



**KERN HEALTH
SYSTEMS**

**FINANCE COMMITTEE
MEETING**

Friday, August 3, 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, August 3, 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 June 8, 2018 -
APPROVE
- 4) Report on KHS investment portfolio for the second quarter ending June 30, 2018 (Fiscal Impact: None) –
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 5) Proposed modification to Policy 8.11-1 Acquisitions and Payment of Expenditures and Policy 100.12-I Contracting Policy (Fiscal Impact: None) –
APPROVE POLICY REVISIONS; REFER TO KHS BOARD OF DIRECTORS
- 6) Proposed Amendment to Professional Services Agreement with Payspan, Inc., for provider payment services from August 20, 2018 through August 20, 2021, in an amount not to exceed \$240,000.00 per year (Fiscal Impact: \$240,000.00 per year Estimated; Budgeted) –
APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 7) Proposed Agreement with Coffey Communications, for the development, printing and mailing of the member newsletter in English and Spanish from August 26, 2018 through August 26, 2019, in an amount not to exceed \$119,483.00 per one year (Fiscal Impact: \$119,483.00 per one year; Budgeted) –
APPROVE; REFER TO KHS BOARD OF DIRECTORS

Agenda
 Finance Committee Meeting
 Kern Health Systems

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- 8) Proposed Amendment with Cognizant, for Provider Contract Modeling & Pricing tool from August 9, 2018 through August 9, 2023, in an amount not to exceed \$1,489,162.00 per five years (Fiscal Impact: \$1,489,162.00 per five years; Budgeted) –
 APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 9) Proposed Agreement with CDW-G, for the purchase of a Backup and Recovery Solution from August 9, 2018 through August 9, 2021, in an amount not to exceed \$559,174.00 per three years (Fiscal Impact: \$559,174.00 per three years; Budgeted) –
 APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 10) Unusual travel request for Kern Health Systems Senior Network Systems Administrator to attend the Microsoft Ignite Conference in Orlando, Florida, from September 23, 2018 through September 28, 2018 in an amount not to exceed \$4,771.00 (Fiscal Impact: \$4,771.00; Budgeted) –
 APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 11) Report on Kern Health Systems financial statements for May 2018 and June 2018 (Fiscal Impact: None) –
 RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 12) Report on Accounts Payable Vendor Report, Administrative Contracts under \$100,000 budgeted and \$50,000 non-budgeted, and non-claims paid through QNXT system for May 2018 and June 2018 (Fiscal Impact: None) –
 RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS

ADJOURN TO FRIDAY, OCTOBER 5, 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, June 8, 2018

8:00 A.M.

COMMITTEE RECONVENED AT 8:00 A.M.

Members present: Deats, McGlew, Rhoades

Members absent: Casas, Melendez

NOTE: The vote is displayed in bold below each item. For example, Rhoades-Deats denotes Director Rhoades made the motion and Director Deats seconds the motion.

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

COMMITTEE ACTION SHOWN IN CAPS

PUBLIC PRESENTATIONS

- 1) This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda but under the jurisdiction of the Committee. Committee members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Committee at a later meeting. Also, the Committee may take action to direct the staff to place a matter of business on a future agenda. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THANK YOU!**
NO ONE HEARD

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Committee members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code Section 54954.2(a)(2))
NO ONE HEARD
- CA-3) Minutes for KHS Finance Committee meeting on April 6, 2018 -
APPROVED
McGlew-Rhoades: 3 Ayes; 2 Absent – Casas, Melendez
- 4) Report on KHS investment portfolio for the first quarter ending March 31, 2018 (Fiscal Impact: None) –
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Rhoades: 3 Ayes; 2 Absent – Casas, Melendez
- 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) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-McGlew: 3 Ayes; 2 Absent – Casas, Melendez
- 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) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Rhoades: 3 Ayes; 2 Absent – Casas, Melendez
- 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) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Rhoades: 3 Ayes; 2 Absent – Casas, Melendez
- 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) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-McGlew: 3 Ayes; 2 Absent – Casas, Melendez

SUMMARY

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Kern Health Systems

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- 9) Report on Kern Health Systems financial statements for February 2018, March 2018 and April 2018 (Fiscal Impact: None) –
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-McGlew: 3 Ayes; 2 Absent – Casas, Melendez

- 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) –
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-McGlew: 3 Ayes; 2 Absent – Casas, Melendez

ADJOURN TO FRIDAY, AUGUST 3, 2018 AT 8:00 A.M.

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

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To: KHS Finance Committee

From: Robert Landis, CFO

Date: August 3, 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
June 30, 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	(1)	\$ 3,300,000	1.40%	100%	0.65%	1 Day	None
Morgan Stanley Money Market	(A) (1)	\$ 8,300,000	3.53%	20%	1.75%	1 Day	None
Local Agency Investment Fund (LAIF)	(B) (2)	\$ 64,300,000	27.32%	50%	1.90%	2 Days	None
US T-Bills at Wells Fargo	(1)	\$ 59,900,000	25.45%	100%	1.75%	1 Day	Subject to Interest Rate Fluctuations
KHS Managed Portfolio at Wells Fargo	(C) (1)	\$ 26,700,000	11.34%		1.87%	3 Days	Subject to Interest Rate Fluctuations
Sub-Total		\$ 162,500,000	69.03%		1.81%		

Long Term Port Folio (1 - 5 years)

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

UBS Managed Portfolio	(D)	\$ 71,100,000	30.20%		2.79%	3 Days	Subject to Interest Rate and Credit Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	\$ 1,800,000	0.76%		1.27%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total		\$ 72,900,000	30.97%		2.75%		
Total Portfolio		\$ 235,400,000	100.00%		2.10%		

Yield Curve

Yield Curve	A			
	Treasuries	AA Corporate Bonds	Corporate Bonds	CD's
1 year	2.30%	2.55%	2.60%	2.30%
2 year	2.54%	2.70%	2.90%	2.70%
3 year	2.63%	2.95%	3.05%	2.90%
5 year	2.71%	3.10%	3.25%	3.20%

- (A) \$16 Billion money market fund managed by Morgan Stanley comprised of high -quality debt securities issued by the US Government.
 - (B) LAIF is part of a \$89 Billion Pooled Money Investment Account managed by the State Treasurer of CA. Majority of portfolio is comprised of Treasuries, CD's, Time Deposits and Commercial Paper.
 - (C) High quality diversified portfolio comprising certificate of deposits, commercial paper, corporate bonds and notes and municipal securities.
 - (D) High quality diversified portfolio comprising certificate of deposits, corporate bonds and notes, municipal securities and US Treasury Securities. Includes investments maturing in less than 1 year that will be re-invested for over 1 year at maturity.
- (1) Funds are utilized to pay providers, meet operating expenses, 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 June 30, 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	

What's inside

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- Important information about this report..... 16



Executive summary

as of June 30, 2018

Asset allocation review

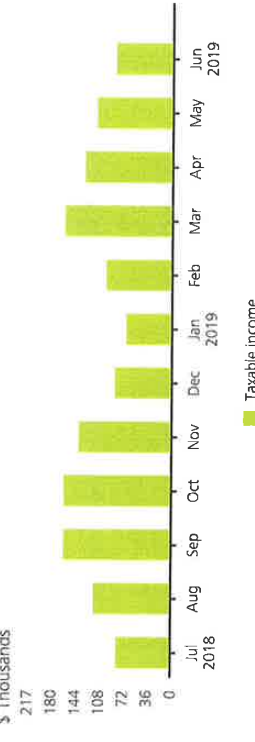
	Value on 06/30/2018 (\$)	% of portfolio
A Cash	147,593.49	0.21
Cash	147,593.49	0.21
B Fixed Income	71,004,621.02	99.79
US	71,004,621.02	99.79
C Equity	0.00	0.00
D Commodities	0.00	0.00
E Non-Traditional	0.00	0.00
F Other	0.00	0.00
Total Portfolio	\$71,152,214.51	100%

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



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: \$1,442,171.75
Total expected cash flow: \$1,442,171.75
 Cash flows displayed account for known events such as maturities and mandatory puts.

Equity sector analysis

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

Credit quality of bond holdings

Effective credit rating	Issues	Value on 06/30/2018 (\$)	% of port.
A Aaa/AAA/AAA	19	46,581,281.89	65.66
B Aa/AA/AA	8	9,106,120.35	12.80
C A/A/A	15	14,328,025.45	20.16
D Baa/BBB/BBB	1	989,193.33	1.39
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	\$71,004,621.02	100%

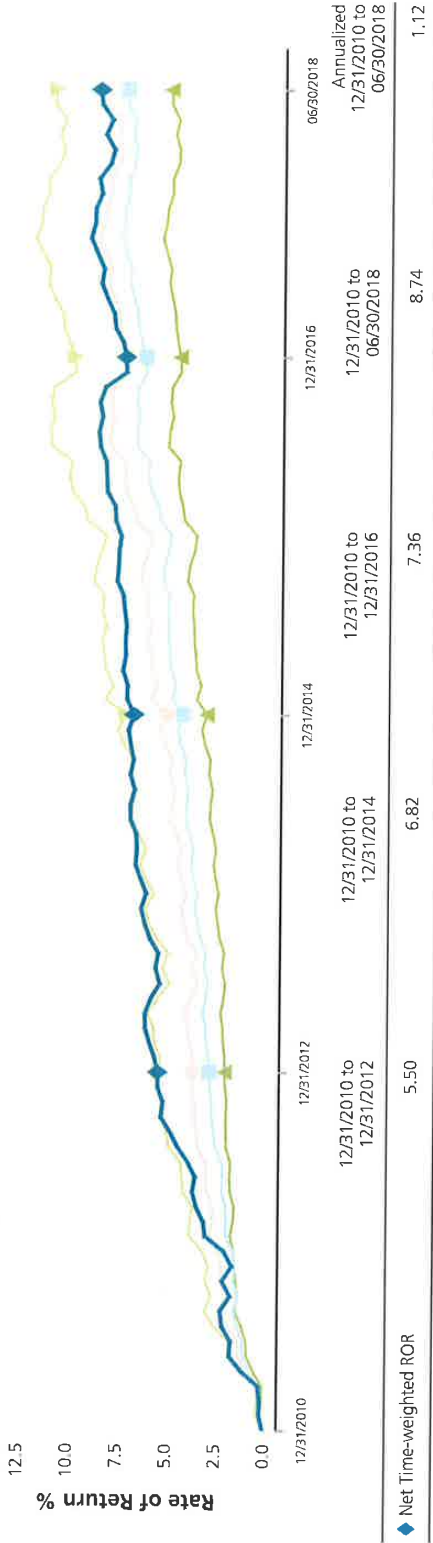




Cumulative performance

as of June 30, 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	8.74	1.12
■ Barclays Agg Bond+	3.75	5.16	7.27	8.41	1.08
■ Barclays Govt/Credit 1-3Y	2.88	4.33	6.36	7.35	0.95
■ Barclays Govt/Credit 1-5Y	5.44	7.25	9.99	11.01	1.40
■ Barclays US Gov 1-3Y	2.08	3.12	4.60	5.14	0.67

+Additional benchmark information can be found on the benchmark composition page.

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

Report created on: July 17, 2018



Bond summary

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

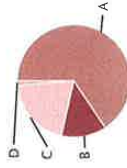
as of June 30, 2018

Bond overview

Total quantity	71,917,000
Total market value	\$70,636,407.07
Total accrued interest	\$368,213.95
Total market value plus accrued interest	\$71,004,621.02
Total estimated annual bond interest	\$1,528,558.00
Average coupon	2.16%
Average current yield	2.16%
Average yield to maturity	2.79%
Average yield to worst	2.79%
Average modified duration	2.32
Average effective maturity	2.44

Credit quality of bond holdings

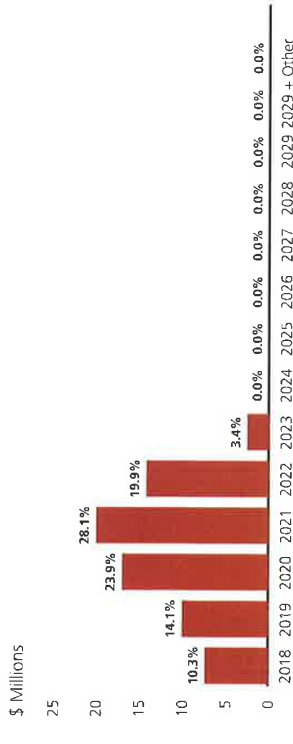
Effective credit rating	Issues	Value on 06/30/2018, (\$)	% of port.
A Aaa/AAA/AAA	19	46,581,281.89	65.66
B Aa/A/AA	8	9,106,120.35	12.80
C A/A/A	15	14,328,025.45	20.16
D Baa/BBB/BBB	1	989,193.33	1.39
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	0	0.00	0.00
G Not rated	0	0.00	0.00
Total	43	\$71,004,621.02	100%



Investment type allocation

Investment type	Taxable (\$)	Tax-exempt/deferred (\$)	Total (\$)	% of bond port.
Municipals	6,165,248.13	0.00	6,165,248.13	8.68
U.S. corporates	18,258,091.01	0.00	18,258,091.01	25.71
U.S. federal agencies	46,112,500.29	0.00	46,112,500.29	64.94
U.S. treasuries	468,781.60	0.00	468,781.60	0.66
Total	\$71,004,621.03	\$0.00	\$71,004,621.03	100%

Bond maturity schedule



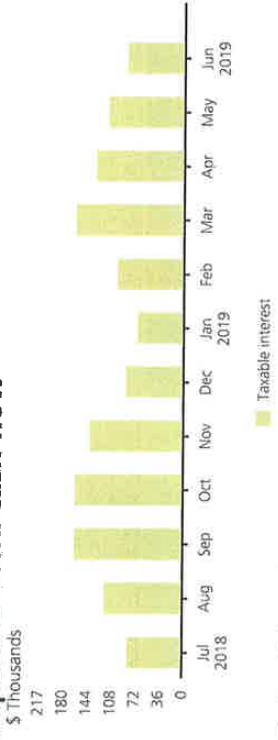
■ Effective maturity schedule
 Cash, mutual funds and some preferred securities are not included.



Bond summary - as of June 30, 2018 (continued)

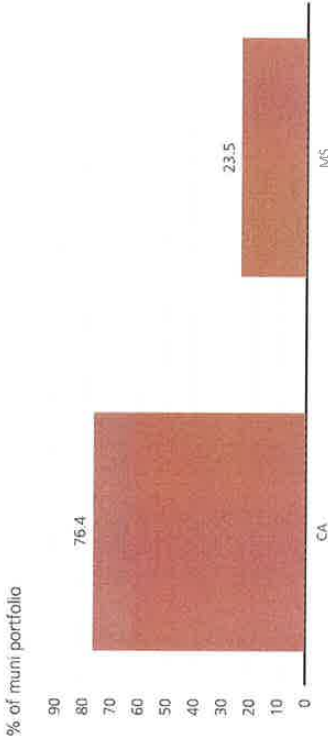
EB 02120 • BOND PORTFOLIO • Portfolio Management Program
 Prepared for: Kern Health Systems
 Risk profile: Conservative
 Return Objective: Current Income

Expected bond cash flow



Total taxable income: \$1,442,171.75
Total expected bond cash flow: \$1,442,171.75
 Cash flows displayed account for known events such as maturities and mandatory puts.

Municipal state exposure





Bond holdings

as of June 30, 2018

EB 02120 • BOND PORTFOLIO • Portfolio Management Program
 Prepared for
 Risk profile: **Kem Health Systems**
 Return Objective: **Conservative**
 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	6	7,300,000	172,772.50	2.37%	2.36%	2.36%	0.28	7,316,875.47	-21,512.57	7,339,238.19	10.33%
2019	7	9,979,000	203,607.50	2.04%	2.46%	2.46%	0.87	10,041,071.68	-78,703.72	10,006,876.79	14.1%
2020	8	17,129,000	372,277.50	2.20%	2.86%	2.86%	1.93	17,237,983.86	-343,565.32	16,954,159.79	23.93%
2021	13	20,520,000	380,878.00	1.91%	2.92%	2.92%	2.80	20,586,905.69	-680,711.79	20,018,342.72	28.18%
2022	8	14,489,000	335,272.50	2.37%	2.97%	2.97%	3.83	14,486,910.23	-366,721.46	14,199,263.95	19.99%
2023	1	2,500,000	63,750.00	2.59%	2.95%	2.95%	4.21	2,489,625	-31,750.00	2,486,739.58	3.48%
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	71,917,000	\$1,528,558.00	2.16%	2.79%	2.79%	2.32	\$72,159,371.93	-\$1,522,964.86	\$71,004,621.02	



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

Bond holdings - as of June 30, 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		71,917,000	2.16%	12/07/2020	NA	\$1,528,558.00	2.79%	2.32	\$72,159,371.9	NA	\$70,636,407.07	100%
						2.16%	2.79%	\$-1,522,964.86			\$368,213.95	
											\$71,004,621.02	
Maturing 2018												
EI DU PONT DE NEMOURS 06.000% 07/15/18 DTD072808 FC011509 CALL@MMW +30BP CUSIP: 263534BT5 Initial Purchase Date: 10/27/2015 Original Maturity: 07/15/2018 PAJARO VLY CAL USD TAX SR B BE/R/ 2.070 080118 DTD 020713 /CA 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 080118 DTD 092811 /CA CUSIP: 786056BEO Initial Purchase Date: 06/29/2016 Original Maturity: 08/01/2018 INTERCONTINENTAL EXCHANGE 02.500% 10/15/18 DTD100813 FC041514 CALL@MMW+20BP CUSIP: 458666FABO Initial Purchase Date: 10/29/2015 Original Maturity: 10/15/2018 FHLB NTS 01.050 % DUE 10/26/18 DTD 07/26/16 FC 10262016 CUSIP: 3130A8RPO Initial Purchase Date: 08/02/2016 Original Maturity: 10/26/2018												
	A3/AAA- NR/NR/NR	450,000	6.00%	07/15/2018		27,000.00 5.99%	3.52% 3.52%	0.04 -320.41	450,797.41 -320.41	100.106	450,477.00 12,375.00	0.64%
	Aa2/NR/A+ Aa2/NR/NR	300,000	2.07%	08/01/2018		6,210.00 2.07%	2.33% 2.33%	0.08 -251.53	300,176.53 -251.53	99.975	299,925.00 2,570.25	0.42%
	A2/NR/AA Baa1/NR/AA-	500,000	5.60%	08/01/2018		28,000.00 5.59%	2.80% 2.80%	0.08 -528.71	501,743.71 -528.71	100.243	501,215.00 11,588.89	0.71%
	A2/NR/A NR/NR/NR	300,000	2.50%	10/15/2018		7,500.00 2.50%	2.55% 2.55%	0.29 -612.73	300,561.13 -612.73	99.983	299,948.40 1,562.50	0.42%
	Aaa/NR/AA+ NR/NR/NR	5,000,000	1.05%	10/26/2018		52,500.00 1.05%	2.15% 2.15%	0.32 -17,850.00	5,000,000.00 -17,850.00	99.643	4,982,150.00 9,333.34	7.05%



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Bond holdings - as of June 30, 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 2018											
MERRILL LYNCH GLOBAL NTS	A3/A+/A-	750,000	6.88%	11/15/2018		51,562.50	2.70%	763,596.69	101.553	761,647.50	1.08%
06.875% 11/15/18 DTD112498	NR/NR/NR					6.77%	2.70%	-1,949.19		6,445.31	
FC051599											
CUSIP: 590188JN9											
Initial Purchase Date: 10/27/2015											
Original Maturity: 11/15/2018											
Total 2018		7,300,000	2.38%	10/12/2018		\$172,772.50	2.36%	\$7,316,875.47		\$7,295,362.90	10.33%
						2.37%	2.36%	\$-21,512.57		\$43,875.29	
Maturing 2019											
FFCB BOND 01.030 % DJE 040519	Aaa/AAA/AA+	5,000,000	1.03%	04/05/2019		51,500.00	2.33%	4,996,250.00	99.014	4,950,700.00	7.01%
DTD 07/05/16 FC 10052016	NR/NR/NR					1.04%	2.33%	-45,550.00		12,159.72	
CUSIP: 3133EGJW6											
Initial Purchase Date: 06/29/2016											
Original Maturity: 04/05/2019											
CALIFORNIA ST TAX	Aa3/AA+/AA-	2,500,000	2.25%	05/01/2019		56,250.00	2.41%	2,505,885.12	99.863	2,496,575.00	3.53%
BE/R/	Aa3/AA-/NR					2.25%	2.41%	-9,310.12		9,218.75	
2.250 05/01/19 DTD 05/01/14 /CA											
CUSIP: 13063CKL3											
Initial Purchase Date: 05/20/2014											
Original Maturity: 05/01/2019											
FNMA NTS 01.125 % DJE 072619	Aaa/AAA/AA+	594,000	1.13%	07/26/2019	07/26/2018	6,682.50	2.36%	593,109.00	98.694	586,242.36	0.83%
DTD 07/26/16 FC 01262017	NR/NR/NR				100.00	1.14%	2.36%	-6,866.64		2,858.63	
CUSIP: 3135G0M59											
Initial Purchase Date: 08/02/2016											
Original Maturity: 07/26/2019											
MORGAN STANLEY 05.625%	A3/A+/BBB+	750,000	5.63%	09/23/2019		42,187.50	3.09%	777,682.15	103.045	772,837.50	1.09%
092319 DTD092309 FC032310	NR/NR/NR					5.46%	3.09%	-4,844.65		11,367.19	
MW+358P											
CUSIP: 61747YCLJ											
Initial Purchase Date: 08/28/2015											
Original Maturity: 09/23/2019											
CALIFORNIA ST TAX	Aa3/AA+/AA-	400,000	6.20%	10/01/2019		24,800.00	2.53%	420,598.71	104.506	418,024.00	0.59%
BE/R/	Aa3/AA-/NR					5.93%	2.53%	-2,574.71		6,131.11	
6.200 10/01/19 DTD 10/15/09 /CA											
CUSIP: 13063A7G3											
Initial Purchase Date: 12/30/2015											
Original Maturity: 10/01/2019											



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Bond holdings - as of June 30, 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 2019											
FHLMC MED TERM NTS 00.00000%	Aaa/AAA/AA+	485,000		10/01/2019			1.21	472,384.19	96.656	468,781.60	0.66%
DUE 100119	NR/NR/NR						2.76%	-3,602.59		0.00	
CUSIP: 3128X2SW6											
Initial Purchase Date: 06/03/2015											
Original Maturity: 10/01/2019											
UNITD TECHNOLOGIES CORP	A3/M/A-	250,000	8.88%	11/15/2019		22,187.50	1.29	275,162.51	107.683	269,207.50	0.38%
08.875% 111519 DTD111389	NR/NR/NR					8.24%		-5,955.01		2,773.44	
FC051590 DEB											
CUSIP: 913017AR0											
Initial Purchase Date: 09/08/2016											
Original Maturity: 11/15/2019											
Total 2019		9,979,000	2.18%	05/24/2019		\$203,607.50	0.87	\$10,041,071.6		\$9,962,367.96	14.10%
						2.04%		\$-78,703.72		\$44,508.83	
Maturing 2020											
ABBOTT LABS NTS B/E 02.0000%	Baa2/MD/BBB	1,000,000	2.00%	03/15/2020		20,000.00	1.65	999,370.00	98.336	983,360.00	1.39%
031520 DTD031015 FC091515	NR/NR/NR					2.03%		-16,010.00		5,833.33	
CALL@MMW+10BP											
CUSIP: 002824AZ3											
Initial Purchase Date: 05/12/2016											
Original Maturity: 03/15/2020											
FNMA NTS 01.500 % DUE 032320	Aaa/AAA/AA+	1,750,000	1.50%	03/23/2020	09/23/2018	26,250.00	1.68	1,748,250.00	98.250	1,719,375.00	2.43%
DTD 032316 FC 09232016	NR/NR/NR				100.00	1.53%		-28,875.00		7,072.92	
CUSIP: 3136G3C7											
Initial Purchase Date: 03/01/2016											
Original Maturity: 03/23/2020											
NBCUNIVERSAL MEDIA LLC	A3/A-/A-	2,000,000	5.15%	04/30/2020		103,000.00	1.73	2,130,675.62	103.336	2,066,720.00	2.93%
05.150% 043020 DTD043011	NR/NR/NR					4.98%		-63,955.62		17,166.67	
CALL@MMW+25BP											
CUSIP: 63946BAD2											
Initial Purchase Date: 09/08/2016											
Original Maturity: 04/30/2020											
QUALCOMM INC NTS B/E 02.250%	A1/NR/A	2,879,000	2.25%	05/20/2020		64,777.50	1.83	2,886,793.24	98.526	2,836,563.54	4.02%
052020 DTD052015 FC112015	NR/NR/NR					2.28%		-50,229.70		7,197.50	
CUSIP: 747525AD5											
Initial Purchase Date: 02/22/2017											
Original Maturity: 05/20/2020											



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Bond holdings - as of June 30, 2018 (continued)

	Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$/ Curr. yield (%))	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$/ Unreal. g/l (\$))	Market price (\$)	Mkt. value (\$/ Accr. interest (\$))	% of bond port.
Maturing 2020												
FHLMC MED TERM NTS 01.500 % DUE 06/29/20 DTD 06/29/16 FC 12/29/2016 CUSIP: 31344G9LQ8 Initial Purchase Date: 06/03/2016 Original Maturity: 06/29/2020	Aaa/AAA/AA+	3,500,000	1.50%	06/29/2020	06/29/2018 100.00	52,500.00 1.54%	2.72%	1.93	3,500,000.00 -82,670.00	97.638	3,417,330.00 145.83	4.84%
FNMA NTS 01.350 % DUE 08/24/20 DTD 08/24/16 FC 02/24/2017 CUSIP: 31366G3W92 Initial Purchase Date: 08/02/2016	Aaa/AAA/AA+	3,500,000	1.35%	08/24/2020	08/24/2018 100.00	47,250.00 1.39%	2.58%	2.09	3,498,250.00 -87,640.00	97.446	3,410,610.00 16,537.50	4.83%
J P MORGAN CHASE & CO 02.550% 10/29/20 DTD 10/29/15 FC 04/29/16 NTS B/E CUSIP: 46625HXX4 Initial Purchase Date: 11/04/2015	A3/A-/A-	1,000,000	2.55%	10/29/2020	09/29/2020 100.00	25,500.00 2.59%	3.23%	2.23	994,430.00 -9,610.00	98.482	984,820.00 4,320.83	1.39%
VISA INC NTS B/E 02.200% 12/14/20 DTD 12/14/15 FC 06/14/16 CALL@MMW+10BP CUSIP: 92826CAB8 Initial Purchase Date: 04/05/2018	A1/NR/A+	1,500,000	2.20%	12/14/2020	11/14/2020 100.00	33,000.00 2.24%	2.89%	2.36	1,480,215.00 -4,575.00	98.376	1,475,640.00 1,466.67	2.09%
Total 2020		17,129,000	2.19%	07/02/2020		\$372,277.50 2.20%	2.86%	1.93	\$17,237,983.8 \$-343,565.32		\$16,894,418.54 \$59,741.25	23.92%
Maturing 2021												
E I DU PONT DE NEMOURS 03.625% 01/15/21 DTD 09/23/10 CALL@MMW+15BP B/E CUSIP: 263534CB3 Initial Purchase Date: 06/03/2016	A3/AA-	400,000	3.63%	01/15/2021		14,500.00 3.58%	3.09%	2.37	416,088.25 -10,884.25	101.301	405,204.00 6,645.83	0.57%
ANHEUSER BUSCH INBEV FIN 02.650% 02/01/21 DTD 01/25/16 FC 08/01/16 CALL@MMW+20BP CUSIP: 03524ZAJ5 Initial Purchase Date: 05/16/2018	A3/BBB/A-	600,000	2.65%	02/01/2021	01/01/2021 100.00	15,900.00 2.69%	3.21%	2.45	591,840.00 -108.00	98.622	591,732.00 6,580.83	0.84%

Report created on: July 17, 2018



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	Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call price (\$)	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) YTW (%)	Modified duration	Adjusted cost basis (\$) Unreal. grt (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
Maturing 2021													
FCB BOND 01.470 % DUE 02/17/21	Aaa/AAA/AA+	4,500,000	1.47%	02/17/2021			66,150.00 1.52%	2.80%	2.54	4,496,625.00 -147,825.00	96.640	4,348,800.00 24,438.75	6.16%
DTD 08/17/16 FC 02/17/2017	NR/NR/NR							2.80%					
CUSIP: 3133EGRN7													
Initial Purchase Date: 08/17/2016													
Original Maturity: 02/17/2021													
FHLMC MED TERM NTS 01.500 %	Aaa/AAA/AA+	3,525,000	1.50%	03/30/2021	06/30/2018		52,875.00 1.55%	2.80%	2.65	3,524,118.75 -119,850.00	96.575	3,404,268.75 13,218.75	4.82%
DUE 03/30/21 DTD 09/30/16 FC	NR/NR/NR				100.00			2.80%					
03/30/2017													
CUSIP: 3134GAEE0													
Initial Purchase Date: 09/08/2016													
Original Maturity: 03/30/2021													
EI DU POINT DE NEVOURS	A3/A/A-	250,000	4.25%	04/01/2021			10,625.00 4.13%	3.11%	2.56	265,992.42 -8,512.42	102.992	257,480.00 2,626.74	0.36%
04.250% 04/01/21 DTD032511	NR/NR/NR							3.11%					
CALL@MMW+15BP													
CUSIP: 263534CE7													
Initial Purchase Date: 09/08/2016													
Original Maturity: 04/01/2021													
BURJINGTON NTHN SANITA FE	A3/NR/A+	1,000,000	4.10%	06/01/2021	03/01/2021		41,000.00 4.00%	3.17%	2.48	1,046,469.28 -20,839.28	102.563	1,025,630.00 3,302.78	1.45%
04.100% 06/01/21 DTD051911	NR/NR/NR				100.00			3.09%					
CALL@MMW+15BP CORP NTS													
CUSIP: 12189LAD3													
Initial Purchase Date: 02/22/2017													
Original Maturity: 06/01/2021													
FNMA NTS 01.530 % DUE 07/28/21	Aaa/AAA/AA+	3,750,000	1.53%	07/28/2021	07/28/2018		57,375.00 1.60%	3.00%	2.95	3,750,000.00 -160,800.00	95.712	3,589,200.00 24,225.00	5.08%
DTD 07/28/16 FC 01/28/2017	NR/NR/NR				100.00			3.00%					
CUSIP: 3136G3597													
Initial Purchase Date: 08/02/2016													
Original Maturity: 07/28/2021													
FHLB NTS 01.550 % DUE 09/01/21	Aaa/NR/AA+	500,000	1.55%	09/01/2021			7,750.00 1.62%	2.90%	3.04	499,375.00 -19,650.00	95.945	479,725.00 2,561.81	0.68%
DTD 09/01/16 FC 03/01/2017	NR/NR/NR							2.90%					
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 2.20%	2.91%	3.01	994,250.00 -17,260.00	97.699	976,990.00 7,106.94	1.38%
2.150 09/01/21 DTD 1/22/16 /CA	Aa2/NR/NR							2.91%					
CALL@MMW+10BP													
CUSIP: 544351KQ1													
Initial Purchase Date: 12/23/2016													
Original Maturity: 09/01/2021													
CISCO SYSTEMS INC BE 01.850%	A1/NR/AA-	1,000,000	1.85%	09/20/2021	08/20/2021		18,500.00 1.94%	3.34%	3.07	993,660.00 -38,990.00	95.467	954,670.00 5,138.89	1.35%
09/20/21 DTD09/20/16 FC032017	NR/NR/NR				100.00			3.34%					
CALL@MMW+10BP													
CUSIP: 17275RB10													
Initial Purchase Date: 09/15/2017													
Original Maturity: 09/20/2021													



