



**KERN HEALTH
SYSTEMS**

**FINANCE COMMITTEE
MEETING**

Friday, June 8, 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, June 8, 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

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 April 6, 2018 -
APPROVE
- 4) Report on KHS investment portfolio for the first quarter ending March 31, 2018 (Fiscal Impact: None) –
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 5) Proposed renewal and binding of employee benefit plans for medical, vision, dental, life insurance, short-term and long-term disability, and long-term care effective September 1, 2018 (Fiscal Impact: \$5,780,000 Estimated; Budgeted) –
APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 6) Proposed renewal and binding of insurance coverages for general liability, crime, property, workers' compensation, fiduciary liability, excess cyber insurance, managed care errors and omissions, earthquake insurance and flood insurance from July 1, 2018 through June 30, 2019 (Fiscal Impact: \$620,000 Estimated; Budgeted) –
APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 7) Proposed Agreement with Stria, LLC, for Optical Character Recognition (OCR) services for paper medical claims from June 14, 2018 through June 14, 2021, in an amount not to exceed \$1,137,513.02 (Fiscal Impact: \$1,137,513.02; Budgeted) –
APPROVE; REFER TO KHS BOARD OF DIRECTORS

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 Finance Committee Meeting
 Kern Health Systems

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- 8) Proposed Amendment to American Logistics Company, LLC Agreement, for the administration of the Non-Emergency Medical Transportation Services, from April 17, 2017 through April 17, 2019 (Fiscal Impact: \$3,710,556; Not-Budgeted) – APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 9) Report on Kern Health Systems financial statements for February 2018, March 2018 and April 2018 (Fiscal Impact: None) – RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 10) 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 February 2018, March 2018 and April 2018 (Fiscal Impact: None) – RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS

ADJOURN TO FRIDAY, AUGUST 3, 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, April 6, 2018

8:00 A.M.

COMMITTEE RECONVENED AT 8:00 A.M.

Members present: Deats, McGlew, Melendez, Rhoades

Members absent: Casas

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

SUMMARY
Finance Committee Meeting
Kern Health Systems

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- CA-3) Minutes for KHS Finance Committee meeting on February 2, 2018 -
APPROVED
Rhoades-McGlew: 4 Ayes; 1 Absent - Casas
- 4) Report by Daniells Phillips Vaughan & Bock on the audited financial statements of Kern Health Systems for the year ending December 31, 2017 (Fiscal Impact: None) – NANCY BELTON, SHANNON WEBSTER, DANIELLS PHILLIPS VAUGHAN & BOCK, HEARD; RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: 4 Ayes; 1 Absent - Casas
- 5) Proposed Retroactive Amendment No. 40 to Hospital and Other Facility Services Agreement with Kern Medical for Base Rate and Rate Range for Services Provided to Medi-Cal Optional Expansion Enrollees for the period January 1, 2017 through June 30, 2017 for a maximum amount of \$8,014,366 for the Base Rate and \$580,320 for the Rate Range 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
Rhoades-Melendez: 4 Ayes; 1 Absent - Casas
- 4) Report on change of personnel managing the investment portfolio at UBS Financial Services, Inc. (Fiscal Impact: None) – IRA COHEN, THE IRA COHEN GROUP, UBS FINANCIAL, HEARD; RECEIVED AND FILED
Rhoades-Melendez: 4 Ayes; 1 Absent - Casas
- 7) Proposed Agreement with Office Ally, to process and submit electronic medical claims from providers and institutions directly to KHS, from April 12, 2018 through April 12, 2021, in an amount not to exceed \$0.25 per claim (Fiscal Impact: \$175,000.00 estimated annually; Budgeted) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Melendez-McGlew: 4 Ayes; 1 Absent - Casas
- 8) Proposed Retroactive Agreement with McKesson, to provide ClaimCheck claims review software, maintenance and support, March 6, 2018 through October 5, 2018, in an amount not to exceed \$332,894.00 (Fiscal Impact: \$332,894.00; Budgeted) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-McGlew: 4 Ayes; 1 Absent - Casas
- 9) Report on Kern Health Systems financial statements for December 2017 and January 2018 (Fiscal Impact: None) –
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-Melendez: 4 Ayes; 1 Absent - Casas

SUMMARY

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- 10) 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 December 2017 and January 2018 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Rhoades: 4 Ayes; 1 Absent - Casas

ADJOURN TO FRIDAY, JUNE 8, 2018 AT 8:00 A.M.
Melendez



To: KHS Finance Committee

From: Robert Landis, CFO

Date: June 8, 2018

Re: Quarterly Review of Kern Health Systems Investment Portfolio

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
March 31, 2018**

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)	\$ 3,800,000	1.42%	50%	0.50%	1 Day	None
Morgan Stanley Money Market	(B)	(1)	\$ 35,300,000	13.18%	20%	1.51%	1 Day	None
Local Agency Investment Fund (LAIF)	(C)	(2)	\$ 64,100,000	23.94%	50%	1.52%	2 Days	None
US T-Bills at Wells Fargo		(1)	\$ 49,900,000	18.63%	100%	1.56%	1 Day	Subject to Interest Rate Fluctuations
KHS Internally Managed Portfolio at Wells Fargo	(D)	(1)	\$ 39,400,000	14.71%		1.59%	3 Days	Subject to Interest Rate Fluctuations
Sub-Total			\$ 192,500,000	71.88%		1.52%		

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)		\$ 71,000,000	26.51%		2.63%	3 Days	Subject to Interest Rate and Credit Fluctuations
KHS Internally Managed Portfolio at Wells Fargo	(D)		\$ 4,300,000	1.61%		1.46%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total			\$ 75,300,000	28.12%		2.56%		
Total Portfolio			\$ 267,800,000	100.00%		1.82%		

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	2.08%	2.30%	2.45%	2.05%
2 year	2.34%	2.50%	2.65%	2.50%
3 year	2.49%	2.65%	2.80%	2.70%
5 year	2.67%	3.00%	3.10%	2.90%

- (A) Secured by collateral guaranteed by the US Government or an agency thereof.
 - (B) \$16 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 \$75 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 March 31, 2018

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

Financial Advisor:
 The Cohen Group
 (661) 663-3233

Prepared for

Kern Health Systems
 EXECUTIVE REVIEW

Accounts included in this review

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

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Bond holdings.....	6
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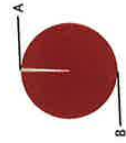
Executive summary

as of March 31, 2018

Asset allocation review

	Value on 03/31/2018 (\$)	% of portfolio
A Cash	527,044.30	0.74
Cash	527,044.30	0.74
B Fixed Income	70,438,242.50	99.26
US	70,438,242.50	99.26
C Equity	0.00	0.00
D Commodities	0.00	0.00
E Non-Traditional	0.00	0.00
F Other	0.00	0.00
Total Portfolio	\$70,965,286.80	100%

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

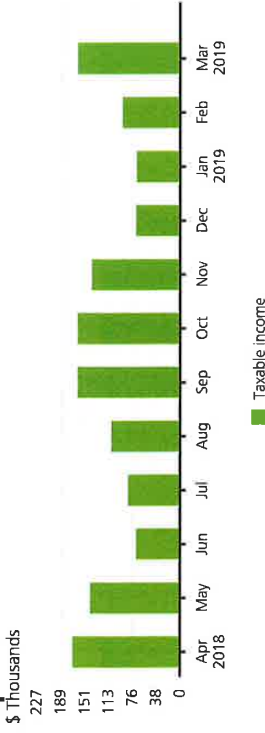


Equity sector analysis

Portfolio does not contain applicable holdings - exhibit intentionally left blank.

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

Expected cash flow



Total taxable income: \$1,459,439.25

Total expected cash flow: \$1,459,439.25

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

Credit quality of bond holdings

Effective credit rating	Issues	Value on 03/31/2018 (\$)	% of port.
A Aaa/AAA/AAA	19	46,579,850.13	66.28
B Aa/AA/AA	8	9,147,108.25	12.96
C A/A/A	15	13,727,685.23	19.36
D Baa/BBB/BBB	1	983,598.89	1.40
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
Total	43	\$70,438,242.50	100%

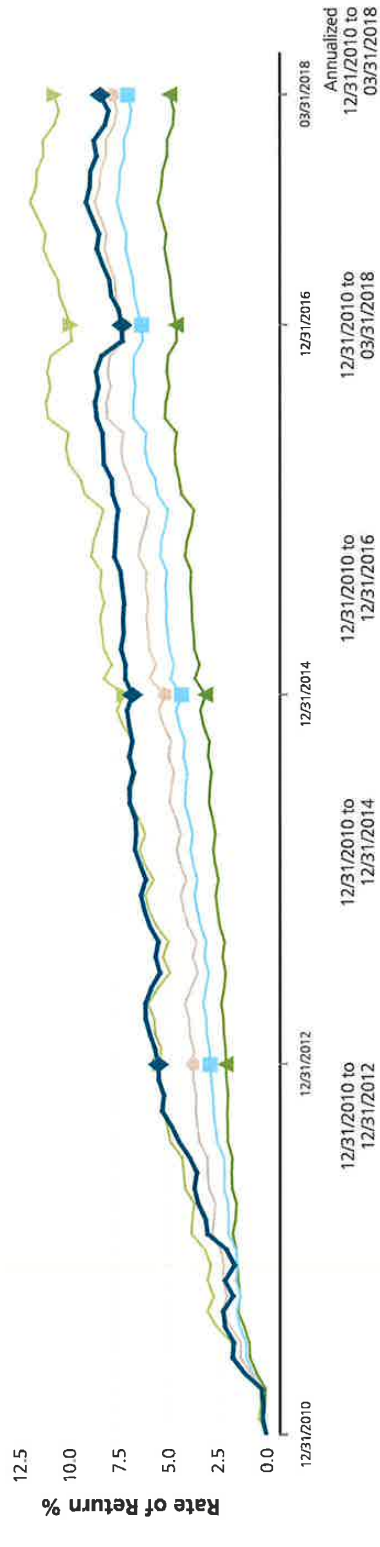




Cumulative performance

as of March 31, 2018

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



Benchmarks - Time-weighted returns

◆ Net Time-weighted ROR	5.50	6.82	7.36	8.46	1.13
● Benchmark 1	3.75	5.16	7.27	7.83	1.05
■ Barclays Govt/Credit 1-3Y	2.88	4.33	6.36	7.05	0.94
▲ Barclays Govt/Credit 1-5Y	5.44	7.25	9.99	10.82	1.43
▲ Barclays US Gov 1-3Y	2.08	3.12	4.60	4.92	0.66

Benchmark 1: Start - Current: 50% Barclays US Gov 1-3Y; 50% Barclays Govt/Credit 1-5Y
Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

Report created on: May 07, 2018



Bond summary

as of March 31, 2018

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

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 Prepared for: Kern Health Systems
 Risk profile: Conservative
 Return Objective: Current Income

Bond overview

Total quantity	71,152,000
Total market value	\$70,055,554.45
Total accrued interest	\$382,688.05
Total market value plus accrued interest	\$70,438,242.50
Total estimated annual bond interest	\$1,500,430.50
Average coupon	2.14%
Average current yield	2.14%
Average yield to maturity	2.64%
Average yield to worst	2.63%
Average modified duration	2.51
Average effective maturity	2.64

Investment type allocation

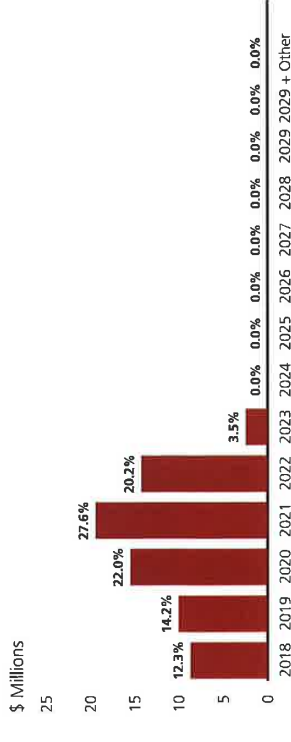
Investment type	Taxable (\$)	Tax-exempt/ deferred (\$)	Total (\$)	% of bond port.
Municipals	6,204,900.75	0.00	6,204,900.75	8.81
U.S. corporates	17,653,491.62	0.00	17,653,491.62	25.06
U.S. federal agencies	46,112,256.78	0.00	46,112,256.78	65.46
U.S. treasuries	467,593.35	0.00	467,593.35	0.66
Total	\$70,438,242.50	\$0.00	\$70,438,242.50	100%

Credit quality of bond holdings

Effective credit rating	Issues	Value on 03/31/2018 (\$)	% of port.
A Aaa/AAA/AAA	19	46,579,850.13	66.28
B Aa/AA/AA	8	9,147,108.25	12.96
C A/A/A	15	13,727,685.23	19.36
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Total	43	\$70,438,242.50	100%



Bond maturity schedule



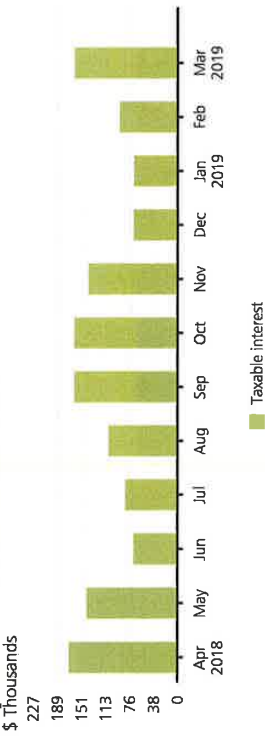
■ Effective maturity schedule
 Cash, mutual funds and some preferred securities are not included.



Bond summary - as of March 31, 2018 (continued)

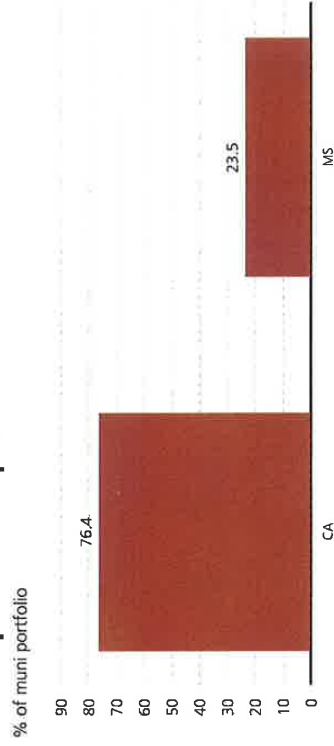
EB 02120 • BOND PORTFOLIO • Portfolio Management Program
 Prepared for: Kern Health Systems
 Risk profile: Conservative
 Return Objective: Current Income

Expected bond cash flow



Total taxable income: \$1,459,439.25
Total expected bond cash flow: \$1,459,439.25
 Cash flows displayed account for known events such as maturities and mandatory puts.

Municipal state exposure





Bond holdings

as of March 31, 2018

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 Prepared for: Kern Health Systems
 Risk profile: Conservative
 Return Objective: Current Income

Summary of bond holdings

Maturity Year	Issues	Quantity	Est. annual income (\$)	Current yield (%)	Yield to maturity (%)	Yield to worst (%)	Modified duration	Adjusted cost basis (\$)	Unrealized gain/loss (\$)	Mkt. value (\$)	% of bond portfolio maturing
2018	8	8,635,000	193,545.00	2.24%	2.12%	2.12%	0.45	8,670,958.83	-34,421.08	8,703,269.44	12.33%
2019	7	9,979,000	203,607.50	2.04%	2.33%	2.33%	1.11	10,054,466.28	-86,869.05	10,039,138.52	14.23%
2020	7	15,629,000	339,277.50	2.20%	2.81%	2.81%	2.13	15,776,302.06	-365,754.75	15,507,547.59	22%
2021	12	19,920,000	364,978.00	1.88%	2.72%	2.72%	3.05	20,002,869.48	-621,969.28	19,439,810.65	27.67%
2022	8	14,489,000	335,272.50	2.36%	2.82%	2.82%	4.07	14,488,613.09	-293,391.13	14,270,622.13	20.26%
2023	1	2,500,000	63,750.00	2.59%	2.87%	2.87%	4.45	2,489,625	-24,875.00	2,477,854.17	3.52%
2024	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2025	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2026	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2027	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2028	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2029	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2030	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2031	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2032	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2033	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2034	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2035	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2036	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2037	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2038	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2039	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2040	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2041	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2042	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2043	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2044	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2045	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2046	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2047	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
2047 +	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
Other	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
Total	43	71,152,000	\$1,500,430.50	2.14%	2.64%	2.63%	2.51	\$71,482,834.74	-\$1,427,280.29	\$70,438,242.50	

Report created on: May 07, 2018



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

Bond holdings - as of March 31, 2018 (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. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
Total Bond Portfolio		71,152,000	2.14%	11/19/2020	NA	\$1,500,430.50 2.14%	2.64% 2.63%	2.51 \$-1,427,280.29	\$71,482,834.7 \$-1,427,280.29	NA	\$70,055,554.45 \$382,688.05	100%
Maturing 2018												
GENERAL ELEC CAP CORP 01.625% 04/02/18 DTD040213 FC100213 NTS B/E	A2/A+/A NR/NR/NR	1,000,000	1.63%	04/02/2018		16,250.00 1.63%	1.61% 1.61%	0.00 -7.83	1,000,007.83 -7.83	100.000	1,000,000.00 8,079.86	1.43%
CUSIP: 36962G6W9 Initial Purchase Date: 04/15/2013 Original Maturity: 04/02/2018												
ST STREET CORP NTS B/E 01.350% 05/15/18 DTD051513 FC1111513	A1/AA-/A NR/NR/NR	335,000	1.35%	05/15/2018		4,522.50 1.35%	2.48% 2.48%	0.12 -247.90	334,762.15 -247.90	99.855	334,514.25 1,708.50	0.48%
CUSIP: 857477AK9 Initial Purchase Date: 11/02/2015 Original Maturity: 05/15/2018												
EI DU PONT DE NEMOURS 06.000% 07/15/18 DTD072808 FC011509 CALL@MMW +30BP CUSIP: 263534BT5	A3/AA- NR/NR/NR	450,000	6.00%	07/15/2018		27,000.00 5.95%	2.80% 2.80%	0.29 -1,124.81	455,282.81 -1,124.81	100.924	454,158.00 5,700.00	0.65%
CUSIP: 263534BT5 Initial Purchase Date: 10/27/2015 Original Maturity: 07/15/2018												
PAJARO VLY CAL USD TAX SR B BE/R/ 2.070 08/01/18 DTD 020713 /CA	Aa2/NR/A+ Aa2/NR/NR	300,000	2.07%	08/01/2018		6,210.00 2.07%	1.97% 1.97%	0.33 -580.03	300,673.03 -580.03	100.031	300,093.00 1,035.00	0.43%
CUSIP: 695802MR6 Initial Purchase Date: 10/29/2015 Original Maturity: 08/01/2018												
SACRAMENTO CA PENSION OB AGC TAX OID99.264 BE/R/ 5.600 08/01/18 DTD 092811 /CA	A2/NR/AA Baa1/NR/AA- U	500,000	5.60%	08/01/2018		28,000.00 5.55%	2.73% 2.73%	0.33 -1,877.88	506,647.88 -1,877.88	100.954	504,770.00 4,666.67	0.72%
CUSIP: 786056B80 Initial Purchase Date: 06/29/2016 Original Maturity: 08/01/2018												



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Bond holdings - as of March 31, 2018 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) / Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
Maturing 2018											
INTERCONTINENTAL EXCHANGE 02.500% 10/15/18 DTD 100813 FC041514 CALL@MW+20BP CUSIP: 45866FAB0	AZ/NR/A NR/NR/R	300,000	2.50%	10/15/2018		7,500.00 2.50%	2.59% 0.53	301,036.78 -1,186.78	99.950	299,850.00 3,458.33	0.43%
Initial Purchase Date: 10/29/2015 Original Maturity: 10/15/2018											
FHLB NTS 01.050 % DUE 10/26/18 DTD 072616 FC 10262016 CUSIP: 3130A8RP0	Aaa/NR/AA+ NR/NR/R	5,000,000	1.05%	10/26/2018		52,500.00 1.06%	1.98% 1.98%	5,000,000.00 -26,400.00	99.472	4,973,600.00 22,604.17	7.10%
Initial Purchase Date: 08/02/2016 Original Maturity: 10/26/2018											
MERRILL LYNCH GLOBAL NTS 06.875% 11/15/18 DTD 112498 FC051599 CUSIP: 590188JN9	A3/A/A- NR/NR/R	750,000	6.88%	11/15/2018		51,562.50 6.70%	2.65% 2.65%	772,548.35 -2,995.85	102.607	769,552.50 19,479.17	1.10%
Initial Purchase Date: 10/27/2015 Original Maturity: 11/15/2018											
Total 2018		8,635,000	2.26%	09/14/2018		\$193,545.00 2.24%	2.12% 2.12%	\$8,670,958.83 \$-34,421.08		\$8,636,537.75 \$66,731.69	12.33%

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) / Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
Maturing 2019											
FFCB BOND 01.030 % DUE 040519 DTD 070516 FC 10052016 CUSIP: 3133EGJW6	Aaa/AAA/AA+ NR/NR/R	5,000,000	1.03%	04/05/2019		51,500.00 1.04%	2.23% 2.23%	4,996,250.00 -56,150.00	98.802	4,940,100.00 25,177.78	7.05%
Initial Purchase Date: 06/29/2016 Original Maturity: 04/05/2019											
CALIFORNIA ST TAX 2.250 050119 DTD 050114 /CA CUSIP: 13063CKL3	Aa3/AA- Aa3/AA-NR	2,500,000	2.25%	05/01/2019		56,250.00 2.25%	2.24% 2.24%	2,507,622.71 -7,397.71	100.009	2,500,225.00 23,437.50	3.57%
Initial Purchase Date: 05/20/2014 Original Maturity: 05/01/2019											
FNMA NTS 01.125 % DUE 072619 DTD 072616 FC 01262017 CUSIP: 3135G0M59	Aaa/AAA/AA+ NR/NR/R	594,000	1.13%	07/26/2019	04/26/2018 100.00	6,682.50 1.14%	2.26% 2.26%	593,109.00 -7,858.62	98.527	585,250.38 1,206.56	0.84%
Initial Purchase Date: 08/02/2019 Original Maturity: 07/26/2019											



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Bond holdings - as of March 31, 2018 (continued)

Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) / Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
Maturing 2019										
A3/A/BBB+ NR/NR/NR	750,000	5.63%	09/23/2019		42,187.50 5.42%	2.98% 2.98%	783,206.90 -4,669.40	103.805	778,537.50 937.50	1.11%
MORGAN STANLEY 05.625% 092319 DTD092309 FC032310 MMW+358P CUSIP: 61747YCJZ Initial Purchase Date: 08/28/2015										
Aa3/AA-/AA- Aa3/AA-/NR	400,000	6.20%	10/01/2019		24,800.00 5.88%	2.46% 2.46%	424,650.18 -2,694.18	105.489	421,956.00 12,400.00	0.60%
Original Maturity: 09/23/2019 CALIFORNIA ST TAX BE/R/ 6.200 100119 DTD 101509 /CA CUSIP: 13063A7G3 Initial Purchase Date: 12/30/2015										
Aaa/AAA/AA+ NR/NR/NR	485,000		10/01/2019			2.47% 2.47%	469,952.32 -2,358.97	96.411	467,593.35 0.00	0.67%
Original Maturity: 10/01/2019 FLMCMED TERM NTS 00.0000% DUE 100119 CUSIP: 3128X25W6 Initial Purchase Date: 06/03/2015										
A3/M/D/A- NR/NR/NR	250,000	8.88%	11/15/2019		22,187.50 8.10%	2.81% 2.81%	279,675.17 -5,740.17	109.574	273,935.00 8,381.94	0.39%
Original Maturity: 10/01/2019 UNTD TECHNOLOGIES CORP 08.875% 111519 DTD111389 FC051590 DEB CUSIP: 913017ARO Initial Purchase Date: 09/08/2016										
Total 2019										
	9,979,000	2.19%	05/24/2019		\$203,607.50 2.04%	2.33% 2.33%	\$10,054,466.2 \$-86,869.05		\$9,967,597.23 \$71,541.29	14.23%
Maturing 2020										
Baa2/A/D/BBB NR/NR/NR	1,000,000	2.00%	03/15/2020		20,000.00 2.04%	2.91% 2.91%	999,370.00 -15,660.00	98.271	982,710.00 888.89	1.40%
ABBOTT LABS NTS B/E 02.000% 031520 DTD031015 FC091515 CALL@MMW+10BP CUSIP: 002824AZ3 Initial Purchase Date: 05/12/2016										
Aaa/AAA/AA+ NR/NR/NR	1,750,000	1.50%	03/23/2020	06/23/2018 100.00	26,250.00 1.52%	2.34% 2.34%	1,748,250.00 -26,477.50	98.387	1,721,772.50 583.33	2.46%
Original Maturity: 03/15/2020 FNMA NTS 01.500 % DUE 032320 DTD 032316 FC 09232016 CUSIP: 3136G3CC7 Initial Purchase Date: 03/01/2016										



Bond holdings - as of March 31, 2018 (continued)

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Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2020											
A3/A+- NR/NR/NR	2,000,000	5.15%	04/30/2020		103,000.00 4.93%	2.97%	1.93	2,148,201.87 -60,681.87	104.376	2,087,520.00 42,916.67	2.98%
NBCUNIVERSAL MEDIA LLC 05.150% 043020 DTD043011 CALL@MW+258P CUSIP: 63946BAD2 Initial Purchase Date: 09/08/2016 Original Maturity: 04/30/2020											
A1/NR/A NR/NR/NR	2,879,000	2.25%	05/20/2020		64,777.50 2.29%	3.06%	2.05	2,887,800.19 -56,620.38	98.339	2,831,179.81 23,571.81	4.04%
QUALCOMM INC NTS B/E 02.250% 052020 DTD052015 FC112015 CUSIP: 747525AD5 Initial Purchase Date: 02/22/2017 Original Maturity: 05/20/2020											
Aaa/AAA/AA+ NR/NR/NR	3,500,000	1.50%	06/29/2020	03/29/2018 100.00	52,500.00 1.55%	3.08%	2.18	3,500,000.00 -116,340.00	96.676	3,383,660.00 13,416.67	4.83%
FHLAC 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	1.35%	08/24/2020	05/24/2018 100.00	47,250.00 1.38%	2.38%	2.34	3,498,250.00 -82,145.00	97.603	3,416,105.00 4,856.25	4.88%
FNMA NTS 01.350 % DUE 082420 DTD 082416 FC 02242017 CUSIP: 3136G3W92 Initial Purchase Date: 08/02/2016 Original Maturity: 08/24/2020											
A3/A+- NR/NR/NR	1,000,000	2.55%	10/29/2020	09/29/2020 100.00	25,500.00 2.58%	3.05%	2.45	994,430.00 -6,830.00	98.760	987,600.00 10,766.67	1.41%
J P MORGAN CHASE & CO 02.550% 102920 DTD102915 FC042916 NTS B/E CUSIP: 46625HNX4 Initial Purchase Date: 11/04/2015 Original Maturity: 10/29/2020											
Total 2020											
	15,629,000	2.20%	06/16/2020		\$339,277.50 2.20%	2.81%	2.13	\$15,776,302.0 \$-365,754.75		\$15,410,547.31 \$97,000.28	22.00%
Maturing 2021											
A3/A+- NR/NR/NR	400,000	3.63%	01/15/2021		14,500.00 3.56%	2.97%	2.62	417,623.22 -10,711.22	101.728	406,912.00 3,061.11	0.58%
E I DU PONT DE NEMOURS 03.625% 011521 DTD092310 CALL@MW+158P B/E CUSIP: 263534CB3 Initial Purchase Date: 06/03/2016 Original Maturity: 01/15/2021											

Report created on: May 07, 2018



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Bond holdings - as of March 31, 2018 (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.
Maturing 2021											
FECB BOND 01.470 % DUE 02/17/21	Aaa/AAA/AA+	4,500,000	1.47%	02/17/2021		66,150.00	2.59%	4,496,625.00	96.906	4,360,770.00	6.22%
DTD 081716 FC 02/17/2017	NR/NR/NR					1.52%	2.59%	-135,855.00		8,085.00	
CUSIP: 3133EGRN7											
Initial Purchase Date: 08/12/2016											
FHLMC MED TERM NTS 01.500 %	Aaa/AAA/AA+	3,525,000	1.50%	03/30/2021	03/30/2018	52,875.00	2.65%	3,524,118.75	96.707	3,408,921.75	4.87%
DUE 033021 DTD 093016 FC	NR/NR/NR				100.00	1.55%	2.65%	-115,197.00		0.00	
03302017											
CUSIP: 3134GAEEO											
Initial Purchase Date: 09/08/2016											
Original Maturity: 03/30/2021											
EI DU POINT DE NEMOURS	A3/A/A-	250,000	4.25%	04/01/2021		10,625.00	3.08%	267,406.85	103.329	258,322.50	0.37%
04.250% 040121 DTD032511	NR/NR/NR					4.11%	3.08%	-9,084.35		5,312.50	
CALL@MMW+15BP											
CUSIP: 263534CE7											
Initial Purchase Date: 09/08/2016											
Original Maturity: 04/01/2021											
BURLINGTON NTHN SANTA FE	A3/NR/A+	1,000,000	4.10%	06/01/2021	03/01/2021	41,000.00	2.99%	1,050,290.03	103.321	1,033,210.00	1.47%
04.100% 060121 DTD051911	NR/NR/NR				100.00	3.97%	2.91%	-17,080.03		13,666.67	
CALL@MMW +15BP CORP NTS											
CUSIP: 12189LAD3											
Initial Purchase Date: 02/22/2017											
Original Maturity: 06/01/2021											
FNMA NTS 01.530 % DUE 072821	Aaa/AAA/AA+	3,750,000	1.53%	07/28/2021	04/28/2018	57,375.00	2.82%	3,750,000.00	95.922	3,597,075.00	5.13%
DTD 072816 FC 01282017	NR/NR/NR				100.00	1.60%	2.82%	-152,925.00		10,040.63	
CUSIP: 3136G3S97											
Initial Purchase Date: 08/02/2016											
Original Maturity: 07/28/2021											
FHLB NTS 01.550 % DUE 090121	Aaa/NR/AA+	500,000	1.55%	09/01/2021		7,750.00	2.74%	499,375.00	96.132	480,660.00	0.69%
DTD 090116 FC 03012017	NR/NR/NR					1.61%	2.74%	-18,715.00		645.83	
CUSIP: 3130A9B19											
Initial Purchase Date: 09/08/2016											
Original Maturity: 09/01/2021											
LOS ANG CAL TAX SR A	Aa2/NR/NR	1,000,000	2.15%	09/01/2021		21,500.00	2.70%	994,250.00	98.216	982,160.00	1.40%
BER/	Aa2/NR/NR					2.19%	2.70%	-12,090.00		1,791.67	
2.150 090121 DTD 122116 /CA											
CUSIP: 544351K01											
Initial Purchase Date: 12/23/2016											
Original Maturity: 09/01/2021											
CISCO SYSTEMS INC B/E 01.850%	A1/NR/AA-	1,000,000	1.85%	09/20/2021	08/20/2021	18,500.00	2.91%	993,660.00	96.530	965,300.00	1.38%
092021 DTD092016 FC032017	NR/NR/NR				100.00	1.92%	2.91%	-28,360.00		565.28	
CALL@MMW+10BP											
CUSIP: 17275RB10											
Initial Purchase Date: 09/15/2017											
Original Maturity: 09/20/2021											



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Bond holdings - as of March 31, 2018 (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.
Maturing 2021											
FHLB BOND 01.520 % DUE 092321	Aaa/NR/AA+	2,290,000	1.52%	09/23/2021		34,808.00 1.58%	2.67% 2.67%	2,289,150.00 -86,147.10	96.201	2,203,002.90 773.51	3.14%
DTD 092316 FC 03232017	NR/NR/NR										
CUSIP: 3130A9FB2											
Initial Purchase Date: 09/27/2016											
Original Maturity: 09/23/2021											
FHLB BOND 01.600 % DUE 092721	Aaa/NR/AA+	255,000	1.60%	09/27/2021		4,080.00 1.65%	2.53% 2.53%	255,000.00 -7,876.95	96.911	247,123.05 45.33	0.35%
DTD 092716 FC 03272017	NR/NR/NR										
CUSIP: 3130A9JZ5											
Initial Purchase Date: 09/27/2016											
Original Maturity: 09/27/2021											
MISISSIPPI ST TAX SR G	Aa2/AA/AA	1,450,000	2.47%	11/01/2021		35,815.00 2.49%	2.72% 2.72%	1,465,370.63 -27,927.63	99.134	1,437,443.00 14,922.92	2.05%
BE/R/ 2.470 110121 DTD 120815	Aa2/AA/NR										
/MS											
CUSIP: 605581GN1											
Initial Purchase Date: 02/22/2017											
Original Maturity: 11/01/2021											
Total 2021		19,920,000	1.85%	06/12/2021		\$364,978.00 1.88%	2.72% 2.72%	\$20,002,869.4 \$-621,969.28		\$19,380,900.20 \$58,910.45	27.67%

	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.
Maturing 2022											
APPLE INC NTS B/E 02.500%	Aa1/NR/AA+	2,000,000	2.50%	02/09/2022	01/09/2022	50,000.00 2.54%	2.93% 2.93%	2,004,554.44 -35,434.44	98.456	1,969,120.00 7,222.22	2.81%
020922 DTD020917 FC080917	NR/NR/NR				100.00						
CALL@MW+10BP											
CUSIP: 037833CM0											
Initial Purchase Date: 02/22/2017											
Original Maturity: 02/09/2022											
FFCB BOND 02.730 % DUE 02.1422	Aaa/AA/AA+	900,000	2.73%	02/14/2022	02/14/2019	24,570.00 2.73%	2.76% 2.76%	898,200.00 927.00	99.903	899,127.00 3,207.75	1.28%
DTD 021418 FC 08142018	NR/NR/NR				100.00						
CUSIP: 3133EJCG2											
Initial Purchase Date: 02/23/2018											
Original Maturity: 02/14/2022											
PEPSICO INC NTS B/E 02.250%	A1/AA+	1,089,000	2.25%	05/02/2022	04/02/2022	24,502.50 2.31%	2.96% 2.96%	1,087,301.16 -28,096.20	97.264	1,059,204.96 10,141.31	1.51%
050222 DTD050217 FC110217	NR/NR/NR				100.00						
CALL@MW+10BP											
CUSIP: 713448DTZ											
Initial Purchase Date: 05/16/2017											
Original Maturity: 05/02/2022											



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Bond holdings - as of March 31, 2018 (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.
Maturing 2022											
QUALCOMM INC NTS B/E 03.000%	A1/NR/A	1,000,000	3.00%	05/20/2022		30,000.00	3.81	1,024,657.49	98.509	985,090.00	1.41%
052022 DTD052015 FC112015	NR/NR/NR					3.05%	3.39%	-39,567.49		10,916.67	
CALL@MMW+15BP											
CUSIP: 747525AE3											
Initial Purchase Date: 09/15/2017											
Original Maturity: 05/20/2022											
FHLB NTS 02.000 % DUE 090122	Aaa/NR/AA+	3,000,000	2.00%	09/01/2022		60,000.00	4.18	2,988,750.00	96.943	2,908,290.00	4.15%
DTD 090117 FC 03012018	NR/NR/NR					2.06%	2.74%	-80,460.00		5,000.00	
CUSIP: 3130ACD84											
Initial Purchase Date: 09/26/2017											
Original Maturity: 09/01/2022											
FFCB BOND 02.100 % DUE 092622	Aaa/AAA/AA+	2,000,000	2.10%	09/26/2022	09/26/2018	42,000.00	4.24	1,999,000.00	97.527	1,950,540.00	2.78%
DTD 092617 FC 03262018	NR/NR/NR				100.00	2.15%	2.69%	-48,460.00		583.33	
CUSIP: 3133EHZK4											
Initial Purchase Date: 09/26/2017											
Original Maturity: 09/26/2022											
FFCB BOND 02.160 % DUE 101122	Aaa/AAA/AA+	2,500,000	2.16%	10/11/2022	10/11/2018	54,000.00	4.23	2,495,150.00	97.622	2,440,550.00	3.48%
DTD 101117 FC 04112018	NR/NR/NR				100.00	2.21%	2.72%	-54,600.00		25,500.00	
CUSIP: 3133EHE58											
Initial Purchase Date: 10/17/2017											
Original Maturity: 10/11/2022											
FHLB BOND 02.510 % DUE 122922	Aaa/NR/AA+	2,000,000	2.51%	12/29/2022	03/29/2018	50,200.00	4.42	1,991,000.00	99.165	1,983,300.00	2.83%
DTD 122917 FC 06292018	NR/NR/NR				100.00	2.53%	2.72%	-7,700.00		12,828.89	
CUSIP: 3130AD6W7											
Initial Purchase Date: 01/26/2018											
Original Maturity: 12/29/2022											
Total 2022		14,489,000	2.32%	08/02/2022		\$335,272.50	2.82%	\$14,488,613.0		\$14,195,221.96	20.26%
						2.36%	2.82%	\$-293,391.13		\$75,400.17	
Maturing 2023											
FFCB BOND 02.550 % DUE 011723	Aaa/AAA/AA+	2,500,000	2.55%	01/17/2023	01/17/2019	63,750.00	4.45	2,489,625.00	98.590	2,464,750.00	3.52%
DTD 011718 FC 07172018	NR/NR/NR				100.00	2.59%	2.87%	-24,875.00		13,104.17	
CUSIP: 3133EH7C1											
Initial Purchase Date: 01/26/2018											
Original Maturity: 01/17/2023											
Total 2023		2,500,000	2.55%	01/17/2023		\$63,750.00	2.87%	\$2,489,625.00		\$2,464,750.00	3.52%
						2.59%	2.87%	\$-24,875.00		\$13,104.17	



Bond holdings - as of March 31, 2018 (continued)

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

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. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
	71,152,000	2.14%	11/19/2020	NA	\$1,500,430.50 2.14%	2.64% 2.63%	2.51 \$-1,427,280.29	NA		\$70,055,554.45 \$382,688.05	100%
Total Bond Portfolio										\$70,438,242.50	



Additional information about your portfolio

as of March 31, 2018

Benchmark composition

Account EB 02120

Benchmark 1

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

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



Disclosures applicable to accounts at UBS Financial Services Inc.

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

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

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

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

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

Client Accounts: This report may include all assets in the accounts listed and may include eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your accounts and does not reflect the performance of your accounts in the fee-based program. As a result, the performance reflected in this report can vary substantially from the individual account.

performance reflected in the performance reports provided to you as part of those programs. For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. When shown on a report, the risk profile and return objectives describe your overall goals for these accounts. For each account you maintain, you choose one return objective and a primary risk profile. If you have questions regarding these objectives or wish to change them, please contact your Financial Advisor to update your accounts records.

Performance: This report presents accounts activity and performance starting 12/31/02. For accounts opened prior to 12/31/02, 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): For reports generated on or after 12/6/2018, the report displays a time weighted rate of return (TWR) that is calculated by dividing the portfolio's daily gain/loss by the previous day's closing market value plus the net value of cash flows that occurred during the day, if it was positive. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. Periods greater than one day are calculated by linking

the daily returns. All periods shown which are greater than 12 months are annualized. For reports generated prior to 01/26/2018, the performance calculations used the account's end of day value on the performance inception (listed in the report under the column "IPO") and all cash flows were posted at end of day. As a result of the change, the overall rate of return (TWR) and beginning market value displayed can vary from prior generated reports.

