information Officer

c. Background

KHS currently maintains Internet and Phone services with Level 3/Century Link and Spectrum. Internet connectivity is utilized for a variety of reasons to include: Claims, Processing and Payment, Medical Referral Authorization Processing, State Reporting, Provider Communication, Provider Web Portal, and Email communications. KHS utilizes telephone services for its voice, fax, 800 services and long distance communication with members, providers, and vendors.

d. Discussion

Level 3/Century Link will provide Internet and Telephone services for KHS office located at 9700 Stockdale Highway for a one year term.

e. Fiscal Impact

Not to exceed \$112,843.20 per one year.

f. Risk Assessment

Without phone or internet services Kern Health Systems would be unable to communicate with members, providers and vendors which would cause an interruption with its abilities to provide services.



g. Attachments

An Agreement at a Glance form and the quote are attached.

h. Reviewed by Chief Compliance Officer and/or Legal Counsel

This contract is pending Legal review.





# KERN HEALTH SYSTEMS

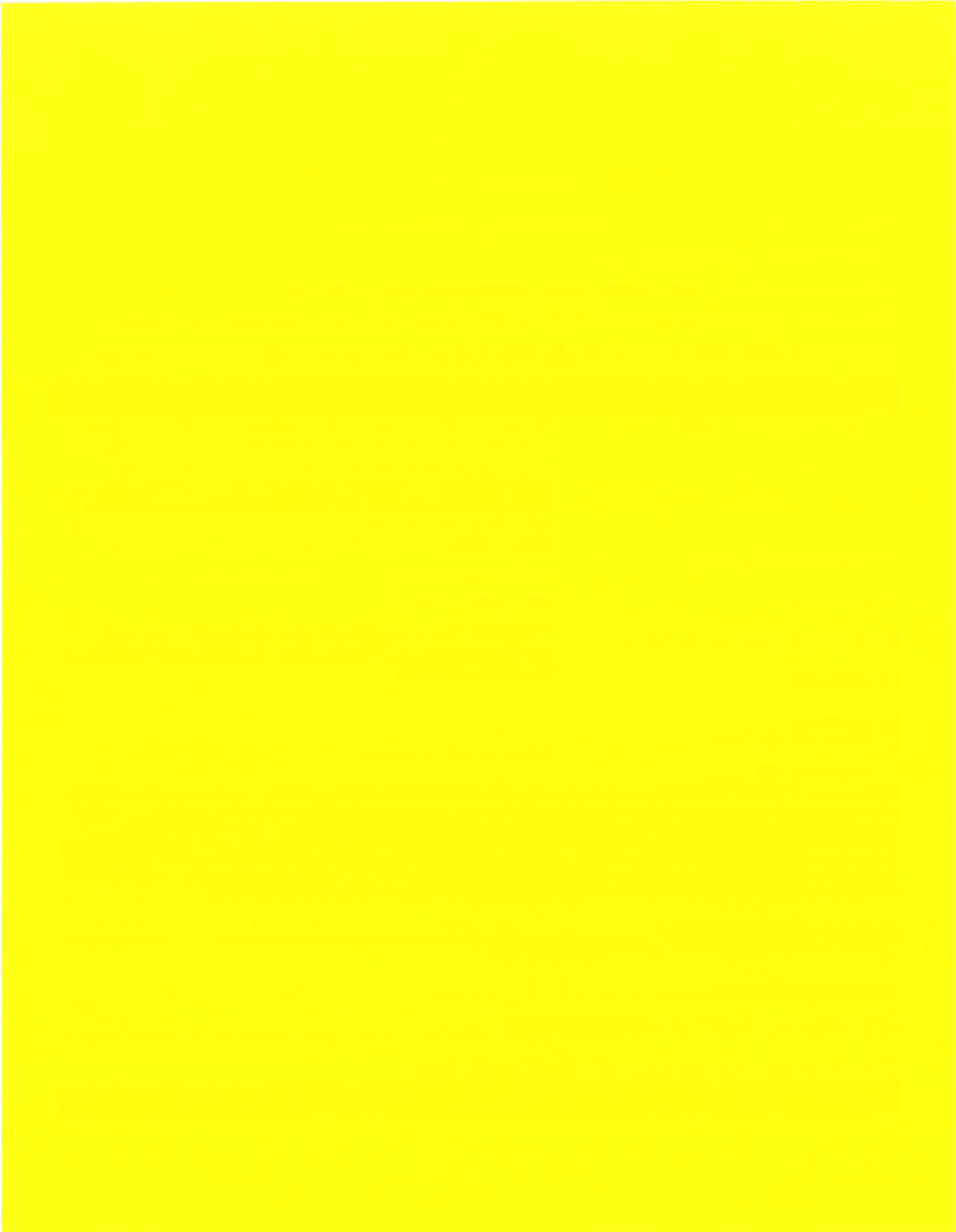
- Contract
- Purchase

## AGREEMENT AT A GLANCE

Department Name: IT                      Department Head: Richard M. Pruitt  
 Contract Vendor: Level 3/Century Link  
 Vendor contact Name & e-mail: Garrett Paquin, garrett.paquin@centurylink.com  
 What services will this vendor provide to KHS? Level 3/Century Link will provide Internet and Telephone services for the KHS office located at 9700 Stockdale Highway, Bakersfield, CA 93311 for a (1) year term.

Description of Contract	
Type of Agreement: <u>Other</u>	Background: <u>KHS currently maintains Internet and Phone services with Level 3/Century Link and Spectrum. Internet connectivity is utilized for a variety of reasons to include: Claims, Processing and Payment, Medical Referral Authorization Processing, State Reporting, Provider Communications, Provider Web Portal, and Email communications. KHS utilizes telephone services for its voice, fax, 800 services and long distance communication with members, providers, and vendors.</u>
<input type="checkbox"/> Establish a new agreement	Previous Agreement No. _____ or Amendment No. _____
<input type="checkbox"/> Amendment	Date Agreement Began _____
<input checked="" type="checkbox"/> Continuation of an Existing Contract	Brief Explanation <u>Level 3/Century Link will provide Internet and Telephone services for KHS office located at 9700 Stockdale Highway for a (1) one year term.</u>
<input type="checkbox"/> Replacement	
<input type="checkbox"/> Addendum	
<input type="checkbox"/> Retroactive Agreement	Reason for delay in approval: _____
Retroactive Date _____	
<input checked="" type="checkbox"/> Summary of Quotes and/or Bids attached. <i>Pursuant to KHS Policy #8.11-1, KHS will secure competitive quotes and bids to obtain the maximum value from the expenditures. Electronic (e-mail/fax) solicitation may be used for purchases of up to Fifty Thousand Dollars or more if not budgeted (\$50,000.00) and One Hundred Thousand Dollars or more if budgeted (\$100,000.00) but must be documented on the RFQ form (Attachment A). Actual bid, sole or single source justification and/or cost price analysis documents are required for purchases over Fifty Thousand Dollars or more if not budgeted (\$50,000.00) and One Hundred Thousand Dollars or more if budgeted (\$100,000.00). Request for Proposal (RFP) shall be used to solicit bids for professional services over Fifty Thousand Dollars (\$50,000). Lowest bid price not accepted must be fully explained and justified in writing. All bids will be treated as a not to exceed amount with "change orders" used to track any changes.</i>	
Brief vendor selection justification: _____	
<input type="checkbox"/> Sole source – no competitive process can be performed.	
Brief reason for sole source: _____	
<input type="checkbox"/> Conflict of Interest Form is required for this Contract	
<input type="checkbox"/> HIPAA Business Associate Agreement is required for this Contract	

### Fiscal Impact



KHS Governing Board previously approved this expense in KHS' FY 2018 Administrative Budget  NO  YES

Budgeted Cost Center 225 GL# 5540,5541,5542,5547

Will this require additional funds?  NO  YES

Maximum cost of this agreement not to exceed: \$112,843.20 per year

Notes: Estimated monthly cost \$9,403.60

**Contract Terms and Conditions**

Effective date: 2/14/18 Termination date: 2/13/19

Explain extension provisions, termination conditions and required notice: \_\_\_\_\_

**Approvals**

**Contract Owner:**

[Signature]  
Department Head

1/19/18  
Date

**Purchasing:**

[Signature]  
Director of Procurement

1/19/18  
Date

**Reviewed as to Budget:**

[Signature]  
Chief Financial Officer or Controller

1/19/18  
Date

**Recommended by the Executive Committee:**

[Signature]  
Committee Chairman

1/22/18  
Date

**Compliance Review:**

\_\_\_\_\_  
Chief Compliance Officer  
  
\_\_\_\_\_  
Date

**Legal Review:**

\_\_\_\_\_  
Legal Counsel  
  
\_\_\_\_\_  
Date

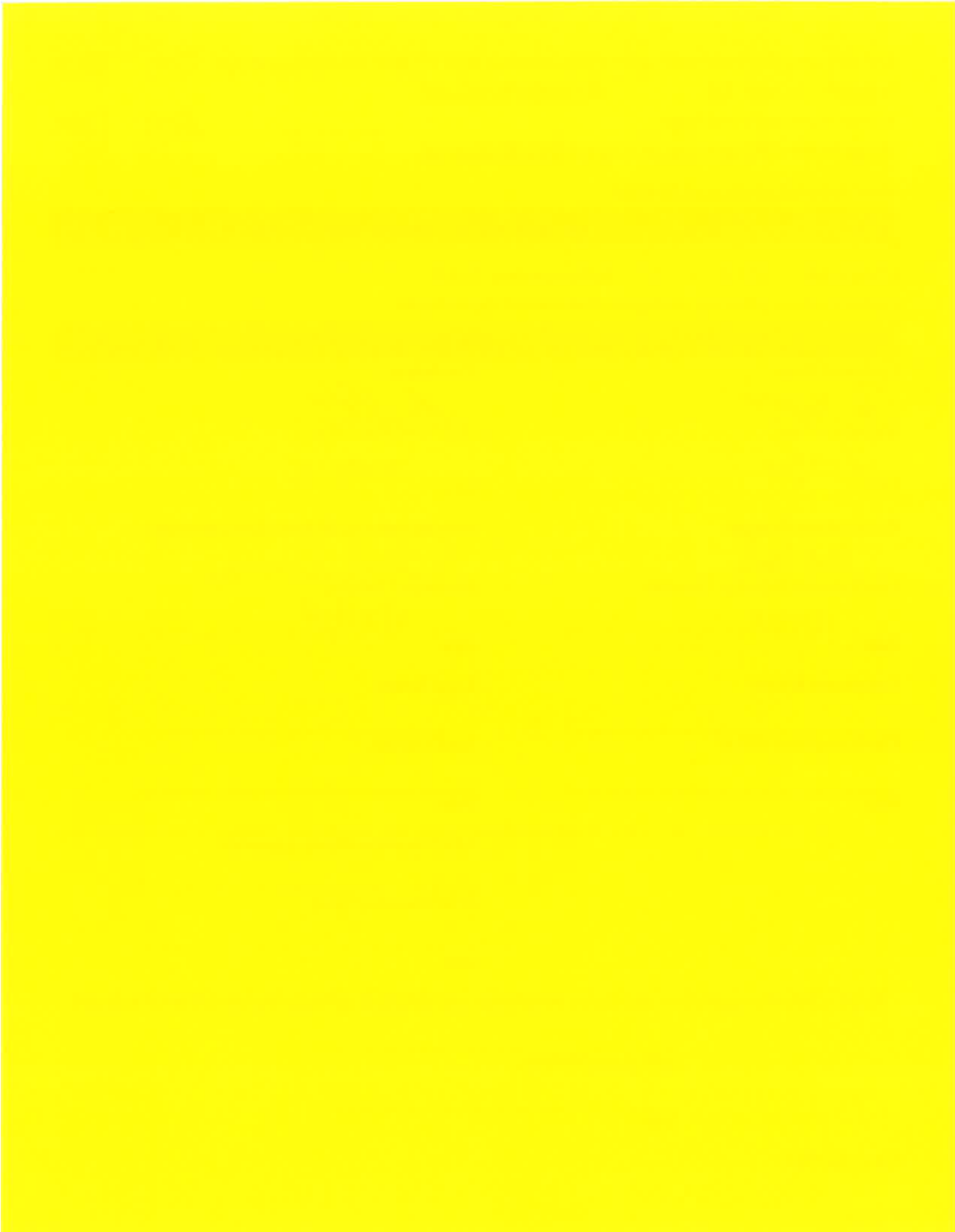
**Chief Executive Officer Approval:**

\_\_\_\_\_  
Chief Executive Officer  
  
\_\_\_\_\_  
Date

**Board of Directors approval is required on all contracts over \$50,000 if not budgeted and \$100,000 if budgeted.**

\_\_\_\_\_  
KHS Board Chairman

\_\_\_\_\_  
Date





## Kern Health Systems

**Level (3)**

Communications

<u>9700 Stockdale Highway, Bakersfield CA 93311</u>	<u>Monthly Fee:</u>	<u>Term 12 Mo</u>
Enterprise SIP Trunking 100 Call Paths	\$ 1,532	
SIP Transport 100 Mbps	\$ 276	
Individual Telephone Numbers (1020)	\$ 168	
Enterprise Shared Long Distance	\$ 5	
Auto Reroute	\$ 40	
Custom LD BOB (90,000 minutes)	\$ 3,240	
NLAN 400 Mbps (premium)	\$ 869	
NLAN Transport 1 Gbps	\$ 400	
Internet Access 100 Mbps	\$ 1,200	
Internet Transport 100 Mbps	\$ 485	
Virtual Access Lines (Remote Call Forwarding)	\$ 12	
Remote Call Forwarding (additional paths 4)	\$ 48	
Enterprise Shared Long Distance	\$ 5	
	<b>Location Total:</b>	<b>\$ 8,280</b>
	<b>Taxes, Fees, Surcharges</b>	<b>\$1,123.60</b>
	<b>Total:</b>	<b>\$9,403.60</b>