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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.
Maturing 2021											
FHLB BOND 01.520 % DUE 09/23/21 DUE 09/23/21 FC 03232017 CUSIP: 3130A9FB2	2,290,000	1.52%	09/23/2021		34,808.00 1.59%	2.86% 2.86%	3.10	2,289,150.00 -93,154.50	95.895	2,195,995.50 9,378.82	3.11%
Initial Purchase Date: 09/27/2016 Original Maturity: 09/23/2021											
FHLB BOND 01.600 % DUE 09/27/21 DUE 09/27/21 FC 03272017 CUSIP: 3130A9JZ5	255,000	1.60%	09/27/2021		4,080.00 1.66%	2.68% 2.68%	3.11	255,000.00 -8,534.85	96.653	246,465.15 1,054.00	0.35%
Initial Purchase Date: 09/27/2016 Original Maturity: 09/27/2021											
MISSISSIPPI STATE TAX SR G BE/R/ 2.470 110121 DTD 120815 /MS CUSIP: 605581GN1	1,450,000	2.47%	11/01/2021		35,815.00 2.50%	2.91% 2.91%	3.16	1,464,336.99 -34,303.49	98.623	1,430,033.50 5,869.68	2.02%
Initial Purchase Date: 02/22/2017 Original Maturity: 11/01/2021											
Total 2021	20,520,000	1.87%	06/08/2021		\$380,878.00 1.91%	2.92% 2.92%	2.80	\$20,586,905.6 \$-680,711.79		\$19,906,193.90 \$112,148.82	28.18%
Maturing 2022											
APPLE INC NTS B/E 02.5000% 020922 DTD020917 FC080917 CALL@MW+10BP CUSIP: 037833CM0	2,000,000	2.50%	02/09/2022	01/09/2022 100.00	50,000.00 2.55%	3.07% 3.07%	3.38	2,004,272.33 -42,792.33	98.074	1,961,480.00 19,583.33	2.78%
Initial Purchase Date: 02/22/2017 Original Maturity: 02/09/2022											
FFCB BOND 02.730 % DUE 02/14/22 DTD 02/14/18 FC 08142018 CUSIP: 3133E1CG2	900,000	2.73%	02/14/2022	02/14/2019 100.00	24,570.00 2.74%	2.79% 2.79%	3.39	898,200.00 -72.00	99.792	898,128.00 9,282.00	1.27%
Initial Purchase Date: 02/23/2018 Original Maturity: 02/14/2022											
PEPSICO INC NTS B/E 02.2500% 050222 DTD050217 FC110217 CALL@MW+10BP CUSIP: 713448DT2	1,089,000	2.25%	05/02/2022	04/02/2022 100.00	24,502.50 2.32%	3.14% 3.14%	3.62	1,087,301.16 -33,225.39	96.793	1,054,075.77 3,947.63	1.49%
Initial Purchase Date: 05/16/2017 Original Maturity: 05/02/2022											



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	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											
QUALCOMM INC NTS B/E 03.000%	A1/NR/A	1,000,000	3.00%	05/20/2022		30,000.00	3.42%	1,023,236.74	98.493	984,930.00	1.39%
052022 DT052015 FC112015	NR/NR/NR					3.05%	3.42%	-38,306.74		3,333.33	
CALL@MW415BP											
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	2.89%	2,988,750.00	96.510	2,895,300.00	4.10%
DTD 090117 FC 03012018	NR/NR/NR					2.07%	2.89%	-93,450.00		19,833.33	
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	2.84%	1,999,000.00	97.054	1,941,080.00	2.75%
DTD 092617 FC 03262018	NR/NR/NR				100.00	2.16%	2.84%	-57,920.00		10,966.67	
CUSIP: 3133EHZ4											
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	2.87%	2,495,150.00	97.139	2,428,475.00	3.44%
DTD 101117 FC 04112018	NR/NR/NR				100.00	2.22%	2.87%	-66,675.00		11,850.00	
CUSIP: 3133HE58											
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	06/29/2018	50,200.00	3.00%	1,991,000.00	97.836	1,956,720.00	2.77%
DTD 122917 FC 06292018	NR/NR/NR				100.00	2.57%	3.00%	-34,280.00		278.89	
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	2.97%	\$14,486,910.2		\$14,120,188.77	19.99%
						2.37%	2.97%	\$-366,721.46		\$79,075.18	
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	2.95%	2,489,625.00	98.315	2,457,875.00	3.48%
DTD 011718 FC 07172018	NR/NR/NR				100.00	2.59%	2.95%	-31,750.00		28,864.58	
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	2.95%	\$2,489,625.00		\$2,457,875.00	3.48%
						2.59%	2.95%	\$-31,750.00		\$28,864.58	



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

Bond holdings - as of June 30, 2018 (continued)

Effective rating/ Underlying rating (Moly/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.
	71,917,000	2.16%	12/07/2020	NA	\$1,528,558.00 2.16%	2.79% 2.79%	2.32 \$-1,522,964.86	NA	\$70,636,407.07	\$368,213.95	100%
Total Bond Portfolio										\$71,004,621.02	



Additional information about your portfolio

as of June 30, 2018

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

Benchmark composition

Account EB 02120
Benchmark 1
Start - 05/08/2018: 50% Barclays US Gov 1-3Y; 50% Barclays Govt/Credit 1-5Y
05/08/2018 - Current: 100% Barclays Agg Bond



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 account and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. When shown on a report, the risk profile and return objectives describe your overall goals for these accounts. For each account you maintain, you choose one return objective and a primary risk profile. If you have questions regarding these objectives or wish to change them, please contact your Financial Advisor to update your account records.

Performance: This report presents 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 (TWRR) 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 TWRR 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 12/26/2018, this report displays a time weighted rate of return (TWRR) 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 TWRR 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 "IP") and all cash flows were posted at end of day. As a result of the change, the overall rate of return (TWRR) 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 may be 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 labelled 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 data 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 performance 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 UTIs.

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

Your Financial Advisor:
THE COHEN GROUP
Phone: 551-568-2200/800-525-5012

Filtered by: Entry Date 04/01/2018-06/30/2018, Call/Redemption

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
05/15/18	05/15/18	CALL REDEMPTION	ST STREET CORP NTS B/E 01.350% 051518 DTD051513	860328	-335,000.000	REDEMPTION	335,000.00
04/02/18	04/02/18	CALL REDEMPTION	GENERAL ELEC CAP CORP 01.625% 040218 DTD040213	6475U1	-1,000,000.000	REDEMPTION	1,000,000.00

Filtered by: Entry Date 04/01/2018-06/30/2018, Bought

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
05/16/18	05/18/18	BOUGHT	ANHEUSER BUSCH INBEV FIN 02.650% 020121 DTD012516	663FT8	600,000.000	\$98.640	-596,565.83
04/05/18	04/09/18	BOUGHT	VISA INC NTS B/E 02.200% 121420 DTD121415	Trade#:335C904H56	1,500,000.000	\$98.681	-1,490,756.67

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 July 17, 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.



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
06/01/2018 - 06/30/2018

KERN HEALTH SYSTEMS **Account Number**
 9700 STOCKDALE HWY **1AB84780**

Account Value Summary USD

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

	Amount Last Statement Period	Amount This Statement Period	% Portfolio
Cash	\$ 0.00	\$ 0.00	0%
Money Market Mutual Funds	38,575,850.90	8,344,737.15	9%
Bonds	92,848,230.15	88,340,977.08	91%
Stocks	0.00	0.00	0%
Total Account Value	\$ 131,424,081.05	\$ 96,685,714.23	100%
Value Change Since Last Statement Period		\$ (34,738,366.82)	
Percent Decrease Since Last Statement Period			27%
Value Last Year-End		\$ 106,942,632.68	
Percent Decrease Since Last Year-End			10%

Income Summary USD

	This Period	Year-To-Date
Interest	\$ 188,513.70	\$ 1,000,991.17
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	38,121.05	225,346.07
Other	0.00	0.00
Income Total	\$ 226,634.75	\$ 1,226,337.24

Interest Charged USD

Description	This Period
Debit Interest For June 2018	0.00
Total Interest Charged	\$ 0.00

Money Market Mutual Funds Summary USD

Description	Amount
Opening Balance	\$ 38,575,850.90
Deposits and Other Additions	126,053,760.09
Distributions and Other Subtractions	(156,322,994.89)
Dividends Reinvested	38,121.05
Change in Value	0.00
Closing Balance	\$ 8,344,737.15

Safekeeping

002202 1014638 0015 2C027 UN# 2709233 00010270 7485-0018 51024 06/30/18 P

Important Information

This statement is provided to customers of Wells Fargo Securities, LLC ("WFS"), broker dealer 0260. 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 (1-800-289-9999) 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

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								
912796PN3	UNITED STATES TREASURY BILL	07/05/18	0.000%	20,000,000.000	99.9862	19,997,233.40		
912796PQ6	UNITED STATES TREASURY BILL	07/12/18	0.000%	20,000,000.000	99.9534	19,990,687.40		
89236TCP8	TOYOTA MOTOR CREDIT CORP	07/13/18	1.550%	3,000,000.000	99.9702	2,999,106.54		N
02006LSF1	ALLY BANK INTEREST BEARING CERTIFICATE OF DEPOSIT	07/16/18	1.650%	250,000.000	99.9811	249,952.75		
140420TH3	CAPITAL ONE BANK USA INTEREST BEARING CERTIFICATE OF DEPOSIT	07/16/18	1.600%	250,000.000	99.9816	249,954.00		
45113VGJ3	IBM CREDIT LLC 4(2) DISCOUNTED COMMERCIAL PAPER	07/18/18	0.000%	3,000,000.000	99.8965	2,996,895.09		
912796MK2	UNITED STATES TREASURY BILL	07/19/18	0.000%	20,000,000.000	99.9180	19,983,590.20		
06406HCM9	BANK OF NEW YORK MELLON	08/01/18	2.918%	2,000,000.000	100.0631	2,001,261.36		N
54438CWT5	LOS ANGELES CA CMNTY CLG DIST TXBL-SER A-2	08/01/18	1.620%	3,000,000.000	99.9650	2,998,950.00		Y
48126XAM7	JP MORGAN CHASE BANK INTEREST BEARING CERTIFICATE OF DEPOSIT	08/16/18	1.100%	250,000.000	99.8704	249,676.00		Y
05581WJT3	BMO HARRIS BANK NA INTEREST BEARING CERTIFICATE OF DEPOSIT	08/17/18	1.050%	250,000.000	99.8733	249,683.25		
254672F86	DISCOVER BANK INTEREST BEARING CERTIFICATE OF DEPOSIT	08/17/18	1.000%	250,000.000	99.8671	249,667.75		
90521APJ1	MUFG UNION BANK NA	09/26/18	2.625%	1,000,000.000	99.9774	999,774.29		Y
02665WAC5	AMERICAN HONDA FINANCE	10/10/18	2.125%	1,300,000.000	99.9121	1,298,856.85		N
795450ZE8	SALLIE MAE BK/SALT LKE INTEREST BEARING CERTIFICATE OF DEPOSIT	10/12/18	1.150%	250,000.000	99.6911	249,227.75		
69353RET1	PNC BANK NA	11/05/18	1.800%	1,000,000.000	99.7432	997,432.29		Y
48306BM44	KAISER FOUNDATION HOSP DISCOUNTED COMMERCIAL PAPER	12/04/18	0.000%	3,000,000.000	98.8435	2,965,305.84		
24422ESF7	JOHN DEERE CAPITAL CORP	12/13/18	1.950%	2,955,000.000	99.6908	2,945,863.82		N
89236TCU7	TOYOTA MOTOR CREDIT CORP	02/19/19	1.700%	1,000,000.000	99.4552	994,552.27		N
94974BFU9	WELLS FARGO & COMPANY	04/22/19	2.125%	1,621,000.000	99.4361	1,611,859.83		N
13063CKL3	CALIFORNIA ST TXBL-VARIOUS PURPOSE	05/01/19	2.250%	1,310,000.000	99.8630	1,308,205.30		N
94988J5D5	WELLS FARGO BANK NA	05/24/19	1.750%	1,000,000.000	99.1041	991,041.29		N
02665WBE0	AMERICAN HONDA FINANCE	07/12/19	1.200%	1,000,000.000	98.4504	984,503.71		N
58768MAC5	MBALT 2016-B A3	08/15/19	1.350%	780,044.270 1,000,000.000	99.6990	777,696.10		N

Safekeeping

KERN HEALTH SYSTEMS
Account Number: 1AB84780

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

Security ID	Description	Maturity Date	Coupon	Current Par / Original Par	Market Price*	Market Value	Original Par Pledged**	Callable
Bonds USD								
				88,466,044.270		88,340,977.08	0.00	

*See important information regarding security pricing on Page 2.

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

Daily Account Activity

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
Transaction Activity USD									
06/04/18	06/04/18	Security Receipt	24422ESF7	JOHN DEERE CAPITAL CORP	2,955,000.00		0.00	0.00	0.00
06/05/18	06/05/18	Security Receipt	06406HCM9	BANK OF NEW YORK MELLON	2,000,000.00		0.00	0.00	0.00
06/05/18	06/05/18	Security Receipt	48306BM44	KAISER FOUNDATION HOSP	3,000,000.00		0.00	0.00	0.00
06/18/18	06/18/18	Receive	912796PQ6	UNITED STATES TREASURY BILL	20,000,000.00		0.00	0.00	0.00
06/21/18	06/21/18	Received	912796MK2	UNITED STATES TREASURY BILL	20,000,000.00		0.00	0.00	0.00
06/25/18	06/25/18	Security Receipt	54439CWT5	LOS ANGELES CA CMNTY CLG DIST	3,000,000.00		0.00	0.00	0.00
06/26/18	06/26/18	Security Receipt	94974BFU9	WELLS FARGO & COMPANY	1,621,000.00		0.00	0.00	0.00
Income / Payment Activity USD									
06/01/18	06/01/18	Matured	717081DW0	PFIZER INC			1,000,000.00		1,000,000.00
06/01/18	06/01/18	Interest	717081DW0	PFIZER INC				6,000.00	6,000.00
06/01/18	06/01/18	Matured	713448BH0	PEPSICO INC			3,500,000.00		3,500,000.00
06/01/18	06/01/18	Interest	713448BH0	PEPSICO INC				87,500.00	87,500.00
06/01/18	06/01/18	Matured	49327M2L7	KEY BANK NA			2,000,000.00		2,000,000.00
06/01/18	06/01/18	Interest	49327M2L7	KEY BANK NA				12,911.94	12,911.94
06/04/18	06/04/18	Matured	02587DYK9	AMERICAN EXPRESS CENTURION BK			250,000.00		250,000.00
06/04/18	06/04/18	Interest	02587DYK9	AMERICAN EXPRESS CENTURION BK				1,817.47	1,817.47
06/07/18	06/07/18	Matured	63966CF74	NATIONWIDE LIFE INS CO 4(2)			3,000,000.00		3,000,000.00
06/11/18	06/11/18	Matured	05590ADH4	BMW BANK NORTH AMERICA			250,000.00		250,000.00
06/11/18	06/11/18	Interest	05590ADH4	BMW BANK NORTH AMERICA				1,745.21	1,745.21
06/13/18	06/13/18	Interest	24422ESF7	JOHN DEERE CAPITAL CORP				28,811.25	28,811.25
06/14/18	06/14/18	Matured	912796PL7	UNITED STATES TREASURY BILL			15,000,000.00		15,000,000.00
06/15/18	06/15/18	Matured	738798BG1	POWAY CA REDEV AGY SUCCESSOR A			1,000,000.00		1,000,000.00
06/15/18	06/15/18	Interest	738798BG1	POWAY CA REDEV AGY SUCCESSOR A				8,900.00	8,900.00
06/15/18	06/15/18	Matured	17275RAY8	CISCO SYSTEMS INC			1,000,000.00		1,000,000.00

KERN HEALTH SYSTEMS
Account Number: 1AB84780

Daily Account Activity (Continued)

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
Income / Payment Activity USD									
06/15/18	06/15/18	Interest	17275RAY8	CISCO SYSTEMS INC				6,221.50	6,221.50
06/15/18	06/15/18	Paydown	58768MAC5	MBALT 2016-B A3			136,690.81		136,690.81
06/15/18	06/15/18	Interest	58768MAC5	MBALT 2016-B A3				1,031.33	1,031.33
06/18/18	06/18/18	Interest Reversal	14912L6L0	CATERPILLAR FINANCIAL SE				(33,575.00)	(33,575.00)
06/18/18	06/18/18	Matured	14912L6L0	CATERPILLAR FINANCIAL SE			3,950,000.00		3,950,000.00
06/18/18	06/18/18	Interest	14912L6L0	CATERPILLAR FINANCIAL SE				33,575.00	33,575.00
06/18/18	06/18/18	Interest	14912L6L0	CATERPILLAR FINANCIAL SE				33,948.05	33,948.05
06/20/18	06/20/18	Interest Reversal	14912L6L0	CATERPILLAR FINANCIAL SE				(33,948.05)	(33,948.05)
06/20/18	06/20/18	Interest	14912L6L0	CATERPILLAR FINANCIAL SE				33,575.00	33,575.00
06/20/18	06/20/18	Matured	90328BFL0	USAA CAPITAL CORP DISCOUNTED			3,000,000.00		3,000,000.00
06/22/18	06/22/18	Matured	30229BFN2	EXXON MOBIL CORP DISCOUNTED			3,000,000.00		3,000,000.00
06/29/18	06/29/18	Matured	912796FMS	UNITED STATES TREASURY BILL			20,000,000.00		20,000,000.00

Cash Activity USD

Transaction / Trade Date	Settlement / Eff. Date	Activity	Description	Debit Amount / Disbursements	Credit Amount / Receipts
06/04/18	06/04/18	Journal	AUTO SK SETTLEMENT	2,978,470.09	
06/05/18	06/05/18	Journal	AUTO SK SETTLEMENT	2,008,853.99	
06/05/18	06/05/18	Journal	AUTO SK SETTLEMENT	2,966,633.33	
06/05/18	06/05/18	ACH/DDA Transaction	DESIGNATED DDA	13,000,000.00	
06/06/18	06/06/18	ACH/DDA Transaction	DESIGNATED DDA	9,000,000.00	
06/06/18	06/06/18	ACH/DDA Transaction	DESIGNATED DDA		9,000,000.00
06/12/18	06/12/18	ACH/DDA Transaction	DESIGNATED DDA	12,000,000.00	
06/14/18	06/14/18	ACH/DDA Transaction	DESIGNATED DDA	20,000,000.00	
06/18/18	06/18/18	Cash Wire Journal Entry	SAFEKEEPING ADJ	19,976,933.33	
06/18/18	06/18/18	ACH/DDA Transaction	DESIGNATED DDA		60,000,000.00
06/19/18	06/19/18	ACH/DDA Transaction	DESIGNATED DDA	10,000,000.00	
06/21/18	06/21/18	Journal	AUTO SK SETTLEMENT	19,872,622.22	
06/25/18	06/25/18	Journal	AUTO SK SETTLEMENT	3,018,390.00	
06/26/18	06/26/18	Journal	AUTO SK SETTLEMENT	1,622,536.35	
06/26/18	06/26/18	ACH/DDA Transaction	DESIGNATED DDA	15,000,000.00	
06/29/18	06/29/18	ACH/DDA Transaction	DESIGNATED DDA	25,000,000.00	

Safekeeping

KERN HEALTH SYSTEMS
Account Number: 1AB84780

Money Market Fund Activity

Morgan Stan TreasSvc 8314		Dividend earned this period	7 day* simple yield	30 day* simple yield		
*As of June 30, 2018						
USD		38,121.05	1.730%	1.660%		
Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	Beginning Balance		1.0000	38,575,850.90		38,575,850.90
06/01/18	Purchase	6,593,500.00		6,593,500.00		45,169,350.90
06/01/18	Purchase	12,911.94		12,911.94		45,182,262.84
06/04/18	Redemption	(2,726,652.62)		(2,726,652.62)		42,455,610.22
06/05/18	Redemption	(2,008,853.99)		(2,008,853.99)		40,446,756.23
06/05/18	Redemption	(13,000,000.00)		(13,000,000.00)		27,446,756.23
06/05/18	Redemption	(2,996,633.33)		(2,996,633.33)		24,450,122.90
06/06/18	Purchase	30,000.00		30,000.00		24,480,122.90
06/06/18	Purchase	9,000,000.00		9,000,000.00		33,480,122.90
06/06/18	Redemption	(9,000,000.00)		(9,000,000.00)		24,480,122.90
06/07/18	Purchase	3,000,000.00		3,000,000.00		27,480,122.90
06/11/18	Purchase	251,745.21		251,745.21		27,731,868.11
06/12/18	Redemption	(12,000,000.00)		(12,000,000.00)		15,731,868.11
06/13/18	Purchase	28,811.25		28,811.25		15,760,679.36
06/14/18	Purchase	15,000,000.00		15,000,000.00		30,760,679.36
06/14/18	Redemption	(20,000,000.00)		(20,000,000.00)		10,760,679.36
06/15/18	Purchase	2,152,843.64		2,152,843.64		12,913,523.00
06/18/18	Purchase	3,983,575.00		3,983,575.00		16,897,098.00
06/18/18	Purchase	60,000,000.00		60,000,000.00		76,897,098.00
06/18/18	Purchase	373.05		373.05		76,897,471.05
06/18/18	Redemption	(19,976,933.33)		(19,976,933.33)		56,920,537.72
06/19/18	Redemption	(10,000,000.00)		(10,000,000.00)		46,920,537.72
06/20/18	Purchase	3,000,000.00		3,000,000.00		49,920,537.72
06/20/18	Redemption	(373.05)		(373.05)		49,920,164.67
06/21/18	Redemption	(19,972,622.22)		(19,972,622.22)		29,947,542.45
06/22/18	Purchase	3,000,000.00		3,000,000.00		32,947,542.45
06/25/18	Redemption	(3,018,390.00)		(3,018,390.00)		29,929,152.45
06/26/18	Redemption	(1,622,536.35)		(1,622,536.35)		28,306,616.10
06/26/18	Redemption	(15,000,000.00)		(15,000,000.00)		13,306,616.10
06/28/18	Purchase	20,000,000.00		20,000,000.00		33,306,616.10
06/29/18	Redemption	(25,000,000.00)		(25,000,000.00)		8,306,616.10
06/29/18	Reinvest	38,121.05			38,121.05	8,344,737.15

KERN HEALTH SYSTEMS
Account Number: 1AB84780

Money Market Fund Activity (Continued)

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	Ending Balance		1.0000	8,344,737.15		8,344,737.15

Safekeeping

08/28/18 10:45:32 AM 2018/08/28 10:45:32 AM 10:45:32 AM 10:45:32 AM 10:45:32 AM



To: KHS Finance Committee

From: Alonso Hurtado, Director of Procurement and Facilities

Date: August 3, 2018

Re: Contracts Policy and Acquisitions and Payment of Expenditures Policy Change Request

Background

The Contracting Policy for Administrative Contracts (“Contracts Policy”) and the Acquisitions and Payment of Expenditures Policies cover the Request for Proposal process for administrative contracts and purchases. These policies cover the requirements that trigger the initiation of an RFP process. KHS is seeking approval for changes pertaining to the RFP process, sole source justification, RFP dollar limits and reference of the RFP process in the Acquisition and Payment of Expenditures Policy.

Discussion

In an effort to streamline processes and procedures for Management, Senior Management is proposing a change to the Contracts Policy to allow KHS to execute a one (1) time renewal contract with an incumbent vendor that was selected as a result of an RFP process. This renewal will be approved by Legal and is limited to a maximum renewal period of one (1) three (3) year term. In addition to this change, KHS is seeking to raise the limit for an RFP process from \$50,000 to \$100,000. Proposed language has been reviewed and approval by Legal and its currently being used by the County under their Purchasing Policy. This change will allow purchasing staff to focus their time on higher level risk contracts. (See attached redlines to Contracting Policy 100.12-I and Acquisitions and Payment of Expenditures Policy 8.11-I)

An estimate of the number of staff hours to prepare an RFP process varies greatly based on the complexity and the staff involved. Generally, this process can include Administrative Staff, Project Managers, Purchasing Staff and Senior Management. This change and increase in the RFP limit will eliminate redundancy for repetitive contracts.

Requested Action

Approve the change on the Contracts Policy to allow a one-time renewal option not to exceed a three year term with vendors that were selected as a result of an RFP process, addition of sole source justification language, and raising the dollar value for an RFP process from \$50,000 to \$100,000; Refer to KHS Board of Directors.



KERN HEALTH SYSTEMS

KERN HEALTH SYSTEMS					
POLICY AND PROCEDURES					
SUBJECT: Acquisitions and Payment of Expenditures			POLICY #: 8.11-I		
DEPARTMENT: Finance					
Effective Date: 03/2006	Review/Revised Date: 08/18/2016	DMHC		PAC	
		DHCS		QI/UM COMMITTEE	
		BOD		FINANCE COMMITTEE	

_____ Date _____
 Douglas A. Hayward
 Chief Executive Officer

_____ Date _____
 Chief Financial Officer

_____ Date _____
 Chief Operating Officer

_____ Date _____
 Controller

_____ Date _____
 Director of Compliance and Regulatory Affairs

_____ Date _____
 Director of Procurement and Facilities

POLICY:

Kern Health Systems (KHS) is a public agency and as such complies with the rules and regulations contained in the California Government Code Section 6250 et. Seq. In addition, KHS complies with purchasing authority granted by the KHS Governing Board. KHS’ purchasing policy and procedure adheres to “best purchasing practices” that provide for effective and expedient procurement of goods and services necessary to support Kern Health’ Systems operational needs and budgetary controls, while ensuring that company resources are protected and maximized. The policy promotes disclosures of conflict of interest and compliance with statutory regulations whenever applicable.

-DEFINITIONS:

Purchasing means buying, procuring, renting, leasing, or otherwise acquiring any materials, supplies, services, construction, and equipment, including description of specifications and requirements, selection and solicitation of resources, preparation, and award of contract. Purchases are classified into the following types or categories in order to distinguish the appropriate procedures, authorization, and documentation for processing requisition, acquisition, and payment.

Fixed Assets	Includes land, building and improvements, furniture and equipment, computer hardware/peripheral/software, and capital leases. Fixed assets, except for computer software, with unit cost of less than \$1,000.00 are treated as an expense. Computer software with unit cost of less than \$5,000.00 is treated as an expense.
Business Supplies and Printed Forms and Materials	Includes all office and computer supplies and all printing and copying materials for business forms, handbooks and manuals, marketing and promotional materials and other documents. These expenditures are further classified into stock items, and non-stock items, printing, copying, and computer supplies. Stock items are those supply items such as letterhead and pre-printed envelopes, non-stock are those supply items and materials that are regularly used in operations including supplies on the standard order form.
Services	Includes the following: <ul style="list-style-type: none"> • Professional services such as legal, accounting, actuarial, and other professional consulting services • Maintenance service agreements for office equipment, computer hardware and software systems, communication systems and facility maintenance • Utilities such as water, electricity, and telephone • Outsource services for on-call nurse advice, nurse on-site visits, outsourced medical management services, pharmacy claims processing, formulary, human resources, temporary help, mailing and reprographics, electronic billing, and media advertising.
Other Business Expenses	Includes recruiting, subscription journals and books, postage and express deliveries, property and liability insurance, taxes and licenses, membership and professional dues, Board and committee meetings, and other miscellaneous business expenses.

PROCEDURES:

1.0 PURCHASING PRACTICES AND STANDARDS

No purchases or expenditures shall be made or committed without required prior authorization. Typically, a Purchase Requisition (PR) and an attached Request for Quote form (RFQ) (see Attachment A) will initiate a purchase. All departments can initiate a purchase requisition.

The quality of goods and services to be purchased, as well as their supplier/provider, shall be evaluated for reasonableness of warranty, durability reputation, reliability, reference and financial stability when making selection decisions. Upon receipt of the purchase requisition, the Director of Procurement and Facilities and department head will determine quality standards.

KHS will secure competitive ~~pricing quotes and bids~~ to obtain the maximum value from the expenditures. Electronic (email/fax) solicitations may be used for purchases up to Five Thousand Dollars (\$5,000.00). The competitive bid process for items above below Five Thousand Dollars (\$5,000) will be performed by the Purchasing requesting dDepartment. ~~Electronic (email/fax) solicitations may be used for purchases up to Five Ten Thousand Dollars (\$510,000.00). One time purchase of goods or services above Five Thousand Dollars (\$5,000) requires a competitive bid process that will be performed by the Purchasing Department- and but~~ must be documented on the bid matrix. Actual bid, sole or single source justification and/or cost price analysis documents are required for purchases over ~~Five Ten~~ Thousand Dollars (~~\$510,000.00~~). Request for Proposal (RFP) shall be used to solicit bids for professional services over ~~One Hundred Fifty~~ Thousand Dollars (~~\$1050,000~~). 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. (See also Contracting Policy 16.10-I Contracting Policy for Administrative Contracts for additional requirements on sole source and RFPQ amended contracts for services).

Pursuant to KHS Policy 10.02-I Conflict of Interest – Board Members, Subcommittee Members, and Employees, the Director of Procurement and Facilities and any affected employee must make a full disclosure of any potential conflicts of interest for approval by the Chief Executive Officer and/or the Board of Directors before completing the transaction. The officer or the purchaser may not accept, directly or indirectly, any payments, loan services, travel, gifts or entertainment with a value of more than Fifty Dollars (\$50.00), in any three month period or quarter.

Purchases of services shall be in compliance with the Federal and State guidelines with regard to of individuals as “independent contractors”. The determination of whether an individual is classified as an employee or an independent contractor must occur before the work is commenced. Purchasers are encouraged to actively seek out vendors who are local, small, minority or women owned businesses.

Government rates and discounts whenever available should be sought out. Services provided by existing service contract providers and preferred suppliers should be monitored for compliance with contract terms and conditions and quality of services for contract renewal recommendation and consideration.

2.0 PURCHASING RESPONSIBILITY

All Departments and Executives – Requisition for authorized purchases is initiated by submission of a Purchase Requisition (PR) with an attached Request for Quote (RFQ). Initializing the PR will be the responsibility of each individual department in coordination with the Purchasing Department. Signature limits are listed in the Table in Section 3.0 below.

The CEO, CFO or COO shall be involved in the final selection and decision of any purchase of goods or services with a value of Five Thousand Dollars (\$5,000.00) or more. Every attempt will be made to execute contractual agreements on standard KHS Purchase Orders or Purchase Service Agreements (See Attachment D). In the event that a contractual agreement is drafted with non-standard contractual language, the contract must be approved by legal counsel prior to execution by KHS management or Board. (make sure part of contracting policy) All contractual agreements, *excluding* Purchase Orders, in amounts greater than \$30,000, must be ~~(approved by — remove)~~ reported to the Board of Directors per Contracting Policy 16.10-I Contracting Policy for Administrative Contracts.