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. It should also be noted that where gross returns are compared to an index, the index performance also does not reflect any transaction costs, which would lower the performance results. Market index data maybe subject to review and revision.

Benchmark/Major Indices: The past performance of an index is not a guarantee of future results. Any benchmark is shown for informational purposes only and relates to historical performance of market indices and not the performance of actual investments. Although most portfolios use indices as benchmarks, portfolios are actively managed and generally are not restricted to investing only in securities in the index. As a result, your portfolio holdings and performance may vary substantially from the index. Each index reflects an unmanaged universe of securities without any deduction

for advisory fees or other expenses that would reduce actual returns, as well as the reinvestment of all income and dividends. An actual investment in the securities included in the index would require an investor to incur transaction costs, which would lower the performance results. Indices are not actively managed and investors cannot invest directly in the indices. Market index data may be subject to review and revision. Further, there is no guarantee that an investor's account will meet or exceed the stated benchmark. Index performance information has been obtained from third parties deemed to be reliable. We have not independently verified this information, nor do we make any representations or warranties to the accuracy or completeness of this information.

Benchmark 1 for Advisory accounts- The Benchmark 1 for your account is designed to reflect the asset categories in which your account is invested.

Benchmark 2 - 8 for Advisory accounts - are optional indices selected by you which may consist of a blend of indexes.

Consumer Price Index - The Consumer Price Index for Urban Wage Earners and Clerical Workers-U.S. City Average. All items. Based on monthly data published by the U.S. Department of Labor. The CPI for the most recent month is estimated due to the delayed release of CPI data by the U.S. government. Therefore, CPI for the most recent month is assumed to be equal to the CPI for the previous month.

CPI + % - is an optional index that, if selected, will replace the standard CPI measure on your Review. This index consists of the CPI return plus an absolute annualized return selected by you.

Client Return Objective - is an optional annualized return objective selected by you. In establishing this objective, you should make sure that it is consistent with your tolerance for risk.

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,



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

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.

Performance Start Date Changes: The Performance Start Date for accounts marked with a "v" have changed. Performance figures of an account with a changed Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS FS. As a result, the overall performance of these accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS FS recommends reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and will show performance and activity information from the earliest available inception date. The Change in Performance Start Date may be the result

of a performance gap due to a zero-balance that prevents the calculation of continuous returns from the inception of the account. The Performance Start Date may also change if an account has failed one of our performance data integrity tests. In such instances, the account will be labeled as "Review Required" and performance prior to that failure will be restricted. Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details regarding your new Performance Start Date.

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

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

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

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

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

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of

this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS' 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 illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

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

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

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.

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

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

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

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

Estimated Annual Income: The Estimated Annual Income is calculated by summing the previous four dividend rates per share and multiplying by the quantity of shares held in the selected account(s) as of the End Date of Report.

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 are currently available from that rating agency.



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

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.

Taxability unknown: Taxability unknown items may include, but not be limited to: Money Market interest, ordinary interest, and ordinary dividends. The value shown for interest bearing securities that have been deposited or received in your account includes accrued interest, where applicable.

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

Expected Cash Flow reporting for Puerto Rico Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not

Expected Cash Flow reporting for Puerto Rico Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not

be relied upon by you or your advisers. Neither UBS FS nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

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

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

The account listing may or may not include all of your accounts with UBS FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page or listed at the top of each page. If an account number begins with "0" this denotes assets or liabilities held at other financial institutions. Information about these assets, including valuation, account type and cost basis, is based on the information you provided to us, or provided to us by third party data aggregators or custodians at your direction. We have not verified, and are not responsible for, the accuracy or completeness of this information.

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

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

ADV disclosure: A complimentary copy of our current

Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

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

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

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

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

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Kern Health Systems
Account Number: EBXXX20

Filtered by: Entry Date 01/01/2018-03/31/2018, Call/Redemption

Your Financial Advisor:
THE COHEN GROUP
 Phone: 661-563-2200/800-628-8022

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
03/01/18	03/01/18	CALL REDEMPTION	ST OF CA VAR GEN OBLI BN TAX BE/R	6425P6	-250,000.000	REDEMPTION	250,000.00
02/01/18	02/01/18	CALL REDEMPTION	AT&T INC CALL @MMW+BP 05.500% 020118 DTD020108	611547	-500,000.000	REDEMPTION	500,000.00
01/18/18	01/18/18	CALL REDEMPTION	GOLDMAN SACHS GROUP INC 05.950% 011818 DTD011808 7249D7		-650,000.000	REDEMPTION	650,000.00
01/10/18	01/10/18	CALL REDEMPTION	BAKER HUGHES INC NTS 07.500% 111518 DTD102808	6278D4	-750,000.000	REDEMPTION	782,760.00

Filtered by: Entry Date 01/01/2018-03/31/2018, Bought

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
02/23/18	02/26/18	BOUGHT	FFCB BOND 02.730 % DUE 021422 Trade#:47979 Blot:08	FA6MQ6	900,000.000	\$99.800	-899,019.00
01/26/18	01/29/18	BOUGHT	FHLB BOND 02.510 % DUE 122922 Trade#:41962 Blot:08	FA46D5	2,000,000.000	\$99.550	-1,995,183.33
01/26/18	01/29/18	BOUGHT	FFCB BOND 02.550 % DUE 011723 Trade#:41908 Blot:08	FA5AZ6	2,500,000.000	\$99.585	-2,491,750.00

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

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

*The information is based upon the market value of your account(s) as of the close of business on **May 16, 2018**, is subject to daily market fluctuation and in some cases may be rounded for convenience.*

Your UBS account statements and trade confirmation are the official records of your accounts at UBS. We assign index benchmarks to our asset allocations, strategies in our separately managed accounts and discretionary programs based on our understanding of the allocation, strategy, the investment style and our research. The benchmarks included in this report can differ from those assigned through our research process. As a result, you may find that the performance comparisons may differ, sometimes significantly, from that presented in performance reports and other materials that are prepared and delivered centrally by the Firm. Depending upon the composition of your portfolio and your investment objectives, the indexes used in this report may not be an appropriate measure for comparison purposes, and as such, are represented for illustration only. Your portfolio holdings and performance may vary significantly from the index. Your financial advisor can provide additional information about how benchmarks within this report were selected.

You have discussed the receipt of this individually customized report with your Financial Advisor and understand that it is being provided for informational purposes only. If you would like to revoke such consent, and no longer receive this report, please notify your Financial Advisor and/or Branch Manager.



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PO BOX 5120
SIOUX FALLS, SD 57117-5120
1-800-645-3751

BR STMT KERN HEALTH SYSTEMS
9700 STOCKDALE HWY
BAKERSFIELD, CA 93311



Enclosed is your Wells Fargo Securities, LLC account statement. If you have elected Wells Fargo Bank, N.A. (WFB) as the safekeeping agent for your securities, then also enclosed is 1) a separate WFB safekeeping statement and 2) a page summarizing activity and investments in your WFS account and its related WFB account.

If you have multiple WFS accounts and have requested "house-holding," we have included the statements that pertain to those accounts in this single envelope.

The Securities and Exchange Commission (SEC) permits a broker-dealer to publish its annual and semiannual Statement of Financial Condition on a website in lieu of providing a paper copy. You can find this information for Wells Fargo Securities, LLC ("WFS") as of December 31, 2017 at www.wellsfargo.com/com/securities/financial-reports. If you wish to receive a paper copy of the Statement of Financial Condition, at no cost, please call (800) 326-5897 and we will promptly satisfy your request.

We are also required by the SEC to disclose the following information:

WFS (the Company) is subject to the SEC's Uniform Net Capital Rule (Rule 15c3-1) and Commodities Futures Trading Commission (CFTC) Regulation 1.17, which require the maintenance of minimum net capital. Under SEC Rule 15c3-1, the Company has elected to use the alternative method, permitted by the rule, which requires that the Company maintain minimum net capital, as defined, equal to the greater of \$1,500,000 or 2 percent of aggregate debit balances arising from customer transactions, as defined. Under CFTC Regulation 1.17, the Company is required to maintain an adjusted net capital equivalent to the greater of \$1,000,000 or \$809,175,000 which was 8% of the total risk margin requirement for all positions carried in customer and non-customer accounts plus additional net capital requirements related to certain reverse repurchase agreements. At December 31, 2017, the Company had net capital of \$8,228,444,000, which was 63.00% of aggregate debit balances, and \$7,419,269,000 in excess of required net capital. At January 31, 2018, the Company had a net capital requirement of \$838,573,000, net capital of \$7,786,561,000 which was 58% of aggregate debit balances, and \$6,947,988,000 in excess of required net capital.

The audited Statement of Financial Condition of WFS as of December 31, 2017, which was filed with the Securities and Exchange Commission pursuant to Rule 17a-5 of the Securities Exchange Act, is available for inspection at the principal office of the Company and at the regional office of the Securities and Exchange Commission.

Investments, other than Brokered Certificates of Deposits, are not FDIC insured, may lose value, and are not bank guaranteed - see important disclosures on the reverse of your account summary page.

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Wells Fargo Securities, LLC
 707 WILSHIRE BOULEVARD
 LOS ANGELES CA 90017
 JONATHAN CHUANG
 1-213-614-2206

**Combined Summary
 Brokerage Account and Bank Account**

**Statement Period
 03/01/2018 - 03/31/2018**

KERN HEALTH SYSTEMS
 9700 STOCKDALE HWY

**Account Number
 1AB84780**

Total Account Value Summary - US Dollar (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	19,367,517.17	35,331,587.28	27%
Bonds	113,382,703.93	93,567,238.85	73%
Stocks	0.00	0.00	0%
Total Account Value	\$ 132,750,221.10	\$ 128,898,826.13	100%
Value Change Since Last Statement Period		\$ (3,851,394.97)	
Percent Decrease Since Last Statement Period			3%
Value Last Year-End		\$ 106,942,632.68	
Percent Increase Since Last Year-End			21%

***Includes amortized Par value of municipal leases and notes.

Total Income Summary USD

	This Period	Year-To-Date
Interest	\$ 59,522.76	\$ 419,618.26
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	34,294.65	97,688.48
Other	0.00	0.00
Income Total	\$ 93,817.41	\$ 517,306.74

Total Money Market Mutual Funds Summary USD

Description	Amount
Opening Balance	\$ 19,367,517.17
Deposits and Other Additions	115,797,511.53
Distributions and Other Subtractions	(99,867,736.07)
Dividends Reinvested	34,294.65
Change in Value	0.00
Closing Balance	\$ 35,331,587.28



Wells Fargo Securities, LLC
 707 WILSHIRE BOULEVARD
 LOS ANGELES CA 90017
 JONATHAN CHUANG
 1-213-614-2206

Brokerage Account Statement
Wells Fargo Securities, LLC

Statement Period
03/01/2018 - 03/31/2018

KERN HEALTH SYSTEMS
 9700 STOCKDALE HWY

Account Number
 1AB84780

Account Value Summary USD

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	Amount Last Statement Period	Amount This Statement Period	% Portfolio
Cash	\$ 0.00	\$ 0.00	0%
Money Market Mutual Funds	0.00	0.00	0%
Bonds	0.00	0.00	0%
Stocks	0.00	0.00	0%
Total Account Value	\$ 0.00	\$ 0.00	0%
Value Change Since Last Statement Period		\$ 0.00	
Percent Increase Since Last Statement Period			N/A
Value Last Year-End		\$ 0.00	
Percent Increase Since Last Year-End			N/A

Income Summary USD

	This Period	Year-To-Date
Interest	\$ 0.00	\$ 0.00
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	0.00	0.00
Other	0.00	0.00
Income Total	\$ 0.00	\$ 0.00

Money Market Mutual Funds Summary USD

Description	Amount
Opening Balance	\$ 0.00
Deposits and Other Additions	0.00
Distributions and Other Subtractions	0.00
Dividends Reinvested	0.00
Change in Value	0.00
Closing Balance	\$ 0.00

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 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 (1-800-269-9999) or the FINRA website (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/com/securities/regulatory>.

Equity Extended Hours Trading: See important information relating to equities trading before and after regular trading hours at: www.wellsfargo.com/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 any other 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
wfscustomerservice@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 re-confirm in writing to the above address any oral communications with WFS relating to the inaccuracies or discrepancies.

Wells Fargo Bank, N.A. Institutional Deposit: Funds invested in the Institutional Deposit are on deposit at Wells Fargo Bank, N.A. and balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to the full amount allowable by law. Institutional Deposit balances are not insured by the Securities Investor Protection Corporation ("SIPC"). For further details, see the Institutional Deposit Product Description.

KERN HEALTH SYSTEMS
Account Number: 1AB84780

Daily Account Activity

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Eff. Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
Transaction Activity USD									
02/28/18	03/02/18	Purchase	89236TCX1	TOYOTA MOTOR CREDIT CORP	1,000,000.00	99.9520000	(999,520.00)	(4,866.67)	(1,004,386.67)
03/02/18	03/02/18	Security Delivery	89236TCX1	TOYOTA MOTOR CREDIT CORP	(1,000,000.00)		0.00	0.00	0.00
03/02/18	03/06/18	Purchase	69353RET1	PNC BANK NA	1,000,000.00	99.8340000	(998,340.00)	(6,050.00)	(1,004,390.00)
03/06/18	03/06/18	Security Delivery	69353RET1	PNC BANK NA	(1,000,000.00)		0.00	0.00	0.00
03/14/18	03/14/18	Purchase	45113VE89	IBM CREDIT LLC 4(2) DISCOUNTED	4,000,000.00	99.7326390	(3,989,305.56)	0.00	(3,989,305.56)
03/14/18	03/14/18	Security Delivery	45113VE89	IBM CREDIT LLC 4(2) DISCOUNTED	(4,000,000.00)		0.00	0.00	0.00
03/14/18	03/15/18	Purchase	912796PA1	UNITED STATES TREASURY BILL	10,000,000.00	99.8778690	(9,967,788.89)	0.00	(9,967,788.89)
03/20/18	03/22/18	Purchase	49327M2L7	KEY BANK NA	2,000,000.00	100.1020000	(2,002,040.00)	(2,047.29)	(2,004,987.29)
03/22/18	03/22/18	Security Delivery	49327M2L7	KEY BANK NA	(2,000,000.00)		0.00	0.00	0.00
03/27/18	03/27/18	Purchase	912796NY1	UNITED STATES TREASURY BILL	10,000,000.00	99.9600000	(9,996,000.00)	0.00	(9,996,000.00)
03/27/18	03/27/18	Purchase	912796PA1	UNITED STATES TREASURY BILL	10,000,000.00	99.9288890	(9,992,888.89)	0.00	(9,992,888.89)

Cash Activity USD

Transaction / Trade Date	Settlement / Eff. Date	Activity	Description	Debit Amount / Disbursements	Credit Amount / Receipts
03/02/18	03/02/18	Journal	AUTO SK SETTLEMENT		1,004,386.67
03/06/18	03/06/18	Journal	AUTO SK SETTLEMENT		1,004,390.00
03/14/18	03/14/18	Journal	AUTO SK SETTLEMENT		3,989,305.56
03/15/18	03/15/18	Journal	AUTO SK SETTLEMENT		9,967,788.89
03/15/18	03/15/18	Security Deliver	UNITED STATES TREASURY BILL		0.00
03/22/18	03/22/18	Journal	AUTO SK SETTLEMENT		2,004,987.29
03/27/18	03/27/18	Journal	AUTO SK SETTLEMENT		9,996,000.00
03/27/18	03/27/18	Journal	AUTO SK SETTLEMENT		9,992,888.89
03/27/18	03/27/18	Security Deliver	UNITED STATES TREASURY BILL		0.00
03/27/18	03/27/18	Security Deliver	UNITED STATES TREASURY BILL		0.00





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

Bank Account Statement
Wells Fargo Bank, N.A.

Statement Period
03/01/2018 - 03/31/2018

KERN HEALTH SYSTEMS Account Number
 9700 STOCKDALE HWY 1AB84780

Account Value Summary *USD*

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	Amount Last Statement Period	Amount This Statement Period	% Portfolio
Cash	\$ 0.00	\$ 0.00	0%
Money Market Mutual Funds	19,367,517.17	35,331,587.28	27%
Bonds	113,382,703.93	93,567,238.85	73%
Stocks	0.00	0.00	0%
Total Account Value	\$ 132,750,221.10	\$ 128,898,826.13	100%
Value Change Since Last Statement Period		\$ (3,851,394.97)	
Percent Decrease Since Last Statement Period		3%	
Value Last Year-End		\$ 106,942,632.68	
Percent Increase Since Last Year-End		21%	

Income Summary *USD*

	This Period	Year-To-Date
Interest	\$ 59,522.76	\$ 419,618.26
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	34,294.65	97,688.48
Other	0.00	0.00
Income Total	\$ 93,817.41	\$ 517,306.74

Money Market Mutual Funds Summary *USD*

Description	Amount
Opening Balance	\$ 19,367,517.17
Deposits and Other Additions	115,797,511.53
Distributions and Other Subtractions	(99,867,736.07)
Dividends Reinvested	34,294.65
Change in Value	0.00
Closing Balance	\$ 35,331,587.28

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Safekeeping

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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.

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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 any other 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

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 re-confirm in writing to the above address any oral communications with WFS relating to the inaccuracies or discrepancies.

Wells Fargo Bank, N.A. Institutional Deposit: Funds invested in the Institutional Deposit are on deposit at Wells Fargo Bank, N.A. and balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to the full amount allowable by law. Institutional Deposit balances are not insured by the Securities Investor Protection Corporation ("SIPC"). For further details, see the Institutional Deposit Product Description.

KERN HEALTH SYSTEMS
Account Number: 1AB84780

Statement Ending: **March 31, 2018**

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
Bonds USD								
191216BA7	COCA-COLA CO/THE	04/01/18	1.150%	5,480,000.000	100.0000	5,480,000.00		N
38141GFM1	GOLDMAN SACHS GROUP INC	04/01/18	6.150%	1,000,000.000	100.0000	1,000,000.00		N
585055BA3	MEDTRONIC INC	04/01/18	1.375%	1,500,000.000	100.0000	1,500,000.00		N
36962G6W9	GENERAL ELECTRIC CO	04/02/18	1.625%	3,000,000.000	100.0000	3,000,000.00		N
912796NY1	UNITED STATES TREASURY BILL	04/05/18	0.000%	10,000,000.000	99.9865	9,998,645.10		
89236TCX1	TOYOTA MOTOR CREDIT CORP	04/06/18	1.200%	3,000,000.000	99.9879	2,999,637.57		N
912796PA1	UNITED STATES TREASURY BILL	04/12/18	0.000%	20,000,000.000	99.9546	19,990,911.40		
14912L3U3	CATERPILLAR FINANCIAL SE	04/15/18	5.450%	2,210,000.000	100.0975	2,212,154.46		N
94974BFK1	WELLS FARGO & COMPANY	04/23/18	2.374%	4,010,000.000	100.0111	4,010,443.67		N
59018YN64	BANK OF AMERICA CORP	04/25/18	6.875%	1,535,000.000	100.2592	1,538,978.31		N
45113VE89	IBM CREDIT LLC 4(2) DISCOUNTED COMMERCIAL PAPER	05/08/18	0.000%	4,000,000.000	99.7870	3,991,480.00		
46625HJL5	JPMORGAN CHASE & CO	05/15/18	1.625%	1,375,000.000	99.8968	1,373,580.95		N
49327M2L7	KEY BANK NA	06/01/18	2.526%	2,000,000.000	100.0345	2,000,689.62		N
717081DW0	PFIZER INC	06/01/18	1.200%	1,000,000.000	99.8625	998,625.10		N
02587DYK8	AMERICAN EXPRESS CENTURION BK INTEREST BEARING CERTIFICATE OF DEPOSIT	06/04/18	1.450%	250,000.000	99.9824	249,956.00		
05580ADH4	BMW BANK NORTH AMERICA INTEREST BEARING CERTIFICATE OF DEPOSIT	06/11/18	1.400%	250,000.000	99.9702	249,925.50		
17275RAY8	CISCO SYSTEMS INC	06/15/18	2.435%	1,000,000.000	100.0402	1,000,402.40		N
738798BG1	POWAY CA REDEV AGY SUCCESSOR A TXBL-REF-PAGUAY REDEV PROJ-SER	06/15/18	1.780%	1,000,000.000	99.9530	999,530.00		N
14912L6L0	CATERPILLAR FINANCIAL SE	06/16/18	1.700%	2,000,000.000	99.8674	1,997,348.24		N
912796PM5	UNITED STATES TREASURY BILL	06/28/18	0.000%	20,000,000.000	99.5934	19,918,679.20		
02006LSF1	ALLY BANK INTEREST BEARING CERTIFICATE OF DEPOSIT	07/16/18	1.650%	250,000.000	99.9463	249,865.75		
140420TH3	CAPITAL ONE BANK USA INTEREST BEARING CERTIFICATE OF DEPOSIT	07/16/18	1.600%	250,000.000	99.9473	249,868.25		
48126XAM7	JP MORGAN CHASE BANK INTEREST BEARING CERTIFICATE OF DEPOSIT	08/16/18	1.100%	250,000.000	99.7057	249,264.25		Y
05581WJT3	BMO HARRIS BANK NA INTEREST BEARING CERTIFICATE OF DEPOSIT	08/17/18	1.050%	250,000.000	99.6945	249,236.25		

039843 11252731 0314 30023 UN#20090800011054 24988 0580 03881 0303018 P



KERN HEALTH SYSTEMS
Account Number: 1AB84780

Statement Ending: **March 31, 2018**

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
Bonds USD								
254672F86	DISCOVER BANK INTEREST BEARING CERTIFICATE OF DEPOSIT	08/17/18	1.000%	250,000.000	99.7216	249,304.00		
02665WAC5	AMERICAN HONDA FINANCE	10/10/18	2.125%	1,300,000.000	99.6538	1,295,499.71		N
795450ZE8	SALLIE MAE BK/SALT LKE INTEREST BEARING CERTIFICATE OF DEPOSIT	10/12/18	1.150%	250,000.000	99.5398	248,849.50		
69353RET1	PNC BANK NA	11/05/18	1.800%	1,000,000.000	99.5646	995,646.28		Y
89236TCU7	TOYOTA MOTOR CREDIT CORP	02/19/19	1.700%	1,000,000.000	99.2835	992,835.18		N
13063CKL3	CALIFORNIA ST TXBL-VARIOUS PURPOSE	05/01/19	2.250%	1,310,000.000	100.0090	1,310,117.90		N
94988J5D5	WELLS FARGO BANK NA	05/24/19	1.750%	1,000,000.000	98.8660	988,659.50		N
02665WBE0	AMERICAN HONDA FINANCE	07/12/19	1.200%	1,000,000.000	98.1836	981,836.26		N
58768MAC5	MBALT 2016-B A3	08/15/19	1.350%	1,000,000.000	99.5269	995,268.50		N
				93,720,000.000		93,567,238.85	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	Effective Date	Settlement / Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
Transaction Activity USD									
03/02/18	03/02/18	Security Receipt	89236TCX1	TOYOTA MOTOR CREDIT CORP	1,000,000.00		0.00	0.00	0.00
03/06/18	03/06/18	Security Receipt	69353RET1	PNC BANK NA	1,000,000.00		0.00	0.00	0.00
03/14/18	03/14/18	Security Receipt	45113VE89	IBM CREDIT LLC 4(2) DISCOUNTED	4,000,000.00		0.00	0.00	0.00
03/15/18	03/15/18	Received	912796PA1	UNITED STATES TREASURY BILL	10,000,000.00		0.00	0.00	0.00
03/22/18	03/22/18	Security Receipt	49327M2L7	KEY BANK NA	2,000,000.00		0.00	0.00	0.00
03/27/18	03/27/18	Receive	912786NY1	UNITED STATES TREASURY BILL	10,000,000.00		0.00	0.00	0.00
03/27/18	03/27/18	Receive	912796PA1	UNITED STATES TREASURY BILL	10,000,000.00		0.00	0.00	0.00
Income / Payment Activity USD									
03/01/18	03/01/18	Matured	912796LN7	UNITED STATES TREASURY BILL			10,000,000.00		10,000,000.00
03/06/18	03/06/18	Matured	06406HCK3	BANK OF NEW YORK MELLON			1,250,000.00		1,250,000.00

KERN HEALTH SYSTEMS
Account Number: 1AB84780

Statement Ending: **March 31, 2018**

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
Income / Payment Activity USD									
03/06/18	03/06/18	Interest	06406HCK3	BANK OF NEW YORK MELLON				6,089.03	6,089.03
03/06/18	03/06/18	Matured	30231GAL6	EXXON MOBIL CORPORATION			2,500,000.00		2,500,000.00
03/06/18	03/06/18	Interest	30231GAL6	EXXON MOBIL CORPORATION				16,312.50	16,312.50
03/08/18	03/08/18	Matured	912796NU9	UNITED STATES TREASURY BILL			10,000,000.00		10,000,000.00
03/12/18	03/12/18	Interest Reversal	24422ESB6	JOHN DEERE CAPITAL CORP				(6,500.00)	(6,500.00)
03/12/18	03/12/18	Matured	24422ESB6	JOHN DEERE CAPITAL CORP			1,000,000.00		1,000,000.00
03/12/18	03/12/18	Interest	24422ESB6	JOHN DEERE CAPITAL CORP				6,500.00	6,500.00
03/12/18	03/12/18	Interest	24422ESB6	JOHN DEERE CAPITAL CORP				6,500.00	6,500.00
03/15/18	03/15/18	Interest	17275RAY8	CISCO SYSTEMS INC				4,746.23	4,746.23
03/15/18	03/15/18	Matured	585055BQ8	MEDTRONIC INC			1,100,000.00		1,100,000.00
03/15/18	03/15/18	Interest	585055BQ8	MEDTRONIC INC				8,250.00	8,250.00
03/15/18	03/15/18	Interest	58768MAC5	MBALT 2016-B A3				1,125.00	1,125.00
03/26/18	03/26/18	Matured	06050TLY6	BANK OF AMERICA NA			2,000,000.00		2,000,000.00
03/26/18	03/26/18	Interest	06050TLY6	BANK OF AMERICA NA				16,500.00	16,500.00
03/29/18	03/29/18	Matured	912796LS6	UNITED STATES TREASURY BILL			30,000,000.00		30,000,000.00

Transaction / Trade Date	Settlement / Eff. Date	Activity	Description	Debit Amount / Disbursements	Credit Amount / Receipts
Cash Activity USD					
03/01/18	03/01/18	ACH/DDA Transaction	DESIGNATED DDA		
03/02/18	03/02/18	Journal	AUTO SK SETTLEMENT	10,000,000.00	
03/06/18	03/06/18	Journal	AUTO SK SETTLEMENT	1,004,386.67	
03/06/18	03/06/18	ACH/DDA Transaction	DESIGNATED DDA	1,004,390.00	
03/08/18	03/08/18	ACH/DDA Transaction	DESIGNATED DDA	15,000,000.00	
03/13/18	03/13/18	ACH/DDA Transaction	DESIGNATED DDA	3,000,000.00	
03/14/18	03/14/18	Journal	AUTO SK SETTLEMENT	10,000,000.00	
03/14/18	03/14/18	ACH/DDA Transaction	DESIGNATED DDA	3,989,305.56	
03/15/18	03/15/18	Journal	AUTO SK SETTLEMENT		60,000,000.00
03/20/18	03/20/18	ACH/DDA Transaction	DESIGNATED DDA	9,987,788.89	
03/22/18	03/22/18	Journal	AUTO SK SETTLEMENT	10,000,000.00	
03/27/18	03/27/18	Journal	AUTO SK SETTLEMENT	2,004,987.29	
03/27/18	03/27/18	Journal	AUTO SK SETTLEMENT	9,996,000.00	
03/27/18	03/27/18	ACH/DDA Transaction	DESIGNATED DDA	9,992,888.89	
03/28/18	03/28/18	ACH/DDA Transaction	DESIGNATED DDA	11,000,000.00	
				5,000,000.00	



KERN HEALTH SYSTEMS
Account Number: 1AB84780

Page 6 of 6
Statement Ending: March 31, 2018

Money Market Fund Activity

Morgan Stan TreasSvc 8314		Dividend earned	7 day*	30 day*		
*As of March 31, 2018		this period	simple yield	simple yield		
USD		34,294.65	1.510%	1.370%		
Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	Beginning Balance		1.0000	19,367,517.17		19,367,517.17
03/01/18	Purchase	10,000,000.00		10,000,000.00		29,367,517.17
03/01/18	Redemption	(10,000,000.00)		(10,000,000.00)		19,367,517.17
03/02/18	Redemption	(1,004,386.67)		(1,004,386.67)		18,363,130.50
03/06/18	Purchase	2,768,011.53		2,768,011.53		21,131,142.03
03/06/18	Redemption	(15,000,000.00)		(15,000,000.00)		6,131,142.03
03/08/18	Purchase	10,000,000.00		10,000,000.00		16,131,142.03
03/08/18	Redemption	(3,000,000.00)		(3,000,000.00)		13,131,142.03
03/12/18	Purchase	1,013,000.00		1,013,000.00		14,144,142.03
03/12/18	Redemption	(6,500.00)		(6,500.00)		14,137,642.03
03/13/18	Redemption	(10,000,000.00)		(10,000,000.00)		4,137,642.03
03/14/18	Purchase	60,000,000.00		60,000,000.00		64,137,642.03
03/14/18	Redemption	(3,989,305.56)		(3,989,305.56)		60,148,336.47
03/15/18	Redemption	(8,873,667.66)		(8,873,667.66)		51,274,668.81
03/20/18	Redemption	(10,000,000.00)		(10,000,000.00)		41,274,668.81
03/22/18	Redemption	(2,004,987.29)		(2,004,987.29)		39,269,681.52
03/26/18	Purchase	2,000,000.00		2,000,000.00		41,269,681.52
03/26/18	Purchase	16,500.00		16,500.00		41,286,181.52
03/27/18	Redemption	(11,000,000.00)		(11,000,000.00)		30,286,181.52
03/27/18	Redemption	(9,992,888.89)		(9,992,888.89)		20,293,292.63
03/27/18	Redemption	(9,996,000.00)		(9,996,000.00)		10,297,292.63
03/28/18	Redemption	(5,000,000.00)		(5,000,000.00)		5,297,292.63
03/29/18	Purchase	30,000,000.00		30,000,000.00		35,297,292.63
03/29/18	Reinvest	34,294.65			34,294.65	35,331,587.28
	Ending Balance		1.0000	35,331,587.28		35,331,587.28



TO: KHS Finance Committee

FROM: Anita Martin, Director of Human Resources

Date: June 8, 2018

SUBJECT: Employee Benefits Renewal 2018/2019

Background

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

Of the 6 benefit categories (Health, Vision, Dental, Life, Short and Long Term Disability and Long Term Care, we were able to secure a reasonable overall annual increase of 4.3% or \$239,215. We are proposing a renewal with Kaiser Permanente HMO and Guardian with no benefit changes.

For the 2018/2019 renewal of employee benefits, management is proposing the following:

Maintain the current Employee Medical Insurance with Kaiser Permanente. For the current renewal period, Kaiser Permanente initially requested an increase of 7.3% primarily due to trying to recoup their prior years of unfavorable claims experience with KHS. The Medical Loss Ratio during this renewal cycle was 86%. Our insurance broker was able to reduce this increase to 4.3%, which is less than our 2018 budgeted increase of 10%. Based on current staffing levels, the monthly premium will be \$422,508 or \$5,070,096 annually. This equates to an annual increase of approximately \$209,254.

The Kaiser executive team and the KHS executive team along with the KHS HR Department and our broker from INSURICA came together after last year’s renewal to review the KHS claims history and the patterns associated with the utilization. KHS was seeking this information to address specific costs drivers and hopefully avoid another large increase during the next renewal period. Kaiser shared their Value Summary Report as well as their Prevention and Lifestyle report specific to KHS. Kaiser’s main recommendation was for KHS to focus on an employee wellness program so that KHS employees are kept informed about their health matters, to

explore ways for employees to eat healthier and to improve their overall level of physical fitness. To aid in this effort, KHS has decided to partner with Advanced Care Wellness. The new wellness initiative is set to kick off at the 2018 open enrollment.

- Maintain the current Guardian Vision plan. The monthly cost if enrollment stays at the current level will be \$4,872 per month or \$58,464 annually. This equates to \$0 annual increase.
- Maintain the current Guardian Dental plan. For the current renewal period, Guardian initially requested an increase of 8.8% primarily due to higher than expected utilization. Our insurance broker was able to reduce this increase to 4.8%, which is less than our 2018 budgeted increase of 10%. Based on renewal date staffing levels, the monthly premium will be \$31,391 or \$376,699 annually. This equates to an annual increase of approximately \$17,342.
- Maintain the current Guardian Basic Life Insurance plan. For the current renewal period, Guardian initially requested an increase of 8.3%. Our insurance broker was able to reduce this increase to 0%. The monthly premium based on the renewal date staffing levels is \$3,489 or \$41,879 annually.
- Maintain the current Guardian Short-term Disability (“STD”) and Long Term Disability (“LTD”) plans. Guardian requested a 30% increase on the LTD. Our insurance broker was able to negotiate a reduced increase to 17%. The current monthly premium based on renewal date staffing levels for both STD and LTD combined is \$16,482 or \$197,784 annually. We were given a rate pass or 0% rate increase on the STD.
- Maintain current Long-term Care Policy with Unum. The current monthly premium based on current staffing levels is \$2,903 or \$34,836 annually. This policy had no change in premium for the 2018/2019 renewal period.

Representatives from Walter Mortensen Insurance/INSURICA will be present to answer questions relating to all of the employee benefit renewals.

Requested Action

Approve the renewal and binding of employee benefit plans for medical, vision, dental, life insurance, short-term and long-term disability and long-term care and to refer to the KHS Board of Directors.



To: KHS Finance Committee

From: Robert Landis, CFO

Date: June 8, 2018

Re: Analysis of Insurance Renewals

Background

KHS carries and seeks to renew and bind the following insurance coverages:

- Crime
- Property
- Liability
- Excess Liability
- Workers' Compensation
- Fiduciary Liability
- Excess Cyber
- Managed Care Errors and Omissions Liability Insurance
- Earthquake Insurance
- Flood Insurance

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

- **Crime Insurance**

Management recommends a renewal of the crime insurance policy. Carrying crime insurance is a DMHC requirement. This is the second year renewal of the two year policy term.

- National Union Fire Insurance Company of Pittsburgh, PA (AIG)
- Rating: Carrier has an excellent A XV rating from AM Best
- Term: July 1, 2017 through June 30, 2019
- Coverage: This policy insures against employee theft, forgery, robbery and safe burglary, and computer fraud. KHS Employee benefits plans are also covered for theft of funds.
- Limit per Occurrence: \$10,000,000
- Deductible: \$2,500
- Annual Premium: \$9,355. Prior year premium was \$9,355.

No claims were filed last year.

- **Property and Liability Insurance**

Management recommends renewing participation in the property and liability program offered by the Joint Powers Authority, Special District Risk Management (SDRMA). This agency was formed in 1986 to offer risk sharing and risk financing for California public agencies. KHS has \$19.7 million of property plant and equipment along with the Builders Risk coverage insuring the Buck Owens construction with an estimated value of \$24,796,531 and includes Business Interruption and Automobile Physical Damage coverage. Primary Cyber Coverage is included at a limit of \$2 million that insures against the damages that occur related to computer system breaches and Pollution coverage is included with a limit of \$2 million that insures against environmental hazards.

- Rating: SDRMA confidence level rating of 95%
- Term: July 1, 2018 through June 30, 2019
- **Property Coverage:** This policy insures against losses from property damage
- Limit per Occurrence: \$1,000,000,000 repair or replacement cost
 - Business Income - \$100,000,000
- Deductible: \$1,000 – Autos (Physical Damage \$250/500)
- **Liability Coverage:** This policy insures against losses from General Liability, Auto Liability, Public Officials Errors and Omissions and Employment Related Practices Liability and Sexual Abuse or Molestation Coverage.
- Limit of liability per occurrence or wrongful act \$10,000,000 except \$5,000,000 for Sexual Abuse or Molestation Coverage.
- Deductibles: Various - \$500 Property Damage and EPL (first \$10,000 is paid by SDRMA – from \$10,000 to \$110,000 50% is paid by Kern with a maximum of \$50,000, other 50% is paid by SDRMA).

Annual Estimated Premium \$213,346. Last year's premium \$144,484

Premium increase of 48% is represented as follows:

Program Rate increase of 6% - \$12,990

Property Increase due to addition of Buck Owens - \$18,138

Liability Increase due to operating budget increase - \$24,986

Liability Increase due to payroll increase - \$12,748

No claims were filed last year.

- **Excess Liability**

Management recommends renewing the excess liability program. The excess liability provided additional limits over the liability program offered above with SDRMA.

- Hallmark Specialty Insurance Company (1st \$5m) and Great American Assurance Company (2nd \$10m)
- Rating: Carrier Hallmark Specialty Insurance Company has a A- (Excellent) Financial Category: VIII (\$100M to \$250M) rating from AM Best
- Rating: Great American Assurance Company has a A+ (Superior) Financial Category: XIV (\$1.5B to \$2B) rating from AM Best
- Term: July 1, 2018 through June 30, 2019
- Liability Coverage: This policy insures against losses from General Liability, Auto Liability, Public Officials Errors and Omissions and Employment Related Practices Liability.
- Limit of liability per occurrence or wrongful act \$15,000,000

Deductibles: None, excess of primary limits of \$10,000,000 for a total of liability limits of \$25,000,000

Annual Estimated Premium \$92,000. Last year's premium \$92,000.

No claims were filed last year.

- **Workers' Compensation Insurance**

Management recommends replacing the Special District Risk Management Authority with Berkshire (Cypress Insurance Company) for an estimated savings of \$47,000. Alliant marketed the coverage extensively and the best quote was received from Berkshire.

- Cypress Insurance Company
- Rating: Carrier has a superior A++ XV rating from AM Best
- Term: July 1, 2018 through June 30, 2019
- Coverage: This policy insures against losses from work related injuries and the employer's liability to employees.
- Coverage is mandated by the state.
- Limit per Occurrence: Statutory for Workers' Compensation and \$1,000,000 for Employer's Liability
- Deductible: N/A
- The annual premium is a function of KHS' annual estimated payroll of \$26,232,965 which is a 14% increase year over the prior period.
- Since 2010, KHS has filed 52 workers' compensation claims with estimated losses of \$618,614. Three year loss ratio is 111%
- Annual Estimated Premium: 236,986. Prior year estimated premium was \$172,604

Premium increase of 37% is represented as follows:

Payroll increase - \$33,178

Increase due to experience and increased rates - \$31,204

- **Fiduciary Liability Insurance**

Management recommends renewing coverage for Fiduciary liability covering administrative errors and omissions claims, breach of duty claims and defense for employee benefit claims, such as failure to timely distribute assets, failure to choose/offer prudent investments, failure to monitor investments, breach of responsibilities and negligence in the administration of a plan.

