KERN HEALTH SYSTEMS

REGULAR MEETING OF THE BOARD OF DIRECTORS

Thursday, October 13, 2022
at
8:00 A.M.

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

The public is invited.

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

AGENDA

BOARD OF DIRECTORS

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Regular Meeting
Thursday, October 13, 2022

8:00 A.M.

All agenda item supporting documentation is available for public review on the Kern Health Systems website: https://www.kernfamilyhealthcare.com/about-us/governing-board/
Following the posting of the agenda, any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available on the KHS website.

PLEASE SILENT CELL PHONES AND OTHER ELECTRONIC DEVICES DURING THE MEETING

BOARD TO RECONVENE

Directors: Watson, Thygerson, Patel, Martinez, Abernathy, Bowers, Deats, Flores, Garcia, Hoffmann, McGlew, Meave, Nilon, Patrick, Singh
ROLL CALL:

1) Board Resolution to Allow Virtual Board Meeting Participation Pursuant to Government Code Section 54953 (Fiscal Impact: None) -
APPROVE

ADJOURN TO CLOSED SESSION

CLOSED SESSION

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

8:15 A.M.

BOARD TO RECONVENE

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

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

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

3) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. Also, the Board may take action to direct the staff to place a matter of business on a future agenda. SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THE MEETING FACILATATOR WILL INDICATE WHEN THERE IS 15 SECONDS REMAINING TO YOUR PRESENTATION TIME!

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

CA-5) Minutes for Kern Health Systems Board of Directors regular meeting on August 11, 2022 (Fiscal Impact: None) –
APPROVE

6) Welcome New Board Members to the Kern Health Systems Board of Directors (Fiscal Impact: None) –
RECEIVE AND FILE

7) Appreciation recognition of Cindy Stewart for 9+ years of dedicated service as a member of the Kern Health Systems Board of Directors (Fiscal Impact: None) –
RECEIVE AND FILE

CA-8) Proposed revisions to Policy 4.35-P, Provider Hearings (Fiscal Impact: None) –
APPROVE

CA-9) Proposed revisions to Policy 4.48-P, Provider Disciplinary Action (Fiscal Impact: None) –
APPROVE

CA-10) Proposed revisions to Policy 100.12-I, Contracting Policy for Administrative Contracts (Fiscal Impact: None) –
APPROVE

CA-11) Proposed Agreement with Mihalik Group, for NCQA Accreditation Consulting Services, from January 1, 2023, through December 31, 2023 (Fiscal Impact: $243,720; Budgeted) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

CA-12) Proposed Agreement with Change Healthcare, for Electronic Claims Clearing House Services, from October 20, 2022, through October 19, 2025, in an amount not to exceed $0.18 Per Claim Fee (Fiscal Impact: $310,000 estimated annually; Budgeted) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

CA-13) Proposed Agreement with ZeOmega, Inc., for Medical Management Platform, from November 1, 2022, through October 31, 2027 (Fiscal Impact: $3,918,001; Budgeted) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

CA-14) Proposed Agreement with Health Dialog, for 24/7 Nurse Triage Services for KHS members, from November 2, 2022, through November 1, 2025 (Fiscal Impact: $1,495,200 estimated; Budgeted) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

15) Report on Kern Health Systems financial statements for July 2022 and August 2022 (Fiscal Impact: None) –
RECEIVE AND FILE

CA-16) Report on Accounts Payable Vendor Report, Administrative Contracts between $30,000 and $100,000 for July 2022 and August 2022 and IT Technology Consulting Resources for the period ended July 31, 2022 (Fiscal Impact: None) – RECEIVE AND FILE

CA-17) Report on Kern Health Systems 2022 Corporate Goals for 3rd Quarter (Fiscal Impact: None) –
RECEIVE AND FILE

CA-18) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

19) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) –
RECEIVE AND FILE

20) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) –
RECEIVE AND FILE

CA-21) Miscellaneous Documents –
RECEIVE AND FILE

A) Minutes for Kern Health Systems Finance Committee meeting on August 5, 2022

ADJOURN TO BOARD OF DIRECTORS STRATEGIC PLANNING SESSION AT 9:30 A.M.

AMERICANS WITH DISABILITIES ACT
(Government Code Section 54953.2)

The meeting facilities at Kern Health Systems are accessible to persons with disabilities. Disabled individuals who need special assistance to attend or participate in a meeting of the Board of Directors may request assistance at the Kern Health Systems office, 2900 Buck Owens Boulevard, Bakersfield, California 93308 or by calling (661) 664-5010. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Emily Duran, CEO

Date: October 13, 2022

Re: AB 361 Remote Meeting Resolution

Background

The Governor's executive order suspending certain requirements of the Brown Act regarding board meetings has expired, but the proclamation of a state of emergency is still in place. The Legislature has amended Govt Code 54953 to include provisions allowing remote meetings during a state of emergency under certain conditions. The attached resolution allows the Board to continue meeting remotely until the state of emergency is lifted and social distancing is no longer recommended or required. If the Board adopts the resolution, it will have to renew the resolution every 30 days.

Recommended Action

The Board adopt the resolution and continue with remote meetings during the month of October 2022 or until the state of emergency is lifted.

KERN HEALTH SYSTEMS

RESOLUTION

In the matter of:

A RESOLUTION OF THE BOARD OF DIRECTORS OF KERN HEALTH SYSTEMS PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS FOR THE MONTH OF OCTOBER 2022

Section 1. WHEREAS

(a) Kern Health Systems is committed to encouraging and preserving public access and participation in meetings of the Board of Directors; and

(b) Government Code section 54953, as amended by AB 361, makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953, subject to the existence of certain conditions; and

(c) a required condition is that there is a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing; and

(d) Governor Newsom declared a State-wide state of emergency due to the Covid-19 pandemic on March 4, 2020, which declaration is still in effect, and state and local health officials continue to recommend social distancing; and

(e) the Board of Directors does hereby find that the resurgence of the Covid-19 pandemic, particularly through the Delta variant, has caused, and will continue to cause, conditions of peril to the safety of persons that are likely to be beyond the control of services, personnel, equipment, and facilities of Kern Health Systems, and desires to proclaim a local emergency and ratify both the proclamation of state of emergency by the Governor of the State of California and the Kern County Health Department guidance regarding social distancing; and

(f) based on the above the Board of Directors of Kern Health Systems finds that in-person public meetings of the Board would further increase the risk of exposure to the Covid-19 virus to the residents of the Health Authority, staff, and Directors; and

WHEREAS, as a consequence of the local emergency, the Board of Directors does hereby find that it shall conduct Board meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, in compliance with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, all meetings of Board of Directors will be available to the public for participation and comments through virtual measures, which shall be fully explained on each posted agenda.

Section 2. NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Kern Health Systems hereby finds, determines, declares, orders, and resolves as follows:

1. This Board finds that the facts recited herein are true and further finds that this Board has jurisdiction to consider, approve, and adopt the subject of this Resolution.

2. Proclamation of Local Emergency. The Board hereby proclaims that a local emergency now exists throughout the Health Authority, as set forth above.

3. Ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2021.

4. Remote Teleconference Meetings. The Chief Executive Officer, staff, and Board of Directors are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

5. Effective Date of Resolution. This Resolution shall take effect on October 13, 2022 and shall be effective until the earlier of November 12, 2022, or such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which Kern Health Systems may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

6. Termination of this Resolution. This Resolution will automatically terminate on the day that both the Governor's Declaration of Emergency and any local agency guideline for social distancing are no longer in effect.

The Clerk of the Board of Directors shall forward copies of this Resolution to the following:

Office of Kern County Counsel

Kern Health Systems

I, Sheilah Woods, Clerk of the Board of Directors of Kern Health Systems, hereby certify that the following resolution, on motion of Director _____, seconded by Director _____, was duly and regularly adopted by the Board of Directors of Kern Health Systems at an official meeting thereof on the 13th day of October 2022, by the following vote and that a copy of the resolution has been delivered to the Chairman of the Board of Directors.

AYES:

NOES:

ABSENT:

_____
Sheilah Woods, Clerk
Board of Directors
Kern Health Systems

SUMMARY

BOARD OF DIRECTORS

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Regular Meeting
Thursday, August 11, 2022

8:00 A.M.

BOARD RECONVENED

Directors: McGlew, Thygerson, Stewart, Martinez, Bowers, Deats, Flores, Garcia, Hoffmann, Melendez, Nilon, Patel, Patrick, Rhoades, Watson
ROLL CALL: 10 Present; 4 Absent – Bowers, Deats, Flores, Patrick

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

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

BOARD ACTION SHOWN IN CAPS

1) Board Resolution to Allow Virtual Board Meeting Participation Pursuant to Government Code Section 54953 (Fiscal Impact: None) -
APPROVED
Melendez-Nilon: 10 Ayes; 4 Absent – Bowers, Deats, Flores, Patrick

ADJOURNED TO CLOSED SESSION
Deats

CLOSED SESSION

2) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) – SEE RESULTS BELOW

8:15 A.M.

BOARD RECONVENED

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **INITIAL CREDENTIALING AUGUST 2022** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON CABAHUG, LINDBORG, SEKHAVAT-TAFTI, WILLIAMS; DIRECTOR STEWART ABSTAINED FROM VOTING ON MEJIA, WARNER; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON GONZALEZ, CHENG, CIVELLI, GREWAL, MUSA, NWOSU, ROLDAN,
Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **RECREDENTIALING AUGUST 2022** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON CHEN, JONES, KERN MEDICAL SURGERY CENTER, KOH, LEUNG; DIRECTOR STEWART ABSTAINED FROM VOTING ON DULCICH, LEUNG, MOROVICH, PATEL; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON THOENE, GHAI, MYERS, TRUONG

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

3) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. Also, the Board may take action to direct the staff to place a matter of business on a future agenda. SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THE MEETING FACILATATOR WILL INDICATE WHEN THERE IS 15 SECONDS REMAINING TO YOUR PRESENTATION TIME!
NO ONE HEARD

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

DIRECTOR GARCIA THANKED THE KHS STAFF FOR INVITING HIM TO THE "AGRICULTURE DAY" WITH THE LOCAL FARMWORKERS

DIRECTOR MCGLEW RECOGNIZED AND THANKED DIRECTOR MELENDEZ FOR HIS SERVICE ON THE KHS BOARD; EMILY DURAN, KHS CEO, PRESENTED DIRECTOR MELENDEZ WITH A GIFT FOR HIS SERVICE; DIRECTOR MELENDEZ THANKED THE KHS STAFF AND STATED THAT HE WAS HAPPY TO SERVE ON OUR BOARD AND THAT HE WILL MISS US ALL

DIRECTOR MCGLEW REPORTED ON THE NEW BOARD MEMBERS THAT WERE RECENTLY APPOINTED BY SUPERVISOR SCRIVNER AND SUPERVISOR PEREZ

DIRECTOR MCGLEW INFORMED THE BOARD THAT WE ARE SEEKING NEW VOLUNTEERS TO SERVE ON OUR FINANCE COMMITTEE; DIRECTOR GARCIA AND DIRECTOR WATSON VOLUNTEERED TO SERVE; DIRECTOR MCGLEW WILL ALSO CONSIDER THE NEWLY APPOINTED BOARD MEMBERS; EMILY DURAN, KHS CEO, STATED THAT ALL BOARD MEMBERS CAN ATTEND THE FINANCE MEETING

NOTE: DIRECTOR BOWERS ARRIVED AT 8:22 DURING THE BOARD MEMBER ANNOUNCEMENTS

CA-5) Minutes for Kern Health Systems Board of Directors regular meeting on June 16, 2022 (Fiscal Impact: None) – APPROVED
Melendez-Stewart: 10 Ayes; 4 Absent – Bowers, Deats, Flores, Patrick

6) Report on Department of Health Care Services Incentive Programs (Fiscal Impact: None) – RECEIVED AND FILED
Patel-Garcia: 11 Ayes; 3 Absent – Deats, Flores, Patrick

7) Proposed New Board Member to serve as Safety Net Care Provider to the Kern Health Systems Board of Directors (Fiscal Impact: None) – OLGA MEAVE, MD, CLINICA SIERRA VISTA, HEARD; APPROVED
Bowers-Garcia: 11 Ayes; 3 Absent – Deats, Flores, Patrick

CA-8) Report on Kern Health Systems investment portfolio for the second quarter ending June 30, 2022 (Fiscal Impact: None) – RECEIVED AND FILED
Melendez-Stewart: 10 Ayes; 4 Absent – Bowers, Deats, Flores, Patrick

CA-9) Proposed renewal and binding of insurance coverages for General Liability and Excess Liability from September 29, 2022 through September 29, 2023 (Fiscal Impact: $350,000 Estimated; Budgeted) – APPROVED
Melendez-Stewart: 10 Ayes; 4 Absent – Bowers, Deats, Flores, Patrick

CA-10) Proposed renewal and binding of employee benefit plans for medical, vision, dental, life insurance, short-term and long-term disability, and long-term care effective January 1, 2023 (Fiscal Impact: $7,350,000 Estimated; Budgeted) – APPROVED
Melendez-Stewart: 10 Ayes; 4 Absent – Bowers, Deats, Flores, Patrick

CA-11) Proposed Agreement with Trizetto Provider Solutions, LLC, for Electronic Claims Clearing House Services, from August 28, 2022, through August 28, 2024, in an amount not to exceed $0.19 Per Claim Fee (Fiscal Impact: $95,000.00 estimated annually; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Melendez-Stewart: 10 Ayes; 4 Absent – Bowers, Deats, Flores, Patrick

CA-12) Proposed Agreement with Cotiviti, Inc., for Managed Care Accountability Set (MCAS) metrics reporting software that is required to report annual health quality metrics to the State of California, from September 7, 2022, through September 7, 2024 (Fiscal Impact: $163,619.46 annually; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Melendez-Stewart: 10 Ayes; 4 Absent – Bowers, Deats, Flores, Patrick

CA-13) Proposed Agreement with Commercial Cleaning Systems, Inc., for janitorial services for 2900 Buck Owens Blvd., from September 10, 2022 through September 9, 2023 (Fiscal Impact: $193,740; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Melendez-Stewart: 10 Ayes; 4 Absent – Bowers, Deats, Flores, Patrick

CA-14) Report on Kern Health Systems 2022 Corporate Goals for 2ND Quarter (Fiscal Impact: None) – RECEIVED AND FILED
Melendez-Stewart: 10 Ayes; 4 Absent – Bowers, Deats, Flores, Patrick

15) Report on Kern Health Systems financial statements for May 2022 and June 2022 (Fiscal Impact: None) – RECEIVED AND FILED
Bowers-Garcia: 11 Ayes; 3 Absent – Deats, Flores, Patrick

CA-16) Report on Accounts Payable Vendor Report, Administrative Contracts between $30,000 and $100,000 for May 2022 and June 2022, IT Technology Consulting Resources for the period ended May 31, 2022, HR Hiring Report for the period ending June 30, 2022 and Major Organ Transplant Report for the period ending July 15, 2022 (Fiscal Impact: None) – RECEIVED AND FILED
Melendez-Stewart: 10 Ayes; 4 Absent – Bowers, Deats, Flores, Patrick

CA-17) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Melendez-Stewart: 10 Ayes; 4 Absent – Bowers, Deats, Flores, Patrick

18) Report on Kern Health Systems Operation Performance and Review of the Kern Health Systems Grievance Report (Fiscal Impact: None) – ALAN AVERY, CHIEF OPERATIONS OFFICER PRESENTED THE 2022 2ND QUARTER GRIEVANCE REPORT TO THE BOARD. FORMAL GRIEVANCES FOR THE 2ND QUARTER REMAINED FAIRLY CONSISTENT IN TOTAL WITH GRIEVANCES OF THE 1ST QUARTER WITH DECREASES IN ACCESS TO CARE AND INCREASES IN MEDICAL NECESSITY AND DISCRIMINATION GRIEVANCES. THE MEDICAL

NECESSITY VARIANCE IS BEING DRIVEN BY MEMBERSHIP INCREASES ALONG WITH THE INCREASE IN PRIOR AUTHORIZATION REQUESTS. EXEMPT GRIEVANCES GREW BY 683 GRIEVANCES FROM THE 1ST QUARTER.

MR. AVERY REPORTED THIS SIZEABLE INCREASE WAS CAUSED BY A CHANGE IN THE CLASSIFICATION PROCESS OF EXEMPT GRIEVANCES. A PROCESSING DISCREPANCY WAS DISCOVERED DURING A MEMBER SERVICE AUDIT OF EXEMPT GRIEVANCE. EXEMPT GRIEVANCES ARE INFORMAL COMPLAINTS SHARED BY MEMBERS WHO DO NOT WANT TO FILE A FORMAL COMPLAINT; HOWEVER, KHS IS STILL REQUIRED TO INVESTIGATE THEIR COMPLAINT. A FEW NEW STAFF MEMBERS WERE RESOLVING INFORMAL EXEMPT GRIEVANCES BUT FAILED TO REPORT CLOSURE. MR. AVERY REVIEWED WITH THE BOARD HOW GRIEVANCES ARE PROCESSED, AND A DISPOSITION DECISION IS REACHED. EACH GRIEVANCE COMES TO MEMBER SERVICES FROM EITHER A MEMBER OR A PROVIDER. THE GRIEVANCE COORDINATOR RESEARCHES THE FACTS OF THE GRIEVANCE, REQUESTS MEDICAL RECORDS IF NEED OR INPUT FROM THE PROVIDER, REQUESTS A MEDICAL DIRECTOR OR PHARMACIST REVIEWS THE CLINICAL RECORDS TO DETERMINE IF NEW INFORMATION WAS RECEIVED TO CHANGE THE DECISION. A RECOMMENDATION IS THEN MADE TO THE WEEKLY GRIEVANCE COMMITTEE FOR DISCUSSION AND APPROVAL. THIS COMMITTEE IS COMPRISED OF A MEDICAL DIRECTOR, AND REPRESENTATIVES FROM UM, QUALITY, CASE MANAGEMENT, PROVIDER NETWORK MANAGEMENT, COMPLIANCE, AND THE COO. THE COMMITTEE REVIEWS THE FACTS OF THE CASE PRIOR TO THE MEETING, REVIEWS THE RECOMMENDATION AND COMES TO A DECISION. IN REVIEWING THE DISPOSITION OF THE 965 FORMAL GRIEVANCES FOR THE QUARTER, MR. AVERY REPORTED THE POTENTIAL INAPPROPRIATE CARE AND MEDICAL NECESSITY GRIEVANCES ARE THE CATEGORY WITH THE MOST GRIEVANCES RECEIVED DURING THE QUARTER. BOARD MEMBER NILON ASKED MR. AVERY WHAT MIGHT CAUSE THE SIGNIFICANT OVERTURNING OF SPECIALIST GRIEVANCES. MR. AVERY INDICATED THE PRIMARY REASON TO UPHOLD THE DECISION IS THE LACK OF SUPPORTING DOCUMENTATION FROM THE PROVIDER OR THE MEMBER TO CONFIRM THE REQUEST MEETS APPROPRIATE MEDICAL CRITERIA. THE OTHER NOTEWORTHY MAJOR CATEGORY OF GRIEVANCES IS POTENTIAL INAPPROPRIATE CARE ISSUES. ALL GRIEVANCES ARE NOW FORWARDED TO THE QUALITY DEPARTMENT FOR REVIEW. - RECEIVED AND FILED
Patel-Garcia: 11 Ayes; 3 Absent – Deats, Flores, Patrick

19) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) – RECEIVED AND FILED
Patel-Garcia: 11 Ayes; 3 Absent – Deats, Flores, Patrick

20) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) - RECEIVED AND FILED
Hoffmann-Patel: 11 Ayes; 3 Absent – Deats, Flores, Patrick

CA-21) Miscellaneous Documents –
RECEIVED AND FILED
Melendez-Stewart: 10 Ayes; 4 Absent – Bowers, Deats, Flores, Patrick

A) Minutes for Kern Health Systems Finance Committee meeting on June 10, 2022

ADJOURN TO OCTOBER 13, 2022 AT 8:00 A.M.
Bowers

/s/ Cindy Stewart, Secretary
Kern Health Systems Board of Directors

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Kristen Beall Watson, Chairman

Date: October 13, 2022

Re: New Members to Kern Health Systems Board of Directors

Background

Over the last few months, the Kern County Board of Supervisors approved the following appointments:

Date of Appointment	Name	District/BOD Seat
8-9-2022	Catherine Abernathy	District 2 / Community Representative
8-9-2022	Sarabjeet Singh, M.D.	Traditional Medi-Cal Primary Care Representatives (Metro Bakersfield)
9-13-2022	Olga Meave, M.D.	Safety Net Care Provider

Current members of the Kern Health Systems Board of Directors would like to welcome our newest members to the Board. The complete list of Kern Health Systems Board members is shown on the attached organization chart.

Requested Action

Receive and file.

KERN HEALTH SYSTEMS

BOARD OF DIRECTORS

Kristen Beall Watson, Ed.D., ***Chairman***
Chief of Staff to the President,
California State University Bakersfield
5th District Community Representative

Rural PCP Representative
Vijaykumar B. Patel, M.D., ***Secretary***
Physician,
Comprehensive Medical Group

1st District Community Representatives
1) Elsa Martinez, ***Treasurer***
Chief Financial Officer, County of Kern
2) Michael Bowers, Vice President of Public Affairs and Government Relations, Centric Healthcare

Traditional Medi-Cal Primary Care Representative (Metro Bakersfield)
Sarabjett Singh, M.D.
Centric Healthcare, Central Cardiology Medical Clinic

2nd District Community Representatives
1) John Nilon, Retired
2) Cathy Abernathy, Cathy Abernathy Consultants

Safety Net Care Provider Representative
Olga Meave, M.D.
Interim Chief Executive Officer
Clinica Sierra Vista

3rd District Community Representatives
1) Jeff Flores, Chief of Staff, County of Kern
2) Vacant

Rural Hospital Representative
Timothy McGlew, Chief Executive Officer
Kern Valley Healthcare District

4th District Community Representatives
1) Wayne L. Deats, Jr., Retired
2) Barbara Patrick, Retired

Pharmacist Representative
Kimberly Hoffmann, PharmD, BCPP
Clinical Pharmacist
Pacific Pharmacy Practice PC, Owner

5th District Community Representatives
1) Alex Garcia, Councilmember, City of Wasco
2) Kristen Beall Watson, Ed.D.
Chief of Staff to the President
California State University, Bakersfield

Kern Medical Representative
Scott Thygerson, ***Vice Chairman***
Chief Executive Officer
Kern Medical

Rev. 10.9.2022
By: S.Woods

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Kristen Beall Watson, Chairman

Date: October 13, 2022

Re: Service Recognition for KHS Board of Director

Background

Cindy Stewart has served as a member of the Kern Health Systems Board of Directors since December 2012. Cindy represented the Safety Net Care Provider and has been an advocate for the federally qualified health centers and the members under their care. During her tenure, Cindy also served as Board Secretary from 2019 to 2022.

On behalf of the Kern Health Systems Board of Directors, please know how much we appreciate Director Stewart's participation on Kern Health Systems Board of Directors for 9+ years. It is our hope that her involvement and support for KHS continues as a valued safety net provider in our community.

Recognition

The Board of Directors will recognize Board Member Stewart's contribution with a service recognition award to commemorate her years of service.

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Martha Tasinga, MD, Chief Medical Officer

Date: October 13, 2022

RE: REVISED POLICY AND PROCEDURE – 4.35-P Provider Hearings

Revision Summary 05-2022: Reviewed by Credentialing Manager and DSR Health Law to update hearing procedures with applicable and current State laws, including Business & Professions Code and NCQA Credentialing Standards. Removed all "practitioner/provider" reference using general term "provider" which encompasses both physicians and ancillary providers as recommended by DSR Health Law; added enhanced explanation of Scope of Hearing and added Exceptions to Hearing Rights; added Reporting to Appropriate Authorities language and required timeframes. Removed Attachments as the MBC 805 Report form changes periodically and current version must be used.

Below is a summary of revisions:

Policy Section	**Policy Changes**
4.35-P Provider Hearings Policy	• Removed "practitioner" and collectively refer to "providers" throughout the policy. • Incorporate B&P Code 809 Provider Hearing Language
4.35-P Provider Hearings Definitions	• Recommend definitions be listed alphabetically. • "Provider" Definition to reference "Licentiate" as defined by current B&P Code rather than updating those individuals added or removed from B&P Code. • "Adverse Action" Definition revised to include specific actions including reference to actions in the Provider Disciplinary Hearing. Add recommended language to last sentence. • Peer Review Body Definition – language added as per B&P Code 805 peer review body definition.
4.35-P Provider Hearings 1.0 Applicability of P&P	• 1.1 Minor edits and clean up – Change "providers" to "Affected Providers" throughout policy.

Policy Section	**Policy Changes**
	• 1.2 Minor edits only allowing due process for "affected providers" and removing verbiage for due process to "all health care providers". Per DSR not all providers are afforded due process under B&P Code. • 1.3 Remove this section as new section 7.4 references current B&P Code 805 and 805.01 with reportable actions and required timeframes. • 1.4 Scope of Hearing Section A – DSR enhanced the language following B&P Code 805 grounds for a hearing and added new SubSection 1.5 – Exceptions to Hearing Rights
4.35-P Provider Hearings 2.0 Initiation of Hearing	• DSR added the term "adverse action," so recommend including in addition to proposed actions as there may be instances where a termination is immediate and not termed by KHS as a proposed action, so we recommend including actions like that in the Policy. • B. - Removed "professional review" as this is not required under state statue and DSR recommends removing. Also removed last sentence regarding representation as this is explained under 5.3
4.35-P Provider Hearings 3.0 Hearing Committee	• 3.1 Appointment of Hearing Committee - The Code specifies "Peer Review Body" determines how the hearing is conducted, i.e. arbitrator or panel. DSR recommends including options here, i.e. CEO, CMO or Peer Review Body. This way, if one is not available to make the decision, KHS has other options. These changes (options) were made throughout this policy.
4.35-P Provider Hearings 4.0 Prehearing Matters	• Same changes to include options: CMO, CEO or PR Body • Added notice of charges to be sent via certified mail
4.35-P Provider Hearings 5.0 Hearing Procedures	• 5.1 – DSR recommends including a requirement for an efficient and orderly manner is a good idea but not believe required by the Code • 5.2 – changed he/she to "presiding officer" for consistency • 5.3.2 – Additional rights: removed the right to challenge compliance with procedures; per DSR this is not required under the B&P Code and recommends removal. • 5.3 – last paragraph – Per DSR recommend adding "In addition" so it is clear the examination referenced here includes being crossed examined by the party and being examined by the hearing committee. • 5.5 – Cleaned up verbiage to make clear understanding of "initial applicant" and removed reference to "Clinical privileges" as KHS does not grant privileges.

Policy Section	Policy Changes
	• 5.7 – Removed sentence as this is explained in section 5.1
4.35-P Provider Hearings 6.0 Final Decision of BOD	• Per DSR remove 1st sentence
4.35-P Provider Hearings 7.0 General Provisions	• 7.4 – Added new section "Reporting to Appropriate Authorities" per B&P Code required language and timeframes.
Attachments	• Removed Attachments as the MBC 805 Report form changes periodically and current version must be used.

Requested Action

Approve policy revisions to 4.35-P Provider Hearings.

KERN HEALTH SYSTEMS

KERN HEALTH SYSTEMS POLICY AND PROCEDURES					
SUBJECT: Provider Hearings				POLICY #: 4.35-P	
DEPARTMENT: Provider Relations					
Effective Date: 06/1998	Review/Revised Date: ~~02/06/2017~~ 05/16/2022	DMHC		PAC	X
		DHCS		QI/UM COMMITTEE	
		BOD	X	FINANCE COMMITTEE	

_____ Date _____
Chief Executive Officer

_____ Date _____
Chief Medical Officer

_____ Date _____
Chief Operating Officer

_____ Date _____
Deputy Director of Provider ~~Relations~~ Network Management

POLICY:

~~Practitioners/~~Affected Providers shall be entitled to the procedural rights set forth herein when subject to certain adverse credentialing decisions, ~~or~~ disciplinary actions, or whose contractual agreement with Kern Health Systems (KHS) is denied, revoked, terminated, suspended or reduced for Medical Disciplinary Cause or Reason. These rights include ~~have~~ the right to a fair ~~Hearing~~hearing where applicable. The purpose of this policy is ~~T~~to define and outline ~~the Kern Health Systems (~~KHS~~)~~ hearing process and procedures for Affected P~~p~~roviders who are subject to ~~certain adverse actions~~ the notice and hearing procedure described below ("Procedures").

DEFINITIONS:

Adverse Action	An action, that entitles an Affected Provider to a hearing, including certain adverse credentialing decisions, disciplinary action, denial, revocation, suspension, reduction, or termination of agreement, due to a Medical Disciplinary Cause or Reason. Further, an Adverse Action may include but is not limited to, those set forth in Policy &

	Procedure 4.48-P. Provider Disciplinary Actions that involve a medical disciplinary cause or reason.
Affected ~~Practitioner/~~Provider	Affected ~~practitioner/provider who is the subject of a proposed adverse action or recommendation~~ provider refers to those providers listed in the definition of "licentiate" in California Business and Professions Code 805, who are subject to an Adverse Action. ~~In the case of an individual, it shall have the same meaning as licentiate, as that term is used in section 805 and 805.01 of the Business and Professions Code.~~
Board of Directors	"Board of Directors" refers to the Board of Directors of KHS.
Chief Medical Officer	The individual holding the title of Chief Medical Officer at KHS.
Medical Disciplinary Cause or Reason	The aspect of a ~~Practioners/~~provider's competence or professional conduct that is reasonably likely to be detrimental to patient safety or to the delivery of patient care.
Participation, Approved to Participate	The approval granted to a provider by KHS to provide direct patient care to a member
Peer Review Body	Peer Review Body shall have the same meaning as defined in California Business and Professions Code section 805, and includes ~~The~~ the committee or body within KHS whose action gave rise to the hearing (i.e., the Physician Advisory Committee, the Quality Improvement/ Utilization Management Committee, or the Board of Directors).

PROCEDURES:

1.0 APPLICABILITY OF POLICY AND PROCEDURES

1.1 Application

These ~~P~~procedures are available to ~~health care practitioners/~~Affected ~~p~~Providers who are the subject of certain adverse credentialing decisions, ~~or~~ disciplinary actions, or whose contractual agreement with KHS are denied, revoked, terminated, suspended, or reduced for a Medical Disciplinary Cause or Reason. ~~as described in~~ See also *KHS Policy and Procedure #4.01-P: Credentialing* and *KHS Policy and Procedure #~~2.04~~4.48-P- Provider Disciplinary Action*.

1.2 Adaptability of Procedures

The Board of Directors shall have the discretion to modify these ~~procedures~~ Procedures as appropriate to ~~assure~~ ensure due process for ~~all health care Practitioners/~~Affected Providers.

~~1.3 Medical Board Reporting~~

~~Some of the provisions are applicable only in cases where Kern Health Systems has taken or recommended actions involving physicians, dentists, podiatrists, and clinical psychologists and that require a report to the Medical Board of California. Where this is the case, an annotation has been added as follows:~~

~~The following provision applies only where a report to the Medical Board of California may be required. The provision to which this annotation applies appears in boxed text, like this example.~~

~~A. Serious quality findings of the KHS Board of Directors must be reported to the California Medical Board. These findings include but are not limited to those set forth in the California Business and Professions Code Section 805 and 805.01.~~

~~B. At the direction of the KHS Board the KHS Medical Director will coordinate the completion of the Medical Board 805 and or 805.01 reporting form. (See attachment A for directions on 805 and or 805.01 form completion.)~~

1. 43 Scope of Hearing

The scope of any hearing conducted pursuant to these Procedures shall be limited to consideration of the proposed action or recommendation and the rights set forth in Section 5.3, below.

A. Grounds for a Hearing: Except as otherwise specified herein, any one or more of the following actions or recommended actions taken for Medical Disciplinary Cause or Reason shall be deemed actual or potential Adverse Action and constitute grounds for a hearing:

a. denial of membership or network participation based on Medical Disciplinary Cause or Reason;

b. denial of renewal of membership or network participation Medical Disciplinary Cause or Reason;

c. suspension of membership/participation which lasts more than 14-consective days based upon Medical Disciplinary Cause or Reason;

d. suspension or reduction to perform patient care services for more than thirty 30-calendar days in any twelve (12)-month period for Medical Disciplinary Cause or Reason;

e. termination of membership or network participation based on Medical Disciplinary Cause or Reason

*1.4 **Exceptions to Hearing Rights***

A. Hearing rights do not apply to the removal of a provider from a medical-administrative position at KHS or loss of employment, participation solely as a result of removal from the medical-administrative position.

B. Automatic Suspension or Limitation of Practice – Hearing rights are not afforded to a provider whose participation is revoked, suspended, or limited in accordance with terms of probation as a result of the revocation or suspension of the provider of services license, certification, registration, or legal authority to practice.

C. Hearing rights are not afforded to a provider whose participation is terminated as a result of the provider being sanctioned, debarred, excluded, ineligible for participation in Medicare, Medi-Cal, the Office of Inspector General (OIG), System for Award Management (SAM.Gov) or the DHCS Restricted Provider List

D. Hearing rights do not apply to providers who do not meet the minimum qualifications described in the credentialing requirements.

2.0 INITIATION OF HEARING

2.1 Preliminary Notice of Adverse Action or Recommendation

The ~~affected~~ Affected ~~practitioner/provider~~ Provider shall promptly be given written notice of any Adverse Action, proposed ~~adverse~~ Adverse ~~action~~ Action or recommendation. ~~Such notice shall do all of the following~~ The written notice to the Affected Provider will be sent by certified mail with return receipt requested and will give notice of the following:

A. Contain a description of the Adverse A~~a~~ction or professional review that has been taken or recommended, together with a general statement of the basis for the Adverse A~~a~~ction;

B. Advise the ~~affected~~ Affected ~~practitioner/provider~~ Provider of his/her right to a hearing pursuant to the provisions of ~~the Procedures~~ this Policy;

C. Specify that the ~~affected~~ Affected ~~practitioner's/provider's~~ Provider's request for a hearing must be delivered in person, or mailed by certified ~~or registered~~ mail, and must be received by the Chief ~~Executive~~ Medical Officer no more than 30 days following the date of the ~~affected~~ Affected ~~practitioner's/provider's~~ Provider's receipt of the preliminary notice as shown on the United States Postal Service receipt or proof of service;

D. State that failure to request a hearing within the specified time period shall constitute a waiver of rights to a hearing on the matter and consent to the proposed Adverse ~~a~~Action or recommendation

E. State that after receipt of his/her request for a hearing, the ~~affected~~ Affected ~~practitioner/provider~~ Provider will be notified of the date, time, and place of the hearing, and additional information regarding the grounds upon which the ~~adverse~~ Adverse ~~action~~ Action is based, if any;

F. Contain a summary of the ~~affected~~ Affected ~~practitioner's/provider's~~ Provider's rights in the hearing or provide a copy of the KHS Policy regarding Provider Hearing;

G. Advise the ~~affected~~ Affected ~~practitioner/provider~~ Provider that the Adverse A~~a~~ction or recommendation, if adopted, shall be reported to the Medical Board of California pursuant to Business and Professions Code Section 805, 805.01, and National Practitioner Data Bank~~.~~.

2.2 Parties

If a hearing is requested, the ~~affected~~ Affected ~~practitioner/provider~~ Provider and the Peer Review Body shall be parties to the hearing.

2.3 Effect of Waiver by Failure to Request a Hearing

An ~~affected~~ Affected ~~practitioner's/provider's~~ Provider's waiver of hearing rights shall constitute acceptance of the ~~adverse~~ Adverse ~~action~~ Action or recommendation~~, pending final decision of the Board of Directors~~.

3.0 HEARING COMMITTEE

3.1 Appointment of Hearing Committee

As determined by the Chief Medical Officer, Chief Executive Officer, or Peer Review Body, the hearing shall be conducted by:

~~A. A Quorum of the Board of Directors or committee composed of at least three actively contracted providers of which two must be the same specialty of the affected provider.~~

B. A hearing committee appointed by the Chief Medical Officer, Chief Executive Officer, or Peer Review Body ~~and~~ composed of at least three or more individuals, who may (but need not be) ~~Kern Family Health Care~~ KHS contracted providers~~of at least three individuals, who may (but need not be) Kern Family Health Care Practitioners~~; or the hearing may be conducted before an arbitrator or arbitrators selected by a process mutually acceptable to the Peer Review Body and the ~~affected~~ Affected ~~practitioner/provider~~Provider.

If a committee is appointed, one of the appointees shall be designated as presiding officer of the hearing committee.

If the hearing is to be conducted by an arbitrator or arbitrators, references to the hearing committee shall be deemed to refer to the arbitrator(s).

3.2 Qualification of Hearing Committee Members

The hearing committee shall be composed of ~~individuals~~ providers who have not acted as an accuser, investigator, fact-finder, or initial decision maker in the same matter; and who shall gain no direct financial benefit from the outcome of the hearing.

3.3 Hearing Officer

At the discretion of the Chief Medical Officer, Chief Executive Officer or Peer Review Body, a hearing officer may be appointed to assist the hearing committee. The hearing officer shall be an attorney experienced in conducting or participating in administrative hearings. He/She shall gain no contingent financial benefit from the outcome of the hearing, shall not act as a prosecuting officer or advocate, and shall not be entitled to vote. The hearing officer shall act in an impartial manner.

4.0 PREHEARING MATTERS

4.1 Notice of Time and Place for Hearing

Within 10 days after receipt of a request for a hearing, the Chief Medical Officer, Chief Executive Officer, or Peer Review Body shall schedule a hearing. The Chief Medical Officer, Chief Executive Officer or Peer Review Body shall send the ~~affected~~ Affected ~~practitioner/provider~~ Provider notice of the time, place, and date of the hearing, together with a Notice of Charges, as described in Section 4.2, and a copy of these Procedures, via certified mail and return receipt requested. The hearing date shall not be less than 30 days ~~nor more than 60 days~~ from the date of receipt of the request.

4.2 Notice of Charges

The Peer Review Body shall prepare a Notice of Charges consisting of a statement of the ~~affected~~ Affected ~~practitioner's/provider's~~ Provider's alleged acts or omissions, a list of any patient records in question, and a description of the other reasons or subject

matter forming the basis for the ~~adverse~~ Adverse ~~action~~ Action that is the subject of the hearing.

The Peer Review Body may amend its Notice of Charges; provided, however, that such amendment shall be provided to the ~~affected~~ affected ~~practitioner/provider~~ Provider as soon as reasonably possible under the circumstances; and provided, further, that the ~~affected~~ affected ~~practitioner/provider~~ Provider shall be entitled to a continuance, if any such amendment substantially changes the scope of the hearing, or substantially affects the ~~affected~~ Affected ~~practitioner's/provider's~~ Provider's ability to adequately prepare for the hearing.

4.3 Witness Lists

Within five days of a request for witnesses, each party shall forward to the other party its list of witnesses (if any) who are expected to testify at the hearing. This provision shall not preclude the testimony of additional witnesses whose participation was not reasonably anticipated; however, the parties shall notify each other as soon as they become aware of such additional witnesses.

Failure to provide the name of any witness at least 10 days prior to the date at which the witness is to testify shall, subject to the provisions of Section 5.7, below, constitute good cause for a continuance.

4.4 Discovery Rights

The ~~affected~~ Affected ~~practitioner/provider~~ Provider shall have the right to inspect and copy, at his/her expense, any documentary information relevant to the charges that K~~ern Health Systems~~HS has in its possession or under its control, as soon as practicable after delivery of his/her request for a hearing.

The Peer Review Body shall have the right to inspect and copy, at its expense, any documentary information relevant to the charges that the ~~affected~~ Affected ~~practitioner/provider~~ Provider has in his/her possession or control, as soon as practicable after the ~~affected~~ Affected ~~practitioner's/provider's~~ Provider's receipt of the Peer Review Body's request thereof.

The failure by either party to provide access to this information at least 30 days before the hearing, and subject to the provisions of section 5.7, below, shall constitute good cause for a continuance.

The parties' right to inspect and copy does not extend to confidential information referring to individually identifiable ~~Practitioners/P~~providers, other than the ~~affected~~ Affected ~~practitioner/provider~~ Provider under review and does not create or imply any obligation to modify or create documents in order to satisfy a request for information.

The presiding officer shall rule on any contested requests for access to information. In making such rulings, the presiding officer may impose safeguards to protect the peer review process and promote justice. In making such rulings and determining the relevancy of the requested information, the presiding officer shall among other factors,

consider the following:

A. Whether the information sought may be introduced to support the charges;
B. The exculpatory of inculpatory nature of the information sought;
C. The burden imposed on the party in possession of the information sought;
D. Any previous requests for access to information submitted or ~~resisted~~ objected to by the parties to the same proceeding. Each party shall provide the other party with all documents expected to be produced at the hearing. Failure to provide these documents to the other party at least 10 days before the commencement of the hearing shall constitute good cause for a continuance.

4.5 Prehearing Motions

The parties may file prehearing motions to resolve such procedural matters as the presiding officer determines may properly be resolved outside the presence of the full hearing committee. Such motions shall be in writing and shall state the relief requested, all relevant factual information, and any supporting authority. The moving party shall deliver a copy of the motion to the opposing party, who shall have five working days to submit a written response to the presiding officer, with a copy to the moving party. The presiding officer shall determine whether to allow oral argument on any such motions. The presiding officer's ruling shall be in writing and shall be provided to the parties promptly upon its rendering. All motions, responses, and rulings thereon shall be entered into the hearing record by the presiding officer.

5.0 HEARING PROCEDURES

5.1 Personal Presence/Failure to Appear

The personal presence of the ~~affected~~ Affected ~~practitioner~~ provider ~~shall be~~ is required. If the ~~affected~~ Affected ~~practitioner/provider~~ Provider fails to appear, fails to ~~and~~ proceed at the hearing in an efficient and orderly manner, or refuses to be called and to answer questions as a witness, he/she shall be deemed to have waived his/her rights in the same manner and with the same consequence as provided in Section 2.3, above.

5.2 Role of the Presiding Officer

The presiding officer shall maintain decorum and assure that all participants in the hearing have a reasonable opportunity to present relevant oral and documentary evidence in an efficient and expeditious manner. ~~He/she~~ The presiding officer shall be entitled to determine the order of procedure during the hearing and shall make all rulings on matters of law, procedure, and the admissibility of evidence, including but not limited to:

A. Challenges to the impartiality of any of the hearing committee members or to the presiding officer; and
B. Requests for access to information.

If the presiding officer determines that either party is not proceeding in an efficient and expeditious manner, ~~he/she~~the presiding officer may take such action and enter such orders as seem warranted by the circumstances including entry of an order terminating either party's participation in the hearing.

5.3 Rights of the Parties

5.3.1 Representation

The ~~affected~~ Affected ~~practitioner/provider~~ Provider shall be entitled to be accompanied and represented at the hearing by a ~~practitioner~~ provider ~~member of~~ contracted with K~~HSern Family Health Care~~, a member of his/her local professional society, or an attorney.

In no case may ~~the health plan (~~KHS~~)~~ be represented by an attorney unless the Affected Provider ~~practitioner~~ is represented by an attorney.

Notwithstanding the foregoing, and regardless of whether the ~~affected~~ Affected ~~practitioner/provider~~ Provider has legal ~~Representation~~ representation at the hearing, the parties shall have the right, at their own expense, to assistance of legal counsel to prepare for the hearing.

5.3.2 Additional Rights

During a hearing, each of the parties has the right:

A. To question the hearing ~~panel~~ committee and the presiding officer, to challenge the impartiality of any member of the hearing committee or the presiding officer ~~and to challenge compliance with these Procedures;~~

B. To call, ~~and~~ examine, and cross-examine witnesses;

C. To introduce relevant evidence;

~~D. To cross-examine any witness on any matter relevant to the issues;~~

~~E.~~D. To impeach any witness;

~~F.~~E. To rebut any relevant evidence;

~~G.~~F. To be provided with all the information ~~provided~~ submitted to the hearing ~~e~~committee; and

~~H.~~G. To have a record made of the hearing in accordance with Section 5.6.

Whether or not the ~~affected~~ Affected ~~practitioner/provider~~ Provider elects to testify, he/she may be called and examined ~~as if under cross-examination~~. In addition, ~~The~~ the hearing committee may examine all witnesses, including the ~~affected~~ Affected ~~practitioner/provider~~Provider.

5.4 Procedure and Evidence

The hearing need not be conducted according to formal rules of evidence. Any relevant evidence upon which reasonable persons customarily rely in the conduct of serious affairs shall be admitted, regardless of the admissibility of such evidence in a court of law. Although hearsay evidence is admissible, the hearing committee may not base a decision solely on hearsay. The presiding officer may order that oral evidence be taken only on oath or affirmation.

5.5 Burden of Producing Evidence; Burden of Proof

The Peer Review Body shall have the initial obligation to present evidence in support

of its Adverse Aaction or recommendation.

For purposes of this policy, "Initial applicant" shall be any ~~practitioner/~~provider who does not currently ~~hold practitioner/provider status~~ belong to the KHS provider network, whose application to become a KHS network provider was denied for Medical Disciplinary Cause or Reason. ~~Applicants seeking new clinical privileges will be deemed initial applicants with respect to those new clinical privileges.~~

Initial applicants shall bear the burden of persuading the hearing committee, by a preponderance of the evidence, of their qualifications for ~~practitioner/~~provider status. Initial applicants shall not be permitted to introduce information not previously produced in response to requests by the Chief Medical ~~Director~~Officer, the Peer Review Body, or other KHS~~ern Health Systems~~ committees during the application process, unless the initial applicant establishes that the information could not, in the exercise of reasonable diligence, have been produced previously.

Except as provided above for initial applicants, the Peer Review Body shall bear the burden of persuading the hearing committee, by a preponderance of the evidence, that the action or recommendation is reasonable and warranted.

5.6 Record of Hearing

A record of the hearing shall be made. If a certified shorthand reporter is used, the cost of the reporter shall be borne by Kern Health Systems and the cost of the transcript shall be borne by the requesting party or shall be shared by the parties, if both desire a copy.

5.7 Continuance or Postponement and Completion of the Hearing

Requests for continuance or postponement of a hearing may be granted by the presiding officer upon a showing of good cause. The hearing shall be completed within a reasonable time unless the presiding officer issues a written decision finding that the ~~affected~~ Affected ~~practitioner/provider~~ Provider failed to comply with requests to produce documentary evidence, in a timely manner, or consented to the delay. ~~The presiding officer shall have the discretion to terminate the hearing proceedings upon a finding that the affected practitioner/provider has repeatedly failed to comply with rulings or to cooperate toward an orderly and expeditious completion of the hearing.~~

5.8 Presence of Hearing Committee Members and Vote

A majority of the hearing committee must be present throughout the hearing and deliberations. No committee member shall participate in deliberations or vote on the decision unless and until he/she has read the entire transcript of the portion of the hearing from which he/she was absent.

5.9 Hearing Committee Report

Within 30 days after submission of the matter to the hearing committee for decision, the hearing committee shall render a written decision. The decision shall include the hearing committee's findings of fact and conclusions. It shall be delivered to the parties and to the Board of Directors, in cases where the Board was not the hearing

committee.

6.0 FINAL DECISION OF THE BOARD OF DIRECTORS

~~When the hearing committee is a quorum of the Board of Directors, the report of the hearing committee shall constitute the final decision of the Board. In all other cases, the r~~Report of the hearing committee shall constitute a recommendation which the Board shall either adopt or modify. Before modifying the report, the Board may take such additional evidence and conduct such additional proceedings consistent with these Procedures as the Board deems appropriate. The Board's decision shall include findings of fact and conclusions. The Chief Medical Officer or the Chief Executive Officer shall send notice of the decision of the Board to the ~~affected~~ Affected ~~practitioner/p~~Provider (by personal delivery, certified or registered mail) and to the Peer Review Body. The decision of the Board shall be immediately effective and final.

7.0 GENERAL PROVISIONS

7.1 Closed Sessions

Except as otherwise agreed by the parties, all hearings shall be conducted in closed session.

7.2 Reports and Records

The ~~Provider Relations~~ Credentialing Manager shall maintain files on all hearing and ~~appeals, and~~appeals and shall report all action to the Physician Advisory Committee and Quality Improvement/Utilization Management Committee, as applicable, in a manner sensitive to patient and practitioner confidentiality.

7.3 Exhaustion of Remedies

The ~~affected~~ Affected ~~practitioner/provider~~ Provider **must exhaust the remedies afforded by these ~~Hearing Policy and~~** Procedures before resorting to legal action against KHS ~~ern Health Systems~~ or any of its officers, agents, or employees.

7.4 Reporting to Appropriate Authorities

KHS shall comply with the reporting requirements of the Medical Board of California and the NPDB as required by law. KHS Credentialing Manager, under the direction of the Chief Medical Officer, and/or Chief Executive Officer, will submit required reporting to appropriate authorities within the specified timeframes. The Affected Provider will be notified of the report and its contents as follows:

1. Within fifteen (15) days of a recommendation or final decision, when they are imposed or voluntarily accepted for a Medical Disciplinary Cause or Reason, an 805 Report must be filed with the Medical Board of California;
2. Within fifteen (15) days of a recommendation or final decision based on any of the following, an 805.01 will be filed with the Medical Board of California:
   a. Incompetence, or gross or repeated deviation from the standard of care involving death or serious bodily injury to one (1) or more patients in such a manner as to be dangerous or injurious to any person or the public.
   b. The use of, or prescribing for or administering to him/herself, any controlled substance; or the use of any dangerous drug, as defined in Section 4022, or of

alcoholic beverages, to the extent or in such a manner as to be dangerous or injurious to the licentiate, or any other persons, or the public, or to the extent that such impairs the ability of the licentiate to practice safely.

c. Repeated acts of clearly excessive prescribing, furnishing or administering of controlled substances or repeated acts of prescribing, dispensing, or furnishing of controlled substances without good faith effort prior examination of the patient and medical ~~reason~~reason, therefore.

d. Sexual misconduct with one (1) or more patients during a course of treatment or an examination.

3. Within thirty (30) days of the final decision, KHS must report to the NPDB.

a. Reporting to appropriate authorities is not applicable in the following circumstances: If there is no instance of suspension, termination, restriction or revocation to report for quality reasons;

b. For automatic administrative terminations based on the practitioners or providers of service not meeting specific contractual obligation for participation in the network;

8.0 JUDICIAL REVIEW

The KHS ~~ern Health Systems~~ Board of Directors has adopted the provisions of section 1094.6 of the California Code of Civil Procedure, and the Board's decisions are reviewable, if at all, only in accordance with the provisions of that statute.

~~**ATTACHMENTS:**~~

- ~~Attachment A – *Credentialing Training Manual: How to Complete an 805 Report*~~

REFERENCE:

Revisions 05-2022: Reviewed by Credentialing Manager and DSR Health Law to update hearing procedures with applicable and current State laws, including Business & Professions Code and NCQA Credentialing Standards. Removed all "practitioner/provider" reference using general term "provider" which encompasses both physicians and ancillary providers as recommended by DSR Health Law; added enhanced explanation of Scope of Hearing and added Exceptions to Hearing Rights; added Reporting to Appropriate Authorities language and required timeframes. Removed Attachments as the MBC 805 Report form changes periodically and current version must be used.
Revision 2016-12: Reviewed by Provider Relations Manager. Added 805.01 language and clarified attorney representation and quorum requirements per NCQA standards. **2014-04:** Routine revision to update policy. Attachment A revised to remove names and replace them with titles. **Revision 2012-11:** Policy 2.39-P re-numbered to 4.35-P, removed from QI to Provider Relations due to nature of policy. **Revision 2006-08:** Revised per CEO request. **2002-04:** Annual revision. **Revision 2000-08:** Approved by DHS 10/30/01. **Formerly #2.05:** Number changed to 2.39-P during 03/06 review. **#4.18:** Number changed to 2.05 during 02/02 review. Policy included in QI Plan.

KERN HEALTH SYSTEMS

KERN HEALTH SYSTEMS POLICY AND PROCEDURES					
SUBJECT: Provider Hearings				POLICY #: 4.35-P	
DEPARTMENT: Provider Relations					
Effective Date: 06/1998	Review/Revised Date: 05/16/2022	DMHC		PAC	X
		DHCS		QI/UM COMMITTEE	
		BOD	X	FINANCE COMMITTEE	

_____ Date _____
Chief Executive Officer

_____ Date _____
Chief Medical Officer

_____ Date _____
Chief Operating Officer

_____ Date _____
Deputy Director of Provider Network Management

POLICY:
Affected Providers shall be entitled to the procedural rights set forth herein when subject to certain adverse credentialing decisions, disciplinary actions, or whose contractual agreement with Kern Health Systems (KHS) is denied, revoked, terminated, suspended or reduced for Medical Disciplinary Cause or Reason. These rights include the right to a fair hearing where applicable. The purpose of this policy is to define and outline KHS hearing process and procedures for Affected Providers who are subject to the notice and hearing procedure described below ("Procedures").

DEFINITIONS:

Adverse Action	An action, that entitles an Affected Provider to a hearing, including certain adverse credentialing decisions, disciplinary action, denial, revocation, suspension, reduction, or termination of agreement, due to a Medical Disciplinary Cause or Reason. Further, an Adverse Action may include but is not limited to, those set forth in Policy & Procedure 4.48-P. Provider Disciplinary Actions that involve a

	medical disciplinary cause or reason.
Affected Provider	Affected provider refers to those providers listed in the definition of "licentiate" in California Business and Professions Code 805, who are subject to an Adverse Action.
Board of Directors	"Board of Directors" refers to the Board of Directors of KHS.
Chief Medical Officer	The individual holding the title of Chief Medical Officer at KHS.
Medical Disciplinary Cause or Reason	The aspect of a provider's competence or professional conduct that is reasonably likely to be detrimental to patient safety or to the delivery of patient care.
Participation, Approved to Participate	The approval granted to a provider by KHS to provide direct patient care to a member
Peer Review Body	Peer Review Body shall have the same meaning as defined in California Business and Professions Code section 805, and includes the committee or body within KHS whose action gave rise to the hearing (i.e., the Physician Advisory Committee, the Quality Improvement/ Utilization Management Committee, or the Board of Directors).

PROCEDURES:

1.0 APPLICABILITY OF POLICY AND PROCEDURES

1.1 Application

These Procedures are available to Affected Providers who are the subject of certain adverse credentialing decisions, disciplinary actions, or whose contractual agreement with KHS are denied, revoked, terminated, suspended, or reduced for a Medical Disciplinary Cause or Reason. See also *KHS Policy and Procedure #4.01-P: Credentialing* and *KHS Policy and Procedure #4.48-P- Provider Disciplinary Action*.

1.2 Adaptability of Procedures

The Board of Directors shall have the discretion to modify these Procedures as appropriate to ensure due process for Affected Providers.

1. 3 Scope of Hearing

The scope of any hearing conducted pursuant to these Procedures shall be limited to consideration of the proposed action or recommendation and the rights set forth in Section 5.3, below.

A. Grounds for a Hearing: Except as otherwise specified herein, any one or more of the following actions or recommended actions taken for Medical Disciplinary Cause or Reason shall be deemed actual or potential Adverse Action and constitute grounds for a hearing:
    a. denial of membership or network participation based on Medical Disciplinary Cause or Reason;
    b. denial of renewal of membership or network participation Medical Disciplinary Cause or Reason;

c. suspension of membership/participation which lasts more than 14-consective days based upon Medical Disciplinary Cause or Reason;
d. suspension or reduction to perform patient care services for more than thirty 30-calendar days in any twelve (12)-month period for Medical Disciplinary Cause or Reason;
e. termination of membership or network participation based on Medical Disciplinary Cause or Reason

1.4 ***Exceptions to Hearing Rights***

A. Hearing rights do not apply to the removal of a provider from a medical-administrative position at KHS or loss of employment, participation solely as a result of removal from the medical-administrative position.

B. Automatic Suspension or Limitation of Practice – Hearing rights are not afforded to a provider whose participation is revoked, suspended, or limited in accordance with terms of probation as a result of the revocation or suspension of the provider of services license, certification, registration, or legal authority to practice.

C. Hearing rights are not afforded to a provider whose participation is terminated as a result of the provider being sanctioned, debarred, excluded, ineligible for participation in Medicare, Medi-Cal, the Office of Inspector General (OIG), System for Award Management (SAM.Gov) or the DHCS Restricted Provider List

D. Hearing rights do not apply to providers who do not meet the minimum qualifications described in the credentialing requirements.

2.0 INITIATION OF HEARING

2.1 Preliminary Notice of Adverse Action or Recommendation

The Affected Provider shall promptly be given written notice of any Adverse Action, proposed Adverse Action or recommendation. The written notice to the Affected Provider will be sent by certified mail with return receipt requested and will give notice of the following:

A. Contain a description of the Adverse Action or professional review that has been taken or recommended, together with a general statement of the basis for the Adverse Action;
B. Advise the Affected Provider of his/her right to a hearing pursuant to the provisions of this Policy;
C. Specify that the Affected Provider's request for a hearing must be delivered in person, or mailed by certified mail, and must be received by the Chief Medical Officer no more than 30 days following the date of the Affected Provider's receipt of the preliminary notice as shown on the United States Postal Service receipt or proof of service;
D. State that failure to request a hearing within the specified time period shall constitute a waiver of rights to a hearing on the matter and consent to the proposed Adverse Action or recommendation
E. State that after receipt of his/her request for a hearing, the Affected Provider

will be notified of the date, time, and place of the hearing, and additional information regarding the grounds upon which the Adverse Action is based, if any;

F. Contain a summary of the Affected Provider's rights in the hearing or provide a copy of the KHS Policy regarding Provider Hearing;

G. Advise the Affected Provider that the Adverse Action or recommendation, if adopted, shall be reported to the Medical Board of California pursuant to Business and Professions Code Section 805, 805.01, and National Practitioner Data Bank.

2.2 Parties

If a hearing is requested, the Affected Provider and the Peer Review Body shall be parties to the hearing.

2.3 Effect of Waiver by Failure to Request a Hearing

An Affected Provider's waiver of hearing rights shall constitute acceptance of the Adverse Action or recommendation.

3.0 HEARING COMMITTEE

3.1 Appointment of Hearing Committee

As determined by the Chief Medical Officer, Chief Executive Officer, or Peer Review Body, the hearing shall be conducted by:

B. A hearing committee appointed by the Chief Medical Officer, Chief Executive Officer, or Peer Review Body composed of at least three or more individuals, who may (but need not be) KHS contracted providers; or the hearing may be conducted before an arbitrator or arbitrators selected by a process mutually acceptable to the Peer Review Body and the Affected Provider.

If a committee is appointed, one of the appointees shall be designated as presiding officer of the hearing committee.

If the hearing is to be conducted by an arbitrator or arbitrators, references to the hearing committee shall be deemed to refer to the arbitrator(s).

3.2 Qualification of Hearing Committee Members

The hearing committee shall be composed of providers who have not acted as an accuser, investigator, fact-finder, or initial decision maker in the same matter; and who shall gain no direct financial benefit from the outcome of the hearing.

3.3 Hearing Officer

At the discretion of the Chief Medical Officer, Chief Executive Officer or Peer Review Body, a hearing officer may be appointed to assist the hearing committee. The hearing officer shall be an attorney experienced in conducting or participating in administrative hearings. He/She shall gain no contingent financial benefit from the outcome of the

hearing, shall not act as a prosecuting officer or advocate, and shall not be entitled to vote. The hearing officer shall act in an impartial manner.

4.0 PREHEARING MATTERS

4.1 Notice of Time and Place for Hearing

Within 10 days after receipt of a request for a hearing, the Chief Medical Officer, Chief Executive Officer, or Peer Review Body shall schedule a hearing. The Chief Medical Officer, Chief Executive Officer or Peer Review Body shall send the Affected Provider notice of the time, place, and date of the hearing, together with a Notice of Charges, as described in Section 4.2, and a copy of these Procedures, via certified mail and return receipt requested. The hearing date shall not be less than 30 days from the date of receipt of the request.

4.2 Notice of Charges

The Peer Review Body shall prepare a Notice of Charges consisting of a statement of the Affected Provider's alleged acts or omissions, a list of any patient records in question, and a description of the other reasons or subject matter forming the basis for the Adverse Action that is the subject of the hearing.

The Peer Review Body may amend its Notice of Charges; provided, however, that such amendment shall be provided to the affected Provider as soon as reasonably possible under the circumstances; and provided, further, that the affected Provider shall be entitled to a continuance, if any such amendment substantially changes the scope of the hearing, or substantially affects the Affected Provider's ability to adequately prepare for the hearing.

4.3 Witness Lists

Within five days of a request for witnesses, each party shall forward to the other party its list of witnesses (if any) who are expected to testify at the hearing. This provision shall not preclude the testimony of additional witnesses whose participation was not reasonably anticipated; however, the parties shall notify each other as soon as they become aware of such additional witnesses.

Failure to provide the name of any witness at least 10 days prior to the date at which the witness is to testify shall, subject to the provisions of Section 5.7, below, constitute good cause for a continuance.

4.4 Discovery Rights

The Affected Provider shall have the right to inspect and copy, at his/her expense, any documentary information relevant to the charges that KHS has in its possession or under its control, as soon as practicable after delivery of his/her request for a hearing.

The Peer Review Body shall have the right to inspect and copy, at its expense, any documentary information relevant to the charges that the Affected Provider has in his/her possession or control, as soon as practicable after the Affected Provider's receipt of the Peer Review Body's request thereof.

The failure by either party to provide access to this information at least 30 days before the hearing, and subject to the provisions of section 5.7, below, shall constitute good cause for a continuance.

The parties' right to inspect and copy does not extend to confidential information referring to individually identifiable providers, other than the Affected Provider under review and does not create or imply any obligation to modify or create documents in order to satisfy a request for information.

The presiding officer shall rule on any contested requests for access to information. In making such rulings, the presiding officer may impose safeguards to protect the peer review process and promote justice. In making such rulings and determining the relevancy of the requested information, the presiding officer shall among other factors, consider the following:

A. Whether the information sought may be introduced to support the charges;
B. The exculpatory of inculpatory nature of the information sought;
C. The burden imposed on the party in possession of the information sought;
D. Any previous requests for access to information submitted or objected to by the parties to the same proceeding. Each party shall provide the other party with all documents expected to be produced at the hearing. Failure to provide these documents to the other party at least 10 days before the commencement of the hearing shall constitute good cause for a continuance.

4.5 Prehearing Motions

The parties may file prehearing motions to resolve such procedural matters as the presiding officer determines may properly be resolved outside the presence of the full hearing committee. Such motions shall be in writing and shall state the relief requested, all relevant factual information, and any supporting authority. The moving party shall deliver a copy of the motion to the opposing party, who shall have five working days to submit a written response to the presiding officer, with a copy to the moving party. The presiding officer shall determine whether to allow oral argument on any such motions. The presiding officer's ruling shall be in writing and shall be provided to the parties promptly upon its rendering. All motions, responses, and rulings thereon shall be entered into the hearing record by the presiding officer.

5.0 HEARING PROCEDURES

5.1 Personal Presence/Failure to Appear

The personal presence of the Affected provider is required. If the Affected Provider fails to appear, fails to proceed at the hearing in an efficient and orderly manner, or refuses to be called and to answer questions as a witness, he/she shall be deemed to have waived his/her rights in the same manner and with the same consequence as provided in Section 2.3, above.

5.2 Role of the Presiding Officer

The presiding officer shall maintain decorum and assure that all participants in the

hearing have a reasonable opportunity to present relevant oral and documentary evidence in an efficient and expeditious manner. The presiding officer shall be entitled to determine the order of procedure during the hearing and shall make all rulings on matters of law, procedure, and the admissibility of evidence, including but not limited to:

A. Challenges to the impartiality of any of the hearing committee members or to the presiding officer; and
B. Requests for access to information.

If the presiding officer determines that either party is not proceeding in an efficient and expeditious manner, the presiding officer may take such action and enter such orders as seem warranted by the circumstances including entry of an order terminating either party's participation in the hearing.

5.3 Rights of the Parties

5.3.1 Representation

The Affected Provider shall be entitled to be accompanied and represented at the hearing by a provider contracted with KHS, a member of his/her local professional society, or an attorney.

In no case may KHS be represented by an attorney unless the Affected Provider is represented by an attorney.

Notwithstanding the foregoing, and regardless of whether the Affected Provider has legal representation at the hearing, the parties shall have the right, at their own expense, to assistance of legal counsel to prepare for the hearing.

5.3.2 Additional Rights

During a hearing, each of the parties has the right:

A. To question the hearing committee and the presiding officer, to challenge the impartiality of any member of the hearing committee or the presiding officer
B. To call, examine, and cross-examine witnesses;
C. To introduce relevant evidence;
D. To impeach any witness;
E. To rebut any relevant evidence;
F. To be provided with all the information submitted to the hearing committee; and
G. To have a record made of the hearing in accordance with Section 5.6.

Whether or not the Affected Provider elects to testify, he/she may be called and examined. In addition, the hearing committee may examine all witnesses, including the Affected Provider.

5.4 Procedure and Evidence

The hearing need not be conducted according to formal rules of evidence. Any relevant evidence upon which reasonable persons customarily rely in the conduct of

serious affairs shall be admitted, regardless of the admissibility of such evidence in a court of law. Although hearsay evidence is admissible, the hearing committee may not base a decision solely on hearsay. The presiding officer may order that oral evidence be taken only on oath or affirmation.

5.5 Burden of Producing Evidence; Burden of Proof

The Peer Review Body shall have the initial obligation to present evidence in support of its Adverse Action or recommendation.

For purposes of this policy, "Initial applicant" shall be any provider who does not currently belong to the KHS provider network, whose application to become a KHS network provider was denied for Medical Disciplinary Cause or Reason.

Initial applicants shall bear the burden of persuading the hearing committee, by a preponderance of the evidence, of their qualifications for provider status. Initial applicants shall not be permitted to introduce information not previously produced in response to requests by the Chief Medical Officer, the Peer Review Body, or other KHS committees during the application process, unless the initial applicant establishes that the information could not, in the exercise of reasonable diligence, have been produced previously.

Except as provided above for initial applicants, the Peer Review Body shall bear the burden of persuading the hearing committee, by a preponderance of the evidence, that the action or recommendation is reasonable and warranted.

5.6 Record of Hearing

A record of the hearing shall be made. If a certified shorthand reporter is used, the cost of the reporter shall be borne by Kern Health Systems and the cost of the transcript shall be borne by the requesting party or shall be shared by the parties, if both desire a copy.

5.7 Continuance or Postponement and Completion of the Hearing

Requests for continuance or postponement of a hearing may be granted by the presiding officer upon a showing of good cause. The hearing shall be completed within a reasonable time unless the presiding officer issues a written decision finding that the Affected Provider failed to comply with requests to produce documentary evidence, in a timely manner, or consented to the delay.

5.8 Presence of Hearing Committee Members and Vote

A majority of the hearing committee must be present throughout the hearing and deliberations. No committee member shall participate in deliberations or vote on the decision unless and until he/she has read the entire transcript of the portion of the hearing from which he/she was absent.

5.9 Hearing Committee Report

Within 30 days after submission of the matter to the hearing committee for decision, the hearing committee shall render a written decision. The decision shall include the

hearing committee's findings of fact and conclusions. It shall be delivered to the parties and to the Board of Directors, in cases where the Board was not the hearing committee.

6.0 FINAL DECISION OF THE BOARD OF DIRECTORS

Report of the hearing committee shall constitute a recommendation which the Board shall either adopt or modify. Before modifying the report, the Board may take such additional evidence and conduct such additional proceedings consistent with these Procedures as the Board deems appropriate. The Board's decision shall include findings of fact and conclusions. The Chief Medical Officer or the Chief Executive Officer shall send notice of the decision of the Board to the Affected Provider (by personal delivery, certified or registered mail) and to the Peer Review Body. The decision of the Board shall be immediately effective and final.

7.0 GENERAL PROVISIONS

7.1 Closed Sessions

Except as otherwise agreed by the parties, all hearings shall be conducted in closed session.

7.2 Reports and Records

The Credentialing Manager shall maintain files on all hearing and appeals and shall report all action to the Physician Advisory Committee and Quality Improvement/Utilization Management Committee, as applicable, in a manner sensitive to patient and practitioner confidentiality.

7.3 Exhaustion of Remedies

The Affected Provider **must exhaust the remedies afforded by these** Procedures before resorting to legal action against KHS or any of its officers, agents, or employees.

7.4 Reporting to Appropriate Authorities

KHS shall comply with the reporting requirements of the Medical Board of California and the NPDB as required by law. KHS Credentialing Manager, under the direction of the Chief Medical Officer, and/or Chief Executive Officer, will submit required reporting to appropriate authorities within the specified timeframes. The Affected Provider will be notified of the report and its contents as follows:

1. Within fifteen (15) days of a recommendation or final decision, when they are imposed or voluntarily accepted for a Medical Disciplinary Cause or Reason, an 805 Report must be filed with the Medical Board of California;
2. Within fifteen (15) days of a recommendation or final decision based on any of the following, an 805.01 will be filed with the Medical Board of California:
   a. Incompetence, or gross or repeated deviation from the standard of care involving death or serious bodily injury to one (1) or more patients in such a manner as to be dangerous or injurious to any person or the public.
   b. The use of, or prescribing for or administering to him/herself, any controlled substance; or the use of any dangerous drug, as defined in Section 4022, or of alcoholic beverages, to the extent or in such a manner as to be dangerous or injurious to the licentiate, or any other persons, or the public, or to the extent that such impairs the ability of the licentiate to practice safely.

c. Repeated acts of clearly excessive prescribing, furnishing or administering of controlled substances or repeated acts of prescribing, dispensing, or furnishing of controlled substances without good faith effort prior examination of the patient and medical reason, therefore.
d. Sexual misconduct with one (1) or more patients during a course of treatment or an examination.

3. Within thirty (30) days of the final decision, KHS must report to the NPDB.
   a. Reporting to appropriate authorities is not applicable in the following circumstances: If there is no instance of suspension, termination, restriction or revocation to report for quality reasons;
   b. For automatic administrative terminations based on the practitioners or providers of service not meeting specific contractual obligation for participation in the network;

8.0 JUDICIAL REVIEW

The KHS Board of Directors has adopted the provisions of section 1094.6 of the California Code of Civil Procedure, and the Board's decisions are reviewable, if at all, only in accordance with the provisions of that statute.

