



**KERN HEALTH
SYSTEMS**

**REGULAR MEETING OF THE
BOARD OF DIRECTORS**

Thursday, October 11, 2018

at

8:00 A.M.

At

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

The public is invited.

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

AGENDA

BOARD OF DIRECTORS

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

Regular Meeting
Thursday, October 11, 2018

8:00 A.M.

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

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

BOARD TO RECONVENE

Directors: Rhoades, McGlew, Deats, Hoffmann, Casas, Hinojosa, Judd, Melendez, Patel, Patrick, Stewart

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 1) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) –
- 2) Request for Closed Session for the purpose of discussion of, or taking action on matters involving, health authority trade secrets (Welfare and Institutions Code Section 14087.38(n)(1)) –
- 3) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code sections 54956.9(d)(2), 54956.9(e)(1)) Number of cases: One (1) Significant exposure to litigation in the opinion of the Board on the advice of legal counsel, based on: Facts and circumstances that might result in litigation against KHS but that the Board believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed.

8:45 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

- 4) 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. THANK YOU!

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 5) 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-6) Minutes for Kern Health Systems Board of Directors regular meeting on August 9, 2018 (Fiscal Impact: None) –
APPROVE

-
- 7) Proposed Authorizing the Chief Executive Officer to execute the solar contract to the lowest, responsive bidder and novate the agreement to S C Anderson, General Contractor, in an amount not to exceed \$494,750 (Fiscal Impact: \$494,750) - APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-8) Proposed Amendment No. 8 to Agreement with Douglas A. Hayward, for services as Chief Executive Officer, to incorporate performance goals for fiscal year 2018-2019 and approve notification of retirement language (Fiscal Impact: None) – APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- 9) Proposed Financial Contribution to Kern Medical’s Valley Fever Institute (Fiscal Impact: \$100,000) – APPROVE
- CA-10) Proposed New Policy, Disposition of Surplus Real Property (Fiscal Impact: None) – APPROVE
- 11) Proposed Agreement with VOYA, to administer services related to the Employer 401(a) and 457(b) Retirement Plans (Fiscal Impact: None) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- 12) Report on 2018 State of California Legislation of interest to Kern Health Systems (Fiscal Impact: None) – RECEIVE AND FILE
- CA-13) Report on Kern Health Systems strategic plan for the third quarter ending September 30, 2018 (Fiscal Impact: None) – RECEIVE AND FILE
- 14) Report on Kern Health Systems 2019 Corporate Projects and 2019 Department Goals and Objectives (Fiscal Impact: None) – RECEIVE AND FILE
- 15) Report on Kern Health Systems 2017-2018 School Wellness Grant Program (Fiscal Impact: None) – RECEIVE AND FILE
- CA-16) Proposed Agreement with Crayon Software Experts, LLC, to purchase Microsoft Licensing, maintenance and technical support, from January 1, 2019 through December 31, 2021, in an amount not to exceed \$844,495 (Fiscal Impact: \$844,495; Budgeted) - APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-17) Proposed Purchasing agreements associated with the new building for technology infrastructure, from October 11, 2018 through December 31, 2018, in an amount not to exceed \$1,500,000 (Fiscal Impact: \$1,500,000; Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

- CA-18) Travel request for the Kern Health Systems Director of Government Affairs and Business Development and, the Project Management Supervisor, to attend the Project Management Institute's PMO Symposium in Washington DC, from November 11, 2018 through November 14, 2018, in an amount not to exceed \$8,129 (Fiscal Impact: \$8,129; Budgeted) –
APPROVE
- 19) Report on Kern Health Systems financial statements for July 2018 and August 2018 (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-20) Report on Accounts Payable Vendor Report, Administrative Contracts under \$100,000 budgeted and \$50,000 non-budgeted for July 2018 and August 2018 (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-21) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-22) Report on Department of Managed Health Care Services Routine Survey for the period August 1, 2015 through July 31, 2016 (Fiscal Impact: None) –
RECEIVE AND FILE
- 23) Report on Kern Health Systems Operation Performance and Review of the Kern Health Systems Grievance report (Fiscal Impact: None) –
RECEIVE AND FILE
- 24) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) –
RECEIVE AND FILE
- 25) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-26) Proposed modifications to Kern Health Systems formulary (Fiscal Impact: None) –
APPROVE
- CA-27) Miscellaneous Documents –
RECEIVE AND FILE
 - A) Minutes for KHS Finance Committee meeting on August 3, 2018

ADJOURN TO DECEMBER 13, 2018 AT 8:00 A.M.

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

The meeting facilities at Kern Health Systems are accessible to persons with disabilities. Disabled individuals who need special assistance to attend or participate in a meeting of the Board of Directors may request assistance at the Kern Health Systems office, 9700 Stockdale Highway, Bakersfield, California or by calling (661) 664-5000. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.

SUMMARY

BOARD OF DIRECTORS

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

Regular Meeting
Thursday, August 9, 2018

8:00 A.M.

BOARD RECONVENED

Directors present: Rhoades, McGlew, Deats, Hoffmann, Hinojosa, Judd, Melendez, Stewart

Directors absent: Casas, Patel, 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

ADJOURN TO CLOSED SESSION

Deats

CLOSED SESSION

- 1) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) – SEE RESULTS BELOW
- 2) CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representatives: Chief Executive Officer, Douglas A. Hayward, and designated staff - Unrepresented Employees: Kern Health Systems Executive Staff (Government Code Section 54957.6) – SEE RESULTS BELOW
- 3) PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Chief Executive Officer (Government Code Section 54957) – SEE RESULTS BELOW

BOARD RECONVENED AT 8:45 A.M.

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 2018** 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 DEATS ABSTAINED FROM VOTING ON PENROSE; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON CAPRIOLI; DIRECTOR JUDD ABSTAINED FROM VOTING ON MITCHELL, RIZKALLA, SCHMIDT, TERKONDA; DIRECTOR STEWART ABSTAINED FROM VOTING ON AW, GARBELL, HAYES

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **RECREREDENTIALING AUGUST 2018** 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 RECREREDENTIALING; DIRECTOR MCGLEW ABSTAINED FROM VOTING ON BATDORF, ETTINGER; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON SCHMIDT; DIRECTOR JUDD ABSTAINED FROM VOTING ON ABOEED, HALL, THOMAS; DIRECTOR STEWART ABSTAINED FROM VOTING ON CENIZA

Item No. 2 concerning a CONFERENCE WITH LABOR NEGOTIATORS Agency designated representatives: Chief Executive Officer, Douglas A. Hayward, and designated staff - Unrepresented Employees: Kern Health Systems Executive Staff (Government Code Section 54957.6) – NOT HEARD

Item No. 3 concerning PUBLIC EMPLOYEE PERFORMANCE EVALUATION – Title: Chief Executive Officer (Government Code Section 54957) - HEARD; NO REPORTABLE ACTION TAKEN

PUBLIC PRESENTATIONS

- 4) 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. THANK YOU!**
NO ONE HEARD

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 5) 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 JUDD ANNOUNCED THAT THE GROUND BREAKING CEREMEONY FOR THE VALLEY FEVER INSTITUTE WILL BE HELD TOMORROW, AUGUST 10TH AND, SENATOR JEAN FULLER AND CONGRESSMANN KEVIN MCCARTHY SUPPORTS THE EVENT

DIRECTOR RHOADES ANNOUNCED THAT DIRECTOR RAJI BRAR RESIGNED FROM THE KERN HEALTH SYSTEMS BOARD AND THAT SHE IS NOW SERVING ON THE KERN MEDICAL BOARD; DIRECTOR RHOADES ALSO STATED THAT WE WILL BE ACTIVATING THE RELOCATION COMMITTEE TO GET AHEAD OF THE CURVE TO THE SELL THE BUILDING ON STOCKDALE

- CA-6) Minutes for Kern Health Systems Board of Directors regular meeting on June 14, 2018 (Fiscal Impact: None) – APPROVED
Judd-McGlew – 8 Ayes; 3 Absent – Casas, Patel, Patrick
- CA-7) Report on Kern Health Systems 2018-2020 3 Year Strategic Plan (Fiscal Impact: None) – RECEIVED AND FILED
Judd-McGlew – 8 Ayes; 3 Absent – Casas, Patel, Patrick
- CA-8) Report on Kern Health Systems investment portfolio for the second quarter ending June 30, 2018 (Fiscal Impact: None) – RECEIVED AND FILED
Judd-McGlew – 8 Ayes; 3 Absent – Casas, Patel, Patrick
- CA-9) Proposed modifications to Policy 8.11-1 Acquisitions and Payment of Expenditures and Policy 100.12-I Contracting Policy (Fiscal Impact: None) – APPROVED POLICY REVISIONS
Judd-McGlew – 8 Ayes; 3 Absent – Casas, Patel, Patrick
- CA-10) Proposed Amendment to Professional Services Agreement with Payspan, Inc., for provider payment services from August 20, 2018 through August 20, 2021, in an amount not to exceed \$240,000.00 per year (Fiscal Impact: \$240,000.00 per year Estimated; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Judd-McGlew – 8 Ayes; 3 Absent – Casas, Patel, Patrick
- CA-11) Proposed Agreement with Coffey Communications, for the development, printing and mailing of the member newsletter in English and Spanish from August 26, 2018 through August 26, 2019, in an amount not to exceed \$119,483.00 per one year (Fiscal Impact: \$119,483.00 per one year; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Judd-McGlew – 8 Ayes; 3 Absent – Casas, Patel, Patrick

- CA-12) Proposed Amendment with Cognizant, for Provider Contract Modeling & Pricing tool from August 9, 2018 through August 9, 2023, in an amount not to exceed \$1,489,162.00 per five years (Fiscal Impact: \$1,489,162.00 per five years; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Judd-McGlew – 8 Ayes; 3 Absent – Casas, Patel, Patrick
- CA-13) Proposed Agreement with CDW-G, for the purchase of a Backup and Recovery Solution from August 9, 2018 through August 9, 2021, in an amount not to exceed \$559,174.00 per three years (Fiscal Impact: \$559,174.00 per three years; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Judd-McGlew – 8 Ayes; 3 Absent – Casas, Patel, Patrick
- CA-14) Unusual travel request for Kern Health Systems Senior Network Systems Administrator to attend the Microsoft Ignite Conference in Orlando, Florida, from September 23, 2018 through September 28, 2018 in an amount not to exceed \$4,771.00 (Fiscal Impact: \$4,771.00; Budgeted) – APPROVED
Judd-McGlew – 8 Ayes; 3 Absent – Casas, Patel, Patrick
- 15) Report on Kern Health Systems financial statements for May 2018 and June 2018 (Fiscal Impact: None) – RECEIVED AND FILED
Melendez-McGlew – 8 Ayes; 3 Absent – Casas, Patel, Patrick
- CA-16) Report on Accounts Payable Vendor Report, Administrative Contracts under \$100,000 budgeted and \$50,000 non-budgeted, and non-claims paid through QNXT system for May 2018 and June 2018 (Fiscal Impact: None) – RECEIVED AND FILED
Judd-McGlew – 8 Ayes; 3 Absent – Casas, Patel, 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
Judd-McGlew – 8 Ayes; 3 Absent – Casas, Patel, Patrick
- 18) Report on Kern Health Systems Operation Performance and Review of the Kern Health Systems Grievance report (Fiscal Impact: None) – ALAN AVERY, KHS CHIEF OPERATING OFFICER, PRESENTED THE 2ND QUARTER COO REPORT; THE POWERPOINT PRESENTATION INCLUDED A DETAILED SUMMARY OF THE PLANS GRIEVANCES RECEIVED AND PROCESSED DURING THE 2ND QUARTER; IT WAS REPORTED THAT THE NUMBER OF GRIEVANCES HAS REMAINED STEADY IN VOLUME IN ALL CATEGORIES EXCEPT FOR THE MEDICAL NECESSITY CATEGORY WHICH DOUBLED SINCE THE 1ST QUARTER; BOARD MEMBERS QUESTIONED WHAT HAD CAUSED THIS SIGNIFICANT GROWTH GIVEN THE 1ST QUARTER GRIEVANCES HAD GROWN OVER THE 4TH QUARTER OF 2017; IT WAS REPORTED THAT THIS WAS PRIMARILY DUE TO THE CHANGES IN THE MEGA RULE WHICH REQUIRES HEALTH PLANS TO NOW PROCESS ALL

SUMMARY – Board of Directors
 Kern Health Systems
 Regular Meeting

Page 5
 8/9/2018

COMPLAINTS AS A GRIEVANCE; PRIOR TO THE IMPLEMENTATION OF THE MEGA RULE IN JULY 2017, KHS WOULD RESOLVE THE MAJORITY OF THESE TYPES OF COMPLAINTS BY INVESTIGATING AND CLOSING OUT THE GRIEVANCE OVER THE PHONE; MEDICAL NECESSITY GRIEVANCES PRIMARILY INCLUDES QUESTIONS RELATING TO DENIAL OF SERVICE, BOTH MEDICAL AND PHARMACY; FURTHER DETAILS WERE PROVIDED OF THE MEDICAL NECESSITY GRIEVANCES, REPORTING THAT 55 WERE RELATED TO PHARMACY GRIEVANCES, 28 WERE FILED BY MEMBERS AND 27 FILED BY PROVIDERS ON BEHALF OF THE MEMBERS; 242 GRIEVANCES WERE FILED RELATED TO MEDICAL ISSUES, 155 FILED BY MEMBERS AND 87 FILED BY PROVIDERS; BOARD MEMBERS ASKED WHY PROVIDERS WERE ALLOWED TO FILE GRIEVANCES; IT WAS EXPLAINED THAT THE NEW REGULATIONS OUTLINED THE PROCESS FOR PROVIDERS TO FILE GRIEVANCES ON BEHALF OF THE MEMBER, ONCE THEY OBTAINED THEIR CONSENT; THERE WAS SIGNIFICANT BOARD DISCUSSION ON HOW THE PLAN PROVIDED FEEDBACK TO THE PROVIDERS REGARDING THE GRIEVANCE ACTIVITY; IT WAS REPORTED THAT KHS PROVIDER RELATIONS REPRESENTATIVES PARTICIPATE IN THE WEEKLY GRIEVANCE MEETING AND WILL MEET WITH INDIVIDUAL PROVIDERS, BASED ON FOLLOW UP FROM THE WEEKLY GRIEVANCE MEETING;
 HEARD - RECEIVED AND FILED

Stewart-Deats – 8 Ayes; 3 Absent – Casas, Patel, Patrick

- 19) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) – RECEIVED AND FILED

Deats-McGlew – 8 Ayes; 3 Absent – Casas, Patel, Patrick

- 20) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) – RECEIVED AND FILED

McGlew-Hinojosa - 8 Ayes; 3 Absent – Casas, Patel, Patrick

- CA-21) Miscellaneous Documents – RECEIVED AND FILED

Judd-McGlew – 8 Ayes; 3 Absent – Casas, Patel, Patrick

- A) Minutes for KHS Finance Committee meeting on June 8, 2018

ADJOURN TO THURSDAY, OCTOBER 11, 2018 AT 8:00 A.M.

McGlew

/s/ Kimberly Hoffmann, Pharm.D., BCPP
 Secretary, Board of Directors
 Kern Health Systems



To: KHS Board of Directors

From: Douglas A Hayward, CEO

Date: October 11, 2018

Re: New Building Construction Update & Solar Bid Award

Background

Kern Health Systems (KHS) published a Notice Inviting Bids to the pre-qualified Solar Contractors. The 2nd invitation to bid for these services was published on April 16, 2018 and formal bids were due May 9, 2018.

The lowest, responsive responsible bidder was A-C Electric. At that time, the request to the Board of Directors to approve was postponed to allow for overall review of the benefits of solar and exploration of possible solar subsidies. The analysis was also performed to evaluate a return on investment since solar covered parking was an alternate; not included in the original construction budget.

Emily Duran and Greg Bynum will present the solar bid proposal and update the Board on the construction progress.

Requested Action

Recommend KHS Board of Directors authorize CEO to execute the solar contract to the lowest, responsive bidder and novate agreement to General Contract: SC Anderson for an amount not to exceed \$494,750 (base bid plus 3 year maintenance service).



KERN HEALTH SYSTEMS

CONSTRUCTION UPDATE SOLAR SYSTEM

**BOARD OF DIRECTORS
OCTOBER 11, 2018**



Kern Family
Health Care
The Friendly Face
of Kern Health Systems

1-800-391-2000

kernfamilyhealthcare.com

Current Project Status

- Current projected completion date July 2019
- Milestones:
 - Concrete and Steel complete, Fire Sprinklers, Elevator Rails, Interior Wall Frame, LEED tracking, partial fence installed
- Drone Video Presentation

Solar Analysis

- Specification:
 - 62 covered spaces with a 150KW system.
- Estimated production
 - 8-15% of our electricity usage.
- Payback period of 14.2 years.
- Also includes covered parking structure
- LEED points



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LEED Certification

- Goal: LEED certified or LEED Silver
- Solar provides 8 points
- Credit EA1: Optimize Energy Performance
 - The solar array will help to improve the building's energy performance by 20% over minimum LEED standard
- Credit EA2: On-Site Renewable Energy
 - Points achieved for providing a percentage of building power from a renewable source

Solar Rebates

The following sources were investigated:

- https://www.pge.com/en_US/for-our-business-partners/interconnection-renewables/larger-self-generation-programs/res-bct/res-bct.page?ctx=businesshttp://www.energy.ca.gov/renewables/
 - Our system will only produce 8-15% of the buildings needs, so we will not have excess energy to send back to the grid.
- https://www.pge.com/en_US/business/solar-and-vehicles/your-options/solar-programs/self-generation-incentive-program/self-generation-incentive-program.page
 - Contacted PG&E Rep. and all PG&E programs have been exhausted.
- <http://www.dsireusa.org/> & <https://www.cleanenergyauthority.com/solar-rebates-and-incentives/california>
 - Databases of state incentives for renewables & efficiency.

No Solar Incentive programs available for KHS at this time.



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Solar Bidding

Timing

- Advertisement Date: 04/16/18
- Invitation to Bid Date: 04/16/18
- Bid Due Date/Public Bid Opening: 05/09/19

Bidders

- 1 of 4 Prequalified Bidders submitted a bid.

A-C Electric

- Base Bid \$479,250
- Alternate Bid #1 \$15,500
 - 3 Year Maintenance Contract
- Alternate Bid #2 \$26,600
 - 5 Year Maintenance Contract

Recommendation

Recommend KHS Board of Directors authorize CEO to execute the solar contract to the lowest, responsive bidder and novate agreement to General Contract: SC Anderson for an amount not to exceed \$494,750 (base bid plus 3 year maintenance service).



1-800-391-2000
kernfamilyhealthcare.com

Questions

For additional questions, please contact:

**Emily Duran,
Director of Provider Relations
(661) 664-5000**





To: KHS Board of Directors
From: Larry Rhoades, Chairman
Date: October 11, 2018
Re: Amendment No. 8 to the Chief Executive Officer's Employment Agreement

Background

Enclosed is the 2018 Amendment to the Chief Executive Officers Employment Agreement. The Amendment includes:

- Board approved 2018/2019 Performance Goals and Deliverables used to assist the Board with the CEO's next annual employment performance review scheduled for July, 2019 (Exhibit C).
- Amendment to Section 4.1 "Retirement" to establish the process and timeframe for the Board to follow for replacing the CEO following announcing his retirement.

In accordance with the 2017 Amendment #7 of the CEO's Employment Agreement, the CEO is annually entitled to receiving a cost of living adjustment (COLA). For 2018 the COLA was determined to be 2.5%*.

Requested Action

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

**Source: Estimated CPI for the United States for the 12 month period between 7/18 and 6/19. Calculation done by the California Department of Finance based on information provided by the US Bureau of Labor Statistics and updated May, 2018.*

**AMENDMENT NO.8
TO
AGREEMENT FOR PROFESSIONAL SERVICES
CONTRACT EMPLOYEE
(Kern Health Systems – Douglas A. Hayward)**

This Amendment No. 8 to the Agreement for Professional Services (“Amendment”) is made and entered into this 11th day of October, 2018, between Kern Health Systems, a county health authority (“KHS”), and Douglas A. Hayward (“Executive”).

RECITALS

- (a) KHS and Executive have heretofore entered into an Agreement for Professional Services (dated December 1, 2011) (“Agreement”), whereby Executive is employed by KHS to serve as Chief Executive Officer; and
- (b) The Board and Executive have developed 2018/2019 performance goals and agree to incorporate them into the Agreement by way of this Amendment, as required by section 17 of the Agreement; and
- (c) The parties agree to amend certain terms and conditions of the Agreement as hereinafter set forth; and
- (d) The Agreement is amended effective October 11, 2018

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth and incorporating by this reference the foregoing recitals, the parties hereto agree to amend the Agreement as follows:

1. Section 4.1 Retirement is amended by adding section 4.1.4 Retirement Process:

Retirement Process

- a. 12 months before the CEO’s retirement date, the Board shall receive notification of the CEO’s retirement date from the CEO.
- b. 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.
- c. 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.
- d. Within 90 days following engagement, the search firm will present its slate of qualified, screened candidates to the Committee for interview consideration.
- e. Within 30 days, all selected candidates must be interviewed by the Search Committee.

- f. 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.
 - g. 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.
 - h. 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.
 - i. The CEO agrees, for purposes of continuity, to serve as consultant to KHS for a period no less than 90 days following retirement.
2. Exhibit "C - to Amendment 8," 2018-2019 Performance Goals, attached hereto and incorporated herein by this reference, shall be made part of the Agreement.
 3. All capitalized terms used in the Agreement and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
 4. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
 5. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.
 6. Except as provided herein, all other terms, conditions, and covenants of the Agreement and any and all amendments thereto shall remain in full force and effect.

[Signatures follow on next page]

IN WITNESS TO THE FOREGOING, the parties have entered into this Amendment No. 8 as of the day and year first written above.

KERN HEALTH SYSTEMS

EXECUTIVE

By _____
Larry Rhoades, Chairman
Board of Directors

By _____
Douglas A. Hayward

APPROVED AS TO FORM:

By _____
Gurujodha S. Khalsa, Chief Deputy
Counsel for Kern Health Systems

KHS.Agreement.Amend8.Hayward.101118

EXHIBIT C
To
Amendment 8
2018-2019 Performance Goals
Douglas A. Hayward
Chief Executive Officer
Kern Health Systems

Re: CEO Performance Goals for 2018-2019

Goal 1 – Kern Health Systems Diabetes Prevention Program

SB 97 legislation requires Kern Health Systems establish a Diabetes Prevention Program (DPP) to prevent or delay the onset of Type 2 diabetes. Treatment is for 12 consecutive months and must offer to pre-diabetic members:

- Core Diabetic Prevention and Education sessions (comprised of 16 weekly meetings over months 1-6).
- Core Diabetic Prevention and Maintenance sessions (comprised of 6 monthly sessions over months 6-12).
- Ongoing Diabetic Prevention and Maintenance sessions if participants achieve and maintain 5% weight loss (composition to be determined).

Providers will be selected to participate based on their ability to meet predetermine selection criteria. Suppliers of testing and monitoring equipment will similarly have to demonstrate their qualifications. Program participants (patients) will be selected based on their HgbA1c test values. DPP program implementation will begin with DHCS finalizing the APL. Since DHCS has not released their policy statement and guidelines governing services to be included under this benefit, the Program structure and provider engagement criteria is yet to be determined.

Deliverables

- ***Following receiving final DHCS guidelines, KHS will develop a Diabetic Prevention Program in collaboration with local providers and qualified community diabetic supply vendors consistent with requirements mandated under SB 97. Although no deadline has been given for receiving DHCS guidelines, KHS assumes the following schedule for planning purposes:***
 - ***Final guidelines received by the 3rd Quarter, 2018.***
 - ***Program development will be completed by the end of 4th Quarter of 2018.***
 - ***Program implementation will occur beginning 1st Quarter, 2019.***

Goal 2 Expansion of KHS's Alternative Reimbursement Arrangements (Phase III)

In 2017/18 KHS undertook a study to identify provider and services conducive to alternative reimbursement models. Custom designed payment strategies were deployed in a variety of settings. Health Homes Programs and hospital compensation arrangements are two samples where alternative payment arrangements now exist. To determine its impact on quality improvement of health outcomes will take time. Preliminary results show promise. Lower hospital readmissions and reduced ER visits are occurring with members assigned to health homes.

In 2018/19, KHS will expand its alternative reimbursement arrangements to specialty care services as we look to ways to compensate providers using more value – based payment structures.

Deliverables:

- *Identify and develop provider specific proposals for primary care and specialty care practices to achieve desired outcomes by 3rd Quarter, 2018*
- *For selected providers, initiate provider contract revisions to change or enhance compensation arrangements by 4th Quarter, 2018*
- *Design data tracking and reporting of PCP and Specialty care practices to determine achievement of the desired outcome and / or ROI by the 1st Quarter, 2019*
- *Determine impact to KHS internal operations for 2019 priorities by 1st Quarter, 2019*
- *Begin monitoring to determine if targeted outcomes are achieved by 2nd Quarter, 2019*

Goal 3 – Expansion of Kern Health System's Health Home Program and Preparation for DHCS's HHP Readiness (Phase II)

Kern Health Systems recognizes several thousand members will benefit from receiving their medical services through a patient centered medical home. Given this demand, Kern Health Systems, to date, has established five health homes programs and will launch an additional three health homes in 2018 and 2019.

In July, 2019, Kern Health Systems will be required by DHCS to provide health home program services to members with medical conditions qualify for participation under DHCS's Health Home Program's guidelines. In preparation, Kern Health Systems will undertake an internal assessment to identify program modifications (if necessary) in order to comply with DHCS policies and procedures governing health home programs.

Deliverables:

- *Launch Omni Family Health's second HHP site by 3rd Quarter, 2018.*
- *Launch Dignity Health's community based HHP site by 3rd Quarter, 2018.*
- *Launch Premier Health's community based HHP site by 4th Quarter, 2018*
- *Launch CSV's first HHP site by 1st Quarter, 2019.*
- *Following receiving final DHCS HHP guidelines, KHS will modify its Health Home Programs to meet DHCS requirements mandated under the HHP APL outlining duties, responsibilities and deliverables by 1st Quarter, 2019.*
- *Design data tracking and reporting system for the HHP consistent with DHCS requirements and capable of measuring achievement of the desired outcomes by the 1st Quarter, 2019*
- *KHS will complete any modifications and incorporate all program changes as required under the DHCS APL in advance of the DHCS HHP Program implementation date of July, 2019.*

Goal 4 Develop a network configuration strategy designed to achieve optimum health care system performance around the triple aim of “Right Care, Right Time, and Right Setting”.

This continues to be both an important strategic goal and annual goal for Kern Health Systems. Each year KHS is met with new challenges from Medi-Cal program changes, eligibility expansion, benefit modifications and clinical treatment breakthroughs. Hence the need to annually revisit our network configuration and capacity to ensure members receive the sufficient access to high quality, medically appropriate health care.

The severity and complexity of care for our membership will continue to change and the medical cost associated with these members will require KHS to continue to identify new ways to coordinate and manage the care of these patients. Providing the right care at the right time in the most cost effective setting has led to KHS developing several unique programs specific to our member's medical condition or health care needs. To date, KHS has established: Diabetic clinics, Hep C programs, TeleHealth networks and Health Home Programs to name a few. Over the next twelve months we will look to expand our existing services as gaps are identified or new medical challenges present themselves. Focus for this goal will be on member centric care at the PCP level augmented with services addressing other factors impacting member's health.

Deliverables:

- *Review network configuration to address Physical, Behavioral Health and Social Determinants impacting members' health 3rd Quarter, 2018.*

- *Adjust network configuration for changing population need and/or medical complexity by 3rd Quarter, 2018.*
- *Using evidence based medicine as the standard, identify network gaps or limitations preventing Triple Aim achievement by 4th Quarter, 2018.*
- *Develop delivery system model to address needs at all levels (medical, MH, and social) using the existing provider network, County Mental Health, County Human Services and Community Based Organizations where necessary by 1st Quarter, 2019.*
- *Develop clinical algorithms for Provider education to promote consistent management of member condition by 4th Quarter, 2018.*
- *Establish provider compensation arrangements to support structure and performance goals, monitor expected outcomes by 1st Quarter, 2019.*
- *Ensure systems in place to communicate and coordinate patient care across the physical and mental health divide by 2nd Quarter, 2019.*
- *Determine internal and external (Provider) resource and operational needs to support concept by 3rd Quarter, 2018*
- *Implementation 2nd Quarter, 2019.*

Goal 5 – Medi-Cal enrollment expansion to cover undocumented adults

The legislative and regulatory landscape often dictates program requirement changes for Kern Health Systems to implement. These program changes often involve many internal departments and necessitate a high level of coordination to properly implement. Successful completion of these efforts will ensure Kern Health Systems is regulatory compliant while remaining sensitive to our internal and external customers' needs. In 2018, the California legislature is considering expanding Medi-Cal to cover undocumented Adults. If passed, the new law will cover adults to age 26 and over age 65 for full-scope Medi-Cal benefits regardless of immigration status and as long as they meet all other eligibility requirements. The coverage will impact several thousand individuals in Kern County. KHS will begin to see enrollment starting 2019 and can conservatively expect 3500 – 4000 new enrollees participating under Kern Family Health Care.

Deliverables:

- *Provide information and support to community based organizations enrolling newly eligible members into full scope Medi-Cal by 1st Quarter, 2019.*
- *Initiate enrollment of newly eligible Medi-Cal members starting 2nd Quarter, 2019.*

Goal 6 – Relocation of Kern Health Systems Offices

In 2018/19 continued progress is expected on KHS's new office building. Major tasks include:

- Monitoring of Owner Controlled Insurance Program
- Monitor On-Going Construction
- Monitor Construction Budget
- Compliance Oversight GC
- Coordinate Move
- Occupancy

Deliverables:

- *Since it is the final year of planning and development before occupancy, monitoring key activities will be the primary focus in 201/19 leading up to occupancy sometime mid-2019. This will include a following four areas:*
 - *Monitoring of Owner Controlled Insurance Program (ensures contractors and sub-contractors carry suitable coverage to mitigate risk to KHS)*
 - *Monitor On-Going Construction (ensure milestones are achieved on schedule)*
 - *Monitor Construction Budget (ensures construction is within budget)*
 - *Compliance Oversight GC (validating prevailing wages are paid)*
- *Updates on the buildings progress and subsequent material activities will be presented to the Board at its regularly scheduled meetings over the next 12 months.*
- *Planning and coordination of relocation to the new building to begin 1st Quarter, 2019.*
- *Building occupancy to occur in 3rd Quarter, 2019.*

Goal 7 – Identify ways to engage members more in their health care to improve health status

Using member engagement techniques such as health education, patient incentives, health promotion, transportation and custom designed programs like health homes, should encourage members to seek care to maintain better health. For KHS to achieve this for *all* members with varying health care needs, requires matching members medical need to specific services and programs designed to treat them. To do this requires KHS to:

- Establish what programs and measures members can take to improve health outcomes based on their medical need.
- Gather information to determine ways to engage members to do more to maintain optimum health.

- Develop a member engagement program with a goal to improve access to care in ways that will improve health status.
- Develop performance standards, data tracking system and reporting structure for the member engagement program.
- Identify ways to reduce appointment no shows, sharing health information, establishing member accountability, emphasizing prevention and compliance.
- Leverage technology to enhance communication and improve service (administrative and clinical) to members.
- Explore ways to report health metrics to members to begin tracking what works and health outcomes.
- Survey membership annually to gauge satisfaction with member engagement program.

KHS's goal is to remain the health plan of choice by continuing to put the member first. This means member input is needed to confirm their expectations of their health plan, how to best communicate with them and what are their challenges and barriers. Once this information is confirmed and we develop communication tools (member web portal, text messaging and member service centric tools, members should feel well connected with their health plan,

Deliverables:

- *Population Profile Report correlating health status with most appropriate care intervention schemes by 4th Quarter, 2018*
- *Investigate and adopt best practices based on research to improve member engagement by 1st Quarter, 2019*
- *Design a tracking and performance report measuring the effectiveness of the Member Engagement Program by 2nd Quarter, 2019*
- *Conduct provider survey to determine ways to reduce appointment no shows, sharing health information, establishing member accountability, emphasizing prevention and compliance by 4th Quarter, 2018.*
- *Report on how technology could improve member communication with the health plan by 2nd Quarter, 2019.*
- *Design a Member Wellness Report Card for implementation in 2nd Quarter, 2019.*
- *Annually, conduct a Member Survey to gauge member satisfaction and identify ways to improve the member health plan experience*

Goal 8 – Develop business intelligence capabilities to support management decisions using timely information and data

In 2012, KHS created its monthly high level performance metric dashboard for review by the Board of Directors and Executive management. This type of data reporting was the first step for the organization in its path to create a more data-centric decision-making company. Over the succeeding 5 years, KHS expanded its data tracking and performance capabilities to lower levels in the organization (Department and functional areas within Departments) to provide Departments with the necessary tools to make data driven decisions regarding its operations while improving overall performance of the organization. Over the next 12 months, KHS will refine its business decision making and performance tracking capabilities with the creation of a dedicated business intelligence function whose primary duty will be to support the business operations of the health plan. Some of the desirable outcomes will be:

- For each new program, project or benefit, the BI department will create outcome measurements to determine the project, program or benefits' effectiveness in achieving its intended purpose.
- Improved service quality and proficiency by eliminating operational silos and increasing communication using interdepartmental process improvement teams.
- Advanced analytics to give management insight when something is or isn't performing to expectation.
- Enhanced Department performance by empowering Depts. with the ability to perform self-service reporting capabilities and basic analytics for routine or simple analysis.

Deliverables

1. *Create a KHS Business Intelligence Department with clearly defined roles and responsibilities by 3rd Quarter, 2018.*
2. *Develop Business Intelligence Department processes and procedures to create an effective and efficient team that will support KHS by 4th Quarter, 2018.*
 - *Create a business analytic intake process that identifies needs, problems, actions, and outcomes.*
 - *Establish new data analytics procedure that optimizes full potential outcome and outline benefits.*
 - *Create process analytics procedure that can identify areas of opportunity for process improvement or continuous improvement.*
 - *Implement corporate KPI Census reporting process that communicates the measure and performance of established KPIs*
 - *Establish Audit/QA process to ensure that the department produces quality work products.*

- *Establish regular monitoring of department processes/KPI/Data Governance to identify anomalies, unacceptable variance, or issues.*
 - *Provide business visibility of services contributed by BI efforts*
 - *Manage Inventory Process*
 - *Create Corporate Policies to support the new Business Intelligence processes and procedures.*
3. *Begin providing centralized standard operational reporting and analytics for the company by 1st quarter, 2019.*
- *Provide Dept.'s data analysis and routine or adhoc reporting support.*
4. *Provide Depts. with tools and training to perform routine data analysis and reporting by 2nd Quarter, 2019.*
- *Empowering Depts. with the ability to perform self-service reporting capabilities and basic analytics for routine or simple analysis*
 - *Create quality control protocol to monitor Dept reports for consistency and accuracy*
 - *Evaluate Depts. data and information requirements*
5. *Continue to develop and refine a metrics-driven performance culture within the organizations administrative and medical disciplines to enhance operations by 2nd Quarter, 2019.*
- *Analyze and establish metric oriented baselines for measurement:*
 - *Finance*
 - *Health Services*
 - *Physician Peer Profiles*
 - *HHP*
 - *Pharmacy*
 - *Create presentation model(s) to ensure transparent and fluid communication with endpoint*



To: KHS Board of Directors

From: Douglas A Hayward, CEO

Date: October 11, 2018

Re: Valley Fever Institute at Kern Medical Funding Support

Background

At the last KHS Board of Directors meeting, the KHS Board agreed to contribute funds in support of the new Valley Fever Institute at Kern Medical. To this end, I respectfully request approval of \$100,000 to support the Institute's important work that will benefit many of our members and other community members.

The Valley Fever Institute at Kern Medical will become the premier center for the diagnosis and treatment of this disease. **Many of our own members will benefit from the Valley Fever Institute at Kern Medical. Records indicate that this past year, over 2,500 Kern Family Health Care (KFHC) members have battled this disease. In 2017 alone, more than 1,600 KFHC members were newly diagnosed with Valley Fever and this number continues to rise each year.**

As incidences increase so does cost to diagnose and treat this condition. **A review of medical and pharmacy claims for KFHC members shows that since 2016, Valley Fever treatment has cost KHS in excess of \$5 million dollars (more than \$1.8 million dollars annually).**

Enclosed is a letter we received from Mr. Judd expanding on the role of the Valley Fever Institute and its plan for safeguarding the population from this dreaded disease.

Requested Action

Authorize a donation of \$100,000 to the Valley Fever Institute at Kern Medical.



October 1, 2018

Doug Hayward
Chief Executive Officer
Kern Health Systems

RE: The Valley Fever Institute at Kern Medical

Dear Doug,

On behalf of the Valley Fever Institute at Kern Medical we are requesting support from Kern Health Systems to help us fund our efforts aimed at combating Coccidioidomycosis, commonly known as "Valley Fever."

Most Valley Fever cases originate from a fungus found in the soil of dry, low rainfall areas of Kern County. Valley Fever is caused by air or soil disturbance of tiny fungi, called Coccidioides, which live and breed within the soil. When the dust containing the spores is breathed in the fungus attacks the respiratory system, causing an infection that can lead to symptoms that resemble a cold, influenza, or pneumonia.

If Valley Fever is left untreated or mistreated, infection can quickly spread from the lungs into the bloodstream, leading to meningitis in various parts of the body. It can cause inflammation to the skin, including swelling in the brain, which can be devastating and even fatal. Many of these patients will require lifelong treatment.

The Centers for Disease Control and Prevention (CDC) suggests that Valley Fever is not only a serious illness, but also a costly one. Nearly 75% of people with Valley Fever miss work and school. As many as 40% of people who get Valley Fever need to stay in the hospital. The average cost of a hospital stay for a person with Valley Fever is almost \$50,000.

According to the Kern County Public Health Services Department, over the past 10 years there have been an average of 1,768 cases of Valley Fever per year with an average of 15 deaths per year resulting from the infection. During an epidemic year, those figures can swell to around 2,500 cases with an average of 22 deaths resulting from the infection. In 2017, Valley Fever killed 9 people and infected 2,929 in Kern County alone, we anticipate even higher numbers in 2018.

The Valley Fever Institute at Kern Medical is ideally suited to be the premiere center for laboratory research, since we have the largest population of patients with Valley Fever. Patients are referred to the Institute not only locally, but regionally, nationally and internationally. Dr. Royce H. Johnson, Medical Director for the Institute is a leading infectious disease expert who has dedicated his career to both research and treatment of patients with Valley Fever. Currently

Valley Fever Institute at Kern Medical | 1700 Mt. Vernon | Bakersfield, CA 93306
(661) 489-5252 | www.ValleyFeverInstitute.com



there are clinical research trials sponsored by the National Institute of Health and other organizations taking place at the Valley Fever Institute.

Additional support will allow us to continue our mission to increase education & awareness for the public, patients and health care providers; provide the best patient care available and promote research that includes epidemiology, clinical drug development, prevention, immunology and immunizations. As reported cases continue to rise across the state of California, we must safeguard our most vulnerable population from this devastating disease.

For these reasons, the Valley Fever Institute at Kern Medical respectfully requests the support of Kern Health Systems. Thank you for your consideration and attention to this critical matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Russell V. Judd".

Russell V. Judd
Chief Executive Officer

INSTITUTIONAL REVIEW BOARD: APPROVED/OPEN STUDIES, October 1-31, 2018 (Page 1 of 1)

IRB #	INVESTIGATOR(S)	STUDY TITLE	APPROVAL START DATE	APPROVAL END DATE
16003	Heidari/Johnson/Barkataki/ et al	A Randomized, Double-Blind, Placebo-controlled Clinical Trial of Fluconazole as Early Empiric Treatment of Coccidioidomycosis Pneumonia (Valley Fever) in Adults Presenting with Community Acquired Pneumonia (CAP) in Endemic Areas (FLEET-VALLEY FEVER) DMID Protocol Number: 14-0053	On Hold	03/11/19
16010	Johnson/Heidari/et al	Evaluation of Immunogenetics of Individuals with Severe Coccidioidomycosis Compared to Individuals with Minimal or No Evidence of Coccidioidomycosis	02/12/18	02/11/19
17053	Vasan/Heidari/Salam/ Abdijadid/De Silva, Samra & Afshar RA/ Soto, Dalben, Haydari-Ahwazi & Ntim MS4	Associations between coccidioidomycosis and depression in a community clinic in the San Joaquin Valley (a records study)	07/23/18	07/22/19
17112	Heidari/ Chen/Johnson/ Kaur/D'Assumpcao MS	Recurrent multiple intracranial coccidioidal mycotic aneurysms with subarachnoid hemorrhage	12/11/17	12/10/18
18011	Heidari/Johnson/ Nordstrom MS	Coccidioidomycosis endophthalmitis	02/09/18	02/08/19
18012	Heidari/Coleman/ Quinlan MPH MS	Disseminated peritoneal coccidioidomycosis presenting as a hernia	02/09/18	02/08/19
18013	Heidari/Sherpa MS3	Another case of locus minoris resistentiae in coccidioidomycosis	02/09/18	02/08/19
18018	Yoon/Jolliff/ Andruszko/Heidari/Johnson	Evaluation of second-generation triazoles in the treatment of coccidioidomycosis	02/16/18	02/15/19
18021	Heidari/Hillyer/Sheikhan MS	Coccidioidomycosis of the epididymis, presenting as a progressively enlarging testicular mass	02/23/18	02/22/19
18029	Heidari/Parekh/Joolhar	Miliary coccidioidomycosis disseminates to myocardium	03/07/18	03/06/19
18040	Heidari/Patel/Kaur/ Munoz/ Petersen/Froush/Grewal MS4	A rare case of disseminated coccidioidomycosis to the gallbladder	05/23/18	05/22/19
18048	Heidari/T Parker/et al	Coccidioidomycosis of the thyroid	07/13/18	07/12/19
18050	Mandviwal/Heidari/ Donath MS3, Sah MS3	Croup can be coccidioidomycosis too: a case report of a 9 month old with subglottic narrowing due to a coccidioidomycosis mass	07/13/18	07/12/19
18055	Heidari/Valdez MS4	Concomitant CNS toxoplasmosis and seronegative disseminated coccidioidomycosis in a newly diagnosed AIDS patient	08/03/18	08/02/19
18057	Heidari/Johnson/Quinlan MPH/ G Thompson MD (UC Davis)	Isavuconazole in the treatment of coccidioidal meningitis	08/13/18	08/12/19
18060	Heidari/J Patel/Kalluri/ D'Assumpcao/Moosavi/Clark/ Shah, CY Wu, Gunz, McFarland, Gilbert MS	Extrapulmonary coccidioidomycosis presenting as abdominal distention	08/21/18	08/20/19
18061	Heidari/Thompson (UC Davis)/ Munoz/Johnson/Kaur/Quinlan	ARDS in Coccidioidomycosis	08/21/18	08/20/19



VALLEY FEVER

WHAT IS VALLEY FEVER

A fungus that lives in the dirt in areas of Southwest US.

Becomes airborne when dirt is disturbed by wind, farming or construction.

Can be inhaled into the lungs.

Causes an illness that might seem like a cold or the flu.

VALLEY FEVER AWARENESS

Only 1 in 4 infections are actually diagnosed

40% of people develop an illness severe enough to seek medical attention.

60% of people infected have no symptoms at all and get better on their own.

1-3% of cases worsen and spread through blood to other body systems.

Recent data from Kern County Health Department shows 2,959 people were infected last year.

There is no vaccination for Valley Fever.

TYPES OF VALLEY FEVER

Acute

Most people with Valley Fever have mild to No symptoms.

Healthy individual's usual recovery rate is 6 months.

For Severe Symptoms, recovery can take up to 1 year

Chronic

Occurs more in those with weakened immune systems.

Symptoms are more severe and fluctuate by improving and worsening.

Happens when Acute Valley Fever Stage does not make a full recovery.

Condition progresses into chronic pneumonia.

Disseminated

Infection spreads from lungs through blood to other body systems.

Can affect skin, liver, brain, bones, meninges and heart.

Signs and symptoms vary according to body system affected.

Can be fatal without appropriate treatment.



Valley Fever Awareness

- Knowledge of illness is important to avoid delays in treatment
- 40% develop an illness severe enough to seek medical attention
- Only 1 in 4 with infections are actually diagnosed
- 60% of people infected have no symptoms at all and get better on their own
- 1-3% of cases worsen and spread through blood to other body systems
- Recent data from Kern County Health Department is 2,959 people were infected last year
- There is no vaccination for Valley Fever

What is Valley Fever?

- A fungus that lives in the dirt in areas of Southwestern United States
- Becomes airborne when dirt is disturbed by wind, farming and construction
- Can be inhaled into the lungs
- Causes an illness that might seem like a cold or the flu

Who is at risk for Valley Fever?

- Anyone can get the illness
- Some people are more likely to suffer from severe illness
 - Adults over 60 years old
 - Infants younger than 1 year old
 - People of African American and Filipino descent
 - Pregnant women (especially in last trimester)
 - People with Diabetes
 - People with weakened immune systems caused by:
 - Cancer and Chemotherapy
 - HIV
 - Steroids
 - Organ transplant recipients
- People working in certain outdoor occupations
 - Archeological digging
 - Construction
 - Excavation

 **Valley Fever Institute**
at Kern Medical

1700 Mount Vernon Avenue
Bakersfield, CA 93306
661.706.6748
ValleyFeverInstitute.com



**Valley
Fever**

 **Valley Fever Institute**
at Kern Medical



Clues that Valley Fever may be in the soil

- Lots of animal burrows
- Old (prehistoric) Indian Campsites
- Areas with sparse vegetation
- Areas adjacent to dry streams
- Debris piles constructed by rodents (packrat middens)
- Upper 12 inches of undisturbed soil
- Sandy well aerated soil with high water holding capacity

How to lower your risk for Valley Fever

- Avoid breathing in dirt or dust in areas where Valley Fever is more common
- Wet down dusty areas before working or playing in them
- During dust storms stay indoors with windows and doors closed
- Use recirculating air-conditioning in home and cars if possible
- If you must be outside in a dust storm wear a N95 face-mask

Symptoms of Valley Fever

- Can appear 1-3 weeks after exposure.
- Described as flu like.
 - Cough
 - Fever
 - Headache
 - Chills
 - Night sweats
 - Chest pain
 - Rash
 - Feeling very tired
 - Muscle and joint pains
 - Blood tinted mucus

Complications of Valley Fever

- Severe pneumonia.
- Cavities in lungs that cause pain and difficulty breathing.
- Skin ulcers
- Abscesses
- Bone lesions
- Inflammation of heart
- Joint pain
- Meningitis
- Urinary track problems

Types of Valley Fever

Acute

- Most people will have mild to no symptoms
- Normal recovery rate is 6 months
- For severe symptoms, recovery can take up to 1 year

Chronic Valley Fever

- Occurs more in those with weakened immune systems
- Symptoms are more severe and fluctuate by improving and worsening
- Happens when Acute Valley Fever Stage does not make a full recovery
- Condition progresses into chronic pneumonia

Disseminated Valley Fever

- Infection spreads from lungs through blood to other body systems
- Can affect skin, liver, brain, bones, meninges and heart
- Signs and symptoms vary according to body system affected
- Can be fatal without appropriate treatment

Treatment for Valley Fever

- Most people don't require treatment
- Only people with severe symptoms or at high risk are treated
- Oral Antifungal medications or Intravenous Amphotericin may be given



To: KHS Board of Directors

From: Douglas A Hayward, CEO

Date: October 11, 2018

Re: New Policy

Background:

Upon completion of construction, Kern Health Systems (KHS) will have surplus real property. There is currently no policy in place to address the sale options for such property therefore our legal counsel was consulted and assisted in the development of the new policy for the Disposition of Surplus Real Property. This new policy will provide us guidelines on how to determine and process with a potential sale or lease of the soon to be vacant Stockdale Office building.