Note: Estimated cost, taxes, fees & surcharges are estimated charges





**To: KHS Finance Committee**

**From: Robert Landis, CFO**

**Date: February 2, 2018**

**Re: November 2017 Financial Results**

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The November results reflect a \$30,472 Net Increase in Net Position which is a \$78,770 unfavorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$ 5.4 million favorable variance primarily due to:
  - A) \$.9 million unfavorable variance relating to Family and Other primarily due to lower than expected enrollment (\$.7 million), a lower than expected budgeted rate increase from the State effective July 1, 2017 (\$.8 million) and higher than expected Maternity revenue (\$.6 Million).
  - B) \$.7 million favorable variance relating to Expansion primarily due to lower than expected enrollment (\$.1 million), an a lower than expected budgeted rate decrease from the State effective July 1, 2017 (\$.6 million) and higher than expected HEP C revenue (\$.1 million).
  - C) \$.7 million favorable variance in Reinsurance Recoveries due to higher than expected reinsurance amounts received.
  - D) \$2.5 million favorable variance in COB/Subrogation due to higher than expected claim payments where KHS is not primary.
  - E) \$2.1 million favorable variance relating to Rate/Income Adjustment primarily due to 2016 reinsurance recoveries (.6 million) and payments relating to Expansion membership for prior years (\$1.5 million) offset by items included in 2E below.
- 2) Total Medical Costs reflect a \$5.6 million unfavorable variance primarily due to:
  - A) \$2.3 million unfavorable variance in Physician Services primarily due to higher than expected utilization of Referral Specialty Services.
  - B) \$3.1 million unfavorable variance in Inpatient primarily due to higher than expected utilization for Family and Other and SPD members.
  - C) \$1.4 million unfavorable variance in Outpatient Hospital primarily due to higher than expected utilization for Family and Other and SPD members.
  - D) \$.8 million favorable variance in Pharmacy primarily due to lower than expected HEP-C utilization
  - E) \$.4 million favorable variance in IBNR, Incentive, Paid Claims Adjustment primarily due to a favorable prior year P4P adjustment (\$1. 8 million), an unfavorable prior year IBNR adjustment (.6 million) and the accrual of expenses associated with the favorable Expansion Rate Income Adjustment mentioned in 1E above (\$.8 million).

The November Medical Loss Ratio is 94.2% which is unfavorable to the 92.9% budgeted amount. The November Administrative Expense Ratio is 5.7% which is favorable to the 6.0% budgeted amount.

The results for the 11 months ended November 30, 2017 reflects a Net Increase in Net Position of \$22,216,666. This is a \$14,992,258 favorable variance to budget and includes approximately \$10.3 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 91.9% which is favorable to the 92.1% budgeted amount. The year-to-date Administrative Expense Ratio is 4.8% which is favorable to the 5.8% budgeted amount.

**Kern Health Systems  
Financial Packet  
November 2017**

**KHS – Medi-Cal Line of Business**

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

Comparative Statement of Net Position	Page 13
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**KHS Administrative Analysis and Other Reporting**

Monthly Member Count	Page 15
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KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF NOVEMBER 30, 2017			
ASSETS	NOVEMBER 2017	OCTOBER 2017	INC(DEC)
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 82,573,360	\$ 95,950,874	\$ (13,377,514)
Short-Term Investments	170,126,739	219,131,533	(49,004,794)
Pass-through Monies Held for Future Payment	3,898,765	3,893,144	5,621
Premiums Receivable - Net	58,652,907	-	58,652,907
Interest Receivable	376,001	193,632	182,369
Other Receivables	2,039,928	601,916	1,438,012
Prepaid Expenses & Other Current Assets	846,127	956,305	(110,178)
<b>Total Current Assets</b>	<b>\$ 318,513,827</b>	<b>\$ 320,727,404</b>	<b>\$ (2,213,577)</b>
<b>RESTRICTED ASSETS</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ -</b>
<b>CAPITAL ASSETS - NET OF ACCUM DEPREE:</b>			
Land	4,876,562	4,876,562	-
Furniture and Equipment	6,637,920	6,635,354	2,566
Automobile - Net	18,190	18,582	(392)
Building and Building Improvements - Net	6,685,820	6,713,676	(27,856)
Capital Projects in Process	8,759,917	8,764,712	(4,795)
<b>Total Capital Assets</b>	<b>\$ 26,978,409</b>	<b>\$ 27,008,886</b>	<b>\$ (30,477)</b>
<b>LONG TERM ASSETS:</b>			
Officer Life Insurance Receivables	774,526	774,526	-
<b>Total Long Term Assets</b>	<b>\$ 774,526</b>	<b>\$ 774,526</b>	<b>\$ -</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 4,540,339</b>	<b>\$ 4,540,339</b>	<b>\$ -</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 351,107,101</b>	<b>\$ 353,351,155</b>	<b>\$ (2,244,054)</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts Payable	\$ 24,212	\$ 39,997	(15,785)
Accrued Salaries and Employee Benefits	2,685,501	2,447,988	237,513
Accrued Other Operating Expenses	1,331,801	1,695,260	(363,459)
Accrued Taxes and Licenses	15,162,152	7,511,898	7,650,254
Other Medical Liabilities - Nonoperating Passthrough	3,898,765	3,893,144	5,621
DHCS Payable - Net	-	2,801,774	(2,801,774)
Claims Payable (Reported)	12,457,107	19,672,499	(7,215,392)
IBNR - Inpatient Claims	31,155,081	31,456,842	(301,761)
IBNR - Physician Claims	14,756,407	12,712,786	2,043,621
IBNR - Accrued Other Medical	22,740,352	21,676,863	1,063,489
Risk Pool and Withholds Payable	2,140,535	4,673,826	(2,533,291)
Statutory Allowance for Claims Processing Expense	1,926,674	1,926,674	-
Other Liabilities	43,036,350	43,079,912	(43,562)
<b>Total Current Liabilities</b>	<b>\$ 151,314,937</b>	<b>\$ 153,589,463</b>	<b>\$ (2,274,526)</b>
<b>NONCURRENT LIABILITIES:</b>			
Net Pension Liability	4,519,591	4,519,591	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 4,519,591</b>	<b>\$ 4,519,591</b>	<b>\$ -</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 1,840,334</b>	<b>\$ 1,840,334</b>	<b>\$ -</b>
<b>NET POSITION:</b>			
Net Position - Beg. of Year	171,215,573	171,215,573	-
Increase (Decrease) in Net Position - Current Year	22,216,666	22,186,194	30,472
<b>Total Net Position</b>	<b>\$ 193,432,239</b>	<b>\$ 193,401,767</b>	<b>\$ 30,472</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 351,107,101</b>	<b>\$ 353,351,155</b>	<b>\$ (2,244,054)</b>

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED NOVEMBER 30, 2017			YEAR-TO-DATE MEMBER MONTHS		
						ACTUAL	BUDGET	VARIANCE
<b>ENROLLMENT</b>								
163,154	168,500	(5,346)	Family Members	1,799,630	1,820,500	(20,870)		
56,304	56,500	(196)	Expansion Members	626,826	610,500	16,326		
14,282	14,000	282	SPD Members	151,883	151,250	633		
5,694	4,250	1,444	Other Members	58,064	45,375	12,689		
7,858	7,250	608	Kaiser Members	84,115	78,375	5,740		
247,292	250,500	(3,208)	<b>Total Members - MCAL</b>	<b>2,720,518</b>	<b>2,706,000</b>	<b>14,518</b>		
<b>REVENUES</b>								
21,430,630	22,377,391	(946,761)	Title XIX - Medicaid - Family and Other	233,630,589	239,680,303	(6,049,714)		
20,222,674	19,499,358	723,316	Title XIX - Medicaid - Expansion Members	229,629,827	219,696,322	9,933,505		
10,859,865	10,856,493	3,372	Title XIX - Medicaid - SPD Members	113,568,655	116,124,467	(2,555,812)		
7,628,229	7,329,123	299,107	Premium - MCO Tax	83,312,982	79,170,341	4,142,641		
268,899	157,477	111,422	Interest /Dividends	3,015,926	1,701,087	1,314,839		
781,756	107,030	674,726	Reinsurance Recoveries	906,570	1,156,155	(249,585)		
5,324,912	2,871,169	2,453,743	COB/Subrogation Collections	42,598,327	31,013,342	11,584,985		
2,128,785	-	2,128,785	Rate/Income Adjustments	14,889,250	-	14,889,250		
(20,460)	-	(20,460)	Other Income (Expense)	(229,735)	-	(229,735)		
68,625,290	63,198,041	5,427,249	<b>TOTAL REVENUES</b>	<b>721,322,391</b>	<b>688,542,017</b>	<b>32,780,374</b>		
<b>EXPENSES</b>								
Medical Costs:								
14,607,980	12,272,546	(2,335,434)	Physician Services	150,471,975	132,577,292	(17,894,683)		
3,065,669	2,698,507	(367,162)	Other Professional Services	30,472,383	29,228,416	(1,243,967)		
5,095,039	4,782,256	(312,783)	Emergency Room	49,510,568	51,660,460	2,149,892		
16,815,315	13,743,334	(3,071,981)	<b>Inpatient</b>	<b>158,698,246</b>	<b>148,471,787</b>	<b>(10,226,459)</b>		
105,845	107,030	1,185	Reinsurance Expense	1,158,217	1,156,155	(2,062)		
7,151,522	5,713,113	(1,438,409)	Outpatient Hospital	66,091,508	61,719,129	(4,372,379)		
1,797,103	2,561,170	764,067	Other Medical	23,863,602	27,738,528	3,874,926		
8,669,446	9,472,801	803,355	Pharmacy	95,166,017	102,338,996	7,172,979		
562,670	571,638	8,968	Pay for Performance Quality Incentive	6,197,547	6,174,919	(22,628)		
(382,239)	-	382,239	IBNR, Incentive, Paid Claims Adjustment	4,608,453	-	(4,608,453)		
57,488,350	51,922,393	(5,565,957)	<b>Total Medical Costs</b>	<b>586,238,516</b>	<b>561,065,682</b>	<b>(25,172,834)</b>		
<b>GROSS MARGIN</b>								
11,136,940	11,275,648	(138,708)	<b>GROSS MARGIN</b>	<b>135,083,875</b>	<b>127,476,335</b>	<b>7,607,540</b>		
Administrative:								
1,897,938	1,939,485	41,547	Compensation	19,756,231	21,332,197	1,575,966		
952,528	543,320	(409,208)	Purchased Services	5,047,725	6,204,107	1,156,382		
160,257	147,166	(13,091)	Supplies	1,145,656	1,631,796	486,140		
445,572	707,313	261,741	Other Administrative Expenses	4,356,572	6,413,486	2,056,914		
3,456,295	3,337,283	(119,012)	<b>Total Administrative Expenses</b>	<b>30,306,184</b>	<b>35,581,585</b>	<b>5,275,401</b>		
60,944,645	55,259,676	(5,684,969)	<b>TOTAL EXPENSES</b>	<b>616,544,700</b>	<b>596,647,268</b>	<b>(19,897,432)</b>		
7,680,645	7,938,365	(257,720)	<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>104,777,691</b>	<b>91,894,750</b>	<b>12,882,942</b>		
7,650,173	7,329,123	(321,051)	<b>MCO TAX</b>	<b>81,817,205</b>	<b>79,170,341</b>	<b>(2,646,864)</b>		
30,472	609,242	(578,770)	<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>22,960,486</b>	<b>12,724,408</b>	<b>10,236,078</b>		
<b>NONOPERATING REVENUE (EXPENSES)</b>								
-	-	-	Reserve Fund Projects/Community Grants	(81,112)	-	(81,112)		
-	(500,000)	500,000	Health Home	(662,708)	(5,500,000)	4,837,292		
-	(500,000)	500,000	<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(743,820)</b>	<b>(5,500,000)</b>	<b>4,756,180</b>		
30,472	109,242	(78,770)	<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>22,216,666</b>	<b>7,224,408</b>	<b>14,992,258</b>		
94.2%	92.9%	-1.3%	<b>MEDICAL LOSS RATIO</b>	<b>91.9%</b>	<b>92.1%</b>	<b>0.2%</b>		
5.7%	6.0%	0.3%	<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>4.8%</b>	<b>5.8%</b>	<b>1.1%</b>		

**KERN HEALTH SYSTEMS  
MEDI-CAL  
STATEMENT OF REVENUE, EXPENSES, AND  
CHANGES IN NET POSITION - PMPM  
FOR THE MONTH ENDED NOVEMBER 30, 2017**