REFERENCE:

Revisions 05-2022: Reviewed by Credentialing Manager and DSR Health Law to update hearing procedures with applicable and current State laws, including Business & Professions Code and NCQA Credentialing Standards. Removed all "practitioner/provider" reference using general term "provider" which encompasses both physicians and ancillary providers as recommended by DSR Health Law; added enhanced explanation of Scope of Hearing and added Exceptions to Hearing Rights; added Reporting to Appropriate Authorities language and required timeframes. Removed Attachments as the MBC 805 Report form changes periodically and current version must be used. **Revision 2016-12:** Reviewed by Provider Relations Manager. Added 805.01 language and clarified attorney representation and quorum requirements per NCQA standards. **2014-04:** Routine revision to update policy. Attachment A revised to remove names and replace them with titles. **Revision 2012-11:** Policy 2.39-P re-numbered to 4.35-P, removed from QI to Provider Relations due to nature of policy. **Revision 2006-08:** Revised per CEO request. **2002-04:** Annual revision. **Revision 2000-08:** Approved by DHS 10/30/01. **Formerly #2.05:** Number changed to 2.39-P during 03/06 review. **#4.18:** Number changed to 2.05 during 02/02 review. Policy included in QI Plan.

To: KHS Board of Directors

From: Martha Tasinga, MD, Chief Medical Officer

Date: October 13, 2022

RE: New PNM Policy – Provider Disciplinary Action (Retiring P&P 2.04-P and move to PNM Numbering)

PNM Credentialing Policy and Procedures have gone through a complete revision by KHS PNM Management updating these policies to bring into current practice and compliance with all state, federal, DHCS APLs and NCQA credentialing standards. In addition, Daponde Simpson Rowe (DSR Health Law) performed a regulatory review making further updates and revisions to bring into compliance with DHCS Contract language, DHCS All Plan Letters regarding credentialing, CALAim and California Business and Professions Code where applicable.

Below is a summary of revisions:

Policy Section	**KHS Changes**	**DSR Changes**
New – Provider Disciplinary Action	Retire P&P 2.04 Renumber Under PNM	• Keep name as "Provider Disciplinary Action"
New – Provider Disciplinary Action Purpose	Minor edits	• Removed "practitioner" and collectively refer to "providers" throughout the policy.
New – Provider Disciplinary Action Scope	• Agree with DSR Recommend language	• Recommended language – "All providers participating or requesting participation in the KHS network, including, but not limited to those providers listed in the definition of "licentiate" in Business and Professions Code section 805.
New – Provider Disciplinary Action Policy	• Agree with DSR Recommend language otherwise additional language affords "all providers" a fair hearing for non-quality decisions/actions.	• Changed Practitioner to Provider • Add "KHS" determination • Remove last sentence of 3rd paragraph and limit to recommendations, decisions, or actions based "medical disciplinary cause or reason referring to "pursuant to Provider Hearing Policy 4.35

Policy Section	**KHS Changes**	**DSR Changes**
New – Provider Disciplinary Action Procedures 1.0 Course of Action	• Minor Edits & Added examples of summary disciplinary actions per DSR recommendation	• Recommend specifying examples of summary disciplinary actions, i.e. suspension, reduction, etc.
New – Provider Disciplinary Action Procedures 2.0 Investigations	• Minor edits • 1st Paragraph adding languate "giving provider opportunity to submit written statement" per DSR recommendation • Section A – changed "pending" to "further" action by PAC, if any. Allowing immediate actions to be implement for patient safety occurrences.	Recommend including "further" consideration and action by the PAC
New – Provider Disciplinary Action Procedures 3.0 Corrective Action Plans	• DSR Recommends to keep it simple and reference the 4.40 CAP Policy	Recommend removing unnecessary language / some language is unclear, make reference to CAP Policy for further process.
New – Provider Disciplinary Action Procedures 4.0 Level Of Actions	• Minor edits. • Recommendation by DSR is to remove lower part of 2nd paragraph and add "Opportunity to submit a written statement" to 2.0 Investigation • Recommend removal of paragraph 3 per DSR since this is not current practice. • Paragraph 4, minor edits • Paragraph 5, updated to current practice and reference to P&P 4.35-P Provider Hearing	• Recommend removal of 2nd paragraph after Levels of Action as it essentially affords a provider the right to a fair hearing or an opportunity to be heard. • Recommend removal of 3rd paragraph as this is not current practice as QI has their own PIC Policy • PAC is defined as the Peer Review Body per B&P Code 805 • KHS will need to confirm this is consistent with its internal processes.
New – Provider Disciplinary Action Procedures 5.0 Summary Disciplinary Actions	• 1s paragraph – minor edits • 2nd Paragraph Per DSR we need to specify the responsible committee – Added PAC must review those cases where discipline Level 3 or higher when disciplinary action is proposed • Remove 14-day time frame	Minor edits and added "if applicable" since this does not apply to all provider types.
New – Provider Disciplinary Action Procedures	• Discussed with DSR and agreed to remove since this is already described and referenced in 3.0	DSR Notes: Vague/undefined

Policy Section	KHS Changes	DSR Changes
6.0 Monitoring CAPs		
New – Provider Disciplinary Action Procedures 7.0 Reporting	• Minor edits	Minor updates & add to beginning of 3rd Paragraph "Pursuant to B&P Code Section 805.01
New – Provider Disciplinary Action Procedures 8.0 Confidentiality	• No changes / Section # will change from 8.0 to 7.0	No Changes
New – Provider Disciplinary Action Procedures 9.0 Reinstatement	• Minor edits / Section # will change from 9.0 to 8.0 • Discuss with PAC if they want reinstatement language	Per DSR ok to keep if KHS agrees
Attachments	• No Attachments	
References	• NCQA CR.6 Notification • California Business and Professions Code 805 & 805.01	•

Requested Action

Approve policy 4.48-P Provider Disciplinary Action.

KERN HEALTH SYSTEMS

KERN HEALTH SYSTEMS POLICY AND PROCEDURES					
SUBJECT: ~~Practitioner/~~Provider Disciplinary Action ~~including Reduction, Suspension or Termination of Provider Practitioner Status~~				POLICY #: 4.48-P	
DEPARTMENT: Provider Network Management					
Effective Date:	Review/Revised Date:	DMHC		PAC	X
		DHCS		QI/UM COMMITTEE	
		BOD	X	FINANCE COMMITTEE	

_____ Date _____
Emily Duran
Chief Executive Officer

_____ Date _____
Chief Operating Officer

_____ Date _____
Director of Compliance and Regulatory Affairs

_____ Date _____
Senior Director of Provider Network

PURPOSE:
To outline ~~define~~ Kern Health Systems' ("KHS") process for identifying ~~practitioners and or~~ providers~~(providers of service),~~ through established quality improvement and utilization review processes, screening of potential adverse events, ~~results of~~ ongoing monitoring of state and federal databases and/or imposed corrective actions due to performance deficiencies~~will be~~, who are subject to disciplinary action as approved by the KHS Board of Directors ("Board"). Prior to the initiation of disciplinary or corrective action, the Chief Medical Officer or his/her designee ("CMO") will notify the ~~affected practitioner/provider~~provider in writing that a deficiency or potential adverse event has been identified.

SCOPE:
All ~~practitioners~~ providers participating or requesting participation ~~on~~ in the KHS ~~Network~~network, including, but not limited to, the following licentiates: ~~Physicians (MD), Osteopathic Physician (DO), Podiatrists (DPM), Pharmacists (Pharm D or RPh), Optometrists (OD), Chiropractors (DC),~~

~~Audiologists, Clinical Psychologists, (PhD), Nurse Practitioners (NP), Physician Assistants (PA), Certified Nurse Midwives (CNM), Licensed Midwives (LM), Psychiatrists, Psychologists, Licensed Clinical Social Workers (LCSW), Marriage, Family Therapists (MFT) and other behavioral health professionals licensed or certified to provide behavioral health services in the state of California~~ "All providers participating or requesting participation in the KHS network, including, but not limited to those providers listed in the definition of "licentiate" in Business and Professions Code section 805."

POLICY:

If a ~~practitioner's~~ provider's agreement with KHS provides for reduction, suspension, or termination without cause upon specified notice, that provision may be invoked. In such cases, the terms of the agreement shall prevail and no reason(s) for the reduction, suspension or termination need be stated or substantiated.

A ~~practitioner's~~ provider's status may be reduced, suspended, or terminated for any lawful reason, including but not limited to a lapse in basic qualifications such as licensure, insurance, board certification or required medical staff membership or privileges at a specified hospital/healthcare facility; a KHS determination that the provider cannot be relied upon to deliver the quality or efficiency of patient care desired by KHS; a KHS determination that the provider cannot be relied upon to follow KHS's clinical or business guidelines or directives; or a change in KHS's business needs.

A ~~practitioner~~ provider may request review of an~~y~~ initial adverse recommendation, decision or action pursuant to Policy and Procedure 4.35-P Provider Hearings when the decision, or action is based on medical disciplinary cause or reason~~by KHS that is based on quality of care issues, non-quality of care issues, and/or credentialing requirements, and that impacts the provider's his or her participation status with KHS, including denial, reduction, suspension, or termination of his or her participation status withfrom the KHS network, in accordance with the procedures, as provided herein~~.

PROCEDURES:

1.0 COURSES OF ACTION

Questions or concerns about the performance of any credentialed ~~practitioner/~~provider are submitted to the ~~Chief Medical Officer or his/her designee~~CMO, who determines whether:

A. To ~~Conduct~~ conduct an investigation
B. To attempt to resolve the matter through education efforts and/or remedial training of ~~health plan's~~KHS' polic~~y~~ies and procedures, ~~health plan's~~or guidelines, etc.
C. To attempt to resolve the matter through a Corrective Action Plan (CAP)
D. To take or recommend routine disciplinary action
E. To take summary disciplinary action, including but not limited to: suspension, reduction, modification or termination of membership or network participation

The ~~Chief Medical Officer or designee~~CMO may take some or all of these actions concurrently.

2.0 INVESTIGATIONS

Issues raised about a ~~practitioner's~~ provider's credentialing ~~packet~~ application or performance shall be considered initially by the ~~Chief Medical Officer (~~CMO~~) or Medical Director~

~~designee~~, who shall have ~~the~~ broad discretion to determine how to proceed as delegated by the ~~Board of Directors~~Board. The CMO's options shall include but ~~not be~~is not limited to maintaining a record of the matter without further investigation or action; giving the provider the opportunity to submit a written statement, investigating the matter personally and making a report and recommendation to the Board ~~of Directors~~ as warranted; or referring the matter to the Physician Advisory Committee (PAC) for investigation and the preparation of a report and recommendation to the Board ~~of Directors~~.

The ~~Chief Medical Officer or his/her designee~~CMO notifies the ~~practitioner/~~provider of any disciplinary action or recommendation for disciplinary action.

A. In instances where there may be an imminent danger to the health of any individual, the CMO, or Chief Executive Officer (CEO) may summarily reduce or suspend the ~~practitioner's~~ provider's network ~~participation to~~participation to provide patient care services, effective immediately upon notice to the ~~practitioner~~provider~~,~~. ~~pending~~ Further consideration and action by the PAC may be imposed, if any. The PAC may continue the reduction or suspension pending action by the Board ~~of Directors~~.
B. Before an unfavorable report and recommendation is submitted to the Board ~~of Directors~~, the ~~practitioner~~ provider shall be sent a written statement, by certified mail, of the issues or concerns and afforded a reasonable opportunity within 15 calendar days to address them in writing or at a PAC meeting. The provider's response shall be summarized in or attached to the report to the Board ~~of Directors~~.

3.0 CORRECTIVE ACTION PLAN

A ~~Corrective Action Plan (~~CAP~~)~~ is an agreement between the provider and KHS that describes the problem and appropriate measures to achieve resolution. Providers who fail to comply with a CAP may be subject to disciplinary action. ~~If the CAP includes the reassignment of patients, the Chief Medical Officer or his/her designee~~CMO ~~notifies the Chief Executive Officer~~CEO ~~to coordinate patient panel changes Election to formulate a plan of provider's participation is voluntary, no additional procedural rights attach A CAP may be combined with any disciplinary action~~

****Refer to Policy and Procedure 4.40-P Corrective Action Plan.*** ~~***Policy and Procedure 4.40-P.***~~

4.0 LEVEL OF ACTIONS

Levels of action may consist of one or more of the following:

A. **Level 1** - Letter of reprimand; education or remedial training as applicable
B. **Level 2** - For Primary Care Practitioners (PCPs), closure of practice to new patients for up to 120 days in any 12~~-~~-month period and, for other ~~practitioners~~P~~p~~roviders, deferment of new patients or referrals for up to 120 days in any 12 month period which means no new members will be assigned to you for up to 120 days. You may continue to see those ~~Kern Family Health Care (KFHC)~~KHS ~~Members~~ members currently assigned to you, however, any services rendered to a ~~KFHC~~ KHS ~~Member~~ member not already assigned to you, will not be reimbursable.
C. **Level 3** - For PCPs, closure of practice for more than 120 days in any 12~~-~~-month period, or reduction of assigned members; and for other ~~practitioners~~P~~p~~roviders, closure of practice to new patients or referrals which means no new members will be assigned to you for up to 120 days. You may continue to see those ~~Kern Family Health Care~~

(KFHCKHS) mMembers currently assigned to you, however, any services rendered to a KFHC KHS Member member not already assigned to you, will not be reimbursable.

D. **Level 4** - Suspension of network participation
E. **Level 5** - Termination of network participation.
F. **Level 6** - Termination of practitioner/provider contract agreement

Other disciplinary actions may be recommended, as appropriate to the circumstances.

The Chief Medical Officer or his/her designeeCMO, in consultation with the Chief Executive OfficerCEOis authorized to implement a Level 1 or, Level 2 levels of action upon his/her determination that such action is appropriate; . provided, however, that if no investigation was conducted, the Chief Medical Officer or his/her designeeCMO must first talk to thediscuss the proposed action with the practitioner/provider to allow for and give him/her a reasonable opportunity to be heard regarding the matters related to the action. alleged in the complaint. The CMO Chief Medical Officer or his/her designee reportss any such actions to the Physician Advisory CommitteePAC or Quality Improvement/Utilization Management (QI/UM) Committee.

In cases involving quality of care rendered by physicians, podiatrists, dentists, and clinical psychologists (and such other individual practitioners Pproviders as the QI/UM Committee may designate for Physician Advisory CommitteePAC oversight) where discipline at Level 3 or above is proposed, the Chief Medical Officer or his/her designeeCMO reportss the results of any investigation and submits a recommendation to the Physician Advisory CommitteePAC, which shall determine the appropriate disciplinary action and direct its implementation. (The Physician Advisory CommitteePAC keeps the QI/UM Committee apprised of its activities through regular reports of its general activities.)

In all other cases where discipline at Level 3 or above is proposed, the Chief Medical Officer or his/her designeeCMO reportss the results of the investigation and submitss a recommendation to the Chief Executive OfficerCEO who, in consultation with the Chief Medical Officer or his/her designeeCMO, determines the appropriate disciplinary action and directs its implementation.

The Chief Medical Officer or his/her designeeCMO and Chief Executive OfficerCEO inform the Physician Advisory CommitteePAC and the QI/UM Committee Board of all disciplinary actions taken pursuant to this section. They may also inform the Board of Directors provided, however, that the The Board shall not act on or receive information about any disciplinary matter (other than the identity of the provider and the fact that a disciplinary matter is pending) that may come before the Board in its capacity as hearing committee pursuant to ***KHS Policy and Procedure #4.35-P /Provider Hearings*** until such time as the matter comes before the Board in its capacity as hearing committee pursuant to ***KHS Policy and Procedure #4.35-P /Provider Hearings***. as the hearing committee.

Discipline at Level 3 or above higher is subject to the right and procedures set forth in ***KHS Policy and Procedure #4.35-P – Provider Hearings***

KHS reports serious quality deficiencies which result in suspension or termination of a practitioner provider to the appropriate authorities.
***Refer to *KHS Policy and Procedure #4.35-P – Provider Hearings* for details.**

5.0 SUMMARY DISCIPLINARY ACTION

If, after receipt of a complaint about a ~~practitioner/~~provider or after investigation of a complaint, and the ~~Chief Medical Officer or his/her designee~~CMO or ~~the Chief Executive Officer~~CEO determines that there is imminent danger to the health of any patient or other individual, the ~~Chief Medical Officer or his/her designee~~CMO or ~~the Chief Executive Officer~~ CEO may:

A. Suspend the ~~practitioners/~~provider's status and require the provider to immediately discontinue all practice on behalf of ~~Kern Health Systems~~KHS; or
B. Impose restrictions and require the provider to discontinue those aspects of practice that endanger KHS ~~Plan~~ members

In cases involving potential quality of care rendered by ~~physicians, podiatrists, dentists, and clinical psychologists~~providers ~~(and such other individual providers as the QI/UM Committee may designate for Physician Advisory Committee~~PAC ~~oversight)~~ where discipline at Level 3 or above is proposed, any such action by the ~~Chief Medical Officer or his/her designee~~CMO or the ~~Chief Executive Officer~~CEO must be reviewed ~~within 14 days~~ by the ~~responsible~~ PAC committee which may affirm, reverse, or modify the ~~Chief Medical Officer or his/her designee~~CMO's determination.

Summary disciplinary action is subject to the rights and procedures set forth in ***KHS Policy and Procedure #4.35-P –Provider Hearings.***

~~**6.0 MONITORING COMPLIANCE WITH CORRECTIVE ACTION PLAN**~~

~~The Chief Medical Officer or his/her designeeCMO shall receive regular updates from the appropriate Department Manager regarding the status of the CAP and regularly reports to the Board of Directors the status thereof, if applicable. After completion of a CAP, the appropriate Department Manager conducts follow-up reviews to assure continuing resolution of the problem(s). If no deficiencies are noted, the matter is resolved at the end of the 12-month review period. If deficiencies are noted, the Chief Medical Officer or his/her designeeCMO reassesses the situation and determines whether an additional plan of correctionCAP or additional level of action is needed. ***Refer to Policy and Procedure 4.40-P Corrective Action Plan***~~

6.0 REPORTING

KHS shall comply with the reporting requirements of the Medical Board of California (MBC) as required by law. KHS shall comply with the reporting requirements of the California Business and Professions Code, the Federal Health Care Quality Improvement Act, and the National Practitioner Data Bank (NPDB) regarding adverse credentialing and peer review actions. The ~~practitioner~~ provider will be notified of the reports and its contents.

MBC requires reports whenever**:** a ~~licentiate's~~ provider's application for staff privileges or membership is denied or rejected for a medical disciplinary cause or reason; a ~~licentiate's~~ provider's membership, staff privileges, or employment is terminated or revoked for a medical disciplinary cause or reason; restrictions are imposed or voluntarily accepted, on staff privileges, membership, or employment for a cumulative total of thirty (30) days or more for any 12-month period, for a medical disciplinary cause or reason; and/or a ~~licentiate's~~ provider's resignation or leave of absence from membership, staff, or employment following notice of impending investigation based on information indicating medical disciplinary cause or reason.

Pursuant to B&P Section 805.01, MBC requires reports whenever a peer review body makes a final decision or recommendation regarding the disciplinary action, resulting in a final proposed action to be taken against a ~~licentiate~~ provider based on the peer review body's determination, following formal investigation of the ~~licentiate~~ provider that any of the facts listed below may have occurred, regardless of whether a hearing is held pursuant to Section 80~~9~~5.~~0~~21:

A. Incompetence, or gross or repeated deviation from the standard of care involving death or serious bodily injury to one or more patients, to the extent or in such manner as to be dangerous or injurious to any person or to the public
B. The use of, or prescribing for or administering to himself or herself, any controlled substance; dangerous drug or alcoholic beverages, in such a manner to be dangerous to the licentiate, any other person, or the public, or to the extent that impairs the ability of the ~~licentiate~~ ~~P~~provider to practice safely
C. Repeated acts of clearly excessively prescribing, furnishing, or administering of controlled substances without a good faith effort prior exam of the patient and medical reason
D. Sexual misconduct with one or more patients during a course of treatment or an examination

7.0 CONFIDENTIALITY

All credentialing and peer review records and proceedings shall be confidential and protected to the fullest extent allowed by Business & Professions Section 1157 of the California Evidence Code and the State of California Health and Safety Code Section 1370-1371.

8.0 REINSTATEMENT

A ~~practitioner/~~provider who ~~resigned with~~ was terminated for discipline action and/or an investigation pending, or whose status ~~were~~ was revoked following ~~initation~~initiation of disciplinary action, may not reapply for provider status for two years from the date of resignation or final decision of the Board ~~of Directors~~, whichever is earlier.

REFERENCE:

Revision 2022-04: Policy was revised by the PNM Department and the Plan's legal attorneys at DSR Health Law. 4.48-P is a new policy that replaces QI policy, 2.04-P. National Committee for Quality Assurance – Health Plan Credentialing Standards ~~2021~~2022, CR.6 Notification to Authorities and Practitioner Rights: scope of practitioners, range of actions, reporting and making appeal process known. California Business and Professions Code 805 and 805.01

KERN HEALTH SYSTEMS

KERN HEALTH SYSTEMS POLICY AND PROCEDURES					
SUBJECT: Provider Disciplinary Action				POLICY #: 4.48-P	
DEPARTMENT: Provider Network Management					
Effective Date:	Review/Revised Date:	DMHC		PAC	X
		DHCS		QI/UM COMMITTEE	
		BOD	X	FINANCE COMMITTEE	

_____ Date _____
Emily Duran
Chief Executive Officer

_____ Date _____
Chief Operating Officer

_____ Date _____
Director of Compliance and Regulatory Affairs

_____ Date _____
Senior Director of Provider Network

PURPOSE:
To outline Kern Health Systems' ("KHS") process for identifying providers, through established quality improvement and utilization review processes, screening of potential adverse events, ongoing monitoring of state and federal databases and/or imposed corrective actions due to performance deficiencies, who are subject to disciplinary action as approved by the KHS Board of Directors ("Board"). Prior to the initiation of disciplinary or corrective action, the Chief Medical Officer or his/her designee ("CMO") will notify the provider in writing that a deficiency or potential adverse event has been identified.

SCOPE:
All providers participating or requesting participation in the KHS network, including, but not limited to, the following licentiates: "All providers participating or requesting participation in the KHS network, including, but not limited to those providers listed in the definition of "licentiate" in Business and Professions Code section 805."

POLICY:
If a provider's agreement with KHS provides for reduction, suspension, or termination without cause upon specified notice, that provision may be invoked. In such cases, the terms of the agreement shall prevail and no reason(s) for the reduction, suspension or termination need be stated or substantiated.

A provider's status may be reduced, suspended, or terminated for any lawful reason, including but not limited to a lapse in basic qualifications such as licensure, insurance, board certification or required medical staff membership or privileges at a specified hospital/healthcare facility; a KHS determination that the provider cannot be relied upon to deliver the quality or efficiency of patient care desired by KHS; a KHS determination that the provider cannot be relied upon to follow KHS's clinical or business guidelines or directives; or a change in KHS's business needs.

A provider may request review of an initial adverse recommendation, decision or action pursuant to Policy and Procedure 4.35-P Provider Hearings when the decision, or action is based on medical disciplinary cause or reason.

PROCEDURES:

1.0 COURSES OF ACTION

Questions or concerns about the performance of any credentialed provider are submitted to the CMO, who determines whether:

A. To conduct an investigation
B. To attempt to resolve the matter through education efforts and/or remedial training of KHS' policies and procedures, or guidelines, etc.
C. To attempt to resolve the matter through a Corrective Action Plan (CAP)
D. To take or recommend routine disciplinary action
E. To take summary disciplinary action, including but not limited to: suspension, reduction, modification or termination of membership or network participation

The CMO may take some or all of these actions concurrently.

2.0 INVESTIGATIONS

Issues raised about a provider's credentialing application or performance shall be considered initially by the CMO, who shall have broad discretion to determine how to proceed as delegated by the Board. The CMO's options shall include but is not limited to maintaining a record of the matter without further investigation or action; giving the provider the opportunity to submit a written statement, investigating the matter personally and making a report and recommendation to the Board as warranted; or referring the matter to the Physician Advisory Committee (PAC) for investigation and the preparation of a report and recommendation to the Board.

The CMO notifies the provider of any disciplinary action or recommendation for disciplinary action.

A. In instances where there may be an imminent danger to the health of any individual, the CMO, or Chief Executive Officer (CEO) may summarily reduce or suspend the

provider's network participation to provide patient care services, effective immediately upon notice to the provider. Further consideration and action by the PAC may be imposed, if any. The PAC may continue the reduction or suspension pending action by the Board.

B. Before an unfavorable report and recommendation is submitted to the Board, the provider shall be sent a written statement, by certified mail, of the issues or concerns and afforded a reasonable opportunity within 15 calendar days to address them in writing or at a PAC meeting. The provider's response shall be summarized in or attached to the report to the Board.

3.0 CORRECTIVE ACTION PLAN

A CAP is an agreement between the provider and KHS that describes the problem and appropriate measures to achieve resolution. Providers who fail to comply with a CAP may be subject to disciplinary action.

****Refer to Policy and Procedure 4.40-P Corrective Action Plan.***

4.0 LEVEL OF ACTIONS

Levels of action may consist of one or more of the following:

A. **Level 1** - Letter of reprimand; education or remedial training as applicable
B. **Level 2** - For Primary Care Practitioners (PCPs), closure of practice to new patients for up to 120 days in any 12-month period and, for other Providers, deferment of new patients or referrals for up to 120 days in any 12 month period which means no new members will be assigned to you for up to 120 days. You may continue to see those KHS members currently assigned to you, however, any services rendered to a KHS member not already assigned to you, will not be reimbursable.
C. **Level 3** - For PCPs, closure of practice for more than 120 days in any 12-month period, or reduction of assigned members; and for other Providers, closure of practice to new patients or referrals which means no new members will be assigned to you for up to 120 days. You may continue to see those KHS members currently assigned to you, however, any services rendered to a KHS member not already assigned to you, will not be reimbursable.
D. **Level 4** - Suspension of network participation
E. **Level 5** - Termination of network participation
F. **Level 6** - Termination of provider agreement

Other disciplinary actions may be recommended, as appropriate to the circumstances.

The CMO, is authorized to implement a Level 1 or Level 2 action upon his/her determination that such action is appropriate.

In all other cases where discipline at Level 3 or above is proposed, the CMO reports the results of the investigation and submits a recommendation to the CEO who, in consultation with the CMO, determines the appropriate disciplinary action and directs its implementation.

The CMO and CEO inform the PAC and the Board of all disciplinary actions taken pursuant to this section. The Board shall not act on or receive information about any disciplinary matter (other than the identity of the provider and the fact that a disciplinary matter is pending) until

such time as the matter comes before the Board in its capacity as hearing committee pursuant to ***KHS Policy and Procedure #4.35-P /Provider Hearings***.

Discipline at Level 3 or higher is subject to the right and procedures set forth in ***KHS Policy and Procedure #4.35-P – Provider Hearings***

KHS reports serious quality deficiencies which result in suspension or termination of a provider to the appropriate authorities.
***Refer to *KHS Policy and Procedure #4.35-P – Provider Hearings* for details.**

5.0 SUMMARY DISCIPLINARY ACTION

If, after receipt of a complaint about a provider or after investigation of a complaint, and the CMO or CEO determines that there is imminent danger to the health of any patient or other individual, the CMO or CEO may:

A. Suspend the provider's status and require the provider to immediately discontinue all practice on behalf of KHS; or
B. Impose restrictions and require the provider to discontinue those aspects of practice that endanger KHS members

In cases involving potential quality of care rendered by providers where discipline at Level 3 or above is proposed, any such action by the CMO or the CEO must be reviewed by the PAC committee which may affirm, reverse, or modify the CMO's determination.

Summary disciplinary action is subject to the rights and procedures set forth in ***KHS Policy and Procedure #4.35-P –Provider Hearings.***

6.0 REPORTING

KHS shall comply with the reporting requirements of the Medical Board of California (MBC) as required by law. KHS shall comply with the reporting requirements of the California Business and Professions Code, the Federal Health Care Quality Improvement Act, and the National Practitioner Data Bank (NPDB) regarding adverse credentialing and peer review actions. The provider will be notified of the reports and its contents.

MBC requires reports whenever***:*** a provider's application for staff privileges or membership is denied or rejected for a medical disciplinary cause or reason; a provider's membership, staff privileges, or employment is terminated or revoked for a medical disciplinary cause or reason; restrictions are imposed or voluntarily accepted, on staff privileges, membership, or employment for a cumulative total of thirty (30) days or more for any 12-month period, for a medical disciplinary cause or reason; and/or a provider's resignation or leave of absence from membership, staff, or employment following notice of impending investigation based on information indicating medical disciplinary cause or reason.

Pursuant to B&P Section 805.01, MBC requires reports whenever a peer review body makes a final decision or recommendation regarding the disciplinary action, resulting in a final proposed action to be taken against a provider based on the peer review body's determination, following formal investigation of the provider that any of the facts listed below may have occurred, regardless of whether a hearing is held pursuant to Section 809.2:

A. Incompetence, or gross or repeated deviation from the standard of care involving death or serious bodily injury to one or more patients, to the extent or in such manner as to be dangerous or injurious to any person or to the public
B. The use of, or prescribing for or administering to himself or herself, any controlled substance; dangerous drug or alcoholic beverages, in such a manner to be dangerous to the licentiate, any other person, or the public, or to the extent that impairs the ability of the provider to practice safely
C. Repeated acts of clearly excessively prescribing, furnishing, or administering of controlled substances without a good faith effort prior exam of the patient and medical reason
D. Sexual misconduct with one or more patients during a course of treatment or an examination

7.0 CONFIDENTIALITY

All credentialing and peer review records and proceedings shall be confidential and protected to the fullest extent allowed by Business & Professions Section 1157 of the California Evidence Code and the State of California Health and Safety Code Section 1370-1371.

8.0 REINSTATEMENT

A provider who was terminated for discipline action and/or an investigation pending, or whose status was revoked following initiation of disciplinary action, may not reapply for provider status for two years from the date of resignation or final decision of the Board, whichever is earlier.

REFERENCE:

Revision 2022-04: Policy was revised by the PNM Department and the Plan's legal attorneys at DSR Health Law. 4.48-P is a new policy that replaces QI policy, 2.04-P. National Committee for Quality Assurance – Health Plan Credentialing Standards 2022, CR.6 Notification to Authorities and Practitioner Rights: scope of practitioners, range of actions, reporting and making appeal process known. California Business and Professions Code 805 and 805.01

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Robert Landis CFO

Date: October 13, 2022

Re: Request for Changes to Policy #100-12-I Contracting Policy for Administrative Contracts

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Background

In February 2016, the Board of Directors ("Board") increased the value of administrative contracts that required prior Board approval from $30,000 to $50,000 if not budgeted and to $100,000 or more if budgeted.

Discussion

In an effort to streamline many of the new CalAim program initiatives taking place on an expedited basis, Senior Management is recommending:

1) Increasing the dollar amount for administrative contracts that require prior Board approval from $50,000 to $100,000 if not budgeted and from $100,000 to $200,000 if budgeted.

2) Increasing the dollar amount of contracts requiring a Request for Proposal ("RFP") from $100,000 to $200,000. This will make it easier for smaller local entities to submit a competitive Request for Quote ("RFQ") instead of being concerned with the administrative burden of submitting an RFP.

3) Increasing the listing of administrative contracts from $30,000 to $50,000 that are included in the monthly Chief Financial Officer Report that is presented to the Finance Committee and Board of Directors. This listing will still provide transparency of contracts not coming before the Finance Committee and the Board.

The above changes will result in the reduction of items coming before the Finance Committee/ Board and allow purchasing staff to focus their time on higher level risk contracts. KHS will still maintain its Contracts Committee that comprises the CEO and Senior Management that reviews and approves contracts exceeding $20,000.

For an historical perspective, for the period January 1, 2021 through June 30th, 2022 twenty (20) contracts went to the Finance Committee/Board. Under the proposed new policy, five (5) contracts or approximately 25% of the contracts would be eliminated. During the same period thirteen (13) RFPs were issued. Under the proposed new policy, one (1) of the RFP's or approximately 8% would have been eliminated.

An estimate of the number of staff hours to prepare a contract for the Finance Committee/Board varies greatly based on the complexity and the staff involved. Generally, this process can include administrative staff, project managers, purchasing staff and Senior Management. There are many hands that touch this one document including purchasing who drafts and shepherds the document through the process.

This change will eliminate redundancy for moderately priced, repetitive contracts resulting in the reduction of items coming before the Finance Committee/Board and allowing purchasing staff to focus their time on higher level risk contracts.

Attached is a draft version of the current administrative contracting policy that includes red-line edits that Senior Management is recommending changing under the policy.

Requested Action

Approve increasing the value of administrative contracts that require Board approval from $50,000 to $100,000 if not budgeted and from $100,000 to $200,000 if budgeted. Increase the dollar amount of contracts requiring an RFP from $100,000 to 200,000. Increase the listing of administrative contracts from $30,000 to $50,000 that are included in the monthly Chief Financial Officer Report.

KERN HEALTH SYSTEMS

KERN HEALTH SYSTEMS POLICY AND PROCEDURES					
SUBJECT: Contracting Policy for Administrative Contracts				POLICY #: 100.12-I	
DEPARTMENT: ~~Administration~~Corporate Services					
Effective Date: 01/2010	Review/Revised Date: 05/04/2016	DMHC		PAC	
		DHCS		QI/UM COMMITTEE	
		BOD	X	FINANCE COMMITTEE	

_____ Date _____
Emily Duran~~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.
Director of Procurement and Facilities~~Contract Manager~~	A management level employee, reporting to the Chief Financial Officer, responsible for contract administration.
Contracts Coordinator	An employee reporting to the Director of Procurement and Facilities responsible for contracts management.
Contract Owner	A management level employee responsible for oversight of a specific departmental contract.
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 to review and approve contracts exceeding $20,000.~~.~~
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~~ amend~~ment~~ ~~to extend~~ the terms of an existing contract, the Contract Owner must ~~submit a Purchase Requisition (PR) in Accpac~~ notify the Contracting Department and submit a Specifications Sheet (Spec Sheet) identifying a requirement. ~~attach a specifications sheet or previous contract if applicable.~~ Hardware, software, and maintenance warranties will be processed as a Purchase Requisition (See Attachment B). For any contracts or purchases above $20,000, ~~T~~the Contract Owner will provide a ~~signed~~ completed Agreement At A Glance (AAAG) to the Director of Procurement and Facilities (See Attachment A). 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~~ include~~s~~ all the following and a completed AAAG ~~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 AAAG ~~Agreement at a Glance~~ form requiring the signatures of the Chief Financial Officer, the Chief Operating Officer, the Chief Information Officer, the Director of Compliance and Regulatory Affairs and confirmation that legal counsel has reviewed the contract before the contract may be approved;
h. An AAAG ~~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.~~Contract Coordinator will verify budgeted funds are available for the contract with contract owner.

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~~ recommends that such a process would not be appropriate or in KHS' best interest. Discretion for best interest resides with the CEO and it is presented to the KHS Board of Directors based on the Acquisition limits in this policy and Policy 8.11-I 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, or under extenuating circumstances technology related system or core operational system contracts may differ in terms. The Purchasing D~~d~~epartment ~~should~~ will 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 requesting department and Purchasing Department, the availability of other qualified providers, cost and changes in technology based on the Acquisition limits in this policy and Policy 8.11-I Acquisitions and Payment of Expenditures.~~.~~

4.0 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 $10050,000 or more if not budgeted and $2100,000 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 $5030,000 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 Chief Executive Officer or the KHS Chairman of the Board can grant temporary 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 Corporate Electronic Document Repository ~~Alchemy contract folder~~.

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

Once a contract is ~~approved~~executed, Corporate Services will scan a complete copy into the Corporate Electronic Document Repository ~~Alchemy~~ and will file the original copy in Corporate Services. The Director of Procurement and Facilities ~~–~~will approve the P.R. and Corporate Services will email to the vendor the ~~Accpac~~ Corporate Purchasing and Accounting System 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.

5.0 MONITORING AND REPORTING

The Contract Owner and the Accounting Department shall monitor payments made under the executed 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 (3) 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 against the approved contract. On a quarterly basis, the Project Management Department will review expenditures related to contracts for corporate projects with the Accounting Department to monitor expenditures against the approved project budget. Upon request, the Accounting Department ~~and~~ shall assist the Contract Owner account for ~~–~~ ~~expenditures from all the~~ project budgets and~~. The Accounting Department shall~~ provide monthly detail ~~—~~ ~~–~~reports for ~~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 the 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 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:** **L**anguage 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 Offer 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.

Attachment A

KERN HEALTH SYSTEMS

AGREEMENT AT A GLANCE

Department Name: Choose an item. Department Head: Choose an item.

Vendor Name: _____ Contact name & e-mail: _____

What services will this vendor provide to KHS? _____

Description of Contract	
Type of Agreement: Choose an item. ☐ Contract ☐ Purchase ☐ New agreement ☐ Continuation of Agreement ☐ Addendum ☐ Amendment No. ____ ☐ Retroactive Agreement	Background:_____ Brief Explanation: _____
☐ 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 One Hundred ~~Fifty~~ Thousand Dollars or more if not budgeted ($105~~0~~,000.00) and Two ~~One~~ Hundred Thousand Dollars or more if budgeted ($21~~0~~0,000.00) 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~~ One Hundred Thousand Dollars or more if not budgeted ($105~~0~~,000.00) and Two ~~One~~ Hundred Thousand Dollars or more if budgeted ($21~~0~~0,000.00). Request for Proposal (RFP) shall be used to solicit bids for professional services over Two Hundred ~~Fifty~~ Thousand Dollars ($205~~0~~,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: _____	
☐ 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 2022 Administrative Budget	☐ NO ☐ YES
Will this require additional funds?	☐ NO ☐ YES
Capital project	☐ NO ☐ YES

Form updated 01/05/22

Attachment A

Project type: _____

Budgeted Cost Center _____ GL# _____

Maximum cost of this agreement not to exceed: $

Notes: ____

Contract Terms and Conditions

Effective date: Termination date:

Explain extension provisions, termination conditions and required notice: _____

Approvals

Compliance DMHC/DHCS Review:

_____
Director of Compliance and Regulatory Affairs

_____
Date

Legal Review:

_____
Legal Counsel

_____
Date

Contract Owner:

_____
Department Head

_____
Date

Purchasing:

_____
Director of Procurement and Facilities

_____
Date

Reviewed as to Budget:

_____
Chief Financial Officer or Controller

_____
Date

Recommended by the Executive Committee:

_____
Chief Operating Officer

_____
Date

IT Approval:

_____
Chief Information Officer or IT Director

_____
Date

Chief Executive Officer Approval:

_____
Chief Executive Officer

_____
Date

Board of Directors approval is required on all contracts over $1050,000 if not budgeted and $2100,000 if budgeted.

_____
KHS Board Chairman

_____
Date

Form updated 01/05/22

Attachment B

SUPPORT/MAINTENANCE WARRANTIES

Hardware:

Any hardware support/maintenance warranties that are included with a product purchase are to be processed as a Purchase Order and should be approved by the Chief Information Officer prior to requesting a Purchase Order. The Purchase Order should stipulate the length of the term for the support/maintenance warranty included with the purchase/contract. When the support/maintenance warranty comes up for renewal and is separate from the original hardware purchase, it will come to the Contracts Committee as a contract if over $20,000.

For example:

> A purchase of a computer is accompanied by a 3-year maintenance warranty and the total price is $1,500. The Purchase Order will be entered into the accounting system for the total price of $1,500 and the documentation will stipulate that a 3-year maintenance warranty is included in the purchase. When that 3-year maintenance warranty expires, the renewal for a maintenance contract will be approved by the Chief Information Officer and a new Purchase Requisition should be submitted.~~come to the Contracts Committee.~~

Software:

Any software and software support/maintenance warranties are to be processed as a Purchase Order and~~under $5,000 may be processed as a Purchase Order, but~~ should be approved by the Chief Information Officer prior to requesting a Purchase Order. The Purchase Order should stipulate the length of the term for the support/maintenance warranty included with the purchase/contract. When the support/maintenance warranty comes up for renewal and is separate from the original software purchase, it will come to the Contracts Committee as a contract if over $20,000.

~~Any software and software support/maintenance warranties over $5,000 must be approved by the Chief Information Officer as well as be presented to the Contracts Committee for review and approval of the terms and conditions of the purchase.~~

~~Any software and software support/maintenance warranties over $50,000 must be presented to the Contracts Committee for review and subsequently presented to the KHS Board of Directors for approval.~~
Board of Directors approval is required on all purchases/contracts over $100,000 if not budgeted and $200,000 if budgeted.

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Deborah Murr, Chief Health Services Officer

Date: October 13, 2022

Re: National Committee for Quality Assurance (NCQA) Accreditation Consultant

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Background

As outlined by the Department of Health Care Services (DHCS), Kern Health Systems is required to obtain NCQA Health Plan and Heath Equity accreditation on or before January 2026 as part of the CalAIM initiative.

NCQA Health Plan Accreditation provides a current, rigorous, and comprehensive framework for essential quality improvement and measurement and serves as a roadmap for improvement by performing a gap analysis and align improvement activities to improve operational efficiency and demonstrate KHS's commitment to quality and heath equity.

Discussion

KHS conducted a Request for Proposal (RFP) to identify, qualify and select an NCQA consultant team capable of leading a multi-year NCQA accreditation preparation project including readiness and gap assessment, workplan development and management, accreditation preparation, support, and post-accreditation sustainability.

Standards evaluate plans across several domains of the health plan including Quality Management and Improvement, Population Health Management, Health Equity, Network Management, Utilization Management, Credentialing and Recredentialing, Members' Rights and Responsibilities and connections, Medicaid Benefits and Services. The Mihalik Group will provide KHS with five phases of support with a NCQA Accreditation team including education, readiness, and gap assessment, workplan and gap closures and accreditation support for 3 years 2023-2025.

Fiscal Impact

Cost for one year term in the amount of $243,720.00

Requested Action

Approve; Authorize Chief Executive Officer to Sign.

National Committee for Quality Assurance (NCQA) Accreditation Consultant

Board of Directors
October 13, 2022

Deborah Murr, MHA, BS-HCM, RN
Chief Health Services Officer

Agenda

- Background
- Evaluation Process
- Phases and Timelines
- Management Recommendation
- Board Request

Background

As outlined by the Department of Health Care Services (DHCS), Kern Health Systems is required to obtain both NCQA Health Plan and NCQA Heath Equity accreditation on or before January 2026 as part of the CalAIM initiative.

NCQA Health Plan Accreditation provides a current, rigorous and comprehensive framework for essential quality improvement and measurement and serves as a roadmap for improvement by performing a gap analysis and align improvement activities to improve operational efficiency and demonstrate KHS's commitment to quality and heath equity.

Annual submissions of quality data allows the Health Plan Accreditation process to effectively measure KHS's provision of care and service performance with a central focus on activities that keep members healthy.

KHS conducted a Request for Proposal (RFP) to identify, qualify and select an NCQA consultant team capable of leading a multi-year NCQA accreditation preparation project including readiness and gap assessment, workplan development and management, accreditation preparation, support and post-accreditation sustainability.

Evaluation Process

- Conducted an RFP process July 29, 2022
- Stakeholder Group of internal team
  - Quality Improvement
  - Compliance
  - Network Management
  - Member Services
  - Pharmacy
- Evaluate and score vendor qualifications
  - References August 8-12, 2022
  - Finalist interviews September 12-16, 2022
- Consolidate scores and select vendor
- Internal contract meeting review and approval of vendor selection

Phases and Timelines

***Phase One* – Education and Project Planning**
Timeframe: 1st quarter -2nd quarter of 2023

***Phase Two* – NCQA Readiness and Gap Assessment**
Timeframe: 2nd quarter -3rd quarter of 2023

***Phase Three* – Implement NCQA Workplan and Gap Closure**
***Phase Four* – Prepare for Accreditation**
Timeframe: 3rd quarter of 2023 through 2025

***Phase Five* – Accreditation Support**
Timeframe: 2024-2025

Management Recommendation

Recommendation: The Mihalik Group (TMG)

Metric	Weight	Vendor 1	TMG	Vendor 3	Definitions
Company	10%	1	3	2	Onboarding, Training Network Capacity
Price	30%	1	2	3	RFP price plus fees
Financials	10%	1	1	1	Financial statements
Market	10%	0	3	1	MCAL presence
Core Functions	40%	2	3	1	Ability to meet RFP requirements
Total	100%	1	2.4	1.6	
Ranking		3rd	**1st**	2nd	

Scale (average)
1-minimally met
2-met
3-exceeds

Board Request

Authorize the CEO to approve Mihalik Group for a one-year contract to complete a gap analysis and readiness assessment identified to meet requirements to obtain NCQA accreditation in the amount of $243,720 in budgeted expenses.

Questions

For additional information, please contact:

Deborah Murr, MHA, BS-HCM, RN
Chief Health Services Officer
661-664-5141
deborah.murr@khs-net.com

KERN HEALTH SYSTEMS

AGREEMENT AT A GLANCE

Department Name: QI Department Head: Deborah Murr, RN, CHSO

Vendor Name: Mihalik Group Contact name & e-mail: Avishek Kumar, MPH, avishekk@themihalikgroup.com

What services will this vendor provide to KHS? Mihalik Group will provide KHS with a NCQA Accreditation Consultant team to assist with meeting requirements to obtain NCQA accreditation.

Description of Contract	
Type of Agreement: Professional Services ☒ Contract ☐ Purchase ☒ New agreement ☐ Continuation of Agreement ☐ Addendum ☐ Amendment No. ____ ☐ Retroactive Agreement	Background: As outlined by the Department of Health Care Services (DHCS), Kern Health Systems is required to obtain NCQA Health Plan and Heath Equity accreditation on or before January 2026 as part of the CalAIM initiative. NCQA Health Plan Accreditation provides a current, rigorous and comprehensive framework for essential quality improvement and measurement and serves as a roadmap for improvement by performing a gap analysis and align improvement activities to improve operational efficiency and demonstrate KHS's commitment to quality and heath equity. Brief Explanation: Standards evaluate plans across several domains of the health plan including Quality Management and Improvement, Population Health Management, Health Equity, Network Management, Utilization Management, Credentialing and Recredentialing, Members' Rights and Responsibilities, Member Connections, Medicaid Benefits and Services. The Mihalik Group will provide KHS with five phases of support with a NCQA Accreditation team including education, readiness and gap assessment, workplan and gap closures and accreditation support for the period January 1, 2023 through December 31, 2023.
☒ Summary of Quotes and/or Bids attached. *Pursuant to KHS Policy #8.11-I, KHS will secure competitive quotes and bids to obtain the maximum value from the expenditures. Electronic (e-mail/fax) solicitation may be used for purchases of up to Fifty Thousand Dollars or more if not budgeted ($50,000.00) and One Hundred Thousand Dollars or more if budgeted ($100,000.00) but must be documented on the RFQ form (Attachment A). Actual bid, sole or single source justification and/or cost price analysis documents are required for purchases over Fifty Thousand Dollars or more if not budgeted ($50,000.00) and One Hundred Thousand Dollars or more if budgeted ($100,000.00). Request for Proposal (RFP) shall be used to solicit bids for professional services over Fifty Thousand Dollars ($50,000). Lowest bid price not accepted must be fully explained and justified in writing. All bids will be treated as a not to exceed amount with "change orders" used to track any changes.)* Brief vendor selection justification: ____	
☐ Sole source – 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	

Form updated 11/21/19

KHS Governing Board previously approved this expense in KHS' FY 2023 Administrative Budget	☐ NO	☒ YES
Will this require additional funds?	☒ NO	☐ YES
Capital project	☒ NO	☐ YES

Project type: _____

Budgeted Cost Center 311 GL# 5645

Maximum cost of this agreement not to exceed: $243,720.00 for the period January 1, 2023 through December 31, 2023

Notes: Additional pricing to be presented for approval after completion of gap analysis and action plan development Q2 2023 based on specific areas of support identified.

Contract Terms and Conditions

Effective date: 1/01/2023 Termination date: 12/31/2023

Explain extension provisions, termination conditions and required notice: _____

Approvals

Compliance DMHC/DHCS Review:

Director of Compliance and Regulatory Affairs

Date

Legal Review:

Legal Counsel

Date

Contract Owner:

Approved by Deb Murr

Department Head

per contract meeting 9/21/22

Date

Purchasing:

Director of Procurement and Facilities

9/28/22

Date

Reviewed as to Budget:

Chief Financial Officer or Controller

10/3/2022

Date

Recommended by the Executive Committee:

Chief Operating Officer

10/3/2022

Date

IT Approval:

Chief Information Officer or IT Director

10/3/2022

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

Form updated 11/21/19

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Robin Dow-Morales, Director of Claims

Date: October 13, 2022

Re: Change Healthcare Renewal, Clearinghouse Contract

Background

Currently, 98% of all claims are submitted electronically. Costs and keystroke errors are kept to a minimum by having the claim submission created by the provider in an electronic format. KHS has 4 different Clearinghouses that accept claims directly from providers or from other clearinghouses and submits them to KHS in required formats.

Overview

Change Healthcare, submits about 46% of the Claims volume. The contract is up for renewal. The rate is staying at $0.18 per transaction.

Financial Impact

Based on estimated claim volumes, it is estimated to be $310,000.00 per year.

Requested Action

Approve; Authorize Chief Executive Officer to Sign.

Change Healthcare

Claims Clearinghouse

Board Of Directors
October 13, 2022

Robin Dow-Morales
Director of Claims

Agenda

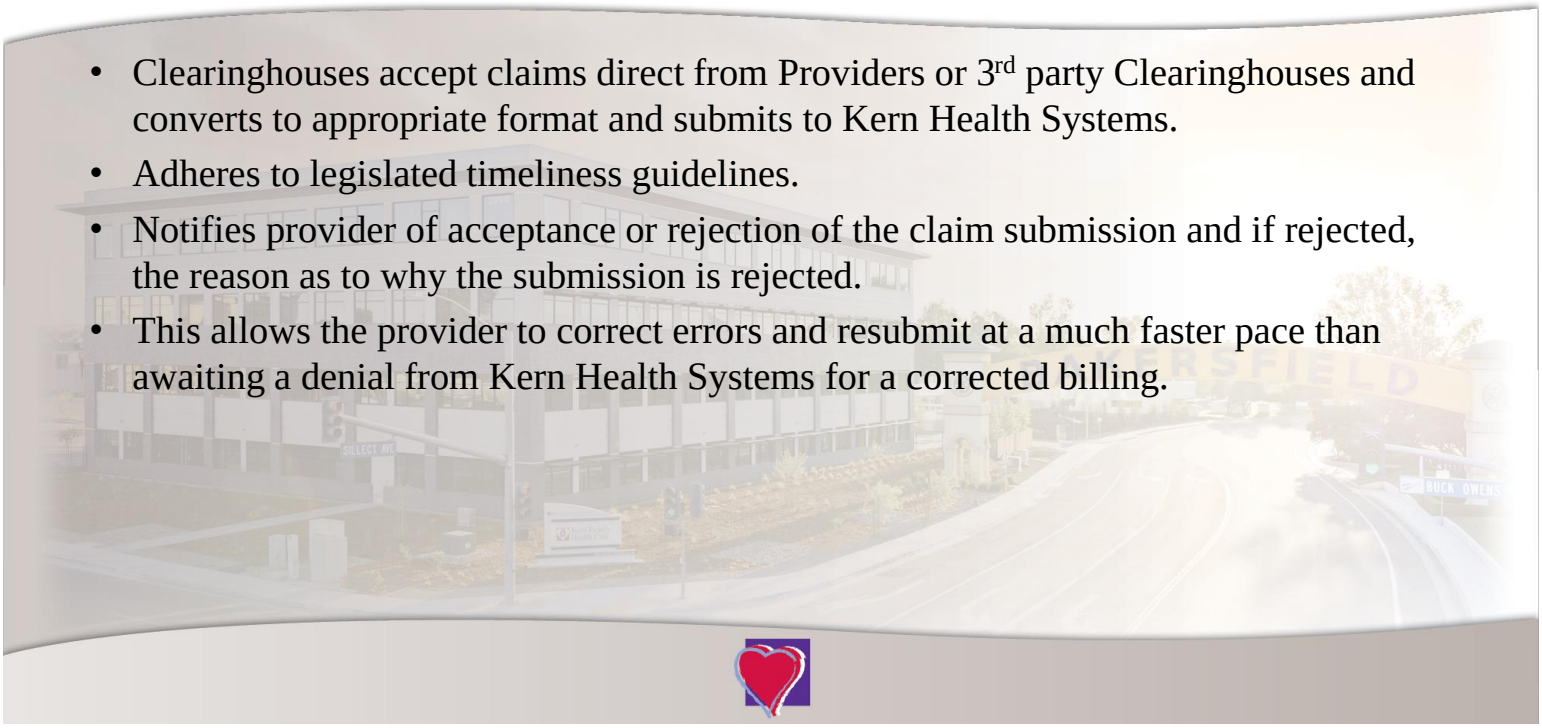
- Background
- Scope of services
- Provider Advantages
- RFP/ Contract Extension
- Recommendation
- Questions

Background

- We receive over 3 million claims a year, and 98% of those claims are submitted electronically.
- Kern Health Systems offers four different clearinghouses from which providers can choose to utilize at no cost to them.
- Change Healthcare has approximately 46% of the electronic submissions.
- Our 3-year contract is up for renewal.
- Cost per claim is $0.18 per transaction.
- Volume dictates cost per claim at the lower of the range: $0.16-$0.23

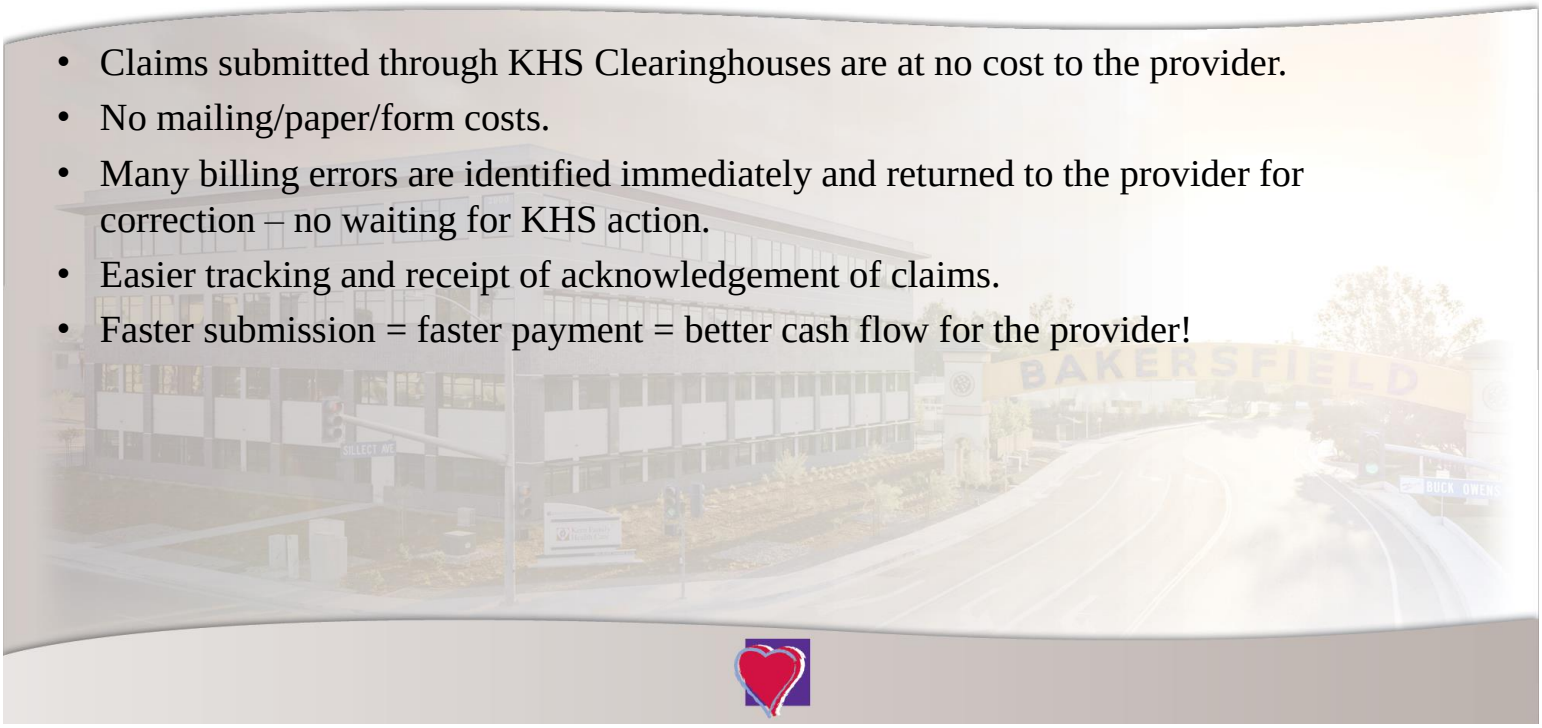
Scope of Services

- Clearinghouses accept claims direct from Providers or 3rd party Clearinghouses and converts to appropriate format and submits to Kern Health Systems.
- Adheres to legislated timeliness guidelines.
- Notifies provider of acceptance or rejection of the claim submission and if rejected, the reason as to why the submission is rejected.
- This allows the provider to correct errors and resubmit at a much faster pace than awaiting a denial from Kern Health Systems for a corrected billing.



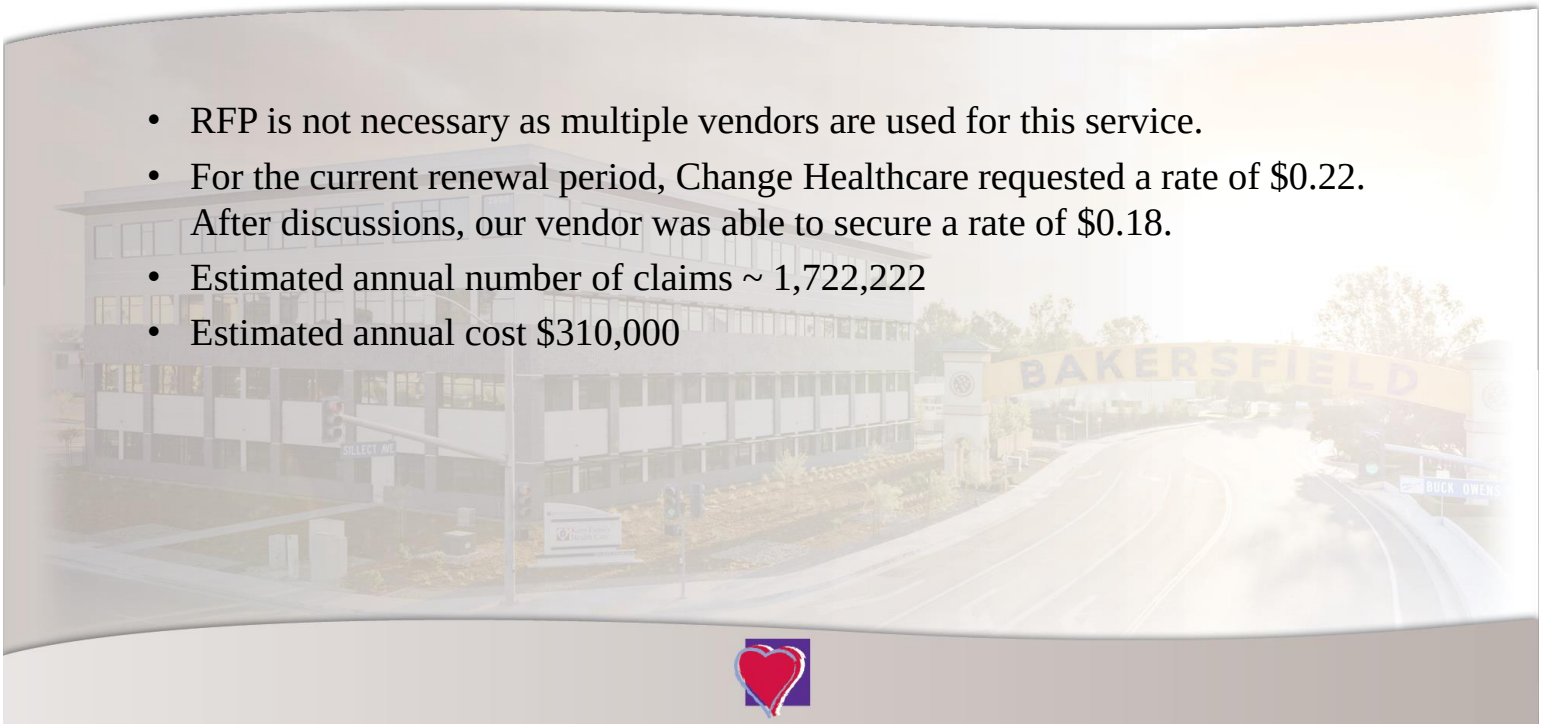
Provider Advantages

- Claims submitted through KHS Clearinghouses are at no cost to the provider.
- No mailing/paper/form costs.
- Many billing errors are identified immediately and returned to the provider for correction – no waiting for KHS action.
- Easier tracking and receipt of acknowledgement of claims.
- Faster submission = faster payment = better cash flow for the provider!



Request for Contract Extension

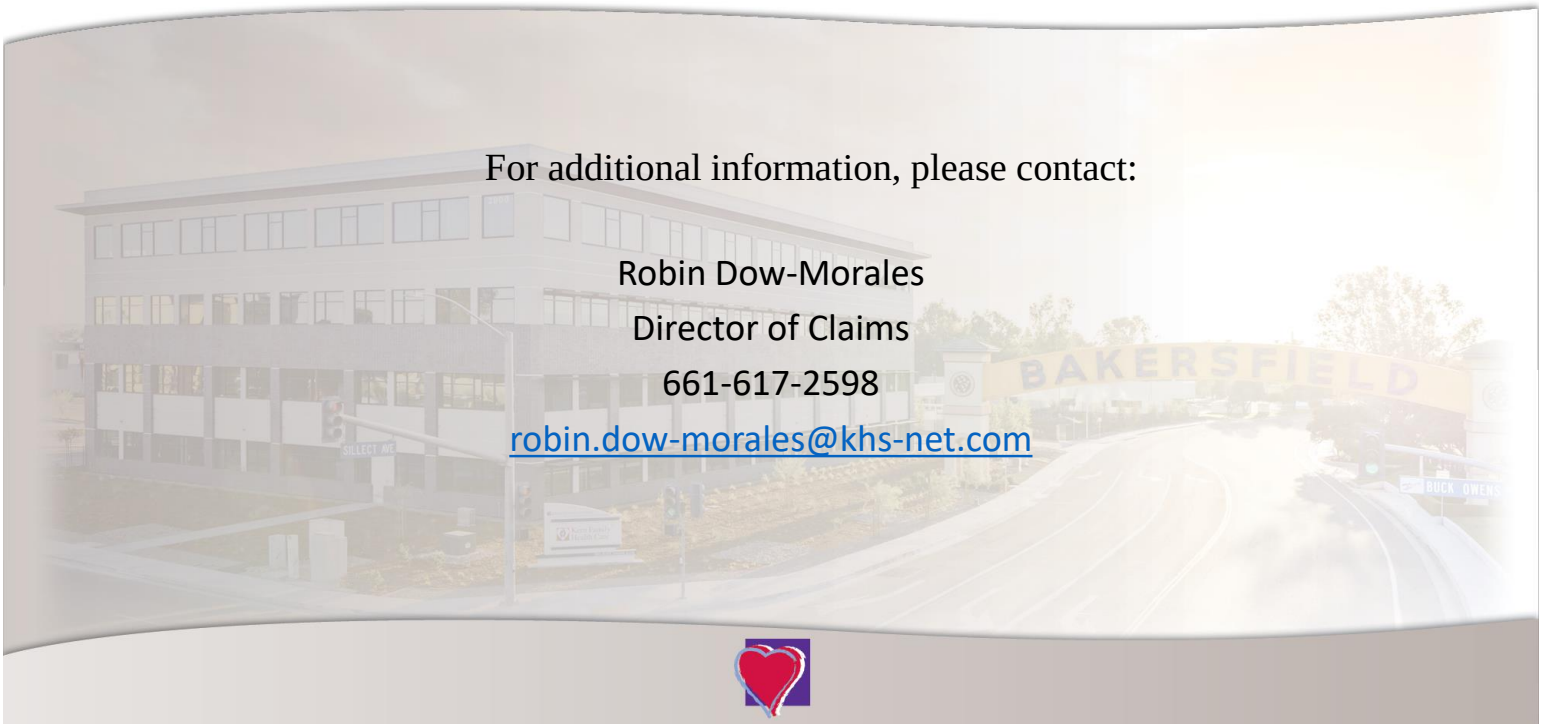
- RFP is not necessary as multiple vendors are used for this service.
- For the current renewal period, Change Healthcare requested a rate of $0.22. After discussions, our vendor was able to secure a rate of $0.18.
- Estimated annual number of claims ~ 1,722,222
- Estimated annual cost $310,000



Recommendation

Request the Board of Directors to authorize the CEO to approve a three-year contract with Change Healthcare in the amount not to exceed $0.18 per claims transaction.

Questions



For additional information, please contact:

Robin Dow-Morales
Director of Claims
661-617-2598
robin.dow-morales@khs-net.com

KERN HEALTH SYSTEMS

AGREEMENT AT A GLANCE

Department Name: CL Department Head: Robin Dow-Morales

Vendor Name: Change Healthcare

Contact name & e-mail: Teres Atkinson, tatkinson@changehealthcare.com

What services will this vendor provide to KHS? Change Healthcare will provide KHS with standard electronic transaction processing of health care claims for three (3) years.

Description of Contract	
Type of Agreement: Software ☒ Contract ☐ Purchase ☐ New agreement ☒ Continuation of Agreement ☐ Addendum ☐ Amendment No. ____ ☐ Retroactive Agreement	Background: Change Healthcare provides clearinghouse functions for providers and hospitals to submit electronic medical claims. The clearinghouse works with providers, typically free of charge and charge KHS $0.18 per transaction fee to process an electronic claim. Brief Explanation: Change Healthcare will provide KHS with standard electronic transaction processing of health care claims for three (3) years.
☐ Summary of Quotes and/or Bids attached. *Pursuant to KHS Policy #8.11-I, KHS will secure competitive quotes and bids to obtain the maximum value from the expenditures. Electronic (e-mail/fax) solicitation may be used for purchases of up to Fifty Thousand Dollars or more if not budgeted ($50,000.00) and One Hundred Thousand Dollars or more if budgeted ($100,000.00) but must be documented on the RFQ form (Attachment A). Actual bid, sole or single source justification and/or cost price analysis documents are required for purchases over Fifty Thousand Dollars or more if not budgeted ($50,000.00) and One Hundred Thousand Dollars or more if budgeted ($100,000.00). Request for Proposal (RFP) shall be used to solicit bids for professional services over Fifty Thousand Dollars ($50,000). Lowest bid price not accepted must be fully explained and justified in writing. All bids will be treated as a not to exceed amount with "change orders" used to track any changes.)* Brief vendor selection justification: ____	
☒ Sole source – no competitive process can be performed. Brief reason for sole source: KHS currently holds an ongoing contract with vendor – as well as 3 other vendors.	
☐ 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 2022 Administrative Budget	☐ NO	☒ YES
Will this require additional funds?	☒ NO	☐ YES
Capital project	☒ NO	☐ YES
Project type: ____		

Form updated 01/05/22

Budgeted Cost Center 230 GL# 5642

Maximum cost of this agreement not to exceed: $930,000.00 per three years

Notes: ____

Contract Terms and Conditions

Effective date: 10/20/2022 Termination date: 10/19/2025

Explain extension provisions, termination conditions and required notice: ____

Approvals

Compliance DMHC/DHCS Review:

Director of Compliance and Regulatory Affairs

Date

Legal Review:

Legal Counsel

Date.22

Contract Owner:

Department Head

9/28/22

Date

Purchasing:

Director of Procurement and Facilities

9/7/22

Date

Reviewed as to Budget:

Robert Landis

Chief Financial Officer or Controller

9/29/22

Date

Recommended by the Executive Committee:

Chief Operating Officer

9/29/2022

Date

IT Approval:

Chief Information Officer or IT Director

9/29/2022

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 01/05/22

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Deborah Murr, Chief Health Services Officer

Date: October 13, 2022

Re: Renewal of ZeOmega, Medical Management Platform

Background

In 2016, KHS transitioned from using 4 internally developed legacy workflows to a vendor solution platform following an RFP process to manage all clinical, behavioral, social, and program specific management services to our membership. This approach provided internal business and technical configuration to provide holistic transparency into each member's profile.

The JIVA platform from ZeOmega provides integration access to KHS's provider and member portals, predictive modeling scores for risk and severity, gaps in care, reporting, data exchanges, and embedded clinical guidelines with MCG for point of service to prior authorization. Modules support Utilization Management (Inpatient/Outpatient), Population Health Management (Special Programs), Quality Improvement, Health Education and Cultural and Linguistics, Pharmacy, Enhanced Care Management (assessments), Community Support Services, and Grievances and Appeals. The JIVA platform is customizable, flexible, and offers additional modules and services to accommodate new populations and data integration points including Medicare, Long Term Care, Social Determinants of Health, and Interoperability requirements under DHCS CalAIM initiative.

Discussion

The JIVA platform fully integrates with KHS's core claims system, QNXT, and satisfies regulatory reporting elements across the platform. Using a collaborative approach to customizations, cost splitting, and meeting new DHCS requirements, has continued to foster a respected longer-term partnership.

Financial Impact

Cost for the budgeted five-year term not to exceed $ $3, 918,001.