3.0 PURCHASE AUTHORIZATION LIMITS

Approved Budgeted and Expense Reserve Fund Items	
Department Manager/Supervisor	\$ 500.00
Department Director/Controller	\$1,000.00
Director of Procurement and Facilities	\$2,500.00
Department Executive Officer	\$5,000.00
Chief Executive Officer, Chief Operating Officer and/or Chief Financial Officer	Over \$5,000.00

4.0 REQUISITIONS, AUTHORIZATION, AND PAYMENT FORMS

- A. Request for Quote Form (RFQ) – (See Attachment A). This form is an internal form used to describe the details of a purchase. This form gives the Purchasing Department the necessary information needed to proceed with obtaining bids from qualified vendors. Upon receipt of at least three (3) competitive bids, the Director of Procurement and Facilities or their assigned shall create a bid decision matrix, indicating the vendor name, bid/quote, and any pertinent decision making criteria necessary to evaluate the bids. A summary of the results and the final compelling decision must accompany the matrix. If a vendor who was not the low bidder is selected, the decision must be clearly indicated in the summary.
- B. Request for Proposal Form (RFP) – (See attachment B). This form is used to solicit proposals for professional services over ~~\$100,000,50,000~~. Upon receipt of the RFP proposals, requestor shall create a proposal decision matrix, indicating the vendor name, bid/quote, and any pertinent decision making criteria necessary to evaluate the bids. A summary of the results and the final compelling decision must accompany the matrix. If a vendor who was not the low bidder is selected, the decision must be clearly indicated in the summary. For amendments to contracts involving an RFP see Contracting policy 16.10-I Contracting Policy for Administrative Contracts.
- C. Check Request Form (CR) – (See Attachment C). A Check Request form documents that the Accounting Department has reviewed the invoice presented for payment and all the documentation supporting that invoice is authorized by the fully executed PO. Upon completion, the CR documents that payment for the invoice is authorized and how the purchase will be recorded in the accounting records.

Other forms such as the Purchase Requisition (PR), Purchase Order, (PO), and receipts are created internally by the purchasing workflow.

5.0 REQUISITIONING

Employee completes a Purchase Requisition (PR) via the purchasing workflow system. The completed requisition should clearly state the cost center, GL, proposed vendor, cost, quote details (if known), estimated date required and will contain, as an attachment to the PR, an RFQ and in cases where an RFP was performed, any supporting documentation referred to in Section 4. Special instructions should likewise be stated in the comments field. Other available supporting documentation or materials should also be attached. The source for estimating the cost whenever applicable or necessary should be stated on the requisition form.

The completed requisition is submitted for approval through the purchasing system. The PR is sent to the Purchasing Department via the purchasing system where it is reviewed for price and vendor selection any documentation including RFP or RFQ is attached to the PR. The PR is then routed to the cost center's manager for approval following the purchase authorization limits hierarchy as shown in Section 3 of this policy. Upon the PR's approval by the highest level authority a PO is generated.

A copy of the completed requisition is maintained in the purchasing system.

6.0 PURCHASING

Upon receipt of the approved Purchase Requisition, the Director of Procurement and Facilities or their assigned will use the purchasing workflow to create a Purchase Order (PO) to acquire the needed goods or services in accordance with the standards and practices in Section 1 of this policy. The PO will include any additional or specific instructions from the requisition and GL account information. The Director of Procurement and Facilities or their assigned will ensure that all supporting documentation is attached to the PO within the workflow documents section of the purchasing workflow.

The Director of Procurement and Facilities is responsible for submitting the original completed and fully authorized PO to the vendor. The accounts payable staff monitors the status of the PO through completion by payment in the accounting purchasing system.

7.0 RECEIVING

Three different methods may be used to document the receipt of a purchase. These methods ensure that the benefit of a purchase was received by KHS as opposed to another party.

7.1 Goods

The Operations Clerk is responsible for handling each shipment received by KHS. For all goods except for fixed assets, the clerk counts and inspects the goods against the original packing list accompanying the shipment. Discrepancies between the packing list and items received are noted and initialed by the clerk. If the clerk is unable to reconcile the merchandise with the packing slip, the requisitioning department will be called upon to verify the contents of the shipment. Upon completion, the clerk will sign and date the bottom of the packing list and forward the original to the Accounting Department. The clerk will maintain a copy for the receiving files. If no packing list arrives with the merchandise, the clerk will fill out a substitute receiving form, sign

and date the bottom, and will forward to the Accounting Department. The operations clerk also logs each receipt in the Delivery Log file which is located on the shared intranet S:// drive. Upon receipt of the packing list the Accounting Department date stamps the receiving documents. When the goods are received by the requesting employee and/or Department Manager/Supervisor, the items should be verified against their copy of the requisition. Any discrepancies will be noted on the copy and the responsible purchaser notified. It is the responsibility of the Purchasing Department to rectify the discrepancies with the vendor.

7.2 Fixed Assets

If the goods received are fixed assets such as furniture and equipment, in addition to the receiving clerk a representative from the Accounting Department will be notified and will be present when the items are received in order to assign an inventory control number for inventory purposes. In the event that the item(s) is IT equipment, a representative from the IT Department will also be present to verify that the proper equipment has been received.

7.3 Services

The receipt of services is documented by either a performance of service document from the vendor signed by a KHS employee or the verification by the Department Manager by signoff of the actual invoice.

8.0 PAYMENT OF THE ACQUISITION

All vendors are directed to submit invoices directly to the Accounting Department.

Within ten (10) business days of receipt of a vendor invoice, the designated Accounting Clerk (Clerk) will match the invoice with the receiving documents and completed and authorized PO or Blanket PO. The matching process includes verification of vendor information and verification that the number of items purchased and the dollar amount on the PO and receiving documents match.

If an invoice exceeds the Purchase Order by more than 10%, the Accounting Clerk will contact the Department Manager and/or Director of Procurement and Facilities to resolve the discrepancy. This 10% should not surpass the pre-established limits for purchases and contracts. If a contract or purchase exceeds the limits for Board of Directors approval they will be required to be presented to the Board of Directors for retroactive approval. If additional dollars need to be authorized, the department will issue a PR for the additional amount and the PR will continue through the regular accounting purchasing workflow authorization process.

Any purchases not appropriately documented are forwarded to the Controller or their assigned for resolution.

The table below outlines the steps followed during the payment process.

Step 1	The A/P Clerk initiates a <i>Check Request (CR)</i> for all appropriately documented purchases. (See Attachment C). The Clerk records the following information:
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	A. CR number B. Line of Business C. Payee name and address D. Amount E. Date: date CR was created F. Vendor number G. Invoice number H. Due date I. Prepared by
Step 2	The Clerk documents the mathematical accuracy of the invoice. If the invoice is inaccurate, it is taken to the Accounting Manager for resolution.
Step 3	The Clerk completes the appropriate general ledger distribution information.
Step 4	The completed CR is forwarded to the Controller or assigned for approval. Upon his/her approval, the Accounts Payable clerk can then enter the invoice into the accounting system for payment processing.

Payment of invoices will follow best practices for payment of invoice. The Clerk will pay within terms of the invoice and will make every effort to take advantage of allowable discounts.

Where possible, arrangements are made for the vendor to bill KHS via an invoice after the goods/services are received. If this is not possible, a check is processed based on the purchase authorization alone. After check processing, Accounting Staff will not file the CR until the invoice/receipt is received. That invoice/receipt is then reconciled to the authorized purchase order.

ATTACHMENTS:

- ❖ Attachment A Request for Quote (RFQ)
- ❖ Attachment B Request for Proposal (RFP)
- ❖ Attachment C Check Request (CR)
- ❖ Attachment D Currently approved Professional Services Agreement Contract.

REFERENCE:

Revision 2018-07: Policy updated by Finance and Corporate Services. **Revision 2016-04:** Policy reviewed by Director of Procurement and Facilities. Titles updated, dollar amount corrected to reflect RFP. **Revision 2014-08:** Update limit for Board of Directors approval to \$30,000.00. **Revision 2012-12:** Revisions provided by KHS Chief Financial Officer. Contractual agreements will be made on standard KHS Purchase Orders or Purchase Service Agreements whenever possible. If the contractual agreements is drafted with non-standard contractual language it must be approved by legal counsel prior to execution by KHS management or Board. New Attachment D that contains PSA and BAA. **Revision 2011-12:** Revised by Purchasing Manager. **Revision 2011-10:** Major revision provided by Controller and Purchasing and Facilities Manager. **Revision 2006-09:** New policy created per management request. This policy will replace policies that were previously maintained by the Accounting Department.



KERN HEALTH SYSTEMS

KERN HEALTH SYSTEMS					
POLICY AND PROCEDURES					
SUBJECT: Contracting Policy for Administrative Contracts				POLICY #: 100.12-I	
DEPARTMENT: <u>Corporate Services Administration</u>					
Effective Date: 01/2010	Review/Revised Date: 05/04/2016	DMHC	<input type="checkbox"/>	PAC	<input type="checkbox"/>
		DHCS	<input type="checkbox"/>	QI/UM COMMITTEE	<input type="checkbox"/>
		BOD	<input checked="" type="checkbox"/>	FINANCE COMMITTEE	<input type="checkbox"/>

_____ Date _____
 Douglas A. Hayward
 Chief Executive Officer

_____ Date _____
 Chief Financial Officer

_____ Date _____
 Chief Operating Officer

_____ Date _____
 Controller

_____ Date _____
 Chief Information Officer

_____ Date _____
 Director of Compliance and Regulatory Affairs

_____ Date _____
 Director of Procurement and Facilities

POLICY:
 The Kern Health Systems Director of Procurement and Facilities shall manage and administer all administrative contracts according to the provisions of this Policy to ensure payment and performance by the parties according to the terms of the contracts and the requirements of all regulatory agencies.

DEFINITIONS:

Administrative Contracts	Administrative Contracts are all contracts other than provider agreements.
Central Compliance Document	The document that verifies compliance with this Policy.
Contract Manager	A management level employee, reporting to the Chief Financial Officer, responsible for contract administration.
Contracts Committee	A committee comprised of the Director of Procurement and Facilities and members of the KHS staff as assigned by the Chief Executive Officer.
Internal Reporting Requirement	The interval of time (monthly, quarterly, semi-annually, or annually) assigned by the Chief Financial Officer.

PROCEDURES:

1.0 CONTRACT INITIATION

To initiate consideration of a new contract, purchase, or ~~to an~~ amendment ~~to extend~~ the terms of an existing contract, the Contract Owner must submit a Specifications Sheet (Spec Sheet) identifying a requirement. After vendor selection, a Purchase Requisition (PR) will be entered in Accpac along with a copy of the approved contract and attach a specifications sheet or previous contract if applicable. Hardware, software, and maintenance warranties will be processed as a PR (See Attachment B). For any contracts of purchases above \$5,000, the Contract Owner will provide a completed signed Agreement-At-A-Glance (AAAG) to the Director of Procurement and Facilities. For contracts requiring approval by the committee, executives or KHS' board of directions the contract owner should provide the PR two months in advance. The Director of Procurement and Facilities shall present to the Contracts Committee a Contract Review Packet. The Contract Owner or a representative must be present during the Contracts Committee meeting to answer any questions pertaining to the contract. The presented completed Contract Packet will that includes all the following and a completed Agreement at a Glance form:

- a. A concise statement of the reason for the new contract or amendment;
- b. A written justification for the recommended vendor or contractor that addresses price, KHS requirements, anticipated usage and any other information the Director of Procurement and Facilities believes is relevant;
- c. If competitive bids were considered for the contract, copies of all bids received, along with a bid matrix and vendor selection justification. -(See Acquisitions and Payment of Expenditures Policy #8.11-1). Sole source bids may be considered in certain circumstances. (See section 2.0 of this policy)
- d. If the contract is intended to assist in the administration of a Project, a copy of the Project budget and a summary of the Project contractor's duties;

- e. A copy of the proposed contract or amendment;
- f. The Director of Procurement and Facilities recommendation regarding the proposed contract or amendment;
- g. A completed Agreement at a Glance form requiring the signatures of the Chief Financial Officer, the Chief Operating Officer, Director of Compliance and Regulatory Affairs and confirmation that legal counsel has reviewed the contract before the contract may be approved;
- h. An Agreement at a Glance form and bid matrix will be presented to the KHS Board of Directors. (See Attachment A).
- i. A statement or approval from the Chief Financial Officer or Controller as to whether funds for the contract are included in the current budget.

Every contract shall include a detailed scope of services to be provided, the contractor's performance obligations, a payment cap on maximum KHS exposure, a provision authorizing termination without cause when applicable, the contractor's commitment to comply with all KHS policies regarding reimbursement for travel business expenses.

2.0 SOLE SOURCE CONTRACTS

Sole Source Acquisition (Exception to Bid) may be considered if the competitive process cannot be used to procure services or the Purchasing Department feels that such a process would not be appropriate or in KHS' best interest. —a sole source acquisition will be performed. Discretion for best interest resides with the CEO and it is presented to the Board of Directors based on the Acquisition limits in this policy and Policy 8.112 Acquisitions and Payment of Expenditures.

3.0 CONTRACT AMENDMENTS

Contracts established by means of the RFP process may have an initial term of a maximum of three (3) years. Agreements may be renewed by written amendment for up to one (1) additional three (3) year term. The department should work with Counsel to make the final determination regarding any amendment extending the term based upon the scope and length of time the service is needed by the department, the availability of other qualified providers, cost and changes in technology.

2.0 43.0 CONTRACT APPROVAL

After the Contracts Committee considers the Contract Review Packet, the Director of Procurement and Facilities shall forward the Contract Review Packet, together with its recommendation regarding the proposed contract or amendment, to the Director of Compliance and Regulatory Affairs. The Director of Compliance and Regulatory Affairs may prepare a separate recommendation and shall return the Contract Review Packet to the Director of Procurement and Facilities —to forward the Contract Review Packet and all recommendations to KHS legal counsel and to the Chief Executive Officer.

Following this review by legal counsel, the Chief Executive Officer may approve or disapprove the contract or amendment, provided, however, that any contract or amendment

with a total price (this includes tax and shipping charges) of \$50,000 or more if not budgeted and \$100,000 or more if budgeted shall be first submitted to the KHS Board of Directors for consideration. The dollar parameters will take into account any subsequent amendments that occur and will be presented to the KHS Board of Directors prior to the execution of any amendments if the original contract and subsequent amendment exceed the aforementioned approval amounts. A listing of all administrative contracts that are over \$30,000 are to be included with the monthly Chief Financial Officer Report that is presented to the Finance Committee and Board of Directors.

After approval but before execution, the contract or amendment shall be submitted to the contractor for signature. Upon receipt of the contract or amendment executed by the contractor, the Chief Executive Officer may execute the contract on behalf of KHS. Only the Chief Executive Officer may execute a contract or amendment. In the absence of the Chief Executive Officer, the KHS Chairman of the Board can grant contract signature authority to the Chief Financial Officer or Chief Operating Officer.

After the contract or amendment is executed, a copy shall be submitted to the Director of Compliance and Regulatory Affairs who shall file it with any necessary regulatory agency. The original will be filed in and scanned into the Alchemy and MFiles contract folder.

Corporate Services staff shall update the central contract compliance document and notify the Contract Owner and the Accounting Department that the contract has been executed.

Once a contract is approved, Corporate Services will scan a complete copy into Alchemy and MFiles. ~~will file the o~~Original copy in Corporate Services. The Director of Procurement and Facilities- will approve the PR and Corporate Services will email the Accpac generated P.O. that was created as a result of the approved P.R. to the vendor.

If the contract or amendment is denied, the Chief Executive Officer shall forward the Contract Review Packet to the Director of Procurement and Facilities -for filing as denied.

3-0 **5.0 MONITORING AND REPORTING**

The Contract Owner shall monitor payments made under the contract and the parties' performance of the contract. Before a contract terminates, the Director of Procurement and Facilities -shall initiate any renewal process at least three months prior to the contract termination date and in accordance with the requirements of the contract and this policy. It is the Contracts Owner responsibility to provide approval for the renewal.

The Accounting Department shall monitor all payments and expenditures and shall account for expenditures from all the project budgets. The Accounting Department shall provide monthly reports on project budget expenditures to the Contract Owner.

6.0 CONTRACT TERMINATION PROCESS

It is the Contract's Owner responsibility to provide timely notice for termination of an agreement and final approval to the Director of Procurement and Facilities. The Contracts Coordinator will notify vendor and will begin process for contract termination. Contract Owner will receive final notification from Contracts Coordinator after termination of agreement.

ATTACHMENTS:

Attachment A: *Agreement At A Glance*

Attachment B: *Support/Maintenance Warranties*

REFERENCE:

Revision 2018-07: **Revision 2016-04:** Request from CFO to raise contract limits from 30,000 to 50,000 if not budgeted and 100,000 or more if budgeted shall be first submitted to KHS Board of Directors for consideration. Titles updated. **Revision 2015-04:** Minor revisions to correct/clarify language. **Revision 2014-11:** Language added to clarify how to submit a request for contract to Purchasing Manager. **Revision 2014-04:** Processes reviewed by Chief Information Officer and Purchasing Manager. Titles updated. **Revision 2013-11:** Request from KHS Controller to raise contract limit from \$10,000 to \$30,000. **Revision 2011-06:** Reassigned responsibilities from Executive Committee to Contracts Committee and Chief Operating Officer changed to Chief Financial Officer. Granted contract approval to the Chief Financial Officer and Chief Operating Officer with authority from the KHS Chairman of the Board. **Revision 2010-03:** Created to ensure effective oversight of all administrative contracts.

Proposed administrative contract over \$100,000, August 9, 2018.

1. Operational Agreement with Payspan

a. Recommended Action

Approve; Authorize Chief Executive Officer to Sign

b. Contact

Robert Landis, Chief Financial Officer

c. Background

KHS produces approximately 40,000 provider payments annually along with each provider check is a Remittance Advice (“RA”) which describes that payment. RAs are printed on paper and require significant KHS Accounting Staff involvement to print the checks and RAs, match the check to the RA and then prepare for mailing. This is a very manual, cumbersome and time consuming weekly process.

d. Discussion

KHS is proposing to amend/extend the current contract with Payspan for the provider check payment process. Continuing to outsource the provider payment process to PaySpan, a specialized vendor offering payment solution along with print and mail fulfillment, improved efficiencies, reduced administrative costs and increased provider satisfaction has become standard industry practice. PaySpan’s application is a web-based solution designed to provide a technology-based approach to the claims settlement process between healthcare payers and providers with print and mail services along with EFT payments for a three (3) year period.

e. Fiscal Impact

Not to exceed \$240,000.00 annually

f. Risk Assessment

KHS has been provided with an AICPA Service Organization Control Report (Formerly a SAS 70 Report). Payspan has more than 30 years of payments expertise and provides services to more than 900 Health Plans, 90 million Members, 750,000 Providers and 15,000 Financial Institutions. Payspan currently provides services to Centene Corporation, WellCare and Amerigroup and is implementing similar product offerings to LA Care.

g. Attachments

An Agreement at a Glance form is 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: Accounting Department Head: Robin Plumb
 Contract Vendor: PaySpan
 Vendor contact Name & e-mail: Claire Campbell, claire.campbell@payspan.com

What services will this vendor provide to KHS? PaySpan will provide KHS with a web-based application designed to provide a technology-based approach to the claims settlement process between healthcare payers and providers with print and mail services along with EFT payments for a three (3) year period.

Description of Contract

Type of Agreement: Professional Services Background: KHS produces approximately 40,000 provider payments annually Along with each provider check is a Remittance Advice ("RA") which describes that payment. RAs are printed on paper and require significant KHS Accounting Staff involvement to print the checks and RAs, match the check to the RA and then prepare for mailing. This is a very manual, cumbersome and time consuming weekly process.

- Establish a new agreement
- Amendment
- Continuation of an Existing Contract
- Replacement
- Addendum

Previous Agreement No. _____ or Amendment No. _____
 Date Agreement Began _____

Brief Explanation KHS is proposing to outsource the current provider payment process to PaySpan, specialized vendor offering payment solutions along with print and mail fulfillment, to improve efficiencies and to reduce administrative costs for both KHS and its network providers. This outsourcing process has become standard industry practice. In addition to replicating the current electronic and manual processes, management believes that they will be able to increase the amount of providers utilizing EFTs.

- Retroactive Agreement
- Retroactive Date _____

Reason for delay in approval: _____

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: _____

- Sole source – no competitive process can be performed.

Brief reason for sole source: KHS currently has an ongoing contract with PaySpan for EFT services.

- Conflict of Interest Form is required for this Contract

- HIPAA Business Associate Agreement is required for this Contract

Form updated 11/28/16

Fiscal Impact

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

Budgeted Cost Center 210 GL# 5495

Will this require additional funds? NO YES

Maximum cost of this agreement not to exceed: \$240,000.00 per year

Notes: 90 day term option with no cause.

Contract Terms and Conditions

Effective date: 8/21/2018 Termination date: 8/20/2021

Explain extension provisions, termination conditions and required notice: _____

Approvals

Contract Owner:

[Signature]
Department Head

7/24/18
Date

Purchasing:

[Signature]
Director of Procurement

7/23/18
Date

Reviewed as to Budget:

[Signature]
Chief Financial Officer or Controller

7/25/18
Date

Recommended by the Executive Committee:

[Signature]
Committee Chairman

7/24/18
Date

Compliance Review:

[Signature]
Chief Compliance Officer

7/24/18
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

Proposed administrative contract over \$100,000, August 9, 2018.

1. Operational Agreement with Coffey Communications

a. Recommended Action

Approve; Authorize Chief Executive Officer to Sign

b. Contact

Isabel Silva, Director of Health Education, Cultural & Linguistics Services

c. Background

All Medi-Cal Managed Care Health Plans generate and distribute member newsletters to their member households. As a contractual requirement with DHCS, KHS must maintain a health education system that provides educational interventions (i.e. member newsletters) addressing:

- Appropriate use of health care services;
- Risk-reduction and healthy lifestyles and;
- Self-care and management of health conditions.

For more than 15 years, KHS has maintained a contract with Coffey Communications to produce high quality and easy to read member newsletters that contain attractive illustrations and helpful resources. In the most recent group needs assessment, the member newsletter was listed as one of the preferred learning methodologies among KHS members.

d. Discussion

KHS utilizes the member newsletter to consistently communicate a wealth of information to members in a single, concise mailing.

Many of KHS' policies and procedures and projects reference the member newsletter as a strategy for educating and informing members. Each issue averages about 18-24 articles and covers an array of topics which include but are not limited to:

- Health education
- Access to services
- Member rights and responsibilities
- Instructions on accessing interpreting services or filing a grievance
- Changes in benefits
- Availability of community resources

KHS utilizes the national articles developed by Coffey Communications and relies on this vendor to assess the reading levels of newsletter articles, design the layout of the newsletter, evaluate for cultural and linguistic appropriateness, as well as coordinate the printing and household mailings.

e. Fiscal Impact

Not to exceed \$119,483.00 per one year

f. Risk Assessment

The member newsletter is the simplest and most cost effective way of informing and educating KHS members on a variety of information through a single mailing. Without the member newsletter, KHS would experience cost increase due to:

- Postage for multiple member information mailings
- Staffing time to produce, design, mail and track multiple member information mailings

- Utilization of other communication methods (i.e. telephone, television/radio announcements)

g. Attachments

An Agreement at a Glance form and the bid matrix is 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: Health Education Department Head: Isabel Silva

Contract Vendor: Coffey Communications

Vendor contact Name & e-mail: Eric Dutton, edutton@coffeycomm.com

What services will this vendor provide to KHS? Development (including access to library of national articles, ability to localize 100% of content and design/layout), printing, postage, and mailing of member newsletters in English and Spanish to members two times a year.

Description of Contract	
-------------------------	--

Type of Agreement: <u>Printed Materials</u>	Background: <u>Two issues per year. Member newsletters contain health, member and benefit related articles in compliance with state contract and KHS P&Ps.</u>
---	--

- | | |
|--|---|
| <input type="checkbox"/> Establish a new agreement | Previous Agreement No. _____ or Amendment No. _____ |
| <input type="checkbox"/> Amendment | Date Agreement Began _____ |
| <input checked="" type="checkbox"/> Continuation of an Existing Contract | Brief Explanation <u>KHS has used Coffey Communications for development of the member newsletter for over 15 years.</u> |
| <input type="checkbox"/> Replacement | |
| <input type="checkbox"/> Addendum | |

<input type="checkbox"/> Retroactive Agreement	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: Coffey Communications has produced a high quality member newsletter and provided excellent customer service in the development of articles, illustrations, layout, translations, and helpful resources to KHS for more than 15 years. Coffey Communications gives KHS access to their national library which consists of hundreds of pre-written articles available in English and Spanish which allows KHS the flexibility of using a Coffey produced article or customizing a local article. Although Wax Communications was the lowest bidder, they lack a national library of pre-written articles which would require KHS to dedicate more staff time towards the research and development of articles for each issue of the member newsletter.

Sole source – no competitive process can be performed.

Brief reason for sole source: _____

Conflict of Interest Form is required for this Contract

HIPAA Business Associate Agreement is required for this Contract

Form updated 11/17/15

Fiscal Impact

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

Budgeted Cost Center 312 GL# 5645

Will this require additional funds? NO YES

Maximum cost of this agreement not to exceed: \$119,483.00 per year

Notes: Based on the max of 125,000 copies at base cost \$0.2025 per copy, plus estimated postage and mailing services.

Contract Terms and Conditions

Effective date: 8/26/18 Termination date: 8/26/19

Explain extension provisions, termination conditions and required notice: _____

Approvals

Contract Owner:
Quinton Jaba
Department Head
7/24/18
Date

Purchasing:
[Signature]
Director of Procurement
7/24/18
Date

Reviewed as to Budget:
[Signature]
Chief Financial Officer or Controller
7/25/18
Date

Recommended by the Executive Committee:
[Signature]
Committee Chairman
7/24/18
Date

Compliance Review:

Chief Compliance Officer

Date

Legal Review:

Legal Counsel

Date

Chief Executive Officer Approval:

Chief Executive Officer

Date

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

KHS Board Chairman

Date

Form updated 11/17/15

KHS Bid Matrix & Decision Detail

Description of Item: Members Newsletter 1 year contract, printed 2 times a year

Bid Matrix

Vendor Name	Coffey Communications	Vendor Name	Wax Communications	Vendor Name	SmartPress
Contact	Eric Dutton	Contact	Amanda Herriman	Contact	Tom Manthe
Date of Quote	7/9/18	Date of Quote	7/13/18	Date of Quote	No bid received
Price per issue	\$25,312.50	Price per issue	\$24,305.00	Price per issue	N/A
Mailing & Shipping service per issue	\$9,373.00	Mailing & Shipping service per issue	\$9,771.00	Mailing & Shipping service	N/A
Postage Est. per issue	\$25,056.00	Postage Est. Per piece	\$25,056.00	Postage Est. Per piece	N/A
Additional Comments	*More than 15 years of high quality service to KHS. *Access to hundreds of pre-written articles in national library.	Additional Comments	*No access to pre-written articles developed by Wax. Customized articles requires more KHS staff time to meet with production team to research and develop the articles for each issue.	Additional Comments	Per vendor, this project is outside their core capabilities
Annual purchase price	\$119,483.00	Total Purchase Price	\$118,264.00	Total Purchase Price	N/A

Decision Detail

Vendor Awarded: Coffey Communications



TO: KHS Finance Committee

FROM: Alan Avery, Chief Operating Officer

DATE: August 3, 2018

RE: Provider Contract Modeling & Pricing Software

Background

Several months ago, KHS management organized a cross functional workgroup comprised of Claims, Provider Relations and I.T. to identify additional software solutions to further enhance and expand the functionality of the core QNXT system that was implemented in 2015. This project was anticipated in the 2018 budgeting process with \$1,066,461 included in the capital and expense budget to cover the projected first year expense.

In addition to expanding the functionality and increasing the configuration flexibility of the QNXT system, this software is also needed in order to support Alternative Payment Methodologies (“APM”) which is both a regulatory requirement and a corporate strategic goal for 2018. This software tool will allow provider contracting to model multiple contract types for APM relationships along with exploring various payment terms proposed by the provider or KHS. In addition, the software will increase the core system flexibility by increasing the provider contract payment methodologies from 15 payment types to 350 which is anticipated will decrease the need for manual pricing along with increasing claim auto adjudication.

It is projected that the savings realized from the implementation of this software will pay for itself within the initial two years.

Requested Action

Recommend Finance Committee approve request and refer to the KHS Board of Directors to authorize CEO to execute contracts with Cognizant to purchase the NetworX Modeler and Pricer Tool for the 2018 budgeted amount of \$1,066,461 with the total amount not to exceed \$1,489,162 over five years in operating and capital expenses.



Provider Contract Modeling & Pricing Tool

Presented by Alan Avery, COO

Agenda

- Software Tool Purpose
- Why Product is Necessary
- Review Process
- Selection Criteria
- Vendor Recommendation
- Board Request

Software Product Purpose

- **Contract Modeling Tool**
 - Current QNXT system does not support Alternative Payment Methodologies
 - Allows KHS staff to model various contract reimbursement models as part of the negotiation process.
 - Provides financial impact report for contract models
 - Increases configuration flexibility
 - Reduce end-to-end setup time for new or amended provider contracts
 - Reduces the amount of time spent on manual testing
- **Contract Pricing Tool**
 - Real Time integration with core claims processing system QNXT
 - Increase auto adjudicated claims
 - Increase auto priced claims
 - Increase the amount of configurable payment methodologies from 15 to 350 payment types
 - Allows flexibility to provider contract reimbursement types

Why Product is Necessary

- Regulatory Requirement-KHS is required to develop Alternative Payment Methodology contracts. QNXT is not designed to administer APM agreements.
- KHS Corporate Goal and Objective: As part of the three (3) year corporate goal and objective, KHS created a strategy to implement Alternative Payment Methodology contracts.
- KHS requires financial impact analysis on all new and amended provider contracts.
- Increase QNXT efficiency. To increase auto adjudication and auto pricing of claims, the add on system will allow configuration for operational efficiencies that are handled manually today.

Workgroup Review Process

- Budgeted for a system in 2018 budget
- Organized Cross functional workgroup
- Defined internal requirements
- Reviewed commercial market solutions and peer health plans
- Documented System Benefits
- Defined Scope and Timeline
- Completed Cost Analysis
- Recommendation

System Requirements

- Real time Integration with QNXT
- Expand provider contract configuration options along with reducing overall configuration time
- Support financial modeling and financial impact of provider agreements
- Increase claims auto adjudication and auto pricing

NetworX Modeler & Pricer Tool Scope & Timeline

2018 Implementation Scope

- Model, Build, and Migrate fifteen (15) facilities contract templates in Modeler & Pricer Tool by 12/31/2018.

2019 Implementation Scope

- Model, Build, and Migrate (190+) professional contract templates in Modeler & Pricer Tool by 12/31/2019.

Local Initiative (LI) Health Plan References (All had favorable response to the system)

- Cal Optima
- Health Plan San Joaquin
- LA Care- pending 2019 project

NetworX Modeler & Pricer Tool-System Benefits

Benefit	Description	Impacted Dept.	Expected Improvements
1	Integration into QNXT	Information Technology, Claims, Provider Relations, Finance	Only product that integrates with QNXT. Sole source agreement
2	Reduced Configuration Time	Information Technology	Reduce average setup time of new provider agreement from 6.25 hours to 2 hours.
3	Ability to easily model provider facility contracts	Information Technology	Reduce average modeling time from 40 hours to 5 hours.
4	Ability to easily conduct contract financial impact analysis	Provider Relations	Reduce average financial impact analysis from 3 hours to 1 hour.
5	Ability to reduce claim manual pricing	Claims	Reduce manual pricing by 75%. Currently 3% of total claims are priced manually.
6	Ability to reduce claim manual processing	Claims	Increase claims auto adjudication processing by 6% to 82% overall.
7	Ability to provider quicker turnaround time for provider payments	Provider Relations, Claims, Finance	Reduce average aging of claims
8	Increase efficiency for end to end contract setup time	Information Technology, Claims, Provider Relations	Decrease end to end setup time from 30+ days to 2 weeks.