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
<b>ENROLLMENT</b>						
163,154	168,500	(5,346)	Family Members	1,799,630	1,820,500	(20,870)
56,304	56,500	(196)	Expansion Members	626,826	610,500	16,326
14,282	14,000	282	SPD Members	151,883	151,250	633
5,694	4,250	1,444	Other Members	58,064	45,375	12,689
7,858	7,250	608	Kaiser Members	84,115	78,375	5,740
247,292	250,500	(3,208)	<b>Total Members - MCAL</b>	<b>2,720,518</b>	<b>2,706,000</b>	<b>14,518</b>
<b>REVENUES</b>						
126.92	129.54	(2.61)	Title XIX - Medicaid - Family and Other	125.76	128.45	(2.69)
359.17	345.12	14.05	Title XIX - Medicaid - Expansion Members	366.34	359.86	6.47
760.39	775.46	(15.08)	Title XIX - Medicaid - SPD Members	747.74	767.77	(20.03)
31.86	30.13	1.73	Premium - MCO Tax	31.60	30.13	1.47
1.12	0.65	0.48	Interest /Dividends	1.14	0.65	0.50
3.27	0.44	2.83	Reinsurance Recoveries	0.34	0.44	(0.10)
22.24	11.80	10.44	COB/Subrogation Collections	16.16	11.80	4.35
8.89	0.00	8.89	Rate/Income Adjustments	5.65	0.00	5.65
(0.09)	0.00	(0.09)	Other Income (Expense)	(0.09)	0.00	(0.09)
286.61	259.81	26.81	<b>TOTAL REVENUES</b>	<b>273.60</b>	<b>262.04</b>	<b>11.56</b>
<b>EXPENSES</b>						
<b>Medical Costs:</b>						
61.01	50.45	(10.56)	Physician Services	57.07	50.46	(6.62)
12.80	11.09	(1.71)	Other Professional Services	11.56	11.12	(0.43)
21.28	19.66	(1.62)	Emergency Room	18.78	19.66	0.88
70.23	56.50	(13.73)	Inpatient	60.19	56.50	(3.69)
0.44	0.44	(0.00)	Reinsurance Expense	0.44	0.44	0.00
29.87	23.49	(6.38)	Outpatient Hospital	25.07	23.49	(1.58)
7.51	10.53	3.02	Other Medical	9.05	10.56	1.50
36.21	38.94	2.73	Pharmacy	36.10	38.95	2.85
2.35	2.35	(0.00)	Pay for Performance Quality Incentive	2.35	2.35	(0.00)
(1.60)	0.00	1.60	IBNR, Incentive, Paid Claims Adjustment	1.75	0.00	(1.75)
240.10	213.45	(26.65)	<b>Total Medical Costs</b>	<b>222.36</b>	<b>213.53</b>	<b>(8.84)</b>
46.51	46.35	0.16	<b>GROSS MARGIN</b>	<b>51.24</b>	<b>48.51</b>	<b>2.72</b>
<b>Administrative:</b>						
7.93	7.97	0.05	Compensation	7.49	8.12	0.62
3.98	2.23	(1.74)	Purchased Services	1.91	2.36	0.45
0.67	0.61	(0.06)	Supplies	0.43	0.62	0.19
1.86	2.91	1.05	Other Administrative Expenses	1.65	2.44	0.79
14.44	13.72	(0.72)	<b>Total Administrative Expenses</b>	<b>11.50</b>	<b>13.54</b>	<b>2.05</b>
254.54	227.17	(27.36)	<b>TOTAL EXPENSES</b>	<b>233.86</b>	<b>227.07</b>	<b>(6.79)</b>
32.08	32.63	(0.56)	<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>39.74</b>	<b>34.97</b>	<b>4.77</b>
31.95	30.13	(1.82)	<b>MCO TAX</b>	<b>31.03</b>	<b>30.13</b>	<b>(0.90)</b>
0.13	2.50	(2.38)	<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>8.71</b>	<b>4.84</b>	<b>3.87</b>
<b>NONOPERATING REVENUE (EXPENSES)</b>						
0.00	0.00	0.00	Reserve Fund Projects/Community Grants	(0.03)	0.00	0.03
0.00	(2.06)	(2.06)	Health Home	0.24	(22.61)	(22.85)
0.00	(2.06)	(2.06)	<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>0.21</b>	<b>(22.61)</b>	<b>(22.82)</b>
0.13	0.45	(0.32)	<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>8.43</b>	<b>2.75</b>	<b>5.68</b>
94.2%	92.9%	-1.3%	<b>MEDICAL LOSS RATIO</b>	<b>91.9%</b>	<b>92.1%</b>	<b>0.2%</b>
5.7%	6.0%	0.3%	<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>4.8%</b>	<b>5.8%</b>	<b>1.1%</b>



KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH NOVEMBER 30, 2017	NOVEMBER 2016	DECEMBER 2016	JANUARY 2017	FEBRUARY 2017	MARCH 2017	APRIL 2017	MAY 2017	JUNE 2017	JULY 2017	AUGUST 2017	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017	13 MONTH TOTAL
	234,225	234,491	234,963	237,323	240,308	241,178	241,282	241,716	239,716	239,363	240,564	240,556	239,434	3,105,119
<b>EXHIBIT</b>														
M e m b e r s - M C A L														
<b>R E V E N U E S</b>														
Title XIX - Medicaid - Family and Other	21,346,545	20,429,201	21,026,665	20,048,215	21,940,850	21,818,166	21,057,784	21,560,930	21,061,787	21,157,058	21,889,455	20,639,049	21,430,630	275,406,335
Title XIX - Medicaid - Expansion Members	20,146,360	20,105,649	20,905,372	21,131,189	22,045,879	21,650,071	21,843,761	21,316,549	20,420,390	20,057,872	20,019,384	20,016,706	20,222,674	269,881,836
Title XIX - Medicaid - SPD Members	10,209,218	9,940,753	9,966,872	9,618,941	9,939,770	10,055,780	9,974,611	10,383,303	10,531,094	10,667,756	10,594,072	10,978,591	10,859,865	133,718,626
Premium - MCO Tax	7,198,399	10,065,534	7,491,128	7,405,842	7,470,551	7,507,968	7,504,758	7,517,457	7,674,906	7,622,484	8,087,180	7,402,479	7,628,229	100,576,915
Interest Dividends	223,035	194,711	181,883	176,794	245,909	264,732	376,466	265,238	245,800	385,982	303,348	303,875	268,899	3,433,672
Reinsurance Recoveries	-	(210,968)	-	-	-	-	-	-	-	-	-	-	124,814	695,602
COB/Subrogation Collections	2,069,154	2,839,103	4,060,955	3,306,877	4,696,164	2,789,187	3,514,662	3,698,257	3,234,724	5,392,339	3,431,408	3,148,842	5,334,912	47,506,584
Rate/Income Adjustments	(541)	2,736,951	-	2,016,975	413,545	93,756	(3,949)	(340,730)	(84,170)	1,061,917	9,476,726	126,333	2,128,785	17,625,660
Other Income (Expense)	41	(1,262,113)	37,570	121	46,740	(1,110)	9	(88,814)	(18,408)	104	(185,865)	378	(20,460)	(149,180)
<b>TOTAL REVENUES</b>	61,192,211	64,838,821	63,670,425	63,704,954	66,799,408	64,178,550	64,266,102	64,312,190	63,064,185	66,345,512	73,614,708	62,741,067	68,625,290	847,353,423
<b>E X P E N S E S</b>														
Medical Costs:														
Physician Services	11,693,173	11,369,024	12,342,816	12,684,849	13,156,118	13,305,167	13,797,185	15,174,897	14,423,866	13,877,006	14,239,482	12,862,609	14,607,980	173,534,172
Other Professional Services	2,425,983	2,850,615	2,642,041	2,946,962	2,496,217	2,479,295	2,584,649	3,292,395	2,903,026	2,989,387	2,851,866	2,920,876	3,065,669	35,748,981
Emergency Room	4,182,880	4,106,435	4,687,780	4,450,889	4,100,250	4,017,665	3,942,442	4,764,732	4,665,069	5,099,658	4,696,197	3,995,827	5,095,039	57,799,883
I n p a t i e n t	11,783,439	12,926,841	13,999,552	14,812,384	15,281,823	14,524,702	14,725,286	14,193,273	13,561,803	13,546,637	13,862,008	13,575,463	16,815,315	183,408,526
Reinsurance Expense	187,188	187,380	103,176	103,399	105,736	107,515	106,164	106,355	105,475	105,320	105,848	105,848	105,845	1,532,785
Outpatient Hospital	4,698,013	6,388,140	5,477,940	5,813,468	6,116,559	5,765,474	5,787,957	6,293,878	5,430,584	6,154,715	6,213,267	5,886,144	7,151,522	77,177,661
Other Medical	1,296,759	1,515,058	2,097,824	2,007,506	2,214,713	2,373,420	2,730,420	2,620,808	1,975,195	1,800,207	1,883,596	2,362,997	1,797,103	26,675,419
Pharmacy	8,147,020	8,098,176	8,128,455	7,616,304	9,063,123	8,149,210	8,855,628	9,035,094	8,935,835	9,523,333	8,228,934	8,958,655	8,669,446	111,411,213
Pay for Performance Quality Incentive	565,417	566,068	552,163	559,709	564,724	566,768	567,013	568,032	563,333	563,503	565,325	565,307	562,670	7,329,032
Expansion Risk Corridor Expense	137,358	413,346	-	-	-	-	-	(2,727,790)	(28,273)	1,034,615	7,973,649	332,212	(382,239)	520,971
IBNR, Incentive, Paid Claims Adjustment	(444,334)	1,045,552	(141,866)	111,013	(585,473)	(232,581)	(744,814)	(2,727,790)	(28,273)	1,034,615	7,973,649	332,212	(382,239)	520,971
Total Medical Costs	44,672,896	49,466,635	49,889,881	50,406,468	52,511,453	51,042,856	52,353,094	53,321,503	52,336,793	54,695,536	60,619,644	51,565,938	57,488,350	680,378,047
<b>GROSS MARGIN</b>	16,519,315	15,372,186	13,780,544	13,298,486	14,287,955	13,128,694	11,913,008	10,990,687	10,727,392	11,649,976	12,995,064	11,175,129	11,136,940	166,975,376
Administrative:														
Compensation	1,717,307	1,748,853	1,667,274	1,550,593	1,806,555	1,650,173	1,904,742	1,869,066	1,816,065	1,962,751	1,762,043	1,869,031	1,897,938	23,222,391
Purchased Services	607,200	470,957	268,436	450,657	436,052	442,046	344,437	364,323	354,712	371,842	522,883	539,809	952,528	6,125,882
Supplies	42,864	53,867	66,872	363,371	86,926	99,813	89,505	30,984	65,825	131,877	168,244	208,982	160,257	1,242,387
Other Administrative Expenses	265,740	423,090	359,822	363,606	484,727	365,239	432,721	492,918	298,544	393,233	325,962	394,228	445,572	5,045,402
Administrative Expense Adjustment	(1,960,549)	-	-	-	-	-	-	-	-	-	-	-	-	(1,960,549)
Total Administrative Expenses	2,633,111	736,218	2,362,404	2,401,227	2,814,260	2,557,271	2,771,405	2,757,291	2,535,146	2,859,703	2,779,132	3,012,050	3,456,295	33,675,513
<b>TOTAL EXPENSES</b>	47,306,007	50,202,853	52,252,285	52,807,695	55,325,713	53,607,127	55,124,499	56,078,794	54,871,939	57,555,239	63,398,776	54,577,988	60,944,645	714,053,560
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	13,886,204	14,635,968	11,418,140	10,897,259	11,473,695	10,571,423	9,141,603	8,233,396	8,192,446	8,790,273	10,215,932	8,163,079	7,680,645	133,299,863
MCO Tax	7,198,399	10,065,534	7,491,128	6,911,096	7,199,396	7,204,569	7,198,592	7,197,359	7,674,900	7,775,859	8,059,738	7,451,395	7,650,173	99,081,138
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	6,687,805	4,570,434	3,927,012	3,986,163	4,274,299	3,366,854	1,943,011	1,036,037	517,346	1,014,414	2,156,194	708,684	30,472	34,218,725
<b>TOTAL NONOPERATING REVENUE (EXPENSES)</b>	(220,405)	-	-	(23,174)	-	-	(23,174)	-	(23,175)	-	(23,175)	(662,708)	-	(964,225)
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	6,467,400	4,570,434	3,927,012	3,963,013	4,251,125	3,366,854	1,921,423	1,036,037	494,171	1,014,414	2,133,019	45,976	30,472	33,254,500
MEDICAL LOSS RATIO	82.7%	90.3%	88.8%	89.5%	88.5%	90.1%	92.2%	93.9%	94.5%	93.1%	92.5%	93.2%	94.2%	91.1%
ADMINISTRATIVE EXPENSE RATIO	4.9%	1.3%	4.2%	4.3%	4.7%	4.5%	4.9%	4.9%	4.6%	4.9%	4.2%	5.4%	5.7%	4.5%