Requested Action

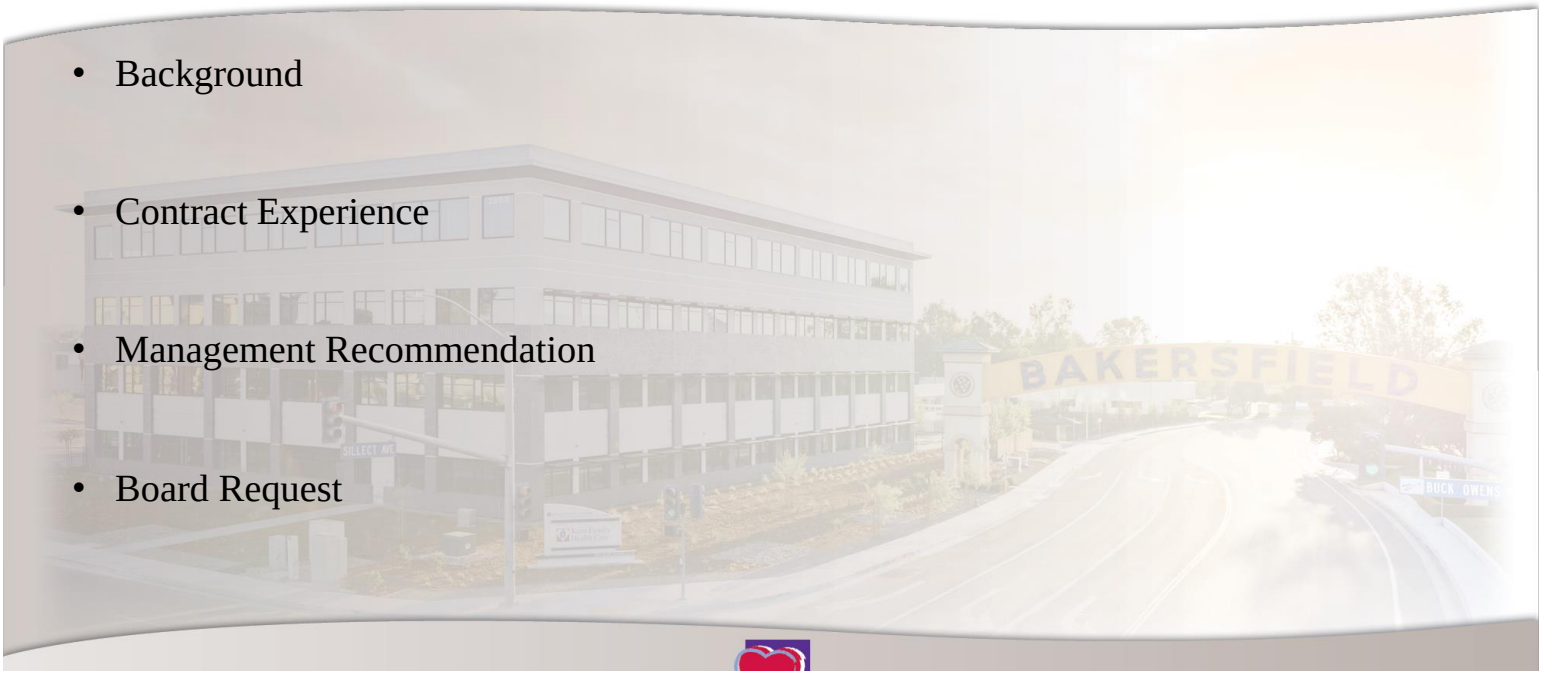
Approve; Authorize Chief Executive Officer to Sign.

Medical Management Platform
ZeOmega JIVA Renewal

Board of Directors
October 13, 2022

Deborah Murr, MHA, BS-HCM, RN
Chief Health Services Officer

Agenda



- Background
- Contract Experience
- Management Recommendation
- Board Request

Background

2016
- Request for Proposal
- Contract with ZeOmega for JIVA Medical Management System (November)

2017
- Utilization Management Module with Provider Portal/ QNXT claims system
- MCG guidelines embedded
- Customized to meet DHCS standards

2018
- Case and Disease Management, Health Promotion and Quality Improvement Module
- Risk and predictive modeling score integration

2019
- Health Home (custom build)
- Pharmacy workflow integration with UM

2020
- Transition Health Homes module to Enhanced Care Management
- Community Supports Services (custom build) Module
- Customizations for existing modules or functionality

2021
- Assessments
- Appeals workflow
- Member profile

2022
- Clicbank tool upgrade
- Member portal integration
- Grievance module

***Various integration points with third party vendors and internal systems

Contract Experience

- DHCS requirements
- Integration and Configuration
- Timeliness of Delivery
- Partnership

Management Recommendation

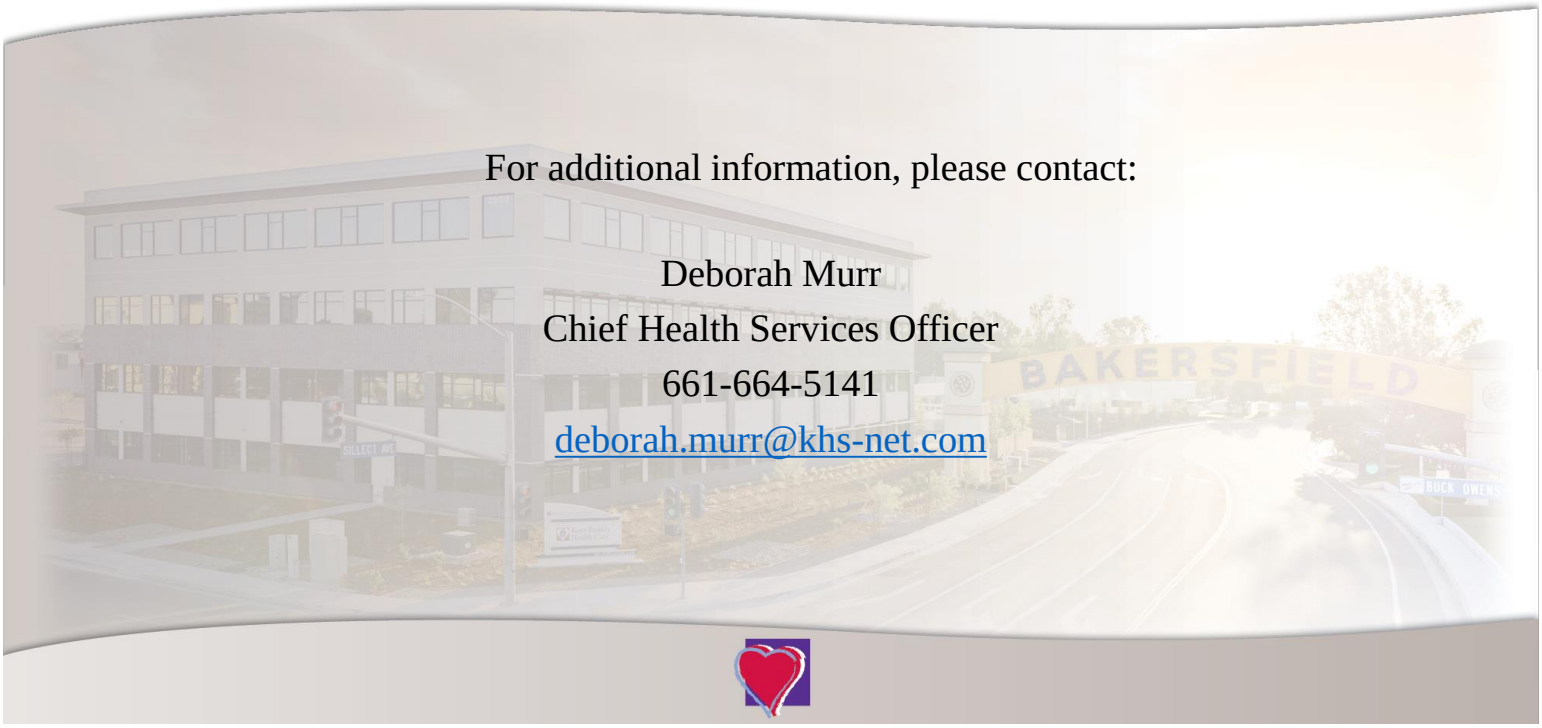
Per Member Per Month (PMPM) pricing with no increase up to 400,000 covered lives

ZeOmega Project Costs	
Description	**Total 5 Year Cost**
ZeOmega Licensing	$3,668,001
System Upgrade (2x)	$250,000
Total:	**$3,918,001**

Board Request

Authorize the CEO to approve a five-year contract for FY 2022-2027 with ZeOmega for the Medical Management Platform JIVA in the budgeted amount not to exceed $3,918,001.

Questions



For additional information, please contact:

Deborah Murr
Chief Health Services Officer
661-664-5141
deborah.murr@khs-net.com

KERN HEALTH SYSTEMS

AGREEMENT AT A GLANCE

Department Name: UM Department Head: Deborah Murr

Vendor Name: ZeOmega, Inc. Contact name & e-mail: Jennifer Kimmons, jkimmons@zeomega.com

What services will this vendor provide to KHS? ZeOmega will provide KHS with support and maintenance for the Medical Management Platform for five (5) years.

Description of Contract	
Type of Agreement: Software ☒ Contract ☐ Purchase ☐ New agreement ☒ Continuation of Agreement ☐ Addendum ☐ Amendment No. ____ ☐ Retroactive Agreement	Background: In 2016, KHS posted an RFP to find one solution that was able to replace the four internally developed legacy workflows that managed all clinical, behavioral, social, and program specific management services of our membership. This approach provided internal business and technical configuration to provide holistic transparency into each member's profile and evidence based shared decision-making process. KHS contracted with ZeOmega to provide a Medical Management Platform as the Member Centric tool capable of integrating into KHS's core claim system, QNXT for care coordination, member and provider portals, and financial reconciliation. Brief Explanation: The JIVA platform is customizable, flexible, and offers additional modules and services to accommodate new populations and data integration points including Medicare, Long Term Care, Social Determinants of Health, and Interoperability requirements under DHCS CalAIM initiative. Currently, the platform houses all of the Health Service department documentation and supports appeals and pharmacy workflow integration. Additionally, it supports new CalAIM requirements for Long term care and Medicare line of business. ZeOmega will provide KHS with access, support and maintenance for the Medical Management Platform for five (5) years FY 2022-2027.
☐ 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 holds an ongoing contract with vendor. Multiple integration points with core system, internal and external programs, reporting and risk algorithms would create tremendous lift and cost to move to a new platform.	

Form updated 01/05/22

☐ 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 2022 Administrative Budget	☐ NO	☒ YES
Will this require additional funds?	☒ NO	☐ YES
Capital project	☒ NO	☐ YES

Project type: Medical Management

Budgeted Cost Center 225 GL# 5400-Jiva

Maximum cost of this agreement not to exceed: $3,918,001.00 per five years

Notes: Current customizations support at rate of 22% of their total cost.

Contract Terms and Conditions

Effective date: 11/1/2022 Termination date: 11/1/2027

Explain extension provisions, termination conditions and required notice: ____

Approvals

Compliance DMHC/DHCS Review:

Director of Compliance and Regulatory Affairs

Date

Legal Review:

Legal Counsel

Date

Contract Owner:

Approved by Deb Murr

Department Head

per contracts meeting 9/21/22

Date

Purchasing:

Director of Procurement and Facilities

9/27/22

Date

Reviewed as to Budget:

Robert Franks

Chief Financial Officer or Controller

9/29/22

Date

Recommended by the Executive Committee:

Chief Operating Officer

9/29/2022

Date

IT Approval:

Chief Information Officer or IT Director

9/29/2022

Date

Chief Executive Officer Approval:

Chief Executive Officer

Date

Form updated 01/05/22

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 01/05/22

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Deborah Murr, RN, CHSO

Date: October 13, 2022

Re: After Hours Nurse Advice Triage

Background

In July 2019, Kern Health Systems ("KHS") issued a Request for Proposal ("RFP") to provide Nurse Advice Line After Hours Triage services. KHS selected Health Dialog as the vendor for these services. Health Dialog has provided these same services since 2016 in addition to Member Services outage support, Health Audio Library and Provider availability surveys.

Discussion

Health Dialog provides "real time" 24/7/365 clinical triage for members with health concerns supported by live RN assessment and care direction. KHS is required to be compliant with mandated regulatory standards outlined in the contract with the Department of Health Care Services and the Knox-Keene licensure with the Department of Managed Care. In addition, members have access to a Health Audio Library as another source of health education, in both English and Spanish, related to specific disease processes. The services provided are seamless to the membership as they are an extension of the business hours support offered internally by KHS staff and after hours.

Health Dialog has provided high quality, evidence based clinical management support driven by scripted algorithms and robust reporting suite to promote transparency, consistency, and accuracy for KHS since 2016. Selecting a different vendor would result in additional costs for implementation, report and script development and testing.

Senior Management is recommending a renewal to the current vendor three-year agreement with Health Dialog for the continuation of their services to provide Nurse Advice Line After Hours Triage to support KHS membership.

Financial Impact

Health Dialog fees for FY 2022-2025 contract term not to exceed $1,495,200.

Requested Action

Approve; Authorize Chief Executive Officer to Sign.

After Hours Nurse Advice Line

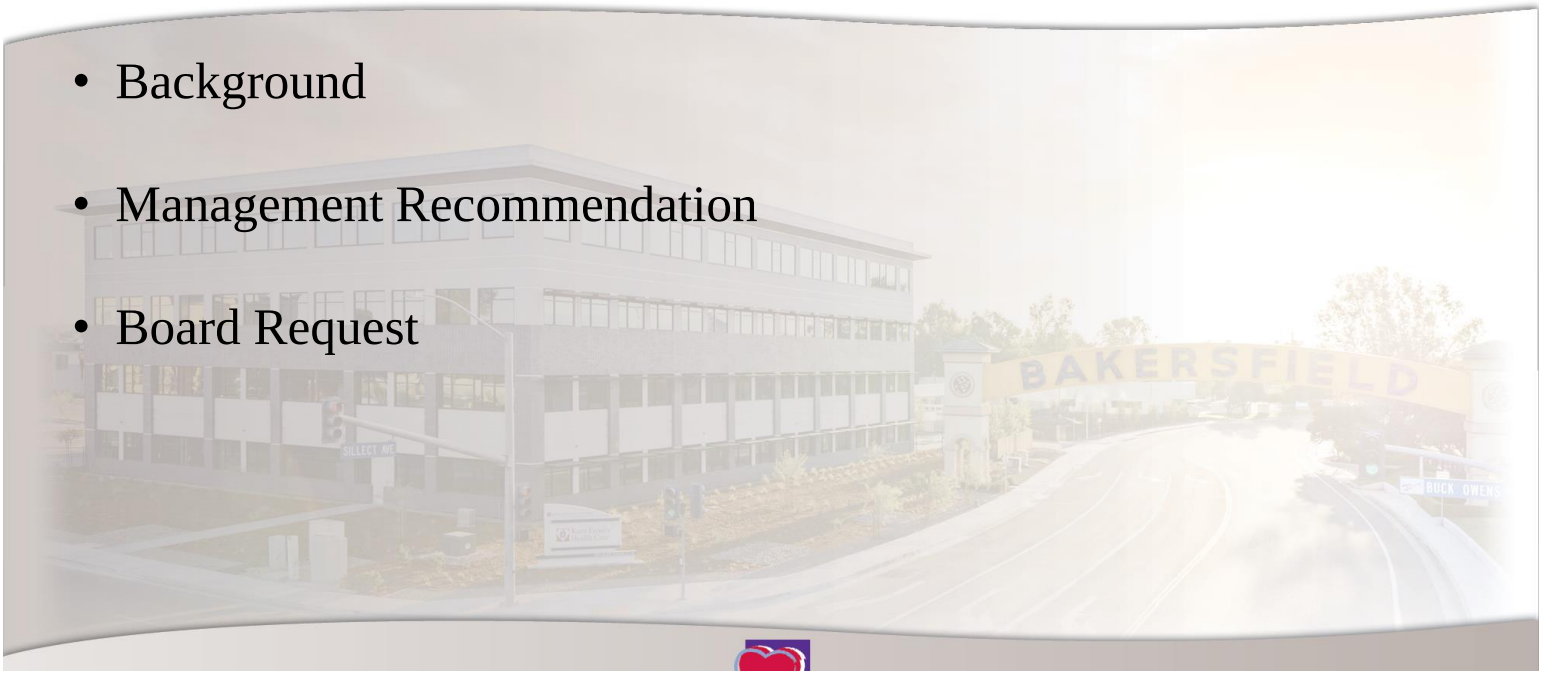
Board of Directors

October 13, 2022

Deborah Murr, MHA, BS-HCM, RN
Chief Health Services Officer

Agenda

- Background
- Management Recommendation
- Board Request



Background

- Regulatory standards with the Department of Health Care Services and the Knox-Keene licensure with the Department of Managed Care to provide 24/7/365 access to a Nurse Triage service to assist our membership with health and benefit questions
- Health Dialog is the incumbent provider to KHS providing the following services:
  - Real-time RN clinical assessment
  - Disposition to appropriate level of care-ER/UC/PCP
  - Administrative support-benefits/coverage
  - Audio Library-English/Spanish-self serve
  - Provider Satisfaction Survey-quarterly
  - Services seamless to membership as extension of the business hours support offered internally by KHS staff

Management Recommendation

KHS conducted an RFP in 2019 and received five proposals for After Hours Nurse Advice Line services

Health Dialog was selected as the vendor for these services for a 3-year contract for FY 2019-2022

Based on performance, cost, and satisfaction with vendor, Health Services management is recommending a 3-year contract renewal with Health Dialog for FY 2022-2025 with baseline of 350,000 members

Year 1 $487,200

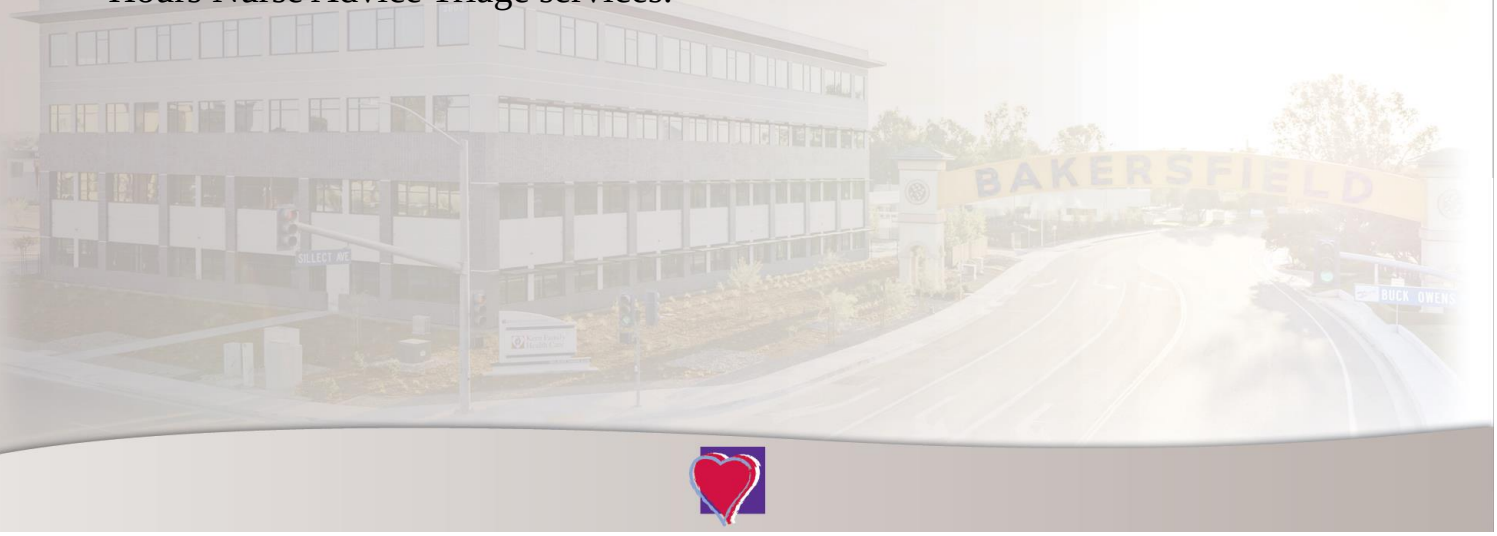
Year 2 $495,600 **Total 3-year contract**

Year 3 $512,400 **$1,495,200**

Minimum Population Size	300,000	350,000
Utilization Assumption	2.0%	2.0%
Calls Included Per Month	500	583
PMPM Year 1	$0.119	$0.116
PMPM Year 2	$0.121	$0.118
PMPM Year 3	$0.125	$0.122

Board Request

- Request the Board of Directors authorize the CEO to approve a three (3) year contract with Health Dialog, in the amount not to exceed $1,495,200 for After Hours Nurse Advice Triage services.



Questions

For additional information, please contact:

Deborah Murr, RN, MHA, BS-HCM
Chief Health Services Officer
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KERN HEALTH SYSTEMS

AGREEMENT AT A GLANCE

Department Name: UM

Department Head: Deb Murr

Vendor Name: Health Dialog

Contact name & e-mail: Sharon A. McKinley, smckinley@healthdialog.com

What services will this vendor provide to KHS? 24/7/365 Nurse Triage Services for KHS members.

Description of Contract	
Type of Agreement: Professional Services ☒ Contract ☐ Purchase ☒ New agreement ☐ Continuation of Agreement ☐ Addendum ☐ Amendment No. ____ ☐ Retroactive Agreement	Background: KHS is required to be compliant with mandated regulatory standards outlined in the contract with the Department of Health Care Services and the Knox-Keene licensure with the Department of Managed Care to provide 24/7/365 access to a Nurse Triage service to assist our membership with health and benefit questions. In addition, members have access to a Health Audio Library to provide another source of health education, in both English and Spanish, related to specific disease processes. The services provided are seamless to the membership as they are an extension of the business hours support offered internally by KHS staff and after hours as part of the defined phone tree algorithm. Brief Explanation: Following an RFP process in 2019 and based on performance, cost, and satisfaction with vendor, Health Services management is recommending a three year contract renewal with Health Dialog for 2022-2025 with baseline of 350,000 members.

☒ 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: RFP was released early 2019. Responses were received and reviewed by the clinical management team. Health Dialog quoted lowest in addition to being able to support various other functions including Language Line support and detailed reporting. Health Coaching for Disease Management (separate contract). Health Dialog has provided high quality; evidence based clinical medical management support driven by prescripted algorithms and robust reporting suite to promote transparency, consistency, and accuracy for KHS since 2016

☐ Sole source – no competitive process can be performed.

Brief reason for sole source: ____

Form updated 11/21/19

☐ 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 2022 Administrative Budget	☐ NO	☒ YES
Will this require additional funds?	☒ NO	☐ YES
Capital project	☐ NO	☒ YES

Project type: _____

Budgeted Cost Center 310 GL# 5645

Maximum cost of this agreement not to exceed: $0.119 PMPM

Notes: Estimated three-year cost $1,495,200

Contract Terms and Conditions

Effective date: 11/02/2022 Termination date: 11/01/2025

Explain extension provisions, termination conditions and required notice: _____

Approvals

Compliance DMHC/DHCS Review:

Director of Compliance and Regulatory Affairs

Date

Legal Review:

Legal Counsel

Date

Contract Owner:

Approved by Deb Murr

Department Head

per Contract meeting 8/24/22

Date

Purchasing:

Director of Procurement and Facilities

9/29/22

Date

Reviewed as to Budget:

Robt Landis

Chief Financial Officer or Controller

10/3/22

Date

Recommended by the Executive Committee:

Chief Operating Officer

10/3/2022

Date

IT Approval:

Chief Information Officer or IT Director

10/3/2022

Date

Chief Executive Officer Approval:

Chief Executive Officer

Date

Form updated 11/21/19

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 11/21/19

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Robert Landis, CFO

Date: October 13, 2022

Re: July 2022 Financial Results

The July results reflect a $2,332,038 Net Increase in Net Position which is a $2,643,776 favorable variance to the budget. Listed below are the major variances for the month:

1) Total Revenues reflect a $7.0 million favorable variance primarily due to:

   A) $4.3 million favorable variance primarily due to higher-than-expected budgeted membership.

   B) $1.3 million favorable variance in Premium-Hospital Directed Payments primarily due to higher-than-expected budgeted membership offset amounts included in 2D below.

2) Total Medical Costs reflect a $4.3 million unfavorable variance primarily due to:

   A) $1.6 million unfavorable variance in Physician Services primarily due to higher-than-expected utilization of Referral Specialty Services and Urgent Care Services over the last several months by Family members.

   B) $.9 million favorable variance in Emergency Room primarily due to lower-than-expected utilization over the last several months by Family members.

   C) $2.6 million unfavorable variance in Inpatient primarily due to higher-than-expected utilization over the last several months.

   D) $1.3 million unfavorable variance in Premium-Hospital Directed Payments primarily due to higher-than-expected budgeted membership offset amounts included in 1B above.

The July Medical Loss Ratio is 90.4% which is favorable to the 92.9 % budgeted amount. The July Administrative Expense Ratio is 6.9% which is favorable to the 7.0% budgeted amount.

The results for the 7 months ended July 31, 2022 reflect a Net Increase in Net Position of $24,028,763. This is a $26,481,155 favorable variance to budget and includes approximately $13.1 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 88.6% which is favorable to the 92.8% budgeted amount. The year-to-date Administrative Expense Ratio is 6.4% which is favorable to the 7.1% budgeted amount.

Kern Health Systems
Financial Packet
July 2022

KHS – Medi-Cal Line of Business

KHS Group Health Plan – Healthy Families Line of Business

KHS Administrative Analysis and Other Reporting

KERN HEALTH SYSTEMS
MEDI-CAL
STATEMENT OF NET POSITION
AS OF JULY 31, 2022

ASSETS	JULY 2022	JUNE 2022	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	$ 144,647,884	$ 132,621,402	$ 12,026,482
Short-Term Investments	196,960,822	215,983,233	(19,022,411)
Premiums Receivable - Net	103,614,224	102,070,490	1,543,734
Premiums Receivable - Hospital Direct Payments	378,183,653	359,499,791	18,683,862
Interest Receivable	46,007	217,982	(171,975)
Provider Advance Payment	3,263,913	3,716,379	(452,466)
Other Receivables	253,825	220,274	33,551
Prepaid Expenses & Other Current Assets	4,149,194	2,283,343	1,865,851
Total Current Assets	$ 831,119,522	$ 816,612,894	$ 14,506,628
CAPITAL ASSETS - NET OF ACCUM DEPRE:			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	1,419,984	1,419,675	309
Computer Hardware and Software - Net	19,464,364	19,760,173	(295,809)
Building and Building Improvements - Net	34,095,742	34,171,851	(76,109)
Capital Projects in Progress	5,622,764	5,476,237	146,527
Total Capital Assets	$ 64,693,560	$ 64,918,642	$ (225,082)
LONG TERM ASSETS:			
Restricted Investments	300,000	300,000	-
Officer Life Insurance Receivables	1,623,201	1,623,201	-
Total Long Term Assets	$ 1,923,201	$ 1,923,201	$ -
DEFERRED OUTFLOWS OF RESOURCES	$ 4,731,067	$ 3,665,821	$ 1,065,246
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 902,467,350	$ 887,120,558	$ 15,346,792
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accrued Salaries and Employee Benefits	$ 4,428,342	$ 4,214,445	213,897
Accrued Other Operating Expenses	2,098,876	1,731,854	367,022
Accrued Taxes and Licenses	10,728,420	29,527,123	(18,798,703)
Claims Payable (Reported)	20,456,608	20,748,386	(291,778)
IBNR - Inpatient Claims	47,167,465	40,700,319	6,467,146
IBNR - Physician Claims	19,119,871	18,619,898	499,973
IBNR - Accrued Other Medical	23,750,771	21,394,218	2,356,553
Risk Pool and Withholds Payable	6,922,709	6,918,268	4,441
Statutory Allowance for Claims Processing Expense	2,509,938	2,509,938	-
Other Liabilities	109,957,290	106,744,949	3,212,341
Accrued Hospital Directed Payments	378,183,653	359,499,791	18,683,862
Total Current Liabilities	$ 625,323,943	$ 612,609,189	$ 12,714,754
NONCURRENT LIABILITIES:			
Net Pension Liability	300,000	-	300,000
TOTAL NONCURRENT LIABILITIES	$ 300,000	$ -	$ 300,000
DEFERRED INFLOWS OF RESOURCES	$ 5,338,319	$ 5,338,319	$ -
NET POSITION:			
Net Position - Beg. of Year	247,476,325	247,476,325	-
Increase (Decrease) in Net Position - Current Year	24,028,763	21,696,725	2,332,038
Total Net Position	$ 271,505,088	$ 269,173,050	$ 2,332,038
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 902,467,350	$ 887,120,558	$ 15,346,792

KERN HEALTH SYSTEMS
MEDI-CAL - ALL COA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
FOR THE MONTH ENDED JULY 31, 2022

CURRENT MONTH MEMBERS				YEAR-TO-DATE MEMBER MONTHS		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
206,086	204,500	1,586	Family Members	1,418,255	1,404,200	14,055
91,137	82,630	8,507	Expansion Members	606,560	568,810	37,750
16,817	16,130	687	SPD Members	115,727	110,810	4,917
9,532	7,740	1,792	Other Members	64,830	54,180	10,650
13,842	13,000	842	Kaiser Members	93,595	91,000	2,595
337,414	324,000	13,414	Total Members - MCAL	2,298,967	2,229,000	69,967
			REVENUES			
37,514,641	36,107,294	1,407,347	Title XIX - Medicaid - Family and Other	258,451,412	248,834,014	9,617,398
30,993,375	28,781,129	2,212,246	Title XIX - Medicaid - Expansion Members	210,204,580	198,138,526	12,066,054
15,833,803	15,114,381	719,422	Title XIX - Medicaid - SPD Members	105,652,391	103,832,891	1,819,500
10,883,460	10,717,992	165,468	Premium - MCO Tax	70,247,785	70,082,317	165,468
18,674,627	17,393,792	1,280,835	Premium - Hospital Directed Payments	125,999,685	119,755,382	6,244,303
1,002,315	83,589	918,726	Investment Earnings And Other Income	(425,443)	574,373	(999,816)
-	55,980	(55,980)	Reinsurance Recoveries	-	384,840	(384,840)
9,235	-	9,235	Rate Adjustments - Hospital Directed Payments	27,155,869	-	27,155,869
350,036	-	350,036	Rate/Income Adjustments	(2,175,620)	-	(2,175,620)
115,261,492	108,254,157	7,007,335	TOTAL REVENUES	795,110,659	741,602,342	53,508,317
			EXPENSES			
			Medical Costs:			
18,984,281	17,404,275	(1,580,006)	Physician Services	130,870,025	119,666,834	(11,203,191)
5,137,341	5,878,647	741,306	Other Professional Services	35,645,444	40,680,642	5,035,198
4,764,039	5,664,461	900,422	Emergency Room	32,628,689	38,944,932	6,316,243
22,935,749	20,342,423	(2,593,326)	Inpatient	145,122,183	139,877,263	(5,244,920)
(33,668)	55,980	89,648	Reinsurance Expense	301,447	384,840	83,393
10,013,268	8,648,009	(1,365,259)	Outpatient Hospital	61,072,740	59,464,878	(1,607,862)
15,416,935	15,969,422	552,487	Other Medical	114,169,425	109,944,890	(4,224,535)
485,358	466,500	(18,858)	Pay for Performance Quality Incentive	3,303,805	3,207,000	(96,805)
18,674,627	17,393,792	(1,280,835)	Hospital Directed Payments	125,999,685	119,755,382	(6,244,303)
9,235	-	(9,235)	Hospital Directed Payment Adjustment	26,947,189	-	(26,947,189)
17,040	-	(17,040)	Non-Claims Expense Adjustment	(643,010)	-	643,010
(238,100)	-	238,100	IBNR, Incentive, Paid Claims Adjustment	(15,845,047)	-	15,845,047
96,166,105	91,823,510	(4,342,595)	Total Medical Costs	659,572,575	631,926,661	(27,645,914)
19,095,387	16,430,648	2,664,739	GROSS MARGIN	135,538,084	109,675,681	25,862,403
			Administrative:			
3,307,910	3,394,438	86,528	Compensation	21,695,523	23,636,069	1,940,546
1,078,360	1,108,544	30,184	Purchased Services	6,463,407	7,759,809	1,296,402
74,368	212,108	137,740	Supplies	615,217	1,484,753	869,536
576,074	526,572	(49,502)	Depreciation	4,062,259	3,686,004	(376,255)
414,331	366,066	(48,265)	Other Administrative Expenses	2,293,445	2,562,460	269,015
425,467	-	(425,467)	Administrative Expense Adjustment	1,384,368	-	(1,384,368)
5,876,510	5,607,728	(268,782)	Total Administrative Expenses	36,514,219	39,129,094	2,614,875
102,042,615	97,431,237	(4,611,378)	TOTAL EXPENSES	696,086,794	671,055,755	(25,031,039)
13,218,877	10,822,920	2,395,957	OPERATING INCOME (LOSS) BEFORE TAX	99,023,865	70,546,587	28,477,278
10,883,459	10,717,992	(165,467)	MCO TAX	70,241,516	70,082,317	(159,199)
2,335,418	104,928	2,230,490	OPERATING INCOME (LOSS) NET OF TAX	28,782,349	464,270	28,318,079
			NONOPERATING REVENUE (EXPENSE)			
-	-	-	Gain on Sale of Assets	-	-	-
(17,662)	(333,333)	315,671	Provider Grants/CalAIM Initiative Grant	(4,113,508)	(2,333,331)	(1,780,177)
14,282	(83,333)	97,615	Health Home	(640,078)	(583,331)	(56,747)
(3,380)	(416,666)	413,286	TOTAL NONOPERATING REVENUE (EXPENSE)	(4,753,586)	(2,916,662)	(1,836,924)
2,332,038	(311,738)	2,643,776	NET INCREASE (DECREASE) IN NET POSITION	24,028,763	(2,452,392)	26,481,155
90.4%	92.9%	2.5%	MEDICAL LOSS RATIO	88.6%	92.8%	4.2%
6.9%	7.0%	0.1%	ADMINISTRATIVE EXPENSE RATIO	6.4%	7.1%	0.7%

KERN HEALTH SYSTEMS
MEDI-CAL
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM
FOR THE MONTH ENDED JULY 31, 2022

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			ENROLLMENT			
206,086	204,500	1,586	Family Members	1,418,255	1,404,200	14,055
91,137	82,630	8,507	Expansion Members	606,560	568,810	37,750
16,817	16,130	687	SPD Members	115,727	110,810	4,917
9,532	7,740	1,792	Other Members	64,830	54,180	10,650
13,842	13,000	842	Kaiser Members	93,595	91,000	2,595
337,414	324,000	13,414	Total Members - MCAL	2,298,967	2,229,000	69,967
			REVENUES			
173.99	170.12	3.86	Title XIX - Medicaid - Family and Other	174.27	170.62	3.64
340.07	348.31	(8.24)	Title XIX - Medicaid - Expansion Members	346.55	348.34	(1.79)
941.54	937.04	4.50	Title XIX - Medicaid - SPD Members	912.95	937.04	(24.09)
33.64	34.46	(0.83)	Premium - MCO Tax	31.85	32.78	(0.93)
57.71	55.93	1.79	Premium - Hospital Directed Payments	57.13	56.01	1.12
3.10	0.27	2.83	Investment Earnings And Other Income	(0.19)	0.27	(0.46)
0.00	0.18	(0.18)	Reinsurance Recoveries	0.00	0.18	(0.18)
0.03	0.00	0.03	Rate Adjustments - Hospital Directed Payments	12.31	0.00	12.31
1.08	0.00	1.08	Rate/Income Adjustments	(0.99)	0.00	(0.99)
356.22	348.08	8.13	TOTAL REVENUES	360.53	346.87	13.67
			EXPENSES			
			Medical Costs:			
58.67	55.96	(2.71)	Physician Services	59.34	55.97	(3.37)
15.88	18.90	3.03	Other Professional Services	16.16	19.03	2.86
14.72	18.21	3.49	Emergency Room	14.80	18.22	3.42
70.88	65.41	(5.47)	Inpatient	65.80	65.42	(0.38)
(0.10)	0.18	0.28	Reinsurance Expense	0.14	0.18	0.04
30.95	27.81	(3.14)	Outpatient Hospital	27.69	27.81	0.12
47.65	51.35	3.70	Other Medical	51.77	51.42	(0.34)
1.50	1.50	0.00	Pay for Performance Quality Incentive	1.50	1.50	0.00
57.71	55.93	(1.79)	Hospital Directed Payments	57.13	56.01	(1.12)
0.03	0.00	(0.03)	Hospital Directed Payment Adjustment	12.22	0.00	(12.22)
0.05	0.00	(0.05)	Non-Claims Expense Adjustment	(0.29)	0.00	0.29
(0.74)	0.00	0.74	IBNR, Incentive, Paid Claims Adjustment	(7.18)	0.00	7.18
297.20	295.25	(1.95)	Total Medical Costs	299.08	295.57	(3.51)
59.01	52.83	6.18	GROSS MARGIN	61.46	51.30	10.16
			Administrative:			
10.22	10.91	0.69	Compensation	9.84	11.06	1.22
3.33	3.56	0.23	Purchased Services	2.93	3.63	0.70
0.23	0.68	0.45	Supplies	0.28	0.69	0.42
1.78	1.69	(0.09)	Depreciation	1.84	1.72	(0.12)
1.28	1.18	(0.10)	Other Administrative Expenses	1.04	1.20	0.16
1.31	0.00	(1.31)	Administrative Expense Adjustment	0.63	0.00	(0.63)
18.16	18.03	(0.13)	Total Administrative Expenses	16.56	18.30	1.74
315.36	313.28	(2.08)	TOTAL EXPENSES	315.63	313.87	(1.76)
40.85	34.80	6.05	OPERATING INCOME (LOSS) BEFORE TAX	44.90	33.00	11.90
33.64	34.46	0.83	MCO TAX	31.85	32.78	0.93
7.22	0.34	6.88	OPERATING INCOME (LOSS) NET OF TAX	13.05	0.22	12.83
			NONOPERATING REVENUE (EXPENSE)			
0.00	0.00	0.00	Gain on Sale of Assets	0.00	0.00	0.00
(0.05)	(1.07)	1.02	Reserve Fund Projects/Community Grants	(1.87)	(1.09)	(0.77)
0.04	(0.27)	0.31	Health Home	(0.29)	(0.27)	(0.02)
(0.01)	(1.34)	1.33	TOTAL NONOPERATING REVENUE (EXPENSE)	(2.16)	(1.36)	(0.79)
7.21	(1.00)	8.21	NET INCREASE (DECREASE) IN NET POSITION	10.90	(1.15)	12.04
90.4%	92.9%	2.5%	MEDICAL LOSS RATIO	88.6%	92.8%	4.2%
6.9%	7.0%	0.1%	ADMINISTRATIVE EXPENSE RATIO	6.4%	7.1%	0.7%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH JULY 31, 2022	JULY 2021	AUGUST 2021	SEPTEMBER 2021	OCTOBER 2021	NOVEMBER 2021	DECEMBER 2021	JANUARY 2022
ENROLLMENT							
Members - MCAL	290,980	292,271	294,672	295,865	296,989	298,205	309,342
REVENUES							
Title XIX - Medicaid - Family and Other	35,761,670	34,569,656	35,961,464	37,040,845	37,111,335	36,899,197	37,009,614
Title XIX - Medicaid - Expansion Members	29,676,566	29,540,608	29,932,046	30,140,656	31,001,586	30,241,720	29,968,453
Title XIX - Medicaid - SPD Members	16,260,445	16,115,519	16,075,172	16,206,131	16,254,790	16,506,513	14,953,594
Premium - MCO Tax	10,025,153	10,069,582	10,136,079	10,229,218	10,229,533	10,273,393	9,899,314
Premium - Hospital Directed Payments	16,337,340	16,361,944	16,554,814	16,726,476	16,753,272	16,836,470	17,606,870
Investment Earnings And Other Income	(39,267)	567,469	(59,079)	131,645	157,659	(694,967)	329,573
Rate Adjustments - Hospital Directed Payments	(29,149,066)	7,365	5,709	4,491	8,691	(3,586)	230,177
Rate/Income Adjustments	(294,637)	(458,866)	122,473	52,871	66,815	5,625	957,475
TOTAL REVENUES	78,578,204	106,773,277	108,728,678	110,532,333	111,583,681	110,064,365	110,955,070
EXPENSES							
Medical Costs:							
Physician Services	15,305,367	15,819,470	17,895,535	17,549,058	17,258,969	17,972,930	17,538,030
Other Professional Services	4,604,443	4,825,412	4,347,759	4,846,005	4,829,415	4,344,076	5,041,033
Emergency Room	4,833,831	4,472,304	3,735,609	4,506,067	4,818,883	4,391,622	5,209,937
Inpatient	20,542,490	20,581,248	20,303,427	23,207,054	21,256,426	17,137,562	20,610,105
Reinsurance Expense	84,045	84,997	84,384	85,133	86,151	86,147	53,660
Outpatient Hospital	7,937,455	7,942,981	7,529,697	7,080,379	7,793,785	6,083,159	8,214,215
Other Medical	9,927,247	9,914,269	10,572,454	10,784,127	12,549,269	11,502,354	17,263,621
Pharmacy	9,774,211	10,298,442	9,913,574	10,236,384	10,196,195	10,620,178	-
Pay for Performance Quality Incentive	552,862	552,862	-	-	-	1,420,000	464,013
Hospital Directed Payments	16,337,330	16,361,944	16,554,814	16,726,476	16,753,272	16,836,470	17,606,870
Hospital Directed Payment Adjustment	(29,149,382)	7,365	(132,637)	4,491	8,691	(3,586)	230,177
Non-Claims Expense Adjustment	(11,833)	34,433	20,737	8,907	24,857	(44,256)	43,538
IBNR, Incentive, Paid Claims Adjustment	406,066	(55,915)	14,595	(924,120)	(1,378,922)	(1,022,824)	627
Total Medical Costs	61,144,132	90,839,812	90,839,948	94,109,961	94,196,991	89,323,832	92,275,826
GROSS MARGIN	17,434,072	15,933,465	17,888,730	16,422,372	17,386,690	20,740,533	18,679,244
Administrative:							
Compensation	2,805,915	2,781,896	2,791,543	2,746,218	2,775,542	2,592,690	3,116,842
Purchased Services	939,689	845,393	968,021	991,178	1,095,098	1,355,474	846,917
Supplies	156,626	193,504	(17,330)	58,257	188,536	164,659	191,908
Depreciation	425,522	427,805	427,804	424,376	716,552	746,072	571,126
Other Administrative Expenses	274,638	214,396	443,524	348,575	276,718	605,706	389,918
Administrative Expense Adjustment	(1,674)	(2,367)	3,540	300	77,569	(194,326)	(1,904)
Total Administrative Expenses	4,600,716	4,460,627	4,617,102	4,568,904	5,130,015	5,270,275	5,114,807
TOTAL EXPENSES	65,744,848	95,300,439	95,457,050	98,678,865	99,327,006	94,594,107	97,390,633
OPERATING INCOME (LOSS) BEFORE TAX	12,833,356	11,472,838	13,271,628	11,853,468	12,256,675	15,470,258	13,564,437
MCO TAX	9,894,054	9,894,055	9,894,054	9,894,054	9,894,054	9,895,157	9,894,054
OPERATING INCOME (LOSS) NET OF TAX	2,939,302	1,578,783	3,377,574	1,959,414	2,362,621	5,575,101	3,670,383
TOTAL NONOPERATING REVENUE (EXPENSE)	(833,809)	(949,330)	(2,438,918)	(1,027,231)	(1,516,642)	(175,210)	(400,389)
NET INCREASE (DECREASE) IN NET POSITION	2,105,493	629,453	938,656	932,183	845,979	5,399,891	3,269,994
MEDICAL LOSS RATIO	90.9%	92.7%	90.7%	92.6%	91.5%	87.4%	89.4%
ADMINISTRATIVE EXPENSE RATIO	5.7%	5.6%	5.6%	5.5%	6.1%	6.4%	6.1%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH JULY 31, 2022	FEBRUARY 2022	MARCH 2022	APRIL 2022	MAY 2022	JUNE 2022	JULY 2022	13 MONTH TOTAL
ENROLLMENT							
Members - MCAL	310,281	312,490	314,691	315,663	319,333	323,572	3,974,354
REVENUES							
Title XIX - Medicaid - Family and Other	37,126,546	36,539,594	36,762,722	35,766,911	37,731,384	37,514,641	475,795,579
Title XIX - Medicaid - Expansion Members	29,945,915	29,350,530	29,812,384	29,600,713	30,533,210	30,993,375	390,737,762
Title XIX - Medicaid - SPD Members	14,858,906	14,791,754	14,924,745	14,887,158	15,402,431	15,833,803	203,070,961
Premium - MCO Tax	9,894,054	9,893,826	9,894,054	9,872,493	9,910,584	10,883,460	131,210,743
Premium - Hospital Directed Payments	17,654,496	17,949,134	17,905,917	17,928,276	18,280,365	18,674,627	225,570,001
Investment Earnings And Other Income	86,457	(1,241,065)	(326,288)	357,517	(633,952)	1,002,315	(361,983)
Rate Adjustments - Hospital Directed Payments	24,013	26,907,309	3,898	(23,892)	5,129	9,235	(1,970,527)
Rate/Income Adjustments	977,794	493,268	59,935	(4,649,731)	(364,397)	350,036	(2,681,339)
TOTAL REVENUES	110,568,181	134,684,350	109,037,367	103,739,445	110,864,754	115,261,492	1,421,371,197
EXPENSES							
Medical Costs:							
Physician Services	19,319,317	19,919,152	18,291,501	17,895,843	18,921,901	18,984,281	232,671,354
Other Professional Services	4,902,710	5,254,779	5,361,545	4,835,075	5,112,961	5,137,341	63,442,554
Emergency Room	5,098,972	5,150,400	5,098,584	4,139,529	3,167,228	4,764,039	59,387,005
Inpatient	20,031,970	20,232,342	20,364,608	21,395,635	19,551,774	22,935,749	268,150,390
Reinsurance Expense	53,896	57,686	56,409	56,248	57,216	(33,668)	812,304
Outpatient Hospital	8,223,126	8,686,122	8,458,833	8,281,163	9,196,013	10,013,268	105,440,196
Other Medical	17,534,988	15,788,879	16,341,907	16,301,024	15,522,071	15,416,935	179,419,145
Pharmacy	-	-	-	-	-	-	61,038,984
Pay for Performance Quality Incentive	465,422	465,421	472,037	473,494	478,060	485,358	5,829,529
Hospital Directed Payments	17,654,496	17,949,134	17,905,917	17,928,276	18,280,365	18,674,627	225,569,991
Hospital Directed Payment Adjustment	24,013	26,678,156	3,898	(3,419)	5,129	9,235	(2,317,869)
Non-Claims Expense Adjustment	4,118	572,469	62,025	(1,371,999)	29,799	17,040	(610,165)
IBNR, Incentive, Paid Claims Adjustment	(1,010,781)	(3,987,493)	(2,812,496)	(3,724,314)	(4,072,490)	(238,100)	(18,806,167)
Total Medical Costs	92,302,247	116,767,047	89,604,768	86,206,555	86,250,027	96,166,105	1,180,027,251
GROSS MARGIN	18,265,934	17,917,303	19,432,599	17,532,890	24,614,727	19,095,387	241,343,946
Administrative:							
Compensation	2,847,002	3,108,703	3,075,151	3,259,102	2,980,813	3,307,910	38,189,327
Purchased Services	877,498	1,098,614	783,960	927,532	850,526	1,078,360	12,658,260
Supplies	(8,268)	103,207	41,533	145,499	66,970	74,368	1,359,469
Depreciation	571,126	571,126	570,835	575,899	626,073	576,074	7,230,390
Other Administrative Expenses	259,997	346,089	252,930	300,845	329,335	414,331	4,457,002
Administrative Expense Adjustment	(44,283)	31,776	164,256	(2,834)	811,890	425,467	1,267,410
Total Administrative Expenses	4,503,072	5,259,515	4,888,665	5,206,043	5,665,607	5,876,510	65,161,858
TOTAL EXPENSES	96,805,319	122,026,562	94,493,433	91,412,598	91,915,634	102,042,615	1,245,189,109
OPERATING INCOME (LOSS) BEFORE TAX	13,762,862	12,657,788	14,543,934	12,326,847	18,949,120	13,218,877	176,182,088
MCO TAX	9,894,054	9,893,826	9,894,054	9,888,018	9,894,051	10,883,459	129,606,944
OPERATING INCOME (LOSS) NET OF TAX	3,868,808	2,763,962	4,649,880	2,438,829	9,055,069	2,335,418	46,575,144
TOTAL NONOPERATING REVENUE (EXPENSE)	(986,700)	(1,001,012)	(1,110,153)	744,870	(1,996,822)	(3,380)	(11,694,726)
NET INCREASE (DECREASE) IN NET POSITION	2,882,108	1,762,950	3,539,727	3,183,699	7,058,247	2,332,038	34,880,418
MEDICAL LOSS RATIO	89.9%	90.2%	88.3%	89.9%	82.2%	90.4%	89.7%
ADMINISTRATIVE EXPENSE RATIO	5.4%	6.6%	6.0%	6.9%	6.9%	6.9%	6.1%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH JULY 31, 2022	JULY 2021	AUGUST 2021	SEPTEMBER 2021	OCTOBER 2021	NOVEMBER 2021	DECEMBER 2021	JANUARY 2022
ENROLLMENT							
Members - MCAL	290,980	292,271	294,672	295,865	296,989	298,205	309,342
REVENUES							
Title XIX - Medicaid - Family and Other	180.10	173.76	179.43	183.53	183.31	181.56	177.17
Title XIX - Medicaid - Expansion Members	387.35	380.84	383.93	383.57	393.96	382.19	357.24
Title XIX - Medicaid - SPD Members	1,029.14	1,023.27	1,017.48	1,018.29	1,026.19	1,042.14	903.21
Premium - MCO Tax	34.45	34.45	34.40	34.57	34.44	34.45	32.00
Premium - Hospital Directed Payments	56.15	55.98	56.18	56.53	56.41	56.46	56.92
Investment Earnings And Other Income	(0.13)	1.94	(0.20)	0.44	0.53	(2.33)	1.07
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	(100.18)	0.03	0.02	0.02	0.03	(0.01)	0.74
Rate/Income Adjustments	(1.01)	(1.57)	0.42	0.18	0.22	0.02	3.10
TOTAL REVENUES	270.05	365.32	368.98	373.59	375.72	369.09	358.68
EXPENSES							
Medical Costs:							
Physician Services	52.60	54.13	60.73	59.31	58.11	60.27	56.69
Other Professional Services	15.82	16.51	14.75	16.38	16.26	14.57	16.30
Emergency Room	16.61	15.30	12.68	15.23	16.23	14.73	16.84
Inpatient	70.60	70.42	68.90	78.44	71.57	57.47	66.63
Reinsurance Expense	0.29	0.29	0.29	0.29	0.29	0.29	0.17
Outpatient Hospital	27.28	27.18	25.55	23.93	26.24	20.40	26.55
Other Medical	34.12	33.92	35.88	36.45	42.25	38.57	55.81
Pharmacy	33.59	35.24	33.64	34.60	34.33	35.61	0.00
Pay for Performance Quality Incentive	1.90	1.89	0.00	0.00	0.00	4.76	1.50
Hospital Directed Payments	56.15	55.98	56.18	56.53	56.41	56.46	56.92
Hospital Directed Payment Adjustment	(100.18)	0.03	(0.45)	0.02	0.03	(0.01)	0.74
Non-Claims Expense Adjustment	(0.04)	0.12	0.07	0.03	0.08	(0.15)	0.14
IBNR, Incentive, Paid Claims Adjustment	1.40	(0.19)	0.05	(3.12)	(4.64)	(3.43)	0.00
Total Medical Costs	210.13	310.81	308.27	318.08	317.17	299.54	298.30
GROSS MARGIN	59.92	54.52	60.71	55.51	58.54	69.55	60.38
Administrative:							
Compensation	9.64	9.52	9.47	9.28	9.35	8.69	10.08
Purchased Services	3.23	2.89	3.29	3.35	3.69	4.55	2.74
Supplies	0.54	0.66	(0.06)	0.20	0.63	0.55	0.62
Depreciation	1.46	1.46	1.45	1.43	2.41	2.50	1.85
Other Administrative Expenses	0.94	0.73	1.51	1.18	0.93	2.03	1.26
Administrative Expense Adjustment	(0.01)	(0.01)	0.01	0.00	0.26	(0.65)	(0.01)
Total Administrative Expenses	15.81	15.26	15.67	15.44	17.27	17.67	16.53
TOTAL EXPENSES	225.94	326.07	323.94	333.53	334.45	317.21	314.83
OPERATING INCOME (LOSS) BEFORE TAX	44.10	39.25	45.04	40.06	41.27	51.88	43.85
MCO TAX	34.00	33.85	33.58	33.44	33.31	33.18	31.98
OPERATING INCOME (LOSS) NET OF TAX	10.10	5.40	11.46	6.62	7.96	18.70	11.87
TOTAL NONOPERATING REVENUE (EXPENSE)	(2.87)	(3.25)	(8.28)	(3.47)	(5.11)	(0.59)	(1.29)
NET INCREASE (DECREASE) IN NET POSITION	7.24	2.15	3.19	3.15	2.85	18.11	10.57
MEDICAL LOSS RATIO	90.9%	92.7%	90.7%	92.6%	91.5%	87.4%	89.4%
ADMINISTRATIVE EXPENSE RATIO	5.7%	5.6%	5.6%	5.5%	6.1%	6.4%	6.1%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH JULY 31, 2022	FEBRUARY 2022	MARCH 2022	APRIL 2022	MAY 2022	JUNE 2022	JULY 2022	13 MONTH TOTAL
ENROLLMENT							
Members - MCAL	310,281	312,490	314,691	315,663	319,333	323,572	3,974,354
REVENUES							
Title XIX - Medicaid - Family and Other	177.17	173.28	173.44	168.25	176.65	173.99	176.95
Title XIX - Medicaid - Expansion Members	355.03	344.90	345.21	341.10	343.27	340.07	363.49
Title XIX - Medicaid - SPD Members	907.36	895.60	912.10	913.04	917.14	941.54	964.47
Premium - MCO Tax	31.89	31.66	31.44	31.28	31.04	33.64	33.01
Premium - Hospital Directed Payments	56.90	57.44	56.90	56.80	57.25	57.71	56.76
Investment Earnings And Other Income	0.28	(3.97)	(1.04)	1.13	(1.99)	3.10	(0.09)
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	0.08	86.11	0.01	(0.08)	0.02	0.03	(0.50)
Rate/Income Adjustments	3.15	1.58	0.19	(14.73)	(1.14)	1.08	(0.67)
TOTAL REVENUES	356.35	431.00	346.49	328.64	347.18	356.22	357.64
EXPENSES							
Medical Costs:							
Physician Services	62.26	63.74	58.13	56.69	59.25	58.67	58.54
Other Professional Services	15.80	16.82	17.04	15.32	16.01	15.88	15.96
Emergency Room	16.43	16.48	16.20	13.11	9.92	14.72	14.94
Inpatient	64.56	64.75	64.71	67.78	61.23	70.88	67.47
Reinsurance Expense	0.17	0.18	0.18	0.18	0.18	(0.10)	0.20
Outpatient Hospital	26.50	27.80	26.88	26.23	28.80	30.95	26.53
Other Medical	56.51	50.53	51.93	51.64	48.61	47.65	45.14
Pharmacy	0.00	0.00	0.00	0.00	0.00	0.00	15.36
Pay for Performance Quality Incentive	1.50	1.49	1.50	1.50	1.50	1.50	1.47
Hospital Directed Payments	56.90	57.44	56.90	56.80	57.25	57.71	56.76
Hospital Directed Payment Adjustment	0.08	85.37	0.01	(0.01)	0.02	0.03	(0.58)
Non-Claims Expense Adjustment	0.01	1.83	0.20	(4.35)	0.09	0.05	(0.15)
IBNR, Incentive, Paid Claims Adjustment	(3.26)	(12.76)	(8.94)	(11.80)	(12.75)	(0.74)	(4.73)
Total Medical Costs	297.48	373.67	284.74	273.10	270.09	297.20	296.91
GROSS MARGIN	58.87	57.34	61.75	55.54	77.08	59.01	60.73
Administrative:							
Compensation	9.18	9.95	9.77	10.32	9.33	10.22	9.61
Purchased Services	2.83	3.52	2.49	2.94	2.66	3.33	3.18
Supplies	(0.03)	0.33	0.13	0.46	0.21	0.23	0.34
Depreciation	1.84	1.83	1.81	1.82	1.96	1.78	1.82
Other Administrative Expenses	0.84	1.11	0.80	0.95	1.03	1.28	1.12
Administrative Expense Adjustment	(0.14)	0.10	0.52	(0.01)	2.54	1.31	0.32
Total Administrative Expenses	14.51	16.83	15.53	16.49	17.74	18.16	16.40
TOTAL EXPENSES	311.99	390.50	300.27	289.59	287.84	315.36	313.31
OPERATING INCOME (LOSS) BEFORE TAX	44.36	40.51	46.22	39.05	59.34	40.85	44.33
MCO TAX	31.89	31.66	31.44	31.32	30.98	33.64	32.61
OPERATING INCOME (LOSS) NET OF TAX	12.47	8.84	14.78	7.73	28.36	7.22	11.72
TOTAL NONOPERATING REVENUE (EXPENSE)	(3.18)	(3.20)	(3.53)	2.36	(6.25)	(0.01)	(2.94)
NET INCREASE (DECREASE) IN NET POSITION	9.29	5.64	11.25	10.09	22.10	7.21	8.78
MEDICAL LOSS RATIO	89.9%	90.2%	88.3%	89.9%	82.2%	90.4%	89.7%
ADMINISTRATIVE EXPENSE RATIO	5.4%	6.6%	6.0%	6.9%	6.9%	6.9%	6.1%

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF REVENUES - ALL COA
FOR THE MONTH ENDED JULY 31, 2022

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			REVENUES			
			Title XIX - Medicaid - Family & Other			
27,769,233	26,996,680	772,553	Premium - Medi-Cal	190,570,881	185,845,056	4,725,825
2,894,683	2,764,572	130,111	Premium - Maternity Kick	18,500,415	19,352,006	(851,591)
530,154	471,532	58,622	Premium - Enhanced Care Management	3,634,935	3,259,585	375,350
141,736	131,976	9,760	Premium - Major Organ Transplant	967,869	910,224	57,645
790,825	496,131	294,694	Premium - Cal AIM	5,597,435	3,409,098	2,188,337
714,835	766,151	(51,316)	Premium - BHT Kick	4,830,334	5,264,512	(434,178)
3,532,901	4,061,021	(528,120)	Premium - Provider Enhancement	27,696,098	27,909,722	(213,624)
211,896	205,353	6,543	Premium - Ground Emergency Medical Transportation	1,452,031	1,412,544	39,487
147,123	104,286	42,837	Premium - Behavorial Health Integration Program	2,261,892	716,587	1,545,305
32	-	32	Premium - Vaccine Incentive	1,045,389	-	1,045,389
-	-	-	Premium - Student Behavioral Health Incentive	364,822	-	364,822
652,683	-	652,683	Premium - Housing and Homelessness Incentive	652,683	-	652,683
128,540	109,590	18,950	Other	876,628	754,678	121,950
37,514,641	36,107,294	1,407,347	Total Title XIX - Medicaid - Family & Other	258,451,412	248,834,014	9,617,398
			Title XIX - Medicaid - Expansion Members			
27,209,495	25,050,919	2,158,576	Premium - Medi-Cal	181,709,805	172,434,818	9,274,987
172,472	234,964	(62,492)	Premium - Maternity Kick	3,216,981	1,644,748	1,572,233
973,888	839,664	134,224	Premium - Enhanced Care Management	6,501,390	5,778,900	722,490
232,379	209,712	22,667	Premium - Major Organ Transplant	1,552,090	1,443,321	108,769
334,735	460,233	(125,498)	Premium - Cal AIM	2,289,119	3,168,159	(879,040)
3,165	-	3,165	Premium - BHT Kick	9,495	-	9,495
1,477,129	1,650,550	(173,421)	Premium - Provider Enhancement	11,498,327	11,362,085	136,242
228,794	208,971	19,823	Premium - Ground Emergency Medical Transportation	1,528,363	1,438,520	89,843
62,185	96,740	(34,555)	Premium - Behavorial Health Integration Program	917,092	665,943	251,149
(169)	-	(169)	Premium - Vaccine Incentive	330,863	-	330,863
-	-	0	Premium - Student Behavioral Health Incentive	148,933	-	148,933
263,528	-	263,528	Premium - Housing and Homelessness Incentive	263,528	-	263,528
35,774	29,376	6,398	Other	238,594	202,032	36,562
30,993,375	28,781,129	2,212,246	Total Title XIX - Medicaid - Expansion Members	210,204,580	198,138,526	12,066,054
			Title XIX - Medicaid - SPD Members			
13,772,106	12,819,318	952,789	Premium - Medi-Cal	91,735,125	88,066,248	3,668,878
504,213	461,157	43,056	Premium - Enhanced Care Management	3,358,696	3,168,060	190,636
156,899	146,622	10,277	Premium - Major Organ Transplant	1,045,092	1,007,265	37,827
63,792	235,516	(171,724)	Premium - Cal AIM	438,904	1,617,947	(1,179,043)
672,873	778,939	(106,066)	Premium - BHT Kick	4,367,382	5,351,160	(983,778)
447,406	479,123	(31,717)	Premium - Provider Enhancement	3,353,313	3,291,483	61,830
153,966	144,202	9,764	Premium - Ground Emergency Medical Transportation	1,025,556	990,640	34,916
11,474	49,505	(38,031)	Premium - Behavorial Health Integration Program	177,164	340,089	(162,925)
15	-	15	Premium - Vaccine Incentive	72,118	-	72,118
-	-	-	Premium - Student Behavioral Health Incentive	27,982	-	27,982
51,059	-	51,059	Premium - Housing and Homelessness Incentive	51,059	-	51,059
15,833,803	15,114,381	719,422	Total Title XIX - Medicaid - SPD Members	105,652,391	103,832,891	1,819,500

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA
FOR THE MONTH ENDED JULY 31, 2022

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			PHYSICIAN SERVICES			
3,951,533	4,002,380	50,847	Primary Care Physician Services	26,814,923	27,514,841	699,918
12,653,874	11,751,448	(902,426)	Referral Specialty Services	89,430,857	80,804,923	(8,625,934)
2,369,574	1,641,147	(728,427)	Urgent Care & After Hours Advise	14,560,645	11,283,470	(3,277,175)
9,300	9,300	-	Hospital Admitting Team	63,600	63,600	-
18,984,281	17,404,275	(1,580,006)	TOTAL PHYSICIAN SERVICES	130,870,025	119,666,834	(11,203,191)
			OTHER PROFESSIONAL SERVICES			
315,663	326,821	11,158	Vision Service Capitation	2,177,411	2,246,767	69,356
1,913,288	2,154,063	240,775	Medical Departments - UM Allocation *	13,087,877	15,078,435	1,990,558
1,392,248	1,545,090	152,842	Behavior Health Treatment	9,018,777	10,615,673	1,596,896
112,742	154,955	42,213	Mental Health Services	1,090,949	1,065,236	(25,713)
1,403,400	1,697,717	294,317	Other Professional Services	10,270,430	11,674,531	1,404,101
5,137,341	5,878,647	741,306	TOTAL OTHER PROFESSIONAL SERVICES	35,645,444	40,680,642	5,035,198
4,764,039	5,664,461	900,422	EMERGENCY ROOM	32,628,689	38,944,932	6,316,243
22,935,749	20,342,423	(2,593,326)	INPATIENT HOSPITAL	145,122,183	139,877,263	(5,244,920)
(33,668)	55,980	89,648	REINSURANCE EXPENSE PREMIUM	301,447	384,840	83,393
10,013,268	8,648,009	(1,365,259)	OUTPATIENT HOSPITAL SERVICES	61,072,740	59,464,878	(1,607,862)
			OTHER MEDICAL			
1,358,335	1,628,871	270,536	Ambulance and NEMT	9,010,833	11,197,579	2,186,746
1,083,945	702,251	(381,694)	Home Health Services & CBAS	6,351,173	4,827,043	(1,524,130)
696,258	1,106,708	410,450	Utilization and Quality Review Expenses	5,128,793	7,746,956	2,618,163
1,750,512	1,467,338	(283,174)	Long Term/SNF/Hospice	11,804,023	10,086,631	(1,717,392)
5,197,617	5,909,233	711,616	Provider Enhancement Expense - Prop. 56	40,494,181	40,622,051	127,870
503,001	530,601	27,600	Provider Enhancement Expense - GEMT	3,059,349	3,649,623	590,274
2,148	-	(2,148)	Vaccine Incentive Program Expense	3,170,121	-	(3,170,121)
220,782	250,531	29,749	Behaviorial Health Integration Program	3,356,148	1,722,621	(1,633,527)
1,907,842	1,772,353	(135,489)	Enhanced Care Management	12,820,270	12,206,542	(613,728)
504,463	488,390	(16,073)	Major Organ Transplant	3,400,362	3,357,995	(42,367)
1,195,617	1,191,879	(3,738)	Cal AIM Incentive Programs	9,145,660	8,195,205	(950,455)
996,415	921,268	(75,147)	DME/Rebates	6,428,512	6,332,644	(95,868)
15,416,935	15,969,422	552,487	TOTAL OTHER MEDICAL	114,169,425	109,944,890	(4,224,535)
485,358	466,500	(18,858)	PAY FOR PERFORMANCE QUALITY INCENTIVE	3,303,805	3,207,000	(96,805)
18,674,627	17,393,792	(1,280,835)	HOSPITAL DIRECTED PAYMENTS	125,999,685	119,755,382	(6,244,303)
9,235	-	(9,235)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	26,947,189	-	(26,947,189)
17,040	-	(17,040)	NON-CLAIMS EXPENSE ADJUSTMENT	(643,010)	-	643,010
(238,100)	-	238,100	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(15,845,047)	-	15,845,047
96,166,105	91,823,510	(4,342,595)	Total Medical Costs	659,572,575	631,926,661	(27,645,914)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM
FOR THE MONTH ENDED JULY 31, 2022

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			PHYSICIAN SERVICES			
12.21	12.87	0.66	Primary Care Physician Services	12.16	12.87	0.71
39.11	37.79	(1.32)	Referral Specialty Services	40.55	37.79	(2.76)
7.32	5.28	(2.05)	Urgent Care & After Hours Advise	6.60	5.28	(1.32)
0.03	0.03	0.00	Hospital Admitting Team	0.03	0.03	0.00
58.67	55.96	(2.71)	TOTAL PHYSICIAN SERVICES	59.34	55.97	(3.37)
			OTHER PROFESSIONAL SERVICES			
0.98	1.05	0.08	Vision Service Capitation	0.99	1.05	0.06
5.91	6.93	1.01	Medical Departments - UM Allocation *	5.93	7.05	1.12
4.30	4.97	0.67	Behavior Health Treatment	4.09	4.97	0.88
0.35	0.50	0.15	Mental Health Services	0.49	0.50	0.00
4.34	5.46	1.12	Other Professional Services	4.66	5.46	0.80
15.88	18.90	3.03	TOTAL OTHER PROFESSIONAL SERVICES	16.16	19.03	2.86
14.72	18.21	3.49	EMERGENCY ROOM	14.80	18.22	3.42
70.88	65.41	(5.47)	INPATIENT HOSPITAL	65.80	65.42	(0.38)
(0.10)	0.18	0.28	REINSURANCE EXPENSE PREMIUM	0.14	0.18	0.04
30.95	27.81	(3.14)	OUTPATIENT HOSPITAL SERVICES	27.69	27.81	0.12
			OTHER MEDICAL			
4.20	5.24	1.04	Ambulance and NEMT	4.09	5.24	1.15
3.35	2.26	(1.09)	Home Health Services & CBAS	2.88	2.26	(0.62)
2.15	3.56	1.41	Utilization and Quality Review Expenses	2.33	3.62	1.30
5.41	4.72	(0.69)	Long Term/SNF/Hospice	5.35	4.72	(0.63)
16.06	19.00	2.94	Provider Enhancement Expense - Prop. 56	18.36	19.00	0.64
1.55	1.71	0.15	Provider Enhancement Expense - GEMT	1.39	1.71	0.32
0.01	0.00	(0.01)	Vaccine Incentive Program Expense	1.44	0.00	(1.44)
0.68	0.81	0.12	Behaviorial Health Integration Program	1.52	0.81	(0.72)
5.90	5.70	(0.20)	Enhanced Care Management	5.81	5.71	(0.10)
1.56	1.57	0.01	Major Organ Transplant	1.54	1.57	0.03
3.70	3.83	0.14	Cal AIM Incentive Programs	4.15	3.83	(0.31)
3.08	2.96	(0.12)	DME	2.91	2.96	0.05
47.65	51.35	3.70	TOTAL OTHER MEDICAL	51.77	51.42	(0.34)
1.50	1.50	0.00	PAY FOR PERFORMANCE QUALITY INCENTIVE	1.50	1.50	0.00
57.71	55.93	(1.79)	HOSPITAL DIRECTED PAYMENTS	57.13	56.01	(1.12)
0.03	0.00	(0.03)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	12.22	0.00	(12.22)
0.05	0.00	(0.05)	NON-CLAIMS EXPENSE ADJUSTMENT	(0.29)	0.00	0.29
(0.74)	0.00	0.74	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(7.18)	0.00	7.18
297.20	295.25	(1.95)	Total Medical Costs	299.08	295.57	(3.51)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH JULY 31, 2022	JANUARY 2022	FEBRUARY 2022	MARCH 2022	APRIL 2022	MAY 2022	JUNE 2022	JULY 2022	YEAR TO DATE 2022
PHYSICIAN SERVICES								
Primary Care Physician Services	3,472,901	3,950,940	3,869,340	4,216,012	3,710,885	3,643,312	3,951,533	26,814,923
Referral Specialty Services	11,390,029	12,825,148	13,133,782	12,603,720	12,666,671	14,157,633	12,653,874	89,430,857
Urgent Care & After Hours Advise	2,665,800	2,534,829	2,906,730	1,462,769	1,508,987	1,111,956	2,369,574	14,560,645
Hospital Admitting Team	9,300	8,400	9,300	9,000	9,300	9,000	9,300	63,600
TOTAL PHYSICIAN SERVICES	17,538,030	19,319,317	19,919,152	18,291,501	17,895,843	18,921,901	18,984,281	130,870,025
OTHER PROFESSIONAL SERVICES								
Vision Service Capitation	298,113	299,421	320,479	313,381	312,490	317,864	315,663	2,177,411
Medical Departments - UM Allocation *	1,874,290	1,814,144	1,930,871	1,799,307	1,920,750	1,835,227	1,913,288	13,066,001
Behavior Health Treatment	1,143,733	984,520	1,425,684	1,406,426	1,172,372	1,493,794	1,392,248	9,018,777
Mental Health Services	385,915	151,598	138,742	134,047	69,233	98,672	112,742	1,090,949
Other Professional Services	1,338,982	1,653,027	1,439,003	1,708,384	1,360,230	1,367,404	1,403,400	10,270,430
TOTAL OTHER PROFESSIONAL SERVICES	5,041,033	4,902,710	5,254,779	5,361,545	4,835,075	5,112,961	5,137,341	35,623,568
EMERGENCY ROOM	5,209,937	5,098,972	5,150,400	5,098,584	4,139,529	3,167,228	4,764,039	32,628,689
INPATIENT HOSPITAL	20,610,105	20,031,970	20,232,342	20,364,608	21,395,635	19,551,774	22,935,749	145,122,183
REINSURANCE EXPENSE PREMIUM	53,660	53,896	57,686	56,409	56,248	57,216	(33,668)	301,447
OUTPATIENT HOSPITAL SERVICES	8,214,215	8,223,126	8,686,122	8,458,833	8,281,163	9,196,013	10,013,268	61,072,740
OTHER MEDICAL								
Ambulance and NEMT	1,321,069	1,293,500	1,339,544	1,466,846	1,405,832	825,707	1,358,335	9,010,833
Home Health Services & CBAS	733,519	813,833	841,676	781,545	1,039,980	1,056,675	1,083,945	6,351,173
Utilization and Quality Review Expenses	767,373	755,405	504,541	724,744	1,037,565	642,907	696,258	5,128,793
Long Term/SNF/Hospice	1,585,601	1,669,982	1,938,253	1,975,528	1,770,701	1,113,446	1,750,512	11,804,023
Provider Enhancement Expense - Prop. 56	5,806,204	5,819,707	5,888,710	5,878,051	5,871,736	6,032,156	5,197,617	40,494,181
Provider Enhancement Expense - GEMT	463,070	463,069	300,851	354,994	480,313	494,051	503,001	3,059,349
Vaccine Incentive Program Expense	1,143,595	1,628,354	173,216	136,387	739	85,682	2,148	3,170,121
Behaviorial Health Integration Program	824,339	824,339	824,339	225,048	216,518	220,783	220,782	3,356,148
Enhanced Care Management	2,023,406	1,561,486	1,821,649	1,818,393	1,820,636	1,866,858	1,907,842	12,820,270
Major Organ Transplant	472,866	473,613	496,178	480,362	480,654	492,226	504,463	3,400,362
Cal AIM Incentive Programs	1,241,196	1,257,731	1,089,466	1,285,346	1,268,891	1,807,413	1,195,617	9,145,660
DME	881,383	973,969	570,456	1,214,663	907,459	884,167	996,415	6,428,512
TOTAL OTHER MEDICAL	17,263,621	17,534,988	15,788,879	16,341,907	16,301,024	15,522,071	15,416,935	114,169,425
PAY FOR PERFORMANCE QUALITY INCENTIVE	464,013	465,422	465,421	472,037	473,494	478,060	485,358	3,303,805
HOSPITAL DIRECTED PAYMENTS	17,606,870	17,654,496	17,949,134	17,905,917	17,928,276	18,280,365	18,674,627	125,999,685
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	230,177	24,013	26,678,156	3,898	(3,419)	5,129	9,235	26,947,189
NON-CLAIMS EXPENSE ADJUSTMENT	43,538	4,118	572,469	62,025	(1,371,999)	29,799	17,040	(643,010)
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	627	(1,010,781)	(3,987,493)	(2,812,496)	(3,724,314)	(4,072,490)	(238,100)	(15,845,047)
Total Medical Costs	92,275,826	92,302,247	116,767,047	89,604,769	86,206,555	86,250,027	96,166,105	659,550,699