Requested Action:

Recommend KHS Board of Directors approve the new policy for Disposition of Surplus Real Property.



KERN HEALTH SYSTEMS					
POLICY AND PROCEDURES					
SUBJECT: Disposition of Surplus Real Property				POLICY #:	
DEPARTMENT: Executive					
Effective Date: October 11, 2018	Review/Revised Date:	DMHC		PAC	
		DHCS		QI/UM COMMITTEE	
		BOD		FINANCE COMMITTEE	

_____ Date _____
 Douglas A. Hayward
 Chief Executive Officer

_____ Date _____
 Chief Financial Officer

_____ Date _____
 Chief Operating Officer

POLICY:

In accordance with Government Code Section 54226, the procedures codified in this Policy establishes Kern Health Systems (KHS)' alternative procedures for the disposition of surplus real property that belongs to KHS. This policy will provide a corporate procedure for determining surplus real property and for the disposition of surplus real property.

DEFINITIONS:

Disposition of Real Property: The disposition of surplus real property by sale, conveyance or long-term lease. Surplus will be determined by the recommendation of the CEO to KHS Board of Directors, for real property that will no longer be in use for operations.

PROCEDURES:

Whenever the KHS Board of Directors determines that any real property or interest therein belonging to KHS is no longer necessary for KHS purposes, the Board of Directors may declare the real property surplus and sell the real property in the manner set forth in these procedures.

- A. In determining whether real property is surplus, the KHS Board of Directors will evaluate use and need of unoccupied real property.
- B. KHS will obtain a Fair Market Value (FMV) appraisal for property. KHS will use the FMV to set the initial minimum price for the sale of the property.
- C. Before ordering the sale of any surplus property owned by KHS with a value in excess of twenty-five thousand dollars, the Board of Directors shall, in a regular open meeting, by a two-thirds vote of its members, adopt a resolution declaring its intention to sell the property. The resolution shall describe the property proposed to be sold and shall specify the minimum price and the terms upon which it will be sold and shall fix a time and place, not less than three weeks thereafter, at which sealed proposals to purchase will be received
- D. Whenever the KHS Board of Directors determines that the estimated value of surplus real property does not exceed twenty-five thousand dollars, KHS may sell, exchange, quitclaim, or convey that real property in the manner and upon the terms and conditions approved by the Board of Directors in a Resolution of Intention to Sell the property without further complying with any other sections of the procedures codified in this Policy. The Chief Executive Officer is authorized to execute documents relating to the sale of the real property in the manner set forth in the Resolution of Intention to Sell the property, provided that the Resolution of Intention shall be posted in a public place for five working days prior to affecting the transfer.
- E. KHS BOD and CEO will appoint a Sales Officer for direct communication and oversight of property disposition.
- F. If, in the discretion of the Board of Directors, it is advisable to pay a commission to a licensed real estate broker, the fact that such a commission will be paid, the terms and conditions upon which it will be paid, and the rate thereof shall be approved by the Board of Directors. The Board of Directors may require that commissions payable to brokers representing a purchaser shall be paid only if the name and address of such agent is set forth in the purchaser's proposal.
- G. Notice of the adoption of the resolution and of the time and place of holding the meeting shall be given by posting copies of the resolution in at least one public place in the Kern County, and by publishing the notice at least one time in a newspaper of general circulation in Kern County. In addition, KHS may purchase advertising space and may advertise the proposed sale of the property in such newspapers, magazines, and other periodicals as, in its judgment, will best publicize the sale to those persons most likely to bid for or purchase the property.
- H. Sealed Bid Procedures will be published and will include bid process, property data sheet, and a location map.
- I. The KHS Sales Officer shall coordinate a walkthrough of the property for potential buyers prior to the sale date. Potential buyers will be responsible for conducting their own due diligence of environmental and physical conditions of the property.
- J. Unless otherwise specified, all surplus real property shall be sold "as is, where is."
- K. At the time and place fixed in the Resolution to receive proposals, the Sales Officer shall publicly open, examine and declare all proposals which conform to all terms and conditions specified in the Resolution of Intention to Sell and which are made by responsible bidders. The proposal which is the

highest shall be accepted as the apparent high proposer, subject to Board of Directors approval, unless a higher oral bid is accepted. In determining which the highest proposal is, the Board of Directors shall not subtract therefrom the commission, if any, which may be paid.

- L. After opening, examining and declaring all proposals which conform to all terms and conditions specified in the resolution of intention to sell, the Sales Officer shall call for oral bids. If, upon the call for oral bidding, any responsible person offers to purchase the property, upon the terms and conditions specified in the Resolution, for a price exceeding by at least five percent, the highest written proposal which is made by a responsible person, such highest oral bid shall be deemed the apparent high proposer, subject to Board of Directors approval. In determining which the highest proposal is, the Board of Directors shall not subtract therefrom the commission, if any, which may be paid.
 - 1. Each Proposer will be required to include with their Proposal a ten percent (10%) deposit in the form of a Cashier's Check or Money Order based on the bid amount.
 - 2. The deposit amount will be retained and used as a credit against the purchase price.
- M. Following the Bid Opening and Oral Bids, the apparent highest bidder will be publicly announced.
- N. The final acceptance and agreement to sell the property and the real estate commission to be paid must be approved by the Board of Directors.
- O. The Board of Directors may, in its sole discretion, reject any and all bids, either written or oral.
- P. If the Board of Directors accepts and approves any bid, the Board may direct the Chief Executive Officer or his or her designee to execute a deed and to deliver it upon performance and compliance by the purchaser of all the terms or conditions of the contract to be performed concurrently therewith.
- Q. In the event the apparent highest bidder is unable to complete the purchase of the property, their 10% deposit shall be forfeited.
- R. In the event no bidder offers the minimum threshold price established by KHS Board of Directors, KHS may negotiate with all bidders or with others if no bidder offers the minimum threshold price (or the minimum appraised value) for the surplus property.
- S. All sales shall be subject to a finding of General Plan Consistency pursuant to the requirements of the California Government Code.

ATTACHMENTS: None.



To: KHS Board of Directors

From: Anita Martin, Director of Human Resources

Date: October 11, 2018

Re: New Administrator for KHS Retirement Plans

Background

In 2013 KHS contracted with TIAA-CREF (“TIAA”) to provide administrative services related to the employee 401(a) and 457(b) retirement plans (“Plans”). As of September 30, 2018 there is approximately \$17 million of assets in the Plans. The Plans are for the benefit of KHS employees and their designated beneficiaries. The Plans are intended to provide participating employees long-term accumulation of savings through contributions to individual participant accounts and the earnings thereon.

The Plan’s participants are expected to have different investment objectives, time horizons and risk tolerances. To meet these varying investment needs, participants are able to direct their account balances among a range of investment options to construct diversified portfolios that reasonably span the risk/return spectrum. Participants alone bear the risk of investment results from the options and their asset allocation.

Discussion

Over the last year or so, the KHS Human Resource Department (“HR”) has become very dissatisfied with the level of service provided by TIAA. This has been exasperated by the switch from a dedicated service manager to being required to contact a call-center representative. Additionally, there has been an increase in employee complaints relating to the administration of the employee loan program and paperwork requirements for former employees to move their funds.

In June of 2018, KHS issued an RFP to find another company to administer the KHS Plans with the goal of receiving proposals from vendors offering better services to KHS employees and better support to the HR department along with possibility of lowering the overall administrative expenses being charged to each employee. The costs of the Plans are paid 100% by the Plan participants.

After an extensive RFP process, the Fiduciary Committee recommends moving from TIAA to VOYA for the following reasons:

1. Superior communication and education programs to assist employees to be better prepared for retirement
2. State of the Art tools to support the online experience for KHS employees
3. Dedicated team for client support to HR, which will reduce the administrative burden on HR
4. Lowest administrative fees/Reduction of \$35,000 per year in administrative fees from the current vendor
5. Local presence in Kern County with validated references from Kern Medical and Kern County

Ron Church from Ironwood Retirement Plan Consultants assisted KHS with the RFP process. Mr. Church is very familiar with the KHS Plans as KHS currently utilizes his services to assist KHS with evaluating the Plans investments, services and fees on an ongoing basis.

Requested Action

Approve; Authorize KHS Chief Executive Officer to execute agreements as necessary with Voya to administer services related to the Employee 401(a) and 457(b) Retirement Plans.



To: KHS Board of Directors
From: Douglas A. Hayward, CEO
Date: October 11, 2018
Re: 2018 Legislative Summary

Background

The 2018 State Legislative session ended on September 30th as the deadline passed for the Governor to sign or veto bills. Throughout the legislative cycle staff has worked with our trade associations providing feedback and monitoring pending bills. Staff has tracked 55 bills with potential impact to the plan, and 10 of those were ultimately passed into law.

With the 2018 State Legislative session coming to a close Jeremy McGuire, Director of Government Affairs and Business Development, will provide an overview of the enacted bills and their impact to the plan.

Additionally, a major legislative focus at the Federal level in 2018 was the Opioid Crisis. As a follow-up to the presentation given at the June Board of Directors meeting by Jennifer Babcock from ACAP, staff will also provide an update on the status of this bill.

Requested Action

Receive and file.



2018 Legislative Summary

October 11, 2018

Background

- Staff worked with KHS Trade Associations to monitor, analyze, and comment on a variety of State and Federal bills.
- The 2018 State Legislative session ended on 9/30 as the deadline passed for the Governor to sign or veto bills.
 - 55 Bills were being monitored. Of those, 10 passed the legislature and were approved by the Governor.
- The Federal legislative session had a major focus on Opioids Crisis.



State Legislation

- Legislative Themes –
 - Single Payer/Public Option/Universal Coverage
 - Opioid Crisis
 - Medi-Cal Accountability
- Relatively moderate changes approved in both legislation and budget.



State Legislation

- Notable Passed Bills –
 - AB 2472 – Requires Covered CA to conduct an evaluation to determine the feasibility of Medi-Cal Plans joining their marketplace. Analysis is due to the legislature 10/1/2021.
 - SB 1287 – Revises the definition of Medical Necessity in Medi-Cal for individuals under 21. DHCS will need to compare State and Federal requirements to ensure alignment.



State Legislation

- Other Monitored Passed Bills –
 - AB 2193 – Requires providers of prenatal and postpartum care to offer to screen for maternal mental health conditions. Requires health plans to have a program for maternal mental health to promote quality and cost-effective outcomes.
 - AB 2674 – Requires DHCS to review complaints of unfair payment patterns annually beginning 7/1/19.
 - AB 2760 – Requires a prescribing provider to offer opioid overdose reversal medication when prescribing certain opioids.
 - AB 2861 - Expands telehealth services that are eligible for reimbursement for substance use providers who provide individual counseling.



State Legislation

- Other Monitored Passed Bills –
 - SB 997 – Extends indefinitely the Physician-to-Enrollee requirements currently in place.
 - SB 1041 – Requires the Department of Public Health (DPH) to annually notify relevant healthcare providers about the risks and effects of childhood lead exposure. Requires DPH to work with DHCS to advance lead testing of children in Medi-Cal.
 - SB 1108 - Prohibits DHCS from seeking federal waiver approval for work requirements, coverage lock outs, etc.
 - SB 1423 – Modifies the qualifications that an interpreter is required to possess to provide oral interpretation services to a beneficiary.



Federal Opioids Legislation

- Follow-up item from ACAP's board presentation in June.
- Senate and House came to agreement on final Opioid Bill. Pending President's signature.
- Large bill that primarily targets treatment and recovery, research, education, and supply chain.
- One provision would allow states more flexibility in paying for inpatient addiction treatment.



Next Steps

- Bills impacting KHS will result in further guidance by our regulators (DMHC and/or DHCS).
- CAHP/LHPC will involve the Health Plans and DHCS/DMHC in developing policies where relevant.
- Final policies are shared with plans via contract amendment or “All-Plan Letters” that outline specific requirements and timelines.
- Material changes to KHS policy or budget will be independently raised to the Board of Directors as needed.





To: KHS Board of Directors
From: Douglas A. Hayward, CEO
Date: October 11, 2018
Re: Update on KHS Strategic Plan

Background

At the close of each quarter Management updates the Board on KHS' Strategic Plan progress. With the conclusion of the 3rd quarter of the 2018-2020 Strategic Plan, staff has included a presentation showing the current status. KHS is currently on target for items that were targeted for completion in the 3rd quarter 2018.

In the presentation, items highlighted in green indicate an item is on track, items in gray have been completed and items in white have not started.

Under Goal 4 – “Consider opportunities to expand KHS business...” the task to conduct a feasibility study on Medicare SNP was moved from 2019 to 2020 due to other 2019 business and strategic priorities. This new date will be reflected on the Strategic Plan moving forward.

Requested Action

Receive and file.



Q3 2018 Strategic Plan Update

October 11, 2018

Background

- In November 2017 a Board and Executive strategy meeting was held to begin shaping the 2018-2020 KHS strategic plan. This was followed by an internal work effort to further define key initiatives, action items, and projects directly supporting the newly defined Strategic Plan. In February 2018 the KHS Board of Directors approved the 2018-2020 Strategic Plan.
- With Q3 2018 coming to an end, management has prepared a status update on the key initiatives currently in progress within the Strategic Plan.
- **Green** = On Track, **White** = Not Started, **Gray** = Completed, **Yellow** = Behind Schedule, **Red** = Incomplete/Canceled



Goal 1 – Align Compensation and Network Configuration to improve service quality and value in the health care delivery system

Task Name	Start Date	Due Date	% Complete	Assigned To
Align Compensation and Network Configuration to improve service quality and value in the health care delivery system				
Look to ways to compensate providers through value based purchasing using cost-effective, quality driven Alternative Reimbursement Arrangements.				Emily Duran
Define clinical activities where Value Based Purchasing applies	1/1/2018	3/31/2018	100.00%	
Establish priority list of clinical services and treatment modalities for consideration.	1/1/2018	3/31/2018	100.00%	
Custom design payment strategies unique to specific care delivery systems	4/1/2018	12/31/2018	85.00%	
Determine desired outcome(s) for each	4/1/2018	12/31/2018	25.00%	
Determine impact to KHS internal operations for 2018 priorities	4/1/2018	12/31/2018	85.00%	
Develop provider specific proposals for 2018 priorities	1/1/2018	12/31/2018	30.00%	
For 2018 priorities Initiate provider contract revisions to change or enhance compensation	4/1/2018	12/31/2018	10.00%	
For 2018 priorities, begin monitoring to determine if targeted outcomes are achieved	1/1/2019	3/30/2019	0.00%	
Determine impact to KHS internal operations for 2019 priorities	1/1/2019	5/31/2019	0.00%	
Develop provider specific proposals for 2019 priorities	1/1/2019	6/30/2019	0.00%	
For 2019 priorities Initiate provider contract revisions to change or enhance compensation	1/1/2019	6/30/2019	0.00%	
For 2019 priorities, begin monitoring to determine if targeted outcomes are achieved	1/1/2019	10/31/2019	0.00%	
Focus on internal departmental restructuring, fostering partnership, and utilization of new technologies.				Deborah Murr
Reorganize UM, DM and CM Depts. to implement and monitor the Triple Aim Concept	1/1/2018	3/31/2018	100.00%	
Revise the Prior Authorization list to ensure appropriate care for treatment requested	1/1/2018	3/31/2018	100.00%	
Augment referral network using telehealth alternatives	1/1/2018	5/31/2018	100.00%	
Identify vendor platforms for Medical Necessity Determination	1/1/2018	6/30/2018	100.00%	
Incorporate risk stratification methodology to identify future risk populations for early intervention to prevent or stabilize medical condition(s) and reduce cost through early intervention.	1/1/2018	7/31/2018	100.00%	



Goal 1 – Align Compensation and Network Configuration to improve service quality and value in the health care delivery system

Task Name	Start Date	Due Date	% Complete	Assigned To
Align Compensation and Network Configuration to improve service quality and value in the health care delivery system				
Develop a provider network configuration strategy designed to achieve optimum health care system performance around the Triple Aim of “Right Care, Right Time, and Right Setting”.				Emily Duran
Review network configuration to address Physical, Behavioral Health and Social impacts	1/1/2018	11/30/2018	95.00%	
Adjust network configuration for changing population need and/or medical complexity	4/1/2018	11/30/2018	30.00%	
Using evidence based medicine as the standard, identify network gaps or limitations	4/1/2018	12/31/2018	60.00%	
Develop delivery system model to address needs at all levels using existing provider network, County Mental Health, County Human Services and Community Based Organizations where necessary	4/1/2018	12/31/2018	30.00%	
Develop clinical algorithms for Provider education to promote consistent management of member condition	4/1/2018	12/31/2018	25.00%	
Establish provider compensation arrangements to support structure and performance goals, monitor expected outcomes	4/1/2018	10/31/2018	25.00%	
Ensure systems in place to communicate and coordinate patient care across the physical and mental health divide.	4/1/2018	10/31/2018	25.00%	
Determine internal and external (Provider) operational needs to support concept	4/1/2018	10/31/2018	25.00%	
Determine internal and external capital requirements where necessary to support concept	4/1/2018	10/31/2018	25.00%	
Implementation	4/1/2018	10/31/2018	25.00%	



Goal 2 – Prepare for New Benefits / Programs /Coverage Populations/ Regulations

Task Name	Start Date	Due Date	% Complete	Assigned To
Prepare for New Benefits / Programs /Coverage Populations/ Regulations				
Prepare for new or modified benefits, expanded coverage, or changes to the tracking and reporting requirements as required by government agencies				Jeremy McGuire
Determine the impact of changes to benefits or population coverage categories	1/1/2018	12/31/2020	30.00%	Jeremy McGuire
BHT Expansion	1/1/2018	7/31/2018	100.00%	Deborah Murr
Diabetes Prevention Program	1/1/2018	12/31/2018	60.00%	Deborah Murr
Establish a project plan for instituting new benefits, coverage expansion	1/1/2018	12/31/2020	45.00%	Jeremy McGuire
Palliative Care	1/1/2018	3/31/2018	100.00%	Deborah Murr
Health Homes	1/1/2018	12/31/2019	55.00%	Julie Worthing
Determine the impact of Managed Care Final Rule (MCFR) to KHS	1/1/2018	12/31/2020	40.00%	Jeremy McGuire
Establish a project plan for adopting MCFR requirements	1/1/2018	12/31/2020	10.00%	Jeremy McGuire
Hospital Directed Payments	7/30/2018	8/2/2019	20.00%	Jeremy McGuire
Post implementation, audit activity to ensure performance meets expectations	1/1/2018	12/31/2020	25.00%	Carl Breining



Goal 3 – Increase Member Engagement in their Health Care

Task Name	Start Date	Due Date	% Complete	Assigned To
Increase Member Engagement in their Health Care				
Identify ways to engage members more in their health care through education, navigation, coordination, promotion and access to services designed to address their specific needs.				Alan Avery
Based on member's medical need, establish programs and measures members can take	1/1/2018	6/29/2018	100.00%	Martha Tasinga
Gather information to determine ways to engage members more in maintaining health.	1/1/2018	3/29/2019	75.00%	Martha Tasinga
Develop a member engagement program with a goal to improve access to care in ways that will improve health status.	9/3/2018	3/29/2019	10.00%	Martha Tasinga Deborah Murr
Develop performance standards, data tracking system and reporting structure for the member engagement program.	3/1/2019	6/28/2019	0.00%	Richard Pruitt Martha Tasinga
In collaboration with providers, identify ways to reduce appointment no shows, sharing health information, establishing member accountability, emphasizing prevention and compliance	6/1/2018	12/31/2018	15.00%	Emily Duran
Leverage technology to enhance communication and improve service (administrative and clinical) to members	1/1/2018	6/28/2019	10.00%	Louie Iturriria Martha Tasinga
Explore ways to report health metrics to members to begin tracking what works and health outcomes	9/3/2018	6/28/2019	10.00%	Deborah Murr Martha Tasinga
Survey membership to gauge satisfaction with member engagement program	1/1/2018	11/1/2018	20.00%	
SPH Analytics conducts annual Provider and Member Satisfaction Survey	1/1/2018	9/30/2018	100.00%	Emily Duran
Conduct Member focused surveys to members who participate in Complex Case Management, Health Homes, Disease Management and Member Portal Users	1/1/2018	12/28/2018	50.00%	Deborah Murr Julie Worthing



Goal 4 – Assure Kern Health Systems’ Long Term Viability

Task Name	Start Date	Due Date	% Complete	Assigned To
Assure Kern Health Systems Long Term Viability				
Maintain a Financially viable organization capable of meeting its obligations to its members, providers, and government agencies.				Robert Landis
Annually develop an operating budget enabling KHS to achieve its annual goals	6/1/2018	12/13/2018	75.00%	Robert Landis
Annually develop capital budget to support new programs, member growth and benefits	8/1/2018	12/13/2018		Robert Landis
Determine Capital Budget And Estimated Depreciation Expense	8/31/2018	9/28/2018	100.00%	
Prepare 2019 Capital Budget	8/31/2018	10/12/2018	100.00%	
Executive Review And Discussion - Executives to Review Capital Budget	10/1/2018	10/12/2018	100.00%	
Draft Capital Presented To Finance Committee	10/15/2018	11/2/2018	0.00%	
Final Capital Presented To Finance Committee - To Schedule For The December 7th	11/2/2018	12/7/2018	0.00%	
Final Capital Presented To KHS Board For Approval - To Present At December 13th	12/7/2018	12/13/2018	0.00%	
Retain sufficient reserves to protect KHS from unexpected events	1/1/2018	12/31/2018	75.00%	Robert Landis
Maintain an on-going dialogue with DHCS over reimbursement	1/1/2018	12/31/2018	75.00%	Robert Landis
Relocate KHS offices to its new facility convenient to members and able to house all functions				Emily Duran
Issue Notice to Proceed with Phase II to S.C. Anderson	1/1/2018	1/31/2018	100.00%	
Obtain Grading Permits	1/1/2018	2/28/2018	100.00%	
Complete Phase III – Notice Inviting Bids	5/30/2018	11/15/2018	95.00%	
Novate all Contracts to S.C. Anderson	6/1/2017	12/31/2018	95.00%	
Commence Construction	12/1/2017	2/2/2018	100.00%	
Obtain appropriate property / earthquake insurance	1/1/2018	9/30/2018	100.00%	
Monitoring of Owner Controlled Insurance Program	1/1/2018	12/31/2018	75.00%	
Monitor On-Going Construction	1/1/2018	12/31/2018	75.00%	
Monitor Construction Budget	1/1/2018	12/31/2018	75.00%	
Compliance Oversight GC	1/1/2018	12/31/2018	75.00%	
Coordinate Move	9/30/2018	6/30/2019	10.00%	
Occupancy	7/1/2019	8/31/2019	0.00%	



Goal 4 – Assure Kern Health Systems’ Long Term Viability

Task Name	Start Date	Due Date	% Complete	Assigned To
Assure Kern Health Systems Long Term Viability				
Continue to consider opportunities to expand KHS business suitable to the mission and business model.				Jeremy McGuire
Monitor key regulatory areas of MC Waiver, SUDS, APM/CP3 FQHC payment reform and CCI	1/1/2018	12/31/2020	25.00%	Jeremy McGuire
Monitor Medi-Cal marketplace trends e.g. Continuation of the two-plan model, entrance of new commercial managed care plans and public plan option in the ACA	1/1/2018	12/31/2020	25.00%	Jeremy McGuire
Continue expanding HHP model to additional qualified contracted provider’s sites sufficient to meet the requirements as determined by DHCS.	1/1/2018	7/1/2020	55.00%	Jeremy McGuire Julie Worthing
Continue participation in implementation of Whole Person Care	1/1/2018	2/28/2018	100.00%	Emily Duran
Monitor internal capacity and regulatory landscape for initiating: CCI (Duals),MH Expansion (S and P population),SUD, LTC and IHSS	1/1/2018	12/31/2020	25.00%	Jeremy McGuire
Consider future Medicare SNP expansion	1/1/2020	6/30/2020	0.00%	Jeremy McGuire
Ensure achievement of the annual Medical Loss Ratio as determined in KHS’s annual operating budget				Deborah Murr
Review utilization and cost trends by aid category and medical service category over the past 12 months. Internal Reallocation of resources to address inefficiency or duplication of services in the Provider Network.	1/1/2018	12/31/2020	25.00%	
Review applicable changes in treatment modalities or best practices impacting respective medical service categories.	1/1/2018	12/31/2020	25.00%	
Identify potential medical service areas for impact and determine intervention strategies(s) required to achieve desired results	1/1/2018	12/31/2020	25.00%	
Develop reporting and monitoring system	1/1/2018	12/31/2020	25.00%	



Goal 5 – Optimize the use of technology to improve service to constituency and increase administrative / operations economies of scale

Task Name	Start Date	Due Date	% Complete	Assigned To
Optimize the use of technology to improve service to constituency and increase administrative / operations economies of scale.				
Continue to maximize utility of the new UM, CM, DM and QI operating system to integrate medical management responsibilities using a single platform (JIVA).				Deborah Murr
Refine JIVA Phase 1 application components to meet production and performance requirements: UM Workflows, Ops Systems Platform Integration, Data Reporting and Analytics Config, JIVA Training	1/1/2018	3/31/2018	100.00%	
Implement JIVA Phase 2 components: CM/DM/HE/ Appeals, MCG Point of Service (POS), JIVA / QNXT interphase	1/1/2018	12/31/2018	75.00%	
Implement JIVA Phase 3 to integrate HHP and QI Programs	1/1/2018	12/31/2018	50.00%	
Include prospects in annual project planning	1/1/2018	12/31/2020	25.00%	
Develop project budgets along with ROI and/or cost-benefit analysis	1/1/2018	12/31/2020	25.00%	
Continuously monitor and control for operational effectiveness	1/1/2018	12/31/2020	25.00%	
Increase data sharing between and among providers and KHS to reduce health care cost and/or enhance the patient care experience				Richard Pruitt
Identify opportunities for sharing information (e.g. HHP, telehealth, EDI etc.)	1/1/2018	12/31/2018	75.00%	
Educate applicable providers about the importance of data sharing	1/1/2018	12/31/2018	75.00%	
Develop approaches that KHS can implement with its provider network to achieve a level of data sharing	1/1/2018	12/31/2018	75.00%	
Analyze and evaluate products or methods for effectiveness and compatibility with the health plan and provider community	1/1/2018	12/31/2018	75.00%	
Complete a cost benefit analysis of the data sharing program	1/1/2018	12/31/2018	75.00%	
Present to Board of Directors	1/1/2018	12/31/2018	75.00%	
Create plan for implementation	1/1/2018	12/31/2018	75.00%	
Continuously identify and promote organizational efficiencies and process improvement through Business Process Reengineering (BPR).				Richard Pruitt
Identify and analyze efficiencies and improvement opportunities	1/1/2018	12/31/2018	75.00%	
Perform cost analysis of efficiencies or improvement opportunity	1/1/2018	12/31/2018	75.00%	
Establish projects into annual project and budget planning	1/1/2018	12/31/2018	95.00%	
Align these initiatives with annual departmental goals and objectives	1/1/2018	12/31/2018	95.00%	
Continuously monitor and control for operational effectiveness	1/1/2018	12/31/2018	75.00%	
Create and execute project plans	1/1/2018	12/31/2018	75.00%	



Goal 6 – Develop central business unit devoted to support metrics driven mgmt. at all levels in KHS.

Task Name	Start Date	Due Date	% Complete	Assigned To
Develop business intelligence unit devoted to support metrics driven performance and management at all organizational levels				
Create a KHS Business Intelligence Department with clearly defined roles and responsibilities.				Richard Pruitt
Identify personnel from multiple departments that are capable of contributing towards BI	1/1/2018	3/30/2018	100.00%	
Collaborate with management to migrate new BI personnel	1/1/2018	3/30/2018	100.00%	
Create a dedicated cost center and budget that is cost neutral	1/1/2018	4/30/2018	100.00%	
Establish employee job descriptions, standards, roles and responsibilities, expectations	1/1/2018	3/30/2018	100.00%	
Centralize resources in a geographical location to locally manage	1/1/2018	3/30/2018	100.00%	
Define employee work models and productivity metrics	1/1/2018	3/30/2018	100.00%	
Develop Business Intelligence Department processes and procedures to create an effective and efficient team that will support KHS.				Richard Pruitt
Create a business analytic intake process that identifies need, problem, actions, outcomes	1/1/2018	3/31/2018	100.00%	
Establish new data analytics procedure that optimizes potential outcome and outline benefits	1/1/2018	6/30/2018	100.00%	
Create process analytics procedure to identify areas of opportunity for process improvement	1/1/2018	6/30/2018	100.00%	
Implement corporate KPI Census reporting process that communicates the measure and performance of established KPIs	1/1/2018	9/30/2018	100.00%	
Establish Audit/QA process to ensure that the department produces quality work products.	1/1/2018	12/31/2018	75.00%	
Establish regular monitoring of department processes/KPI/Data Governance to identify anomalies, unacceptable variance, or issues.	1/1/2018	12/31/2018	75.00%	
Provide business visibility of services contributed by BI efforts	1/1/2018	12/31/2018	75.00%	
Manage Inventory Process	1/1/2018	12/31/2018	75.00%	
Create Corporate Policies to support the new Business Intelligence processes and procedures.	1/1/2018	12/31/2018	75.00%	

Goal 6 – Develop central business unit devoted to support metrics driven mgmt. at all levels in KHS.

Task Name	Start Date	Due Date	% Complete	Assigned To
Develop business intelligence unit devoted to support metrics driven performance and management at all organizational levels				
Provide centralized standard operational reporting and analytics for the company.				Richard Pruitt
Provide Dept.'s data analysis and routine or adhoc reporting support.	1/1/2018	12/31/2020	25.00%	
Provide Depts. with tools and training to perform routine data analysis and reporting				Richard Pruitt
Empowering Depts. with the ability to perform self-service reporting capabilities	1/1/2018	12/31/2018	10.00%	
Create quality control protocol to monitor dept reports for consistency and accuracy	1/1/2018	3/31/2019	10.00%	
Evaluate Depts. data and information requirements	1/1/2018	12/31/2018	100.00%	
Continue to develop and refine a metrics-driven performance culture within the organizations administrative and medical disciplines to enhance operations.				Richard Pruitt
Analyze and establish metric oriented baselines for measurement	1/1/2018	12/31/2018	25.00%	
Create presentation model(s) to ensure transparent and fluid communication with endpoint	1/1/2018	12/31/2018	75.00%	
Continuously monitor and affirm metrics and performance for effectiveness	1/1/2018	12/31/2018	75.00%	
Provide support for the annual Corporate Project Portfolio through Business Intelligence	1/1/2018	12/31/2018	90.00%	Jeremy McGuire
Verify and Validate ROI Project Calculation prior to Project Execution Phase	1/1/2018	12/31/2018	75.00%	
Identify and create 2018 Project metrics	1/1/2018	12/31/2018	75.00%	
Measure Factors that are critical to the success of each Project	1/1/2018	12/31/2018	25.00%	





To: KHS Board of Directors
From: Douglas A. Hayward, CEO
Date: October 11, 2018
Re: 2019 Projects and Department Goals and Objectives

Background

In the 3rd Quarter of each year, Management develops annual Department Goals and Objectives as well as Projects for the upcoming year. This process aligns the department goals and projects with the KHS Strategic Plan in order for the company to ensure all departments work toward common strategic objectives. Additionally it aids in setting the annual budget and providing metrics on which to measure department performance.

Jeremy McGuire, Director of Government Affairs and Business Development, will present the enclosed 2019 Goals and Objectives and 2019 Projects.

Requested Action

Receive and file.



2019 Corporate Projects and Department Goals and Objectives

October 11, 2018

Overview

➤ **KHS is in the first year of a 3-year strategic plan with many initiatives in progress**

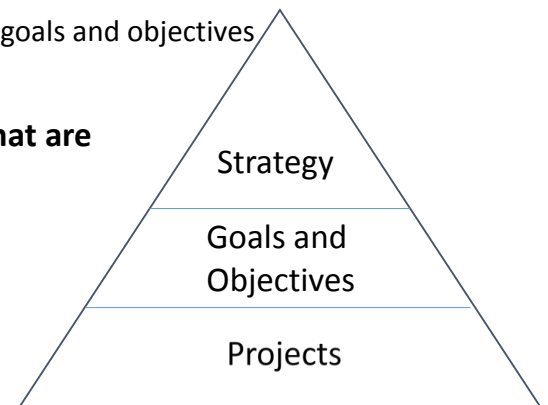
- See separate quarterly update on Strategic Plan progress

➤ **2019 departmental goals and objectives were created to align each department with the strategic plan and to monitor operations**

- Present an overview of the 2019 departmental goals and objectives

➤ **These goals and objectives result in projects that are necessary to achieve the desired outcomes**

- Present a review of the 2019 project list

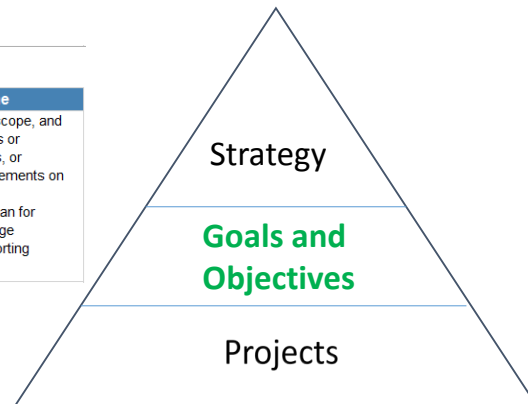


2019 Goals and Objectives Development

➤ **2019 departmental goals and objectives were created to align each department with the strategic plan and to monitor operations**

- Each department was asked to come up with goals and objectives that align with the strategic plan, outline tasks needed to complete the goal, and define the measurable outcome signifying completion of the goal
- Reviewed and approved by their respective Executive
- See supplemental handout and example below:

Goals and Objectives			
Goal	Planned Start Date	Planned Completion	Desired Outcome
Prepare for new or modified benefits, expanded coverage, or changes to the tracking and reporting requirements as required by government agencies (DHCS, CMS, DMHC).	1/1/2019	12/31/2019	Determine the impact (depth, scope, and duration) of changes to benefits or population coverage categories, or monitoring and reporting requirements on KHS and provider network If needed, establish a project plan for instituting new benefits, coverage expansion, or tracking and reporting requirements



2019 Goals and Objectives Tracking

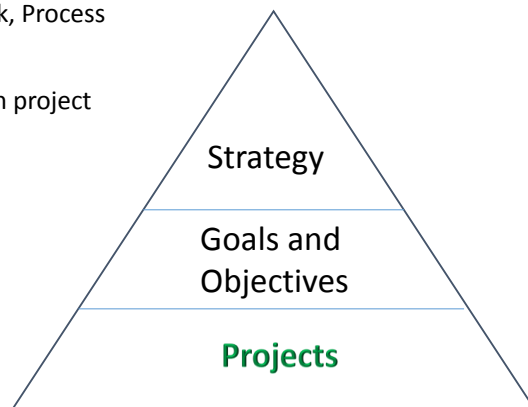
- **Throughout the year, department heads document and report their progress to their executive leader**
 - SharePoint site houses each department's goals and allows for tracking and reporting
 - A dashboard view is provided to executives so they can easily see the status of each department's goals and objectives
 - Annual progress report on the previous year's goals is provided to the Board in Q1 of the following year



2019 Project Planning Process

➤ 2019 Project Planning Process

- Align portfolio planning timeline with annual budget timeline
- Request project proposals from each department for desired projects
 - Identify business need; Alignment with goals and/or strategy; Benefits; Impacted departments; Costs
- Conduct Business Intelligence assessment
 - Benefits feasibility review
- Score project proposals
 - Assign points/ranking based on priority
 - Regulatory, Strategic Goal, Medical Management, Risk, Process
- Create resource plan and duration estimates
 - Estimate resource requirements and timeline for each project
- Executive Committee review and selection
 - Review proposals and select finalists
 - Portfolio optimization
- Create draft 2019 Project Calendar
- 2019 draft project list shared with staff
 - Assists in resource planning and budgeting



2019 Projects

- **Regulatory – Required to meet obligations set forth by DHCS/DMHC**
 - Hospital Directed Payments (carryover from 2018)
 - Health Homes Implementation and DHCS Readiness (carryover from 2018)
 - Diabetes Prevention Program

- **Strategic Plan Initiatives – Specific initiatives outlined in the Strategic Plan**
 - Medical Management Software Installation and Enhancements (carryover from 2018)
 - Contract Modeler and Pricing (NetworX)
 - Member Engagement Pilot Program
 - KHS Relocation
 - Provider Dashboards and Clinical Engagement
 - Telehealth Consultation (Teledocs)

- **Other Projects – Projects that align with goals, address risks, and/or improve processes**
 - Electronic Data Interchange – Encounters (Edifecs)
 - Provider Credentialing Software Upgrade (CACTUS)
 - Customer Service Member Information Tool (Screen Pop)
 - Migration of Technical Automation Jobs (Orchestrator)
 - Pharmacy Benefit Manager Eligibility File Update
 - Microsoft Server Upgrades
 - Computer Assisted Translation Tool
 - Predictive Modeler Upgrade
 - Transaction Conversion Upgrade (BizTalk)



Next Steps

- Strategic Plan
 - Quarterly Progress Reports provided to the Board of Directors
 - Monthly internal Executive review

- Goals and Objectives
 - Monitored internally throughout the year
 - Status of 2018 Goals will be presented to the Board of Directors in Q1 2019

- Projects
 - To be initiated according to the 2019 calendar (pending budget approval)
 - Quarterly project updates are provided to the Board of Directors as part of the CEO report
 - Monthly portfolio review meetings occur internally



Goals and Objectives Tracking Summary

Department	Goal Title
AIS Compliance	
	Audits
	Reporting
	Compliance Awareness
	Disaster Recovery
	Compliance Committee
	Final Rule
	Process Documentation of Compliance Department
Business Development	
	Prepare for new or modified benefits, expanded coverage, or changes to the tracking and reporting requirements as required by government agencies (DHCS, CMS, DMHC).
	Operate within budget
	Strategic Plan Monitoring
	Monitor Federal and State Legislative Sessions
	2020 Portfolio Planning
	Oversee Annual Company Projects and Measure Success with Schedule, Resource Planning and Scope Delivery
	Continue to consider opportunities to expand KHS business suitable to the mission and business model.
	Conduct follow-up PMO assessment to gauge process improvements
Care Management	
	Reduce admissions to an acute hospital by 30 % for members identified as being at risk of admission in six months who have completed Case Management. Case Management will monitor Satisfaction Surveys with the expectation of greater than 95% as satisfied.
	Case Management will reduce readmissions by 10 % to an acute hospital for members with complex medical and psychosocial diagnoses who are discharged from the hospital by connecting them with a Transition of Care Clinic and Community Based referrals.
	Reduce utilization of Urgent Care, ER Visits and Hospital Admissions for members with chronic medical and psychosocial conditions enrolled in Complex Case Management through member engagement in their health care, compared to those who do not enroll.
Claims	
	Increase Auto Adjudication by 2% or to 82% (whichever is greater) by December 2019.
	Create a Claims Testing Team by adding 2 FTEs to the Claims System Team

	Exceed Regulatory requirement of 90% of all claims processed within 30 days.
	Exceed 97% Quality Standard for Claims Processing
	Create Financial Accuracy Goals for Claims Examiners by Quarter 2 with 80% of staff meeting results by Quarter 4.
	Establish target audits and Incrementally increase volume of Claims audited as indicated below.
	Establish a Claims Education Q&A for providers and give to PR on a quarterly basis.
	Complete a minimum of 3 Team building trainings/exercises throughout the year.
Corporate Services	
	Support for the relocation project
	Support expansion of the HHP locations
	Moving and cleaning facilities
	ROI for in-house shredding
Finance	
	Automate Unprocessed Claims Liability Reporting
	Automate Monthly Financial Member count reporting
	Expand Health Homes Reporting
	Staff Development and Succession Planning
Health Education	
	Increase consistency, accuracy and efficiency in Spanish translation terminology among KHS translators.
	Decrease C&L grievances and member dissatisfaction with provider communication related to limited english proficient members.
	School wellness grants will be awarded to 6 new public schools in Kern County.
	Improve PPC HEDIS scores through health education and collaboration with community based organizations.
	Improve AMR HEDIS scores through health education.
	Increase participation rate in health education workshops to engage members in their health and improve health status.
Health Homes	
	Launch 2 additional HHP sites in 2019
	Increase enrollment at all HHP Sites to ensure compliance with set benchmarks.
	State Implementation Readiness
	State Data Reporting Requirements
	July 2019 DHCS Launch for HHP
	Evaluation of alternative models for implementation of HHP
	Directory of community resources for HHP sites

Human Resources	
	HR Strategic Alignment - Drive business results through HR partnership
	HRIS - Determine metrics to measure, configure and go-live with dashboards.
	Workforce Development
	Restructure the Exempt Performance Evaluation
	RFP for Comp and Benefits Study
	Safety and Workers' Compensation program redesign
	Revise and Update Employee Handbook
	Benefits - Audits
	Wellness Program 1st year results - ROI
	Develop and cultivate a KHS learning culture
	Design and develop a New Supervisor Mentor Program
	Implement and Go-live Dayforce LMS
	Retirement Plan conversion
Marketing	
	Promote programs, activities and events aligned with our mission and goals.
	Manage a community grant program (if funds are available) to support outside influencers and community partners who address the needs of KFHC members.
	Consistently monitor member satisfaction and survey outside sources who influence member choice as to their perception of KHS's reputation and image with the public or targeted demographic.
	Generate media campaign to convey message and KFHC language to target population to retain and increase current level of Membership.
	Maintain strong relationships with community partners and continue building new partnerships for the hard-to-reach population.
	Conduct outreach and enrollment activities allowing KHS to connect with its members and the community.
	Promote KFHC benefits and health education programs via KHS social media applications.
	Promote KHS accomplishments and community benefit through coordinated Public Relations efforts.
	Identify ways to engage members more in their health care to improve health status.
	Leverage technology to enhance communication and improve service to members.
Pharmacy	
	Achieve 24 TAT within DHCS contract time frame.

	Increase online TAR submission by 10% from 2018 rate.
	Print Formulary: Production
	Participate in Complex Case Mgt
	Polypharmacy/MTM/DUR
	Develop a Quarterly Provider Communication/Education Program
	Develop a more accurate TAR denial reason tracking in workflow
Provider Relations	
	1) Credentialing System Upgrade : CACTUS
	2) New Building Construction
	3) Contract Negotiations and Grants Management (Phase II)
	4) Expansion of KHS's Alternative Reimbursement Arrangements (Phase III)
	5) Develop a network configuration strategy designed to achieve optimum health care system performance around the triple aim of "Right Care, Right Time, and Right Setting"
	6) Provider Portal Enhancements
	7) PR Internal Collaboration Projects
Quality Improvement	
	Successful completion of HEDIS 2019
	Coordinate timely completion of IT interventions supporting use of electronic reporting
	Maintain two week TAT for Initial Full Site Reviews
	Develop an audit process to monitor clinical outcomes for HHP
	Improve e-capture of Electronical Clinical Data to decrease the number of records retrieved and abstracted during HEDIS.
	Monthly review of HEDIS trending reports
Utilization Management	
	Medical Management Platform JIVA Enhancements
	Physician Profiling
	Clinical Algorithms
	E-Services (Telehealth/E-consults/Teledocs)
	EviCore Point of Service Specialty Medical Management Tool
	Timeliness Authorization Decision Making
	Provider/Member Notification
	Authorization Fullfillment
	Medical Loss Ratio



To: KHS Board of Directors
From: Douglas A Hayward, CEO
Date: October 11, 2018
Re: School Wellness Grant Program

Background

The KHS Wellness Committee including Board members, Linda Hinojosa and Timothy McGlew, established a School Wellness Grant Program in 2017 to address obesity and chronic disease in the community through school wellness programs. KHS awarded \$194,500 in grant funds to six public schools to implement wellness programs during the 2017-18 academic year. The awarded schools were Buttonwillow School, East Bakersfield High School, Fremont Elementary School in Delano, Lamont Elementary School, Thomas Middle School in Lost Hills, and Wallace Middle School in Lake Isabella.

Each school pursued different evaluation metrics to determine success. Although not all schools could demonstrate an improvement in student BMI, results did indicate increased levels of physical activity, improved performance in sports, growth in student knowledge, an increase in water consumption, and improvements in overall student behaviors.

The KHS Wellness Committee recommended continuing the grant program to 6 new schools during the 2019-20 academic year and broadening the goal of the grant program to include other components of wellness, such as behavioral/mental health, sexual health and social determinants of health. It was also recommended to continue the School Health Promoter Internship Program to assist the awarded schools with coordination and implementation of their program objectives.

Enclosed is the presentation to be given by Isabel Silva, Director of Health Education.

Requested Action

Approve; Authorize the Chief Executive Officer to execute contracts awarded through the Grant process and the School Health Promoter Internship Program in an amount not to exceed \$288,000.



School Wellness Grant Program

Isabel Silva, MPH, CHES

Director of Health Education, Cultural & Linguistic Services

October 11, 2018

Background

- Initiation of a School Wellness Grant Program to expand efforts to engage students and stakeholders in activities that promote physical activity and healthy eating during the 2017-18 Academic Year.

- 6 Public Schools Awarded (\$194,500 Grant Funds):

- Buttonwillow School
- East Bakersfield High School
- Fremont Elementary School (Delano)
- Lamont Elementary School
- Thomas Middle School (Lost Hills)
- Wallace Middle School (Lake Isabella)



- 6 School Health Promoter Interns Hired (\$38,000)
 - Students attend CSUB or Bakersfield Community College

Results – Elementary Schools

Buttonwillow (K-8)	Fremont (K-6)	Lamont (K-3)
<ol style="list-style-type: none"> 1. New wellness committee established and new wellness plan will be implemented in the 2018-2019 school year. 2. Improved student behaviors and lowered anxiety observed by teachers and staff 3. BMI declined in 6 groups but increased in 10 groups. Body fat percentage declined in 3 of the 4 remaining students with body composition measurements taken at beginning of the year. 4. 10% increase in student activity not achieved. Average steps per day per student declined. 	<ol style="list-style-type: none"> 1. More than 120 students ran over 100 miles during the MWF morning run/walk session. Top female student ran 136 miles and top male student ran 234 miles. 2. 6,029 plastic water bottles saved from landfills. 3. BMI increased among 3rd graders. 	<ol style="list-style-type: none"> 1. Student growth in knowledge about physical health. 2. 5% decrease in disruptive classroom behavior. 59% decrease in discipline referrals among 3rd graders and 8% decrease among K-2nd grade. 3. 90% of students retained knowledge on benefits of walking and walking safety 4. 2% decrease in students in obese category, 5% decrease in students in underweight category 5. All classrooms reached goal of walking from Lamont to Sacramento (294 miles). 3rd grade classrooms walked 3 to 4 times the distance.