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH NOVEMBER 30, 2017														
	NOVEMBER 2016	DECEMBER 2016	JANUARY 2017	FEBRUARY 2017	MARCH 2017	APRIL 2017	MAY 2017	JUNE 2017	JULY 2017	AUGUST 2017	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017	13 MONTH TOTAL
<b>ENROLLMENT</b>	234,225	234,491	234,963	237,323	240,306	241,178	241,282	241,716	239,716	239,363	240,564	240,556	239,434	3,105,119
<b>REVENUES</b>														
Title XIX - Medicaid - Family and Other	128.46	122.95	126.64	119.60	129.31	128.39	124.01	126.74	124.89	125.53	129.26	123.06	126.92	145.75
Title XIX - Medicaid - Expansion Members	368.90	366.70	377.32	375.41	386.18	375.36	376.19	369.16	356.43	351.84	350.11	352.46	359.17	366.55
Title XIX - Medicaid - SPD Members	759.67	736.02	736.98	717.78	734.16	740.65	743.39	749.37	764.45	773.58	754.83	748.37	760.39	747.75
Premium - MCO Tax	30.73	42.93	31.88	31.21	31.09	31.13	31.10	31.10	32.02	31.84	33.62	30.77	31.86	33.39
Interest/Dividends	0.95	0.83	0.77	0.74	1.02	1.10	1.56	1.10	1.02	1.26	1.26	1.26	1.12	1.11
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.52	3.27	0.22
COB/Subrogation Collections	8.83	12.11	17.28	13.93	19.54	11.56	14.57	15.30	13.49	23.53	14.26	13.09	22.24	15.30
Rate/Income Adjustments	(0.00)	11.67	0.00	8.50	1.72	0.39	(0.02)	(0.41)	(0.35)	4.44	39.39	0.53	8.89	5.68
Other Income (Expense)	0.00	(5.38)	0.16	0.00	0.19	(0.00)	0.00	(0.37)	(0.08)	0.00	(0.77)	0.00	(0.09)	(0.48)
<b>TOTAL REVENUES</b>	261.25	276.51	270.98	268.43	277.97	266.10	266.35	266.07	263.08	277.18	306.01	260.82	286.61	272.89
<b>EXPENSES</b>														
<b>Medical Costs:</b>														
Physician Services	49.92	48.48	52.53	53.45	54.75	55.17	57.18	62.78	60.17	57.97	59.19	53.47	61.01	55.89
Other Professional Services	10.36	12.16	11.24	9.47	10.39	10.28	10.71	13.62	12.11	12.49	11.85	12.14	12.80	11.51
Emergency Room	17.86	17.51	19.95	18.75	16.64	16.64	16.34	19.71	19.46	21.31	19.52	16.61	21.28	18.61
Inpatient	50.31	55.13	59.58	62.41	63.59	60.22	61.03	58.72	55.74	56.59	57.62	56.43	70.23	59.07
Reinsurance Expense	0.80	0.80	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.49
Outpatient Hospital	20.06	27.24	23.31	24.50	25.45	23.91	23.99	26.04	22.65	24.71	24.83	24.47	29.87	24.85
Pharmacy	5.54	6.46	8.93	8.46	9.22	9.84	11.32	10.84	8.24	7.52	7.83	9.82	7.51	8.59
Other Medical	34.78	34.54	34.59	32.09	37.71	33.79	36.70	37.38	39.79	34.21	37.24	36.21	36.21	35.88
Pay for Performance Quality Incentive	2.41	2.41	2.35	2.36	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.36
Expansion Risk Corridor Expense	0.59	1.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.18
IBNR, Incentive, Paid Claims Adjustment	(1.90)	4.46	(0.60)	0.47	(2.44)	(3.09)	(3.09)	(11.29)	(0.12)	4.32	33.15	1.38	(1.60)	1.68
<b>Total Medical Costs</b>	190.73	210.95	212.33	212.40	218.52	211.67	216.98	220.60	218.33	228.50	251.99	214.36	240.10	219.11
<b>GROSS MARGIN</b>	70.53	65.56	58.65	56.04	59.46	54.44	49.37	45.47	44.75	48.67	54.02	46.46	46.51	53.77
<b>Administrative:</b>														
Compensation	7.33	7.46	7.10	6.53	7.52	6.84	7.89	7.73	7.58	8.20	7.32	7.77	7.93	7.48
Purchased Services	2.59	2.01	1.14	1.90	1.81	1.83	1.43	1.51	1.48	1.55	1.70	2.24	3.98	1.97
Supplies	0.18	0.23	0.28	0.15	0.36	0.41	0.37	0.13	0.27	0.55	0.70	0.87	0.67	0.40
Other Administrative Expenses	1.13	1.80	1.53	1.53	2.02	1.51	1.79	2.04	1.25	1.64	1.35	1.64	1.86	1.62
Administrative Expense Adjustment	0.00	(8.36)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.63)
<b>Total Administrative Expenses</b>	11.24	3.14	10.05	10.12	11.71	10.60	11.49	11.41	10.58	11.95	11.55	12.52	14.44	10.85
<b>TOTAL EXPENSES</b>	201.97	214.09	222.39	222.51	230.23	222.27	228.47	232.00	228.90	240.45	263.54	226.88	254.54	229.96
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	59.29	62.42	48.60	45.92	47.75	43.83	37.89	34.06	34.17	36.72	42.47	33.53	32.08	42.93
<b>MCO TAX</b>	30.73	42.93	31.88	29.12	29.96	29.87	29.87	29.78	32.02	32.49	33.50	30.99	31.95	31.91
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	28.55	19.49	16.71	16.80	17.79	13.96	8.05	4.29	2.16	4.24	8.96	2.95	0.13	11.02
<b>TOTAL NONOPERATING REVENUE (EXPENSES)</b>	(0.94)	0.00	0.00	0.00	(0.10)	0.00	(0.05)	0.00	(0.10)	0.00	(0.10)	(2.75)	0.00	(1.04)
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	27.61	19.49	16.71	16.80	17.69	13.96	8.00	4.29	2.06	4.24	8.87	0.19	0.13	9.98
<b>MEDICAL LOSS RATIO</b>	82.7%	90.3%	88.8%	89.5%	88.5%	90.1%	92.3%	93.9%	94.5%	93.1%	92.5%	93.2%	94.2%	91.1%
<b>ADMINISTRATIVE EXPENSE RATIO</b>	4.9%	1.3%	4.2%	4.3%	4.7%	4.5%	4.9%	4.9%	4.6%	4.9%	4.2%	5.4%	5.7%	4.5%

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED NOVEMBER 30, 2017				YEAR-TO-DATE		
CURRENT MONTH		REVENUES		ACTUAL	BUDGET	VARIANCE
ACTUAL	BUDGET	VARIANCE				
18,345,546	19,877,739	(1,532,193)	Title XIX - Medicaid - Family & Other	206,354,683	212,518,778	(6,164,095)
2,732,836	2,114,859	617,977	Premium - Medi-Cal	23,818,286	23,014,641	803,645
89,844	222,878	(133,034)	Premium - Maternity Kick	1,055,272	2,407,303	(1,352,031)
172,282	66,301	105,981	Premium - Hep C Kick	1,392,584	716,123	676,461
90,122	95,615	(5,493)	Premium - BHT Kick	1,009,764	1,023,460	(13,696)
21,430,630	22,377,391	(946,761)	Other	233,630,589	239,680,304	(6,049,715)
			Total Title XIX - Medicaid - Family & Other			
			Title XIX - Medicaid - Expansion Members			
19,023,429	18,458,593	564,836	Premium - Medi-Cal	218,752,052	208,192,266	10,559,786
449,819	379,240	70,579	Premium - Maternity Kick	3,224,746	4,356,075	(1,131,329)
718,751	627,625	91,126	Premium - Hep C Kick	7,289,274	6,781,680	507,594
30,675	33,900	(3,225)	Other	363,755	366,300	(2,545)
20,222,674	19,499,357	723,317	Total Title XIX - Medicaid - Expansion Members	229,629,827	219,696,321	9,933,506
			Title XIX - Medicaid - SPD Members			
10,396,640	10,170,073	226,567	Premium - Medi-Cal	108,738,088	108,708,686	29,402
157,226	529,304	(372,078)	Premium - Hep C Kick	2,537,921	5,718,377	(3,180,456)
305,999	157,116	148,883	Premium - BHT Kick	2,292,646	1,697,404	595,242
10,859,865	10,856,493	3,372	Total Title XIX - Medicaid - SPD Members	113,568,655	116,124,467	(2,555,812)

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED NOVEMBER 30, 2017				YEAR-TO-DATE		VARIANCE
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET		
2,792,197	3,424,117	631,920	31,217,640	36,988,212	5,770,572	
10,487,020	8,177,603	(2,309,417)	106,992,139	88,342,776	(18,649,363)	
1,319,763	661,550	(658,213)	12,161,996	7,146,115	(5,015,881)	
9,000	9,276	276	100,200	100,190	(10)	
14,607,980	12,272,546	(2,335,434)	150,471,975	132,577,292	(17,894,683)	
<b>PHYSICIAN SERVICES</b>						
Primary Care Physician Services						
240,556	250,136	9,580	2,632,281	2,702,005	69,724	
760,168	790,156	29,988	7,494,695	8,650,379	1,155,684	
115,197	130,241	15,044	1,184,744	1,369,683	184,939	
72,133	79,850	7,717	679,713	860,604	180,891	
97,430	91,173	(6,257)	971,505	999,273	27,768	
49,229	44,427	(4,802)	455,053	456,111	1,058	
55,515	68,256	12,741	601,288	748,409	147,121	
572,383	223,417	(348,966)	4,453,395	2,413,531	(2,039,864)	
94,321	91,281	(3,040)	1,584,580	986,107	(598,473)	
1,008,737	929,571	(79,166)	10,415,129	10,042,316	(372,813)	
3,065,669	2,698,507	(367,162)	30,472,383	29,228,416	(1,243,967)	
5,095,039	4,782,256	(312,783)	49,510,568	51,660,460	2,149,892	
16,815,315	13,743,334	(3,071,981)	158,698,246	148,471,787	(10,226,459)	
105,845	107,030	1,185	1,158,217	1,156,155	(2,062)	
7,151,522	5,713,113	(1,438,409)	66,091,508	61,719,129	(4,372,379)	
<b>OTHER PROFESSIONAL SERVICES</b>						
EMERGENCY ROOM						
341,444	336,758	(4,686)	3,684,888	3,637,734	(47,154)	
325,056	369,337	44,281	4,060,652	3,990,041	(70,611)	
109,957	313,887	203,930	1,512,359	3,460,767	1,948,408	
649,651	1,008,224	358,573	10,402,695	10,892,577	489,882	
9,604	243,250	233,646	125,401	2,627,625	2,502,224	
361,391	289,714	(71,677)	4,077,607	3,129,784	(947,823)	
1,797,103	2,561,170	764,067	23,863,602	27,738,528	3,874,926	
<b>OTHER MEDICAL</b>						
Ambulance						
7,430,627	7,662,274	231,647	80,260,638	82,778,397	2,517,759	
678,513	1,379,806	701,293	9,310,099	14,907,358	5,597,259	
626,306	498,477	(127,829)	6,136,782	5,385,243	(751,539)	
(66,000)	(67,756)	(1,756)	(541,502)	(732,002)	(190,500)	
8,669,446	9,472,801	803,355	95,166,017	102,338,996	7,172,979	
562,670	571,638	8,968	6,197,547	6,174,919	(22,628)	
(382,239)	-	382,239	4,608,453	-	(4,608,453)	
57,488,350	51,922,393	(5,565,957)	586,238,516	561,065,682	(25,172,834)	

\* Medical costs per DMHC regulations

CURRENT MONTH		YEAR-TO-DATE	
ACTUAL	BUDGET	ACTUAL	BUDGET
VARIANCE		VARIANCE	
<b>KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED NOVEMBER 30, 2017</b>			
<b>PHYSICIAN SERVICES</b>			
11.66	14.08	11.84	14.08
43.80	33.62	40.58	33.62
5.51	2.72	4.61	2.72
0.04	0.04	0.04	0.04
61.01	50.45	57.07	50.46
<b>OTHER PROFESSIONAL SERVICES</b>			
1.00	1.03	1.00	1.03
3.17	3.25	2.84	3.29
0.48	0.54	0.45	0.52
0.30	0.33	0.26	0.33
0.41	0.37	0.37	0.38
0.21	0.18	0.17	0.17
2.39	0.92	1.69	0.92
0.39	0.38	0.60	0.38
4.21	3.82	3.95	3.82
12.80	11.09	11.56	11.12
21.28	19.66	18.78	19.66
70.23	56.50	60.19	56.50
0.44	0.44	0.44	0.44
29.87	23.49	25.07	23.49
<b>OTHER MEDICAL</b>			
1.43	1.38	1.40	1.38
1.36	1.52	1.54	1.52
0.46	1.29	0.57	1.32
2.71	4.14	3.95	4.15
0.04	1.00	0.05	1.00
1.51	1.19	1.55	1.19
7.51	10.53	9.05	10.56
31.03	31.50	30.44	31.50
2.83	5.67	3.53	5.67
2.62	2.05	2.33	2.05
(0.28)	(0.28)	(0.21)	(0.28)
36.21	38.94	36.10	38.95
2.35	2.35	2.35	2.35
(1.60)	0.00	1.75	0.00
240.10	213.45	222.36	213.53

\* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH NOVEMBER 30, 2017		JANUARY 2017	FEBRUARY 2017	MARCH 2017	APRIL 2017	MAY 2017	JUNE 2017	JULY 2017	AUGUST 2017	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017	YEAR TO DATE 2017
PHYSICIAN SERVICES													
Primary Care Physician Services													
Referral Specialty Services													
Urgent Care & After Hours Advice													
Hospital Admitting Team													
TOTAL PHYSICIAN SERVICES													
OTHER PROFESSIONAL SERVICES													
Vehicle Service/Contribution													
310 - Health Services - Utilization Management - UM Allocation *													
311 - Health Services - Quality Improvement - UM Allocation *													
312 - Health Services - Education - UM Allocation *													
313 - Health Services - Pharmacy - UM Allocation *													
314 - Health Services - UM Allocation *													
616 - Disease Management - UM Allocation *													
Behavioral Health Treatment													
Behavioral Health Services													
Other Professional Services													
TOTAL OTHER PROFESSIONAL SERVICES													
EMERGENCY ROOM													
INPATIENT HOSPITAL													
REINSURANCE EXPENSE PREMIUM													
OUTPATIENT HOSPITAL SERVICES													
OTHER MEDICAL													
Ambulance													
Home Health Services & CBAS													
Utilization and Quality Review Expenses													
Long Term/SNP/Hospice													
Enhanced Medical Benefits													
Non-Medical Transportation													
TOTAL OTHER MEDICAL													
PHARMACY SERVICES													
RX - Drugs & OTC													
RX - HEP-C													
RX - DME													
RX - Pharmacy Rebates													
TOTAL PHARMACY SERVICES													
PAY FOR PERFORMANCE QUALITY INCENTIVE													
IBNR INCENTIVE AND PAID CLAIMS ADJUSTMENT													
Total Medical Costs													