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH JULY 31, 2022	JANUARY 2022	FEBRUARY 2022	MARCH 2022	APRIL 2022	MAY 2022	JUNE 2022	JULY 2022	YEAR TO DATE 2022
PHYSICIAN SERVICES								
Primary Care Physician Services	11.23	12.73	12.38	13.40	11.76	11.41	13.58	12.16
Referral Specialty Services	36.82	41.33	42.03	40.05	40.13	44.34	43.49	40.55
Urgent Care & After Hours Advise	8.62	8.17	9.30	4.65	4.78	3.48	8.14	6.60
Hospital Admitting Team	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
TOTAL PHYSICIAN SERVICES	56.69	62.26	63.74	58.13	56.69	59.25	65.24	59.34
OTHER PROFESSIONAL SERVICES								
Vision Service Capitation	0.96	0.96	1.03	1.00	0.99	1.00	1.08	0.99
Medical Departments - UM Allocation *	6.06	5.85	6.18	5.72	6.08	12.32	6.53	5.93
Behavior Health Treatment	3.70	3.17	4.56	4.47	3.71	4.68	4.78	4.09
Mental Health Services	1.25	0.49	0.44	0.43	0.22	0.31	0.39	0.49
Other Professional Services	4.33	5.33	4.60	5.43	4.31	4.28	4.82	4.66
TOTAL OTHER PROFESSIONAL SERVICES	16.30	15.80	16.82	17.04	15.32	22.59	17.61	16.16
EMERGENCY ROOM	16.84	16.43	16.48	16.20	13.11	9.92	16.37	14.80
INPATIENT HOSPITAL	66.63	64.56	64.75	64.71	67.78	61.23	78.82	65.80
REINSURANCE EXPENSE PREMIUM	0.17	0.17	0.18	0.18	0.18	0.18	(0.12)	0.14
OUTPATIENT HOSPITAL SERVICES	26.55	26.50	27.80	26.88	26.23	28.80	34.41	27.69
OTHER MEDICAL								
Ambulance and NEMT	4.27	4.17	4.29	4.66	4.45	2.59	4.67	4.09
Home Health Services & CBAS	2.37	2.62	2.69	2.48	3.29	3.31	3.73	2.88
Utilization and Quality Review Expenses	2.48	2.43	1.61	2.30	3.29	2.01	2.39	2.33
Long Term/SNF/Hospice	5.13	5.38	6.20	6.28	5.61	3.49	6.02	5.35
Provider Enhancement Expense - Prop. 56	18.77	18.76	18.84	18.68	18.60	18.89	17.86	18.36
Provider Enhancement Expense - GEMT	1.50	1.49	0.96	1.13	1.52	1.55	1.73	1.39
Vaccine Incentive Program Expense	3.70	5.25	0.55	0.43	0.00	0.27	0.01	1.44
Behaviorial Health Integration Program	2.66	2.66	2.64	0.72	0.69	0.69	0.76	1.52
Enhanced Care Management	6.54	5.03	5.83	5.78	5.77	5.85	6.56	5.81
Major Organ Transplant	1.53	1.53	1.59	1.53	1.52	1.54	1.73	1.54
Cal AIM Incentive Programs	4.01	4.05	3.49	4.08	4.02	5.66	4.11	4.15
DME	2.85	3.14	1.83	3.86	2.87	2.77	3.42	2.91
TOTAL OTHER MEDICAL	55.81	56.51	50.53	51.93	51.64	48.61	52.98	51.77
PAY FOR PERFORMANCE QUALITY INCENTIVE	1.50	1.50	1.49	1.50	1.50	1.50	1.67	1.50
HOSPITAL DIRECTED PAYMENTS	56.92	56.90	57.44	56.90	56.80	57.25	64.18	57.13
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	0.74	0.08	85.37	0.01	(0.01)	0.02	0.03	12.22
NON-CLAIMS EXPENSE ADJUSTMENT	0.14	0.01	1.83	0.20	(4.35)	0.09	0.06	(0.29)
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	0.00	(3.26)	(12.76)	(8.94)	(11.80)	(12.75)	(0.82)	(7.18)
Total Medical Costs	298.30	297.48	373.67	284.74	273.10	276.67	330.45	299.08

KERN HEALTH SYSTEMS

MEDI-CAL

SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT

FOR THE MONTH ENDED JULY 31, 2022

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
504,386	484,798	(19,588)	110 - Executive	3,031,862	3,268,584	236,722
202,574	234,469	31,895	210 - Accounting	1,480,195	1,641,283	161,088
449,253	359,967	(89,286)	220 - Management Information Systems	2,402,628	2,519,769	117,141
42,730	54,298	11,568	221 - Business Intelligence	260,695	380,086	119,391
256,153	383,664	127,511	222 - Enterprise Development	1,961,787	2,685,648	723,861
450,547	533,193	82,646	225 - Infrastructure	3,319,234	3,732,351	413,117
654,284	615,321	(38,963)	230 - Claims	4,056,686	4,307,247	250,561
152,605	187,947	35,342	240 - Project Management	1,032,349	1,315,629	283,280
167,284	180,989	13,705	310 - Health Services - Utilization Management	1,015,625	1,266,923	251,298
1,002	14,039	13,037	311 - Health Services - Quality Improvement	1,841	98,273	96,432
895	513	(382)	312 - Health Services - Education	3,870	3,591	(279)
33,787	50,828	17,041	313- Pharmacy	255,998	355,796	99,798
16,919	2,308	(14,611)	314 - Enhanced Care Management	67,543	16,156	(51,387)
54,747	74,558	19,811	316 -Population Health Management	431,477	521,906	90,429
7	333	326	317 - Community Based Services	111	2,331	2,220
42	-	(42)	318 - Housing & Homeless Incentive Program	42	-	(42)
307,080	359,942	52,862	320 - Provider Network Management	2,171,792	2,519,594	347,802
682,669	871,663	188,994	330 - Member Services	4,735,919	6,101,641	1,365,722
814,993	721,857	(93,136)	340 - Corporate Services	5,395,046	5,052,999	(342,047)
91,281	97,177	5,896	360 - Audit & Investigative Services	537,333	680,239	142,906
169,122	92,450	(76,672)	410 - Advertising Media	389,000	647,150	258,150
58,511	76,696	18,185	420 - Sales/Marketing/Public Relations	448,483	536,872	88,389
340,172	303,042	(37,130)	510 - Human Resourses	2,130,335	2,121,294	(9,041)
425,467	(92,324)	(517,791)	Administrative Expense Adjustment	1,384,368	(646,268)	(2,030,636)
5,876,510	5,607,728	(268,782)	Total Administrative Expenses	36,514,219	39,129,094	2,614,875

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED JULY 31, 2022	JANUARY 2022	FEBRUARY 2022	MARCH 2022	APRIL 2022	MAY 2022	JUNE 2022	JULY 2022	YEAR TO DATE 2022
110 - Executive	424,308	403,286	429,743	446,418	470,648	353,073	504,386	3,031,862
210 - Accounting	233,241	178,928	252,864	163,976	225,728	222,884	202,574	1,480,195
220 - Management Information Systems (MIS)	335,777	238,917	337,588	352,426	352,473	336,194	449,253	2,402,628
221 - Business Intelligence	13,042	65,687	31,834	45,508	45,708	16,186	42,730	260,695
222 - Enterprise Development	307,654	250,898	286,566	265,813	303,353	291,350	256,153	1,961,787
225 - Infrastructure	473,799	427,685	536,529	343,776	562,405	524,493	450,547	3,319,234
230 - Claims	582,040	548,583	591,767	559,648	590,588	529,776	654,284	4,056,686
240 - Project Management	171,917	152,433	174,210	123,662	152,467	105,055	152,605	1,032,349
310 - Health Services - Utilization Management	139,536	126,622	128,165	132,502	154,797	166,719	167,284	1,015,625
311 - Health Services - Quality Improvement	277	15,545	(90)	186	(15,257)	178	1,002	1,841
312 - Health Services - Education	-	180	2,174	310	89	222	895	3,870
313- Pharmacy	39,824	36,716	38,879	36,385	35,680	34,727	33,787	255,998
314 - Enhanced Care Management	3,281	241	19	12,005	22,519	12,559	16,919	67,543
316 -Population Health Management	65,121	62,696	63,150	64,161	66,172	55,430	54,747	431,477
317 - Community Based Services	-	24	22	17	5	36	7	111
318 - Housing & Homeless Incentive Program	-	-	-	-	9,346	(9,346)	42	42
320 - Provider Network Management	327,923	326,761	325,559	269,804	308,858	305,807	307,080	2,171,792
330 - Member Services	754,477	623,424	700,611	644,994	694,732	635,012	682,669	4,735,919
340 - Corporate Services	786,930	685,514	778,083	735,005	751,597	842,924	814,993	5,395,046
360 - Audit & Investigative Services	69,757	69,895	71,016	82,269	83,957	69,158	91,281	537,333
410 - Advertising Media	11,825	27,353	55,984	38,254	34,202	52,260	169,122	389,000
420 - Sales/Marketing/Public Relations	66,531	51,460	70,326	65,913	62,815	72,927	58,511	448,483
510 - Human Resourses	309,451	254,507	352,740	341,377	295,995	236,093	340,172	2,130,335
Total Department Expenses	5,116,711	4,547,355	5,227,739	4,724,409	5,208,877	4,853,717	5,451,043	35,129,851
ADMINISTRATIVE EXPENSE ADJUSTMENT	(1,904)	(44,283)	31,776	164,256	(2,834)	811,890	425,467	1,384,368
Total Administrative Expenses	5,114,807	4,503,072	5,259,515	4,888,665	5,206,043	5,665,607	5,876,510	36,514,219

KERN HEALTH SYSTEMS
GROUP HEALTH PLAN - HFAM
BALANCE SHEET STATEMENT
AS OF JULY 31, 2022

ASSETS	JULY 2022	JUNE 2022	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	$ 1,142,022	$ 1,139,898	2,124
Interest Receivable	700	600	100
TOTAL CURRENT ASSETS	$ 1,142,722	$ 1,140,498	$ 2,224
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Other Liabilities	-	-	-
TOTAL CURRENT LIABILITIES	$ -	$ -	$ -
NET POSITION:			
Net Position- Beg. of Year	1,136,102	1,136,102	-
Increase (Decrease) in Net Position - Current Year	6,620	4,396	2,224
Total Net Position	$ 1,142,722	$ 1,140,498	$ 2,224
TOTAL LIABILITIES AND NET POSITION	$ 1,142,722	$ 1,140,498	$ 2,224

KERN HEALTH SYSTEMS
GROUP HEALTH PLAN - HFAM
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
FOR THE MONTH ENDED JULY 31, 2022

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			ENROLLMENT			
-	-	-	Members	-	-	-
			REVENUES			
-	-	-	Premium	-	-	-
2,224	-	2,224	Interest	3,718	-	3,718
-	-	-	Other Investment Income	2,902	-	2,902
2,224	-	2,224	TOTAL REVENUES	6,620	-	6,620
			EXPENSES			
			Medical Costs			
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
2,224	-	2,224	GROSS MARGIN	6,620	-	6,620
			Administrative			
-	-	-	Management Fee Expense and Other Admin Exp	-	-	-
-	-	-	Total Administrative Expenses	-	-	-
-	-	-	TOTAL EXPENSES	-	-	-
2,224	-	2,224	OPERATING INCOME (LOSS)	6,620	-	6,620
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-
2,224	-	2,224	NET INCREASE (DECREASE) IN NET POSITION	6,620	-	6,620
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%
0%	0%	0%	ADMINISTRATIVE EXPENSE RATIO	0%	0%	0%

KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT

KERN HEALTH SYSTEMS

MEDI-CAL	2022 MEMBER MONTHS	JAN'22	FEB'22	MAR'22	APR'22	MAY'22	JUN'22	JULY'22
ADULT AND FAMILY								
ADULT	***432,291***	60,708	60,882	61,379	61,726	61,739	62,276	63,581
CHILD	***985,964***	139,223	139,605	140,344	141,029	141,356	141,902	142,505
SUB-TOTAL ADULT & FAMILY	***1,418,255***	***199,931***	***200,487***	***201,723***	***202,755***	***203,095***	***204,178***	***206,086***
OTHER MEMBERS								
PARTIAL DUALS - FAMILY	***5,726***	824	801	811	796	815	837	842
PARTIAL DUALS - CHILD	***0***	0	0	0	0	0	0	0
PARTIAL DUALS - BCCTP	***44***	4	13	6	5	5	5	6
FULL DUALS (SPD)								
SPD FULL DUALS	***59,060***	8,138	8,257	8,336	8,411	8,662	8,572	8,684
SUBTOTAL OTHER MEMBERS	***64,830***	***8,966***	***9,071***	***9,153***	***9,212***	***9,482***	***9,414***	***9,532***
TOTAL FAMILY & OTHER	***1,483,085***	***208,897***	***209,558***	***210,876***	***211,967***	***212,577***	***213,592***	***215,618***
SPD								
SPD (AGED AND DISABLED)	***115,727***	16,556	16,376	16,516	16,363	16,305	16,794	16,817
MEDI-CAL EXPANSION								
ACA Expansion Adult-Citizen	**597,485**	82,803	83,199	83,828	85,037	85,412	87,526	89,680
ACA Expansion Duals	**9,075**	1,086	1,148	1,270	1,324	1,369	1,421	1,457
SUB-TOTAL MED-CAL EXPANSION	***606,560***	***83,889***	***84,347***	***85,098***	***86,361***	***86,781***	***88,947***	***91,137***
TOTAL KAISER	***93,595***	***12,787***	***13,032***	***13,253***	***13,407***	***13,552***	***13,722***	***13,842***
TOTAL MEDI-CAL MEMBERS	***2,298,967***	***322,129***	***323,313***	***325,743***	***328,098***	***329,215***	***333,055***	***337,414***

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Robert Landis, CFO

Date: October 13, 2022

Re: August 2022 Financial Results

The August results reflect a $3,791,263 Net Increase in Net Position which is a $4,079,152 favorable variance to the budget. Listed below are the major variances for the month:

1) Total Revenues reflect a $4.9 million favorable variance primarily due to:

   A) $3.8 million favorable variance primarily due to higher-than-expected budgeted membership.

   B) $1.1 million favorable variance in Premium-Hospital Directed Payments primarily due to higher-than-expected budgeted membership offset amounts included in 2C below.

2) Total Medical Costs reflect a $1.2 million unfavorable variance primarily due to:

   A) $1.0 million favorable variance in Emergency Room primarily due to lower-than-expected utilization over the last several months by Family members.

   B) $1.2 million unfavorable variance in Outpatient Hospital primarily due to higher-than-expected utilization over the last several months.

   C) $1.1 million unfavorable variance in Premium-Hospital Directed Payments primarily due to higher-than-expected budgeted membership offset amounts included in 1B above.

The August Medical Loss Ratio is 88.9% which is favorable to the 92.9% budgeted amount. The August Administrative Expense Ratio is 6.6% which is favorable to the 7.0% budgeted amount.

The results for the 8 months ended August 31, 2022 reflect a Net Increase in Net Position of $27,820,026. This is a $30,560,307 favorable variance to budget and includes approximately $12.6 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 88.7% which is favorable to the 92.8% budgeted amount. The year-to-date Administrative Expense Ratio is 6.4% which is favorable to the 7.1% budgeted amount.

Kern Health Systems
Financial Packet
August 2022

KHS – Medi-Cal Line of Business

KHS Group Health Plan – Healthy Families Line of Business

KHS Administrative Analysis and Other Reporting

KERN HEALTH SYSTEMS
MEDI-CAL
STATEMENT OF NET POSITION
AS OF AUGUST 31, 2022

ASSETS	AUGUST 2022	JULY 2022	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	$ 134,523,073	$ 144,647,884	$ (10,124,811)
Short-Term Investments	215,869,792	196,960,822	18,908,970
Premiums Receivable - Net	109,684,845	103,614,224	6,070,621
Premiums Receivable - Hospital Direct Payments	396,775,284	378,183,653	18,591,631
Interest Receivable	92,007	46,007	46,000
Provider Advance Payment	2,986,954	3,263,913	(276,959)
Other Receivables	289,002	253,825	35,177
Prepaid Expenses & Other Current Assets	3,666,291	4,149,194	(482,903)
Total Current Assets	$ 863,887,248	$ 831,119,522	$ 32,767,726
CAPITAL ASSETS - NET OF ACCUM DEPRE:			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	1,371,186	1,419,984	(48,798)
Computer Hardware and Software - Net	19,119,241	19,464,364	(345,123)
Building and Building Improvements - Net	34,019,634	34,095,742	(76,108)
Capital Projects in Progress	5,954,066	5,622,764	331,302
Total Capital Assets	$ 64,554,833	$ 64,693,560	$ (138,727)
LONG TERM ASSETS:			
Restricted Investments	300,000	300,000	-
Officer Life Insurance Receivables	1,623,201	1,623,201	-
Total Long Term Assets	$ 1,923,201	$ 1,923,201	$ -
DEFERRED OUTFLOWS OF RESOURCES	$ 4,731,067	$ 4,731,067	$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 935,096,349	$ 902,467,350	$ 32,628,999
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accrued Salaries and Employee Benefits	$ 4,659,585	$ 4,428,342	231,243
Accrued Other Operating Expenses	1,990,876	2,098,876	(108,000)
Accrued Taxes and Licenses	21,611,880	10,728,420	10,883,460
Claims Payable (Reported)	15,291,586	20,456,608	(5,165,022)
IBNR - Inpatient Claims	47,880,532	47,167,465	713,067
IBNR - Physician Claims	18,053,928	19,119,871	(1,065,943)
IBNR - Accrued Other Medical	24,241,114	23,750,771	490,343
Risk Pool and Withholds Payable	6,503,576	6,922,709	(419,133)
Statutory Allowance for Claims Processing Expense	2,509,938	2,509,938	-
Other Liabilities	114,343,380	109,957,290	4,386,090
Accrued Hospital Directed Payments	396,775,284	378,183,653	18,591,631
Total Current Liabilities	$ 653,861,679	$ 625,323,943	$ 28,537,736
NONCURRENT LIABILITIES:			
Net Pension Liability	600,000	300,000	300,000
TOTAL NONCURRENT LIABILITIES	$ 600,000	$ 300,000	$ 300,000
DEFERRED INFLOWS OF RESOURCES	$ 5,338,319	$ 5,338,319	$ -
NET POSITION:			
Net Position - Beg. of Year	247,476,325	247,476,325	-
Increase (Decrease) in Net Position - Current Year	27,820,026	24,028,763	3,791,263
Total Net Position	$ 275,296,351	$ 271,505,088	$ 3,791,263
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 935,096,349	$ 902,467,350	$ 32,628,999

KERN HEALTH SYSTEMS
MEDI-CAL - ALL COA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
FOR THE MONTH ENDED AUGUST 31, 2022

CURRENT MONTH MEMBERS				YEAR-TO-DATE MEMBER MONTHS		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
206,065	205,800	265	Family Members	1,624,320	1,610,000	14,320
92,164	83,230	8,934	Expansion Members	698,724	652,040	46,684
17,118	16,230	888	SPD Members	132,845	127,040	5,805
9,614	7,740	1,874	Other Members	74,444	61,920	12,524
13,972	13,000	972	Kaiser Members	107,567	104,000	3,567
338,933	326,000	12,933	T o t a l M e m b e r s - MCAL	2,637,900	2,555,000	82,900
			R E V E N U E S			
37,941,354	36,293,820	1,647,534	Title XIX - Medicaid - Family and Other	296,392,766	285,127,834	11,264,932
31,238,545	28,989,215	2,249,330	Title XIX - Medicaid - Expansion Members	241,443,125	227,127,740	14,315,385
15,065,828	15,208,084	(142,256)	Title XIX - Medicaid - SPD Members	120,718,219	119,040,975	1,677,244
10,883,459	10,784,219	99,240	Premium - MCO Tax	81,131,244	80,866,536	264,708
18,595,974	17,499,857	1,096,117	Premium - Hospital Directed Payments	144,595,659	137,255,238	7,340,421
(121,473)	84,101	(205,574)	Investment Earnings And Other Income	(546,916)	658,475	(1,205,391)
-	56,340	(56,340)	Reinsurance Recoveries	-	441,180	(441,180)
(4,343)	-	(4,343)	Rate Adjustments - Hospital Directed Payments	27,151,526	-	27,151,526
245,168	-	245,168	Rate/Income Adjustments	(1,930,452)	-	(1,930,452)
113,844,512	108,915,636	4,928,876	TOTAL REVENUES	908,955,171	850,517,978	58,437,193
			E X P E N S E S			
			Medical Costs:			
18,198,409	17,518,268	(680,141)	Physician Services	149,068,434	137,185,103	(11,883,331)
5,208,793	5,902,533	693,740	Other Professional Services	40,854,237	46,583,174	5,728,937
4,661,044	5,701,321	1,040,277	Emergency Room	37,289,733	44,646,253	7,356,520
20,834,103	20,476,858	(357,245)	I n p a t i e n t	165,956,286	160,354,121	(5,602,165)
(25,136)	56,340	81,476	Reinsurance Expense	276,311	441,180	164,869
9,928,749	8,705,114	(1,223,635)	Outpatient Hospital	71,001,489	68,169,993	(2,831,496)
15,241,576	16,065,121	823,545	Other Medical	129,411,001	126,010,012	(3,400,989)
485,358	469,500	(15,858)	Pay for Performance Quality Incentive	3,789,163	3,676,500	(112,663)
18,595,974	17,499,857	(1,096,117)	Hospital Directed Payments	144,595,659	137,255,238	(7,340,421)
(4,343)	-	4,343	Hospital Directed Payment Adjustment	26,942,846	-	(26,942,846)
5,019	-	(5,019)	Non-Claims Expense Adjustment	(637,991)	-	637,991
487,881	-	(487,881)	IBNR, Incentive, Paid Claims Adjustment	(15,357,166)	-	15,357,166
93,617,427	92,394,913	(1,222,514)	Total Medical Costs	753,190,002	724,321,573	(28,868,429)
20,227,085	16,520,723	3,706,362	GROSS MARGIN	155,765,169	126,196,405	29,568,764
			Administrative:			
3,148,970	3,394,438	245,468	Compensation	24,844,493	27,030,507	2,186,014
1,144,312	1,108,544	(35,768)	Purchased Services	7,607,719	8,868,354	1,260,635
117,566	212,108	94,542	Supplies	732,783	1,696,860	964,077
583,814	526,572	(57,242)	Depreciation	4,646,073	4,212,576	(433,497)
315,625	366,066	50,441	Other Administrative Expenses	2,609,070	2,928,525	319,455
300,000	-	(300,000)	Administrative Expense Adjustment	1,684,368	-	(1,684,368)
5,610,287	5,607,728	(2,559)	Total Administrative Expenses	42,124,506	44,736,822	2,612,316
99,227,714	98,002,640	(1,225,074)	TOTAL EXPENSES	795,314,508	769,058,395	(26,256,113)
14,616,798	10,912,996	3,703,802	OPERATING INCOME (LOSS) BEFORE TAX	113,640,663	81,459,583	32,181,080
10,883,460	10,784,219	(99,241)	MCO TAX	81,124,976	80,866,536	(258,440)
3,733,338	128,777	3,604,561	OPERATING INCOME (LOSS) NET OF TAX	32,515,687	593,047	31,922,640
			NONOPERATING REVENUE (EXPENSE)			
-	-	-	Gain on Sale of Assets	-	-	-
18,078	(333,333)	351,411	Provider Grants/CalAIM Initiative Grant	(4,095,430)	(2,666,664)	(1,428,766)
39,847	(83,333)	123,180	Health Home	(600,231)	(666,664)	66,433
57,925	(416,666)	474,591	TOTAL NONOPERATING REVENUE (EXPENSE)	(4,695,661)	(3,333,328)	(1,362,333)
3,791,263	(287,889)	4,079,152	NET INCREASE (DECREASE) IN NET POSITION	27,820,026	(2,740,281)	30,560,307
88.9%	92.9%	4.0%	MEDICAL LOSS RATIO	88.7%	92.8%	4.2%
6.6%	7.0%	0.3%	ADMINISTRATIVE EXPENSE RATIO	6.4%	7.1%	0.7%

KERN HEALTH SYSTEMS
MEDI-CAL
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM
FOR THE MONTH ENDED AUGUST 31, 2022

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			ENROLLMENT			
206,065	205,800	265	Family Members	1,624,320	1,610,000	14,320
92,164	83,230	8,934	Expansion Members	698,724	652,040	46,684
17,118	16,230	888	SPD Members	132,845	127,040	5,805
9,614	7,740	1,874	Other Members	74,444	61,920	12,524
13,972	13,000	972	Kaiser Members	107,567	104,000	3,567
338,933	326,000	12,933	Total Members - MCAL	2,637,900	2,555,000	82,900
			REVENUES			
175.92	169.96	5.95	Title XIX - Medicaid - Family and Other	174.48	170.54	3.94
338.95	348.30	(9.36)	Title XIX - Medicaid - Expansion Members	345.55	348.33	(2.79)
880.12	937.04	(56.92)	Title XIX - Medicaid - SPD Members	908.71	937.04	(28.32)
33.49	34.45	(0.96)	Premium - MCO Tax	32.06	32.99	(0.93)
57.23	55.91	1.32	Premium - Hospital Directed Payments	57.14	56.00	1.15
(0.37)	0.27	(0.64)	Investment Earnings And Other Income	(0.22)	0.27	(0.48)
0.00	0.18	(0.18)	Reinsurance Recoveries	0.00	0.18	(0.18)
(0.01)	0.00	(0.01)	Rate Adjustments - Hospital Directed Payments	10.73	0.00	10.73
0.75	0.00	0.75	Rate/Income Adjustments	(0.76)	0.00	(0.76)
350.33	347.97	2.36	TOTAL REVENUES	359.22	347.01	12.21
			EXPENSES			
			Medical Costs:			
56.00	55.97	(0.03)	Physician Services	58.91	55.97	(2.94)
16.03	18.86	2.83	Other Professional Services	16.15	19.01	2.86
14.34	18.22	3.87	Emergency Room	14.74	18.22	3.48
64.11	65.42	1.31	Inpatient	65.59	65.42	(0.16)
(0.08)	0.18	0.26	Reinsurance Expense	0.11	0.18	0.07
30.55	27.81	(2.74)	Outpatient Hospital	28.06	27.81	(0.25)
46.90	51.33	4.42	Other Medical	51.14	51.41	0.27
1.49	1.50	0.01	Pay for Performance Quality Incentive	1.50	1.50	0.00
57.23	55.91	(1.32)	Hospital Directed Payments	57.14	56.00	(1.15)
(0.01)	0.00	0.01	Hospital Directed Payment Adjustment	10.65	0.00	(10.65)
0.02	0.00	(0.02)	Non-Claims Expense Adjustment	(0.25)	0.00	0.25
1.50	0.00	(1.50)	IBNR, Incentive, Paid Claims Adjustment	(6.07)	0.00	6.07
288.09	295.19	7.10	Total Medical Costs	297.66	295.52	(2.14)
62.24	52.78	9.46	GROSS MARGIN	61.56	51.49	10.07
			Administrative:			
9.69	10.84	1.15	Compensation	9.82	11.03	1.21
3.52	3.54	0.02	Purchased Services	3.01	3.62	0.61
0.36	0.68	0.32	Supplies	0.29	0.69	0.40
1.80	1.68	(0.11)	Depreciation	1.84	1.72	(0.12)
0.97	1.17	0.20	Other Administrative Expenses	1.03	1.19	0.16
0.92	0.00	(0.92)	Administrative Expense Adjustment	0.67	0.00	(0.67)
17.26	17.92	0.65	Total Administrative Expenses	16.65	18.25	1.60
305.35	313.11	7.75	TOTAL EXPENSES	314.31	313.77	(0.54)
44.98	34.87	10.11	OPERATING INCOME (LOSS) BEFORE TAX	44.91	33.24	11.68
33.49	34.45	0.96	MCO TAX	32.06	32.99	0.93
11.49	0.41	11.08	OPERATING INCOME (LOSS) NET OF TAX	12.85	0.24	12.61
			NONOPERATING REVENUE (EXPENSE)			
0.00	0.00	0.00	Gain on Sale of Assets	0.00	0.00	0.00
0.06	(1.06)	1.12	Reserve Fund Projects/Community Grants	(1.62)	(1.09)	(0.53)
0.12	(0.27)	0.39	Health Home	(0.24)	(0.27)	0.03
0.18	(1.33)	1.51	TOTAL NONOPERATING REVENUE (EXPENSE)	(1.86)	(1.36)	(0.50)
11.67	(0.92)	12.59	NET INCREASE (DECREASE) IN NET POSITION	10.99	(1.12)	12.11
88.9%	92.9%	4.0%	MEDICAL LOSS RATIO	88.7%	92.8%	4.2%
6.6%	7.0%	0.3%	ADMINISTRATIVE EXPENSE RATIO	6.4%	7.1%	0.7%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH AUGUST 31, 2022	AUGUST 2021	SEPTEMBER 2021	OCTOBER 2021	NOVEMBER 2021	DECEMBER 2021	JANUARY 2022	FEBRUARY 2022
ENROLLMENT							
Members - MCAL	292,271	294,672	295,865	296,989	298,205	309,342	310,281
REVENUES							
Title XIX - Medicaid - Family and Other	34,569,656	35,961,464	37,040,845	37,111,335	36,899,197	37,009,614	37,126,546
Title XIX - Medicaid - Expansion Members	29,540,608	29,932,046	30,140,656	31,001,586	30,241,720	29,968,453	29,945,915
Title XIX - Medicaid - SPD Members	16,115,519	16,075,172	16,206,131	16,254,790	16,506,513	14,953,594	14,858,906
Premium - MCO Tax	10,069,582	10,136,079	10,229,218	10,229,533	10,273,393	9,899,314	9,894,054
Premium - Hospital Directed Payments	16,361,944	16,554,814	16,726,476	16,753,272	16,836,470	17,606,870	17,654,496
Investment Earnings And Other Income	567,469	(59,079)	131,645	157,659	(694,967)	329,573	86,457
Rate Adjustments - Hospital Directed Payments	7,365	5,709	4,491	8,691	(3,586)	230,177	24,013
Rate/Income Adjustments	(458,866)	122,473	52,871	66,815	5,625	957,475	977,794
TOTAL REVENUES	106,773,277	108,728,678	110,532,333	111,583,681	110,064,365	110,955,070	110,568,181
EXPENSES							
Medical Costs:							
Physician Services	15,819,470	17,895,535	17,549,058	17,258,969	17,972,930	17,538,030	19,319,317
Other Professional Services	4,825,412	4,347,759	4,846,005	4,829,415	4,344,076	5,041,033	4,902,710
Emergency Room	4,472,304	3,735,609	4,506,067	4,818,883	4,391,622	5,209,937	5,098,972
Inpatient	20,581,248	20,303,427	23,207,054	21,256,426	17,137,562	20,610,105	20,031,970
Reinsurance Expense	84,997	84,384	85,133	86,151	86,147	53,660	53,896
Outpatient Hospital	7,942,981	7,529,697	7,080,379	7,793,785	6,083,159	8,214,215	8,223,126
Other Medical	9,914,269	10,572,454	10,784,127	12,549,269	11,502,354	17,263,621	17,534,988
Pharmacy	10,298,442	9,913,574	10,236,384	10,196,195	10,620,178	-	-
Pay for Performance Quality Incentive	552,862	-	-	-	1,420,000	464,013	465,422
Hospital Directed Payments	16,361,944	16,554,814	16,726,476	16,753,272	16,836,470	17,606,870	17,654,496
Hospital Directed Payment Adjustment	7,365	(132,637)	4,491	8,691	(3,586)	230,177	24,013
Non-Claims Expense Adjustment	34,433	20,737	8,907	24,857	(44,256)	43,538	4,118
IBNR, Incentive, Paid Claims Adjustment	(55,915)	14,595	(924,120)	(1,378,922)	(1,022,824)	627	(1,010,781)
Total Medical Costs	90,839,812	90,839,948	94,109,961	94,196,991	89,323,832	92,275,826	92,302,247
GROSS MARGIN	15,933,465	17,888,730	16,422,372	17,386,690	20,740,533	18,679,244	18,265,934
Administrative:							
Compensation	2,781,896	2,791,543	2,746,218	2,775,542	2,592,690	3,116,842	2,847,002
Purchased Services	845,393	968,021	991,178	1,095,098	1,355,474	846,917	877,498
Supplies	193,504	(17,330)	58,257	188,536	164,659	191,908	(8,268)
Depreciation	427,805	427,804	424,376	716,552	746,072	571,126	571,126
Other Administrative Expenses	214,396	443,524	348,575	276,718	605,706	389,918	259,997
Administrative Expense Adjustment	(2,367)	3,540	300	77,569	(194,326)	(1,904)	(44,283)
Total Administrative Expenses	4,460,627	4,617,102	4,568,904	5,130,015	5,270,275	5,114,807	4,503,072
TOTAL EXPENSES	95,300,439	95,457,050	98,678,865	99,327,006	94,594,107	97,390,633	96,805,319
OPERATING INCOME (LOSS) BEFORE TAX	11,472,838	13,271,628	11,853,468	12,256,675	15,470,258	13,564,437	13,762,862
MCO TAX	9,894,055	9,894,054	9,894,054	9,894,054	9,895,157	9,894,054	9,894,054
OPERATING INCOME (LOSS) NET OF TAX	1,578,783	3,377,574	1,959,414	2,362,621	5,575,101	3,670,383	3,868,808
TOTAL NONOPERATING REVENUE (EXPENSE)	(949,330)	(2,438,918)	(1,027,231)	(1,516,642)	(175,210)	(400,389)	(986,700)
NET INCREASE (DECREASE) IN NET POSITION	629,453	938,656	932,183	845,979	5,399,891	3,269,994	2,882,108
MEDICAL LOSS RATIO	92.7%	90.7%	92.6%	91.5%	87.4%	89.4%	89.9%
ADMINISTRATIVE EXPENSE RATIO	5.6%	5.6%	5.5%	6.1%	6.4%	6.1%	5.4%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH AUGUST 31, 2022	MARCH 2022	APRIL 2022	MAY 2022	JUNE 2022	JULY 2022	AUGUST 2022	13 MONTH TOTAL
ENROLLMENT							
Members - MCAL	312,490	314,691	315,663	319,333	323,572	324,961	4,008,335
REVENUES							
Title XIX - Medicaid - Family and Other	36,539,594	36,762,722	35,766,911	37,731,384	37,514,641	37,941,354	477,975,263
Title XIX - Medicaid - Expansion Members	29,350,530	29,812,384	29,600,713	30,533,210	30,993,375	31,238,545	392,299,741
Title XIX - Medicaid - SPD Members	14,791,754	14,924,745	14,887,158	15,402,431	15,833,803	15,065,828	201,876,344
Premium - MCO Tax	9,893,826	9,894,054	9,872,493	9,910,584	10,883,460	10,883,459	132,069,049
Premium - Hospital Directed Payments	17,949,134	17,905,917	17,928,276	18,280,365	18,674,627	18,595,974	227,828,635
Investment Earnings And Other Income	(1,241,065)	(326,288)	357,517	(633,952)	1,002,315	(121,473)	(444,189)
Rate Adjustments - Hospital Directed Payments	26,907,309	3,898	(23,892)	5,129	9,235	(4,343)	27,174,196
Rate/Income Adjustments	493,268	59,935	(4,649,731)	(364,397)	350,036	245,168	(2,141,534)
TOTAL REVENUES	134,684,350	109,037,367	103,739,445	110,864,754	115,261,492	113,844,512	1,456,637,505
EXPENSES							
Medical Costs:							
Physician Services	19,919,152	18,291,501	17,895,843	18,921,901	18,984,281	18,198,409	235,564,396
Other Professional Services	5,254,779	5,361,545	4,835,075	5,112,961	5,137,341	5,208,793	64,046,904
Emergency Room	5,150,400	5,098,584	4,139,529	3,167,228	4,764,039	4,661,044	59,214,218
Inpatient	20,232,342	20,364,608	21,395,635	19,551,774	22,935,749	20,834,103	268,442,003
Reinsurance Expense	57,686	56,409	56,248	57,216	(33,668)	(25,136)	703,123
Outpatient Hospital	8,686,122	8,458,833	8,281,163	9,196,013	10,013,268	9,928,749	107,431,490
Other Medical	15,788,879	16,341,907	16,301,024	15,522,071	15,416,935	15,241,576	184,733,474
Pharmacy	-	-	-	-	-	-	51,264,773
Pay for Performance Quality Incentive	465,421	472,037	473,494	478,060	485,358	485,358	5,762,025
Hospital Directed Payments	17,949,134	17,905,917	17,928,276	18,280,365	18,674,627	18,595,974	227,828,635
Hospital Directed Payment Adjustment	26,678,156	3,898	(3,419)	5,129	9,235	(4,343)	26,827,170
Non-Claims Expense Adjustment	572,469	62,025	(1,371,999)	29,799	17,040	5,019	(593,313)
IBNR, Incentive, Paid Claims Adjustment	(3,987,493)	(2,812,496)	(3,724,314)	(4,072,490)	(238,100)	487,881	(18,724,352)
Total Medical Costs	116,767,047	89,604,768	86,206,555	86,250,027	96,166,105	93,617,427	1,212,500,546
GROSS MARGIN	17,917,303	19,432,599	17,532,890	24,614,727	19,095,387	20,227,085	244,136,959
Administrative:							
Compensation	3,108,703	3,075,151	3,259,102	2,980,813	3,307,910	3,148,970	38,532,382
Purchased Services	1,098,614	783,960	927,532	850,526	1,078,360	1,144,312	12,862,883
Supplies	103,207	41,533	145,499	66,970	74,368	117,566	1,320,409
Depreciation	571,126	570,835	575,899	626,073	576,074	583,814	7,388,682
Other Administrative Expenses	346,089	252,930	300,845	329,335	414,331	315,625	4,497,989
Administrative Expense Adjustment	31,776	164,256	(2,834)	811,890	425,467	300,000	1,569,084
Total Administrative Expenses	5,259,515	4,888,665	5,206,043	5,665,607	5,876,510	5,610,287	66,171,429
TOTAL EXPENSES	122,026,562	94,493,433	91,412,598	91,915,634	102,042,615	99,227,714	1,278,671,975
OPERATING INCOME (LOSS) BEFORE TAX	12,657,788	14,543,934	12,326,847	18,949,120	13,218,877	14,616,798	177,965,530
MCO TAX	9,893,826	9,894,054	9,888,018	9,894,051	10,883,459	10,883,460	130,596,350
OPERATING INCOME (LOSS) NET OF TAX	2,763,962	4,649,880	2,438,829	9,055,069	2,335,418	3,733,338	47,369,180
TOTAL NONOPERATING REVENUE (EXPENSE)	(1,001,012)	(1,110,153)	744,870	(1,996,822)	(3,380)	57,925	(10,802,992)
NET INCREASE (DECREASE) IN NET POSITION	1,762,950	3,539,727	3,183,699	7,058,247	2,332,038	3,791,263	36,566,188
MEDICAL LOSS RATIO	90.2%	88.3%	89.9%	82.2%	90.4%	88.9%	89.6%
ADMINISTRATIVE EXPENSE RATIO	6.6%	6.0%	6.9%	6.9%	6.9%	6.6%	6.2%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH AUGUST 31, 2022	AUGUST 2021	SEPTEMBER 2021	OCTOBER 2021	NOVEMBER 2021	DECEMBER 2021	JANUARY 2022	FEBRUARY 2022
ENROLLMENT							
Members - MCAL	292,271	294,672	295,865	296,989	298,205	309,342	310,281
REVENUES							
Title XIX - Medicaid - Family and Other	173.76	179.43	183.53	183.31	181.56	177.17	177.17
Title XIX - Medicaid - Expansion Members	380.84	383.93	383.57	393.96	382.19	357.24	355.03
Title XIX - Medicaid - SPD Members	1,023.27	1,017.48	1,018.29	1,026.19	1,042.14	903.21	907.36
Premium - MCO Tax	34.45	34.40	34.57	34.44	34.45	32.00	31.89
Premium - Hospital Directed Payments	55.98	56.18	56.53	56.41	56.46	56.92	56.90
Investment Earnings And Other Income	1.94	(0.20)	0.44	0.53	(2.33)	1.07	0.28
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	0.03	0.02	0.02	0.03	(0.01)	0.74	0.08
Rate/Income Adjustments	(1.57)	0.42	0.18	0.22	0.02	3.10	3.15
TOTAL REVENUES	365.32	368.98	373.59	375.72	369.09	358.68	356.35
EXPENSES							
Medical Costs:							
Physician Services	54.13	60.73	59.31	58.11	60.27	56.69	62.26
Other Professional Services	16.51	14.75	16.38	16.26	14.57	16.30	15.80
Emergency Room	15.30	12.68	15.23	16.23	14.73	16.84	16.43
Inpatient	70.42	68.90	78.44	71.57	57.47	66.63	64.56
Reinsurance Expense	0.29	0.29	0.29	0.29	0.29	0.17	0.17
Outpatient Hospital	27.18	25.55	23.93	26.24	20.40	26.55	26.50
Other Medical	33.92	35.88	36.45	42.25	38.57	55.81	56.51
Pharmacy	35.24	33.64	34.60	34.33	35.61	0.00	0.00
Pay for Performance Quality Incentive	1.89	0.00	0.00	0.00	4.76	1.50	1.50
Hospital Directed Payments	55.98	56.18	56.53	56.41	56.46	56.92	56.90
Hospital Directed Payment Adjustment	0.03	(0.45)	0.02	0.03	(0.01)	0.74	0.08
Non-Claims Expense Adjustment	0.12	0.07	0.03	0.08	(0.15)	0.14	0.01
IBNR, Incentive, Paid Claims Adjustment	(0.19)	0.05	(3.12)	(4.64)	(3.43)	0.00	(3.26)
Total Medical Costs	310.81	308.27	318.08	317.17	299.54	298.30	297.48
GROSS MARGIN	54.52	60.71	55.51	58.54	69.55	60.38	58.87
Administrative:							
Compensation	9.52	9.47	9.28	9.35	8.69	10.08	9.18
Purchased Services	2.89	3.29	3.35	3.69	4.55	2.74	2.83
Supplies	0.66	(0.06)	0.20	0.63	0.55	0.62	(0.03)
Depreciation	1.46	1.45	1.43	2.41	2.50	1.85	1.84
Other Administrative Expenses	0.73	1.51	1.18	0.93	2.03	1.26	0.84
Administrative Expense Adjustment	(0.01)	0.01	0.00	0.26	(0.65)	(0.01)	(0.14)
Total Administrative Expenses	15.26	15.67	15.44	17.27	17.67	16.53	14.51
TOTAL EXPENSES	326.07	323.94	333.53	334.45	317.21	314.83	311.99
OPERATING INCOME (LOSS) BEFORE TAX	39.25	45.04	40.06	41.27	51.88	43.85	44.36
MCO TAX	33.85	33.58	33.44	33.31	33.18	31.98	31.89
OPERATING INCOME (LOSS) NET OF TAX	5.40	11.46	6.62	7.96	18.70	11.87	12.47
TOTAL NONOPERATING REVENUE (EXPENSE)	(3.25)	(8.28)	(3.47)	(5.11)	(0.59)	(1.29)	(3.18)
NET INCREASE (DECREASE) IN NET POSITION	2.15	3.19	3.15	2.85	18.11	10.57	9.29
MEDICAL LOSS RATIO	92.7%	90.7%	92.6%	91.5%	87.4%	89.4%	89.9%
ADMINISTRATIVE EXPENSE RATIO	5.6%	5.6%	5.5%	6.1%	6.4%	6.1%	5.4%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH AUGUST 31, 2022	MARCH 2022	APRIL 2022	MAY 2022	JUNE 2022	JULY 2022	AUGUST 2022	13 MONTH TOTAL
ENROLLMENT							
Members - MCAL	312,490	314,691	315,663	319,333	323,572	324,961	4,008,335
REVENUES							
Title XIX - Medicaid - Family and Other	173.28	173.44	168.25	176.65	173.99	175.92	173.38
Title XIX - Medicaid - Expansion Members	344.90	345.21	341.10	343.27	340.07	338.95	359.74
Title XIX - Medicaid - SPD Members	895.60	912.10	913.04	917.14	941.54	880.12	952.84
Premium - MCO Tax	31.66	31.44	31.28	31.04	33.64	33.49	32.95
Premium - Hospital Directed Payments	57.44	56.90	56.80	57.25	57.71	57.23	56.84
Investment Earnings And Other Income	(3.97)	(1.04)	1.13	(1.99)	3.10	(0.37)	(0.11)
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	86.11	0.01	(0.08)	0.02	0.03	(0.01)	6.78
Rate/Income Adjustments	1.58	0.19	(14.73)	(1.14)	1.08	0.75	(0.53)
TOTAL REVENUES	431.00	346.49	328.64	347.18	356.22	350.33	363.40
EXPENSES							
Medical Costs:							
Physician Services	63.74	58.13	56.69	59.25	58.67	56.00	58.77
Other Professional Services	16.82	17.04	15.32	16.01	15.88	16.03	15.98
Emergency Room	16.48	16.20	13.11	9.92	14.72	14.34	14.77
Inpatient	64.75	64.71	67.78	61.23	70.88	64.11	66.97
Reinsurance Expense	0.18	0.18	0.18	0.18	(0.10)	(0.08)	0.18
Outpatient Hospital	27.80	26.88	26.23	28.80	30.95	30.55	26.80
Other Medical	50.53	51.93	51.64	48.61	47.65	46.90	46.09
Pharmacy	0.00	0.00	0.00	0.00	0.00	0.00	12.79
Pay for Performance Quality Incentive	1.49	1.50	1.50	1.50	1.50	1.49	1.44
Hospital Directed Payments	57.44	56.90	56.80	57.25	57.71	57.23	56.84
Hospital Directed Payment Adjustment	85.37	0.01	(0.01)	0.02	0.03	(0.01)	6.69
Non-Claims Expense Adjustment	1.83	0.20	(4.35)	0.09	0.05	0.02	(0.15)
IBNR, Incentive, Paid Claims Adjustment	(12.76)	(8.94)	(11.80)	(12.75)	(0.74)	1.50	(4.67)
Total Medical Costs	373.67	284.74	273.10	270.09	297.20	288.09	302.49
GROSS MARGIN	57.34	61.75	55.54	77.08	59.01	62.24	60.91
Administrative:							
Compensation	9.95	9.77	10.32	9.33	10.22	9.69	9.61
Purchased Services	3.52	2.49	2.94	2.66	3.33	3.52	3.21
Supplies	0.33	0.13	0.46	0.21	0.23	0.36	0.33
Depreciation	1.83	1.81	1.82	1.96	1.78	1.80	1.84
Other Administrative Expenses	1.11	0.80	0.95	1.03	1.28	0.97	1.12
Administrative Expense Adjustment	0.10	0.52	(0.01)	2.54	1.31	0.92	0.39
Total Administrative Expenses	16.83	15.53	16.49	17.74	18.16	17.26	16.51
TOTAL EXPENSES	390.50	300.27	289.59	287.84	315.36	305.35	319.00
OPERATING INCOME (LOSS) BEFORE TAX	40.51	46.22	39.05	59.34	40.85	44.98	44.40
MCO TAX	31.66	31.44	31.32	30.98	33.64	33.49	32.58
OPERATING INCOME (LOSS) NET OF TAX	8.84	14.78	7.73	28.36	7.22	11.49	11.82
TOTAL NONOPERATING REVENUE (EXPENSE)	(3.20)	(3.53)	2.36	(6.25)	(0.01)	0.18	(2.70)
NET INCREASE (DECREASE) IN NET POSITION	5.64	11.25	10.09	22.10	7.21	11.67	9.12
MEDICAL LOSS RATIO	90.2%	88.3%	89.9%	82.2%	90.4%	88.9%	89.6%
ADMINISTRATIVE EXPENSE RATIO	6.6%	6.0%	6.9%	6.9%	6.9%	6.6%	6.2%

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF REVENUES - ALL COA
FOR THE MONTH ENDED AUGUST 31, 2022

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			REVENUES			
			Title XIX - Medicaid - Family & Other			
28,032,837	27,145,836	887,001	Premium - Medi-Cal	218,603,718	212,990,893	5,612,825
3,254,475	2,764,572	489,903	Premium - Maternity Kick	21,754,890	22,116,579	(361,689)
543,459	473,491	69,968	Premium - Enhanced Care Management	4,178,394	3,733,076	445,318
143,148	132,624	10,524	Premium - Major Organ Transplant	1,111,017	1,042,848	68,169
792,153	499,169	292,984	Premium - Cal AIM	6,389,588	3,908,267	2,481,321
1,302,193	770,844	531,349	Premium - BHT Kick	6,132,527	6,035,356	97,171
3,543,551	4,085,661	(542,110)	Premium - Provider Enhancement	31,239,649	31,995,383	(755,734)
212,828	206,540	6,288	Premium - Ground Emergency Medical Transportation	1,664,859	1,619,084	45,775
147,122	104,925	42,197	Premium - Behavorial Health Integration Program	2,409,014	821,512	1,587,502
(159,575)	-	(159,575)	Premium - Vaccine Incentive	885,814	-	885,814
-	-	-	Premium - Student Behavioral Health Incentive	364,822	-	364,822
-	-	-	Premium - Housing and Homelessness Incentive	652,683	-	652,683
129,163	110,156	19,007	Other	1,005,791	864,834	140,957
37,941,354	36,293,820	1,647,534	Total Title XIX - Medicaid - Family & Other	296,392,766	285,127,834	11,264,932
			Title XIX - Medicaid - Expansion Members			
27,553,558	25,233,529	2,320,029	Premium - Medi-Cal	209,263,363	197,668,347	11,595,016
337,445	234,964	102,481	Premium - Maternity Kick	3,554,426	1,879,712	1,674,714
987,357	845,836	141,521	Premium - Enhanced Care Management	7,488,747	6,624,736	864,011
235,177	211,253	23,924	Premium - Major Organ Transplant	1,787,267	1,654,574	132,693
337,964	463,575	(125,611)	Premium - Cal AIM	2,627,083	3,631,734	(1,004,651)
3,164	-	3,164	Premium - BHT Kick	12,659	-	12,659
1,493,920	1,662,535	(168,615)	Premium - Provider Enhancement	12,992,247	13,024,620	(32,373)
231,415	210,489	20,926	Premium - Ground Emergency Medical Transportation	1,759,778	1,649,009	110,769
62,186	97,443	(35,257)	Premium - Behavorial Health Integration Program	979,278	763,386	215,892
(39,850)	-	(39,850)	Premium - Vaccine Incentive	291,013	-	291,013
-	-	-	Premium - Student Behavioral Health Incentive	148,933	-	148,933
-	-	-	Premium - Housing and Homelessness Incentive	263,528	-	263,528
36,209	29,592	6,617	Other	274,803	231,624	43,179
31,238,545	28,989,215	2,249,330	Total Title XIX - Medicaid - Expansion Members	241,443,125	227,127,741	14,315,384
			Title XIX - Medicaid - SPD Members			
12,941,523	12,898,793	42,731	Premium - Medi-Cal	104,676,648	100,965,041	3,711,608
474,480	464,016	10,464	Premium - Enhanced Care Management	3,833,176	3,632,076	201,100
147,436	147,531	(95)	Premium - Major Organ Transplant	1,192,528	1,154,796	37,732
59,234	236,976	(177,742)	Premium - Cal AIM	498,138	1,854,923	(1,356,785)
877,694	783,768	93,926	Premium - BHT Kick	5,245,076	6,134,928	(889,852)
419,531	482,093	(62,562)	Premium - Provider Enhancement	3,772,844	3,773,576	(732)
144,680	145,096	(416)	Premium - Ground Emergency Medical Transportation	1,170,236	1,135,736	34,500
11,475	49,812	(38,337)	Premium - Behavorial Health Integration Program	188,639	389,901	(201,262)
(10,225)	-	(10,225)	Premium - Vaccine Incentive	61,893	-	61,893
-	-	-	Premium - Student Behavioral Health Incentive	27,982	-	27,982
-	-	-	Premium - Housing and Homelessness Incentive	51,059	-	51,059
15,065,828	15,208,084	(142,256)	Total Title XIX - Medicaid - SPD Members	120,718,219	119,040,976	1,677,243

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA
FOR THE MONTH ENDED AUGUST 31, 2022

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			PHYSICIAN SERVICES			
3,298,914	4,028,139	729,225	Primary Care Physician Services	30,113,837	31,542,981	1,429,144
12,435,011	11,828,985	(606,026)	Referral Specialty Services	101,865,868	92,633,908	(9,231,960)
2,455,184	1,651,844	(803,340)	Urgent Care & After Hours Advise	17,015,829	12,935,314	(4,080,515)
9,300	9,300	-	Hospital Admitting Team	72,900	72,900	-
18,198,409	17,518,268	(680,141)	TOTAL PHYSICIAN SERVICES	149,068,434	137,185,103	(11,883,331)
			OTHER PROFESSIONAL SERVICES			
323,003	328,923	5,920	Vision Service Capitation	2,500,414	2,575,690	75,276
1,861,229	2,154,063	292,834	Medical Departments - UM Allocation *	14,949,106	17,232,498	2,283,392
1,798,262	1,554,612	(243,650)	Behavior Health Treatment	10,817,039	12,170,285	1,353,246
68,357	155,954	87,597	Mental Health Services	1,159,306	1,221,191	61,885
1,157,942	1,708,980	551,038	Other Professional Services	11,428,372	13,383,511	1,955,139
5,208,793	5,902,533	693,740	TOTAL OTHER PROFESSIONAL SERVICES	40,854,237	46,583,174	5,728,937
4,661,044	5,701,321	1,040,277	EMERGENCY ROOM	37,289,733	44,646,253	7,356,520
20,834,103	20,476,858	(357,245)	INPATIENT HOSPITAL	165,956,286	160,354,121	(5,602,165)
(25,136)	56,340	81,476	REINSURANCE EXPENSE PREMIUM	276,311	441,180	164,869
9,928,749	8,705,114	(1,223,635)	OUTPATIENT HOSPITAL SERVICES	71,001,489	68,169,993	(2,831,496)
			OTHER MEDICAL			
1,416,945	1,639,376	222,431	Ambulance and NEMT	10,427,778	12,836,955	2,409,177
780,644	706,754	(73,890)	Home Health Services & CBAS	7,131,817	5,533,796	(1,598,021)
672,539	1,106,708	434,169	Utilization and Quality Review Expenses	5,801,332	8,853,664	3,052,332
1,694,897	1,476,848	(218,049)	Long Term/SNF/Hospice	13,498,920	11,563,478	(1,935,442)
5,212,169	5,947,323	735,154	Provider Enhancement Expense - Prop. 56	45,706,350	46,569,375	863,025
546,014	534,019	(11,995)	Provider Enhancement Expense - GEMT	3,605,363	4,183,642	578,279
1,922	-	(1,922)	Vaccine Incentive Program Expense	3,172,043	-	(3,172,043)
220,783	252,180	31,397	Behaviorial Health Integration Program	3,576,931	1,974,801	(1,602,130)
1,905,031	1,783,342	(121,689)	Enhanced Care Management	14,725,301	13,989,884	(735,417)
485,910	491,650	5,740	Major Organ Transplant	3,886,272	3,849,645	(36,627)
1,328,191	1,199,720	(128,471)	Cal AIM Incentive Programs	10,473,851	9,394,925	(1,078,926)
976,531	927,203	(49,328)	DME/Rebates	7,405,043	7,259,847	(145,196)
15,241,576	16,065,121	823,545	TOTAL OTHER MEDICAL	129,411,001	126,010,012	(3,400,989)
485,358	469,500	(15,858)	PAY FOR PERFORMANCE QUALITY INCENTIVE	3,789,163	3,676,500	(112,663)
18,595,974	17,499,857	(1,096,117)	HOSPITAL DIRECTED PAYMENTS	144,595,659	137,255,238	(7,340,421)
(4,343)	-	4,343	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	26,942,846	-	(26,942,846)
5,019	-	(5,019)	NON-CLAIMS EXPENSE ADJUSTMENT	(637,991)	-	637,991
487,881	-	(487,881)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(15,357,166)	-	15,357,166
93,617,427	92,394,913	(1,222,514)	Total Medical Costs	753,190,002	724,321,573	(28,868,429)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM
FOR THE MONTH ENDED AUGUST 31, 2022

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			PHYSICIAN SERVICES			
10.15	12.87	2.72	Primary Care Physician Services	11.90	12.87	0.97
38.27	37.79	(0.47)	Referral Specialty Services	40.26	37.79	(2.46)
7.56	5.28	(2.28)	Urgent Care & After Hours Advise	6.72	5.28	(1.45)
0.03	0.03	0.00	Hospital Admitting Team	0.03	0.03	0.00
56.00	55.97	(0.03)	TOTAL PHYSICIAN SERVICES	58.91	55.97	(2.94)
			OTHER PROFESSIONAL SERVICES			
0.99	1.05	0.06	Vision Service Capitation	0.99	1.05	0.06
5.73	6.88	1.15	Medical Departments - UM Allocation *	5.91	7.03	1.12
5.53	4.97	(0.57)	Behavior Health Treatment	4.27	4.97	0.69
0.21	0.50	0.29	Mental Health Services	0.46	0.50	0.04
3.56	5.46	1.90	Other Professional Services	4.52	5.46	0.94
16.03	18.86	2.83	TOTAL OTHER PROFESSIONAL SERVICES	16.15	19.01	2.86
14.34	18.22	3.87	EMERGENCY ROOM	14.74	18.22	3.48
64.11	65.42	1.31	INPATIENT HOSPITAL	65.59	65.42	(0.16)
(0.08)	0.18	0.26	REINSURANCE EXPENSE PREMIUM	0.11	0.18	0.07
30.55	27.81	(2.74)	OUTPATIENT HOSPITAL SERVICES	28.06	27.81	(0.25)
			OTHER MEDICAL			
4.36	5.24	0.88	Ambulance and NEMT	4.12	5.24	1.12
2.40	2.26	(0.14)	Home Health Services & CBAS	2.82	2.26	(0.56)
2.07	3.54	1.47	Utilization and Quality Review Expenses	2.29	3.61	1.32
5.22	4.72	(0.50)	Long Term/SNF/Hospice	5.33	4.72	(0.62)
16.04	19.00	2.96	Provider Enhancement Expense - Prop. 56	18.06	19.00	0.94
1.68	1.71	0.03	Provider Enhancement Expense - GEMT	1.42	1.71	0.28
0.01	0.00	(0.01)	Vaccine Incentive Program Expense	1.25	0.00	(1.25)
0.68	0.81	0.13	Behaviorial Health Integration Program	1.41	0.81	(0.61)
5.86	5.70	(0.16)	Enhanced Care Management	5.82	5.71	(0.11)
1.50	1.57	0.08	Major Organ Transplant	1.54	1.57	0.03
4.09	3.83	(0.25)	Cal AIM Incentive Programs	4.14	3.83	(0.31)
3.01	2.96	(0.04)	DME	2.93	2.96	0.04
46.90	51.33	4.42	TOTAL OTHER MEDICAL	51.14	51.41	0.27
1.49	1.50	0.01	PAY FOR PERFORMANCE QUALITY INCENTIVE	1.50	1.50	0.00
57.23	55.91	(1.32)	HOSPITAL DIRECTED PAYMENTS	57.14	56.00	(1.15)
(0.01)	0.00	0.01	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	10.65	0.00	(10.65)
0.02	0.00	(0.02)	NON-CLAIMS EXPENSE ADJUSTMENT	(0.25)	0.00	0.25
1.50	0.00	(1.50)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(6.07)	0.00	6.07
288.09	295.19	7.10	Total Medical Costs	297.66	295.52	(2.14)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH AUGUST 31, 2022	JANUARY 2022	FEBRUARY 2022	MARCH 2022	APRIL 2022	MAY 2022	JUNE 2022	JULY 2022	AUGUST 2022	YEAR TO DATE 2022
PHYSICIAN SERVICES									
Primary Care Physician Services	3,472,901	3,950,940	3,869,340	4,216,012	3,710,885	3,643,312	3,951,533	3,298,914	30,113,837
Referral Specialty Services	11,390,029	12,825,148	13,133,782	12,603,720	12,666,671	14,157,633	12,653,874	12,435,011	101,865,868
Urgent Care & After Hours Advise	2,665,800	2,534,829	2,906,730	1,462,769	1,508,987	1,111,956	2,369,574	2,455,184	17,015,829
Hospital Admitting Team	9,300	8,400	9,300	9,000	9,300	9,000	9,300	9,300	72,900
TOTAL PHYSICIAN SERVICES	17,538,030	19,319,317	19,919,152	18,291,501	17,895,843	18,921,901	18,984,281	18,198,409	149,068,434
OTHER PROFESSIONAL SERVICES									
Vision Service Capitation	298,113	299,421	320,479	313,381	312,490	317,864	315,663	323,003	2,500,414
Medical Departments - UM Allocation *	1,874,290	1,814,144	1,930,871	1,799,307	1,920,750	1,835,227	1,913,288	1,861,229	14,910,639
Behavior Health Treatment	1,143,733	984,520	1,425,684	1,406,426	1,172,372	1,493,794	1,392,248	1,798,262	10,817,039
Mental Health Services	385,915	151,598	138,742	134,047	69,233	98,672	112,742	68,357	1,159,306
Other Professional Services	1,338,982	1,653,027	1,439,003	1,708,384	1,360,230	1,367,404	1,403,400	1,157,942	11,428,372
TOTAL OTHER PROFESSIONAL SERVICES	5,041,033	4,902,710	5,254,779	5,361,545	4,835,075	5,112,961	5,137,341	5,208,793	40,815,770
EMERGENCY ROOM	5,209,937	5,098,972	5,150,400	5,098,584	4,139,529	3,167,228	4,764,039	4,661,044	37,289,733
INPATIENT HOSPITAL	20,610,105	20,031,970	20,232,342	20,364,608	21,395,635	19,551,774	22,935,749	20,834,103	165,956,286
REINSURANCE EXPENSE PREMIUM	53,660	53,896	57,686	56,409	56,248	57,216	(33,668)	(25,136)	276,311
OUTPATIENT HOSPITAL SERVICES	8,214,215	8,223,126	8,686,122	8,458,833	8,281,163	9,196,013	10,013,268	9,928,749	71,001,489
OTHER MEDICAL									
Ambulance and NEMT	1,321,069	1,293,500	1,339,544	1,466,846	1,405,832	825,707	1,358,335	1,416,945	10,427,778
Home Health Services & CBAS	733,519	813,833	841,676	781,545	1,039,980	1,056,675	1,083,945	780,644	7,131,817
Utilization and Quality Review Expenses	767,373	755,405	504,541	724,744	1,037,565	642,907	696,258	672,539	5,801,332
Long Term/SNF/Hospice	1,585,601	1,669,982	1,938,253	1,975,528	1,770,701	1,113,446	1,750,512	1,694,897	13,498,920
Provider Enhancement Expense - Prop. 56	5,806,204	5,819,707	5,888,710	5,878,051	5,871,736	6,032,156	5,197,617	5,212,169	45,706,350
Provider Enhancement Expense - GEMT	463,070	463,069	300,851	354,994	480,313	494,051	503,001	546,014	3,605,363
Vaccine Incentive Program Expense	1,143,595	1,628,354	173,216	136,387	739	85,682	2,148	1,922	3,172,043
Behaviorial Health Integration Program	824,339	824,339	824,339	225,048	216,518	220,783	220,782	220,783	3,576,931
Enhanced Care Management	2,023,406	1,561,486	1,821,649	1,818,393	1,820,636	1,866,858	1,907,842	1,905,031	14,725,301
Major Organ Transplant	472,866	473,613	496,178	480,362	480,654	492,226	504,463	485,910	3,886,272
Cal AIM Incentive Programs	1,241,196	1,257,731	1,089,466	1,285,346	1,268,891	1,807,413	1,195,617	1,328,191	10,473,851
DME	881,383	973,969	570,456	1,214,663	907,459	884,167	996,415	976,531	7,405,043
TOTAL OTHER MEDICAL	17,263,621	17,534,988	15,788,879	16,341,907	16,301,024	15,522,071	15,416,935	15,241,576	129,411,001
PAY FOR PERFORMANCE QUALITY INCENTIVE	464,013	465,422	465,421	472,037	473,494	478,060	485,358	485,358	3,789,163
HOSPITAL DIRECTED PAYMENTS	17,606,870	17,654,496	17,949,134	17,905,917	17,928,276	18,280,365	18,674,627	18,595,974	144,595,659
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	230,177	24,013	26,678,156	3,898	(3,419)	5,129	9,235	(4,343)	26,942,846
NON-CLAIMS EXPENSE ADJUSTMENT	43,538	4,118	572,469	62,025	(1,371,999)	29,799	17,040	5,019	(637,991)
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	627	(1,010,781)	(3,987,493)	(2,812,496)	(3,724,314)	(4,072,490)	(238,100)	487,881	(15,357,166)
Total Medical Costs	92,275,826	92,302,247	116,767,047	89,604,769	86,206,555	86,250,027	96,166,105	93,617,427	753,151,535