- Hudson Insurance Company
- Rating: Carrier has an excellent A XV rating from AM Best
- Term: August 1, 2018 through August 1, 2019
- Limit per occurrence: \$2,000,000
- Aggregate: \$2,000,000
- Self-Insured Retention: \$0 Non-indemnifiable losses \$25,000 All other losses
- Annual Premium \$4,384. Last year's premium was \$3,348.

Premium increase of 30% is due to increasing the limits from \$1,000,000 to \$2,000,000. Management recommends the increase due to the size of plan assets.

No claims were filed last year.

- **Excess Cyber Liability Insurance**

Management recommends renewing coverage for Excess Cyber liability. Included in the SDRMA placement is the limit of \$2,000,000 per incident and in the aggregate. This excess coverage provides KHS with an additional \$3,000,000 in coverage.

- AXIS Insurance Company
- Rating: Carrier has an excellent A+ XV rating from AM Best
- Term: July 1, 2018 through June 30, 2019
- Limit per incident: \$3,000,000
- Aggregate: \$3,000,000
- Self-Insured Retention: Primary coverage within the SDRMA Program
- Annual Premium: \$2,784. Last year's premium was \$2,784.

No claims were filed last year.

- **Managed Care Errors and Omissions Liability Insurance**

Management recommends renewing the coverage for professional liability covering Kern Health Systems operations for an act, error or omission in the performance of any health care or managed care financial, management or insurance services performed; the design, development and marketing of such service; vicarious liability for the conduct of others performing any such service on our behalf.

- Lexington Insurance Company
- Rating: Carrier has an excellent A XV rating from AM Best

- Term: July 1, 2018 through June 30, 2019
- Limit per occurrence: \$1,000,000
- Aggregate: \$3,000,000
- Self-Insured Retention:\$100,000 each claim
- Annual Premium: \$46,440. Last year's premium was \$56,830

No claims were filed last year.

- **Earthquake Insurance**

Management recommends renewing the Earthquake insurance coverage.

- Everest Indemnity Insurance Company
- Rating: Carrier has excellent A XV rating from AM Best
- Term: July 1, 2018 through June 30, 2019
- Limit per occurrence: \$5,000,000
- Aggregate: \$5,000,000
- Deductible:5% Per unit (unit is defined as replacement cost of the covered Property – Building, Contents and Business Income separately), subject to a minimum of \$25,000
- Annual Premium: \$10,774. Last year's premium was \$11,558.

No claims were filed last year

- **Flood Insurance**

Management recommends renewing the Flood Insurance coverage.

- Hartford Ins. Company of the Midwest
- Rating: Carrier has a superior A+ XV rating from AM Best
- Term: July 1, 2018 through June 30, 2019
- 9700 Stockdale Hwy – Building and Contents
- \$500,000 Building (maximum limit available)
- \$500,000 Contents (maximum limit available)
- \$1,250.00 Deductible on both Building & Contents
- Annual Premium: \$3,323. Last year's premium was \$3,323.

No claims were filed last year.

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

Requested Action

Approve; Refer to KHS Board of Directors.



To: KHS Finance Committee

From: Alan Avery, COO

Date: June 8, 2018

Re: Renewal of Stria Agreement for Claims Mailroom and OCR Services

Background

In 2013, KHS contracted with Stria to supplement KHS claims mailroom services, perform scanning and optical character recognition (OCR) activities, and develop electronic image and data file exchange. During the term of the agreement, KHS asked Stria to store and scan claims disputes and member grievance and appeals. We have been very satisfied with Stria's performance of all services and their willingness to take on new KHS administrative projects. However, given the length of the agreement and changes in this industry, we issued an RFP for the services currently being provided by Stria.

Only two vendors responded to our RFP-Stria and Smartdata Solutions. The responses from both vendors were very similar except in the areas of on-site mail room management, location where the majority of the work would be performed and local storage of claims disputes and member grievance and appeals. KHS was concerned with the majority of the SmartData Solutions work would be performed off-shore. In addition, SmartData did not have a solution for our need for an on-site mailroom. They also did not have a solution for housing our claims disputes and member grievance and appeals.

Management recommends renewing the agreement with Stria for an additional three years for a total costs of \$1,137,513.02. I will provide greater detail of the services provided by Stria and Managements recommendation.

Requested Action

Recommend to the Board of Directors to authorize the CEO to sign the Stria renewal agreement for an amount not to exceed \$1,137,513.02.

Kern Health Systems

Claims Mailroom

&

Optical Character Recognition (OCR)

RFP and Renewal

Background

- In 2013, KHS entered into a 5 year arrangement with Stria to provide Claim Mailroom processing and OCR activities.
- KHS has been very satisfied with Stria's performance.
- The current services provided by Stria are Onsite mailroom services Scanning and OCR activities, Image and Data file return, Onsite Scanning of Disputes, 6 month storage of hard copy disputes, Grievance and Appeal Scanning, Storage and retrieval for 2 years.
- Annual Claims volume = 380,000 paper claims. 14% of total claims submissions
- Conducted RFP.
- Two Responses to RFP were received: Stria and Smartdata Solutions.
- Responses were reviewed and recommendation made based on meeting the following KHS service requirements:

Claims Mailroom/OCR Selection Grid

Service	SmartData Solutions (Scored 20)	Stria (Scored 30)
Mailroom Functions	Mail received locally, forward to off site mailroom in Minnesota. 90% of OCR work off shore. Increase KHS staffing by 2 FTEs. (Score=1)	All functions remain local in Bakersfield for easy access. No off shore work. No additional KHS staffing needed. (Score=5)
Convert Paper claims into a digital format, images and data	Large insurance Company clients (Score=4)	Proven track record with KHS gives a slight edge in scoring. (Score=5)
Manual handling and data entry of non-OCR capable claims.	Yes (Score=3)	Yes (Score=3)
Meet time and date sensitive deadlines	Yes (Score=4)	Yes-Local access (Score=5)
Ability to differentiate Disputes from original claims	Yes (Score=4)	Yes (Score=4)
Local storage of hard copy disputes 6 months, Grievance file scanning, and retrieval 2 years.	No (Score=0)	Yes (Score=4)
COST	\$372,800.00 Yr 1 \$363,800.00 Yr 2 \$363,800.00 Yr 3 \$1,141,800.00 Total (Score=4)	\$368,020.00 Yr 1 \$379,060.60 Yr 2 \$390,432.42 Yr 3 \$1,137,513.02 Total (Score=4)

KERN HEALTH SYSTEMS

kernhealthsystems.com

Summary

- Stria has 5 year proven performance record with KHS
- Stria met all the service requirements outlined in the RFP.
- Stria’s service model allowed KHS to reduce Claims staffing by 3 FTEs during 2017 as Stria staffs the KHS mailroom as part of their agreement. Moving to off-site vendor would require additional staffing.
- Stria added Hard Copy Storage for Claims and the handling of the Grievance and Appeals for Member Services.
- As a local vendor Stria allows greater accessibility and turn around time.
- Therefore, based on the results of the rating by selection workgroup, management recommends Stria remain as our OCR vendor for the next three years.

Board Request

- Authorize the CEO to approve contract renewal with Stria in the amount not to exceed \$1,137,513 in operating expenses for claims mailroom and OCR services.

Proposed administrative contract over \$100,000, June 14, 2018.

1. Operational Agreement with Stria, LLC.

a. Recommended Action

Approve; Authorize Chief Executive Officer to Sign

b. Contact

Robin Dow-Morales; Director of Claims

c. Background

In 2007, KHS acquired an Optical Character Recognition (OCR) solution to scan and process paper claims. KHS receives approximately 12% of its total claim volume (360,000 claims per year resulting in 1.1M images) on paper and utilizes the OCR process to convert the paper forms into an electronic format. Electronically converted claims eliminate the need for manual data entry into KHS' claims processing and payment system. After thorough analysis, efficiencies were found to exist by outsourcing KHS' internal scanning and OCR solution. In 2013, KHS performed an RFP process and selected Stria, LLC as the preferred organization to provide an outsourced OCR solution.

d. Discussion

In June 2013, KHS entered into a five year agreement with Stria, LLC a local company, to provide Optical Character Recognition services for the paper medical claims as well as Mail Room functions. In December 2017, KHS performed an RFP process for which we received two responses: Stria, LLC and Smartdata Solutions. After reviewing and evaluating both proposals, a decision was made to continue services with Stria, LLC.

e. Fiscal Impact

Not to exceed \$1,137,513.02 per three years.

f. Risk Assessment

Claims volume continue to grow, not outsourcing these services will require KHS to hire additional staffing and purchase software and hardware. KHS staff would have to manually enter all paper claims into QNXT for processing and

payment which will require additional resources and risk due to compliance and claim processing.

g. Attachments

An Agreement at a Glance form and bid matrix 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: Claims Department Head: Robin Dow-Morales

Contract Vendor: Stria, LLC

Vendor contact Name & e-mail: Scott Garrison, sgarrison@stria.com

What services will this vendor provide to KHS? Claims Mailroom functions onsite, OCR services, dispute scanning, data storage and transfer, grievance and appeal scanning, storage and retrieval.

Description of Contract

Type of Agreement: Professional Services Background: In 2007, KHS acquired an Optical Character Recognition (OCR) solution to scan and process paper claims. KHS receives approximately 12% of its total claim volume (360,000 claims per year resulting in 1.1M images) on paper and utilizes the OCR process to convert the paper forms into an electronic format. Electronically converted claims eliminate the need for manual data entry into KHS' claims processing and payment system. After thorough analysis, efficiencies were found to exist by outsourcing KHS' internal scanning and OCR solution. In 2013 KHS performed an RFP process and selected Stria, LLC as the preferred organization to provide an outsourced OCR solution.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Establish a new agreement

<input type="checkbox"/> Amendment

<input type="checkbox"/> Continuation of an Existing Contract

<input type="checkbox"/> Replacement

<input type="checkbox"/> Addendum
<input type="checkbox"/> Retroactive Agreement | Previous Agreement No. _____ or Amendment No. _____

Date Agreement Began _____

Brief Explanation <u>Claims Mailroom functions onsite, OCR services, dispute scanning, data storage and transfer, grievance and appeal scanning, storage and retrieval.</u>

Reason for delay in approval: _____

Retroactive Date _____ |
|---|---|

Summary of Quotes and/or Bids attached. *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.)*

Brief vendor selection justification: Completeness of required services, quality of product, locality of vendor, no additions to staff required.

Sole source – no competitive process can be performed.

Brief reason for sole source: _____

Conflict of Interest Form is required for this Contract

Form updated 11/28/16

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 230 GL# 5490

Will this require additional funds? NO YES

Maximum cost of this agreement not to exceed: \$1,137,513.02 per three years.

Notes: No implementation costs needed.

Contract Terms and Conditions

Effective date: 6/14/18 Termination date: 6/14/21

Explain extension provisions, termination conditions and required notice: Contract can be terminated given 30 days notice.

Approvals

Contract Owner:

Department Head

Date

Reviewed as to Budget:

Chief Financial Officer or Controller

Date

Compliance Review:

Chief Compliance Officer

Date

Purchasing:

Director of Procurement

Date

Recommended by the Executive Committee:

Committee Chairman

Date

Legal Review:

Legal Counsel

Date

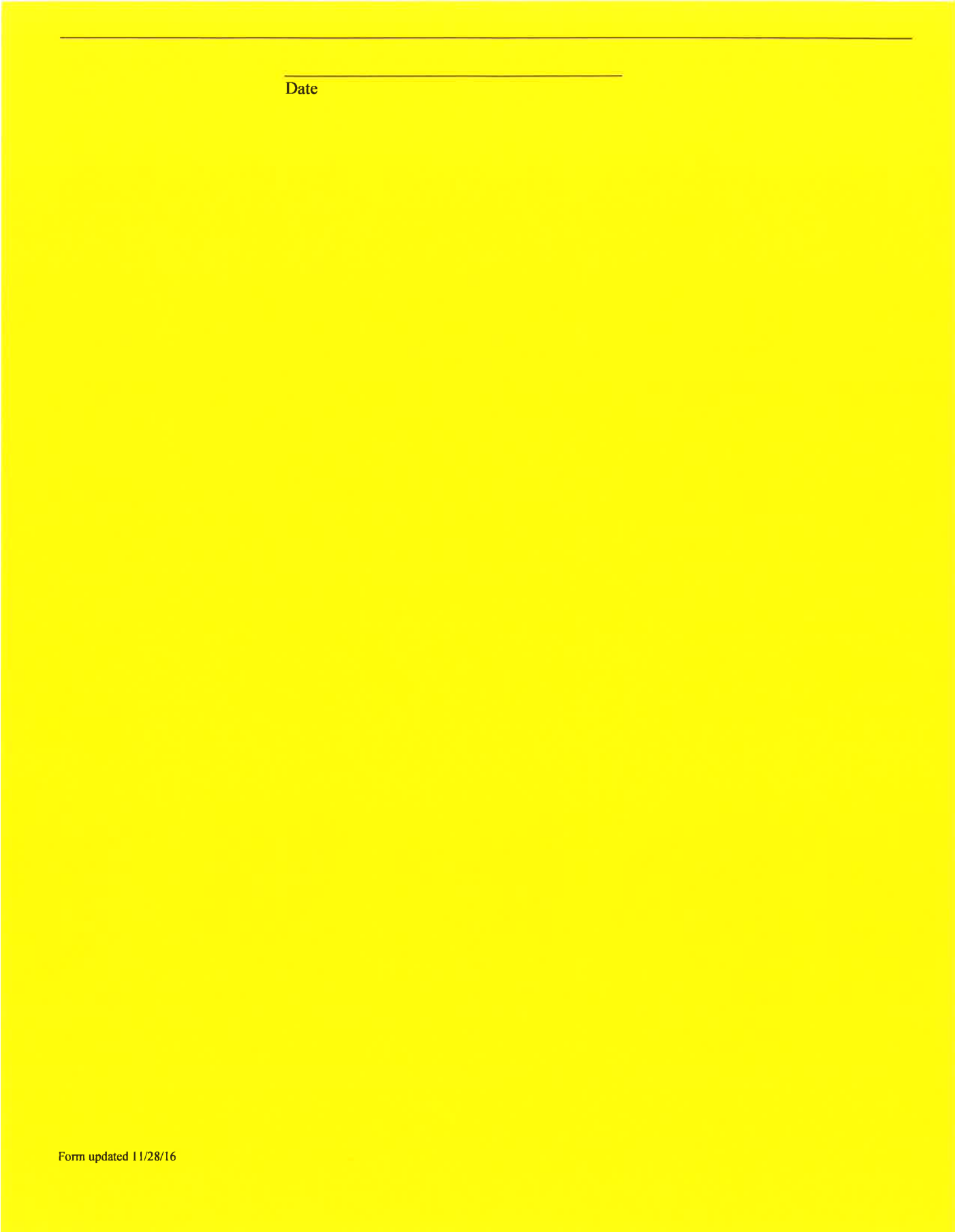
Chief Executive Officer Approval:

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



To: KHS Finance Committee

From: Alan Avery, COO

Date: June 8, 2018

Re: American Logistics Company (ALC) Administrative Contract

Background

With the passage of AB 2394 in 2017 by the California Legislature, which became effective on July 1, 2017, KHS outsourced the administration of scheduling transportation with Board approval to American Logistics Company. Transportation services were expanded significantly by adding non-medical transportation as a benefit for all members to obtain covered Medi-Cal services along with adding personal vehicle use and ambulatory vehicles. In addition, in October 2017, the State expanded transportation coverage to dental, mental health and other Medi-Cal covered services not managed by KHS. We projected a 25% increase in the overall utilization of transportation and increased administrative burden.

Since the implementation of the transportation benefit in July 2017, KHS has experienced significant growth in the transportation benefit which has consumed the entire administrative budget of \$606,720 in the first nine months of the agreement. Additional funding of \$3,710,556 is needed for the remainder of the ALC agreement in order to continue to provide transportation administrative services. I will provide greater detail of the growth of the benefit along with the early reports of the effectiveness of this benefit on medical trend during the presentation.

Requested Action

Recommend to the Board of Directors to authorize the CEO to sign the ALC amendment for an amount not to exceed \$3,710,556.00.



Medical Transportation (NEMT & NMT)
Additional Funding Request
June 8, 2018

Transportation Update

- Assembly Bill 2394 passed in 2017 to ensure sufficient transportation availability so as not to impede service access due to transportation issues.
- April 13, 2017 KHS Board approved managements recommendation to outsource NEMT & NMT administration to ALC effective 4/1/17. Projected 25% increase utilization. Two year ALC agreement = \$606,720.
- July 1, 2017 Transportation became a benefit to cover any Medi-Cal approved service for a beneficiary who does not have transportation.
- October 1, 2017 DHCS expanded transportation benefit to include transportation to Medi-Cal benefits not managed by KHS.
- As reported to the Board since 7/1/17 implementation, KHS experienced significant growth in both the NEMT (Medical Vans) and NMT (Transit & LYFT) surpassing our projected 25% annual increase.
- Due to this continued transportation ride growth (7,800 to 66,517 quarterly), additional funding is required to provide continuous administrative services for NEMT/NMT.

KHS Transportation Update

Operational Statistics	KHS Pre July Experience	Projected 25% Growth of Benefit	Q3 17 Utilization	Q4 17 Utilization	Q1 2018 Utilization
Transportation Calls	2,181	2,726	14,057	29,338	31,752
One Way Rides Scheduled	7,800	9,750	17,443	43,273	66,517
NMT	No benefit		4,603	16,833	33,459
Bus Passes Distributed			1,037	3,821	5383
Lyft Rides Delivered			3,566	13,012	28,076
Lyft No Shows			583	1,838	3826
NEMT	7,800	9,750	12,840	26,440	33,058
Van Rides Scheduled			12,584	26,066	32,662
Gurney Rides Scheduled			256	374	396
Member Reimbursement	No benefit		0	28	47

Utilization & ALC Administrative Expense

Operational Statistics	KHS Pre July Experience	Projected 25% Growth of Benefit	Q3 17 Utilization	Q4 17 Utilization	Q1 2018 Utilization
ALC Calls	2,181	2,726	14,057	29,338	31,752
One Way Rides Scheduled	7,800	9,750	17,443	43,273	66,517
NMT	0	0	4,603	16,833	33,459
Bus Passes Distributed			1,037	3,821	5383
Lyft Rides Delivered			3,566	13,012	28,076
Lyft No Shows			583	1,838	3826
NEMT	7,800	9,750	12,840	26,440	33,058
Van Rides Scheduled			12,584	26,066	32,662
Gurney Rides Scheduled			256	374	396
Member Reimbursement				28	47
Administrative Cost (Projected Budget and Actual)		\$75,840	\$120,768	\$287,530	\$432,261

Good News-Medical Impact

- Even though the utilization surpassed the projected use of this new benefit, early medical utilization indicators on the health status of those who use the benefit are note worthy:

Medical Category	Pre Transportation (Utilization/1,000)	Post Transportation (Utilization/1,000)	Change Per 1,000
Inpatient	142.8	130.9	(12 days)
Other Medical	1,504.7	2,392.0	888
Other Professional	167.2	296.1	129
Outpatient	419.3	514.5	95
Pharmacy	250.6	354.2	103
Physician Services	1,781.0	2,186.5	405

Better Care For KHS Members

- It's difficult to put a financial impact to KHS and/or the health care improvement to members because of this new benefit, but in the first nine months of the implementation of the transportation benefit, the members who used this benefit experienced the following:
 - 50 fewer hospital inpatient bed days
 - 6,371 additional medical encounters
 - 433 additional pharmacy prescriptions

Projected Additional Funding Need

- Transportation use began exceed projections with the administrative expense exceeding the Board approved funding.
- Based on continued current utilization trend, we project the following to occur during the remaining term of the ALC agreement:

	Q3 2017	Q4 2017	Q1 2018	Q2* 2018	Q3* 2018	Q4* 2018	Q1* 2019	Contract Expense
Rides	17,443	43,273	66,517	86,472	112,413	146,137	189,979	662,234
ALC	\$120,768	\$287,530	\$432,261	\$561,939	\$730,521	\$949,677	\$1,234,580	\$4,317,276
Board Funding vs Actual (\$606,720)	\$120,768	\$408,298	\$840,559 exceeded approved funding					\$606,720
Additional Funding Needed								\$3,710,556

*Future Projections-rides and corresponding ALC administrative expense

Mitigating the Financial Impact of Transportation Costs Without Reducing Demand

- Reduce transportation program administrative costs thru volume discount with vendor.
- Approve longer valid transportation vouchers (two weeks or monthly) for riders using bus transit passes.
- Encourage riders historically using transit to return to using bus transportation with longer valid transportation vouchers as incentive.
- Increase in annual revenue for transportation from the State.

Board Request

- Authorize the CEO to approve contract amendment with American Logistic Corporation (ALC) in the amount not to exceed \$3,710,556 in operating expenses for the NEMT/NMT transportation benefit until the end of the current provider agreement.

Proposed amendment to administrative contract over \$100,000, June 14, 2018

1. Operational Agreement with ALC, LLC.

a. Recommended Action

Approve; Authorize Chief Executive Officer to Sign

b. Contact

Alan Avery; Chief Operations Officer

c. Background

With the passage of AB 2394 last year by the California Legislature effective July 1, 2017, NEMT services have expanded significantly by adding non-medical transportation (NMT) as a benefit for all members to obtain covered Medi-Cal services. Non-medical transportation includes personal vehicle use and ambulatory vehicles. During the last year, KHS has experienced a sizeable increase in the overall utilization of the NMT and NEMT services.

d. Discussion

KHS released the NEMT Request for Proposal on December 12, 2016 to outsource management of NEMT benefits to an experienced broker. KHS received responses from two transportation brokers to provide NEMT services. ALC was selected as a vendor due to their experience and is also currently providing services to several Medi-Cal plans, such as IEHP, Cal-Optima and Health Plan of San Mateo. They were also the lowest bidder, scored the highest by the selection committee and had a successful site visit by KHS staff. This contract allows KHS to continue contracting with our current NEMT providers and enables KHS members to continue utilizing transportation providers they are satisfied with to ensure continuity of care. It also allows us to offer ambulatory transportation services and mileage reimbursement to KHS members.

e. Fiscal Impact

Not to exceed \$3,710,556.00 per current agreement.

f. Risk Assessment

Due to transportation benefit expansion resulting from passage of AB 2394, this benefit is leading to 50% quarterly increase in cost and utilization of the expanded services. Based on our estimates, this amendment to the current contract is projected will cost us an additional \$3,710,556.00 per the remaining of the contract. Bringing this service in house would require KHS to hire 10 additional FTEs, and to purchase additional software and hardware. Therefore extending the current agreement is the preferred option.

g. Attachments

An Agreement at a Glance form and amendment 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: Member Services Department Head: Nate Scott
 Contract Vendor: American Logistics Company
 Vendor contact Name & e-mail: Mike Dunne, MDunne@alcsolutions.com
 What services will this vendor provide to KHS? Administration of Non-Emergency Medical Transportation and Non Medical Transportation member benefits.

Description of Contract

Type of Agreement: Professional Services Background: With passage of AB 2394 on July 1, 2017, by the California Legislature NEMT services have expanded significantly by adding non-medical transportation (NMT) as a benefit for all members to obtain covered Medi-Cal services. Non-medical transportation also includes personal vehicle use and ambulatory vehicles.

- | | |
|---|---|
| <input type="checkbox"/> Establish a new agreement
<input checked="" type="checkbox"/> Amendment
<input type="checkbox"/> Continuation of an Existing Contract
<input type="checkbox"/> Replacement
<input type="checkbox"/> Addendum
<input type="checkbox"/> Retroactive Agreement
Retroactive Date _____ | Previous Agreement No. _____ or Amendment No. _____
Date Agreement Began <u>4/17/17</u>
Brief Explanation: <u>KHS released the NEMT Request for Proposal on December 12, 2016 to outsource management of NEMT benefits to an experienced broker. KHS received responses from two transportation brokers to provide NEMT services. ALC was selected as the vendor for these services.</u>
Reason for delay in approval: _____ |
|---|---|

Summary of Quotes and/or Bids attached. *Pursuant to KHS Policy #8.11-I, 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.*

Brief vendor selection justification:
 Sole source –

Brief reason for sole source: KHS is currently under contract with ALC.

- Conflict of Interest Form is required for this Contract
- 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 330 GL# 5207

Form updated 11/28/16

Will this require additional funds?

NO YES

Maximum cost of this agreement not to exceed: \$3,710,556.00 per current term

Notes: _____

Contract Terms and Conditions

Effective date: 6/14/18

Termination date: 4/17/19

Explain extension provisions, termination conditions and required notice: This contract can be terminated given a 30 day notice.

Approvals

Contract Owner:

Purchasing:

Department Head

[Signature]
Director of Procurement

Date

5/31/18
Date

Reviewed as to Budget:

Recommended by the Executive Committee:

[Signature]
Chief Financial Officer or Controller

[Signature]
Committee Chairman

6/1/18
Date

6/1/18
Date

Compliance Review:

Legal Review:

Chief Compliance Officer

Legal Counsel

Date

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



To: KHS Finance Committee

From: Robert Landis, CFO

Date: June 8, 2018

Re: February 2018 Financial Results

The February results reflect a \$111,050 Net Increase in Net Position which is a \$589,728 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$.7 million unfavorable variance primarily due to:
 - A) \$.6 million unfavorable variance relating to Family and Other primarily due to lower than expected Maternity revenue.
- 2) Total Medical Costs reflect a \$.8 million favorable variance primarily due to:
 - A) \$.5 million favorable variance in Pharmacy primarily due to a lower volume of prescriptions due to February being a short month (\$.3 million) and lower than expected HEP-C utilization (\$.3 million).

The February Medical Loss Ratio is 94.4% which is slightly unfavorable to the 94.3% budgeted amount. The February Administrative Expense Ratio is 5.4% which is favorable to the 5.9% budgeted amount.

The results for the 2 months ended February 28, 2018 reflect a Net Increase in Net Position of \$165,776. This is a \$1,157,320 favorable variance to budget and includes approximately \$4.3 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 94.4% which is slightly unfavorable to the 94.3% budgeted amount. The year-to-date Administrative Expense Ratio is 5.5% which is favorable to the 6.0% budgeted amount.

**Kern Health Systems
Financial Packet
February 2018**

KHS – Medi-Cal Line of Business

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

KHS Group Health Plan – Healthy Families Line of Business

Comparative Statement of Net Position	Page 13
Statement of Revenue, Expenses, and Changes in Net Position	Page 14

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 FEBRUARY 28, 2018			
ASSETS	FEBRUARY 2018	JANUARY 2018	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 84,538,046	\$ 109,292,478	\$ (24,754,432)
Short-Term Investments	184,558,206	139,521,110	45,037,096
Pass-through Monies Held for Future Payment	228,428	300,845	(72,417)
Premiums Receivable - Net	51,742,538	52,913,467	(1,170,929)
Interest Receivable	377,931	195,925	182,006
Other Receivables	756,618	1,556,497	(799,879)
Prepaid Expenses & Other Current Assets	1,034,673	1,122,379	(87,706)
Total Current Assets	\$ 323,236,440	\$ 304,902,701	\$ 18,333,739
RESTRICTED ASSETS	\$ 300,000	\$ 300,000	\$ -
CAPITAL ASSETS - NET OF ACCUM DEPREE:			
Land	4,876,562	4,876,562	-
Furniture and Equipment	6,390,388	6,470,109	(79,721)
Automobile - Net	17,015	17,407	(392)
Building and Building Improvements - Net	6,600,881	6,628,851	(27,970)
Capital Projects in Process	10,408,932	9,932,191	476,741
Total Capital Assets	\$ 28,293,778	\$ 27,925,120	\$ 368,658
LONG TERM ASSETS:			
Officer Life Insurance Receivables	685,084	685,084	-
Total Long Term Assets	\$ 685,084	\$ 685,084	\$ -
DEFERRED OUTFLOWS OF RESOURCES	\$ 2,890,063	\$ 2,890,063	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 355,405,365	\$ 336,702,968	\$ 18,702,397
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	\$ 38,018	\$ 40,417	(2,399)
Accrued Salaries and Employee Benefits	1,922,372	1,956,195	(33,823)
Accrued Other Operating Expenses	1,259,799	1,670,902	(411,103)
Accrued Taxes and Licenses	15,321,039	7,513,815	7,807,224
Other Medical Liabilities - Nonoperating Passthrough	228,428	300,845	(72,417)
Claims Payable (Reported)	27,540,410	15,680,985	11,859,425
IBNR - Inpatient Claims	31,946,477	29,488,274	2,458,203
IBNR - Physician Claims	15,237,452	16,057,007	(819,555)
IBNR - Accrued Other Medical	15,627,460	18,362,294	(2,734,834)
Risk Pool and Withholds Payable	3,679,198	3,191,572	487,626
Statutory Allowance for Claims Processing Expense	2,324,857	2,324,857	-
Other Liabilities	43,218,557	43,165,557	53,000
Total Current Liabilities	\$ 158,344,067	\$ 139,752,720	\$ 18,591,347
NONCURRENT LIABILITIES:			
Net Pension Liability	6,082,752	6,082,752	-
TOTAL NONCURRENT LIABILITIES	\$ 6,082,752	\$ 6,082,752	\$ -
DEFERRED INFLOWS OF RESOURCES	\$ 270,949	\$ 270,949	\$ -
NET POSITION:			
Net Position - Beg. of Year	190,541,821	190,541,821	-
Increase (Decrease) in Net Position - Current Year	165,776	54,726	111,050
Total Net Position	\$ 190,707,597	\$ 190,596,547	\$ 111,050
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 355,405,365	\$ 336,702,968	\$ 18,702,397

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED FEBRUARY 28, 2018	YEAR-TO-DATE MEMBER MONTHS		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
ENROLLMENT						
165,085	163,700	1,385	Family Members	329,026	327,000	2,026
58,564	57,700	864	Expansion Members	116,308	115,250	1,058
14,320	14,050	270	SPD Members	28,469	28,100	369
5,844	5,050	794	Other Members	11,687	10,075	1,612
8,160	7,825	335	Kaiser Members	16,151	15,625	526
251,973	248,325	3,648	Total Members - MCAL	501,641	496,050	5,591
REVENUES						
20,328,489	20,947,125	(618,636)	Title XIX - Medicaid - Family and Other	40,177,471	41,846,862	(1,669,391)
20,367,468	20,288,947	78,521	Title XIX - Medicaid - Expansion Members	40,845,905	40,525,922	319,983
10,530,984	10,856,567	(325,583)	Title XIX - Medicaid - SPD Members	20,865,534	21,713,133	(847,599)
7,638,903	7,568,822	70,081	Premium - MCO Tax	15,359,370	15,119,549	239,821
312,296	268,572	43,724	Interest /Dividends	801,424	536,502	264,922
-	113,035	(113,035)	Reinsurance Recoveries	-	225,800	(225,800)
319,159	-	319,159	Rate/Income Adjustments	1,830,660	-	1,830,660
(200,000)	-	(200,000)	Other Income (Expense)	(85,468)	-	(85,468)
59,297,299	60,043,068	(745,769)	TOTAL REVENUES	119,794,897	119,967,768	(172,871)
EXPENSES						
Medical Costs:						
12,606,454	12,619,090	12,636	Physician Services	25,846,231	25,210,771	(635,460)
2,788,474	2,771,275	(17,199)	Other Professional Services	5,762,285	5,539,650	(222,634)
4,171,278	4,110,578	(60,700)	Emergency Room	8,440,622	8,211,913	(228,709)
13,055,324	13,188,924	133,600	Inpatient	26,644,035	26,352,491	(291,545)
117,345	113,035	(4,310)	Reinsurance Expense	230,881	225,800	(5,081)
5,138,504	4,767,494	(371,010)	Outpatient Hospital	10,445,549	9,525,666	(919,883)
1,923,264	2,393,933	470,669	Other Medical	4,345,870	4,784,333	438,464
8,544,614	9,056,937	512,323	Pharmacy	18,311,677	18,097,621	(214,056)
487,626	481,000	(6,626)	Pay for Performance Quality Incentive	970,980	960,850	(10,130)
(81,180)	-	81,180	IBNR, Incentive, Paid Claims Adjustment	(2,419,607)	-	2,419,607
48,751,703	49,502,266	750,563	Total Medical Costs	98,578,522	98,909,095	330,573
10,545,596	10,540,803	4,793	GROSS MARGIN	21,216,375	21,058,673	157,702
Administrative:						
1,857,459	1,984,220	126,761	Compensation	3,841,190	3,966,631	125,441
545,740	614,940	69,200	Purchased Services	1,065,632	1,236,780	171,148
27,993	101,339	73,346	Supplies	132,196	202,677	70,481
127,578	130,103	2,525	Depreciation	256,300	260,206	3,906
225,000	286,724	61,724	Other Administrative Expenses	435,466	597,709	162,243
2,783,770	3,117,326	333,556	Total Administrative Expenses	5,730,784	6,264,002	533,218
51,535,473	52,619,591	1,084,118	TOTAL EXPENSES	104,309,306	105,173,097	863,791
7,761,826	7,423,477	338,349	OPERATING INCOME (LOSS) BEFORE TAX	15,485,591	14,794,671	690,920
7,510,749	7,568,822	58,073	MCO TAX	15,161,003	15,119,549	(41,454)
251,077	(145,345)	396,422	OPERATING INCOME (LOSS) NET OF TAX	324,588	(324,878)	649,466
NONOPERATING REVENUE (EXPENSES)						
-	-	-	Reserve Fund Projects/Community Grants	-	-	-
(140,027)	(333,333)	193,306	Health Home	(158,812)	(666,666)	507,854
(140,027)	(333,333)	193,306	TOTAL NONOPERATING REVENUES (EXPENSES)	(158,812)	(666,666)	507,854
111,050	(478,678)	589,728	NET INCREASE (DECREASE) IN NET POSITION	165,776	(991,544)	1,157,320
94.4%	94.3%	0.0%	MEDICAL LOSS RATIO	94.4%	94.3%	-0.1%
5.4%	5.9%	0.6%	ADMINISTRATIVE EXPENSE RATIO	5.5%	6.0%	0.5%

			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED FEBRUARY 28, 2018					
CURRENT MONTH						YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE				ACTUAL	BUDGET	VARIANCE
ENROLLMENT								
165,085	163,700	1,385	Family Members			329,026	327,000	2,026
58,564	57,700	864	Expansion Members			116,308	115,250	1,058
14,320	14,050	270	SPD Members			28,469	28,100	369
5,844	5,050	794	Other Members			11,687	10,075	1,612
8,160	7,825	335	Kaiser Members			16,151	15,625	526
251,973	248,325	3,648	Total Members - MCAL			501,641	496,050	5,591
REVENUES								
118.93	124.13	(5.20)	Title XIX - Medicaid - Family and Other			117.92	124.15	(6.23)
347.78	351.63	(3.85)	Title XIX - Medicaid - Expansion Members			351.19	351.63	(0.45)
735.40	772.71	(37.31)	Title XIX - Medicaid - SPD Members			732.92	772.71	(39.79)
31.33	31.47	(0.14)	Premium - MCO Tax			31.64	31.47	0.17
1.28	1.12	0.16	Interest /Dividends			1.65	1.12	0.53
0.00	0.47	(0.47)	Reinsurance Recoveries			0.00	0.47	(0.47)
0.00	0.00	0.00	COB/Subrogation Collections			0.00	0.00	0.00
1.31	0.00	1.31	Rate/Income Adjustments			3.77	0.00	3.77
(0.82)	0.00	(0.82)	Other Income (Expense)			(0.18)	0.00	(0.18)
243.21	249.66	(6.45)	TOTAL REVENUES			246.75	249.71	(2.96)
EXPENSES								
Medical Costs:								
51.71	52.47	0.76	Physician Services			53.24	52.48	(0.76)
11.44	11.52	0.09	Other Professional Services			11.87	11.53	(0.34)
17.11	17.09	(0.02)	Emergency Room			17.39	17.09	(0.29)
53.55	54.84	1.29	Inpatient			54.88	54.85	(0.03)
0.48	0.47	(0.01)	Reinsurance Expense			0.48	0.47	(0.01)
21.08	19.82	(1.25)	Outpatient Hospital			21.52	19.83	(1.69)
7.89	9.95	2.07	Other Medical			8.95	9.96	1.01
35.05	37.66	2.61	Pharmacy			37.72	37.67	(0.05)
2.00	2.00	0.00	Pay for Performance Quality Incentive			2.00	2.00	0.00
(0.33)	0.00	0.33	IBNR, Incentive, Paid Claims Adjustment			(4.98)	0.00	4.98
199.96	205.83	5.88	Total Medical Costs			203.05	205.88	2.83
43.25	43.83	(0.58)	GROSS MARGIN			43.70	43.83	(0.13)
Administrative:								
7.62	8.25	0.63	Compensation			7.91	8.26	0.34
2.24	2.56	0.32	Purchased Services			2.19	2.57	0.38
0.11	0.42	0.31	Supplies			0.27	0.42	0.15
0.52	0.54	0.02	Depreciation			0.53	0.54	0.01
0.92	1.19	0.27	Other Administrative Expenses			0.90	1.24	0.35
11.42	12.96	1.54	Total Administrative Expenses			11.80	13.04	1.23
211.37	218.79	7.42	TOTAL EXPENSES			214.85	218.92	4.06
31.84	30.87	0.97	OPERATING INCOME (LOSS) BEFORE TAX			31.90	30.79	1.10
30.81	31.47	0.67	MCO TAX			31.23	31.47	0.24
1.03	(0.60)	1.63	OPERATING INCOME (LOSS) NET OF TAX			0.67	(0.68)	1.34
NONOPERATING REVENUE (EXPENSES)								
0.00	0.00	0.00	Reserve Fund Projects/Community Grants			0.00	0.00	0.00
0.56	(1.39)	(1.94)	Health Home			0.32	(2.77)	(3.09)
0.56	(1.39)	(1.94)	TOTAL NONOPERATING REVENUES (EXPENSES)			0.32	(2.77)	(3.09)
0.46	(1.99)	2.45	NET INCREASE (DECREASE) IN NET POSITION			0.34	(2.06)	2.41
94.4%	94.3%	0.0%	MEDICAL LOSS RATIO			94.4%	94.3%	-0.1%
5.4%	5.9%	0.6%	ADMINISTRATIVE EXPENSE RATIO			5.5%	6.0%	0.5%