Potential Savings Opportunities*

- The potential savings opportunities yielded from the system benefits (from previous slide) will be realized annually and completed within the five (5) year period.

Department	Year 1	Year 2-5
Provider Relations	\$ 14,410	\$ 57,640
IT	\$ 91,704	\$ 366,816
Claims	\$ 685,077	\$ 2,740,308
Potential Savings Opportunities	\$ 791,191	\$ 3,164,764

* If the contract with Cognizant for the NetworX modeler, pricer, and analytics tool is not approved, KHS will incur the “potential savings opportunities” as an expense year over year.

5 Year Cost Analysis

	Year 1	Year 2-5
License Fee	\$ 503,195	\$ -
Maintenance Fee	\$ 105,675	\$ 422,700
Implementation	\$ 417,592	\$ -
Training	\$ 40,000	\$ -
1ST YR Cost	\$ 1,066,462	
2018 Capital Budget	\$ 1,123,758	
Future Expense Budget	\$ -	\$ 422,700
Potential Savings Opportunities	\$ 791,191	\$ 3,164,764
5Y TCO	\$ 1,489,162	
Estimated 5Y Savings	\$ 3,955,955	
NET 5Y TCO	\$ (2,466,793)	

Board Request

- Authorize the CEO to approve the budgeted contracts associated to the NetworX Modeler and Pricer tool in the amount not to exceed **\$1,489,162** in operating and capital expenses associated to implementation of the new modeler and pricer tool.

Questions

Please contact:

Alan Avery

661-664-5005

Alan.Avery@khs-net.com

Proposed administrative contract over \$100,000, August 9, 2018.

1. Operational Agreement with Cognizant

a. Recommended Action

Approve; Authorize Chief Executive Officer to Sign

b. Contact

Richard Pruitt, Chief Information Officer

c. Background

KHS implemented a new core claims processing system, QNXT, in 2015. Due to some limitations of the core claims system and flexibility to configure Alternative Payment Methodology contracts, it is critical to purchase the NetworXs modeler, pricer and analytics tool.

d. Discussion

The NetworX tool has several system benefits including real time system integration, ability to expand configuration flexibility, support APM, support contract modeling, and increase claims auto adjudication and auto pricing. The tool will allow KHS to leverage 350 different payment types opposed to the current 15 payment types.

e. Fiscal Impact

Not to exceed \$1,489,162 per five years.

f. Risk Assessment

If the contract with Cognizant for the NetworX modeler, pricer, and analytics tool is not approved, KHS will remain limited to achieve strategic goals for APM contracts and auto adjudication.

g. Attachments

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

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

This contract is pending Legal review.



KERN HEALTH SYSTEMS

AGREEMENT AT A GLANCE

Contract

Purchase

Department Name: Information Technology

Department Head: Richard Pruitt

Contract Vendor: Cognizant

Vendor contact Name & e-mail: Krithika Murali, Krithika.Murali@cognizant.com

What services will this vendor provide to KHS? Cognizant will provide KHS with a perpetual license for NetworX Modeler and Pricer with five years of support and maintenance in addition to implementation costs.

Description of Contract

Type of Agreement: Professional Services Background: KHS implemented a new core claims processing system, QNXT, in 2015. Due to some limitations of the core claims system and flexibility to configure Alternative Payment Methodology contracts, it is critical to purchase the NetworXs modeler, pricer and analytics tool. The NetworX tool has several system benefits including real time system integration, expand configuration flexibility, support APM, support contract modeling, and increase claims auto adjudication and auto pricing.

Establish a new agreement

Previous Agreement No. _____ or Amendment No. _____

Amendment

Date Agreement Began _____

Continuation of an Existing Contract

Brief Explanation Cognizant will provide KHS with a perpetual license for NetworX modeler, pricer, and analytics with five (5) years of support. The contract will also include the implementation costs for 2018 project to model, build, and migrate fifteen (15) facility contracts by 12/31/18.

Replacement

Addendum

Retroactive Agreement

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: _____

Sole source – no competitive process can be performed.

Brief reason for sole source: NetworX tool is directly integrated into QNXT (KHS' Core claims processing system)

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 225 GL# 166.3

Will this require additional funds? NO YES

Maximum cost of this agreement not to exceed: \$1,489,162 per five years.

Notes: Includes perpetual license for NetworX modeler and pricer with 5 years of support plus implementation costs.

Contract Terms and Conditions

Effective date: 8/15/18 Termination date: 8/14/23

Explain extension provisions, termination conditions and required notice: _____

Approvals

Contract Owner:
[Signature]
Department Head
7/24/18
Date

Purchasing:
[Signature]
Director of Procurement
7/23/18
Date

Reviewed as to Budget:
[Signature]
Chief Financial Officer or Controller
7/25/18
Date

Recommended by the Executive Committee:
[Signature]
Committee Chairman
7/24/18
Date

Compliance Review:
[Signature]
Chief Compliance Officer
7/24/18
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: Richard Pruitt, Chief Information Officer

DATE: August 3, 2018

RE: Backup and Recovery Solution

Background

Several months ago, KHS management organized a workgroup comprised of several LHPC CIOs to identify a backup and recovery solution to further enhance and expand the functionality of the disaster recovery and business continuity plan. This project was anticipated in the 2018 budgeting process with \$600,000 included in the capital and expense budget to cover the projected three year expense.

The backup and recovery solution will allow KHS to consolidate five (5) different backup solutions into one to allow for consistency and standards for securing KHS data. As part of the disaster recovery and business continuity plan, KHS maintains a site in Fresno that requires hardware, software, facility costs, and internet to operate. By utilizing the new solution, KHS will be able to eliminate the Fresno site upon completion of migration of backups to archive to an enterprise cloud provider as part of the IT department goals and objectives.

It is projected that the savings realized from the implementation of the backup and recovery solution will pay for the software over a 2 – 3 year period.

Requested Action

Recommend Finance Committee approve request and refer to the KHS Board of Directors to authorize CEO to execute contracts with Rubrik to purchase a Backup and Recovery Solution for the 2018 budgeted amount of \$600,000 not to exceed \$559,174 over five years in operating and capital expenses.



Backup Software

August 2018

Richard M. Pruitt

Agenda

- Purpose
- Why Replace
- Review Process
- Selection Criteria
- Vendor Recommendation
- Board Request

Why Replace

- System Selected will allow KHS to retire Fresno Disaster Recovery site upon completion of migration and move to new building.
- KHS currently uses five (5) different backup solutions to backup all KHS data. **(All data includes: i.e. member, provider, financial, claims, HR, medical, RX, and KHS employee)**
- KHS maintains a disaster recovery site for backups.
- System Selected is being purchased through local health plans like KHS through a group purchase to leverage pricing advantages.
- System Selected offers configurable and flexible system to meet the needs of KHS' business continuity and disaster recovery plan.
- Backup management and recovery is challenging due to having five (5) different backup solutions depending on type of system being backed up.

Review Process

- Budgeted for a system
- Defined internal requirements
- Reviewed commercial market solutions and peer health plans
- Analyzed solution independently
- Collaboration with eleven (11) local health plans to group purchase
- Created Recommendation

Selection Criteria

Selection Matrix						
Vendor	Company	System	Technology	Experience	System Price	Overall Ranking
1	1	1	1	1	1	1
2	1	2	2	2	2	2

Vendor Recommendation

- Recommendation: KHS recommends that Vendor 1, the proposed solution be approved.

Vendor Comparison	Current Solution	Vendor 1	Vendor 2
Hardware	\$ 451,000	\$ 225,654	\$ 200,000
Software	\$ 135,000 **	N/A	\$ 335,985
Year 1-3 Support	\$ 141,000 **	\$ 194,580	\$ 135,972
Cloud Archive/Disaster Recovery	\$ 150,000 **	\$ 117,821	\$ 84,000
Tax		\$ 21,118	\$ 21,118
3Y Total Cost of Ownership	\$ 877,000	\$ 559,174	\$ 777,075
3Y Savings	\$ -	\$ 317,826	\$ 99,925



**These are costs (Sum: \$426k/3 years=\$142,000/year) that would apply year over year if new solution is not purchased

Board Request

- Authorize the CEO to approve contracts associated to the budgeted Backup System in the amount not to exceed **\$559,174** in operating and capital expenses associated to implementation of the replacement backup system.

Questions

Please contact:

Richard M. Pruitt

661-664-5078

richard.pruitt@khs-net.com

Proposed administrative contract over \$100,000, August 9, 2018.

1. Operational Agreement with CDW-G

a. Recommended Action

Approve; Authorize Chief Executive Officer to Sign

b. Contact

Richard Pruitt, Chief Information Officer

c. Background

Several months ago, KHS management organized a workgroup comprised of several LHPC CIOs to identify a backup and recovery solution to further enhance and expand the functionality of the disaster recovery and business continuity plan

d. Discussion

The backup and recovery solution will allow KHS to consolidate five (5) different backup solutions into one to allow for consistency and standards for securing KHS data. As part of the disaster recovery and business continuity plan, KHS maintains a site in Fresno that requires hardware, software, facility costs, and internet to operate. By utilizing the new solution, KHS will be able to eliminate the Fresno site upon completion of migration of backups to archive to an enterprise cloud provider as part of the IT department goals and objectives.

e. Fiscal Impact

Not to exceed \$559, 174.00 per three years.

f. Risk Assessment

If the contract with CDW-G for the Backup and Recovery Solution is not approved, KHS will incur costs to maintain the Fresno site as well as remain limited with its Disaster Recovery and Business Continuity plan.

g. Attachments

An Agreement at a Glance form and presentation are attached.

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

This contract is pending legal approval.



KERN HEALTH SYSTEMS

Contract

Purchase

AGREEMENT AT A GLANCE

Department Name: Information Technology

Department Head: Richard Pruitt

Contract Vendor: CDW-G

Vendor contact Name & e-mail: Tom Latzke, tomlat@cdw.com

What services will this vendor provide to KHS? CDW-G will provide KHS with Rubrik backup and recovery solution and three (3) years of hardware support and maintenance.

Description of Contract

Type of Agreement: Professional Services Background: Several months ago, KHS management organized a workgroup comprised of several LHPC CIOs to identify a backup and recovery solution to further enhance and expand the functionality of the disaster recovery and business continuity plan.

Establish a new agreement

Previous Agreement No. _____ or Amendment No. _____

Amendment

Date Agreement Began _____

Continuation of an Existing Contract

Brief Explanation The backup and recovery solution will allow KHS to consolidate five (5) different backup solutions into one to allow for consistency and standards for securing KHS data. As part of the disaster recovery and business continuity plan, KHS maintains a site in Fresno that requires hardware, software, facility costs, and internet to operate. By utilizing the new solution, KHS will be able to eliminate the Fresno site upon completion of migration of backups to archive to an enterprise cloud provider as part of the IT department goals and objectives.

Replacement

Addendum

Retroactive Agreement

Reason for delay in approval: _____

Retroactive Date _____

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: Eleven (11) LHPC health plans reviewed several solutions and conducted analysis.

Sole source – no competitive process can be performed.

Brief reason for sole source: _____

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 225 GL# 1663

Will this require additional funds? NO YES

Maximum cost of this agreement not to exceed: \$559,174.00 per three years

Notes:

Contract Terms and Conditions

Effective date: 8/15/18 Termination date: 8/14/21

Explain extension provisions, termination conditions and required notice: _____

Approvals

Contract Owner:

Purchasing:

Department Head



Director of Procurement


Date

7/26/18


Date

Reviewed as to Budget:

Recommended by the Executive Committee:



Chief Financial Officer or Controller



Committee Chairman

7/26/18

Date

7/26/18

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

Form updated 11/28/16



To: KHS Finance Committee

From: Richard Pruitt, Chief Information Officer

Date: August 3, 2018

Re: Travel Request for KHS Senior Network Systems Administrator to Attend Microsoft Ignite 2018 Conference

Background

In an effort to effectively maintain security within KHS infrastructure and be in the forefront of what is next in technology and skill building across Microsoft's technologies, it would be beneficial for Brad DeHart, the Senior Network Systems Administrator, to attend the Microsoft Ignite 2018 conference: September 24-28 in Orlando, FL. Mr. DeHart is a 15+ year Lead Architect in our IT Operations, and has not attended training within the last 7 years. After reviewing the Microsoft Ignite 2018 agenda, the return on the investment would be a major benefit as the event aligns directly with the core technology running every aspect of KHS. Microsoft only schedules the Ignite Conference in the United States once a year; all other dates are located internationally.

Purpose

The Microsoft Ignite 2018 conference offers 548 sessions that will present insights on key technology trends in the industry, proffer IT professionals hands-on experience to enhance their technology skills, and elevate enterprise developers and architects looking for innovative ways to maximize application development. Brad plans to attend the sessions focused on security, automation and monitoring. The presenters at this conference are technical leaders and will provide opportunities to connect with IT professional and technology partners who will assist in moving KHS business forward. All of the presentations, including the opening/closing keynote address, plan to offer a big-picture perspective of the direction of Microsoft Technology.


Benefit to KHS

Microsoft Ignite 2018 provides a leading forum for IT professionals looking to gain an in-depth education on Microsoft products from end user experience to the backend infrastructure, and how you build applications more efficiently. The Microsoft Ignite 2018 sessions will offer new insight to leveraging threat intelligence to secure any datacenter environment, and review Windows Server and its future direction. Additionally, as part of the conference, KHS will gain access to:

- Microsoft Experts and Engineers.
- Interactive Digital Labs
- Product road maps, vision, and strategies

Requested Action

Approve; Refer to KHS Board of Directors.

 KERN HEALTH SYSTEMS 9700 Stockdale Hwy Bakersfield, CA 93311 661-664-5000	<h2 style="margin: 0;">REQUEST FOR TRAVEL AUTHORIZATION</h2>
--	--

INSTRUCTIONS TO EMPLOYEE:

- (1) This form shall be used to request authorization for all travel and training requiring airline, train, car rental and/or hotel arrangements.
- (2) This form must be signed by the employee and approved by the Management/Department Head and either the CEO or CFO before travel arrangements can be made.

Dept: 220

Name: Brad DeHart Date: 4/11/2018

Please attach literature, brochure or pamphlet, if available, that describes:
 Purpose of Travel: _____ Class: _____ Conference: X Cost: \$2,395.

Microsoft Ignite 2018, Orlando, FL, September 24-28, 2018, Orange County Convention Center and Hyatt Regency Orlando

Destination: 9801 International Drive, Orlando FL, 32819

Travel Departure Date and Time: 9/23/2018 00 am Travel Return Date and Time: 9/28/2018 12:00 pm

Please check type of transportation and/or accommodations requesting:

Airline Reservation Confirmation# _____ Cost: \$600.

Car Reservation Confirmation# _____ Cost: _____

Hotel – Please indicate room type: Confirmation# _____ Cost: 5 x \$267. + Taxes = \$1,469.
 (All rooms are king and non-smoking, unless otherwise specified. Gov't rates will be used when available.)

Meals
 Please Explain: S: \$59. M: \$29.50 T: \$29.50 W: \$29.50 TR \$29.50 F: \$29.50 \$206.50

OTHER EXPENSES (Per Diem, Taxi, Bus, Cab, Parking, misc) Cost: \$100.

(If using your own vehicle for transportation complete and attach B Mileage Authorization and Insurance Form. See Policy #8.25 Employee Travel Expense Reimbursement.)

Total Cost: \$ \$4,771.

Budgeted \$ \$5,836.
By DHH

EMPLOYEE SIGNATURE

Budgeted Balance \$ \$1,065.
4/26/2018

DATE

[Signature]
 MANAGER/DEPARTMENT HEAD SIGNATURE

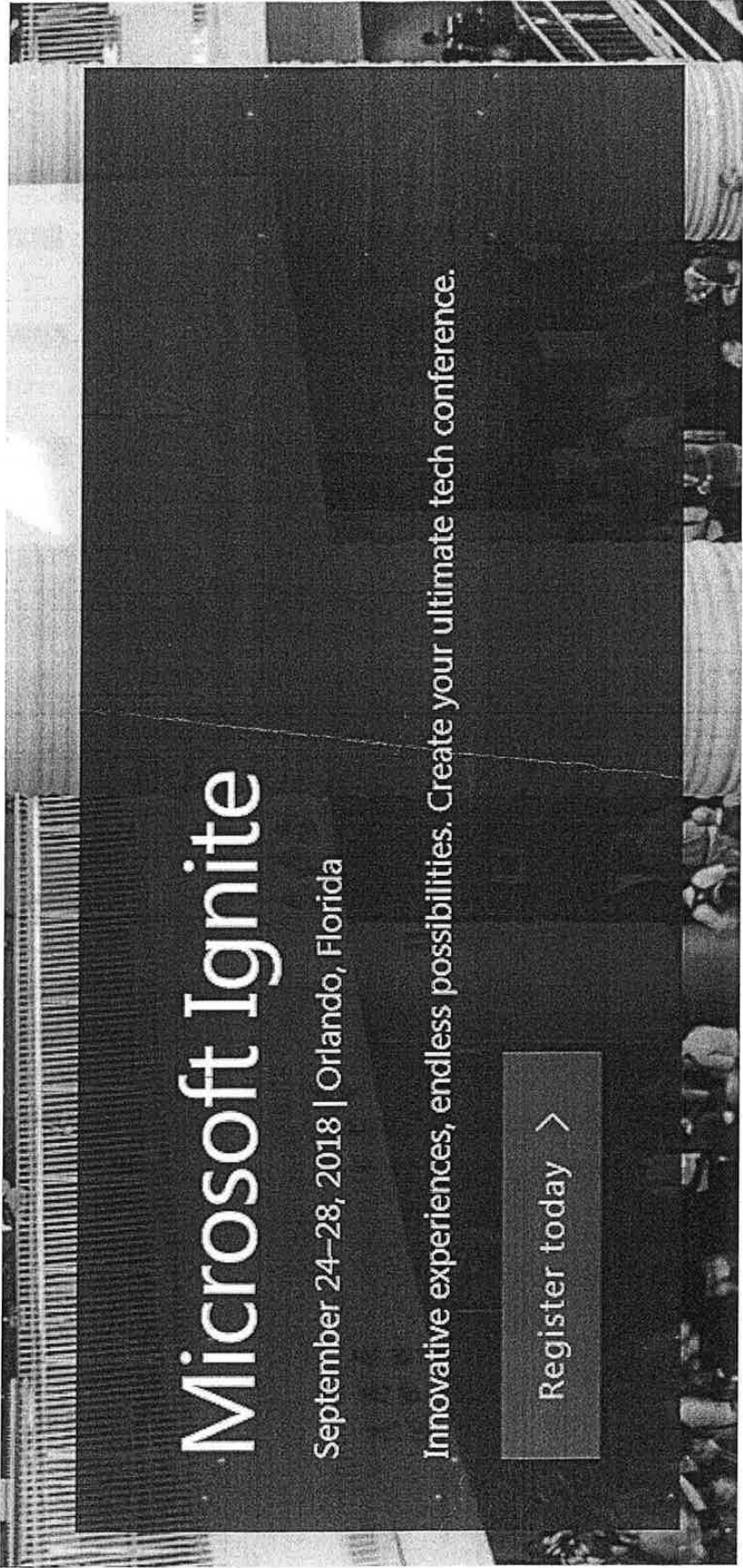
6/15/18
 DATE

[Signature]
 CEO, COO, OR CFO APPROVAL

DATE

[Signature]
 KHS BOARD APPROVAL FOR UNUSUAL TRAVEL

DATE

A promotional banner for Microsoft Ignite 2018. The background is a dark, textured collage of images, including a person on a stage, a crowd of people, and a large screen. The text is white and centered.

Microsoft Ignite

September 24–28, 2018 | Orlando, Florida

Innovative experiences, endless possibilities. Create your ultimate tech conference.

Register today >

Microsoft Ignite will be held the week of September 24 – 28, 2018 in Orlando, Florida at the Orange County Convention Center and Hyatt Regency Orlando.

What's happening at Microsoft Ignite

Create your ultimate tech conference, with hundreds of sessions and thousands of experts to choose from.

September 23 Sunday	September 24 Monday	September 25 Tuesday	September 26 Wednesday	September 27 Thursday	September 28 Friday
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Vision Keynote	Hear from Microsoft CEO Satya Nadella and other visionaries to kickoff Microsoft Ignite 2018.
Technical Keynotes	Hear and see the latest Microsoft product news from Microsoft solution area leaders and featured customers.
General Sessions	Learn about Microsoft products and services from Engineering, Product Marketing and other subject matter expert leaders.
Sessions and theaters	Various formats to choose from, from 20-minute theater presentations to 45-minute and 75-minute deep dives.
Hands-on learning	Strengthen newly acquired skills and techniques with hands-on training labs led by expert instructors.
Certification Testing	Get a discounted certification voucher and get certified while onsite or on your own time. Learn about the exciting new certification offerings.
Immersion Zone	Enjoy this exclusive Microsoft experience with lounge seating and hands-on learning opportunities, including expert led labs, interactive immersion workshops and other unique hands-on activities all in one space.
Community Central	Get involved with interactive theater sessions with MVPs, ad hoc meetup locations you can book to meet with your peers, Hub Talks with MVPs, and more.
Diversity and tech sessions	Celebrate the wonderful facets and faces of diversity and inclusion in the tech industry.
Microsoft Mechanics Live	Get informed and be part of the live studio audience to hear from leading experts getting interviewed about the latest product and service capabilities!
The Expo	See how our partners are working with Microsoft to innovate tomorrow and get your questions answered by the people behind the products you use every day.
Hangout	Do more than just hang out - if you're looking for a place to relax and still have the ability to catch all the Microsoft Ignite action this the place for you.

Breakfast and lunch provided. Agenda is subject to change.

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Hangout	Do more than just hang out - if you're looking for a place to relax and still have the ability to catch all the Microsoft Ignite action this the place for you.				
Microsoft Ignite Celebration	Join us to celebrate a week of learning and innovation to unwind and have some fun with you peers at the Microsoft Ignite Attendee Celebration.				

Breakfast and lunch provided. Agenda is subject to change.

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*Conference ends at 2:00 PM ET
Breakfast and lunch provided. Agenda is subject to change.*

Hyatt Regency Orlando (Convenience Pass only)	9801 International Drive	32819	adjacent	\$	267.00
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GSA [Home > Travel > Plan & Book > Per Diem Rates > Per Diem Look-Up >](#)

TRAVEL REAL ESTATE ACQUISITION TECHNOLOGY POLICY & REGULATIONS ABOUT US

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FY 2018 Per Diem Rates for Orlando, Florida

(October 2017 - September 2018).

Cities not appearing below may be located within a county for which rates are listed. To determine what county a city is located in, visit the National Association of Counties (NACO) website (a non-federal website).

October 2017 - September 2018 The following rates apply for Orlando, Florida. Max lodging by month (excluding taxes.) The last column is the Meals and Incidental Expense (M&IE) rate.

Primary Destination (1, 2)	County (3, 4)	2017 Oct	Nov	Dec	2018 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	M&IE (5)
Orlando	Orange	\$129	\$129	\$129	\$129	\$129	\$129	\$121	\$121	\$121	\$121	\$129	\$129	\$59

[Print Results](#) [New Search](#)



To: KHS Finance Committee
From: Robert Landis, CFO
Date: August 3, 2018
Re: May 2018 Financial Results

The May results reflect a \$208,621 Net Increase in Net Position which is a \$732,301 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$27.1 million favorable variance primarily due to:
 - A) \$2.0 million favorable variance relating to Family and Other primarily due to accounting for unbudgeted Proposition 56 monies received on an at risk basis and offset against amounts included in item 2B below.
 - B) \$1.5 million favorable variance relating to Expansion primarily due to higher than expected enrollment and a lower than expected budgeted rate decrease from the State effective July 1, 2017 (\$.7 million), lower than expected Maternity revenue (\$.2 million) and accounting for unbudgeted Proposition 56 monies received on an at risk basis (\$1.1 million) offset against amounts included in item 2B below.
 - C) \$.7 million favorable variance relating to SPD members primarily due to accounting for unbudgeted Proposition 56 monies received on an at risk basis and offset against amounts included in item 2B below.
 - D) \$1.3 million favorable variance in COB/Subrogation primarily due to higher than expected claim payment recoveries from the prior year where KHS was not primary.
 - E) \$21.5 million favorable adjustment relating to Rate/Income Adjustment primarily due to receiving payments relating to the prior year from the State on an at risk basis (AB 85 to cost payment of \$15.6 million and a Prop 56 payment of \$5.2 million) offset against amounts included in item 2C below.
- 2) Total Medical Costs reflect a \$26.9 million unfavorable variance primarily due to:
 - A) \$1.8 million unfavorable variance in Outpatient Hospital primarily due to higher than expected utilization.
 - B) \$3.7 million unfavorable variance in Other Medical primarily due to accruing for unbudgeted Proposition 56 expenses on an at-risk basis offset against revenue mentioned under items 1A, 1B and 1C above.
 - C) \$20.9 million unfavorable variance in Non-Claims Expense Adjustment due to accruing for expenses relating to the prior year (AB 85 to cost expense of \$15.6 million and a Prop 56 expense of \$5.3 million) offset against amounts included in item 1E above.
 - D) \$1.9 million favorable IBNR adjustment from the prior year.

The May Medical Loss Ratio is 96.3% which is unfavorable to the 94.4% budgeted amount. The May Administrative Expense Ratio is 3.8% which is favorable to the 6.0% budgeted amount.

The results for the 5 months ended May 31, 2018 reflects a Net Increase in Net Position of \$1,999,834. This is a \$4,520,528 favorable variance to budget and includes approximately \$9.3 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 94.4% which is slightly unfavorable favorable to the 94.3% budgeted amount. The year-to-date Administrative Expense Ratio is 4.9% which is favorable to the 6.0% budgeted amount.

**Kern Health Systems
Financial Packet
May 2018**

KHS – Medi-Cal Line of Business

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KHS Group Health Plan – Healthy Families Line of Business

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KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF MAY 31, 2018			
ASSETS	MAY 2018	APRIL 2018	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 89,501,819	\$ 90,769,098	\$ (1,267,279)
Short-Term Investments	163,355,417	164,005,156	(649,739)
Pass-through Monies Held for Future Payment	15,688,827	83,443,803	(67,754,976)
Premiums Receivable - Net	58,289,534	57,131,460	1,158,074
Interest Receivable	419,124	209,481	209,643
Other Receivables	2,209,744	1,643,817	565,927
Prepaid Expenses & Other Current Assets	806,009	1,055,070	(249,061)
Total Current Assets	\$ 330,270,474	\$ 398,257,885	\$ (67,987,411)
RESTRICTED ASSETS	\$ 300,000	\$ 300,000	\$ -
CAPITAL ASSETS - NET OF ACCUM DEPRES:			
Land	4,876,562	4,876,562	-
Furniture and Equipment	6,098,624	6,203,634	(105,010)
Automobile - Net	15,840	16,232	(392)
Building and Building Improvements - Net	6,518,687	6,546,543	(27,856)
Capital Projects in Process	14,529,375	13,582,161	947,214
Total Capital Assets	\$ 32,039,088	\$ 31,225,132	\$ 813,956
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	\$ 366,184,535	\$ 433,357,990	\$ (67,173,455)
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	\$ 39,917	\$ 33,433	6,484
Accrued Salaries and Employee Benefits	2,317,354	2,132,629	184,725
Accrued Other Operating Expenses	1,241,766	1,037,929	203,837
Accrued Taxes and Licenses	15,320,808	7,670,554	7,650,254
Other Medical Liabilities - Nonoperating Passthrough	15,688,827	83,443,803	(67,754,976)
Claims Payable (Reported)	14,031,193	15,270,186	(1,238,993)
IBNR - Inpatient Claims	34,023,940	38,407,512	(4,383,572)
IBNR - Physician Claims	11,352,092	12,997,753	(1,645,661)
IBNR - Accrued Other Medical	16,926,794	18,266,357	(1,339,563)
Risk Pool and Withholds Payable	3,320,544	3,417,955	(97,411)
Statutory Allowance for Claims Processing Expense	2,324,857	2,324,857	-
Other Liabilities	50,701,087	49,668,287	1,032,800
Total Current Liabilities	\$ 167,289,179	\$ 234,671,255	\$ (67,382,076)
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	1,999,834	1,791,213	208,621
Total Net Position	\$ 192,541,655	\$ 192,333,034	\$ 208,621
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 366,184,535	\$ 433,357,990	\$ (67,173,455)

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED MAY 31, 2018			YEAR-TO-DATE MEMBER MONTHS		
						ACTUAL	BUDGET	VARIANCE
ENROLLMENT								
166,685	164,900	1,785	Family Members	828,305	820,500	7,805		
59,232	58,150	1,082	Expansion Members	294,013	289,250	4,763		
15,224	14,050	1,174	SPD Members	72,149	70,250	1,899		
5,932	5,125	807	Other Members	29,384	25,375	4,009		
8,307	7,900	407	Kaiser Members	40,950	39,250	1,700		
255,380	250,125	5,255	Total Members - MCAL	1,264,801	1,244,625	20,176		
REVENUES								
23,080,439	21,089,290	1,991,149	Title XIX - Medicaid - Family and Other	105,370,692	104,972,568	398,124		
21,917,368	20,444,864	1,472,504	Title XIX - Medicaid - Expansion Members	104,214,775	101,704,598	2,510,177		
11,583,059	10,856,567	726,492	Title XIX - Medicaid - SPD Members	54,084,459	54,282,833	(198,374)		
7,883,583	7,623,110	260,473	Premium - MCO Tax	38,917,405	37,934,591	982,814		
392,144	270,498	121,646	Interest /Dividends	2,033,965	1,346,070	687,895		
-	113,846	(113,846)	Reinsurance Recoveries	-	566,526	(566,526)		
1,257,496	-	1,257,496	COB/Subrogation Collections	15,006,533	-	15,006,533		
21,528,562	-	21,528,562	Rate/Income Adjustments	24,912,256	-	24,912,256		
(99,712)	-	(99,712)	Other Income (Expense)	(930,774)	-	(930,774)		
87,542,939	60,398,175	27,144,764	TOTAL REVENUES	343,609,312	300,807,187	42,802,125		
EXPENSES								
Medical Costs:								
13,315,057	12,701,316	(613,741)	Physician Services	69,220,412	63,232,492	(5,987,920)		
3,414,591	2,803,816	(610,775)	Other Professional Services	15,085,032	13,863,952	(1,221,080)		
4,510,035	4,138,305	(371,730)	Emergency Room	23,457,959	20,599,100	(2,858,859)		
13,932,093	13,264,996	(667,097)	Inpatient	71,849,895	66,071,406	(5,778,489)		
115,783	113,846	(1,937)	Reinsurance Expense	572,622	566,526	(6,096)		
6,587,061	4,795,459	(1,791,602)	Outpatient Hospital	28,571,780	23,884,078	(4,687,703)		
6,103,942	2,404,532	(3,699,410)	Other Medical	15,222,104	11,987,330	(3,234,773)		
9,203,737	9,105,699	(98,038)	Pharmacy	45,678,544	45,365,957	(312,587)		
494,146	484,450	(9,696)	Pay for Performance Quality Incentive	2,447,702	2,410,750	(36,952)		
20,941,682	-	(20,941,682)	Non-Claims Expense Adjustment	20,941,682	-	(20,941,682)		
(1,917,277)	-	1,917,277	IBNR, Incentive, Paid Claims Adjustment	(5,334,565)	-	5,334,565		
76,700,850	49,812,417	(26,888,433)	Total Medical Costs	287,713,166	247,981,591	(39,731,576)		
10,842,089	10,585,758	256,331	GROSS MARGIN	55,896,146	52,825,596	3,070,550		
Administrative:								
1,916,952	2,000,418	83,466	Compensation	9,522,410	10,006,280	483,870		
636,968	612,444	(24,524)	Purchased Services	3,149,939	3,094,746	(55,193)		
71,465	101,244	29,779	Supplies	266,722	506,599	239,877		
122,140	132,103	9,963	Depreciation	636,171	654,516	18,345		
279,546	306,786	27,240	Other Administrative Expenses	1,339,878	1,482,893	143,015		
3,027,071	3,152,995	125,924	Total Administrative Expenses	14,915,120	15,745,033	829,913		
79,727,921	52,965,412	(26,762,509)	TOTAL EXPENSES	302,628,286	263,726,624	(38,901,663)		
7,815,018	7,432,764	382,254	OPERATING INCOME (LOSS) BEFORE TAX	40,981,026	37,080,563	3,900,463		
7,650,254	7,623,110	(27,144)	MCO TAX	38,111,534	37,934,591	(176,943)		
164,764	(190,347)	355,111	OPERATING INCOME (LOSS) NET OF TAX	2,869,492	(854,028)	3,723,520		
NONOPERATING REVENUE (EXPENSES)								
-	-	-	Reserve Fund Projects/Community Grants	-	-	-		
43,857	(333,333)	377,190	Health Home	(869,658)	(1,666,666)	797,008		
43,857	(333,333)	377,190	TOTAL NONOPERATING REVENUES (EXPENSES)	(869,658)	(1,666,666)	797,008		
208,621	(523,680)	732,301	NET INCREASE (DECREASE) IN NET POSITION	1,999,834	(2,520,694)	4,520,528		
96.3%	94.4%	-1.9%	MEDICAL LOSS RATIO	94.4%	94.3%	-0.1%		
3.8%	6.0%	2.2%	ADMINISTRATIVE EXPENSE RATIO	4.9%	6.0%	1.1%		