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH AUGUST 31, 2022	JANUARY 2022	FEBRUARY 2022	MARCH 2022	APRIL 2022	MAY 2022	JUNE 2022	JULY 2022	AUGUST 2022	YEAR TO DATE 2022
PHYSICIAN SERVICES									
Primary Care Physician Services	11.23	12.73	12.38	13.40	11.76	11.41	12.21	10.15	11.90
Referral Specialty Services	36.82	41.33	42.03	40.05	40.13	44.34	39.11	38.27	40.26
Urgent Care & After Hours Advise	8.62	8.17	9.30	4.65	4.78	3.48	7.32	7.56	6.72
Hospital Admitting Team	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
TOTAL PHYSICIAN SERVICES	56.69	62.26	63.74	58.13	56.69	59.25	58.67	56.00	58.91
OTHER PROFESSIONAL SERVICES									
Vision Service Capitation	0.96	0.96	1.03	1.00	0.99	1.00	0.98	0.99	0.99
Medical Departments - UM Allocation *	6.06	5.85	6.18	5.72	6.08	5.75	5.91	5.73	5.91
Behavior Health Treatment	3.70	3.17	4.56	4.47	3.71	4.68	4.30	5.53	4.27
Mental Health Services	1.25	0.49	0.44	0.43	0.22	0.31	0.35	0.21	0.46
Other Professional Services	4.33	5.33	4.60	5.43	4.31	4.28	4.34	3.56	4.52
TOTAL OTHER PROFESSIONAL SERVICES	16.30	15.80	16.82	17.04	15.32	16.01	15.88	16.03	16.15
EMERGENCY ROOM	16.84	16.43	16.48	16.20	13.11	9.92	14.72	14.34	14.74
INPATIENT HOSPITAL	66.63	64.56	64.75	64.71	67.78	61.23	70.88	64.11	65.59
REINSURANCE EXPENSE PREMIUM	0.17	0.17	0.18	0.18	0.18	0.18	(0.10)	(0.08)	0.11
OUTPATIENT HOSPITAL SERVICES	26.55	26.50	27.80	26.88	26.23	28.80	30.95	30.55	28.06
OTHER MEDICAL									
Ambulance and NEMT	4.27	4.17	4.29	4.66	4.45	2.59	4.20	4.36	4.12
Home Health Services & CBAS	2.37	2.62	2.69	2.48	3.29	3.31	3.35	2.40	2.82
Utilization and Quality Review Expenses	2.48	2.43	1.61	2.30	3.29	2.01	2.15	2.07	2.29
Long Term/SNF/Hospice	5.13	5.38	6.20	6.28	5.61	3.49	5.41	5.22	5.33
Provider Enhancement Expense - Prop. 56	18.77	18.76	18.84	18.68	18.60	18.89	16.06	16.04	18.06
Provider Enhancement Expense - GEMT	1.50	1.49	0.96	1.13	1.52	1.55	1.55	1.68	1.42
Vaccine Incentive Program Expense	3.70	5.25	0.55	0.43	0.00	0.27	0.01	0.01	1.25
Behaviorial Health Integration Program	2.66	2.66	2.64	0.72	0.69	0.69	0.68	0.68	1.41
Enhanced Care Management	6.54	5.03	5.83	5.78	5.77	5.85	5.90	5.86	5.82
Major Organ Transplant	1.53	1.53	1.59	1.53	1.52	1.54	1.56	1.50	1.54
Cal AIM Incentive Programs	4.01	4.05	3.49	4.08	4.02	5.66	3.70	4.09	4.14
DME	2.85	3.14	1.83	3.86	2.87	2.77	3.08	3.01	2.93
TOTAL OTHER MEDICAL	55.81	56.51	50.53	51.93	51.64	48.61	47.65	46.90	51.14
PAY FOR PERFORMANCE QUALITY INCENTIVE	1.50	1.50	1.49	1.50	1.50	1.50	1.50	1.49	1.50
HOSPITAL DIRECTED PAYMENTS	56.92	56.90	57.44	56.90	56.80	57.25	57.71	57.23	57.14
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	0.74	0.08	85.37	0.01	(0.01)	0.02	0.03	(0.01)	10.65
NON-CLAIMS EXPENSE ADJUSTMENT	0.14	0.01	1.83	0.20	(4.35)	0.09	0.05	0.02	(0.25)
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	0.00	(3.26)	(12.76)	(8.94)	(11.80)	(12.75)	(0.74)	1.50	(6.07)
Total Medical Costs	298.30	297.48	373.67	284.74	273.10	270.09	297.20	288.09	297.66

KERN HEALTH SYSTEMS

MEDI-CAL

SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT

FOR THE MONTH ENDED AUGUST 31, 2022

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
507,150	484,798	(22,352)	110 - Executive	3,539,117	3,753,383	214,266
217,615	234,469	16,854	210 - Accounting	1,697,810	1,875,752	177,942
372,062	359,967	(12,095)	220 - Management Information Systems	2,774,690	2,879,735	105,045
15,934	54,298	38,364	221 - Business Intelligence	276,629	434,384	157,755
306,526	383,664	77,138	222 - Enterprise Development	2,268,313	3,069,312	800,999
601,972	533,193	(68,779)	225 - Infrastructure	3,921,206	4,265,544	344,338
578,899	615,321	36,422	230 - Claims	4,635,585	4,922,568	286,983
157,820	187,947	30,127	240 - Project Management	1,190,169	1,503,576	313,407
163,063	180,989	17,926	310 - Health Services - Utilization Management	1,178,688	1,447,912	269,224
823	14,039	13,216	311 - Health Services - Quality Improvement	2,664	112,312	109,648
37	513	476	312 - Health Services - Education	3,907	4,104	197
23,774	50,828	27,054	313- Pharmacy	279,772	406,624	126,852
22,248	2,308	(19,940)	314 - Enhanced Care Management	89,791	18,464	(71,327)
51,020	74,558	23,538	316 -Population Health Management	482,497	596,464	113,967
157	333	176	317 - Community Based Services	268	2,664	2,396
(42)	-	42	318 - Housing & Homeless Incentive Program	-	-	-
299,800	359,942	60,142	320 - Provider Network Management	2,471,592	2,879,536	407,944
677,858	871,663	193,805	330 - Member Services	5,413,777	6,973,304	1,559,527
815,575	721,857	(93,718)	340 - Corporate Services	6,210,516	5,774,856	(435,660)
88,356	97,177	8,821	360 - Audit & Investigative Services	625,689	777,416	151,727
54,424	92,450	38,026	410 - Advertising Media	443,424	739,600	296,176
60,358	76,696	16,338	420 - Sales/Marketing/Public Relations	508,841	613,568	104,727
294,858	303,042	8,184	510 - Human Resourses	2,425,193	2,424,336	(857)
300,000	(92,324)	(392,324)	Administrative Expense Adjustment	1,684,368	(738,592)	(2,422,960)
5,610,287	5,607,728	(2,559)	Total Administrative Expenses	42,124,506	44,736,822	2,612,316

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED AUGUST 31, 2022	JANUARY 2022	FEBRUARY 2022	MARCH 2022	APRIL 2022	MAY 2022	JUNE 2022	JULY 2022	AUGUST 2022	YEAR TO DATE 2022
110 - Executive	424,308	403,286	429,743	446,418	470,648	353,073	504,491	507,150	3,539,117
210 - Accounting	233,241	178,928	252,864	163,976	225,728	222,884	202,574	217,615	1,697,810
220 - Management Information Systems (MIS)	335,777	238,917	337,588	352,426	352,473	336,194	449,253	372,062	2,774,690
221 - Business Intelligence	13,042	65,687	31,834	45,508	45,708	16,186	42,730	15,934	276,629
222 - Enterprise Development	307,654	250,898	286,566	265,813	303,353	291,350	256,153	306,526	2,268,313
225 - Infrastructure	473,799	427,685	536,529	343,776	562,405	524,493	450,547	601,972	3,921,206
230 - Claims	582,040	548,583	591,767	559,648	590,588	529,776	654,284	578,899	4,635,585
240 - Project Management	171,917	152,433	174,210	123,662	152,467	105,055	152,605	157,820	1,190,169
310 - Health Services - Utilization Management	139,536	126,622	128,165	132,502	154,797	166,719	167,284	163,063	1,178,688
311 - Health Services - Quality Improvement	277	15,545	(90)	186	(15,257)	178	1,002	823	2,664
312 - Health Services - Education	-	180	2,174	310	89	222	895	37	3,907
313- Pharmacy	39,824	36,716	38,879	36,385	35,680	34,727	33,787	23,774	279,772
314 - Enhanced Care Management	3,281	241	19	12,005	22,519	12,559	16,919	22,248	89,791
316 -Population Health Management	65,121	62,696	63,150	64,161	66,172	55,430	54,747	51,020	482,497
317 - Community Based Services	-	24	22	17	5	36	7	157	268
318 - Housing & Homeless Incentive Program	-	-	-	-	9,346	(9,346)	42	(42)	-
320 - Provider Network Management	327,923	326,761	325,559	269,804	308,858	305,807	307,080	299,800	2,471,592
330 - Member Services	754,477	623,424	700,611	644,994	694,732	635,012	682,669	677,858	5,413,777
340 - Corporate Services	786,930	685,514	778,083	735,005	751,597	842,924	814,888	815,575	6,210,516
360 - Audit & Investigative Services	69,757	69,895	71,016	82,269	83,957	69,158	91,281	88,356	625,689
410 - Advertising Media	11,825	27,353	55,984	38,254	34,202	52,260	169,122	54,424	443,424
420 - Sales/Marketing/Public Relations	66,531	51,460	70,326	65,913	62,815	72,927	58,511	60,358	508,841
510 - Human Resourses	309,451	254,507	352,740	341,377	295,995	236,093	340,172	294,858	2,425,193
Total Department Expenses	5,116,711	4,547,355	5,227,739	4,724,409	5,208,877	4,853,717	5,451,043	5,310,287	40,440,138
ADMINISTRATIVE EXPENSE ADJUSTMENT	(1,904)	(44,283)	31,776	164,256	(2,834)	811,890	425,467	300,000	1,684,368
Total Administrative Expenses	5,114,807	4,503,072	5,259,515	4,888,665	5,206,043	5,665,607	5,876,510	5,610,287	42,124,506

KERN HEALTH SYSTEMS
GROUP HEALTH PLAN - HFAM
BALANCE SHEET STATEMENT
AS OF AUGUST 31, 2022

ASSETS	AUGUST 2022	JULY 2022	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	$ 1,142,022	$ 1,142,022	-
Interest Receivable	1,400	700	700
TOTAL CURRENT ASSETS	$ 1,143,422	$ 1,142,722	$ 700
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Other Liabilities	-	-	-
TOTAL CURRENT LIABILITIES	$ -	$ -	$ -
NET POSITION:			
Net Position- Beg. of Year	1,136,102	1,136,102	-
Increase (Decrease) in Net Position - Current Year	7,320	6,620	700
Total Net Position	$ 1,143,422	$ 1,142,722	$ 700
TOTAL LIABILITIES AND NET POSITION	$ 1,143,422	$ 1,142,722	$ 700

KERN HEALTH SYSTEMS
GROUP HEALTH PLAN - HFAM
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
FOR THE MONTH ENDED AUGUST 31, 2022

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			ENROLLMENT			
-	-	-	Members	-	-	-
			REVENUES			
-	-	-	Premium	-	-	-
700	-	700	Interest	4,418	-	4,418
-	-	-	Other Investment Income	2,902	-	2,902
700	-	700	TOTAL REVENUES	7,320	-	7,320
			EXPENSES			
			Medical Costs			
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
700	-	700	GROSS MARGIN	7,320	-	7,320
			Administrative			
-	-	-	Management Fee Expense and Other Admin Exp	-	-	-
-	-	-	Total Administrative Expenses	-	-	-
-	-	-	TOTAL EXPENSES	-	-	-
700	-	700	OPERATING INCOME (LOSS)	7,320	-	7,320
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-
700	-	700	NET INCREASE (DECREASE) IN NET POSITION	7,320	-	7,320
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%
0%	0%	0%	ADMINISTRATIVE EXPENSE RATIO	0%	0%	0%

KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT

KERN HEALTH SYSTEMS

MEDI-CAL	2022 MEMBER MONTHS	JAN'22	FEB'22	MAR'22	APR'22	MAY'22	JUN'22	JULY'22	AUG'22
ADULT AND FAMILY									
ADULT	***496,297***	60,708	60,882	61,379	61,726	61,739	62,276	63,581	64,006
CHILD	***1,128,023***	139,223	139,605	140,344	141,029	141,356	141,902	142,505	142,059
SUB-TOTAL ADULT & FAMILY	***1,624,320***	***199,931***	***200,487***	***201,723***	***202,755***	***203,095***	***204,178***	***206,086***	***206,065***
OTHER MEMBERS									
PARTIAL DUALS - FAMILY	***6,540***	824	801	811	796	815	837	842	814
PARTIAL DUALS - CHILD	***0***	0	0	0	0	0	0	0	0
PARTIAL DUALS - BCCTP	***50***	4	13	6	5	5	5	6	6
FULL DUALS (SPD)									
SPD FULL DUALS	***67,854***	8,138	8,257	8,336	8,411	8,662	8,572	8,684	8,794
SUBTOTAL OTHER MEMBERS	***74,444***	***8,966***	***9,071***	***9,153***	***9,212***	***9,482***	***9,414***	***9,532***	***9,614***
TOTAL FAMILY & OTHER	***1,698,764***	***208,897***	***209,558***	***210,876***	***211,967***	***212,577***	***213,592***	***215,618***	***215,679***
SPD									
SPD (AGED AND DISABLED)	***132,845***	16,556	16,376	16,516	16,363	16,305	16,794	16,817	17,118
MEDI-CAL EXPANSION									
ACA Expansion Adult-Citizen	**688,157**	82,803	83,199	83,828	85,037	85,412	87,526	89,680	90,672
ACA Expansion Duals	**10,567**	1,086	1,148	1,270	1,324	1,369	1,421	1,457	1,492
SUB-TOTAL MED-CAL EXPANSION	***698,724***	***83,889***	***84,347***	***85,098***	***86,361***	***86,781***	***88,947***	***91,137***	***92,164***
TOTAL KAISER	***107,567***	***12,787***	***13,032***	***13,253***	***13,407***	***13,552***	***13,722***	***13,842***	***13,972***
TOTAL MEDI-CAL MEMBERS	***2,637,900***	***322,129***	***323,313***	***325,743***	***328,098***	***329,215***	***333,055***	***337,414***	***338,933***

KERN·HEALTH SYSTEMS

July AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T2704	MCG HEALTH LLC ****	1,214,288.28	1,214,288.28	HEALTH CARE MANAGEMENT & SOFTWARE LICENSE 8/5/2022 -08/04/2023 CHRONIC CARE/NEW ENROLLMENT & 3RD ANNUAL LICENSE RENEWAL	UTILIZATION MANAGEMENT
T2686	ALLIANT INSURANCE SERVICES INC. ****	679,731.52	679,752.52	2022 -2023 INSURANCE PREMIUMS - ACIP CRIME, COMMERCIAL CYBER, PROFESSIONAL LIABILITY MANAGED CARE, FIDUCAIRY LIABILITY, EXCESS CRIME, WORKERS COMP, ADWRP POLICY	ADMINISTRATION
T1045	KAISER FOUNDATION HEALTH - HMO	525,103.69	3,531,730.34	JUL. 2022 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T1845	DEPARTMENT OF MANAGED HEALTH CARE ****	471,317.70	471,317.70	2022-2023 1ST INSTALLMENT MCAL ANNUAL ASSESSMENT	ADMINISTRATION
T1071	CLINICA SIERRA VISTA	179,853.99	1,558,821.41	MAY. 2022 HEALTH HOMES GRANT & PROVIDER CARE QUALITY GRANT PROGRAM, 2022 COMMUNITY GRANTS	COMMUNITY GRANTS
T1408	DELL MARKETING L.P.	151,424.79	867,575.20	HARDWARE- (49) 5520 DELL LATITUDE & (20) LATITUDE 5420 W/DOCKING STATIONS	MIS INFRASTRUCTURE
T1960	LOCAL HEALTH PLANS OF CALIFORNIA ****	136,822.78	137,893.57	2022-2023 ANNUAL DUE ASSESSMENT	VARIOUS
T4353	TWE SOLUTIONS, INC. ****	99,946.40	193,536.80	2022-2023 CYBER SECURITY MONITORING	MIS INFRASTRUCTURE
T5452	BLACKHAWK ENGAGEMENT SOLUTIONS, INC ****	85,000.00	85,000.00	PREFUND HEALTH EDUCATION MEMBER INCENTIVES	UTILIZATION MANAGEMENT-QI
T4350	COMPUTER ENTERPRISE INC.	83,820.20	2,078,761.61	MAY 2022 PROFESSIONAL SERVICES / CONSULTING SERVICES	VARIOUS

KERN·HEALTH SYSTEMS

July AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	69,390.54	1,049,162.82	MAY & JUN. 2022 PROFESSIONAL SERVICES & EDI CLAIM PROCESSING	VARIOUS
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	62,790.00	240,630.00	JUNE 2022 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T5337	CAZADOR CONSULTING GROUP INC	58,864.23	203,880.98	JUN. 2022 TEMPORARY HELP - (1) MS; (1) UM; (1) QI; (1) IT; (1) HR	VARIOUS
T4733	UNITED STAFFING ASSOCIATES	56,906.93	418,034.71	JUN. 2022 TEMPORARY HELP - (11) MS; (1) HHP; (1) HE	VARIOUS
T4038	POLYCLINIC MEDICAL CENTER, INC ****	55,747.94	93,096.59	APR. & MAY 2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5360	SYNERGY PHARMACY SOLUTIONS INC ****	54,500.00	163,400.00	COVID-19 POP UP CLINIC SPONSORSHIP 2021/2022	PROVIDER NETWORK MANAGEMENT
T4237	FLUIDEDGE CONSULTING, INC.	46,465.00	448,122.10	JUN. 2022 CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING-CALAIM EXPANSION	VARIOUS
T2167	PG&E	44,799.50	186,435.01	JUL. 2022 USAGE / UTILITIES	CORPORATE SERVICES
T5487	MR2 SOLUTIONS, INC ****	44,400.00	49,400.00	2022/2023 VIRTUAL CHIEF INFORMATION SECURITY OFFICER	MIS INFRASTRUCTURE
T5466	ZIPARI, INC	43,123.28	177,998.56	JUL. 2022 JIVA MEMBER PORTAL	MIS INFRASTRUCTURE
T3449	CDW GOVERNMENT	42,612.57	117,456.24	ANNUAL JUNIPER NETWORK SUPPORT/MAINTENANCE, (7) ADOBE PRO DC LICENSES & (1) HEADSET	MIS INFRASTRUCTURE
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	40,895.58	276,002.77	JUL. 2022 EMPLOYEE HEALTH BENEFITS	VARIOUS

KERN·HEALTH SYSTEMS

July AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T5486	ALLIED GENERAL CONTRACTORS, INC	40,500.00	92,425.76	BUILDING IMPROVEMENTS	CORPORATE SERVICES
T5421	PREMIER ACCESS INSURANCE COMPANY	39,224.47	263,955.15	JUL. 2022 EMPLOYEE DENTAL BENEFITS PREMIUM	VARIOUS
T2918	STINSON'S	36,809.87	94,754.98	DEPOSIT FOR COMPLIANCE WORKSTATIONS & MISC OFFICE SUPPLIES	CORPORATE SERVICES
T4657	DAPONDE SIMPSON ROWE PC	35,896.50	193,672.31	MAY 2022 LEGAL FEES	VARIOUS
T4688	VANGUARD MEDICAL CORPORATION	34,844.46	51,500.00	MAY 2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5479	TRANSFORMING LOCAL COMMUNITIES, INC	34,094.41	47,818.64	MAY 2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5022	SVAM INTERNATIONAL INC ****	32,614.50	264,327.00	MAY 2022 PROFESSIONAL SERVICES	IT BUSINESS INTELLIGENCE
T4193	STRIA LLC	31,244.56	251,135.29	MAY/JUN. 2022 OCR SERVICES AND PROFESSIONAL SERVICES	VARIOUS
T5447	PROSPHIRE, LLC ****	29,640.00	67,640.00	MAY 2022 PROFESSIONAL SERVICES	CAPITAL PROJECT
T5494	LDP ASSOCIATES, INC ****	27,300.00	27,300.00	2022/2023 DISASTER RECOVERY & PC COOLING MAINTENANCE	VARIOUS
T4699	ZEOMEGA, INC.	26,400.00	234,462.46	MAY 2022 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T2969	AMERICAN BUSINESS MACHINES INC ****	26,178.04	45,687.47	JUL. 2022 COPIER MAINT. & 2ND QTR OVERAGES & 2 NEW COPIERS	MIS INFRASTRUCTURE
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	26,004.19	198,680.48	JUN. 2022 EDI CLAIM PROCESSING	CLAIMS

KERN·HEALTH SYSTEMS

July AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1861	CERIDIAN HCM, INC	25,762.95	152,078.64	JUN. & JUL. 2022 MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T4663	DEVELOPMENT DIMENSIONS INTERNATIONAL, INC ****	25,000.00	25,000.00	2022-2023 LEADERSHIP LICENSE	HUMAN RESOURCES
T5377	TELEHEALTHDOCS MEDICAL GROUP	22,728.75	59,047.43	JUN. 2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T4460	PAYSPAN, INC	21,465.36	132,494.98	JUN. 2022 ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T3011	OFFICE ALLY, INC.	20,307.25	149,866.75	JUN. 2022 EDI CLAIMS PROCESSING	CLAIMS
T4483	INFUSION AND CLINICAL SERVICES, INC	19,698.35	630,552.76	MAY & JUN. 2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANT
T4165	SHI INTERNATIONAL CO.	18,655.68	309,261.50	(16) SOFTWARE LICENSES & MAINTENANCE	MIS INFRASTRUCTURE
T5322	MANINDER KHALSA	18,622.50	154,030.50	JUN. 2022 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T2458	HEALTHCARE FINANCIAL, INC.	18,500.00	114,000.00	MAY & JUN. 2022 PROFESSIONAL SERVICES	ADMINISTRATION
T5503	SECURE-CENTRIC INC. ****	17,850.00	17,850.00	ONE MONTH OF POLARIS LICENSE AND SUPPORT	CAPITAL PROJECT
T5333	CENTRAL CALIFORNIA ASTHMA COLLABORATIVE	17,662.29	92,713.62	APR. & MAY 2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5145	CCS ENGINEERING FRESNO INC.	17,558.00	128,208.00	JUL. 2022 JANITORIAL & ADDITIONAL DAY PORTER	CORPORATE SERVICES
T5300	CENTRAL VALLEY OCCUPATION MEDICAL GROUP, INC ****	16,800.00	62,720.00	APR. 2022 COVID-19 TESTING	HUMAN RESOURCES

KERN·HEALTH SYSTEMS

July AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T5215	RICHARD GARCIA	15,562.50	26,362.50	MAY & JUN. 2022 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T4737	TEKSYSTEMS, INC	15,620.00	245,117.50	JUN. 2022 PROFESSIONAL SERVICES	IT BUSINESS INTELLIGENCE
T5292	ALL'S WELL HEALTH CARE SERVICES ****	14,563.34	80,722.08	MAY, JUN. & JUL. 2022 TEMPORARY HELP - (2) UM	VARIOUS
T4452	WELLS FARGO	13,614.89	168,450.80	JUL - ACH MISC CREDIT CARD PURCHASES	VARIOUS
T5329	RELAY NETWORK, LLC ****	13,333.34	46,666.69	MAY & JUN. 2022 TEXT MESSAGING SUBSCRIPTION	MIS INFRASTRUCTURE
T2413	TREK IMAGING INC ****	11,973.23	42,609.50	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	11,929.61	84,435.88	JUN. 2022 EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T2869	COMMUNITY ACTION PARTNERSHIP OF KERN ****	10,000.00	10,000.00	2022 COMMUNITY GRANT	COMMUNITY GRANTS
T3001	MERCER ****	10,000.00	95,000.00	MAY & JUN. 2022 CONSULTING SERVICES	HUMAN RESOURCES

	5,045,763.96
TOTAL VENDORS OVER $10,000	5,045,763.96
TOTAL VENDORS UNDER $10,000	410,441.58
TOTAL VENDOR EXPENSES- JULY	**$ 5,456,205.54**

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

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	3,531,730.34	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	2,078,761.61	PROFESSIONAL SERVICES / CONSULTING SERVICES	VARIOUS
T4982	NGC US, LLC	1,996,225.92	PREFUND MEMBER INCENTIVES - COVID 19 INCENTIVE PROGRAM	VARIOUS
T1071	CLINICA SIERRA VISTA	1,558,821.41	2022 HEALTH HOMES GRANT & PROVIDER CARE QUALITY GRANT PROGRAM	COMMUNITY GRANTS
T2704	MCG HEALTH LLC ****	1,214,288.28	ANNUAL HEALTH CARE MANAGEMENT & SOFTWARE LICENSE	UTILIZATION MANAGEMENT
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	1,049,162.82	PROFESSIONAL SERVICES & ANNUAL LICENSING	VARIOUS
T4391	OMNI FAMILY HEALTH	938,463.50	HEALTH HOMES GRANT	COMMUNITY GRANTS
T1408	DELL MARKETING L.P.	867,575.20	HARDWARE & COMPUTER EQUIPMENT & LICENSE FEES	MIS INFRASTRUCTURE
T5111	ENTISYS 360	850,833.77	ACROPOLIS ANNUAL LICENSE 2022	MIS INFRASTRUCTURE
T2686	ALLIANT INSURANCE SERVICES INC. ****	679,752.52	2022 -2023 INSURANCE PREMIUMS	ADMINISTRATION
T4483	INFUSION AND CLINICAL SERVICES, INC	630,552.76	HEALTH HOMES GRANT	COMMUNITY GRANT

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1845	DEPARTMENT OF MANAGED HEALTH CARE ****	471,317.70	2022-2023 MCAL ANNUAL ASSESSMENT	ADMINISTRATION
T3130	OPTUMINSIGHT, INC	452,610.00	ANNUAL LICENSED SOFTWARE EASYGROUP & INCREMENTAL LICENSE	MIS INFRASTRUCTURE
T4237	FLUIDEDGE CONSULTING, INC.	448,122.10	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING-CALAIM EXPANSION	VARIOUS
T4733	UNITED STAFFING ASSOCIATES	418,034.71	TEMPORARY HELP	VARIOUS
T1180	LANGUAGE LINE SERVICES INC.	313,043.27	INTERPRETATION SERVICES	MEMBER SERVICES
T4165	SHI INTERNATIONAL CO.	309,261.50	NETWORK SWITCHES WITH SUPPORT	MIS INFRASTRUCTURE
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	276,002.77	VOLUNTARY LIFE, AD&D INSURANCE PREMIUM	VARIOUS
T5022	SVAM INTERNATIONAL INC	264,327.00	PROFESSIONAL SERVICES	IT BUSINESS INTELLIGENCE
T5421	PREMIER ACCESS INSURANCE COMPANY	263,955.15	EMPLOYEE DENTAL BENEFITS PREMIUM	VARIOUS
T4193	STRIA LLC	251,135.29	OCR SERVICES AND PROFESSIONAL SERVICES	VARIOUS
T4737	TEKSYSTEMS, INC.	245,117.50	PROFESSIONAL SERVICES	IT BUSINESS INTELLIGENCE

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	240,630.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T4699	ZEOMEGA, INC.	234,462.46	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T5005	CRAYON SOFTWARE EXPERTS LLC	233,512.45	ANNUAL SOFTWARE LICENSE AND ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T5337	CAZADOR CONSULTING GROUP INC	203,880.98	TEMPORARY HELP	VARIOUS
T2584	UNITED STATES POSTAL SVC. - HASLER	200,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	198,680.48	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T5319	CITIUSTECH INC.	197,913.00	FAST+ ANNUAL MAINTENANCE & SUPPORT	MIS INFRASTRUCTURE
T4657	DAPONDE SIMPSON ROWE PC	193,672.31	LEGAL FEES	VARIOUS
T4353	TWE SOLUTIONS, INC	193,536.80	INTERNAL AUDIT SOFTWARE	MIS INFRASTRUCTURE
T2167	PG&E	186,435.01	USAGE / UTILITIES	CORPORATE SERVICES
T2726	DST PHARMACY SOLUTIONS, INC.	179,230.20	PHARMACY CLAIMS	PHARMACY
T5466	ZIPARI, INC	177,998.56	2022 JIVA MEMBER PORTAL	MIS INFRASTRUCTURE

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5360	SYNERGY PHARMACY SOLUTIONS INC.	163,400.00	2021 KOMOTO ASTHMA PROGRAM	POPULATION HEALTH MANAGEMENT
T2469	DST HEALTH SOLUTIONS, LLC.	156,427.30	ANNUAL ACG LICENSE & SUPPORT	BUSINESS INTELLEGENCE
T5322	MANINDER KHALSA	154,030.50	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T1861	CERIDIAN HCM, INC.	152,078.64	MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T3011	OFFICE ALLY, INC	149,866.75	EDI CLAIM PROCESSING	CLAIMS
T4452	WELLS FARGO	168,450.80	ACH- MISC CREDIT CARD PURCHASES	VARIOUS
T1960	LOCAL HEALTH PLANS OF CALIFORNIA ****	137,893.57	2022-2023 ANNUAL DUE ASSESSMENT	ADMINISTRATION
T4460	PAYSPAN, INC	132,494.98	ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T5145	CCS ENGINEERING FRESNO INC.	128,208.00	JANITORIAL & ADDITIONAL DAY PORTER	CORPORATE SERVICES
T4582	HEALTHX, INC.	124,728.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T3449	CDW GOVERNMENT	117,456.24	HEADSETS, CABLES & ADOBE LICENSES	MIS INFRASTRUCTURE

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Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2458	HEALTHCARE FINANCIAL, INC	114,000.00	PROFESSIONAL SERVICES	ADMINISTRATION
T3001	MERCER	95,000.00	PROFESSIONAL SERVICES	HUMAN RESOURCES
T2918	STINSONS	94,754.98	2022 OFFICE SUPPLIES	VARIOUS
T4038	POLYCLINIC MEDICAL CENTER, INC	93,096.59	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
T5333	CENTRAL CALIFORNIA ASTHMA COLLABORATIVE	92,713.62	PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5486	ALLIED GENERAL CONTRACTORS, INC	92,425.76	BUILDING IMPROVEMENTS	CORPORATE SERVICES
T1128	HALL LETTER SHOP	89,118.54	MEMBER ID CARDS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS	VARIOUS
T4686	CENTRIC HEALTH	86,939.92	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T2933	SIERRA PRINTERS, INC	85,808.69	PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS	VARIOUS
T5452	BLACKHAWK ENGAGEMENT SOLUTIONS, INC ****	85,000.00	PREFUND HEALTH EDUCATION MEMBER INCENTIVES	UTILIZATION MANAGEMENT-QI
T1005	COLONIAL LIFE & ACCIDENT	84,435.88	LIFE INSURANCE PREMIUM	VARIOUS
T4963	LINKEDIN CORPORATION	81,729.00	ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES	HUMAN RESOURCES

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5292	ALL'S WELL HEALTH CARE SERVICES	80,722.08	TEMPORARY HELP	VARIOUS
T4217	CONTEXT 4 HEALTHCARE, INC	75,142.83	AMA ROYALTY FEE & CPT RENEWAL	MIS INFRASTRUCTURE
T5435	TEGRIA SERVICES GROUP - US, INC.	74,500.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	73,600.00	2022 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T4052	RAHUL SHARMA	70,000.00	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
WT/ACH	USPS	70,000.00	FUND KHS POSTAL ONE/EPS ACCOUNT	CORPORATE SERVICES
T1272	COFFEY COMMUNICATIONS INC.	69,493.77	MEMBER NEWSLETTER/WEBSITE IMPLEMENTATION	HEALTH EDUCATION/MEDIA & ADVERTISING
T5447	PROSPHIRE, LLC	67,640.00	CONSULTING - CLINICAL ADMINISTRATOR STAFF AUGMENTATION	UTILIZATION MANAGEMENT
T5275	CREATIVE FINANCIAL STAFFING, LLC.	67,409.92	RECRUITMENT FEES	HUMAN RESOURCES
T4708	HEALTH MANAGEMENT ASSOCIATES, INC.	67,067.50	CONSULTING SERVICES	ADMINISTRATION

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5300	CENTRAL VALLEY OCCUPATION MEDICAL GROUP, INC	62,720.00	COVID-19 TESTING	HUMAN RESOURCES
T5377	TELEHEALTHDOCS MEDICAL GROUP	59,047.43	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
T1022	UNUM LIFE INSURANCE CO.	56,456.66	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T4503	VISION SERVICE PLAN	56,389.58	EMPLOYEE HEALTH BENEFITS	VARIOUS
T5376	KCHCC	53,700.00	COVID-19 VACCINE CAMPAIGN GRANT	HEALTH EDUCATION
T5185	HOUSING AUTHORITY COUNTY OF KERN	53,250.00	2021 HOUSING AUTHORITY GRANT	POPULATION HEALTH MANAGEMENT
T4688	VANGUARD MEDICAL CORPORATION	51,500.00	2021-2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5121	TPX COMMUNICATIONS	50,647.45	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE
T5109	RAND EMPLOYMENT SOLUTIONS	50,216.39	TEMPORARY HELP	VARIOUS
T4585	DELANO UNION SCHOOL DISTRICT	50,000.00	COVID-19 VACCINE CAMPAIGN GRANT	HEALTH EDUCATION
T5426	UNIVERSAL HEALTHCARE SERVICES, INC	49,546.78	PROVIDER GRANT PROGRAM	COMMUNITY GRANTS

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	49,500.00	2021 AUDIT FEES	FINANCE
T5487	MR2 SOLUTIONS, INC ****	49,400.00	2022/2023 VIRTUAL CHIEF INFORMATION SECURITY OFFICER	MIS INFRASTRUCTURE
T5479	TRANSFORMING LOCAL COMMUNITIES, INC	47,818.64	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	46,711.06	EDI CLAIM PROCESSING	CLAIMS
T5420	PAYPRO ADMINISTRATORS	46,701.12	FSA EMPLOYEE BENEFIT	VARIOUS
T5329	RELAY NETWORK, LLC	46,666.69	TEXT MESSAGING SUBSCRIPTION	CAPITAL PROJECT
T2969	AMERICAN BUSINESS MACHINES INC	45,687.47	HARDWARE AND MAINTENANCE	CORPORATE SERVICES
T5132	TIME WARNER CABLE LLC	44,552.89	INTERNET SERVICES	MIS INFRASTRUCTURE
T2413	TREK IMAGING INC	42,609.50	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T5340	GARTNER INC	42,391.67	ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES	MIS ADMINISTRATION
T4792	KP LLC	40,870.25	PROVIDER DIRECTORIES & FORMULARY (SUPPORT/MAINT.)	PHARMACY/PROVIDER RELATIONS

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4182	THE LAMAR COMPANIES	39,319.00	OUTDOOR ADVERTISEMENT - BILLBOARDS	ADVERTISING
T5396	NYMI INC	39,040.00	15 WEARABLES/ SOFTWARE/MAINTENANCE FOR TRACING DEVICES	CORPORATE SERVICES
T5107	CITRIX SYSTEMS, INC.	38,250.00	ANNUAL SERVICE RENEWAL	MIS INFRASTRUCTURE
T5389	ADAKC	37,453.97	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T3986	JACQUELYN S. JANS	36,500.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T5286	BROOKLYNNS BOX INC.	36,350.00	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	35,833.34	COMMUNITY SPONSORSHIP	ADMINISTRATION
T5398	GOLDEN EMPIRE GLEANERS	35,747.69	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T4501	ALLIED UNIVERSAL SECURITY SERVICES	34,590.92	ONSITE SECURITY	CORPORATE SERVICES
T4607	AGILITY RECOVERY SOLUTIONS INC.	34,083.00	PROFESSIONAL SERVICES	ADMINISTRATION
T4785	COMMGAP	33,477.50	INTERPRETATION SERVICES	HEALTH EDUCATION

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4059	KERN VALLEY HEALTHCARE DISTRICT	32,834.75	2022 PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T2441	LAURA J. BREZINSKI	32,200.00	MARKETING MATERIALS	MARKETING
T4563	SPH ANALYTICS	31,046.40	2021/2022 PROVIDER SATISFACTION SURVEYS	MEMBER SERVICES
T5325	WADE A MCNAIR	30,000.00	LEADERSHIP ACADEMY TRAINING	HUMAN RESOURCES
T1183	MILLIMAN USA	29,849.50	CY2020/2021 TNE & IBNP CONSULTING - ACTUARIAL	ADMINISTRATION
T2509	USPS	29,467.33	FUND MAILING PERMIT #88	CORPORATE SERVICES
T5408	MARY HARRIS	29,310.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T4944	CENTRAL VALLEY FARMWORKER FOUNDATION	28,600.50	COVID EDUCATION OUTREACH SPECIALIST	PROVIDER NETWORK MANAGEMENT
T5367	ADVENTIST HEALTH DELANO	28,219.44	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
T5387	NAVIA BENEFITS SOLUTIONS, INC.	28,207.23	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS
T1152	MICHAEL K. BROWN LANDSCAPE & MAINTENANCE CO. INC.	28,028.91	2022 BUILDING MAINTENANCE	CORPORATE SERVICE

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4496	VOX NETWORK SOLUTIONS, INC	27,914.25	TELSTRAT LICENSES & ANNUAL HOSTING	MIS INFRASTRUCTURE
T2961	SOLUTION BENCH, LLC	27,600.00	2022/2023 ANNUAL M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE
T2851	SINCLAIR TELEVISION OF BAKERSFIELD, LLC	27,530.00	ADVERTISEMENT - MEDIA	MARKETING
T5494	LDP ASSOCIATES, INC ****	27,300.00	2022/2023 DISASTER RECOVERY & PC COOLING MAINT.	VARIOUS
T2446	AT&T MOBILITY	26,922.90	CELLULAR PHONE/INTERNET USAGE	MIS INFRASTRUCTURE
T5215	RICHARD GARCIA	26,362.50	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T5455	HC2 STRATEGIES, INC	26,118.00	CALAIM ROUNDTABLE SUPPORT	COMMUNITY SUPPORT SERVICES
T5488	SALUSKY LAW GROUP	25,417.00	LEGAL FEES	ADMINISTRATION
T4663	DEVELOPMENT DIMENSIONS INTERNATIONAL, INC ****	25,000.00	2021-2023 LEADERSHIP LICENSE	HUMAN RESOURCES
T4514	A.J. KLEIN, INC. T.DENATALE, B. GOLDNER	24,338.89	LEGAL FEES	ADMINISTRATION
T5317	PRESIDIO NETWORKED SOLUTIONS GROUP LLC.	23,612.50	NUTANIX HARDWARE & SOFTWARE - SECURITY PROGRAM ASSESSMENT	MIS INFRASTRUCTURE
T4731	LOGMEIN USA, INC.	23,137.81	INTERNET SERVICES	MIS INFRASTRUCTURE

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T3092	LINKS FOR LIFE, INC.	23,100.00	COMMUNITY RESOURCES GRANT PROGRAM	COMMUNITY GRANT
T5480	PRESS GANEY ASSOCIATES LLC	22,500.00	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS
T2941	KERN PRINT SERVICES INC.	20,756.40	OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD	VARIOUS
T4216	NEXSTAR BROADCASTING INC	20,650.00	ADVERTISEMENT - MEDIA	MARKETING
T4466	SMOOTH MOVE USA	20,171.61	OFF SITE STORAGE	CORPORATE SERVICES
T5483	JOSE GARAY, APLC	19,999.00	LEGAL FEES	POPULATION HEALTH MANAGEMENT
T4695	EDIFECS, INC	18,487.13	ANNUAL TSM MAINTENANCE	MIS INFRASTRUCTURE
T5503	SECURE-CENTRIC INC. ****	17,850.00	POLARIS LICENSE AND SUPPORT	CAPITAL PROJECT
T5411	EVA C BUCH	17,767.75	RN REMOTE HOURS	UTILIZATION MANAGEMENT-UM
T5281	THE MISSION AT KERN COUNTY	17,720.41	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5313	HEALTH LITERACY INNOVATIONS, LLC	17,505.00	LITERACY ADVISOR ANNUAL SOFTWARE LICENSE	MIS INFRASTRUCTURE
T2787	SAGE SOFTWARE, INC	17,401.92	2022-23 SAGE300 ERP SILVER BUSINESS ANNUAL LICENSE	FINANCE
T5366	CONCUR TECHNOLOGIES, INC	16,379.50	2021 - 2022 SAP PROFESSIONAL SERVICES	FINANCE

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5496	GAMEDAY SPORTS ACADEMY	16,200.00	BASKETBALL SPONSORSHIP FOR 15 CHILDREN	MARKETING
T5161	INTEGRATED HEALTHCARE ASSOCIATION	16,077.00	CONSULTING SERVICES	PROVIDER NETWORK MANAGEMENT
T4523	BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA	15,992.19	EMPLOYEE PREMIUM	ADMINISTRATION
T1347	ADVANCED DATA STORAGE	15,227.21	STORAGE AND SHREDDING SERVICES	CORPORATE SERVICES
T4259	SKARPHOL ASSOCIATES	14,980.50	PROFESSIONAL SERVICES - BUILDING IMPROVEMENTS	CORPORATE SERVICES
T4228	THE SSI GROUP, LLC	14,602.40	EDI CLAIM PROCESSING	CLAIMS
T4993	LEGALSHIELD	14,255.95	EMPLOYEE PAID VOLUNTARY COVERAGE	PAYROLL DEDUCTION
T1986	BOYS AND GIRLS CLUB OF BAKERSFIELD	14,084.00	COMMUNITY SPONSORSHIP	MARKETING
T3084	KERN COUNTY-COUNTY COUNSEL	13,982.70	LEGAL FEES	ADMINISTRATION
T5453	HEALTH DIMENSIONS, INC ****	13,375.00	CONSULTING SERVICES	HEALTH SERVICES - QI
T4265	SIERRA SCHOOL EQUIPMENT COMPANY	12,919.54	OFFICE FURNITURE	CORPORATE SERVICES
T4544	BARNES WEALTH MANAGEMENT GROUP ****	12,750.00	RETIREMENT PLAN CONSULTING	ADMINISTRATION
T5159	AT&T CORP	12,426.95	INTERNET SERVICES	MIS INFRASTRUCTURE

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T3446	WITT/KNIEFFER INC	12,426.27	RECRUITMENT FEES - CEO SEARCH	HUMAN RESOURCES
T5395	LIVONGO HEALTH, INC	12,414.00	EMPLOYEE BENEFIT - VIRTUAL THERAPY	VARIOUS
T4537	BURKE, WILLIAMS & SORENSEN, LLP ****	12,360.50	LEGAL FEES	ADMINISTRATION
T2938	SAP AMERICA, INC	12,308.32	SAP BUSINESS OBJECTS SOFTWARE ANNUAL MAINTENANCE FEE	BUSINESS INTELLIGENCE
T5401	KERN MEDICAL SUPPLY, LLC	12,262.15	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T4920	OTIS ELEVATOR COMPANY	12,056.10	2022 ELEVATOR MAINTENANCE SERVICES	CORPORATE SERVICES
T1655	KERN, KKXX, KISV, KGEO, KGFM, KEBT, KZOZ, KKJG, KVEC, KSTT, KRQK, KPAT,	12,000.00	DIGITAL ADS	MARKETING
T5450	OPEN REEL	12,000.00	EMPLOYEE TRAINING EQUIPMENT	HUMAN RESOURCES
T3057	TOUCH OF GLASS	11,850.00	PRESSURE WASH BUILDING EXTERIOR	CORPORATE SERVICES
T5336	PACWEST DIRECT	11,739.45	MAIL PROCESSING SERVICES	CORPORATE SERVICES
T4873	L5 HEALTHCARE SOLUTIONS, INC	11,192.50	ANNUAL LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL	CLAIMS
T4707	SHAFTER PEDIATRICS	10,967.11	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS

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Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T3515	DOUG HAYWARD ****	10,880.47	CONSULTING SERVICES	ADMINISTRATION
T5434	CHARGEPOINT, INC.	10,864.00	EV CHARGERS 2YR MAINTENANCE	CORPORATE SERVICES
T5336	TEAMDYNAMIX SOLUTIONS LLC	10,306.00	SOFTWARE LICENSE	MIS INFRASTRUCTURE
T5436	THE BEACON STUDIOS, LLC ****	10,203.75	PHOTOGRAPHY & VIDEO SERVICES	MARKETING
T1957	FRIENDS OF MERCY FOUNDATION ****	10,000.00	2022 COMMUNITY GRANT	COMMUNITY GRANTS
T2869	COMMUNITY ACTION PARTNERSHIP OF KERN ****	10,000.00	2022 COMMUNITY GRANT	COMMUNITY GRANTS
		27,723,720.92		
	TOTAL VENDORS OVER $10,000	27,723,720.92		
	TOTAL VENDORS UNDER $10,000	713,087.19		
	TOTAL VENDOR EXPENSES-YTD	**28,436,808.11**		

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

KERN·HEALTH SYSTEMS

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Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4350	COMPUTER ENTERPRISE INC.	539,220.60	2,617,982.21	JUN. & JUL. 2022 PROFESSIONAL SERVICES / CONSULTING SERVICES	VARIOUS
T1045	KAISER FOUNDATION HEALTH - HMO	511,538.56	4,043,268.90	AUG. 2022 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4391	OMNI FAMILY HEALTH ****	341,675.68	1,280,139.18	SEP. & OCT. 2021 PROVIDER GRANT PROGRAM, JAN. & FEB. 2022 HEALTH HOMES GRANT	COMMUNITY GRANTS
T1071	CLINICA SIERRA VISTA	215,775.37	1,774,596.78	JAN. - MAY. 2022 HEALTH HOMES GRANT & JUN. 2022 PROVIDER CARE QUALITY GRANT PROGRAM, 2022 COMMUNITY GRANTS	COMMUNITY GRANTS
T1180	LANGUAGE LINE SERVICES INC. ****	187,772.47	500,815.74	MAY, JUN. & JUL. 2022 INTERPRETATION SERVICES	MEMBER SERVICES
T4707	SHAFTER PEDIATRICS ****	139,032.89	150,000.00	MAY - JUL. 2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5479	TRANSFORMING LOCAL COMMUNITIES, INC	102,690.05	150,508.69	JUN. & JUL. 2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T1408	DELL MARKETING L.P.	99,228.86	966,804.06	HARDWARE- (49) DELL LATITUDE BASE & (19) VLA ENTERPRISE	MIS INFRASTRUCTURE
T4733	UNITED STAFFING ASSOCIATES	92,873.29	510,908.00	JUL. & AUG. 2022 TEMPORARY HELP - (10) MS; (1) HHP; (1) HE	VARIOUS
T3130	OPTUMINSIGHT, INC ****	89,420.00	542,030.00	CES FEES YEAR 5 12/22/21-12/21/22 INCREMENTAL COVERAGE	MIS INFRASTRUCTURE
T5529	FINDHELP ****	83,000.00	83,000.00	COMMUNITY SUPPORTS SERVICE REFERRAL SYSTEM IMPLEMENTATION AND (12) LICENSES	CAPITAL PROJECT
T2961	SOLUTION BENCH, LLC ****	76,461.95	104,061.95	ANNUAL M-FILES LICENSE RENEWAL	MIS INFRASTRUCTURE

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Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	71,480.87	1,120,643.69	JUL. 2022 PROFESSIONAL SERVICES & EDI CLAIM PROCESSING	VARIOUS
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	70,387.50	311,017.50	JUL. 2022 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T5022	SVAM INTERNATIONAL INC	65,039.00	329,366.00	JUN. & JUL. 2022 PROFESSIONAL SERVICES	IT BUSINESS INTELLIGENCE
T5447	PROSPHIRE, LLC	63,840.00	131,480.00	APR. & JUN. 2022 PROFESSIONAL SERVICES	CAPITAL PROJECT
T4737	TEKSYSTEMS, INC	55,947.28	301,064.78	JUN., JUL. & AUG. 2022 PROFESSIONAL SERVICES	IT BUSINESS INTELLIGENCE
T1195	KOMOTO PHARMACY, INC ****	54,500.00	54,500.00	COVID-19 POP UP CLINIC	PROVIDER NETWORK MANAGEMENT
T4699	ZEOMEGA, INC.	53,850.00	288,312.46	JUN., JUL., & AUG. 2022 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T5337	CAZADOR CONSULTING GROUP INC	51,017.76	254,898.74	JUL. & AUG. 2022 TEMPORARY HELP - (5) MS; (1) UM; (1) IT; (1) CS	VARIOUS
T2167	PG&E	47,658.52	234,093.53	AUG. 2022 USAGE / UTILITIES	CORPORATE SERVICES
T5466	ZIPARI, INC	43,123.28	221,121.84	AUG. 2022 JIVA MEMBER PORTAL	MIS INFRASTRUCTURE
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	42,243.70	318,246.47	AUG. 2022 EMPLOYEE HEALTH BENEFITS	VARIOUS
T2584	UNITED STATES POSTAL SVC. - HASLER ****	40,000.00	240,000.00	POSTAGE METER PREFUND	CORPORATE SERVICES

KERN·HEALTH SYSTEMS

Aug AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T5421	PREMIER ACCESS INSURANCE COMPANY	39,975.70	303,930.85	AUG. 2022 EMPLOYEE DENTAL BENEFITS PREMIUM	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	38,400.00	486,522.10	JUL. 2022 CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING-CALAIM EXPANSION	VARIOUS
T4605	KERNVILLE UNION SCHOOL DISTRICT ****	34,000.00	36,000.00	1ST INSTALLMENT SCHOOL WELLNESS GRANT	HEALTH SERVICES - HEALTH EDUCATION
T4484	JACOBSON SOLUTIONS ****	29,512.19	29,512.19	JUL. & AUG. 2022 TEMPORARY HELP	UTILIZATION MANAGEMENT-UM
T5300	CENTRAL VALLEY OCCUPATION MEDICAL GROUP, INC	28,960.00	91,680.00	MAY & JUN. 2022 COVID-19 TESTING	HUMAN RESOURCES
T4165	SHI INTERNATIONAL CO.	25,959.34	335,220.84	SOFTWARE LICENSES & MAINTENANCE	MIS INFRASTRUCTURE
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	23,660.86	222,341.34	JUL. 2022 EDI CLAIM PROCESSING	CLAIMS
T4193	STRIA LLC	23,055.73	274,191.02	JUL. 2022 OCR SERVICES AND PROFESSIONAL SERVICES	VARIOUS
T5435	TEGRIA SERVICES GROUP - US, INC. ****	21,000.00	95,500.00	JUN. 2022 CONSULTING SERVICES	CAPITAL PROJECT
T4657	DAPONDE SIMPSON ROWE PC	20,976.50	214,648.81	JUN. 2022 LEGAL FEES	VARIOUS
T4611	LAMONT SCHOOL DISTRICT ****	20,000.00	22,000.00	1ST INSTALLMENT SCHOOL WELLNESS GRANT	HEALTH SERVICES - HEALTH EDUCATION
T5535	PANAMA-BUENA VISTA UNION SCHOOL DISTRICT ****	20,000.00	20,000.00	1ST INSTALLMENT SCHOOL WELLNESS GRANT	HEALTH SERVICES - HEALTH EDUCATION
WT/ACH	USPS	20,000.00	90,000.00	FUND KHS POSTAL ONE/EPS ACCOUNT	CORPORATE SERVICES

KERN·HEALTH SYSTEMS

Aug AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4982	NGC US, LLC ****	19,400.00	2,015,625.92	PREFUND MEMBER INCENTIVES - COVID 19 INCENTIVE PROGRAM	VARIOUS
T5145	CCS ENGINEERING FRESNO INC.	19,170.00	147,378.00	AUG. 2022 JANITORIAL & ADDITIONAL DAY PORTER	CORPORATE SERVICES
T5333	CENTRAL CALIFORNIA ASTHMA COLLABORATIVE	18,462.14	111,175.76	JUN. 2022 PROVIDER GRANT PROGRAM & 3RD QTR. AIM PROGRAM EXPENSES	COMMUNITY GRANTS
T4460	PAYSPAN, INC	17,884.83	150,379.81	JUL. 2022 ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T3011	OFFICE ALLY, INC.	17,518.18	167,384.93	JUL. 2022 EDI CLAIMS PROCESSING	CLAIMS
T1097	NCQA ***	16,855.00	20,607.00	HEDIS, VOL 2 QUALITY COMPASS AND POPULATION HEALTH PROGRAM ACCREDIATION	QUALITY IMPROVEMENT
T5201	JAC SERVICES, INC ****	16,422.00	17,835.00	AC MAINTENANCE SERVICE	CORPORATE SERVICES
T5537	PCNATION ****	15,687.59	15,687.59	HARDWARE - (50) DELL DOCK	MIS INFRASTRUCTURE
T5185	HOUSING AUTHORITY COUNTY OF KERN ****	14,350.00	67,600.00	JUL. 2022 PROFESSIONAL SERVICES	POPULATION HEALTH MANAGEMENT
T2413	TREK IMAGING INC	13,639.18	56,248.68	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS, KHS STORE	VARIOUS
T5215	RICHARD GARCIA	13,575.00	39,937.50	JUL. 2022 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T3515	DOUGLAS HAYWARD ****	13,363.98	24,244.45	JUL. & AUG. 2022 CONSULTING	EXECUTIVE
T4452	WELLS FARGO	13,250.15	181,700.95	AUG - ACH MISC CREDIT CARD PURCHASES	VARIOUS
T5292	ALL'S WELL HEALTH CARE SERVICES	12,771.25	93,493.33	JUL. & AUG. 2022 TEMPORARY HELP - (2) UM	VARIOUS

KERN·HEALTH SYSTEMS

Aug AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	11,620.97	96,056.85	JUL. 2022 EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T5490	WORKSITE LABS, INC ****	11,320.00	11,320.00	JUL. 2022 ONSITE COVID-19 TESTING	HUMAN RESOURCES
T2941	KERN PRINT SERVICES INC. ****	10,343.94	31,100.34	OFFICE SUPPLIES - ENVELOPES	CORPORATE SERVICES
T2726	DST PHARMACY SOLUTIONS, INC. ****	10,090.43	189,320.63	JUN. 2022 PHARMACY CLAIMS	PHARMACY
T3092	LINKS FOR LIFE, INC ****	10,000.00	33,100.00	2022/2023 SPONSORSHIP	MEDIA & ADVERTISING
		3,759,002.59			
	TOTAL VENDORS OVER $10,000	3,759,002.59			
	TOTAL VENDORS UNDER $10,000	320,067.05			
	TOTAL VENDOR EXPENSES- AUGUST	**$ 4,079,069.64**			

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

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	4,043,268.90	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	2,617,982.21	PROFESSIONAL SERVICES / CONSULTING SERVICES	VARIOUS
T4982	NGC US, LLC	2,015,625.92	PREFUND MEMBER INCENTIVES - COVID 19 INCENTIVE PROGRAM	VARIOUS
T1071	CLINICA SIERRA VISTA	1,774,596.78	2022 HEALTH HOMES GRANT & PROVIDER CARE QUALITY GRANT PROGRAM	COMMUNITY GRANTS
T4391	OMNI FAMILY HEALTH	1,280,139.18	HEALTH HOMES GRANT	COMMUNITY GRANTS
T2704	MCG HEALTH LLC	1,214,288.28	HEALTH CARE MANAGEMENT & SOFTWARE LICENSE 8/5/2022 -08/04/2023	UTILIZATION MANAGEMENT
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	1,120,643.69	PROFESSIONAL SERVICES & ANNUAL LICENSING	VARIOUS
T1408	DELL MARKETING L.P.	966,804.06	HARDWARE & COMPUTER EQUIPMENT & LICENSE FEES	MIS INFRASTRUCTURE
T5111	ENTISYS 360	850,833.77	ACROPOLIS ANNUAL LICENSE 2022	MIS INFRASTRUCTURE
T2686	ALLIANT INSURANCE SERVICES INC.	679,752.52	2022 -2023 INSURANCE PREMIUMS	ADMINISTRATION
T4483	INFUSION AND CLINICAL SERVICES, INC	640,212.76	HEALTH HOMES GRANT	COMMUNITY GRANT
T3130	OPTUMINSIGHT, INC	542,030.00	ANNUAL LICENSED SOFTWARE EASYGROUP & INCREMENTAL LICENSE	MIS INFRASTRUCTURE

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4733	UNITED STAFFING ASSOCIATES	510,908.00	TEMPORARY HELP	VARIOUS
T1180	LANGUAGE LINE SERVICES INC.	500,815.74	INTERPRETATION SERVICES	MEMBER SERVICES
T4237	FLUIDEDGE CONSULTING, INC.	486,522.10	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING-CALAIM EXPANSION	VARIOUS
T1845	DEPARTMENT OF MANAGED HEALTH CARE	471,317.70	2022-2023 MCAL ANNUAL ASSESSMENT	ADMINISTRATION
T4165	SHI INTERNATIONAL CO.	335,220.84	NETWORK SWITCHES WITH SUPPORT	MIS INFRASTRUCTURE
T5022	SVAM INTERNATIONAL INC	329,366.00	PROFESSIONAL SERVICES	IT BUSINESS INTELLIGENCE
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	318,246.47	VOLUNTARY LIFE, AD&D INSURANCE PREMIUM	VARIOUS
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	311,017.50	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T5421	PREMIER ACCESS INSURANCE COMPANY	303,930.85	EMPLOYEE DENTAL BENEFITS PREMIUM	VARIOUS
T4737	TEKSYSTEMS, INC.	301,064.78	PROFESSIONAL SERVICES	IT BUSINESS INTELLIGENCE
T4699	ZEOMEGA, INC.	288,312.46	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4193	STRIA LLC	274,191.02	OCR SERVICES AND PROFESSIONAL SERVICES	VARIOUS

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5337	CAZADOR CONSULTING GROUP INC	254,898.74	TEMPORARY HELP	VARIOUS
T2584	UNITED STATES POSTAL SVC. - HASLER	240,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T2167	PG&E	234,093.53	USAGE / UTILITIES	CORPORATE SERVICES
T5005	CRAYON SOFTWARE EXPERTS LLC	233,512.45	ANNUAL SOFTWARE LICENSE AND ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	222,341.34	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T5466	ZIPARI, INC	221,121.84	2022 JIVA MEMBER PORTAL	MIS INFRASTRUCTURE
T4657	DAPONDE SIMPSON ROWE PC	214,648.81	LEGAL FEES	VARIOUS
T5319	CITIUSTECH INC.	197,913.00	FAST+ ANNUAL MAINTENANCE & SUPPORT	MIS INFRASTRUCTURE
T4353	TWE SOLUTIONS, INC	193,536.80	INTERNAL AUDIT SOFTWARE	MIS INFRASTRUCTURE
T2726	DST PHARMACY SOLUTIONS, INC.	189,320.63	PHARMACY CLAIMS	PHARMACY
T4452	WELLS FARGO	181,700.95	ACH- MISC CREDIT CARD PURCHASES	VARIOUS
T3011	OFFICE ALLY, INC	167,384.93	EDI CLAIM PROCESSING	CLAIMS
T5322	MANINDER KHALSA	154,030.50	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2469	DST HEALTH SOLUTIONS, LLC.	156,427.30	ANNUAL ACG LICENSE & SUPPORT	BUSINESS INTELLEGENCE
T1861	CERIDIAN HCM, INC.	154,456.14	MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T5479	TRANSFORMING LOCAL COMMUNITIES, INC	150,508.69	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T4460	PAYSPAN, INC	150,379.81	ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T4707	SHAFTER PEDIATRICS	150,000.00	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5145	CCS ENGINEERING FRESNO INC.	147,378.00	JANITORIAL & ADDITIONAL DAY PORTER	CORPORATE SERVICES
T1960	LOCAL HEALTH PLANS OF CALIFORNIA	137,893.57	2022 ANNUAL DUE ASSESSMENT	VARIOUS
T5447	PROSPHIRE, LLC	131,480.00	CONSULTING - CLINICAL ADMINISTRATOR STAFF AUGMENTATION	UTILIZATION MANAGEMENT
T4582	HEALTHX, INC.	124,728.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T3449	CDW GOVERNMENT	123,911.40	HEADSETS, CABLES & ADOBE LICENSES	MIS INFRASTRUCTURE
T2458	HEALTHCARE FINANCIAL, INC	114,000.00	PROFESSIONAL SERVICES	ADMINISTRATION
T5333	CENTRAL CALIFORNIA ASTHMA COLLABORATIVE	111,175.76	PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5360	SYNERGY PHARMACY SOLUTIONS INC.	108,900.00	2021 KOMOTO ASTHMA PROGRAM	POPULATION HEALTH MANAGEMENT

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2961	SOLUTION BENCH, LLC ****	104,061.95	2022/2023 ANNUAL M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE
T4038	POLYCLINIC MEDICAL CENTER, INC	102,089.73	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
T2918	STINSONS	99,775.75	2022 OFFICE SUPPLIES	VARIOUS
T1128	HALL LETTER SHOP	98,936.47	MEMBER ID CARDS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS	VARIOUS
T3001	MERCER	97,500.00	PROFESSIONAL SERVICES	HUMAN RESOURCES
T1005	COLONIAL LIFE & ACCIDENT	96,056.85	LIFE INSURANCE PREMIUM	VARIOUS
T5435	TEGRIA SERVICES GROUP - US, INC.	95,500.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T5292	ALL'S WELL HEALTH CARE SERVICES	93,493.33	TEMPORARY HELP	VARIOUS
T5486	ALLIED GENERAL CONTRACTORS, INC	92,425.76	BUILDING IMPROVEMENTS	CORPORATE SERVICES
T5300	CENTRAL VALLEY OCCUPATION MEDICAL GROUP, INC	91,680.00	COVID-19 TESTING	HUMAN RESOURCES
WT/ACH	USPS	90,000.00	FUND KHS POSTAL ONE/EPS ACCOUNT	CORPORATE SERVICES
T4686	CENTRIC HEALTH	86,939.92	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2933	SIERRA PRINTERS, INC	85,987.37	PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS	VARIOUS
T5452	BLACKHAWK ENGAGEMENT SOLUTIONS, INC	85,000.00	PREFUND HEALTH EDUCATION MEMBER INCENTIVES	UTILIZATION MANAGEMENT-QI
T5529	FINDHELP ****	83,000.00	COMMUNITY SUPPORT REFERRAL SYSTEM IMPLEMENTATION	CAPITAL PROJECT
T4963	LINKEDIN CORPORATION	81,729.00	ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES	HUMAN RESOURCES
T4217	CONTEXT 4 HEALTHCARE, INC	75,142.83	AMA ROYALTY FEE & CPT RENEWAL	MIS INFRASTRUCTURE
T1272	COFFEY COMMUNICATIONS INC.	73,645.40	MEMBER NEWSLETTER/WEBSITE IMPLEMENTATION	HEALTH EDUCATION/MEDIA & ADVERTISING
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	73,600.00	2022 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T4052	RAHUL SHARMA	70,000.00	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
T5185	HOUSING AUTHORITY COUNTY OF KERN	67,600.00	2021 HOUSING AUTHORITY GRANT	POPULATION HEALTH MANAGEMENT
T5275	CREATIVE FINANCIAL STAFFING, LLC.	67,409.92	RECRUITMENT FEES	HUMAN RESOURCES
T4708	HEALTH MANAGEMENT ASSOCIATES, INC.	67,067.50	CONSULTING SERVICES	ADMINISTRATION
T4503	VISION SERVICE PLAN	64,746.67	EMPLOYEE HEALTH BENEFITS	VARIOUS
T1022	UNUM LIFE INSURANCE CO.	63,817.06	EMPLOYEE PREMIUM	PAYROLL DEDUCTION

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5377	TELEHEALTHDOCS MEDICAL GROUP	59,047.43	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
T5121	TPX COMMUNICATIONS	57,970.35	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE
T2413	TREK IMAGING INC	56,248.68	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T5376	KCHCC	55,700.00	COVID-19 VACCINE CAMPAIGN GRANT	HEALTH EDUCATION
T1195	KOMOTO PHARMACY, INC ****	54,500.00	COVID-19 POP UP CLINIC	PROVIDER NETWORK MANAGEMENT
T5109	RAND EMPLOYMENT SOLUTIONS	53,854.01	TEMPORARY HELP	VARIOUS
T5329	RELAY NETWORK, LLC	53,333.36	TEXT MESSAGING SUBSCRIPTION	CAPITAL PROJECT
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	52,775.36	EDI CLAIM PROCESSING	CLAIMS
T4688	VANGUARD MEDICAL CORPORATION	51,500.00	2021-2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T4585	DELANO UNION SCHOOL DISTRICT	50,000.00	COVID-19 VACCINE CAMPAIGN GRANT	HEALTH EDUCATION
T5426	UNIVERSAL HEALTHCARE SERVICES, INC	50,000.00	PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	49,500.00	2021 AUDIT FEES	FINANCE
T2969	AMERICAN BUSINESS MACHINES INC	49,400.15	HARDWARE AND MAINTENANCE	CORPORATE SERVICES

KERN·HEALTH SYSTEMS

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Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5487	MR2 SOLUTIONS, INC	49,400.00	2022/2023 VIRTUAL CHIEF INFORMATION SECURITY OFFICER	MIS INFRASTRUCTURE
T5420	PAYPRO ADMINISTRATORS	49,351.12	FSA EMPLOYEE BENEFIT	VARIOUS
T5132	TIME WARNER CABLE LLC	47,020.83	INTERNET SERVICES	MIS INFRASTRUCTURE
T4792	KP LLC	45,302.59	PROVIDER DIRECTORIES & FORMULARY (SUPPORT/MAINT.)	PHARMACY/PROVIDER RELATIONS
T5396	NYMI INC	44,745.00	15 WEARABLES/ SOFTWARE/MAINTENANCE FOR TRACING DEVICES	CORPORATE SERVICES
T4501	ALLIED UNIVERSAL SECURITY SERVICES	43,984.42	ONSITE SECURITY	CORPORATE SERVICES
T5340	GARTNER INC	42,391.67	ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES	MIS ADMINISTRATION
T4182	THE LAMAR COMPANIES	42,191.00	OUTDOOR ADVERTISEMENT - BILLBOARDS	ADVERTISING
T3986	JACQUELYN S. JANS	41,750.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T5215	RICHARD GARCIA	39,937.50	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T5107	CITRIX SYSTEMS, INC.	38,250.00	ANNUAL SERVICE RENEWAL	MIS INFRASTRUCTURE
T5389	ADAKC	37,453.97	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS

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Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4059	KERN VALLEY HEALTHCARE DISTRICT	36,625.44	2022 PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T5286	BROOKLYNNS BOX INC.	36,350.00	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
T2441	LAURA J. BREZINSKI	36,250.00	MARKETING MATERIALS	MARKETING
T4605	KERNVILLE UNION SCHOOL DISTRICT ****	36,000.00	2022-2024 SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T5367	ADVENTIST HEALTH DELANO	35,895.54	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	35,833.34	COMMUNITY SPONSORSHIP	ADMINISTRATION
T5398	GOLDEN EMPIRE GLEANERS	35,747.69	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T4607	AGILITY RECOVERY SOLUTIONS INC.	34,083.00	PROFESSIONAL SERVICES	ADMINISTRATION
T5408	MARY HARRIS	33,570.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T4785	COMMGAP	33,477.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T2446	AT&T MOBILITY	33,344.02	CELLULAR PHONE/INTERNET USAGE	MIS INFRASTRUCTURE
T3092	LINKS FOR LIFE, INC.	33,100.00	COMMUNITY RESOURCES GRANT PROGRAM	COMMUNITY GRANT

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2941	KERN PRINT SERVICES INC.	31,100.34	OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD	VARIOUS
T4563	SPH ANALYTICS	31,046.40	2021/2022 PROVIDER SATISFACTION SURVEYS	MEMBER SERVICES
T5455	HC2 STRATEGIES, INC	30,508.00	CALAIM ROUNDTABLE SUPPORT	COMMUNITY SUPPORT SERVICES
T1152	MICHAEL K. BROWN LANDSCAPE & MAINTENANCE CO. INC.	30,328.91	2022 BUILDING MAINTENANCE	CORPORATE SERVICE
T5325	WADE A MCNAIR	30,000.00	LEADERSHIP ACADEMY TRAINING	HUMAN RESOURCES
T1183	MILLIMAN USA	29,849.50	CY2020/2021 TNE & IBNP CONSULTING - ACTUARIAL	ADMINISTRATION
T4484	JACOBSON SOLUTIONS ****	29,512.19	TEMPORARY HELP	UTILIZATION MANAGEMENT-UM
T2509	USPS	29,467.33	FUND MAILING PERMIT #88	CORPORATE SERVICES
T4944	CENTRAL VALLEY FARMWORKER FOUNDATION	28,600.50	COVID EDUCATION OUTREACH SPECIALIST	PROVIDER NETWORK MANAGEMENT
T5387	NAVIA BENEFITS SOLUTIONS, INC.	28,207.23	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS
T4496	VOX NETWORK SOLUTIONS, INC	28,013.43	TELSTRAT LICENSES & ANNUAL HOSTING	MIS INFRASTRUCTURE
T2851	SINCLAIR TELEVISION OF BAKERSFIELD, LLC	27,530.00	ADVERTISEMENT - MEDIA	MARKETING

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5494	LDP ASSOCIATES, INC	27,300.00	2022/2023 DISASTER RECOVERY & PC COOLING MAINT.	VARIOUS
T4514	A.J. KLEIN, INC. T.DENATALE, B. GOLDNER	26,254.82	LEGAL FEES	ADMINISTRATION
T5488	SALUSKY LAW GROUP	25,417.00	LEGAL FEES	ADMINISTRATION
T4663	DEVELOPMENT DIMENSIONS INTERNATIONAL, INC	25,000.00	2021-2023 LEADERSHIP LICENSE	HUMAN RESOURCES
T3515	DOUG HAYWARD	24,244.45	CONSULTING SERVICES	ADMINISTRATION
T5317	PRESIDIO NETWORKED SOLUTIONS GROUP LLC.	23,612.50	NUTANIX HARDWARE & SOFTWARE - SECURITY PROGRAM ASSESSMENT	MIS INFRASTRUCTURE
T4731	LOGMEIN USA, INC.	23,137.81	INTERNET SERVICES	MIS INFRASTRUCTURE
T5480	PRESS GANEY ASSOCIATES LLC	22,500.00	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS
T4611	LAMONT SCHOOL DISTRICT ****	22,000.00	2022-2024 SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T4466	SMOOTH MOVE USA	21,925.09	OFF SITE STORAGE	CORPORATE SERVICES
T4216	NEXSTAR BROADCASTING INC	20,650.00	ADVERTISEMENT - MEDIA	MARKETING
T1097	NCQA ****	20,607.00	HEDIS, VOL 2 PLUS QUALITY COMPASS AND POPULATION HEALTH PROGRAM ACCREDIATION	QUALITY IMPROVEMENT
T5535	PANAMA-BUENA VISTA UNION SCHOOL DISTRICT ****	20,000.00	2022-2024 SCHOOL WELLNESS GRANT	HEALTH EDUCATION