Results – Middle & High Schools

Thomas	Wallace	EBHS
<ol style="list-style-type: none"> 1. 25% of 6th-8th graders consistently increased their level of activity throughout the year. 2. 75% of students reported that they are more conscious about making healthier eating choices. 3. 70% of students and families reported that they are more conscious about making healthier meal choices 	<ol style="list-style-type: none"> 1. Average BMI reduced by 15.54% among all students. Average BMI reduced from 25.66 (Overweight) to 21.67 (Healthy). 2. Average 1 mile run time reduced by 9% among all students. Most significant decrease in run time was 37.75% among an 8th grader. 3. 50 students in the Step Challenge walked a total of 792,824 steps (396 miles). 4. Most students reported they had increased water consumption. 	<ol style="list-style-type: none"> 1. Average improvement of 5% on side shuffle, 2% in shuttle run and 10% in 10' sprint. 2. 400 healthy meals provided to participants and families at EBHS cafeteria. Student mentors encouraged tasting new foods. 3. Students maintained a minimum GPA of 2.5. Average GPA for participants increased to 3.75 from 3.50. Average GPA for student mentors increased to 3.86 from 3.43.

Interns

- 4 graduated, 2 resigned
 - 1 resignation due to health
 - 1 resignation due to school commitments
 - Lost Hills and EBHS – no intern for 2018
- Positive feedback from schools
- Facilitated group sessions with students and parents
- Final presentation on internship experience completed
- 100% positive feedback from interns
- Benefit of Internship Experience:
 - New internship opportunity with NASA
 - New employment at local private elementary school
 - President of CSUB Nursing Association Chapter



Successes

- Student knowledge and health
 - Increased awareness of student health and wellness
 - Regular nutrition education curriculum
 - Walking/Running clubs & marathons
 - Improved student health status
 - Cooking lessons and competitions
 - Family nights
 - Student and family wellness messages
- Environment
 - School Gardens (permanent and mobile)
 - Free meals to students and reduced meals for parents
 - Mindfulness activities to address student behavior issues
 - New school wellness committees and wellness policies



Challenges

- Parents and staff
 - Lack of parent involvement and staff commitment
 - Competing priorities of program leads & parents
- Implementation & Data Collection
 - Unclear and broad timeline; lack of SMART goals and objectives
 - Delayed start on work plan objectives & “Dry” months
 - Missing student BMI data
 - Student grading systems differed by school or grade level
- Budget
 - End of year reward purchased prior to end of program
 - Excess in operational funds
- Other
 - Unsustainable activities
 - KFHC recognition overlooked

Takeaways on program perspective:

- Broaden goal of grant program to include other components of wellness
- Consider a 2-year grant program to allow more time to implement activities, collect data and evaluate success of program
- Consider repurposing End of Year Reward as part of a SMART objective
- Prioritize schools with programs that are cost neutral for sustainability
- Allow time for school interviews to obtain clarification on work plan prior to awarding grant funds.



Lessons learned and how we've grown

- Work with schools to develop SMART goals and objectives to better measure success
- Provided standardized program evaluation tool to awarded schools
- Allow for financial report to reflect encumbered vs actual expenses incurred.
- Consider a grant termination warning process for schools that delay program activity implementation



Cost to Continue Grant Program

Item	Cost
School Wellness Programs (6)	\$210,000
Interns (6)	\$78,000
TOTAL:	\$288,000

Assuming approval, next steps would be:

1. Revise Grant Program Components per Committee Recommendations
2. Open School Wellness Grant Program for 2019-2020 Academic Year
3. Present Applications to Wellness Committee
4. Award Schools & Start Grant Agreement Process
5. Open Internship Program Application

Questions?





TO: KHS Board of Directors

FROM: Richard Pruitt, Chief Information Officer

DATE: October 11, 2018

RE: Microsoft Licensing

Background

KHS leverages Microsoft software to operate the various desktops, core systems, and databases within its infrastructure. KHS is able to leverage the State of California's contracted pricing with Microsoft as a quasi-government agency. Microsoft licenses its software through various channel partners and has published an RFP to solicit a new channel partner to acquire the licensing.

KHS performed its formal RFP process and performed vendor selection based on the vendor responses. The following is an overview of the process and pricing with staff's recommendation and request of the Board.

Requested Action

Approve; Authorize KHS Chief Executive Officer to execute contracts with Crayon Software Experts to purchase the Microsoft Licensing in an amount not to exceed \$844,495 over three years in budgeted operating expenses.



Microsoft Licensing

October 11, 2018

Richard M. Pruitt

Agenda

- Overview
- Procurement Process
- Vendor Selection
- Board Request

Overview

KHS leverages Microsoft software to operate the various desktops, core systems, and databases within its infrastructure. KHS is able to leverage the State of California's contracted pricing with Microsoft as a quasi-government agency. Microsoft licenses its software through various channel partners and has published an RFP to solicit a new channel partner to acquire the licensing.

KHS performed its formal RFP process and performed vendor selection based on the vendor responses. The following is an overview of the process and pricing with staff's recommendation and request of the Board.

Procurement Process

- Reviewed and Defined Licensing Needs
- Created and Published RFP
- Reviewed and Selected Vendor
- Create Recommendation and Presentation for Board

Vendor Selection

DESCRIPTION	VENDOR 1	VENDOR 2	VENDOR 3
Year 1 Cost	\$272,334	\$304,689	\$289,505
Year 2 Cost	\$286,081	\$304,689	\$289,505
Year 3 Cost	\$286,081	\$304,689	\$289,505
Total 3 Year Cost	\$844,495	\$914,066	\$868,515

Board Request

- Authorize the CEO to execute contracts with Crayon Software Experts to purchase the Microsoft Licensing in an amount not to exceed \$844,495 over three years in budgeted operating expenses.

Questions

Please contact:

Richard M. Pruitt

661-664-5078

richard.pruitt@khs-net.com

Proposed administrative contract over \$100,000, October 11, 2018.

1. Operational Agreement with Crayon Software Experts, LLC

a. Recommended Action

Approve; Authorize Chief Executive Officer to Sign

b. Contact

Richard Pruitt, Chief Information Officer

c. Background

KHS is able to participate in the State of California's Microsoft contract due to the nature of the organization. This provides KHS with the ability to leverage the State's pricing model (Level D) for Microsoft software. KHS extensively uses Microsoft software on its end user desktops (Windows), e-mail (Exchange), productivity (Office), data reporting databases (MSSQL), workflow and web development (TFS, Visual Studio), and core QNXT system (BizTalk, MSSQL). In 2018, KHS performed a formal RFP process and performed vendor selection based on the vendor responses. Crayon Software Experts LLC was awarded the contract, upon Board approval, due to best pricing.

d. Discussion

Dell will provide KHS with a Microsoft Enterprise Agreement for all Microsoft software license purchases, maintenance (software assurance), and technical support for the organization for a three (3) year term.

e. Fiscal Impact

Not to exceed \$844,495.24 for three (3) years.

f. Risk Assessment

If KHS does not purchase Microsoft licensing the organization will not be able to operate any of its functions. Additionally, if KHS did not purchase through the State Contract, from a reseller such as Crayon, then KHS would face increased costs for Microsoft licenses using retail pricing structures.

g. Attachments

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

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

This contract is pending Legal review.



KERN HEALTH SYSTEMS

- Contract
- Purchase

AGREEMENT AT A GLANCE

Department Name: IT Department Head: Richard M. Pruitt, Chief Information Officer

Contract Vendor: Crayon Software Experts LLC

Vendor contact Name & e-mail: Greg Landry, greg.landry@crayon.com

What services will this vendor provide to KHS? Crayon Software Experts LLC will provide KHS with a Microsoft Enterprise Agreement (M365E) for all Microsoft software license purchases, maintenance (software assurance), and technical support for the organization for a three (3) year term.

Description of Contract

Type of Agreement: Software

Background: KHS is able to participate in the State of California's Microsoft contract due to the nature of the organization. This provides KHS with the ability to leverage the State's pricing model (Level D) for Microsoft software. KHS extensively uses Microsoft software on its end user desktops (Windows), e-mail (Exchange), productivity (Office), data reporting databases (MSSQL), workflow and web development (TFS, Visual Studio), and EDI systems (BizTalk). In 2018, KHS performed a formal RFP process and performed vendor selection based on the vendor responses. Crayon Software Experts LLC was awarded the contract, upon Board approval, due to best pricing.

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

Previous Agreement No. _____ or Amendment No. _____

Date Agreement Began 01/01/2019

Brief Explanation: Crayon Software Experts LLC will provide KHS with a Microsoft Enterprise Agreement (M365E) for all Microsoft software license purchases, maintenance (software assurance), and technical support for the organization for a three (3) year term.

Retroactive Date _____

Reason for delay in approval: _____

Summary of Quotes and/or Bids attached. *Pursuant to KHS Policy #8.11-1, KHS will secure competitive quotes and bids to obtain the maximum value from the expenditures. Electronic (e-mail/fax) solicitation may be used for purchases of up to Fifty Thousand Dollars or more if not budgeted (\$50,000.00) and One Hundred Thousand Dollars or more if budgeted (\$100,000.00) but must be documented on the RFQ form (Attachment A). Actual bid, sole or single source justification and/or cost price analysis documents are required for purchases over Fifty Thousand Dollars or more if not budgeted (\$50,000.00) and One Hundred Thousand Dollars or more if budgeted (\$100,000.00). Request for Proposal (RFP) shall be used to solicit bids for professional services over Fifty Thousand Dollars (\$50,000). Lowest bid price not accepted must be fully explained and justified in writing. All bids will be treated as a not to exceed amount with "change orders" used to track any changes.)*

Brief vendor selection justification: Crayon Software Experts LLC was awarded the contract, due to best pricing

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 2019 Administrative Budget NO YES

Budgeted Cost Center 225 GL# 5406

Will this require additional funds? NO YES

Maximum cost of this agreement not to exceed: \$844,495.24 for three (3) years

Notes: _____

Contract Terms and Conditions

Effective date: 01/01/2019 Termination date: 12/31/2021

Explain extension provisions, termination conditions and required notice: _____

Approvals

Contract Owner:

Purchasing:

Department Head

[Signature]
Director of Procurement

Date

9/27/18
Date

Reviewed as to Budget:

Recommended by the Executive Committee:

Chief Financial Officer or Controller

Chief Operating officer

Date

Date

Compliance Review:

Legal Review:

Director of Compliance and Regulatory Affairs

Legal Counsel

Date

Date

Chief Executive Officer Approval:

Chief Executive Officer

Date

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

KHS Board Chairman

Date

Form updated 11/28/16

KHS Bid Matrix & Decision Detail
Description of Item: Microsoft EA

	Vendor 1	Vendor 2	Vendor 3
Vendor	Crayon Crayon Software Experts LLC 12221 Merit Drive, Suite 800 Dallas, TX 75251 Greg Landry Phone: 469-329-0263 Fax: 303-682-1506 greg.landry@crayon.com	Dell Joseph White Joseph_T_White@dell.com 512-728-9481	SHI Jace Ainsworth Inside Account Executive 512-676-2298 Jace_Ainsworth@shi.com
Year 1			
Price	\$272,333.82	\$304,688.76	\$289,505
Year 2			
Price	\$286,080.71	\$304,688.76	\$289,505
Year 3			
Price	\$286,080.71	\$304,688.76	\$289,505
Total Price	\$844,495.24	\$914,066.28	\$868,516
Additional Comments			

Decision Detail

Vendor Awarded: Crayon Software Experts, LLC

Discussion Attendees: Victoria Hurtado, Richard Pruitt, Brad DeHart, Anthony Merante



TO: KHS Board of Directors
FROM: Richard Pruitt, Chief Information Officer
DATE: October 11, 2018
RE: New Building Infrastructure

Background

Kern Health Systems will be relocating in the summer of 2019 to its new facility on Buck Owens Blvd. The relocation of staff to new facilities will require various purchases of equipment and services over the next twelve months. KHS has begun publishing RFP's for various systems that are needed for the new building in 2018.

In anticipation of the move, KHS has delayed various maintenance and support contracts on existing hardware, and is operating various systems beyond the manufacturer's end of life. This resulted in delayed purchasing for a variety of the requested systems.

Due to the timelines for the purchases and the frequency of the Board meetings, staff is requesting that the CEO be able to engage in various contracts and purchases to avoid delays.

Requested Action

Approve; Authorize the KHS Chief Executive Officer to approve contracts associated with the new building for technology infrastructure in the amount not to exceed **\$1,500,000** in the 2018 budgeted capital and expense.



New Building Infrastructure

October 11, 2018

Richard M. Pruitt

Agenda

- Overview
- Process Review
- Procurement
- Budget
- Board Request

Overview

Kern Health Systems will be relocating in the summer of 2019 to its new facility on Buck Owens Blvd. The relocation of staff to new facilities will require various purchases of equipment and services over the next twelve months. KHS has begun publishing RFP's for various systems that are needed for the new building in 2018.

In anticipation of the move, KHS has delayed various maintenance and support contracts on existing hardware, and is operating various systems beyond the manufacturer's end of life. This resulted in delayed purchasing for a variety of the requested systems.

Due to the timelines for the purchases and the frequency of the Board meetings, staff is requesting that the CEO be able to engage in various contracts and purchases to avoid delays.

Process Review

- Delayed Hardware Replacements in 2017 and 2018
- Budgeted for the New Building Infrastructure in 2018 Capital budget
- Defined Requirements
- Conduct RFP/RFQ/Purchase Process
- Internal Contracts Committee Presentation and Approval
- Report Budget Status to the Board of Directors

Procurement

- Access Control
 - SOFTWARE / BADGE ACCESS READERS / BADGES

- Intrusion Alarm/Detection
 - SOFTWARE / PANIC SYSTEM / SENSORS / FIRE & POLICE INTEGRATION

- Surveillance Cameras
 - SOFTWARE / CAMERAS / SECURITY STATION / RECORDING

- Core Networking
 - SWITCHES / ROUTERS / FIREWALLS

Procurement

- Servers
 - SERVERS / ENCLOSURES /
- Data Storage
 - DISKS / ENCLOSURE
- Battery Backup
 - DATA CLOSET BATTERIES / MAIN DATA CENTER BATTERIES

Budget

Access Control	\$50,000
Intrusion Alarm/Detection	\$125,000
Surveillance Cameras	\$130,000
Core Networking	\$390,000
Servers	\$200,000
Data Storage	\$350,000
Battery Backup	\$255,000
Total	\$1,500,000

Board Request

- Authorize the CEO to approve contracts associated with the new building for technology infrastructure in the amount not to exceed **\$1,500,000** in the 2018 budgeted capital and expense.

Questions

Please contact:

Richard M. Pruitt

661-664-5078

richard.pruitt@khs-net.com



To: KHS Board of Directors
From: Douglas A. Hayward, CEO
Date: October 11, 2018
Re: Travel Request for KHS Project Management Leadership to attend the Project Management Institute's PMO Symposium

Background

The KHS Project Management Office (PMO) provides organizational support in connecting corporate strategy with business execution through effective project management practices that maximize value. With increases in internal demand for complex project delivery, the PMO is continually looking to improve the performance and delivery of our project portfolio as well as demonstrate the benefits the PMO can bring to KHS.


The Project Management Institute (PMI) conducts an annual PMO symposium and this year's focus is 'Mastering Value Delivery'. The symposium offers over 60 sessions that will provide education, discussions and insights into the current trends and PMO best practices. The PMO Symposium 2018 will support their core theme, Mastering Value Delivery, with two areas of focus: 1. The Resilient PMO: how you can develop new capabilities and incorporate tools and techniques to accelerate value delivery for your organization in the long term.; and 2. Harnessing Disruptive Forces to Evolve Best Practices to Next Practices: how to leverage and adapt project management methods and technologies to address ongoing disruption from new technology, market shifts, and social change.

Management is recommending sending two employees to this conference: Jeremy McGuire, Director of Government Affairs and Business Development and LaVonne Banks, Project Management Supervisor. This conference only occurs once per year, and it will be the first time a KHS employee has been in attendance. The cost for two staff for travel and Conference registration approximates \$8000 and budgeted for in the 2018 Project Management budget.

By attending this conference, Jeremy and LaVonne will be able to share common issues and best practices, build valuable connections and develop practical solutions with more than 600 PMO leaders from around the world. They will gain a deeper understanding of the focus areas and a broad view of how other organizations manage their project management offices, portfolios, and projects. The goal is to come away with approaches that can be applied to the KHS PMO. The conference includes a variety of sessions geared toward the unique jobs possessed by the attendees. LaVonne plans to attend sessions that are process and procedure driven, while Jeremy plans to attend sessions that focus on high level PMO strategy and direction.

Requested Action

The Finance Committee reviewed this request and recommends Board approval.

 KERN HEALTH SYSTEMS 9700 Stockdale Hwy Bakersfield, CA 93311 661-664-5000	REQUEST FOR TRAVEL AUTHORIZATION
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INSTRUCTIONS TO EMPLOYEE:

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

Dept.: 240

Name: Jeremy McGuire **MBR# 1527542**
5, 2018

Date: September

Please attach literature, brochure or pamphlet, if available, that describes:

Purpose of Travel: PMO Symposium 2018

Symposium: Seminar: Training: **Registration Payment to be send by mail** Cost: \$ 2,295.00

Destination: Washington DC

Travel Departure Date and Time: Nov 11, 2018 at 5:00am Travel Return Date and Time: Nov 14, 2018 at 9:00pm

Please check type of transportation requesting:

Airline Reservation Confirmation# _____ Cost: \$ 767.00

Car Reservation Confirmation# _____ Cost: \$ 0

Hotel – Please indicate room type: _____ Confirmation# _____ Cost: \$ 867.00
(All rooms are king and non-smoking, unless otherwise specified. Gov't rates will be used when available.)

OTHER EXPENSES (Per Diem (meals), Gas, Taxi, Bus, Cab, Parking, misc.)
Expenses, explain: Breakfast \$10.00 + Lunch \$12.00 + Dinner \$96.00 Cost: \$ 118.00

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

Total Cost: \$ 4,047.00

Budgeted: \$ _____

Budgeted Balance: \$ _____

EMPLOYEE SIGNATURE

DATE

MANAGER/DEPARTMENT HEAD SIGNATURE

DATE

CEO, COO, OR CFO APPROVAL

DATE

KHS BOARD APPROVAL FOR UNUSUAL TRAVEL

DATE

**KERN • HEALTH
SYSTEMS**

9700 Stockdale Hwy
Bakersfield, CA 93311
661/664-5000

**TRAVEL EXPENSE
DETAILS**

EMPLOYEE NAME: Jeremy McGuire

DATE: September 5, 2018

DEPARTURE DATE & TIME Nov 10, 2018 at 5:00am

RETURN DATE & TIME Nov 14, 2018 at 9:00pm

	DATE	DATE	DATE	DATE	DATE	DATE	DATE	TOTAL
	11/11/18	11/12/18	11/13/18	11/14/18				
LODGING	\$289.00	\$289.00	\$289.00	0				\$867.00
MEALS	\$46.00	\$24.00	\$24.00	\$24.00				\$118.00
AIR FARE	\$767.00							\$767.00
CAR RENTAL								
TAXI								
PRIVATE AUTO *								
OTHER	\$2,295.00							\$2,295.00
TOTAL	\$3,397.00	\$313.00	\$313.00	\$24.00				\$4,047.00
PRIVATE AUTO * ODOMETER READING								
FROM								
TO								
TOTAL MILES								
ALLOWED / MILES								
TOTAL ALLOWANCE								

Registration



Join other PMO Leaders for new insights to build a resilient PMO.

[REGISTER NOW](#)

Important Dates

11 November 2018 | PMO Symposium Begins

14 November 2018 | PMO Symposium Ends

Registration Rates

List Price (Begins 16 August)	\$ 2,695
Government Rate (Verification Required)	\$ 2,295

Group Discounts

Organizations sending five or more employees are eligible to receive a discount. For details on how to register a group of five or more, email events@pmi.org.

Visit the [FAQ](#) for information related to available group discounts, government eligibility and cancellation and refund policies.

Request Information

Get updates and registration information as it becomes available.

Email *

jeremymcguire@khs-net.com

First Name *

Jeremy

Last Name *

McGuire

Yes, I grant PMI permission to contact me about professional development.

[SUBMIT](#)

Trust begins with our commitment to respecting as well as protecting your privacy.

Choose flights

[New search](#)

Your trip summary

Main Cabin

Round trip (Non-refundable)

\$767 per person

Total \$766.20 (all passengers)

Price and tax information 

Good value with benefits


- Choose your seat (fee may apply)
- Eligible for upgrades on American flights
- Flight changes allowed (fee applies)
- General boarding

Includes taxes and carrier imposed fees.

Bag and optional fees 

Depart Bakersfield, CA to Washington, DC
Sunday, November 11, 2018

6:05 AM → 4:01 PM 6h 56m 1 stop Main Cabin

BFL - PHX ■ AA 3015 ■ CR7-Canadair RJ 700  ■ Operated by SkyWest Airlines As
American Eagle


PHX - DCA ■ AA 685 ■ 752-Boeing 737


[Details](#) | [Change](#)

Return Washington, DC to Bakersfield, CA
Wednesday, November 14, 2018

11:55 AM → 6:40 PM 9h 45m 2 stops Main Cabin

DCA - CLT ■ AA 2090 ■ 300-Airbus A320 

CLT - PHX ■ AA 428 ■ 321-Airbus A321 

PHX - BFL ■ AA 3063 ■ CR7-Canadair RJ 700  ■ Operated by SkyWest Airlines As
American Eagle

[Details](#) | [Change](#)

Maritza Stitt

From: The Marriott Marquis Washington, DC <groupcampaigns@pkghlrss.com>
Sent: Tuesday, September 04, 2018 3:19 PM
To: Jeremy McGuire
Subject: The Marriott Marquis Washington, DC Reservation Confirmation



Marriott Marquis Washington, DC


901 Massachusetts Avenue NW
Washington, DC 20001 US
Phone: 202-824-9200 Fax: 1



Reservation for Jeremy McGuire

Online Confirmation Number: 32L8MBR8
Pending. Another email will be sent with your hotel number.
Check-in: Nov 11, 2018 (Check-in time: 3:00 PM)
Check-out: Nov 14, 2018 (Check-out time: 12:00 PM)



 [View Hotel Website](#)

 [Maps & Transportation](#)

Reservation Confirmation

Dear Jeremy McGuire,

We are pleased to confirm your reservation with Marriott. Below is a summary of your booking and room information. We look forward to making your stay gratifying and memorable. When you're traveling away from home you can always count on Marriott.

Marriott Marquis Washington, DC

Planning Your Trip

- [Visit Washington area](#)



Reservation Details

Online Confirmation Number: 32L8MBR8
Your hotel: Marriott Marquis Washington, DC
Check-in: Nov 11, 2018 (Check-in time: 4:00 PM)
Check-out: Nov 14, 2018 (Check-out time: 12:00 PM)

Room type: Deluxe Guestroom
Number of rooms: 1
Guests per room: 1
Guest name: Jeremy McGuire
Reservation confirmed: Sep 4, 2018
Guarantee method: Credit Card

Summary of Room Charges	Cost per night per room (USD)
Nov 11, 2018 - Nov 14, 2018	289.00
Estimated taxes and fees	Room Rates shown do not include 14.50% Room Tax Per Night (subject to change). Total charges presented on the website will include all room fees and taxes.
Total for stay (for all rooms) not including applicable taxes/fees	867.00
Add-Ons: Marriott Marquis Washington, DC will make every effort to accommodate the below requests, however they are not guaranteed.	

Canceling your Reservation

Cancellations made within 2 day of arrival will forfeit one night's room and tax.

You may modify or cancel your reservation [here](#) or call 877-212-5752 in the US and Canada. Elsewhere, call 202-824-9200. Contact us if you have any questions about your reservation.



Travel Alerts

Please Note: All Marriott hotels in the USA and Canada, are committed to a smoke-free policy. [Learn More](#)



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Your privacy is important to us. [Please visit our Internet Privacy Statement for full details.](#) This email confirmation is an auto-generated message. Replies to automated messages are not monitored.

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 On behalf of:
 Marriott Marquis Washington, DC



(<https://www.pmi.org/pmo-symposium>)

Where Leaders Meet

PMO Symposium® 2018

11-14 November | Washington, D.C., USA

REGISTER ([HTTPS://WWW.PMI.ORG/PMO-SYMPOSIUM/REGISTER](https://www.pmi.org/pmo-symposium/register))

Join Us at a Unique Event for PMO Leaders (<https://www.pmi.org/pmo-symposium>)

Schedule at a Glance



Tentative Schedule - Subject to Change

Sunday, 11 November 2018

EXPAND ALL | COLLAPSE ALL

✓ **Sunday, 11 Nov 2018**

✓ **Monday, 12 Nov 2018**

▼ **Tuesday, 13 Nov 2018**

▼ **Wednesday, 14 Nov 2018**



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PMO Symposium 2018 - November 11-14

Date/Time	Event/Topic	Jeremy McGuire
Sunday 11/11		
2:00pm	Registration	Registration
2:30pm	Orientation	Orientation
4:30pm	Breakout Sessions	<p>#105-Agile Program Management: Frequent Delivery and Change for Business Results</p> <ol style="list-style-type: none"> 1) Find out how agile measurements show how the product is progressing and how the PMO can evaluate progress. 2) Understand how to use those measures to promote autonomy, mastery, and purpose within the program and with management/sponsorship. 3) Explore how to work with any existing structures, such as a PMO, to create more agile programs.
Monday 11/12		
8:45am	Opening Plenary Session	<p>#202-Opening Session - PMI 2018 Thought Leadership Series & Executive Panel</p> <ul style="list-style-type: none"> •PMI President and CEO, Mark Langley •Executive Panelists: To be announced •Panel Moderator: To be
10:34am	Opening Keynote Address	<p>#203-Opening Keynote Address: Dick Costolo, CEO of Twitter (2010-2015)</p> <p>"From Twitter to a New Economy"</p>
2:15pm	Breakout Sessions	<p>#209-From PMO of the Year to PMO 2.0</p> <ol style="list-style-type: none"> 1) Understand the project advisory board concept for increasing alignment and strategic value. 2) Learn about the integration model for an organization's PMO, office of strategy, performance, and change management. 3) Discover new ideas to continuously improve a PMO's core functions.
3:45pm	Breakout Sessions	<p>#221-Evolving Value Delivery Capabilities - What are Your "Next Practices?"</p> <ol style="list-style-type: none"> 1) Gain insights on the current trends of value delivery capabilities. 2) Adapt and build practices to fit the needs of your project and organization. 3) Leverage approaches on how to evolve best practices to next practices.
Tuesday 11/13		
9:00am	Breakout Sessions	<p>#302-PMO of the Year Finalists - Achieving Award Winning Results</p> <p>Join this insightful session and hear leaders from the 2018 PMO of the Year Award top three finalists who will share their PMO stories and best practices.</p>
11:00am	Fireside Chat	<p>#311-Executive Fireside Chat: The PMO in the Age of Disruption</p> <p>This session brings together experienced executives to share their perspectives and insights on managing projects and change when disruption is a constant in their value delivery.</p>
1:00pm	Offsite Learning Excursion	
1:30pm	Breakout Sessions	<p>#319-The PMO and the Office of Strategy Management</p> <ol style="list-style-type: none"> 1) Recognize the differences and similarities between the roles of the PMO and the OSM. 2) Identify ways to connect, or merge the PMO with the OSM. 3) Take away tips on how to transform your PMO into a more efficient strategic entity.
2:45pm	Breakout Sessions	<p>#324-Utilizing Essential Leadership to Create and Sustain a PMO</p> <ol style="list-style-type: none"> 1) Gain implementation strategies for stakeholder cultural behavior change. 2) Discover new tools for communicating vision to organizational stakeholders. 3) Learn how to developing PMO organizational effectiveness metrics.

4:15pm Breakout Sessions

#335-Improving Your PMO's Worth Through Customer Engagement and Enlightenment

- 1) Discuss pain points and solutions in establishing your PMO.
- 2) Identify what it takes to maintain and further an impactful and value-added PMO.
- 3) Illustrate how best to collaborate and engage business partners.

Wednesday 11/14

9:15am Breakout Sessions

#404-Power Talk

Leveraging Project Management in the Era of Emerging Technologies

- 1) Gain tips on how to coach teams to gather requirements and understand how the new technology will impact the customer or end user.
- 2) Take away insights on how to prioritize and lay out a definitive timeline with concise milestone information.
- 3) Leverage relationships to lead strategy delivery.

Defrag Your Brain: The Art of Focus, Resilience, and Productivity

- 1) Learn proven antidotes to information overload, multitasking, and stress.
- 2) Become more effective, productive, and resilient by learning time management, relaxation, and brain-enhancing techniques.
- 3) Reframe negative thoughts and emotions by learning practical skills to help you become more focused and present.

11:45am Closing Keynote Speaker

#406-Closing Keynote Speaker: Luke Williams

"Disruptive Technologies: How to Prepare for What's Coming Next"

KERN HEALTH SYSTEMS
9700 Stockdale Hwy
Bakersfield, CA 93311
661-664-5000

REQUEST FOR TRAVEL AUTHORIZATION

INSTRUCTIONS TO EMPLOYEE:

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

Dept.: 240

Name: LaVonne Banks MBR# 3140926
2018

Date: September 5,

Please attach literature, brochure or pamphlet, if available, that describes:

Purpose of Travel: PMO Symposium 2018

Symposium: Seminar: Training: Registration Payment to be send by mail

Cost: \$ 2,295.00

Destination: Washington DC

Travel Departure Date and Time: Nov 10, 2018 at 4:00pm Travel Return Date and Time: Nov 14, 2018 at 12:00pm

Please check type of transportation requesting:

Airline Reservation Confirmation# _____

Cost: \$ 522.00

Car Reservation Confirmation# _____

Cost: \$ 0

Hotel - Please indicate room type: Confirmation# _____

Cost: \$ 995.32

(All rooms are king and non-smoking, unless otherwise specified. Gov't rates will be used when available.)

OTHER EXPENSES (Per Diem (meals), Gas, Taxi, Bus, Cab, Parking, misc.)

Cost: \$ 269.54

Expenses, explain: Breakfast \$10.00 + Lunch \$12.00 + Dinner \$120.00 + \$127.54(234miles)
(If using your own vehicle for transportation complete and attach B Mileage Authorization and Insurance Form. See Policy #8.25. Employee Travel Expense Reimbursement.)

Total Cost: \$ 4,081.86

Budgeted: \$ _____

Budgeted Balance: \$ _____

LaVonne Banks

DATE 9/6/18

EMPLOYEE SIGNATURE

DATE _____

MANAGER/DEPARTMENT HEAD SIGNATURE

DATE _____

CEO, COO, OR CFO APPROVAL


DATE _____

KHS BOARD APPROVAL FOR UNUSUAL TRAVEL

<p>KERN·HEALTH SYSTEMS 9700 Stockdale Hwy Bakersfield, CA 93311 661/664-5000</p>	<p>TRAVEL EXPENSE DETAILS</p>
---	--

EMPLOYEE NAME: LaVonne Banks DATE: September 5, 2018
 DEPARTURE DATE & TIME: Nov 10, 2018 at 4:00pm RETURN DATE & TIME: Nov 14, 2018 at 12:00pm

	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE	TOTAL
	11/10/18	11/11/18	11/12/18	11/13/18	11/14/18				
LODGING	0	\$331.78	\$331.77	\$331.77	0				\$995.32
MEALS	\$24.00	\$46.00	\$24.00	\$24.00	\$24.00				\$142.00
AIR FARE	\$522.00								\$522.00
CAR RENTAL									
TAXI									
PRIVATE AUTO *	\$63.77				\$63.77				\$127.54
OTHER	\$2,295.00								\$2,295.00
TOTAL	\$2,904.77	\$377.78	\$355.77	\$355.77	\$87.77				\$4,081.86
PRIVATE AUTO * ODOMETER READING									
FROM	Bakersfield				LA				
TO	LA				Bakersfield				
TOTAL MILES	117				117				
ALLOWED / MILES									
TOTAL ALLOWANCE									

 KERN HEALTH SYSTEMS 9700 Stockdale Hwy Bakersfield, CA 93311 661/664-5000	REQUEST FOR CASH ADVANCE AUTHORIZATION
--	---

INSTRUCTIONS TO EMPLOYEE:

- (1) This form shall be used to request cash advances for all out-of-county travel requiring airline, train, and car rental and/or hotel arrangements.
- (2) This form must be signed by the employee and approved by the Chief Executive Officer or Chief Financial Officer.
- (3) Attach a signed copy of the R.T.A. with the Request for Cash Advance Authorization and forward to the Accounting Dept. for payment.

Name: LaVonne Banks

Date: August 17, 2018

Date	Description	Amount
Nov 10, 2018	Meals and miles	\$87.77
Nov 11, 2018	Lodging and meals	\$377.78
Nov 12, 2018	Lodging and meals	\$355.77
Nov 13, 2018	Lodging	\$355.77
Nov 14, 2018	Dinner and miles	\$87.77
TOTAL		\$ 1,264.86

The undersigned, to the best of my knowledge and belief, states that the above request and the items herein set out are the best estimates, and that no part hereof has been heretofore paid.

EMPLOYEE SIGNATURE

DATE

Approved for Payment:

Authorized Signature

Date

Charge to Cost Center: _____

Registration



Join other PMO Leaders for new insights to build a resilient PMO.

REGISTER NOW

Important Dates

11 November 2018 | PMO Symposium Begins

14 November 2018 | PMO Symposium Ends

Registration Rates

List Price (Begins 16 August)	\$ 2,695
Government Rate (Verification Required)	\$ 2,295

Group Discounts

Organizations sending five or more employees are eligible to receive a discount. For details on how to register a group of five or more, email events@pmi.org.

Visit the [FAQ](#) for information related to available group discounts, government eligibility and cancellation and refund policies.

Request Information

Get updates and registration information as it becomes available.

Email *

ivonne.banks@kernhealth-net.com

First Name *

LaVonne

Last Name *

Banks

Yes, I grant PMI permission to contact me about professional development

SUBMIT

Trust begins with our commitment to respecting as well as protecting your privacy.

Choose flights

< New search

Your trip summary

Main Cabin

Round trip (Non-refundable)

\$ 522 per person

Total \$521.01 (all passengers)

Price and tax information ⓘ

Good value with benefits

- Choose your seat (fee may apply)
- Eligible for upgrades on American flights
- Flight changes allowed (fee applies)
- General boarding

Includes taxes and carrier imposed fees.
Bag and optional fees ⓘ

Depart Los Angeles, CA to Washington, DC
Saturday, November 10, 2018

10:50 PM → 9:25 AM 7h 35m 1 stop Main Cabin

LAX - BNA AA 1322 228-Milwaukee (Saturdays) ✕
BNA - DCA AA 5701 077-Charlottesville ✕ Operated by PSA Airlines As
American Eagle

⚠ Overnight flight or connection

[Details](#) | [Change](#)

Return Washington, DC to Los Angeles, CA
Wednesday, November 14, 2018

5:20 PM → 8:31 PM 6h 11m Nonstop Main Cabin

AA 133 748-Boring 737MAX 8 Passenger ✕

[Details](#) | [Change](#)

Project Management Institute PMO Symposium November 2018

Nov 8, 2018 - Nov 15, 2018

Reservation Details

ACKNOWLEDGEMENT NUMBER:32L8NV5H



MARRIOTT MARQUIS WASHINGTON, DC

901 Massachusetts Avenue NW, Washington, DC 20001, UNITED STATES

<http://www.marriott.com/hotels/travel/wasco-washington-marriott-marquis/>

DELUXE GUESTROOM

DATES: Nov 11, 2018 - Nov 14, 2018

3 nights, 1 adult, 0 children

RATES

USD 867.00

TAXES & FEES

USD 128.32

TOTAL ROOM PRICE

USD 995.32

ADD-ONS

SUBTOTAL

USD 995.32

GUEST SUMMARY

LAVONNE BANKS

Bakersfield, CA, [REDACTED]

US

lavonne.banks@khs-net.com

Nov 11, 2018 - Nov 14, 2018

PAYMENT INFORMATION

Credit Card
MasterCard
*****4829
** / **

BILLING ADDRESS

LaVonne Banks
[REDACTED]
Bakersfield, CA, [REDACTED]
US
[REDACTED]

RATES

Nov 11, 2018 - USD 289.00
Nov 12, 2018 - USD 289.00
Nov 13, 2018 - USD 289.00

OTHER INFORMATION

SMOKING PREFERENCE: No Preference

ACCESSIBLE: No

POLICIES

ROOM POLICIES

- Tax is not included

TAX POLICY

<https://book.passkey.com/event/49152144/owner/10764415/r/summary/print/32L8NV5H/22...> 9/5/2018

Room Rates shown do not include 14.50% Room Tax Per Night (subject to change). Total charges presented on the website will include all room fees and taxes.

CANCEL POLICY

Cancellations made within 2 day of arrival will forfeit one night's room and tax.

CHILDREN POLICY

Children 17 years or younger stay free of charge in parent's room, with existing bedding.

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Privacy Policy, MNRV-08102018-prod book03a

9700 Stockdale Hwy, Bakersfield, CA 93311-3617 to Los Angeles International Airport ... Page 1 of 2

YOUR TRIP TO:



Los Angeles International Airport (LAX)

2 HR 2 MIN | 117 MI

Est. fuel cost: \$12.30

Trip time based on traffic conditions as of 1:38 PM on September 5, 2018. Current Traffic: Light



Print a full health report of your car with HUM vehicle diagnostics (800) 908-2501

- 1. Start out going east toward River Walk
.....0.03 total miles
- 2. Turn right onto River Walk
.....0.08 total miles
- 3. Turn left onto Stockdale Hwy.
.....3.83 total miles
- 4. Turn right onto S Real Rd
S Real Rd is just past Williamson Way.
.....3.83 total miles
- 5. Turn left onto CA-58 E
CA-58 E is just past CA-58 W.
If you reach Elsie Dr you've gone a little too far.
.....4.01 total miles
- 6. Merge onto CA-99 S via EXIT 110 toward Los Angeles
.....28.31 total miles
- 7. CA-99 S becomes I-5 S
.....90.24 total miles
- 8. Merge onto I-405 S via EXIT 158 toward Santa Monica
.....113.87 total miles
- 9. Take the H Hughes Pkwy exit, EXIT 49, toward Sepulveda Blvd.
.....114.18 total miles
- 10. Turn right onto Howard Hughes Pkwy
If you are on Howard Hughes Pkwy and reach Center Dr you've gone about 0.1 miles too far.
.....114.44 total miles
- 11. Turn left onto S Sepulveda Blvd
.....116.57 total miles
- 12. Take the ramp toward Century Blvd
.....116.72 total miles
- 13. Turn right onto World Way
.....116.77 total miles
- 14. Los Angeles International Airport (LAX), 1 World Way, Los Angeles, CA, 1 WORLD WAY.

Use of directions and maps is subject to our [Terms of Use](#). We don't guarantee accuracy, route conditions or usability. You assume all risk of use.

<https://www.mapquest.com/directions/list/1/us/ca/bakersfield/93311-3617/9700-stockdale-...> 9/5/2018



(<https://www.pmi.org/pmo-symposium>)

Where Leaders Meet

PMO Symposium® 2018

11-14 November | Washington, D.C., USA

REGISTER ([HTTPS://WWW.PMI.ORG/PMO-SYMPOSIUM/REGISTER](https://www.pmi.org/pmo-symposium/register))

Join Us at a Unique Event for PMO Leaders (<https://www.pmi.org/pmo-symposium>)

Schedule at a Glance

Tentative Schedule - Subject to Change

Sunday, 11 November 2018

EXPAND ALL | COLLAPSE ALL

✓ **Sunday, 11 Nov 2018**

✓ **Monday, 12 Nov 2018**

<https://www.pmi.org/pmo-symposium/schedule-at-a-glance>

9/6/2018

✓ **Tuesday, 13 Nov 2018**

✓ **Wednesday, 14 Nov 2018**



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PMO Symposium 2018 - Novevember 11-14

Date/Time	Event/Topic	LaVonne Banks
Sunday 11/11		
2:00pm	Registration	Registration
2:30pm	Orientation	Orientation
4:30pm	Breakout Sessions	#104-Year of Living Dangerously: Being a Product Owner for an Agile Transformation 1) Learn how to drive shared project accountability across business, execution, and operational leadership. 2) Learn how the agile product owner approach was an enabling force behind the agile center of excellence. 3) Demonstrate an approach used to commence, develop, and sustain an agile practice within a large-scale enterprise.
Monday 11/12		
8:45am	Opening Plenary Session	#202-Opening Session - PMI 2018 Thought Leadership Series & Executive Panel •PMI President and CEO, Mark Langley •Executive Panelists: To be announced •Panel Moderator: To be
10:34am	Opening Keynote Address	#203-Opening Keynote Address: Dick Costolo, CEO of Twitter (2010-2015) "From Twitter to a New Economy"
2:15pm	Breakout Sessions	#207-The PMO Leader's Toolkit: Delivering High Value at Low Cost 1) Find out who the customers of your PMO are and what they need from you. 2) Learn how to establish the "minimum necessary" threshold of artifacts and data points. 3) Gain insight into project management data analytics.
3:45pm	Breakout Sessions	#217A-Organizational Project Management - Creating Sustainability Through Repeatable Processes 1) Understand how to realize the benefits of OPM. 2) See how changing to a project culture will help achieve strategic results. 3) Learn how to develop, choose, and implement the right methodology.
Tuesday 11/13		
9:00am	Breakout Sessions	#308-Critical Soft Skills for PMO Leadership 1) Take away techniques to hone your soft skills. 2) Enhance your PMO leadership ability. 3) Leverage your skills to expand the value of your PMO.
11:00am	Fireside Chat	#311-Executive Fireside Chat: The PMO in the Age of Disruption This session brings together experienced executives to share their perspectives and insights on managing projects and change when disruption is a constant in their value delivery.
1:00pm	Offsite Learning Excursion	(these will likely be full by the time we get approval)
1:30pm	Breakout Sessions	#316-The Agile Enterprise Scaling Agile Practices to the Enterprise 1) Apply gross-level estimates in strategic planning for valuation with clear decomposition connectivity through progressive elaboration and rolling-wave planning. 2) Realize effective stakeholder engagement with affinity mapping and visual indicators. 3) Applying agile practices in non-IT environments to achieve early value.
2:45pm	Breakout Sessions	#326-Establishing a High Performing PMO - Lessons Learned 1) Provide an overview of common challenges managers and decision makers face when implementing a PMO. 2) Provide an overview of the processes and procedures used to baseline, mature, and optimize existing in-place governance. 3) Discuss how toolsets, such as MS Project and Project Server, are used to facilitate process and upward reporting.

4:15pm Breakout Sessions

#333-Blockchain Strategic Initiatives in Project Management

- 1) Understand what blockchain is and how it works.
- 2) See how blockchain can be applied to various aspects of a PMO.
- 3) Take away tips on how to implement blockchain within a PMO in a manner that reduces organizational

Wednesday 11/14

9:15am Breakout Sessions

#404-Power Talk

The Right People Working on the Right Projects at the Right Time

- 1) Understand strategic planning and execution to help ensure a successful project portfolio management (PPM) implementation.
- 2) Gain insights on transformation practices that enable global organizations to go from good to great.
- 3) Assess how to best approach change management planning to ensure the right transformation occurs.

Team of Teams - Integrating a Product, Process, and Phases Team Approach

- 1) Understand how "team of teams" structures can cross products (WBS), processes, and phases.
- 2) Gain insight into evolving team structures on complex federal projects and learn how they help manage innovation amidst constant change.
- 3) See the reasons behind the expanded approach and how it can accelerate value delivery.

11:45am Closing Keynote Speaker

#406-Closing Keynote Speaker: Luke Williams

"Disruptive Technologies: How to Prepare for What's Coming Next"



To: KHS Board of Directors

From: Robert Landis, CFO

Date: October 11, 2018

Re: July 2018 Financial Results

The July results reflect a \$887,840 Net Increase in Net Position which is a \$913,422 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$4.2 million favorable variance primarily due to:
 - A) \$.9 million favorable variance relating to Family and Other primarily due to a higher than expected budgeted rate increase from the State (\$.8 million) and higher than expected Maternity revenue (\$.1 million).
 - B) \$1.8 million favorable variance relating to Expansion primarily due to a higher than expected budgeted rate increase from the State (\$1.3 million) and higher than expected enrollment (\$.5 million).
 - C) \$.7 million favorable variance relating to SPD primarily due to a higher than expected budgeted rate increase from the State (\$.4 million), higher than expected enrollment (\$.4 million) and lower than expected HEP-C revenue (\$.1 million).
 - D) \$.5 million favorable variance in COB/Subrogation primarily due to higher than expected claim payment recoveries from the prior year where KHS was not primary.
- 2) Total Medical Costs reflect a \$3.2 million unfavorable variance primarily due to:
 - A) \$.4 million unfavorable variance in Physician Services primarily due to higher than expected utilization of Referral Specialty Services by SPD and Family & Other members.
 - B) \$.4 million unfavorable variance in Emergency Room primarily due to higher than expected utilization by Expansion and Family & Other members.
 - C) \$.6 million unfavorable variance in Inpatient primarily due to higher than expected utilization by Expansion and SPD members.
 - D) \$.8 million unfavorable variance in Outpatient Hospital primarily due to higher than expected utilization.
 - E) \$.6 million unfavorable variance in Other Medical primarily due to accruing for additional unbudgeted Proposition 56 expenses.

The July Medical Loss Ratio is 93.0% which is favorable to the 93.6% budgeted amount. The July Administrative Expense Ratio is 5.2% which is favorable to the 5.9% budgeted amount.

The results for the 7 months ended July 31, 2018 reflects a Net Increase in Net Position of \$3,048,966. This is a \$6,094,855 favorable variance to budget and includes approximately \$8.4 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 94.2% which is slightly favorable to the 94.3% budgeted amount. The year-to-date Administrative Expense Ratio is 5.0% which is favorable to the 5.9% budgeted amount.