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED MAY 31, 2018	YEAR-TO-DATE		
				ACTUAL	BUDGET	VARIANCE
			ENROLLMENT			
166,685	164,900	1,785	Family Members	828,305	820,500	7,805
59,232	58,150	1,082	Expansion Members	294,013	289,250	4,763
15,224	14,050	1,174	SPD Members	72,149	70,250	1,899
5,932	5,125	807	Other Members	29,384	25,375	4,009
8,307	7,900	407	Kaiser Members	40,950	39,250	1,700
255,380	250,125	5,255	Total Members - MCAL	1,264,801	1,244,625	20,176
			REVENUES			
133.71	124.04	9.67	Title XIX - Medicaid - Family and Other	122.85	124.10	(1.25)
370.03	351.59	18.44	Title XIX - Medicaid - Expansion Members	354.46	351.61	2.84
760.84	772.71	(11.87)	Title XIX - Medicaid - SPD Members	749.62	772.71	(23.09)
31.91	31.47	0.44	Premium - MCO Tax	31.80	31.47	0.33
1.59	1.12	0.47	Interest/Dividends	1.66	1.12	0.55
0.00	0.47	(0.47)	Reinsurance Recoveries	0.00	0.47	(0.47)
5.09	0.00	5.09	COB/Subrogation Collections	12.26	0.00	12.26
87.13	0.00	87.13	Rate/Income Adjustments	20.36	0.00	20.36
(0.40)	0.00	(0.40)	Other Income (Expense)	(0.76)	0.00	(0.76)
354.32	249.35	104.97	TOTAL REVENUES	280.76	249.55	31.21
			EXPENSES			
			Medical Costs:			
53.89	52.44	(1.46)	Physician Services	56.56	52.46	(4.10)
13.82	11.58	(2.24)	Other Professional Services	12.33	11.50	(0.82)
18.25	17.08	(1.17)	Emergency Room	19.17	17.09	(2.08)
56.39	54.76	(1.63)	Inpatient	58.71	54.81	(3.89)
0.47	0.47	0.00	Reinsurance Expense	0.47	0.47	0.00
26.66	19.80	(6.86)	Outpatient Hospital	23.35	19.81	(3.53)
24.71	9.93	(14.78)	Other Medical	12.44	9.94	(2.49)
37.25	37.59	0.34	Pharmacy	37.32	37.64	0.31
2.00	2.00	0.00	Pay for Performance Quality Incentive	2.00	2.00	0.00
84.76	0.00	(84.76)	Non-Claims Expense Adjustment	17.11	0.00	(17.11)
(7.76)	0.00	7.76	IBNR, Incentive, Paid Claims Adjustment	(4.36)	0.00	4.36
310.44	205.65	(104.79)	Total Medical Costs	235.09	205.73	(29.36)
43.88	43.70	0.18	GROSS MARGIN	45.67	43.83	1.85
			Administrative:			
7.76	8.26	0.50	Compensation	7.78	8.30	0.52
2.58	2.53	(0.05)	Purchased Services	2.57	2.57	(0.01)
0.29	0.42	0.13	Supplies	0.22	0.42	0.20
0.49	0.55	0.05	Depreciation	0.52	0.54	0.02
1.13	1.27	0.14	Other Administrative Expenses	1.09	1.23	0.14
12.25	13.02	0.77	Total Administrative Expenses	12.19	13.06	0.88
322.69	218.66	(104.03)	TOTAL EXPENSES	247.28	218.79	(28.48)
31.63	30.69	0.95	OPERATING INCOME (LOSS) BEFORE TAX	33.49	30.76	2.72
30.96	31.47	0.51	MCO TAX	31.14	31.47	0.33
0.67	(0.79)	1.45	OPERATING INCOME (LOSS) NET OF TAX	2.34	(0.71)	3.05
			NONOPERATING REVENUE (EXPENSES)			
0.00	0.00	0.00	Reserve Fund Projects/Community Grants	0.00	0.00	0.00
(0.17)	(1.38)	(1.20)	Health Home	0.69	(6.88)	(7.57)
(0.17)	(1.38)	(1.20)	TOTAL NONOPERATING REVENUES (EXPENSES)	0.69	(6.88)	(7.57)
0.84	(2.16)	3.01	NET INCREASE (DECREASE) IN NET POSITION	1.63	(2.09)	3.73
96.3%	94.4%	-1.9%	MEDICAL LOSS RATIO	94.4%	94.3%	-0.1%
3.8%	6.0%	2.2%	ADMINISTRATIVE EXPENSE RATIO	4.9%	6.0%	1.1%

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM THROUGH MAY 31, 2018														
	MAY 2017	JUNE 2017	JULY 2017	AUGUST 2017	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017	DECEMBER 2017	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	13 MONTH TOTAL
ENROLLMENT														
Members - MCAL	241,282	241,716	239,716	239,363	240,564	240,556	239,434	241,567	241,677	243,813	244,941	246,347	247,073	3,148,049
REVENUES														
Title XIX - Medicaid - Family and Other	124.01	126.74	124.89	125.53	129.26	122.06	126.92	123.23	116.91	118.53	123.47	121.12	133.71	1,243.37
Title XIX - Medicaid - Expansion Members	376.19	356.43	356.43	351.84	350.11	352.46	359.17	349.73	354.64	347.78	351.14	348.64	370.03	3,567.73
Title XIX - Medicaid - SPD Members	743.39	749.37	764.45	772.58	754.83	748.37	760.39	769.40	730.41	735.40	755.17	765.50	760.84	7,546.65
Premium - MCO Tax	31.10	31.10	32.02	31.84	33.62	30.77	31.86	31.67	31.95	31.33	31.91	31.00	31.91	317.77
Interest/Dividends	1.56	1.10	1.02	1.61	1.26	1.12	1.32	1.32	2.02	1.28	1.35	2.07	1.59	14.43
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.52	3.27	0.90	0.00	0.00	0.00	0.00	0.00	0.36
COB Subrogation Collections	14.57	15.30	13.49	22.53	14.26	13.09	22.24	10.18	0.00	0.00	41.83	14.22	5.09	143.36
Rate/Income Adjustments	(0.02)	(1.47)	(0.35)	4.44	39.39	0.53	8.89	0.22	6.25	1.31	4.47	1.86	87.13	111.86
Other Income (Expense)	0.00	(0.37)	(0.08)	0.00	(0.77)	0.00	(0.09)	(2.93)	0.47	(0.82)	(1.57)	(1.46)	(0.40)	(6.63)
TOTAL REVENUES	2663.35	2660.07	2633.08	2771.18	306.01	260.82	286.61	256.87	250.32	243.21	292.85	261.99	354.32	275.93
EXPENSES														
Medical Costs:														
Physician Services	57.18	62.78	60.17	57.97	59.19	53.47	61.01	55.30	54.78	51.71	63.72	58.66	53.89	57.67
Other Professional Services	10.71	13.62	12.11	12.49	11.85	12.14	12.80	11.63	12.30	11.44	12.23	11.82	13.82	12.23
Emergency Room	16.34	19.71	19.46	21.31	19.52	16.61	21.28	16.10	17.67	17.11	21.47	21.30	18.25	18.93
Inpatient	61.03	58.72	55.74	56.59	57.62	56.43	70.23	59.27	56.23	53.55	69.30	58.05	56.39	59.16
Reinsurance Expense	0.45	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.48	0.48	0.44	0.47	0.45
Outpatient Hospital	23.99	26.04	22.65	25.71	25.83	24.47	29.87	22.59	21.96	21.08	21.73	25.24	26.66	24.44
Other Medical	11.32	10.84	8.24	7.52	7.83	9.82	7.51	10.28	10.02	7.89	10.52	8.91	24.71	10.44
Pharmacy	36.70	37.38	37.28	39.79	34.21	37.24	36.21	35.38	40.41	35.05	38.25	35.70	37.25	36.99
Pay for Performance Quality Incentive	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.00	2.00	2.00	2.00	2.00	2.21
Non-Claims 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	84.76	6.65
IBNR, Incentive, Paid Claims Adjustment	(3.09)	(11.29)	(0.12)	4.32	33.15	1.38	(1.60)	(0.44)	(9.68)	(0.33)	0.07	(4.12)	(7.76)	0.01
Total Medical Costs	216.98	220.60	218.33	228.50	251.99	214.36	240.10	212.90	206.17	199.96	239.79	217.99	310.44	229.20
GROSS MARGIN	49.37	45.47	44.75	48.67	54.02	46.46	46.51	43.97	44.15	43.25	53.06	44.01	43.88	46.73
Administrative:														
Compensation	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	7.83
Purchased Services	1.43	1.51	1.48	1.55	2.17	2.24	3.98	2.73	2.15	2.24	3.29	2.61	2.58	2.31
Supplies	0.37	0.13	0.27	0.55	0.70	0.87	0.67	(1.36)	0.43	0.11	(0.04)	0.29	0.29	0.25
Depreciation	0.56	0.53	0.53	0.53	0.52	0.53	0.53	0.53	0.53	0.52	0.52	0.53	0.49	0.53
Other Administrative Expenses	1.23	1.51	0.72	1.12	0.83	1.11	1.33	2.85	0.87	0.92	1.39	1.16	1.13	1.24
Administrative Expense Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.45	0.00	0.00	0.00	0.00	0.00	0.65
Total Administrative Expenses	11.49	11.41	10.58	11.95	11.55	14.44	14.44	12.52	12.19	11.42	13.63	11.44	12.25	12.81
TOTAL EXPENSES	228.47	232.00	228.90	240.45	263.54	226.88	254.54	244.57	218.37	211.37	253.42	229.43	322.69	242.01
OPERATING INCOME (LOSS) BEFORE TAX	37.89	34.06	34.17	36.72	42.47	33.95	32.08	22.30	31.96	31.84	39.43	32.57	31.63	33.92
MCO TAX	29.83	29.78	32.02	32.49	33.50	30.99	31.95	31.68	31.65	30.81	31.23	31.05	30.96	31.38
OPERATING INCOME (LOSS) NET OF TAX	8.05	4.29	2.16	4.24	8.96	2.95	0.13	(9.38)	0.30	1.03	8.20	1.51	0.67	2.54
TOTAL NONOPERATING REVENUE (EXPENSES)	(0.05)	0.00	(0.10)	0.00	(0.10)	(2.75)	0.00	(2.59)	(0.08)	(0.57)	(2.51)	(0.56)	0.18	(0.70)
NET INCREASE (DECREASE) IN NET POSITION	8.00	4.29	2.06	4.24	8.87	0.19	0.13	(11.97)	0.23	0.46	5.68	0.95	0.84	1.84
MEDICAL LOSS RATIO	92.2%	93.9%	94.5%	95.1%	92.5%	93.2%	94.2%	94.5%	94.4%	94.3%	91.9%	94.7%	96.3%	93.9%
ADMINISTRATIVE EXPENSE RATIO	4.9%	4.9%	4.6%	4.9%	4.2%	5.3%	5.7%	9.0%	5.6%	5.4%	5.2%	5.0%	3.8%	5.2%

CURRENT MONTH		YEAR-TO-DATE	
ACTUAL	BUDGET	VARIANCE	
KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED MAY 31, 2018			
REVENUES			
Title XIX - Medicaid - Family & Other			
18,780,897	18,669,290	111,607	92,910,438
1,894,069	2,022,939	(128,870)	9,046,458
47,262	175,963	(128,701)	252,060
276,748	134,067	142,681	714,482
1,990,455	-	1,990,455	1,990,455
91,008	87,031	3,977	456,799
23,080,439	21,089,290	1,991,149	105,370,692
Total Title XIX - Medicaid - Family & Other			
Title XIX - Medicaid - Expansion Members			
20,286,984	19,631,045	655,939	99,969,891
209,787	405,339	(195,552)	1,246,969
315,075	377,952	(62,877)	1,764,417
1,073,223	-	1,073,223	1,073,223
32,299	30,528	1,771	160,275
21,917,368	20,444,864	1,472,504	104,214,775
Total Title XIX - Medicaid - Expansion Members			
Title XIX - Medicaid - SPD Members			
10,532,666	10,274,765	257,901	51,359,861
189,044	320,007	(130,963)	1,059,437
418,750	261,795	156,955	1,222,562
442,599	-	442,599	442,599
11,583,059	10,856,567	726,492	54,084,459
Total Title XIX - Medicaid - SPD Members			
Total Title XIX - Medicaid - All COA			
105,370,692	102,430,916	2,939,776	513,965,196
99,969,891	97,646,045	2,323,846	492,341,346
1,246,969	2,026,694	(779,725)	5,312,694
1,764,417	1,880,013	(115,596)	7,442,417
1,073,223	-	1,073,223	3,166,223
160,275	151,846	8,429	666,983
104,214,775	101,704,598	2,510,177	433,125
Total Title XIX - Medicaid - All COA			
51,359,861	51,373,823	(13,962)	262,882,346
1,059,437	1,600,035	(540,598)	10,114,695
1,222,562	1,308,975	(86,413)	875,419
442,599	-	442,599	666,983
54,084,459	54,282,833	(198,374)	433,125
Total Title XIX - Medicaid - All COA			

CURRENT MONTH		YEAR-TO-DATE	
ACTUAL	BUDGET	ACTUAL	BUDGET
VARIANCE		VARIANCE	
KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED MAY 31, 2018			
PHYSICIAN SERVICES			
3,097,782	2,782,938	14,589,889	13,849,778
	(314,844)		(740,111)
8,733,446	8,809,793	47,072,646	43,865,873
	76,347		(3,206,773)
1,474,529	1,099,285	7,512,577	5,471,540
	(375,244)		(2,041,037)
9,300	9,300	45,300	45,300
	-		-
13,315,057	12,701,316	69,220,412	63,232,492
	(613,741)		(5,987,920)
OTHER PROFESSIONAL SERVICES			
246,347	249,122	1,218,345	1,239,729
	2,775		21,384
755,456	768,216	3,663,474	3,740,934
	12,760		77,460
91,557	118,862	530,977	594,312
	27,305		63,335
80,056	89,883	371,902	423,435
	9,827		51,533
95,489	100,242	462,028	501,206
	4,753		39,178
48,687	50,527	223,667	252,635
	1,840		28,968
524,803	437,758	2,344,546	2,184,392
	(87,045)		(160,154)
431,902	53,564	1,033,805	266,760
	(378,338)		(767,046)
1,075,750	856,069	4,930,600	4,262,689
	(219,681)		(667,911)
3,414,591	2,803,816	15,085,032	13,863,952
	(610,775)		(1,221,080)
4,510,035	4,138,305	23,457,959	20,599,100
	(371,730)		(2,858,859)
13,932,093	13,264,996	71,849,895	66,071,406
	(667,097)		(5,778,489)
115,783	113,846	572,622	566,526
	(1,937)		(6,096)
6,587,061	4,795,459	28,571,780	23,884,078
	(1,791,602)		(4,687,703)
OTHER MEDICAL			
381,817	333,020	1,749,836	1,657,308
	(48,797)		(92,528)
278,153	356,388	1,577,080	1,776,986
	78,235		199,906
241,649	262,929	954,033	1,314,643
	21,280		360,610
808,413	803,322	4,195,781	4,005,742
	(5,091)		(190,039)
-	121,113	9,604	602,688
	121,113		593,084
3,585,959	-	3,585,959	-
	-		(3,585,959)
807,951	527,760	3,149,811	2,629,964
	(280,191)		(519,847)
6,103,942	2,404,532	15,222,104	11,987,330
	(3,699,410)		(3,234,773)
PHARMACY SERVICES			
8,060,735	7,860,368	40,216,958	39,157,277
	200,367		(1,059,681)
483,336	832,026	2,869,983	4,147,031
	348,690		1,277,048
823,066	517,184	3,266,403	2,579,127
	(305,882)		(687,276)
(163,400)	(103,879)	(674,800)	(517,478)
	59,521		157,322
9,203,737	9,105,699	45,678,544	45,365,957
	(98,038)		(312,587)
494,146	484,450	2,447,702	2,410,750
	(9,696)		(36,952)
20,941,682	-	20,941,682	-
	-		(20,941,682)
(1,917,277)	-	(5,334,565)	-
	-		5,334,565
76,700,850	49,812,417	287,713,166	247,981,591
	(26,888,433)		(39,731,576)

* Medical costs per DMHC regulations

CURRENT MONTH		YEAR-TO-DATE	
ACTUAL	BUDGET	ACTUAL	BUDGET
	VARIANCE		VARIANCE
KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED MAY 31, 2018			
12.54	11.49	11.92	11.49
35.35	36.37	38.46	36.39
5.97	4.54	6.14	4.54
0.04	0.04	0.04	0.04
53.89	52.44	56.56	52.46
1.00	1.03	1.00	1.03
3.06	3.17	2.99	3.10
0.37	0.49	0.43	0.49
0.32	0.37	0.30	0.35
0.39	0.41	0.38	0.42
0.20	0.21	0.18	0.21
0.26	0.33	0.25	0.33
2.12	1.81	1.92	1.81
1.75	0.22	0.84	0.22
4.35	3.53	4.03	3.54
13.82	11.58	12.33	11.50
18.25	17.08	19.17	17.09
56.39	54.76	58.71	54.81
0.47	0.47	0.47	0.47
26.66	19.80	23.35	19.81
1.55	1.37	1.43	1.37
1.13	1.47	1.29	1.47
0.98	1.09	0.78	1.09
3.27	3.32	3.43	3.32
0.00	0.50	0.01	0.50
14.51	0.00	2.93	0.00
3.27	2.18	2.57	2.18
24.71	9.93	12.44	9.94
32.62	32.45	32.86	32.49
1.96	3.43	2.35	3.44
3.33	2.14	2.67	2.14
(0.66)	(0.43)	(0.55)	(0.43)
37.25	37.59	37.32	37.64
2.00	2.00	2.00	2.00
84.76	0.00	17.11	0.00
(7.76)	0.00	(4.36)	0.00
310.44	205.65	235.09	205.73

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH MAY 31, 2018	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	YEAR TO DATE 2018
PHYSICIAN SERVICES						
Primary Care Physician Services	2,920,677	2,742,958	2,795,669	3,032,803	3,097,782	14,589,889
Referral Specialty Services	9,240,467	8,846,562	10,522,041	9,730,130	8,733,446	47,072,646
Urgent Care & After Hours Advise	1,069,333	1,008,534	2,281,593	1,678,588	1,474,529	7,512,577
Hospital Admitting Team	9,300	8,400	9,300	9,000	9,300	45,300
TOTAL PHYSICIAN SERVICES	13,239,777	12,606,454	15,608,603	14,450,521	13,315,057	69,220,412
OTHER PROFESSIONAL SERVICES						
Vision Service Capitation	241,567	249,668	251,973	228,790	246,347	1,218,345
310 - Health Services - Utilization Management - UM Allocation *	761,074	704,252	799,729	642,963	755,456	3,663,474
311 - Health Services - Quality Improvement - UM Allocation *	118,821	107,550	123,692	89,357	91,557	530,977
312 - Health Services - Education - UM Allocation *	76,022	65,961	79,421	70,442	80,056	371,902
313 - Health Services - Pharmacy - UM Allocation *	96,522	85,975	103,112	80,930	95,489	462,028
314 - Health Homes - UM Allocation *	44,203	41,266	48,457	41,054	48,687	223,667
616 - Disease Management - UM Allocation *	56,128	59,793	70,852	54,370	64,544	305,687
Behavior Health Treatment	488,079	385,879	454,810	490,975	524,803	2,344,546
Mental Health Services	63,645	122,453	96,062	319,743	431,902	1,033,805
Other Professional Services	1,027,749	965,677	968,482	892,942	1,075,750	4,930,600
TOTAL OTHER PROFESSIONAL SERVICES	2,973,811	2,788,474	2,996,590	2,911,566	3,414,591	15,085,032
EMERGENCY ROOM	4,269,344	4,171,278	5,259,525	5,247,777	4,510,035	23,457,959
INPATIENT HOSPITAL	13,588,711	13,055,324	16,973,565	14,300,202	13,932,093	71,849,895
REINSURANCE EXPENSE PREMIUM	113,536	117,345	118,427	107,531	115,783	572,622
OUTPATIENT HOSPITAL SERVICES	5,307,045	5,138,504	5,322,082	6,217,088	6,587,061	28,571,780
OTHER MEDICAL						
Ambulance	338,351	352,496	350,066	327,106	381,817	1,749,836
Home Health Services & CBAS	387,076	354,315	265,517	292,019	278,153	1,577,080
Utilization and Quality Review Expenses	284,192	42,175	226,751	159,266	241,649	954,033
Long Term/SNF/Hospice	999,658	777,625	923,259	686,826	808,413	4,195,781
Enhanced Medical Benefits	-	9,604	-	-	-	9,604
Provider Enhancement Expense	-	-	-	-	3,585,959	3,585,959
Non-Medical Transportation	413,329	387,049	811,267	730,215	807,951	3,149,811
TOTAL OTHER MEDICAL	2,422,606	1,923,264	2,576,860	2,195,432	6,103,942	15,222,104
PHARMACY SERVICES						
RX - Drugs & OTC	8,533,080	7,533,478	8,276,129	7,813,536	8,060,735	40,216,958
RX - HEP-C	729,042	557,006	600,369	500,230	483,336	2,869,983
Rx - DME	620,941	570,130	608,997	643,269	823,066	3,266,403
RX - Pharmacy Rebates	(116,000)	(116,000)	(116,000)	(163,400)	(163,400)	(674,800)
TOTAL PHARMACY SERVICES	9,767,063	8,544,614	9,369,495	8,793,635	9,203,737	45,678,544
PAY FOR PERFORMANCE QUALITY INCENTIVE	483,354	487,626	489,882	492,694	494,146	2,447,702
NON-CLAIMS EXPENSE ADJUSTMENT	-	-	-	-	20,941,682	20,941,682
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(2,338,427)	(81,180)	18,265	(1,015,946)	(1,917,277)	(5,334,565)
Total Medical Costs	49,826,819	48,751,703	58,733,294	53,700,500	76,700,850	287,713,166

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH MAY 31, 2018	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	YEAR TO DATE 2018
PHYSICIAN SERVICES						
Primary Care Physician Services	12.09	11.25	11.41	12.31	12.54	11.92
Referral Specialty Services	38.23	36.28	42.96	39.50	35.35	38.46
Urgent Care & After Hours Advise	4.42	4.14	9.31	6.81	5.97	6.14
Hospital Admitting Team	0.04	0.03	0.04	0.04	0.04	0.04
TOTAL PHYSICIAN SERVICES	54.78	51.71	63.72	58.66	53.89	56.56
OTHER PROFESSIONAL SERVICES						
Vision Service Capitation	1.00	1.02	1.03	0.93	1.00	1.00
310 - Health Services - Utilization Management - UM Allocation *	3.15	2.89	3.26	2.61	3.06	2.99
311 - Health Services - Quality Improvement - UM Allocation *	0.49	0.44	0.50	0.36	0.37	0.43
312 - Health Services - Education - UM Allocation *	0.31	0.27	0.32	0.29	0.32	0.30
313 - Health Services - Pharmacy - UM Allocation *	0.40	0.35	0.42	0.33	0.39	0.38
314 - Health Homes - UM Allocation *	0.18	0.17	0.20	0.17	0.20	0.18
616 - Disease Management - UM Allocation *	0.23	0.25	0.29	0.22	0.26	0.25
Behavior Health Treatment	2.02	1.58	1.86	1.99	2.12	1.92
Mental Health Services	0.26	0.50	0.39	1.30	1.75	0.84
Other Professional Services	4.25	3.96	3.95	3.62	4.35	4.03
TOTAL OTHER PROFESSIONAL SERVICES	12.30	11.44	12.23	11.82	13.82	12.33
EMERGENCY ROOM	17.67	17.11	21.47	21.30	18.25	19.17
INPATIENT HOSPITAL	56.23	53.55	69.30	58.05	56.39	58.71
REINSURANCE EXPENSE PREMIUM	0.47	0.48	0.48	0.44	0.47	0.47
OUTPATIENT HOSPITAL SERVICES	21.96	21.08	21.73	25.24	26.66	23.35
OTHER MEDICAL						
Ambulance	1.40	1.45	1.43	1.33	1.55	1.43
Home Health Services & CBAS	1.60	1.45	1.08	1.19	1.13	1.29
Utilization and Quality Review Expenses	1.18	0.17	0.93	0.65	0.98	0.78
Long Term/SNF/Hospice	4.14	3.19	3.77	2.79	3.27	3.43
Enhanced Medical Benefits	0.00	0.04	0.00	0.00	0.00	0.01
Provider Enhancement Expense		0.00	0.00	0.00	14.51	2.93
Non-Medical Transportation	1.71	1.59	3.31	2.96	3.27	2.57
TOTAL OTHER MEDICAL	10.02	7.89	10.52	8.91	24.71	12.44
PHARMACY SERVICES						
RX - Drugs & OTC	35.31	30.90	33.79	31.72	32.62	32.86
RX - HEP-C	3.02	2.28	2.45	2.03	1.96	2.35
Rx - DME	2.57	2.34	2.49	2.61	3.33	2.67
RX - Pharmacy Rebates	(0.48)	(0.48)	(0.47)	(0.66)	(0.66)	(0.55)
TOTAL PHARMACY SERVICES	40.41	35.05	38.25	35.70	37.25	37.32
PAY FOR PERFORMANCE QUALITY INCENTIVE	2.00	2.00	2.00	2.00	2.00	2.00
NON-CLAIMS EXPENSE ADJUSTMENT	0.00	0.00	0.00	0.00	84.76	17.11
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(9.68)	(0.33)	0.07	(4.12)	(7.76)	(4.36)
Total Medical Costs	206.17	199.96	239.79	217.99	310.44	235.09

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED MAY 31, 2018						
CURRENT MONTH		YEAR-TO-DATE				
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VARIANCE
143,752	248,694	104,942	1,062,832	1,205,778	142,946	
106,858	144,768	37,910	609,279	723,834	114,555	
376,551	394,574	18,023	1,945,718	1,972,869	27,151	
151,271	178,336	27,065	689,488	891,676	202,188	
163,797	319,526	155,729	960,989	1,597,620	636,631	
484,785	450,170	(34,615)	2,242,119	2,255,800	13,681	
95,057	100,658	5,601	387,674	503,292	115,618	
(404)	2,583	2,987	5,514	12,917	7,403	
-	3,042	3,042	697	15,208	14,511	
705	553	(152)	912	2,767	1,855	
99,028	94,991	(4,037)	485,354	479,955	(5,399)	
(25)	2,325	2,350	779	11,625	10,846	
-	101	101	129	504	375	
251,582	201,519	(50,063)	1,078,431	1,009,341	(69,090)	
564,101	511,174	(52,927)	2,758,034	2,555,862	(202,172)	
291,810	293,621	1,811	1,364,329	1,462,102	97,773	
52,331	59,285	6,954	264,326	296,427	32,101	
78,893	57,400	(21,493)	209,979	297,396	87,417	
39,311	62,896	23,585	231,729	314,476	82,747	
127,668	151,777	24,109	616,808	760,572	143,764	
-	(124,999)	(124,999)	-	(624,987)	(624,987)	
3,027,071	3,152,995	125,924	14,915,120	15,745,033	829,913	

KERN HEALTH SYSTEMS MEDI-CAL		JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	YEAR TO DATE 2018
SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED MAY 31, 2018							
110 - Executive		249,360	227,269	224,150	218,301	143,752	1,062,832
210 - Accounting		121,592	122,208	139,362	119,259	106,858	609,279
220 - Management Information Systems (MIS)		432,742	431,903	432,298	272,224	376,551	1,945,718
221 - Business Intelligence		122,020	134,571	151,816	129,810	151,271	689,488
225 - Infrastructure		126,761	233,198	186,762	250,471	163,797	960,989
230 - Claims		476,893	392,682	482,563	405,196	484,785	2,242,119
240 - Project Management		83,613	64,943	73,023	71,038	95,057	387,674
310 - Health Services - Utilization Management		5,036	(156)	768	270	(404)	5,514
311 - Health Services - Quality Improvement		10	358	329	-	-	697
312 - Health Services - Education		147	(130)	-	190	705	912
313 - Pharmacy		104,959	104,858	84,757	91,752	99,028	485,354
314 - Health Homes		83	(76)	99	698	(25)	779
616 - Disease Management		-	129	-	-	-	129
320 - Provider Relations		262,401	186,821	205,072	172,555	251,582	1,078,431
330 - Member Services		406,721	390,353	869,265	527,594	564,101	2,758,034
340 - Corporate Services		327,904	251,490	222,176	270,949	291,810	1,364,329
360 - Audit & Investigative Services		55,126	54,243	55,402	47,224	52,331	264,326
410 - Advertising Media		4,575	21,825	23,427	81,259	78,893	209,979
420 - Sales/Marketing/Public Relations		50,590	41,234	44,701	55,893	39,311	231,729
510 - Human Resources		116,481	126,047	143,307	103,305	127,668	616,808
Total Department Expenses		2,947,014	2,783,770	3,339,277	2,817,988	3,027,071	14,915,120

KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF MAY 31, 2018			
ASSETS	MAY 2018	APRIL 2018	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,449,702	\$ 1,449,702	-
Interest Receivable	3,480	1,740	1,740
Prepaid Expenses & Other Current Assets	834	1,667	(833)
TOTAL CURRENT ASSETS	\$ 1,454,016	\$ 1,453,109	\$ 907
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	11,937	11,937	-
Other Liabilities	353,849	353,849	-
TOTAL CURRENT LIABILITIES	\$ 365,786	\$ 365,786	\$ -
NET POSITION:			
Net Position- Beg. of Year	1,081,027	1,081,027	-
Increase (Decrease) in Net Position - Current Year	7,203	6,296	907
Total Net Position	\$ 1,088,230	\$ 1,087,323	\$ 907
TOTAL LIABILITIES AND NET POSITION	\$ 1,454,016	\$ 1,453,109	\$ 907