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Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5483	JOSE GARAY, APLC	19,999.00	LEGAL FEES	POPULATION HEALTH MANAGEMENT
T5281	THE MISSION AT KERN COUNTY	19,255.21	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T4993	LEGALSHIELD	19,088.20	EMPLOYEE PAID VOLUNTARY COVERAGE	PAYROLL DEDUCTION
T4523	BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA	18,614.76	EMPLOYEE PREMIUM	ADMINISTRATION
T4695	EDIFECS, INC	18,487.13	ANNUAL TSM MAINTENANCE	MIS INFRASTRUCTURE
T5401	KERN MEDICAL SUPPLY, LLC	18,226.15	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5161	INTEGRATED HEALTHCARE ASSOCIATION	18,109.96	CONSULTING SERVICES	PROVIDER NETWORK MANAGEMENT
T5503	SECURE-CENTRIC INC.	17,850.00	ONE MONTH OF POLARIS LICENSE AND SUPPORT	CAPITAL PROJECT
T5201	JAC SERVICES, INC ****	17,835.00	AC MAINTENANCE & SERVICE	CORPORATE SERVICES
T5366	CONCUR TECHNOLOGIES, INC	17,817.45	2021 - 2022 SAP PROFESSIONAL SERVICES	FINANCE
T5411	EVA C BUCH	17,767.75	RN REMOTE HOURS	UTILIZATION MANAGEMENT-UM
T1347	ADVANCED DATA STORAGE	17,562.87	STORAGE AND SHREDDING SERVICES	CORPORATE SERVICES
T5313	HEALTH LITERACY INNOVATIONS, LLC	17,505.00	LITERACY ADVISOR ANNUAL SOFTWARE LICENSE	MIS INFRASTRUCTURE

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Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2787	SAGE SOFTWARE, INC	17,401.92	2022-23 SAGE300 ERP SILVER BUSINESS ANNUAL LICENSE	FINANCE
T5496	GAMEDAY SPORTS ACADEMY	16,200.00	BASKETBALL SPONSORSHIP FOR 15 CHILDREN	MARKETING
T5453	HEALTH DIMENSIONS, INC ****	15,750.00	CONSULTING SERVICES	QUALITY IMPROVEMENT
T5537	PCNATION ****	15,687.59	EQUIPMENT -DOCKING STATIONS	MIS INFRASTRUCTURE
T4920	OTIS ELEVATOR COMPANY	15,482.70	2022 ELEVATOR MAINTENANCE SERVICES	CORPORATE SERVICES
T4259	SKARPHOL ASSOCIATES	14,980.50	PROFESSIONAL SERVICES - BUILDING IMPROVEMENTS	CORPORATE SERVICES
T4537	BURKE, WILLIAMS & SORENSEN, LLP	14,802.50	LEGAL FEES	ADMINISTRATION
T4228	THE SSI GROUP, LLC	14,602.40	EDI CLAIM PROCESSING	CLAIMS
T5159	AT&T CORP	14,213.79	INTERNET SERVICES	MIS INFRASTRUCTURE
T1986	BOYS AND GIRLS CLUB OF BAKERSFIELD	14,084.00	COMMUNITY SPONSORSHIP	MARKETING
T3084	KERN COUNTY-COUNTY COUNSEL	13,982.70	LEGAL FEES	ADMINISTRATION
T1007	FEDERAL EXPRESS CORP. ****	13,183.61	2022 SHIPPING FEES	VARIOUS
T5191	PACWEST DIRECT	13,093.64	MAIL PROCESSING SERVICES	CORPORATE SERVICES

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Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4265	SIERRA SCHOOL EQUIPMENT COMPANY	12,919.54	OFFICE FURNITURE	CORPORATE SERVICES
T4544	BARNES WEALTH MANAGEMENT GROUP	12,750.00	RETIREMENT PLAN CONSULTING	ADMINISTRATION
T5336	TEAMDYNAMIX SOLUTIONS LLC	12,442.66	SOFTWARE LICENSE	MIS INFRASTRUCTURE
T3446	WITT/KNIEFFER INC	12,426.27	RECRUITMENT FEES - CEO SEARCH	HUMAN RESOURCES
T5395	LIVONGO HEALTH, INC	12,414.00	EMPLOYEE BENEFIT - VIRTUAL THERAPY	VARIOUS
T2938	SAP AMERICA, INC	12,308.32	SAP BUSINESS OBJECTS SOFTWARE ANNUAL MAINTENANCE FEE	BUSINESS INTELLIGENCE
T1655	KERN, KKXX, KISV, KGEO, KGFM, KEBT, KZOZ, KKJG, KVEC, KSTT, KRQK, KPAT,	12,000.00	DIGITAL ADS	MARKETING
T5450	OPEN REEL	12,000.00	EMPLOYEE TRAINING EQUIPMENT	HUMAN RESOURCES
T3057	TOUCH OF GLASS	11,850.00	PRESSURE WASH BUILDING EXTERIOR	CORPORATE SERVICES
T5490	WORKSITE LABS, INC ****	11,320.00	EMPLOYEE ON-SITE COVID TESTING	HUMAN RESOURCES
T4873	L5 HEALTHCARE SOLUTIONS, INC	11,192.50	ANNUAL LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL	CLAIMS
T5434	CHARGEPOINT, INC.	10,864.00	EV CHARGERS 2YR MAINTENANCE	CORPORATE SERVICES
T5495	UNITED RENTALS (NORTH AMERICA), INC ****	10,819.31	GENERATOR & TRAILER FOR ONSITE C-19 TESTING	CORPORATE SERVICES

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5436	THE BEACON STUDIOS, LLC	10,203.75	SPONSORSHIP/MARKETING FOR COVID 19 CAMPAING	VARIOUS
T1957	FRIENDS OF MERCY FOUNDATION	10,000.00	2022 COMMUNITY GRANT	COMMUNITY GRANTS
T2869	COMMUNITY ACTION PARTNERSHIP OF KERN	10,000.00	2022 COMMUNITY GRANT	COMMUNITY GRANTS
		31,659,829.88		
	TOTAL VENDORS OVER $10,000	31,659,829.88		
	TOTAL VENDORS UNDER $10,000	801,547.87		
	TOTAL VENDOR EXPENSES-YTD	**32,461,377.75**		

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

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
January							
FluidEdge	$50,000.00	Yes	PNM	Emily Duran	Interim Program Manager for ECM and PNM dept. (Katie Sykes)	1/3/2022	3/31/2022
CEI	$93,555.00	Yes	PM	LaVonne Banks	Project Manager/Scrum Master professional resources (Mark Stepko)	1/3/2022	4/30/2022
HD Dynamics	$53,760.00	Yes	PNM	Emily Duran	Support and consulting hours for CRM for HHP	1/3/2022	12/31/2022
Symplr	$35,700.00	Yes	IT	Richard Pruitt	Annual support for Cactus SaaS & DEA licenses	1/6/2022	1/5/2023
Mercer	$95,000.00	Yes	HR	Anita Martin	Compensation study for 75 KHS jobs	1/20/2022	12/31/2022
KP	$35,000.00	Yes	HE	Isabel Silva	Prenatal, postpartum, and COVID guides insert mailing	1/2/2022	12/31/2022
Lamar	$37,336.00	Yes	MRK	Louie Iturriria	5 Billboard Advertisement	1/24/2022	1/23/2023
Jacquelyn Jans	$63,000.00	Yes	MRK	Louie Iturriria	Marketing and corporate image consultant	1/2/2022	12/31/2022
Poppyrock	$99,600.00	Yes	MRK	Louie Iturriria	Graphic design for KHS/KFHC members and provider	1/2/2022	12/31/2023
February							
Gartner	$42,391.67	Yes	IT	Richard Pruitt	Individual Access Advisor license	2/1/2022	1/31/2023
MKB Landscaping	$30,800.00	Yes	CS	Alonso Hurtado	Weekly landscaping services	2/10/2022	2/9/2023
Dell	$56,799.22	Yes	IT	Richard Pruitt	Dell laptops (18), Docking Stations (18), and monitors (36)	2/9/2022	2/8/2026
Coffey Communications	$70,000.00	Yes	HE	Isabel Silva	Provider Directory Print agreement	2/15/2022	2/14/2023
ZeOmega	$57,818.70	Yes	IT	Richard Pruitt	Member portal implementation	2/9/2022	12/31/2022
March							
Wade McNair	$30,000.00	Yes	HR	Anita Martin	Leadership Academy Training for new and experienced leaders	3/1/2022	6/17/2022
Ceridian	$34,170.00	Yes	HR	Anita Martin	Additional 201 bulk of hours for project driven work and configurations	3/10/2022	3/9/2023
HC2	$54,756.00	Yes	PNM	Emily Duran	Needs assessment for CalAIM initiatives	3/10/2022	3/9/2023
April							
TWE Solutions	$91,450.00	Yes	IT	Richard Pruitt	1,355 Cortex XDR Pro licenses and 100 Annual Forensics licenses	4/29/2022	4/29/2023
Citrix	$38,250.00	Yes	IT	Richard Pruitt	403 Citrix ADC Premium Edition and Desktop licenses	4/2/2022	4/1/2023
SSI Group, LLC	$56,000.00	Yes	Claims	Robin Dow-Morales	EDI claims and electronic transactions	4/4/2022	4/3/2024
FluidEdge	$67,200.00	Yes	PNM	Emily Duran	Interim Program Manager, Katie Sykes	4/2/2022	6/30/2022
Dell	$53,328.33	Yes	IT	Richard Pruitt	25 Dell 5420 Laptops and 25 Docking stations	4/21/2022	4/20/2026
Cognizant	$54,000.00	Yes	IT	Richard Pruitt	Claims Integrity Implementation for Zelis	4/21/2022	3/20/2025
Coffey Communications	$89,360.00	Yes	MRK	Louie Iturriria	KHS Digital platform agreement	4/1/2022	3/31/2023
May							

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
Dell	$98,096.46	Yes	IT	Richard Pruitt	Dell 5520 Latitude, Qnty 49	5/18/2022	5/17/2026
Cognizant	$99,999.00	Yes	IT	Richard Pruitt	Nutanix Xi Leap Cloud annual renewal	5/27/2022	5/26/2023
MR2	$44,400.00	Yes	IT	Richard Pruitt	vCISO (Virtual Chief Information Security) Services	5/26/2022	5/25/2023
June							
Milliman	$99,900.00	Yes	ACCT	Veronica Barker	D-SNP (Base, Level and Gap Analysis)	6/1/2022	5/31/2023
HMA	$99,000.00	Yes	ACCT	Veronica Barker	Actuarial Services (RDT, SDR's & Rate Analysis)	6/1/2022	5/31/2023
LDPq	$40,365.00	Yes	CS	Alonso Hurtado	Support and maintenance for 3 APC InRow cooling units (1st floor)	6/4/2022	6/3/2025
Presidio	$50,550.00	Yes	IT	Richard Pruitt	Exchange Online Migration	6/14/2022	6/13/2023
Presidio	$57,174.00	Yes	IT	Richard Pruitt	SSRS Dashboard Discovery & Power BI implementation	6/14/2022	6/13/2023
TWE Solutions	$99,946.40	Yes	IT	Richard Pruitt	24x7 Managed Security services	6/14/2022	6/13/2023
Context4 Healthcare	$75,142.83	Yes	IT	Richard Pruitt	ICD-10 and CPT codes through AMA co-termed w/HCPCS codes	6/27/2022	6/27/2023
LDP	$41,535.00	Yes	CS	Alonso Hurtado	Support & maint. for 3 APC cooling units	6/4/2022	6/3/2025
JLL/Technologies	$38,752.00	Yes	CS	Alonso Hurtado	Cubicle resource scheduling app	6/28/2022	6/27/2023
July							
Spectrum	$61,164.00	Yes	IT	Richard Pruitt	1Gbps of Internet access	7/17/2022	7/16/2025
AT&T	$63,576.00	Yes	IT	Richard Pruitt	1Gbps of Internet access for KHS building	7/13/2022	7/12/2025
Rest and Reassure, LLC	$72,000.00	Yes	IT	Richard Pruitt	Consulting services for Cal-Aim & PHM dept requirements	7/15/2022	12/31/2022
Solution Bench	$76,461.95	Yes	IT	Richard Pruitt	M-files subscription base licenses & 2 add-on modules	7/23/2022	7/22/2022
CDW-G	$41,811.41	Yes	IT	Richard Pruitt	Juniper switches support & maint.	7/1/2022	6/30/2023
FluidEdge	$67,200.00	Yes	PNM	Amisha Pannu	PNM consultant, Katie Sykes	7/1/2022	9/30/2022
BG Healthcare Consulting	$30,000.00	Yes	PHM	Deborah Murr	Consulting svcs to audit KHS policies	7/13/2022	12/31/2022
August							
Octopai	$64,800.00	Yes	IT	Richard Pruitt	Data Lineage System	9/10/2022	8/9/2023
Cotiviti	$80,750.00	Yes	PHM	Deborah Murr	HRA outreach of SPD members	8/1/2022	7/31/2023
Dell	$98,099.72	Yes	IT	Richard Pruitt	49 5520 laptops	8/30/2022	8/29/2026

2022 TECHNOLOGY CONSULTING RESOURCES																		
ITEM	PROJECT	CAP/EXP	BUDGET	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YTD	TOTAL	REMAINING BALANCE
#	Project Name																	
1	*Community Based Organization Referral System*	*CAP*	$370,080	$15,440	$30,360	$20,160	$20,160	$0	$0	$0							$86,120	$283,960
2	*Medical Management/Fraud, Waste, and Abuse Programs*	*CAP*	$500,000	$21,120	$35,798	$25,066	$17,472	$0	$0	$0							$99,456	$400,544
3	*Claims Workflow Conversion (QNXT)*	*CAP*	$472,800		$8,826	$51,501	$57,335	$40,726	$37,318	$45,317							$241,023	$231,777
4	*Data Linage System*	*CAP*	$184,800	$17,472	$0	$19,320	$0	$0	$37,789	$0							$74,581	$110,219
5	*Analytic Software (Power BI) Migration*	*CAP*	$124,800						$37,565	$17,472							$55,037	$69,763
6	*Communication Software Replacement*	*CAP*	$121,800					$17,600	$0	$23,920							$41,520	$80,280
8	*Staff Augmentation*	*EXP*	$7,393,315	$410,586	$359,294	$356,945	$344,059	$373,337	$342,030	$312,222							$2,498,473	$4,894,842
	Totals:	**Totals**	**$9,167,595**	**$464,618**	**$434,278**	**$472,992**	**$439,026**	**$431,663**	**$454,702**	**$398,931**	**$0**	**$0**	**$0**	**$0**			**$3,096,210**	**$6,071,385**

Updated 9/2/22

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Emily Duran, CEO

Date: October 13, 2022

Re: 2022 Strategic Corporate Goals Update

Background

Kern Health Systems' 2022 Corporate Goals provide the strategic direction for the organization. Included in this report are the 3rd Quarter status updates for these goals which are noted in blue font. For reference, previous updates from Q1 and Q2 can be found in green font.

KHS is on track with items that were due to be completed during the third quarter. Notably, since the creation of these Corporate Goals, DHCS announced an extension of the telehealth flexibilities that were in place during the Public Health Emergency (PHE). DHCS subsequently released their long-term telehealth policies as part of the 2022-2023 State Budget. These policies will be implemented when the PHE ends and therefore deferring this specific effort to 2023.

Requested Action

Receive and file.

KERN HEALTH SYSTEMS

Corporate Performance Goals for 2022

Background

The Corporate Performance Goals for 2022 are heavily influenced by the California Advancing and Innovating Medi-Cal or CalAIM, CalAIM is a series of initiatives proposed by the Department of Health Care Services (DHCS) to advance broad-based delivery system, program, and payment reform across the Medi-Cal program. Furthermore, CalAIM will address social determinants of health, streamline the statewide Medi-Cal delivery system, improve quality, and drive innovation.

Specifically, CalAIM has three primary goals:

- Identify and manage member risk and need through whole person care approaches and addressing Social Determinants of Health
- Move Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility; and
- Improve quality outcomes, reduce health disparities, and drive delivery system transformation and innovation through value-based initiatives, modernization of systems, and payment reform.

Originally scheduled to begin in January 2021, the proposal was delayed due to the impact of COVID-19. CalAIM was re-announced in January 2021 with DHCS' release of updated policy materials and with the inclusion of CalAIM funding in the draft 2022 State budget.

Major CalAIM initiatives scheduled for implementation in 2022 include:

- Enhanced Care Management (ECM)
- Community Support Services (CSS)

At its conclusion, CalAIM will transform Medi-Cal Managed Care health plans to provide a broader range of benefits through an integrated delivery system comprised of traditional medical

services, behavior health services (including specialty mental health) substance use disorder services (detox and therapeutic) and dental care.

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In general, Safety Net Providers (Kern Medical, Omni Family Health and Clinica Sierra Vista) will play an important role in accomplishing our goals and will be encouraged, where appropriate, to participate in its achievement or considered in its outcome. Where a goal is specific to one Safety Net Provider, the provider is identified as to whom the goal applies. For example, the 2022 CalAIM initiative goal identifies Kern Medical specifically and its role with Whole Person Care.

KHS keeps this in mind when establishing annual Corporate Goals always considering their impact on the Safety Net Providers. With Safety Net Providers representing an integral network component, no goal will be achieved without their consideration nor accomplished without their involvement.

Successful implementation of initial phases of ECM and CSS is the 1st Goal of our 2022 list of Corporate Goals. Among other things, this includes realigning KHS's Health Home Program and Kern Medical's Whole Person Care Program under ECM. In addition to ECM and CSS implementation, the 2022 Corporate Goals include the following seven goals:

1. A new **Three-Year Strategic Plan** will be adopted in early 2022 focused mostly around CalAIM initiatives scheduled for launch between January 1, 2023 and December 31, 2025. CalAIM will continue to preoccupy KHSs time and resources for the foreseeable future with its many initiatives scheduled for implementation as far out as 2026.

2. KHS will expand its **Major Organ Transplant** responsibilities with the addition of Heart, Lung, Liver and Pancreas**.** Historically, other than for kidneys, members needing organ transplants would disenroll with KHS and reenroll in the State's Medi-Cal Fee For Service Coverage Plan. To avoid fragmenting members care and shifting between two Medi-Cal enrollment programs, beginning 1/1/2022, members may remain in their current health plan where patients will be followed from pre-transplant to recovery.

3. The **Chief Executive Officer** will be retiring in 2022. Recruitment of his replacement will commence in 2021. It is anticipated it will take several months to locate and hire a suitable candidate including allowing for time to transition from current employment to the KHS leadership role.

4. **Pharmacy Benefits Management (PBM)** currently administered through health plans will be carved out and centrally administered through a statewide PBM. Originally scheduled to launch in 2021, it appears it will be delayed a year and likely to be implemented in early 2022.

5. **Medi-Cal Eligibility Expansion** will occur over 2022, adding six new Managed Care Medi-Cal eligibility population categories to Managed Care Plans like KHS.

6. An **Incentive Program** to promote health plan and provider participation in ECM and CSS will be created. The Governor's budget allocated $300 million for plan incentives from January to June 2022, $600 million from July 2022 to June 2023, and $600 million from July 2023 to June 2024.

7. **Telehealth Services** has shown to be an effective method for maintaining the physician / patient relationship during the pandemic. DHCS modified its benefits to include telehealth as an alternative to office visits during the stay at home order. DHCS will make telehealth (audio services) a permanent benefit effective 2022.

Goal 1 – CalAIM 2022 Initiatives (Implementation and Monitoring) (Completed)

Effective 1/1/2022 health plans are expected to launch two major CalAIM initiatives:

- **Enhanced Care Management** is comprehensive approach to address the clinical and non-clinical needs of high-need, high-cost members through coordination of services and comprehensive care management. Kern Health Systems Health Home Program and Kern Medical's Whole Person Care Program will be incorporated under Enhanced Care Management. Over the years, more Medi-Cal members will qualify for Enhanced Care Management through expansion among existing qualified enrollees or adding of new member eligibility categories. Kern Medical is expected to continue delivering services under its Whole Person Care Program following its inclusion under Enhanced Care Management.

- **Community Support Services** are services provided as a substitute for, or used to avoid, other more costly covered services, such as a hospital or skilled nursing facility admission or a discharge delay. Such service may or may not be medically related but by their proper use should reduce medical cost.

Since development will occur in second half of 2021, in 2022, KHS will turn its focus to post operations to ensure:

- all program elements are in place and functioning accordingly
- program refinement occurs to improve chances for a successful outcome
- performance tracking and monitoring is in place to measure success and report outcomes for each initiative.

Deliverables:

- ***By 1st Quarter, 2022, establish methodology for monitoring program performance including identifying staff responsibilities for tracking and reporting on each program's performance against predetermine targets and DHCS performance measures.*** *ECM and CSS internal staff worked with the Business Intelligence department to outline monitoring and performance measures. The ECM invoice report is being validated, which identifies claims submitted by the ECM Providers. The BI team created the Census report that will identify the paid g-code that is used for compensation. CSS team worked with BI to create a weekly report to review referred members.*

  Ongoing operational assistance is being provided to existing ECM sites. Additional work is underway to launch additional ECM sites with Omni Health and Premier. CSS implementation and expansion is also ongoing with several Community Based Organizations in the pipeline.

- ***By 2nd Quarter, 2022, establish a data collection and reporting framework to track and monitor each initiative's performance to determine if it's meeting its intended purpose:***
  - ***Data will be developed for all critical components of each initiative.***
  - ***Analytics will track each critical component's performance***
  - ***Reports will be generated timely to measure outcomes***

  As of the 2nd Quarter, 2022, these reports have been vetted, the data points have been validated, and we are now receiving them monthly.

  Two new additional ECM sites have been established, including Omni Health on Stine and Premier on Stockdale. Many elements of the data exchange between the sites and KHS have been vetted and are currently in production. As to the clinical side, both sites have undergone clinical audits in Quarter 2 and have both passed by exceeding the threshold of 80%.

- ***By 2nd Quarter, 2022, design and format reports and schedules in accordance with DHCS reporting requirements and submission timelines.*** *The 1st Quarter ECM/CSS report were submitted to DHCS on May 15th. The 2nd quarter report is due to DHCS by Aug 15th. All required reports are in process; ECM and CSS teams will complete and submit to DHCS by the due date.*

Goal 2 – Kern Health Systems 2023 to 2025 Three Year Strategic Plan

January 2022 will begin implementation of the initial phase of CalAIM. Over the next few years, several key priorities of the State, using Medi-Cal as its tool, will change how health care will impact California's most vulnerable population. Programs aimed at homelessness, behavioral health care access, children with complex medical conditions, justice involved populations and the growing aging population will be created to improve their health status and quality of life.

Critical to this change is its impact on network providers. An effort will be made to see to it Safety Net Providers maintain their key role in the delivery of patient care to their currently assigned members. Additionally, KHS will look to work collaboratively with Safety Net Providers on new care models or programs arising from CalAIM occurring between 2023 and 2025.

Under Medi-Cal, the State will create several initiatives to achieve this objective though enhanced services and benefits including:

- Development of a statewide population health management strategy and require health plans to submit local population health management plans.
- Implement a new statewide enhanced care management benefit.
- Implement Community Support services (e.g., housing navigation/supporting services, recuperative care, respite, sobering center, etc.).
- Implement incentive payments to drive plans and providers to invest in the necessary infrastructure, build appropriate enhanced care management and Community Support services capacity statewide.
- Pursue participation in the Serious Mental Illness (SMI) /Serious Emotional Disturbance (SED) demonstration opportunity.
- Require screening and enrollment for Medi-Cal prior to release from county jail.
- Pilot full integration of physical health, behavioral health, and oral health under one contracted entity in a county or region.
- Develop a long-term plan for improving health outcomes and delivery of health care for foster care children and youth

The new three-year strategic plan will be developed to guide management with planning, development and implementation of initiatives schedule for launch between 2023 to 2025. These initiatives include:

2023

- Enhanced Care Management (Phase 2 eligibility)
- CSS Services (Phase 2 services)
- Population Heath Management (patient centered health strategy)
- Long Term Care added to Medi-Cal Health Plans
- Advanced enrollment of soon-to-be-released (STBR) incarcerated in Medi-Cal
- Dual Eligible (Medicare and Medi-Cal eligible) Planning

2024/2025

- DSNP application submission with CMS to enroll Medicare eligible members with dual coverage. (25,000 Kern County eligible beneficiaries with Dual Eligibility)
- Begin NCQA preparation process (18 months before certification)

2026

- D-SNP Medicare health plan initial enrollment begins 01/01/2026
- Continue full integration implementation readiness and planning activities for the remaining outstanding CalAIM initiatives

Besides the number of new initiatives health plans are expected to launch, CalAIM will change how health plans are paid and incorporate new risk and incentive programs.

Prominent among these changes is the State's intent to shift from County based health plan reimbursement rates to regional based reimbursement rates. The proposal to move to regional rates has two main benefits. The first benefit is a decrease in the number of distinct actuarial rating cells that are required to be submitted to CMS for review and approval. The reduction in rating cells will simplify the presentation of rates to CMS and allow DHCS to pursue/implement financing advancements and innovations utilizing a more flexible rate model. The second benefit of regional rates is cost averaging across all plans. This will continue to incentivize plan cost efficiencies, as plan rates will be inclusive of the costs within the multi-county region. This shift will produce a larger base for the averaging beyond the experience of plans operating within a single county. This change is fundamental to the ability of DHCS to implement and sustain the other changes proposed in CalAIM

Although CalAIM will dominate KHS's attention over the next three years and appear prominent in the three-year strategic plan, other significant goals the Board would like to see accomplished may be added to the list of CalAIM initiatives for inclusion in the three -year strategic plan.

The strategic planning process begins with engaging an outside consultant to outline the steps Board and Management will take leading to a one-day session moderated by the consultant.

For continuity's sake and CalAIM knowledge, Pacific Health Consulting Group (who assisted with developing the previous three strategic plans) will serve as our moderator.

The overarching themes of this one-day session should revolve around the changing healthcare environment (particularly CalAIM) and its impact to Kern Health Systems. From this evaluation, the Board will develop Goals and Strategies to position KHS for future success.

Deliverables:

- ***Q3 2022, KHS Board to receive overview of the process to be undertaken culminating with a new three-year Strategic Plan.*** *An update on the process overview and timeline of the Strategic Planning next steps was included under the CEO Report as part of the August Board materials. The team engaged Pacific Health Consulting Group (PHCG) in July to begin planning for the upcoming Strategic Planning Session. The Board was surveyed for availability to attend a Strategic Planning Session, and a final date of October 13th was set. Additional internal coordination occurred to develop an agenda, speakers, and meeting materials.*

- ***Q3 2022, Board members will receive background information and questionnaire in preparation for upcoming Board of Directors strategic planning retreat.*** *In September, PHCG developed and shared a survey to gather information prior to the Strategic Planning Session. Survey responses were gathered from the Board of Directors and key internal Leadership.*

- ***Q3 2022, Board to participate in a one-day strategic planning retreat to be held onsite at Kern Health Systems.*** *The Strategic Planning Session is scheduled to occur on October 13th following the regular Board of Directors meeting.*

- ***Q4 2022, from information and feedback obtained during the retreat, a draft version of the 2023 -2025 Three Year Strategic Plan will be sent to Board members for comment.***

- ***Q4 2022, Board to adopt the 2023 -2025 Three Year Strategic Plan***

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Goal 3 - Major Organ Transplants

DHCS proposes to standardize managed care plan benefits, so that all Medi-Cal managed care plans provide the same benefit package by 2023. Some of the most significant changes are to carve-in institutional long-term care and major organ transplants into managed care statewide. Beginning in 2022, all major organ transplants, currently not within the scope of many Medi-Cal managed care plans, will be carved into all plans statewide for all Medi-Cal members enrolled with a health plan.

Historically, KHS was only responsible for administering transplant benefits for patients who needed a Kidney transplant. Since 2018, on average, 20 KHS members would undergo Kidney transplants annually. Besides being financially responsible for Kidney transplant, KHS will become responsible for heart, liver, lung and pancreas transplants as well.

In preparation for this occurrence, KHS will need to establish a transplant care coordination team to follow these patients after qualifying for an organ transplant. Patients will be assigned to the organ transplant program where they will be followed through their pre-transplant care, transplant surgery and post discharge therapy and rehabilitation. Preliminary estimates are KHS could have upward of 100 patients at any given time participating in the transplant program.

Deliverables

- ***Identify qualified major organ transplant centers with whom KHS will contract for transplant services by 3rd Quarter, 2021.*** *Centers of Excellence (COE) have been identified, including currently in-network facilitates. Letters of agreement will be used until final contracting in place.*

- ***Determine compensation arrangements and payment methodology with selected transplant centers 3rd Quarter, 2021.*** *Provider Network Management worked with finance to determine compensation arrangement and payment methodology. DHCS has outlined the required payment amounts for the new transplant services.*

- ***Negotiate an agreement for provision of transplant services with selected transplant centers by 4th Quarter, 2021.*** *Contracting Department has sent amendments to Keck and UCLA. Staff continues to negotiate contracts with Loma Linda, UC Irvine, UCSF, and California Pacific Medical Center. Currently UC Irvine and Loma Linda are willing to execute LOA's.*

- ***Determine internal staffing requirements for the KHS Transplant Program based on the #, type and time involved with coordinating and overseeing services provided to qualified patients participating in the KHS Transplant Program by 3rd Quarter, 2021.*** *Major Organ Transplant team hired in January 2022 within the Population Health Management (PHM) department. The team will manage and coordinate care across the entire transplant process. Additionally, authorization review is performed by dedicated UM staff based on eligibility criteria.*

- ***Determine the impact to KHS, its policy, procedures, protocols, tracking and reporting by 4th Quarter, 2021.*** *Internal processes and policies developed as part of the new transplant team.*

- ***Launch Major Organ Transplant Program by 1st Quarter, 2022.*** *Program launched 1/1/2022. Ongoing items include meals/hotel accommodations for members. Ongoing coordination between Accounting, Corporate services, Member services, and PHM.*

- ***Post implementation, audit each activity to ensure installation and performance meets KHS and government agencies expectations (ongoing over 2022).*** *First DHCS reporting template submitted in April. Utilization parameters and Care management teams have been implemented to manage the new benefit. JIVA medical management system updates have been completed to track Major Organ Transplants phases: evaluation, waitlist, transplant, and post-transplant.*
  Reconciliation reports were created for financial oversight and incorporated both outpatient and inpatient costs across the life of the transplant process. Processes implemented for managing pre- and post- transportation benefits, including housing and meals for appointments and for member pre-payment and reimbursement funding for expenses.

Goal 4 - Selection of New Chief Executive Officer (Completed)

The transition of key employees, particularly the Chief Executive Officer (CEO) is one of the most formidable challenges an organization will face. In the CEO's case, the shift engenders a variety of adjustments including changes in style and sometimes substance. Each CEO makes his/her mark bringing about major directional, policy and priority revisions. As a rule, the longer and more successful the CEO, the more difficult the shift. This can be somewhat mitigated with a well thought out and effectively executed Succession Plan. Serving one of every three citizens, Kern Health Systems has experienced unprecedented growth over our current CEO's service tenure of 10 years to become Kern County's largest health plan. With success comes responsibility to assure there is a plan for leadership continuity. To achieve this Kern Health Systems will create a

KERN HEALTH SYSTEMS

Search Committee charged with the responsibility to identify qualified candidates to replace the current retiring CEO. The following tasks and timeline were stipulated in the current CEO's employment agreement and adopted by the Board of Directors to aid in locating a suitable replacement in a timely manner.

1. 12 months before the CEO's retirement date, the Board shall receive notification of the CEO's retirement date from the CEO.

2. Upon receiving notice, the Board shall appoint 5 Board members to serve as a Search Committee who will be responsible for searching for and recommending the finalist(s) for the CEO position to the Board.

3. Within 45 days following its appointment, the Search Committee shall engage a professional executive search firm to assist with recruitment. The Director of Employee Relations shall serve as KHS staff to the Committee to assist with locating and providing background information to qualified search firms experienced with recruiting qualified candidates for the CEO position. An appropriate competitive process shall take place to select the search firm to find qualified candidates for the position.

4. Within 90 days following engagement, the search firm will present its slate of qualified, screened candidates to the Committee for interview consideration.

5. Within 30 days, all selected candidates must be interviewed by the Search Committee.

6. Within 30 days of the conclusion of interviews and evaluation of the candidates, the finalist shall be presented to the Board for recommendation for hire and the candidate will receive an employment offer.

7. If the finalist declines the offer of employment or is otherwise unavailable, the candidate ranked next in order by the search firm shall be recommended for hire.

8. Within 30 days, KHS will receive a signed employment agreement leaving up to 4.5 months for the newly hired CEO to give sufficient notice (if currently employed) to his/her current employer.

The CEO agrees, for purposes of continuity, to serve as consultant to KHS for a period no less than 90 days following retirement.

Deliverable

- ***Locate a suitable replacement for the CEO, Kern Health Systems.*** *The CEO Search Committee was formed in June 2021. The committee engaged with a professional recruiting agency to conduct a search for candidates. This included the creation of the position profile, identification of qualified candidates, and a progressive interview process. The Search Committee was also involved in the interview process and ultimately made a recommendation to the full Board of Directors.*

Goal 5 – Medi-Cal Eligibility Expansion for 2022 (Completed)

In 2022, Medi-Cal will shift several new and currently covered population categories to health plans like KHS including:

- Undocumented Adults over 50 (pending approval of legislation)

- Enrollees from Medi-Cal Fee-For-Service eligible population:
  - Accelerated Enrollment (AE)
  - Pregnancy Related (Title XIX)
  - American Indian
  - Beneficiaries in Rural Zip Codes
  - Beneficiaries with Other Healthcare Coverage

It's not known how many eligible members are represented in the over 50 undocumented population in Kern County. Consequently, KHS is unsure how many new eligible members will enroll with Kern Family Health Care from this group. There are approximately 60,000 potential members among the five groups moving from Medi-Cal Fee-For-Service to a Medi-Cal Managed Care Health Plan (MCMCHP).

For Kern County, beneficiaries will choose between Kern Health Systems (Kern Family Health Care) and HealthNet. Typically, when newly eligible members are given a choice 80 -85% select Kern Family Health Care (KFHC). Each newly eligible enrollee will receive an enrollment packet 90 days in advance of their effective date of coverage (January 1st, 2022). Eligible members failing

to select a health plan, will be automatically assigned by the State to either HealthNet or KFHC. Those coming to KFHC, are randomly assigned to Kern Medical, Omni Family Health and Clinica Sierra Vista (Safety Net Providers).

It is estimated approximately 20% will fail to select and will automatically be enrolled with one of the two available health plans. When this happens, members may change the States default selection anytime. For those who change, it's been KHS's experience we gain four members for each member lost to HealthNet.

Deliverables:

- ***Provide information and support to community-based organizations enrolling newly eligible members into full scope Medi-Cal by 1st Quarter, 2022.*** *The marketing team built relationships and enhanced partnerships with several community organizations in the Ridgecrest area. Many of these organizations will be further supported through the KHS Community Grant Program. Ridgecrest is a new service area for KHS due to a CalAIM initiative which enrolled members in rural zip codes into Managed Care.*

  The team also collaborated with and supported the efforts of several local enrollment entities and other community organizations in relation to the expansion of full-scope Medi-Cal to undocumented older adults over the age of 50. The transition to full-scope Medi-Cal coverage for this population took effect in May 2022.

- ***Initiate enrollment of newly eligible Medi-Cal members starting in 2nd Quarter, 2022.*** *As of July 29, 2022, over 3,000 undocumented adults over 50 have enrolled in Kern Family Health Care. KHS donated $6,000 to Friends of Mercy Foundation to support a Medi-Cal Expansion for Older Adults media campaign coordinated by the Outreach Enrollment Retention Utilization Committee (OERUC) of the Community Health Initiative of Kern County. KHS also sponsored the Cesar Chavez Foundation "Dia del Trabajador" Health Fair on Sunday, May 1st at 40 Acres in Delano. Since this was the first day undocumented adults over 50 could enroll in full scope Medi-Cal, this was a major focus of many of the organizations who participated in the health fair such as Clinica Sierra Vista, Delano Community Connection, Health Care Options, etc.*

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

KERN HEALTH SYSTEMS

Goal 6 – Prescription Drug Benefit Carved Out from Managed Care Plans

The transition to a State operated pharmacy administrator was scheduled to take effect at the beginning of 2021. However, the State delayed implementation. It is believed the delay will be lifted shortly and a new transition date established. The new date will likely occur sometime 1st quarter, 2022. Despite the year delay, KHS fully expects the State to move forward with their original plan.

Therefore, beginning 2022, with few exceptions, the Medi-Cal prescription drug benefit will be administered by the State in partnership with Magellan Medicaid Administration. For managed care health plans like KHS, this will mean a diminished role in the administration and distribution of the pharmacy benefit. However, under certain circumstances and in specific situations, managed

care plans (MCP) will continue to administer the Medi-Cal pharmacy benefit. Transitioning to this new arrangement will again start sometime during the last quarter of this year and continue to a smaller extent in 2022. The transition to the new arrangement with realignments in place is expected to be finished by the end of 1st quarter, 2022.

Though the claims processing/payment and authorization for outpatient drugs will fall to the State, the KHS is expected to continue case management, Drug Utilization Review, Medication Therapy Management, and other related activities. Quality measures that involve administrative pharmacy data will also be activities the plans will be required to meet.

Assuming the State moves to transfer pharmacy administration responsibilities to Magellan 1st quarter, KHS will need to undertake the following changes in preparation for this change and the modified responsibilities remaining with KHS.

Deliverables:

- ***Continue to exchange data and reinstitute integration procedures to current system application (ongoing).*** *Minor modifications have been and continue to be made through the transition. This was needed due to some file templates and protocol specs not aligning or being changed by Magellan.*

- ***Incorporate Operational readiness for Member Services, Provider Network Management, Health Services, Claims Adjudication, and Business Intelligence beginning 1st Quarter, 2022.*** *Materials from DHCS/Magellan continue to be shared with our network providers. Post transition, KHS has been directing questions and concerns to DHCS as they arise. KHS has also been providing clarification to the network as appropriate to assist our members receiving the medically necessary services required.*

- ***Transition Pharmacy Operations for outpatient pharmacy processing only beginning 1st Quarter, 2022.*** *This handoff was successfully accomplished.*

- ***Complete transition for TAR drugs or grandfathering medications by 2nd Quarter, 2022.*** *This was successfully performed by KHS. DHCS is no longer requiring MCP data regarding TARs or claims to be sent.*

- ***Continue to perform run out activities for outpatient pharmacy through 1st Quarter, 2022.*** *DHCS has delayed the reinstatement of some DUR edits and Prior Authorization requirements. They have also extended the timeline for the transition policy to be effective. KHS is sharing this information within the organization and with our provider network. Full transition is now scheduled for some time in 2023.*

- ***Complete Member and Provider transition for outpatient pharmacy from KHS to Magellan by beginning of 1st Quarter, 2022.*** *This transitioned as designed.*

- ***Transition department to providing ongoing support to members and providers for pharmacy prescription benefits remaining the responsibility of KHS (ongoing).*** *This is ongoing. Transition is taking longer to fully implement as some of the issues from the DHCS end of the transition are slowing the efforts.*

Goal 7 - CalAIM Incentive Payment Program (IPP) (Completed)

CalAIM's Enhanced Care Management (ECM) and Community Support Services (CSS) programs will launch in January 2022, requiring significant new investments in care management capabilities, CSS infrastructure, information technology (IT), data exchange, and workforce capacity for both health plans and providers. Incentives will be available over the next three years to help pay for these investments. DHCS has designed the proposed incentive payment approach with the goal of issuing initial payments to health plans beginning in January 2022 for the achievement of defined milestones such as:

- Build appropriate and sustainable ECM and CSS capacity
- Drive health plan investment in necessary delivery system infrastructure
- Incentivize health plans to progressively engage in development of CSS
- Bridge current silos across physical and behavioral health delivery
- Reduce health disparities and promote health equity
- Achieve improvements in quality performance

DHCS will use the following 8 guidelines for designing their incentive payment program:

1. Develop a clear incentive payment allocation methodology where all plans have an opportunity to participate equitably

2. Set ambitious, yet achievable measure targets

3. Ensure efficient and effective use of all performance incentive dollars

4. Drive significant investments in core priority areas up front

5. Minimize administrative complexity

6. Address variation in existing infrastructure and capacity between Whole Person Care and Health Home Programs

7. Ensure use of incentive dollars does not overlap with other DHCS incentive programs or with services funded through the rates

8. Measure and report on the impact of incentive funds

Incentive payments will be distributed over three payment cycles each year of the incentive program following determining the maximum potential annual incentive dollar amount for each health plan like KHS.

Beginning in 2021, KHS will create its incentive program focused on the following priority areas:

- Create / enhance delivery system infrastructure for health plan's, ECM and CSS provider health information technology and data exchange required for ECM and CSS

- Build ECM capacity with incentives to fund ECM workforce, training, technical assistance, workflow development, operational requirements, and oversight

- Build CSS capacity with incentives to fund CSS workforce, training, technical assistance, workflow development, operational requirements, and oversight

Each priority will have measurable outcomes to show progress toward achieving expectations. Awards will be based on achievement and payment will follow when evidence is provided showing outcomes were met.

KERN HEALTH SYSTEMS

Deliverables

- ***Following DHCS's priorities, complete a "Gap / Need Assessment" to determine what is necessary to meet structural and capacity requirements to fulfill ECM and CSS objectives under CalAIM by 4th Quarter, 2021.*** *Staff worked throughout the 4th quarter and into January on the Needs Assessment and Gap Filling Plan. There were several conversations with DHCS to gain additional insight and clarity on this exercise.*

- ***Submit to DHCS the "Gap-Filling Plan" outlining implementation approach to address gaps and needs by 4th Quarter, 2021.*** *DHCS revised the Needs Assessment Template and changed the due dates accordingly. KHS submitted the Needs Assessment and Gap Filling plan on 1/12/22 and have responded to DHCS' initial questions on 1/24/22.*

- ***Implement the "Gap-Filling Plan" outlining implementation approach to address gaps and needs by 1st Quarter, 2022.*** *KHS and HealthNet coordinated monthly Roundtable collaboration meetings with current ECM/CSS providers, hospital groups, and other Community Based Organizations (CBO) in Kern County to discuss the Gap Assessment analysis and Gap-Filling plan. In May 2022, KHS created a joint IPP Request for Application (RFA) with HealthNet, open to Network Providers and CBOs , with a due date of May 31, 2022. KHS reviewed and scored the IPP applications in June and sent out all award letters prior to June 30, 2022.*

- ***Create performance monitoring capability to measure the "Gap-Filling Plan success as defined as demonstrated performance against measure targets linked to achievement of "Gap-Filling Plan" milestones by 1st Quarter, 2022.*** *In July, the IPP agreements and budget were finalized with providers. We will monitor the success of the Gap-Filing Plan and the IPP by outlining increased capacity within KHS' ECM and CSS programs.*

- ***Create an earned incentive payment mechanism around DHCS reporting requirements to demonstrate when incentives are earned by 2nd Quarter, 2022.*** *All IPP applications identify the milestones and completion dates outlined by the provider; these are tied directly to the fund amounts for each individual milestone. This will help KHS track the outcomes and ensure that the provider earned the incentive for each completed milestone.*

Goal 8 - Instituting Telehealth as New (Permanent) Medi-Cal Benefit (Delayed to 2024 by DHCS)

The Governor's Budget proposes to make permanent and expand certain telehealth flexibilities currently in place due to COVID-19. Telehealth has shown to be an effective method for maintaining the physician / patient relationship during the pandemic. DHCS modified its benefits

to include telehealth as an alternative to office visits during the stay-at-home order. DHCS will make telehealth (audio services) a permanent benefit effective 2022.

Specifically, DHCS proposes:

- Establishing a distinct rate for audio-only telehealth services
- Authorizing audio-only telehealth reimbursement for FQHCs to allow telehealth services to be provided in the patient's home.
    - Currently payment is restricted to clinical onsite services only
    - FQHCs would have their own rate for telephonic care
- Providing for remote patient monitoring as an option for established patients (subject to a separate fee schedule and not including FQHCs)
- Establishing specific utilization management protocols for all telehealth services
- allowing use of telehealth to meet network adequacy standards in health plans (revise the alternate access standards (AAS) submission process accordingly)

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

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

Deliverables

- ***Determine the impact to the participating provider network by 4th Quarter, 2021.***
- ***Determine the impact to KHS, its policy, procedures, protocols, tracking and reporting by 4th Quarter, 2021***
- ***Inform participating providers telehealth will become a permanent benefit effective 2022 under Medi-Cal by 4th Quarter, 2021***

- ***Convey logistical information about the benefit and procedures providers will need to follow when using telehealth services and receiving payment for telehealth services by 1st Quarter, 2022***

- ***Inform members that telehealth will be added to their Medi-Cal benefits explaining what it is, why it is beneficial and how this service will be provided and used for the member's benefit by 1st Quarter, 2022***

- ***Post implementation, audit each activity to ensure installation and performance meets KHS and government agencies expectations (ongoing over 2022)***

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

KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
NEW VENDOR CONTRACTS
October 13, 2022

Legal Name DBA	Specialty	Address	Comments	Contract Effective Date
PAC 09/07/2022				
BLC Glenwood-Gardens SNF-LH LLC dba: Brookdale Riverwalk SNF (CA)	SNF	350 Calloway Dr Bldg C Bakersfield CA 93312		10/1/2022
California Hearing Center	Hearing Aid Dispenser	4900 California Ave Ste 210 Tower B Bakersfield CA 93309		10/1/2022
Eastside Medical Supply Inc	DME	2728 E. Palmdale Blvd Ste. 107 Palmdale CA 93550		10/1/2022
Malibu Beach Holdings LLC dba: The Orchards Post Acute	SNF	730 34th Street Bakersfield CA 93301		10/1/2022
OmGanesh Corporation dba: Clinica Pharmacy	Pharmacy/DME	355 Dover Pkwy Ste. C Delano CA 93215		10/1/2022
Regional Imaging PC	Hospital Based Radiology	6412 Laurel Ave Mountain Mesa CA 93240	Hospital Based Radiologist with KVHD	10/1/2022
Solace Healthcare Inc dba: Solace Home Health Care	Home Health	1701 Westwind Drive Ste. 122 Bakersfield CA 93301		10/1/2022
Solace Healthcare Inc dba: Solace Hospice	Hospice	1701 Westwind Drive Ste. 121 Bakersfield CA 93301		10/1/2022
Your Hearing Connection an Audiology Corporation dba: Your Hearing Connection	Hearing Aid Dispenser	5500 Ming Ave Ste. 100 Bakersfield CA 93309		10/1/2022
PAC 10/05/2022				
BillionToOne, Inc.	Specialty Laboratory	1035 O'Brien Drive Menlo Park CA 94025		11/1/2022
Height Street Skilled Care, LLC	SNF	1611 Height St Bakersfield CA 93305		11/1/2022
PMDCA, LLC dba: 100 Plaza	Laboratory & Pt Center Site	23297 S. Pointe Dr Laguna Hills CA 2012 17th Street Bakersfield CA		11/1/2022
Sunshine Behavioral Health Services Inc	Mental Health	2020 Eye Street Bakersfield CA 93301	Existing Provider: Naga Bodapati MD	11/1/2022
Shah MD Inc	Anesthesiology	901 Olive Dr (GSH) Bakersfield CA 93308	Hospital Based Anesthesiology	11/1/2022

KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
TERMED CONTRACTS
October 13, 2022

Legal Name DBA	Specialty	Address	Comments	Term Effective Date
Albert Swafford, MD Inc.	Orthopedic Surgery	9500 Stockdale Hwy Ste. 109 Bakersfield CA	Retired	9/1/2022
Bakersfield Family Medical Center	Primary Care Group	4580 California Ave 2nd Floor Bakersfield CA *All Locations	Voluntary Termed Contract	9/24/2022
Danny L. Huynh, MD	Urology	9330 Stockdale Hwy Ste. 500 Bakersfield CA	Change of Ownership	8/5/2022
Gina Gordon-Lopez	Psychology	7400 District Blvd Ste. C Bakersfield CA	Voluntary Termed Contract	8/22/2022
Kidney Center A Medical Group Inc	Nephrology	3838 San Dimas Street Ste. A100 Bakersfield CA 93301	Retired / C. Wong MD	9/30/2022

To: KHS Board of Directors

From: Martha Tasinga M.D, MPH, MBA, Chief Medical Officer

Date: October 13, 2022

Re: CMO BOARD REPORT

Medical Cost and Utilization Trend Analyses: (Attachment A)

Physician Services: *(*PCPs, Specialists, Hospitalist, Other Professional and Urgent Care):

The utilization of professional services for SPDs is above budget and since March 2022, we have seen the cost trend of professional services for this group going up. Staff is working with our BI team to identify the reason for this upwards trend. The Professional services utilization and cost for the other Aid codes is at or below budget.

The top 4 reasons for use of professional services by the SPD AID code members are Hypertension, pervasive developmental disorders, Diabetes, and chronic kidney disease in that order. KHS is developing a HTN management education program for all our primary care providers consistent with current evidence-based guidelines. KHS has a diabetes program at KM and plans to implement a comprehensive diabetes program in 2023 as part of KHS Population Health Management Program. Controlling HTN and diabetes will delay the development and progression of chronic kidney disease. These activities should lead to a downward trend in PMPM cost for all AID codes, especially the SPDs and Expansion members who represent our sicker populations with multiple challenges due to social determinants of health.

Inpatient Services: (Attachment B)

The overall PMPM, bed-days incurred and average length of stay in the acute hospital for all aide codes had been at or below budget since March 2022. The cost per bed day is higher and this is showing that the patients being admitted are using the high-cost level of care in the hospital. The low number of bed days and the average length of stay are helping us keep the total PMPM at or below budget for all Aid codes. The most frequent diagnosis for inpatient hospital stays all combined AID codes are pregnancy and delivery related. Sepsis and Covid-19 diagnoses continue to be leading cause of admission for the SPDs. KHS is continuing efforts to get members

vaccinated against Covid-19. The SPD population has multiple chronic conditions and remain at a higher risk for severe covid-19.

Most admissions are now occurring at Kern Medical and BMH is the second utilized hospital by our members.

Hospital Outpatient (A-3)

The utilization of hospital outpatient services has been stable since January 2022. There is a spike in August with the number of visits for the SPDs. We will do more analysis on the data and watch if that is the beginning of a concerning trend or is a one-off month finding. We continue to work with our hospitalist teams to increase use of observation units for patient who do not need to be in an acute hospital for more than 72 hours. The observation stays are considered and counted as outpatient hospital services for reporting.

Obstetric Metrics: (Attachment C)

Most of our deliveries are occurring at BMH. The report shows a drop in deliveries. Most of our deliveries continue to be at BMH. The drop in deliveries seen in the graph is due to delay in Claims submissions. When we look at our inpatient data, we see that the number of deliveries is stable at around 400 deliveries a month. KHS C/Section rate in August 2022 is 18%. This rate is below the State of CA goal of **22.8%**, and below the public health target of 23.9% set by the Centers for Disease Control and Prevention in its Healthy People 2020 goals.

Emergency Room (ER): (Attachment D)

The PMPM cost and number of ER visits have been at or below budget for all Aid code since the beginning of the Pandemic.

The most frequent diagnosis for the ER for all AID codes in August 2022 is COVID-19 ACUTE RESPIRATORY DISEASE. This was the same in August 2021. COVID-19 is still with us even though the severity of the illness is less now.

Most of the ER visits continue to be occurring at Bakersfield Memorial Hospital**.**

Managed Care Accountability Set (MCAS) (Attachment E)

This is a set of performances measures that DHCS selects for annual reporting by Medi-Cal managed care health plans (MCPs). The updated Managed Care Accountability Set (MCAS) for 2020 measuring year prescribes a set of 33 quality measures, with 21 measures subject to a 50% Minimum Performance Level (MPL) benchmark. Just like with HEDIS,

This is a set of performances measures that DHCS selects for annual reporting by Medi-Cal managed care health plans (MCPs). The updated Managed Care Accountability Set (MCAS) for 2020 measuring year prescribes a set of 33 quality measures, with 21 measures subject to a 50% Minimum Performance Level (MPL) benchmark. Just like with HEDIS, each measurement count requires a patient encounter specific to service(s), that when performed, will indicate the measurement was met for that patient. All KHS members identified as having the medical condition associated with the measurement represent the denominator. When members receive service(s), it is recorded as "compliant" becoming part of the numerator. The level of achievement is shown as the percentage (%) of members receiving the required (service(s). The minimum target performance percentage (MPL) is established by DHCS each year and they might also add or remove required measures every year. As a result of these changes, MCPs and providers are under increased pressure to coordinate their quality programming and metrics.

The report attached is tracking our performance for the 2020 measuring year compared to the 2019 measuring year. The boxes in green show measures where our performance has improved over last year. We are doing better than 2019 in 13 of the 25 MCAS measures. The boxes in read show where our performance is significantly lower than the previous year. The yellow boxes show we have lower performance, but it is not significant. We have plans ready for implementation to improve the areas in RED as soon as it is safe for our members, providers and staff.

We are continuing to work with our providers and encouraging them to provide routine care via telemedicine as possible during the pandemic. The longer patients stay away from the doctors' offices, the less likely they are to complete these services most of which require an office visit. This could have a negative impact on the patient's health and KHS will not be able to meet the State MPL. DHCS recognizes this challenge. Although, this will not change DHCS performance expectations, the department does not plan sanctioned health plans in 2020 for not meeting MPL.

Kern Health Systems

KHS Medical Management Performance Dashboard (Critical Performance Measurements)

KERN HEALTH SYSTEMS

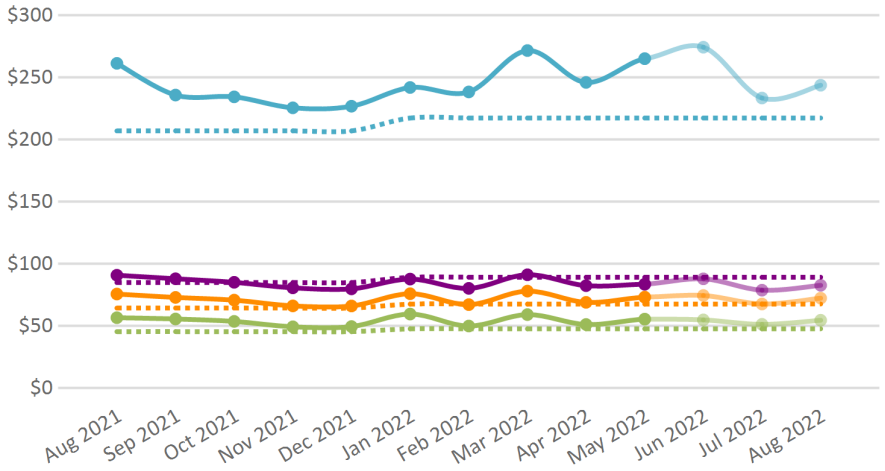
Governed Reporting System

Physician Services

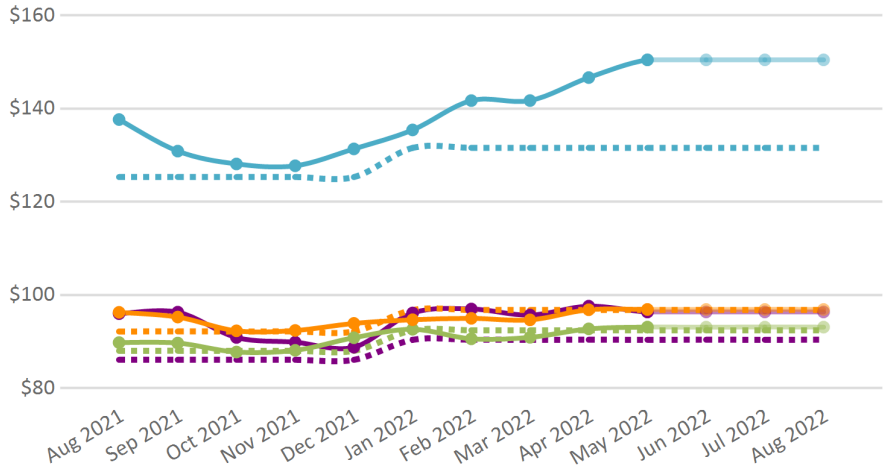
(Includes: Primary Care Physician Services, Referral Specialty Services, Other Professional Services and Urgent Care)

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

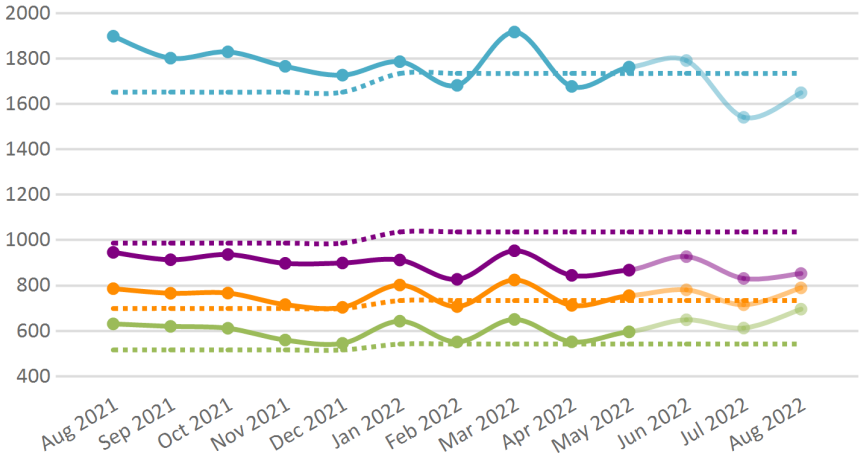
Professional Services Incurred by Aid Group PMPM



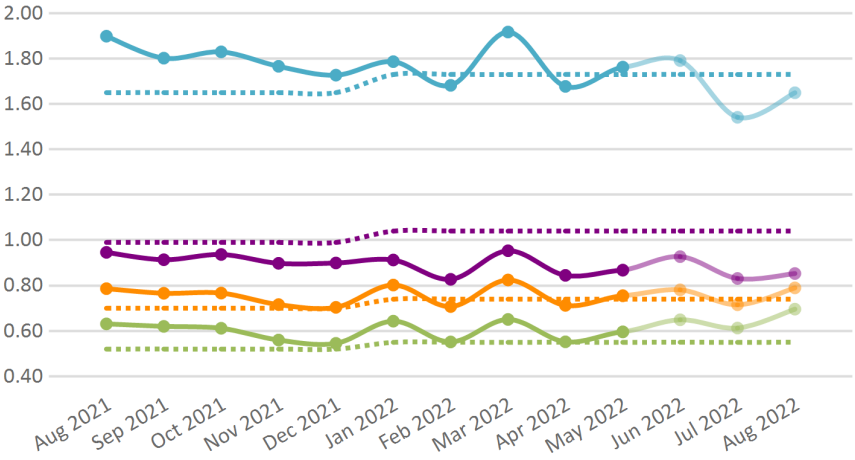
Cost per Professional Service Visit by Aid Group



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



Professional Service Visits per Member per Month by Aid Group



KERN HEALTH SYSTEMS

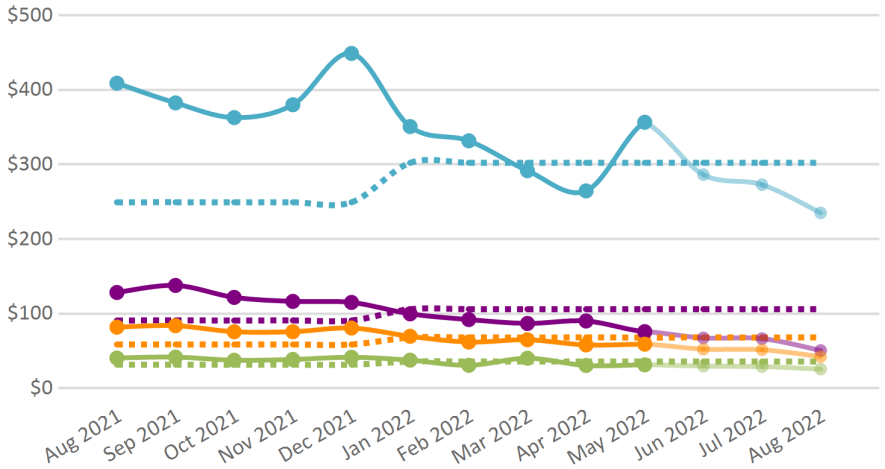
Governed Reporting System

Inpatient

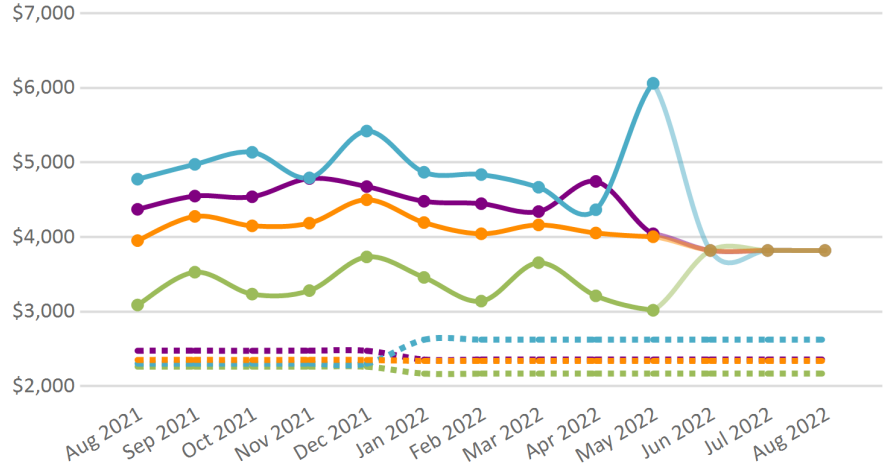
(Includes: Inpatient Hospital Claims)

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

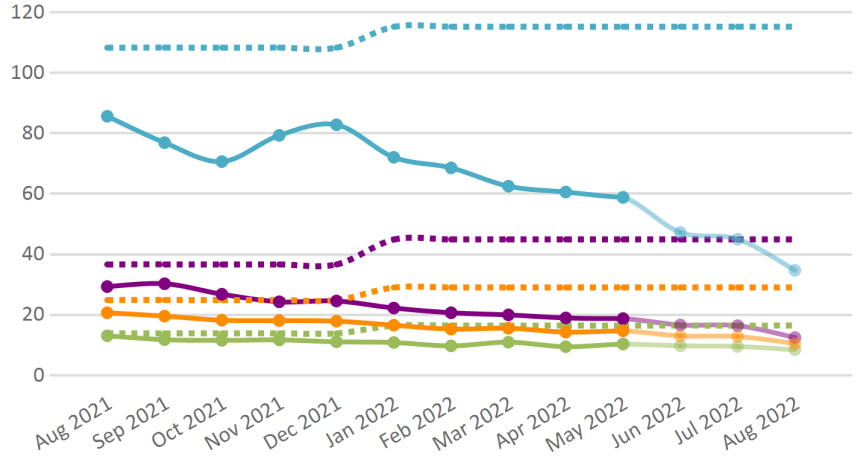
Inpatient Services Incurred by Aid Group PMPM



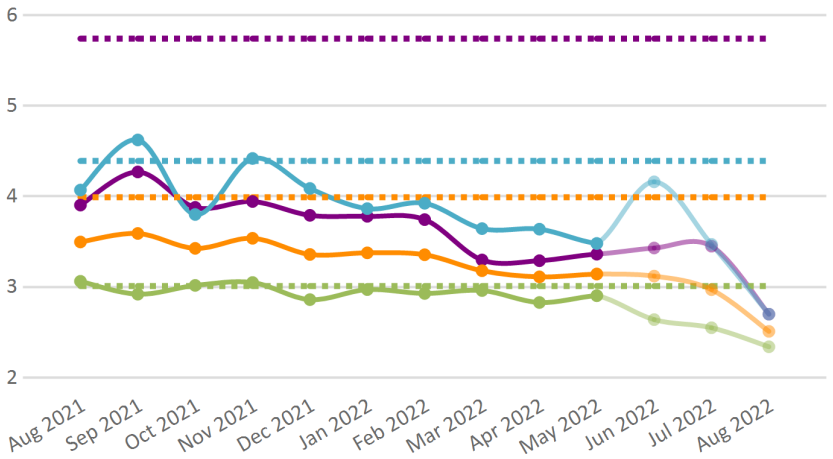
Cost Per Bed Day by Aid Group



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



Average Length of Stay in Days by Aid Group



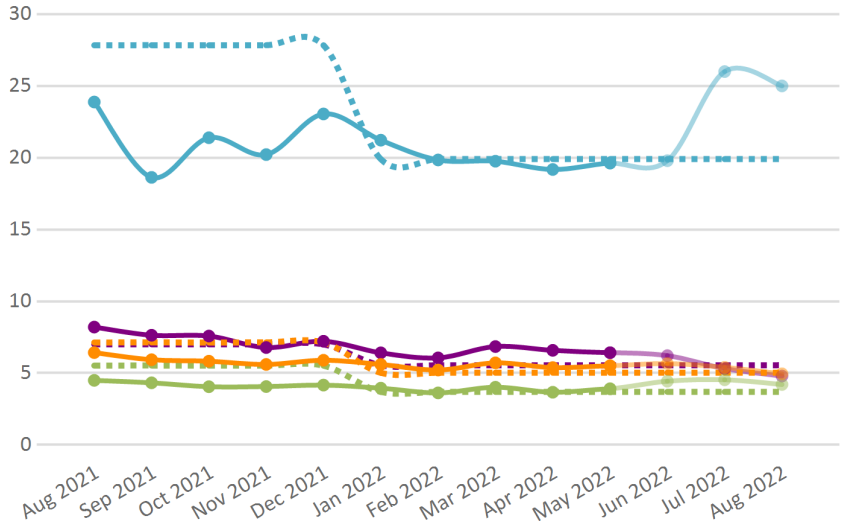
KERN HEALTH SYSTEMS

Governed Reporting System

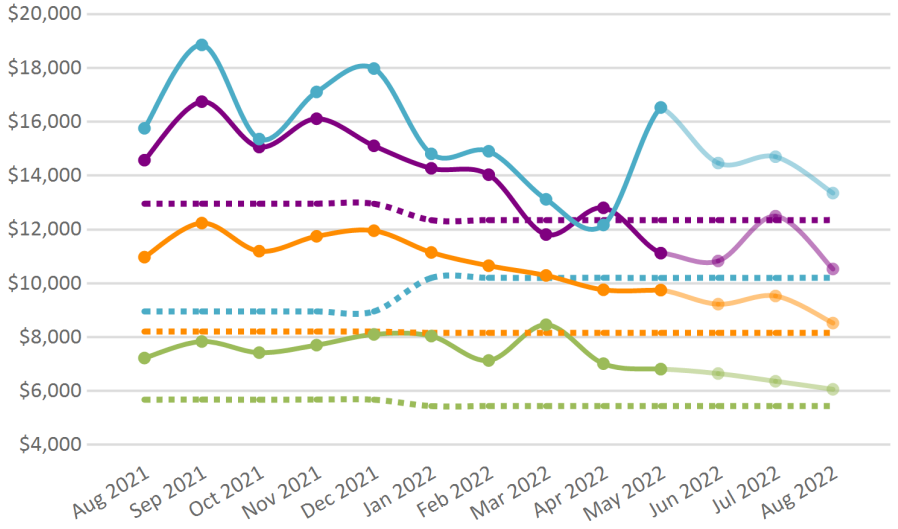
Inpatient

(Includes: Inpatient Hospital Claims)

Incurred Admits per 1,000 per Month by Aid Group



Cost per Admit by Aid Group



KERN HEALTH SYSTEMS

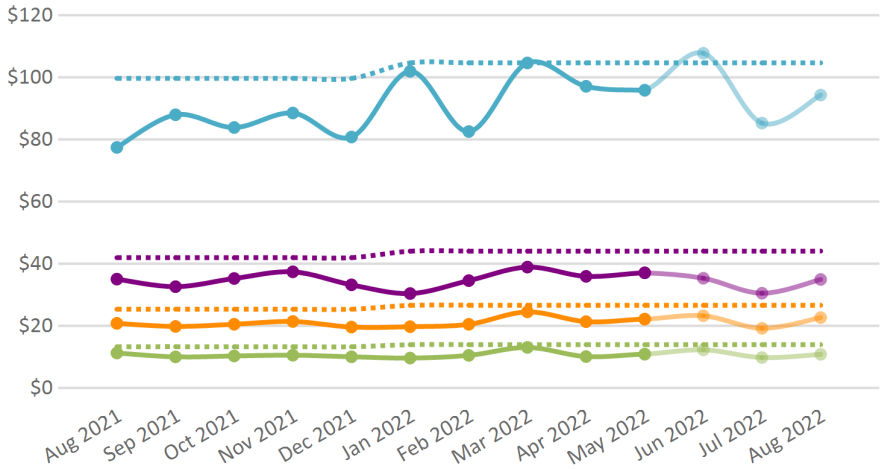
Governed Reporting System

Outpatient Hospital

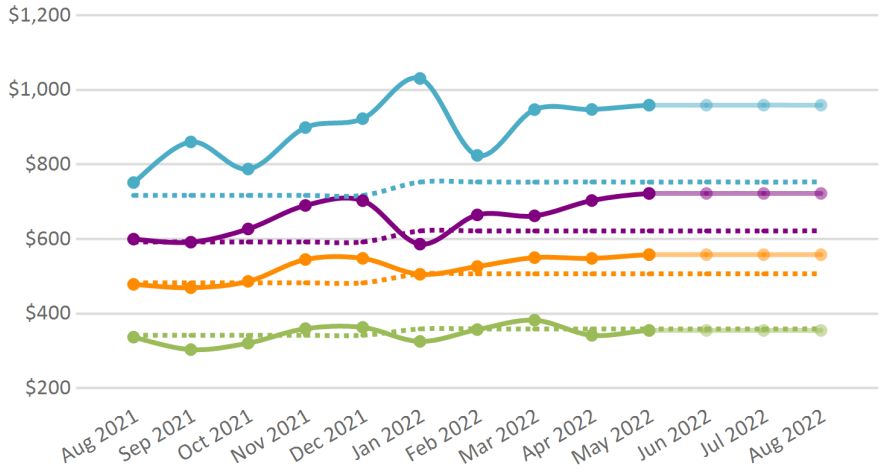
(Includes: Outpatient Diagnostic, Outpatient Surgery, Outpatient Observation, and Outpatient Other)