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH NOVEMBER 30, 2017												YEAR TO DATE 2017
	JANUARY 2017	FEBRUARY 2017	MARCH 2017	APRIL 2017	MAY 2017	JUNE 2017	JULY 2017	AUGUST 2017	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017	
<b>PHYSICIAN SERVICES</b>												
Primary Care Physician Services	14.50	12.94	11.11	12.15	10.98	12.30	10.76	11.02	12.63	10.28	11.66	11.84
Referral Specialty Services	34.44	37.73	36.77	38.48	40.19	46.65	45.08	40.93	42.60	39.58	43.80	40.58
Urgent Care & After Hours Advice	3.56	2.75	6.84	3.79	5.98	3.79	4.29	5.99	3.53	3.58	5.51	4.61
Hospital Admitting Team	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
<b>TOTAL PHYSICIAN SERVICES</b>	<b>52.53</b>	<b>53.45</b>	<b>54.75</b>	<b>55.17</b>	<b>57.18</b>	<b>62.78</b>	<b>60.17</b>	<b>57.97</b>	<b>59.19</b>	<b>53.47</b>	<b>61.01</b>	<b>57.07</b>
<b>OTHER PROFESSIONAL SERVICES</b>												
Vision Service Capitation	1.00	0.99	0.99	1.00	1.00	1.00	1.01	1.00	1.00	1.00	1.00	1.00
310 - Health Services - Utilization Management - UM Allocation *	2.81	2.52	2.73	2.43	2.87	2.87	2.82	3.28	2.78	2.98	3.17	2.84
311 - Health Services - Quality Improvement - UM Allocation *	0.43	0.40	0.47	0.43	0.46	0.43	0.44	0.49	0.44	0.49	0.48	0.45
312 - Health Services - Education - UM Allocation *	0.24	0.22	0.24	0.22	0.26	0.28	0.24	0.28	0.27	0.29	0.30	0.26
313 - Health Services - Pharmacy - UM Allocation *	0.37	0.32	0.36	0.34	0.38	0.36	0.38	0.38	0.38	0.39	0.41	0.37
314 - Health Homes - UM Allocation *	0.08	0.12	0.17	0.20	0.17	0.17	0.16	0.19	0.23	0.21	0.21	0.17
616 - Disease Management - UM Allocation *	0.16	0.16	0.21	0.23	0.16	0.25	0.25	0.27	0.25	0.24	0.23	0.23
Behavior Health Treatment	1.28	0.55	1.39	1.04	0.74	3.04	1.99	2.84	1.63	1.68	2.39	1.69
Mental Health Services	0.94	0.50	0.16	0.36	1.13	0.37	0.73	0.37	0.56	1.10	0.39	0.60
Other Professional Services	3.95	3.69	3.66	4.04	3.45	4.86	4.11	3.39	4.32	3.76	4.21	3.95
<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>11.24</b>	<b>9.47</b>	<b>10.39</b>	<b>10.28</b>	<b>10.71</b>	<b>13.62</b>	<b>12.11</b>	<b>12.49</b>	<b>11.85</b>	<b>12.14</b>	<b>12.80</b>	<b>11.56</b>
EMERGENCY ROOM	19.95	18.75	17.06	16.64	16.34	19.71	19.46	21.31	19.52	16.61	21.28	18.78
INPATIENT HOSPITAL	59.58	62.41	63.59	60.22	61.03	58.72	55.74	56.59	57.62	56.43	70.23	60.19
REINSURANCE EXPENSE PREMIUM	0.44	0.44	0.43	0.44	0.45	0.44	0.44	0.44	0.44	0.44	0.44	0.44
OUTPATIENT HOSPITAL SERVICES	23.31	24.50	25.45	23.91	23.99	26.04	22.65	25.71	25.83	24.47	29.87	25.07
<b>OTHER MEDICAL</b>												
Ambulance	1.37	1.47	1.42	1.44	1.40	1.28	1.27	1.47	1.32	1.51	1.43	1.40
Home Health Services & CBAS	1.58	1.61	1.60	1.16	1.49	2.13	1.47	1.27	1.42	1.85	1.36	1.54
Utilization and Quality Review Expenses	0.29	0.49	0.59	0.55	0.65	0.58	0.87	0.75	0.36	0.72	0.46	0.57
Long Term/SNF/Hospice	4.35	3.46	4.00	4.86	5.98	4.39	3.29	2.52	3.43	4.39	2.71	3.95
Enhanced Medical Benefits	0.00	0.00	0.00	0.00	0.00	0.67	0.00	0.00	(0.19)	0.00	0.04	0.05
Non-Medical Transportation	1.34	1.43	1.61	1.83	1.80	1.79	1.35	1.51	1.49	1.35	1.51	1.55
<b>TOTAL OTHER MEDICAL</b>	<b>8.93</b>	<b>8.46</b>	<b>9.22</b>	<b>9.84</b>	<b>11.32</b>	<b>10.84</b>	<b>8.24</b>	<b>7.52</b>	<b>7.83</b>	<b>9.82</b>	<b>7.51</b>	<b>9.05</b>
<b>PHARMACY SERVICES</b>												
RX - Drugs & OTC	30.46	27.67	32.50	27.93	31.45	28.93	29.45	35.01	29.99	32.43	31.03	30.44
RX - HEP-C	2.39	2.84	4.04	3.92	3.26	5.91	4.47	4.11	2.49	2.54	2.83	3.53
RX - DME	2.03	1.87	2.78	2.21	2.26	2.80	2.24	2.51	1.72	2.54	2.62	2.33
RX - Pharmacy Rebates	(0.28)	(0.28)	(1.61)	(0.27)	(0.27)	(0.27)	1.11	0.17	0.00	(0.27)	(0.28)	(0.21)
<b>TOTAL PHARMACY SERVICES</b>	<b>34.59</b>	<b>32.09</b>	<b>37.71</b>	<b>33.79</b>	<b>36.70</b>	<b>37.38</b>	<b>37.28</b>	<b>39.79</b>	<b>34.21</b>	<b>37.24</b>	<b>36.21</b>	<b>36.10</b>
<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	<b>2.35</b>	<b>2.36</b>	<b>2.35</b>	<b>2.35</b>	<b>2.35</b>	<b>2.35</b>	<b>2.35</b>	<b>2.35</b>	<b>2.35</b>	<b>2.35</b>	<b>2.35</b>	<b>2.35</b>
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(0.60)	0.47	(2.44)	(0.96)	(3.09)	(11.29)	(0.12)	4.32	35.15	1.38	(1.60)	1.75
<b>Total Medical Costs</b>	<b>212.33</b>	<b>212.40</b>	<b>218.52</b>	<b>211.67</b>	<b>216.98</b>	<b>220.60</b>	<b>218.33</b>	<b>228.50</b>	<b>251.99</b>	<b>214.36</b>	<b>240.10</b>	<b>222.36</b>

CURRENT MONTH		YEAR-TO-DATE		VARIANCE		
						ACTUAL
<b>KERN HEALTH SYSTEMS</b> <b>MEDI-CAL</b> <b>SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT</b> <b>FOR THE MONTH ENDED NOVEMBER 30, 2017</b>						
211,912	256,867	44,955	110 - Executive	2,355,013	2,817,595	462,582
123,786	140,147	16,361	210 - Accounting	1,385,386	1,581,156	195,770
1,062,164	570,160	(492,004)	220 - Management Information Systems (MIS)	5,735,447	6,226,649	491,202
121,282	212,501	91,219	225 - Infrastructure	1,344,991	2,337,511	992,519
538,581	497,260	(41,321)	230 - Claims	5,214,895	5,549,520	334,625
92,251	83,913	(8,338)	240 - Project Management	743,145	920,353	177,208
8,561	44,974	36,413	310 - Health Services - Utilization Management	19,615	494,724	475,109
5,156	3,928	(1,228)	311 - Health Services - Quality Improvement	22,435	43,226	20,791
16,256	500	(15,756)	312 - Health Services - Education	147,224	7,300	(139,924)
88,624	79,850	(8,774)	313- Pharmacy	944,755	926,260	(18,495)
12,056	7,550	(4,506)	314 - Health Homes	41,679	83,050	41,371
-	-	-	616 - Disease Management	102	150	48
172,602	194,556	21,954	320 - Provider Relations	1,862,909	2,134,162	271,253
506,220	501,106	(5,114)	330 - Member Services	4,514,594	5,497,668	983,074
259,329	477,461	218,132	340 - Corporate Services	3,151,257	3,831,247	679,990
52,643	49,562	(3,081)	360 - Audit & Investigative Services	585,087	553,325	(31,762)
16,743	44,350	27,607	410 - Advertising Media	274,142	487,850	213,708
57,926	56,141	(1,785)	420 - Sales/Marketing/Public Relations	563,202	616,304	53,102
110,203	116,457	6,254	510 - Human Resources	1,400,306	1,473,536	73,230
3,456,295	3,337,283	(119,012)	Total Administrative Expenses	30,306,184	35,581,585	5,275,401



KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED NOVEMBER 30, 2017	JANUARY 2017	FEBRUARY 2017	MARCH 2017	APRIL 2017	MAY 2017	JUNE 2017	JULY 2017	AUGUST 2017	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017	YEAR TO DATE 2017
110 - Executive	279,907	177,920	209,756	191,067	192,888	255,274	163,765	177,814	230,607	264,103	211,912	2,355,013
210 - Accounting	110,185	137,255	124,511	103,181	126,637	140,068	122,652	129,600	135,127	132,384	123,786	1,385,386
220 - Management Information Systems (MIS)	408,164	408,429	469,937	432,868	512,776	498,673	472,585	503,659	477,209	488,983	1,062,164	5,735,447
225 - Infrastructure	3,723	152,258	173,666	83,611	126,901	100,980	85,853	174,702	198,602	123,413	121,282	1,344,991
230 - Claims	409,956	432,879	463,333	510,387	472,762	472,980	455,935	486,766	453,521	517,795	538,581	5,214,895
240 - Project Management	63,772	68,960	70,610	54,103	58,554	57,008	64,015	71,003	56,182	86,687	92,251	743,145
310 - Health Services - Utilization Management	159	2,491	(435)	280	1,637	178	6,178	(1,402)	1,968	-	-	19,615
311 - Health Services - Quality Improvement	500	15	-	-	488	-	-	8,453	4,419	3,404	5,156	22,435
312 - Health Services - Education	-	(66)	438	271	1,282	169	8,966	26,798	30,666	62,444	16,256	147,224.00
313 - Pharmacy	85,960	79,829	90,520	80,420	88,218	83,335	80,348	88,846	85,270	93,385	88,624	944,755
314 - Health Homes	-	608	6,000	1,166	35	503	46	10,949	246	10,070	12,056	41,679
616 - Disease Management	33	-	-	-	-	69	-	-	-	-	-	102
320 - Provider Relations	136,674	143,067	186,675	164,456	206,559	167,646	157,168	179,828	169,920	178,314	172,602	1,862,909
330 - Member Services	364,293	349,583	382,981	378,129	415,875	409,866	382,767	424,970	412,592	487,318	506,220	4,514,594
340 - Corporate Services	263,501	243,425	320,028	291,136	281,586	284,593	304,680	322,254	289,789	290,936	259,329	3,151,257
360 - Audit & Investigative Services	73,998	40,824	45,501	36,418	49,395	50,015	49,784	51,024	83,524	51,961	52,643	585,087
410 - Advertising Media	19,017	3,800	46,065	25,789	56,200	15,998	43,668	8,374	12,000	26,488	16,743	274,142
420 - Sales/Marketing/Public Relations	47,664	55,567	49,579	44,462	48,882	53,183	42,081	53,431	41,409	69,018	57,926	563,202
510 - Human Resources	94,898	104,383	175,095	159,527	130,730	166,753	94,655	142,634	96,081	125,347	110,203	1,400,306
Total Department Expenses	2,362,404	2,401,227	2,814,260	2,557,271	2,771,405	2,757,291	2,535,146	2,859,703	2,779,132	3,012,050	3,456,295	30,306,184

<b>KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF NOVEMBER 30, 2017</b>			
<b>ASSETS</b>	<b>NOVEMBER 2017</b>	<b>OCTOBER 2017</b>	<b>INC(DEC)</b>
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,440,050	\$ 1,440,050	-
Interest Receivable	2,500	1,250	1,250
Prepaid Expenses & Other Current Assets	834	1,667	(833)
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 1,443,384</b>	<b>\$ 1,442,967</b>	<b>\$ 417</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts Payable	6,754	6,754	-
Other Liabilities	353,849	353,849	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 360,603</b>	<b>\$ 360,603</b>	<b>\$ -</b>
<b>NET POSITION:</b>			
Net Position- Beg. of Year	1,070,040	1,070,040	-
Increase (Decrease) in Net Position - Current Year	12,741	12,324	417
Total Net Position	\$ 1,082,781	\$ 1,082,364	\$ 417
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 1,443,384</b>	<b>\$ 1,442,967</b>	<b>\$ 417</b>

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED NOVEMBER 30, 2017			YEAR-TO-DATE		
<b>ENROLLMENT</b>								
-	-	-	Members	-	-	-	-	-
<b>REVENUES</b>								
-	-	-	Premium	-	-	-	-	-
1,250	-	1,250	Interest	12,140	-	12,140	-	12,140
-	-	-	Other Investment Income	800	-	800	-	800
1,250	-	1,250	<b>TOTAL REVENUES</b>	12,940	-	12,940	-	12,940
<b>EXPENSES</b>								
-	-	-	Medical Costs	-	-	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	(8,968)	-	8,968	-	8,968
-	-	-	<b>Total Medical Costs</b>	(8,968)	-	8,968	-	8,968
1,250	-	1,250	<b>GROSS MARGIN</b>	21,908	-	21,908	-	21,908
<b>Administrative</b>								
833	-	(833)	Management Fee Expense and Other Admin Exp	9,167	-	(9,167)	-	(9,167)
833	-	(833)	<b>Total Administrative Expenses</b>	9,167	-	(9,167)	-	(9,167)
833	-	(833)	<b>TOTAL EXPENSES</b>	199	-	(199)	-	(199)
417	-	417	<b>OPERATING INCOME (LOSS)</b>	12,741	-	12,741	-	12,741
-	-	-	<b>TOTAL NONOPERATING REVENUE (EXPENSES)</b>	-	-	-	-	-
417	-	417	<b>NET INCREASE (DECREASE) IN NET POSITION</b>	12,741	-	12,741	-	12,741
0%	0%	0%	<b>MEDICAL LOSS RATIO</b>	-69%	0%	69%	-	-
67%	0%	-67%	<b>ADMINISTRATIVE EXPENSE RATIO</b>	71%	0%	-71%	-	-