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH FEBRUARY 28, 2018													
ENROLLMENT													
Members - MCAL	240,308	241,178	241,282	241,716	239,716	239,363	240,564	240,556	239,434	241,567	241,677	243,813	2,884,684
R E V E N U E S													
Title XIX - Medicaid - Family and Other	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	20,910,809	19,848,982	20,328,489	273,692,204
Title XIX - Medicaid - Expansion Members	22,045,879	21,650,071	21,843,761	21,316,549	20,420,390	20,057,872	20,013,384	20,013,706	20,222,674	20,131,172	20,378,437	20,367,468	269,701,552
Title XIX - Medicaid - SPD Members	9,939,770	10,055,780	9,972,611	10,383,303	10,531,094	10,667,756	10,594,072	10,978,591	10,859,865	11,011,790	10,434,550	10,530,984	135,485,107
Premium - MCO Tax	7,405,842	7,470,551	7,507,968	7,517,457	7,674,906	7,622,484	8,085,189	7,403,479	7,628,239	7,651,559	7,720,467	7,638,903	98,882,783
Interest/Dividends	176,794	245,909	264,732	265,238	243,800	335,932	302,348	303,875	268,899	320,014	489,128	312,296	3,925,581
Reinsurance Recoveries	-	-	-	-	-	-	-	124,814	781,756	217,996	-	-	1,123,866
COB/Subrogation Collections	3,306,877	4,696,164	2,789,187	3,698,257	3,234,724	5,392,339	3,431,408	3,148,842	3,234,912	2,458,885	-	-	40,996,257
Rate/Income Adjustments	2,016,975	413,545	93,756	(3,949)	(84,108)	1,061,917	9,476,726	126,333	2,128,785	52,721	1,511,501	319,159	16,772,631
Other Income (Expense)	121	46,740	(1,110)	9	(88,814)	104	(185,865)	378	(20,460)	(708,938)	114,532	(200,000)	(1,061,711)
TOTAL REVENUES	63,704,954	66,799,408	64,178,550	64,266,102	64,312,190	63,064,185	66,345,512	62,741,067	68,625,290	62,051,308	60,497,598	59,297,239	839,498,172
E X P E N S E S													
Medical Costs:	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	13,358,821	13,239,777	12,606,454	177,334,211
Physician Services	2,496,217	2,479,295	2,584,649	3,297,395	2,903,026	2,989,387	2,851,866	2,920,876	3,065,669	2,810,522	2,973,811	2,788,474	36,403,149
Other Professional Services	4,450,889	4,100,250	4,012,665	3,942,442	4,668,069	5,099,638	4,691,197	3,995,827	5,099,639	3,888,819	4,269,344	4,171,278	57,152,229
Emergency Room	14,812,384	15,281,823	14,524,702	14,725,286	14,193,273	13,361,803	13,546,637	13,578,463	16,815,315	14,316,486	13,588,711	13,055,324	185,659,215
Inpatient	103,384	103,399	105,736	107,515	106,164	106,355	105,475	105,848	105,845	105,351	113,536	117,345	1,391,273
Reinsurance Expense	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	5,457,841	5,307,045	5,138,504	76,516,658
Outpatient Hospital	2,007,506	2,214,713	2,739,420	2,790,233	2,620,808	1,975,195	1,883,596	2,362,997	1,797,103	2,482,691	2,422,606	1,923,264	28,594,338
Pharmacy	7,616,304	9,063,123	8,149,210	8,855,628	9,935,835	9,525,333	8,228,934	8,958,655	8,669,446	8,546,330	9,767,063	8,544,614	113,895,569
Other Medical	559,709	564,724	566,768	567,013	568,032	563,325	563,325	563,307	562,670	567,622	483,354	487,626	7,184,046
Pay for Performance Quality Incentive	111,013	(585,473)	(232,581)	(744,814)	(28,273)	1,034,615	7,973,649	332,212	(382,239)	(105,403)	(2,338,427)	(81,180)	2,225,309
IBNR, Incentive, Paid Claims Adjustment	50,406,468	52,511,453	51,049,856	52,353,094	53,321,503	54,695,536	60,619,644	51,565,938	57,488,350	51,428,840	49,826,819	48,751,703	686,355,997
Total Medical Costs	13,298,486	14,287,955	13,128,694	11,913,008	10,990,687	11,649,976	12,395,064	11,175,129	11,136,940	10,622,469	10,670,779	10,545,596	153,142,174
GROSS MARGIN	50,406,468	52,511,453	51,049,856	52,353,094	53,321,503	54,695,536	60,619,644	51,565,938	57,488,350	51,428,840	49,826,819	48,751,703	686,355,997
Administrative:	1,550,593	1,806,555	1,650,173	1,904,742	1,869,066	1,962,751	1,762,043	1,869,031	1,897,938	2,047,251	1,983,731	1,857,459	23,977,398
Compensation	450,657	436,052	442,046	344,323	364,323	371,842	372,883	359,809	952,528	659,696	519,892	545,740	6,504,617
Purchased Services	36,371	86,926	99,813	89,505	30,984	65,925	131,877	168,244	208,982	160,257	(329,638)	104,203	881,342
Supplies	122,468	136,082	127,956	136,197	129,115	126,867	125,881	126,596	127,744	127,444	127,464	128,222	127,578
Depreciation	241,138	348,645	237,283	296,524	363,803	171,677	267,320	200,081	267,832	317,828	688,773	210,466	3,835,870
Other Administrative Expenses	2,401,227	2,814,260	2,557,271	2,771,405	2,535,146	2,859,703	2,779,132	3,012,050	3,456,295	5,235,280	2,947,014	2,783,770	38,909,845
Administrative Expense Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Administrative Expenses	2,401,227	2,814,260	2,557,271	2,771,405	2,535,146	2,859,703	2,779,132	3,012,050	3,456,295	5,235,280	2,947,014	2,783,770	38,909,845
TOTAL EXPENSES	52,807,695	55,325,713	53,607,127	55,134,499	56,078,794	54,871,939	57,555,239	63,398,776	61,577,988	60,944,645	62,773,833	61,535,473	725,265,842
OPERATING INCOME (LOSS) BEFORE TAX	10,897,259	11,473,695	10,571,423	9,131,603	8,233,396	8,192,246	8,790,273	9,343,291	8,163,079	8,163,079	7,723,765	7,761,836	114,232,330
MCOTAX	6,911,096	7,199,396	7,204,569	7,198,592	7,197,359	7,198,592	7,198,592	7,198,592	7,198,592	7,198,592	7,198,592	7,198,592	97,139,251
OPERATING INCOME (LOSS) NET OF TAX	3,986,163	4,274,299	3,366,854	1,932,011	1,036,037	993,654	1,591,681	2,144,699	964,487	964,487	525,173	563,244	17,093,079
TOTAL NONOPERATING REVENUE (EXPENSES)	-	(23,174)	-	(11,588)	-	(23,175)	(23,175)	(662,708)	-	-	(18,785)	(140,027)	(1,528,068)
NET INCREASE (DECREASE) IN NET POSITION	3,986,163	4,251,125	3,366,854	1,920,423	1,036,037	969,479	1,568,506	2,121,524	964,487	964,487	506,388	423,217	15,565,011
MEDICAL LOSS RATIO	89.5%	88.5%	90.1%	92.2%	93.9%	94.5%	93.5%	92.5%	94.2%	94.2%	94.3%	94.3%	92.7%
ADMINISTRATIVE EXPENSE RATIO	4.3%	4.7%	4.5%	4.9%	4.9%	4.6%	4.9%	4.2%	5.4%	5.7%	5.6%	5.4%	5.3%

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH FEBRUARY 28, 2018	FEBRUARY 2017	MARCH 2017	APRIL 2017	MAY 2017	JUNE 2017	JULY 2017	AUGUST 2017	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017	DECEMBER 2017	JANUARY 2018	FEBRUARY 2018	13 MONTH TOTAL
	237,323	240,308	241,178	241,282	241,716	239,716	239,363	240,564	240,556	239,434	241,507	241,677	243,813	3,128,497
MEMBERS - MICAL														
REVENUES														
Title XIX - Medicaid - Family and Other	119,60	129,31	128,39	124,01	126,74	124,89	125,53	129,26	122,06	126,92	123,23	116,91	118,93	124,29
Title XIX - Medicaid - Expansion Members	375,41	386,18	375,46	376,19	369,16	356,43	351,84	350,11	352,46	359,17	349,73	354,64	347,78	361,87
Title XIX - Medicaid - SPD Members	717,78	734,16	740,65	743,39	749,37	764,45	772,58	754,83	748,37	760,39	769,40	730,41	735,40	747,92
Premium - MCO Tax	31,21	31,09	31,13	31,10	31,10	32,02	31,84	33,62	30,77	31,86	31,67	31,95	31,33	34,36
Interest/Dividends	0,74	1,02	1,10	1,56	1,10	1,02	1,26	1,26	1,26	1,12	1,28	2,02	1,28	1,37
Reinsurance Recoveries	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,52	3,27	0,90	0,00	0,00	0,39
COB/Subrogation Collections	13,93	19,54	11,56	14,57	15,30	13,49	22,53	14,26	13,09	22,24	10,18	0,00	0,00	14,21
Rate/Income Adjustments	8,50	1,72	0,39	(0,02)	(1,41)	(0,35)	4,44	39,39	0,53	8,89	0,22	6,25	1,31	5,81
Other Income (Expense)	0,00	0,19	(0,00)	0,00	(0,37)	(0,08)	0,00	(0,77)	0,00	(0,09)	(2,93)	0,47	0,00	(0,37)
TOTAL REVENUES	2,68,43	2,77,97	2,66,10	2,66,35	2,66,07	2,63,08	2,77,18	3,06,01	2,60,82	2,86,61	2,56,87	2,50,32	2,43,21	2,91,02
EXPENSES														
Medical Costs:														
Physician Services	53,45	54,75	55,17	57,18	62,78	60,17	57,97	59,19	53,47	61,01	55,30	54,78	51,71	61,47
Other Professional Services	9,47	10,39	10,28	10,71	13,62	12,11	12,49	11,85	12,14	12,80	11,63	12,30	11,44	12,62
Emergency Room	18,75	17,06	16,64	16,34	19,71	19,46	19,52	21,31	19,52	21,28	16,10	17,67	17,11	19,81
Inpatient	62,41	63,59	60,22	61,03	58,72	55,74	56,59	57,62	56,43	70,23	59,27	56,23	53,55	64,36
Reinsurance Expense	0,44	0,43	0,44	0,45	0,44	0,44	0,44	0,44	0,44	0,44	0,44	0,47	0,48	0,48
Outpatient Hospital	24,50	25,45	23,91	23,99	26,04	22,65	25,71	25,83	24,47	29,87	22,59	21,86	21,08	26,53
Other Medical	8,46	9,22	9,84	11,32	10,84	8,24	7,52	7,83	8,22	7,51	10,28	10,02	7,89	9,91
Pharmacy	32,09	37,71	33,79	36,70	37,38	37,28	39,79	34,21	37,24	36,21	35,38	40,41	35,05	39,48
Pay for Performance Quality Incentive	2,36	2,35	2,35	2,35	2,35	2,35	2,35	2,35	2,35	2,35	2,35	2,00	2,00	2,49
Expansion Risk Corridor Expense	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
IBNR, Incentive, Paid Claims Adjustment	0,47	(2,44)	(0,96)	(3,09)	(11,29)	(0,12)	4,32	33,15	1,38	(1,60)	(0,44)	(9,68)	(0,33)	0,77
Total Medical Costs	212,40	218,52	211,67	216,98	220,60	218,33	228,50	251,99	214,36	240,10	212,90	206,17	199,96	237,93
GROSS MARGIN	56,04	59,46	54,44	49,37	45,47	44,75	48,67	54,02	46,46	46,51	43,97	44,15	43,25	53,09
Administrative:														
Compensation	6,53	7,52	6,84	7,89	7,73	7,58	8,20	7,32	7,77	7,93	8,47	8,21	7,62	8,31
Purchased Services	1,90	1,81	1,83	1,43	1,51	1,48	1,55	2,17	2,24	3,98	2,73	2,15	2,24	2,25
Supplies	0,15	0,36	0,41	0,37	0,13	0,27	0,55	0,70	0,87	0,67	(1,36)	0,43	0,11	0,31
Depreciation	0,52	0,57	0,53	0,56	0,53	0,53	0,53	0,53	0,53	0,53	0,53	0,53	0,52	0,58
Other Administrative Expenses	1,02	1,45	0,98	1,23	1,51	0,72	0,83	1,11	1,33	1,33	2,85	0,87	0,92	1,33
Administrative Expense Adjustment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,71
Total Administrative Expenses	10,12	11,71	10,60	11,49	11,41	10,58	11,95	11,55	12,52	14,44	21,67	12,19	11,42	13,49
TOTAL EXPENSES	222,51	230,23	222,27	228,47	232,00	228,90	240,45	263,54	226,88	254,54	234,57	218,37	211,37	251,42
OPERATING INCOME (LOSS) BEFORE TAX	46,52	47,75	43,83	49,37	44,67	44,82	48,17	51,99	44,10	41,47	43,90	45,52	32,44	39,09
MCO TAX														
Operating Income (Loss) Net of Tax	16,80	17,79	13,96	8,05	4,29	2,16	4,24	8,96	2,95	0,13	(9,46)	0,30	1,03	(0,10)
Net Increase (Decrease) in Net Position	16,80	(1,00)	0,00	(0,02)	0,00	(0,10)	0,00	(0,10)	(2,75)	0,00	(2,59)	(0,08)	(0,57)	(0,10)
MEDICAL LOSS RATIO	89,5%	88,5%	90,1%	92,2%	93,9%	94,5%	93,1%	92,5%	93,2%	94,2%	94,5%	94,4%	94,8%	92,7%
ADMINISTRATIVE EXPENSE RATIO	4,3%	4,7%	4,5%	4,9%	4,9%	4,6%	4,9%	4,2%	5,4%	5,7%	9,6%	5,6%	5,4%	5,3%

CURRENT MONTH		YEAR-TO-DATE			
ACTUAL	BUDGET	ACTUAL	BUDGET		
VARIANCE		VARIANCE			
KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED FEBRUARY 28, 2018					
R E V E N U E S					
Title XIX - Medicaid - Family & Other					
18,486,091	18,530,059	36,706,664	37,013,708	(43,968)	(307,044)
1,570,879	2,022,939	3,021,400	4,045,878	(452,060)	(1,024,478)
78,769	174,644	126,030	348,848	(95,875)	(222,818)
101,779	133,061	142,079	265,787	(31,282)	(123,708)
90,971	86,422	181,298	172,641	4,549	8,657
20,328,489	20,947,125	40,177,471	41,846,862	(618,636)	(1,669,391)
Title XIX - Medicaid - Expansion Members					
19,859,791	19,478,292	39,458,580	38,905,665	381,499	552,915
176,435	405,339	504,742	810,677	(228,904)	(305,935)
299,320	375,028	819,193	749,080	(75,708)	70,113
31,922	30,290	63,390	60,500	1,633	2,890
20,367,468	20,288,947	40,845,905	40,525,922	78,521	319,983
Title XIX - Medicaid - SPD Members					
10,211,956	10,274,765	20,289,850	20,549,529	(62,809)	(259,679)
189,045	320,007	362,336	640,014	(130,962)	(277,678)
129,983	261,795	213,348	523,590	(131,812)	(310,242)
10,530,984	10,856,567	20,865,534	21,713,133	(325,583)	(847,599)

CURRENT MONTH		VARIANCE	KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED FEBRUARY 28, 2018			YEAR-TO-DATE		
ACTUAL	BUDGET		ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
2,742,958	2,763,465	20,507	5,663,635	5,520,438	(143,197)			
8,846,562	8,754,865	(91,697)	18,087,029	17,491,422	(595,607)			
1,008,534	1,091,460	82,926	2,077,867	2,189,611	111,744			
8,400	9,300	900	17,700	9,300	(8,400)			
12,606,454	12,619,090	12,636	25,846,231	25,210,771	(635,460)			
PHYSICIAN SERVICES								
OTHER PROFESSIONAL SERVICES								
249,668	247,357	(2,311)	491,235	494,126	2,891			
704,252	743,789	39,537	1,465,326	1,487,578	22,252			
107,550	118,862	11,312	226,371	237,724	11,353			
65,961	81,223	15,262	141,983	162,446	20,463			
85,975	100,241	14,266	182,497	200,482	17,985			
41,266	59,774	18,508	85,469	119,548	34,079			
59,793	79,572	19,779	115,921	159,144	43,223			
385,879	436,439	50,560	873,958	872,437	(1,521)			
122,453	53,246	(69,207)	186,098	106,386	(79,713)			
965,677	850,772	(114,905)	1,993,426	1,699,779	(293,647)			
2,788,474	2,771,275	(17,199)	5,762,285	5,539,650	(222,634)			
4,171,278	4,110,578	(60,700)	8,440,622	8,211,913	(228,709)			
13,055,324	13,188,924	133,600	26,644,035	26,352,491	(291,545)			
117,345	113,035	(4,310)	230,881	225,800	(5,081)			
5,138,504	4,767,494	(371,010)	10,445,549	9,525,666	(919,883)			
TOTAL OTHER PROFESSIONAL SERVICES								
EMERGENCY ROOM								
INPATIENT HOSPITAL								
REINSURANCE EXPENSE PREMIUM								
OUTPATIENT HOSPITAL SERVICES								
OTHER MEDICAL								
352,496	330,683	(21,813)	690,847	660,586	(30,261)			
354,315	354,902	587	741,391	709,308	(32,083)			
42,175	262,928	220,753	326,367	525,856	199,489			
777,625	800,062	22,437	1,777,283	1,599,037	(178,246)			
9,604	120,250	110,646	9,604	240,213	230,609			
387,049	525,109	138,060	800,378	1,049,334	248,956			
1,923,264	2,393,933	470,669	4,345,870	4,784,333	438,464			
TOTAL OTHER MEDICAL								
PHARMACY SERVICES								
7,533,478	7,816,999	283,521	16,066,558	15,619,542	(447,017)			
557,006	828,096	271,090	1,286,048	1,654,882	368,834			
570,130	515,146	(54,984)	1,191,071	1,029,614	(161,457)			
(116,000)	(103,304)	12,696	(232,000)	(206,416)	25,584			
8,544,614	9,056,937	512,323	18,311,677	18,097,621	(214,056)			
487,626	481,000	(6,626)	970,980	960,850	(10,130)			
(81,180)	-	81,180	(2,419,607)	-	2,419,607			
48,751,703	49,502,266	750,563	98,578,522	98,909,095	330,573			

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED FEBRUARY 28, 2018				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
11.25	11.49	0.24	PHYSICIAN SERVICES	11.67	11.49	(0.18)
36.28	36.40	0.12	Primary Care Physician Services	37.26	36.41	(0.85)
4.14	4.54	0.40	Referral Specialty Services	4.28	4.56	0.28
0.03	0.04	0.00	Urgent Care & After Hours Advise	0.04	0.02	(0.02)
51.71	52.47	0.76	Hospital Admitting Team	53.24	52.48	(0.76)
			TOTAL PHYSICIAN SERVICES			
			OTHER PROFESSIONAL SERVICES			
1.02	1.03	0.00	Vision Service Capitation	1.01	1.03	0.02
2.89	3.09	0.20	310 - Health Services - Utilization Management - UM Allocation *	3.02	3.10	0.08
0.44	0.49	0.05	311 - Health Services - Quality Improvement - UM Allocation *	0.47	0.49	0.02
0.27	0.34	0.07	312 - Health Services - Education - UM Allocation *	0.29	0.34	0.05
0.35	0.42	0.06	313 - Health Services - Pharmacy - UM Allocation *	0.38	0.42	0.04
0.17	0.25	0.08	314 - Health Homes - UM Allocation *	0.18	0.25	0.07
0.25	0.33	0.09	616 - Disease Management - UM Allocation *	0.24	0.33	0.09
1.58	1.81	0.23	Behavior Health Treatment	1.80	1.82	0.02
0.50	0.22	(0.28)	Mental Health Services	0.38	0.22	(0.16)
3.96	3.54	(0.42)	Other Professional Services	4.11	3.54	(0.57)
11.44	11.52	0.09	TOTAL OTHER PROFESSIONAL SERVICES	11.87	11.53	(0.34)
17.11	17.09	(0.02)	EMERGENCY ROOM	17.39	17.09	(0.29)
53.55	54.84	1.29	INPATIENT HOSPITAL	54.88	54.85	(0.03)
0.48	0.47	(0.01)	REINSURANCE EXPENSE PREMIUM	0.48	0.47	(0.01)
21.08	19.82	(1.25)	OUTPATIENT HOSPITAL SERVICES	21.52	19.83	(1.69)
			OTHER MEDICAL			
1.45	1.37	(0.07)	Ambulance	1.42	1.38	(0.05)
1.45	1.48	0.02	Home Health Services & CBAS	1.53	1.48	(0.05)
0.17	1.09	0.92	Utilization and Quality Review Expenses	0.67	1.09	0.42
3.19	3.33	0.14	Long Term/SNF/Hospice	3.66	3.33	(0.33)
0.04	0.50	0.46	Enhanced Medical Benefits	0.02	0.50	0.48
1.59	2.18	0.60	Non-Medical Transportation	1.65	2.18	0.54
7.89	9.95	2.07	TOTAL OTHER MEDICAL	8.95	9.96	1.01
			PHARMACY SERVICES			
30.90	32.50	1.60	RX - Drugs & OTC	33.09	32.51	(0.58)
2.28	3.44	1.16	RX - HEP-C	2.65	3.44	0.80
2.34	2.14	(0.20)	Rx - DME	2.45	2.14	(0.31)
(0.48)	(0.43)	0.05	RX - Pharmacy Rebates	(0.48)	(0.43)	0.05
35.05	37.66	2.61	TOTAL PHARMACY SERVICES	37.72	37.67	(0.05)
2.00	2.00	0.00	PAY FOR PERFORMANCE QUALITY INCENTIVE	2.00	2.00	0.00
(0.33)	0.00	0.33	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(4.98)	0.00	4.98
199.96	205.83	5.88	Total Medical Costs	203.05	205.88	2.83

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH FEBRUARY 28, 2018	JANUARY 2018	FEBRUARY 2018	YEAR TO DATE 2018
PHYSICIAN SERVICES			
Primary Care Physician Services	2,920,677	2,742,958	5,663,635
Referral Specialty Services	9,240,467	8,846,562	18,087,029
Urgent Care & After Hours Advise	1,069,333	1,008,534	2,077,867
Hospital Admitting Team	9,300	8,400	17,700
TOTAL PHYSICIAN SERVICES	13,239,777	12,606,454	25,846,231
OTHER PROFESSIONAL SERVICES			
Vision Service Capitation	241,567	249,668	491,235
310 - Health Services - Utilization Management - UM Allocation *	761,074	704,252	1,465,326
311 - Health Services - Quality Improvement - UM Allocation *	118,821	107,550	226,371
312 - Health Services - Education - UM Allocation *	76,022	65,961	141,983
313 - Health Services - Pharmacy - UM Allocation *	96,522	85,975	182,497
314 - Health Homes - UM Allocation *	44,203	41,266	85,469
616 - Disease Management - UM Allocation *	56,128	59,793	115,921
Behavior Health Treatment	488,079	385,879	873,958
Mental Health Services	63,645	122,453	186,098
Other Professional Services	1,027,749	965,677	1,993,426
TOTAL OTHER PROFESSIONAL SERVICES	2,973,811	2,788,474	5,762,285
EMERGENCY ROOM	4,269,344	4,171,278	8,440,622
INPATIENT HOSPITAL	13,588,711	13,055,324	26,644,035
REINSURANCE EXPENSE PREMIUM	113,536	117,345	230,881
OUTPATIENT HOSPITAL SERVICES	5,307,045	5,138,504	10,445,549
OTHER MEDICAL			
Ambulance	338,351	352,496	690,847
Home Health Services & CBAS	387,076	354,315	741,391
Utilization and Quality Review Expenses	284,192	42,175	326,367
Long Term/SNF/Hospice	999,658	777,625	1,777,283
Enhanced Medical Benefits	-	9,604	9,604
Non-Medical Transportation	413,329	387,049	800,378
TOTAL OTHER MEDICAL	2,422,606	1,923,264	4,345,870
PHARMACY SERVICES			
RX - Drugs & OTC	8,533,080	7,533,478	16,066,558
RX - HEP-C	729,042	557,006	1,286,048
Rx - DME	620,941	570,130	1,191,071
RX - Pharmacy Rebates	(116,000)	(116,000)	(232,000)
TOTAL PHARMACY SERVICES	9,767,063	8,544,614	18,311,677
PAY FOR PERFORMANCE QUALITY INCENTIVE	483,354	487,626	970,980
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(2,338,427)	(81,180)	(2,419,607)
Total Medical Costs	49,826,819	48,751,703	98,578,522

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH FEBRUARY 28, 2018	JANUARY 2018	FEBRUARY 2018	YEAR TO DATE 2018
PHYSICIAN SERVICES			
Primary Care Physician Services	12.09	11.25	11.67
Referral Specialty Services	38.23	36.28	37.26
Urgent Care & After Hours Advise	4.42	4.14	4.28
Hospital Admitting Team	0.04	0.03	0.04
TOTAL PHYSICIAN SERVICES	54.78	51.71	53.24
OTHER PROFESSIONAL SERVICES			
Vision Service Capitation	1.00	1.02	1.01
310 - Health Services - Utilization Management - UM Allocation *	3.15	2.89	3.02
311 - Health Services - Quality Improvement - UM Allocation *	0.49	0.44	0.47
312 - Health Services - Education - UM Allocation *	0.31	0.27	0.29
313 - Health Services - Pharmacy - UM Allocation *	0.40	0.35	0.38
314 - Health Homes - UM Allocation *	0.18	0.17	0.18
616 - Disease Management - UM Allocation *	0.23	0.25	0.24
Behavior Health Treatment	2.02	1.58	1.80
Mental Health Services	0.26	0.50	0.38
Other Professional Services	4.25	3.96	4.11
TOTAL OTHER PROFESSIONAL SERVICES	12.30	11.44	11.87
EMERGENCY ROOM	17.67	17.11	17.39
INPATIENT HOSPITAL	56.23	53.55	54.88
REINSURANCE EXPENSE PREMIUM	0.47	0.48	0.48
OUTPATIENT HOSPITAL SERVICES	21.96	21.08	21.52
OTHER MEDICAL			
Ambulance	1.40	1.45	1.42
Home Health Services & CBAS	1.60	1.45	1.53
Utilization and Quality Review Expenses	1.18	0.17	0.67
Long Term/SNF/Hospice	4.14	3.19	3.66
Enhanced Medical Benefits	0.00	0.04	0.02
Non-Medical Transportation	1.71	1.59	1.65
TOTAL OTHER MEDICAL	10.02	7.89	8.95
PHARMACY SERVICES			
RX - Drugs & OTC	35.31	30.90	33.09
RX - HEP-C	3.02	2.28	2.65
Rx - DME	2.57	2.34	2.45
RX - Pharmacy Rebates	(0.48)	(0.48)	(0.48)
TOTAL PHARMACY SERVICES	40.41	35.05	37.72
PAY FOR PERFORMANCE QUALITY INCENTIVE	2.00	2.00	2.00
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(9.68)	(0.33)	(4.98)
Total Medical Costs	206.17	199.96	203.05

CURRENT MONTH		YEAR-TO-DATE	
ACTUAL	BUDGET	ACTUAL	BUDGET
VARIANCE		VARIANCE	
KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED FEBRUARY 28, 2018			
227,269	228,691	476,629	486,774
	1,422		10,145
122,208	144,767	243,800	289,533
	22,559		45,733
566,474	516,524	1,121,236	1,033,049
	(49,950)		(88,187)
233,198	319,523	359,959	639,045
	86,325		279,086
392,682	462,225	869,575	921,450
	69,543		51,875
64,943	100,658	148,556	201,317
	35,715		52,761
(156)	2,583	4,880	5,167
	2,739		287
358	3,042	368	6,083
	2,684		5,715
(130)	553	17	1,107
	683		1,090
104,858	94,991	209,817	189,982
	(9,867)		(19,835)
(76)	2,325	7	4,650
	2,401		4,643
129	101	129	202
	(28)		73
186,821	220,660	449,222	442,194
	33,839		(7,028)
390,353	520,205	797,074	1,040,410
	129,852		243,336
251,490	291,620	579,394	583,240
	40,130		3,846
54,243	59,285	109,369	118,571
	5,042		9,202
21,825	59,899	26,400	120,198
	38,074		93,798
41,234	62,895	91,824	125,790
	21,661		33,966
126,047	151,777	242,528	305,240
	25,730		62,712
-	(124,999)	-	(249,999)
	(124,999)		(249,999)
2,783,770	3,117,326	5,730,784	6,264,002
	333,556		533,218

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED FEBRUARY 28, 2018	JANUARY 2018	FEBRUARY 2018	YEAR TO DATE 2018
110 - Executive	249,360	227,269	476,629
210 - Accounting	121,592	122,208	243,800
220 - Management Information Systems (MIS)	554,762	566,474	1,121,236
225 - Infrastructure	126,761	233,198	359,959
230 - Claims	476,893	392,682	869,575
240 - Project Management	83,613	64,943	148,556
310 - Health Services - Utilization Management	5,036	(156)	4,880
311 - Health Services - Quality Improvement	10	358	368
312 - Health Services - Education	147	(130)	17.00
313- Pharmacy	104,959	104,858	209,817
314 - Health Homes	83	(76)	7
616 - Disease Management	-	129	129
320 - Provider Relations	262,401	186,821	449,222
330 - Member Services	406,721	390,353	797,074
340 - Corporate Services	327,904	251,490	579,394
360 - Audit & Investigative Services	55,126	54,243	109,369
410 - Advertising Media	4,575	21,825	26,400
420 - Sales/Marketing/Public Relations	50,590	41,234	91,824
510 - Human Resources	116,481	126,047	242,528
Total Department Expenses	2,947,014	2,783,770	5,730,784

KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF FEBRUARY 28, 2018			
ASSETS	FEBRUARY 2018	JANUARY 2018	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,444,298	\$ 1,444,298	-
Interest Receivable	2,830	1,415	1,415
Prepaid Expenses & Other Current Assets	3,334	4,167	(833)
TOTAL CURRENT ASSETS	\$ 1,450,462	\$ 1,449,880	\$ 582
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	11,754	11,754	-
Other Liabilities	353,849	353,849	-
TOTAL CURRENT LIABILITIES	\$ 365,603	\$ 365,603	\$ -
NET POSITION:			
Net Position- Beg. of Year	1,081,027	1,081,027	-
Increase (Decrease) in Net Position - Current Year	3,832	3,250	582
Total Net Position	\$ 1,084,859	\$ 1,084,277	\$ 582
TOTAL LIABILITIES AND NET POSITION	\$ 1,450,462	\$ 1,449,880	\$ 582

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED FEBRUARY 28, 2018	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
ENROLLMENT						
-	-	-	Members	-	-	-
REVENUES						
-	-	-	Premium	-	-	-
1,415	-	1,415	Interest	2,830	-	2,830
-	-	-	Other Investment Income	2,667	-	2,667
1,415	-	1,415	TOTAL REVENUES	5,498	-	5,498
EXPENSES						
-	-	-	Medical Costs	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
1,415	-	1,415	GROSS MARGIN	5,498	-	5,498
Administrative						
833	-	(833)	Management Fee Expense and Other Admin Exp	1,666	-	(1,666)
833	-	(833)	Total Administrative Expenses	1,666	-	(1,666)
833	-	(833)	TOTAL EXPENSES	1,666	-	(1,666)
582	-	582	OPERATING INCOME (LOSS)	3,832	-	3,832
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-
582	-	582	NET INCREASE (DECREASE) IN NET POSITION	3,832	-	3,832
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%
59%	0%	-59%	ADMINISTRATIVE EXPENSE RATIO	30%	0%	-30%

**KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT**

KERN HEALTH SYSTEMS

	2018 MEMBER MONTHS											
	JAN'18	FEB'18	MAR'18	APR'18	MAY'18	JUN'18	JUL'18	AUG'18	SEP'18	OCT'18	NOV'18	DEC'18
ADULT AND FAMILY												
PA - FAMILY	34,790	34,221										
MN - FAMILY	0	0										
REFUGEE - FAMILY	0	0										
FOSTER CARE	707	679										
POVERTY-133/200%	1	1										
POVERTY-100%	0	0										
MI - CHILD	107,133	108,725										
CHLD-ACA	115	104										
FAMILY - UNDER 19	21,195	21,355										
SUB-TOTAL ADULT & FAMILY	163,941	165,085	0	0	0	0	0	0	0	0	0	0

MEDI-CAL EXPANSION	104
LHP Transition Pre-ACA	52
ACA Expansion Adult-Citizen	57,307
ACA Expansion CAL Fresh Adult	5
LHP Transition Pre-ACA	380
SUB-TOTAL MANDATORY	57,744

SDP MEMBERS	373
SSI-AGED	191
MN - AGED	1,457
SSI - BLIND & DIS-ABLED	12,242
MN - BLIND & DIS-ABLED	259
SUB-TOTAL MANDATORY SPD	14,149
TOTAL MANDATORY	473,803

OTHER MEMBERS	54
BCCTP-TOBACCO SETTLEMENT	28

DUALS	38
PA - FAMILY DUALS	24
PART D SSI-AGED	771
PART D MN - AGED	1,295
PART D SSI - BLIND & DIS-ABLED	2,338
PART D MN - BLIND & DIS-ABLED	1,038
PART D BCCTP-TOBACCO SETTLEMENT	3
PART D MI - ADULT	0
PART D MI - CHILD	346
SUB-TOTAL DUALS	5,815
TOTAL OTHERS	5,843

TOTAL KAISER	7,997
TOTAL MEDI-CAL MEMBERS	249,668

MEDI-CAL	
ADULT AND FAMILY	
PA - FAMILY	34,221
MN - FAMILY	0
REFUGEE - FAMILY	0
FOSTER CARE	679
POVERTY-133/200%	1
POVERTY-100%	0
MI - CHILD	108,725
CHLD-ACA	104
FAMILY - UNDER 19	21,355
SUB-TOTAL ADULT & FAMILY	165,085
MEDI-CAL EXPANSION	52
LHP Transition Pre-ACA	57,307
ACA Expansion Adult-Citizen	5
ACA Expansion CAL Fresh Adult	5
LHP Transition Pre-ACA	380
SUB-TOTAL MANDATORY	58,564
SDP MEMBERS	182
SSI-AGED	1,414
MN - AGED	12,366
SSI - BLIND & DIS-ABLED	259
MN - BLIND & DIS-ABLED	358
SUB-TOTAL MANDATORY SPD	14,320
TOTAL MANDATORY	237,969
OTHER MEMBERS	26
BCCTP-TOBACCO SETTLEMENT	26
DUALS	14
PA - FAMILY DUALS	14
PART D SSI-AGED	776
PART D MN - AGED	1,364
PART D SSI - BLIND & DIS-ABLED	2,300
PART D MN - BLIND & DIS-ABLED	978
PART D BCCTP-TOBACCO SETTLEMENT	1
PART D MI - ADULT	0
PART D MI - CHILD	385
SUB-TOTAL DUALS	5,818
TOTAL OTHERS	5,844
TOTAL KAISER	8,160
TOTAL MEDI-CAL MEMBERS	251,973



To: KHS Finance Committee

From: Robert Landis, CFO

Date: June 8, 2018

Re: March 2018 Financial Results

The March results reflect a \$1,381,389 Net Increase in Net Position which is a \$1,861,558 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$11.6 million favorable variance primarily due to:
 - A) \$10.2 million favorable variance in COB/Subrogation primarily due to higher than expected claim payment recoveries from the prior year where KHS was not primary.
 - B) \$1.1 million favorable adjustment relating to Rate/Income Adjustment primarily due to receiving 2017 reinsurance recoveries.
- 2) Total Medical Costs reflect a \$9.2 million unfavorable variance primarily due to:
 - A) \$3.0 million unfavorable variance in Physician Services primarily due to higher than expected utilization of Referral Specialty Services and Urgent Care.
 - B) \$1.1 million unfavorable variance in Emergency Room for Family and Other primarily due to higher than expected utilization.
 - C) \$3.8 million unfavorable variance in Inpatient primarily due to higher than expected utilization.
 - D) \$.5 million unfavorable variance in Outpatient Hospital primarily due to higher than expected utilization.

The March Medical Loss Ratio is 91.9% which is favorable to the 94.3% budgeted amount. The March Administrative Expense Ratio is 5.2% which is favorable to the 6.0% budgeted amount.

The results for the 3 months ended March 31, 2018 reflects a Net Increase in Net Position of \$1,547,165. This is a \$3,018,869 favorable variance to budget and includes approximately \$5.3 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 93.4% which is favorable to the 94.3% budgeted amount. The year-to-date Administrative Expense Ratio is 5.4% which is favorable to the 6.0% budgeted amount.