**Kern Health Systems
Financial Packet
July 2018**

KHS – Medi-Cal Line of Business

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

KHS Group Health Plan – Healthy Families Line of Business

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

KHS Administrative Analysis and Other Reporting

Monthly Member Count	Page 15
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KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF JULY 31, 2018			
ASSETS	JULY 2018	JUNE 2018	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 80,886,413	\$ 75,970,209	\$ 4,916,204
Short-Term Investments	92,824,128	159,488,803	(66,664,675)
Premiums Receivable - Net	126,600,127	60,563,775	66,036,352
Interest Receivable	235,710	305,103	(69,393)
Other Receivables	1,691,587	1,423,404	268,183
Prepaid Expenses & Other Current Assets	1,850,556	1,180,261	670,295
Total Current Assets	\$ 304,088,521	\$ 298,931,555	\$ 5,156,966
RESTRICTED ASSETS	\$ 300,000	\$ 300,000	\$ -
CAPITAL ASSETS - NET OF ACCUM DEPREE:			
Land	4,876,562	4,876,562	-
Furniture and Equipment	6,042,365	6,022,164	20,201
Automobile - Net	15,057	15,449	(392)
Building and Building Improvements - Net	6,462,976	6,490,832	(27,856)
Capital Projects in Process	17,857,356	16,454,738	1,402,618
Total Capital Assets	\$ 35,254,316	\$ 33,859,745	\$ 1,394,571
LONG TERM ASSETS:			
Officer Life Insurance Receivables	684,772	684,772	-
Total Long Term Assets	\$ 684,772	\$ 684,772	\$ -
DEFERRED OUTFLOWS OF RESOURCES	\$ 2,890,063	\$ 2,890,063	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 343,217,672	\$ 336,666,135	\$ 6,551,537
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	\$ 27,854	\$ 24,133	3,721
Accrued Salaries and Employee Benefits	1,875,530	2,465,125	(589,595)
Accrued Other Operating Expenses	1,055,781	1,303,921	(248,140)
Accrued Taxes and Licenses	8,036,792	-	8,036,792
Claims Payable (Reported)	20,687,912	15,949,237	4,738,675
IBNR - Inpatient Claims	33,335,114	34,673,464	(1,338,350)
IBNR - Physician Claims	12,142,178	10,141,309	2,000,869
IBNR - Accrued Other Medical	18,879,322	17,517,165	1,362,157
Risk Pool and Withholds Payable	3,295,353	2,799,631	495,722
Statutory Allowance for Claims Processing Expense	2,324,857	2,324,857	-
Other Liabilities	41,886,947	50,410,645	(8,523,698)
Total Current Liabilities	\$ 143,547,640	\$ 137,609,487	\$ 5,938,153
NONCURRENT LIABILITIES:			
Net Pension Liability	5,808,296	6,082,752	(274,456)
TOTAL NONCURRENT LIABILITIES	\$ 5,808,296	\$ 6,082,752	\$ (274,456)
DEFERRED INFLOWS OF RESOURCES	\$ 270,949	\$ 270,949	\$ -
NET POSITION:			
Net Position - Beg. of Year	190,541,821	190,541,821	-
Increase (Decrease) in Net Position - Current Year	3,048,966	2,161,126	887,840
Total Net Position	\$ 193,590,787	\$ 192,702,947	\$ 887,840
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 343,217,672	\$ 336,666,135	\$ 6,551,537

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED JULY 31, 2018			YEAR-TO-DATE MEMBER MONTHS		
						ACTUAL	BUDGET	VARIANCE
ENROLLMENT								
167,094	165,700	1,394	Family Members	1,162,083	1,151,500	10,583		
60,058	58,450	1,608	Expansion Members	414,046	406,000	8,046		
14,630	14,050	580	SPD Members	101,369	98,350	3,019		
6,079	5,175	904	Other Members	41,531	35,700	5,831		
8,278	7,950	328	Kaiser Members	57,522	55,125	2,397		
256,139	251,325	4,814	Total Members - MCAL	1,776,551	1,746,675	29,876		
REVENUES								
22,819,237	21,930,144	889,093	Title XIX - Medicaid - Family and Other	150,022,725	148,039,390	1,983,335		
21,752,232	19,982,869	1,769,363	Title XIX - Medicaid - Expansion Members	147,171,097	142,184,304	4,986,794		
11,910,574	11,164,810	745,764	Title XIX - Medicaid - SPD Members	77,078,794	76,304,210	774,585		
8,087,918	7,659,302	428,616	Premium - MCO Tax	54,823,224	53,235,099	1,588,125		
298,592	271,782	26,810	Interest /Dividends	2,825,655	1,888,992	936,663		
-	114,386	(114,386)	Reinsurance Recoveries	139,352	795,029	(655,677)		
465,065	-	465,065	COB/Subrogation Collections	16,499,303	-	16,499,303		
(113,750)	-	(113,750)	Rate/Income Adjustments	23,118,307	-	23,118,307		
58,667	-	58,667	Other Income (Expense)	(526,759)	-	(526,759)		
65,278,535	61,123,293	4,155,242	TOTAL REVENUES	471,151,699	422,447,024	48,704,676		
EXPENSES								
Medical Costs:								
13,202,517	12,756,133	(446,384)	Physician Services	95,436,225	88,717,349	(6,718,876)		
2,964,061	2,825,646	(138,415)	Other Professional Services	21,160,413	19,603,507	(1,556,906)		
4,584,869	4,156,789	(428,080)	Emergency Room	32,823,775	28,903,437	(3,920,338)		
13,921,068	13,315,711	(605,357)	Inpatient	99,038,385	92,677,470	(6,360,915)		
116,240	114,386	(1,854)	Reinsurance Expense	804,986	795,029	(9,958)		
5,662,578	4,814,102	(848,476)	Outpatient Hospital	40,164,476	33,502,959	(6,661,517)		
3,057,129	2,411,597	(645,532)	Other Medical	21,562,196	16,806,991	(4,755,205)		
8,848,741	9,138,207	289,466	Pharmacy	63,094,991	63,626,116	531,126		
495,722	486,750	(8,972)	Pay for Performance Quality Incentive	3,438,058	3,383,100	(54,958)		
-	-	-	Non-Claims Expense Adjustment	20,929,691	-	(20,929,691)		
342,052	-	(342,052)	IBNR, Incentive, Paid Claims Adjustment	(6,190,348)	-	6,190,348		
53,194,977	50,019,320	(3,175,657)	Total Medical Costs	392,262,847	348,015,957	(44,246,890)		
12,083,558	11,103,973	979,585	GROSS MARGIN	78,888,852	74,431,066	4,457,786		
Administrative:								
2,017,219	1,986,888	(30,332)	Compensation	13,424,497	13,888,394	463,897		
415,147	612,446	197,299	Purchased Services	4,144,035	4,318,386	174,351		
57,005	101,239	44,234	Supplies	392,234	709,182	316,948		
127,238	133,797	6,559	Depreciation	890,647	920,416	29,769		
332,386	302,550	(29,836)	Other Administrative Expenses	1,947,993	2,072,145	124,152		
2,948,995	3,136,920	187,925	Total Administrative Expenses	20,799,406	21,908,523	1,109,117		
56,143,972	53,156,240	(2,987,732)	TOTAL EXPENSES	413,062,253	369,924,481	(43,137,773)		
9,134,563	7,967,052	1,167,511	OPERATING INCOME (LOSS) BEFORE TAX	58,089,446	52,522,543	5,566,903		
8,087,918	7,659,302	(428,616)	MCO TAX	53,778,280	53,235,099	(543,181)		
1,046,645	307,751	738,894	OPERATING INCOME (LOSS) NET OF TAX	4,311,166	(712,556)	5,023,722		
NONOPERATING REVENUE (EXPENSES)								
-	-	-	Reserve Fund Projects/Community Grants	-	-	-		
(158,805)	(333,333)	174,528	Health Home	(1,262,200)	(2,333,333)	1,071,133		
(158,805)	(333,333)	174,528	TOTAL NONOPERATING REVENUES (EXPENSES)	(1,262,200)	(2,333,333)	1,071,133		
887,840	(25,582)	913,422	NET INCREASE (DECREASE) IN NET POSITION	3,048,966	(3,045,889)	6,094,855		
93.0%	93.6%	0.5%	MEDICAL LOSS RATIO	94.2%	94.3%	0.0%		
5.2%	5.9%	0.7%	ADMINISTRATIVE EXPENSE RATIO	5.0%	5.9%	0.9%		

KHS9/27/2018
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Page 2

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

CURRENT MONTH			YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
ENROLLMENT					
167,094	165,700	1,394	1,162,083	1,151,500	10,583
60,058	58,450	1,608	414,046	406,000	8,046
14,630	14,050	580	101,369	98,350	3,019
6,079	5,175	904	41,531	35,700	5,831
8,278	7,950	328	57,522	55,125	2,397
256,139	251,325	4,814	1,776,551	1,746,675	29,876
REVENUES					
131.77	128.34	3.43	124.64	124.70	(0.05)
362.19	341.88	20.31	355.45	350.21	5.24
814.12	794.65	19.47	760.38	775.84	(15.47)
32.63	31.47	1.16	31.89	31.47	0.42
1.20	1.12	0.09	1.64	1.12	0.53
0.00	0.47	(0.47)	0.08	0.47	(0.39)
1.88	0.00	1.88	9.60	0.00	9.60
(0.46)	0.00	(0.46)	13.45	0.00	13.45
0.24	0.00	0.24	(0.31)	0.00	(0.31)
263.37	251.15	12.22	274.08	249.74	24.34
EXPENSES					
Medical Costs:					
53.27	52.41	(0.85)	55.52	52.45	(3.07)
11.96	11.61	(0.35)	12.31	11.59	(0.72)
18.50	17.08	(1.42)	19.09	17.09	(2.01)
56.16	54.71	(1.45)	57.61	54.79	(2.82)
0.47	0.47	0.00	0.47	0.47	0.00
22.85	19.78	(3.07)	23.36	19.81	(3.56)
12.33	9.91	(2.43)	12.54	9.94	(2.61)
35.70	37.55	1.85	36.70	37.61	0.91
2.00	2.00	0.00	2.00	2.00	0.00
0.00	0.00	0.00	12.18	0.00	(12.18)
1.38	0.00	(1.38)	(3.60)	0.00	3.60
214.62	205.52	(9.09)	228.19	205.74	(22.45)
GROSS MARGIN					
48.75	45.62	3.13	45.89	44.00	1.89
Administrative:					
8.14	8.16	0.03	7.81	8.21	0.40
1.67	2.52	0.84	2.41	2.55	0.14
0.23	0.42	0.19	0.23	0.42	0.19
0.51	0.55	0.04	0.52	0.54	0.03
1.34	1.24	(0.10)	1.13	1.22	0.09
11.90	12.89	0.99	12.10	12.95	0.85
TOTAL EXPENSES					
226.51	218.41	(8.10)	240.29	218.69	(21.60)
OPERATING INCOME (LOSS) BEFORE TAX					
36.85	32.74	4.12	33.79	31.05	2.74
MCO TAX					
32.63	31.47	(1.16)	31.28	31.47	0.19
OPERATING INCOME (LOSS) NET OF TAX					
4.22	1.26	2.96	2.51	(0.42)	2.93
NONOPERATING REVENUE (EXPENSES)					
0.00	0.00	0.00	0.00	0.00	0.00
0.62	(1.37)	(1.99)	0.71	(9.59)	(10.30)
0.62	(1.37)	(1.99)	0.71	(9.59)	(10.30)
NET INCREASE (DECREASE) IN NET POSITION					
3.58	(0.11)	3.69	1.77	(1.80)	3.57
MEDICAL LOSS RATIO					
93.0%	93.6%	0.5%	94.2%	94.3%	0.0%
ADMINISTRATIVE EXPENSE RATIO					
5.2%	5.9%	0.7%	5.0%	5.9%	0.9%

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - THROUGH JULY 31, 2018	JULY 2017	AUGUST 2017	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017	DECEMBER 2017	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	13 MONTH TOTAL
	ENROLLMENT	239,716	239,363	240,564	240,556	239,434	241,567	241,677	245,813	244,941	246,547	247,073	247,317	247,861
MEMBERS - MCAL														
REVENUES														
Title XIX - Medicaid - Family and Other	21,061,787	21,157,058	21,889,455	20,639,049	21,430,630	20,910,809	19,848,982	20,328,489	21,226,405	20,886,377	23,080,439	21,832,796	22,819,237	277,111,513
Title XIX - Medicaid - Expansion Members	20,420,390	20,057,872	20,019,384	20,016,706	20,222,674	20,131,172	20,478,437	20,367,468	20,638,072	20,813,430	21,917,368	21,204,090	21,752,232	268,039,295
Title XIX - Medicaid - SPD Members	10,531,094	10,667,756	10,594,072	10,978,591	10,859,865	11,017,790	10,334,550	10,530,984	10,764,253	10,871,613	11,583,059	11,083,761	11,910,574	141,727,962
Premium - MCO Tax	7,674,906	7,622,484	8,087,180	7,402,479	7,628,229	7,651,539	7,720,467	7,638,903	7,815,000	7,859,452	7,883,583	7,817,901	8,087,918	100,890,061
Interest/Dividends	243,800	385,982	302,348	303,448	268,899	320,014	489,128	312,296	330,992	509,405	392,144	493,098	298,592	4,650,573
Reinsurance Recoveries	3,234,724	5,392,339	3,431,408	3,148,842	5,224,912	2,458,385	-	-	10,245,425	3,503,612	1,257,496	1,027,705	465,065	39,490,413
COB/Subrogation Collections	(84,108)	1,061,917	9,476,726	126,333	2,128,785	59,721	1,511,501	319,159	1,095,189	457,845	21,528,562	(1,680,199)	(113,750)	35,880,681
Rate/Income Adjustments	(18,408)	104	(185,865)	378	(20,460)	(708,938)	114,532	(200,000)	(354,933)	(360,661)	(99,712)	345,348	58,667	(1,459,948)
Other Income (Expense)	63,064,185	66,345,512	73,614,708	62,741,067	68,625,290	62,051,308	60,497,598	59,297,299	71,730,403	64,541,073	87,542,939	62,263,852	65,278,535	867,593,770
TOTAL REVENUES	14,423,866	13,877,006	14,239,482	12,862,609	14,607,980	13,358,821	13,239,777	12,606,454	15,608,603	14,450,521	13,315,057	13,013,296	13,202,517	178,805,989
EXPENSES	2,903,026	2,989,387	2,851,806	2,920,876	3,065,669	2,810,522	2,973,811	2,788,474	2,996,590	2,911,566	3,414,591	3,111,320	2,964,061	38,701,759
Medical Costs:	4,665,069	5,099,658	4,696,197	3,995,827	5,095,059	3,888,819	4,269,344	4,171,278	5,259,525	5,247,777	4,570,035	4,780,947	4,584,869	60,264,384
Physician Services	13,561,803	13,546,637	13,862,008	13,575,463	16,815,315	14,314,486	13,588,711	13,055,324	16,973,565	14,300,202	15,932,093	13,267,422	13,921,068	184,516,097
Emergency Room	106,355	105,475	105,320	105,848	105,845	105,351	113,536	117,345	118,427	107,531	115,783	116,124	116,240	1,439,180
Inpatient	5,430,584	6,154,715	6,213,267	5,886,144	7,151,522	5,457,351	5,307,045	5,138,504	5,322,082	6,217,088	6,587,061	5,930,118	5,662,578	76,458,249
Outpatient Hospital	1,975,195	1,800,207	1,883,596	2,362,997	1,797,103	2,482,691	2,422,406	1,923,264	2,576,860	2,195,432	6,103,942	3,282,963	3,057,129	33,863,984
Other Medical	8,935,835	9,525,333	8,228,934	8,958,655	8,669,446	8,546,330	9,767,063	8,544,614	9,369,495	8,793,635	9,203,757	8,567,706	8,848,741	115,859,524
Pharmacy	563,333	562,503	565,325	565,307	562,670	567,682	483,354	487,626	489,882	492,694	494,146	494,634	495,722	6,624,878
Pay for Performance Quality Incentive	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Non-Claims Expense Adjustment	(28,273)	1,034,161	7,973,649	332,212	(382,239)	(105,403)	(2,338,427)	(81,180)	18,265	(1,015,294)	(1,917,277)	(1,197,835)	342,052	2,634,213
IBNR, Incentive, Paid Claims Adjustment	52,336,793	54,695,536	60,619,644	51,565,938	57,488,350	51,428,840	49,826,819	48,751,703	58,733,294	53,700,500	76,700,850	51,354,704	53,194,977	720,397,948
TOTAL MEDICAL COSTS	10,727,392	11,649,976	12,595,064	11,175,129	11,136,940	10,622,469	10,670,779	10,545,596	12,997,109	10,840,573	10,842,089	10,909,148	12,083,558	147,195,831
GROSS MARGIN	1,816,065	1,962,751	1,762,043	1,869,031	1,897,938	2,047,251	1,983,731	1,857,459	2,076,645	1,687,623	1,916,952	1,884,868	2,017,219	24,779,576
Administrative	354,712	371,842	522,883	539,809	952,528	659,696	519,892	545,740	804,716	642,623	636,968	578,949	415,147	7,545,505
Compensation	65,825	131,877	168,244	208,982	160,257	(329,638)	104,203	27,993	(9,431)	72,942	71,465	68,507	57,005	797,781
Purchased Services	126,867	125,913	125,881	126,396	127,744	127,464	128,722	127,578	127,464	130,267	122,140	121,238	127,238	1,650,912
Supplies	171,677	267,320	200,081	267,832	317,828	688,273	210,466	225,000	359,883	284,983	279,546	275,729	332,386	3,861,004
Depreciation	2,535,146	2,859,703	2,779,132	3,012,050	3,456,295	2,947,014	2,783,770	3,339,277	3,339,277	2,817,988	3,027,071	-	-	2,042,235
Other Administrative Expenses	54,871,939	57,555,239	63,398,776	54,577,988	60,944,645	56,664,120	52,773,833	51,535,473	62,072,571	56,518,488	79,727,921	54,289,995	56,143,972	761,074,061
TOTAL EXPENSES	8,192,246	8,790,273	10,215,932	8,163,079	7,680,645	5,387,188	7,723,765	7,761,826	9,657,832	8,022,585	7,815,018	7,973,857	9,134,563	106,518,809
OPERATING INCOME (LOSS) BEFORE TAX	7,674,900	7,775,859	8,059,738	7,454,395	7,650,173	7,652,171	7,650,749	7,650,023	7,650,254	7,650,254	7,578,828	7,578,828	8,087,918	100,045,516
MCO TAX	517,346	1,014,414	2,156,194	708,684	30,472	(2,264,983)	73,511	251,077	2,007,809	372,331	164,764	395,029	1,046,645	6,473,293
OPERATING INCOME (LOSS) NET OF TAX	(23,175)	-	(23,175)	(662,708)	-	(625,436)	(18,785)	(140,027)	(615,733)	(138,970)	43,857	(233,737)	(158,805)	(2,596,694)
TOTAL NONOPERATING REVENUE (EXPENSES)	494,171	1,014,414	2,133,010	45,976	30,472	(2,890,419)	54,726	111,050	1,392,076	233,361	208,621	161,292	887,840	3,876,599
NET INCREASE (DECREASE) IN NET POSITION	94.5%	93.1%	92.5%	93.3%	94.3%	94.5%	94.4%	94.4%	94.4%	94.7%	96.3%	94.3%	93.0%	94.0%
MEDICAL LOSS RATIO	4.6%	4.9%	4.2%	4.2%	5.4%	5.7%	5.6%	5.4%	5.2%	5.0%	5.8%	5.4%	5.2%	5.3%
ADMINISTRATIVE EXPENSE RATIO														

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH JULY 31, 2018	JULY 2017	AUGUST 2017	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017	DECEMBER 2017	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	13 MONTH TOTAL
	REVENUES													
Members - MCAL	239,716	239,363	240,564	240,556	239,434	241,567	241,677	243,813	244,941	246,347	247,073	247,317	247,861	3,160,229
EXPENSES														
Medical Costs:														
Physician Services	60.17	57.97	59.19	53.47	61.01	55.30	54.78	51.71	63.72	58.66	53.89	52.62	53.27	56.58
Other Professional Services	12.11	12.49	11.85	12.14	12.80	11.63	12.30	11.44	12.23	11.82	13.82	12.58	11.96	12.25
Emergency Room	19.46	21.31	19.52	16.61	21.28	16.10	17.67	17.11	21.47	21.30	18.25	19.33	18.50	19.07
Inpatient	55.74	56.59	57.62	56.43	70.23	59.27	56.23	53.55	69.30	58.05	56.39	53.65	56.16	58.39
Reinsurance Expense	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.46
Outpatient Hospital	22.65	25.71	25.83	24.47	29.87	22.59	21.96	21.08	21.73	25.24	26.66	23.98	22.85	24.19
Other Medical	8.24	7.52	7.83	9.82	7.51	10.28	10.02	7.89	10.52	8.91	13.27	13.27	12.53	10.72
Pharmacy	37.28	39.79	34.21	37.24	36.21	35.38	40.41	35.05	38.25	35.70	37.25	34.64	35.70	36.69
Pay for Performance Quality Incentive	2.35	2.35	2.35	2.35	2.35	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.16
Non-Claims Expense Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	84.76	(0.05)	0.00	6.62
IBNR, Incentive, Paid Claims Adjustment	(0.12)	4.32	33.15	1.38	(1.60)	(0.44)	(9.68)	(0.33)	0.07	(4.12)	(7.76)	(4.84)	1.38	0.83
Total Medical Costs	218.33	228.50	251.99	214.36	240.10	212.90	206.17	199.86	239.79	217.99	310.44	207.65	214.62	227.96
GROSS MARGIN	44.75	48.67	54.02	46.46	46.51	43.97	44.15	43.25	53.06	44.01	43.88	44.11	48.75	46.38
Administrative:														
Compensation	7.58	8.20	7.32	7.77	7.93	8.47	8.21	7.62	8.48	6.85	7.76	7.62	8.14	7.84
Purchased Services	1.48	1.55	2.17	2.24	3.98	2.73	2.15	2.34	3.29	2.61	2.58	2.34	1.67	2.39
Supplies	0.27	0.55	0.70	0.87	0.67	(1.56)	0.43	0.11	(0.04)	0.29	0.29	0.28	0.23	0.25
Depreciation	0.53	0.53	0.52	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.49	0.51	0.51	0.52
Other Administrative Expenses	0.72	1.12	0.83	1.11	1.33	2.85	0.87	0.92	1.39	1.16	1.13	1.11	1.34	1.22
Administrative Expense Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.65
Total Administrative Expenses	10.58	11.95	11.55	12.52	14.44	14.44	12.19	11.42	13.63	11.44	12.25	11.87	11.90	12.87
TOTAL EXPENSES	228.90	240.45	263.54	226.88	254.54	234.57	218.37	211.37	253.42	229.43	322.69	219.52	226.51	240.83
OPERATING INCOME (LOSS) BEFORE TAX	34.17	36.72	42.47	33.93	32.08	32.30	31.96	31.84	39.43	32.37	31.63	32.24	36.85	33.71
MCO TAX	32.02	32.49	33.50	30.99	31.95	31.68	31.65	30.81	31.23	31.05	30.96	30.64	32.03	31.66
OPERATING INCOME (LOSS) NET OF TAX	2.16	4.24	8.96	2.95	0.13	(9.38)	0.30	1.03	8.20	1.51	0.67	1.60	4.22	2.05
TOTAL NONOPERATING REVENUE (EXPENSES)	(0.10)	0.00	(0.10)	(2.75)	0.00	(2.59)	(0.08)	(0.57)	(2.51)	(0.56)	0.18	(0.95)	(0.64)	(0.82)
NET INCREASE (DECREASE) IN NET POSITION	2.06	4.24	8.87	0.19	0.13	(11.97)	0.23	0.46	5.68	0.95	0.84	0.65	3.58	1.23
MEDICAL LOSS RATIO	94.5%	93.1%	92.5%	93.2%	94.2%	94.5%	94.4%	94.4%	91.9%	94.7%	96.3%	94.3%	93.0%	94.0%
ADMINISTRATIVE EXPENSE RATIO	4.6%	4.9%	4.2%	5.4%	5.7%	9.6%	5.6%	5.4%	5.2%	5.0%	3.8%	5.4%	5.2%	5.3%

CURRENT MONTH			YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED JULY 31, 2018					
REVENUES					
Title XIX - Medicaid - Family & Other					
20,078,184	19,317,286	760,898	131,680,214	130,915,333	764,881
2,314,843	2,211,218	103,625	13,597,622	14,348,852	(751,230)
136,217	176,843	(40,626)	419,784	1,228,665	(808,881)
206,169	134,737	71,432	1,199,173	936,122	263,051
-	-	-	2,494,241	-	2,494,241
83,824	90,060	(6,236)	631,691	610,419	21,272
22,819,237	21,930,144	889,093	150,022,725	148,039,391	1,983,334
Total Title XIX - Medicaid - Family & Other					
Title XIX - Medicaid - Expansion Members					
20,991,569	19,145,609	1,845,960	141,304,145	136,473,617	4,830,528
340,579	427,591	(87,012)	1,749,383	2,859,624	(1,110,241)
393,516	379,902	13,614	2,551,776	2,638,842	(87,066)
-	-	-	1,346,255	-	1,346,255
26,568	29,766	(3,198)	219,538	212,220	7,318
21,752,232	19,982,869	1,769,363	147,171,097	142,184,304	4,986,793
Total Title XIX - Medicaid - Expansion Members					
Title XIX - Medicaid - SPD Members					
11,412,463	10,583,008	829,455	73,320,362	72,231,596	1,088,766
242,164	320,007	(77,843)	1,380,370	2,240,049	(859,679)
255,947	261,795	(5,848)	1,821,286	1,832,565	(11,279)
-	-	-	556,776	-	556,776
11,910,574	11,164,810	745,764	77,078,794	76,304,210	774,584
Total Title XIX - Medicaid - SPD Members					

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED JULY 31, 2018				YEAR-TO-DATE		
ACTUAL	CURRENT MONTH BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
2,730,342	2,795,919	65,577	PHYSICIAN SERVICES	20,238,902	19,435,126	(803,776)
9,282,840	8,846,412	(436,428)	Primary Care Physician Services	65,307,919	61,540,387	(3,767,532)
1,180,035	1,104,502	(75,533)	Referral Specialty Services	9,825,804	7,678,236	(2,147,568)
9,300	9,300	-	Urgent Care & After Hours Advise	63,600	63,600	-
13,202,517	12,756,133	(446,384)	Hospital Admitting Team	95,436,225	88,717,349	(6,718,876)
			TOTAL PHYSICIAN SERVICES			
			OTHER PROFESSIONAL SERVICES			
247,317	250,299	2,982	Vision Service Capitation	1,712,735	1,739,738	27,003
144,979	175,171	30,192	221 - Business Intelligence	970,162	1,226,198	256,036
668,754	683,713	14,959	310 - Health Services - Utilization Management - UM Allocation *	4,573,551	4,696,856	123,305
22,420	89,147	66,727	311 - Health Services - Quality Improvement - UM Allocation *	557,112	624,029	66,917
79,826	89,883	10,057	312 - Health Services - Education - UM Allocation *	537,740	603,201	65,461
76,094	79,191	3,097	313 - Health Services - Pharmacy - UM Allocation *	516,754	554,335	37,581
47,631	50,527	2,896	314 - Health Homes - UM Allocation *	319,216	353,689	34,473
43,748	55,701	11,953	616 - Disease Management - UM Allocation *	301,707	389,904	88,197
133,646	438,638	304,992	Behavior Health Treatment	2,866,150	3,061,228	195,077
458,142	53,776	(404,366)	Mental Health Services	1,782,076	374,206	(1,407,870)
1,041,504	859,600	(181,904)	Other Professional Services	7,023,209	5,980,124	(1,043,085)
2,964,061	2,825,646	(138,415)	TOTAL OTHER PROFESSIONAL SERVICES	21,160,413	19,603,507	(1,556,906)
4,584,869	4,156,789	(428,080)	EMERGENCY ROOM	32,823,775	28,903,437	(3,920,338)
13,921,068	13,315,711	(605,357)	INPATIENT HOSPITAL	99,038,385	92,677,470	(6,360,915)
116,240	114,386	(1,854)	REINSURANCE EXPENSE PREMIUM	804,986	795,029	(9,958)
5,662,578	4,814,102	(848,476)	OUTPATIENT HOSPITAL SERVICES	40,164,476	33,502,959	(6,661,517)
			OTHER MEDICAL			
320,988	334,577	13,589	Ambulance	2,328,709	2,325,684	(3,025)
266,062	357,379	91,317	Home Health Services & CBAS	2,177,492	2,491,249	313,757
202,768	262,929	60,161	Utilization and Quality Review Expenses	1,400,656	1,840,501	439,845
828,025	805,496	(22,529)	Long Term/SNF/Hospice	5,813,764	5,615,647	(198,117)
500,000	-	(500,000)	Enhanced Medical Benefits	16,466	845,775	829,309
939,286	529,528	(409,758)	Provider Enhancement Expense	5,031,235	-	(5,031,235)
3,057,129	2,411,597	(645,532)	Non-Medical Transportation	4,793,874	3,688,135	(1,105,739)
			TOTAL OTHER MEDICAL	21,562,196	16,806,991	(4,755,205)
			PHARMACY SERVICES			
7,710,676	7,889,281	178,605	RX - Drugs & OTC	55,584,870	54,921,383	(663,487)
734,583	834,646	100,063	RX - HEP-C	4,059,459	5,815,013	1,755,555
566,882	518,542	(48,340)	Rx - DME	4,452,262	3,615,531	(836,731)
(163,400)	(104,263)	59,137	RX - Pharmacy Rebates	(1,001,600)	(725,811)	275,789
8,848,741	9,138,207	289,466	TOTAL PHARMACY SERVICES	63,094,991	63,626,116	531,126
495,722	486,750	(8,972)	PAY FOR PERFORMANCE QUALITY INCENTIVE	3,438,058	3,383,100	(54,958)
-	-	-	NON-CLAIMS EXPENSE ADJUSTMENT	20,929,691	-	(20,929,691)
342,052	-	(342,052)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(6,190,348)	-	6,190,348
53,194,977	50,019,320	(3,175,657)	Total Medical Costs	392,262,847	348,015,957	(44,246,890)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH JULY 31, 2018	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	YEAR TO DATE 2018
PHYSICIAN SERVICES								
Primary Care Physician Services	2,920,677	2,742,958	2,795,669	3,032,803	3,097,782	2,918,671	2,730,342	20,238,902
Referral Specialty Services	9,240,467	8,846,562	10,522,041	9,730,130	8,733,446	8,952,433	9,282,840	65,307,919
Urgent Care & After Hours Advise	1,069,333	1,008,534	2,281,593	1,678,588	1,474,529	1,133,192	1,180,035	9,825,804
Hospital/Admitting Team	9,300	8,400	9,300	9,000	9,300	9,000	9,300	63,600
TOTAL PHYSICIAN SERVICES	13,239,777	12,606,454	15,608,603	14,450,521	13,315,057	13,013,296	13,202,517	95,436,225
OTHER PROFESSIONAL SERVICES								
Vision Service Capitalization	241,567	249,668	251,973	228,790	246,347	247,073	247,317	1,712,735
221 - Business Intelligence	-	-	-	-	-	825,183	144,979	970,162
310 - Health Services - Utilization Management - UM Allocation *	761,074	704,252	799,729	642,963	755,456	241,323	668,754	4,573,551
311 - Health Services - Quality Improvement - UM Allocation *	118,821	107,550	123,692	89,357	91,557	3,715	22,420	557,112
312 - Health Services - Education - UM Allocation *	76,022	65,961	79,421	70,442	80,056	86,012	79,826	537,740
313 - Health Services - Pharmacy - UM Allocation *	96,522	85,975	103,112	80,930	95,489	(21,368)	76,094	516,754
314 - Health Homes - UM Allocation *	44,203	41,266	48,457	41,054	48,687	47,918	47,631	319,216
616 - Disease Management - UM Allocation *	56,128	59,793	70,852	54,370	64,544	(47,728)	43,748	301,707
Behavior Health Treatment	488,079	385,879	454,810	490,975	524,803	387,958	133,646	2,866,150
Mental Health Services	63,645	122,453	96,062	319,743	431,902	290,129	458,142	1,782,076
Other Professional Services	1,027,749	965,677	968,482	892,942	1,075,750	1,051,105	1,041,504	7,023,209
TOTAL OTHER PROFESSIONAL SERVICES	2,973,811	2,788,474	2,996,590	2,911,566	3,414,591	3,111,320	2,964,061	21,160,413
EMERGENCY ROOM	4,269,344	4,171,278	5,259,525	5,247,777	4,510,035	4,780,947	4,584,869	32,823,775
INPATIENT HOSPITAL	13,588,711	13,055,324	16,973,565	14,300,202	13,932,093	13,267,422	13,921,068	99,038,585
REINSURANCE EXPENSE PREMIUM	113,536	117,345	118,427	107,531	115,783	116,124	116,240	804,986
OUTPATIENT HOSPITAL SERVICES	5,307,045	5,138,504	5,322,082	6,217,088	6,587,061	5,930,118	5,662,578	40,164,476
OTHER MEDICAL								
Ambulance	338,351	352,496	350,066	327,106	381,817	257,885	320,988	2,328,709
Home Health Services & CBAS	387,076	354,315	265,517	292,019	278,153	334,350	266,062	2,177,492
Utilization and Quality Review Expenses	284,192	42,175	226,751	159,266	241,649	243,855	202,768	1,400,656
Long Term/SNF/Hospice	999,658	777,625	923,259	686,826	808,413	789,958	828,025	5,813,764
Enhanced Medical Benefits	-	9,604	-	-	-	6,862	-	16,466
Provider Enhancement Expense	-	-	-	-	3,585,959	945,276	500,000	5,031,235
Non-Medical Transportation	413,329	387,049	811,267	730,215	807,951	704,777	939,286	4,793,874
TOTAL OTHER MEDICAL	2,422,606	1,923,264	2,576,860	2,195,432	6,103,942	3,282,963	3,057,129	21,562,196
PHARMACY SERVICES								
RX - Drugs & OTC	8,533,080	7,533,478	8,276,129	7,813,536	8,060,735	7,657,236	7,710,676	55,584,870
RX - HEP-C	729,042	557,006	600,369	500,230	483,336	454,893	734,583	4,059,459
Rx - DME	620,941	570,130	608,997	643,269	823,066	618,977	566,882	4,452,262
RX - Pharmacy Rebates	(116,000)	(116,000)	(116,000)	(163,400)	(163,400)	(163,400)	(163,400)	(1,001,600)
TOTAL PHARMACY SERVICES	9,767,063	8,544,614	9,369,495	8,793,635	9,203,737	8,567,706	8,848,741	63,094,991
PAY FOR PERFORMANCE QUALITY INCENTIVE	483,354	487,626	489,882	492,694	494,146	494,634	495,722	3,438,058
NON-CLAIMS EXPENSE ADJUSTMENT	-	-	-	-	20,941,682	(11,991)	-	20,929,691
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(2,338,427)	(81,180)	18,265	(1,015,946)	(1,917,277)	(1,197,835)	342,052	(6,190,348)
Total Medical Costs	49,826,819	48,751,703	58,733,294	53,700,500	76,700,850	51,354,704	53,194,977	392,262,847

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH JULY 31, 2018											
	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	YEAR TO DATE 2018			
PHYSICIAN SERVICES											
Primary Care Physician Services	12.09	11.25	11.41	12.31	12.54	11.80	11.02	11.77			
Referral Specialty Services	38.23	36.28	42.96	39.50	35.35	36.20	37.45	37.99			
Urgent Care & After Hours Advise	4.42	4.14	9.31	6.81	5.97	4.58	4.76	5.72			
Hospital Admitting Team	0.04	0.03	0.04	0.04	0.04	0.04	0.04	0.04			
TOTAL PHYSICIAN SERVICES	54.78	51.71	63.72	58.66	53.89	52.62	53.27	55.52			
OTHER PROFESSIONAL SERVICES											
Vision Service Capitation	1.00	1.02	1.03	0.93	1.00	1.00	1.00	1.00			
221 - Business Intelligence	0.00	0.00	0.00	0.00	0.00	0.34	0.58	0.56			
310 - Health Services - Utilization Management - UM Allocation *	3.15	2.89	3.26	2.61	3.06	0.98	2.70	2.66			
311 - Health Services - Quality Improvement - UM Allocation *	0.49	0.44	0.50	0.36	0.37	0.02	0.09	0.32			
312 - Health Services - Education - UM Allocation *	0.31	0.27	0.32	0.29	0.32	0.35	0.32	0.31			
313 - Health Services - Pharmacy - UM Allocation *	0.40	0.35	0.42	0.33	0.39	(0.09)	0.31	0.30			
314 - Health Homes - UM Allocation *	0.18	0.17	0.20	0.17	0.20	0.19	0.19	0.19			
616 - Disease Management - UM Allocation *	0.23	0.25	0.22	0.22	0.26	(0.19)	0.18	0.18			
Behavior Health Treatment	2.02	1.58	1.86	1.99	2.12	1.57	0.54	1.67			
Mental Health Services	0.26	0.50	0.39	1.30	1.75	1.17	1.85	1.04			
Other Professional Services	4.25	3.96	3.95	3.62	4.35	4.25	4.20	4.09			
TOTAL OTHER PROFESSIONAL SERVICES	12.30	11.44	12.23	11.82	13.82	12.58	11.96	12.31			
EMERGENCY ROOM	17.67	17.11	21.47	21.30	18.25	19.33	18.50	19.09			
INPATIENT HOSPITAL	56.23	53.55	69.30	58.05	56.39	53.65	56.16	57.61			
REINSURANCE EXPENSE PREMIUM	0.47	0.48	0.48	0.44	0.47	0.47	0.47	0.47			
OUTPATIENT HOSPITAL SERVICES	21.96	21.08	21.73	25.24	26.66	23.98	22.85	23.36			
OTHER MEDICAL											
Ambulance	1.40	1.45	1.43	1.33	1.55	1.04	1.30	1.35			
Home Health Services & CBAS	1.60	1.45	1.08	1.19	1.13	1.35	1.07	1.27			
Utilization and Quality Review Expenses	1.18	0.17	0.93	0.65	0.98	0.99	0.82	0.81			
Long Term/SNF/Hospice	4.14	3.19	3.77	2.79	3.27	3.19	3.34	3.38			
Enhanced Medical Benefits	0.00	0.04	0.00	0.00	0.00	0.03	0.00	0.01			
Provider Enhancement Expense	0.00	0.00	0.00	0.00	14.51	3.82	2.02	2.93			
Non-Medical Transportation	1.71	1.59	3.31	2.96	3.27	2.85	3.79	2.79			
TOTAL OTHER MEDICAL	10.02	7.89	10.52	8.91	24.71	13.27	12.33	12.54			
PHARMACY SERVICES											
RX - Drugs & OTC	35.31	30.90	33.79	31.72	32.62	30.96	31.11	32.34			
RX - HEP-C	3.02	2.28	2.45	2.03	1.96	1.84	2.96	2.36			
Rx - DME	2.57	2.34	2.49	2.61	3.33	2.50	2.29	2.59			
RX - Pharmacy Rebates	(0.48)	(0.48)	(0.47)	(0.66)	(0.66)	(0.66)	(0.66)	(0.58)			
TOTAL PHARMACY SERVICES	40.41	35.05	38.25	35.70	37.25	34.64	35.70	36.70			
PAY FOR PERFORMANCE QUALITY INCENTIVE	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00			
NON-CLAIMS EXPENSE ADJUSTMENT	0.00	0.00	0.00	0.00	84.76	(0.05)	0.00	12.18			
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(9.68)	(0.33)	0.07	(4.12)	(7.76)	(4.84)	1.38	(3.60)			
Total Medical Costs	206.17	199.96	239.79	217.99	310.44	207.65	214.62	228.19			

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED JULY 31, 2018	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	YEAR TO DATE 2018
110 - Executive	249,360	227,269	224,150	218,301	143,752	215,868	332,148	1,610,848
210 - Accounting	121,592	122,208	139,362	119,259	106,858	172,387	117,377	899,043
220 - Management Information Systems (MIS)	432,742	431,903	432,298	272,224	376,551	348,119	281,772	2,575,609
221 - Business Intelligence	122,020	134,571	151,816	129,810	151,271	(687,770)	53	1,771
225 - Infrastructure	126,761	233,198	186,762	250,471	163,797	146,181	164,738	1,271,908
230 - Claims	476,893	392,682	482,563	405,196	484,785	423,369	483,567	3,149,055
240 - Project Management	83,613	64,943	73,023	71,038	95,057	81,230	85,023	553,927
310 - Health Services - Utilization Management	5,036	(156)	768	270	(404)	483,745	95,558	584,817
311 - Health Services - Quality Improvement	10	358	329	-	-	102,349	78,633	181,679
312 - Health Services - Education	147	(130)	-	190	705	12	388	1,312
313- Pharmacy	104,959	104,858	84,757	91,752	99,028	210,335	114,825	810,514
314 - Health Homes	83	(76)	99	698	(25)	2,930	11,049	14,758
616 - Disease Management	-	129	-	-	-	110,553	19,477	130,159
320 - Provider Relations	262,401	186,821	205,072	172,555	251,582	191,269	190,507	1,460,207
330 - Member Services	406,721	390,353	869,265	527,594	564,101	554,776	382,784	3,695,594
340 - Corporate Services	327,904	251,490	222,176	270,949	291,810	309,374	289,935	1,963,638
360 - Audit & Investigative Services	55,126	54,243	55,402	47,224	52,331	52,008	54,129	370,463
410 - Advertising Media	4,575	21,825	23,427	81,259	78,893	38,290	65,711	313,980
420 - Sales/Marketing/Public Relations	50,590	41,234	44,701	55,893	39,311	40,380	40,042	312,151
510 - Human Resources	116,481	126,047	143,307	103,305	127,668	139,886	141,279	897,973
Total Department Expenses	2,947,014	2,783,770	3,339,277	2,817,988	3,027,071	2,935,291	2,948,995	20,799,406

KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF JULY 31, 2018			
ASSETS	JULY 2018	JUNE 2018	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,458,696	\$ 1,449,702	8,994
Interest Receivable	736	5,220	(4,484)
Prepaid Expenses & Other Current Assets	4,166	-	4,166
TOTAL CURRENT ASSETS	\$ 1,463,598	\$ 1,454,922	\$ 8,676
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	19,247	11,937	7,310
Other Liabilities	353,849	353,849	-
TOTAL CURRENT LIABILITIES	\$ 373,096	\$ 365,786	\$ 7,310
NET POSITION:			
Net Position- Beg. of Year	1,081,027	1,081,027	-
Increase (Decrease) in Net Position - Current Year	9,475	8,109	1,366
Total Net Position	\$ 1,090,502	\$ 1,089,136	\$ 1,366
TOTAL LIABILITIES AND NET POSITION	\$ 1,463,598	\$ 1,454,922	\$ 8,676

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED JULY 31, 2018	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
ENROLLMENT						
-	-	-	Members	-	-	-
REVENUES						
-	-	-	Premium	-	-	-
2,200	-	2,200	Interest	12,641	-	12,641
-	-	-	Other Investment Income	2,668	-	2,668
2,200	-	2,200	TOTAL REVENUES	15,309	-	15,309
EXPENSES						
-	-	-	Medical Costs	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
2,200	-	2,200	GROSS MARGIN	15,309	-	15,309
Administrative						
834	-	(834)	Management Fee Expense and Other Admin Exp	5,834	-	(5,834)
834	-	(834)	Total Administrative Expenses	5,834	-	(5,834)
834	-	(834)	TOTAL EXPENSES	5,834	-	(5,834)
1,366	-	1,366	OPERATING INCOME (LOSS)	9,475	-	9,475
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-
1,366	-	1,366	NET INCREASE (DECREASE) IN NET POSITION	9,475	-	9,475
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%
38%	0%	-38%	ADMINISTRATIVE EXPENSE RATIO	38%	0%	-38%

**KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT**

KERN HEALTH SYSTEMS

2018 MEMBER MONTHS

	JAN'18	FEB'18	MAR'18	APR'18	MAY'18	JUN'18	JUL'18	AUG'18	SEP'18	OCT'18	NOV'18	DEC'18
ADULT AND FAMILY												
PA - FAMILY	34,790	34,221	34,687	33,840	33,542	33,859	33,475					
MIN - FAMILY	0	0	0	0	0	0	0					
REFUGEE - FAMILY	0	0	0	0	0	0	0					
FOSTER CARE	707	679	719	731	701	713	729					
POVERTY-133/200%	1	1	1	1	1	1	1					
POVERTY-100%	0	0	0	0	0	0	0					
MI - CHILD	107,133	108,725	109,378	110,181	111,205	110,796	111,208					
CHILD-ACA	115	104	120	40	40	43	45					
FAMILY - UNDER 19	21,195	21,355	21,188	21,708	21,196	21,272	21,636					
SUB-TOTAL ADULT & FAMILY	163,941	165,085	166,093	166,501	166,685	166,684	167,094	0	0	0	0	0

MEDICAL EXPANSION												
LHP Transition Pre-ACA	52	52	52	52	28	49	48					
ACA Expansion Adult-Citizen	57,307	58,118	58,262	59,224	58,660	59,413	59,517					
ACA Expansion CAL Fresh Adult	5	5	6	5	5	5	5					
LHP Transition Pre-ACA	380	389	454	418	539	508	488					
SUB-TOTAL MANDATORY	57,744	58,564	58,774	59,699	59,232	59,975	60,058	0	0	0	0	0

SDP MEMBERS												
SSI-AGED	191	182	174	186	186	195	188					
MIN - AGED	1,457	1,414	1,533	1,483	1,544	1,551	1,558					
SSI - BLIND & DISABLED	12,242	12,366	12,213	12,177	12,373	12,386	12,288					
MIN - BLIND & DISABLED	259	358	334	356	1,121	458	606					
SUB-TOTAL MANDATORY SPD	14,149	14,320	14,254	14,202	15,224	14,590	14,630	0	0	0	0	0

TOTAL MANDATORY	235,834	237,969	239,121	240,402	241,141	241,249	241,782	0	0	0	0	0
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OTHER MEMBERS												
BCCTP-TOBACCO SETTLEMENT	28	26	25	24	24	23	23					

DUALS												
PA - FAMILY DUALS	24	14	19	23	-8	19	25					
PART D SSI-AGED	771	776	767	784	805	787	836					
PART D MN - AGED	1,295	1,364	1,331	1,359	1,390	1,364	1,364					
PART D SSI - BLIND & DISABLED	2,338	2,300	2,314	2,389	2,324	2,463	2,433					
PART D MN - BLIND & DISABLED	1,038	978	973	980	983	980	991					
PART D BCCTP-TOBACCO SETTLEMENT	3	1	1	0	0	0	0					
PART D MI - ADULT	0	0	0	0	0	0	0					
PART D MI - CHILD	346	385	390	386	414	432	407					
SUB-TOTAL DUALS	5,815	5,818	5,795	5,921	5,908	6,045	6,056	0	0	0	0	0

TOTAL OTHERS	5,843	5,844	5,820	5,945	5,932	6,068	6,079	0	0	0	0	0
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TOTAL KAISER	7,991	8,160	8,225	8,267	8,307	8,294	8,278					
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TOTAL MEDI-CAL MEMBERS	249,668	251,973	253,166	254,614	255,380	255,611	256,139	0	0	0	0	0
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To: KHS Board of Directors

From: Robert Landis, CFO

Date: October 11, 2018

Re: August 2018 Financial Results

The August results reflect a \$689,436 Net Increase in Net Position which is a \$699,759 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$7.1 million favorable variance primarily due to:
 - A) \$2.8 million favorable variance relating to Family and Other primarily due to a higher than expected budgeted rate increase from the State (\$.3 million), higher than expected enrollment (\$.3 million), higher than expected Maternity revenue (\$1.1 million) and accounting for unbudgeted Proposition 56 monies received on at risk basis (\$1.0 million) and offset against amounts included in item 2C below.
 - B) \$2.2 million favorable variance relating to Expansion primarily due to a higher than expected budgeted rate increase from the State (\$1.3 million), higher than expected enrollment (\$.4 million) and accounting for unbudgeted Proposition 56 monies received on at risk basis (\$.5 million) and offset against amounts included in item 2C below.
 - C) \$1.2 million favorable variance relating to SPD primarily due to a higher than expected budgeted rate increase from the State (\$.4 million), higher than expected enrollment (\$.4 million) and accounting for unbudgeted Proposition 56 monies received on at risk basis (\$.2 million) and offset against amounts included in item 2C below.
- 2) Total Medical Costs reflect a \$6.2 million unfavorable variance primarily due to:
 - A) \$.8 million unfavorable variance in Physician Services primarily due to higher than expected utilization of Referral Specialty Services by Expansion and Family & Other members.
 - B) \$1.2 million unfavorable variance in Outpatient Hospital primarily due to higher than expected utilization by Expansion and Family & Other members.
 - C) \$1.8 million unfavorable variance in Other Medical primarily due to accruing for unbudgeted Proposition 56 expenses on at-risk-basis offset against revenue mention under items 1A-1C above.
 - D) \$1.9 million unfavorable variance in IBNR, Incentive, Paid Claims Adjustment primarily due to a recent requirement by CMS instructing DHCS to reinstitute the Expansion Risk Corridor which limits the Expansion Medical Loss Ratio to a range of 85- 95 percent for the period July 2016 – June 2017.