**KERN HEALTH SYSTEMS  
MONTHLY MEMBERS COUNT**

**KERN HEALTH SYSTEMS**

2017 MEMBER MONTHS

**MEDICAL**

**ADULT AND FAMILY**

PA - FAMILY	363,738
MIN - FAMILY	1
REFUGEE - FAMILY	36
FOSTER CARE	6,662
POVERTY-133/200%	14
POVERTY-100%	0
MI - CHILD	1,180,128
CHILD-ACA	3,379
FAMILY - UNDER 19	226,314
<b>SUB-TOTAL ADULT &amp; FAMILY</b>	<b>1,800,272</b>

**MEDICAL EXPANSION**

LHP Transition Pre-ACA	626
ACA Expansion Adult-Citizen	620,410
ACA Expansion CAL Fresh Adult	61
LHP Transition Pre-ACA	5,883
<b>SUB-TOTAL MANDATORY</b>	<b>626,980</b>

**SDP MEMBERS**

SSI-AGED	2,016
MIN - AGED	15,460
SSI - BLIND & DISABLED	131,321
MIN - BLIND & DISABLED	3,245
<b>SUB-TOTAL MANDATORY SPD</b>	<b>152,042</b>

**TOTAL MANDATORY**

<b>TOTAL MANDATORY</b>	<b>2,579,294</b>
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**OTHER MEMBERS**

BCCTP-TOBACCO SETTLEMENT	330
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**DUALS**

PA - FAMILY DUALS	273
PART D SSI-AGED	7,454
PART D MN - AGED	13,149
PART D SSI - BLIND & DISABLED	23,516
PART D MN - BLIND & DISABLED	8,877
PART D BCCTP-TOBACCO SETTLEMENT	19
PART D MI - ADULT	0
PART D MI - CHILD	4,342
<b>SUB-TOTAL DUALS</b>	<b>57,630</b>

**TOTAL OTHERS**

<b>TOTAL OTHERS</b>	<b>57,960</b>
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**TOTAL KAISER**

<b>TOTAL KAISER</b>	<b>84,115</b>
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**TOTAL MEDICAL MEMBERS**

<b>TOTAL MEDICAL MEMBERS</b>	<b>2,721,369</b>
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	JAN'17	FEB'17	MAR'17	APR'17	MAY'17	JUN'17	JUL'17	AUG'17	SEP'17	OCT'17	NOV'17	DEC'17
36,123	36,255	36,565	35,376	34,185	34,130	34,024	34,925	34,845	33,671	33,639		
0	0	0	0	0	0	0	1	0	0	0		
1	1	0	2	2	4	4	9	7	6	6		
493	498	508	536	594	608	588	749	693	707	688		
2	2	2	2	0	1	1	1	1	1	1		
0	0	0	0	0	0	0	0	0	0	0		
104,991	105,746	107,285	108,562	109,014	109,096	107,948	106,527	106,999	107,251	107,309		
-127	430	405	415	422	426	316	379	362	365	-14		
20,203	20,297	19,877	19,885	20,312	20,627	20,456	20,632	21,012	21,482	21,531		
<b>161,086</b>	<b>163,229</b>	<b>164,642</b>	<b>164,778</b>	<b>164,529</b>	<b>164,892</b>	<b>163,337</b>	<b>163,223</b>	<b>163,919</b>	<b>163,483</b>	<b>163,154</b>	<b>0</b>	

26	69	58	65	65	60	62	60	55	61	61	45	
54,856	55,872	56,493	57,020	57,401	57,096	56,667	56,342	56,568	56,235	55,866		
9	1	4	5	5	7	7	6	6	6	6		
514	500	532	573	594	580	561	601	551	489	388		
<b>55,405</b>	<b>56,442</b>	<b>57,087</b>	<b>57,663</b>	<b>58,065</b>	<b>57,743</b>	<b>57,291</b>	<b>57,009</b>	<b>57,180</b>	<b>56,791</b>	<b>56,304</b>	<b>0</b>	

158	185	191	194	174	162	193	173	187	228	171		
1,338	1,359	1,388	1,357	1,322	1,443	1,443	1,446	1,489	1,440	1,435		
11,702	11,623	11,814	11,701	11,631	11,934	11,852	11,808	12,030	12,985	12,441		
326	393	346	325	288	317	288	381	329	17	235		
<b>13,524</b>	<b>13,560</b>	<b>13,539</b>	<b>13,577</b>	<b>13,415</b>	<b>13,856</b>	<b>13,776</b>	<b>13,808</b>	<b>14,035</b>	<b>14,670</b>	<b>14,282</b>	<b>0</b>	

<b>230,015</b>	<b>233,231</b>	<b>235,268</b>	<b>236,018</b>	<b>236,009</b>	<b>236,491</b>	<b>234,404</b>	<b>234,040</b>	<b>235,134</b>	<b>234,944</b>	<b>233,740</b>	<b>0</b>	
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29	30	27	28	26	30	29	31	33	33	34		
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31	17	15	21	15	37	31	28	28	19	31		
615	628	625	673	666	677	704	697	722	704	743		
1,127	1,116	1,134	1,173	1,229	1,194	1,164	1,205	1,236	1,283	1,288		
2,067	2,011	2,081	2,085	2,128	2,102	2,149	2,151	2,164	2,291	2,287		
762	780	740	751	735	772	818	820	864	890	945		
1	1	1	2	2	2	2	2	2	2	2		
0	0	0	0	0	0	0	0	0	0	0		
316	360	417	427	472	411	415	389	381	390	364		
<b>4,919</b>	<b>4,913</b>	<b>5,013</b>	<b>5,132</b>	<b>5,247</b>	<b>5,195</b>	<b>5,283</b>	<b>5,282</b>	<b>5,397</b>	<b>5,579</b>	<b>5,660</b>	<b>0</b>	

<b>4,948</b>	<b>4,943</b>	<b>5,040</b>	<b>5,160</b>	<b>5,273</b>	<b>5,225</b>	<b>5,312</b>	<b>5,323</b>	<b>5,430</b>	<b>5,612</b>	<b>5,694</b>	<b>0</b>	
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<b>7,103</b>	<b>7,365</b>	<b>7,466</b>	<b>7,619</b>	<b>7,714</b>	<b>7,745</b>	<b>7,796</b>	<b>7,811</b>	<b>7,782</b>	<b>7,856</b>	<b>7,858</b>		
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<b>242,066</b>	<b>245,539</b>	<b>247,174</b>	<b>248,797</b>	<b>248,996</b>	<b>249,461</b>	<b>247,512</b>	<b>247,174</b>	<b>248,346</b>	<b>248,412</b>	<b>247,292</b>	<b>0</b>	
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**NOVEMBER AP Vendor Report**  
**Amount over \$10,000.00**

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH	387,878.26	3,948,861.26	EMPLOYEE HEALTH BENEFITS	VARIOUS
T1001	KERN MEDICAL CENTER	378,815.68	2,705,891.18	2016-2017 GROW CLINIC GRANT	COMMUNITY GRANTS
T4391	OMNI FAMILY HEALTH	375,223.81	1,730,503.81	2016-2018 COMMUNITY GRANT- HEALTH HOME GRANT	COMMUNITY GRANTS
T4699	ZEOMEGA, INC.	267,802.98	1,396,081.84	IMPLEMENTATION OF MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T4695	EDIFICS, INC. ****	210,186.50	1,358,781.22	ANNUAL TSM OF TRANSACTION MANAGEMENT	CAPITAL PROJECT IN PROCESS
T3460	THE GUARDIAN LIFE INSURANCE CO.	115,993.24	549,256.31	OCT. & NOV. VOLUNTARY LIFE AD&D, DENTAL INSURANCE	VARIOUS
T2686	ALLIANT INSURANCE SERVICES INC.	108,960.54	524,204.34	2017/2018 INSURANCE - PROPERTY & LIABILITY PACKAGE	ADMINISTRATION
T1408	DELL MARKETING L.P.	100,599.18	1,097,990.01	HARDWARE-(4) POWER EDGE M360 BLADE SERVERS, (5) E5470 LATITUDE LAPTOPS WITH CARRYING BAGS, (1) TARGUS USB	MIS INFRASTRUCTURE
T4350	COMPUTER ENTERPRISE INC.	96,956.00	678,558.20	SEPT. & OCT. CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T2726	DST PHARMACY SOLUTIONS, INC	92,536.29	1,006,073.70	OCT. PHARMACY AND CLAIMS PROCESSING	PHARMACY
T4696	ZNALYTICS, LLC	90,132.48	656,509.64	OCT. CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS
T4237	FLUIDEDGE CONSULTING INC.	70,427.20	830,831.44	OCT. CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING	VARIOUS

# KERN HEALTH SYSTEMS

**NOVEMBER AP Vendor Report**  
Amount over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4738	AMERICAN LOGISTICS COMPANY, LLC*****	57,349.64	79,710.25	SEPT. & OCT. NON-EMERGENCY MEDICAL TRANSPORTATION BENEFIT.	MEMBER SERVICES
T4193	TECHNOSOCIALWORK.COM DBA STRIA	42,857.87	293,283.88	OCT. & NOV. OCR SERVICES AND PROFESSIONAL SERVICES FOR ICD-10 PROJECT	CLAIMS
T1183	MILLIMAN USA	41,956.87	112,656.62	CY2016 RDT, 2018 RATE SUPPORT, AND VALUE-BASED PURCHASING ANALYSIS	ADMINISTRATION & CAPITAL PROJECT IN PROCESS
T2167	PG&E*****	38,068.93	315,756.92	ELECTRICAL & GAS SERVICES FOR NEW BUILDING	CAPITAL PROJECT-NEW BUILDING
T4582	HEALTHX, INC	37,700.00	391,300.00	DEC. PROVIDER AND MEMBER PORTAL SUBSCRIPTION	CAPITAL PROJECT - MEMBER & PROVIDER PORTAL
T2469	DST HEALTH SOLUTIONS, INC*****	34,800.00	83,110.49	ACG SUPPORT & LICENSE FEE	MIS INFRASTRUCTURE
T2707	ACT 1 PERSONNEL SERVICES, INC.	31,451.51	320,022.64	TEMPORARY HELP - 1 PR, 2 MIS, 1 MS, 1 QI	VARIOUS
T4308	TRUXTUN PLACE PARTNERS	30,451.31	326,513.04	TRUXTUN- NOV. LEASE AND SEPT. UTILITIES EXPENSES	CORPORATE SERVICES
T1272	COFFEY COMMUNICATIONS INC.*****	29,415.20	141,858.21	NEWSLETTER PUBLICATION/MAILING	VARIOUS
T2961	SOLUTION BENCH, LLC*****	29,040.00	204,894.10	ADDITIONAL 20 M-FILES LICENSES / SCANFINITY	MIS INFRASTRUCTURE
T4778	CLINICA LA VICTORIA A MEDICAL CORP*****	27,299.00	43,999.00	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS	COMMUNITY GRANTS

# KERN • HEALTH SYSTEMS

**NOVEMBER AP Vendor Report**  
**Amount over \$10,000.00**

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T2562	CACTUS SOFTWARE LLC	24,000.00	67,760.00	1ST YEAR- CREDETNTIALING ENTERPRISE	MIS INFRASTRUCTURE
T1189	APPLE ONE INC.	19,186.26	204,769.93	TEMPORARY HELP - 1 PHARM, 1 CS, 1 CLAIMS, 2 UM, 1 HE	VARIOUS
T4452	WELLS FARGO	18,231.64	126,536.85	CREDIT CARD-TRAINING REGISTRATION, LODGING, EXPENSES, AND MISCELLANEOUS PURCHASES	VARIOUS
T3011	OFFICE ALLY, INC.	17,874.50	183,118.25	OCT. EDI CLAIM PROCESSING	CLAIMS
T4546	LEVEL 3 COMMUNICATIONS, LLC	17,302.15	183,118.25	OCT. - DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T4396	KAISER FOUNDATION HEALTH-DHMO	17,139.42	106,622.62	EMPLOYEE HEALTH BENEFIT	VARIOUS
T4521	PAYSCALE, INC.*****	16,000.00	16,000.00	ANNUAL INSIGHT PREMIER SUBSCRIPTION	HUMAN RESOURCES
T1071	CLINICA SIERRA VISTA	15,969.90	853,652.70	SEPT. MEDICAL RESPITE PROGRAM	COMMUNITY GRANTS
T4467	MEDISOFTRX, LLC.	14,274.18	159,948.36	OCT. PROFESSIONAL SERVICES-HOME HEALTH PROJECT	CAPITAL PROJECT IN PROGRESS
T2933	SIERRA PRINTERS, INC.*****	14,260.32	131,960.56	(80,000)TRI-FOLD POSTCARDS, (3,000)BILINGUAL DOOR HANGERS,(1,000)KERN CARE BROCHURES, (4,000) URGENT CARE BROCHURES, (3,000) ENVELOPES, (400) GROUND BREAKING BROCHURES	VARIOUS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	13,508.75	129,188.57	OCT. EDI CLAIM PROCESSING	CLAIMS
T4460	PAYSPAN, INC	12,344.39	146,662.88	OCT. EXTERNAL CLAIMS PAYMENT PROCESSING	FINANCE
T4168	RELAYHEALTH*****	11,606.28	138,408.89	SEPT. EDI CLAIM PROCESSING	CLAIMS

# KERN·HEALTH SYSTEMS

**NOVEMBER AP Vendor Report**  
Amount over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T2413	TREK IMAGING INC	11,219.53	234,364.30	MEMBER GIVEAWAYS-KHS TUMBLER, EMPLOYEE INTERN APPAREL, NEW HIRE SHIRTS, OCT. MONTHLY MAILER PROJECT.	VARIOUS
T4685	NATIONAL GIFT CARD CORP	10,520.94	53,612.90	HOME HEALTH INCENTIVE PROGRAM	HOME HEALTH
T4839	AGILE FOR ALL, LLC****	10,500.00	10,500.00	AGILE ONSITE 2-DAY TRAINING	MIS INFRASTRUCTURE
T4479	BAKERSFIELD PEDIATRICS, A MEDICAL GROUP ****	10,011.16	40,111.42	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS FINAL PAYMENT	COMMUNITY GRANTS
		<u>2,949,851.91</u>			
	TOTAL VENDORS OVER \$10,000	2,949,851.91			
	TOTAL VENDORS UNDER \$10,000	299,951.79			
	TOTAL VENDOR EXPENSES-Nov.	<u>3,249,803.70</u>			

Note:  
\*\*\*\*New vendors over \$10,000 for the month of Nov.