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED MAY 31, 2018	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
ENROLLMENT						
-	-	-	Members	-	-	-
REVENUES						
-	-	-	Premium	-	-	-
1,740	-	1,740	Interest	8,701	-	8,701
-	-	-	Other Investment Income	2,668	-	2,668
1,740	-	1,740	TOTAL REVENUES	11,369	-	11,369
EXPENSES						
-	-	-	Medical Costs	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
1,740	-	1,740	GROSS MARGIN	11,369	-	11,369
833	-	(833)	Administrative Management Fee Expense and Other Admin Exp	4,166	-	(4,166)
833	-	(833)	Total Administrative Expenses	4,166	-	(4,166)
833	-	(833)	TOTAL EXPENSES	4,166	-	(4,166)
907	-	907	OPERATING INCOME (LOSS)	7,203	-	7,203
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-
907	-	907	NET INCREASE (DECREASE) IN NET POSITION	7,203	-	7,203
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%
48%	0%	-48%	ADMINISTRATIVE EXPENSE RATIO	37%	0%	-37%

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	171,080	34,790	34,221	34,687	33,840	33,542							
MN - FAMILY	0	0	0	0	0	0							
REFUGEE - FAMILY	0	0	0	0	0	0							
FOSTER CARE	3,537	707	679	719	731	701							
POVERTY-133/200%	5	1	1	1	1	1							
POVERTY-100%	0	0	0	0	0	0							
MI - CHILD	546,622	107,133	108,725	109,378	110,181	111,205							
CHILD-ACA	419	115	104	120	40	40							
FAMILY - UNDER 19	106,642	21,195	21,355	21,188	21,708	21,196							
SUB-TOTAL ADULT & FAMILY	828,305	163,941	165,085	166,093	166,501	166,685	0	0	0	0	0	0	0
MEDICAL EXPANSION													
LIHP Transition Pre-ACA	236	52	52	52	52	28							
ACA Expansion Adult-Citizen	291,571	57,307	58,118	58,262	59,224	58,660							
ACA Expansion CAL Fresh Adult	26	5	5	6	5	5							
LIHP Transition Pre-ACA	2,180	380	389	454	418	539							
SUB-TOTAL MANDATORY	294,013	57,744	58,564	58,774	59,699	59,232	0	0	0	0	0	0	0
SDP MEMBERS													
SSI-AGED	919	191	182	174	186	186							
MN - AGED	7,437	1,457	1,414	1,533	1,483	1,544							
SSI - BLIND & DIS-ABLED	61,371	12,242	12,366	12,213	12,177	12,373							
MN - BLIND & DIS-ABLED	2,428	259	358	334	356	1,121							
SUB-TOTAL MANDATORY SPD	72,149	14,149	14,320	14,254	14,202	15,224	0	0	0	0	0	0	0
TOTAL MANDATORY	1,194,467	235,834	237,969	239,121	240,402	241,141	0	0	0	0	0	0	0
OTHER MEMBERS													
BCCTP-TOBACCO SETTLEMENT	127	28	26	25	24	24							
DUALS													
PA - FAMILY DUALS	72	24	14	19	23	-8							
PART D SSI-AGED	3,903	771	776	767	784	805							
PART D MN - AGED	6,739	1,295	1,364	1,331	1,359	1,390							
PART D SSI - BLIND & DIS-ABLED	11,665	2,338	2,300	2,314	2,389	2,324							
PART D MN - BLIND & DIS-ABLED	4,952	1,038	978	973	980	983							
PART D BCCTP-TOBACCO SETTLEMENT	5	3	1	1	0	0							
PART D MI - ADULT	0	0	0	0	0	0							
PART D MI - CHILD	1,927	346	385	390	386	414							
SUB-TOTAL DUALS	29,257	5,815	5,818	5,795	5,921	5,908	0	0	0	0	0	0	0
TOTAL OTHERS	29,384	5,843	5,844	5,820	5,945	5,932	0	0	0	0	0	0	0
TOTAL KAISER	40,950	7,991	8,160	8,225	8,267	8,307							
TOTAL MEDI-CAL MEMBERS	1,264,801	249,668	251,973	253,166	254,614	255,380	0	0	0	0	0	0	0



To: KHS Finance Committee

From: Robert Landis, CFO

Date: August 3, 2018

Re: June 2018 Financial Results

The June results reflect a \$161,292 Net Increase in Net Position which is a \$660,904 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$1.7 million favorable variance primarily due to:
 - A) \$.7 million favorable variance relating to Family and Other primarily due to higher than expected Maternity revenue (\$.2 million) and accounting for unbudgeted Proposition 56 monies received on an at risk basis (\$.5 million) and offset against amounts included in item 2C below.
 - B) \$.7 million favorable variance relating to Expansion primarily due to higher than expected enrollment and a lower than expected budgeted rate decrease from the State effective July 1, 2017 (\$.7 million), lower than expected Maternity revenue (\$.2 million) and accounting for unbudgeted Proposition 56 monies received on an at risk basis (\$.3 million) offset against amounts included in item 2C below.
 - C) \$1.0 million favorable variance in COB/Subrogation primarily due to higher than expected claim payment recoveries from the prior year where KHS was not primary.
 - D) \$1.7 million unfavorable adjustment relating to Rate/Income Adjustment primarily due to retroactive rate adjustments by the State relating to the classification of certain Expansion members into a dual status, which is at a lower rate due to KHS not being primary.
- 2) Total Medical Costs reflect a \$1.4 million unfavorable variance primarily due to:
 - A) \$.6 million unfavorable variance in Emergency Room primarily due to higher than expected utilization by Family and Other members.
 - B) \$1.1 million unfavorable variance in Outpatient Hospital primarily due to higher than expected utilization.
 - C) \$.9 million unfavorable variance in Other Medical primarily due to accruing for unbudgeted Proposition 56 expenses on an at-risk basis offset against revenue mentioned under items 1A and 1B above.
 - D) \$1.2 million favorable IBNR adjustment from the prior year.

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

The results for the 6 months ended June 30, 2018 reflects a Net Increase in Net Position of \$2,161,126. This is a \$5,181,432 favorable variance to budget and includes approximately \$8.8 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 94.4% which is equal to the 94.4% budgeted amount. The year-to-date Administrative Expense Ratio is 5.0% which is favorable to the 5.9% budgeted amount.

**Kern Health Systems
Financial Packet
June 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 JUNE 30, 2018			
ASSETS	JUNE 2018	MAY 2018	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 75,970,209	\$ 89,501,819	\$ (13,531,610)
Short-Term Investments	159,488,803	163,355,417	(3,866,614)
Pass-through Monies Held for Future Payment	-	15,688,827	(15,688,827)
Premiums Receivable - Net	60,563,775	58,289,534	2,274,241
Interest Receivable	305,103	419,124	(114,021)
Other Receivables	1,423,404	2,209,744	(786,340)
Prepaid Expenses & Other Current Assets	1,180,261	806,009	374,252
Total Current Assets	\$ 298,931,555	\$ 330,270,474	\$ (31,338,919)
RESTRICTED ASSETS	\$ 300,000	\$ 300,000	\$ -
CAPITAL ASSETS - NET OF ACCUM DEPREE:			
Land	4,876,562	4,876,562	-
Furniture and Equipment	6,022,164	6,098,624	(76,460)
Automobile - Net	15,449	15,840	(391)
Building and Building Improvements - Net	6,490,832	6,518,687	(27,855)
Capital Projects in Process	16,454,738	14,529,375	1,925,363
Total Capital Assets	\$ 33,859,745	\$ 32,039,088	\$ 1,820,657
LONG TERM ASSETS:			
Officer Life Insurance Receivables	684,772	684,910	(138)
Total Long Term Assets	\$ 684,772	\$ 684,910	\$ (138)
DEFERRED OUTFLOWS OF RESOURCES	\$ 2,890,063	\$ 2,890,063	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 336,666,135	\$ 366,184,535	\$ (29,518,400)
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	\$ 24,133	\$ 39,917	(15,784)
Accrued Salaries and Employee Benefits	2,465,125	2,317,354	147,771
Accrued Other Operating Expenses	1,303,921	1,241,766	62,155
Accrued Taxes and Licenses	-	15,320,808	(15,320,808)
Other Medical Liabilities - Nonoperating Passthrough	-	15,688,827	(15,688,827)
Claims Payable (Reported)	15,949,237	14,031,193	1,918,044
IBNR - Inpatient Claims	34,673,464	34,023,940	649,524
IBNR - Physician Claims	10,141,309	11,352,092	(1,210,783)
IBNR - Accrued Other Medical	17,517,165	16,926,794	590,371
Risk Pool and Withholds Payable	2,799,631	3,320,544	(520,913)
Statutory Allowance for Claims Processing Expense	2,324,857	2,324,857	-
Other Liabilities	50,410,645	50,701,087	(290,442)
Total Current Liabilities	\$ 137,609,487	\$ 167,289,179	\$ (29,679,692)
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	2,161,126	1,999,834	161,292
Total Net Position	\$ 192,702,947	\$ 192,541,655	\$ 161,292
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 336,666,135	\$ 366,184,535	\$ (29,518,400)

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED JUNE 30, 2018			YEAR-TO-DATE MEMBER MONTHS		
						ACTUAL	BUDGET	VARIANCE
ENROLLMENT								
166,684	165,300	1,384	Family Members	994,989	985,800	9,189		
59,975	58,300	1,675	Expansion Members	353,988	347,550	6,438		
14,590	14,050	540	SPD Members	86,739	84,300	2,439		
6,068	5,150	918	Other Members	35,452	30,525	4,927		
8,294	7,925	369	Kaiser Members	49,244	47,175	2,069		
255,611	250,725	4,886	Total Members - MCAL	1,520,412	1,495,350	25,062		
REVENUES								
21,832,796	21,136,678	696,118	Title XIX - Medicaid - Family and Other	127,203,488	126,109,247	1,094,242		
21,204,090	20,496,837	707,253	Title XIX - Medicaid - Expansion Members	125,418,865	122,201,435	3,217,430		
11,083,761	10,856,567	227,194	Title XIX - Medicaid - SPD Members	65,168,220	65,139,400	28,820		
7,817,901	7,641,206	176,695	Premium - MCO Tax	46,735,306	45,575,797	1,159,509		
493,098	271,140	221,958	Interest /Dividends	2,527,063	1,617,210	909,853		
139,352	114,116	25,236	Reinsurance Recoveries	139,352	680,642	(541,290)		
1,027,705	-	1,027,705	COB/Subrogation Collections	16,034,238	-	16,034,238		
(1,680,199)	-	(1,680,199)	Rate/Income Adjustments	23,232,057	-	23,232,057		
345,348	-	345,348	Other Income (Expense)	(585,426)	-	(585,426)		
62,263,852	60,516,544	1,747,308	TOTAL REVENUES	405,873,164	361,323,731	44,549,433		
EXPENSES								
Medical Costs:								
13,013,296	12,728,724	(284,572)	Physician Services	82,233,708	75,961,216	(6,272,492)		
3,111,320	2,822,747	(288,573)	Other Professional Services	18,196,352	16,777,861	(1,418,491)		
4,780,947	4,147,547	(633,400)	Emergency Room	28,238,906	24,746,647	(3,492,259)		
13,267,422	13,290,353	22,931	Inpatient	85,117,317	79,361,760	(5,755,558)		
116,124	114,116	(2,008)	Reinsurance Expense	688,746	680,642	(8,104)		
5,930,118	4,804,780	(1,125,338)	Outpatient Hospital	34,501,898	28,688,858	(5,813,040)		
3,282,963	2,408,064	(874,899)	Other Medical	18,505,067	14,395,394	(4,109,672)		
8,567,706	9,121,953	554,247	Pharmacy	54,246,250	54,487,910	241,660		
494,634	485,600	(9,034)	Pay for Performance Quality Incentive	2,942,336	2,896,350	(45,986)		
(11,991)	-	11,991	Non-Claims Expense Adjustment	20,929,691	-	(20,929,691)		
(1,197,835)	-	1,197,835	IBNR, Incentive, Paid Claims Adjustment	(6,532,400)	-	6,532,400		
51,354,704	49,923,885	(1,430,819)	Total Medical Costs	339,067,870	297,996,637	(41,071,233)		
10,909,148	10,592,659	316,489	GROSS MARGIN	66,805,294	63,327,093	3,478,200		
Administrative:								
1,884,868	1,986,388	101,520	Compensation	11,407,278	11,901,506	494,228		
578,949	611,195	32,246	Purchased Services	3,728,888	3,705,941	(22,947)		
68,507	101,344	32,837	Supplies	335,229	607,943	272,714		
127,238	132,103	4,865	Depreciation	763,409	786,619	23,210		
275,729	286,701	10,972	Other Administrative Expenses	1,615,607	1,769,595	153,988		
2,935,291	3,117,731	182,440	Total Administrative Expenses	17,850,411	18,771,603	921,192		
54,289,995	53,041,616	(1,248,379)	TOTAL EXPENSES	356,918,281	316,768,240	(40,150,041)		
7,973,857	7,474,928	498,929	OPERATING INCOME (LOSS) BEFORE TAX	48,954,883	44,555,491	4,399,392		
7,578,828	7,641,206	62,378	MCO TAX	45,690,362	45,575,797	(114,565)		
395,029	(166,278)	561,307	OPERATING INCOME (LOSS) NET OF TAX	3,264,521	(1,020,306)	4,284,827		
NONOPERATING REVENUE (EXPENSES)								
-	-	-	Reserve Fund Projects/Community Grants	-	-	-		
(233,737)	(333,334)	99,597	Health Home	(1,103,395)	(2,000,000)	896,605		
(233,737)	(333,334)	99,597	TOTAL NONOPERATING REVENUES (EXPENSES)	(1,103,395)	(2,000,000)	896,605		
161,292	(499,612)	660,904	NET INCREASE (DECREASE) IN NET POSITION	2,161,126	(3,020,306)	5,181,432		
94.3%	94.4%	0.1%	MEDICAL LOSS RATIO	94.4%	94.4%	0.0%		
5.4%	5.9%	0.5%	ADMINISTRATIVE EXPENSE RATIO	5.0%	5.9%	1.0%		

**KERN HEALTH SYSTEMS
MEDI-CAL
STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN NET POSITION - PMPM
FOR THE MONTH ENDED JUNE 30, 2018**

CURRENT MONTH			YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
ENROLLMENT					
166,684	165,300	1,384	994,989	985,800	9,189
59,975	58,300	1,675	353,988	347,550	6,438
14,590	14,050	540	86,739	84,300	2,439
6,068	5,150	918	35,452	30,525	4,927
8,294	7,925	369	49,244	47,175	2,069
255,611	250,725	4,886	1,520,412	1,495,350	25,062
REVENUES					
126.38	124.01	2.38	123.45	124.08	(0.64)
353.55	351.58	1.97	354.30	351.61	2.69
759.68	772.71	(13.03)	751.31	772.71	(21.40)
31.61	31.47	0.14	31.77	31.47	0.30
1.99	1.12	0.88	1.72	1.12	0.60
0.56	0.47	0.09	0.09	0.47	(0.38)
4.16	0.00	4.16	10.90	0.00	10.90
(6.79)	0.00	(6.79)	15.79	0.00	15.79
1.40	0.00	1.40	(0.40)	0.00	(0.40)
251.76	249.24	2.51	275.88	249.50	26.38
EXPENSES					
Medical Costs:					
52.62	52.42	(0.19)	55.90	52.45	(3.44)
12.58	11.63	(0.95)	12.37	11.59	(0.78)
19.33	17.08	(2.25)	19.19	17.09	(2.11)
53.65	54.74	1.09	57.86	54.80	(3.06)
0.47	0.47	0.00	0.47	0.47	0.00
23.98	19.79	(4.19)	23.45	19.81	(3.64)
13.27	9.92	(3.36)	12.58	9.94	(2.64)
34.64	37.57	2.93	36.87	37.63	0.75
2.00	2.00	0.00	2.00	2.00	0.00
(0.05)	0.00	0.05	14.23	0.00	(14.23)
(4.84)	0.00	4.84	(4.44)	0.00	4.44
207.65	205.62	(2.03)	230.48	205.77	(24.70)
44.11	43.63	0.48	45.41	43.73	1.68
Administrative:					
7.62	8.18	0.56	7.75	8.22	0.46
2.34	2.52	0.18	2.53	2.56	0.02
0.28	0.42	0.14	0.23	0.42	0.19
0.51	0.54	0.03	0.52	0.54	0.02
1.11	1.18	0.07	1.10	1.22	0.12
11.87	12.84	0.97	12.13	12.96	0.83
219.52	218.46	(1.06)	242.61	218.74	(23.87)
32.24	30.79	1.46	33.28	30.77	2.51
30.64	31.47	0.83	31.06	31.47	0.41
1.60	(0.68)	2.28	2.22	(0.70)	2.92
NONOPERATING REVENUE (EXPENSES)					
0.00	0.00	0.00	0.00	0.00	0.00
0.91	(1.37)	(2.29)	0.73	(8.24)	(8.96)
0.91	(1.37)	(2.29)	0.73	(8.24)	(8.96)
0.65	(2.06)	2.71	1.47	(2.09)	3.55
94.3%	94.4%	0.1%	94.4%	94.4%	0.0%
5.4%	5.9%	0.5%	5.0%	5.9%	1.0%

KERN HEALTH SYSTEMS MEDICAL - STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH JUNE 30, 2018	JUNE 2017	JULY 2017	AUGUST 2017	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017	DECEMBER 2017	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	13 MONTH TOTAL
	241,716	239,716	339,363	240,564	240,556	239,434	241,567	241,677	243,813	244,941	246,347	247,073	247,317	3,154,084
REVENUES														
Members - MCAL														
Title XIX - Medicaid - Family and Other	126,74	124,89	125,53	129,26	122,06	126,92	123,23	116,91	118,93	123,47	121,12	133,71	126,38	124,55
Title XIX - Medicaid - Expansion Members	369,16	356,43	351,84	350,11	352,46	359,17	349,73	354,64	347,78	351,14	348,64	370,03	353,55	354,97
Title XIX - Medicaid - SPD Members	749,37	764,45	772,58	754,83	748,37	760,39	769,40	730,41	735,40	755,17	765,50	760,84	759,68	755,86
Premium - MCO Tax	31,10	32,02	31,84	33,62	30,77	31,86	31,67	31,95	31,67	31,97	31,90	31,81	31,81	31,81
Interest/Dividends	1,10	1,02	1,61	1,26	1,26	1,12	1,32	2,02	1,28	1,35	2,07	1,59	1,99	1,46
Reinsurance Recoveries	0,00	0,00	0,00	0,52	0,52	0,00	0,90	0,00	0,00	0,00	0,00	0,00	0,00	0,40
COB/Subrogation Collections	15,30	13,49	22,53	14,26	13,09	22,24	10,18	0,00	0,00	41,83	14,22	5,09	4,16	13,55
Rate/Income Adjustments	(1,41)	(0,35)	4,44	39,39	0,53	8,89	0,22	6,25	1,31	4,47	1,86	87,13	(6,79)	11,30
Other Income (Expense)	(0,37)	(0,03)	0,00	(0,77)	0,00	(0,09)	(2,93)	0,47	(0,82)	(1,57)	(1,46)	(0,40)	(1,40)	(0,51)
TOTAL REVENUES	266,07	263,08	277,18	306,01	260,82	286,61	256,87	250,32	243,21	292,85	246,347	247,073	251,76	274,76
EXPENSES														
Medical Costs:														
Physician Services	62,78	60,17	57,97	59,19	53,47	61,01	55,30	54,78	51,71	63,72	58,66	53,89	52,62	57,32
Other Professional Services	13,62	12,11	12,49	11,85	12,14	12,80	11,63	12,30	11,44	12,23	11,82	13,82	12,58	12,37
Emergency Room	19,71	19,46	21,31	19,52	16,61	21,28	16,10	17,67	17,11	21,47	21,30	18,25	19,33	19,16
Inpatient	58,72	55,74	56,59	57,62	56,43	70,23	59,27	56,23	53,55	69,30	58,05	56,39	53,65	58,59
Reinsurance Expense	0,44	0,44	0,44	0,44	0,44	0,44	0,44	0,44	0,44	0,44	0,44	0,44	0,44	0,45
Outpatient Hospital	26,04	22,65	25,71	25,83	24,47	29,87	22,59	21,96	21,08	21,73	25,24	26,06	23,98	24,44
Other Medical	10,84	8,24	7,52	7,83	9,82	7,51	10,28	10,02	7,89	10,52	8,91	24,71	13,27	10,60
Pharmacy	37,38	37,28	39,79	34,21	37,24	36,21	35,38	40,41	35,05	38,25	35,70	37,25	34,64	36,82
Pay for Performance Quality Incentive	2,35	2,35	2,35	2,35	2,35	2,35	2,35	2,00	2,00	2,00	2,00	2,00	2,00	2,19
Non-Claims 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	6,64
IBNR, Incentive, Paid Claims Adjustment	(11,29)	(0,12)	4,32	33,15	1,38	(1,60)	(0,44)	(9,68)	(0,33)	0,07	(4,12)	(7,76)	(4,84)	(0,14)
Total Medical Costs	220,60	218,33	228,50	251,99	214,36	240,10	212,90	206,17	199,96	239,79	217,99	310,44	207,65	228,44
GROSS MARGIN	45,47	44,75	48,67	54,02	46,46	46,51	43,97	44,15	43,25	53,06	44,01	43,88	44,11	46,32
Administrative:														
Compensation	7,23	7,58	8,20	7,32	7,77	7,93	8,47	8,21	7,62	8,48	6,85	7,76	7,62	7,81
Purchased Services	1,51	1,48	1,55	2,17	2,24	3,98	2,73	2,15	2,24	3,29	2,61	2,58	2,58	2,38
Supplies	0,13	0,27	0,55	0,70	0,87	0,67	(1,56)	0,43	0,11	(0,04)	0,29	0,29	0,28	0,24
Depreciation	0,53	0,53	0,53	0,53	0,53	0,53	0,53	0,53	0,52	0,52	0,53	0,49	0,51	0,52
Other Administrative Expenses	1,51	0,72	1,12	0,83	1,11	1,33	2,85	0,87	0,92	1,39	1,16	1,13	1,11	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 Expenses	11,41	10,58	11,95	11,55	12,52	14,44	14,44	12,19	11,42	13,63	11,44	12,25	11,87	12,84
TOTAL EXPENSES	232,00	228,90	240,45	263,54	226,88	254,54	234,57	218,37	211,37	253,42	229,43	322,69	219,52	241,28
OPERATING INCOME (LOSS) BEFORE TAX	34,06	34,17	36,72	42,47	33,93	32,08	22,30	31,96	31,84	39,43	32,57	31,63	32,24	33,49
MCO TAX	29,78	32,02	32,49	33,50	30,99	31,95	31,68	31,65	30,81	31,33	31,05	30,96	30,64	31,44
OPERATING INCOME (LOSS) NET OF TAX	4,29	2,16	4,24	8,96	2,95	0,13	(9,38)	0,30	1,03	8,20	1,51	0,67	1,60	2,05
TOTAL NONOPERATING REVENUE (EXPENSES)	0,00	(0,10)	0,00	(0,10)	(2,75)	0,00	(2,59)	(0,08)	(0,57)	(2,51)	(0,56)	0,18	(0,95)	(0,77)
NET INCREASE (DECREASE) IN NET POSITION	4,29	2,06	4,24	8,87	0,19	0,13	(11,97)	0,23	0,46	5,68	0,95	0,84	0,65	1,28
MEDICAL LOSS RATIO	93,9%	94,5%	93,1%	92,5%	95,2%	94,3%	94,5%	94,4%	94,4%	91,9%	94,7%	96,3%	94,3%	94,0%
ADMINISTRATIVE EXPENSE RATIO	4,9%	4,6%	4,9%	4,2%	5,4%	5,7%	9,6%	5,0%	5,4%	5,2%	5,0%	5,3%	5,4%	5,3%

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED JUNE 30, 2018				YEAR-TO-DATE	
ACTUAL	CURRENT MONTH BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
REVENUES					
Title XIX - Medicaid - Family & Other					
18,691,592	18,715,700	(24,108)	111,602,030	111,598,047	3,983
2,236,321	2,022,939	213,382	11,282,779	12,137,634	(854,855)
31,507	176,403	(144,896)	283,567	1,051,822	(768,255)
278,522	134,402	144,120	993,004	801,385	191,619
503,786	-	503,786	2,494,241	-	2,494,241
91,068	87,234	3,834	547,867	520,359	27,508
21,832,796	21,136,678	696,118	127,203,488	126,109,247	1,094,241
Title XIX - Medicaid - Expansion Members					
20,342,685	19,681,963	660,722	120,312,576	117,328,008	2,984,568
161,835	405,339	(243,504)	1,408,804	2,432,033	(1,023,229)
393,843	378,927	14,916	2,158,260	2,258,940	(100,680)
273,032	-	273,032	1,346,255	-	1,346,255
32,695	30,608	2,088	192,970	182,454	10,517
21,204,090	20,496,837	707,253	125,418,865	122,201,435	3,217,430
Title XIX - Medicaid - SPD Members					
10,548,038	10,274,765	273,273	61,907,899	61,648,588	259,311
78,769	320,007	(241,238)	1,138,206	1,920,042	(781,836)
342,777	261,795	80,982	1,565,339	1,570,770	(5,431)
114,177	-	114,177	556,776	-	556,776
11,083,761	10,856,567	227,194	65,168,220	65,139,400	28,820

CURRENT MONTH		YEAR-TO-DATE	
ACTUAL	BUDGET	ACTUAL	BUDGET
KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED JUNE 30, 2018			
			VARIANCE
PHYSICIAN SERVICES			
2,918,671	2,789,428	17,508,560	16,639,206
8,952,433	8,828,102	56,025,079	52,693,976
1,133,192	1,102,193	8,645,769	6,573,734
9,000	9,000	54,300	54,300
13,013,296	12,728,724	82,233,708	75,961,216
TOTAL PHYSICIAN SERVICES (6,272,492)			
OTHER PROFESSIONAL SERVICES			
247,073	249,711	1,465,418	1,489,439
825,183	175,171	825,183	1,051,026
241,323	683,713	3,904,797	4,013,144
3,715	89,148	534,692	534,882
86,012	89,883	457,914	513,318
(21,368)	79,191	440,660	475,144
47,918	50,527	271,585	303,162
387,958	438,198	2,732,504	2,622,590
290,129	53,670	1,323,934	320,430
1,051,105	857,835	5,981,705	5,120,523
3,111,320	2,822,747	18,196,352	16,777,861
4,780,947	4,147,547	28,238,906	24,746,647
13,267,422	13,290,353	85,117,317	79,361,760
116,124	114,116	688,746	680,642
5,930,118	4,804,780	34,501,898	28,688,858
TOTAL OTHER PROFESSIONAL SERVICES (1,418,491)			
EMERGENCY ROOM (3,492,259)			
INPATIENT HOSPITAL (5,755,558)			
REINSURANCE EXPENSE PREMIUM (8,104)			
OUTPATIENT HOSPITAL SERVICES (5,813,040)			
OTHER MEDICAL			
257,885	333,799	2,007,721	1,991,107
334,350	356,884	1,911,430	2,133,870
243,855	262,929	1,197,888	1,577,572
789,958	804,409	4,985,739	4,810,151
6,862	121,400	16,466	724,088
945,276	-	4,531,235	-
704,777	528,644	3,854,588	3,158,608
3,282,963	2,408,064	18,505,067	14,395,394
TOTAL OTHER MEDICAL (4,109,672)			
PHARMACY SERVICES			
RX - Drugs & OTC (842,092)			
7,657,236	7,874,825	47,874,194	47,032,102
454,893	833,336	3,324,876	4,980,367
618,977	517,863	3,885,380	3,096,990
(163,400)	(104,071)	(838,200)	(621,549)
8,567,706	9,121,953	54,246,250	54,487,910
494,634	485,600	2,942,336	2,896,350
(11,991)	-	20,929,691	-
(1,197,835)	-	(6,532,400)	-
51,354,704	49,923,885	339,067,870	297,996,637