The August Medical Loss Ratio is 93.4% which is favorable to the 93.6% budgeted amount. The August Administrative Expense Ratio is 5.2% which is favorable to the 5.8% budgeted amount.

The results for the 8 months ended August 31, 2018 reflects a Net Increase in Net Position of \$3,738,402. This is a \$6,794,613 favorable variance to budget and includes approximately \$6.9 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 94.1% which is slightly favorable to the 94.2% budgeted amount. The year-to-date Administrative Expense Ratio is 5.0% which is favorable to the 5.9% budgeted amount.

**Kern Health Systems
Financial Packet
August 2018**

KHS – Medi-Cal Line of Business

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

KHS Group Health Plan – Healthy Families Line of Business

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

KHS Administrative Analysis and Other Reporting

Monthly Member Count	Page 15
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KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF AUGUST 31, 2018			
ASSETS	AUGUST 2018	JULY 2018	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 88,977,877	\$ 80,886,413	\$ 8,091,464
Short-Term Investments	142,986,596	92,824,128	50,162,468
Premiums Receivable - Net	72,922,577	126,600,127	(53,677,550)
Interest Receivable	461,567	235,710	225,857
Other Receivables	1,731,018	1,691,587	39,431
Prepaid Expenses & Other Current Assets	1,662,247	1,850,556	(188,309)
Total Current Assets	\$ 308,741,882	\$ 304,088,521	\$ 4,653,361
RESTRICTED ASSETS	\$ 300,000	\$ 300,000	\$ -
CAPITAL ASSETS - NET OF ACCUM DEPREE:			
Land	4,876,562	4,876,562	-
Furniture and Equipment	5,943,590	6,042,365	(98,775)
Automobile - Net	14,665	15,057	(392)
Building and Building Improvements - Net	6,435,121	6,462,976	(27,855)
Capital Projects in Process	21,392,319	17,857,356	3,534,963
Total Capital Assets	\$ 38,662,257	\$ 35,254,316	\$ 3,407,941
LONG TERM ASSETS:			
Officer Life Insurance Receivables	684,772	684,772	-
Total Long Term Assets	\$ 684,772	\$ 684,772	\$ -
DEFERRED OUTFLOWS OF RESOURCES	\$ 2,890,063	\$ 2,890,063	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 351,278,974	\$ 343,217,672	\$ 8,061,302
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	\$ 27,854	\$ 27,854	-
Accrued Salaries and Employee Benefits	2,106,266	1,875,530	230,736
Accrued Other Operating Expenses	1,000,621	1,055,781	(55,160)
Accrued Taxes and Licenses	16,124,399	8,036,792	8,087,607
Claims Payable (Reported)	18,009,842	20,687,912	(2,678,070)
IBNR - Inpatient Claims	33,855,935	33,335,114	520,821
IBNR - Physician Claims	12,064,245	12,142,178	(77,933)
IBNR - Accrued Other Medical	18,329,156	18,879,322	(550,166)
Risk Pool and Withholds Payable	2,293,640	3,295,353	(1,001,713)
Statutory Allowance for Claims Processing Expense	2,324,857	2,324,857	-
Other Liabilities	44,782,691	41,886,947	2,895,744
Total Current Liabilities	\$ 150,919,506	\$ 143,547,640	\$ 7,371,866
NONCURRENT LIABILITIES:			
Net Pension Liability	5,808,296	5,808,296	-
TOTAL NONCURRENT LIABILITIES	\$ 5,808,296	\$ 5,808,296	\$ -
DEFERRED INFLOWS OF RESOURCES	\$ 270,949	\$ 270,949	\$ -
NET POSITION:			
Net Position - Beg. of Year	190,541,821	190,541,821	-
Increase (Decrease) in Net Position - Current Year	3,738,402	3,048,966	689,436
Total Net Position	\$ 194,280,223	\$ 193,590,787	\$ 689,436
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 351,278,974	\$ 343,217,672	\$ 8,061,302

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED AUGUST 31, 2018			YEAR-TO-DATE MEMBER MONTHS		
						ACTUAL	BUDGET	VARIANCE
ENROLLMENT						ACTUAL	BUDGET	VARIANCE
166,555	166,100	455	Family Members	1,328,638	1,317,600	11,038		
59,678	58,600	1,078	Expansion Members	473,724	464,600	9,124		
14,554	14,050	504	SPD Members	115,923	112,400	3,523		
6,180	5,200	980	Other Members	47,711	40,900	6,811		
8,340	7,975	365	Kaiser Members	65,862	63,100	2,762		
255,307	251,925	3,382	Total Members - MCAL	2,031,858	1,998,600	33,258		
REVENUES								
24,767,995	21,978,911	2,789,084	Title XIX - Medicaid - Family and Other	174,790,720	170,018,302	4,772,418		
22,282,962	20,033,311	2,249,651	Title XIX - Medicaid - Expansion Members	169,454,059	162,217,615	7,236,445		
12,352,541	11,164,810	1,187,731	Title XIX - Medicaid - SPD Members	89,431,335	87,469,019	1,962,316		
8,087,606	7,677,398	410,208	Premium - MCO Tax	62,910,830	60,912,497	1,998,333		
326,444	272,425	54,019	Interest /Dividends	3,152,099	2,161,417	990,682		
-	114,657	(114,657)	Reinsurance Recoveries	139,352	909,685	(770,333)		
417,036	-	417,036	COB/Subrogation Collections	16,916,339	-	16,916,339		
129,606	-	129,606	Rate/Income Adjustments	23,247,913	-	23,247,913		
15,476	-	15,476	Other Income (Expense)	(511,283)	-	(511,283)		
68,379,666	61,241,511	7,138,155	TOTAL REVENUES	539,531,365	483,688,535	55,842,830		
EXPENSES								
Medical Costs:								
13,538,335	12,783,542	(754,793)	Physician Services	108,974,560	101,500,891	(7,473,669)		
3,254,300	2,828,546	(425,754)	Other Professional Services	24,414,713	22,432,052	(1,982,660)		
4,563,430	4,166,032	(397,398)	Emergency Room	37,387,205	33,069,468	(4,317,737)		
13,023,461	13,341,068	317,607	Inpatient	112,061,846	106,018,538	(6,043,308)		
116,494	114,657	(1,838)	Reinsurance Expense	921,480	909,685	(11,795)		
6,047,228	4,823,423	(1,223,805)	Outpatient Hospital	46,211,704	38,326,383	(7,885,321)		
4,241,840	2,415,129	(1,826,711)	Other Medical	25,804,036	19,222,120	(6,581,915)		
9,437,755	9,154,461	(283,294)	Pharmacy	72,532,746	72,780,577	247,831		
493,934	487,900	(6,034)	Pay for Performance Quality Incentive	3,931,992	3,871,000	(60,992)		
(299,863)	-	299,863	Non-Claims Expense Adjustment	20,629,828	-	(20,629,828)		
1,872,269	-	(1,872,269)	IBNR, Incentive, Paid Claims Adjustment	(4,318,079)	-	4,318,079		
56,289,183	50,114,756	(6,174,427)	Total Medical Costs	448,552,030	398,130,714	(50,421,317)		
12,090,483	11,126,755	963,728	GROSS MARGIN	90,979,335	85,557,821	5,421,514		
Administrative:								
2,083,690	1,986,388	(97,303)	Compensation	15,508,187	15,874,781	366,594		
594,201	604,947	10,746	Purchased Services	4,738,236	4,923,333	185,097		
61,411	101,239	39,828	Supplies	453,645	810,422	356,777		
127,237	133,797	6,560	Depreciation	1,017,884	1,054,214	36,330		
255,200	299,975	44,775	Other Administrative Expenses	2,203,193	2,372,120	168,927		
3,121,739	3,126,346	4,607	Total Administrative Expenses	23,921,145	25,034,869	1,113,724		
59,410,922	53,241,103	(6,169,819)	TOTAL EXPENSES	472,473,175	423,165,583	(49,307,592)		
8,968,744	8,000,408	968,336	OPERATING INCOME (LOSS) BEFORE TAX	67,058,190	60,522,951	6,535,238		
8,087,607	7,677,398	(410,209)	MCO TAX	61,865,887	60,912,497	(953,390)		
881,137	323,010	558,127	OPERATING INCOME (LOSS) NET OF TAX	5,192,303	(389,546)	5,581,848		
NONOPERATING REVENUE (EXPENSES)								
-	-	-	Reserve Fund Projects/Community Grants	-	-	-		
(191,701)	(333,333)	141,632	Health Home	(1,453,901)	(2,666,666)	1,212,765		
(191,701)	(333,333)	141,632	TOTAL NONOPERATING REVENUES (EXPENSES)	(1,453,901)	(2,666,666)	1,212,765		
689,436	(10,323)	699,759	NET INCREASE (DECREASE) IN NET POSITION	3,738,402	(3,056,212)	6,794,613		
93.4%	93.6%	0.2%	MEDICAL LOSS RATIO	94.1%	94.2%	0.1%		
5.2%	5.8%	0.7%	ADMINISTRATIVE EXPENSE RATIO	5.0%	5.9%	0.9%		

KHS9/27/2018
Management Use Only

Page 2

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

CURRENT MONTH			YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE

E N R O L L M E N T						
166,555	166,100	455	Family Members	1,328,638	1,317,600	11,038
59,678	58,600	1,078	Expansion Members	473,724	464,600	9,124
14,554	14,050	504	SPD Members	115,923	112,400	3,523
6,180	5,200	980	Other Members	47,711	40,900	6,811
8,340	7,975	365	Kaiser Members	65,862	63,100	2,762
255,307	251,925	3,382	Total Members - MCAL	2,031,858	1,998,600	33,258

R E V E N U E S						
143.39	128.31	15.08	Title XIX - Medicaid - Family and Other	127.00	125.15	1.84
373.39	341.87	31.52	Title XIX - Medicaid - Expansion Members	357.71	349.16	8.55
848.74	794.65	54.09	Title XIX - Medicaid - SPD Members	771.47	778.19	(6.72)
32.75	31.47	1.28	Premium - MCO Tax	32.00	31.47	0.53
1.32	1.12	0.21	Interest /Dividends	1.60	1.12	0.49
0.00	0.47	(0.47)	Reinsurance Recoveries	0.07	0.47	(0.40)
1.69	0.00	1.69	COB/Subrogation Collections	8.60	0.00	8.60
0.52	0.00	0.52	Rate/Income Adjustments	11.83	0.00	11.83
0.06	0.00	0.06	Other Income (Expense)	(0.26)	0.00	(0.26)
276.88	251.04	25.84	TOTAL REVENUES	274.43	249.90	24.53

E X P E N S E S						
Medical Costs:						
54.82	52.40	(2.42)	Physician Services	55.43	52.44	(2.99)
13.18	11.59	(1.58)	Other Professional Services	12.42	11.59	(0.83)
18.48	17.08	(1.40)	Emergency Room	19.02	17.09	(1.93)
52.73	54.69	1.95	Inpatient	57.00	54.78	(2.22)
0.47	0.47	(0.00)	Reinsurance Expense	0.47	0.47	0.00
24.49	19.77	(4.71)	Outpatient Hospital	23.51	19.80	(3.70)
17.18	9.90	(7.28)	Other Medical	13.13	9.93	(3.19)
38.21	37.53	(0.69)	Pharmacy	36.89	37.60	0.71
2.00	2.00	0.00	Pay for Performance Quality Incentive	2.00	2.00	0.00
(1.21)	0.00	1.21	Non-Claims Expense Adjustment	10.49	0.00	(10.49)
7.58	0.00	(7.58)	IBNR, Incentive, Paid Claims Adjustment	(2.20)	0.00	2.20
227.92	205.43	(22.49)	Total Medical Costs	228.16	205.70	(22.46)

48.96	45.61	3.35	GROSS MARGIN	46.28	44.20	2.07
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A d m i n i s t r a t i v e :						
8.44	8.14	(0.29)	Compensation	7.89	8.20	0.31
2.41	2.48	0.07	Purchased Services	2.41	2.54	0.13
0.25	0.42	0.17	Supplies	0.23	0.42	0.19
0.52	0.55	0.03	Depreciation	0.52	0.54	0.03
1.03	1.23	0.20	Other Administrative Expenses	1.12	1.23	0.10
12.64	12.82	0.18	Total Administrative Expenses	12.17	12.93	0.77

240.56	218.25	(22.32)	TOTAL EXPENSES	240.32	218.63	(21.69)
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36.32	32.80	3.52	OPERATING INCOME (LOSS) BEFORE TAX	34.11	31.27	2.84
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32.75	31.47	(1.28)	MCO TAX	31.47	31.47	0.00
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3.57	1.32	2.24	OPERATING INCOME (LOSS) NET OF TAX	2.64	(0.20)	2.84
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N O N O P E R A T I N G R E V E N U E (E X P E N S E S)						
0.00	0.00	0.00	Reserve Fund Projects/Community Grants	0.00	0.00	0.00
0.75	(1.37)	(2.12)	Health Home	0.72	(10.93)	(11.65)
0.75	(1.37)	(2.12)	TOTAL NONOPERATING REVENUES (EXPENSES)	0.72	(10.93)	(11.65)

2.79	(0.04)	2.83	NET INCREASE (DECREASE) IN NET POSITION	1.90	(1.58)	3.48
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93.4%	93.6%	0.2%	MEDICAL LOSS RATIO	94.1%	94.2%	0.1%
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5.2%	5.8%	0.7%	ADMINISTRATIVE EXPENSE RATIO	5.0%	5.9%	0.9%
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KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH AUGUST 31, 2018														
ENROLLMENT														
Members - MCAL														
	AUGUST 2017	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017	DECEMBER 2017	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	AUGUST 2018	13 MONTH TOTAL
	239,363	240,564	240,556	239,434	241,567	241,677	243,813	244,941	246,347	247,073	247,317	247,861	246,967	3,167,480
REVENUES														
Title XIX - Medicaid - Family and Other	21,157,058	21,889,455	20,639,049	21,430,630	20,910,809	19,848,982	20,328,489	21,226,405	20,886,377	23,080,439	21,832,796	22,819,237	24,767,995	280,817,721
Title XIX - Medicaid - Expansion Members	20,057,872	20,019,384	20,016,706	20,222,674	20,131,172	20,478,437	20,367,468	20,638,072	20,813,430	21,917,568	21,204,090	21,752,232	22,282,962	269,901,867
Title XIX - Medicaid - SPD Members	10,667,756	10,594,072	10,978,591	10,859,865	11,017,790	10,334,550	10,764,532	10,871,613	11,583,059	11,083,761	11,910,574	12,352,541	13,549,409	143,549,409
Premium - MCO Tax	7,622,484	8,087,180	7,402,479	7,628,229	7,651,559	7,720,467	7,638,903	7,815,000	7,859,452	7,883,583	7,817,901	8,087,918	8,087,606	101,302,761
Interest/Dividends	385,982	302,348	303,875	268,899	320,014	489,128	312,296	330,992	509,005	392,144	493,098	298,592	326,444	4,733,217
Reinsurance Recoveries	-	-	124,814	781,756	217,296	-	-	-	-	-	139,352	-	-	1,263,218
COB/Subrogation Collections	5,392,339	3,431,408	3,148,842	5,324,912	2,458,885	-	-	10,245,425	3,503,612	1,287,496	1,027,705	465,065	417,036	36,672,725
Rate/Income Adjustments	1,061,917	9,476,726	126,333	2,128,785	52,721	1,511,501	319,159	1,095,189	487,845	21,528,562	(1,680,199)	(113,750)	129,606	36,094,395
Other Income (Expense)	104	(185,865)	378	(20,460)	(708,938)	114,532	(200,000)	(384,933)	(360,661)	(99,712)	345,348	58,667	15,476	(1,426,064)
TOTAL REVENUES	66,345,512	73,614,708	62,741,067	68,625,290	62,051,308	60,497,598	59,297,299	71,730,403	64,541,073	87,542,939	62,263,852	65,278,535	68,279,666	872,909,251
EXPENSES														
Medical Costs:														
Physician Services	13,877,006	14,239,482	12,862,609	14,607,980	13,358,821	13,339,777	12,606,454	15,608,603	14,450,821	13,315,057	13,013,296	13,202,517	13,538,335	171,920,458
Other Professional Services	2,989,287	2,851,866	2,920,876	3,065,669	2,810,522	2,973,811	2,788,474	2,996,590	2,911,566	3,414,591	3,111,320	2,964,061	3,254,500	39,053,033
Emergency Room	5,099,658	4,696,197	3,995,827	3,988,819	3,888,819	4,269,344	4,171,278	5,239,525	5,247,777	4,510,035	4,780,947	4,584,869	4,563,430	60,162,745
Inpatient	13,546,637	13,862,008	13,575,463	16,815,315	14,316,486	13,689,711	13,055,324	16,973,565	14,300,202	13,932,093	13,267,422	13,921,068	13,023,461	184,177,755
Reinsurance Expense	105,475	105,320	105,848	105,848	105,351	113,536	118,427	117,345	107,531	115,783	116,124	116,240	116,949	1,449,319
Outpatient Hospital	6,154,715	6,213,267	5,886,144	7,151,522	5,457,541	5,307,045	5,138,504	5,324,082	6,217,088	6,567,061	5,930,118	5,602,578	6,047,228	77,074,893
Other Medical	1,800,207	1,883,596	2,362,997	1,797,103	2,482,691	2,422,606	1,923,264	2,576,860	2,195,432	6,103,942	3,282,963	3,057,129	4,241,840	36,130,629
Pharmacy	9,525,333	8,228,934	8,958,655	8,669,446	8,546,330	9,767,063	8,544,614	9,369,495	8,793,635	9,203,737	8,567,706	8,848,741	9,437,755	116,461,444
Pay for Performance Quality Incentive	562,503	565,325	565,307	562,670	567,682	483,354	487,626	489,882	492,694	494,146	494,634	495,722	495,934	6,755,479
Non-Claims Expense Adjustment	-	-	-	-	-	-	-	-	-	20,941,682	(11,991)	-	(299,863)	20,629,828
IBNR, Incentive, Paid Claims Adjustment	1,034,615	7,973,649	332,212	(382,239)	(105,403)	(2,338,427)	(81,180)	18,265	(1,015,946)	(1,917,277)	(1,197,835)	342,052	1,872,269	4,534,755
Total Medical Costs	54,695,536	60,619,644	51,565,938	57,488,350	51,428,840	49,826,819	48,751,703	58,733,294	53,700,500	76,700,850	51,354,704	53,194,977	56,289,183	724,350,338
GROSS MARGIN														
Administrative:	11,649,976	12,995,064	11,175,129	11,136,940	10,622,469	10,670,779	10,545,596	12,997,109	10,840,573	10,842,089	10,999,148	12,083,558	12,090,483	148,558,912
Compensation	1,962,751	1,762,043	1,869,031	1,897,938	2,047,251	1,983,731	1,857,459	2,076,645	1,687,623	1,916,952	1,884,868	2,017,219	2,083,690	25,047,201
Purchased Services	371,842	522,883	539,809	952,528	659,696	519,892	545,740	804,716	642,623	636,968	578,949	415,147	594,201	7,784,994
Supplies	131,877	168,244	208,982	160,257	(329,638)	104,203	271,993	(9,431)	72,492	71,465	68,507	57,005	61,411	703,367
Depreciation	125,913	125,881	126,396	127,744	127,464	128,722	127,578	127,464	130,267	122,140	127,238	127,238	127,237	1,651,282
Other Administrative Expenses	267,320	200,081	267,832	317,878	688,273	210,466	225,000	339,883	284,983	279,546	275,729	332,386	255,200	3,944,577
Administrative Expense Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	2,042,235
Total Administrative Expenses	2,859,703	2,779,132	3,012,050	3,456,295	5,235,280	2,947,014	2,783,770	3,339,277	2,817,988	3,027,071	2,935,291	2,948,995	3,121,739	41,263,606
TOTAL EXPENSES	57,555,239	63,398,776	54,577,988	60,944,645	56,664,120	52,773,833	51,535,473	62,072,571	56,518,488	79,727,921	54,289,995	56,143,972	59,410,922	765,613,944
OPERATING INCOME (LOSS) BEFORE TAX	8,790,273	10,215,932	8,163,079	7,680,645	5,387,188	7,723,765	7,761,926	9,657,832	8,022,585	7,815,018	7,973,857	9,134,563	8,968,744	107,295,307
MCO Tax	7,775,859	8,059,738	7,454,395	7,650,171	7,652,171	7,650,254	7,510,749	7,650,023	7,650,254	7,650,254	7,578,828	8,087,918	8,087,607	100,458,223
OPERATING INCOME (LOSS) NET OF TAX	1,014,414	2,156,194	708,684	30,472	(264,983)	73,511	251,077	2,007,809	372,331	164,764	395,029	1,046,645	881,137	6,837,084
TOTAL NONOPERATING REVENUE (EXPENSES)	-	(23,175)	(684,708)	-	(625,436)	(18,785)	(140,027)	(615,733)	(138,970)	43,857	(233,737)	(158,805)	(191,701)	(2,745,224)
NET INCREASE (DECREASE) IN NET POSITION	1,014,414	2,133,019	45,976	30,472	(2,890,419)	54,726	111,050	1,392,076	233,361	208,621	161,292	887,840	689,436	4,071,864
MEDICAL LOSS RATIO	93.1%	92.5%	93.2%	94.2%	94.5%	94.4%	94.4%	91.9%	94.7%	96.3%	94.3%	95.0%	93.4%	93.9%
ADMINISTRATIVE EXPENSE RATIO	4.9%	4.2%	5.4%	5.7%	9.6%	5.0%	5.4%	5.2%	5.0%	3.8%	5.4%	5.2%	5.2%	5.3%

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH AUGUST 31, 2018														
ENROLLMENT														
	AUGUST 2017	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017	DECEMBER 2017	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	AUGUST 2018	13 MONTH TOTAL
Members - MCAAL	239,363	240,564	240,556	239,434	241,567	241,677	243,813	244,941	246,347	247,073	247,317	247,861	246,967	3,167,480
REVENUES														
Title XIX - Medicaid - Family and Other	125.53	129.26	122.06	126.92	123.23	116.91	118.93	123.47	121.12	133.71	126.38	131.77	143.39	126.39
Title XIX - Medicaid - Expansion Members	351.84	350.11	352.46	359.17	349.73	354.64	347.78	351.14	348.64	370.03	353.55	362.19	373.39	355.80
Title XIX - Medicaid - SPD Members	772.58	754.83	748.37	760.39	769.40	730.41	735.40	755.17	765.50	760.84	759.68	814.12	848.74	767.49
Premium - MCO Tax	31.84	33.62	30.77	31.86	31.67	31.95	31.67	31.91	31.90	31.91	31.61	32.63	32.75	31.98
Interest/Dividends	1.61	1.26	1.26	1.12	1.32	2.02	1.28	1.35	2.07	1.59	1.29	1.20	1.32	1.49
Reinsurance Recoveries	0.00	0.00	0.52	3.27	0.00	0.00	0.00	0.00	0.00	0.00	0.56	0.00	0.00	0.40
COB/Subrogation Collections	22.53	14.26	13.09	22.24	10.18	0.00	0.00	41.83	14.22	5.09	4.16	1.88	1.69	11.58
Rate/Income Adjustments	4.44	39.39	0.53	8.89	0.22	6.25	1.31	4.47	1.86	87.13	(6.79)	(0.46)	0.52	11.40
Other Revenue (Expense)	0.00	(0.77)	0.00	(0.09)	(2.93)	0.47	(0.82)	(1.57)	(1.40)	(0.40)	1.40	0.24	0.06	(0.45)
TOTAL REVENUES	277.18	306.01	260.82	286.61	256.87	250.32	243.21	292.85	261.99	354.32	251.76	263.37	276.88	275.58
EXPENSES														
Medical Costs:														
Physician Services	57.97	59.19	55.47	61.01	55.30	54.78	51.71	63.72	58.66	53.89	52.62	53.27	54.82	56.17
Other Professional Services	12.49	11.85	12.14	12.80	11.63	12.30	11.44	12.23	11.82	13.82	12.58	11.96	13.18	12.33
Emergency Room	21.31	19.52	16.61	21.28	16.10	17.67	17.11	21.47	21.30	18.25	19.33	18.50	18.48	18.99
Inpatient	56.59	57.62	56.43	70.23	59.27	56.23	53.55	69.30	58.05	56.39	53.65	56.16	52.73	58.15
Reinsurance Expense	0.44	0.44	0.44	0.44	0.44	0.47	0.48	0.48	0.44	0.47	0.47	0.47	0.47	0.46
Outpatient Hospital	25.71	25.83	24.47	29.87	22.59	21.96	21.08	21.73	25.24	26.66	23.98	22.85	24.49	24.33
Other Medical	7.52	7.83	9.82	7.51	10.28	10.02	7.89	10.52	8.91	24.71	13.27	12.33	17.18	11.41
Pharmacy	39.79	34.21	37.24	36.21	35.38	40.41	35.05	38.25	35.70	37.25	34.64	35.70	38.21	36.77
Pay for Performance Quality Incentive	2.35	2.35	2.35	2.35	2.35	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.13
Non-Claims Expense Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IBNR Incentive, Paid Claims Adjustment	4.32	33.15	1.38	(1.60)	(0.44)	(9.68)	(0.33)	0.07	(4.12)	(7.76)	(4.84)	1.38	7.58	1.43
Total Medical Costs	228.50	251.99	214.36	240.10	212.90	206.17	199.96	239.79	217.99	310.44	207.65	214.62	227.92	228.68
GROSS MARGIN	48.67	54.02	46.46	46.51	43.97	44.15	43.25	53.06	44.01	43.88	44.11	48.75	48.96	46.90
Administrative:														
Compensation	8.20	7.32	7.77	7.93	8.47	8.21	7.62	8.48	6.85	7.76	7.62	8.14	8.44	7.91
Purchased Services	1.55	2.17	2.24	3.98	2.73	2.15	2.24	3.29	2.61	2.58	2.34	1.67	2.41	2.46
Supplies	0.53	0.70	0.87	0.67	(1.06)	0.43	0.11	(0.04)	0.29	0.29	0.28	0.23	0.25	0.25
Depreciation	1.12	0.83	1.11	1.33	2.85	0.87	0.92	1.39	1.16	1.13	1.11	1.34	1.03	1.25
Other Administrative Expenses	0.00	0.00	0.00	0.00	8.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Administrative Expense Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Administrative Expenses	11.95	11.85	12.32	14.44	21.67	12.19	11.42	13.63	11.44	12.25	11.87	11.90	12.64	13.03
TOTAL EXPENSES	240.45	263.84	226.88	254.54	234.57	218.37	211.37	253.42	229.43	322.69	219.52	226.51	240.56	241.71
OPERATING INCOME (LOSS) BEFORE TAX	36.72	42.17	33.93	32.08	22.30	31.96	31.84	39.43	32.57	31.63	32.24	36.85	36.32	33.87
MCO TAX	32.49	33.50	30.99	31.95	31.68	31.65	30.81	31.23	31.05	30.96	30.64	32.63	32.75	31.72
OPERATING INCOME (LOSS) NET OF TAX	4.24	8.66	2.95	0.13	(9.38)	0.30	1.03	8.20	1.51	0.67	1.60	4.22	3.57	2.16
TOTAL NONOPERATING REVENUE (EXPENSES)	0.00	(0.10)	(2.75)	0.00	(2.59)	(0.08)	(0.57)	(2.51)	(0.50)	0.18	(0.95)	(0.64)	(0.78)	(0.87)
NET INCREASE (DECREASE) IN NET POSITION	4.24	8.87	0.19	0.13	(11.97)	0.23	0.46	5.68	0.95	0.84	0.65	3.58	2.79	1.29
MEDICAL LOSS RATIO	93.1%	92.5%	93.2%	94.2%	94.5%	94.4%	94.4%	91.9%	94.7%	96.3%	94.3%	93.0%	93.4%	93.9%
ADMINISTRATIVE EXPENSE RATIO	4.9%	4.2%	5.4%	5.7%	9.6%	5.6%	5.4%	5.2%	5.0%	3.8%	5.2%	5.2%	5.2%	5.3%

CURRENT MONTH		VARIANCE	KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED AUGUST 31, 2018			YEAR-TO-DATE	
ACTUAL	BUDGET		ACTUAL	BUDGET	VARIANCE		
19,917,061	19,365,070	551,991	151,597,275	150,280,403	1,316,872		
3,317,683	2,211,218	1,106,465	16,915,305	16,560,070	355,235		
121,082	177,283	(56,201)	540,866	1,405,948	(865,082)		
315,399	135,072	180,327	1,514,572	1,071,194	443,378		
1,009,002	-	1,009,002	3,503,243	-	3,503,243		
87,768	90,269	(2,501)	719,459	700,688	18,771		
24,767,995	21,978,911	2,789,084	174,790,720	170,018,302	4,772,418		
Title XIX - Medicaid - Family & Other							
Premium - Medi-Cal							
Premium - Maternity Kick							
Premium - Hep C Kick							
Premium - BHT Kick							
Premium - Provider Enhancement							
Other							
Total Title XIX - Medicaid - Family & Other							
Title XIX - Medicaid - Expansion Members							
Premium - Medi-Cal							
Premium - Maternity Kick							
Premium - Hep C Kick							
Premium - Provider Enhancement							
Other							
Total Title XIX - Medicaid - Expansion Members							
Title XIX - Medicaid - SPD Members							
Premium - Medi-Cal							
Premium - Hep C Kick							
Premium - BHT Kick							
Premium - Provider Enhancement							
Total Title XIX - Medicaid - SPD Members							
11,390,599	10,583,008	807,591	84,710,961	82,814,604	1,896,357		
257,299	320,007	(62,708)	1,637,669	2,560,056	(922,387)		
475,428	261,795	213,633	2,296,714	2,094,360	202,354		
229,215	-	229,215	785,991	-	785,991		
12,352,541	11,164,810	1,187,731	89,431,335	87,469,020	1,962,315		

CURRENT MONTH		VARIANCE	KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED AUGUST 31, 2018			YEAR-TO-DATE	
ACTUAL	BUDGET		ACTUAL	BUDGET	VARIANCE		
2,588,711	2,802,410	213,699	22,827,613	22,237,536	(590,077)		
9,731,053	8,864,721	(866,332)	75,038,972	70,405,108	(4,633,864)		
1,209,271	1,107,110	(102,161)	11,035,075	8,794,646	(2,240,429)		
9,300	9,300	-	72,900	63,600	(9,300)		
13,538,335	12,783,542	(754,793)	108,974,560	101,500,891	(7,473,669)		
PHYSICIAN SERVICES							
Primary Care Physician Services							
247,861	250,887	3,026	1,960,596	1,990,626	30,030		
154,479	175,171	20,692	1,124,641	1,401,370	276,729		
677,825	683,713	5,888	5,251,376	5,380,568	129,192		
87,521	89,147	1,626	644,633	713,175	68,542		
84,285	89,883	5,598	622,025	693,084	71,059		
81,766	79,191	(2,575)	598,570	633,526	35,006		
52,937	50,527	(2,410)	372,153	404,216	32,063		
47,786	55,701	7,915	349,493	445,604	96,111		
1,464,101	439,078	(1,025,023)	4,330,251	3,500,305	(829,946)		
(616,587)	53,882	670,469	1,165,489	428,088	(737,401)		
972,326	861,366	(110,960)	7,995,535	6,841,489	(1,154,046)		
3,254,300	2,828,546	(425,754)	24,414,713	22,432,052	(1,982,660)		
4,563,430	4,166,032	(397,398)	37,387,205	33,069,468	(4,317,737)		
13,023,461	13,341,068	317,607	112,061,846	106,018,538	(6,043,308)		
116,494	114,657	(1,838)	921,480	909,685	(11,795)		
6,047,228	4,823,423	(1,223,805)	46,211,704	38,326,383	(7,885,321)		
TOTAL OTHER PROFESSIONAL SERVICES							
EMERGENCY ROOM							
332,353	335,356	3,003	2,661,062	2,661,041	(21)		
284,020	357,875	73,855	2,461,512	2,849,124	387,612		
287,423	262,929	(24,494)	1,688,079	2,103,430	415,351		
891,490	806,582	(84,908)	6,705,254	6,422,229	(283,025)		
-	121,975	121,975	16,466	967,750	951,284		
1,575,041	-	(1,575,041)	6,606,276	-	(6,606,276)		
871,513	530,411	(341,102)	5,665,387	4,218,547	(1,446,840)		
4,241,840	2,415,129	(1,826,711)	25,804,036	19,222,120	(6,581,915)		
TOTAL OTHER MEDICAL							
PHARMACY SERVICES							
RX - Drugs & OTC							
8,197,125	7,903,738	(293,387)	63,781,995	62,825,121	(956,874)		
839,377	835,956	(3,421)	4,898,836	6,650,970	1,752,134		
564,653	519,221	(45,432)	5,016,915	4,134,752	(882,163)		
(163,400)	(104,454)	58,946	(1,165,000)	(830,266)	334,734		
9,437,755	9,154,461	(283,294)	72,532,746	72,780,577	247,831		
493,934	487,900	(6,034)	3,931,992	3,871,000	(60,992)		
(299,863)	-	299,863	20,629,828	-	(20,629,828)		
1,872,269	-	(1,872,269)	(4,318,079)	-	4,318,079		
56,289,183	50,114,756	(6,174,427)	448,552,030	398,130,714	(50,421,317)		
Total Medical Costs							

* Medical costs per DMHC regulations

CURRENT MONTH		VARIANCE	KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED AUGUST 31, 2018			YEAR-TO-DATE	
ACTUAL	BUDGET		ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET
10.48	11.49	1.01	11.61	11.49	(0.12)		
39.40	36.34	(3.06)	38.17	36.38	(1.79)		
4.90	4.54	(0.36)	5.61	4.54	(1.07)		
0.04	0.04	0.00	0.04	0.03	(0.00)		
54.82	52.40	(2.42)	55.43	52.44	(2.99)		
1.00	1.03	0.02	1.00	1.03	0.03		
0.63	0.72	0.09	0.57	0.72	0.15		
2.74	2.80	0.06	2.67	2.78	0.11		
0.35	0.37	0.01	0.33	0.37	0.04		
0.34	0.37	0.03	0.32	0.36	0.04		
0.33	0.32	(0.01)	0.30	0.33	0.02		
0.21	0.21	(0.01)	0.19	0.21	0.02		
0.19	0.23	0.03	0.18	0.23	0.05		
5.93	1.80	(4.13)	2.20	1.81	(0.39)		
(2.50)	0.22	2.72	0.59	0.22	(0.37)		
3.94	3.53	(0.41)	4.07	3.53	(0.53)		
13.18	11.59	(1.58)	12.42	11.59	(0.83)		
18.48	17.08	(1.40)	19.02	17.09	(1.93)		
52.73	54.69	1.95	57.00	54.78	(2.22)		
0.47	0.47	(0.00)	0.47	0.47	0.00		
24.49	19.77	(4.71)	23.51	19.80	(3.70)		
1.35	1.37	0.03	1.35	1.37	0.02		
1.15	1.47	0.32	1.25	1.47	0.22		
1.16	1.08	(0.09)	0.86	1.09	0.23		
3.61	3.31	(0.30)	3.41	3.32	(0.09)		
0.00	0.50	0.50	0.01	0.50	0.49		
6.38	0.00	(6.38)	3.36	0.00	(3.36)		
3.53	2.17	(1.35)	2.88	2.18	(0.70)		
17.18	9.90	(7.28)	13.13	9.93	(3.19)		
33.19	32.40	(0.79)	32.44	32.46	0.02		
3.40	3.43	0.03	2.49	3.44	0.94		
2.29	2.13	(0.16)	2.55	2.14	(0.42)		
(0.66)	(0.43)	0.23	(0.59)	(0.43)	0.16		
38.21	37.53	(0.69)	36.89	37.60	0.71		
2.00	2.00	0.00	2.00	2.00	0.00		
-1.21	0.00	1.21	10.49	0.00	(10.49)		
7.58	0.00	(7.58)	(2.20)	0.00	(2.20)		
227.92	205.43	(22.49)	228.16	205.70	(22.46)		

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH AUGUST 31, 2018		JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	AUGUST 2018	YEAR TO DATE 2018
PHYSICIAN SERVICES										
Primary Care Physician Services		2,920,677	2,742,958	2,795,669	3,032,803	3,097,782	2,918,671	2,730,342	2,588,711	22,827,613
Referral Specialty Services		9,340,467	8,846,562	10,522,041	9,730,130	8,733,446	8,952,433	9,282,840	9,731,053	75,038,972
Urgent Care & After Hours Advice		1,060,333	1,008,534	2,281,593	1,678,588	1,474,529	1,133,192	1,180,035	1,209,271	11,035,075
Hospital Admitting Team		9,300	8,400	9,300	9,000	9,300	9,000	9,300	9,300	72,900
TOTAL PHYSICIAN SERVICES		13,239,777	12,606,454	15,608,603	14,450,521	13,315,057	13,013,296	13,202,517	13,538,335	108,974,560
OTHER PROFESSIONAL SERVICES										
Vision Services Capitalization		241,567	249,668	251,973	228,790	246,347	247,073	247,317	247,861	1,960,596
221 - Business Intelligence		-	-	-	-	-	825,183	144,979	154,479	1,124,641
310 - Health Services - Utilization Management - UM Allocation *		761,074	704,252	799,729	642,963	755,456	241,323	668,754	677,825	5,251,376
311 - Health Services - Quality Improvement - UM Allocation *		118,821	107,550	123,692	89,357	91,557	3,715	22,420	87,521	644,633
312 - Health Services - Education - UM Allocation *		76,022	65,961	79,421	70,442	80,056	86,012	79,826	84,285	622,025
313 - Health Services - Pharmacy - UM Allocation *		96,522	85,975	103,112	80,930	95,489	(21,368)	76,094	81,766	598,520
314 - Health Homes - UM Allocation *		44,203	41,266	48,457	41,054	48,687	47,918	47,631	52,937	372,153
616 - Disease Management - UM Allocation *		56,128	59,793	70,852	54,370	64,544	(47,728)	43,748	47,786	349,493
Behavior Health Treatment		488,079	385,879	454,810	490,975	524,803	387,958	133,646	1,464,101	4,330,251
Mental Health Services		63,645	122,453	96,062	319,743	431,902	290,129	458,142	(616,587)	1,165,489
Other Professional Services		1,027,749	965,677	968,482	892,942	1,075,750	1,051,105	1,041,504	972,326	7,995,535
TOTAL OTHER PROFESSIONAL SERVICES		2,973,811	2,788,474	2,996,590	2,911,566	3,414,591	3,111,320	2,964,061	3,254,330	24,414,713
EMERGENCY ROOM		4,269,344	4,171,278	5,259,525	5,247,777	4,510,035	4,780,947	4,584,869	4,563,430	37,387,205
INPATIENT HOSPITAL		13,588,711	13,055,324	16,973,565	14,300,202	13,932,093	13,267,422	13,921,068	13,023,461	112,061,846
REINSURANCE EXPENSE PREMIUM		113,536	117,345	118,427	107,531	115,783	116,124	116,240	116,494	921,480
OUTPATIENT HOSPITAL SERVICES		5,307,045	5,138,504	5,322,082	6,217,088	6,587,061	5,930,118	5,662,578	6,047,228	46,211,704
OTHER MEDICAL										
Ambulance		338,351	352,496	350,066	327,106	381,817	257,885	320,988	332,353	2,661,062
Home Health Services & CBAS		387,076	354,315	265,517	292,019	278,153	334,350	266,062	284,020	2,461,512
Utilization and Quality Review Expenses		284,192	42,175	226,751	159,266	241,649	243,855	202,768	287,423	1,688,079
Long Term/SNF/Hospice		999,658	777,625	923,259	686,826	808,413	789,958	828,025	891,490	6,705,254
Enhanced Medical Benefits		-	9,604	-	-	-	6,862	-	-	16,466
Provider Enhancement Expense		-	-	-	-	3,585,959	945,276	500,000	1,575,041	6,606,276
Non-Medical Transportation		413,329	387,049	811,267	730,215	807,951	704,777	939,286	871,513	5,665,387
TOTAL OTHER MEDICAL		2,422,606	1,923,264	2,576,860	2,195,432	6,103,942	3,282,963	3,057,129	4,241,840	25,804,036
PHARMACY SERVICES										
RX - Drugs & OTC		8,533,080	7,533,478	8,276,129	7,813,536	8,060,735	7,657,236	7,710,676	8,197,125	63,781,995
RX - HEP-C		729,042	557,006	600,369	500,230	483,336	454,893	734,583	839,377	4,898,836
RX - DME		620,941	570,130	608,997	643,269	823,066	618,977	566,882	564,653	5,016,915
RX - Pharmacy Rebates		(116,000)	(116,000)	(116,000)	(163,400)	(163,400)	(163,400)	(163,400)	(163,400)	(1,165,000)
TOTAL PHARMACY SERVICES		9,767,063	8,544,614	9,369,495	8,793,635	9,203,737	8,567,706	8,848,741	9,437,755	72,532,746
PAY FOR PERFORMANCE QUALITY INCENTIVE		483,354	487,626	489,882	492,694	494,146	494,634	495,722	493,934	3,931,992
NON-CLAIMS EXPENSE ADJUSTMENT		-	-	-	-	20,941,682	(11,991)	-	(299,863)	20,629,828
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT		(2,338,427)	(81,180)	18,265	(1,015,946)	(1,917,277)	(1,197,835)	342,052	1,872,269	(4,318,079)
Total Medical Costs		49,826,819	48,751,703	58,733,294	53,700,500	76,700,850	51,354,704	53,194,977	56,289,183	448,552,030

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH AUGUST 31, 2018										JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	AUGUST 2018	YEAR TO DATE 2018	
PHYSICIAN SERVICES																			
Primary Care Physician Services										12.09	11.25	11.41	12.31	12.54	11.80	11.02	10.48	11.61	
Referral Specialty Services										38.23	36.28	42.96	39.50	35.35	36.20	37.45	39.40	38.17	
Urgent Care & After Hours Advice										4.42	4.14	9.31	6.81	5.97	4.58	4.76	4.90	5.61	
Hospital Admitting Team										0.04	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	
TOTAL PHYSICIAN SERVICES										54.78	51.71	63.72	58.66	53.89	52.62	53.27	54.82	55.43	
OTHER PROFESSIONAL SERVICES																			
Vision Service Capitation										1.00	1.02	1.03	0.93	1.00	1.00	1.00	1.00	1.00	
221 - Business Intelligence										0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
310 - Health Services - Utilization Management - UM Allocation *										3.15	2.89	3.26	2.61	3.06	0.98	2.70	2.74	2.67	
311 - Health Services - Quality Improvement - UM Allocation *										0.49	0.44	0.50	0.36	0.37	0.02	0.09	0.35	0.33	
312 - Health Services - Education - UM Allocation *										0.31	0.27	0.32	0.29	0.32	0.35	0.32	0.34	0.32	
313 - Health Services - Pharmacy - UM Allocation *										0.40	0.35	0.42	0.33	0.39	(0.09)	0.31	0.33	0.30	
314 - Health Homes - UM Allocation *										0.18	0.17	0.20	0.17	0.20	0.19	0.19	0.21	0.19	
616 - Disease Management - UM Allocation *										0.23	0.25	0.29	0.22	0.26	(0.19)	0.18	0.19	0.18	
Behavior Health Treatment										2.02	1.58	1.86	1.99	2.12	1.57	0.54	5.93	2.20	
Mental Health Services										0.26	0.50	0.39	1.30	1.75	1.17	1.85	(2.50)	0.59	
Other Professional Services										4.25	3.96	3.95	3.62	4.35	4.25	3.94	4.07	4.07	
TOTAL OTHER PROFESSIONAL SERVICES										12.30	11.44	12.23	11.82	13.82	12.58	11.96	13.18	12.42	
EMERGENCY ROOM										17.67	17.11	21.47	21.30	18.25	19.33	18.50	18.48	19.02	
INPATIENT HOSPITAL										56.23	53.55	69.30	58.05	56.39	53.65	56.16	52.73	57.00	
REINSURANCE EXPENSE PREMIUM										0.47	0.48	0.48	0.44	0.47	0.47	0.47	0.47	0.47	
OUTPATIENT HOSPITAL SERVICES										21.96	21.08	21.73	25.24	26.66	23.98	22.85	24.49	23.51	
OTHER MEDICAL																			
Ambulance										1.40	1.45	1.43	1.33	1.55	1.04	1.30	1.35	1.35	
Home Health Services & CBAS										1.60	1.45	1.08	1.19	1.13	1.35	1.07	1.15	1.25	
Utilization and Quality Review Expenses										1.18	0.17	0.93	0.65	0.98	0.99	0.82	1.16	0.86	
Long Term/SNF/Hospice										4.14	3.19	3.77	2.79	3.27	3.19	3.34	3.61	3.41	
Enhanced Medical Benefits										0.00	0.04	0.00	0.00	0.00	0.03	0.00	0.00	0.01	
Provider Enhancement Expense										0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Non-Medical Transportation										1.71	1.59	3.31	2.96	3.27	2.85	3.79	3.53	3.36	
TOTAL OTHER MEDICAL										10.02	7.89	10.52	8.91	24.71	13.27	12.33	17.18	13.13	
PHARMACY SERVICES																			
RX - Drugs & OTC										35.31	30.90	33.79	31.72	32.62	30.96	31.11	33.19	32.44	
RX - HEP-C										3.02	2.28	2.45	2.03	1.96	1.84	2.96	3.40	2.49	
RX - DME										2.57	2.34	2.49	2.61	3.33	2.50	2.29	2.29	2.55	
RX - Pharmacy Rebates										(0.48)	(0.48)	(0.47)	(0.66)	(0.66)	(0.66)	(0.66)	(0.66)	(0.59)	
TOTAL PHARMACY SERVICES										40.41	35.05	38.25	35.70	37.25	34.64	35.70	38.21	36.89	
PAY FOR PERFORMANCE QUALITY INCENTIVE										2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	
NON-CLAIMS EXPENSE ADJUSTMENT										0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT										(9.68)	(0.33)	0.07	(4.12)	(7.76)	(4.84)	1.38	7.58	(2.20)	
Total Medical Costs										206.17	199.96	239.79	217.99	310.44	207.65	214.62	227.92	228.16	

KERN HEALTH SYSTEMS MEDI-CAL				SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED AUGUST 31, 2018			
CURRENT MONTH		YEAR-TO-DATE					
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	VARIANCE
239,418	242,040	2,622	1,850,266	1,931,676	81,410		
110,817	144,769	33,952	1,009,860	1,158,139	148,279		
383,851	394,577	10,726	2,959,460	3,156,597	197,137		
127	3,167	3,040	1,898	25,319	23,421		
287,752	319,528	31,776	1,559,660	2,556,202	996,542		
527,385	452,005	(75,380)	3,676,440	3,609,820	(66,620)		
79,737	100,658	20,921	633,664	805,267	171,603		
83,371	87,087	3,716	668,188	685,681	17,493		
29,275	32,757	3,482	210,954	262,058	51,104		
511	553	42	1,823	4,427	2,604		
118,811	116,042	(2,769)	929,325	938,334	9,009		
18,160	2,325	(15,835)	32,918	18,600	(14,318)		
20,480	23,972	3,492	150,639	191,780	41,141		
191,731	201,519	9,788	1,651,938	1,614,773	(37,165)		
422,242	511,174	88,932	4,117,836	4,089,384	(28,452)		
333,457	295,315	(38,142)	2,297,095	2,346,354	49,259		
55,172	59,285	4,113	425,635	474,283	48,648		
28,042	49,900	21,858	342,022	447,096	105,074		
41,564	62,896	21,332	353,715	503,164	149,449		
149,836	151,777	1,941	1,047,809	1,215,904	168,095		
-	(124,999)	(124,999)	-	(999,985)	(999,985)		
3,121,739	3,126,349	4,610	23,921,145	25,034,872	1,113,727		