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

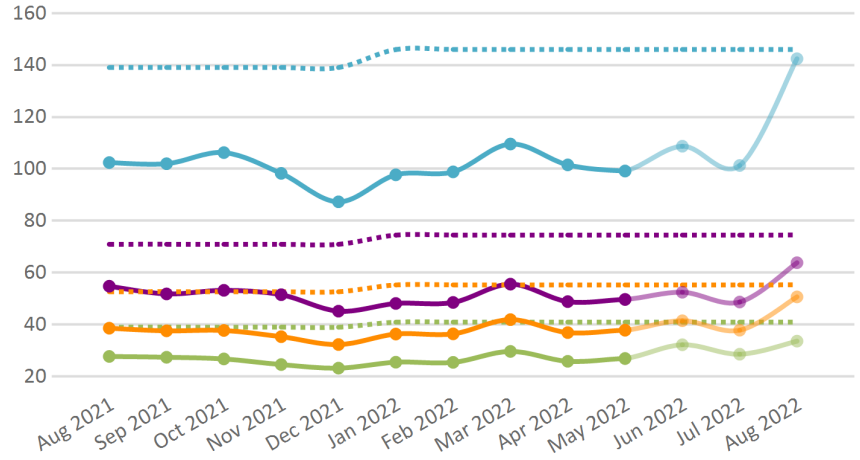
Outpatient Services Incurred by Aid Group PMPM



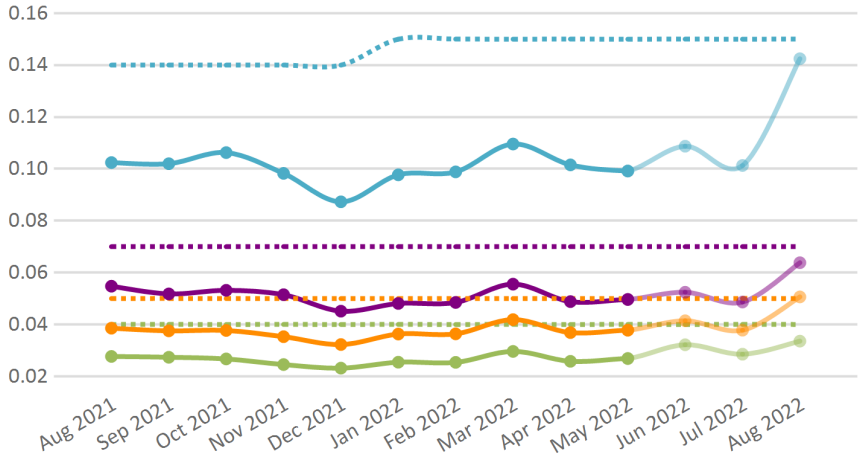
Cost Per Outpatient Visit by Aid Group



Outpatient Visits per 1,000 per Month by Aid Group



Outpatient Visits per Member per Month by Aid Group

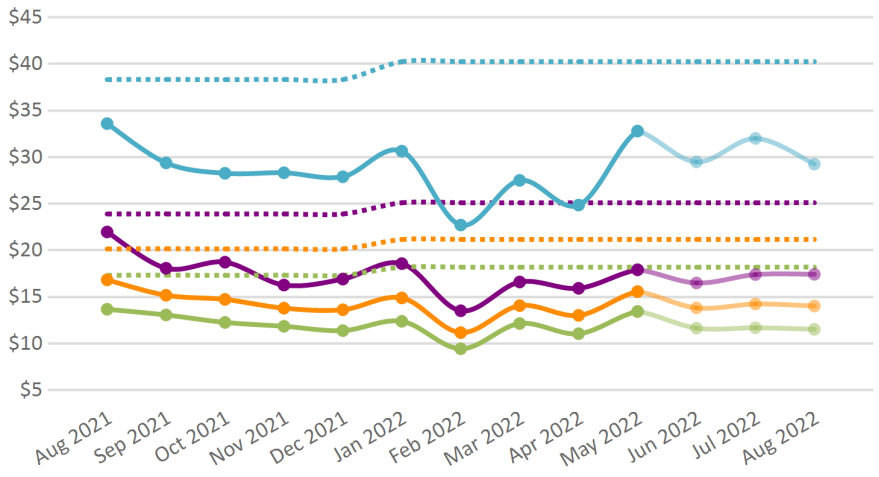


KERN HEALTH SYSTEMS

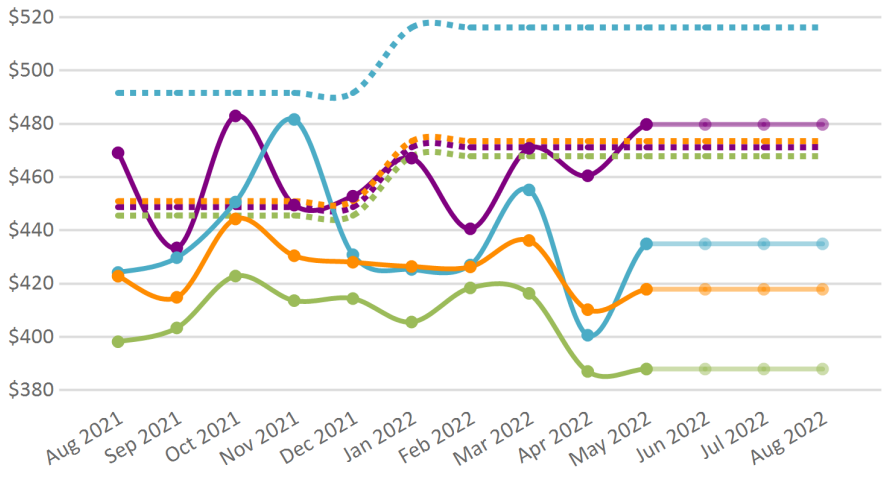
Governed Reporting System

Emergency Room

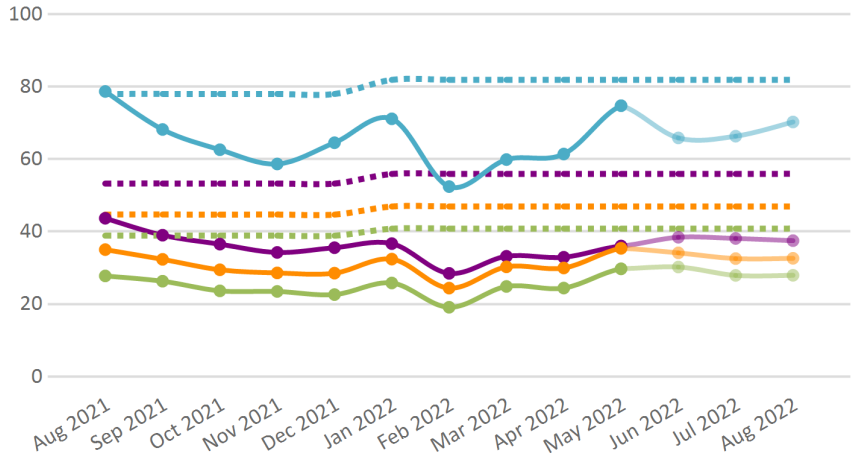
ER Services Incurred by Aid Group PMPM



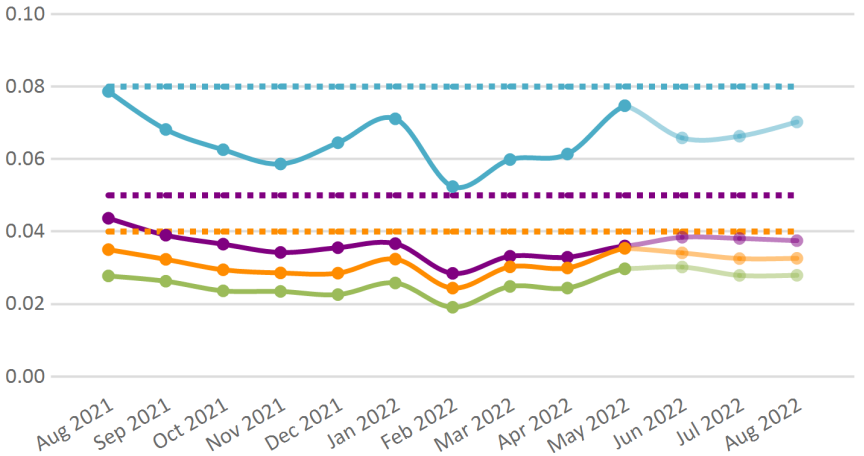
Cost Per ER Visit by Aid Group



ER Visits per 1,000 per Month by Aid Group



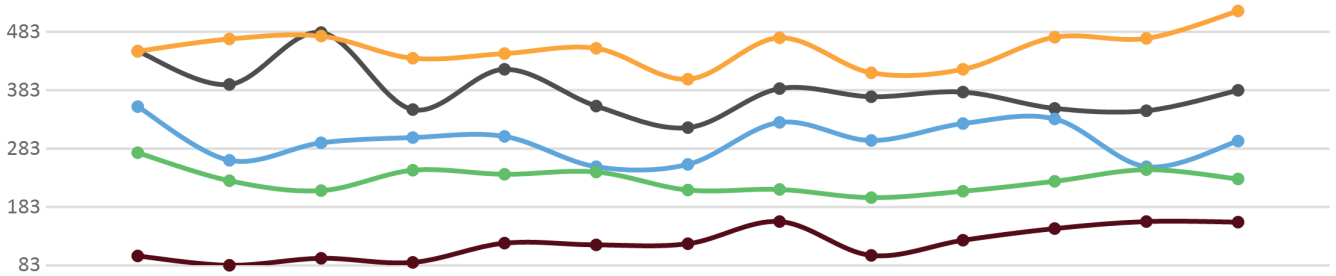
ER Visits per Member per Month by Aid Group



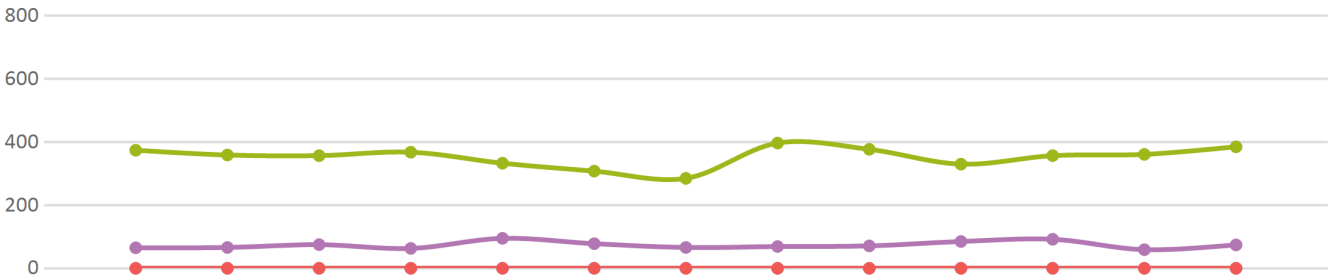
KERN HEALTH SYSTEMS

Governed Reporting System

Inpatient Admits by Hospital



	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22
KERN MEDICAL	450	471	476	438	446	455	402	473	413	419	474	472	519
BAKERSFIELD MEMORIAL	450	393	482	350	419	356	319	386	372	380	352	348	383
ADVENTIST HEALTH	355	263	293	302	304	252	256	328	297	326	334	252	296
MERCY HOSPITAL	276	228	211	246	239	243	212	213	199	210	227	247	231
GOOD SAMARITAN HOSPITAL	99	83	95	88	121	118	120	158	100	126	146	158	157

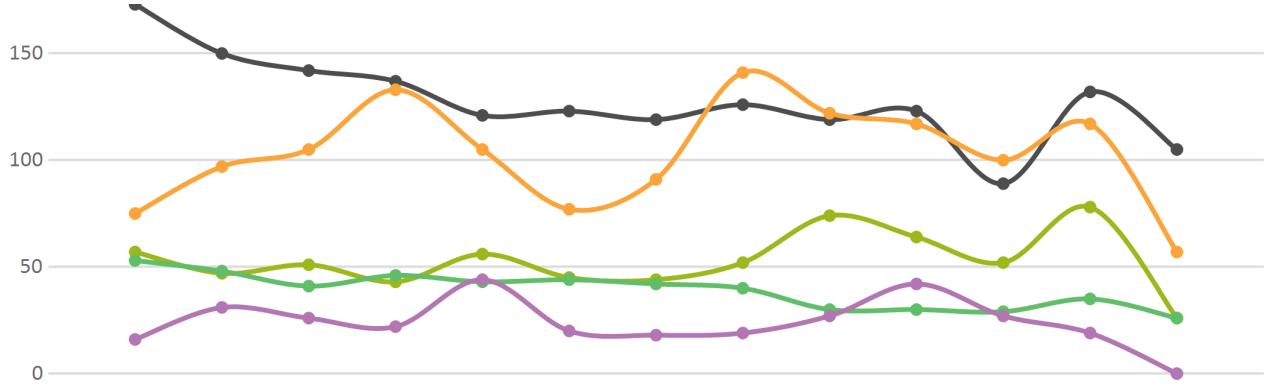


	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22
DELANO REGIONAL HOSPITAL	65	66	75	63	95	78	66	69	71	85	92	59	74
OUT OF AREA	374	359	357	368	333	308	285	397	377	330	357	361	385
BAKERSFIELD HEART HOSP	35	38	34	49	39	33	38	37	22	37	42	34	44

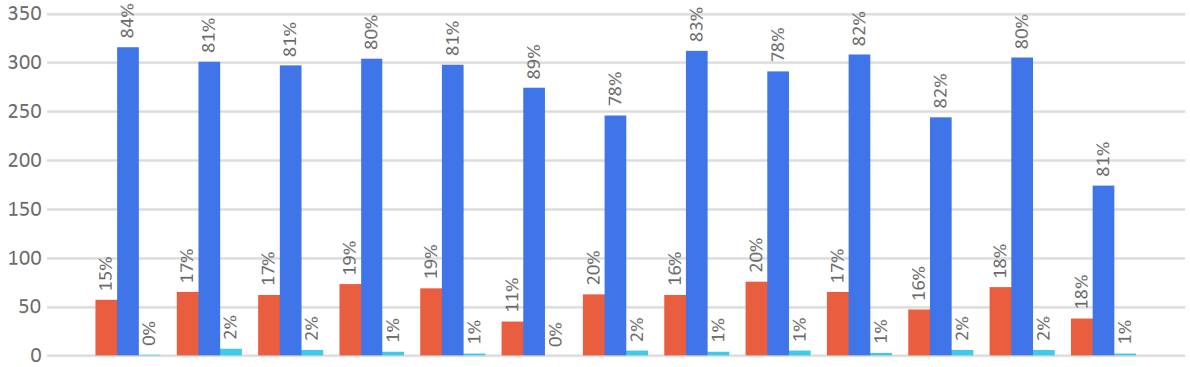
KERN HEALTH SYSTEMS

Governed Reporting System

Obstetrics Metrics

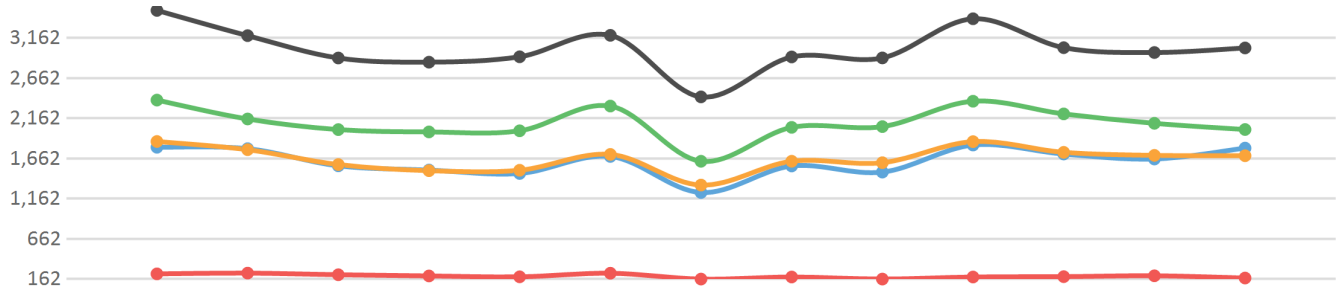


	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22
BAKERSFIELD MEMORIAL	173	150	142	137	121	123	119	126	119	123	89	132	105
KERN MEDICAL	75	97	105	133	105	77	91	141	122	117	100	117	57
MERCY HOSPITAL	53	48	41	46	43	44	42	40	30	30	29	35	26
OTHER	57	47	51	43	56	45	44	52	74	64	52	78	26
DELANO REGIONAL HOSPITAL	16	31	26	22	44	20	18	19	27	42	27	19	0

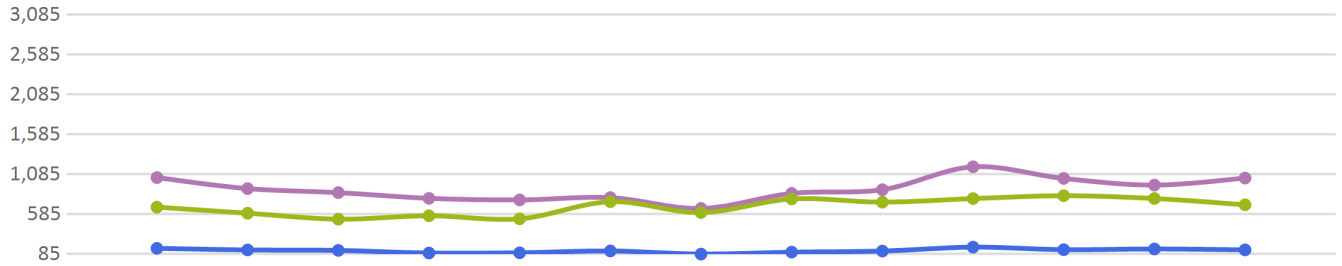


	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22
VAGINAL DELIVERY	316	301	297	304	298	274	246	312	291	308	244	305	174
C-SECTION DELIVERY	57	65	62	73	69	35	63	62	76	65	47	70	38
PREVIOUS C-SECTION DELIVERY	1	7	6	4	2	0	5	4	5	3	6	6	2

Emergency Visits by Hospital



	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22
BAKERSFIELD MEMORIAL	3,505	3,191	2,913	2,861	2,928	3,195	2,429	2,926	2,914	3,401	3,041	2,981	3,038
MERCY HOSPITAL	2,389	2,154	2,022	1,993	2,007	2,315	1,628	2,050	2,059	2,375	2,217	2,100	2,023
KERN MEDICAL	1,874	1,772	1,587	1,511	1,516	1,713	1,332	1,628	1,610	1,872	1,739	1,701	1,697
ADVENTIST HEALTH	1,802	1,785	1,571	1,519	1,476	1,688	1,239	1,569	1,493	1,830	1,718	1,656	1,792
BAKERSFIELD HEART HOSP	227	236	216	201	190	235	162	188	162	188	192	203	175



	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22
DELANO REGIONAL HOSPITAL	1,043	905	855	783	763	792	656	845	891	1,178	1,032	949	1,037
OUT OF AREA	673	597	522	565	526	741	605	776	735	780	816	781	702
KERN VALLEY HEALTHCARE	157	137	131	98	101	124	85	109	123	172	140	149	138

MCAS MY2022 Performance Trending Metrics through September 2022

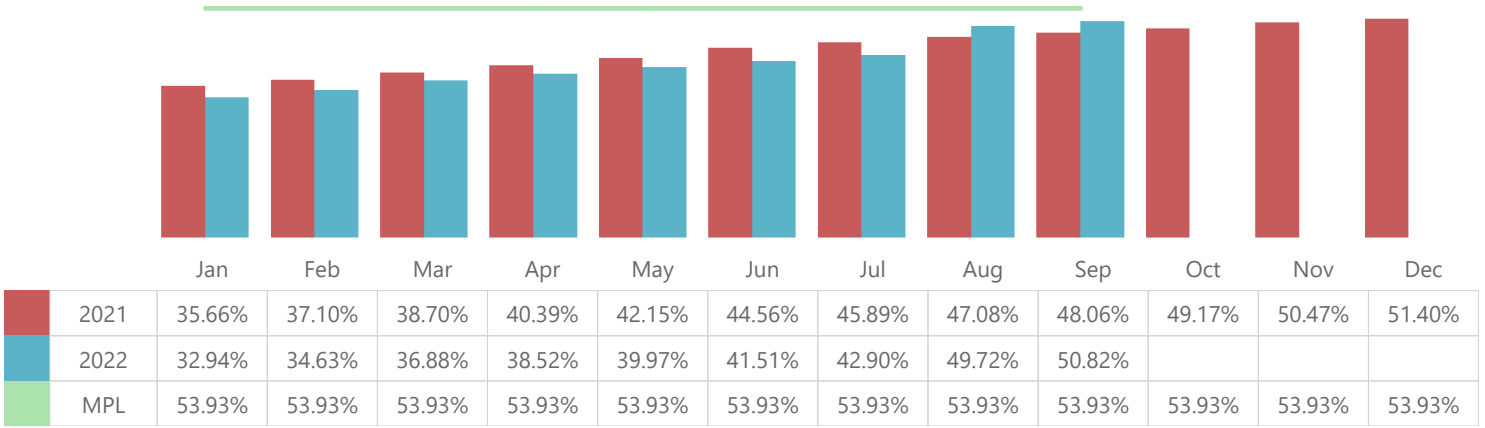
BCS	CBP	CCS	CHL Adults and Peds	CIS
50.82 %	29.09 %	46.92 %	50.16 %	17.23 %
MPL: 53.93% Under MPL by 3.11% Previous YTD: 48.06%	MPL: 55.35% Under MPL by 26.26% Previous YTD: 6.96%	MPL: 59.12% Under MPL by 12.20% Previous YTD: 47.23%	MPL: 54.91% Under MPL by 4.75% Previous YTD: 49.49%	MPL: 38.20% Under MPL by 20.97% Previous YTD: 23.15%
FUA 30 Day Follow-up	**FUM 30 Day Follow-up**	**HBD HBA1C >9%**	**IMA**	**LSC**
10.99 %	14.01 %	60.67 %	25.81 %	45.88 %
MPL: 21.31% Under MPL by 10.32% Previous YTD: 13.82%	MPL: 53.54% Under MPL by 39.53% Previous YTD: 22.15%	MPL: 43.19% Under MPL by 17.48% Inverted Measure Previous YTD: 69.64%	MPL: 36.74% Under MPL by 10.93% Previous YTD: 29.88%	MPL: 71.53% Under MPL by 25.65% Previous YTD: 49.57%
PPC Post	**PPC Pre**	**W30 0 - 15 Months**	**W30 15 - 30 Months**	**WCV**
55.15 %	29.72 %	19.09 %	49.13 %	27.65 %
MPL: 76.40% Under MPL by 21.25% Previous YTD: 59.06%	MPL: 85.89% Under MPL by 56.17% Previous YTD: 43.94%	MPL: 54.92% Under MPL by 35.83% Previous YTD: 18.91%	MPL: 70.67% Under MPL by 21.54% Previous YTD: 47.51%	MPL: 45.31% Under MPL by 17.66% Previous YTD: 28.42%

Measure rates are thru claims only - no supplemental data nor medical record reviews are included

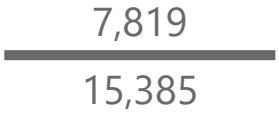
MCAS MY2022 Performance Trending Metrics through September 2022

Breast Cancer Screening

The percentage of women 50–74 years of age who had one or more mammograms any time on or between October 1 two years prior to the measurement year and December 31 of the measurement year.



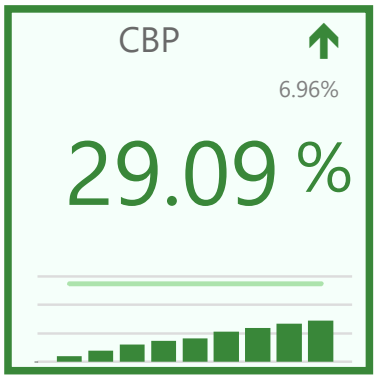
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	35.66%	37.10%	38.70%	40.39%	42.15%	44.56%	45.89%	47.08%	48.06%	49.17%	50.47%	51.40%
2022	32.94%	34.63%	36.88%	38.52%	39.97%	41.51%	42.90%	49.72%	50.82%			
MPL	53.93%	53.93%	53.93%	53.93%	53.93%	53.93%	53.93%	53.93%	53.93%	53.93%	53.93%	53.93%

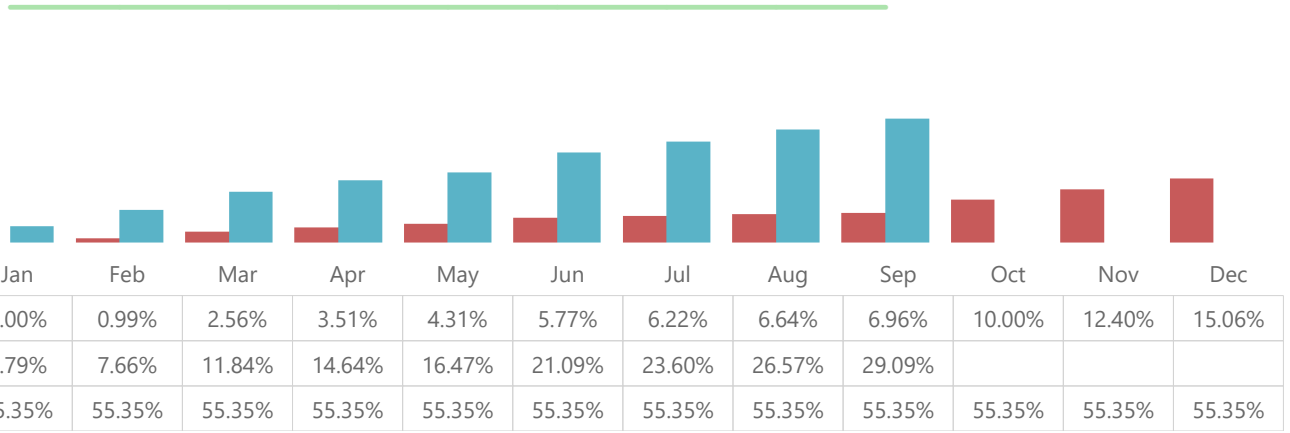


MCAS MY2022 Performance Trending Metrics through September 2022

Controlling High Blood Pressure

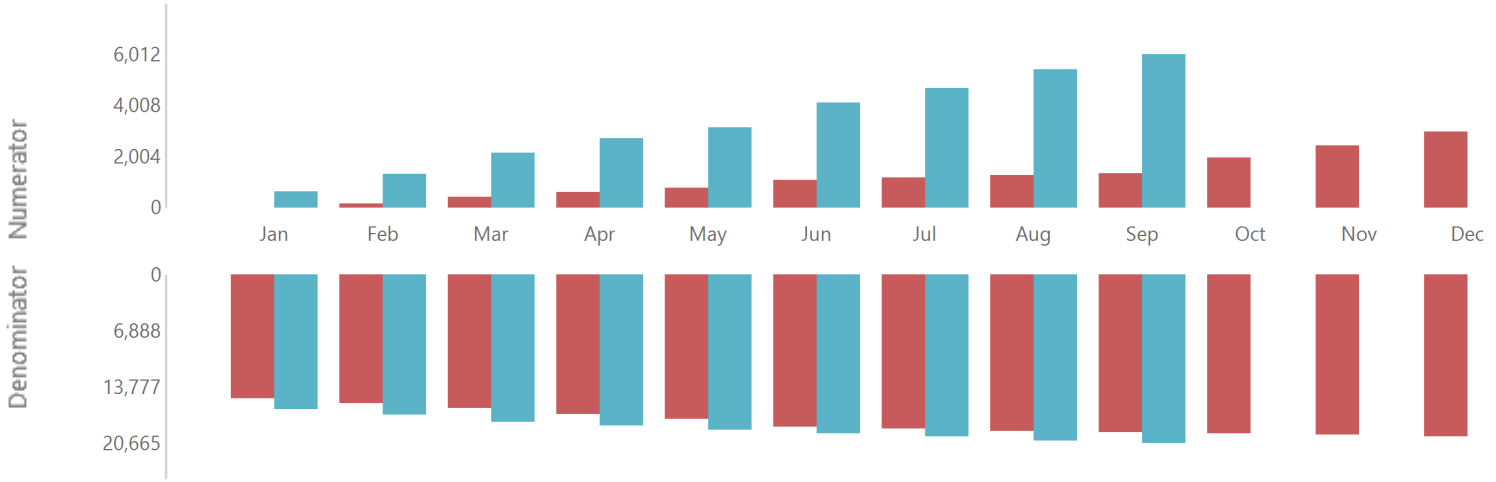
The percentage of members 18–85 years of age who had a diagnosis of hypertension (HTN) and whose BP was adequately controlled (<140/90 mm Hg) during the measurement year.





		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	2021	0.00%	0.99%	2.56%	3.51%	4.31%	5.77%	6.22%	6.64%	6.96%	10.00%	12.40%	15.06%
	2022	3.79%	7.66%	11.84%	14.64%	16.47%	21.09%	23.60%	26.57%	29.09%			
	MPL	55.35%	55.35%	55.35%	55.35%	55.35%	55.35%	55.35%	55.35%	55.35%	55.35%	55.35%	55.35%

6,012
20,665



MCAS MY2022 Performance Trending Metrics through September 2022

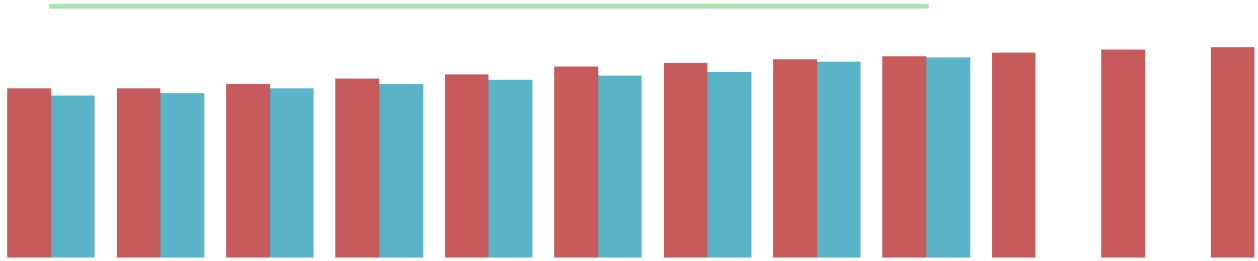
Cervical Cancer Screening

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

CCS

47.23%

46.92 %



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	39.74%	39.81%	40.71%	42.05%	43.05%	44.87%	45.78%	46.55%	47.23%	48.09%	48.81%	49.36%
2022	38.04%	38.61%	39.73%	40.80%	41.74%	42.71%	43.61%	45.95%	46.92%			
MPL	59.12%	59.12%	59.12%	59.12%	59.12%	59.12%	59.12%	59.12%	59.12%	59.12%	59.12%	59.12%

22,694

48,370

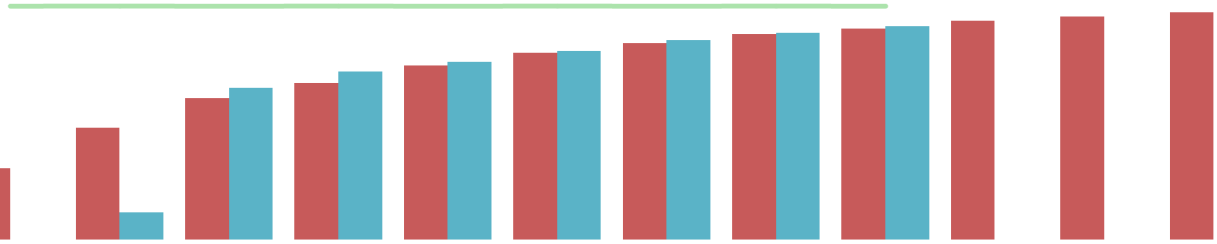
MCAS MY2022 Performance Trending Metrics through September 2022

Chlamydia Screening in Women

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

CHL Adults and Peds ↑ 49.49%

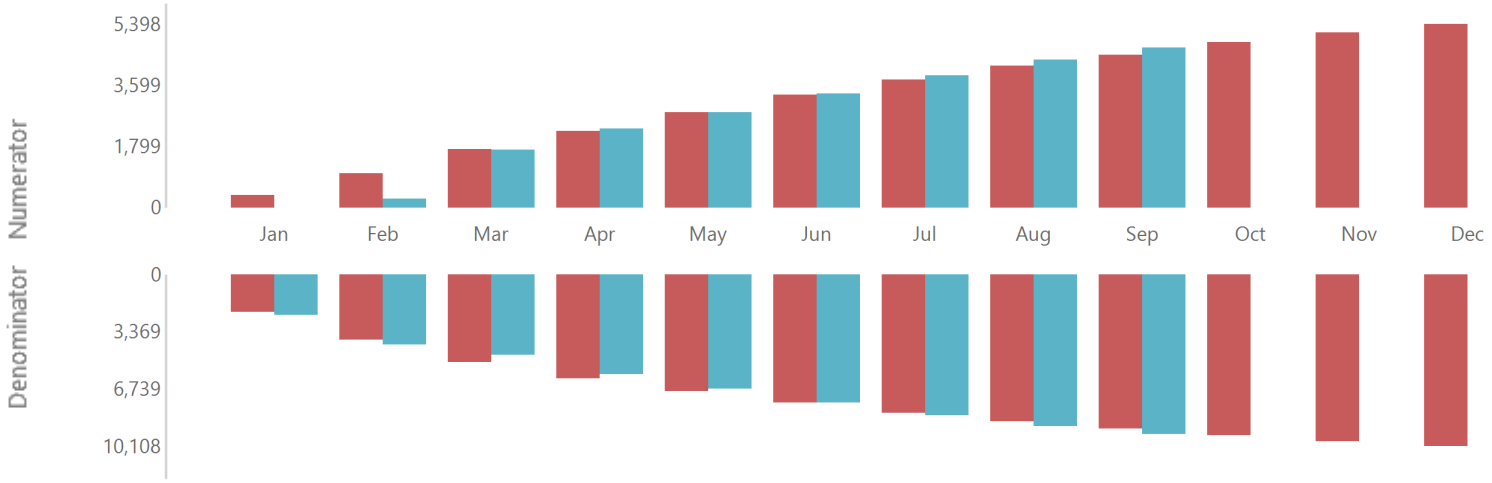
50.16 %



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	16.67%	26.25%	33.23%	36.78%	40.91%	43.87%	46.07%	48.26%	49.49%	51.43%	52.37%	53.40%
2022	0.00%	6.28%	35.66%	39.51%	41.79%	44.34%	46.89%	48.58%	50.16%			
MPL	54.91%	54.91%	54.91%	54.91%	54.91%	54.91%	54.91%	54.91%	54.91%	54.91%	54.91%	54.91%

4,703

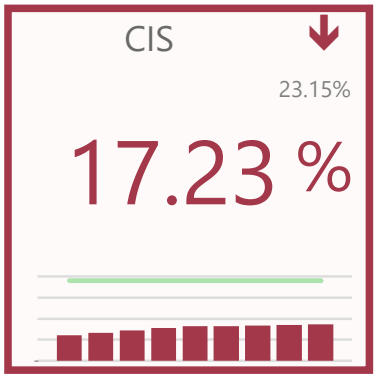
9,376

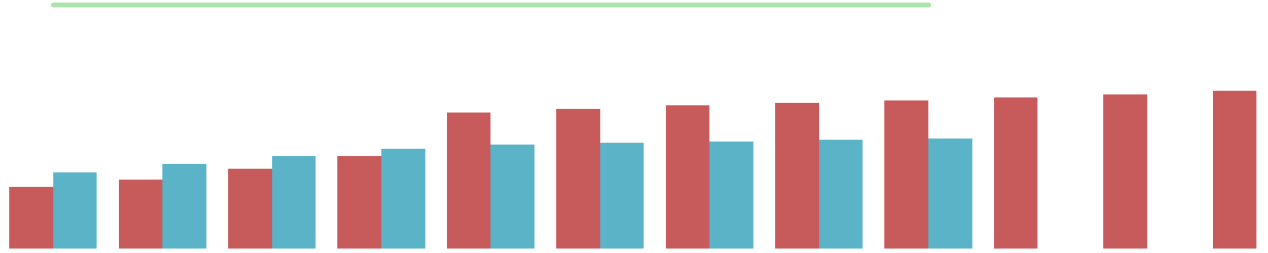


MCAS MY2022 Performance Trending Metrics through September 2022

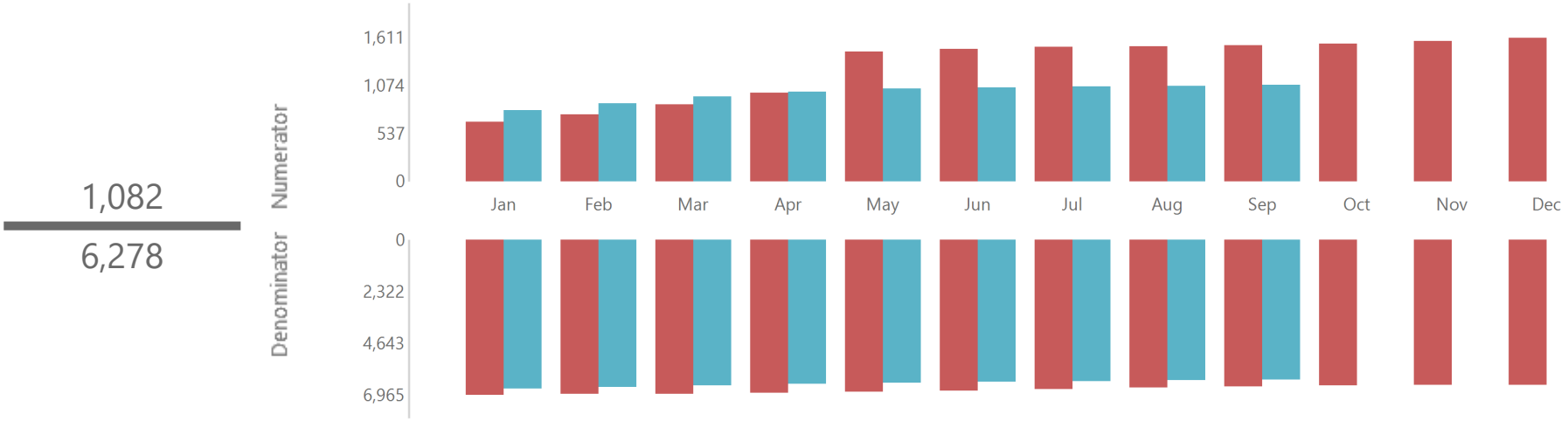
Childhood Immunization Status

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





	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	9.59%	10.78%	12.43%	14.47%	21.31%	21.88%	22.45%	22.79%	23.15%	23.61%	24.09%	24.71%
2022	11.93%	13.27%	14.49%	15.58%	16.24%	16.52%	16.77%	16.98%	17.23%			
MPL	38.20%	38.20%	38.20%	38.20%	38.20%	38.20%	38.20%	38.20%	38.20%	38.20%	38.20%	38.20%



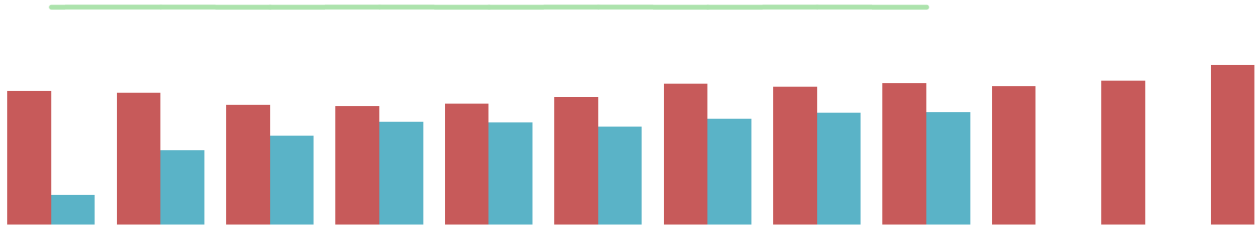
MCAS MY2022 Performance Trending Metrics through September 2022

Follow-Up After Emergency Department Visit for Substance Use

The percentage of ED visits for which the member received follow-up within 30 days of the ED visit (31 total days).

FUA 30 Day Follow-up ↓ 13.82%

10.99 %



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	13.04%	12.88%	11.68%	11.60%	11.81%	12.46%	13.76%	13.49%	13.82%	13.53%	14.05%	15.60%
2022	2.90%	7.26%	8.65%	10.05%	9.96%	9.58%	10.34%	10.94%	10.99%			
MPL	21.31%	21.31%	21.31%	21.31%	21.31%	21.31%	21.31%	21.31%	21.31%	21.31%	21.31%	21.31%

107

974

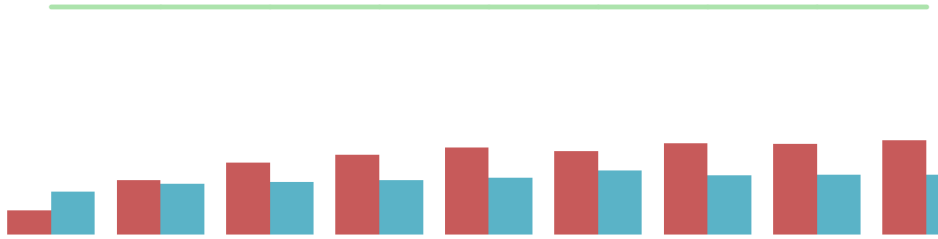
MCAS MY2022 Performance Trending Metrics through September 2022

Follow-Up After Emergency Department Visit for Mental Illness

The percentage of ED visits for which the member received follow-up within 30 days of the ED visit (31 total days).

FUM 30 Day Follow-up ↓ 22.15%

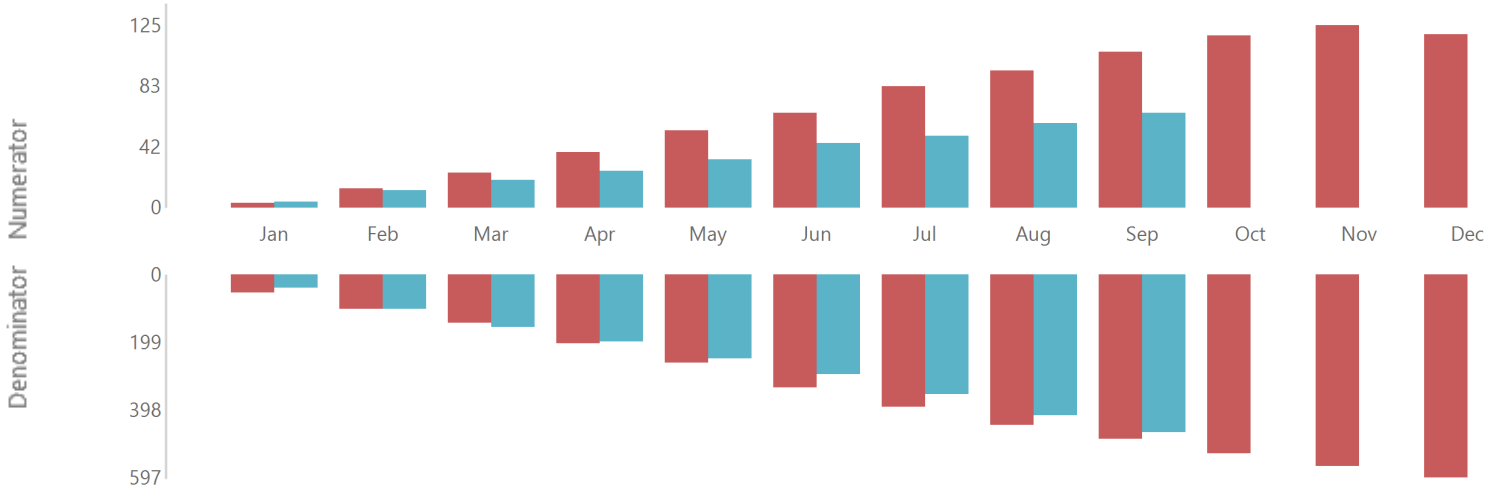
14.01 %



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	5.56%	12.75%	16.78%	18.72%	20.46%	19.58%	21.34%	21.27%	22.15%	22.43%	22.20%	19.93%
2022	10.00%	11.88%	12.34%	12.69%	13.36%	14.97%	13.92%	14.01%	14.01%			
MPL	53.54%	53.54%	53.54%	53.54%	53.54%	53.54%	53.54%	53.54%	53.54%	53.54%	53.54%	53.54%

65

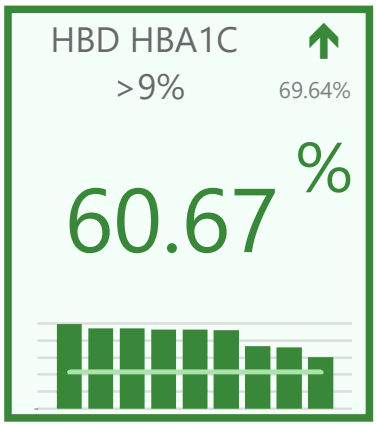
464

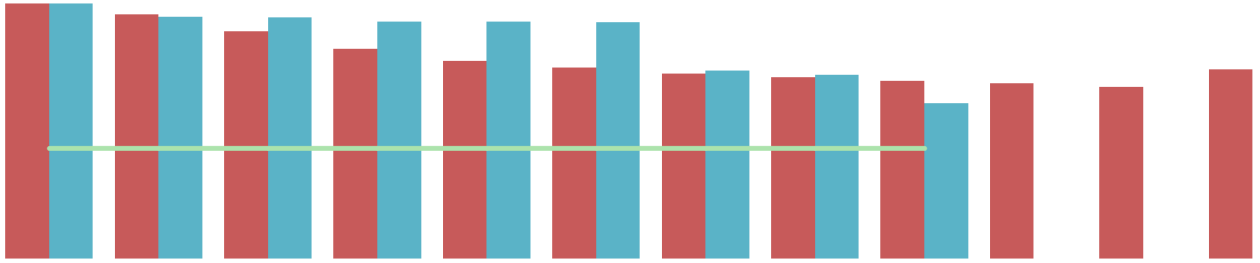


MCAS MY2022 Performance Trending Metrics through September 2022

Hemoglobin A1c Testing & Control for Patients With Diabetes

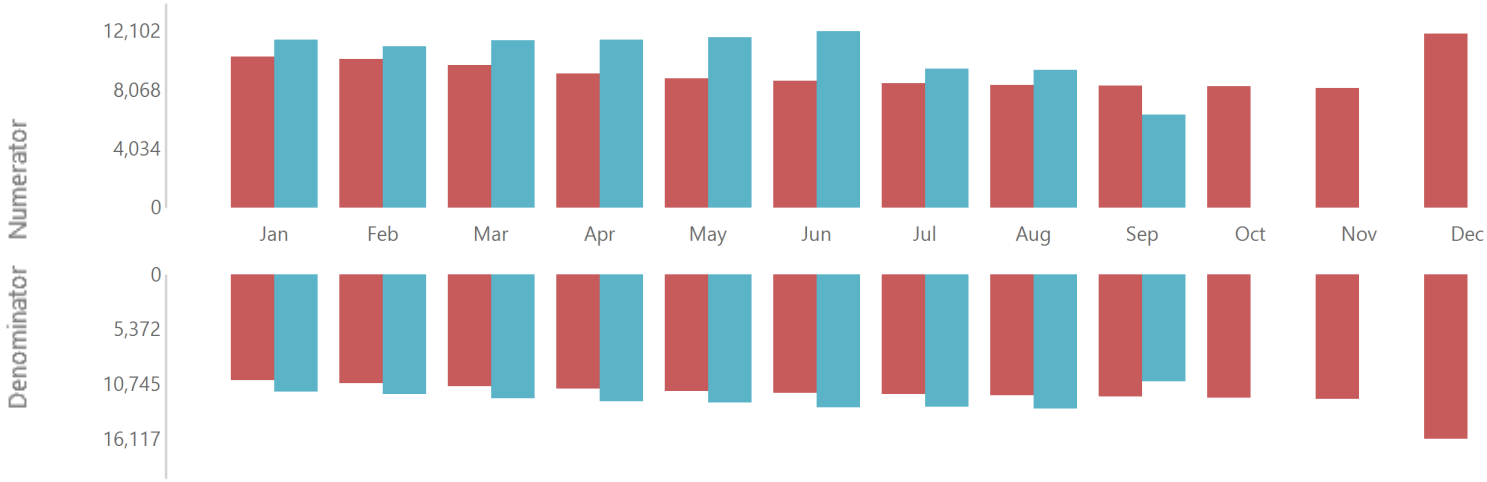
The percentage of members 18–75 years of age with diabetes (type 1 and type 2) who had recent HbA1c level is >9.0% or is missing a result, or if an HbA1c test was not done during the measurement year.
Inverted Measure - a lower rate is desired for this measure.





	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	99.87%	95.58%	89.09%	81.99%	77.34%	74.82%	72.39%	70.86%	69.64%	68.67%	67.19%	73.98%
2022	99.88%	94.55%	94.51%	92.75%	92.75%	92.64%	73.54%	71.85%	60.67%			
MPL	43.19%	43.19%	43.19%	43.19%	43.19%	43.19%	43.19%	43.19%	43.19%	43.19%	43.19%	43.19%

6,353
10,471



MCAS MY2022 Performance Trending Metrics through September 2022

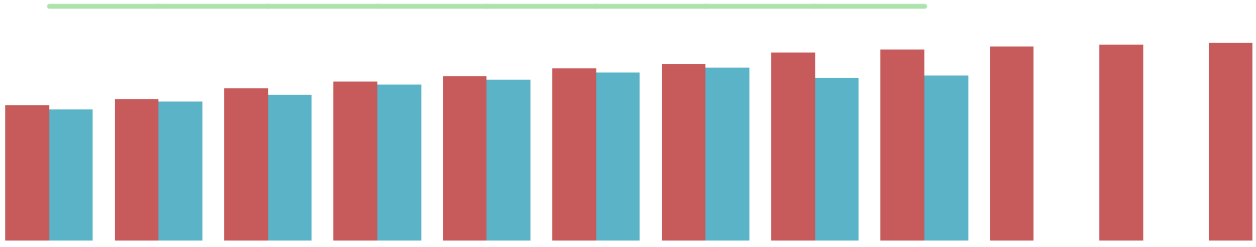
Immunizations for Adolescents

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

IMA

29.88%

25.81 %



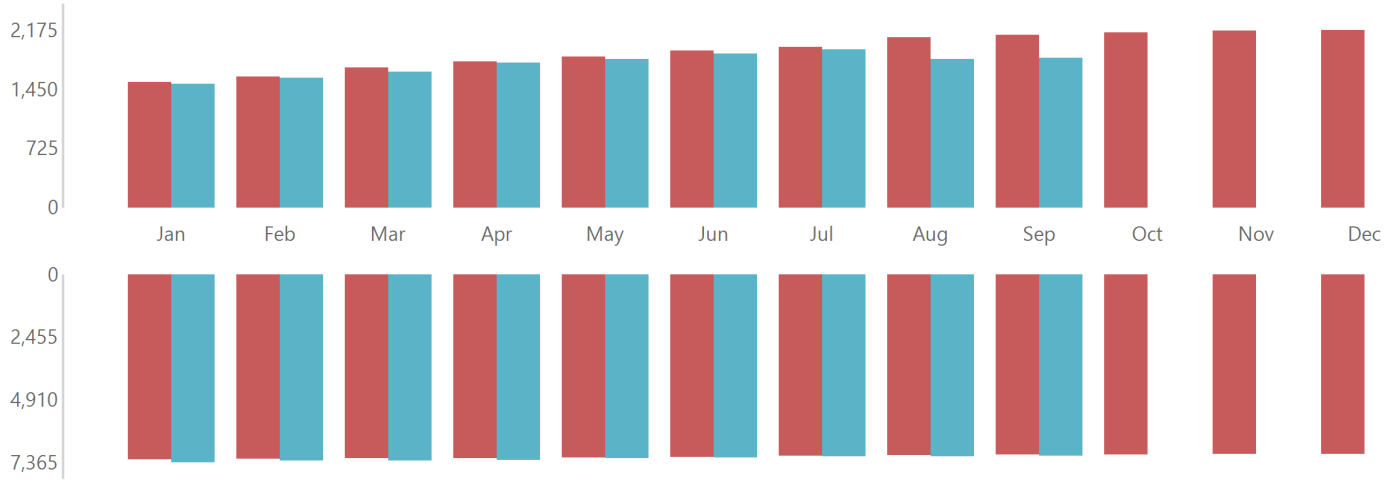
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	21.16%	22.16%	23.79%	24.84%	25.73%	26.93%	27.66%	29.43%	29.88%	30.41%	30.70%	30.91%
2022	20.56%	21.77%	22.79%	24.36%	25.19%	26.30%	27.09%	25.45%	25.81%			
MPL	36.74%	36.74%	36.74%	36.74%	36.74%	36.74%	36.74%	36.74%	36.74%	36.74%	36.74%	36.74%

1,833

7,102

Numerator

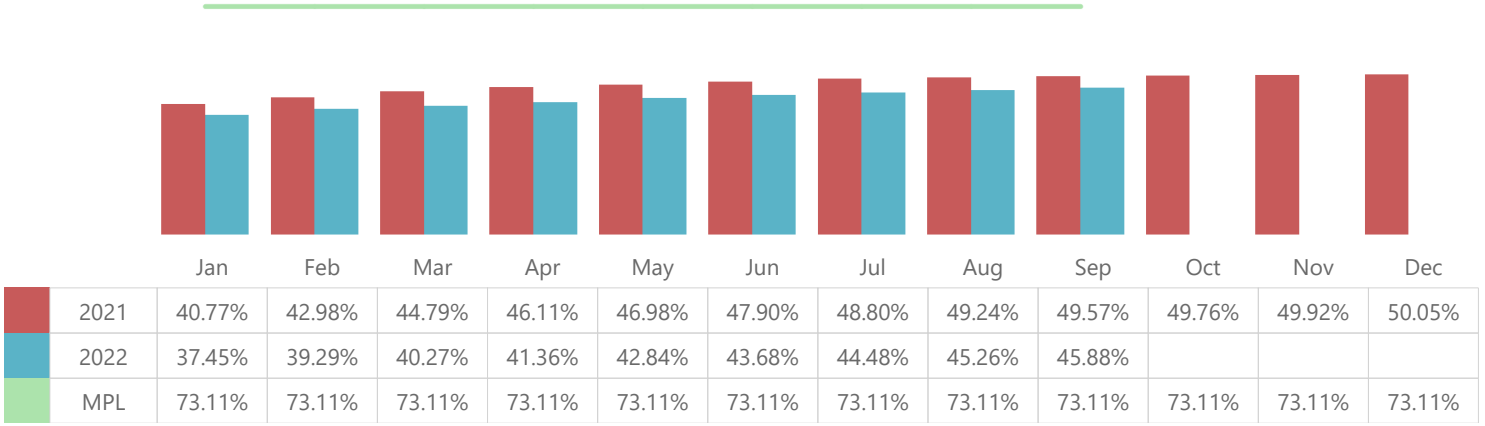
Denominator



MCAS MY2022 Performance Trending Metrics through September 2022

Lead Screening in Children

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



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	40.77%	42.98%	44.79%	46.11%	46.98%	47.90%	48.80%	49.24%	49.57%	49.76%	49.92%	50.05%
2022	37.45%	39.29%	40.27%	41.36%	42.84%	43.68%	44.48%	45.26%	45.88%			
MPL	73.11%	73.11%	73.11%	73.11%	73.11%	73.11%	73.11%	73.11%	73.11%	73.11%	73.11%	73.11%

MCAS MY2022 Performance Trending Metrics through September 2022

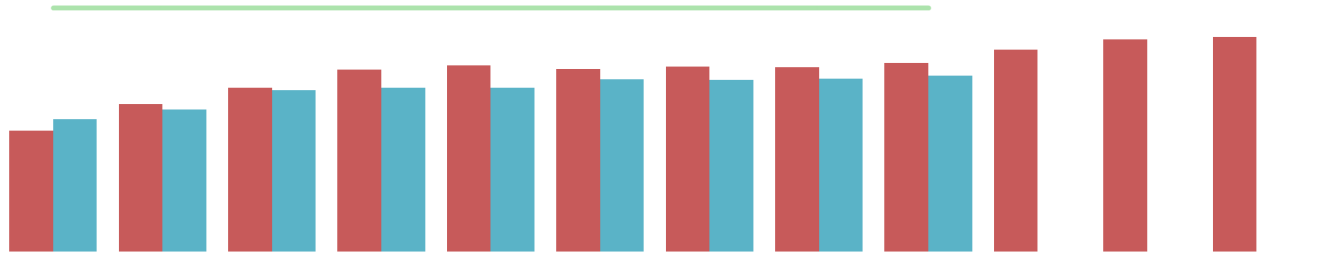
Postpartum Care

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

PPC Post

59.06%

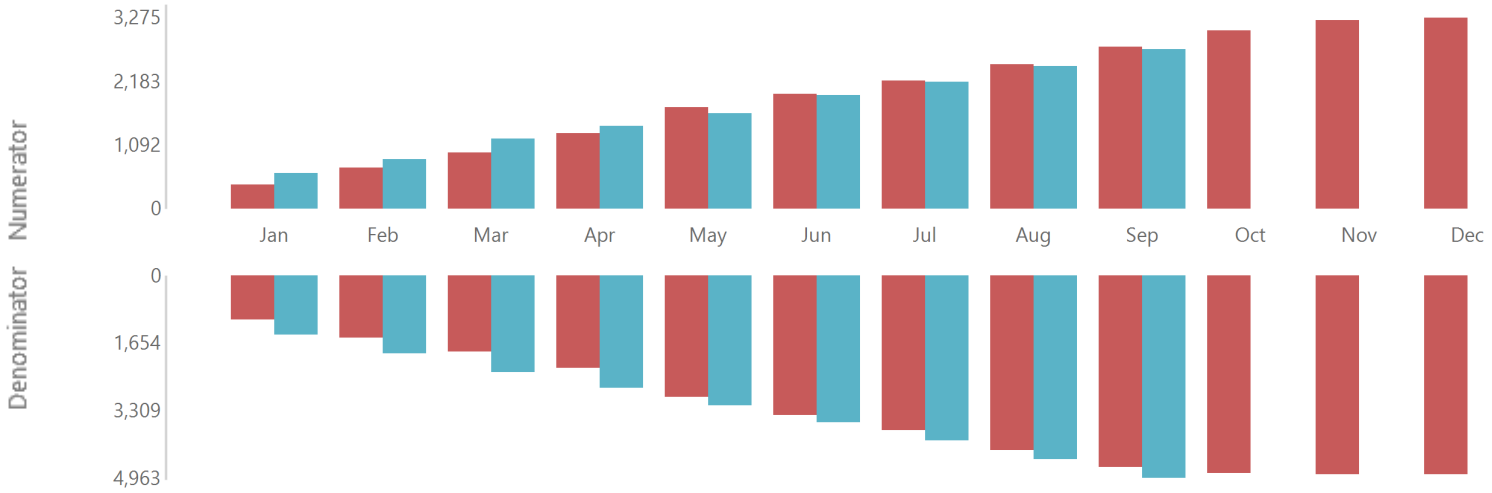
55.15 %



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	37.74%	46.16%	51.23%	56.89%	58.32%	57.22%	57.86%	57.65%	59.06%	63.14%	66.45%	67.11%
2022	41.33%	44.48%	50.57%	51.19%	51.36%	54.00%	53.77%	54.21%	55.15%			
MPL	76.40%	76.40%	76.40%	76.40%	76.40%	76.40%	76.40%	76.40%	76.40%	76.40%	76.40%	76.40%

2,737

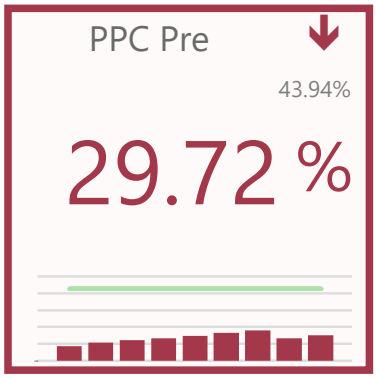
4,963

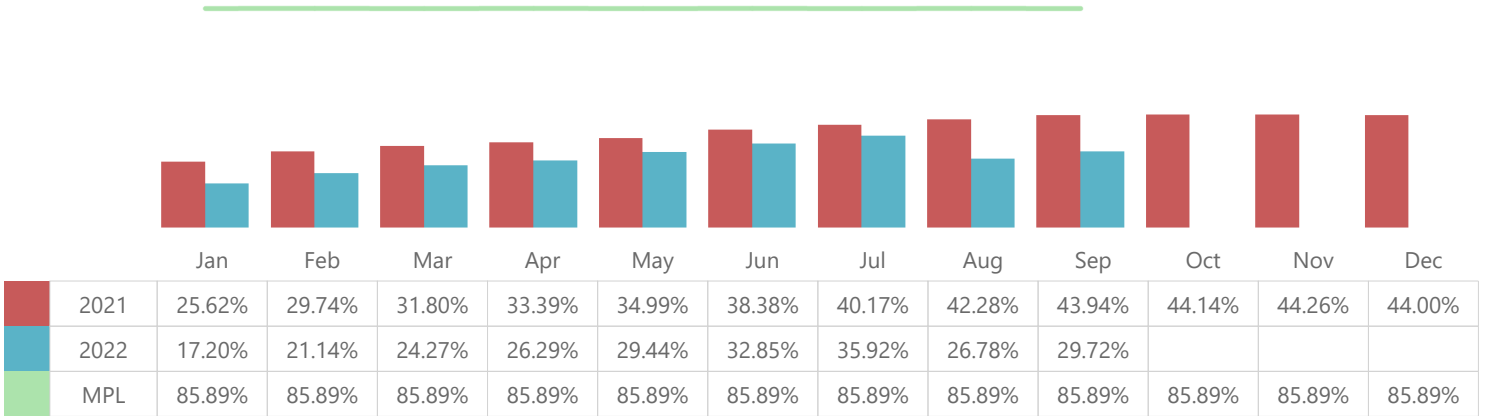


MCAS MY2022 Performance Trending Metrics through September 2022

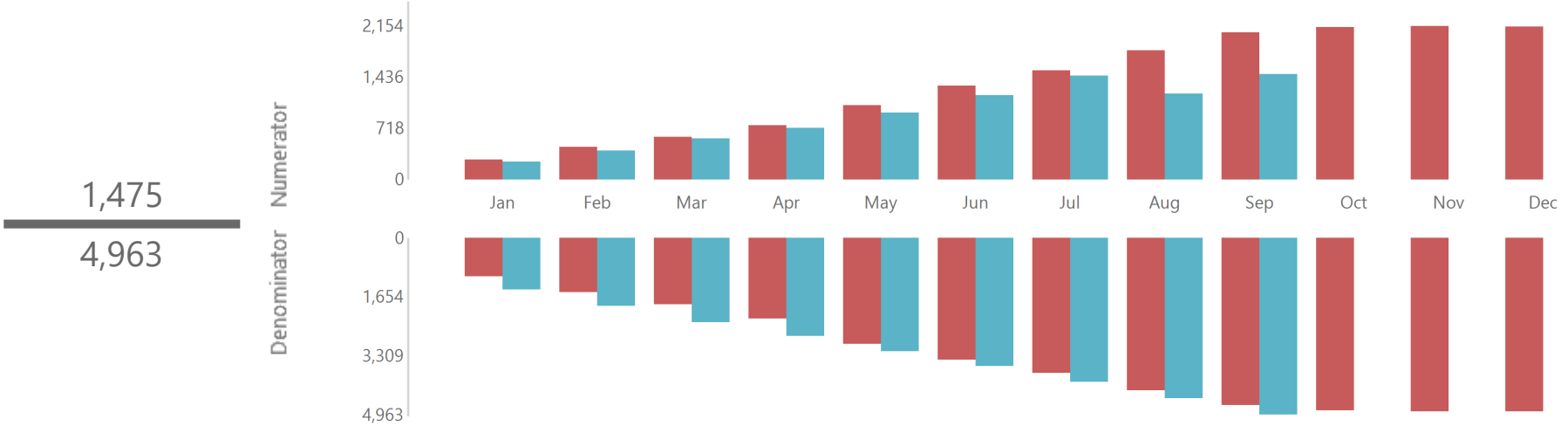
Prenatal Care

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





	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	25.62%	29.74%	31.80%	33.39%	34.99%	38.38%	40.17%	42.28%	43.94%	44.14%	44.26%	44.00%
2022	17.20%	21.14%	24.27%	26.29%	29.44%	32.85%	35.92%	26.78%	29.72%			
MPL	85.89%	85.89%	85.89%	85.89%	85.89%	85.89%	85.89%	85.89%	85.89%	85.89%	85.89%	85.89%



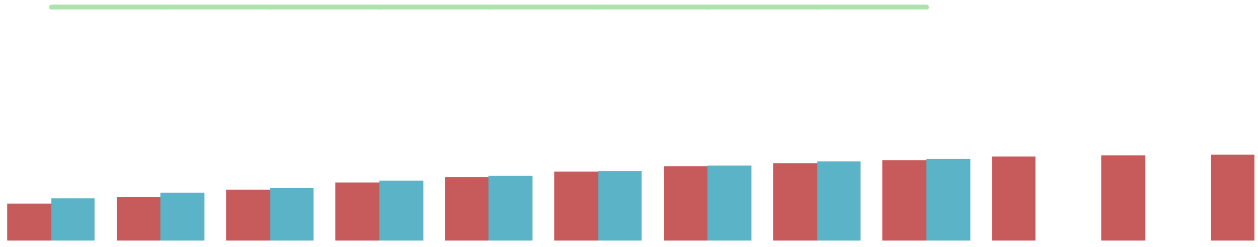
MCAS MY2022 Performance Trending Metrics through September 2022

Well-Child Visits in the First 30 Months of Life

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

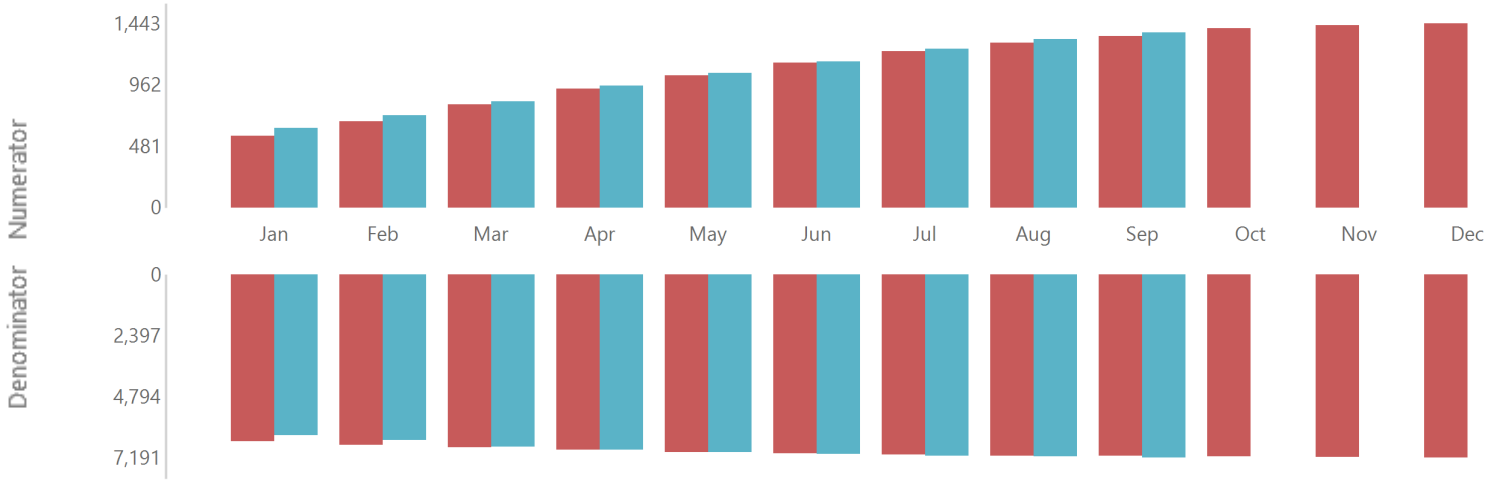
W30 0 - 15 Months ↑ 18.91%

19.09 %



2021	8.56%	10.12%	11.90%	13.55%	14.91%	16.18%	17.37%	18.18%	18.91%	19.67%	19.94%	20.11%
2022	9.86%	11.17%	12.29%	13.94%	15.15%	16.29%	17.52%	18.51%	19.09%			
MPL	54.92%	54.92%	54.92%	54.92%	54.92%	54.92%	54.92%	54.92%	54.92%	54.92%	54.92%	54.92%

1,373
7,191



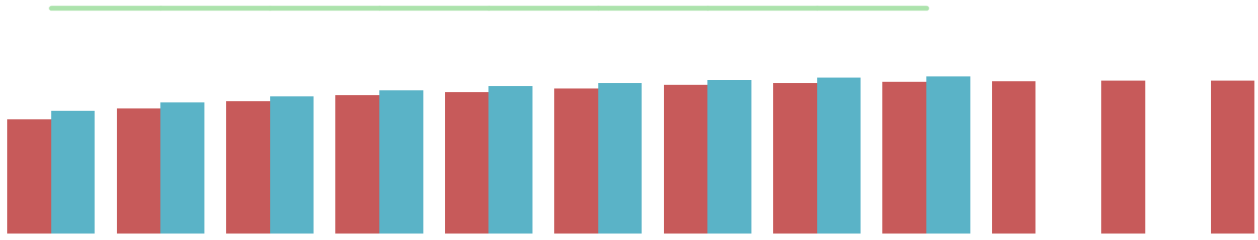
MCAS MY2022 Performance Trending Metrics through September 2022

Well-Child Visits in the First 30 Months of Life

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

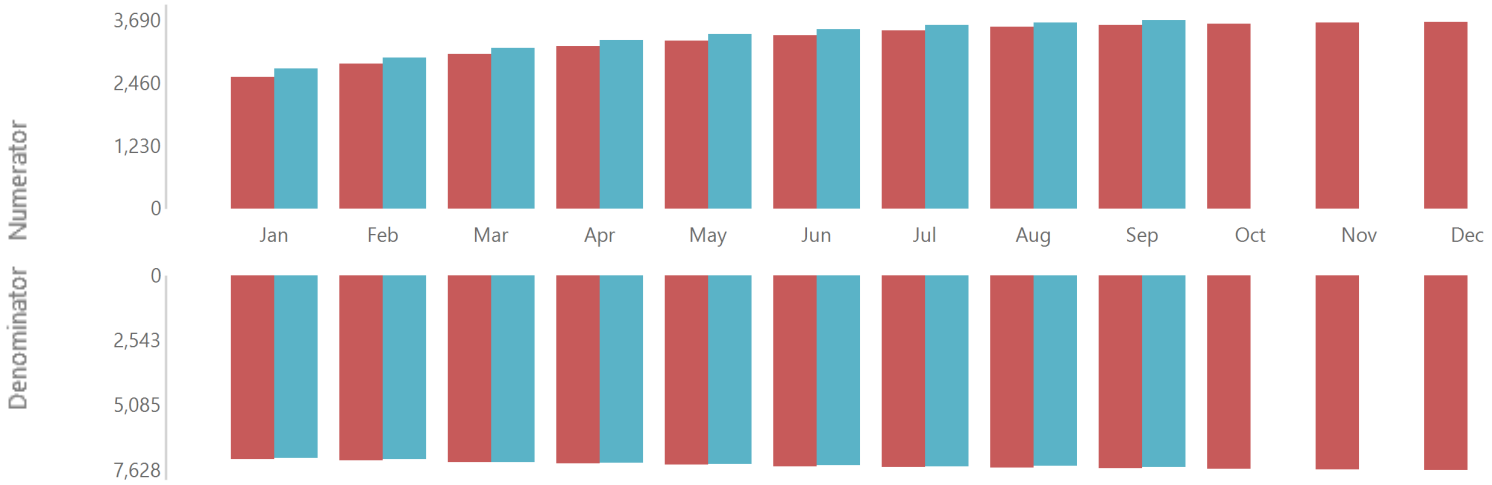
W30 15 - 30 Months ↑ 47.51%

49.13 %



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	35.69%	39.18%	41.44%	43.23%	44.35%	45.37%	46.52%	47.20%	47.51%	47.64%	47.81%	47.85%
2022	38.33%	41.13%	42.95%	44.90%	46.22%	47.19%	48.04%	48.73%	49.13%			
MPL	70.67%	70.67%	70.67%	70.67%	70.67%	70.67%	70.67%	70.67%	70.67%	70.67%	70.67%	70.67%

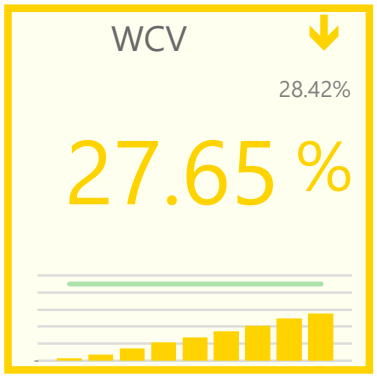
3,690
7,511

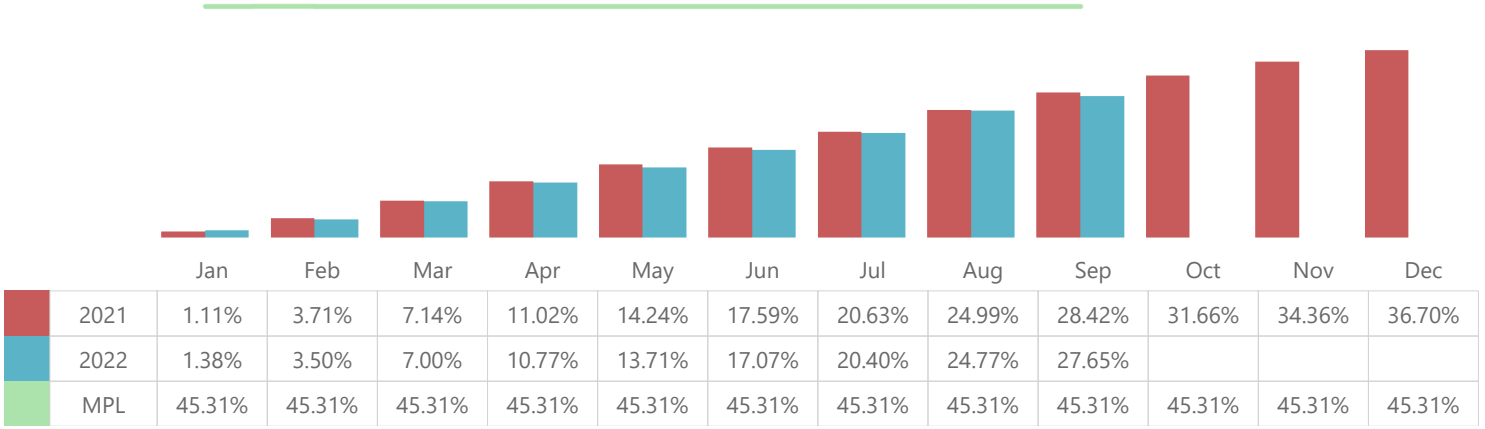


MCAS MY2022 Performance Trending Metrics through September 2022

Child and Adolescent Well-Care Visits

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

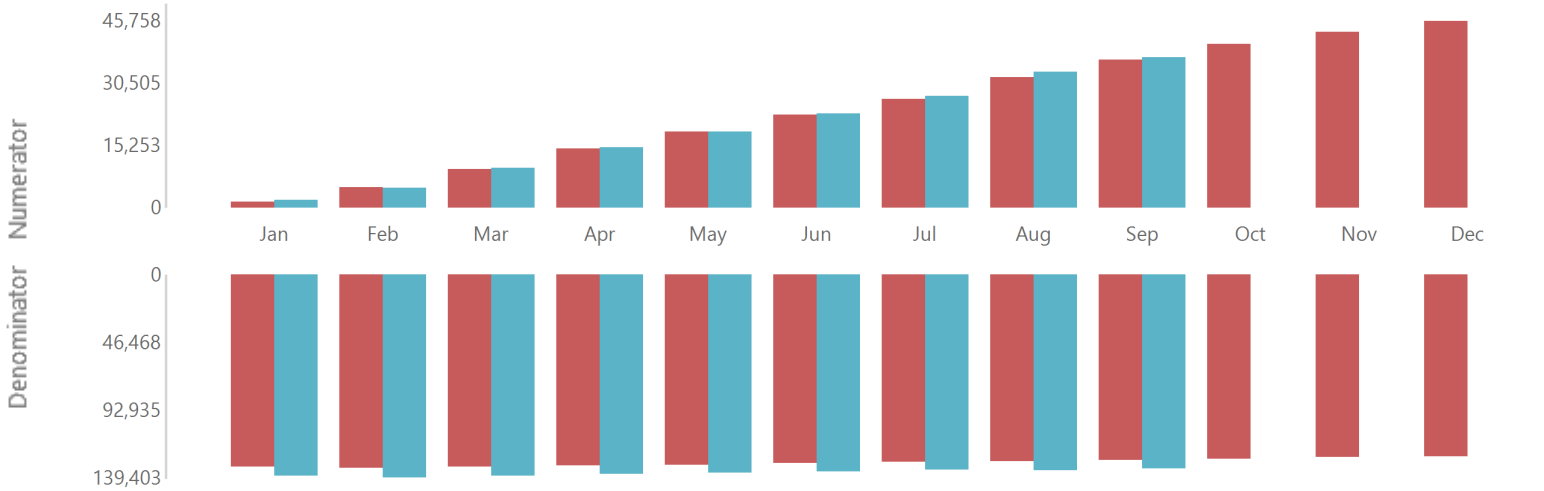




		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	2021	1.11%	3.71%	7.14%	11.02%	14.24%	17.59%	20.63%	24.99%	28.42%	31.66%	34.36%	36.70%
	2022	1.38%	3.50%	7.00%	10.77%	13.71%	17.07%	20.40%	24.77%	27.65%			
	MPL	45.31%	45.31%	45.31%	45.31%	45.31%	45.31%	45.31%	45.31%	45.31%	45.31%	45.31%	45.31%

36,821

133,146



KERN HEALTH SYSTEMS

CHIEF EXECUTIVE OFFICER'S REPORT

OCTOBER 13, 2022

BOARD OF DIRECTORS MEETING

COMPLINACE AND REGULATORY ACTIVITIES

The October 2022 Compliance and Regulatory Affairs Report highlights current KHS oversight activities with details included under ***Attachment A*** of this report.