**Kern Health Systems
Financial Packet
March 2018**

KHS – Medi-Cal Line of Business

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KHS Group Health Plan – Healthy Families Line of Business

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KHS Administrative Analysis and Other Reporting

Monthly Member Count	Page 15
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KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF MARCH 31, 2018			
ASSETS	MARCH 2018	FEBRUARY 2018	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 103,208,068	\$ 84,538,046	\$ 18,670,022
Short-Term Investments	164,519,690	184,558,206	(20,038,516)
Pass-through Monies Held for Future Payment	124,601	228,428	(103,827)
Premiums Receivable - Net	49,591,773	51,742,538	(2,150,765)
Interest Receivable	239,003	377,931	(138,928)
Other Receivables	1,474,784	756,618	718,166
Prepaid Expenses & Other Current Assets	1,108,552	1,034,673	73,879
Total Current Assets	\$ 320,266,471	\$ 323,236,440	\$ (2,969,969)
RESTRICTED ASSETS	\$ 300,000	\$ 300,000	\$ -
CAPITAL ASSETS - NET OF ACCUM DEPREE:			
Land	4,876,562	4,876,562	-
Furniture and Equipment	6,307,885	6,390,388	(82,503)
Automobile - Net	16,624	17,015	(391)
Building and Building Improvements - Net	6,573,026	6,600,881	(27,855)
Capital Projects in Process	12,210,067	10,408,932	1,801,135
Total Capital Assets	\$ 29,984,164	\$ 28,293,778	\$ 1,690,386
LONG TERM ASSETS:			
Officer Life Insurance Receivables	684,910	685,084	(174)
Total Long Term Assets	\$ 684,910	\$ 685,084	\$ (174)
DEFERRED OUTFLOWS OF RESOURCES	\$ 2,890,063	\$ 2,890,063	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 354,125,608	\$ 355,405,365	\$ (1,279,757)
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	\$ 33,332	\$ 38,018	(4,686)
Accrued Salaries and Employee Benefits	2,298,262	1,922,372	375,890
Accrued Other Operating Expenses	1,506,016	1,259,799	246,217
Accrued Taxes and Licenses	22,971,062	15,321,039	7,650,023
Other Medical Liabilities - Nonoperating Passthrough	124,601	228,428	(103,827)
Claims Payable (Reported)	20,167,029	27,540,410	(7,373,381)
IBNR - Inpatient Claims	35,099,644	31,946,477	3,153,167
IBNR - Physician Claims	11,486,422	15,237,452	(3,751,030)
IBNR - Accrued Other Medical	13,424,498	15,627,460	(2,202,962)
Risk Pool and Withholds Payable	2,925,260	3,679,198	(753,938)
Statutory Allowance for Claims Processing Expense	2,324,857	2,324,857	-
Other Liabilities	43,311,251	43,218,557	92,694
Total Current Liabilities	\$ 155,672,234	\$ 158,344,067	\$ (2,671,833)
NONCURRENT LIABILITIES:			
Net Pension Liability	6,082,752	6,082,752	-
TOTAL NONCURRENT LIABILITIES	\$ 6,082,752	\$ 6,082,752	\$ -
DEFERRED INFLOWS OF RESOURCES	\$ 270,949	\$ 270,949	\$ -
NET POSITION:			
Net Position - Beg. of Year	190,541,821	190,541,821	-
Increase (Decrease) in Net Position - Current Year	1,557,852	165,776	1,392,076
Total Net Position	\$ 192,099,673	\$ 190,707,597	\$ 1,392,076
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 354,125,608	\$ 355,405,365	\$ (1,279,757)

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED MARCH 31, 2018			YEAR-TO-DATE MEMBER MONTHS		
						ACTUAL	BUDGET	VARIANCE
			ENROLLMENT					
166,093	164,100	1,993	Family Members	495,119	491,100	4,019		
58,774	57,850	924	Expansion Members	175,082	173,100	1,982		
14,254	14,050	204	SPD Members	42,723	42,150	573		
5,820	5,075	745	Other Members	17,507	15,150	2,357		
8,225	7,850	375	Kaiser Members	24,376	23,475	901		
253,166	248,925	4,241	Total Members - MCAL	754,807	744,975	9,832		
			REVENUES					
21,226,405	20,994,514	231,891	Title XIX - Medicaid - Family and Other	61,403,876	62,841,376	(1,437,500)		
20,638,072	20,340,920	297,152	Title XIX - Medicaid - Expansion Members	61,483,977	60,866,842	617,135		
10,764,253	10,856,567	(92,314)	Title XIX - Medicaid - SPD Members	31,629,787	32,569,700	(939,913)		
7,815,000	7,586,918	228,082	Premium - MCO Tax	23,174,370	22,706,467	467,903		
330,992	269,214	61,778	Interest/Dividends	1,132,416	805,715	326,701		
-	113,305	(113,305)	Reinsurance Recoveries	-	339,105	(339,105)		
10,245,425	-	10,245,425	COB/Subrogation Collections	10,245,425	-	10,245,425		
1,095,189	-	1,095,189	Rate/Income Adjustments	2,925,849	-	2,925,849		
(384,933)	-	(384,933)	Other Income (Expense)	(470,401)	-	(470,401)		
71,730,403	60,161,437	11,568,966	TOTAL REVENUES	191,525,300	180,129,205	11,396,095		
			EXPENSES					
			Medical Costs:					
15,608,603	12,646,498	(2,962,105)	Physician Services	41,454,834	37,857,269	(3,597,565)		
2,996,590	2,755,975	(240,615)	Other Professional Services	8,758,875	8,259,221	(499,653)		
5,259,525	4,119,820	(1,139,705)	Emergency Room	13,700,147	12,331,733	(1,368,414)		
16,973,565	13,214,281	(3,759,284)	Inpatient	43,617,600	39,566,772	(4,050,829)		
118,427	113,305	(5,122)	Reinsurance Expense	349,308	339,105	(10,203)		
5,322,082	4,776,816	(545,266)	Outpatient Hospital	15,767,631	14,302,482	(1,465,149)		
2,576,860	2,397,466	(179,394)	Other Medical	6,922,730	7,181,800	(259,070)		
9,369,495	9,073,191	(296,304)	Pharmacy	27,681,172	27,170,812	(510,359)		
489,882	482,150	(7,732)	Pay for Performance Quality Incentive	1,460,862	1,443,000	(17,862)		
18,265	-	(18,265)	IBNR, Incentive, Paid Claims Adjustment	(2,401,342)	-	2,401,342		
58,733,294	49,579,503	(9,153,791)	Total Medical Costs	157,311,816	148,452,194	(8,859,622)		
12,997,109	10,581,934	2,415,175	GROSS MARGIN	34,213,484	31,677,011	2,536,473		
			Administrative:					
2,076,645	2,000,418	(76,228)	Compensation	5,917,835	6,003,445	(85,610)		
804,716	621,192	(183,524)	Purchased Services	1,870,348	1,857,971	(12,377)		
(9,431)	101,339	110,770	Supplies	122,765	304,016	(181,251)		
127,464	130,103	2,639	Depreciation	383,764	390,309	(6,545)		
339,883	288,799	(51,084)	Other Administrative Expenses	775,349	886,508	(111,159)		
3,339,277	3,141,851	(197,426)	Total Administrative Expenses	9,070,061	9,442,249	(372,188)		
62,072,571	52,721,354	(9,351,217)	TOTAL EXPENSES	166,381,877	157,894,443	(8,487,434)		
9,657,832	7,440,084	2,217,748	OPERATING INCOME (LOSS) BEFORE TAX	25,143,423	22,234,762	2,908,660		
7,650,023	7,586,918	(63,105)	MCO TAX	22,811,026	22,706,467	(104,559)		
2,007,809	(146,835)	2,154,644	OPERATING INCOME (LOSS) NET OF TAX	2,332,397	(471,704)	2,804,101		
			NONOPERATING REVENUE (EXPENSES)					
-	-	-	Reserve Fund Projects/Community Grants	-	-	-		
(615,733)	(333,334)	(282,399)	Health Home	(774,545)	(1,000,000)	225,455		
(615,733)	(333,334)	(282,399)	TOTAL NONOPERATING REVENUES (EXPENSES)	(774,545)	(1,000,000)	225,455		
1,392,076	(480,169)	1,872,245	NET INCREASE (DECREASE) IN NET POSITION	1,557,852	(1,471,704)	3,029,556		
91.9%	94.3%	2.4%	MEDICAL LOSS RATIO	93.4%	94.3%	0.9%		
5.2%	6.0%	0.8%	ADMINISTRATIVE EXPENSE RATIO	5.4%	6.0%	0.6%		

KHS5/29/2018
Management Use Only

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**KERN HEALTH SYSTEMS
MEDI-CAL
STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN NET POSITION - PMPM
FOR THE MONTH ENDED MARCH 31, 2018**

CURRENT MONTH			YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
ENROLLMENT					
166,093	164,100	1,993	495,119	491,100	4,019
58,774	57,850	924	175,082	173,100	1,982
14,254	14,050	204	42,723	42,150	573
5,820	5,075	745	17,507	15,150	2,357
8,225	7,850	375	24,376	23,475	901
253,166	248,925	4,241	754,807	744,975	9,832
REVENUES					
123.47	124.10	(0.63)	119.78	124.13	(4.35)
351.14	351.61	(0.47)	351.17	351.63	(0.46)
755.17	772.71	(17.54)	740.35	772.71	(32.36)
31.91	31.47	0.43	31.73	31.47	0.26
1.35	1.12	0.23	1.55	1.12	0.43
0.00	0.47	(0.47)	0.00	0.47	(0.47)
41.83	0.00	41.83	14.03	0.00	14.03
4.47	0.00	4.47	4.01	0.00	4.01
(1.57)	0.00	(1.57)	(0.64)	0.00	(0.64)
292.85	249.55	43.29	262.21	249.66	12.55
EXPENSES					
Medical Costs:					
63.72	52.46	(11.27)	56.75	52.47	(4.28)
12.23	11.43	(0.80)	11.99	11.45	(0.54)
21.47	17.09	(4.38)	18.76	17.09	(1.66)
69.30	54.81	(14.48)	59.71	54.84	(4.88)
0.48	0.47	(0.01)	0.48	0.47	(0.01)
21.73	19.81	(1.91)	21.59	19.82	(1.76)
10.52	9.94	(0.58)	9.48	9.95	0.48
38.25	37.64	(0.62)	37.90	37.66	(0.24)
2.00	2.00	0.00	2.00	2.00	0.00
0.07	0.00	(0.07)	(3.29)	0.00	3.29
239.79	205.66	(34.13)	215.37	205.75	(9.61)
GROSS MARGIN					
53.06	43.89	9.17	46.84	43.90	2.94
Administrative:					
8.48	8.30	(0.18)	8.10	8.32	0.22
3.29	2.58	(0.71)	2.56	2.58	0.01
(0.04)	0.42	0.46	0.17	0.42	0.25
0.52	0.54	0.02	0.53	0.54	0.02
1.39	1.20	(0.19)	1.06	1.23	0.17
13.63	13.03	(0.60)	12.42	13.09	0.67
TOTAL EXPENSES					
253.42	218.69	(34.73)	227.79	218.84	(8.94)
OPERATING INCOME (LOSS) BEFORE TAX					
39.43	30.86	8.57	34.42	30.82	3.61
MCO TAX					
31.23	31.47	0.24	31.23	31.47	0.24
OPERATING INCOME (LOSS) NET OF TAX					
8.20	(0.61)	8.81	3.19	(0.65)	3.85
NONOPERATING REVENUE (EXPENSES)					
0.00	0.00	0.00	0.00	0.00	0.00
2.43	(1.38)	(3.81)	1.03	(4.15)	(5.17)
2.43	(1.38)	(3.81)	1.03	(4.15)	(5.17)
NET INCREASE (DECREASE) IN NET POSITION					
5.68	(1.99)	7.68	2.13	(2.04)	4.17
MEDICAL LOSS RATIO					
91.9%	94.3%	2.4%	93.4%	94.3%	0.9%
ADMINISTRATIVE EXPENSE RATIO					
5.2%	6.0%	0.8%	5.4%	6.0%	0.6%

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH MARCH 31, 2018														
	MARCH 2017	APRIL 2017	MAY 2017	JUNE 2017	JULY 2017	AUGUST 2017	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017	DECEMBER 2017	JANUARY 2018	FEBRUARY 2018	MARCH 2018	13 MONTH TOTAL
ENROLLMENT														
Members - MCAL														
REVENUES														
Title XIX - Medicaid - Family and Other	21,818,166	21,057,784	21,560,030	21,061,787	21,157,058	21,889,455	20,639,049	21,430,630	20,910,809	19,848,982	20,328,489	21,226,405	274,870,394	
Title XIX - Medicaid - Expansion Members	22,045,879	21,650,071	21,843,761	21,316,549	20,420,390	20,057,872	20,019,384	20,022,674	20,131,172	20,478,437	20,367,468	20,638,072	269,208,435	
Title XIX - Medicaid - SPD Members	9,939,770	10,855,780	9,972,411	10,383,303	10,594,074	10,667,756	10,978,591	10,859,865	11,017,790	10,334,550	10,530,984	10,764,253	136,630,419	
Premium - MCO Tax	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	7,638,903	7,720,467	7,815,000	99,241,941	
Interest/Dividends	245,909	264,732	376,466	265,238	243,800	385,982	302,348	303,875	268,899	320,014	489,128	312,296	3,309,992	
Reinsurance Recoveries	4,696,164	2,789,187	3,514,662	3,698,257	3,324,724	5,397,339	3,431,408	3,148,842	5,324,912	2,458,885	-	-	14,123,866	
COB/Subrogation Collections	413,545	93,756	(3,949)	(340,730)	(84,108)	1,061,917	9,476,726	126,333	2,128,785	52,721	1,511,501	319,159	1,095,189	
Rate/Income Adjustments	46,740	(1,110)	9	(88,814)	(18,408)	104	(185,365)	378	(20,460)	(708,038)	114,532	(200,000)	(384,933)	
Other Income (Expense)	66,799,408	64,178,550	64,266,102	64,312,190	63,064,185	66,345,512	62,741,067	68,625,290	62,051,308	60,497,598	59,297,299	71,730,403	847,523,621	
TOTAL REVENUES	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	13,358,821	13,239,777	12,606,454	15,608,603	180,257,965
EXPENSES														
Medical Costs:														
Physician Services	2,496,217	2,479,295	2,584,649	3,222,395	2,903,026	2,889,387	2,851,866	2,920,876	3,065,669	2,810,522	2,973,811	2,788,474	2,996,590	37,152,777
Other Professional Services	4,100,250	4,012,665	3,942,442	4,764,752	4,665,069	5,099,658	4,696,197	3,995,827	5,095,039	3,888,819	4,269,344	4,171,278	5,259,525	57,960,865
Emergency Room	15,281,823	14,824,702	14,725,286	14,193,723	13,361,803	13,546,637	13,862,008	13,575,633	16,815,315	14,316,486	13,588,711	13,055,324	16,973,565	187,820,596
Inpatient	103,399	105,736	107,515	106,164	106,355	105,475	105,848	105,845	105,845	105,351	113,536	117,345	118,427	1,406,316
Reinsurance Expense	6,116,559	5,765,474	5,787,957	6,293,878	5,430,584	6,213,267	5,886,144	6,212,667	7,197,103	2,482,691	2,422,606	1,923,264	5,322,082	76,025,272
Outpatient Hospital	2,214,713	2,373,420	2,730,233	2,620,808	1,975,195	1,800,207	1,888,596	1,654,715	715,522	4,547,541	5,307,045	5,138,504	2,576,860	29,163,692
Other Medical	9,063,123	8,149,210	8,855,628	9,035,094	8,935,835	9,575,333	8,228,934	8,958,655	8,669,446	8,546,530	9,767,063	8,544,614	9,369,495	115,648,760
Pharmacy	564,724	566,768	567,013	568,032	563,333	562,503	565,325	565,307	562,670	567,682	483,354	487,626	489,882	7,114,219
Pay for Performance Quality Incentive	(585,473)	(232,581)	(744,814)	(2,727,790)	(282,733)	1,034,615	7,973,649	332,212	(882,239)	(105,403)	(2,338,427)	(81,180)	18,265	2,132,561
IBNR, Incentive, Prior Claims Adjustment	52,511,453	51,049,856	52,353,094	53,321,503	52,336,793	54,695,536	60,619,644	51,565,938	57,488,350	51,428,840	49,826,819	48,751,703	58,733,294	694,682,823
Total Medical Costs	14,287,955	13,128,694	11,913,008	10,990,687	10,727,392	11,649,976	12,995,064	11,751,329	11,136,940	10,622,469	10,670,779	10,545,596	12,997,109	152,840,797
GROSS MARGIN														
Administrative:	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	2,047,251	1,983,731	1,857,459	2,076,645	24,503,450
Compensation	436,082	442,046	344,437	364,323	354,712	371,842	352,883	359,809	952,528	659,696	519,892	545,740	804,716	6,888,676
Purchased Services	86,926	99,813	89,505	30,984	65,825	131,877	168,244	208,982	160,257	(329,638)	104,203	27,993	(9,431)	835,540
Supplies	136,082	127,956	136,197	129,115	126,867	125,913	125,881	126,396	127,744	127,744	128,722	127,578	127,464	1,673,379
Depreciation	348,645	237,253	296,524	363,803	171,677	267,320	200,081	267,832	317,828	688,273	210,466	225,000	339,883	3,934,615
Other Administrative Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative Expense Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Administrative Expenses	2,814,260	2,557,271	2,771,405	2,757,291	2,535,146	2,889,703	2,779,132	3,012,050	3,456,295	5,235,280	2,947,014	2,783,770	3,339,277	39,847,895
TOTAL EXPENSES	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	56,664,120	52,773,833	51,535,473	62,072,571	734,530,718
OPERATING INCOME (LOSS) BEFORE TAX	11,473,695	10,571,423	9,141,603	8,233,396	8,192,246	8,790,272	10,215,932	8,163,079	7,680,645	5,387,188	7,723,765	7,761,326	9,657,832	12,992,903
MCO TAX														
Operating Income (Loss) Net of Tax	7,199,396	7,204,569	7,198,592	7,197,559	7,674,900	7,755,859	8,059,738	7,454,395	7,650,173	7,652,171	7,650,234	7,510,749	7,650,023	97,858,178
Total Administrative Expenses	4,274,299	3,366,854	1,943,011	1,036,037	517,346	1,014,414	2,156,194	708,684	30,472	(2,264,983)	73,511	251,077	2,007,809	15,114,725
TOTAL NONOPERATING REVENUE (EXPENSES)	(23,174)	-	(11,588)	(23,175)	(23,175)	(662,708)	-	(625,436)	-	(625,436)	(18,785)	(140,027)	(615,733)	(21,443,801)
NET INCREASE (DECREASE) IN NET POSITION	4,351,125	3,366,854	1,931,423	1,036,037	494,171	1,014,414	2,133,019	45,976	30,472	(2,890,419)	54,726	111,050	1,924,076	12,970,224
MEDICAL LOSS RATIO	88.5%	90.1%	92.2%	93.9%	94.5%	93.1%	92.5%	93.2%	94.2%	94.5%	94.4%	94.4%	94.9%	92.8%
ADMINISTRATIVE EXPENSE RATIO	4.7%	4.5%	4.9%	4.6%	4.6%	4.9%	4.3%	5.4%	5.7%	5.9%	5.6%	5.4%	5.2%	5.3%

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH MARCH 31, 2018														
ENROLLMENT														
Members - MCAL	MARCH 2017	APRIL 2017	MAY 2017	JUNE 2017	JULY 2017	AUGUST 2017	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017	DECEMBER 2017	JANUARY 2018	FEBRUARY 2018	MARCH 2018	13 MONTH TOTAL
240,308	241,178	241,282	241,716	239,716	239,363	240,564	240,556	241,567	239,434	241,567	241,677	243,813	244,941	3,136,115
REVENUES														
Title XIX - Medicaid - Family and Other	129.31	128.39	124.01	126.74	124.89	125.53	129.26	122.06	126.92	123.23	116.91	118.93	123.47	124.58
Title XIX - Medicaid - Expansion Members	386.18	375.46	376.19	369.16	356.43	351.84	350.11	352.46	359.17	349.73	351.64	347.78	351.14	360.01
Title XIX - Medicaid - SPD Members	734.16	740.65	743.39	749.37	764.43	772.58	754.83	748.37	760.39	769.40	730.41	735.40	755.17	750.71
Premium - MCO Tax	31.09	31.13	31.10	31.10	32.02	31.84	33.62	30.77	31.86	31.67	31.95	31.33	31.91	31.64
Interest/Dividends	1.02	1.10	1.56	1.10	1.02	1.61	1.26	1.26	1.12	1.32	2.02	1.28	1.35	1.31
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.52	0.27	0.90	0.00	0.00	0.00	0.36
COB/Surrogation Collections	19.54	11.56	14.57	15.50	13.49	22.53	14.26	13.09	22.24	10.18	0.00	0.00	41.83	15.28
Rate/Income Adjustments	1.72	0.39	(0.02)	(1.11)	(0.35)	4.44	39.39	0.53	8.89	0.22	6.25	1.31	4.47	5.05
Other Income (Expense)	0.19	(0.00)	0.00	(0.37)	(0.08)	0.00	(0.77)	0.00	(0.09)	(2.93)	0.47	(0.82)	(1.57)	(0.46)
TOTAL REVENUES	277.97	266.10	266.35	266.07	263.08	277.18	306.01	260.82	286.61	256.87	250.32	243.21	292.85	270.25
EXPENSES														
Medical Costs:														
Physician Services	54.75	55.17	57.18	62.78	60.17	57.97	59.19	53.47	61.01	55.30	54.78	51.71	63.72	57.48
Other Professional Services	10.39	10.28	10.71	13.62	12.11	12.49	11.85	12.14	12.80	11.63	12.30	11.44	12.23	11.85
Emergency Room	17.06	16.64	16.34	19.71	19.46	21.31	19.52	16.61	21.28	16.10	17.67	17.11	21.47	18.48
Inpatient	63.59	60.22	61.03	58.72	55.74	56.59	57.62	56.43	70.23	59.27	56.23	53.55	69.30	59.89
Reinsurance Expense	0.43	0.44	0.45	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.47	0.48	0.48	0.45
Outpatient Hospital	25.48	23.91	23.99	26.04	22.65	25.71	25.83	24.47	29.87	21.59	21.96	21.08	21.73	24.24
Other Medical	9.22	9.84	11.32	10.84	8.24	7.52	7.83	9.82	7.51	10.28	10.02	7.89	10.52	9.30
Pharmacy	37.71	33.79	36.70	37.38	37.78	39.79	34.21	37.24	36.21	35.38	40.41	35.05	38.25	36.88
Pay for Performance Quality Incentive	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.00	2.00	2.00	2.27
Expansion Risk Corridor Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IBNR, Incentive, Paid Claims Adjustment	(2.44)	(0.96)	(3.09)	(1.29)	(0.12)	4.32	33.15	1.38	(1.60)	(0.44)	(9.68)	(0.33)	0.07	0.68
Total Medical Costs	218.52	211.67	216.98	220.60	218.33	228.50	251.99	214.36	240.10	212.90	206.17	199.96	239.79	221.51
GROSS MARGIN	59.46	54.44	49.37	45.47	44.75	48.67	54.02	46.46	46.51	43.97	44.15	43.25	53.06	48.74
Administrative:														
Compensation	7.52	6.84	7.89	7.73	7.58	8.20	7.32	7.77	7.93	8.47	8.21	7.62	8.48	7.81
Purchased Services	1.81	1.83	1.43	1.51	1.48	1.55	2.17	2.24	3.98	2.73	2.15	2.24	3.29	2.19
Supplies	0.56	0.41	0.37	0.13	0.27	0.55	0.70	0.87	0.67	(1.36)	0.43	0.11	(0.04)	0.27
Depreciation	0.57	0.53	0.56	0.53	0.53	0.53	0.52	0.53	0.53	0.53	0.53	0.52	0.52	0.53
Other Administrative Expenses	1.45	0.98	1.23	1.51	0.72	1.12	0.83	1.11	1.33	2.85	0.87	0.92	1.39	1.25
Administrative Expense Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.65
Total Administrative Expenses	11.71	10.60	11.49	11.41	10.58	11.95	11.55	12.52	14.44	21.67	12.19	11.42	13.63	12.71
TOTAL EXPENSES	230.23	222.27	228.47	232.00	228.90	240.45	263.54	226.88	254.54	234.57	218.37	211.37	253.42	234.22
OPERATING INCOME (LOSS) BEFORE TAX	47.75	43.83	37.89	34.06	34.17	36.72	42.47	33.93	32.08	22.50	31.96	31.84	39.43	36.03
MCO TAX	29.96	29.87	29.83	29.78	32.02	32.49	33.50	30.99	31.95	31.96	31.65	30.81	31.23	31.21
OPERATING INCOME (LOSS) NET OF TAX	17.79	13.96	8.05	4.29	2.16	4.24	8.96	2.95	0.13	(9.46)	0.30	1.03	8.20	4.82
TOTAL NONOPERATING REVENUE (EXPENSES)	(0.10)	0.00	(0.05)	0.00	(0.10)	0.00	(0.10)	(2.75)	0.00	(2.59)	(0.08)	(0.57)	(2.51)	(0.10)
NET INCREASE (DECREASE) IN NET POSITION	17.69	13.96	8.00	4.29	2.06	4.24	8.87	0.19	0.13	(12.05)	0.23	0.46	5.68	4.72
MEDICAL LOSS RATIO	88.5%	90.1%	92.2%	93.9%	94.5%	93.1%	92.5%	93.2%	94.2%	94.5%	94.4%	94.4%	94.4%	92.8%
ADMINISTRATIVE EXPENSE RATIO	4.7%	4.5%	4.9%	4.9%	4.6%	4.9%	4.2%	5.4%	5.7%	9.6%	5.6%	5.4%	5.2%	5.3%

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED MARCH 31, 2018				YEAR-TO-DATE	
ACTUAL	CURRENT MONTH BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
R E V E N U E S					
Title XIX - Medicaid - Family & Other					
18,539,040	18,576,469	(37,429)	55,245,704	55,590,177	(344,473)
2,464,208	2,022,939	441,269	5,485,608	6,068,817	(583,209)
63,015	175,084	(112,069)	189,045	523,932	(334,887)
67,373	133,397	(66,024)	209,452	399,184	(189,732)
92,769	86,625	6,144	274,067	259,266	14,801
21,226,405	20,994,514	231,891	61,403,876	62,841,376	(1,437,500)
Title XIX - Medicaid - Expansion Members					
19,907,804	19,529,209	378,595	59,366,384	58,434,874	931,510
383,149	405,339	(22,190)	887,891	1,216,016	(328,125)
315,075	376,003	(60,928)	1,134,268	1,125,083	9,185
32,044	30,369	1,675	95,434	90,869	4,565
20,638,072	20,340,920	297,152	61,483,977	60,866,842	617,135
Title XIX - Medicaid - SPD Members					
10,244,199	10,274,765	(30,566)	30,534,049	30,824,294	(290,245)
267,813	320,007	(52,194)	630,149	960,021	(329,872)
252,241	261,795	(9,554)	465,589	785,385	(319,796)
10,764,253	10,856,567	(92,314)	31,629,787	32,569,700	(939,913)

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED MARCH 31, 2018				YEAR-TO-DATE	
ACTUAL	CURRENT MONTH BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
2,795,669	2,769,956	(25,713)	8,459,304	8,290,394	(168,910)
10,522,041	8,773,175	(1,748,866)	28,609,070	26,264,596	(2,344,474)
2,281,593	1,094,068	(1,187,525)	4,359,460	3,275,279	(1,084,181)
9,300	9,300	-	27,000	27,000	-
15,608,603	12,646,498	(2,962,105)	41,454,834	37,857,269	(3,597,565)
PHYSICIAN SERVICES					
Primary Care Physician Services					
251,973	247,946	(4,027)	743,208	742,072	(1,136)
799,729	734,834	(64,895)	2,265,055	2,204,502	(60,553)
123,692	118,864	(4,828)	350,063	356,588	6,525
79,421	81,223	1,802	221,404	243,669	22,265
103,112	100,241	(2,871)	285,609	300,723	15,114
48,457	50,527	2,070	133,926	151,581	17,655
70,852	79,572	8,720	186,773	238,717	51,944
454,810	436,878	(17,932)	1,328,768	1,309,316	(19,453)
96,062	53,352	(42,710)	282,160	159,738	(122,423)
968,482	852,538	(115,944)	2,961,908	2,552,316	(409,592)
2,996,590	2,755,975	(240,615)	8,758,875	8,259,221	(499,653)
5,259,525	4,119,820	(1,139,705)	13,700,147	12,331,733	(1,368,414)
16,973,565	13,214,281	(3,759,284)	43,617,600	39,566,772	(4,050,829)
118,427	113,305	(5,122)	349,308	339,105	(10,203)
5,322,082	4,776,816	(545,266)	15,767,631	14,302,482	(1,465,149)
TOTAL OTHER PROFESSIONAL SERVICES					
EMERGENCY ROOM					
350,066	331,462	(18,604)	1,040,913	992,048	(48,865)
265,517	355,397	89,880	1,006,908	1,064,705	57,797
226,751	262,929	36,178	553,118	788,785	235,667
923,259	801,148	(122,111)	2,700,542	2,400,185	(300,357)
-	120,538	120,538	9,604	360,750	351,146
811,267	525,993	(285,274)	1,611,645	1,575,327	(36,318)
2,576,860	2,397,466	(179,394)	6,922,730	7,181,800	259,070
TOTAL OTHER MEDICAL					
PHARMACY SERVICES					
RX - Drugs & OTC					
8,276,129	7,831,455	(444,674)	24,342,687	23,450,997	(891,690)
600,369	829,406	229,037	1,886,417	2,484,288	597,872
608,997	515,825	(93,172)	1,800,068	1,545,439	(254,629)
(116,000)	(103,496)	12,504	(348,000)	(309,912)	38,088
9,369,495	9,073,191	(296,304)	27,681,172	27,170,812	(510,359)
489,882	482,150	(7,732)	1,460,862	1,443,000	(17,862)
18,265	-	(18,265)	(2,401,342)	-	2,401,342
58,733,294	49,579,503	(9,153,791)	157,311,816	148,452,194	(8,859,622)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED MARCH 31, 2018				YEAR-TO-DATE		
ACTUAL	CURRENT MONTH BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
11.41	11.49	0.08	Primary Care Physician Services	11.58	11.49	(0.09)
42.96	36.39	(6.57)	Referral Specialty Services	39.17	36.40	(2.76)
9.31	4.54	(4.78)	Urgent Care & After Hours Advise	5.97	4.54	(1.43)
0.04	0.04	0.00	Hospital Admitting Team	0.04	0.04	0.00
63.72	52.46	(11.27)	TOTAL PHYSICIAN SERVICES	56.75	52.47	(4.28)
			OTHER PROFESSIONAL SERVICES			
1.03	1.03	(0.00)	Vision Service Capitation	1.02	1.03	0.01
3.26	3.05	(0.22)	310 - Health Services - Utilization Management - UM Allocation *	3.10	3.06	(0.05)
0.50	0.49	(0.01)	311 - Health Services - Quality Improvement - UM Allocation *	0.48	0.49	0.01
0.32	0.34	0.01	312 - Health Services - Education - UM Allocation *	0.30	0.34	0.03
0.42	0.42	(0.01)	313 - Health Services - Pharmacy - UM Allocation *	0.39	0.42	0.03
0.20	0.21	0.01	314 - Health Homes - UM Allocation *	0.18	0.21	0.03
0.29	0.33	0.04	616 - Disease Management - UM Allocation *	0.26	0.33	0.08
1.86	1.81	(0.04)	Behavior Health Treatment	1.82	1.81	(0.00)
0.39	0.22	(0.17)	Mental Health Services	0.39	0.22	(0.16)
3.95	3.54	(0.42)	Other Professional Services	4.06	3.54	(0.52)
12.23	11.43	(0.80)	TOTAL OTHER PROFESSIONAL SERVICES	11.99	11.45	(0.54)
21.47	17.09	(4.38)	EMERGENCY ROOM	18.76	17.09	(1.66)
69.30	54.81	(14.48)	INPATIENT HOSPITAL	59.71	54.84	(4.88)
0.48	0.47	(0.01)	REINSURANCE EXPENSE PREMIUM	0.48	0.47	(0.01)
21.73	19.81	(1.91)	OUTPATIENT HOSPITAL SERVICES	21.59	19.82	(1.76)
			OTHER MEDICAL			
1.43	1.37	(0.05)	Ambulance	1.43	1.37	(0.05)
1.08	1.47	0.39	Home Health Services & CBAS	1.38	1.48	0.10
0.93	1.09	0.16	Utilization and Quality Review Expenses	0.76	1.09	0.34
3.77	3.32	(0.45)	Long Term/SNF/Hospice	3.70	3.33	(0.37)
0.00	0.50	0.50	Enhanced Medical Benefits	0.01	0.50	0.49
3.31	2.18	(1.13)	Non-Medical Transportation	2.21	2.18	(0.02)
10.52	9.94	(0.58)	TOTAL OTHER MEDICAL	9.48	9.95	0.48
			PHARMACY SERVICES			
33.79	32.49	(1.30)	RX - Drugs & OTC	33.33	32.50	(0.82)
2.45	3.44	0.99	RX - HEP-C	2.58	3.44	0.86
2.49	2.14	(0.35)	Rx - DME	2.46	2.14	(0.32)
(0.47)	(0.43)	0.04	RX - Pharmacy Rebates	(0.48)	(0.43)	0.05
38.25	37.64	(0.62)	TOTAL PHARMACY SERVICES	37.90	37.66	(0.24)
2.00	2.00	0.00	PAY FOR PERFORMANCE QUALITY INCENTIVE	2.00	2.00	0.00
0.07	0.00	(0.07)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(3.29)	0.00	3.29
239.79	205.66	(34.13)	Total Medical Costs	215.37	205.75	(9.61)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH MARCH 31, 2018	JANUARY 2018	FEBRUARY 2018	MARCH 2018	YEAR TO DATE 2018
PHYSICIAN SERVICES				
Primary Care Physician Services	2,920,677	2,742,958	2,795,669	8,459,304
Referral Specialty Services	9,240,467	8,846,562	10,522,041	28,609,070
Urgent Care & After Hours Advise	1,069,333	1,008,534	2,281,593	4,359,460
Hospital Admitting Team	9,300	8,400	9,300	27,000
TOTAL PHYSICIAN SERVICES	13,239,777	12,606,454	15,608,603	41,454,834
OTHER PROFESSIONAL SERVICES				
Vision Service Capitation	241,567	249,668	251,973	743,208
310 - Health Services - Utilization Management - UM Allocation *	761,074	704,252	799,729	2,265,055
311 - Health Services - Quality Improvement - UM Allocation *	118,821	107,550	123,692	350,063
312 - Health Services - Education - UM Allocation *	76,022	65,961	79,421	221,404
313 - Health Services - Pharmacy - UM Allocation *	96,522	85,975	103,112	285,609
314 - Health Homes - UM Allocation *	44,203	41,266	48,457	133,926
616 - Disease Management - UM Allocation *	56,128	59,793	70,852	186,773
Behavior Health Treatment	488,079	385,879	454,810	1,328,768
Mental Health Services	63,645	122,453	96,062	282,160
Other Professional Services	1,027,749	965,677	968,482	2,961,908
TOTAL OTHER PROFESSIONAL SERVICES	2,973,811	2,788,474	2,996,590	8,758,875
EMERGENCY ROOM	4,269,344	4,171,278	5,259,525	13,700,147
INPATIENT HOSPITAL	13,588,711	13,055,324	16,973,565	43,617,600
REINSURANCE EXPENSE PREMIUM	113,536	117,345	118,427	349,308
OUTPATIENT HOSPITAL SERVICES	5,307,045	5,138,504	5,322,082	15,767,631
OTHER MEDICAL				
Ambulance	338,351	352,496	350,066	1,040,913
Home Health Services & CBAS	387,076	354,315	265,517	1,006,908
Utilization and Quality Review Expenses	284,192	42,175	226,751	553,118
Long Term/SNF/Hospice	999,658	777,625	923,259	2,700,542
Enhanced Medical Benefits	-	9,604	-	9,604
Non-Medical Transportation	413,329	387,049	811,267	1,611,645
TOTAL OTHER MEDICAL	2,422,606	1,923,264	2,576,860	6,922,730
PHARMACY SERVICES				
RX - Drugs & OTC	8,533,080	7,533,478	8,276,129	24,342,687
RX - HEP-C	729,042	557,006	600,369	1,886,417
Rx - DME	620,941	570,130	608,997	1,800,068
RX - Pharmacy Rebates	(116,000)	(116,000)	(116,000)	(348,000)
TOTAL PHARMACY SERVICES	9,767,063	8,544,614	9,369,495	27,681,172
PAY FOR PERFORMANCE QUALITY INCENTIVE	483,354	487,626	489,882	1,460,862
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(2,338,427)	(81,180)	18,265	(2,401,342)
Total Medical Costs	49,826,819	48,751,703	58,733,294	157,311,816

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH MARCH 31, 2018	JANUARY 2018	FEBRUARY 2018	MARCH 2018	YEAR TO DATE 2018
PHYSICIAN SERVICES				
Primary Care Physician Services	12.09	11.25	11.41	11.58
Referral Specialty Services	38.23	36.28	42.96	39.17
Urgent Care & After Hours Advise	4.42	4.14	9.31	5.97
Hospital Admitting Team	0.04	0.03	0.04	0.04
TOTAL PHYSICIAN SERVICES	54.78	51.71	63.72	56.75
OTHER PROFESSIONAL SERVICES				
Vision Service Capitation	1.00	1.02	1.03	1.02
310 - Health Services - Utilization Management - UM Allocation *	3.15	2.89	3.26	3.10
311 - Health Services - Quality Improvement - UM Allocation *	0.49	0.44	0.50	0.48
312 - Health Services - Education - UM Allocation *	0.31	0.27	0.32	0.30
313 - Health Services - Pharmacy - UM Allocation *	0.40	0.35	0.42	0.39
314 - Health Homes - UM Allocation *	0.18	0.17	0.20	0.18
616 - Disease Management - UM Allocation *	0.23	0.25	0.29	0.26
Behavior Health Treatment	2.02	1.58	1.86	1.82
Mental Health Services	0.26	0.50	0.39	0.39
Other Professional Services	4.25	3.96	3.95	4.06
TOTAL OTHER PROFESSIONAL SERVICES	12.30	11.44	12.23	11.99
EMERGENCY ROOM	17.67	17.11	21.47	18.76
INPATIENT HOSPITAL	56.23	53.55	69.30	59.71
REINSURANCE EXPENSE PREMIUM	0.47	0.48	0.48	0.48
OUTPATIENT HOSPITAL SERVICES	21.96	21.08	21.73	21.59
OTHER MEDICAL				
Ambulance	1.40	1.45	1.43	1.43
Home Health Services & CBAS	1.60	1.45	1.08	1.38
Utilization and Quality Review Expenses	1.18	0.17	0.93	0.76
Long Term/SNF/Hospice	4.14	3.19	3.77	3.70
Enhanced Medical Benefits	0.00	0.04	0.00	0.01
Non-Medical Transportation	1.71	1.59	3.31	2.21
TOTAL OTHER MEDICAL	10.02	7.89	10.52	9.48
PHARMACY SERVICES				
RX - Drugs & OTC	35.31	30.90	33.79	33.33
RX - HEP-C	3.02	2.28	2.45	2.58
Rx - DME	2.57	2.34	2.49	2.46
RX - Pharmacy Rebates	(0.48)	(0.48)	(0.47)	(0.48)
TOTAL PHARMACY SERVICES	40.41	35.05	38.25	37.90
PAY FOR PERFORMANCE QUALITY INCENTIVE	2.00	2.00	2.00	2.00
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(9.68)	(0.33)	0.07	(3.29)
Total Medical Costs	206.17	199.96	239.79	215.37

		CURRENT MONTH		YEAR-TO-DATE	
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED MARCH 31, 2018					
224,150	232,020	7,870	700,779	718,790	18,011
139,362	144,767	5,405	383,162	434,300	51,138
432,298	394,572	(37,726)	1,296,943	1,183,721	(113,222)
151,816	178,336	26,520	408,407	535,005	126,598
186,762	319,525	132,763	546,721	958,570	411,849
482,563	450,210	(32,353)	1,352,138	1,351,630	(508)
73,023	100,658	27,635	221,579	301,975	80,396
768	2,583	1,815	5,648	7,750	2,102
329	3,042	2,713	697	9,125	8,428
-	553	553	17	1,660	1,643
84,757	99,991	15,234	294,574	289,973	(4,601)
99	2,325	2,226	106	6,975	6,869
-	101	101	129	302	173
205,072	201,518	(3,554)	654,294	605,429	(48,865)
869,265	511,172	(358,093)	1,666,339	1,533,516	(132,823)
222,176	291,620	69,444	801,570	874,860	73,290
55,402	59,285	3,883	164,771	177,856	13,085
23,427	59,899	36,472	49,827	180,097	130,270
44,701	62,895	18,194	136,525	188,685	52,160
143,307	151,777	8,470	385,835	457,017	71,182
-	(124,999)	(124,999)	-	(374,988)	(374,988)
3,339,277	3,141,851	(197,426)	9,070,061	9,442,249	372,188

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED MARCH 31, 2018	JANUARY 2018	FEBRUARY 2018	MARCH 2018	YEAR TO DATE 2018
110 - Executive	249,360	227,269	224,150	700,779
210 - Accounting	121,592	122,208	139,362	383,162
220 - Management Information Systems (MIS)	432,742	431,903	432,298	1,296,943
221 - Business Intelligence	122,020	134,571	151,816	408,407
225 - Infrastructure	126,761	233,198	186,762	546,721
230 - Claims	476,893	392,682	482,563	1,352,138
240 - Project Management	83,613	64,943	73,023	221,579
310 - Health Services - Utilization Management	5,036	(156)	768	5,648
311 - Health Services - Quality Improvement	10	358	329	697
312 - Health Services - Education	147	(130)	-	17
313- Pharmacy	104,959	104,858	84,757	294,574
314 - Health Homes	83	(76)	99	106
616 - Disease Management	-	129	-	129
320 - Provider Relations	262,401	186,821	205,072	654,294
330 - Member Services	406,721	390,353	869,265	1,666,339
340 - Corporate Services	327,904	251,490	222,176	801,570
360 - Audit & Investigative Services	55,126	54,243	55,402	164,771
410 - Advertising Media	4,575	21,825	23,427	49,827
420 - Sales/Marketing/Public Relations	50,590	41,234	44,701	136,525
510 - Human Resources	116,481	126,047	143,307	385,835
Total Department Expenses	2,947,014	2,783,770	3,339,277	9,070,061