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED JUNE 30, 2018		CURRENT MONTH		YEAR-TO-DATE	
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
11.80	11.49	(0.31)	11.90	11.49	(0.41)
36.20	36.36	0.16	38.08	36.39	(1.70)
4.58	4.54	(0.04)	5.88	4.54	(1.34)
0.04	0.04	0.00	0.04	0.04	0.00
52.62	52.42	(0.19)	55.90	52.45	(3.44)
PHYSICIAN SERVICES					
1.00	1.03	0.03	1.00	1.03	0.03
3.34	0.72	(2.62)	0.56	0.73	0.16
0.98	2.82	1.84	2.65	2.77	0.12
0.02	0.37	0.35	0.36	0.37	0.01
0.35	0.37	0.02	0.31	0.35	0.04
(0.09)	0.33	0.41	0.30	0.33	0.03
0.19	0.21	0.01	0.18	0.21	0.02
(0.19)	0.23	0.42	0.18	0.23	0.06
1.57	1.80	0.24	1.86	1.81	(0.05)
1.17	0.22	(0.95)	0.90	0.22	(0.68)
4.25	3.53	(0.72)	4.07	3.54	(0.53)
12.58	11.63	(0.95)	12.37	11.59	(0.78)
19.33	17.08	(2.25)	19.19	17.09	(2.11)
53.65	54.74	1.09	57.86	54.80	(3.06)
0.47	0.47	0.00	0.47	0.47	0.00
23.98	19.79	(4.19)	23.45	19.81	(3.64)
OTHER MEDICAL					
1.04	1.37	0.33	1.36	1.37	0.01
1.35	1.47	0.12	1.30	1.47	0.17
0.99	1.08	0.10	0.81	1.09	0.28
3.19	3.31	0.12	3.39	3.32	(0.07)
0.03	0.50	0.47	0.01	0.50	0.49
3.82	0.00	(3.82)	3.08	0.00	(3.08)
2.85	2.18	(0.67)	2.62	2.18	(0.44)
13.27	9.92	(3.36)	12.58	9.94	(2.64)
PHARMACY SERVICES					
30.96	32.43	1.47	32.54	32.48	(0.06)
1.84	3.43	1.59	2.26	3.44	1.18
2.50	2.13	(0.37)	2.64	2.14	(0.50)
(0.66)	(0.43)	0.23	(0.57)	(0.43)	0.14
34.64	37.57	2.93	36.87	37.63	0.75
2.00	2.00	0.00	2.00	2.00	0.00
(0.05)	0.00	0.05	14.23	0.00	(14.23)
(4.84)	0.00	4.84	(4.44)	0.00	4.44
207.65	205.62	(2.03)	230.48	205.77	(24.70)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH JUNE 30, 2018	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	YEAR TO DATE 2018
PHYSICIAN SERVICES							
Primary Care Physician Services	2,920,677	2,742,958	2,795,669	3,032,803	3,097,782	2,918,671	17,508,560
Referral Specialty Services	9,240,467	8,846,562	10,522,041	9,730,130	8,733,446	8,952,433	56,025,079
Urgent Care & After Hours Advise	1,069,333	1,008,534	2,281,593	1,678,588	1,474,529	1,133,192	8,645,769
Hospital Admitting Team	9,300	8,400	9,300	9,000	9,300	9,000	54,300
TOTAL PHYSICIAN SERVICES	13,239,777	12,606,454	15,608,603	14,450,521	13,315,057	13,013,296	82,233,708
OTHER PROFESSIONAL SERVICES							
Vision Service Capitation	241,567	249,668	251,973	228,790	246,347	247,073	1,465,418
221 - Business Intelligence	-	-	-	-	-	825,183	825,183
310 - Health Services - Utilization Management - UM Allocation *	761,074	704,252	799,729	642,963	755,456	241,323	3,904,797
311 - Health Services - Quality Improvement - UM Allocation *	118,821	107,550	123,692	89,357	91,557	3,715	534,692
312 - Health Services - Education - UM Allocation *	76,022	65,961	79,421	70,442	80,056	86,012	457,914
313 - Health Services - Pharmacy - UM Allocation *	96,522	85,975	103,112	80,930	95,489	(21,368)	440,660
314 - Health Homes - UM Allocation *	44,203	41,266	48,457	41,054	48,687	47,918	271,585
616 - Disease Management - UM Allocation *	56,128	59,793	70,852	54,370	64,544	(47,728)	257,959
Behavior Health Treatment	488,079	385,879	454,810	490,975	524,803	387,958	2,732,504
Mental Health Services	63,645	122,453	96,062	319,743	431,902	290,129	1,323,934
Other Professional Services	1,027,749	965,677	968,482	892,942	1,075,750	1,051,105	5,981,705
TOTAL OTHER PROFESSIONAL SERVICES	2,973,811	2,788,474	2,996,590	2,911,566	3,414,591	3,111,320	18,196,352
EMERGENCY ROOM	4269,344	4171,278	5259,525	5247,777	4510,035	4780,947	28,238,906
INPATIENT HOSPITAL	13,588,711	13,055,324	16,973,565	14,300,202	13,932,093	13,267,422	85,117,317
REINSURANCE EXPENSE PREMIUM	113,536	117,345	118,427	107,531	115,783	116,124	688,746
OUTPATIENT HOSPITAL SERVICES	5,307,045	5,138,504	5,322,082	6,217,088	6,587,061	5,930,118	34,501,898
OTHER MEDICAL							
Ambulance	338,351	352,496	350,066	327,106	381,817	257,885	2,007,721
Home Health Services & CBAS	387,076	354,315	265,517	292,019	278,153	334,350	1,911,430
Utilization and Quality Review Expenses	284,192	42,175	226,751	159,266	241,649	243,855	1,197,888
Long Term/SNF/Hospice	999,658	777,625	923,259	686,826	808,413	789,958	4,985,739
Enhanced Medical Benefits	-	9,604	-	-	-	6,862	16,466
Provider Enhancement Expense	-	-	-	-	3,585,959	945,276	4,531,235
Non-Medical Transportation	413,329	387,049	811,267	730,215	807,951	704,777	3,854,588
TOTAL OTHER MEDICAL	2,422,606	1,923,264	2,576,860	2,195,432	6,103,942	3,282,963	18,505,067
PHARMACY SERVICES							
RX - Drugs & OTC	8,533,080	7,533,478	8,276,129	7,813,536	8,060,735	7,657,236	47,874,194
RX - HEP-C	729,042	557,006	600,369	500,230	483,336	454,893	3,324,876
Rx - DME	620,941	570,130	608,997	643,269	823,066	618,977	3,885,380
RX - Pharmacy Rebates	(116,000)	(116,000)	(116,000)	(163,400)	(163,400)	(163,400)	(838,200)
TOTAL PHARMACY SERVICES	9,767,063	8,544,614	9,369,495	8,793,635	9,203,737	8,567,706	54,246,250
PAY FOR PERFORMANCE QUALITY INCENTIVE	483,354	487,626	489,882	492,694	494,146	494,634	2,942,336
NON-CLAIMS EXPENSE ADJUSTMENT	-	-	-	-	20,941,682	(11,991)	20,929,691
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(2,338,427)	(81,180)	18,265	(1,015,946)	(1,917,277)	(1,197,835)	(6,532,400)
Total Medical Costs	49,826,819	48,751,703	58,733,294	53,700,500	76,700,850	51,354,704	339,067,870

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH JUNE 30, 2018	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	YEAR TO DATE 2018
PHYSICIAN SERVICES							
Primary Care Physician Services	12.09	11.25	11.41	12.31	12.54	11.80	11.90
Referral Specialty Services	38.23	36.28	42.96	39.50	35.35	36.20	38.08
Urgent Care & After Hours Advise	4.42	4.14	9.31	6.81	5.97	4.58	5.88
Hospital Admitting Team	0.04	0.03	0.04	0.04	0.04	0.04	0.04
TOTAL PHYSICIAN SERVICES	54.78	51.71	63.72	58.66	53.89	52.62	55.90
OTHER PROFESSIONAL SERVICES							
Vision Service Capitation	1.00	1.02	1.03	0.93	1.00	1.00	1.00
221 - Business Intelligence	0.00	0.00	0.00	0.00	0.00	3.34	0.56
310 - Health Services - Utilization Management - UM Allocation *	3.15	2.89	3.26	2.61	3.06	0.98	2.65
311 - Health Services - Quality Improvement - UM Allocation *	0.49	0.44	0.50	0.36	0.37	0.02	0.36
312 - Health Services - Education - UM Allocation *	0.31	0.27	0.32	0.29	0.32	0.35	0.31
313 - Health Services - Pharmacy - UM Allocation *	0.40	0.35	0.42	0.33	0.39	(0.09)	0.30
314 - Health Homes - UM Allocation *	0.18	0.17	0.20	0.17	0.20	0.19	0.18
616 - Disease Management - UM Allocation *	0.23	0.25	0.29	0.22	0.26	(0.19)	0.18
Behavior Health Treatment	2.02	1.58	1.86	1.99	2.12	1.57	1.86
Mental Health Services	0.26	0.50	0.39	1.30	1.75	1.17	0.90
Other Professional Services	4.25	3.96	3.95	3.62	4.35	4.25	4.07
TOTAL OTHER PROFESSIONAL SERVICES	12.30	11.44	12.23	11.82	13.82	12.58	12.37
EMERGENCY ROOM	17.67	17.11	21.47	21.30	18.25	19.33	19.19
INPATIENT HOSPITAL	56.23	53.55	69.30	58.05	56.39	53.65	57.86
REINSURANCE EXPENSE PREMIUM	0.47	0.48	0.48	0.44	0.47	0.47	0.47
OUTPATIENT HOSPITAL SERVICES	21.96	21.08	21.73	25.24	26.66	23.98	23.45
OTHER MEDICAL							
Ambulance	1.40	1.45	1.43	1.33	1.55	1.04	1.36
Home Health Services & CBAS	1.60	1.45	1.08	1.19	1.13	1.35	1.30
Utilization and Quality Review Expenses	1.18	0.17	0.93	0.65	0.98	0.99	0.81
Long Term/SNF/Hospice	4.14	3.19	3.77	2.79	3.27	3.19	3.39
Enhanced Medical Benefits	0.00	0.04	0.00	0.00	0.00	0.03	0.01
Provider Enhancement Expense	1.71	0.00	0.00	0.00	14.51	3.82	3.08
Non-Medical Transportation	1.71	1.59	3.31	2.96	3.27	2.85	2.62
TOTAL OTHER MEDICAL	10.02	7.89	10.52	8.91	24.71	13.27	12.58
PHARMACY SERVICES							
RX - Drugs & OTC	35.31	30.90	33.79	31.72	32.62	30.96	32.54
RX - HEP-C	3.02	2.28	2.45	2.03	1.96	1.84	2.26
Rx - DME	2.57	2.34	2.49	2.61	3.33	2.50	2.64
RX - Pharmacy Rebates	(0.48)	(0.48)	(0.47)	(0.66)	(0.66)	(0.66)	(0.57)
TOTAL PHARMACY SERVICES	40.41	35.05	38.25	35.70	37.25	34.64	36.87
PAY FOR PERFORMANCE QUALITY INCENTIVE	2.00	2.00	2.00	2.00	2.00	2.00	2.00
NON-CLAIMS EXPENSE ADJUSTMENT	0.00	0.00	0.00	0.00	84.76	(0.05)	14.23
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(9.68)	(0.33)	0.07	(4.12)	(7.76)	(4.84)	(4.44)
Total Medical Costs	206.17	199.96	239.79	217.99	310.44	207.65	230.48

CURRENT MONTH		YEAR-TO-DATE	
ACTUAL	BUDGET	ACTUAL	BUDGET
VARIANCE		VARIANCE	
215,868	230,116	1,278,700	1,435,896
172,387	144,768	781,666	868,601
348,119	394,575	2,293,837	2,367,444
(687,770)	3,166	1,718	18,987
146,181	319,527	1,107,170	1,917,147
423,369	452,010	2,665,488	2,707,810
81,230	100,658	468,904	603,950
483,745	87,087	489,259	511,506
102,349	32,758	103,046	196,544
12	553	924	3,320
210,335	121,042	695,689	706,250
2,930	2,325	3,709	13,950
110,553	23,972	110,682	143,835
191,269	201,519	1,269,700	1,210,860
554,776	511,174	3,312,810	3,067,036
309,374	293,621	1,673,703	1,755,723
52,008	59,285	316,334	355,712
38,290	49,900	248,269	347,296
40,380	62,896	272,109	377,372
139,886	151,777	756,694	912,350
-	(124,999)	-	(749,986)
2,935,291	3,117,731	17,850,411	18,771,603
	182,440		921,192

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

KERN HEALTH SYSTEMS MEDI-CAL		JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	YEAR TO DATE 2018
SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED JUNE 30, 2018								
110 - Executive		249,360	227,269	224,150	218,301	143,752	215,868	1,278,700
210 - Accounting		121,592	122,208	139,362	119,259	106,858	172,387	781,666
220 - Management Information Systems (MIS)								
		432,742	431,903	432,298	272,224	376,551	348,119	2,293,837
221 - Business Intelligence		122,020	134,571	151,816	129,810	151,271	(687,770)	1,718
225 - Infrastructure		126,761	233,198	186,762	250,471	163,797	146,181	1,107,170
230 - Claims		476,893	392,682	482,563	405,196	484,785	423,369	2,665,488
240 - Project Management		83,613	64,943	73,023	71,038	95,057	81,230	468,904
310 - Health Services - Utilization Management		5,036	(156)	768	270	(404)	483,745	489,259
311 - Health Services - Quality Improvement		10	358	329	-	-	102,349	103,046
312 - Health Services - Education		147	(130)	-	190	705	12	924
313- Pharmacy		104,959	104,858	84,757	91,752	99,028	210,335	695,689
314 - Health Homes		83	(76)	99	698	(25)	2,930	3,709
616 - Disease Management		-	129	-	-	-	110,553	110,682
320 - Provider Relations		262,401	186,821	205,072	172,555	251,582	191,269	1,269,700
330 - Member Services		406,721	390,353	869,265	527,594	564,101	554,776	3,312,810
340 - Corporate Services		327,904	251,490	222,176	270,949	291,810	309,374	1,673,703
360 - Audit & Investigative Services		55,126	54,243	55,402	47,224	52,331	52,008	316,334
410 - Advertising Media		4,575	21,825	23,427	81,259	78,893	38,290	248,269
420 - Sales/Marketing/Public Relations		50,590	41,234	44,701	55,893	39,311	40,380	272,109
510 - Human Resources		116,481	126,047	143,307	103,305	127,668	139,886	756,694
Total Department Expenses		2,947,014	2,783,770	3,339,277	2,817,988	3,027,071	2,935,291	17,850,411

KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF JUNE 30, 2018			
ASSETS	JUNE 2018	MAY 2018	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,449,702	\$ 1,449,702	-
Interest Receivable	5,220	3,480	1,740
Prepaid Expenses & Other Current Assets	-	834	(834)
TOTAL CURRENT ASSETS	\$ 1,454,922	\$ 1,454,016	\$ 906
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	11,937	11,937	-
Other Liabilities	353,849	353,849	-
TOTAL CURRENT LIABILITIES	\$ 365,786	\$ 365,786	\$ -
NET POSITION:			
Net Position- Beg. of Year	1,081,027	1,081,027	-
Increase (Decrease) in Net Position - Current Year	8,109	7,203	906
Total Net Position	\$ 1,089,136	\$ 1,088,230	\$ 906
TOTAL LIABILITIES AND NET POSITION	\$ 1,454,922	\$ 1,454,016	\$ 906

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED JUNE 30, 2018	YEAR-TO-DATE		
				ACTUAL	BUDGET	VARIANCE
ENROLLMENT						
-	-	-	Members	-	-	-
REVENUES						
-	-	-	Premium	-	-	-
1,740	-	1,740	Interest	10,441	-	10,441
-	-	-	Other Investment Income	2,668	-	2,668
1,740	-	1,740	TOTAL REVENUES	13,109	-	13,109
EXPENSES						
-	-	-	Medical Costs	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
1,740	-	1,740	GROSS MARGIN	13,109	-	13,109
Administrative						
834	-	(834)	Management Fee Expense and Other Admin Exp	5,000	-	(5,000)
834	-	(834)	Total Administrative Expenses	5,000	-	(5,000)
834	-	(834)	TOTAL EXPENSES	5,000	-	(5,000)
906	-	906	OPERATING INCOME (LOSS)	8,109	-	8,109
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-
906	-	906	NET INCREASE (DECREASE) IN NET POSITION	8,109	-	8,109
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%
48%	0%	-48%	ADMINISTRATIVE EXPENSE RATIO	38%	0%	-38%

**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	34,687	33,840	33,542	33,859						
MIN - FAMILY	0	0	0	0	0	0						
REFUGEE - FAMILY	0	0	0	0	0	0						
FOSTER CARE	707	679	719	731	701	713						
POVERTY-133/200%	1	1	1	1	1	1						
POVERTY-100%	0	0	0	0	0	0						
MI - CHILD	107,133	108,725	109,378	110,181	111,205	110,796						
CHILD-ACA	115	104	120	40	40	43						
FAMILY - UNDER 19	21,195	21,355	21,188	21,708	21,196	21,272						
SUB-TOTAL ADULT & FAMILY	163,941	165,085	166,093	166,501	166,685	166,684	0	0	0	0	0	0

	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 EXPANSION												
LIHP Transition Pre-ACA	52	52	52	52	52	28	49					
ACA Expansion Adult-Citizen	57,307	58,178	58,262	59,224	58,660	59,473						
ACA Expansion CAL Fresh Adult	5	5	6	5	5	5						
LIHP Transition Pre-ACA	380	389	454	418	539	508						
SUB-TOTAL MANDATORY	57,744	58,564	58,774	59,699	59,232	59,975	0	0	0	0	0	0

	JAN'18	FEB'18	MAR'18	APR'18	MAY'18	JUN'18	JUL'18	AUG'18	SEP'18	OCT'18	NOV'18	DEC'18
SDP MEMBERS												
SSI-AGED	191	182	174	186	186	186	195					
MI - AGED	1,457	1,414	1,533	1,483	1,544	1,551						
SSI - BLIND & DIS-ABLED	12,242	12,366	12,213	12,177	12,373	12,386						
MI - BLIND & DIS-ABLED	259	358	334	356	1,121	458						
SUB-TOTAL MANDATORY SPD	14,149	14,320	14,254	14,202	15,224	14,590	0	0	0	0	0	0
TOTAL MANDATORY	235,834	237,969	239,121	240,402	241,141	241,249	0	0	0	0	0	0

	JAN'18	FEB'18	MAR'18	APR'18	MAY'18	JUN'18	JUL'18	AUG'18	SEP'18	OCT'18	NOV'18	DEC'18
OTHER MEMBERS												
BCCTP-TOBACCO SETTLEMENT	28	26	25	24	24	23						

	JAN'18	FEB'18	MAR'18	APR'18	MAY'18	JUN'18	JUL'18	AUG'18	SEP'18	OCT'18	NOV'18	DEC'18
DUALS												
PA - FAMILY DUALS	24	14	19	23	-8	19						
PART D SSI - AGED	771	776	767	784	805	787						
PART D MI - AGED	1,295	1,364	1,331	1,359	1,390	1,364						
PART D SSI - BLIND & DIS-ABLED	2,338	2,300	2,314	2,389	2,324	2,463						
PART D MI - BLIND & DIS-ABLED	1,038	978	973	980	983	980						
PART D BCCTP-TOBACCO SETTLEMENT	3	1	1	0	0	0						
PART D MI - ADULT	0	0	0	0	0	0						
PART D MI - CHILD	346	385	390	386	414	432						
SUB-TOTAL DUALS	5,815	5,818	5,795	5,921	5,908	6,045	0	0	0	0	0	0
TOTAL OTHERS	5,843	5,844	5,820	5,945	5,932	6,068	0	0	0	0	0	0

	JAN'18	FEB'18	MAR'18	APR'18	MAY'18	JUN'18	JUL'18	AUG'18	SEP'18	OCT'18	NOV'18	DEC'18
TOTAL KAISER	7,991	8,160	8,225	8,267	8,307	8,294						

	JAN'18	FEB'18	MAR'18	APR'18	MAY'18	JUN'18	JUL'18	AUG'18	SEP'18	OCT'18	NOV'18	DEC'18
TOTAL MEDICAL MEMBERS	249,668	251,973	253,166	254,614	255,380	255,611	0	0	0	0	0	0



May AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4290	S C ANDERSON, INC *****	480,429.24	1,122,775.34	PRE-CONSTRUCTION SERVICES	CAPITAL PROJECT NEW BUILDING
T1045	KASER FOUNDATION HEALTH	395,596.11	1,965,301.02	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4738	AMERICAN LOGISTICS COMPANY, LLC	296,270.45	1,289,649.91	DEC 2017-MAR 2018 MEDICAL/NON-MEDICAL TRANSPORTATION MEMBER BENEFIT	MEMBER SERVICES
T4350	COMPUTER ENTERPRISE INC.	153,860.00	830,602.33	JAN - APR 2018 PROFESSIONAL SERVICES / NOV. - DEC. 2017 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T2726	DST PHARMACY SOLUTIONS, INC.	91,475.34	384,878.95	PHARMACY AND CLAIMS PROCESSING JANUARY - MARCH 2018	PHARMACY
T4237	FLUIDEDGE CONSULTING, INC.	87,262.61	785,800.96	NOV. - DEC. 2017-JAN. - APR. 2018 CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING/ ALCHEMY ANNUAL LICENSE AND MAINTENANCE	VARIOUS
T3460	THE GUARDIAN LIFE INSURANCE CO.	58,525.62	291,221.94	2018 VOLUNTARY LIFE AD&D, DENTAL INSURANCE	VARIOUS
T4696	ZNALYTICS, LLC	55,640.00	407,219.77	JAN - MAR 2018 PROFESSIONAL SERVICES	CAPITAL PROJECT IN PROGRESS
T4685	NATIONAL GIFT CARD CORP	39,460.00	153,916.16	MEMBER INCENTIVES	HOME HEALTH/HEALTH EDUCATION
T4582	HEALTHX, INC.	38,000.00	195,200.00	IMPLEMENTATION FEE- MEMBER ENHANCEMENT PROVIDER AND	CAPITAL PROJECT - MEMBER & PROVIDER
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	30,367.54	114,970.20	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT-NEW BUILDING
T4563	SPH ANALYTICS****	29,761.65	30,461.65	MEMBER SATISFACTION SURVEY	MEMBER SERVICES /PROVIDER RELATIONS
T4193	TECHNOSOCIALWORK.COM DBA STRIA	29,539.56	159,112.82	FEB & MAR 2018 OCR SERVICES	CLAIMS
T4538/T4902	CHANGE HEALTHCARE LLC	27,368.25	216,069.70	EDI CLAIMS, CLAIM CHECK	CLAIMS / MIS
T4415	DANIELLS, PHILLIPS, VAUGHN & BOCK	26,700.00	49,175.00	FINANCIAL REPORTING SERVICES	ADMINISTRATIVE
T4308	TRUXTUN PLACE PARTNERS	25,807.00	145,122.25	TRUXTUN- MAR. 2018 LEASE & UTILITIES	CORPORATE SERVICES
T4695	EDIFCS, INC.	24,000.00	165,600.00	JAN - MAR. 2018 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T1071	CLINICA SIERRA VISTA	22,754.92	1,164,375.68	2018 MEDICAL RESPITE PROGRAM / PROVIDER RECRUITMENT- RETENTION GRANT	HEALTH SERVICES - UM / COMMUNITY GRANTS
T4165	SHI INTERNATIONAL CO.	22,329.59	125,170.83	STORAGE MAINTENANCE/HARDWARE	CAPITAL PROJECT IN PROGRESS
T4909	GEM PHYSICIANS MEDICAL GROUP, INC	20,993.10	35,179.95	DEC 17 HEALTH HOME GRANT	COMMUNITY GRANTS
T4421	JON SLAGLE	18,255.15	72,122.40	ADVERTISING CAMPAIGN - 75%	MARKETING
T4546	LEVEL 3 COMMUNICATIONS, LLC	17,837.25	105,372.87	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T4654	DELAWIE	16,446.78	54,941.16	2018 PROFESSIONAL SERVICES	CAPITAL PROJECT ARCHITECTURAL



May AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T3011	OFFICE ALLY, INC.	16,021.75	82,802.25	2018 EDI CLAIM PROCESSING	CLAIMS
T4396	KAISER FOUNDATION HEALTH-DHMO	15,141.25	72,642.98	2018 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4467	MEDISOFTFX, LLC.	13,676.84	68,469.98	2018 PROFESSIONAL SERVICES-HOME HEALTH PROJECT	CAPITAL PROJECT IN PROGRESS
T4460	PAYSPAN, INC	13,108.18	81,205.93	2018 ELECTRONIC CLAIMS/PAYMENTS	CLAIMS
T4782	KP LLC	11,100.00	21,100.00	DRUG FORMULARY	PHARMACY
		<u>2,078,037.18</u>			
	TOTAL VENDORS OVER \$10,000	2,078,037.18			
	TOTAL VENDORS UNDER \$10,000	395,269.64			
	TOTAL VENDOR EXPENSES - YTD JAN - MAY 2018	<u><u>2,473,306.82</u></u>			

Note:

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



May AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH	1,965,301.02	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4738	AMERICAN LOGISTICS COMPANY, LLC	1,289,849.91	DEC.2017-MAR 2018 MEDICAL/NON MEDICAL TRANSPORTATION MEMBER BENEFIT	MEMBER SERVICES
T1071	CLINICA SIERRA VISTA	1,164,375.68	2018 MEDICAL RESPITE PROGRAM / PROVIDER RECRUITMENT-RETENTION GRANT	HEALTH SERVICES - UM / COMMUNITY GRANTS
T4290	S C ANDERSON, INC *****	1,122,775.34	PRE-CONSTRUCTION SERVICES	CAPITAL PROJECT NEW BUILDING
T4391	OMNI FAMILY HEALTH	875,561.63	SEPT- NOV. 2017 HOME HEALTH GRANT / CONSTRUCTION	COMMUNITY GRANTS
T4350	COMPUTER ENTERPRISE INC.	865,558.05	JAN - APR 2018 PROFESSIONAL SERVICES / NOV. - DEC. 2017 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T4237	FLUIDEDGE CONSULTING, INC.	789,969.40	NOV. - DEC. 2017; JAN - APR 2018. CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING/ ALCHEMY ANNUAL LICENSE AND MAINTENANCE	VARIOUS
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	546,460.77	NEW BUILDING UNDERGROUND UTILITIES/ANNUAL TRUE-UP FOR 2017 USAGE/UTILITIES	CAPITAL PROJECT IN PROGRESS - NEW BUILDING/ CORPORATE SERVICES
T2726	DST PHARMACY SOLUTIONS, INC.	475,321.94	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
T4696	ZNALYTICS, LLC	336,043.24	JAN - MAR 2018 PROFESSIONAL SERVICES	CAPITAL PROJECT IN PROGRESS
T2292	CITY OF BAKERSFIELD	330,264.05	BUILDING PERMIT FEES	CAPITAL PROJECT - NEW BUILDING
T3460	THE GUARDIAN LIFE INSURANCE CO.	291,926.79	2018 VOLUNTARY LIFE AD&D, DENTAL INSURANCE	VARIOUS
T1408	DELL MARKETING L.P.	253,303.60	HARDWARE- 6- LATTITUDE E5480, 1 DELL SMART PRINTER 6610, 20 OPTIPLEX 3060 DESKTOPS SOFTWARE LICENSE SUBSCRIPTION/SUPPORT BATTERY REPLACEMENTS	MIS INFRASTRUCTURE
T1001	KERN MEDICAL CENTER	246,854.51	KM GROW CLINIC REIMBURSEMENT	COMMUNITY GRANTS
T4538/T4902	CHANGE HEALTHCARE LLC	216,069.70	EDI CLAIMS, CLAIM CHECK	CLAIMS / MIS
T4562	HEALTHX, INC.	196,700.00	IMPLEMENTATION FEE- MEMBER ENHANCEMENT PROVIDER AND MEMBER PORTAL	CAPITAL PROJECT - MEMBER & PROVIDER PORTAL



May AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to- Date	Description	Department
T4695	EDIFCS, INC.	165,600.00	JAN - MAR. 2018 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T4193	TECHNOSOCIALWORK.COM DBA STRIA	159,112.82	FEB & MAR 2018 OCR SERVICES	CLAIMS
T4685	NATIONAL GIFT CARD CORP	155,133.15	MEMBER INCENTIVES	HOME HEALTH/HEALTH EDUCATION
T4308	TRUXTUN PLACE PARTNERS	145,122.25	TRUXTUN- MAR. 2018 LEASE & UTILITIES	CORPORATE SERVICES
T1183	MILLIMAN USA	141,318.13	NOV- DEC 2017 ACTUARIAL SERVICES, CY2016 RDT, 2018 RATE SUPPORT, VALUE-BASED PURCHASING ANALYSIS, OTHER CONSULTING SERVICES	ADMINISTRATION
T4165	SHI INTERNATIONAL CO.	125,170.83	STORAGE MAINTENANCE/ HARDWARE	CAPITAL PROJECT IN PROCESS
T2469	DST HEALTH SOLUTIONS, INC.	116,800.00	2018 MHC SOFTWARE - LICENSE FEE, MAINTENANCE, AND SUPPORT& ADJUSTED CLINICAL GROUP SYSTEM	MIS INFRASTRUCTURE
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	116,323.67	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT-NEW BUILDING
T2413	TREK IMAGING INC	115,885.92	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T2707	ACT 1 PERSONNEL SERVICES, INC.	108,799.06	TEMPORARY HELP -MARCH - MIS -2; MS -2; CS - 1	VARIOUS
T4546	LEVEL 3 COMMUNICATIONS, LLC	105,372.87	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T2933	SIERRA PRINTERS, INC.	83,456.05	MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY	VARIOUS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	87,138.49	2018 SERVICES, BASIC 101, QNXT CORE SOLUTIONS	MIS INFRASTRUCTURE
T3011	OFFICE ALLY, INC.	82,802.25	2018 EDI CLAIM PROCESSING	CLAIMS
T4460	PAYSPAN, INC	81,205.93	2018 ELECTRONIC CLAIMS/PAYMENTS	CLAIMS
T2287	CALIFORNIA WATER SERVICE	74,646.53	UTILITIES - NEW BUILDING SERVICES / WATER SERVICES	CAPITAL PROJECT-NEW BUILDING /WATER
T4478	AMERICAN FIDELITY ASSURANCE COMPANY	74,451.75	EMPLOYEE PREMIUMS FLEX	HEALTH SAVINGS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	72,807.61	2018 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4396	KAISER FOUNDATION HEALTHDHMO	72,642.98	2018 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4421	JON SLAGLE	72,122.40	ADVERTISING CAMPAIGN - 75%	MARKETING
T4467	MEDISOFTRX, LLC.	68,469.98	2018 PROFESSIONAL SERVICES-HOME HEALTH PROJECT	CAPITAL PROJECT IN PROGRESS



May AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1785	AT&T	66,318.88	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	SUMMEET BHINDER, MD INC	60,167.13	PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T4452	WELLS FARGO	60,140.05	EXECUTIVE MISC CORPORATE SERVICES, PROVIDER RELATIONS, MISC TRAVEL EXPENSES	VARIOUS
T2564	UNITED STATES POSTAL SVC.-HASLER	60,000.00	POSTAGE-METERED	VARIOUS
T3077	V/MWARE, INC	59,544.72	VSPHERE 5 ENTERPRISE RENEWAL	MIS
T1644	BRIGHT HOUSE NETWORK	57,628.71	UNDERGROUND UTILITIES FOR NEW BUILDING/INTERNET FOR STOCKDALE LOCATION	CAPITAL PROJECT - NEW BUILDING / MIS
T4654	DELAWIE	54,941.16	2018 PROFESSIONAL SERVICES	CAPITAL PROJECT ARCHITECTURAL
T1272	COFFEY COMMUNICATIONS INC.	54,238.65	NEWSLETTER PUBLICATION/MAILING	VARIOUS
T4483	MICRO-DYN MEDICAL SYSTEMS INC	53,880.00	ANNUAL LICENSE	MIS
T2686	ALLIANT INSURANCE SERVICES INC.	52,457.18	EARTH MOVEMENT INSURANCE-NEW BUILDING	CAPITAL PROJECT IN PROGRESS / INSURANCE
T2837	TOYS/BABIES R US	51,981.42	WELL CHILD & PREGNANCY INCENTIVE PROGRAM	HEALTH EDUCATION
T1861	CEREDIAN BENEFITS SERVICES	51,628.25	DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS	HUMAN RESOURCES
T4415	DANIELLS, PHILLIPS, VAUGHN & BOCK	49,175.00	FINANCIAL REPORTING SERVICES	ADMINISTRATIVE
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
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	40,621.00	COMMUNITY SPONSORSHIP	ADMINISTRATION
T2918	STINSON'S	36,812.25	OFFICE SUPPLIES	VARIOUS



May AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to- Date	Description	Department
T4294	PAOLA DELGADO DBA J SERVICES JANITORIAL	38,530.00	JANITORIAL SERVICES	CORPORATE SERVICES
T1957	MERCY FOUNDATION-BAKERSFIELD	38,000.00	DA VINCI CAMPAIGN SPONSORSHIP	ADMINISTRATION
T4168	RELAYHEALTH	36,164.52	2018 -EDI CLAIM PROCESSING	CLAIMS
T4767	VALLEY ANESTHESIA ASSOCIATES, INC	36,016.42	OCT 17 PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T4909	GEM PHYSICIANS MEDICAL GROUP, INC	35,179.95	DEC 17 HEALTH HOME GRANT	COMMUNITY GRANTS
T4884	GAINES SOLUTIONS , INC.	35,000.00	ANNUAL HOSTING FEE (SPR/SP) CONSULTING SERVICES - SB137 PROVIDER DATA VALIDATION CONSULTANT	PROVIDER RELATIONS
T4603	ECFIRST.COM	34,491.29	PROFESSIONAL SERVICES -INFORMATION SYSTEM HIPAA SECURITY	CAPITAL PROJECT IN PROCESS
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	34,109.00	2018 ANNUAL DUES ASSESSMENT CAHP SEMINAR FEES	ADMINISTRATION
T2961	SOLUTION BENCH, LLC	33,235.08	M-FILES LICENSES & MAINTENANCE	MIS INFRASTRUCTURE
T4563	SPH ANALYTICS***	30,461.65	MEMBER SATISFACTION SURVEY	MEMBER SERVICES /PROVIDER RELATIONS
T4537	BURKE, WILLIAMS & SORENSEN, LLP	29,842.51	OCT- DEC 2017, 2018 LEGAL SERVICES (NEW BUILDING) -	CAPITAL PROJECT-NEW BUILDING
T3449	CDW GOVERNMENT	29,637.92	HARDWARE AND LICENSES - 20 ADOBE A CRO LICENSES, 15 CISCO IP PHONES & LICENSES, 1 PROJECTOR SURFACE PRO DOCKS, ACCESSORIES, SOFTWARE	MIS INFRASTRUCTURE
T2969	AMERICAN BUSINESS MACHINES INC	28,782.53	CANON IMAGE FORMULA DR-X10C II SCANNER, WITH ANNUAL MAINTENANCE CONTRACT	MIS - INFRASTRUCTURE
T4733	UNITED STAFFING ASSOCIATES	27,783.80	TEMPORARY HELP	VARIOUS
T4801	ZEAL STAFFING LLC DBA Z STAFFING	27,442.45	TEMPORARY HELP	VARIOUS
T1189	APPLE ONE INC	27,317.36	TEMPORARY HELP	VARIOUS
T3084	KERN COUNTY - COUNTY COUNSEL	26,587.00	LEGAL FEES	ADMINISTRATIVE
T2232	DLT SOLUTIONS, LLC	24,154.83	SOL SERVER MAINTENANCE CONTRACT	MIS INFRASTRUCTURE



May AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4785	COMMIGAP	23,047.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T1128	HALL LETTER SHOP INC.	22,902.25	NEW MEMBER PACKETS / MEMBERSHIP CARDS	MEMBER SERVICES
T4561	SRI & SHARMA, LLC	21,875.00	PARKING RENTAL	CORPORATE SERVICES
T4792	KP LLC	21,100.00	DRUG FORMULARY	PHARMACY
T4497	SKILLSOFT CORPORATION	20,836.93	ANNUAL LICENSE FEE- ONLINE TRAINING & DESKTOP VIDEOS	HUMAN RESOURCE
T3986	JACQUELYN S JANS	20,448.00	PROFESSIONAL SERVICES MARKETING AND PR SERVICES	ADMINISTRATION/MARKETING
T4739	SECURITAS SECURITY SERVICES USA INC	19,414.08	SECURITY SERVICES	CORPORATE
T2446	AT&T MOBILITY	18,939.64	CELLULAR PHONE / INTERNET	MIS
T1180	LANGUAGE LINE SERVICES, INC	18,437.56	INTERPRETATION SERVICES	MEMBER SERVICES
T2441	LAURA BREZINSKI	18,105.00	MARKETING MATERIALS	MARKETING
T4747	SYED ALAM, M.D. INC.	17,500.00	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS	COMMUNITY GRANTS
T4501	ALLIED UNIVERSAL SECURITY SERVICES	17,495.00	ONSITE SECURITY	CORPORATE SERVICES
T2790	KERN COUNTY DEPARTMENT OF PUBLIC HEALTH	16,459.00	SPONSORSHIPS	COMMUNITY ACTIVITIES
T4708	HEALTH MANAGEMENT ASSOCIATES INC***	16,453.75	CONSULTING SERVICES -2018 PROJ KHS TIMELY ACCESS REPORT	ADMINISTRATION
T4883	MARTHA TASINGA	14,887.66	TEMPORARY HOUSING EXPENSE/REIMBURSEMENT	HUMAN RESOURCES
T4228	THE SSI GROUP, LLC	14,667.20	EDI CLAIMS	CLAIMS
T3990	SPARKLETT'S, INC	14,230.91	BOTTLED WATER SERVICE	VARIOUS
T4384	PINNACLE PRIMARY CARE, INC.	14,049.16	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS	COMMUNITY GRANTS
T1347	ADVANCED DATA STORAGE	13,814.11	SHREDDING SERVICE / STORAGE	CORPORATE SERVICES
T4583	SOILS ENGINEERING INC***	13,731.62	SOIL SAMPLING OBSERVATION -OIL DIRT DISCOVERY/REMEDIATION	CAPITAL PROJECT-NEW BUILDING
T1022	UNUM LIFE INSURANCE CO	13,706.80	EMPLOYEE PREMIUMS LONG TERM CARE	VARIOUS
T2840	ATALASOFT, INC.	13,596.00	2018 SOFTWARE SUPPORT & MAINTENANCE FOR DOT IMAGE	MIS INFRASTRUCTURE



May AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4183	LAMAR ADVERTISING OF BAKERSFIELD	13,525.00	BILLBOARD ADVERTISING	MEDIA & ADVERTISING
T4698	INFINITY COMMUNICATIONS & CONSULTING, INC.	13,500.00	TECHNICAL BUILDING ARCHITECTURAL CONSULTING PHASE I	CAPITAL PROJECT-NEW BUILDING
T4425	PRO RESTORATION SERVICES INC	12,859.75	RESTORATION - STRUCTURAL REPAIR, WATER EXTRACTION AND REMEDIATION	CORPORATE SERVICES
T4297	PRAGMATIC WORKS SOFTWARE	12,500.80	3 YEAR RENEWAL MAINTENANCE WORKBENCH PRO UPGRADE	MIS
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 OBJECTS ANNUAL MAINTENANCE	MIS - SOFTWARE SUPPORT
T2941	KERN PRINT SERVICES INC	11,812.19	ENVELOPES AND LETTERHEAD WELL CHILD INCENTIVE VOUCHERS	CORPORATE SERVICES/HEALTH EDUCATION
T4567	MCINTOSH & ASSOCIATE	11,305.26	PROFESSIONAL SERVICES ENGINEERING NEW BUILDING	CAPITAL PROJECT - NEW BUILDING
T4674	STOCKDALE PLAZA OWNERS ASSOCIATION INC***	11,250.00	LEASE AGREEMENT PARKING SPACE- STOCKDALE HWAY	CORPORATE SERVICES
T4594	MEDVERSANT TECHNOLOGIES LLC	11,000.00	MONTHLY MONITORING FEES	PROVIDER RELATIONS
T1032	THE BAKERSFIELD CALIFORNIAN ***	10,592.00	EMPLOYMENT AD	HUMAN RESOURCE
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
		<u>16,338,297.48</u>		
	TOTAL VENDORS OVER \$10,000	16,338,297.48		
	TOTAL VENDORS UNDER \$10,000	558,394.43		
	TOTAL VENDOR EXPENSES - YTD JAN - MAY 2018	<u>16,896,691.91</u>		

KERN·HEALTH SYSTEMS

JUNE AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4699	ZeOMEGA, INC.	1,039,158.31	1,376,990.09	PROFESSIONAL SERVICES MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T2704	MCG HEALTH LLC****	599,840.68	599,840.68	SOFTWARE LICENSE - HEALTH CARE MANAGEMENT 6/5/18- 6/4/19	UTILIZATION MANAGEMENT
T4290	S C ANDERSON, INC ****	550,747.12	1,673,522.46	PRE-CONSTRUCTION SERVICES	CAPITAL PROJECT NEW BUILDING
T1045	KAISER FOUNDATION HEALTH	402,211.40	2,367,512.42	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	179,990.08	969,959.48	NOV. - DEC. 2017, JAN - APR 2018 ,CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING/ALCHEMY ANNUAL LICENSE AND MAINTENANCE	VARIOUS
T4696	ZNALYTICS, LLC	99,000.00	435,043.24	JAN - MAR 2018 PROFESSIONAL SERVICES	CAPITAL PROJECT IN PROGRESS
T2726	DST PHARMACY SOLUTIONS, INC.	96,788.04	572,109.98	PHARMACY AND CLAIMS PROCESSING JANUARY - MARCH, 2018	PHARMACY
T4685	NATIONAL GIFT CARD CORP	81,695.31	236,828.46	MEMBER INCENTIVES	HOME HEALTH/HEALTH EDUCATION
T4582	HEALTHX, INC.	78,800.00	275,500.00	IMPLEMENTATION FEE- MEMBER ENHANCEMENT PROVIDER AND MEMBER PORTAL	CAPITAL PROJECT - MEMBER & PROVIDER PORTAL
T3460	THE GUARDIAN LIFE INSURANCE CO.	59,472.64	351,399.43	2018 VOLUNTARY LIFE AD&D, DENTAL INSURANCE.	VARIOUS
T4792	KP LLC	44,707.71	67,171.08	DRUG FORMULARY	PHARMACY
T2584	UNITED STATES POSTAL SVC.-HASLER	40,000.00	100,000.00	POSTAGE-METERED	VARIOUS
T2413	TREK IMAGING INC	39,347.98	160,172.22	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTHED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	34,558.72	150,882.39	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT-NEW BUILDING
T4902	CHANGE HEALTHCARE LLC	27,168.95	228,866.26	EDI CLAIMS, CLAIM CHECK	CLAIMS / MIS
T4390	SOLARWINDS WORLDWIDE, LLC****	26,000.00	26,000.00	SOFTWARE LICENSES - 2018	MIS
T4308	TRUXTUN PLACE PARTNERS	25,807.00	179,187.52	TRUXTUN- MAR. 2018 LEASE & UTILITIES	CORPORATE SERVICES
T1272	COFFEY COMMUNICATIONS INC.	25,043.60	79,282.25	NEWSLETTER PUBLICATION/MAILING	VARIOUS



JUNE AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4391	OMNI FAMILY HEALTH	21,497.06	897,058.89	SEPT. NOV. 2017 HOME HEALTH GRANT / CONSTRUCTION	COMMUNITY GRANTS
T4193	TECHNOSOCIALWORK.COM DBA STRIA	19,947.44	179,060.26	FEB & MAR 2018 OCR SERVICES	CLAIMS
T4546	LEVEL 3 COMMUNICATIONS, LLC	17,911.54	123,284.41	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T3011	OFFICE ALLY, INC.	17,884.75	100,687.00	2018 EDI CLAIM PROCESSING	CLAIMS
T4460	PAYSPAN, INC	16,434.93	97,740.41	2018 ELECTRONIC CLAIMS/PAYMENTS	CLAIMS
T4925	VMEDU, INC ****	16,000.00	16,000.00	PMP ON-SITE TRAINING (JUNE 11-14,2018)	PROJECT MANAGEMENT
T4396	KAISER FOUNDATION HEALTH-DHMO	15,141.25	87,784.23	2018 EMPLOYEE HEALTH BENEFITS	VARIOUS
T2707	ACT 1 PERSONNEL SERVICES, INC.	13,926.16	127,184.90	TEMPORARY HELP - MIS -2 ; MS -2 ; CS - 1; MARCH	VARIOUS
T4467	MEDISOFTRX, LLC,	13,757.60	82,227.58	2018 PROFESSIONAL SERVICES-HOME HEALTH PROJECT	CAPITAL PROJECT IN PROGRESS
T3475	CALIFORNIA STATE CONTROLLER'S OFFICE****	13,349.03	13,349.03	SUBMITTED 2013 UNCLAIMED PROPERTY	ACCOUNTING
T2686	ALLIANT INSURANCE SERVICES INC.	12,678.00	65,135.18	EARTH MOVEMENT INSURANCE-NEW BUILDING	CAPITAL PROJECT IN PROGRESS / INSURANCE
T2787	SAGE SOFTWARE****	12,474.00	12,474.00	PROFESSIONAL SERVICES	ACCOUNTING
T4654	DELAWIE	11,987.79	75,866.01	2018 PROFESSIONAL SERVICES	CAPITAL PROJECT ARCHITECTURAL
T1071	CLINICA SIERRA VISTA	10,744.76	1,175,120.44	2018 MEDICAL RESPITE PROGRAM / PROVIDER RECRUITMENT-RETENTION GRANT	HEALTH SERVICES - UM / COMMUNITY GRANTS
T1861	CERIDIAN HCM, INC.	10,619.61	10,619.01	PAYROLL	HUMAN RESOURCE
T4935	RKL LLLP ****	10,602.62	10,602.62	SAGE LICENSE RENEWAL & 3 ADDITIONAL USERS	ACCOUNTING
			<u>3,685,294.08</u>		
	TOTAL VENDORS OVER \$10,000		3,685,294.08		
	TOTAL VENDORS UNDER \$10,000		332,690.92		
	TOTAL VENDOR EXPENSES - YTD JAN - JUNE 2018		<u><u>4,017,985.00</u></u>		

KERN·HEALTH SYSTEMS

JUNE AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH	2,367,512.42	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4290	S. C. ANDERSON, INC *****	1,673,522.46	PRE-CONSTRUCTION SERVICES	CAPITAL PROJECT NEW BUILDING
T4699	ZeOMEGA, INC.	1,376,990.09	PROFESSIONAL SERVICES MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T4738	AMERICAN LOGISTICS COMPANY, LLC	1,289,849.91	DEC 2017-MAR 2018 MEDICAL/NON MEDICAL TRANSPORTATION MEMBER BENEFIT	MEMBER SERVICES
T1071	CLINICA SIERRA VISTA	1,175,120.44	2018 MEDICAL RESPITE PROGRAM / PROVIDER RECRUITMENT-RETENTION GRANT	HEALTH SERVICES - UM/ COMMUNITY GRANTS
T4237	FLUIDEDGE CONSULTING, INC.	969,959.48	NOV. - DEC. 2017 - JAN - APR 2018. CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING/ ALCHEMY ANNUAL LICENSE AND MAINTENANCE	VARIOUS
T4391	OMNI FAMILY HEALTH	897,058.69	SEPT- NOV. 2017 HOME HEALTH GRANT / CONSTRUCTION	COMMUNITY GRANTS
T4350	COMPUTER ENTERPRISE INC.	878,478.05	JAN - APR 2018 PROFESSIONAL SERVICES / NOV. - DEC. 2017 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T2704	MCG HEALTH LLC****	599,840.68	SOFTWARE LICENSE - HEALTH CARE MANAGEMENT 6/5/18 - 6/4/19	UTILIZATION MANAGEMENT
T3130	OPTUMINSIGHT, INC.	572,111.00	CES DIRECT LICENSE - 12/17 - 12/18 ANNUAL FEE / OUTSOURCED ANALYSIS	CAPITAL PROJECT IN PROGRESS/PROVIDER RELATIONS
T2726	DST PHARMACY SOLUTIONS, INC.	572,109.98	PHARMACY AND CLAIMS PROCESSING JANUARY - MARCH 2018	PHARMACY
T2167	PG&E	546,460.77	NEW BUILDING UNDERGROUND UTILITIES/ANNUAL TRUE-UP FOR 2017 USAGE/UTILITIES	CAPITAL PROJECT IN PROGRESS - NEW BUILDING/ CORPORATE SERVICES
T4696	ZNALYTICS, LLC	435,043.24	JAN - MAR 2018 PROFESSIONAL SERVICES	CAPITAL PROJECT IN PROGRESS
T3460	THE GUARDIAN LIFE INSURANCE CO.	351,399.43	2018 VOLUNTARY LIFE AD&D, DENTAL INSURANCE.	VARIOUS



JUNE AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2292	CITY OF BAKERSFIELD	330,753.22	BUILDING PERMIT FEES	CAPITAL PROJECT - NEW BUILDING/
T4662	HEALTHX, INC.	275,500.00	IMPLEMENTATION FEE- MEMBER ENHANCEMENT PROVIDER AND MEMBER PORTAL	CAPITAL PROJECT- MEMBER & PROVIDER PORTAL
T1408	DELL MARKETING L.P.	253,303.60	HARDWARE- 6- LATITUDE E5480, 1 DELL SMART PRINTER, 6510, 20 OPTIPLEX, 3050 DESKTOPS SOFTWARE LICENSE SUBSCRIPTION/SUPPORT BATTERY REPLACEMENTS	MIS INFRASTRUCTURE
T1001	KERN MEDICAL CENTER	246,854.51	KM GROW CLINIC REIMBURSEMENT	COMMUNITY GRANTS
T4665	NATIONAL GIFT CARD CORP	236,828.46	MEMBER INCENTIVES	HOME HEALTH/HEALTH EDUCATION
T4902	CHANGE HEALTHCARE LLC	228,866.26	EDI CLAIMS, CLAIM CHECK	CLAIMS / MIS
T4308	TRUXTUN PLACE PARTNERS	179,187.52	TRUXTUN- MAR. 2018 LEASE & UTILITIES	CORPORATE SERVICES
T4193	TECHNOSOCIALWORK.COM DBA STRIA	179,060.26	FEB & MAR. 2018 OCR SERVICES	CLAIMS
T4695	EDIFCS, INC.	166,659.04	JAN - MAR. 2018 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T2413	TREK IMAGING INC	160,172.22	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	150,882.39	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT-NEW BUILDING
T1183	MILLIMAN USA	146,462.63	NOV- DEC 2017 ACTUARIAL SERVICES, CY2016 RDT, 2018 RATE SUPPORT, VALUE-BASED PURCHASING ANALYSIS, OTHER CONSULTING SERVICES	ADMINISTRATION
T2707	ACT 1 PERSONNEL SERVICES, INC.	127,184.90	TEMPORARY HELP - MIS -2 ; MS -2 ; CS - 1	VARIOUS
T4165	SHI INTERNATIONAL CO.	125,170.83	STORAGE MAINTENANCE/ HARDWARE	CAPITAL PROJECT IN PROCESS
T4546	LEVEL 3 COMMUNICATIONS, LLC	123,284.41	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T2469	DST HEALTH SOLUTIONS, INC.	116,800.00	2018 MHC SOFTWARE - LICENSE FEE, MAINTENANCE AND SUPPORT & ADJUSTED CLINICAL GROUP SYSTEM	MIS INFRASTRUCTURE

KERN·HEALTH SYSTEMS

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T3011	OFFICE ALLY, INC.	100,687.00	2018 EDI CLAIM PROCESSING	CLAIMS
T2584	UNITED STATES POSTAL SVC.-HASLER	100,000.00	POSTAGE-METERED	VARIOUS
T4460	PAYSPAN, INC	97,740.41	2018 ELECTRONIC CLAIMS/PAYMENTS	CLAIMS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	91,138.49	2018 SERVICES, BASIC 101, QNXT CORE SOLUTIONS	MIS INFRASTRUCTURE
T4478	AMERICAN FIDELITY ASSURANCE COMPANY	89,211.21	EMPLOYEE PREMIUMS FLEX	HEALTH SAVINGS
T4396	KAISER FOUNDATION HEALTH-DHMO	87,784.23	2018 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	87,180.00	2018 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T2933	SIERRA PRINTERS, INC.	86,738.42	MEMBER EDUCATION MATERIAL / PROVIDER DIRECTORY	VARIOUS
T4467	MEDISOFTX, LLC,	82,227.58	2018 PROFESSIONAL SERVICES-HOME HEALTH PROJECT	CAPITAL PROJECT IN PROGRESS
T1272	COFFEY COMMUNICATIONS INC.	79,282.25	NEWSLETTER PUBLICATION/MAILING	VARIOUS
T4854	DELAWIE	75,866.01	2018 PROFESSIONAL SERVICES	CAPITAL PROJECT ARCHITECTURAL
T2287	CALIFORNIA WATER SERVICE	75,222.09	UTILITIES - NEW BUILDING SERVICES / WATER SERVICES	CAPITAL PROJECT-NEW BUILDING / WATER
T4421	JON SLAGLE	72,122.40	ADVERTISING CAMPAIGN - 75%	MARKETING
T4792	KP LLC	67,171.08	DRUG FORMULARY	PHARMACY
T1785	AT&T	66,465.50	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
T4452	WELLS FARGO	65,456.79	EXECUTIVE, MISC CORPORATE SERVICES, PROVIDER RELATIONS, MISC TRAVEL EXPENSES	VARIOUS
T2866	ALLIANT INSURANCE SERVICES INC.	65,135.18	EARTH MOVEMENT INSURANCE-NEW BUILDING	CAPITAL PROJECT IN PROGRESS / INSURANCE



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Vendor No.	Vendor Name	Year-to-Date	Description	Department
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
T1861	CEREDIAN BENEFITS SERVICES	62,247.86	DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS	HUMAN RESOURCES
T4899	SUMEEET BHINDER, MD INC	60,167.13	PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T3077	VMWARE, INC	59,544.72	VSPHERE 5 ENTERPRISE RENEWAL	MIS
T1644	BRIGHT HOUSE NETWORK	58,911.27	UNDERGROUND UTILITIES FOR NEW BUILDING, INTERNET FOR STOCKDALE LOCATION	CAPITAL PROJECT - NEW BUILDING / MIS
T4433	MICRO-DYN MEDICAL SYSTEMS INC	53,880.00	ANNUAL LICENSE	MIS
T2837	TOYS/BABIES R US	51,981.42	WELL CHILD & PREGNANCY INCENTIVE PROGRAM	HEALTH EDUCATION
T4415	DANIELLS, PHILLIPS, VAUGHN & BOCK	49,175.00	FINANCIAL REPORTING SERVICES	ADMINISTRATIVE
T4294	PAOLA DELGADO DBA J SERVICES JANITORIAL	46,679.00	JANITORIAL SERVICES	CORPORATE SERVICES
T4039	KERN RURAL WELLNESS CENTERS, INC	45,647.13	PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T2918	STINSON'S	45,233.53	OFFICE SUPPLIES	VARIOUS
T4345	ASHOK PARMAR	44,254.04	NOV 2017 PROVIDER RECRUITMENT, & RETENTION GRANT	COMMUNITY GRANTS
T4603	ECFIRST.COM	42,986.29	PROFESSIONAL SERVICES - INFORMATION SYSTEM HIPAA SECURITY	CAPITAL PROJECT IN PROCESS
T4801	ZEAL STAFFING LLC DBA Z STAFFING	41,970.28	TEMPORARY HELP	VARIOUS
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	40,621.00	COMMUNITY SPONSORSHIP	ADMINISTRATION
T1957	MERCY FOUNDATION-BAKERSFIELD	38,000.00	DAVINCI CAMPAIGN SPONSORSHIP	ADMINISTRATION
T4785	COMMIGAP	36,997.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T4168	RELAYHEALTH	36,164.52	2018 - EDI CLAIM PROCESSING	CLAIMS

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4767	VALLEY ANESTHESIA ASSOCIATES, INC	36,016.42	OCT 17 PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T4909	GEM PHYSICIANS MEDICAL GROUP, INC	35,179.95	DEC 17 HEALTH HOME GRANT	COMMUNITY GRANTS
T4884	GAINES SOLUTIONS, INC.	35,000.00	ANNUAL HOSTING FEE (SPR/SPI) CONSULTING SERVICES - SB137 PROVIDER DATA VALIDATION CONSULTANT	PROVIDER RELATIONS
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	34,109.00	2018 ANNUAL DUES ASSESSMENT CAHP SEMINAR FEES	ADMINISTRATION
T4733	UNITED STAFFING ASSOCIATES	33,918.43	TEMPORARY HELP	VARIOUS
T2961	SOLUTION BENCH, LLC	33,235.08	M-FILES LICENSES & MAINTENANCE	MIS INFRASTRUCTURE
T4537	BURKE, WILLIAMS & SORENSEN, LLP	30,634.51	OCT- DEC 2017, 2018 LEGAL SERVICES (NEW BUILDING) -	CAPITAL PROJECT-NEW BUILDING
T4563	SPH ANALYTICS	30,461.65	MEMBER SATISFACTION SURVEY	MEMBER SERVICES /PROVIDER RELATIONS
T2969	AMERICAN BUSINESS MACHINES INC	29,906.46	CANON IMAGE FORMULA DR-X10C II SCANNER, WITH ANNUAL MAINTENANCE CONTRACT	MIS - INFRASTRUCTURE
T3449	CDW GOVERNMENT	29,637.92	HARDWARE AND LICENSES - 20 ADOBE ACRO LICENSES, 15 CISCO IP PHONES & LICENSES, 1 PROJECTOR SURFACE PRO DOCKS, ACCESSORIES, SOFTWARE	MIS INFRASTRUCTURE
T3084	KERN COUNTY - COUNTY COUNSEL	29,079.40	LEGAL FEES	ADMINISTRATIVE
T2446	AT&T MOBILITY	28,430.16	CELLULAR PHONE /INTERNET	MIS
T1189	APPLE ONE INC	27,317.36	TEMPORARY HELP	VARIOUS
T1128	HALL LETTER SHOP INC.	27,202.10	NEW MEMBER PACKETS / MEMBERSHIP CARDS	MEMBER SERVICES
T2232	DLT SOLUTIONS, LLC	26,537.76	SQL SERVER MAINTENANCE CONTRACT	MIS INFRASTRUCTURE
T4561	SRI & SHARMA, LLC	26,250.00	PARKING RENTAL	CORPORATE SERVICES



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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4390	SOLARWINDS WORLDWIDE, LLC***	26,000.00	SOFTWARE LICENSES - 2018	MIS
T3986	JACQUELYN S JANS	24,615.00	PROFESSIONAL SERVICES MARKETING AND PR SERVICES	ADMINISTRATION/MARKETING
T2941	KERN PRINT SERVICES INC	23,604.27	ENVELOPES AND LETTERHEAD WELL CHILD INCENTIVE VOUCHERS	CORPORATE SERVICES, HEALTH EDUCATION
T4663	SOILS ENGINEERING INC****	22,231.62	SOIL SAMPLING OBSERVATION - OIL DIRT DISCOVERY/REMEDIATION	CAPITAL PROJECT-NEW BUILDING
T4501	ALLIED UNIVERSAL SECURITY SERVICES	21,255.00	ONSITE SECURITY	CORPORATE SERVICES
T4739	SECURITAS SECURITY SERVICES USA INC	21,228.48	SECURITY SERVICES	CORPORATE
T2441	LAURA BREZINSKI	21,105.00	MARKETING MATERIALS	MARKETING
T4497	SKILLSOFT CORPORATION	20,836.93	ANNUAL LICENSE FEE- ONLINE TRAINING & DESKTOP VIDEOS	HUMAN RESOURCE
T4183	LAMAR ADVERTISING OF BAKERSFIELD	19,150.00	BILLBOARD ADVERTISING	MEDIA & ADVERTISING
T1180	LANGUAGE LINE SERVICES, INC	18,437.56	INTERPRETATION SERVICES	MEMBER SERVICES
T4228	THE SSI GROUP, LLC	18,109.60	EDI CLAIMS	CLAIMS
T4747	SYED ALAM, M.D. INC.	17,500.00	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS	COMMUNITY GRANTS
T1022	UNUM LIFE INSURANCE CO	17,470.00	EMPLOYEE PREMIUMS LONG TERM CARE	VARIOUS
T3990	SPARKLETT'S, INC	17,097.62	BOTTLED WATER SERVICE	VARIOUS
T2790	KERN COUNTY DEPARTMENT OF PUBLIC HEALTH	16,459.00	SPONSORSHIPS	COMMUNITY ACTIVITIES
T4708	HEALTH MANAGEMENT ASSOCIATES INC****	16,453.75	CONSULTING SERVICES -2018 PROJ KHS TIMELY ACCESS REPORT	ADMINISTRATION
T4925	VIMEDU, INC ****	16,000.00	PMP ON-SITE TRAINING (JUNE 11-14, 2018)	PROJECT MANAGEMENT
T1347	ADVANCED DATA STORAGE	15,997.67	SHREDDING SERVICE / STORAGE	CORPORATE SERVICES
T4883	MARTHA TASINGA	14,887.66	TEMPORARY HOUSING EXPENSE/REIMBURSEMENT	HUMAN RESOURCES

KERN·HEALTH SYSTEMS

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4384	PINNACLE PRIMARY CARE, INC.	14,049.16	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS	COMMUNITY GRANTS
T4514	AJ KLEIN INC T. DENATALE, B.GOLDNER****	13,911.00	LEGAL SERVICES	ADMINISTRATION
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
T4674	STOCKDALE PLAZA OWNERS ASSOCIATION INC****	13,500.00	LEASE AGREEMENT PARKING SPACE -STOCKDALE HWY	CORPORATE SERVICES
T3475	CALIFORNIA STATE CONTROLLER'S OFFICE****	13,349.03	SUBMITTED 2013 UNCLAIMED PROPERTY	ACCOUNTING
T4587	MCINTOSH & ASSOCIATE	13,083.76	PROFESSIONAL SERVICES ENGINEERING NEW BUILDING	CAPITAL PROJECT - NEW BUILDING
T4425	PRO RESTORATION SERVICES INC	12,889.75	RESTORATION - STRUCTURAL REPAIR, WATER EXTRACTION AND REMEDIATION	CORPORATE SERVICES
T3065	CAREERBUILDER, LLC****	12,750.00	JOB POSTINGS & ADVERTISEMENT	HUMAN RESOURCE
T4297	PRAGMATIC WORKS SOFTWARE	12,500.80	3 YEAR RENEWAL MAINTENANCE WORKBENCH PRO UPGRADE	MIS
T2787	SAGE SOFTWARE****	12,474.00	PROFESSIONAL SERVICES	ACCOUNTING
T4198	LAW OFFICES OF CARL SHUSTERMAN	12,320.00	LEGAL SERVICES- H-IB D. YAI/AD & M. KUMAR	ADMINISTRATION
T2938	SAP AMERICA, INC	12,308.32	BUSINESS OBJECT ANNUAL MAINTENANCE	MIS - SOFTWARE SUPPORT
T4544	BARNES WEALTH MANAGEMENT GROUP****	12,250.00	RETIREMENT PLAN CONSULTANTS	ADMINISTRATION
T4594	MEDVERSANT TECHNOLOGIES LLC	11,000.00	MONTHLY MONITORING FEES	PROVIDER RELATIONS
T4417	KAISER FOUNDATION HEALTH PLAN****	10,807.02	2018 EMPLOYEE HEALTH BENEFITS	VARIOUS
T1032	THE BAKERSFIELD CALIFORNIAN ****	10,592.00	EMPLOYMENT AD	HUMAN RESOURCE
T4935	RKL LLP ****	10,602.62	SAGE LICENSE RENEWAL & 3 ADDITIONAL USERS	ACCOUNTING



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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
T3502	VIRTUAL GRFFITI, INC****	10,041.54	SOFTWARE LICENSE - 2018	MIS
T4683	CLAUDIA M. BACA	10,000.00	CONSULTING SERVICES	PROJECT MANAGEMENT
		<u>20,302,809.75</u>		
	TOTAL VENDORS OVER \$10,000	20,302,809.75		
	TOTAL VENDORS UNDER \$10,000	611,867.14		
	TOTAL VENDOR EXPENSES - YTD JAN - JUNE 2018	<u>20,914,676.89</u>		

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							
Gain 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 Groupware 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
Deil	\$99,549.41	Yes	MIS	Richard Pruitt	Citrix Licenses with support and NetScier with support	4/10/2018	4/10/2021
May							
Milliman, Inc	\$49,000.00	Yes	ACCT	Robin Plumb	RDT & discussion guide support	5/9/2018	5/9/2019
ZeOmega	\$31,500.00	Yes	UM	Deborah Murr	Consulting services	5/30/2018	12/31/2018
Language Line Services	\$70,000.00	Yes	MS	Nate Scott	Interpreter services for members	5/29/2018	5/28/2018
June							
Stria, LLC	\$84,000.00	Yes	CLM	Robin Dow-Morales	OCR services for paper medical claims	6/1/2018	8/31/2018
Nexstar Broadcasting	\$53,850.00	Yes	MKT	Louie Iurriria	English & Spanish TV advertisements	6/12/2018	12/31/2018
Scripps-KERO	\$39,995.00	Yes	MKT	Louie Iurriria	English & Spanish TV advertisements	6/12/2018	12/31/2018
Univision	\$33,915.00	Yes	MKT	Louie Iurriria	Spanish TV advertisements	6/12/2018	12/31/2018
Commgap	\$65,000.00	Yes	HE	Isabel Silva	Interpreter services for members	7/6/2018	7/5/2019