KERN COUNTY COMMERCIAL MEDI-CAL PLANS

On August 25, 2022, DHCS announced the results of a recent competitive bid process for the commercial Medi-Cal plans in 21 (twenty-one) counties, which includes Kern. Effective January 1, 2024, Anthem Blue Cross will be one of the commercial options, replacing Health Net locally. The other option is Kaiser Permanente. Important to note, Kaiser Permanente was not required by DHCS to go through the competitive bid process, and instead negotiated an agreement with DHCS for an exclusive Medi-Cal contract in 32 (thirty-two) counties, including Kern. DHCS has not yet released the transition plan for the counties with a change in Medi-Cal plans. As such KHS is strategically developing a plan focused on member and provider recruitment, satisfaction, retention, and ongoing collaboration.

COVID-19 PUBLIC HEALTH EMERGENCY EXTENSION

KHS continues to monitor the federal Department of Health and Human Services (HHS) Public Health Emergency (PHE) declaration related to COVID-19. On July 15, 2022, HHS extended the PHE for an additional 90-days through mid-October. HHS has committed to giving a 60-day notice before ending the PHE to allow for unwinding of preparations. As of August 2022, HHS did not send a 60-day notice, therefore, we anticipate the PHE being extended sometime in mid-October. Should we receive an extension notice in October, it will likely extend for another 90-days into mid-January of 2023. As such, KHS is preparing for the ending of the administrative flexibilities permitted by the PHE such as assisting in Medi-Cal redetermination process and the expansion of telehealth.

PROGRAM DEVELOPMENT ACTIVITIES

2024 Contract Amendment

KHS continues to work diligently on the 2024 Contract readiness and implementation of the new amendment. While KHS is not subject to the re-procurement process, all Plans will be held to the new contract standards in 2024. Internally, staff is updating policies, processes, workflows,

infrastructure, and capacity required to meet updated contract requirements. KHS will incorporate DHCS' vision to advance equity, quality, accessibility, accountability, and transparency to reduce health disparities and improve health outcomes for Medi-Cal members.

KHS will incorporate DHCS' vision to advance equity, quality, access, accountability, and transparency to reduce health disparities and improve health outcomes for Medi-Cal members. Please find further details outlined in the compliance report.

CalAIM

KHS staff have been diligently strategizing, planning, and implementing all CalAIM projects. As outlined in the 2022 Corporate Goals and the Project Portfolio, there are several CalAIM initiatives underway, which includes expanding Enhanced Care Management (ECM) and Community Supports (CS) to offer additional services to reach more members; taking on responsibility for Long Term Care services in 2023; and ensuring our Population Health Management program aligns with DHCS' CalAIM requirements. Some of the larger multi-year initiatives include internal preparation for future requirements related to NCQA Accreditation and the development of a Dual-Eligible Special Needs Plan (D-SNP). During the KHS Board Strategic Session, the DHCS Chief Deputy Director of Health Care Programs & State Medicaid Director will present on the significant impacts of CalAIM which will inform the trajectory and capacity needed for our initiatives.

Other New Benefits and Populations

The State Budget for 2021-2022 included new populations and benefit changes that DHCS is implementing this year.

- Medi-Cal to undocumented immigrants aged 50 and older by 5/1/22: Members received transition notices in March and April of 2022. KHS saw an increase in enrollment in May 2022. As of October 1, 2022 approximately 3,150 members from this demographic have enrolled under this transition.
- Expanding eligibility from 2 (two) months to 12 (twelve) months for postpartum individuals effective 4/1/22: This population is already accounted for in KHS' overall membership count.
- Community Health Worker Services were added as of 7/1/22. These are non-clinical preventive services such as health education, health navigation, and screening/assessment. Although DHCS has communicated the availability of this benefit to Medi-Cal Providers, the benefit continues to be developed by the state. Plans are required to submit a CHW Integration Plan to DHCS by 10/21 which outlines KHS' long-term vision for developing and offering the CHW benefit. KHS has partnered with Bakersfield College to create a certification program for Community Health Workers. We have drafted a curriculum proposal and submitted to DHCS for approval. This will allow KHS to offer a local option for CHW certification. Upon approval, KHS will promote this program to our provider network.
- New Doula Services is still under policy development at the State level and scheduled to become effective 01/01/2023. Staff continue to engage with DHCS while identifying Doula Services within Kern County to add to our network.

***Student Youth Behavioral Health Initiative (SBHIP)* –** The State Budget for 2021-2022 included $13.2 million over three years in incentive funding to build infrastructure, partnerships, and capacity for school behavioral health services in Kern County. In collaboration, KHS and HealthNet convened several stakeholders in Kern County including local education and behavioral health agencies, to collectively identify specific school districts, student populations, and interventions to build infrastructure and support behavioral services on or near campuses. KHS and HealthNet engaged a consultant to complete a county wide needs assessment to collect both qualitative and quantitative data to identify the existing gaps and opportunities within the county education system. Nine school districts in total agreed to participate and include Arvin Union, Bakersfield City, Edison Elementary, Kern High, Lost Hills Union Elementary, Kernville Union, McFarland Union, Pond Union, and Kern County Superintendent of Schools Special Education and Alternative Education Program. Anticipating a Q4 summary report, the targeted interventions, project plan, and milestones submission to Department of Health Care Services (DHCS) in December 2022 will set in motion the receipt of allocated incentive dollars over the next two years.

Incentive Payment Program (IPP): The CalAIM Incentive Payment Program (IPP) is intended to support the implementation and expansion of Enhanced Care Management (ECM) and Community Supports (CS) by incentivizing managed care plans (MCPs), in accordance with 42 CFR Section 438.6(b), to drive MCP delivery system investment in provider capacity and delivery system infrastructure; bridge current silos across physical and behavioral health care service delivery; reduce health disparities and promote health equity; achieve improvements in quality performance; and encourage take-up of Community Supports. In January, KHS submitted a gap assessment report to DHCS identifying the gaps in services for ECM and Community Supports in Kern County. Based on the gap assessment report, KHS has been approved for up to $14.2 million dollars in incentive funds to expand our ECM and CS programs. KHS awarded 8 new ECM programs and 5 new CS programs that will be implemented starting as early as 4th quarter of 2022. We are also supporting some of the current ECM and CS programs with delivery system infrastructure upgrades. All projects have milestones that the provider must meet to earn the incentive funds. The IPP program time frame is January 1, 2022 to December 31, 2023. KHS will work closely with the providers to ensure the program milestones are met based on their approved scope of project. KHS is also conducting CalAIM roundtable with community-based organizations, (CBOs), local hospitals, ECM providers, Community Supports Providers, and other stakeholders to collectively discuss services and programs that are being implemented throughout Kern County to help fill the gaps identified.

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

(HHIP) from January 1, 2022, to December 31, 2023. The Housing and Homelessness Incentive Program aims to prevent and reduce homelessness and housing instability & insecurity by addressing social determinants of health while improving health outcomes and accessibility to whole-person care for those who are a part of the Medi-Cal population and simultaneously experiencing or at risk of being homeless. HHIP is a voluntary incentive program that will allow Medi-Cal Managed Care Plans (MCPs) to earn incentive funds by collaborating with providers and community-based organizations to build capacity & infrastructure to streamline a continuity of housing and homelessness services. In early 2022, Kern Health Systems (KHS) convened with local stakeholders which included housing and homelessness service delivery providers, government agencies, and other Medi-Cal health plans to strategically analyze the demographics of those who are unsheltered; reviewed the landscape analysis resulting from the PIT Count; and discussed the successes, challenges, gaps, and needs of homeless service delivery models in urban and rural areas of Kern County, which included street medicine and other social services. After reviewing qualitative and quantitative data, KHS identified a strong need to streamline housing services in Kern County and decided to participate in HHIP. Per DHCS HHIP participation guidelines, KHS collaborated with the local CoC to verify gaps in services and developed an Investment Plan. The Investment Plan identifies areas of opportunity to address pressing gaps and needs in homeless communities identified in Kern County. KHS released a Request for Applications and received over twenty project proposals related to the areas identified in the Investment Plan. A review of these project proposals will be assessed for impact, alignment of measures & milestones, and sustainability to address the housing and homeless crisis in Kern County. Project proposals that are successful will be effective in Q4 of 2022 with targeted services identified in the Investment Plan implemented in 2023. KHS will work closely with providers to ensure milestones are met to fulfill reporting requirements and maximize incentive draw down from DHCS.

LEGISLATIVE SUMMARY UPDATE

2022 Legislative Session

The State Legislative Session ended on 8/31/2022 as this was the last day for each house to pass bills on the floor. The Governor had until 9/30/2022 to sign or veto any bills and the final list of signed bills is included under ***Attachment B.*** Please note, all bills are effective 01/01/23 unless otherwise specified. KHS staff will work internally to assess and prepare for internal operational considerations related to these bills, which includes working with DHCS and DMHC on the development of any regulatory guidance and completing deliverables required by our regulators. A separate presentation will be provided to the Board of Directors in December 2022 outlining the key impacts to the organization related to the State Budget and Legislative Session.

KHS OCTOBER 2022 ENROLLMENT:

Family Enrollment

As of October 1, 2022, Medi-Cal enrollment is 219,012, which represents an increase of 0.3% from September enrollment.

Seniors and Persons with Disabilities (SPDs)

As of October 1, 2022, SPD enrollment is 16,771, which represents an increase of 0.2% from September enrollment.

Expanded Eligible Enrollment

As of October 1, 2022, Expansion enrollment is 93,385, which represents an increase of 1.3% from September enrollment.

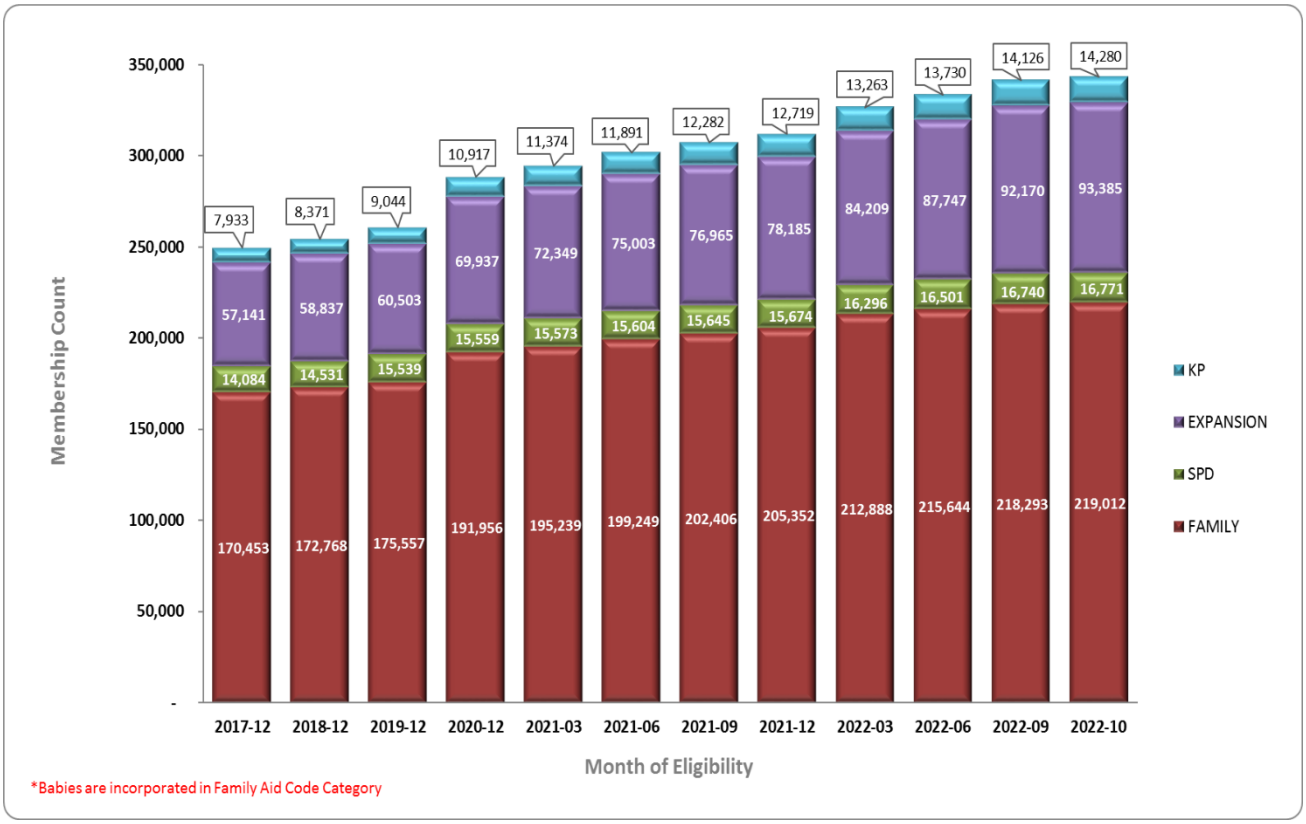
Kaiser Permanente (KP)

As of October 1, 2022, Kaiser enrollment is 14,280, which represents an increase of 1.1% from September enrollment.

Total KHS Medi-Cal Managed Care Enrollment

As of October 1, 2022, total Medi-Cal enrollment is 343,448, which represents an increase of 0.6% from September enrollment.

Membership as of Month of Eligibility	FAMILY	SPD	EXPANSION	KP	BABIES	Member Total
2017-12	170,006	14,084	57,141	7,933	447	249,611
2018-12	172,290	14,531	58,837	8,371	478	254,507
2019-12	175,128	15,539	60,503	9,044	429	260,643
2020-12	191,549	15,559	69,937	10,917	407	288,369
2021-03	194,853	15,573	72,349	11,374	386	294,535
2021-06	198,853	15,604	75,003	11,891	396	301,747
2021-09	201,890	15,645	76,965	12,282	516	307,298
2021-12	204,903	15,674	78,185	12,719	449	311,930
2022-03	212,463	16,296	84,209	13,263	425	326,656
2022-06	215,179	16,501	87,747	13,730	465	333,622
2022-09	217,781	16,740	92,170	14,126	512	341,329
2022-10	218,589	16,771	93,385	14,280	423	343,448



Enrollment Update

The U.S. Department of Health & Human Services' public health emergency order remains in place. As a result, the Department of Health Care Services continues to freeze Medi-Cal redeterminations; therefore, the Kern County Department of Human Services' (DHS) suspension of their "automated discontinuance process" for Medi-Cal Redeterminations will continue. Important to note, the automated discontinuance process was in place locally prior to the public health emergency order when Medi-Cal beneficiaries did not complete the Annual Eligibility Redetermination process; however, Kern DHS continues working new Medi-Cal applications, reenrollments, successful renewals, additions, etc. (anything with a positive outcome).

DHS Medi-Cal Renewal Partnership

As the public health emergency (PHE) remains in place, the Department of Health Care Services continues to freeze Medi-Cal redeterminations. Thus, the Kern County Department of Human Services' suspension of their "automated discontinuance process" for Medi-Cal Redeterminations continues. The automated discontinuance process was in place locally prior to the PHE when Medi-Cal beneficiaries did not complete the Annual Eligibility Redetermination process. However, Kern DHS continues working new Medi-Cal applications, reenrollments, successful renewals, additions, etc. (anything with a positive outcome).

In preparation for the PHE to end, the State, County, KHS and other stakeholders are working together to ensure continuity of coverage once the complete Medi-Cal redetermination process resumes. Since more than half of Medi-Cal enrollees complete their annual renewal through the manual mailing process, it is important Kern DHS has updated contact information of Medi-Cal enrollees. As such, Kern DHS is educating local residents about the importance of sharing updated contact information such as mailing addresses, phone numbers, email addresses, etc. KHS is supporting their efforts by educating our health plan members about this through printed materials (flyers and posters), website, social media and robocalls and intended to share demographic updates via a data exchange with Kern DHS. Additionally, KHS is awaiting DHCS' approval of a texting campaign to increase member reach and engagement.

The next phase of this partnership with Kern DHS will include data sharing and funding. This phase will support Kern DHS in hiring staff to process updates from KHS and complete the renewal process. Kern DHS will notify KHS which members must complete the manual mailing renewal process and provide timelines and due dates. KHS will communicate the importance of this process to members and share the information with staff, contracted providers, and local enrollment entities. The enrollment entities have staff to provide the necessary documentation to support the correct completion of the renewal form which Kern DHS will review and use to determine eligibility. KHS is finalizing an MOU with Kern DHS and anticipates new staff to be hired and fully trained by early 2023 at which time this staff will be located at our administrative building. KHS Leadership is meeting with DHS Leadership regularly and will soon include other local stakeholders. As updates become available, we will inform the Board.

KHS MARTKETING AND PUBLIC REALTIONS

KHS Media Clips

We compiled local media coverage that KHS received in August and September. Please see ***Attachment C*** - KHS Media Clips. Click on the title or "Read More" to view the complete article.

Community Events

KHS will share sponsorship in the following events in October and November:

- KHS donated $5,000 to Links for Life to sponsor "Lace'n It Up 5K Fun Run and Celebration Walk" and "Hot Pink!".
- KHS donated $1,000 to California Living Museum Foundation to sponsor "Autumn Nights at CALM".
- KHS donated $1,500 to Ronald McDonald House to sponsor "A Galactic Gala Under the Galaxy".
- KHS donated $2,500 to Boys and Girls Club of Kern County to sponsor "Farm to Table(aux)".

- KHS donated $2,000 to National Alliance on Mental Illness (NAMI) to sponsor “Walks Your Way Kern County”.
- KHS donated $1,000 to Unidad Popular Benito Juarez to sponsor “Guelaguetza”.
- KHS donated $1,000 to Alzheimer’s Association to sponsor “Walk to End Alzheimer’s”.
- KHS donated $1,500 to No Sister Left Behind to sponsor “Total Well Being Women’s Conference”.
- KHS donated $1,550 to Bakersfield ARC to sponsor their “Annual Golf Tournament”.
- KHS donated $1,000 to Apple Core Project to sponsor “Party in the Garden”.
- KHS donated $1,000 to H.E.A.R.T.S. Connection to sponsor “Hero’s 4 H.E.A.R.T.S. Walk”.
- KHS donated $1,000 to Lamont Chamber of Commerce to sponsor “Lamont Fall Harvest Festival”.
- KHS donated $2,500 to CSUB Alumni Association to sponsor “Party in the Park”.
- KHS donated $1,000 to CASA of Kern County to sponsor “CASA Super Hero Run”.
- KHS donated $1,000 to Delano Harvest Holiday Association to sponsor “Delano Harvest Holiday” events.
- KHS donated $3,150 to Children First to sponsor “Literacy Gala 2022 – The Book of Life”.
- KHS donated $2,500 to Friends of Mercy Foundation to sponsor “Healthful Harvest/La Cosecha Saludable” event in Arvin.
- KHS donated $5,000 to CityServe to sponsor “The Mayor’s Ball”.
- KHS donated $1,500 to League of Dreams to sponsor “Autism on the Run”.

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

https://vimeo.com/757445414/05d33e9b06

KERN HEALTH SYSTEMS

Compliance and Regulatory Affairs

Board of Directors Meeting

Jane MacAdam
Director of Compliance & Regulatory Affairs
October 13, 2022
Attachment A

All Plan Letters and Regulatory Guidance released since the August 2022 Kern Health Systems Board of Directors' meeting:

The Department of Health Care Services (DHCS) released three new All Plan Letters (APL), three revised APLs, and three revised attachments during this time period.

- APL17-020 American Indian Health Programs Attachment (Issued 12/15/2017 and Attachment Revised 07/26/2022)

  This APL Attachment updates the list of American Indian Health Program Providers.

- APL21-008 Tribal Federally Qualified Health Center Providers Attachment (Issued 5/12/2021 and Attachment Revised 07/26/2022)

  This APL Attachment updates the list of Tribal Federally Qualified Health Center Provider.

Continued…

- APL21-011 Grievance and Appeals Requirements, Notice and "Your Rights" Templates (Supersedes APL 17-006, Issued 8/31/2021 and Revised 08/31/2022)

  This APL provides Medi-Cal managed care health plans with clarification and guidance regarding the application of federal and state legal requirements for processing grievances and appeals. This APL includes member notification templates developed by the DHCS, as well as updated DHCS templates for the attachments that must accompany member notifications.

- APL22-004 Strategic Approaches for Use By Managed Care Plans to Maximize Continuity of Coverage as Normal Eligibility and Enrollment Operations Resume (Issued 3/17/2022 and Revised 08/12/2022)

  This APL provides instruction to Medi-Cal managed care health plans about strategies that must be used in collaboration with counties to help ensure eligible beneficiaries retain coverage in Medi-Cal and ease transitions for individuals eligible for coverage through Covered California as the DHCS prepares for the resumption of normal operations after the end of the COVID-19 Public Health Emergency.

Continued…

- APL22-007 California Housing and Homelessness Incentive Program (Issued 5/5/2022 and Revised 09/19/2022)
  This APL provides Medi-Cal managed care health plans with guidance on the incentive payments linked to the Housing and Homelessness Incentive Program (HHIP) implemented by the DHCS in accordance with the Medi-Cal Home and Community Based Services Spending Plan.

- APL22-013 Provider Credentialing /Re-Credentialing and Screening/ Enrollment Attachment (Issued 7/19/2022 and Attachment Revised 08/2022)
  This APL Attachment is a Frequently Asked Questions document that provides additional guidance and clarification to Medi-Cal managed care health plans regarding the Provider Credentialing/Re-credentialing and Screening/Enrollment APL, which establishes requirements for screening and enrollment of providers who participate in Plan networks.

- APL22-015 Enforcement Actions: Administrative and Monetary Sanctions (Supersedes APL 18-003, Issued 08/24/2022)
  This APL provides clarification to Medi-Cal managed care health plans of DHCS' policy regarding the imposition of administrative and monetary sanctions, which are among the enforcement actions DHCS may take to enforce compliance with Plan contractual provisions and applicable state and federal laws.

Continued…

- APL 22-016 Community Health Workers Services Benefit (Issued 09/02/2022 and revised 9/9/2022)

  This APL provides Medi-Cal managed care health plans with guidance regarding the qualifications for becoming a Community Health Worker (CHW), the definitions of eligible populations for CHW services, and descriptions of applicable conditions for the CHW benefit.

- APL 22-018 Skilled Nursing Facilities -- Long Term Care Benefit Standardization and Transition of Members to Managed Care (Issued 09/28/2022)

  This APL Provides requirements to all Medi-Cal managed care health Plans on the Skilled Nursing Facility Long Term Care Benefit Standardization provisions of the California Advancing and Innovating Medi-Cal initiative, including the mandatory transition of beneficiaries to managed care.

The Department of Managed Health Care (DMHC) did not release any All Plan Letters (APL) during this time period.

Continued…

STATE REGULATORY DIRECTIVES/PROJECTS

The Department of Health Care Services (DHCS) and the Department of Manage Care Services (DMHC) send actionable directives and guidance to the Plan that require a Plan response. During this period, the following Directives and Guidance were also sent to the Plan.

- 2023 PHM Program Guide and PHM Program Readiness Deliverable

  DHCS is pleased to share the Population Health Management (PHM) Program Guide and Readiness Deliverable Template for Medi-Cal Managed Care Plans (Plans). DHCS will launch the PHM Program—a cornerstone of CalAIM—in January 2023. The PHM Program will establish a cohesive, statewide approach that ensures all Medi-Cal managed care members have access to a comprehensive program that leads to longer, healthier and happier lives, improved health outcomes, and health equity.

  The Program Guide is one of the key DHCS guidance documents that sets forth comprehensive requirements applicable for Plans for the implementation of PHM, beginning on January 1, 2023. The PHM Readiness Deliverable includes specific questions and attestations to which Plans must respond and submit to DHCS by October 21, 2022, for review and approval.

- Reconciliation Files

  The DHCS has updated its intake process for several standard Plan reports. The Submission Reconciliation Report (SRF) is a new JSON file that will be sent from Medi-Cal Managed Care Plans to DHCS on a monthly basis, starting in January 2023. This will replace three existing Excel spreadsheets that the Plan currently reports on a monthly basis. Compliance is working with Stakeholders to ensure the Plan is ready to submit the updated report.

2024 Operational Contract Readiness

The DHCS has restructured and greatly enhanced many of the requirements in the Managed Care Plan contract that will be effective January 1, 2024. In order to prepare appropriately for the new requirements in the contract, the DHCS has requested the Plans submit documentation demonstrating their readiness to comply with the various elements of the new contract.

- KHS continues to work directly with DHCS and through LHPC, regarding feedback on the deliverable requirements and/or due dates.
- KHS has developed projects for both 2022 and 2023 to support this effort:
    - In 2022, the project is focused on ensuring DHCS deliverable timeframes are met, remediation of any items returned from DHCS, and identifying the scope of work that will be needed in 2023 to actually implement any new or updated contractual requirements.
    - In 2023, the project will be focused on the deliverables due in 2023 and remediation of any items returned from DHCS. In addition, the 2023 Operational Readiness project will coordinate identification of requirements and actual implementation from a people, process, technology/system, reporting, and oversight perspective.

2024 Operational Contract Readiness

- While many of the contract updates include language released through various initiatives (All Plan Letters and Regulatory Guidance) some requirements within are completely new and will require more development and effort to effectively implement. Some of the requirements with larger implementation impacts include:
    - Inclusion of Equity throughout all aspects of the business, including the hiring of a Chief Equity Officer and incorporation of equity into the Quality Improvement Health Equity Transformation Program, Marketing Plan, Committees, etc.
    - Compliance Program, Fraud Prevention Plan, & Reporting
    - Potential development of alternative provider payment models and provider spending reporting
    - Additional Delegation Oversight requirements
    - Required language in provider and vendor contracts
    - Increased transparency and requirements to make additional information publicly available on our website
    - Increased Regulatory Reporting
    - Allocation of additional 7.5% of profits to community infrastructure development if quality metrics not met
    - Expansion of Memorandum of Understanding (MOUs), designated liaisons, meetings, and annual review requirements

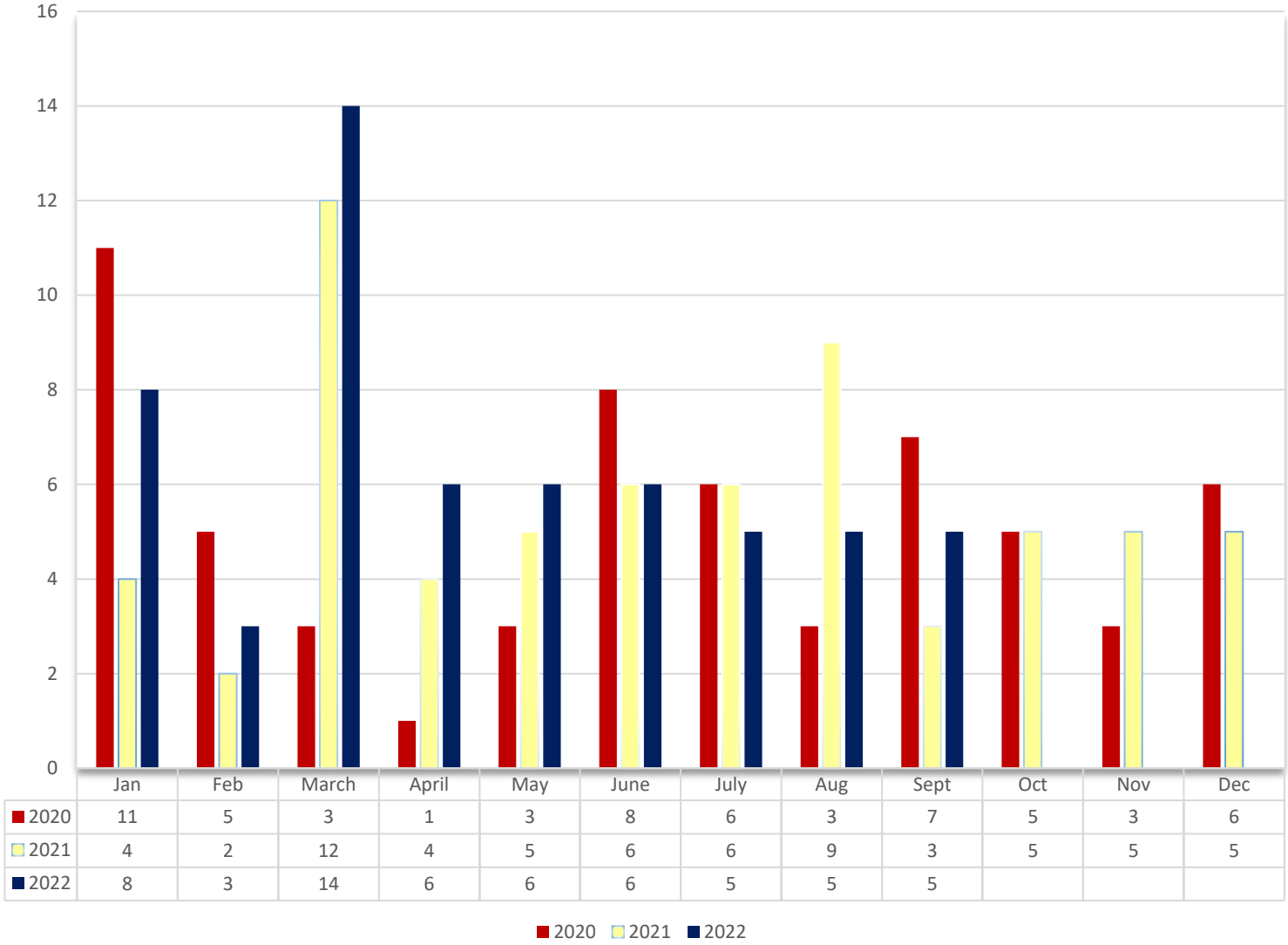
2024 Operational Contract Readiness

Deliverable due dates and status:

2024 Contract - Operational Readiness					
DHCS Deliverable Due Date	# of Deliverables Due	Current Status			Comments
		Approved	In Review	Additional Information Requested	
8/12/2022	20	20	0	0	Initial Submissions Timely
9/12/2022	27	10	16	1	Initial Submissions Timely
10/3/2022	13				
12/19/2022	43				
1/9/2023	21				
3/1/2023	1				
4/24/2023	56				
5/22/2023	43				
7/10/2023	5				
8/1/2023	1				
More information will be provided in spring 2023	4				
non-standard (align with beginning of phase Phase 2 through phase Phase 3)	1				
Blanks	2				
Grand Total	**237**	**30**	**16**	**1**	

KERN HEALTH SYSTEMS

Number of Regulatory All Plan Letters and Guidance Letters Received by the Plan

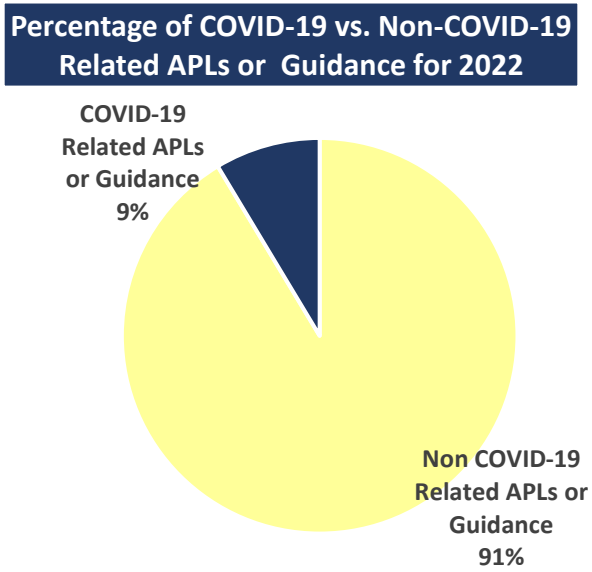


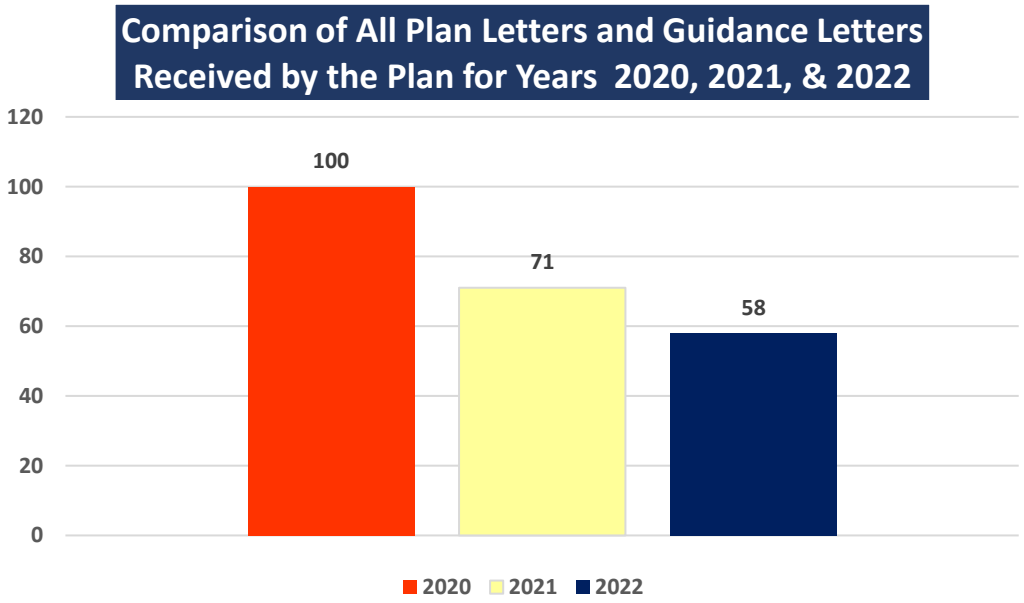
	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2020	11	5	3	1	3	8	6	3	7	5	3	6
2021	4	2	12	4	5	6	6	9	3	5	5	5
2022	8	3	14	6	6	6	5	5	5			

Continued...

COVID-19 Impact 2022

Regulatory All Plan Letters and Guidance





KERN HEALTH SYSTEMS

Regulatory Reports & Filings
Submissions to Government Agencies
August and September 2022

Regulatory Agency	August 2022		September 2022	
	Ad Hoc	Standard	Ad Hoc	Standard
DHCS	29	18	28	23
DMHC	0	5	2	10

Compliance Department
Fraud, Waste, & Abuse Activity
August and September 2022

KERN HEALTH SYSTEMS

The Compliance Department maintains communications with State and Federal agencies and cooperates with their related investigations and requests for information.

State Medi-Cal Program Integrity Unit, US Department of Justice, and the Kern County Deputy Attorney's Office Requests for Information for the months of August 2022 and September 2022

Providers:

The Plan received one (1) request for information from the State Medi-Cal Program Integrity Unit - related to potential provider fraud, waste, or abuse during this time period.

Members:

The Plan received zero (0) requests for information from the State Medi-Cal Program Integrity Unit related to Plan Members during this time period.

The Plan is not provided with an outcome in relation to the information requests by the two regulatory agencies.

Continued…

Fraud, Waste & Abuse
Allegations Reported to the Plan
August and September 2022

The Plan investigates and reports information and evidence of alleged fraud, waste, & abuse cases to appropriate state and federal officials.

Information compiled during an investigation is forwarded to the appropriate state and federal agencies as required.

Members:

During months of August 2022 and September 2022, the Compliance Department received ten (10) allegations of fraud, waste, or abuse involving Plan Members.

Providers:

During months of August 2022 and September 2022, the Compliance Department received nine (9) allegations of Provider fraud.

The Plan continues to investigate the allegations and required reporting to DHCS has been submitted timely in all cases.

Compliance Department
HIPAA Breach Activity
August and September 2022

KERN HEALTH SYSTEMS

Summary of Potential Protected Health Information ("PHI") Disclosures for the months of August and September 2022:

The Plan is dedicated to ensuring the privacy and security of the PHI and personally identifiable information ("PII") that may be created, received, maintained, transmitted, used or disclosed in relation to the Plan's members. The Plan strictly complies with the standards and requirements of Health Insurance Portability and Accountability Act ("HIPAA") and the Health Information Technology for Economic and Clinical Health Act ("HITECH").

In August and September 2022, the Compliance Department investigated and reviewed nineteen (19) incidents of privacy concerns. All were closed as non-breaches.

KERN HEALTH SYSTEMS

For more information

Jane MacAdam, Director of Compliance

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Attachment B
Legislative Summary – October 2022:
Final Bill Tracking

Title	Description	Status
AB 32 (Aguiar-Curry)	This bill would authorize the department to authorize an FQHC or RHC to establish a new patient relationship using an audio-only synchronous interaction when the visit is related to sensitive services, as defined, and authorize an FQHC or RHC to establish a new patient relationship using an audio-only synchronous interaction when the patient requests an audio-only modality or attests they do not have access to video. Existing law provides that face-to-face contact is not required when covered health care services are provided by video synchronous interaction, audio-only synchronous interaction, remote patient monitoring, or other permissible virtual communication modalities when those services and settings meet certain criteria. Existing law requires a provider furnishing services via audio-only synchronous interaction to also offer those same health care services via video synchronous interaction to preserve beneficiary choice. This bill would authorize the department to take into consideration the availability of broadband access when providing those specific exceptions. The bill would authorize the department to authorize a health care provider to establish a new patient relationship using an audio-only synchronous interaction when the visit is related to sensitive services, as defined, and authorize a health care provider to establish a new patient relationship using an audio-only synchronous interaction when the patient requests an audio-only modality or attests they do not have access to video. Allows an FQHC or RHC to bill, under a supervising licensed behavioral health practitioner, for an encounter between an FQHC or RHC patient and an associate clinical social worker or associate marriage and family therapist, as specified. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB32	CAHP Concern 09/25/22 - Chaptered by Secretary of State - Chapter 515, Statutes of 2022.

AB 1355 (Levine)	Existing law establishes hearing procedures for an applicant for, or recipient of, public social services who is dissatisfied with certain actions regarding those services to request a hearing from the State Department of Social Services or the State Department of Health Care Services, as applicable, under specified circumstances. After an administrative law judge has held a hearing and issued a proposed decision, within 30 days after the department has received a copy of the administrative law judge's proposed decision, or within the 3 business days for an expedited resolution of an appeal of an adverse benefit determination for a Medi-Cal managed care plan beneficiary, as specified, existing law authorizes the director to take specified action under prescribed timeframes. These actions include adopting the decision in its entirety, deciding the matter themselves on the record, including the transcript, with or without taking additional evidence, or ordering a further hearing to be conducted by the director or another administrative law judge on their behalf. Under existing law, failure of the director to take certain actions is deemed an affirmation of the proposed decision. This bill would authorize the director to adopt the decision in its entirety, decide the matter on the record after reviewing the transcript or recording of the hearing without taking additional evidence, or order a further hearing to be conducted by the director or another administrative law judge on their behalf that affords the parties the opportunity to present and respond to additional evidence. The bill would clarify that a proposed decision would be deemed affirmed and adopted if the director fails to take prescribed action, and would require the director's alternated decision to contain a statement of the facts and evidence, including references to the applicable provisions of law and regulations, and the analysis that supports their decision. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1355	09/30/22 - Chaptered by Secretary of State - Chapter 944, Statutes of 2022.
AB 1929 (Gabriel)	This bill would add violence prevention services, as defined, as a covered benefit under Medi-Cal, subject to medical necessity and utilization controls. The bill would authorize the department to implement, interpret, or make specific that provision by means of all-county letters, plan letters, or plan or provider bulletins, or similar instructions until regulations are adopted. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1929	08/22/22 - Chaptered by Secretary of State - Chapter 154, Statutes of 2022.

AB 2117 (Gipson)	This bill would define "mobile stroke unit" to mean a multijurisdictional mobile facility that serves as an emergency response critical care ambulance under the direction and approval of a local emergency medical services (EMS) agency, and as a diagnostic, evaluation, and treatment unit, providing radiographic imaging, laboratory testing, and medical treatment under the supervision of a physician in person or by telehealth, for patients with symptoms of a stroke, to the extent consistent with any federal definition of a mobile stroke unit, as specified. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2117	09/29/22 - Chaptered by Secretary of State - Chapter 772, Statutes of 2022.
AB 2242 (Santiago)	This bill, on or before December 1, 2023, would require the State Department of Health Care Services to convene a stakeholder group of entities, including the County Behavioral Health Directors Association of California and the California Hospital Association, among others, to create a model care coordination plan to be followed when discharging those held under temporary holds or a conservatorship. The bill would require the model care coordination plan and process to outline who would be on the care team and how the communication would occur to coordinate care. The bill would require the model care coordination plan to require that an individual exiting a temporary hold or a conservatorship be provided with a detailed treatment plan that includes a scheduled first appointment with the health plan, the mental health plan, a primary care provider, or another appropriate provider to whom the person has been referred. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2242	09/30/22 - Chaptered by Secretary of State - Chapter 867, Statutes of 2022.
AB 2352 (Nazarian)	By 7/1/23, requires a health care service plan contract or health insurer that provides prescription drug benefits and maintains one or more drug formularies to furnish specified information about a prescription drug upon request by an enrollee or insured, or their prescribing provider. The bill would require the plan or insurer to respond in real time to that request and ensure the information is current no later than one business day after a change is made. The bill would prohibit a health care service plan or health insurer from, among other things, restricting a prescribing provider from sharing the information furnished about the prescription drug or penalizing a provider for prescribing, administering, or ordering a lower cost or clinically appropriate alternative drug. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2352	CAHP Oppose Unless Amended 09/27/22 - Chaptered by Secretary of State - Chapter 590, Statutes of 2022.

AB 2449 (Rubio)	This bill would, until January 1, 2026, authorize a local agency to use teleconferencing without complying with specified Brown Act teleconferencing requirements that each teleconference location be identified in the notice and agenda and that each teleconference location be accessible to the public if at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the local agency's jurisdiction. Under this exception, the bill would authorize a member to participate remotely under specified circumstances, including participating remotely for just cause or due to emergency circumstances. The emergency circumstances basis for remote participation would be contingent on a request to, and action by, the legislative body. The bill, until January 1, 2026, would authorize a legislative body to consider and take action on a request from a member to participate in a meeting remotely due to emergency circumstances if the request does not allow sufficient time to place the proposed action on the posted agenda for the meeting for which the request is made. The bill would define terms for purposes of these teleconferencing provisions. The bill would impose prescribed requirements for this exception relating to notice, agendas, the means and manner of access, and procedures for disruptions. The bill would require the legislative body to implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with federal law. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2449	09/13/22 - Chaptered by Secretary of State - Chapter 285, Statutes of 2022.
AB 2581 (Salas)	Effective 1/1/23, would require a health care service plan that provides coverage for mental health and substance use disorders and credentials health care providers of those services for the health care service plan's networks, to assess and verify the qualifications of a health care provider within 60 days after receiving a completed provider credentialing application. Upon receipt of the application by the credentialing department, the health care service plan shall notify the applicant within seven business days, to verify receipt and inform the applicant whether the application is complete. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2581	09/25/22 - Chaptered by Secretary of State - Chapter 533, Statutes of 2022.

AB 2697 (Aguiar-Curry)	This bill would codify the requirement that community health worker services be a covered Medi-Cal benefit. The bill would require a Medi-Cal managed care plan to engage in outreach and education efforts to enrollees, as determined by the department. The bill would require the department, through existing and regular stakeholder processes, to inform stakeholders about, and accept input from stakeholders on, implementation of the community health worker services benefit. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2697	09/23/22 - Chaptered by Secretary of State - Chapter 488, Statutes of 2022.
AB 2724 (Arambula)	This bill would authorize the department to enter into one or more comprehensive risk contracts with an alternate health care service plan (AHCSP), as defined, to serve as a primary Medi-Cal managed care plan for specified eligible beneficiaries in geographic regions designated by the department. The bill would, among other things, prohibit the AHCSP from denying enrollment to any of those eligible beneficiaries, unless the department or the Department of Managed Health Care has ordered the AHCSP to cease enrollment in a service area. The bill would require the contract with the AHCSP to include the same standards and requirements, except with respect to enrollment, as for other Medi-Cal managed care plans, as specified. Under the bill, except where an AHCSP is already contracted with the department as a Medi-Cal managed care plan as of January 1, 2022, contracts entered into pursuant to these provisions would be effective no sooner than January 1, 2024, as specified. The bill would require the AHCSP to enter into a memorandum of understanding (MOU) with the department, which would include specified standards or requirements and the AHCSP's commitment to increase enrollment of new Medi-Cal members and any requirements related to the AHCSP's collaboration with and support of applicable safety net providers. The bill would require the AHCSP to work with federally qualified health centers (FQHCs) in AHCSP service areas selected by the AHCSP and the department, at the request of the FQHC, to provide assistance with population health management and clinical transformation. The bill would require the department and the AHCSP to identify the highest need specialties and geographic areas where the AHCSP would provide outpatient specialty care and services to address related needs, as specified. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2724	LHPC Oppose 06/30/22 - Chaptered by Secretary of State - Chapter 73, Statutes of 2022.

AB 2727 (Wood)	Existing law states the intent of the Legislature to provide, to the extent practicable, through the Medi-Cal program, for health care for those aged and other persons, including family persons who lack sufficient annual income to meet the costs of health care, and whose other assets are so limited that their application toward the costs of that care would jeopardize the person or family's future minimum self-maintenance and security. This bill would, commencing on the date that the resource disregards are implemented, remove from that statement of legislative intent the above-described assets as an eligibility criterion. The bill would also make other changes to that statement. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2727	09/13/22 - Chaptered by Secretary of State - Chapter 291, Statutes of 2022.
SB 225 (Wiener)	This bill would require a health care service plan to incorporate timely access to care standards into its quality assurance systems and incorporate specified processes. The bill would authorize the department to develop methodologies to demonstrate appointment wait time compliance and averages. The bill would authorize the Department of Managed Health Care and the Department of Insurance to take compliance or disciplinary action, review and adopt standards concerning the availability of health care to ensure enrollees have timely access to care, and make recommendations to the Legislature if it finds that health care service plans and providers have difficulty meeting the standards the departments develop. The bill would require the director to consider, as an aggravating factor when assessing administrative penalties, if harm to an enrollee has occurred as a result of plan noncompliance. The bill would clarify that the timely access to care provisions do not alter requirements or standards for Medi-Cal managed care plans, except as specified. https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB225	09/27/22 - Chaptered by Secretary of State. Chapter 601, Statutes of 2022.
SB 245 (Gonzalez)	Effective 1/1/23, the bill would prohibit a health care service plan and a health insurer from imposing utilization management or utilization review on the coverage for outpatient abortion services. The bill's requirements would also apply to Medi-Cal managed care plans. https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB245	CAHP Oppose 03/22/22 - Chaptered by Secretary of State. Chapter 11, Statutes of 2022.

SB 523 (Leyva)	This bill, the Contraceptive Equity Act of 2022, would make various changes to expand coverage of contraceptives by a health care service plan contract or health insurance policy issued, amended, renewed, or delivered on and after January 1, 2024, including requiring a health care service plan or health insurer to provide point-of-sale coverage for over-the-counter FDA-approved contraceptive drugs, devices, and products at in-network pharmacies without cost sharing or medical management restrictions. The bill would also require coverage for clinical services related to the provision or use of contraception, as specified. The bill would revise provisions applicable when a covered, therapeutic equivalent of a drug, device, or product is deemed medically inadvisable by deferring to the attending provider, as specified. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB523	CAHP Opposed 09/27/22 - Chaptered by Secretary of State. Chapter 630, Statutes of 2022.
SB 858 (Wiener)	This bill would increase the base amount of the civil penalty from $2,500 per violation to not more than $25,000 per violation, and would authorize a lower, proportionate penalty for specialized dental and vision health care service plans. Under the bill, the civil penalty base amount would be adjusted annually commencing January 1, 2028, and every 5 years thereafter, as specified. The bill would double the minimum and maximum amounts of the civil and administrative penalties described above, and, commencing January 1, 2028, and every 5 years thereafter, adjust these civil and administrative penalties, as specified. The bill would authorize the director to impose a corrective action plan to require future compliance with the act, under certain circumstances. If a health care service plan fails to comply with the corrective action plan in a timely manner, the bill would require the department to monitor the health care service plan through medical surveys, financial examinations, or other means necessary to ensure timely compliance, and would specify that failure to timely comply with a corrective action plan is grounds for disciplinary action. The bill would require the director, when assessing administrative penalties against a health care service plan, to determine the appropriate amount of the penalty for each violation, based upon consideration of specified factors, such as the nature, scope, and gravity of the violation, whether the violation is an isolated incident, and the amount of the penalty necessary to deter similar violations in the future. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB858	CAHP Oppose 09/30/22 - Chaptered by Secretary of State. Chapter 985, Statutes of 2022.

SB 923 (Wiener)	This bill would require, within six months after the department issues guidance, and no later than March 1, 2025, a Medi-Cal managed care plan to require its staff and contracted providers to complete evidence-based cultural competency training for the purpose of providing trans-inclusive health care, as defined, for individuals who identify as TGI. The bill would specify the required components of the training and would make use of any training curricula subject to approval by the respective departments. The bill would require an individual to complete a refresher course if a complaint has been filed, and a decision has been made in favor of the complainant, against that individual for not providing trans-inclusive health care, or on a more frequent basis if deemed necessary. The bill would require DMHC/DHCS to develop and implement procedures, and would authorize them to impose sanctions, to ensure compliance with the above-described provisions. This bill would require those plans, by no later than 3/1/25, to also include information, within or accessible from the plan's or insurer's provider directory, that identifies which of a plan's or insurer's in-network providers have affirmed that they offer and have provided gender-affirming services, as specified. This bill would require, no later than March 1, 2023, the California Health and Human Services Agency to convene a working group that includes representatives from various departments, TGI-serving organizations, residents who identify as TGI, and health care providers to develop a quality standard for patient experience in order to measure cultural competency related to the TGI community and recommend training curriculum to provide trans-inclusive health care https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB923	CAHP Oppose Unless Amended 09/29/22 - Chaptered by Secretary of State. Chapter 822, Statutes of 2022.
SB 966 (Limón)	This bill would require the department to seek any necessary federal approvals and issue appropriate guidance to allow an FQHC or RHC to bill, under a supervising licensed behavioral health practitioner, for an encounter between an FQHC or RHC patient and an associate clinical social worker or associate marriage and family therapist when certain requirements are met, including that the visit is billed under the supervising licensed behavioral health practitioner of the FQHC or RHC. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB966	LHPC Support 09/27/22 - Chaptered by Secretary of State. Chapter 607, Statutes of 2022.

SB 979 (Dodd)	When the Governor declares a state of emergency, existing law requires a health care service plan and a health insurer to provide an enrollee or insured who has been displaced or has the immediate potential to be displaced by that emergency access to medically necessary health care services. Existing law requires health care service plans and health insurers operating in a county included in a declaration of emergency to notify the Department of Managed Health Care and the Department of Insurance whether the plan has experienced or expects to experience a disruption to its operation, among other things. Existing law provides for health care service plans and health insurers to take specified actions, including relaxing time limits for prior authorization, precertification, or referrals. This bill would revise those provisions to specifically apply to a declaration by the Governor of a state of emergency , or a health emergency declared by the State Public Health Officer that displaces, or has the immediate potential to displace, enrollees, insureds, or health care providers, that otherwise affects the health of enrollees or insureds, or that otherwise affects or that may affect health care providers. The bill would authorize the Director of the Department of Managed Care and the Insurance Commissioner to issue guidance to health care service plans and health insurers regarding compliance with the bill's requirements during the first 3 years following the declaration of emergency, or until the emergency is terminated, as specified. https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB979	09/18/22 - Chaptered by Secretary of State. Chapter 421, Statutes of 2022.
SB 987 (Portantino)	This bill would, for covered benefits under its contract, require a Medi-Cal managed care plan to make a good faith effort to contract with at least one National Cancer Institute (NCI)-designated comprehensive cancer center, site affiliated with the NCI Community Oncology Research Program (NCORP), or qualifying academic cancer center, specified within each county in which the Medi-Cal managed care plan operates, and authorize any eligible enrollee diagnosed with a complex cancer diagnosis to request a referral to any of those centers to receive medically necessary services unless the enrollee chooses a different cancer treatment provider. The bill would require a Medi-Cal managed care plan to notify all enrollees of their right to request a referral to access to care through any of those centers. If the Medi-Cal managed care plan is unsuccessful in its good faith contracting efforts pursuant to paragraph (1), the Medi-Cal managed care plan shall allow an enrollee to request a referral to receive medically necessary services through an out-of-network qualifying	09/27/22 - Chaptered by Secretary of State. Chapter 608, Statutes of 2022.

	cancer center, unless the enrollee chooses a different cancer treatment provider. This shall only apply if the Medi-Cal managed care plan and the out-of-network qualifying cancer center come to agreement with respect to payment. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB987	
SB 1019 (Gonzalez)	This bill would require a Medi-Cal managed care plan, no later than 1/1/25, to conduct annual outreach and education for its enrollees, based on a plan that the Medi-Cal managed care plan develops and submits to the department, regarding the mental health benefits that are covered by the Managed Care Plan. The bill would require a Medi-Cal managed care plan to also conduct annual outreach and education, based on a plan that it develops, to inform primary care providers regarding those mental health benefits. The bill would require that the outreach and education plan for the enrollees be informed by stakeholder engagement, the Plan's Population Needs Assessment, and a utilization assessment, as specified, and that the plan meet cultural and linguistic appropriateness standards and incorporate best practices in stigma reduction. The bill would require the department to review the new or updated outreach and education plan and to approve or modify them within 180 calendar days since submission to ensure specified conditions are met, and to consult with stakeholders to develop the standards for the review and approval. The bill would condition implementation of the outreach and education plan on the department's approval. The bill would require the department, once every 3 years, assess enrollee experience with mental health benefits covered by Medi-Cal managed care plans. The bill would require the department, by January 1, 2025, to adopt survey tools and methodologies relating to the assessment of consumer experience, including best practice methods for data collection and reporting, as specified. The bill would require the department to publish reports, commencing with a report in April 2026 and once every 3 years thereafter, on its internet website on consumer experience with mental health benefits covered by Medi-Cal managed care plans. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1019	09/30/22 - Chaptered by Secretary of State. Chapter 879, Statutes of 2022.

SB 1184 (Cortese)	Authorizes a provider of health care or a health care service plan to disclose medical information to a school-linked services coordinator. The bill would define the term "school-linked services coordinator" as an individual located on a school campus or under contract by a county behavioral health provider agency for the treatment and health care operations and referrals of students and their families that holds any of certain credentials, including a services credential with a specialization in pupil personnel services. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1184	09/30/22 - Chaptered by Secretary of State. Chapter 993, Statutes of 2022.
SB 1207 (Portantino)	By July 1, 2023, a health care service plan shall develop a maternal mental health program designed to promote quality and cost-effective outcomes. The program shall be developed consistent with sound clinical principles and processes, and shall include quality measures to encourage screening, diagnosis, treatment, and referral. The program guidelines and criteria shall be provided to relevant medical providers, including all contracting obstetric providers. As part of a maternal mental health program the health care service plan is encouraged to improve screening, treatment, and referral to maternal mental health services, include coverage for doulas, incentivize training opportunities for contracting obstetric providers, and educate enrollees about the program. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1207	CAHP Opposed 09/27/22 - Chaptered by Secretary of State. Chapter 618, Statutes of 2022.
SB 1338 (Eggman)	This bill would enact the Community Assistance, Recovery, and Empowerment (CARE) Act, which would authorize specified adult persons to petition a civil court to create a voluntary CARE agreement or a court-ordered CARE plan and implement services, to be provided by county behavioral health agencies, to provide behavioral health care, including stabilization medication, housing, and other enumerated services to adults who are currently experiencing a severe mental illness and have a diagnosis identified in the disorder class schizophrenia and other psychotic disorders, and meet other specified criteria. https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB1338	CAHP Concerns 09/14/22 - Chaptered by Secretary of State. Chapter 319, Statutes of 2022.

SB 1419 (Becker)	This bill would require, by 1/1/24, health care service plans and health insurers to establish and maintain API, as described by the federal regulations, for the benefit of enrollees, insureds, and contracted providers. This bill would additionally prohibit the representative of a minor from inspecting the minor's patient records when the records relate to certain services, including medical care related to the prevention or treatment of pregnancy, as specified. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1419	09/30/22 - Chaptered by Secretary of State. Chapter 888, Statutes of 2022.
SB 1473 (Pan)	The bill would extend Plan coverage provisions to therapeutics approved or granted emergency use authorization by the federal Food and Drug Administration for COVID-19 when prescribed or furnished by a licensed health care provider acting within their scope of practice and the standard of care. The bill would require a contract or policy to cover therapeutics approved or granted emergency use authorization by the federal Food and Drug Administration for a disease that the Governor has declared a public health emergency. The bill would extend existing duties for health care service plans during a declared public health emergency to Medi-Cal managed care plans. This bill would provide that a health care service plan or disability insurer is not required to cover the cost sharing for COVID-19 testing and immunizations delivered by an out-of-network provider beginning 6 months after the federal public health emergency expires. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1473	CAHP Opposed 09/25/22 - Chaptered by Secretary of State. Chapter 545, Statutes of 2022.

Attachment C

KERN HEALTH SYSTEMS

MEDIA Clips

This news compilation is intended for KHS purposes only. KERN COUNTY

Perspective on building female business success, from 10 Bakersfield businesswomen

By The Bakersfield Californian

Emily Duran-CEO, Kern Health System Challenges overcome: I was not born into a middle-class, college-educated family. I came from humble but happy roots, where I was first of my siblings to go to college. I had to maneuver through life with a young child, working full time, and take college courses in the evenings. Throughout my career journey I had to work twice as hard and take on extra projects just to prove my skill, competence and dedication.

Read More

CSUB voices: Alumna Emily Duran

By CSUB

Read More

Clinica Sierra Vista celebrates National Health Center Week honoring the work and the contributions that agricultural farmworkers do in the community

By Kern Sol News

"This awareness will really bring focus to all the work our community is doing for agriculture workers. We are here to support any way we can," said Emily Duran, CEO of Kern Family Health Care.

Read More

Local Newscasts

KGET Channel 17 - NBC
Monday – Friday
5 am, 6 am, 12 pm, 5 pm - 6:30 pm, 11 pm
Sat. & Sun.
5 pm, 6 pm, 11 pm

KERO Channel 23 – ABC
Monday – Friday
4:30 am, 11 am, 5 pm, 6 pm, 7 pm, 11 pm
Sat. & Sun.
6 am, 8 am, 6 pm, 11 pm

KBAK Channel 29 – CBS
Monday – Friday
4:30 am, 12 pm, 5 pm, 6 pm, 7 pm, 11 pm
Sat. & Sun.
5 pm, 6 pm , 11 pm

KBFX Channel 58 – Fox
Monday – Friday

Note: Some news outlets may require free registration or a paid subscription to view content.

KERN HEALTH SYSTEMS

MEDIA Clips

This news compilation is intended for KHS purposes only. KERN COUNTY

KHS awards $14M in Kern for housing, Medi-Cal gaps

By The Bakersfield Californian

Kern's Medi-Cal plan administrator hopes to close gaps in how the county's poorest residents receive health care with its award earlier this month of more than $14 million to open and expand facilities handling services like mental health care and short-term recuperative treatment for people living on the street.

Read More

$14 Million investment into rural health care happening in Kern County

By KERO - 23

TAFT, CA - 40 minutes by car. That is the drive those in Taft often have to make just to get the healthcare they need. That's why Kern medical providers are going beyond the medical needs of the community to make sure patients get through these doors.

Those with Medicaid or Medi-Cal in the outlying areas of Kern County sometimes struggle to find the health care they need. That's why a $14 million dollar investment is focused on removing barriers for patients across the county who are seeking health care.

Read More

Stockdale High senior helps raise $15K for Bowers Book Depot

By Bakersfield Californian

The Housing and Opportunity Foundation of Kern announced this week a high school senior was able to raise $15,000 in an effort to promote literacy in Kern County. The effort started in May, with Mukul Anand, a Stockdale High student, reaching out to Michael Bowers, a board member for the foundation, according to a foundation news release. The subsequent fundraising effort for a free library for underserved children brought in donations from a number of sources, with the largest donation coming from Kern Health Systems, according to the release. A check presentation was held Monday.

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Note: Some news outlets may require free registration or a paid subscription to view content.

SUMMARY

FINANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Friday, August 5, 2022

8:00 A.M.

COMMITTEE RECONVENED

Members: Deats, Martinez, McGlew, Melendez, Rhoades
ROLL CALL: All Present

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 Kern Health Systems Finance Committee meeting on June 10, 2022- APPROVED
Melendez-McGlew: All Ayes

4) Report on Kern Health Systems investment portfolio for the second quarter ending June 30, 2022 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: All Ayes

5) Proposed renewal and binding of insurance coverages for General Liability and Excess Liability from September 29, 2022 through September 29, 2023 (Fiscal Impact: $400,000 Estimated; Budgeted) – CANDACE PORTER, ALLIANT INSURANCE, HEARD; APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Martinez: All Ayes

6) Proposed renewal and binding of employee benefit plans for medical, vision, dental, life insurance, short-term and long-term disability, and long-term care effective January 1, 2023 (Fiscal Impact: $7,400,000 Estimated; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: All Ayes

7) Proposed Agreement with Trizetto Provider Solutions, LLC, for Electronic Claims Clearing House Services, from August 28, 2022, through August 28, 2024, in an amount not to exceed $0.19 Per Claim Fee (Fiscal Impact: $95,000.00 estimated annually; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: All Ayes

8) Proposed Agreement with Cotiviti, Inc., for Managed Care Accountability Set (MCAS) metrics reporting software that is required to report annual health quality metrics to the State of California, from September 7, 2022, through September 7, 2024 (Fiscal Impact: $163,619.46 annually; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Melendez-McGlew: All Ayes

9) Proposed Agreement with Commercial Cleaning Systems, Inc., for janitorial services for 2900 Buck Owens Blvd., from September 10, 2022 through September 9, 2023 (Fiscal Impact: $193,740; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: All Ayes

10) Report on Kern Health Systems financial statements for May 2022 and June 2022 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: All Ayes

11) Report on Accounts Payable Vendor Report, Administrative Contracts between $30,000 and $100,000 for May 2022 and June 2022, IT Technology Consulting Resources for the period ended May 31, 2022, HR Hiring Report for the period ending June 30, 2022 and Major Organ Transplant Report for the period ending July 15, 2022 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Martinez: All Ayes

ADJOURN TO FRIDAY, OCTOBER 7, 2022 AT 8:00 A.M.
Deats