**KERN HEALTH SYSTEMS
GROUP HEALTH PLAN - HFAM
BALANCE SHEET STATEMENT
AS OF MARCH 31, 2018**

ASSETS	MARCH 2018	FEBRUARY 2018	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,444,298	\$ 1,444,298	-
Interest Receivable	5,221	2,830	2,391
Prepaid Expenses & Other Current Assets	2,500	3,334	(834)
TOTAL CURRENT ASSETS	\$ 1,452,019	\$ 1,450,462	\$ 1,557

LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	11,754	11,754	-
Other Liabilities	353,849	353,849	-
TOTAL CURRENT LIABILITIES	\$ 365,603	\$ 365,603	\$ -

NET POSITION:			
Net Position- Beg. of Year	1,081,027	1,081,027	-
Increase (Decrease) in Net Position - Current Year	5,389	3,832	1,557
Total Net Position	\$ 1,086,416	\$ 1,084,859	\$ 1,557
TOTAL LIABILITIES AND NET POSITION	\$ 1,452,019	\$ 1,450,462	\$ 1,557

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED MARCH 31, 2018			YEAR-TO-DATE		
ENROLLMENT								
-	-	-	Members	-	-	-	-	-
REVENUES								
-	-	-	Premium	-	-	-	-	-
2,391	-	2,391	Interest	5,221	-	5,221	-	5,221
-	-	-	Other Investment Income	2,668	-	2,668	-	2,668
2,391	-	2,391	TOTAL REVENUES	7,889	-	7,889	-	7,889
EXPENSES								
-	-	-	Medical Costs	-	-	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-	-	-
-	-	-	Total Medical Costs	-	-	-	-	-
2,391	-	2,391	GROSS MARGIN	7,889	-	7,889	-	7,889
Administrative								
834	-	(834)	Management Fee Expense and Other Admin Exp	2,500	-	(2,500)	-	(2,500)
834	-	(834)	Total Administrative Expenses	2,500	-	(2,500)	-	(2,500)
834	-	(834)	TOTAL EXPENSES	2,500	-	(2,500)	-	(2,500)
1,557	-	1,557	OPERATING INCOME (LOSS)	5,389	-	5,389	-	5,389
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-	-	-
1,557	-	1,557	NET INCREASE (DECREASE) IN NET POSITION	5,389	-	5,389	-	5,389
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%	-	0%
35%	0%	-35%	ADMINISTRATIVE EXPENSE RATIO	32%	0%	-32%	-	-32%

**KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT**

KERN HEALTH SYSTEMS

	2018 MEMBER MONTHS	JAN'18	FEB'18	MAR'18	APR'18	MAY'18	JUN'18	JUL'18	AUG'18	SEP'18	OCT'18	NOV'18	DEC'18
MEDICAL													
ADULT AND FAMILY													
PA - FAMILY	103,698	34,790	34,221	34,687									
MN - FAMILY	0	0	0	0									
REFUGEE - FAMILY	0	0	0	0									
FOSTER CARE	2,105	707	679	719									
POVERTY-133/200%	3	1	1	1									
POVERTY-100%	0	0	0	0									
MI - CHILD	325,236	107,133	108,725	109,378									
CHILD-ACA	339	115	104	120									
FAMILY - UNDER 19	63,738	21,195	21,355	21,188									
SUB-TOTAL ADULT & FAMILY	495,119	163,941	165,085	166,093	0	0	0	0	0	0	0	0	0

MEDICAL EXPANSION													
LHFP Transition Pre-ACA	156	52	52	52									
ACA Expansion Adult-Citizen	173,687	57,307	58,178	56,262									
ACA Expansion CAL Fresh Adult	16	5	5	6									
LHFP Transition Pre-ACA	1,223	380	389	454									
SUB-TOTAL MANDATORY	175,082	57,744	58,564	56,774	0	0	0	0	0	0	0	0	0

SDP MEMBERS													
SSI-AGED	547	191	162	174									
MN - AGED	4,404	1,457	1,414	1,533									
SSI - BLIND & DIS-ABLED	36,821	12,242	12,366	12,213									
MN - BLIND & DIS-ABLED	951	259	358	334									
SUB-TOTAL MANDATORY SDP	42,723	14,149	14,320	14,254	0	0	0	0	0	0	0	0	0
TOTAL MANDATORY	712,924	235,834	237,969	239,121	0	0	0	0	0	0	0	0	0

OTHER MEMBERS													
BCCTP-TOBACCO SETTLEMENT	79	26	26	25									

DUALS													
PA - FAMILY DUALS	57	24	14	19									
PART D SSI-AGED	2,314	771	776	767									
PART D MN - AGED	3,990	1,295	1,364	1,331									
PART D SSI - BLIND & DIS-ABLED	6,952	2,338	2,300	2,314									
PART D MN - BLIND & DIS-ABLED	2,989	1,038	978	973									
PART D BCCTP-TOBACCO SETTLEMENT	5	3	1	1									
PART D MI - ADULT	0	0	0	0									
PART D MI - CHILD	1,121	345	385	390									
SUB-TOTAL DUALS	17,428	5,815	5,818	5,795	0	0	0	0	0	0	0	0	0

TOTAL OTHERS	17,507	5,843	5,844	5,820	0	0	0	0	0	0	0	0	0
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TOTAL KAISER	24,376	7,991	8,160	8,225									
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TOTAL MEDICAL MEMBERS	754,807	249,668	251,973	253,166	0	0	0	0	0	0	0	0	0
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To: KHS Finance Committee

From: Robert Landis, CFO

Date: June 8, 2018

Re: April 2018 Financial Results

The April results reflect a \$233,872 Net Increase in Net Position which is a \$759,182 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$4.5 million favorable variance primarily due to:
 - A) \$3.5 million favorable variance in COB/Subrogation primarily due to higher than expected claim payment recoveries from the prior year where KHS was not primary.
 - B) \$.5 million favorable adjustment relating to Rate/Income Adjustment primarily due to receiving prior year retro-active rate adjustments from the State.
- 2) Total Medical Costs reflect a \$4.0 million unfavorable variance primarily due to:
 - A) \$1.8 million unfavorable variance in Physician Services primarily due to higher than expected utilization of Referral Specialty Services and Urgent Care by Family and Other members.
 - B) \$1.1 million unfavorable variance in Emergency Room primarily due to higher than expected utilization by Family and Other members.
 - C) \$1.1 million unfavorable variance in Inpatient primarily due to higher than expected utilization by Family and SPD members.
 - D) \$1.4 million unfavorable variance in Outpatient Hospital primarily due to higher than expected utilization.
 - E) \$1.0 million favorable IBNR adjustment from the prior year.

The April Medical Loss Ratio is 94.3% which is favorable to the 94.4% budgeted amount. The April Administrative Expense Ratio is 5.4% which is favorable to the 6.0% budgeted amount.

The results for the 4 months ended April 30, 2018 reflects a Net Increase in Net Position of \$1,791,724. This is a \$3,788,738 favorable variance to budget and includes approximately \$6.8 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 93.7% which is favorable to the 94.3% budgeted amount. The year-to-date Administrative Expense Ratio is 5.4% which is favorable to the 6.0% budgeted amount.

**Kern Health Systems
Financial Packet
April 2018**

KHS – Medi-Cal Line of Business

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Statement of Revenue, Expenses, and Changes in Net Position - PMPM	Page 3
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KHS Group Health Plan – Healthy Families Line of Business

Comparative Statement of Net Position	Page 13
Statement of Revenue, Expenses, and Changes in Net Position	Page 14

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 APRIL 30, 2018			
ASSETS	APRIL 2018	MARCH 2018	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 90,769,098	\$ 103,208,068	\$ (12,438,970)
Short-Term Investments	164,005,156	164,519,690	(514,534)
Pass-through Monies Held for Future Payment	83,443,803	124,601	83,319,202
Premiums Receivable - Net	57,131,460	49,591,773	7,539,687
Interest Receivable	209,481	239,003	(29,522)
Other Receivables	1,643,817	1,474,784	169,033
Prepaid Expenses & Other Current Assets	1,055,070	1,108,552	(53,482)
Total Current Assets	\$ 398,257,885	\$ 320,266,471	\$ 77,991,414
RESTRICTED ASSETS	\$ 300,000	\$ 300,000	\$ -
CAPITAL ASSETS - NET OF ACCUM DEPREE:			
Land	4,876,562	4,876,562	-
Furniture and Equipment	6,203,634	6,307,885	(104,251)
Automobile - Net	16,232	16,624	(392)
Building and Building Improvements - Net	6,546,543	6,573,026	(26,483)
Capital Projects in Process	13,582,161	12,210,067	1,372,094
Total Capital Assets	\$ 31,225,132	\$ 29,984,164	\$ 1,240,968
LONG TERM ASSETS:			
Officer Life Insurance Receivables	684,910	684,910	-
Total Long Term Assets	\$ 684,910	\$ 684,910	\$ -
DEFERRED OUTFLOWS OF RESOURCES	\$ 2,890,063	\$ 2,890,063	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 433,357,990	\$ 354,125,608	\$ 79,232,382
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	\$ 33,433	\$ 33,332	101
Accrued Salaries and Employee Benefits	2,132,629	2,298,262	(165,633)
Accrued Other Operating Expenses	1,037,929	1,506,016	(468,087)
Accrued Taxes and Licenses	7,670,554	22,971,062	(15,300,508)
Other Medical Liabilities - Nonoperating Passthrough	83,443,803	124,601	83,319,202
Claims Payable (Reported)	15,270,186	20,167,029	(4,896,843)
IBNR - Inpatient Claims	38,407,512	35,099,644	3,307,868
IBNR - Physician Claims	12,997,753	11,486,422	1,511,331
IBNR - Accrued Other Medical	18,266,357	13,424,498	4,841,859
Risk Pool and Withholds Payable	3,417,955	2,925,260	492,695
Statutory Allowance for Claims Processing Expense	2,324,857	2,324,857	-
Other Liabilities	49,668,287	43,311,251	6,357,036
Total Current Liabilities	\$ 234,671,255	\$ 155,672,234	\$ 78,999,021
NONCURRENT LIABILITIES:			
Net Pension Liability	6,082,752	6,082,752	-
TOTAL NONCURRENT LIABILITIES	\$ 6,082,752	\$ 6,082,752	\$ -
DEFERRED INFLOWS OF RESOURCES	\$ 270,949	\$ 270,949	\$ -
NET POSITION:			
Net Position - Beg. of Year	190,541,821	190,541,821	-
Increase (Decrease) in Net Position - Current Year	1,791,213	1,557,852	233,361
Total Net Position	\$ 192,333,034	\$ 192,099,673	\$ 233,361
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 433,357,990	\$ 354,125,608	\$ 79,232,382

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED APRIL 30, 2018			YEAR-TO-DATE MEMBER MONTHS		
						ACTUAL	BUDGET	VARIANCE
ENROLLMENT								
166,501	164,500	2,001	Family Members	661,620	655,600	6,020		
59,699	58,000	1,699	Expansion Members	234,781	231,100	3,681		
14,202	14,050	152	SPD Members	56,925	56,200	725		
5,945	5,100	845	Other Members	23,452	20,250	3,202		
8,267	7,875	392	Kaiser Members	32,643	31,350	1,293		
254,614	249,525	5,089	Total Members - MCAL	1,009,421	994,500	14,921		
REVENUES								
20,886,377	21,041,902	(155,525)	Title XIX - Medicaid - Family and Other	82,290,253	83,883,278	(1,593,025)		
20,813,430	20,392,892	420,538	Title XIX - Medicaid - Expansion Members	82,297,407	81,259,734	1,037,673		
10,871,613	10,856,567	15,046	Title XIX - Medicaid - SPD Members	42,501,400	43,426,267	(924,866)		
7,859,452	7,605,014	254,438	Premium - MCO Tax	31,033,822	30,311,481	722,341		
509,405	269,856	239,549	Interest /Dividends	1,641,821	1,075,571	566,250		
-	113,576	(113,576)	Reinsurance Recoveries	-	452,681	(452,681)		
3,503,612	-	3,503,612	COB/Subrogation Collections	13,749,037	-	13,749,037		
457,845	-	457,845	Rate/Income Adjustments	3,383,694	-	3,383,694		
(360,661)	-	(360,661)	Other Income (Expense)	(831,062)	-	(831,062)		
64,541,073	60,279,806	4,261,267	TOTAL REVENUES	256,066,373	240,409,012	15,657,362		
EXPENSES								
Medical Costs:								
14,450,521	12,673,907	(1,776,614)	Physician Services	55,905,355	50,531,176	(5,374,179)		
2,911,566	2,800,915	(110,651)	Other Professional Services	11,670,441	11,060,136	(610,305)		
5,247,777	4,129,062	(1,118,715)	Emergency Room	18,947,924	16,460,796	(2,487,128)		
14,300,202	13,239,639	(1,060,563)	Inpatient	57,917,802	52,806,410	(5,111,392)		
107,531	113,576	6,045	Reinsurance Expense	456,839	452,681	(4,159)		
6,217,088	4,786,137	(1,430,951)	Outpatient Hospital	21,984,719	19,088,619	(2,896,100)		
2,195,432	2,400,999	205,567	Other Medical	9,118,162	9,582,799	(464,637)		
8,793,635	9,089,445	295,810	Pharmacy	36,474,807	36,260,258	(214,549)		
492,694	483,300	(9,394)	Pay for Performance Quality Incentive	1,953,556	1,926,300	(27,256)		
(1,015,946)	-	1,015,946	IBNR, Incentive, Paid Claims Adjustment	(3,417,288)	-	3,417,288		
53,700,500	49,716,980	(3,983,520)	Total Medical Costs	211,012,316	198,169,174	(12,843,143)		
10,840,573	10,562,827	277,746	GROSS MARGIN	45,054,057	42,239,838	2,814,219		
Administrative:								
1,687,623	2,002,418	314,795	Compensation	7,605,458	8,005,862	(400,404)		
642,623	624,331	(18,292)	Purchased Services	2,512,971	2,482,302	(30,669)		
72,492	101,339	28,847	Supplies	195,257	405,355	(210,098)		
130,267	132,103	1,836	Depreciation	514,031	522,412	(8,381)		
284,983	289,599	4,616	Other Administrative Expenses	1,060,332	1,176,107	(115,775)		
2,817,988	3,149,790	331,802	Total Administrative Expenses	11,888,049	12,592,038	(703,989)		
56,518,488	52,866,769	(3,651,719)	TOTAL EXPENSES	222,900,365	210,761,212	(12,139,153)		
8,022,585	7,413,037	609,548	OPERATING INCOME (LOSS) BEFORE TAX	33,166,008	29,647,800	3,518,208		
7,650,254	7,605,014	(45,240)	MCO TAX	30,461,280	30,311,481	(149,799)		
372,331	(191,977)	564,308	OPERATING INCOME (LOSS) NET OF TAX	2,704,728	(663,681)	3,368,409		
NONOPERATING REVENUE (EXPENSES)								
-	-	-	Reserve Fund Projects/Community Grants	-	-	-		
(138,970)	(333,333)	194,363	Health Home	(913,515)	(1,333,333)	419,818		
(138,970)	(333,333)	194,363	TOTAL NONOPERATING REVENUES (EXPENSES)	(913,515)	(1,333,333)	419,818		
233,361	(525,310)	758,671	NET INCREASE (DECREASE) IN NET POSITION	1,791,213	(1,997,014)	3,788,227		
94.7%	94.4%	-0.4%	MEDICAL LOSS RATIO	93.8%	94.3%	0.6%		
5.0%	6.0%	1.0%	ADMINISTRATIVE EXPENSE RATIO	5.3%	6.0%	0.7%		

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED APRIL 30, 2018	YEAR-TO-DATE		
				ACTUAL	BUDGET	VARIANCE
			ENROLLMENT			
166,501	164,500	2,001	Family Members	661,620	655,600	6,020
59,699	58,000	1,699	Expansion Members	234,781	231,100	3,681
14,202	14,050	152	SPD Members	56,925	56,200	725
5,945	5,100	845	Other Members	23,452	20,250	3,202
8,267	7,875	392	Kaiser Members	32,643	31,350	1,293
254,614	249,525	5,089	Total Members - MCAL	1,009,421	994,500	14,921
			REVENUES			
121.12	124.07	(2.95)	Title XIX - Medicaid - Family and Other	120.12	124.12	(4.00)
348.64	351.60	(2.96)	Title XIX - Medicaid - Expansion Members	350.53	351.62	(1.09)
765.50	772.71	(7.21)	Title XIX - Medicaid - SPD Members	746.62	772.71	(26.09)
31.90	31.47	0.43	Premium - MCO Tax	31.77	31.47	0.30
2.07	1.12	0.95	Interest /Dividends	1.68	1.12	0.56
0.00	0.47	(0.47)	Reinsurance Recoveries	0.00	0.47	(0.47)
14.22	0.00	14.22	COB/Subrogation Collections	14.08	0.00	14.08
1.86	0.00	1.86	Rate/Income Adjustments	3.46	0.00	3.46
(1.46)	0.00	(1.46)	Other Income (Expense)	(0.85)	0.00	(0.85)
261.99	249.45	12.54	TOTAL REVENUES	262.15	249.61	12.55
			EXPENSES			
			Medical Costs:			
58.66	52.45	(6.21)	Physician Services	57.23	52.46	(4.77)
11.82	11.59	(0.23)	Other Professional Services	11.95	11.48	(0.46)
21.30	17.09	(4.22)	Emergency Room	19.40	17.09	(2.31)
58.05	54.79	(3.26)	Inpatient	59.29	54.83	(4.47)
0.44	0.47	0.03	Reinsurance Expense	0.47	0.47	0.00
25.24	19.81	(5.43)	Outpatient Hospital	22.51	19.82	(2.69)
8.91	9.94	1.02	Other Medical	9.33	9.95	0.61
35.70	37.61	1.92	Pharmacy	37.34	37.65	0.31
2.00	2.00	0.00	Pay for Performance Quality Incentive	2.00	2.00	0.00
(4.12)	0.00	4.12	IBNR, Incentive, Paid Claims Adjustment	(3.50)	0.00	3.50
217.99	205.74	(12.25)	Total Medical Costs	216.03	205.75	(10.28)
44.01	43.71	0.29	GROSS MARGIN	46.13	43.86	2.27
			Administrative:			
6.85	8.29	1.44	Compensation	7.79	8.31	0.53
2.61	2.58	(0.02)	Purchased Services	2.57	2.58	0.00
0.29	0.42	0.13	Supplies	0.20	0.42	0.22
0.53	0.55	0.02	Depreciation	0.53	0.54	0.02
1.16	1.20	0.04	Other Administrative Expenses	1.09	1.22	0.14
11.44	13.03	1.60	Total Administrative Expenses	12.17	13.07	0.90
229.43	218.77	(10.65)	TOTAL EXPENSES	228.20	218.82	(9.37)
32.57	30.68	1.89	OPERATING INCOME (LOSS) BEFORE TAX	33.95	30.78	3.17
31.05	31.47	0.42	MCO TAX	31.19	31.47	0.29
1.51	(0.79)	2.31	OPERATING INCOME (LOSS) NET OF TAX	2.77	(0.69)	3.46
			NONOPERATING REVENUE (EXPENSES)			
0.00	0.00	0.00	Reserve Fund Projects/Community Grants	0.00	0.00	0.00
0.55	(1.38)	(1.93)	Health Home	0.90	(5.52)	(6.42)
0.55	(1.38)	(1.93)	TOTAL NONOPERATING REVENUES (EXPENSES)	0.90	(5.52)	(6.42)
0.95	(2.17)	3.12	NET INCREASE (DECREASE) IN NET POSITION	1.83	(2.07)	3.91
94.7%	94.4%	-0.4%	MEDICAL LOSS RATIO	93.8%	94.3%	0.6%
5.0%	6.0%	1.0%	ADMINISTRATIVE EXPENSE RATIO	5.3%	6.0%	0.7%

KERN HEALTH SYSTEMS MEDICAL - Family and Other														
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH APRIL 30, 2018														
	APRIL 2017	MAY 2017	JUNE 2017	JULY 2017	AUGUST 2017	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017	DECEMBER 2017	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	13 MONTH TOTAL
ENROLLMENT														
Members - MCAL	241,178	241,282	241,716	239,716	239,263	240,564	240,556	239,434	241,567	241,677	243,813	244,941	246,347	3,142,154
REVENUES														
Title XIX - Medicaid - Family and Other	21,818,166	21,057,284	21,560,930	21,061,787	21,157,058	21,889,455	20,639,049	21,430,630	20,910,809	19,848,282	20,328,489	21,226,405	20,886,377	273,815,221
Title XIX - Medicaid - Expansion Members	21,650,071	21,843,761	21,316,549	20,420,390	20,057,372	20,019,384	20,131,772	20,362,674	20,131,172	20,478,437	20,367,468	20,638,072	20,813,430	267,975,986
Title XIX - Medicaid - SPD Members	10,055,280	9,972,611	10,383,303	10,531,094	10,594,072	10,859,865	10,978,591	10,829,865	11,017,790	10,334,550	10,530,984	10,764,253	10,871,613	137,562,262
Premium - MCO Tax	7,507,968	7,504,258	7,517,457	7,674,906	7,622,484	8,087,180	7,402,479	7,632,229	7,651,559	7,704,067	7,638,903	7,815,000	7,859,452	99,630,842
Interest/Dividends	264,732	376,466	245,238	243,800	385,282	302,348	303,875	268,899	320,014	489,128	312,296	350,992	509,405	4,373,175
Reinsurance Recoveries	-	-	-	-	-	-	124,814	217,296	217,296	-	-	-	-	-
COB/Subrogation Collections	2,789,187	3,514,662	3,698,257	3,234,724	5,392,339	3,431,408	3,148,882	5,324,912	2,458,385	1,511,501	319,159	10,245,425	3,503,612	46,732,353
Rate/Income Adjustments	93,756	(3,949)	(340,730)	(84,108)	1,061,917	9,476,726	126,333	2,128,785	59,721	1,511,501	1,095,189	(384,933)	(360,661)	15,895,145
Other Income (Expense)	(1,110)	9	(88,814)	(18,408)	104	(185,865)	378	(20,460)	(708,938)	114,532	(200,000)	(384,933)	(360,661)	(1,854,166)
TOTAL REVENUES	64,178,550	64,266,102	64,312,190	63,064,185	66,345,512	73,614,708	62,741,067	68,624,290	62,051,308	60,497,598	59,297,299	71,730,403	64,541,073	845,265,286
EXPENSES														
Medical Center:														
Physician Services	13,305,167	13,797,185	15,174,897	14,423,866	13,877,006	14,239,482	12,862,609	14,607,980	13,358,821	13,239,777	12,606,454	15,608,603	14,450,521	181,552,368
Other Professional Services	2,479,295	2,584,649	3,297,395	2,903,026	2,989,387	2,851,866	2,920,876	3,065,669	2,810,522	2,973,811	2,788,474	2,996,590	2,911,566	37,568,126
Emergency Room	4,012,665	3,942,442	4,764,752	4,665,069	5,095,658	4,656,197	3,995,827	5,095,039	3,888,819	4,260,344	4,171,278	5,259,525	5,247,777	59,108,392
Inpatient	14,524,702	14,725,286	14,193,273	13,361,803	13,546,637	13,862,008	13,575,463	16,813,515	14,316,486	13,588,711	13,055,324	16,973,565	14,300,202	186,838,775
Reinsurance Expense	105,736	107,515	106,164	106,350	105,475	105,320	105,848	105,845	105,351	113,536	117,345	118,427	107,531	1,410,448
Outpatient Hospital	5,765,474	5,787,957	6,293,878	5,430,584	6,154,715	6,213,267	5,886,144	7,151,522	5,457,541	5,307,045	5,138,504	5,322,082	6,217,088	76,125,801
Other Medical	2,373,420	2,730,233	2,620,808	1,975,195	1,800,207	1,883,596	2,362,997	1,797,103	2,482,091	2,422,066	1,923,264	2,576,860	2,195,432	29,144,411
Pharmacy	8,149,210	8,855,628	9,035,094	8,935,835	9,525,333	8,228,934	8,958,655	8,669,446	8,546,330	9,767,063	8,944,614	9,569,495	8,793,635	115,379,272
Pay for Performance Quality Incentive	566,768	567,013	568,032	563,333	562,503	565,325	565,307	562,670	567,682	483,354	487,626	489,882	492,694	7,024,189
IBNR, Incentive, Paid Claims Adjustment	(232,581)	(744,814)	(2,727,790)	(28,273)	1,034,615	7,973,649	332,212	(382,239)	(105,403)	(2,338,427)	(81,180)	18,265	(1,015,946)	1,702,088
Total Medical Costs	51,049,856	52,353,094	53,321,503	52,336,793	54,695,536	60,619,644	51,565,938	57,488,350	51,428,840	49,826,819	48,751,703	58,733,294	53,700,500	695,871,870
GROSS MARGIN	13,128,694	11,913,008	10,990,687	10,727,392	11,649,976	12,995,064	11,175,129	11,136,940	10,622,469	10,670,779	10,545,596	12,997,109	10,840,573	149,393,415
Administrative:														
Compensation	1,650,173	1,904,742	1,869,066	1,816,065	1,962,751	1,762,043	1,869,031	1,897,938	2,047,251	1,983,731	1,857,459	2,076,645	1,687,623	24,384,518
Purchased Services	442,046	344,437	364,323	354,712	371,842	322,883	539,809	952,528	659,909	519,892	545,740	804,716	642,623	7,065,247
Supplies	99,813	89,505	30,984	65,883	131,877	168,244	208,982	160,257	(329,638)	104,203	27,993	(9,431)	72,492	821,106
Depreciation	127,956	136,197	129,115	126,867	125,913	125,881	126,396	127,744	127,444	128,722	127,578	127,464	130,267	1,667,564
Other Administrative Expenses	237,956	196,197	363,803	171,677	267,320	200,081	267,832	317,828	688,273	210,466	225,000	339,883	284,983	3,870,953
Administrative Expense Adjustment	-	-	-	-	-	-	-	-	2,042,235	-	-	-	-	-
Total Administrative Expenses	2,557,271	2,771,405	2,757,291	2,535,146	2,859,703	3,012,050	3,456,295	5,235,280	2,947,014	2,783,770	2,339,277	3,339,277	3,817,988	39,851,623
TOTAL EXPENSES	53,607,127	55,124,499	56,078,794	54,871,939	57,555,239	63,598,776	54,577,988	60,944,645	56,664,120	52,773,833	51,555,473	62,072,571	56,518,488	735,723,493
OPERATING INCOME (LOSS) BEFORE TAX	10,571,423	9,141,603	8,233,396	8,192,246	8,790,273	10,215,932	8,163,079	7,680,645	5,387,188	7,723,765	7,761,826	9,657,832	8,022,585	109,541,793
MCO TAX	7,304,569	7,198,592	7,197,359	7,674,900	7,775,859	8,059,738	7,454,398	7,650,173	7,652,171	7,650,254	7,510,749	7,650,023	7,650,254	98,339,036
OPERATING INCOME (LOSS) NET OF TAX	3,266,854	1,943,011	1,036,037	517,346	1,014,414	2,156,194	708,684	30,472	(2,264,983)	73,511	251,077	2,007,809	372,331	11,212,757
TOTAL NONOPERATING REVENUE (EXPENSES)	-	(11,588)	-	(23,175)	-	(23,175)	(662,708)	-	(625,436)	(18,785)	(140,027)	(615,733)	(138,970)	(2,259,597)
NET INCREASE (DECREASE) IN NET POSITION	3,266,854	1,931,423	1,036,037	494,171	1,014,414	2,133,019	45,976	30,472	(2,890,419)	54,726	111,050	1,392,076	233,361	8,953,160
MEDICAL LOSS RATIO	90.1%	92.2%	93.9%	94.5%	93.1%	92.5%	93.2%	94.2%	94.5%	94.4%	94.4%	91.9%	94.7%	93.3%
ADMINISTRATIVE EXPENSE RATIO	4.5%	4.9%	4.9%	4.6%	4.6%	4.2%	4.2%	5.7%	5.7%	5.6%	5.4%	5.2%	5.0%	5.3%

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH APRIL-30, 2018		APRIL 2017	MAY 2017	JUNE 2017	JULY 2017	AUGUST 2017	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017	DECEMBER 2017	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	13 MONTH TOTAL
ENROLLMENT		241,178	241,282	241,716	239,716	239,363	240,564	240,556	239,434	241,567	241,677	243,813	244,941	246,347	3,142,154
MEMBERS - MCAL															
REVENUES															
Title XIX - Medicaid - Family and Other		128.39	124.01	126.74	124.89	125.53	129.26	122.06	126.92	123.23	116.91	118.93	123.47	121.12	123.95
Title XIX - Medicaid - Expansion Members		375.46	376.19	369.16	356.43	351.84	350.11	352.46	359.17	349.73	354.64	347.78	351.14	348.64	357.12
Title XIX - Medicaid - SPD Members		740.65	743.39	749.37	764.45	771.58	754.83	748.37	760.39	769.40	730.41	735.40	755.17	765.50	753.09
Premium - MCO Tax		31.13	31.10	31.10	32.02	31.84	33.62	30.77	31.86	31.67	31.95	31.33	31.91	31.90	31.71
Interest/Dividends		1.10	1.56	1.10	1.02	1.61	1.26	1.26	1.12	1.32	2.02	1.28	1.35	2.07	1.39
Reinsurance Recoveries		0.00	0.00	0.00	0.00	0.00	0.00	0.52	3.27	0.90	0.00	0.00	0.00	0.00	0.36
COB/Subrogation Collections		11.56	14.57	15.30	13.49	22.53	14.26	13.09	22.24	10.18	0.00	0.00	41.83	14.22	14.88
Rate/Income Adjustments		(0.39)	(0.02)	(1.41)	(0.35)	4.44	39.39	0.53	8.89	0.22	6.25	1.31	4.47	1.86	5.06
Other Income (Expense)		(0.00)	0.00	(0.37)	(0.08)	(0.77)	0.00	(0.09)	(0.99)	(2.93)	0.47	(0.82)	(1.57)	(1.46)	(0.59)
TOTAL REVENUES		266.10	266.35	266.07	263.08	277.18	306.01	260.82	286.61	256.87	250.32	243.21	292.85	261.99	269.01
EXPENSES															
Medical Costs:															
Physician Services		55.17	57.18	62.78	60.17	57.97	59.19	53.47	61.01	55.30	54.78	51.71	63.72	58.66	57.78
Other Professional Services		10.28	10.71	13.62	12.11	12.49	11.85	12.14	12.80	11.63	12.30	11.44	12.23	11.82	11.96
Emergency Room		16.64	16.34	19.71	19.46	21.31	19.52	16.61	21.28	16.10	17.67	17.11	21.47	21.30	18.81
Inpatient		60.22	61.03	58.72	55.74	56.59	57.62	56.43	70.23	59.27	56.23	53.55	69.30	58.05	59.46
Reinsurance Expense		0.44	0.45	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.48	0.48	0.44	0.45
Outpatient Hospital		23.91	23.99	26.04	22.65	25.71	25.83	24.47	29.87	22.59	21.96	21.73	25.24	24.23	24.23
Other Medical		9.84	11.32	10.84	8.24	7.52	7.83	9.82	7.51	10.28	10.02	7.89	10.52	8.91	9.28
Pharmacy		33.79	36.70	37.38	37.28	39.79	34.21	37.24	36.21	35.38	40.41	35.05	38.25	35.70	36.72
Pay for Performance Quality Incentive		2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.00	2.00	2.00	2.00	2.24
Expansion Risk Corridor Expense		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IBNR, Incentive, Paid Claims Adjustment		(0.96)	(3.09)	(11.29)	(0.12)	4.32	33.15	1.38	(1.60)	(0.44)	(9.68)	(0.33)	0.07	(4.12)	0.59
Total Medical Costs		211.67	216.98	220.60	218.33	228.50	251.99	214.36	240.10	212.90	206.17	199.96	239.79	217.99	221.46
GROSS MARGIN		54.44	49.37	45.37	44.75	48.67	54.02	46.46	46.51	43.97	44.15	43.25	53.06	44.01	47.54
Administrative:															
Compensation		6.84	7.89	7.73	7.58	8.20	7.32	7.77	7.93	8.47	8.21	7.62	8.48	6.85	7.76
Purchased Services		1.83	1.43	1.51	1.48	1.55	2.17	2.24	3.98	2.73	2.15	2.24	3.29	2.61	2.25
Supplies		0.41	0.37	0.13	0.27	0.55	0.70	0.87	0.67	(1.36)	0.43	0.11	(0.04)	0.29	0.26
Depreciation		0.53	0.56	0.53	0.53	0.53	0.52	0.53	0.53	0.53	0.53	0.52	0.52	0.53	0.53
Other Administrative Expenses		0.98	1.23	1.51	0.72	1.12	0.83	1.11	1.33	2.85	0.87	0.92	1.39	1.16	1.23
Administrative Expense Adjustment		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.65
Total Administrative		10.60	11.49	11.41	10.58	11.95	11.55	12.52	14.44	12.67	12.19	11.42	13.63	11.44	12.68
TOTAL EXPENSES		222.27	228.47	232.00	228.90	240.45	263.54	226.88	254.54	234.57	218.37	211.37	253.43	229.43	234.15
OPERATING INCOME (LOSS) BEFORE TAX		43.83	37.89	34.06	34.77	36.72	42.47	33.93	33.08	22.30	31.96	31.84	39.43	32.57	34.86
MCO TAX		29.87	29.83	29.78	32.02	32.49	33.50	30.99	31.95	31.68	31.65	30.81	31.23	31.05	31.29
OPERATING INCOME (LOSS) NET OF TAX		13.96	8.05	4.29	2.16	4.24	8.96	2.95	1.13	(9.38)	0.30	1.03	8.20	1.51	3.57
TOTAL NONOPERATING REVENUE (EXPENSES)		0.00	(0.05)	0.00	(0.10)	0.00	(0.10)	(2.75)	0.00	(2.59)	(0.08)	(0.57)	(2.51)	(0.50)	(0.72)
NET INCREASE (DECREASE) IN NET POSITION		90.15%	92.25%	93.95%	94.55%	93.15%	92.55%	93.25%	94.25%	94.55%	94.45%	94.45%	91.95%	94.75%	93.35%
MEDICAL LOSS RATIO		4.5%	4.9%	4.9%	4.6%	4.9%	4.2%	5.4%	5.7%	5.6%	5.6%	5.4%	5.2%	5.0%	5.3%
ADMINISTRATIVE EXPENSE RATIO															

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED APRIL 30, 2018				YEAR-TO-DATE		
CURRENT MONTH		REVENUES		ACTUAL	BUDGET	VARIANCE
ACTUAL	BUDGET	VARIANCE				
Title XIX - Medicaid - Family & Other						
18,883,837	18,622,879	260,958	Premium - Medi-Cal	74,129,541	74,213,056	(83,515)
1,666,781	2,022,939	(356,158)	Premium - Maternity Kick	7,152,389	8,091,756	(939,367)
15,753	175,524	(159,771)	Premium - Hep C Kick	204,798	699,456	(494,658)
228,282	133,732	94,550	Premium - BHT Kick	437,734	532,916	(95,182)
91,724	86,828	4,896	Other	365,791	346,094	19,697
20,886,377	21,041,902	(155,525)	Total Title XIX - Medicaid - Family & Other	82,290,253	83,883,278	(1,593,025)
Title XIX - Medicaid - Expansion Members						
20,316,523	19,580,127	736,396	Premium - Medi-Cal	79,682,907	78,015,001	1,667,906
149,291	405,339	(256,048)	Premium - Maternity Kick	1,037,182	1,621,355	(584,173)
315,074	376,978	(61,904)	Premium - Hep C Kick	1,449,342	1,502,061	(52,719)
32,542	30,449	2,094	Other	127,976	121,318	6,659
20,813,430	20,392,892	420,538	Total Title XIX - Medicaid - Expansion Members	82,297,407	81,259,734	1,037,673
Title XIX - Medicaid - SPD Members						
10,293,146	10,274,765	18,381	Premium - Medi-Cal	40,827,195	41,099,059	(271,864)
240,244	320,007	(79,763)	Premium - Hep C Kick	870,393	1,280,028	(409,635)
338,223	261,795	76,428	Premium - BHT Kick	803,812	1,047,180	(243,368)
10,871,613	10,856,567	15,046	Total Title XIX - Medicaid - SPD Members	42,501,400	43,426,267	(924,866)