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED AUGUST 31, 2018										YEAR TO DATE 2018
	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	AUGUST 2018		
110 - Executive	249,360	227,269	224,150	218,301	143,752	215,868	332,148	239,418		1,850,266
210 - Accounting	121,592	122,208	139,362	119,259	106,858	172,387	117,377	110,817		1,009,860
220 - Management Information Systems (MIS)	432,742	431,903	432,298	272,224	376,551	348,119	281,772	383,851		2,959,460
221 - Business Intelligence	122,020	134,571	151,816	129,810	151,271	(687,770)	53	127		1,898
225 - Infrastructure	126,761	233,198	186,762	250,471	163,797	146,181	164,738	287,752		1,559,660
230 - Claims	476,893	392,682	482,563	405,196	484,785	423,369	483,567	527,385		3,676,440
240 - Project Management	83,613	64,943	73,023	71,038	95,057	81,230	85,023	79,737		633,664
310 - Health Services - Utilization Management	5,036	(156)	768	270	(404)	483,745	95,558	83,371		668,188
311 - Health Services - Quality Improvement	- 10	358	329	-	-	102,349	78,633	29,275		210,954
312 - Health Services - Education	147	(130)	-	190	705	12	388	511		1,823
313 - Pharmacy	104,959	104,858	84,757	91,752	99,028	210,335	114,825	118,811		929,325
314 - Health Homes	83	(76)	99	698	(25)	2,930	11,049	18,160		32,918
616 - Disease Management	-	129	-	-	-	110,553	19,477	20,480		150,639
320 - Provider Relations	262,401	186,821	205,072	172,555	251,582	191,269	190,507	191,731		1,651,938
330 - Member Services	406,721	390,353	869,265	527,594	564,101	554,776	382,784	422,242		4,117,836
340 - Corporate Services	327,904	251,490	222,176	270,949	291,810	309,374	289,935	333,457		2,297,095
360 - Audit & Investigative Services	55,126	54,243	55,402	47,224	52,331	52,008	54,129	55,172		425,635
410 - Advertising Media	4,575	21,825	23,427	81,259	78,893	38,290	65,711	28,042		342,022
420 - Sales/Marketing/Public Relations	50,590	41,234	44,701	55,893	39,311	40,380	40,042	41,564		353,715
510 - Human Resources	116,481	126,047	143,307	103,305	127,668	139,886	141,279	149,836		1,047,809
Total Department Expenses	2,947,014	2,783,770	3,339,277	2,817,988	3,027,071	2,935,291	2,948,995	3,121,739		23,921,145

KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF AUGUST 31, 2018			
ASSETS	AUGUST 2018	JULY 2018	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,458,696	\$ 1,458,696	-
Interest Receivable	2,936	736	2,200
Prepaid Expenses & Other Current Assets	3,332	4,166	(834)
TOTAL CURRENT ASSETS	\$ 1,464,964	\$ 1,463,598	\$ 1,366
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	19,247	19,247	-
Other Liabilities	353,849	353,849	-
TOTAL CURRENT LIABILITIES	\$ 373,096	\$ 373,096	\$ -
NET POSITION:			
Net Position- Beg. of Year	1,081,027	1,081,027	-
Increase (Decrease) in Net Position - Current Year	10,841	9,475	1,366
Total Net Position	\$ 1,091,868	\$ 1,090,502	\$ 1,366
TOTAL LIABILITIES AND NET POSITION	\$ 1,464,964	\$ 1,463,598	\$ 1,366

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED AUGUST 31, 2018	YEAR-TO-DATE		
ENROLLMENT						
-	-	-	Members	-	-	-
REVENUES						
-	-	-	Premium	-	-	-
2,200	-	2,200	Interest	14,841	-	14,841
-	-	-	Other Investment Income	2,668	-	2,668
2,200	-	2,200	TOTAL REVENUES	17,509	-	17,509
EXPENSES						
-	-	-	Medical Costs	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
2,200	-	2,200	GROSS MARGIN	17,509	-	17,509
Administrative						
834	-	(834)	Management Fee Expense and Other Admin Exp	6,668	-	(6,668)
834	-	(834)	Total Administrative Expenses	6,668	-	(6,668)
834	-	(834)	TOTAL EXPENSES	6,668	-	(6,668)
1,366	-	1,366	OPERATING INCOME (LOSS)	10,841	-	10,841
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-
1,366	-	1,366	NET INCREASE (DECREASE) IN NET POSITION	10,841	-	10,841
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%
38%	0%	-38%	ADMINISTRATIVE EXPENSE RATIO	38%	0%	-38%

**KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT**

KERN HEALTH SYSTEMS

MEDI-CAL

ADULT AND FAMILY

	JAN'18	FEB'18	MAR'18	APR'18	MAY'18	JUN'18	JUL'18	AUG'18	SEP'18	OCT'18	NOV'18	DEC'18
PA - FAMILY	34,790	34,221	34,667	33,840	33,542	33,859	33,475	33,694				
MN - FAMILY	0	0	0	0	0	0	0	0				
REFUGEE - FAMILY	0	0	0	0	0	0	0	0				
FOSTER CARE	707	679	719	731	701	713	729	713				
POVERTY-133/200%	1	1	1	1	1	1	1	1				
POVERTY-100%	0	0	0	0	0	0	0	0				
MI - CHILD	107,133	108,725	109,378	110,181	111,205	110,796	111,208	110,586				
CHILD-ACA	115	104	120	40	40	43	45	44				
FAMILY - UNDER 19	21,195	21,355	21,188	21,708	21,196	21,272	21,636	21,517				
SUB-TOTAL ADULT & FAMILY	163,941	165,085	166,093	166,507	166,685	166,684	167,094	166,555	0	0	0	0

2018 MEMBER MONTHS

PA - FAMILY	272,108
MN - FAMILY	0
REFUGEE - FAMILY	0
FOSTER CARE	5,692
POVERTY-133/200%	8
POVERTY-100%	0
MI - CHILD	879,242
CHILD-ACA	551
FAMILY - UNDER 19	171,067
SUB-TOTAL ADULT & FAMILY	1,328,638

MEDI-CAL EXPANSION

LHP Transition Pre-ACA	380
ACA Expansion Adult-Citizen	469,653
ACA Expansion CAL Fresh Adult	41
LHP Transition Pre-ACA	3,650
SUB-TOTAL MANDATORY	473,724

SDP MEMBERS

SSI-AGED	1,475
MN - AGED	12,127
SSI - BLIND & DIS-ABLED	98,336
MN - BLIND & DIS-ABLED	3,985
SUB-TOTAL MANDATORY SPD	115,923
TOTAL MANDATORY	1,918,285

OTHER MEMBERS

BCCTP-TOBACCO SETTLEMENT	196
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DUALS

PA - FAMILY DUALS	132
PART D SSI - AGED	6,324
PART D MN - AGED	10,866
PART D SSI - BLIND & DIS-ABLED	19,120
PART D MN - BLIND & DIS-ABLED	7,934
PART D BCCTP-TOBACCO SETTLEMENT	5
PART D MI - ADULT	0
PART D MI - CHILD	3,134
SUB-TOTAL DUALS	47,515
TOTAL OTHERS	47,711
TOTAL KAISER	65,862
TOTAL MEDICAL MEMBERS	2,037,868

	JAN'18	FEB'18	MAR'18	APR'18	MAY'18	JUN'18	JUL'18	AUG'18	SEP'18	OCT'18	NOV'18	DEC'18
PA - FAMILY	34,790	34,221	34,667	33,840	33,542	33,859	33,475	33,694				
MN - FAMILY	0	0	0	0	0	0	0	0				
REFUGEE - FAMILY	0	0	0	0	0	0	0	0				
FOSTER CARE	707	679	719	731	701	713	729	713				
POVERTY-133/200%	1	1	1	1	1	1	1	1				
POVERTY-100%	0	0	0	0	0	0	0	0				
MI - CHILD	107,133	108,725	109,378	110,181	111,205	110,796	111,208	110,586				
CHILD-ACA	115	104	120	40	40	43	45	44				
FAMILY - UNDER 19	21,195	21,355	21,188	21,708	21,196	21,272	21,636	21,517				
SUB-TOTAL ADULT & FAMILY	163,941	165,085	166,093	166,507	166,685	166,684	167,094	166,555	0	0	0	0
MEDI-CAL EXPANSION												
LHP Transition Pre-ACA	52	52	52	52	28	49	48	47				
ACA Expansion Adult-Citizen	57,307	58,178	58,262	59,224	58,660	59,473	59,517	59,152				
ACA Expansion CAL Fresh Adult	5	5	6	5	5	5	5	5				
LHP Transition Pre-ACA	380	389	454	418	539	508	488	474				
SUB-TOTAL MANDATORY	57,744	58,564	58,774	59,699	59,232	59,975	60,058	59,678	0	0	0	0
SDP MEMBERS												
SSI-AGED	191	182	174	186	186	195	168	193				
MN - AGED	1,457	1,414	1,533	1,483	1,544	1,551	1,558	1,587				
SSI - BLIND & DIS-ABLED	12,242	12,366	12,213	12,177	12,373	12,366	12,298	12,281				
MN - BLIND & DIS-ABLED	259	358	334	356	1,121	458	606	493				
SUB-TOTAL MANDATORY SPD	14,149	14,320	14,254	14,202	15,224	14,590	14,630	14,554	0	0	0	0
TOTAL MANDATORY	235,834	237,969	239,121	240,402	241,141	241,249	241,782	240,787	0	0	0	0
OTHER MEMBERS												
BCCTP-TOBACCO SETTLEMENT	28	26	25	24	24	23	23	23				
DUALS												
PA - FAMILY DUALS	24	14	19	23	-8	19	25	16				
PART D SSI - AGED	771	776	767	784	805	787	836	798				
PART D MN - AGED	1,295	1,364	1,331	1,359	1,390	1,364	1,364	1,399				
PART D SSI - BLIND & DIS-ABLED	2,338	2,300	2,314	2,389	2,324	2,463	2,433	2,559				
PART D MN - BLIND & DIS-ABLED	1,038	978	973	980	983	980	991	1,011				
PART D BCCTP-TOBACCO SETTLEMENT	3	1	1	0	0	0	0	0				
PART D MI - ADULT	0	0	0	0	0	0	0	0				
PART D MI - CHILD	346	385	390	386	414	432	407	374				
SUB-TOTAL DUALS	5,815	5,818	5,795	5,921	5,908	6,045	6,056	6,157	0	0	0	0
TOTAL OTHERS	5,843	5,844	5,820	5,945	5,932	6,068	6,079	6,180	0	0	0	0
TOTAL KAISER	7,991	8,160	8,225	8,267	8,307	8,294	8,278	8,340				
TOTAL MEDICAL MEMBERS	249,668	251,973	253,166	254,614	255,380	255,611	256,139	255,307	0	0	0	0



JULY AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4290	S C ANDERSON, INC	814,269.98	2,487,792.44	PRE-CONSTRUCTION SERVICES	CAPITAL PROJECT NEW BUILDING
T4738	AMERICAN LOGISTICS COMPANY, LLC	794,232.14	2,084,082.05	MEDICAL/JUNON MEDICAL TRANSPORTATION MEMBER BENEFIT	MEMBER SERVICES
T2886	ALLIANT INSURANCE SERVICES INC.	618,361.30	683,466.48	EARTH MOVEMENT INSURANCE-NEW BUILDING; WORKER'S COMPENSATION; CRIME ; PROPERTY & LIABILITY; EXCESS LIABILITY; FIDUCIARY LIABILITY; EXCESS CYBER; MANAGED CARE ERRORS AND OMISSION, EARTHQUAKE & NFLODD INSURANCE 2018-19	CAPITAL PROJECT IN PROGRESS //INSURANCE
T1045	KAISER FOUNDATION HEALTH	395,485.84	2,762,988.26	EMPLOYEE HEALTH BENEFITS	VARIOUS
T1845	DEPARTMENT OF MANAGED HEALTH CARE	247,162.24	247,162.24	2018-2019 (1ST SEMESTER) MHC ANNUAL ASSESSMENT	ADMINISTRATION
T4237	FLUIDEDGE CONSULTING, INC.	235,368.05	1,205,327.53	CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING/ ALCHEMY ANNUAL LICENSE AND MAINTENANCE	VARIOUS
T1960	LOCAL HEALTH PLANS OF CA, INC	97,377.08	97,377.08	2018/2019 FLAT YEARLY ASSESSMENT	ADMINISTRATION
T2726	DST PHARMACY SOLUTIONS, INC.	88,868.54	660,978.52	PHARMACY AND CLAIMS PROCESSING	PHARMACY
T3130	OPTUMINSIGHT, INC.	83,334.00	655,445.00	CES PROFESSIONAL -IMPLEMENTATION FEES	CAPITAL PROJECT IN PROGRESS/PROVIDER RELATIONS
T4699	Z6OMEGA, INC.	77,569.20	1,454,559.29	PROFESSIONAL SERVICES MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMEN
T4895	EDIFCS, INC.	67,200.00	233,659.04	CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T3460	THE GUARDIAN LIFE INSURANCE CO.	58,590.26	409,889.69	2018 VOLUNTARY LIFE AD&D, DENTAL INSURANCE.	VARIOUS
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	51,429.05	202,311.44	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT-NEW BUILDING
T4885	NATIONAL GIFT CARD CORP	47,470.50	284,296.96	MEMBER INCENTIVES	HOME HEALTH/HEALTH EDUCATION
T4193	TECHNOSOCIALWORK.COM DBA STRIA	46,860.94	225,921.20	OCR SERVICES	CLAIMS
T4696	ZNALYTICS, LLC	40,960.00	476,003.24	PROFESSIONAL SERVICES	CAPITAL PROJECT IN PROGRESS
T4653	FORMS ON FIRE, INC.	40,268.25	40,266.25	FORMS ON FIRE-SITE REVIEW AUTOMATION PROJECT-FORM DESIGN FOR 5 FORMS	CAPITAL PROJECT IN PROGRESS
T4308	TRUXTUN PLACE PARTNERS	31,174.44	210,361.96	TRUXTUN- LEASE & UTILITIES	CORPORATE SERVICES
T1272	COFFEY COMMUNICATIONS INC.	30,107.58	109,389.83	NEWSLETTER PUBLICATION/MAILING	VARIOUS
T4902	CHANGE HEALTHCARE LLC	25,687.83	254,554.09	EDI CLAIMS CLAIM CHECK	CLAIMS / MIS
T2961	SOLUTION BENCH, LLC	24,623.50	57,858.58	M-FILES LICENSES & MAINTENANCE	MIS INFRASTRUCTURE
T2707	ACT 1 PERSONNEL SERVICES, INC.	23,094.23	150,279.13	TEMPORARY HELP - MIS-2 : MIS -2 : CS - 1; MARCH	VARIOUS
T2292	CITY OF BAKERSFIELD	21,264.39	352,017.61	BUILDING PERMIT FEES	CAPITAL PROJECT - NEW BUILDING/



JULY AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T2413	TREK IMAGING INC	18,354.70	178,528.92	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTHED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T4396	KAISER FOUNDATION HEALTH-DHMO	18,318.59	106,102.82	2018 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4546	LEVEL 3 COMMUNICATIONS, LLC	18,108.11	141,392.52	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T3011	OFFICE ALLY, INC.	17,525.25	118,212.25	2018 EDI CLAIM PROCESSING	CLAIMS
T4583	SOILS ENGINEERING, INC.	17,397.34	39,628.96	SOIL SAMPLING OBSERVATION -OIL DIET DISCOVERY/REMEDIATION CAPITAL PROJECT-NEW BUILDING	CAPITAL PROJECT IN PROGRESS
T1861	CERIDIAN HCM, INC.	16,705.26	78,953.12	DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS	HUMAN RESOURCES
T4391	OMNI FAMILY HEALTH	15,890.11	912,948.80	HOME HEALTH GRANT / CONSTRUCTION	COMMUNITY GRANTS
T1408	DELL MARKETING L.P.	15,292.30	268,895.90	HARDWARE- 6- LATITUDE E5480, 1-DELL SMART PRINTER, .65 10, 20 OPTIPIX 3050 DESKTOPS SOFTWARE LICENSE SUBSCRIPTION/SUPPORT BATTERY REPLACEMENTS	MIS INFRASTRUCTURE
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	14,916.22	102,096.22	2018 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4478	AMERICAN FIDELITY ASSURANCE COMPANY	14,646.32	103,857.53	EMPLOYEE PREMIUMS FLEX	HEALTH SAVINGS
T4945	SHERRIE L. CREGGETT	13,931.36	13,931.36	2018 CONSULTING SERVICES HHP OUTREACH PROGRAM DEVELOPMENT	HEALTH HOME
T4467	MEDISOFTRX, LLC.	13,757.60	95,895.18	2018 PROFESSIONAL SERVICES-HOME HEALTH PROJECT	CAPITAL PROJECT IN PROGRESS
T4350	COMPUTER ENTERPRISE INC.	13,323.92	891,801.97	2018 PROFESSIONAL SERVICES	CAPITAL PROJECT IN PROGRESS
T4760	CAMERON CHANG	12,750.00	12,750.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T2918	STINSONS	12,732.53	57,966.06	OFFICE SUPPLIES	VARIOUS
T4460	PAYSPAN, INC	12,721.62	110,462.03	2018 ELECTRONIC CLAIMS/PAYMENTS	CLAIMS
T4785	COMMIGAP	12,000.00	48,997.50	INTERPRETATION SERVICES	HEALTH EDUCATION
			<u>4,219,130.57</u>		
	TOTAL VENDORS OVER \$10,000		4,219,130.57		
	TOTAL VENDORS UNDER \$10,000		298,003.63		
	TOTAL VENDOR EXPENSES - JULY 2018		<u>4,517,134.20</u>		

KERN·HEALTH SYSTEMS

JULY AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH	2,762,998.26	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4290	S C ANDERSON, INC	2,487,792.44	PRE-CONSTRUCTION SERVICES	CAPITAL PROJECT NEW BUILDING
T4738	AMERICAN LOGISTICS COMPANY, LLC	2,084,082.05	DEC 2017-MAY 2018 MEDICAL/NON MEDICAL TRANSPORTATION MEMBER BENEFIT	MEMBER SERVICES
T4699	ZeOMEGA, INC.	1,454,559.29	PROFESSIONAL SERVICES MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T4237	FLUIDEDGE CONSULTING, INC.	1,205,327.53	NOV. - DEC. 2017 ; JAN - JUNE 2018 CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING/ ALCHEMY ANNUAL LICENSE AND MAINTENANCE	VARIOUS
T1071	CLINICA SIERRA VISTA	1,175,120.44	2018 MEDICAL RESPITE PROGRAM / PROVIDER RECRUITMENT-RETENTION GRANT	HEALTH SERVICES - UM / COMMUNITY GRANTS
T4391	OMNI FAMILY HEALTH	912,948.80	SEPT- DEC. 2017 , MAY 2018 HOME HEALTH GRANT / CONSTRUCTION	COMMUNITY GRANTS
T4350	COMPUTER ENTERPRISE INC.	891,801.97	JAN - JUNE 2018 PROFESSIONAL SERVICES / NOV. - DEC. 2017 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T2686	ALLIANT INSURANCE SERVICES INC.	683,496.48	EARTH MOVEMENT INSURANCE-NEW BUILDING; WORKER'S COMPENSATION; CRIME ; PROPERTY & LIABILITY; EXCESS LIABILITY; FIDUCIARY LIABILITY; EXCESS CYBER; MANAGED CARE ERRORS AND OMISSION, EARTHQUAKE & NFLODD INSURANCE 2018-19	CAPITAL PROJECT IN PROGRESS / INSURANCE
T2726	DST PHARMACY SOLUTIONS, INC.	660,978.52	PHARMACY AND CLAIMS PROCESSING JANUARY - JUNE 2018	PHARMACY
T3130	OPTUMINSIGHT, INC.	655,445.00	CES DIRECT LICENSE - 12/17 - 12/18 ANNUAL FEE / OUTSOURCED ANALYSIS	CAPITAL PROJECT IN PROGRESS/PROVIDER RELATIONS
T2704	MCG HEALTH LLC***	589,840.68	SOFTWARE LICENSE - HEALTH CARE MANAGEMENT 6/5/18- 6/4/19	UTILIZATION MANAGEMENT
T2167	PG&E	546,460.77	NEW BUILDING UNDERGROUND UTILITIES/ANNUAL TRUE-UP FOR 2017 USAGE/UTILITIES	CAPITAL PROJECT IN PROGRESS - NEW BUILDING/CORPORATE SERVICES
T4696	ZNALYTICS, LLC	476,003.24	JAN - JUNE, 2018 PROFESSIONAL SERVICES	CAPITAL PROJECT IN PROGRESS
T3460	THE GUARDIAN LIFE INSURANCE CO.	409,989.89	2018 VOLUNTARY LIFE AD&D, DENTAL INSURANCE.	VARIOUS
T2292	CITY OF BAKERSFIELD	352,017.61	BUILDING PERMIT FEES	CAPITAL PROJECT - NEW BUILDING/
T4685	NATIONAL GIFT CARD CORP	284,298.96	MEMBER INCENTIVES	HOME HEALTH/HEALTH EDUCATION
T4582	HEALTHX, INC.	275,500.00	IMPLEMENTATION FEE- MEMBER ENHANCEMENT PROVIDER AND MEMBER PORTAL	CAPITAL PROJECT - MEMBER & PROVIDER PORTAL



Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1408	DELL MARKETING L.P.	288,595.90	HARDWARE - 6- LATTITUDE E5480, 1 DELL SMART PRINTER, 6510, 20 OPTIPLEX 3050 DESKTOPS SOFTWARE LICENSE SUBSCRIPTIONS/SUPPORT BATTERY REPLACEMENTS	MIS INFRASTRUCTURE
T4902	CHANGE HEALTHCARE LLC	254,554.09	EDI CLAIMS, CLAIM CHECK	CLAIMS / MIS
T1845	DEPARTMENT OF MANAGED HEALTH CARE****	247,162.24	2018-2019 (1ST SEMESTER) MHC ANNUAL ASSESSMENT	ADMINISTRATION
T1001	KERN MEDICAL CENTER	246,854.51	KM GROW CLINIC REIMBURSEMENT	COMMUNITY GRANTS
T4695	EDIFICS, INC.	233,859.04	JAN - JUNE. 2018 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T4193	TECHNOSOCIALWORK.COM DBA STRIA	225,921.20	2018 OCR SERVICES	CLAIMS
T4308	TRUXTUN PLACE PARTNERS	210,361.96	TRUXTUN- 2018 LEASE & UTILITIES	CORPORATE SERVICES
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	202,311.44	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT-NEW BUILDING
T2413	TREK IMAGING INC	178,526.92	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T1183	MILLIMAN USA	156,117.88	NOV- DEC 2017 ACTUARIAL SERVICES, CY2016 RDT, 2018 RATE SUPPORT, VALUE-BASED PURCHASING ANALYSIS, OTHER CONSULTING SERVICES	ADMINISTRATION
T2707	ACT 1 PERSONNEL SERVICES, INC.	150,279.13	TEMPORARY HELP - MIS -2 ; MS -2 ; CS - 1; MARCH	VARIOUS
T4546	LEVEL 3 COMMUNICATIONS, LLC	141,392.52	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T4165	SHI INTERNATIONAL CO.	125,170.83	STORAGE MAINTENANCE/HARDWARE	CAPITAL PROJECT IN PROCESS
T3011	OFFICE ALLY, INC.	118,212.25	2018 EDI CLAIM PROCESSING	CLAIMS
T2469	DST HEALTH SOLUTIONS, INC.	116,800.00	2018 MHC SOFTWARE - LICENSE FEE, MAINTENANCE, AND SUPPORT & ADJUSTED CLINICAL GROUP SYSTEM	MIS INFRASTRUCTURE
T4460	PAYSPAN, INC	110,462.03	2018 ELECTRONIC CLAIMS/PAYMENTS	CLAIMS
T1272	COFFEY COMMUNICATIONS INC.	109,389.83	NEWSLETTER PUBLICATION/MAILING	VARIOUS
T4396	KAISER FOUNDATION HEALTH-DHMO	106,102.82	2018 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4478	AMERICAN FIDELITY ASSURANCE COMPANY	103,857.53	EMPLOYEE PREMIUMS FLEX	HEALTH SAVINGS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	102,096.22	2018 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	100,138.49	2018 SERVICES, BASIC 101, QNXT CORE SOLUTIONS	MIS INFRASTRUCTURE
T2584	UNITED STATES POSTAL SVC.-HASLER	100,000.00	POSTAGE-METERED	VARIOUS



JULY AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1960	LOCAL HEALTH PLANS OF CA INC****	97,377.08	2018/2019 FLAT YEARLY ASSESSMENT	ADMINISTRATION
T4467	MEDISOFTX, LLC,	95,985.18	2018 PROFESSIONAL SERVICES-HOME HEALTH PROJECT	CAPITAL PROJECT IN PROGRESS
T2933	SIERRA PRINTERS, INC.	86,738.42	MEMBER EDUCATION MATERIAL / PROVIDER DIRECTORY	VARIOUS
T1861	CEREDIAN BENEFITS SERVICES	78,953.12	DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS	HUMAN RESOURCES
T4452	WELLS FARGO	77,573.57		49391 VARIOUS
T4654	DELAWIE	75,856.01	2018 PROFESSIONAL SERVICES	CAPITAL PROJECT ARCHITECTURAL
T2287	CALIFORNIA WATER SERVICE	75,764.61	UTILITIES - NEW BUILDING SERVICES / WATER SERVICES	CAPITAL PROJECT-NEW BUILDING / WATER
T4421	JON SLAGLE	72,122.40	ADVERTISING CAMPAIGN - 75%	MARKETING
T4792	KP LLC	71,878.59	DRUG FORMULARY	PHARMACY
T1785	AT&T	66,612.12	NEW BUILDING UNDERGROUND UTILITIES TELEPHONE SERVICE	CAPITAL PROJECT IN PROGRESS / MIS
T4873	L5 HEALTHCARE SOLUTIONS, INC.	66,000.00	ONE TIME LICENSE FEE/IMPLEMENTATION/ANNUAL MAINTENANCE & SUPPORT FEES-ALCHEMY	CAPITAL PROJECT IN PROGRESS
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	2018 ACAP DUES	ADMINISTRATION
T1597	BAKERSFIELD MEMORIAL HOSP	64,186.85	DEC., 2017 BMH GROW CLINIC	COMMUNITY GRANTS
T1644	BRIGHT HOUSE NETWORK	60,228.31	UNDERGROUND UTILITIES FOR NEW BUILDING INTERNET FOR STOCKDALE LOCATION	CAPITAL PROJECT - NEW BUILDING / MIS
T4899	SUMEET BHINDER, MD INC	60,167.13	PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T3077	VMWARE, INC	59,544.72	VSPHERE 5 ENTERPRISE RENEWAL	MIS
T2918	STINSON'S	57,966.06	OFFICE SUPPLIES	VARIOUS
T2961	SOLUTION BENCH, LLC	57,858.58	M-FILES LICENSES & MAINTENANCE	MIS INFRASTRUCTURE
T4294	PAOLA DELGADO DBA J SERVICES JANITORIAL	54,189.00	JANITORIAL SERVICES	CORPORATE SERVICES
T4433	MICRO-DYN MEDICAL SYSTEMS INC	53,880.00	ANNUAL LICENSE	MIS
T2837	TOYSIBABIES R US	51,961.42	WELL CHILD & PREGNANCY INCENTIVE PROGRAM	HEALTH EDUCATION
T4415	DANIELLS, PHILLIPS, VAUGHN & BOCK	49,175.00	FINANCIAL REPORTING SERVICES	ADMINISTRATIVE



JULY AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4785	COMMGAP	48,997.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T4801	ZEAL STAFFING LLC DBA Z STAFFING	48,406.24	TEMPORARY LABOR	VARIOUS
T4039	KERN RURAL WELLNESS CENTERS, INC	45,647.13	PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T4345	ASHOK PARIMAR	44,254.04	NOV 2017 PROVIDER RECRUITMENT, & RETENTION GRANT	COMMUNITY GRANTS
T4603	ECFIRST.COM	42,986.29	PROFESSIONAL SERVICES-INFORMATION SYSTEM HIPAA SECURITY	CAPITAL PROJECT IN PROCESS
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	40,621.00	COMMUNITY SPONSORSHIP	ADMINISTRATION
T4653	FORMS ON FIRE INC****	40,268.25	FORMS ON FIRE-SITE REVIEW AUTOMATION PROJECT-FORM DESIGN FOR 5 FORMS	CAPITAL PROJECT IN PROCESS
T4884	GAINES SOLUTIONS, INC.	40,000.00	ANNUAL-HOSTING FEE (SPR/SP) CONSULTING SERVICES - SB137 PROVIDER DATA VALIDATION CONSULTANT	PROVIDER RELATIONS
T4663	SOILS ENGINEERING INC***	39,628.96	SOIL SAMPLING OBSERVATION-OIL DIRT DISCOVERY/REMEDIATION	CAPITAL PROJECT-NEW BUILDING
T1957	MERCY FOUNDATION-BAKERSFIELD	38,000.00	DAVINCI CAMPAIGN SPONSORSHIP	ADMINISTRATION
T4733	UNITED STAFFING ASSOCIATES	37,230.43	TEMPORARY LABOR	VARIOUS
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	36,359.00	2018 ANNUAL DUES ASSESSMENT CAHP SEMINAR FEES	ADMINISTRATION
T2969	AMERICAN BUSINESS MACHINES INC	36,244.80	CANON IMAGE FORMULA DR-X10C II SCANNER, WITH ANNUAL MAINTENANCE CONTRACT	MIS - INFRASTRUCTURE
T4168	RELAYHEALTH	36,164.52	2018 -EDI CLAIM PROCESSING	CLAIMS
T4767	VALLEY ANESTHESIA ASSOCIATES, INC	36,016.42	OCT 17 PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T4876	CIRESON, LLC	35,671.50	BUSINESS MANAGEMENT SOLUTIONS, LICENSES, SOFTWARE, 3 YR MAINTENANCE & SUPPORT, CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS
T4909	GEM PHYSICIANS MEDICAL GROUP, INC	35,179.95	DEC 17 HEALTH HOME GRANT	COMMUNITY GRANTS
T1128	HALL LETTER SHOP INC.	33,392.30	NEW MEMBER PACKETS / MEMBERSHIP CARDS	MEMBER SERVICES
T2446	AT&T MOBILITY	32,821.50	CELLULAR PHONE / INTERNET	MIS
T3084	KERN COUNTY - COUNTY COUNSEL	31,962.60	LEGAL FEES	ADMINISTRATIVE
T4637	BURKE, WILLIAMS & SORENSEN, LLP	31,360.51	OCT- DEC 2017, 2018 LEGAL SERVICES (NEW BUILDING) -	CAPITAL PROJECT-NEW BUILDING
T4561	SRI & SHARMA, LLC	30,625.00	PARKING RENTAL	CORPORATE SERVICES



JULY AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4708	HEALTH MANAGEMENT ASSOCIATES INC****	16,453.75	CONSULTING SERVICES- 2018 PROJ KHS TIMELY ACCESS REPORT	ADMINISTRATION
T4925	VMEDU, INC ****	16,000.00	PMP ON-SITE TRAINING (JUNE 11-14, 2018)	PROJECT MANAGEMENT
T4674	STOCKDALE PLAZA OWNERS ASSOCIATION INC****	15,750.00	LEASE AGREEMENT PARKING SPACE -STOCKDALE HWAY	CORPORATE SERVICES
T2921	DOUBLETREE HOTEL****	15,724.99	HEDIS DINNER TO ACKNOWLEDGE PROVIDERS- FOOD-AUDIO VISUAL FEES & MISCELLANOUS FEES	QUALITY IMPROVEMENT
T4198	LAW OFFICES OF CARL SHUSTERMAN	15,620.00	LEGAL SERVICES- H-1B D. YAVAD & M. KUMAR	ADMINISTRATION
T4514	AJ KLEIN INC T. DENATALE, B.GOLDNER****	14,751.00	LEGAL SERVICES	ADMINISTRATION
T4384	PINNACLE PRIMARY CARE, INC.	14,049.16	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS	COMMUNITY GRANTS
T2955	DELTA ELECTRIC, INC****	13,991.00	PROPOSAL FOR RELOCATION OF 2ND CCTV CAMERA & SEALING OF ELEVEN AT STOCKDALE	CORPORATE SERVICES
T4945	SHERRIA CREGGETT****	13,931.36	2018 CONSULTING SERVICES HHP OUTREACH PROGRAM DEVELOPMENT	HEALTH HOME
T2840	ATALASOFT, INC.	13,596.00	2018 SOFTWARE SUPPORT & MAINTENANCE FOR DOTIMAGE	MIS INFRASTRUCTURE
T4698	INFINITY COMMUNICATIONS & CONSULTING, INC.	13,500.00	TECHNICAL BUILDING ARCHITECTURAL CONSULTING PHASE I	CAPITAL PROJECT-NEW BUILDING
T3475	CALIFORNIA STATE CONTROLLER'S OFFICE****	13,349.03	SUBMITTED 2013 UNCLAIMED PROPERTY	ACCOUNTING
T4425	PRO RESTORATION SERVICES INC	12,859.75	RESTORATION - STRUCTURAL REPAIR, WATER EXTRACTION AND REMEDIATION	CORPORATE SERVICES
T3065	CAREERBUILDER, LLC	12,750.00	JOB POSTINGS & ADVERTISEMENT	HUMAN RESOURCE
T4760	CAMERON CHANG****	12,750.00	MAY-DEC,2017 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4417	KAISER FOUNDATION HEALTH PLAN	12,608.19	2018 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4297	PRAGMATIC WORKS SOFTWARE	12,500.80	3 YEAR RENEWAL MAINTENANCE WORKBENCH PRO UPGRADE	MIS
T2787	SAGE SOFTWARE****	12,474.00	PROFESSIONAL SERVICES	ACCOUNTING
T2938	SAP AMERICA, INC	12,308.32	BUSINESS OBJECT ANNUAL MAINTENANCE	MIS - SOFTWARE SUPPORT
T4544	BARNES WEALTH MANAGEMENT GROUP	12,250.00	RETIREMENT PLAN CONSULTANTS	ADMINISTRATION
T4683	CLAUDIA M. BACA	11,875.00	CONSULTING SERVICES	PROJECT MANAGEMENT
T1032	THE BAKERSFIELD CALIFORNIAN	11,797.08	EMPLOYMENT AD	HUMAN RESOURCE

KERN·HEALTH SYSTEMS

JULY AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4594	MEDVERSANT TECHNOLOGIES LLC	11,000.00	MONTHLY MONITORING FEES	PROVIDER RELATIONS
T4731	LOGMEIN USA INC***	10,917.00	GoToMEETINGS CORPORATE SERVICES / GoTo WEBINAR SERVICE	MIS
T4935	RKL LLP	10,651.37	SAGE LICENSE RENEWAL & 3 ADDITIONAL USERS	ACCOUNTING
T4239	COAST TO COAST COMPUTER PRODUCTS****	10,216.02	COMPUTER PRODUCTS	CORPORATE SERVICES
T4707	SHAFTER PEDIATRICS	10,144.82	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS & SPRING HEALTH FAIR SPONSORSHIP	COMMUNITY GRANTS
T3502	VIRTUAL GRFFITI, INC	10,041.54	SOFTWARE LICENSE - 2018	MIS
		<u>24,752,673.58</u>		
	TOTAL VENDORS OVER \$10,000	24,752,673.58		
	TOTAL VENDORS UNDER \$10,000	679,137.51		
	TOTAL VENDOR EXPENSES - YTD JAN - JULY, 2018	<u>25,431,811.09</u>		

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



AUGUST AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4290	S C ANDERSON, INC	2,583,654.85	5,071,447.29	PRE-CONSTRUCTION SERVICES	CAPITAL PROJECT NEW BUILDING
T4350	COMPUTER ENTERPRISE INC.	480,690.82	1,372,492.79	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T4738	AMERICAN LOGISTICS COMPANY, LLC	472,920.41	2,557,002.46	MEDICAL/NON MEDICAL TRANSPORTATION MEMBER BENEFIT	MEMBER SERVICES
T1045	KAISER FOUNDATION HEALTH	395,816.60	3,158,814.86	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	235,986.45	1,441,313.98	CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING/ALCHEMY ANNUAL LICENSE AND MAINTENANCE	VARIOUS
T1408	DELL MARKETING L.P.	192,297.56	480,893.46	HARDWARE - 6 LATTITUDE E5480, 1 DELL SMART PRINTER, 6510, 20 OPTIPLEX 3050 DESKTOPS SOFTWARE LICENSE SUBSCRIPTION/SUPPORT BATTERY REPLACEMENTS	MIS INFRASTRUCTURE
T2726	DST PHARMACY SOLUTIONS, INC.	89,940.83	750,919.35	PHARMACY AND CLAIMS PROCESSING	PHARMACY
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	79,669.72	281,981.16	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT-NEW BUILDING
T4582	HEALTHX, INC.	76,000.00	351,500.00	IMPLEMENTATION FEE- MEMBER ENHANCEMENT PROVIDER AND MEMBER PORTAL	CAPITAL PROJECT - MEMBER & PROVIDER PORTAL
T3460	THE GUARDIAN LIFE INSURANCE CO.	59,507.99	489,497.68	2018 VOLUNTARY LIFE AD&D, DENTAL INSURANCE.	VARIOUS
T4685	NATIONAL GIFT CARD CORP	52,012.44	336,311.40	MEMBER INCENTIVES	HOME HEALTH/HEALTH EDUCATION
T4193	TECHNOSOCIALWORK.COM DBA STRIA	40,244.14	266,165.34	OCR SERVICES	CLAIMS
T4696	ZNALYTICS, LLC	39,280.00	515,283.24	PROFESSIONAL SERVICES	CAPITAL PROJECT IN PROGRESS
T2584	UNITED STATES POSTAL SVC.-HASLER	30,000.00	130,000.00	POSTAGE-METERED	VARIOUS
T2707	ACT 1 PERSONNEL SERVICES, INC.	28,384.06	178,663.19	TEMPORARY HELP - MIS -2 ; MS -2 ; CS - 1; MARCH	VARIOUS
T4308	TRUXTUN PLACE PARTNERS	25,807.00	236,168.96	TRUXTUN- LEASE & UTILITIES	CORPORATE SERVICES
T4216	NEXSTAR BROADCASTING INC	25,575.00	25,575.00	MEDIA - ADVERTISEMENTS	MARKETING
T4546	LEVEL 3 COMMUNICATIONS, LLC	19,768.67	161,151.19	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE



AUGUST AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4396	KASER FOUNDATION HEALTH-DHMO	18,318.59	124,421.41	2018 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4585	DELANO UNION SCHOOL DISTRICT	17,500.00	17,500.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T4605	KERVILLE UNION SCHOOL DISTRICT	17,500.00	17,500.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T4611	LAMONT SCHOOL DISTRICT	17,500.00	17,500.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T4798	KERN HIGH SCHOOL DISTRICT	17,500.00	17,500.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T4802	KERN COUNTY SUPERINTENDENT OF SCHOOLS	17,500.00	17,500.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T4654	DELAWIE	17,025.94	92,881.95	2018 PROFESSIONAL SERVICES	CAPITAL PROJECT ARCHITECTURAL CLAIMS
T3011	OFFICE ALLY, INC.	16,947.25	135,159.50	2018 EDI CLAIM PROCESSING	
T4963	LINKEDIN CORPORATION	16,500.00	16,500.00	ONLINE JOB POSTINGS/CANDIDATE SEARCH CAPABILITIES	HUMAN RESOURCE
T4967	ADMINISTRATIVE SOLUTIONS, INC.	15,969.40	15,969.40	EMPLOYEE PAID VOLUNTARY INSURANCE/FSA CARD DEPOSIT	PAYROLL DEDUCTION
T2413	TREK IMAGING INC	15,362.83	193,889.75	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T4016	FIRST DATABANK, INC.***	15,135.00	15,135.00	ANNUAL LICENSE- SOFTWARE- NATIONAL DRUG CODE DATABASE WITH GENERIC CODE NUMBER	MIS
T4695	EDIFCS, INC.	13,922.98	247,782.02	CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	13,522.99	115,619.21	2018 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4801	ZEAL STAFFING LLC, DBA Z STAFFING	12,728.30	61,134.54	TEMPORARY LABOR	VARIOUS
T4785	COMM GAP	12,650.00	61,647.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T4583	SOILS ENGINEERING, INC.	10,815.49	50,444.45	SOIL SAMPLING OBSERVATION - OIL DIRT DISCOVERY/REMEDIATION	CAPITAL PROJECT-NEW BUILDING
T4968	ZIPRECRUITER, INC.	10,790.99	10,790.99	REUSABLE ONLINE JOB SLOTS. IT PROVIDES CANDIDATE SEARCH CAPABILITIES, USE FREE-TEXT "SCREENING QUESTIONS", HELP PRE-SCREEN/FILTER CANDIDATES.	HUMAN RESOURCE
T4936	SEEPOINT, LLC	10,026.89	10,026.89	VANTAGEPOINT KIOSK SYSTEM 5/30/18-5/29/19 PURCHASE AND MAINTENANCE FOR MEMBERS TO BE ENCOURAGED TO REGISTER AND USE THEIR MEMBER PORTAL ACCOUNTS FOR THE SELF-SERVICE TOOLS	MIS



AUGUST AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4884	GAINE SOLUTIONS, INC.	10,000.00	50,000.00	ANNUAL HOSTING FEE (SPR/SPJ) CONSULTING SERVICES - SB137 PROVIDER	PROVIDER RELATIONS
		<u>5,224,763.19</u>		DATA VALIDATION CONSULTANT	
	TOTAL VENDORS OVER \$10,000	5,224,763.19			
	TOTAL VENDORS UNDER \$10,000	265,940.52			
	TOTAL VENDOR EXPENSES - YTD JAN - AUG 2018	<u><u>5,490,703.71</u></u>			

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



AUGUST AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4290	S C ANDERSON, INC	5,071,447.29	PRE-CONSTRUCTION SERVICES	CAPITAL PROJECT NEW BUILDING
T1045	KAISER FOUNDATION HEALTH	3,158,814.86	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4738	AMERICAN LOGISTICS COMPANY, LLC	2,557,002.46	DEC 2017-JUNE 2018 MEDICAL/NON MEDICAL TRANSPORTATION MEMBER BENEFIT	MEMBER SERVICES
T4689	ZOMEGA, INC.	1,457,334.29	PROFESSIONAL SERVICES MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T4237	FLUIDEDGE CONSULTING, INC.	1,441,313.98	NOV. - DEC. 2017 - JAN - JULY 2018 CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING/ ALCHEMY ANNUAL LICENSE AND MAINTENANCE	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	1,372,492.79	JAN - JULY, 2018 PROFESSIONAL SERVICES / NOV. - DEC. 2017 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T1071	CLINICA SIERRA VISTA	1,175,120.44	2018 MEDICAL RESPITE PROGRAM / PROVIDER RECRUITMENT-RETENTION GRANT	HEALTH SERVICES - UM / COMMUNITY GRANTS
T4391	OMNI FAMILY HEALTH	915,448.80	SEPT. - DEC. 2017 .MAY 2018 HOME HEALTH GRANT / CONSTRUCTION	COMMUNITY GRANTS
T2726	DST PHARMACY SOLUTIONS, INC.	750,919.35	PHARMACY AND CLAIMS PROCESSING JANUARY - JULY 2018	PHARMACY
T2686	ALLIANT INSURANCE SERVICES INC.	683,496.48	EARTH MOVEMENT INSURANCE-NEW BUILDING; WORKER'S COMPENSATION; CRIME / PROPERTY & LIABILITY; EXCESS LIABILITY; FIDUCIARY LIABILITY; EXCESS CYBER; MANAGED CARE ERRORS AND OMISSION; EARTHQUAKE & INFLOOD INSURANCE 2018-19	CAPITAL PROJECT IN PROGRESS / INSURANCE
T3130	OPTUMINSIGHT, INC.	655,445.00	CES DIRECT LICENSE - 12/17 - 12/18 ANNUAL FEE / OUTSOURCED ANALYSIS	CAPITAL PROJECT IN PROGRESS/PROVIDER RELATIONS
T2704	MCG HEALTH LLC	599,840.68	SOFTWARE LICENSE - HEALTH CARE MANAGEMENT 6/5/18- 6/4/19	UTILIZATION MANAGEMENT
T2167	PG&E	546,460.77	NEW BUILDING UNDERGROUND UTILITIES/ANNUAL TRUE-UP FOR 2017 USAGE/UTILITIES	CAPITAL PROJECT IN PROGRESS - NEW BUILDING/ CORPORATE SERVICES
T4686	ZNALYTICS, LLC	515,283.24	JAN - JULY, 2018 PROFESSIONAL SERVICES	CAPITAL PROJECT IN PROGRESS
T3460	THE GUARDIAN LIFE INSURANCE CO.	469,497.68	2018 VOLUNTARY LIFE AD&D, DENTAL INSURANCE.	VARIOUS
T1408	DELL MARKETING L.P.	460,893.46	HARDWARE, 6 - LATTITUDE E5480, 1 DELL SMART PRINTER, 6510, 20 OPTIPLEX 3660 DESKTOPS SOFTWARE LICENSE SUBSCRIPTIONS/SUPPORT BATTERY REPLACEMENTS	MIS INFRASTRUCTURE
T2392	CITY OF BAKERSFIELD	353,111.83	BUILDING PERMIT FEES	CAPITAL PROJECT - NEW BUILDING/
T4582	HEALTHX, INC.	351,500.00	IMPLEMENTATION FEE- MEMBER ENHANCEMENT PROVIDER AND MEMBER PORTAL	CAPITAL PROJECT - MEMBER & PROVIDER PORTAL
T4685	NATIONAL GIFT CARD CORP	336,311.40	MEMBER INCENTIVES	HOME HEALTH/HEALTH EDUCATION
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	281,981.16	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT-NEW BUILDING
T4193	TECHNOSOCIALWORK.COM/DBA STRIA	266,165.34	2018 OCR SERVICES	CLAIMS
T4902	CHANGE HEALTHCARE LLC	254,554.09	EDI CLAIMS, CLAIM CHECK	CLAIMS / MIS
T4695	EDIFCS, INC.	247,762.02	JAN - JULY, 2018 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS



Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1845	DEPARTMENT OF MANAGED HEALTH CARE	247,162.24	2018-2019 (1ST SEMESTER) MHC ANNUAL ASSESSMENT	ADMINISTRATION
T1001	KERN MEDICAL CENTER	246,854.51	KM GROW CLINIC REIMBURSEMENT	COMMUNITY GRANTS
T4308	TRUXTUN PLACE PARTNERS	236,168.96	TRUXTUN- 2018 LEASE & UTILITIES	CORPORATE SERVICES
T2413	TREK IMAGING INC	193,889.75	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T2707	ACT 1 PERSONNEL SERVICES, INC.	178,663.19	TEMPORARY HELP - MIS -2 ; MS -2 ; CS - 1; MARCH	VARIOUS
T4546	LEVEL 3 COMMUNICATIONS, LLC	161,151.19	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T1183	MILLIMAN USA	160,307.38	NOV- DEC 2017 ACTUARIAL SERVICES, CY2016 RDT, 2018 RATE SUPPORT, VALUE-BASED PURCHASING ANALYSIS, OTHER CONSULTING SERVICES	ADMINISTRATION
T3011	OFFICE ALLY, INC.	135,159.50	2018 EDI CLAIM PROCESSING	CLAIMS
T2584	UNITED STATES POSTAL SVC.-HASLER	130,000.00	POSTAGE-METERED	VARIOUS
T4165	SHI INTERNATIONAL CO.	125,170.83	STORAGE MAINTENANCE/ HARDWARE	CAPITAL PROJECT IN PROCESS
T4396	KAISER FOUNDATION HEALTH-DHMO	124,421.41	2018 EMPLOYEE HEALTH BENEFITS	VARIOUS
T2469	DST HEALTH SOLUTIONS, INC.	116,800.00	2018 MHC SOFTWARE - LICENSE FEE, MAINTENANCE, AND SUPPORT & ADJUSTED CLINICAL GROUP SYSTEM	MIS INFRASTRUCTURE
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	115,619.21	2018 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4478	AMERICAN FIDELITY ASSURANCE COMPANY	113,247.89	EMPLOYEE PREMIUMS FLEX	HEALTH SAVINGS
T4460	PAYSPAN, INC	110,462.03	2018 ELECTRONIC CLAIMS/PAYMENTS	CLAIMS
T1272	COFFEY COMMUNICATIONS INC.	109,389.83	NEWSLETTER PUBLICATION/MAILING	VARIOUS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	105,223.65	2018 SERVICES, BASIC 101, ONXIT CORE SOLUTIONS	MIS INFRASTRUCTURE
T1960	LOCAL HEALTH PLANS OF CA INC	97,377.08	20182019 FLAT YEARLY ASSESSMENT	ADMINISTRATION
T4467	MEDISOFTX, LLC,	95,985.18	2018 PROFESSIONAL SERVICES-HOME HEALTH-PROJECT	CAPITAL PROJECT IN PROGRESS
T4452	WELLS FARGO	93,944.26	EXECUTIVE, MISC CORPORATE SERVICES, PROVIDER RELATIONS, MISC TRAVEL EXPENSES	VARIOUS
T4654	DELAWIE	92,881.95	2018 PROFESSIONAL SERVICES	CAPITAL PROJECT ARCHITECTURAL
T1981	CEREDIAN BENEFITS SERVICES	88,441.78	DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS	HUMAN RESOURCES
T2933	SIERRA PRINTERS, INC.	87,107.90	MEMBER EDUCATION MATERIAL / PROVIDER DIRECTORY	VARIOUS
T2287	CALIFORNIA WATER SERVICE	76,528.18	UTILITIES - NEW BUILDING SERVICES / WATER SERVICES	CAPITAL PROJECT-NEW BUILDING / WATER
T4792	KP LLC	72,478.59	DRUG FORMULARY	PHARMACY
T4421	JON SLAGLE	72,122.40	ADVERTISING CAMPAIGN - 75%	MARKETING
T1785	AT&T	66,612.12	NEW BUILDING UNDERGROUND UTILITIES TELEPHONE SERVICE	CAPITAL PROJECT IN PROGRESS / MIS



AUGUST AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4873	L5 HEALTHCARE SOLUTIONS, INC.	66,000.00	ONE TIME LICENSE FEE/IMPLEMENTATION/ANNUAL MAINTENANCE & SUPPORT FEES-ALCHEMY	CAPITAL PROJECT IN PROGRESS
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	2018 ACAP DUES	ADMINISTRATION
T1597	BAKERSFIELD MEMORIAL HOSP	64,186.85	DEC., 2017 BMH GROW CLINIC	COMMUNITY GRANTS
T2918	STINSONS	63,925.42	OFFICE SUPPLIES	VARIOUS
T4294	PAOLA DELGADO DBA J SERVICES JANITORIAL	62,329.00	JANITORIAL SERVICES	CORPORATE SERVICES
T4785	COMMGAP	61,647.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T1644	BRIGHT HOUSE NETWORK	61,420.89	UNDERGROUND UTILITIES FOR NEW BUILDING, INTERNET FOR STOCKDALE LOCATION	CAPITAL PROJECT - NEW BUILDING / MIS
T4801	ZEAL STAFFING LLC DBA Z STAFFING	61,134.54	TEMPORARY LABOR	VARIOUS
T4899	SUMMEET BHINDER, MD INC	60,167.13	PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T3077	VIMWARE, INC	59,544.72	VSPHERE 5 ENTERPRISE RENEWAL	MIS
T2961	SOLUTION BENCH, LLC	57,858.58	M-FILES LICENSES & MAINTENANCE	MIS INFRASTRUCTURE
T4433	MICRO-DYN MEDICAL SYSTEMS INC	53,880.00	ANNUAL LICENSE	MIS
T2837	TOYS/BABIES R US	51,981.42	WELL CHILD & PREGNANCY INCENTIVE PROGRAM	HEALTH EDUCATION
T4583	SOILS ENGINEERING INC	50,444.45	SOIL SAMPLING OBSERVATION -OIL DIRT DISCOVERY/REMEDIATION	CAPITAL PROJECT-NEW BUILDING
T4884	GAINES SOLUTIONS , INC.	50,000.00	ANNUAL HOSTING FEE (SPR/SP) CONSULTING SERVICES - SB137 PROVIDER DATA VALIDATION CONSULTANT	PROVIDER RELATIONS
T4415	DANIELLS, PHILLIPS, VAUGHN & BOCK	49,175.00	FINANCIAL REPORTING SERVICES	ADMINISTRATIVE
T4039	KERN RURAL WELLNESS CENTERS, INC	45,647.13	PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T4345	ASHOK PARMAR	44,254.04	NOV 2017 PROVIDER RECRUITMENT, & RETENTION GRANT	COMMUNITY GRANTS
T4603	ECFIRST.COM	42,986.29	PROFESSIONAL SERVICES -INFORMATION SYSTEM HIPAA SECURITY	CAPITAL PROJECT IN PROCESS
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	40,621.00	COMMUNITY SPONSORSHIP	ADMINISTRATION
T4653	FORMS ON FIRE INC	40,268.25	FORMS ON FIRE-SITE REVIEW AUTOMATION PROJECT-FORM DESIGN FOR 5 FORMS	CAPITAL PROJECT IN PROCESS
T4537	BURKE, WILLIAMS & SORENSEN, LLP	38,244.51	OCT-DEC 2017, 2018 LEGAL SERVICES (NEW BUILDING) -	CAPITAL PROJECT-NEW BUILDING
T1957	MERCY FOUNDATION-BAKERSFIELD	38,000.00	DAVINCI CAMPAIGN SPONSORSHIP	ADMINISTRATION
T2969	AMERICAN BUSINESS MACHINES INC	37,725.87	CANON IMAGE FORMULA DR-X10C II SCANNER, WITH ANNUAL MAINTENANCE CONTRACT	MIS - INFRASTRUCTURE
T2446	AT&T MOBILITY	37,487.97	CELLULAR PHONE / INTERNET	MIS
T4733	UNITED STAFFING ASSOCIATES	37,255.93	TEMPORARY LABOR	VARIOUS
T1180	LANGUAGE LINE SERVICES INC	36,966.47	INTERPRETATION SERVICES	MEMBER SERVICES



Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4876	CIRESON, LLC	36,571.50	BUSINESS MANAGEMENT SOLUTIONS, LICENSES, SOFTWARE 3 YR MAINTENANCE & SUPPORT, CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	36,359.00	2018 ANNUAL DUES ASSESSMENT CAHP SEMINAR FEES	ADMINISTRATION
T4168	RELAYHEALTH	36,164.52	2018 - EDI CLAIM PROCESSING	CLAIMS
T4767	VALLEY ANESTHESIA ASSOCIATES, INC	36,016.42	OCT 17 PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T1128	HALL LETTER SHOP INC.	35,807.84	NEW MEMBER PACKETS / MEMBERSHIP CARDS	MEMBER SERVICES
T4909	GEM PHYSICIANS MEDICAL GROUP, INC	35,179.95	DEC 17 HEALTH HOME GRANT	COMMUNITY GRANTS
T4561	SRI & SHARMA, LLC	35,000.00	PARKING RENTAL	CORPORATE SERVICES
T3986	JACQUELYN S JANS	32,949.00	PROFESSIONAL SERVICES MARKETING AND PR SERVICES	ADMINISTRATION/MARKETING
T3084	KERN COUNTY - COUNTY COUNSEL	31,982.60	LEGAL FEES	ADMINISTRATIVE
T4739	SECURITAS SECURITY SERVICES USA INC	31,752.00	SECURITY SERVICES	CORPORATE
T3449	CDW GOVERNMENT	31,573.01	HARDWARE AND LICENSES - 20 ADOBE ACRO LICENSES, 15 CISCO IP PHONES & LICENSES, 1 PROJECTOR SURFACE PRO DOCKS, ACCESSORIES, SOFTWARE	MIS INFRASTRUCTURE
T4563	SPH ANALYTICS	30,461.65	MEMBER SATISFACTION SURVEY	MEMBER SERVICES / PROVIDER RELATIONS
T2941	KERN PRINT SERVICES INC	27,742.28	ENVELOPES AND LETTERHEAD WELL CHILD INCENTIVE VOUCHERS	CORPORATE SERVICES, HEALTH EDUCATION
T4183	LAMAR ADVERTISING OF BAKERSFIELD	27,400.00	BILLBOARD ADVERTISING	MEDIA & ADVERTISING
T1189	APPLE ONE INC	27,317.36	TEMPORARY LABOR	VARIOUS
T2441	LAURA BREZINSKI	27,105.00	MARKETING MATERIALS	MARKETING
T2232	DLT SOLUTIONS, LLC	26,537.76	SOL SERVER MAINTENANCE CONTRACT	MIS INFRASTRUCTURE
T4390	SOLARWINDS WORLDWIDE, LLC	26,000.00	SOFTWARE LICENSES - 2018	MIS
T4501	ALLIED UNIVERSAL SECURITY SERVICES	25,671.00	ONSITE SECURITY	CORPORATE SERVICES
T4216	NEXSTAR BROADCASTING INC***	25,575.00	MEDIA - ADVERTISEMENTS	MARKETING
T4228	THE SSI GROUP, LLC	24,047.60	EDI CLAIMS	CLAIMS
T4906	EVERLASTING HEALTHCARE	23,760.00	REIMBURSEMENT PROVIDER FOR CLAIMS PAID UNDER INCORRECT PROVIDER BANK ACCOUNT RETURNED BY EL MONTE MED CK 1024	CLAIMS
T1022	UNUM LIFE INSURANCE CO	23,508.40	EMPLOYEE PREMIUMS LONG TERM CARE	VARIOUS
T4708	HEALTH MANAGEMENT ASSOCIATES INC	22,978.75	CONSULTING SERVICES -2018 PROJ KHS TIMELY ACCESS REPORT	ADMINISTRATION
T4945	SHERRIA CREGGETT	21,841.36	2018 CONSULTING SERVICES HHP OUTREACH PROGRAM DEVELOPMENT	HEALTH HOME
T3990	SPARKLETT'S, INC	21,628.07	BOTTLED WATER SERVICE	VARIOUS



AUGUST AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4497	SKILLSOFT CORPORATION	20,836.83	ANNUAL LICENSE FEE- ON LINE TRAINING & DESKTOP VIDEOS	HUMAN RESOURCE
T4587	MCINTOSH & ASSOCIATE	19,475.01	PROFESSIONAL SERVICES ENGINEERING NEW BUILDING	CAPITAL PROJECT - NEW BUILDING
T4514	AJ KLEIN INC T. DENATALE, B.GOLDNER	19,445.00	LEGAL SERVICES	ADMINISTRATION
T4883	MARTHA TASINGA	18,794.69	TEMPORARY HOUSING EXPENSE/REIMBURSEMENT	HUMAN RESOURCES
T1347	ADVANCED DATA STORAGE	18,215.47	SHREDDING SERVICE / STORAGE	CORPORATE SERVICES
T4674	STOCKDALE PLAZA OWNERS ASSOCIATION INC	18,000.00	LEASE AGREEMENT PARKING SPACE - STOCKDALE HWAY	CORPORATE SERVICES
T4585	DELANO UNION SCHOOL DISTRICT***	18,000.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T4747	SYED ALAM, M.D. INC.	17,500.00	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS	COMMUNITY GRANTS
T4605	KERNVILLE UNION SCHOOL DISTRICT***	17,500.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T4611	LAMONT SCHOOL DISTRICT***	17,500.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T4798	KERN HIGH SCHOOL DISTRICT***	17,500.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T4802	KERN COUNTY SUPERINTENDENT OF SCHOOLS***	17,500.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T2921	DOUBLETREE HOTEL	16,959.73	HEDIS DINNER TO ACKNOWLEDGE PROVIDERS- FOOD-AUDIO VISUAL FEES & MISCELLANOUS FEES	QUALITY IMPROVEMENT
T4963	LINKEDIN CORPORATION***	16,500.00	ONLINE JOB POSTINGS/CANDIDATE SEARCH CAPABILITIES	HUMAN RESOURCE
T2790	KERN COUNTY DEPARTMENT OF PUBLIC HEALTH	16,459.00	SPONSORSHIPS	COMMUNITY ACTIVITIES
T4925	VMEU, INC	16,000.00	PMP ON-SITE TRAINING (JUNE 11-14,2018)	PROJECT MANAGEMENT
T4967	ADMINISTRATIVE SOLUTIONS, INC***	15,969.40	EMPLOYEE PAID VOLUNTARY INSURANCE/FSA CARD DEPOSIT	PAYROLL DEDUCTION
T4198	LAW OFFICES OF CARL SHUSTERMAN	15,620.00	LEGAL SERVICES- H-1B D. YAVAD & M. KUMAR	ADMINISTRATION
T4016	FIRST DATABANK, INC.***	15,135.00	ANNUAL LICENSE- SOFTWARE- NATIONAL DRUG CODE DATABASE WITH GENERIC CODE NUMBER	MIS
T4417	KAISER FOUNDATION HEALTH PLAN	14,409.36	2018 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4384	PINNACLE PRIMARY CARE, INC.	14,049.16	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS	COMMUNITY GRANTS
T2955	DELTA ELECTRIC INC	13,991.00	PROPOSAL FOR RELOCATION OF 2ND CCTV CAMERA & SEALING OF ELEVEN AT STOCKDALE	CORPORATE SERVICES
T4182	THE LAMAR COMPANIES***	13,629.00	PRODUCTION FEE FOR ADS ON BUSES	MARKETING
T1032	THE BAKERSFIELD CALIFORNIAN	13,627.66	EMPLOYMENT AD	HUMAN RESOURCE
T2840	ATALASOFT, INC.	13,596.00	2018 SOFTWARE SUPPORT & MAINTENANCE FOR DOTIMAGE	MIS INFRASTRUCTURE
T4698	INFINITY COMMUNICATIONS & CONSULTING, INC.	13,500.00	TECHNICAL BUILDING ARCHITECTURAL CONSULTING PHASE I	CAPITAL PROJECT-NEW BUILDING
T3475	CALIFORNIA STATE CONTROLLER'S OFFICE	13,349.03	SUBMITTED 2013 UNCLAIMED PROPERTY	ACCOUNTING
T4425	PRO RESTORATION SERVICES INC	12,859.75	RESTORATION - STRUCTURAL REPAIR, WATER EXTRACTION AND REMEDIATION	CORPORATE SERVICES



AUGUST AP Vendor Report
Amount over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T3065	CAREERBUILDER, LLC	12,750.00	JOB POSTINGS & ADVERTISEMENT	HUMAN RESOURCE
T4760	CAMERON CHANG	12,750.00	MAY-DEC-2017 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4297	PRAGMATIC WORKS SOFTWARE	12,500.80	3 YEAR RENEWAL MAINTENANCE WORKBENCH PRO UPGRADE	MIS
T2787	SAGE SOFTWARE	12,474.00	PROFESSIONAL SERVICES	ACCOUNTING
T2938	SAP AMERICA, INC	12,308.32	BUSINESS OBJECT ANNUAL MAINTENANCE	MIS - SOFTWARE SUPPORT
T4544	BARNES WEALTH MANAGEMENT GROUP	12,250.00	RETIREMENT PLAN CONSULTANTS	ADMINISTRATION
T4657	DAPONDE SZABO ROWE PC***	12,196.50	CONSULTING SERVICES TO REVIEW CONTRACTS	PROVIDER RELATIONS
T4731	LOGMEIN USA INC	12,168.00	GoToMEETINGS CORPORATE SERVICES / Go To WEBINAR SERVICE	MIS
T4195	SCRIPPS MEDIA , INC DBA KERO-TV***	12,125.50	MEDIA - TELEVISION ADVERTISEMENTS	MARKETING
T4683	CLAUDIA M. BACA	11,875.00	CONSULTING SERVICES	PROJECT MANAGEMENT
T4786	LOST HILLS UNION SCHOOL DISTRICT***	11,550.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T4230	COFFEE BREAK SERVICE INC***	11,414.40	COFFEE SUPPLIES - STOCKDALE & TRUXTUN	CORPORATE SERVICE
T3378	CARRIER CORPORATION**	11,090.51	SERVICE AGREEMENT	CORPORATE SERVICE
T4594	MEDVERSANT TECHNOLOGIES LLC	11,000.00	MONTHLY MONITORING FEES	PROVIDER RELATIONS
T4968	ZIPRECRUITER, INS***	10,790.89	REUSABLE ONLINE JOB SLOTS. IT PROVIDES CANDIDATE SEARCH CAPABILITIES, USE FREE-TEXT SCREENING QUESTIONS, HELP PRE-SCREEN/FILTER CANDIDATES.	HUMAN RESOURCE
T4935	RKL LLP	10,651.37	SAGE LICENSE RENEWAL & 3 ADDITIONAL USERS	ACCOUNTING
T4239	COAST TO COAST COMPUTER PRODUCTS	10,216.02	COMPUTER PRODUCTS	CORPORATE SERVICES
T4707	SHAFTER PEDIATRICS	10,144.82	2016-2017 PROVIDER RECRUITMENT & RETENTION GRANTS & SPRING HEALTH FAIR SPONSORSHIP	COMMUNITY GRANTS
T3502	VIRTUAL GRFFITI, INC	10,041.54	SOFTWARE LICENSE - 2018	MIS
T4936	SEEPPOINT, LLC***	10,026.89	VANTAGEPOINT KIOSK SYSTEM E20018/2019 PURCHASE AND MAINTENANCE FOR MEMBERS TO BE ENCOURAGED TO REGISTER AND USE THEIR MEMBER PORTAL ACCOUNTS FOR THE SELF-SERVICE TOOLS	MIS
	TOTAL	<u>30,200,897.30</u>		
	TOTAL VENDORS OVER \$10,000	<u>30,200,897.30</u>		
	TOTAL VENDORS UNDER \$10,000	<u>721,617.50</u>		
	TOTAL VENDOR EXPENSES - YTD JAN - AUGUST, 2018	<u>30,922,514.80</u>		

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							
Jacquelyn Janis	\$50,004.00	Yes	MRK	Louie Iurriria	Marketing and corporate image consulting	1/1/2018	12/31/2018
Poppyrock	\$36,000.00	Yes	MRK	Louie Iurriria	Graphic design services	1/1/2018	12/31/2018
Medisoft, Rx	\$84,680.00	Yes	IT	Richard Pruitt	Software solutions for HHP	1/1/2018	6/30/2018
J Services	\$90,120.00	Yes	CS	Alonso Hurtado	Janitorial services	1/1/2018	12/31/2018
February							
Gain Solutions, Inc.	\$80,000.00	Yes	PR	Emily Duran	Provider directory data verification for SB 137	2/9/2018	2/8/2019
Century Link/Level 3	\$68,059.08	Yes	IT	Richard Pruitt	Internet services in Fresno for DR site	2/9/2018	2/19/2019
March							
Lifesigns, Inc.	\$45,000.00	Yes	HE	Isabel Silva	Face-to-face ASL interpreting services	3/2/2018	3/1/2019
Cognizant	\$49,300.00	Yes	IT	Richard Pruitt	True-up Amendment for QNXT licenses	3/23/2018	12/31/2018
April							
Micro-Dyn	\$53,880.00	Yes	IT	Richard Pruitt	APR-DRG Groupware Software licenses	4/15/2018	4/15/2019
SPH Analytics	\$45,286.00	Yes	MS/PR	Nate Scott/Emily Duran	Custom member & provider satisfaction survey	4/10/2018	4/9/2019
ZeOmega	\$33,450.00	Yes	UM	Deborah Murr	Appeals Implementation (Quote#483)	4/10/2018	12/31/2018
ZeOmega	\$78,300.00	Yes	UM	Deborah Murr	Auto Authorization Implementation (Quote#484)	4/10/2018	12/31/2018
Deil	\$99,549.41	Yes	MIS	Richard Pruitt	Citrix Licenses with support and NetScer with support	4/10/2018	4/10/2021
May							
Milliman, Inc	\$49,000.00	Yes	ACCT	Robin Plumb	RDT & discussion guide support	5/9/2018	5/9/2019
ZeOmega	\$31,500.00	Yes	UM	Deborah Murr	Consulting services	5/30/2018	12/31/2018
Language Line Services	\$70,000.00	Yes	MS	Nate Scott	Interpreter services for members	5/29/2018	5/28/2018
June							
Stria, LLC	\$84,000.00	Yes	CLM	Robin Dow-Morales	OCR services for paper medical claims	6/1/2018	8/31/2018
Nexstar Broadcastsing	\$53,850.00	Yes	MKT	Louie Iurriria	English & Spanish TV advertisements	6/12/2018	12/31/2018
Scraps-KERO	\$39,995.00	Yes	MKT	Louie Iurriria	English & Spanish TV advertisements	6/12/2018	12/31/2018
Univision	\$33,915.00	Yes	MKT	Louie Iurriria	Spanish TV advertisements	6/12/2018	12/31/2018
Commgap	\$65,000.00	Yes	HE	Isabel Silva	Interpreter services for members	7/6/2018	7/5/2019
July							
ZeOmega	\$85,505.70	Yes	UM	Deborah Murr	Quote#560, JIVA HHP DGA support & implementation	7/23/2018	12/31/2018
ZeOmega	\$41,252.75	Yes	UM	Deborah Murr	Quote#453, JIVA Q/DGA support & implementation	7/23/2018	12/31/2018
August							
ZeOmega	\$74,831.61	Yes	UM	Deborah Murr	Quote#622, UM Enhancement & Functionality improvement	8/9/2018	12/31/2018
ZeOmega	\$43,423.80	Yes	UM	Deborah Murr	Quote#666, Appeals enhancement	8/28/2018	12/31/2018
ZeOmega	\$78,131.73	Yes	UM	Deborah Murr	Quote#623, PR Enhancement & Functionality improvement	8/9/2018	12/31/2018
Daniells Phillips Vaughan	\$49,000.00	Yes	ACCT	Robin Plumb	Auditing Services	8/14/2018	8/14/2019

**KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
NEW VENDOR CONTRACTS
OCTOBER 11, 2018**

Legal Name	DBA	Specialty	Address	Comments	Contract Effective Date
PAC 09/12/2018					
New Leaf Pharmacy	New Leaf Pharmacy	Pharmacy	4433 Ming Avenue Bakersfield, CA 93309		Retro eff date 9/17/2018
Danny L. Huynh, MD	Danny L. Huynh, MD	Urology	2120 Truxtun Avenue Bakersfield, CA 93301	Provider already credentialed moving to individual contract.	Retro 9/1/2018
PAC 10/03/2018					
Pavel Moldavskiy, MD, Inc.	n/a	Orthopedic Surgery/ Hand Surgery	300 Old River Road Ste. 200, Bakersfield, CA 93311	Mercy Hospital Ortho Clinic	11/1/2018
Justin Thien Lee, MD, Inc.	n/a	Gynecology, Female Pelvic Medicine and Reconstructive Surgery	500 Old River Road Ste. 200, Bakersfield, CA 93311	Mercy Hospital Ortho Clinic	11/1/2018
Diana K. Najera	Prudential Care Counseling	Mental Health	3200 21st street Ste 101 Bakersfield, CA 93301	Provider already credentialed moving to individual contract.	11/1/2018
Gina Gordon-Lopez	Social Stamina Behavioral Consultin	ABA/BHT	7400 District Blvd Ste C Bakersfield CA, 93313	Provider already credentialed moving to individual contract.	11/1/2018
Behavioral Momentum Services, LLC	n/a	ABA/BHT	600 Hawk Spring Drive Bakersfield Ca, 93312-6315	Provider already credentialed moving to individual contract.	11/1/2018

**KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
TERMED CONTRACTS
October 11, 2018**

Legal Name	DBA / Address	Specialty	Comments	Effective Date
Exceltox Laboratories, LLC	9805 Research Dr. Irvine, CA 92618	Lab	They changed Tax and name.	8/2/2018
California City Pharmacy	9160 California City Blvd. California City, CA 93505	Pharmacy	They sold to Rite Aid	9/18/2018
Kinetica Physical Therapy Inc.	5300 Woodmere Dr # 105 Bakersfield CA 93313	Physical Therapy	Resigned	8/8/2018
Optimal Health Pharmacy, Inc.	Optimal Pharmacy 700 Airport Drive Unit C Bakersfield CA 93308	Pharmacy	Business Dissolved	9/1/2018



To: KHS Board of Directors
From: Douglas A. Hayward, CEO
Date: October 11, 2018
Re: 2016 DMHC Routine Medical Survey

Background

The Department of Managed Health Care (DMHC) conducted a follow-up desk audit earlier this year on KHS's corrective action plan to address 5 deficiencies identified during DMHC's 2016 Routine Medical Survey and reported in its Final Report issued on March 16, 2017. The desk review found that three of the five outstanding deficiencies were addressed to the satisfaction of the DMHC. The two remaining deficiencies (items #1 and #4 in the attached document) remained partially out of compliance with the California Health and Safety Code. Despite KHS's attempt to correct these deficiencies when brought to our attention, DMHC, believe the proposed corrections fell short of achieving the desired results. Hence, additional measures would be required to address both deficiencies before DMHC would accept them as corrected.

On September 10, 2018, KHS's Director of Compliance and Regulatory Affairs sent the additional measures that we've taken and believe address the concerns of the Department. Two key changes are:

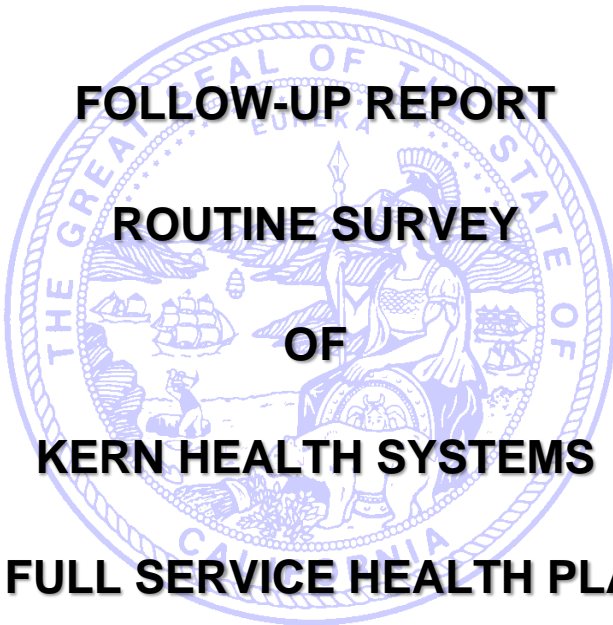
- Deficiency #1. - Beginning with the October Board Meeting, a more detailed Grievance Summary Report will be presented to the Board by the COO. Meeting Minutes will document the Board received the presentation and reflect "RECEIVED AND FILED" and include the vote of the Board on acceptance.
- Deficiency #4 - The Plan formulated a new FTE calculation methodology that will account for the portion of time that Plan contracted providers allocated to Plan beneficiaries. On an annual basis, the Plan will conduct a survey of the Plan's contracted provider groups to determine the percentage of time allocated to Plan beneficiaries. This information will be used to calculate an average FTE percentage, which will be applied to the Plan's network of providers when calculating the physician-to-enrollee compliance ratios.

Requested Action

Receive and file.



**OFFICE OF PLAN MONITORING
DIVISION OF PLAN SURVEYS**



**FOLLOW-UP REPORT
ROUTINE SURVEY
OF
KERN HEALTH SYSTEMS
A FULL SERVICE HEALTH PLAN**

The seal of the State of California is visible in the background, featuring a central figure holding a torch and a scale, surrounded by the text "THE GREAT SEAL OF THE STATE OF CALIFORNIA".

DATE OF FOLLOW-UP REPORT: AUGUST 30, 2018

Kern Health Systems
Routine Survey Follow-Up Report
August 30, 2018

**Routine Survey Follow-Up Report
Kern Health Systems
A Full Service Health Plan
August 30, 2018**

TABLE OF CONTENTS

EXECUTIVE SUMMARY 3

SECTION 1: SUMMARY OF OUTSTANDING DEFICIENCIES FROM FINAL REPORT
AND FOLLOW UP SURVEY FINDINGS..... 5

 GRIEVANCES AND APPEALS..... 5

 ACCESS AND AVAILABILITY OF SERVICES 7

 CONTINUITY OF CARE 8

 LANGUAGE ASSISTANCE..... 8

SECTION II: SURVEY CONCLUSION..... 10

Kern Health Systems
 Routine Survey Follow-Up Report
 August 30, 2018

EXECUTIVE SUMMARY

In the Final Report for the Routine Survey (Final Report), dated March 16, 2017, the Department of Managed Health Care (Department) identified one corrected deficiency and five uncorrected deficiencies. Kern Health Systems (Plan) was advised that the Department would conduct a follow-up review (Follow-Up Survey) to assess the status of the five outstanding deficiencies and issue a report within 18 months of the date of the Final Report.¹

On December 21, 2017, the Department notified the Plan that the Follow-Up Survey had commenced, and requested the Plan submit information regarding its uncorrected deficiencies as cited in the Final Report.

The survey team conducted the Follow-Up Survey pursuant to the Knox-Keene Health Care Service Plan Act of 1975 (Act), codified at Health and Safety Code Section 1340 *et seq.*, and Title 28 of the California Code of Regulations Section 1000 *et seq.*²

The Follow-Up Survey addressed outstanding deficiencies in the following areas:

- Grievances and Appeals
- Access and Availability of Services
- Continuity of Care
- Language Assistance

The Follow-Up Survey revealed three of the five outstanding deficiencies were corrected while two remained uncorrected.

FOLLOW-UP SURVEY STATUS OF OUTSTANDING DEFICIENCIES FROM FINAL REPORT ISSUED ON MARCH 16, 2017		
#	DEFICIENCY STATEMENT	FOLLOW-UP SURVEY STATUS
GRIEVANCES AND APPEALS		
1	The Plan’s Board of Directors does not periodically review the written record of grievances, and document its review. Section 1368(a)(1); Rule 1300.68(b)(5).	Not Corrected
2	The Plan does not provide a hyperlink that is clearly identified as “GRIEVANCE FORM” on its website home page or member services portal, nor does it	Corrected

¹ The 2016 Final Report is posted on the DMHC public website.

² All references to “Section” are to the Health and Safety Code unless otherwise indicated. All references to “Rule” are to Title 28 of the California Code of Regulations unless otherwise indicated.

Kern Health Systems
 Routine Survey Follow-Up Report
 August 30, 2018

	allow the member to preview and edit the online grievance form prior to submission. Section 1368.015(b), (c)(2).	
ACCESS AND AVAILABILITY OF SERVICES		
4	The Plan fails to ensure it satisfies required physician-to-enrollee ratios. Section 1367.03(d); Rule 1300.67.2(d).	Not Corrected
CONTINUITY OF CARE		
5	The Plan's continuity of care policy does not include a description of the Plan's block transfer process. Sections 1373.95(a)(1); 1373.95(a)(2)(A).	Corrected
LANGUAGE ASSISTANCE		
6	The Plan's language assistance program does not include education and training in interpreting ethics, conduct and confidentiality, for Plan staff that provide translation/interpretation services to enrollees. Section 1367.04(b)(2), (5); Rule 1300.67.04(c)(2)(H)(iii).	Corrected

Kern Health Systems
Routine Survey Follow-Up Report
August 30, 2018

SECTION 1: SUMMARY OF OUTSTANDING DEFICIENCIES FROM FINAL REPORT AND FOLLOW UP SURVEY FINDINGS

The following describes the Department's findings regarding the outstanding deficiencies. The Plan's failure to correct deficiencies identified in the Final Report may be grounds for disciplinary action as provided by Health and Safety Code section 1380(i).

GRIEVANCES AND APPEALS

Deficiency #1: The Plan's Board of Directors does not periodically review the written record of grievances, and document its review.

Statutory/Regulatory Reference: Section 1368(a)(1); Rule 1300.68(b)(5).

Plan's Follow-Up Compliance Effort: As requested by the Department in the Final Report, on May 11, 2017, the Plan submitted a supplemental response, which further described Plan actions to address this deficiency. The Plan stated that it would prepare Grievance Dashboard reports to be submitted to the Board of Directors (BOD) on a quarterly basis to ensure all cases have been closed and all reports are reviewed and approved. The Grievance Dashboards will include data from the preceding 4 quarters. In its response submitted for the Follow-Up Survey, the Plan stated that its "Board of Directors receives a high level overview of quarterly grievances, including the type of grievances received and how they are processed. The Plan's Board of Directors also receives meeting minutes from the Public Policy and QI/UM Committee meetings, where quarterly Grievance Summary and Tabulated Grievance reports are reviewed." The Plan provided for the Department's review BOD minutes and packets dated June 8, 2017, August 10, 2017, and October 12, 2017.

Follow-Up Survey Assessment: The Department reviewed documents submitted by the Plan and found insufficient evidence to demonstrate that the BOD documented its review of grievance reports. While the minutes reflect BOD votes on having "RECEIVED AND FILED" "Health Services" and "Chief Medical Officer" reports, which the packets show contained quarterly grievance summary reports; the minutes continue to fail to document the BOD actually reviewed the reports as required. Thus, these documents reflect essentially the same corrective actions that the Plan proposed in response to the Preliminary Report: that the BOD receives grievance reports, but does not document its review. The Department found this action to be insufficient and noncompliant. Further, the quarterly grievance reports included in the BOD packets include only the total number of grievances received and the number of grievances in each category (e.g., "Quality of Service," "Access to Care," etc.). The reports omit other information required by Rule 1300.68(b)(5), such as disposition of the grievance.

Follow-Up Report Deficiency Status: Not Corrected

Kern Health Systems
 Routine Survey Follow-Up Report
 August 30, 2018

The Department finds the Plan has not fully addressed the concerns outlined in this deficiency. Specifically, the Plan has not demonstrated that its governing board adequately documents periodic review of the written record of grievances and all required grievance information.

Based upon the corrective actions undertaken, the Department has determined that this deficiency is not corrected.

Deficiency #2: **The Plan does not provide a hyperlink clearly identified as “GRIEVANCE FORM” on its website home page or member services portal, nor does it allow the member to preview and edit the online grievance form prior to submission.**

Statutory/Regulatory Reference: Section 1368.015(b), (c)(2).

Plan’s Follow-Up Compliance Effort: As required in the Final Report, the Plan submitted a supplemental response that indicated it would change the title of the hyperlink to the online grievance form, include it on additional pages, and work to create a process allowing members to preview and edit their online grievance prior to final submission.

The Plan’s response submitted to the Department for the Follow-Up Survey stated that it had taken the following actions:

- Revised the hyperlink to the Plan’s online grievance form from “Report a Problem” to “Secure GRIEVANCE FORM.”
- Revised the website to include a pop-up that allows members to review and/or edit their grievances prior to submission.

Follow-Up Survey Assessment: The Department accessed and reviewed the Plan’s website and found the “Secure GRIEVANCE FORM” link on the Plan’s member home page. Next, the Department submitted a test grievance through the online grievance submission process. The Department found that once the user completes all the required fields and clicks submit, all entries are displayed for the user to review. If the user would like to edit their submission, there is an available “Make Changes” button to return to the previous screen to edit the submission.

Follow-Up Report Deficiency Status: Corrected

The Department finds that the Plan has corrected this deficiency by identifying the hyperlink to the online grievance submission process as required and allowing members to preview and edit the form prior to submittal.

While not part of this deficiency, the Department notes that the online grievance submission process does not appear to comply with the requirement of Section

Kern Health Systems
Routine Survey Follow-Up Report
August 30, 2018

1368.015(c)(3) regarding additional required content, of which the Plan is hereby reminded.

Based upon the corrective actions undertaken, the Department has determined that this deficiency is corrected.

ACCESS AND AVAILABILITY OF SERVICES

Deficiency #4: The Plan fails to ensure it satisfies required physician-to-enrollee ratios.

Statutory/Regulatory Reference: Section 1367.03(d); 1300.67.2(d).

Plan's Follow-Up Compliance Effort: With its Follow-Up response, the Plan provided Policy 4.30 P *Accessibility Standards* (reviewed and revised September 15, 2017), which states that the Plan will monitor provider network capacity to ensure that it satisfies the Plan's full time equivalent provider to member ratios. The policy continues to explain:

Full-time equivalency shall be determined by percentage of members assigned to the two Medi-Cal managed care plans in Kern County. For example, if KHS has 80% of the Medi-Cal managed care members in Kern County, the PCP FTE assumption to calculate the PCP to member ratio will be 80% FTE of all PCPs in the network.

Due to a maximum member assignment of 1,000 (See policy 5.06-P *Assignment of Primary Care Providers*) Mid-level providers serving in the Primary Care capacity will be counted as .5 of a PCP FTE, prior to percentage calculation.

Follow-Up Survey Assessment: The Department reviewed the Plan's revised policy. The Department found that the Plan's methodology does not take into consideration whether providers spend a portion of their time with non-Medi-Cal managed care patients. Thus, the Plan is unable to accurately assess whether it satisfies required physician-to-enrollee ratios. Further, while the Plan filed this policy with the Department, the filing remains under Department review.³

Follow-Up Report Deficiency Status: Not Corrected

The Department acknowledges the Plan has taken steps towards ensuring future compliance by revising and submitting its policy to the Department. However, by failing to consider each provider's availability when assigning an FTE value, the Plan fails to ensure it satisfies required physician-to-enrollee ratios.

³ Filing #20181634 (June 5, 2018).

Kern Health Systems
 Routine Survey Follow-Up Report
 August 30, 2018

Based upon the corrective actions undertaken, the Department has determined that this deficiency is not corrected.

CONTINUITY OF CARE

Deficiency #5: The Plan's continuity of care policy does not include a description of the Plan's block transfer process.

Statutory/Regulatory Reference: Sections 1373.95(a)(1), 1373.95(a)(2)(A).

Plan's Follow-Up Compliance Effort: In its supplemental response submitted on May 11, 2017, the Plan stated that on April 20, 2017, it submitted Policy 4.41-P, *Transitions and Block Transfer Filings* to the Department (Filing #20170621). In addition, the Plan stated that on May 8, 2017, it filed Policy 3.39-P, *Continuity of Care by Terminated Providers* (Filing #20171250). The Plan did not report any additional corrective action in its response for the Follow-Up Survey.

Follow-Up Survey Assessment: Policy 4.41-P addresses the timing requirements for block transfer filings with the Department and notices to affected members. Policy 3.39-P incorporates by reference Policy 4.41-P. The Department reviewed both filings and closed them without objection.

Follow-Up Report Deficiency Status: Corrected

The Department finds that by creating and filing a compliant block transfer process, the Plan has addressed this deficiency.

Based upon the corrective actions undertaken, the Department has determined that this deficiency is corrected.

LANGUAGE ASSISTANCE

Deficiency #6: The Plan's language assistance program does not include education and training in interpreting ethics, conduct, and confidentiality, for Plan staff that provide translation/interpretation services to enrollees.

Statutory/Regulatory Reference: Section 1367.04(b)(2), (5); Rule 1300.67.04(c)(2)(H)(iii).

Plan's Follow-Up Compliance Effort: With its response, the Plan provided a revised version of policy 3.70-1, *Cultural and Linguistic Services*. The policy was revised to include the previously missing requirements for internal staff who provide translation and/or interpretation services to Plan members.

Kern Health Systems
Routine Survey Follow-Up Report
August 30, 2018

The Plan explained that Plan staff who provide translation or interpretation services to members participated in an educational training on interpreting ethics, conduct, and confidentiality, as well as an additional training module on the National Standards of Practice for Interpreters in Health Care. The National Council on Interpreting in Health Care developed the training module. Upon completion of the training module, staff were required to complete a post-training quiz.

The Plan stated that its Health Education/Cultural and Linguistics Department maintains documentation of completion of the trainings and quiz.

Follow-Up Survey Assessment: The Department reviewed Plan policies and training materials used to train staff on interpreting ethics, conduct, and confidentiality. The Plan also provided records of staff training attendance and post-training quiz results. These policies and training documents demonstrate the Plan's education and training in interpreting ethics, conduct, and confidentiality for Plan staff that provide translation/interpretation services to enrollees.

Follow-Up Report Deficiency Status: Corrected

The Department finds that the Plan has implemented training and education to address this deficiency.

Based upon the corrective actions undertaken, the Department has determined that this deficiency is corrected.

Kern Health Systems
Routine Survey Follow-Up Report
August 30, 2018

SECTION II: SURVEY CONCLUSION

Issuance of this Follow-Up Report concludes the Routine Survey of the Plan. The Department finds that the Plan has corrected three of the five deficiencies that remained uncorrected upon issuance of the Final Report on March 16, 2017.

In the event the Plan would like to append a brief statement to the Follow-Up Report as set forth in Section 1380(i)(3), please submit the response via the Department's Web portal, eFiling application. Click on the Department's Web Portal, [DMHC Web Portal](#).

Once logged in, follow the steps shown below to submit the Plan's response to the Follow-Up Report:

- Click the eFiling link.
- Click the Online Forms link.
- Under Existing Online Forms, click the Details link for the **DPS Routine Survey Document Request** titled, **2016 Routine Full Service Survey - Document Request**.
- Submit the response to the Follow-Up Report via the DMHC Communication tab.

As a reminder, any amendments and modifications made to the Plan's licensing documents as a result of this Routine Survey must be submitted to the Department via the web portal using the File Documents link. The Plan should indicate in its Exhibit E-1 Summary of eFiling Information that the policy is being filed as a result of a deficiency identified by the Division of Plan Surveys.

Any uncorrected deficiencies identified in this Report will be referred to the Department's Enforcement Division for potential further action.



To: KHS Board of Directors

From: Alan Avery, Chief Operating Officer

Date: October 11, 2018

Re: 3rd Quarter Operations Report

The majority of the operational areas within KHS experienced a continued slight increase in transactional activity during the first quarter of 2018, with incoming phone volume in Member Services being the most notable.

Claims Department

Claims submissions in the 3rd quarter continued to mirror slight increases as the previous two quarters. All regulatory indicators were met or exceeded KHS goals and compliance requirements. We have completed the change out of our claims editing software from the McKesson Claim Check product to the Optum CES Software. With that change KHS should begin to see gradual improvements in the auto adjudication indicator starting in the 4th Quarter. In addition, the Claims Department has begun the implementation of the Zelis software tool which will review all claim payment files prior to provider payments being issued. Using their proprietary systems and additional edits, Zelis projects they will find payments that should not be made and thus avoid additional recovery efforts by KHS claims staff. We will also use the Zelis discovery process to further revise our CES editing.

Member Services Department

Incoming phone call activity increased by 7500 calls during the quarter which is an 11% increase over the previous two quarters. This reflects an overall higher daily call volume which began in July and the trend continued thru September. In addition to increased incoming calls, outbound calls also increased by 4%. In spite of these increases, the staff was able to maintain abandonment rate of 3.6% which is still below industry standard of 5%. The top five reasons for members calling the Plan remain the same. Lastly, the number of members signing up to use the Member Portal increased by 2,156 during the quarter, for a total of 8,061 members. This equates to 3.2 % of our members compared to the industry target of 4%.

Provider Relations Department

The provider network remained relatively flat during the 3rd Quarter with less than 1% change to the PCP network, 2% change to the specialty network and 1% provider termination. Physician appointment availability continues to meet regulatory standards with primary care appointment availability average at 5 days compared to a 10 day regulatory requirement and specialty care was roughly 7 days compared to a 15 day requirement.

Human Resources Department (Attachment A)

KHS continues to maintain staffing levels well below budget along with achieving exceptionally low employee turnover at 7.83%, well below the target of 12%. I have attached a copy of the 2018 YTD turnover statistics which provides complete year to date information. During the quarter, Human Resources management conducted an RFP for the administration of the Employer 401(a) and 457(b) Retirement Plan and will be recommending a change in the administrator of the plan.

Grievance Report (Attachment B)

The Department of Managed Care notified KHS that our process for sharing member grievance data to the Board did not meet regulatory requirements. In order to address this deficiency, management recommended the following changes would become effective October 1, 2018:

- (1) As part of Board of Directors meeting, the Chief Operating Officer would continue to present the Operations Report and include the quarterly Grievance Summary Report which includes the grievance dispositions.
- (2) Meeting Minutes of the Board will document the quarterly Grievance Summary Report was reviewed.

KHS reported grievances continue to exceed 2017 numbers due to the significant reporting changes caused by the Mega Rule changes that went into effect in July 2017. We continue to experience significant volume of grievances of medical necessity which are primarily questions regarding denial of a service. In addition, the Quality of Service indicators have significantly decreased as the regulations allow us to track and trend these minor events and only report those cases with major service related issues or language barrier issues. We found the majority of these types of grievances were extremely difficult to verify the claims by the member as they were primarily he said/she said minor issues relating to staff professionalism, courtesy and attitude. These complaints are forwarded to Provider Relations for follow up.

The new component to the Grievance Report is the final disposition of the grievances that were filed during the quarter. I have attached the 3rd Quarter 2018 Grievance Summary Report. The disposition of grievances is based on the grievance received by the Member Services staff from a member or a provider on behalf of a member, research of the facts by Member Services, Medical Director and/or Pharmacy review, and confirmation of the decision by the KHS Grievance Committee. The Grievance Committee meets on a weekly basis and is comprised of a Medical Director and Representatives from Utilization Management, Quality, Case Management, Provider Relations, Compliance and the Chief Operating Officer. The disposition “In Favor of the Health Plan” indicates KHS upheld the decision after the secondary review process. The disposition “In favor of Enrollee” indicates KHS overturned the initial decision after receiving additional information. In the 3rd quarter, KHS upheld 68% of the grievances and overturned 18% with 14% still under review.