Year to Date AP Vendor Report  
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH	3,948,861.26	EMPLOYEE HEALTH BENEFITS	VARIOUS
T1001	KERN MEDICAL CENTER	2,705,891.18	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS & GROW CLINIC GRANT	COMMUNITY GRANTS
T4391	OMNI FAMILY HEALTH	1,730,503.81	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS-FINAL PAYMENT & 2016-2018 COMMUNITY GRANT-HEALTH HOME GRANT	COMMUNITY GRANTS
T4699	ZeOMEGA, INC.	1,396,081.84	IMPLEMENTATION OF MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T4695	EDIFECs, INC.	1,358,781.22	PERPETUAL LICENSES FOR EDI MANAGEMENT SOFTWARE SOLUTION & ANNUAL TSM OF TRANSACTION MANAGEMENT	CAPITAL PROJECT IN PROCESS
T1408	DELL MARKETING L.P.	1,097,990.01	HARDWARE- 15- LATITUDE E5470, 4 BROCADE 6510, 5 SMALL PRINTER, 5 DELL POWEREDGE M630, 5 POWEREDGE M630, 1 DELL M1000E CHASSIS ENCLOSURE, 20 OPTIPLEX 3040 W/ MONITORS, 16-23" MONITORS, 5-OPTIPLEX 3050, KHS VEEAM, SUPPORT & MAINTENANCE, MICROSOFT SYSTEM CENTER, 2ND YR MICROSOFT RENEWAL, 9 DELL LATITUDE E5470, 1 DELL XPS 13, 4-POWER EDGE M360 BLADE SERVERS, 5- E5470 LATITUDE LAPTOPS WITH CARRYING BAGS, 1 TARGUS USB	MIS INFRASTRUCTURE & CAPITAL PROJECT IN PROCESS.
T2726	DST PHARMACY SOLUTIONS, INC.	1,006,073.70	PHARMACY AND CLAIMS PROCESSING	PHARMACY
T4654	DELAWIE	888,491.99	ARCHITECTURE SERVICES	CAPITAL PROJECT-NEW BUILDING
T1071	CLINICA SIERRA VISTA	853,652.70	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS & MEDICAL RESPITE PROGRAM	COMMUNITY GRANTS



Year to Date AP Vendor Report  
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4237	FLUIDEDGE CONSULTING	830,831.44	CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING.	VARIOUS
T2704	MCG HEALTH LLC	705,846.01	2017 MILLIMAN MAINTENANCE-LICENSE FEE- YEAR 3 OF 5	HE-UM
T4350	COMPUTER ENTERPRISE INC.	678,558.20	2017 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T4696	ZNALYTICS, LLC	656,509.64	CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T4392	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	596,916.17	2017 QNXT ANNUAL MAINTENANCE, CONSULTING SERVICES, REGISTRATION	MIS INFRASTRUCTURE
T3460	THE GUARDIAN LIFE INSURANCE CO.	549,256.31	VOLUNTARY LIFE AD&D, DENTAL INSURANCE	VARIOUS
T2686	ALLIANT INSURANCE SERVICES INC	524,204.34	2017/2018 INSURANCE RENEWALS	ADMIN
T4327	MCKESSON TECHNOLOGIES INC.	494,938.46	ANNUAL CLAIM CHECK SOFTWARE LICENSE & ADDTL COVERED LIVES FEES -----YR 2 OF 3	CLAIMS
T4582	HEALTHX, INC	391,300.00	PROVIDER AND MEMBER PORTAL	CAPITAL PROJECT - MEMBER & PROVIDER PORTAL
T4308	TRUXTUN PLACE PARTNERS	326,513.04	TRUXTUN- LEASE AND UTILITIES EXPENSE	CORPORATE SERVICES
T2707	ACT 1 PERSONNEL SERVICES, INC.	320,022.64	TEMPORARY HELP	VARIOUS
T2167	PG&E	315,756.92	ANNUAL TRUE-UP FOR 2016 USAGE/UTILITIES & ELECTRICAL & GAS SERVICES FOR NEW BUILDING	CORPORATE SERVICES & CAPITAL PROJECT - NEW BUILDING
T4193	TECHNOSOCIALWORK.COM	293,283.88	OCR SERVICES AND PROFESSIONAL SERVICES FOR ICD-10 PROJECT	CLAIMS
T2413	TREK IMAGING INC	234,364.30	PROMOTIONS - MEMBER GIVEAWAYS & EMPLOYEE PROGRAMS	VARIOUS



Year to Date AP Vendor Report  
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1845	DEPARTMENT OF MANAGED HEALTH CARE	222,721.77	MCAL/HFAM ANNUAL ASSESSMENT FEES --1 INSTALLMENT OF 2	ADMINISTRATION
T2961	SOLUTION BENCH, LLC	204,894.10	M-FILES LICENSES & MAINTENANCE	MIS INFRASTRUCTURE
T1189	APPLE ONE INC.	204,769.93	TEMPORARY HELP	VARIOUS
T1597	BAKERSFIELD MEMORIAL HOSP	200,000.00	BMH DIABETIC CLINIC 2016-4TH QUARTER & 2017 1ST, 2ND, & 3RD QTR.	HE-DISEASE MANAGEMENT
T3011	OFFICE ALLY, INC.	183,118.25	EDI CLAIM PROCESSING	CLAIMS
T4546	LEVEL 3 COMMUNIATIONS, LLC	183,058.44	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T2355	CALPERS	182,084.00	2017/2018 ANNUAL UNFUNDED ACCRUED LIABILITY	ADMINISTRATION
T4467	MEDISOFTRX, LLC.	159,948.36	PROFESSIONAL SERVICES-HOME HEALTH PROJECT	CAPITAL PROJECT IN PROGRESS
T2584	UNITED STATES POSTAL SVC.-HASLER	150,000.00	POSTAGE-METERED	VARIOUS
T4460	PAYSPAN, INC	146,662.88	EXTERNAL CLAIMS PAYMENT PROCESSING	FINANCE
T1272	COFFEY COMMUNICATIONS INC.	141,858.21	NEWSLETTER PUBLICATION/MAILING	VARIOUS
T2597	FUSION STORM INC.	141,863.01	HARDWARE- 3 SERVERS, NEXT GENERATION SECURITY MANAGEMENT & SUPPORT, 24PORT WEB MNGT & SUPPORT, 4PORT BASE-T RJ45 INTERFACE CARD, JUNIPER CARE 3YR	MIS INFRASTRUCTURE
T4478	AMERICAN FIDELITY ASSURANCE CO.	141,044.01	EMPLOYEE PAID VOLUNTARY INSURANCE	PAYROLL DEDUCTION
T4168	RELAYHEALTH	138,408.89	EDI CLAIM PROCESSING	CLAIMS
T4331	VERCEND TECHNOLOGIES, INC.	132,225.00	2ND YR - ANNUAL LICENSE FEES	HEALTH SERVICES-QI



Year to Date AP Vendor Report  
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2933	SIERRA PRINTERS, INC.	131,960.56	PROVIDER DIRECTORIES	PROVIDER RELATIONS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	129,188.57	EDI CLAIM PROCESSING	CLAIMS
T1861	CEREDIAN BENEFITS SERVICES	127,080.15	DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
TT4452	WELLS FARGO 3500 2469	126,536.85	CREDIT CARD-TRAINING REGISTRATION, LODGING EXPENSES, AND MISCELLANEOUS PURCHASES	VARIOUS
T2918	STINSON'S	124,577.06	OFFICE SUPPLIES & EQUIP UNDER \$1,000	VARIOUS
T4165	SHI INTERNATIONAL CO.	121,175.55	VMMARE VSPHERE SUPPORT/SUBSCRIPTION, 2017 PORTFOLIO MAINTENANCE, CISCO UNIFIED COMMUNICATIONS SOFTWARE/MAINTENANCE	MIS INFRASTRUCTURE & CAPITAL PROJECT IN PROCESS.
T1183	MILLIMAN USA	112,656.62	CY2016 RDT, 2018 RATE SUPPORT, AND VALUE-BASED PURCHASING ANALYSIS	ADMINISTRATION
T4396	KAISER FOUNDATION HEALTH-DMHO	106,622.62	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4686	CENTRIC HEALTH	104,286.54	COMMUNITY BENEFIT PROGRAM GRANT	COMMUNITY GRANTS
T2837	TOYS/BABIES R US	100,876.80	WELL CHILD & PREGNANCY INCENTIVE PROGRAM	HEALTH EDUCATION
T3473	PACIFIC HEALTH CONSULTING GROUP	99,000.00	CONSULTING SERVICES	PROJECT MANAGEMENT
T1960	LOCAL HEALTH PLANS OF CA, INC	96,810.36	2016/2017 FLAT YEARLY ASSESSMENT	ADMINISTRATION
T2969	AMERICAN BUSINESS MACHINES INC	89,081.41	HARDWARE AND MAINTENANCE	CORPORATE SERVICES
T4733	UNITED STAFFING ASSOCIATES	84,700.28	TEMPORARY HELP	VARIOUS



Year to Date AP Vendor Report  
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2469	DST HEALTH SOLUTIONS, INC.	83,110.49	MHC SOFTWARE - LICENSE FEE, MAINTENANCE, AND SUPPORT & ADJUSTED CLINICAL GROUP SYSTEM	MIS INFRASTRUCTURE
T2292	CITY OF BAKERSFIELD	81,619.05	UTILITES-GARBAGE/SEWER FEES, PLAN FEES COMMERCIAL NEW BUILDING	VARIOUS
T4738	AMERICAN LOGISTICS COMPANY	79,710.25	2017 MEDICAL/NON MEDICAL TRANSPORTATION MEMBER BENEFIT	MEMBER SERVICES
T4664	TURNOR THE. LLC	76,686.27	HARDWARE - 2 NIMBLE STORAGE EXPANSION	CAPITAL PROJECT IN PROGRESS-CM/DM
T4698	INFINITY COMMUNICATIONS & CONSULTING, INC.	76,500.00	TECHNICAL BUILDING ARCHITECTURAL CONSULTING	CAPITAL PROJECT-NEW BUILDING
T2562	CACTUS SOFTWARE LLC	67,760.00	ANNUAL CACTUS LICENSE & CONSULTING FEES	MIS INFRASTRUCTURE
T4603	ECFIRST.COM	67,022.29	PROFESSIONAL SERVICES -INFORMATION SYSTEM SECURITY	CAPITAL PROJECT IN PROCESS
T3084	KERN COUNTY-COUNTY COUNSEL	65,330.40	LEGAL FEES	ADMINISTRATION
T4059	KERN VALLEY HEALTH CARE DISTRICT	64,824.45	2015-2016 PROVIDER RECRUITMENT & RETENTION GRANTS	COMMUNITY GRANTS
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC	63,227.17	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT-NEW BUILDING
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	60,976.00	2017 ACAP DUES	ADMINISTRATION
T4637	BURKE, WILLIAMS & SORENSEN, LLP	59,500.01	LEGAL FEES	CAPITAL PROJECT-NEW BUILDING
T4687	MCINTOSH & ASSOCIATE	55,653.95	PROFESSIONAL SERVICES	CAPITAL PROJECT-NEW BUILDING



Year to Date AP Vendor Report  
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4740	HEALTHCARE SCOUTS, INC	55,298.26	RECRUITMENT/DIRECT HIRE-DISEASE MANAGEMENT RN S. COLLINS & C. BARNETT CLINICAL INTAKE COORDINATOR RN I	HUMAN RESOURCES
T4685	NATIONAL GIFT CARD CORP	53,612.90	HOME HEALTH INCENTIVE PROGRAM	HOME HEALTH
T4688	VANGUARD MEDICAL CORPORATION	53,481.89	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS	COMMUNITY GRANTS
T4294	PAOLA DELGADO	52,600.00	MAINTENANCE-JANITORIAL SERVICES	CORPORATE SERVICES
T4653	FORMS ON FIRE, INC.	50,993.75	SOFTWARE SUBSCRIPTION/MAINTENANCE & SUPPORT	HE-QI
T4386	STACY POEHLMAN	50,027.60	PROFESSIONAL SERVICES	PROVIDER RELATIONS
T4678	XEROX STATE HEALTHCARE, LLC	48,975.00	CONSULTING SERVICES	PROVIDER RELATIONS
T2446	AT&T MOBILITY	48,462.84	CELLULAR PHONE	MIS INFRASTRUCTURE
T4561	SRI & SHARMA, LLC	48,125.00	PARKING SPACE RENTAL	CORPORATE SERVICES
T4405	SMARTERP SOLUTIONS, INC.	47,305.84	2017 CONSULTING FEES	CAPITAL PROJECTS IN PROCESS
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	47,250.00	2016 AUDIT FEES	ADMINISTRATION
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	45,072.00	SPONSORSHIP & BOARD MEETING LUNCH	MARKETING
T4778	CLINICA LA VICTORIA A MEDICAL CORP	43,999.00	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS & 2016 SPRING HEALTH FAIR SPONSORSHIP	COMMUNITY GRANTS
T4563	SPH ANALYTICS	43,535.00	2017 MEMBER/PROVIDER SATISFACTION	MEMBER SERVICES