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED APRIL 30, 2018		CURRENT MONTH		YEAR-TO-DATE	
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
PHYSICIAN SERVICES					
12.31	11.49	(0.82)	11.77	11.49	(0.28)
39.50	36.38	(3.12)	39.25	36.40	(2.85)
6.81	4.54	(2.27)	6.18	4.54	(1.64)
0.04	0.04	0.00	0.04	0.04	0.00
58.66	52.45	(6.21)	57.23	52.46	(4.77)
OTHER PROFESSIONAL SERVICES					
0.93	1.03	0.10	1.00	1.03	0.03
2.61	3.18	0.57	2.98	3.09	0.11
0.36	0.49	0.13	0.45	0.49	0.04
0.29	0.37	0.09	0.30	0.35	0.05
0.33	0.41	0.09	0.38	0.42	0.04
0.17	0.21	0.04	0.18	0.21	0.03
0.22	0.33	0.11	0.25	0.33	0.08
1.99	1.81	(0.18)	1.86	1.81	(0.05)
1.30	0.22	(1.08)	0.62	0.22	(0.39)
3.62	3.54	(0.09)	3.95	3.54	(0.41)
11.82	11.59	(0.23)	11.95	11.48	(0.46)
21.30	17.09	(4.22)	19.40	17.09	(2.31)
58.05	54.79	(3.26)	59.29	54.83	(4.47)
0.44	0.47	0.03	0.47	0.47	0.00
25.24	19.81	(5.43)	22.51	19.82	(2.69)
OTHER MEDICAL					
1.33	1.37	0.05	1.40	1.37	(0.03)
1.19	1.47	0.29	1.33	1.47	0.15
0.65	1.09	0.44	0.73	1.09	0.36
2.79	3.32	0.53	3.47	3.32	(0.14)
0.00	0.50	0.50	0.01	0.50	0.49
2.96	2.18	(0.78)	2.40	2.18	(0.21)
8.91	9.94	1.02	9.33	9.95	0.61
PHARMACY SERVICES					
31.72	32.47	0.75	32.92	32.49	(0.43)
2.03	3.44	1.41	2.44	3.44	1.00
2.61	2.14	(0.47)	2.50	2.14	(0.36)
(0.66)	(0.43)	0.23	(0.52)	(0.43)	0.09
35.70	37.61	1.92	37.34	37.65	0.31
2.00	2.00	0.00	2.00	2.00	0.00
(4.12)	0.00	4.12	(3.50)	0.00	3.50
217.99	205.74	(12.25)	216.03	205.75	(10.28)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH APRIL 30, 2018	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	YEAR TO DATE 2018
PHYSICIAN SERVICES					
Primary Care Physician Services	2,920,677	2,742,958	2,795,669	3,032,803	11,492,107
Referral Specialty Services	9,240,467	8,846,562	10,522,041	9,730,130	38,339,200
Urgent Care & After Hours Advise	1,069,333	1,008,534	2,281,593	1,678,588	6,038,048
Hospital Admitting Team	9,300	8,400	9,300	9,000	36,000
TOTAL PHYSICIAN SERVICES	13,239,777	12,606,454	15,608,603	14,450,521	55,905,355
OTHER PROFESSIONAL SERVICES					
Vision Service Capitation	241,567	249,668	251,973	228,790	971,998
310 - Health Services - Utilization Management - UM Allocation *	761,074	704,252	799,729	642,963	2,908,018
311 - Health Services - Quality Improvement - UM Allocation *	118,821	107,550	123,692	89,357	439,420
312 - Health Services - Education - UM Allocation *	76,022	65,961	79,421	70,442	291,846
313 - Health Services - Pharmacy - UM Allocation *	96,522	85,975	103,112	80,930	366,539
314 - Health Homes - UM Allocation *	44,203	41,266	48,457	41,054	174,980
616 - Disease Management - UM Allocation *	56,128	59,793	70,852	54,370	241,143
Behavior Health Treatment	488,079	385,879	454,810	490,975	1,819,743
Mental Health Services	63,645	122,453	96,062	319,743	601,903
Other Professional Services	1,027,749	965,677	968,482	892,942	3,854,850
TOTAL OTHER PROFESSIONAL SERVICES	2,973,811	2,788,474	2,996,590	2,911,566	11,670,441
EMERGENCY ROOM	4,269,344	4,171,278	5,259,525	5,247,777	18,947,924
INPATIENT HOSPITAL	13,588,711	13,055,324	16,973,565	14,300,202	57,917,802
REINSURANCE EXPENSE PREMIUM	113,536	117,345	118,427	107,531	456,839
OUTPATIENT HOSPITAL SERVICES	5,307,045	5,138,504	5,322,082	6,217,088	21,984,719
OTHER MEDICAL					
Ambulance	338,351	352,496	350,066	327,106	1,368,019
Home Health Services & CBAS	387,076	354,315	265,517	292,019	1,298,927
Utilization and Quality Review Expenses	284,192	42,175	226,751	159,266	712,384
Long Term/SNF/Hospice	999,658	777,625	923,259	686,826	3,387,368
Enhanced Medical Benefits	-	9,604	-	-	9,604
Non-Medical Transportation	413,329	387,049	811,267	730,215	2,341,860
TOTAL OTHER MEDICAL	2,422,606	1,923,264	2,576,860	2,195,432	9,118,162
PHARMACY SERVICES					
RX - Drugs & OTC	8,533,080	7,533,478	8,276,129	7,813,536	32,156,223
RX - HEP-C	729,042	557,006	600,369	500,230	2,386,647
Rx - DME	620,941	570,130	608,997	643,269	2,443,337
RX - Pharmacy Rebates	(116,000)	(116,000)	(116,000)	(163,400)	(511,400)
TOTAL PHARMACY SERVICES	9,767,063	8,544,614	9,369,495	8,793,635	36,474,807
PAY FOR PERFORMANCE QUALITY INCENTIVE	483,354	487,626	489,882	492,694	1,953,556
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(2,338,427)	(81,180)	18,265	(1,015,946)	(3,417,288)
Total Medical Costs	49,826,819	48,751,703	58,733,294	53,700,500	211,012,316

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH APRIL 30, 2018	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	YEAR TO DATE 2018
PHYSICIAN SERVICES					
Primary Care Physician Services	12.09	11.25	11.41	12.31	11.77
Referral Specialty Services	38.23	36.28	42.96	39.50	39.25
Urgent Care & After Hours Advise	4.42	4.14	9.31	6.81	6.18
Hospital Admitting Team	0.04	0.03	0.04	0.04	0.04
TOTAL PHYSICIAN SERVICES	54.78	51.71	63.72	58.66	57.23
OTHER PROFESSIONAL SERVICES					
Vision Service Capitation	1.00	1.02	1.03	0.93	1.00
310 - Health Services - Utilization Management - UM Allocation *	3.15	2.89	3.26	2.61	2.98
311 - Health Services - Quality Improvement - UM Allocation *	0.49	0.44	0.50	0.36	0.45
312 - Health Services - Education - UM Allocation *	0.31	0.27	0.32	0.29	0.30
313 - Health Services - Pharmacy - UM Allocation *	0.40	0.35	0.42	0.33	0.38
314 - Health Homes - UM Allocation *	0.18	0.17	0.20	0.17	0.18
616 - Disease Management - UM Allocation *	0.23	0.25	0.29	0.22	0.25
Behavior Health Treatment	2.02	1.58	1.86	1.99	1.86
Mental Health Services	0.26	0.50	0.39	1.30	0.62
Other Professional Services	4.25	3.96	3.95	3.62	3.95
TOTAL OTHER PROFESSIONAL SERVICES	12.30	11.44	12.23	11.82	11.95
EMERGENCY ROOM	17.67	17.11	21.47	21.30	19.40
INPATIENT HOSPITAL	56.23	53.55	69.30	58.05	59.29
REINSURANCE EXPENSE PREMIUM	0.47	0.48	0.48	0.44	0.47
OUTPATIENT HOSPITAL SERVICES	21.96	21.08	21.73	25.24	22.51
OTHER MEDICAL					
Ambulance	1.40	1.45	1.43	1.33	1.40
Home Health Services & CBAS	1.60	1.45	1.08	1.19	1.33
Utilization and Quality Review Expenses	1.18	0.17	0.93	0.65	0.73
Long Term/SNF/Hospice	4.14	3.19	3.77	2.79	3.47
Enhanced Medical Benefits	0.00	0.04	0.00	0	0.01
Non-Medical Transportation	1.71	1.59	3.31	2.96	2.40
TOTAL OTHER MEDICAL	10.02	7.89	10.52	8.91	9.33
PHARMACY SERVICES					
RX - Drugs & OTC	35.31	30.90	33.79	31.72	32.92
RX - HEP-C	3.02	2.28	2.45	2.03	2.44
Rx - DME	2.57	2.34	2.49	2.61	2.50
RX - Pharmacy Rebates	(0.48)	(0.48)	(0.47)	(0.66)	(0.52)
TOTAL PHARMACY SERVICES	40.41	35.05	38.25	35.70	37.34
PAY FOR PERFORMANCE QUALITY INCENTIVE	2.00	2.00	2.00	2.00	2.00
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(9.68)	(0.33)	0.07	(4.12)	(3.50)
Total Medical Costs	206.17	199.96	239.79	217.99	216.03

CURRENT MONTH		YEAR-TO-DATE	
ACTUAL	BUDGET	ACTUAL	BUDGET
VARIANCE		VARIANCE	
218,301	238,294	919,080	957,084
119,259	144,767	502,421	579,066
272,224	394,574	1,569,167	1,578,295
129,810	178,335	538,217	713,340
250,471	319,524	797,192	1,278,094
405,196	454,000	1,757,334	1,805,630
71,038	100,658	292,617	402,633
270	2,583	5,918	10,333
-	3,042	697	12,167
190	553	207	2,213
91,752	94,991	386,326	384,964
698	2,325	804	9,300
-	101	129	403
172,555	202,393	826,849	807,822
527,594	511,172	2,193,933	2,044,688
270,949	293,620	1,072,519	1,168,480
47,224	59,285	211,995	237,141
81,259	59,899	131,086	239,996
55,893	62,895	192,418	251,580
103,305	151,777	489,140	608,795
-	(124,999)	-	(499,987)
2,817,988	3,149,790	11,888,049	12,592,038
			703,989

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT
FOR THE MONTH ENDED APRIL 30, 2018

KERN HEALTH SYSTEMS MEDI-CAL		JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	YEAR TO DATE 2018
SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED APRIL 30, 2018						
110 - Executive		249,360	227,269	224,150	218,301	919,080
210 - Accounting		121,592	122,208	139,362	119,259	502,421
220 - Management Information Systems (MIS)		432,742	431,903	432,298	272,224	1,569,167
221 - Business Intelligence		122,020	134,571	151,816	129,810	538,217
225 - Infrastructure		126,761	233,198	186,762	250,471	797,192
230 - Claims		476,893	392,682	482,563	405,196	1,757,334
240 - Project Management		83,613	64,943	73,023	71,038	292,617
310 - Health Services - Utilization Management		5,036	(156)	768	270	5,918
311 - Health Services - Quality Improvement		10	358	329	-	697
312 - Health Services - Education		147	(130)	-	190	207
313- Pharmacy		104,959	104,858	84,757	91,752	386,326
314 - Health Homes		83	(76)	99	698	804
616 - Disease Management		-	129	-	-	129
320 - Provider Relations		262,401	186,821	205,072	172,555	826,849
330 - Member Services		406,721	390,353	869,265	527,594	2,193,933
340 - Corporate Services		327,904	251,490	222,176	270,949	1,072,519
360 - Audit & Investigative Services		55,126	54,243	55,402	47,224	211,995
410 - Advertising Media		4,575	21,825	23,427	81,259	131,086
420 - Sales/Marketing/Public Relations		50,590	41,234	44,701	55,893	192,418
510 - Human Resources		116,481	126,047	143,307	103,305	489,140
Total Department Expenses		2,947,014	2,783,770	3,339,277	2,817,988	11,888,049

KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF APRIL 30, 2018			
ASSETS	APRIL 2018	MARCH 2018	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,449,702	\$ 1,444,298	5,404
Interest Receivable	1,740	5,221	(3,481)
Prepaid Expenses & Other Current Assets	1,667	2,500	(833)
TOTAL CURRENT ASSETS	\$ 1,453,109	\$ 1,452,019	\$ 1,090
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	11,937	11,754	183
Other Liabilities	353,849	353,849	-
TOTAL CURRENT LIABILITIES	\$ 365,786	\$ 365,603	\$ 183
NET POSITION:			
Net Position- Beg. of Year	1,081,027	1,081,027	-
Increase (Decrease) in Net Position - Current Year	6,296	5,389	907
Total Net Position	\$ 1,087,323	\$ 1,086,416	\$ 907
TOTAL LIABILITIES AND NET POSITION	\$ 1,453,109	\$ 1,452,019	\$ 1,090

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED APRIL 30, 2018	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
ENROLLMENT						
-	-	-	Members	-	-	-
REVENUES						
-	-	-	Premium	-	-	-
1,740	-	1,740	Interest	6,961	-	6,961
-	-	-	Other Investment Income	2,668	-	2,668
1,740	-	1,740	TOTAL REVENUES	9,629	-	9,629
EXPENSES						
-	-	-	Medical Costs	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
1,740	-	1,740	GROSS MARGIN	9,629	-	9,629
Administrative						
833	-	(833)	Management Fee Expense and Other Admin Exp	3,333	-	(3,333)
833	-	(833)	Total Administrative Expenses	3,333	-	(3,333)
833	-	(833)	TOTAL EXPENSES	3,333	-	(3,333)
907	-	907	OPERATING INCOME (LOSS)	6,296	-	6,296
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-
907	-	907	NET INCREASE (DECREASE) IN NET POSITION	6,296	-	6,296
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%
48%	0%	-48%	ADMINISTRATIVE EXPENSE RATIO	35%	0%	-35%

KERN HEALTH SYSTEMS MONTHLY MEMBERS COUNT		2018 MEMBER MONTHS											
KERN HEALTH SYSTEMS		JAN'18	FEB'18	MAR'18	APR'18	MAY'18	JUN'18	JUL'18	AUG'18	SEP'18	OCT'18	NOV'18	DEC'18
MEDI-CAL													
ADULT AND FAMILY													
PA - FAMILY	137,538	34,790	34,221	34,687	33,840								
MN - FAMILY	0	0	0	0	0								
REFUGEE - FAMILY	0	0	0	0	0								
FOSTER CARE	2,836	707	678	719	731								
POVERTY-133/200%	4	1	1	1	1								
POVERTY-100%	0	0	0	0	0								
MI - CHILD	435,417	107,133	108,725	109,378	110,181								
CHILD-ACA	379	115	104	120	40								
FAMILY - UNDER 19	85,446	21,195	21,355	21,188	21,708								
SUB-TOTAL ADULT & FAMILY	661,620	163,941	165,085	166,093	166,501	0	0	0	0	0	0	0	0
MEDI-CAL EXPANSION													
LIHP Transition Pre-ACA	208	52	52	52	52								
ACA Expansion Adult-Citizen	232,911	57,307	58,118	58,262	59,224								
ACA Expansion CAL Fresh Adult	21	5	5	6	5								
LIHP Transition Pre-ACA	1,641	380	389	454	418								
SUB-TOTAL MANDATORY	234,781	57,744	58,564	58,774	59,699	0	0	0	0	0	0	0	0
SDP MEMBERS													
SSI -AGED	733	191	182	174	186								
MN - AGED	5,887	1,457	1,414	1,533	1,463								
SSI - BLIND & DIS-ABLED	48,998	12,242	12,366	12,213	12,177								
MN - BLIND & DIS-ABLED	1,307	259	358	334	356								
SUB-TOTAL IMANDATORY SPD	56,925	14,149	14,320	14,254	14,202	0	0	0	0	0	0	0	0
TOTAL MANDATORY	953,326	235,834	237,969	239,121	240,402	0	0	0	0	0	0	0	0
OTHER MEMBERS													
BCCTP-TOBACCO SETTLEMENT	103	28	26	25	24								
DUALS													
PA - FAMILY DUALS	80	24	14	19	23								
PART D SSI-AGED	3,098	771	776	787	784								
PART D MN - AGED	5,349	1,295	1,364	1,331	1,359								
PART D SSI - BLIND & DIS-ABLED	9,341	2,338	2,300	2,314	2,389								
PART D MN - BLIND & DIS-ABLED	3,969	1,038	978	973	980								
PART D BCCTP-TOBACCO SETTLEMENT	5	3	1	1	0								
PART D MI - ADULT	0	0	0	0	0								
PART D MI - CHILD	1,507	346	385	390	386								
SUB-TOTAL DUALS	23,349	5,815	5,818	5,795	5,921	0	0	0	0	0	0	0	0
TOTAL OTHERS	23,452	5,843	5,844	5,820	5,945	0	0	0	0	0	0	0	0
TOTAL KAISER	32,643	7,991	8,160	8,225	8,267								
TOTAL MEDI-CAL MEMBERS	1,009,421	249,668	251,973	253,166	254,614	0	0	0	0	0	0	0	0



Vendor No.	Vendor Name	Current Month	Year -to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH	390,303.83	785,017.86	EMPLOYEE HEALTH BENEFITS	VARIOUS
T2292	CITY OF BAKERSFIELD	303,451.37	315,884.01	BUILDING PERMIT FEES MONTHLY GARBAGE & SEWAR FEES	CAPITAL PROJECT - NEW BUILDING/ VARIOUS
T4738	AMERICAN LOGISTICS COMPANY, LLC	173,300.48	517,877.58	DEC., 2017 MEDICAL/NON MEDICAL TRANSPORTATION MEMBER BENEFIT	MEMBER SERVICES
T4237	FLUIDEDGE CONSULTING, INC.	153,769.04	235,804.29	CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING.	VARIOUS
T4696	ZNALYTICS, LLC****	138,096.53	209,273.06	CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS
T1408	DELL MARKETING L.P.	100,771.05	142,438.42	HARDWARE- 6- LATITUDE E5480, 1 DELL SMART PRINTER, 6510, 20 OPTIPLEX 3050 DESKTOPS SOFTWARE LICENSE SUBSCRIPTION/SUPPORT TRUE UP; 10 LATITUDE 5480 XCTO	MIS INFRASTRUCTURE
T4165	SHI INTERNATIONAL CO.****	99,632.01	99,632.01	STORAGE MAINTENANCE/ HARDWARE	CAPITAL PROJECT IN PROCESS
T4582	HEALTHX, INC.****	80,900.00	80,900.00	IMPLEMENTATION FEE- MEMBER ENHANCEMENT PROVIDER AND MEMBER PORTAL	CAPITAL PROJECT - MEMBER & PROVIDER PORTAL
T3460	THE GUARDIAN LIFE INSURANCE CO.	59,174.47	116,904.70	FEB., 2018 VOLUNTARY LIFE AD&D, DENTAL INSURANCE.	VARIOUS
T1597	BAKERSFIELD MEMORIAL HOSP****	50,000.00	50,000.00	BMH DIABETIC CLINIC 2017 4TH QUARTER	HE- DISEASE MANAGEMENT
T2413	TREK IMAGING INC	46,060.22	58,356.75	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS	VARIOUS
T2933	SIERRA PRINTERS, INC.	37,594.62	57,363.40	MEMBER EDUCATION MATERIAL PROVIDER DIRECTORY	VARIOUS
T2287	CALIFORNIA WATER SERVICE	36,141.00	72,743.65	UTILITIES - NEW BUILDING SERVICES	CAPITAL PROJECT-NEW BUILDING



Vendor No.	Vendor Name	Current Month	Year -to-Date	Description	Department
T1071	CLINICA SIERRA VISTA	32,620.48	44,172.43	NOV. & DEC. 2017 MEDICAL RESPITE PROGRAM	HEALTH SERVICES - UM
T4876	CIRESON, LLC*****	28,921.50	28,921.50	BUSINESS MANAGEMENT SOLUTIONS LICENSES; SOFTWARE ;3 YR MAINTENANCE & SUPPORT	CAPITAL PROJECT IN PROCESS
T4308	TRUXTUN PLACE PARTNERS	28,304.96	56,832.81	TRUXTUN- FEB. LEASE AND DEC. UTILITIES EXPENSE	CORPORATE SERVICES
T4193	TECHNOSOCIALWORK.COM DBA STRIA	27,574.61	40,915.28	JAN., 2018 OCR SERVICES	CLAIMS
T4695	EDIFECS, INC.	27,200.00	54,400.00	12/4/17 - 1/5/18 CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS
T4460	PAYSPAN, INC	26,905.14	37,255.14	JAN., 2018 ELECTRONIC CLAIMS/PAYMENT FILES	ACCOUNTING
T2232	DLT SOLUTIONS, LLC*****	24,154.83	24,154.83	SOL SERVER MAINTENANCE CONTRACT	MIS INFRASTRUCTURE
T1272	COFFEY COMMUNICATIONS INC.****	24,106.82	24,106.82	NEWSLETTER PUBLICATION/MAILING MEMBER NEWSLETTER SPRING 2018	VARIOUS/ HEALTH EDUCATION
T3011	OFFICE ALLY, INC.	17,303.75	31,835.25	JAN., 2018 EDI CLAIM PROCESSING	CLAIMS
T4546	LEVEL 3 COMMUNICATIONS, LLC	16,956.72	51,641.89	JAN., 2018 DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T2707	ACT 1 PERSONNEL SERVICES, INC.	15,884.81	29,924.22	TEMPORARY HELP - 1 PR, 2 MIS, 3 MS	VARIOUS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	15,135.96	28,433.63	JAN., 2018 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4467	MEDISOFTRX, LLC,	13,377.62	27,651.80	JAN., 2018 PROFESSIONAL SERVICES-HOME HEALTH	CAPITAL PROJECT IN PROCESS
T4396	KAISER FOUNDATION HEALTH-DHMO	12,387.57	26,901.46	FEB., 2018 EMPLOYEE HEALTH BENEFITS	VARIOUS

KERN·HEALTH
SYSTEMS

February AP Vendor Report
 Amount over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year -to-Date	Description	Department
T4168	RELAYHEALTH	11,085.48	22,830.78	NOV., 2017 EDI CLAIM PROCESSING	CLAIMS
T4685	NATIONAL GIFT CARD CORP	10,000.00	35,275.74	HEALTH HOMES AND MEMBER INCENTIVE GIFT CARDS	HOME HEALTH HEALTH EDUCATION
T4683	CLAUDIA M. BACA****	10,000.00	10,000.00	CONSULTING SERVICES	PROJECT MANAGEMENT
		<u>2,011,114.87</u>			
	TOTAL VENDORS OVER \$10,000	2,011,114.87			
	TOTAL VENDORS UNDER \$10,000	255,185.00			
	TOTAL VENDOR EXPENSES- Feb.	<u>2,266,299.87</u>			

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



Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH	785,017.86	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4738	AMERICAN LOGISTICS COMPANY, LLC	517,877.58	DEC., 2017 MEDICAL/NON MEDICAL TRANSPORTATION MEMBER BENEFIT	MEMBER SERVICES
T4391	OMNI FAMILY HEALTH	332,708.68	2016-2018 COMMUNITY GRANT-HEALTH HOME GRANT	COMMUNITY GRANTS
T2292	CITY OF BAKERSFIELD	315,884.01	BUILDING PERMIT FEES MONTHLY GARBAGE & SEWAR FEES	CAPITAL PROJECT - NEW BUILDING/ VARIOUS
T2167	PG&E	282,106.53	ANNUAL TRUE-UP FOR 2017 USAGE/UTILITIES	CORPORATE SERVICES
T4237	FLUIDEDGE CONSULTING, INC.	235,804.29	CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING.	VARIOUS
T4696	ZNALYTICS, LLC****	209,273.06	CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS
T1408	DELL MARKETING L.P.	142,438.42	HARDWARE- 6- LATITUDE E5480, 1 DELL SMART PRINTER, 6510, 20 OPTIPLEX 3050 DESKTOPS SOFTWARE LICENSE SUBSCRIPTION/SUPPORT TRUE UP; 10 LATITUDE 5480 XCTO	MIS INFRASTRUCTURE
T3460	THE GUARDIAN LIFE INSURANCE CO.	116,904.70	FEB., 2018 VOLUNTARY LIFE AD&D, DENTAL INSURANCE.	VARIOUS
T2469	DST HEALTH SOLUTIONS, INC.	116,800.00	2018 MHC SOFTWARE - LICENSE FEE, MAINTENANCE, AND	MIS INFRASTRUCTURE
T4350	COMPUTER ENTERPRISE INC.	109,040.00	NOV., & DEC., 2017 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T4165	SHI INTERNATIONAL CO.****	99,632.01	STORAGE MAINTENANCE/ HARDWARE	CAPITAL PROJECT IN PROCESS
T2726	DST PHARMACY SOLUTIONS, INC	90,442.99	DEC. PHARMACY AND CLAIMS PROCESSING	PHARMACY

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4582	HEALTHX, INC.****	80,900.00	IMPLEMENTATION FEE- MEMBER ENHANCEMENT PROVIDER AND MEMBER PORTAL	CAPITAL PROJECT - MEMBER & PROVIDER PORTAL
T2287	CALIFORNIA WATER SERVICE	72,743.65	UTILITIES - NEW BUILDING SERVICES	CAPITAL PROJECT-NEW BUILDING
T4054	ASSOCIATION FOR COMMUNITY	65,000.00	2018 ACAP DUES	ADMINISTRATION
T2413	TREK IMAGING INC	58,356.75	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS	VARIOUS
T2933	SIERRA PRINTERS, INC.	57,363.40	MEMBER EDUCATION MATERIAL PROVIDER DIRECTORY	VARIOUS
T4308	TRUXTUN PLACE PARTNERS	56,832.81	TRUXTUN- FEB. LEASE AND DEC. UTILITIES EXPENSE	CORPORATE SERVICES
T4695	EDIFECS, INC.	54,400.00	12/4/17 - 1/5/18 CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS
T1183	MILLIMAN USA	53,851.63	PURCHASING ANALYSIS	ADMINISTRATION
T4546	LEVEL 3 COMMUNICATIONS, LLC	51,641.89	JAN., 2018 DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T1597	BAKERSFIELD MEMORIAL HOSP*****	50,000.00	BMH DIABETIC CLINIC 2017 4TH QUARTER	HE- DISEASE MANAGEMENT
T1071	CLINICA SIERRA VISTA	44,172.43	NOV.& DEC. 2017 MEDICAL RESPITE PROGRAM	HEALTH SERVICES - UM
T4193	TECHNOSOCIALWORK.COM DBA STRIA	40,915.28	JAN., 2018 OCR SERVICES	CLAIMS



Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1957	MERCY FOUNDATION-BAKERSFIELD	37,500.00	DAVINCI CAMPAIGN SPONSORSHIP	ADMINISTRATION
T4460	PAYSPAN, INC	37,255.14	JAN., 2018 ELECTRONIC CLAIMS/PAYMENT FILES	ACCOUNTING
T4421	JON SLAGLE	35,911.50	ADVERTISING CAMPAIGN - 50% DEPOSIT	MARKETING
T4685	NATIONAL GIFT CARD CORP	35,275.74	HEALTH HOMES AND MEMBER INCENTIVE GIFT CARDS	HOME HEALTH/ HEALTH EDUCATION
T1404	CALIFORNIA ASSOCIATION OF HEALTH	33,909.00	2018 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T3011	OFFICE ALLY, INC.	31,835.25	JAN., 2018 EDI CLAIM PROCESSING	CLAIMS
T2584	UNITED STATES POSTAL SVC.-HASLER	30,000.00	POSTAGE-METERED	VARIOUS
T2707	ACT 1 PERSONNEL SERVICES, INC.	29,924.22	TEMPORARY HELP - 1 PR, 2 MIS, 3 MS	VARIOUS
T4876	CIRESON, LLC****	28,921.50	BUSINESS MANAGEMENT SOLUTIONS LICENSES; SOFTWARE ;3 YR MAINTENANCE & SUPPORT	CAPITAL PROJECT IN PROCESS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	28,433.63	JAN., 2018 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4467	MEDISOFTRX, LLC,	27,651.80	JAN., 2018 PROFESSIONAL SERVICES-HOME HEALTH PROJECT	CAPITAL PROJECT IN PROCESS
T4396	KAISER FOUNDATION HEALTH-DHMO	26,901.46	FEB., 2018 EMPLOYEE HEALTH BENEFITS	VARIOUS

KERN HEALTH
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 February AP Vendor Report
 Amount over \$10,000.00

Vendor No.	Vendor Name	Year -to-Date	Description	Department
T2292	DLT SOLUTIONS, LLC****	24,154.83	SQL SERVER MAINTENANCE CONTRACT	MIS INFRASTRUCTURE
T1272	COFFEY COMMUNICATIONS INC.*****	24,106.82	NEWSLETTER PUBLICATION/MAILING MEMBER NEWSLETTER SPRING 2018	VARIOUS/ HEALTH EDUCATION
T4168	RELAYHEALTH	22,830.78	NOV., 2017 EDI CLAIM PROCESSING	CLAIMS
T3449	CDW GOVERNMENT	19,244.17	IP PHONES & LICENSES, 1 PROJECTOR	MIS INFRASTRUCTURE
T4747	SYED ALAM, M.D. INC.	17,500.00	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS	COMMUNITY GRANTS
T2961	SOLUTION BENCH, LLC	15,730.00	M-FILES LICENSES & MAINTENANCE	MIS INFRASTRUCTURE
T4384	PINNACLE PRIMARY CARE, INC.	14,049.16	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS	COMMUNITY GRANTS
T2840	ATALASOFT, INC.	13,596.00	2018 SOFTWARE SUPPORT & MAINTENANCE FOR DOTIMAGE	MIS INFRASTRUCTURE
T4698	INFINITY COMMUNICATIONS &	13,500.00	TECHNICAL BUILDING ARCHITECTURAL CONSULTING PHASE I	CAPITAL PROJECT-NEW BUILDING
T2837	TOYS/BABIES R US	13,003.73	WELL CHILD & PREGNANCY INCENTIVE PROGRAM	HEALTH EDUCATION
T1861	CEREDIAN BENEFITS SERVICES	12,783.46	JAN., DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION	HUMAN RESOURCES
T4198	LAW OFFICES OF CARL SHUSTERMAN	12,320.00	LEGAL SERVICES- H-1B D. YAVAD & M. KUMAR	ADMINISTRATION

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February AP Vendor Report
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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4699	ZeOMEGA, INC.	10,256.81	IMPLEMENTATION OF MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT-CASE
T4707	SHAFTER PEDIATRICS	10,144.82	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS & 2016	COMMUNITY GRANTS
T4683	CLAUDIA M. BACA****	10,000.00	CONSULTING SERVICES	PROJECT MANAGEMENT
		<u>4,656,847.79</u>		
	TOTAL VENDORS OVER \$10,000	4,656,847.79		
	TOTAL VENDORS UNDER \$10,000	525,666.18		
	TOTAL VENDOR EXPENSES- Feb.	<u><u>5,156,831.09</u></u>		

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



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Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T3130	OPTUMINSIGHT, INC.*****	567,111.00	567,111.00	CES DIRECT LICENSE - 12/17 - 12/18 ANNUAL FEE	CAPITAL PROJECT IN PROGRESS
T4391	OMNI FAMILY HEALTH	452,664.95	785,373.63	SEPT-NOV. 2017 HOME HEALTH GRANT CONSTRUCTION	COMMUNITY GRANTS
T1045	KAISER FOUNDATION HEALTH	389,311.51	1,174,329.37	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4699	ZeOMEGA, INC.*****	316,225.44	326,482.25	MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT-CASE MANAGEMENT DISEASE MANAGEMENT
T4350	COMPUTER ENTERPRISE INC.	310,478.22	419,518.22	JAN - MAR 2018 PROFESSIONAL SERVICES NOV. - DEC. 2017 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T4237	FLUIDEDGE CONSULTING, INC.	291,747.89	527,552.18	NOV. - DEC. 2017; JAN - MAR 2018 CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING/ ALCHEMY ANNUAL LICENSE AND MAINTENANCE	VARIOUS
T2167	FG&E	264,247.64	546,354.17	NEW BUILDING UNDERGROUND UTILITIES ANNUAL TRUE-UP FOR 2017 USAGE/UTILITIES	CAPITAL PROJECT IN PROGRESS - NEW BUILDING/ CORPORATE SERVICES
T2726	DST PHARMACY SOLUTIONS, INC.	199,133.20	289,576.19	PHARMACY AND CLAIMS PROCESSING JANUARY - FEBRUARY 2018	PHARMACY
T4696	ZNALYTICS, LLC	74,466.71	283,739.77	JAN - FEB 2018 PROFESSIONAL SERVICES	CAPITAL PROJECT IN PROGRESS
T4873	L5 HEALTHCARE SOLUTIONS, INC.*****	66,000.00	66,000.00	ONE TIME LICENSE FEE/IMPLEMENTATION/ ANNUAL MAINTENANCE & SUPPORT FEES-ALCHEMY	CAPITAL PROJECT IN PROGRESS
T1785	AT&T*****	65,564.24	65,564.24	NEW BUILDING UNDERGROUND UTILITIES	CAPITAL PROJECT IN PROGRESS
T3460	THE GUARDIAN LIFE INSURANCE CO.	57,065.49	173,970.19	MAR., 2018 VOLUNTARY LIFE AD&D, DENTAL	VARIOUS
T1183	MILLIMAN USA	52,885.25	106,736.88	NOV- DEC 2017 ACTUARIAL SERVICES CY2016 RDT, 2018 RATE SUPPORT, AND VALUE-BASED PURCHASING ANALYSIS	ADMINISTRATION
T2686	ALLIANT INSURANCE SERVICES INC.*****	52,362.80	52,362.80	EARTH MOVEMENT INSURANCE-NEW BUILDING	CAPITAL PROJECT IN PROGRESS



Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1644	BRIGHT HOUSE NETWORK*****	50,092.00	50,092.00	NEW BUILDING UNDERGROUND UTILITIES	CAPITAL PROJECT IN PROGRESS
T4695	EDIFECS, INC.	48,000.00	102,400.00	JAN - FEB. 2018 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T4345	ASHOK PARMAR****	43,454.04	43,454.04	NOV 2017 PROVIDER RECRUITMENT & RETENTION GRANT	COMMUNITY GRANTS
T4193	TECHNOSOCIALWORK.COM DBA STRIA	41,032.18	81,947.46	FEB & MAR 2018 OCR SERVICES	CLAIMS
T4582	HEALTHX, INC.	38,300.00	119,200.00	IMPLEMENTATION FEE- MEMBER ENHANCEMENT PROVIDER AND MEMBER PORTAL	CAPITAL PROJECT - MEMBER & PROVIDER PORTAL
T2707	ACT 1 PERSONNEL SERVICES, INC.	36,995.51	66,919.73	TEMPORARY HELP - MIS -2 ; MS -2 ; CS - 1; MARCH	VARIOUS
T4654	DELAWIE****	33,865.65	33,865.65	JAN - FEB 2018 PROFESSIONAL SERVICES	CAPITAL PROJECT ARCHITECTURAL
T4603	ECFIRST.COM*****	33,492.50	33,492.50	PROFESSIONAL SERVICES - INFORMATION SYSTEM SECURITY	CAPITAL PROJECT IN PROCESS
T1272	COFFEY COMMUNICATIONS INC.	30,131.83	54,238.65	NEWSLETTER PUBLICATION/MAILING	VARIOUS
T2584	UNITED STATES POSTAL SVC.-HASLER	30,000.00	60,000.00	POSTAGE-METERED	VARIOUS
T4308	TRUXTUN PLACE PARTNERS	25,807.00	82,639.81	TRUXTUN- MAR. 2018 LEASE	CORPORATE SERVICES
T4884	GAIN SOLUTIONS, INC. *****	25,000.00	25,000.00	ANNUAL HOSTING FEE (SPR/SP1) CONSULTING SERVICES - SB137 PROVIDER DATA VALIDATION CONSULTANT	PROVIDER RELATIONS
T4685	NATIONAL GIFT CARD CORP	25,000.00	60,275.74	MEMBER INCENTIVES	HOME HEALTH/ HEALTH EDUCATION
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC. *****	23,358.67	23,358.67	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT-NEW BUILDING
T4497	SKILLSOFT CORPORATION*****	20,836.93	20,836.93	ANNUAL LICENSE FEE- ON LINE TRAINING & DESKTOP VIDEOS	HUMAN RESOURCE



March AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4546	LEVEL 3 COMMUNICATIONS, LLC	18,451.17	70,093.06	DISASTER RECOVERY, INTERNET, LONG DISTANCE FEB., 2018	MIS INFRASTRUCTURE
T3011	OFFICE ALLY, INC.	17,040.50	48,875.75	FEB., 2018 EDI CLAIM PROCESSING	CLAIMS
T1071	CLINICA SIERRA VISTA	15,605.59	59,778.02	JAN., 2018 MEDICAL RESPITE PROGRAM	HEALTH SERVICES - UM
T4396	KAISER FOUNDATION HEALTH-DHMO	15,035.36	41,936.82	MAR., 2018 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	14,786.55	43,220.18	FEB., 2018 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T2933	SIERRA PRINTERS, INC.	14,686.84	72,050.24	MEMBER EDUCATION MATERIAL PROVIDER DIRECTORY	VARIOUS
T2961	SOLUTION BENCH, LLC	14,226.08	29,956.08	M-FILES LICENSES & MAINTENANCE	MIS INFRASTRUCTURE
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.*****	14,188.53	14,188.53	FEB 2018 SERVICES BASIC 101	MIS INFRASTRUCTURE
T1597	BAKERSFIELD MEMORIAL HOSP	14,186.85	64,186.85	DEC., 2017 BMH GROW CLINIC	COMMUNITY GRANTS
T4652	BAKERSFIELD SYMPHONY ORCHESTRA*****	13,750.00	13,750.00	COMMUNITY SPONSORSHIP	ADMINISTRATION
T4467	MEDISOFTX, LLC,	13,571.18	41,222.98	FEB 2018 PROFESSIONAL SERVICES- HOME HEALTH PROJECT	CAPITAL PROJECT IN PROGRESS
T4168	RELAYHEALTH	13,333.74	36,164.52	JAN 2018 -EDI CLAIM PROCESSING	CLAIMS
T2969	AMERICAN BUSINESS MACHINES INC*****	13,034.36	13,034.36	CANON IMAGE FORMULA DR-X10C II SCANNER WITH ANNUAL MAINTENANCE CONTRACT	MIS - INFRASTRUCTURE
T2938	SAP AMERICA, INC*****	12,308.32	12,308.32	BUSINESS OBJECT ANNUAL MAINTENANCE	MIS - SOFTWARE SUPPORT
T4883	MARTHA TASINGA*****	12,000.00	12,000.00	TEMPORARY HOUSING EXPENSE	HUMAN RESOURCES



March AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4537	BURKE WILLIAMS & SORENSEN, LLP*****	10,746.01	10,746.01	OCT- DEC 2017 LEGAL SERVICES (NEW BUILDING) -	CAPITAL PROJECT-NEW BUILDING
T4460	PAYSPAN, INC	10,445.25	47,700.39	FEB 2018 ELECTRONIC CLAIMS/PAYMENTS	CLAIMS
T4792	KP LLC*****	10,000.00	10,000.00	DRUG FORMULARY	PHARMACY
		<u>3,912,026.98</u>			
	TOTAL VENDORS OVER \$10,000	3,912,026.98			
	TOTAL VENDORS UNDER \$10,000	360,523.64			
	TOTAL VENDOR EXPENSES - March	<u>4,272,550.62</u>			

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



March AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH	1,174,329.37	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4391	OMNI FAMILY HEALTH	785,373.63	SEPT- NOV. 2017 HOME HEALTH GRANT CONSTRUCTION	COMMUNITY GRANTS
T3130	OPTUMINSIGHT, INC.	569,611.00	CES DIRECT LICENSE - 12/17 - 12/18 ANNUAL FEE OUTSOURCED ANALYSIS	CAPITAL PROJECT IN PROGRESS PROVIDER RELATIONS
T2167	PG&E	546,407.90	NEW BUILDING UNDERGROUND UTILITIES ANNUAL TRUE-UP FOR 2017 USAGE/UTILITIES	CAPITAL PROJECT IN PROGRESS - NEW BUILDING/ CORPORATE SERVICES
T4237	FLUIDEDGE CONSULTING, INC.	527,552.18	NOV. - DEC. 2017 : JAN - MAR 2018 ,CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING/ ALCHEMY ANNUAL LICENSE AND MAINTENANCE	VARIOUS
T4738	AMERICAN LOGISTICS COMPANY, LLC	517,877.58	DEC., 2017 MEDICAL/NON MEDICAL TRANSPORTATION MEMBER BENEFIT	MEMBER SERVICES
T4350	COMPUTER ENTERPRISE INC.	434,035.34	JAN - MAR 2018 PROFESSIONAL SERVICES NOV. - DEC. 2017 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T4699	Z6OMEGA, INC.	331,922.25	PROFESSIONAL SERVICES MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT-CASE MANAGEMENT DISEASE MANAGEMENT
T2292	CITY OF BAKERSFIELD	328,810.71	BUILDING PERMIT FEES MONTHLY GARBAGE & SEWAR FEES	CAPITAL PROJECT - NEW BUILDING/ VARIOUS
T2726	DST PHARMACY SOLUTIONS, INC.	289,576.19	PHARMACY AND CLAIMS PROCESSING JANUARY - FEBRUARY 2018	PHARMACY
T4696	ZNALYTICS, LLC	212,563.24	JAN - FEB 2018 PROFESSIONAL SERVICES	CAPITAL PROJECT IN PROGRESS
T3460	THE GUARDIAN LIFE INSURANCE CO.	173,970.19	2018 VOLUNTARY LIFE AD&D, DENTAL	VARIOUS
T1408	DELL MARKETING L.P.	142,600.42	HARDWARE- 6- LATITUDE E5480, 1 DELL SMART PRINTER, 6510, 20 OPTIPLEX 3060 DESKTOPS SOFTWARE LICENSE SUBSCRIPTION/SUPPORT BATTERY REPLACEMENTS	MIS INFRASTRUCTURE



Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4582	HEALTHX, INC.	120,700.00	IMPLEMENTATION FEE- MEMBER ENHANCEMENT PROVIDER AND MEMBER PORTAL	CAPITAL PROJECT - MEMBER & PROVIDER PORTAL
T2469	DST HEALTH SOLUTIONS, INC.	116,800.00	2018 MHC SOFTWARE - LICENSE FEE, MAINTENANCE, AND SUPPORT & ADJUSTED CLINICAL GROUP SYSTEM	MIS INFRASTRUCTURE
T1183	MILLIMAN USA	106,736.88	NOV- DEC 2017 ACTUARIAL SERVICES CY2016 RDT, 2018 RATE SUPPORT, AND VALUE-BASED PURCHASING ANALYSIS	ADMINISTRATION
T4165	SHI INTERNATIONAL CO.	102,841.24	STORAGE MAINTENANCE/HARDWARE	CAPITAL PROJECT IN PROCESS
T4695	EDIFICS, INC.	102,400.00	JAN - FEB. 2018 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T4193	TECHNOSOCIALWORK.COM DBA STRIA	95,532.40	2018 OCR SERVICES	CLAIMS
T4308	TRUXTUN PLACE PARTNERS	88,046.77	TRUXTUN- MAR. 2018 LEASE & UTILITIES	CORPORATE SERVICES
T2933	SIERRA PRINTERS, INC.	81,388.83	MEMBER EDUCATION MATERIAL PROVIDER DIRECTORY	VARIOUS
T2413	TREK IMAGING INC	77,389.15	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS	VARIOUS
T2707	ACT 1 PERSONNEL SERVICES, INC.	76,745.38	TEMPORARY HELP - MIS -2 ; MS -2 ; CS - 1; MARCH	VARIOUS
T2287	CALIFORNIA WATER SERVICE	73,746.64	UTILITIES - NEW BUILDING SERVICES	CAPITAL PROJECT-NEW BUILDING
T4546	LEVEL 3 COMMUNICATIONS, LLC	70,093.06	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T11785	AT&T	66,005.64	NEW BUILDING UNDERGROUND UTILITIES TELEPHONE SERVICE	CAPITAL PROJECT IN PROGRESS MIS



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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4873	L5 HEALTHCARE SOLUTIONS, INC.	66,000.00	ONE TIME LICENSE FEE/IMPLEMENTATION/ ANNUAL MAINTENANCE & SUPPORT FEES-ALCHEMY	CAPITAL PROJECT IN PROGRESS
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	2018 ACAP DUES	ADMINISTRATION
T1597	BAKERSFIELD MEMORIAL HOSP	64,186.85	DEC., 2017 BMH GROW CLINIC	COMMUNITY GRANTS
T4685	NATIONAL GIFT CARD CORP	60,275.74	MEMBER INCENTIVES	HOME HEALTH/ HEALTH EDUCATION
T2584	UNITED STATES POSTAL SVC.-HASLER	60,000.00	POSTAGE-METERED	VARIOUS
T1071	CLINICA SIERRA VISTA	59,778.02	2018 MEDICAL RESPITE PROGRAM	HEALTH SERVICES - UM
T1644	BRIGHT HOUSE NETWORK *****	54,754.63	UNDERGROUND UTILITIES FOR NEW BUILDING. INTERNET FOR STOCKDALE LOCATION	CAPITAL PROJECT - NEW BUILDING MIS
T1272	COFFEY COMMUNICATIONS INC.	54,238.65	NEWSLETTER PUBLICATION/MAILING	VARIOUS
T4478	AMERICAN FIDELITY ASSURANCE COMPANY *****	54,210.05	EMPLOYEE PREMIUMS FLEX	HEALTH SAVINGS
T2686	ALLIANT INSURANCE SERVICES INC.	52,409.68	EARTH MOVEMENT INSURANCE-NEW BUILDING	CAPITAL PROJECT IN PROGRESS
T4460	PAYSPAN, INC	50,700.39	2018 ELECTRONIC CLAIMS/PAYMENTS	CLAIMS
T3011	OFFICE ALLY, INC.	48,875.75	FEB., 2018 EDI CLAIM PROCESSING	CLAIMS
T4345	ASHOK PARMAR	44,254.04	NOV 2017 PROVIDER RECRUITMENT & RETENTION GRANT	COMMUNITY GRANTS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	43,220.18	2018 EDI CLAIM PROCESSING (EMDEON)	CLAIMS



Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4396	KAISER FOUNDATION HEALTH-DHMO	41,936.82	2018 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4452	WELLS FARGO *****	41,543.95	EXECUTIVE, MISC CORPORATE SERVICES, PROVIDER RELATIONS, MISC TRAVEL EXPENSES	VARIOUS
T2837	TOYS/BABIES R US	41,342.81	WELL CHILD & PREGNANCY INCENTIVE PROGRAM	HEALTH EDUCATION
T4467	MEDISOFTX, LLC,	41,222.98	FEB 2018 PROFESSIONAL SERVICES- HOME HEALTH PROJECT	CAPITAL PROJECT IN PROGRESS
T4654	DELAWIE	38,495.38	JAN - FEB 2018 PROFESSIONAL SERVICES	CAPITAL PROJECT ARCHITECTURAL
T1957	MERCY FOUNDATION-BAKERSFIELD	38,000.00	DAVINCI CAMPAIGN SPONSORSHIP	ADMINISTRATION
T4168	RELAYHEALTH	36,164.52	2018 - EDI CLAIM PROCESSING	CLAIMS
T4421	JON SLAGLE	35,911.50	ADVERTISING CAMPAIGN - 50% DEPOSIT	MARKETING
T4603	ECFIRST.COM	34,491.29	PROFESSIONAL SERVICES - INFORMATION SYSTEM HIPAA SECURITY	CAPITAL PROJECT IN PROCESS
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	34,009.00	2018 ANNUAL DUES ASSESSMENT CAHP SEMINAR FEES	ADMINISTRATION
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	31,687.24	FEB 2018 SERVICES BASIC 101	MIS INFRASTRUCTURE
T2961	SOLUTION BENCH, LLC	29,956.08	M-FILES LICENSES & MAINTENANCE	MIS INFRASTRUCTURE
T4537	BURKE, WILLIAMS & SORENSEN, LLP	28,951.51	OCT- DEC 2017 LEGAL SERVICES (NEW BUILDING) - 2018 LEGAL SERVICES (NEW BUILDING)	CAPITAL PROJECT-NEW BUILDING
T4876	CIRESON, LLC	28,921.50	BUSINESS MANAGEMENT SOLUTIONS LICENSES; SOFTWARE ;3 YR MAINTENANCE & SUPPORT	CAPITAL PROJECT IN PROCESS



March AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T3449	CDW GOVERNMENT	26,860.11	CISCO IP PHONES & LICENSES, 1 PROJECTOR SURFACE PRO DOCKS, ACCESSORIES, SOFTWARE	MIS INFRASTRUCTURE
T4884	GAIN SOLUTIONS, INC.	25,000.00	ANNUAL HOSTING FEE (SPR/SPI) CONSULTING SERVICES - SB137 PROVIDER DATA VALIDATION CONSULTANT	PROVIDER RELATIONS
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC. *****	24,712.14	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT-NEW BUILDING
T2232	DLT SOLUTIONS, LLC	24,154.83	SOL SERVER MAINTENANCE CONTRACT	MIS INFRASTRUCTURE
T4294	PAOLA DELGADO DBA J SERVICES JANITORIAL *****	23,510.00	JANITORIAL SERVICES	CORPORATE SERVICES
T2969	AMERICAN BUSINESS MACHINES INC	22,670.01	CANON IMAGE FORMULA DR-X10C II SCANNER WITH ANNUAL MAINTENANCE CONTRACT	MIS - INFRASTRUCTURE
T1861	CEREDIAN BENEFITS SERVICES	22,397.52	DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION &	HUMAN RESOURCES
T1189	APPLE ONE INC *****	21,966.08	TEMPORARY LABOR	VARIOUS
T4497	SKILLSOFT CORPORATION	20,836.93	ANNUAL LICENSE FEE- ON LINE TRAINING & DESKTOP VIDEOS	HUMAN RESOURCE
T4747	SYED ALAM, M.D. INC.	17,500.00	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS	COMMUNITY GRANTS
T4733	UNITED STAFFING ASSOCIATES *****	15,459.94	TEMPORARY LABOR	VARIOUS
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	14,121.00	COMMUNITY SPONSORSHIP	ADMINISTRATION
T2446	AT&T MOBILITY *****	14,085.10	CELLULAR PHONE / INTERNET	MIS
T4384	PINNACLE PRIMARY CARE, INC.	14,049.16	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS	COMMUNITY GRANTS



Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1128	HALL LETTER SHOP INC. ****	13,887.65	NEW MEMBER PACKETS	MEMBER SERVICES
T4883	MARTHA TASINGA	13,667.12	TEMPORARY HOUSING EXPENSE/REIMBURSEMENT	HUMAN RESOURCES
T2840	ATALASOFT, INC.	13,596.00	2018 SOFTWARE SUPPORT & MAINTENANCE	MIS INFRASTRUCTURE
T4698	INFINITY COMMUNICATIONS & CONSULTING, INC.	13,500.00	TECHNICAL BUILDING ARCHITECTURAL CONSULTING PHASE I	CAPITAL PROJECT-NEW BUILDING
T4561	SRI & SHARMA, LLC ****	13,125.00	PARKING RENTAL	CORPORATE SERVICES
T4801	ZEAL STAFFING LLC DBA Z STAFFING ****	13,007.27	TEMPORARY LABOR	VARIOUS
T4198	LAW OFFICES OF CARL SHUSTERMAN	12,320.00	LEGAL SERVICES- H-1B D. YAVAD & M. KUMAR	ADMINISTRATION
T2938	SAP AMERICA, INC	12,308.32	BUSINESS OBJECT ANNUAL MAINTENANCE	MIS - SOFTWARE SUPPORT
T4739	SECURITAS SECURITY SERVICES USA INC ****	12,156.48	SECURITY SERVICES	CORPORATE
T3986	JACQUELYN S JANS ****	12,114.00	PROFESSIONAL SERVICES MARKETING AND PR SERVICES	ADMINISTRATION MARKETING
T2441	LAURA BREZINSKI ****	12,105.00	MARKETING MATERIALS	MARKETING
T4425	PRO RESTORATION SERVICES INC ****	11,968.44	RESTORATION - STRUCTURAL REPAIR	CORPORATE SERVICES
T4297	PRAGMATIC WORKS SOFTWARE ****	11,500.80	3 YEAR RENEWAL MAINTENANCE WORKBENCH PRO UPGRADE	MIS
T2941	KERN PRINT SERVICES INC ****	11,167.35	ENVELOPES AND LETTERHEAD WELL CHILD INCENTIVE VOUCHERS	CORPORATE SERVICES HEALTH EDUCATION

KERN HEALTH
SYSTEMS

March AP Vendor Report
 Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4587	MCINTOSH & ASSOCIATE *****	10,877.41	PROFESSIONAL SERVICES ENGINEERING NEW BUILDING	CAPITAL PROJECT - NEW BUILDING
T4707	SHAFTER PEDIATRICS	10,144.82	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS & 2016 SPRING HEALTH FAIR SPONSORSHIP	COMMUNITY GRANTS
T4501	ALLIED UNIVERSAL SECURITY SERVICES *****	10,119.00	ONSITE SECURITY	CORPORATE SERVICES
T4792	KP LLC	10,000.00	DRUG FORMULARY	PHARMACY
T4683	CLAUDIA M. BACA	10,000.00	CONSULTING SERVICES	PROJECT MANAGEMENT
		<u>9,008,482.03</u>		
	TOTAL VENDORS OVER \$10,000	9,008,482.02		
	TOTAL VENDORS UNDER \$10,000	420,899.69		
	TOTAL VENDOR EXPENSES - YTD (JAN-MAR)	<u>9,429,381.71</u>		

Note:

*****New vendors over \$10,000 for the month of March



Vendor No.	Vendor Name	Current Month	Year-to-date	Description	Department
T1071	CLINICA SIERRA VISTA	1,078,842.74	1,138,620.76	16/17 PROVIDER RECRUITMENT AND RETENTION GRANT/ FEB. 2018 KHS MEDICAL RESPITE	COMMUNITY GRANTS/HEALTH SERVICES-UM
T4290	S.C. ANDERSON, INC.*****	642,346.10	642,346.10	PRE-CONSTRUCTION SERVICES	CAPITAL PROJECT-NEW BUILDING
T1045	KAISER FOUNDATION HEALTH	395,375.54	1,569,704.91	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4738	AMERICAN LOGISTICS COMPANY, LLC	475,101.88	992,979.46	JAN - FEB 2018 MEMBER TRANSPORTATION	MEMBER SERVICES
T1001	KERN MEDICAL CENTER*****	246,854.51	246,854.51	SEPT - OCT 2017 GROW CLINIC GRANT	COMMUNITY GRANTS
T4902	CHANGE HEALTHCARE, LLC	218,288.88	261,509.06	7 MONTH PERIOD SOFTWARE MAINTENANCE CLAIMS CHECK SOFTWARE/ MAR., 2018 EDI CLAIM PROCESSING (EMDEON)	MIS /CLAIMS
T4350	COMPUTER ENTERPRISE INC.	257,404.11	676,922.33	DEC 2017: FEB- MAR 2018 PROFESSIONAL AND CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T1408	DELL MARKETING L.P.	106,548.06	248,986.48	VIRTUAL DESKTOP INFRASTRUCTURE TO SUPPORT DISASTER RECOVERY AND BUSINESS CONTINUITY FOR REMOTE CONNECTIVITY AND HIGH AVAILABILITY HARDWARE- 4- LATITUDE , UNIVERSAL DOCK AND CITRIX XENDESKTOP, CITRIX SOFTWARE LICENSE	MIS INFRASTRUCTURE/ CAPITAL PROJECT IN PROGRESS
T2726	DST PHARMACY SOLUTIONS, INC.	94,270.41	293,403.61	MARCH 2018 PHARMACY AND CLAIMS PROCESSING	PHARMACY
T4391	OMNI FAMILY HEALTH	90,188.00	875,561.63	DECEMBER 2017 HOME HEALTH GRANT	COMMUNITY GRANTS
T4696	ZNALYTICS, LLC	67,840.00	351,579.77	MARCH 2018 PROFESSIONAL SERVICES	CAPITAL PROJECT IN PROGRESS
T4809	GREGORY D. BYNUM AND ASSOCIATES, INC.	61,243.99	84,602.66	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT-NEW BUILDING
T4899	SUMEET BHINDER M.D. INC.*****	60,167.13	60,167.13	16/17 PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS



April AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year -to- date	Description	Department
T3077	VMWARE, INC.****	59,544.72	59,544.72	HARDWARE VIRTUALIZATION 3 YEAR TERM	MIS INFRASTRUCTURE
T3460	THE GUARDIAN LIFE INSURANCE CO.	58,726.13	232,696.32	APRIL 2018 VOLUNTARY LIFE AD&D, DENTAL	VARIOUS
T4433	MICRO-DYN MEDICAL SYSTEMS, INC.****	53,880.00	53,880.00	DRG GROUPER SOFTWARE/LICENSE	MIS INFRASTRUCTURE
T4237	FLUEDGE CONSULTING, INC.	170,986.17	698,538.35	CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING	VARIOUS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	47,331.25	61,519.78	2018 QNXT CORE SOLUTIONS TRUE-UP	MIS INFRASTRUCTURE
T4039	KERN RURAL WELLNESS CENTERS, INC	45,647.13	45,647.13	16/17 PROVIDER RECRUITMENT AND RENTION GRANT	COMMUNITY GRANTS
T4695	EDIFICS, INC.	39,200.00	141,600.00	FEB- MARCH, 2018 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T4562	HEALTHX, INC.	38,000.00	157,200.00	MEMBER ENHANCEMENT PROVIDER AND MEMBER PORTAL	CAPITAL PROJECT - MEMBER & PROVIDER PORTAL
T4767	VALLEY ANESTHESIA ASSOCIATES, INC.	36,016.42	36,016.42	OCTOBER, 2017 PROVIDER RECRUITMENT & RETENTION	COMMUNITY GRANTS
T4685	NATIONAL GIFT CARD CORP	54,180.42	114,456.16	MEMBER INCENTIVE GIFT CARDS	HOME HEALTH/ HEALTH EDUCATION
T4308	TRUXTUN PLACE PARTNERS	25,807.00	108,446.81	TRUXTUN- APRIL LEASE	CORPORATE SERVICES
T4421	JON SLAGLE	17,955.75	53,867.25	TELEVISION COMMERCIALS ADVERTISING CAMPAIGN - 50% DEPOSIT	MARKETING
T3011	OFFICE ALLY, INC.	17,904.75	66,780.50	MARCH 2018 EDI CLAIM PROCESSING	CLAIMS
T4546	LEVEL 3 COMMUNICATIONS, LLC	17,642.56	87,735.62	MARCH 2018 DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE



Vendor No.	Vendor Name	Current Month	Year-to-date	Description	Department
T4460	PAYSPAN, INC	17,307.36	65,007.75	MARCH 2018 ELECTRONIC CLAIMS/PAYMENTS	CLAIMS
T4193	TECHNOSOCIALWORK.COM DBA STRIA	31,254.28	113,201.74	MAR - APRIL, 2018 OCR SERVICES	CLAIMS
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK****	15,800.00	15,800.00	2017 AUDIT FEES	ADMINISTRATION
T4396	KAISER FOUNDATION HEALTH-DHMO	15,564.91	57,501.73	APRIL, 2018 EMPLOYEE HEALTH BENEFITS	VARIOUS
T2918	STINSON'S****	15,479.82	15,479.82	OFFICE SUPPLIES & EQUIP UNDER \$1,000	VARIOUS
T4909	GEM PHYSICIANS MEDICAL GROUP, INC.****	14,186.85	14,186.85	DIGNITY HEALTH HOMES GRANT EXPENSE	COMMUNITY GRANTS
T1183	MILLIMAN USA	26,434.25	26,434.25	ACTUARIAL SERVICES JAN-FEB, 2018 IBNP, RDT, 2018 RATE SUPPORT, AND VALUE-BASED PURCHASING ANALYSIS	ADMINISTRATION
T4467	MEDISOFTX, LLC,	13,570.16	54,793.14	MARCH 2018 PROFESSIONAL SERVICES- HOME HEALTH PROJECT	CAPITAL PROJECT IN PROGRESS
T3084	KERN COUNTY-COUNTY COUNSEL****	12,071.40	12,071.40	LEGAL FEES -JAN - FEB 2018	ADMINISTRATION
T2707	ACT 1 PERSONNEL SERVICES, INC.	22,053.92	88,973.65	TEMPORARY HELP-MIS -2 ; MS -2 ; CS - 1; MARCH 18	VARIOUS
		<u>4,661,016.60</u>			
	TOTAL VENDORS OVER \$10,000	4,661,016.60			
	TOTAL VENDORS UNDER \$10,000	332,986.76			
	TOTAL VENDOR EXPENSES - April	<u>4,994,003.36</u>			

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

KERN HEALTH SYSTEMS

April AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH	1,569,704.91	EMPLOYEE HEALTH BENEFITS	VARIOUS
T1071	CLINICA SIERRA VISTA	1,138,620.76	2018 MEDICAL RESPITE PROGRAM / PROVIDER RECRUITMENT-RETENTION GRANT	HEALTH SERVICES - UM / COMMUNITY GRANTS
T4738	AMERICAN LOGISTICS COMPANY, LLC	992,979.46	DEC 2017-MAR 2018 MEDICAL/NON MEDICAL TRANSPORTATION MEMBER BENEFIT	MEMBER SERVICES
T4391	OMNI FAMILY HEALTH	875,561.63	SEPT- NOV. 2017 HOME HEALTH GRANT / CONSTRUCTION	COMMUNITY GRANTS
T4237	FLUIDEDGE CONSULTING, INC.	698,538.35	NOV. - DEC. 2017 ; JAN - APR 2018 CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING/ ALCHEMY ANNUAL LICENSE AND MAINTENANCE	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	693,934.81	JAN - APR 2018 PROFESSIONAL SERVICES / NOV. - DEC. 2017 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T4290	S C ANDERSON, INC *****	642,346.10	PRE-CONSTRUCTION SERVICES	CAPITAL PROJECT NEW BUILDING
T3130	OPTUMINSIGHT, INC.	569,811.00	CES DIRECT LICENSE - 12/17 - 12/18 ANNUAL FEE/ OUTSOURCED ANALYSIS	CAPITAL PROJECT IN PROGRESS/PROVIDER RELATIONS
T2167	PG&E	546,433.04	NEW BUILDING UNDERGROUND UTILITIES/ANNUAL TRUE-UP FOR 2017 USAGE/UTILITIES	CAPITAL PROJECT IN PROGRESS - NEW BUILDING/ CORPORATE SERVICES
T2726	DST PHARMACY SOLUTIONS, INC.	383,846.60	PHARMACY AND CLAIMS PROCESSING JANUARY - MARCH 2018	PHARMACY
T4699	Z6OMEGA, INC.	337,472.64	PROFESSIONAL SERVICES MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T2292	CITY OF BAKERSFIELD	329,299.88	BUILDING PERMIT FEES	CAPITAL PROJECT - NEW BUILDING/ VARIOUS
T4696	ZNALYTICS, LLC	280,403.24	MONTHLY GARBAGE & SEWAR FEES	CAPITAL PROJECT IN PROGRESS
T1408	DELL MARKETING L.P.	253,303.60	JAN - MAR 2018 PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T1001	KERN MEDICAL CENTER *****	246,854.51	HARDWARE- 6- LATITUDE E5480, 1 DELL SMART PRINTER, 6510, 20 OPTIPLEX 3050 DESKTOPS SOFTWARE LICENSE SUBSCRIPTION/SUPPORT BATTERY REPLACEMENTS KM GROW CLINIC REIMBURSEMENT	COMMUNITY GRANTS

KERN HEALTH SYSTEMS

April AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T3460	THE GUARDIAN LIFE INSURANCE CO.	232,696.32	2018 VOLUNTARY LIFE AD&D, DENTAL INSURANCE.	VARIOUS
T4902	CHANGE HEALTHCARE LLC *****	202,459.18	EDI CLAIMS, CLAIM CHECK	CLAIMS / MIS
T4582	HEALTHX, INC.	158,700.00	IMPLEMENTATION FEE- MEMBER ENHANCEMENT PROVIDER AND MEMBER PORTAL	CAPITAL PROJECT - MEMBER & PROVIDER PORTAL
T4695	EDIFICS, INC.	141,600.00	JAN - MAR. 2018 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T1183	MILLIMAN USA	133,171.13	NOV- DEC 2017 ACTUARIAL SERVICES, CY2016 RDT, 2018 RATE SUPPORT, VALUE-BASED PURCHASING ANALYSIS; OTHER CONSULTING SERVICES	ADMINISTRATION
T4193	TECHNOSOCIALWORK.COM DBA STRIA	126,786.68	FEB & MAR 2018 OCR SERVICES	CLAIMS
T2469	DST HEALTH SOLUTIONS, INC.	116,800.00	2018 MHC SOFTWARE - LICENSE FEE, MAINTENANCE, AND SUPPORT & ADJUSTED CLINICAL GROUP SYSTEM	MIS INFRASTRUCTURE
T4308	TRUXTUN PLACE PARTNERS	116,346.54	TRUXTUN- MAR. 2018 LEASE & UTILITIES	CORPORATE SERVICES
T4685	NATIONAL GIFT CARD CORP	114,456.16	MEMBER INCENTIVES	HOME HEALTH/HEALTH EDUCATION
T2707	ACT 1 PERSONNEL SERVICES, INC.	103,667.21	TEMPORARY HELP - MIS -2 ; MS -2 ; CS - 1; MARCH	VARIOUS
T4165	SHI INTERNATIONAL CO.	102,841.24	STORAGE MAINTENANCE/HARDWARE	CAPITAL PROJECT IN PROCESS
T2413	TREK IMAGING INC	96,238.17	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTHED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T4546	LEVEL 3 COMMUNICATIONS, LLC	87,735.62	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	85,956.13	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT-NEW BUILDING

KERN HEALTH SYSTEMS

April AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2833	SIERRA PRINTERS, INC.	83,456.05	MEMBER EDUCATION MATERIAL / PROVIDER DIRECTORY	VARIOUS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	83,138.49	FEB-MAR 2018 SERVICES, BASIC 101, QNXT CORE SOLUTIONS	MIS INFRASTRUCTURE
T2287	CALIFORNIA WATER SERVICE	74,152.77	UTILITIES - NEW BUILDING SERVICES / WATER SERVICES	CAPITAL PROJECT-NEW BUILDING / WATER
T4460	PAYSPAN, INC	68,007.75	2018 ELECTRONIC CLAIMS/PAYMENTS	CLAIMS
T3011	OFFICE ALLY, INC.	66,780.50	2018 EDI CLAIM PROCESSING	CLAIMS
T1785	AT&T	66,162.26	NEW BUILDING UNDERGROUND UTILITIES TELEPHONE SERVICE	CAPITAL PROJECT IN PROGRESS / MIS
T4873	L5 HEALTHCARE SOLUTIONS, INC.	66,000.00	ONE TIME LICENSE FEE/IMPLEMENTATION/ANNUAL MAINTENANCE & SUPPORT FEES-ALCHEMY	CAPITAL PROJECT IN PROGRESS
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	2018 ACAP DUES	ADMINISTRATION
T1597	BAKERSFIELD MEMORIAL HOSP	64,186.85	DEC., 2017 BMH GROW CLINIC	COMMUNITY GRANTS
T4899	SUMEET BHINDER, MD INC ****	60,167.13	PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T2584	UNITED STATES POSTAL SVC.-HASLER	60,000.00	POSTAGE-METERED	VARIOUS
T4478	AMERICAN FIDELITY ASSURANCE COMPANY	59,579.15	EMPLOYEE PREMIUMS FLEX	HEALTH SAVINGS
T3077	VMWARE, INC ****	59,544.72	VSPHERE 5 ENTERPRISE RENEWAL	MIS
T4638	CHANGE HEALTHCARE SOLUTIONS, LLC	59,049.88	2018 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4396	KAISER FOUNDATION HEALTH-DHMO	57,501.73	2018 EMPLOYEE HEALTH BENEFITS	VARIOUS

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April AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1644	BRIGHT HOUSE NETWORK	56,346.15	UNDERGROUND UTILITIES FOR NEW BUILDING, INTERNET FOR STOCKDALE LOCATION	CAPITAL PROJECT - NEW BUILDING / MIS
T4467	MEDISOFTRX, LLC,	54,793.14	FEB 2018 PROFESSIONAL SERVICES-HOME HEALTH PROJECT	CAPITAL PROJECT IN PROGRESS
T1272	COFFEY COMMUNICATIONS INC.	54,238.65	NEWSLETTER PUBLICATION/MAILING	VARIOUS
T4483	MICRO-DYN MEDICAL SYSTEMS INC *****	53,880.00	ANNUAL LICENSE	MIS
T4421	JON SLAGLE	53,867.25	ADVERTISING CAMPAIGN - 75%	MARKETING
T2686	ALLIANT INSURANCE SERVICES INC.	52,457.18	EARTH MOVEMENT INSURANCE-NEW BUILDING	CAPITAL PROJECT IN PROGRESS / INSURANCE
T2837	TOYS/BABIES R US	50,288.70	WELL CHILD & PREGNANCY INCENTIVE PROGRAM	HEALTH EDUCATION
T4452	WELLS FARGO	48,636.44	EXECUTIVE, MISC CORPORATE SERVICES, PROVIDER RELATIONS, MISC TRAVEL EXPENSES	VARIOUS
T4039	KERN RURAL WELLNESS CENTERS, INC *****	45,647.13	PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T4345	ASHOK PARMAR	44,254.04	NOV 2017 PROVIDER RECRUITMENT, & RETENTION GRANT	COMMUNITY GRANTS
T1861	CEREDIAN BENEFITS SERVICES	41,969.39	DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS	HUMAN RESOURCES
T4654	DELAWIE	38,495.38	JAN - FEB 2018 PROFESSIONAL SERVICES	CAPITAL PROJECT ARCHITECTURAL
T1957	MERCY FOUNDATION-BAKERSFIELD	38,000.00	DAVINCI CAMPAIGN SPONSORSHIP	ADMINISTRATION
T4168	RELAYHEALTH	36,164.52	2018 -EDICLAIM PROCESSING	CLAIMS
T4767	VALLEY ANESTHESIA ASSOCIATES, INC *****	36,016.42	OCT 17 PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T4603	ECFIRST.COM	34,491.29	PROFESSIONAL SERVICES -INFORMATION SYSTEM HIPAA SECURITY	CAPITAL PROJECT IN PROGRESS

KERN HEALTH SYSTEMS

April AP Vendor Report
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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4876	CIRESON, LLC	34,321.50	BUSINESS MANAGEMENT SOLUTIONS, LICENSES; SOFTWARE; 3 YR MAINTENANCE & SUPPORT, CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	34,009.00	2018 ANNUAL DUES ASSESSMENT CAHP SEMINAR FEES	ADMINISTRATION
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	31,121.00	COMMUNITY SPONSORSHIP	ADMINISTRATION
T4294	PAOLA DELGADO DBA J SERVICES JANITORIAL	31,020.00	JANITORIAL SERVICES	CORPORATE SERVICES
T4884	GAINЕ SOLUTIONS, INC.	30,000.00	ANNUAL HOSTING FEE (SPR/SP) CONSULTING SERVICES - SB137 PROVIDER DATA VALIDATION CONSULTANT	PROVIDER RELATIONS
T2961	SOLUTION BENCH, LLC	29,956.08	M-FILES LICENSES & MAINTENANCE	MIS INFRASTRUCTURE
T4637	BURKE, WILLIAMS & SORENSEN, LLP	29,842.51	OCT- DEC 2017, 2018 LEGAL SERVICES (NEW BUILDING) -	CAPITAL PROJECT-NEW BUILDING
T2969	AMERICAN BUSINESS MACHINES INC	27,658.60	CANON IMAGE FORMULA DR-X10C II SCANNER, WITH ANNUAL MAINTENANCE CONTRACT	MIS - INFRASTRUCTURE
T3449	CDW GOVERNMENT	26,996.69	HARDWARE AND LICENSES - 20 ADOBE ACRO LICENSES, 15 CISCO IP PHONES & LICENSES, 1 PROJECTOR SURFACE PRO DOCKS, ACCESSORIES, SOFTWARE	MIS INFRASTRUCTURE
T1189	APPLE ONE INC	26,488.56	TEMPORARY LABOR	VARIOUS
T2232	DLT SOLUTIONS, LLC	24,154.83	SQL SERVER MAINTENANCE CONTRACT	MIS INFRASTRUCTURE
T4906	EVERLASTING HEALTHCARE *****	23,760.00	REIMBURSEMENT PROVIDER FOR CLAIMS PAID UNDER INCORRECT PROVIDER BANK ACCOUNT RETURNED BY EL MONTE MED CK 1024	CLAIMS
T3084	KERN COUNTY - COUNTY COUNSEL *****	23,629.60	LEGAL FEES	ADMINISTRATIVE
T4415	DANIELLS, PHILLIPS, VAUGHN & BOCK *****	22,475.00	FINANCIAL REPORTING SERVICES	ADMINISTRATIVE

KERN·HEALTH SYSTEMS

April AP Vendor Report
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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4733	UNITED STAFFING ASSOCIATES	22,186.91	TEMPORARY LABOR	VARIOUS
T2918	STINSON'S *****	21,529.12	OFFICE SUPPLIES	VARIOUS
T4497	SKILLSOFT CORPORATION	20,836.93	ANNUAL LICENSE FEE- ON LINE TRAINING & DESKTOP VIDEOS	HUMAN RESOURCE
T2446	AT&T MOBILITY	18,939.64	CELLULAR PHONE / INTERNET	MIS
T4561	SRI & SHARMA, LLC	17,500.00	PARKING RENTAL	CORPORATE SERVICES
T4747	SYED ALAM, M.D. INC.	17,500.00	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS	COMMUNITY GRANTS
T2790	KERN COUNTY DEPARTMENT OF PUBLIC HEALTH *****	16,459.00	SPONSORSHIPS	COMMUNITY ACTIVITIES
T3986	JACQUELYN S JANS	16,281.00	PROFESSIONAL SERVICES MARKETING AND PR SERVICES	ADMINISTRATION/MARKETING
T4739	SECURITAS SECURITY SERVICES USA INC	15,785.28	SECURITY SERVICES	CORPORATE
T1128	HALL LETTER SHOP INC.	15,374.00	NEW MEMBER PACKETS / MEMBERSHIP CARDS	MEMBER SERVICES
T2441	LAURA BREZINSKI	15,105.00	MARKETING MATERIALS	MARKETING
T4801	ZEAL STAFFING LLC DBA Z STAFFING	14,897.81	TEMPORARY LABOR	VARIOUS
T4909	GEM PHYSICIANS MEDICAL GROUP, INC	14,186.85	DEC 17 HEALTH HOME GRANT	COMMUNITY GRANTS
T4384	PINNACLE PRIMARY CARE, INC.	14,049.16	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS	COMMUNITY GRANTS
T4501	ALLIED UNIVERSAL SECURITY SERVICES	13,879.00	ONSITE SECURITY	CORPORATE SERVICES
T4883	MARTHA TASINGA	13,667.12	TEMPORARY HOUSING EXPENSE/REIMBURSEMENT	HUMAN RESOURCES

KERN-HEALTH SYSTEMS

April AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2840	ATALASOFT, INC.	13,596.00	2018 SOFTWARE SUPPORT & MAINTENANCE FOR DOTIMAGE	MIS INFRASTRUCTURE
T4698	INFINITY COMMUNICATIONS & CONSULTING, INC.	13,500.00	TECHNICAL BUILDING ARCHITECTURAL CONSULTING PHASE I	CAPITAL PROJECT-NEW BUILDING
T4785	COMMINGAP *****	13,040.00	INTERPRETATION SERVICES	HEALTH EDUCATION
T4425	PRO RESTORATION SERVICES INC	12,859.75	RESTORATION - STRUCTURAL REPAIR, WATER EXTRACTION AND REMEDIATION	CORPORATE SERVICES
T4198	LAW OFFICES OF CARL SHUSTERMAN	12,320.00	LEGAL SERVICES- H-1B D. YAVAD & M. KUMAR	ADMINISTRATION
T2938	SAP AMERICA, INC	12,308.32	BUSINESS OBJECT ANNUAL MAINTENANCE	MIS - SOFTWARE SUPPORT
T4228	THE SSI GROUP, LLC *****	11,765.80	EDI CLAIMS	CLAIMS
T4297	PRAGMATIC WORKS SOFTWARE	11,500.80	3 YEAR RENEWAL MAINTENANCE WORKBENCH PRO UPGRADE	MIS
T3990	SPARKLETTTS, INC *****	11,467.20	BOTTLED WATER SERVICE	VARIOUS
T1347	ADVANCED DATA STORAGE *****	11,287.87	SHREDDING SERVICE / STORAGE	CORPORATE SERVICES
T2941	KERN PRINT SERVICES INC	11,167.35	ENVELOPES AND LETTERHEAD WELL CHILD INCENTIVE VOUCHERS	CORPORATE SERVICES, HEALTH EDUCATION
T4594	MEDVERSANT TECHNOLOGIES LLC	11,000.00	MONTHLY MONITORING FEES	PROVIDER RELATIONS
T4183	LAMAR ADVERTISING OF BAKERSFIELD *****	10,900.00	BILLBOARD ADVERTISING	MEDIA & ADVERTISING
T4587	MCINTOSH & ASSOCIATE	10,877.41	PROFESSIONAL SERVICES ENGINEERING NEW BUILDING	CAPITAL PROJECT - NEW BUILDING
T1022	UNUM LIFE INSURANCE CO	10,745.60	EMPLOYEE PREMIUMS LONG TERM CARE	VARIOUS
T1180	LANGUAGE LINE SERVICES, INC *****	10,474.77	INTERPRETATION SERVICES	MEMBER SERVICES

KERN HEALTH SYSTEMS

April AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to- Date	Description	Department
T4707	SHAFTER PEDIATRICS	10,144.82	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS & 2016 SPRING HEALTH FAIR SPONSORSHIP	COMMUNITY GRANTS
T4683	CLAUDIA M. BACA	10,000.00	CONSULTING SERVICES	PROJECT MANAGEMENT
T4792	KP LLC	10,000.00	DRUG FORMULARY	PHARMACY
		<u>13,993,203.75</u>		
	TOTAL VENDORS OVER \$10,000	13,993,203.75		
	TOTAL VENDORS UNDER \$10,000	430,181.32		
	TOTAL VENDOR EXPENSES - YTD JAN - APRIL 2018	<u>14,423,385.07</u>		

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

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
January							
Jacquelyn Janis	\$50,004.00	Yes	MRK	Louie Iurriria	Marketing and corporate image consulting	1/1/2018	12/31/2018
Poppyrock	\$36,000.00	Yes	MRK	Louie Iurriria	Graphic design services	1/1/2018	12/31/2018
Medisoft, Rx	\$84,680.00	Yes	IT	Richard Pruitt	Software solutions for HHP	1/1/2018	6/30/2018
J Services	\$90,120.00	Yes	CS	Alonso Hurtado	Janitorial services	1/1/2018	12/31/2018
February							
Gaine Solutions, Inc.	\$80,000.00	Yes	PR	Emily Duran	Provider directory data verification for SB 137	2/9/2018	2/8/2019
Century Link/Level 3	\$68,059.08	Yes	IT	Richard Pruitt	Internet services in Fresno for DR site	2/9/2018	2/19/2019
March							
Lifesigns, Inc.	\$45,000.00	Yes	HE	Isabel Silva	Face-to-face ASL interpreting services	3/2/2018	3/12/2019
Cognizant	\$49,300.00	Yes	IT	Richard Pruitt	True-up Amendment for QNXT licenses	3/23/2018	12/31/2018
April							
Micro-Dyn	\$53,880.00	Yes	IT	Richard Pruitt	APR-DRG Grouper Software licenses	4/15/2018	4/15/2019
SPH Analytics	\$45,286.00	Yes	MS/PR	Nate Scott/Emily Duran	Custom member & provider satisfaction survey	4/10/2018	4/9/2019
ZeOmega	\$33,450.00	Yes	UM	Deborah Murr	Appeals Implementation (Quote#483)	4/10/2018	12/31/2018
ZeOmega	\$78,300.00	Yes	UM	Deborah Murr	Auto Authorization Implementation (Quote#484)	4/10/2018	12/31/2018
Dell	\$99,549.41	Yes	MIS	Richard Pruitt	Citrix Licenses with support and NetScer with support	4/10/2018	4/10/2021