Year to Date AP Vendor Report  
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4707	SHAFTER PEDIATRICS	43,337.07	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS & 2016 SPRING HEALTH FAIR SPONSORSHIP	COMMUNITY GRANTS
T1957	MERCY FOUNDATION-BAKERSFIELD	42,500.00	DAVINCI CAMPAIGN SPONSORSHIP & 2018 HEALTH COVERAGE DAY SPONSORSHIP.	ADMINISTRATION
T3986	JACQUELYN S. JANS	41,505.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	MARKETING
T4694	KELLY SERVICES, INC.	41,176.14	TEMPORARY HELP & DIRECT HIRE FEES	VARIOUS
T3449	CDW GOVERNMENT	40,125.83	HARDWARE AND LICENSES	MIS INFRASTRUCTURE
T4479	BAKERSFIELD PEDIATRICS, A MEDICAL GROUP	40,111.42	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS & 2016 SPRING HEALTH FAIR SPONSORSHIP	COMMUNITY GRANTS
T4483	PREMIER VALLEY MEDICAL GROUP	40,000.00	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS	COMMUNITY GRANTS
T4737	TEKSYSTEMS, INC.	39,198.72	DIRECT HIRE- K. YEBUAH, DATA ANALYTICS AND REPORTING, SUPERVISOR	HUMAN RESOURCES
T2941	KERN PRINT SERVICES INC.	39,093.87	OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD	VARIOUS
T4501	ALLIED UNIVERSAL SECURITY SERVICES	38,830.00	BUILDING SECURITY & PATROLING SERVICES	CORPORATE SERVICES



Year to Date AP Vendor Report  
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1128	HALL LETTER SHOP, INC	38,158.62	NEW MEMBER LETTER/ENVELOPES, MEMBER HANDBOOKS, CLINICAL CARE MANUAL FOR HH, NEW MEMBER PKT.	VARIOUS
T2580	GOLDEN EMPIRE TRANSIT DISTRICT	37,922.00	DAILY AND MONTHLY PASSES GET BUS PASSES	MEMBER SERVICES
T1180	LANGUAGE LINE SERVICES INC.	36,839.26	INTERPRETATION SERVICES	MEMBER SERVICES
T4607	AGILITY RECOVERY SOLUTIONS INC.	36,288.00	DISASTER RECOVERY AND BUSINESS CONTINUITY	ASIS
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	35,194.00	2017 ANNUAL DUES ASSESSMENT & ANNUAL CONFERENCE REGISTRATION	ADMINISTRATION
T4749	ST. JOHN CRITICAL CARE MEDICAL GROUP INC.	35,000.00	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS	COMMUNITY GRANTS
T2955	DELTA ELECTRIC INC.	34,880.29	BUILDING MAINTENANCE	CORPORATE SERVICES
T4690	RONNIE CLAIBORNE A PROFESSIONAL CORPORATION	34,800.05	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS & 2016 SPRING HEALTH FAIR SPONSORSHIP	COMMUNITY GRANTS
T3378	CARRIER CORPORATION	34,357.04	BUILDING MAINTENANCE	CORPORATE SERVICES
T2441	LAURA J. BREZINSKI	34,264.00	MATERIAL DESIGN	VARIOUS
T4634	EXECUTIVE STAFFING SOLUTIONS	34,000.00	RECRUITMENT FEES	HUMAN RESOURCES
T1032	THE BAKERSFIELD CALIFORNIAN	33,591.76	EMPLOYMENT AD	HUMAN RESOURCES
T4812	COMPREHENSIVE WOUND CARE	33,426.18	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS	COMMUNITY GRANTS





Year to Date AP Vendor Report  
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4646	LOOKINGPOINT, INC.	33,337.57	CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS
T3076	SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY	32,895.80	2016-2017 ANNUAL WORKERS' COMPENSATION	VARIOUS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	32,543.81	CONSULTING SERVICES	MIS INFRASTRUCTURE
T2676	WEST COAST MAINTENANCE	32,433.80	JANITORIAL SERVICES	CORPORATE SERVICES
T2850	QUEST SOFTWARE INC.	32,296.50	SPOTLIGHT ON SQL SERVER-LICENSE MAINTENANCE	CAPITAL PROJECT-IN PROGRESS
T2790	KERN COUNTY DEPT OF PUBLIC HEALTH	32,248.00	FLU CLINIC SPONSORSHIPS	MARKETING
T4503	VISION SERVICE PLAN	30,925.80	EMPLOYEE BENEFITS-VISION	VARIOUS
T4594	MEDVERSANT TECHNOLOGIES, LLC	30,250.00	CONSULTING SERVICES	PROVIDER RELATIONS
T4683	CLAUDIA M. BACA	29,978.92	CONSULTING SERVICES	PROJECT MANAGEMENT
T4496	VOX NETWORK SOLUTIONS	29,976.00	WORKFORCE MANAGEMENT ADVANCED PACKAGE	MIS INFRASTRUCTURE
T4183	LAMAR ADVERTISING OF BAKERSFIELD	29,650.00	OUTDOOR ADVERTISEMENT-BILLBOARDS	ADVERTISING
T2755	VELOCITY PARTNERS, LLC	29,376.00	CONSULTING FEES FOR CLAIMS WORKFLOW, UM REMOTE NURSE, QI WORKFLOW, MEMBERSHIP, AUDIT, AND CORE PROJECT	MIS INFRASTRUCTURE
T4228	THE SSI GROUP, LLC	28,785.20	EDI CLAIM PROCESSING	CLAIMS
T4433	MICRO-DYN MEDICAL SYSTEMS, INC.	28,580.00	APR-DRG GROUPER SOFTWARE/LICENSE	MIS INFRASTRUCTURE



Year to Date AP Vendor Report  
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2234	HASMUKH AMIN MD	27,867.75	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS	COMMUNITY GRANTS
T4674	STOCKDALE PLAZA OWNERS ASSOCIATION INC	27,000.00	PARKING SPACE RENTAL	CORPORATE SERVICES
T3990	SPARKLETTS INC.	26,695.77	DRINKING WATER, WATER COOLER RENTALS	CORPORATE SERVICES
T4384	PINNACLE PRIMARY CARE, INC.	26,062.26	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS	COMMUNITY GRANTS
T4739	SECURITAS SECURITY SERVICES USA, INC.	25,164.96	SECURITY SERVICES	CORPORATE SERVICES
T1347	ADVANCED DATA STORAGE	24,494.01	OFF SITE STORAGE SERVICES	CORPORATE SERVICES
T1022	UNUM LIFE INSURANCE CO.	23,853.06	EMPLOYEE LONG TERM AND LIFE INSURANCE	PAYROLL DEDUCTION
T4708	HEALTH MANAGEMENT ASSOCIATES, INC	22,470.00	CONSULTING FEES	PROVIDER RELATIONS
T4640	REGAL CINEMEDIA CORP	22,140.00	MEMBER INCENTIVE PROGRAM	HE-QI
T4239	COAST TO COAST COMPUTER	22,100.16	OFFICE SUPPLIES - TONERS	CORPORATE SERVICES
T4497	SKILLSOFT CORPORATION	20,836.93	YEAR 2 OF 3 -LICENSE FEE FOR ONLINE TRAINING	HUMAN RESOURCES
T4544	BARNERS WEALTH MANAGEMENT GROUP	20,251.00	RETIREMENT PLAN CONSULTANT	ADMINISTRATION

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
<b>January</b>							
Velocity Partners	\$ 48,672.00	Yes	IT	Richard Pruitt	(2) Two remote technical resources to support ZeOmega	1/1/2017	3/31/2017
CEI	\$ 54,818.40	Yes	IT	Richard Pruitt	2,008 Professional services hours	1/1/2017	12/31/2017
West Coast Maintenance	\$ 83,820.00	Yes	CS	Alonso Hurtado	Janitorial services	1/1/2017	12/31/2017
Jacquelyn S. Jans	\$ 45,360.00	Yes	MK	Louie Iurria	Marketing and Corporate Image Consulting	1/1/2017	12/31/2017
Poppoock Designs	\$ 36,000.00	Yes	MK	Louie Iurria	Graphic design services	1/1/2017	12/31/2017
Skillsoft	\$ 62,510.79	Yes	HR	Anita Martin	Online training for employees	1/31/2017	1/30/2019
<b>February</b>							
Solution Bench	\$ 52,250.00	Yes	IT	Richard Pruitt	40 Concurrent licenses, 1 server test and 10 concurrent licenses	2/24/2017	2/23/2018
Solution Bench	\$ 32,100.00	Yes	IT	Richard Pruitt	30 Scantfinity licenses	2/24/2017	2/23/2018
<b>March</b>							
LifeSigns, Inc.	\$ 45,000.00	Yes	HE	Isabel Silva	ASL interpretation services	3/2/2017	3/1/2018
SPH Analytics	\$ 43,010.00	No	PR	Emily Duran	2017 Member Survey and 2016 Provider Satisfaction Survey	3/2/2017	3/27/2018
<b>May</b>							
J Services	\$ 61,000.00	Yes	CS	Alonso Hurtado	Janitorial services for Stockdale and Truxtun	5/8/2017	12/31/2017
DPV&B	\$ 49,000.00	Yes	ACCT	Robin Plumb	Financial auditing services	5/4/2017	5/3/2018
Sierra Printers	\$ 30,960.85	Yes	PR	Emily Duran	Provider directories	5/4/2017	5/3/2018
Language Line Services	\$ 56,000.00	Yes	MS	Nate Scott	Translation services	5/29/2017	5/28/2018
<b>June</b>							
Solution Bench	\$ 30,008.00	Yes	IT	Richard Pruitt	10 Test licenses and 1 UAT server with 10 licenses	6/15/2017	6/14/2018
<b>July</b>							
Medversant	\$ 66,750.00	Yes	PR	Emily Duran	Provider Directory Solution to comply with SB 137	7/1/2017	6/30/2018
Deil	\$ 81,108.05	Yes	IT	Richard Pruitt	PowerEdge blade servers (5) M630	7/22/2017	7/22/2021
Bakersfield Californian	\$ 33,000.00	Yes	HR	Anita Martin	Marketing advertising and job postings	7/8/2017	7/7/2018
Symplr	\$ 48,750.00	Yes	IT	Richard Pruitt	SaaS Software license and consulting services for three years.	7/6/2017	7/5/2020
Spectrum	\$ 34,164.00	Yes	IT	Richard Pruitt	Stockdale internet services with 14 Static IP Addresses	7/1/2017	6/30/2020
ABM	\$ 35,107.87	Yes	IT	Richard Pruitt	Purchase of three new multi-functional printers	7/6/2017	9/30/2018
Milliman	\$ 96,500.00	Yes	PR	Emily Duran	Data analytics for KHS' strategic plan on Value-Based Payment	7/6/2017	7/5/2018
<b>August</b>							
Milliman	\$ 88,000.00	Yes	ACCT	Robin Plumb	Actuarial Services	8/1/2017	7/31/2018
<b>September</b>							
Eclair	\$ 49,995.00	Yes	IT	Richard Pruitt	HIPAA/HITECH Privacy & Security Analysis	9/7/2017	12/31/2017
DME	\$ 49,000.00	Yes	UM	Deb Murr	Residential evaluation visits for medical equipment	9/25/2017	9/24/2018
Znalytics	\$ 49,600.00	Yes	IT	Richard Pruitt	Professional technical resources shift from FluidEdge	9/7/2017	12/31/2017
CEI	\$ 58,800.00	Yes	IT	Richard Pruitt	Professional technical resource shift from FluidEdge	9/7/2017	12/31/2017
Quest	\$ 32,296.50	Yes	IT	Richard Pruitt	(3) SQL Optimizer and (20) Spotlight licenses	9/28/2017	10/6/2018
Deil	\$ 94,805.16	Yes	IT	Richard Pruitt	(4) Power Edge M630 Blade Servers, maintenance & Support	9/28/2017	9/27/2022
Edifecs	\$ 70,120.00	Yes	IT	Richard Pruitt	Edifecs professional resources	9/1/2017	12/31/2017
Symplr	\$ 33,600.00	Yes	IT	Richard Pruitt	Cactus-Symplr API software	9/28/2017	9/28/2020
<b>October</b>							
Agility	\$ 72,576.00	Yes	Comp	Carl Braining	Disaster recovery and business continuity	10/3/2017	10/2/2019
Deil	\$ 98,228.96	Yes	IT	Richard Pruitt	Brocade channel switches replacements	10/17/2016	10/16/2021
ABM	\$ 75,532.74	Yes	IT	Richard Pruitt	Copy machines and printers maintenance renewal	10/1/2017	9/30/2019
Lamar	\$ 32,875.00	Yes	MRK	Louie Iurria	(5) Billboard signs advertisement	10/9/2017	10/7/2018
FluidEdge	\$ 92,800.00	Yes	PM	Jeremy McGuire	Professional consulting services	10/2/2017	12/31/2017
<b>November</b>							
SHI	\$ 99,632.01	Yes	IT	Richard Pruitt	Nimble storage	11/17/2017	11/16/2020
<b>December</b>							
Forms on Fire	\$ 40,920.75	Yes	UM	Deborah Murr	Software subscription, maintenance and support for software, Phase II	12/12/2017	12/11/2018
Deil	\$ 59,544.72	Yes	IT	Richard Pruitt	Software maintenance and technical support for VMware	12/31/2017	12/30/2020
Deil	\$ 71,679.45	Yes	IT	Richard Pruitt	True-up, Microsoft software products	1/1/2017	12/31/2017
Milliman	\$ 35,000.00	Yes	ACCT	Robert Landis	Value Based Payment for Kern Medical	12/20/2017	7/5/2018