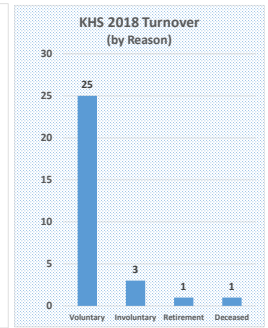
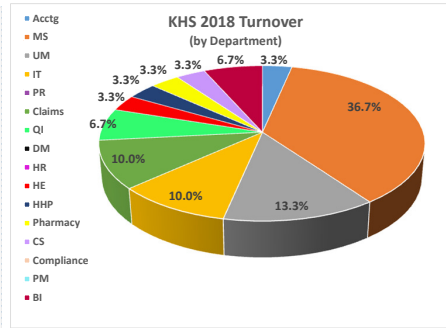
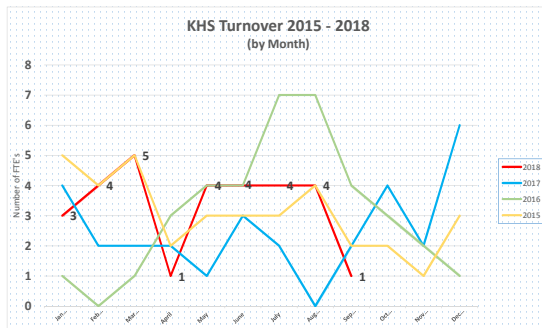
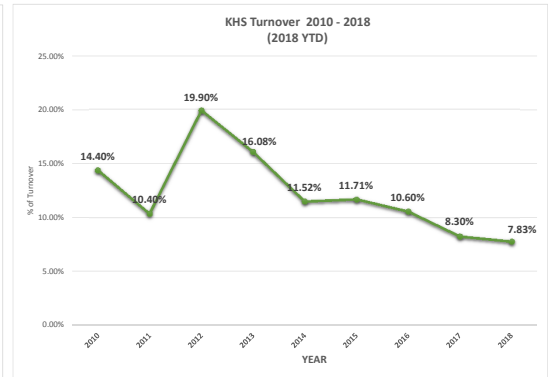
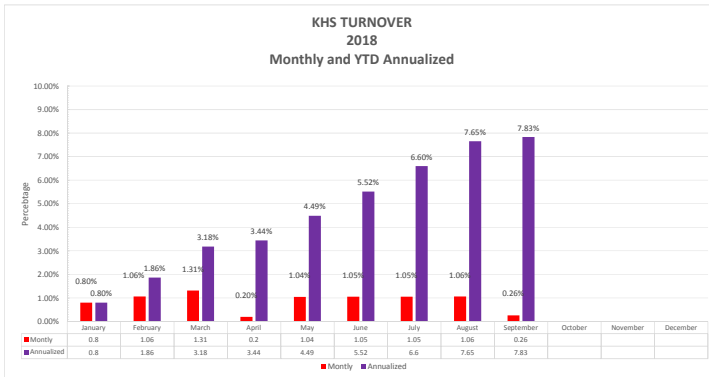
Transportation Update

Transportation services continues to increase 21% in total rides schedules from the previous 2nd quarter activity. However, 38% growth in the transit passes distributed and 200% growth in member mileage reimbursement is a significant positive change as our vendor (American Logistic Company) continues encourages the use of these cost effective transportation options. Another positive performance indicator is the decrease of the no show rate for LYFT rides, decreasing from 13% to 7% overall. The administrative cost for the transportation program is running well within the revised budgeted expense and we anticipate the expense to continue meeting budgeted targets.

Attachment A



2018 YTD - Turnover Statistics
September 30, 2018 | 3rd Quarter End |

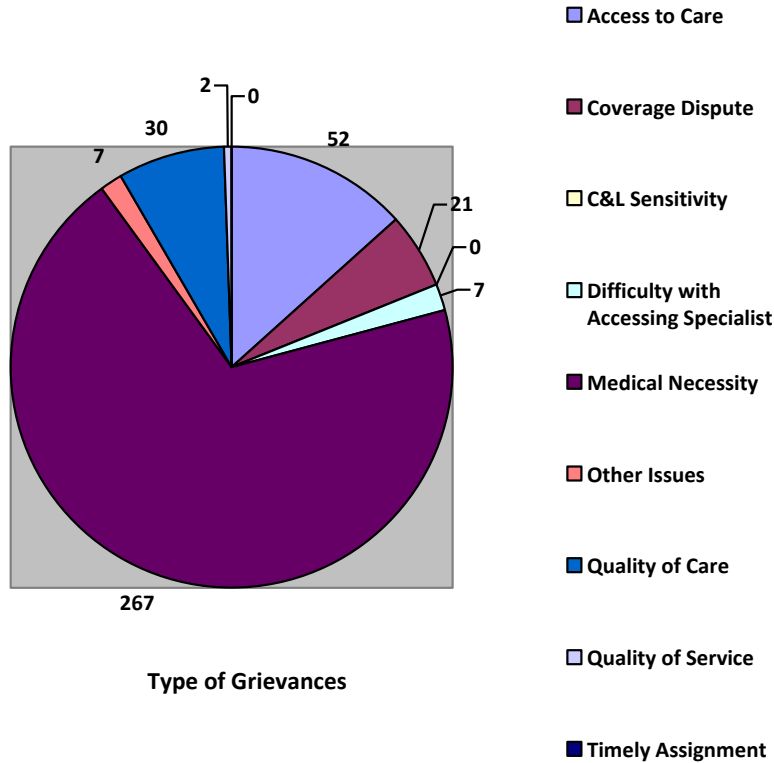


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3rd Quarter 2018 Grievance Summary

Attachment B

Issue	Number	In Favor of Health Plan	In favor of Enrollee	Still under review
Access to care	52	41	8	3
Coverage dispute	21	17	0	4
Cultural and Linguistic Sensitivity	0	0	0	0
Difficulty with accessing specialists	7	5	0	2
Medical necessity	267	179	55	33
Other issues	7	2	1	4
Quality of care	30	17	5	8
Quality of service	2	0	2	0
Timely assignment to provider	0	0	0	0



Grievances per 1,000 Members = 1.51

During the third quarter of 2018, there were three hundred and eighty six grievances received. Seventy one cases were closed in favor of the Enrollee, two hundred and sixty one cases were closed in favor of the Plan and fifty four cases are still open, pending response and/or records from a provider. There was one case that was not closed within thirty days of receipt and had to be pended for further review. One hundred and seven cases were received from SPD (Seniors and Persons with Disabilities) members. One hundred and thirty six were received from Medi-Cal Expansion members.

3rd Quarter 2018 Grievance Summary

Access to Care

There were fifty two grievances pertaining to access to care. Forty one cases closed in favor of the Plan. Eight cases closed in favor of the Enrollee. Three cases are still open pending a response from the provider. The following is a summary of these issues.

Twenty six members complained about the lack of available appointments with their Primary Care Provider (PCP). Twenty three of the cases closed in favor of the Plan after the responses indicated the office provided appropriate access to care based on the Access to Care Standards for PCP appointments. Two of the cases closed in favor of the Enrollee after the responses indicated the office may not have provided appropriate access to care. One case is still open pending a response from the provider.

Twenty four members complained about the wait time to be seen for a Primary Care Provider (PCP) appointment. Seventeen cases closed in favor of the Plan after the responses indicated the member was seen within the appropriate wait time for an appointment or the member was there as a walk-in, which are not held to Access to Care standards. Five cases closed in favor of the Enrollee after the response indicated the member was not seen within the appropriate wait time for an appointment. Two of the cases are still open pending a response from the provider.

Two members complained about telephone access with Primary Care Provider's (PCP) office. One of the cases closed in favor of the Plan after the response indicated the office provided appropriate telephone access. One of the cases closed in favor of the Enrollee after the response indicated the office did not provide appropriate telephone access.

Coverage Dispute

There were twenty one grievances pertaining to a Coverage Dispute issue. Seventeen of the cases closed in favor of the Plan. Four cases are still open pending records and/or review. The following is a summary of these issues:

Nine members complained about the denial of a TAR for non-formulary or restricted medications. Eight of these cases were found in favor of the Plan. Upon review it was determined that the TARs were appropriately denied as not a covered benefit under the KFHC Drug Formulary. One case is still open pending records and/or review.

Twelve members complained about the denial of a referral authorization request. Six of these cases were closed in favor of the Plan and the decisions were upheld after it was determined that the requests were appropriately denied as the requested services were not a covered benefit or the requested providers were not contracted under KFHC. Three of the cases closed in favor of the Plan as it was determined the request was appropriately denied; however, upon review of new information it was determined an exception would be made and the denial was overturned and approved. Three of the cases are still open pending records and/or review.

3rd Quarter 2018 Grievance Summary

Cultural and Linguistic Sensitivity

There were no grievances pertaining to Cultural and Linguistic Sensitivity.

Difficulty with Accessing a Specialist

There were seven grievances pertaining to Difficulty Accessing a Specialist. Five cases closed in favor of the Plan. Two cases are open pending a response from the provider. The following is a summary of these issues.

Four members complained about the lack of available appointments with a specialist. All of the cases closed in favor of the Plan after the responses indicated the offices provided appropriate access to care based on the Access to Care Standards for specialty appointments.

Three members complained about the wait time to be seen for a specialist appointment. One of the cases closed in favor of the Plan after the responses indicated the member was seen within the appropriate wait time for an appointment. Two of the cases are open pending a response from the provider.

Medical Necessity

There were two hundred and sixty seven grievances pertaining to Medical Necessity. One hundred and seventy nine of the cases were closed in favor of the Plan. Fifty five of the case closed in favor of the Enrollee. Thirty three of the cases are still open pending records and/or review. The following is a summary of these issues.

Two hundred and twenty seven members complained about the denial or modification of a referral authorization request. One hundred and eleven of the cases were closed in favor of the Plan as it was determined that there was no supporting documentation submitted with the referral authorization requests to support the criteria for medical necessity of the requested specialist or DME item and the denials were upheld. Thirty three cases were closed in favor of the Plan as it was determined the initial denial or modification of a referral authorization request was appropriate; however, upon review of additional new information, medical necessity was met and the denial was overturned. Fifty five of the cases closed in favor of the Enrollee after it was determined the authorization may have been denied inappropriately and the denials were overturned. Twenty eight of the cases are still open and pending records and/or review.

Forty members complained about the denial or modification of a TAR. Thirty one of the cases were closed in favor of the Plan as it was determined there was no supporting documentation submitted with the TAR to support the criteria for medical necessity of the requested medication and the denial was upheld. Four cases were closed in favor of the Plan as it was determined the initial denial or modification of a TAR was appropriate; however, upon review of additional new information, medical necessity was met and the denial was overturned. Five of the cases are still open pending records and/or review.

3rd Quarter 2018 Grievance Summary

Other Issues

There were seven grievances pertaining to Other Issues. Two of the cases closed in favor of the Plan. One case closed in favor of the Enrollee. Four of the cases are still open pending response and/or records for review. The following is a summary of this issue:

One member complained that she felt her Primary Care Provider (PCP) misdiagnosed her. This case closed in favor of the Enrollee after the provider failed to send a response or records to the Plan.

One member complained that she felt staff with a Primary Care Provider (PCP) office was releasing her PHI. This case closed in favor of the Plan after the response from the provider indicated all staff is properly trained to keep PHI files confidential.

One member complained that he felt he was being discriminated against by staff with a clinic. This case closed in favor of the Plan after the response from the provider indicated the clinic does not discriminate and all patients are welcome to go in for any medical access.

One member complained that she felt staff with a transportation company was negligent during her transport. This case is still open pending response from the transportation company.

One member complained that a provider released her PHI while her family was present. This case is still open pending response from the provider.

One member's guardian complained that the staff with a clinic is not reporting abuse and mistreatment to the appropriate agencies. This case is still open pending response from the provider.

One member complained about the staff with a mental health provider not following HIPAA guidelines. This case is still open pending a response from the provider.

Quality of Care

There were thirty grievances involving Quality of Care issues. Seventeen cases were closed in favor of the Plan. Five cases were closed in favor of the Enrollee. Eight cases are still open pending a response and records from the provider. The following is a summary of these issues:

Fourteen members complained about the quality of care received from a Primary Care Provider (PCP). Nine cases were closed in favor of the Plan after review of the responses and medical records received indicated that there were no quality of care concerns identified. Three cases closed in favor of the Enrollee after review of all medical documents and written responses received indicated that the care received may have been below standard. Two cases are still open pending a response and records from the provider.

Eleven members complained about the quality of care received from a specialty provider. Four of the cases were closed in favor of the Plan after review of the responses and

3rd Quarter 2018 Grievance Summary

medical records received indicated that there were no quality of care concerns identified. Two case closed in favor of the Enrollee after review of all medical documents and written responses received indicated that the care received may have been below standard. Five cases are still open pending a response and records from the provider.

Five members complained about the quality of care received from the provider or staff with a hospital or urgent care. Four cases closed in favor of the Plan after review of medical records and written responses received indicated that there were no quality of care concerns identified. One case is still open pending a response and records from the provider.

All cases were forwarded to the Quality Improvement (Q.I.) Department for review to determine if further investigation was necessary.

Quality of Service

There were two grievances pertaining to Quality of Service. Both of the cases were closed in favor of the Enrollee. The following is a summary of these issues:

One member complained about the service they received from a provider and their staff. This case was closed in favor of the Enrollee after the written response was reviewed and it was determined that the service the member received may have been below standard.

One member complained about the service they received from the staff of a provider. This case was closed in favor of the Enrollee after the written response was reviewed and it was determined that the service the member received may have been below standard.

Timely Assignment to Provider

There were no grievances pertaining to Timely Assignment to Provider received this quarter.



KERN HEALTH SYSTEMS

2018 3rd Quarter Operational Report

Claims Department Indicators

Activity	Goal	3 rd Quarter	Compliance	2 nd Quarter	1 st Quarter
Claims Received		703,484		724,334	765,033
Electronic	85%	89%		89%	88%
Paper	15%	11%		11%	12%
Claims Processed Within 30 days	90%	96%		93%	97%
Claims Processed within 45 days	95%	99%		98%	99%
Claims Processed within 90 days	99%	99%		99%	99%
Claims Inventory-Under 30 days	96%	99%		97%	99%
31-45 days	<3%	1%		<2%	<1
Over 45 days	<1%	1%		<1%	<1
Auto Adjudication	75%	74%		74	74
Audited Claims with Errors	<3%	1%		1%	2%
Claims Disputes	<5%	1%		1%	<1%

Member Service Indicators

Activity	Goal	3 rd Quarter	Compliance	2 nd Quarter	1 st Quarter
Incoming Calls		74,252		66,689	66,591
Abandonment Rate	<5%	3.62%		.5%	1.4%
Avg Answer Speed	<2:00	:42		:11	:18
Average Talk Time	<8:00	6:54		6:46	6:42
Top Reasons for Member Calls	Trend	New Member PCP Changes Demographic ID Cards Referral		Same	Same
Outbound Calls	Trend	89,536		87,538	86,031
# of Walk Ins	Trend	601		556	645
Member Portal Accounts	4%	2156 (Q3) 8061 (Total)		2045 (Q2) 6337 Total	4,292

Provider Network Indicators

Activity	Goal	3 rd Quarter	Compliance	2 nd Quarter	1 st Quarter
# of PCPs	Maintain	.55%		0	1.4%
# of Specialists	>1% growth	1.91%		3.7%	3.7%
% Provider Terminations	<5% term	1.18%		1.73%	4%
Termination Reasons		77%-Left group 8%-Site Closed 8%-Resigned 8%-Practice sold		75%-left group 9%-term 9%-site closed 5%-Resigned 2%-Practice sold	74%-left group 17%-voluntary 9%-other
Appointment Survey	Average wait time				
Primary Care	< 10 days	5.06 Days		5.85 days	7.85 days
Specialty Care	< 15 days	6.80 Days		8.28 days	12.6 days

Human Resources Indicators

Activity	Budget	3 rd quarter	Compliance	2 nd Quarter	1 st Quarter
Staffing Count	395	384		380	378
Employee Turnover	12%	7.83%		5.52%	3.18%
Turnover Reasons	Voluntary	83.34%		81%	75%
	Involuntary	10.00%		15%	25%
	Deceased	3.33%		4%	
	Retired	3.33%			

Grievance Report

- The DMHC requires KHS Management report/review quarterly grievances with the KHS Board of Directors.

Category	Q3 2018	Trend	Issue	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Access to Care	59	Green	Appointment Availability	42	34	25	26
Coverage Dispute	21	Green	Authorizations and Pharmacy	37	45	37	44
Medical Necessity	267	Yellow	Questioning denial of service	297	121	67	53
Other Issues	7	Green	Miscellaneous	1	0	0	2
Quality of Care	30	Green	Questioning services provided. All cases forwarded to Quality Dept.	27	31	26	46
Quality of Service	2	Green	Questioning the professionalism, courtesy and attitude of the office staff. All cases forwarded to PR Department	3	5	44	178
Total Grievances	386	Yellow		407	236	199	349

Additional Insights-Grievance Detail

Issue	3 rd Quarter Grievances	Upheld Plan Decision	Overtured Ruled for Member	Still Under Review
Access to Care	52	41	8	3
Coverage Dispute	21	17	0	4
Specialist Access	7	5	0	2
Medical Necessity	267	179	55	33
Other Issues	7	2	1	4
Quality of Care	30	17	5	8
Quality of Service	2	0	2	0
Total	386	261	71	54

Transportation Update

Operational Statistics	Q3 2018* (*Projected*)	Q2 2018	Q1 2018	Q4 2017	Q3 2017
ALC Calls	91,000*	60,283	31,752	29,338	14,057
One Way Rides Scheduled	98,938*	81,594	66,517	43,273	17,443
NMT	50,458	45,832	33,459	16,833	4,603
Bus Passes Distributed	6,675*	4,813	5,383	3,821	1,037
Lyft Rides Delivered	43,783*	41,019	28,076	13,012	3,566
Lyft No Shows	3,375*	3,008	3,826	1,838	583
NEMT	48,480*	35,762	33,058	26,440	12,840
Van Rides Scheduled	47,995*	35,283	32,662	26,066	12,584
Gurney Rides Scheduled	485*	479	396	374	256
Member Reimbursement	525*	164	47	28	0
ALC Admin Expense	\$553,115*	\$444,323	\$432,323	\$279,109	\$22,360



To: KHS Board of Directors
From: Martha Tasinga M.D, MPH, MBA, Chief Medical Officer
Date: October 11, 2018
Re: CMO BOARD REPORT

Medical Cost and Utilization Trend Analyses: (Attachment A)

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

The utilization and cost of physician services by the SPDs continue to trend higher than budget. The number of visits continues to exceed expectation which could be good if it leads to stabilizing the patient's medical condition and avoiding hospitalization.

The Overall (all aid categories) PMPM cost is stable but remains over budget. We continue to implement new population based programs for 2018 to address inappropriate utilization such as Urgent Care for medical conditions which should be treated by the member's PCP. If we are successful with redirecting care to more appropriate settings, we should see a downward trend in PMPM cost for SPDs which will bring overall PMPM cost in line with budget.

The most frequent diagnosis for physician services for all aid categories is a wellness exam but Type 2 Diabetes is a close second. Puerperium complication after childbirth is the second highest diagnosis after wellness exams for the Family Aide Category. Hence, we are focusing our efforts to identify our pregnant members early in pregnancy and provide them the care they need so we can improve the pregnancy outcomes and reduce complications during Puerperium.

Chronic kidney disease is the number one diagnosis for SPDs and Type II Diabetes is a close second. We are focusing our disease management efforts on our members with Hypertension and Diabetes. These two diagnosis together have severe adverse effects on kidneys. We are also evaluating the possibilities of using telemedicine to expand our Diabetic Disease Management Program.

Pharmacy

The monthly cost and utilization per enrollee for all aid categories is at or below budget through August 2018. We continue to analyze utilization patterns and cost of utilization to identify ways to better manage this benefit. Some of our programs will initially increase use of appropriate medications but in long-term reduce to use of high cost services such as acute care. We continue to work with the Pharmacy and Therapeutic Committee to identify less expensive bioequivalent formulations of expensive medications when available to add to our formulary.

Inpatient Services

The overall PMPM, cost per bed-day, bed-days incurred and average length of stay in the acute hospital for all aide codes is at or below budget. We continue to work closely with our hospital partners and the hospitalists to identify alternatives levels of care that are safe and less costly for our members.

We are continuing to focus on better management of chronic condition in compliance with evidenced based guidelines and we believe this is having a good impact on acute hospital utilization. The top inpatient diagnosis for the family Aid code members is single live born infant and full-term uncomplicated delivery. The top inpatient admission diagnosis for SPD and the Expansion populations is Sepsis. This is driven by the national focus on early identification and management of sepsis and changes to the definition of “sepsis”.

The top hospital used for inpatient services remains Bakersfield Memorial (**Attachment B**).

The C/Section rate in was 20% in August 2017 which continues to be below State average for low –risk, first birth deliveries. For the month of August most of our Deliveries occurred at BMH with KMC a close second. (**Attachment C**).

Hospital Outpatient

Hospital outpatient utilization has stabilized. The cost of visits for all Aide categories is over budget however. This is much higher than budget in the SPD Population. Since this cost has leveled off beginning March 2018, we believe we will see a downward trend by the end of this year. We are doing analytics to identify the key drivers of hospital outpatient utilization. We are also evaluating the availability of free standing facilities that provide the same services as Hospital outpatient but at a lower cost such as surgery centers, infusion centers, imaging etc.

Emergency Room (ER)

The PMPM cost and number of ER visits is below budget for all but the SPD Aide code. We continue to explore the use of technology like Telemedicine to improve access to primary care services in less costly locations such as office and home. The most frequent diagnosis for the ER for all groups is Urinary Tract Infection at 1.25 visits per 1000 with Upper Respiratory Infection running close second.

Most of the ER visits are occurring at BMH with Mercy and MSW hospital a close second (**Attachment D**).

HEDIS 2018 Final Report

The Healthcare Effectiveness Data and Information Set (HEDIS) is a tool used by more than 90 percent of America's health plans to measure performance on important dimensions of care and service. The purpose of this report shows our final performance for HEDIS 2018; for 2017 tracking and reporting year. These are the numbers that will be publicly posted by the State.

2018 Final Report (2017 Tracking Activity)

I am happy to inform the Board of Directors that KHS met MPL for all but one of the 15 HEDIS measures (**Attachment E**). KHS did not meet MPL for the Asthma Measure (AMR). The current Standards of practice require that patients with persistent asthma should be on rescue and controller medications at a ratio of 2 to1. This measure looks at the percentage of patients who have persistent asthma have 1 controller medical for every 2 rescue medications filled. This is not the first-time we have not met MPL for this Measure. We have tried multiple interventions in the past including asthma classes, giving physicians list of their members who should be on controllers etc. without showing significant improvement in the measure.

Since this was not the first time we did not meet the MPL we have already been working on different ways to try to solve this problem:

1. We are working on a collaboration pilot project with a local pharmacy. When our members go to the pharmacy to pick-up rescue medication, we are asking the pharmacist to call the physician and recommend a controller if the patient is filling a second rescue medication.
2. If the pilot project shows some improvement we intend to work with many more of our contracted pharmacies. (We have submitted this plan to the State and the feedback we have gotten is that this is a very innovative way of looking at this measures and State has asks us to keep them informed as we progress with the pilot).
3. For the remaining 3 months of this year, we have identified close to 23K members who are not currently meeting this measure. A subset (3000) of these members have had 2 rescue medications but no controller. Our goal is to get as many of these members as possible on controllers before 12/31/18. We currently reaching out to these members, their providers, having pharmacist call PCPs, visiting PCP offices and giving the list of their members. We partnering with the FQHC in this push, considering that almost 50% of these members are in the FQHCs.

2018 Tracking Activity (3rd Quarter)

Attachment F shows our HEDIS trending dashboard for 2018 measures currently being tracked for Hybrid and Administrative Measures where we capture “compliance” from claims data. 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 the previous year’s MPL is used here to determine how well our HEDIS program performs against this standard. Subsequent pages of the report give a snap shot summary of each measurement year- to- date. It is color coded in green when current rate is on or above previous year trending rate, yellow when below previous year’s trending rate but statistically in line with expectation and red when below previous year’s trending rate and if continued, could fail to meet the minimum standard set by the State. Since the final HEDIS tally does not occur until the end of the reporting period (12/2018), using historical performance for the same month in the prior year, enables staff to project year-end results for the measured period. Measurements showing “red” enables staff to know where they need to boost their effort to bring this measurement back in line with expectation while there is still time.

Of the 15 HEDIS Hybrid and Administrative Measures displayed here, 9 measures are in green and on target to meet expectation. There are 3 measures in yellow show a 5% or less variance to the previous year’s rate and 3 that are in the red. In such cases, staff closely monitors yellow measures to see that trends come back in line with prior year’s results.

Regarding the three measurements in red, we have various activities going on to identify patients with these conditions. For the Prenatal and Postpartum Care we attempt to identify women earlier in their pregnancy so they may start prenatal care within the first 12 weeks of pregnancy. Among these activities undertaken to address the low performing Prenatal and Postpartum Care measure are:

1. working with the Department of Public Health and other community based organizations where women typically go for pregnancy tests, to help us identify our pregnant members.
2. incentivizing women to begin prenatal care (within 12 weeks) and going for post-partum care following delivery.
3. reminding the PCP doing the majority of the pregnancy tests that provision of the first prenatal visit is within the scope of practice for a PCP and if they complete the assessment, they will be compensated accordingly for the visit.

Kern Health Systems

KHS Medical Management Performance Dashboard (Critical Performance Measurements)



Governed Reporting System

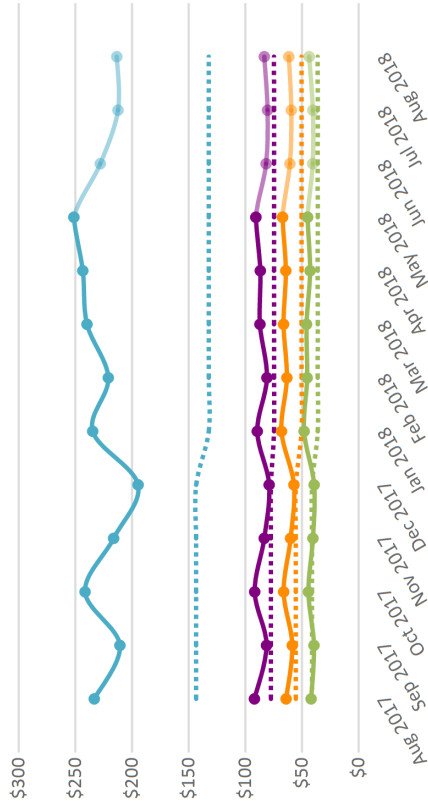


Physician Services

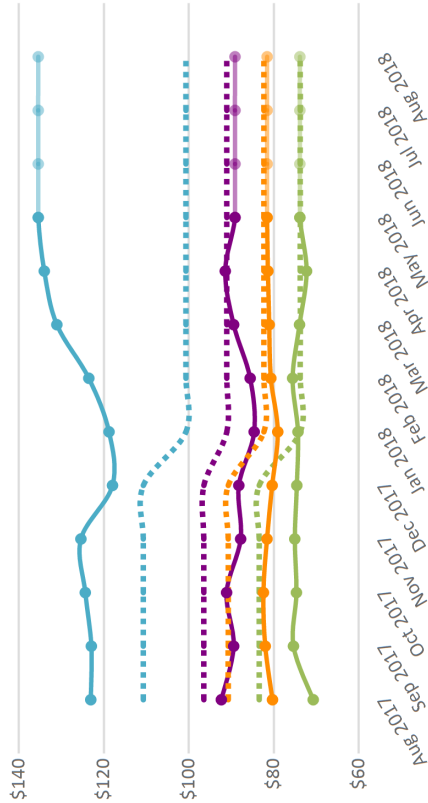
(Includes: Primary Care Physician Services, Referral Specialty Services, Other Professional Services and Urgent Care)

- 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

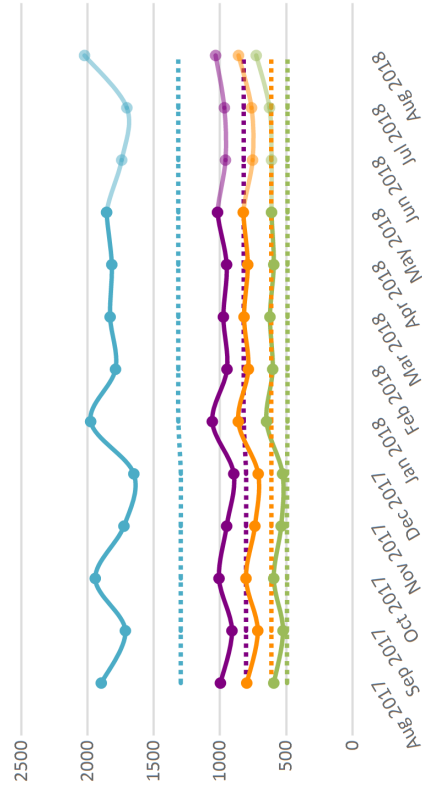
Professional Services Incurred by Aid Group PMPM



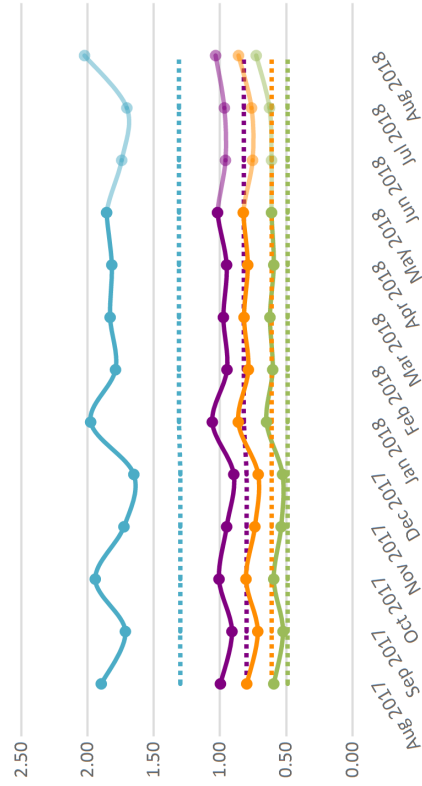
Cost per Professional Service Visit by Aid Group



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



Professional Service Visits per Member per Month by Aid Group





Governed Reporting System

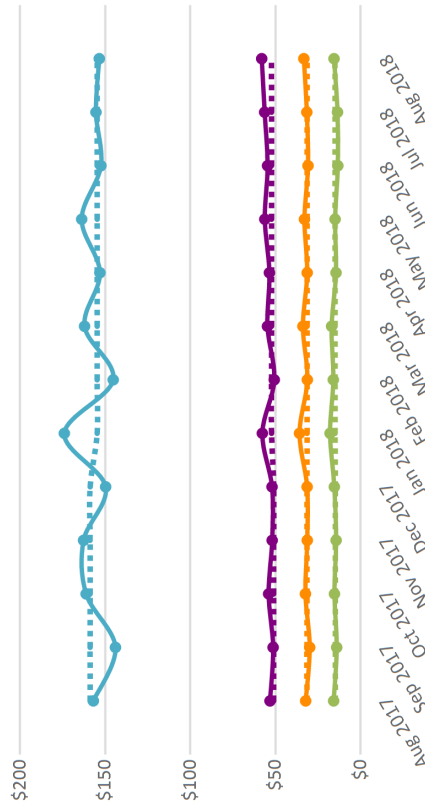


Pharmacy

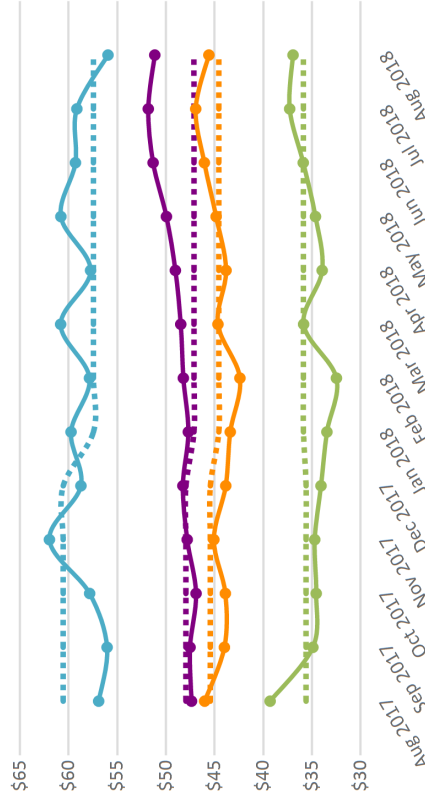
(Includes: Claims paid by PBM)

- MICAL Expansion - Actual
- ... MICAL Expansion - Budget
- MICAL Expansion - Forecast
- MICAL Family/Other - Actual
- ... MICAL Family/Other - Budget
- MICAL Family/Other - Forecast
- Total Combined - Actual
- ... Total Combined - Budget
- Total Combined - Forecast

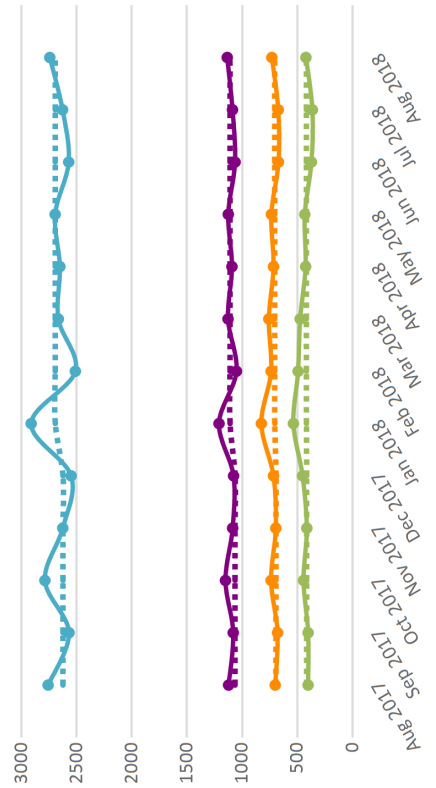
Pharmacy Services Incurred by Aid Group PMPM



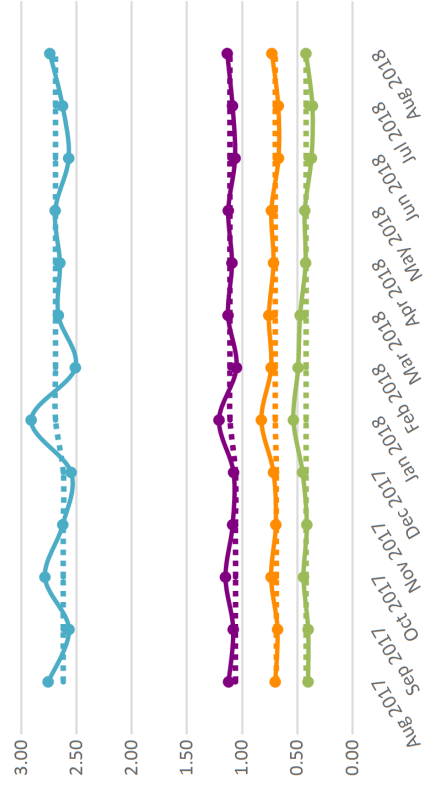
Cost per Script by Aid Group



Incurred Scripts per 1,000 per Month by Aid Group



Pharmacy Services Incurred per Member per Month by Aid Group





Governed Reporting System

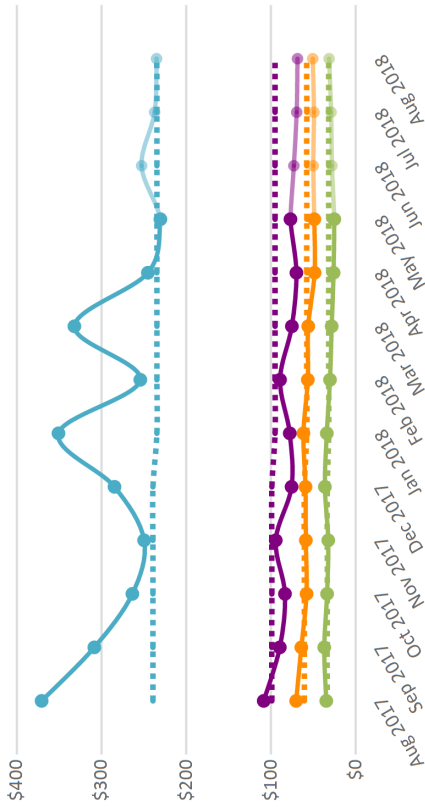
Inpatient



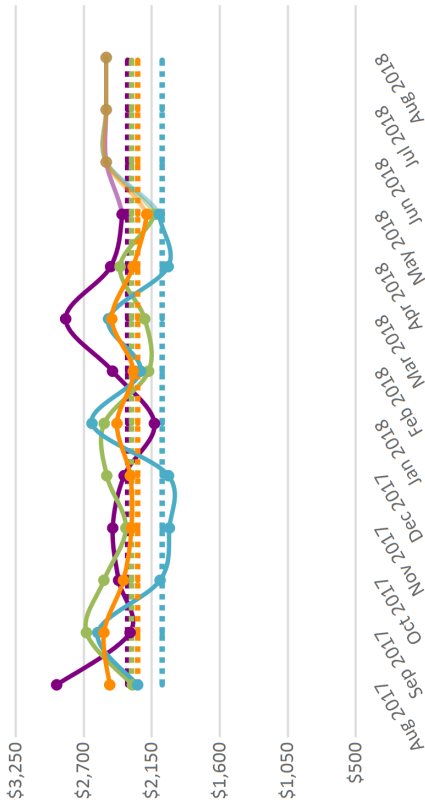
(Includes: Inpatient Hospital Claims)

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

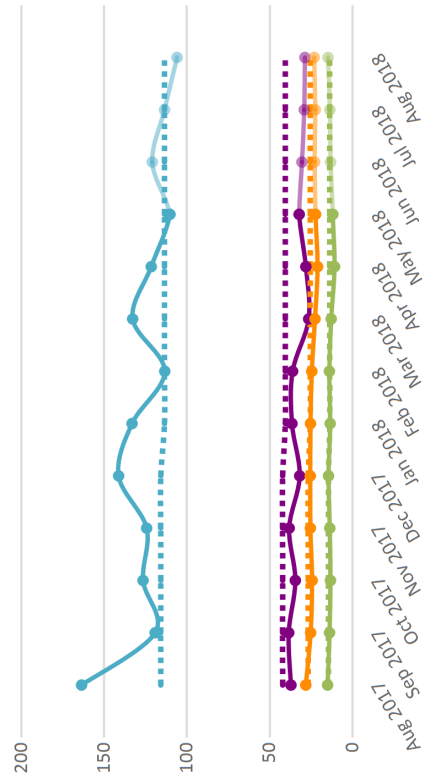
Inpatient Services Incurred by Aid Group PMPM



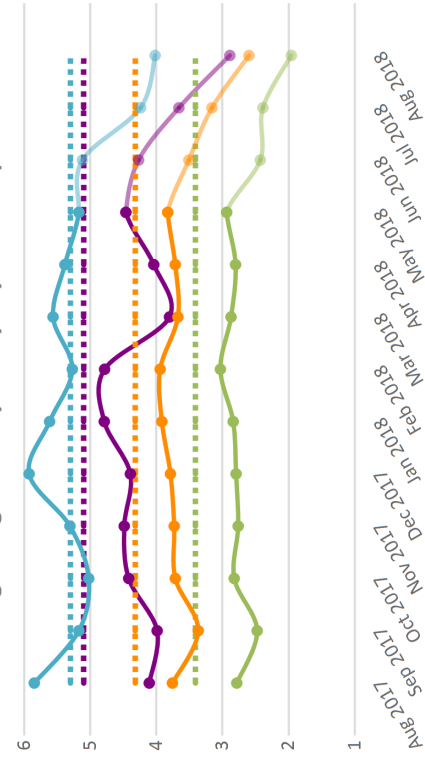
Cost Per Bed Day by Aid Group



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



Average Length of Stay in Days by Aid Group





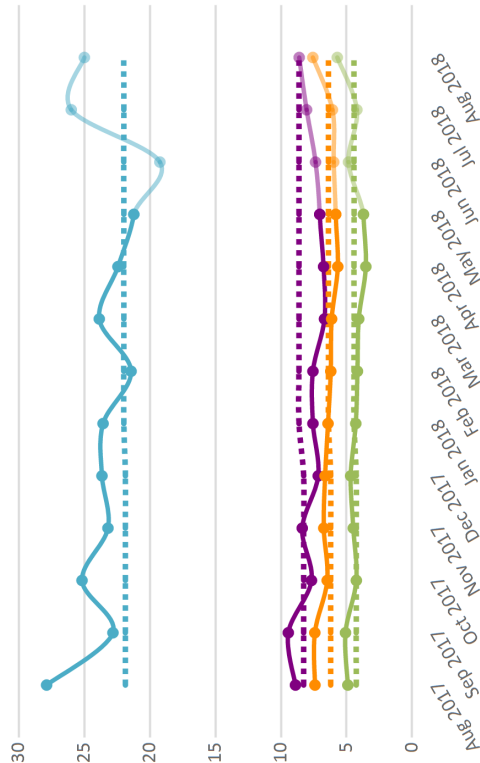
Governed Reporting System

Inpatient

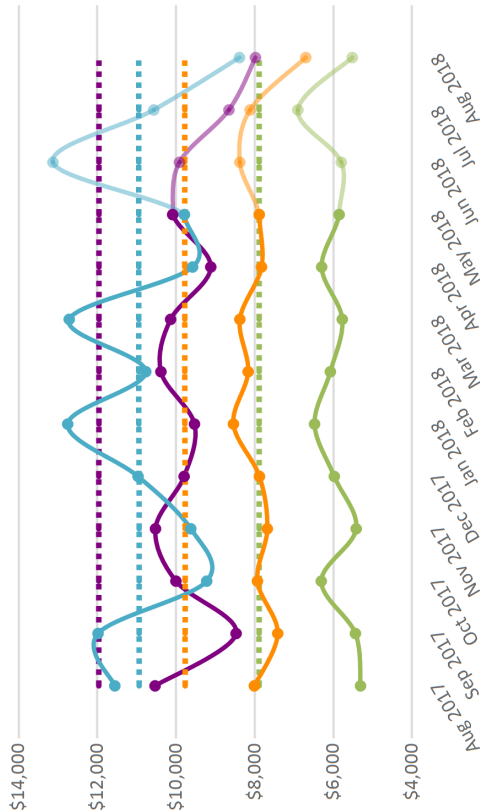
(Includes: Inpatient Hospital Claims)

- 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

Incurred Admits per 1,000 per Month by Aid Group



Cost per Admit by Aid Group





Governed Reporting System

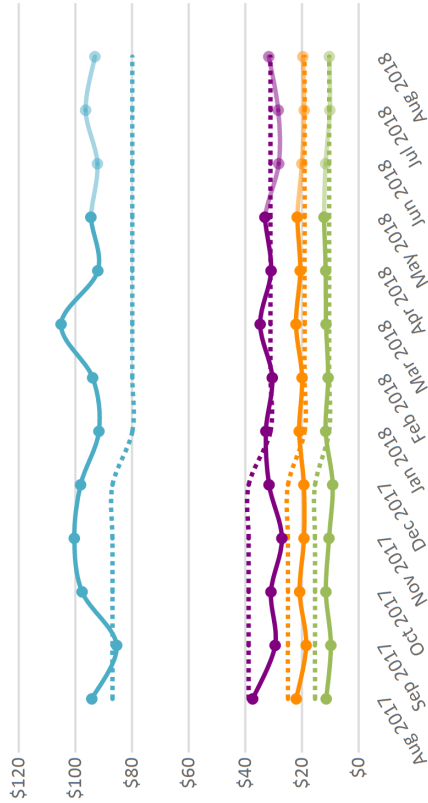
Outpatient Hospital



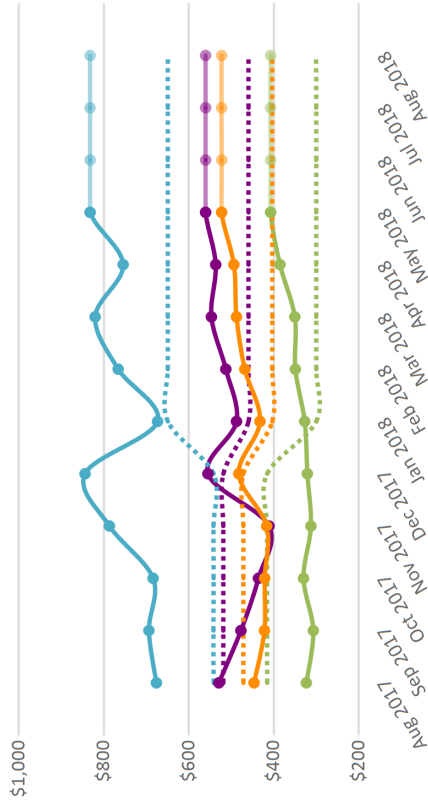
(Includes: Outpatient Diagnostic, Outpatient Surgery, Outpatient Observation, and Outpatient Other)

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

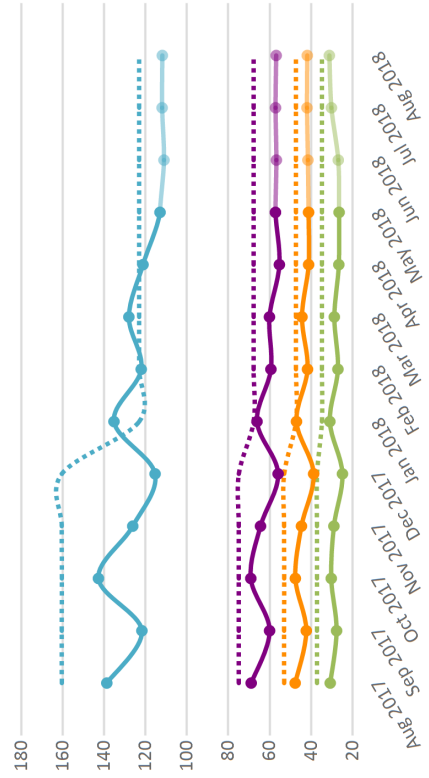
Outpatient Services Incurred by Aid Group PMPM



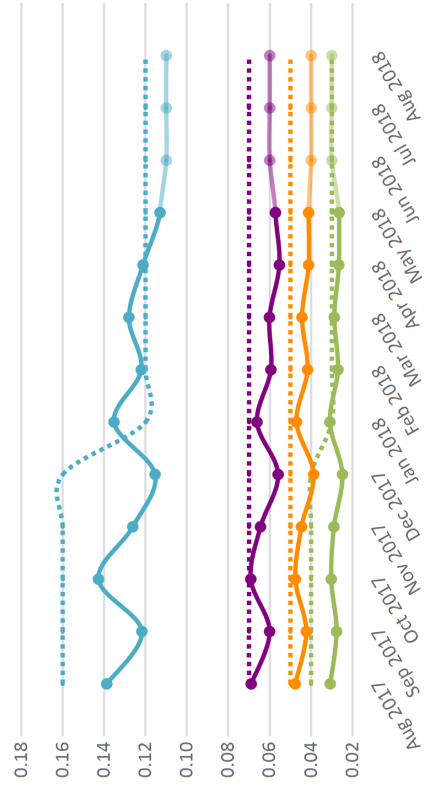
Cost Per Outpatient Visit by Aid Group



Outpatient Visits per 1,000 per Month by Aid Group



Outpatient Visits per Member per Month by Aid Group





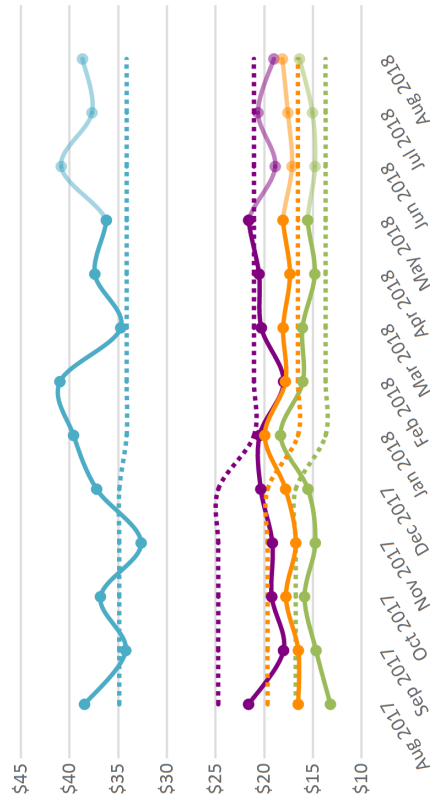
Governed Reporting System



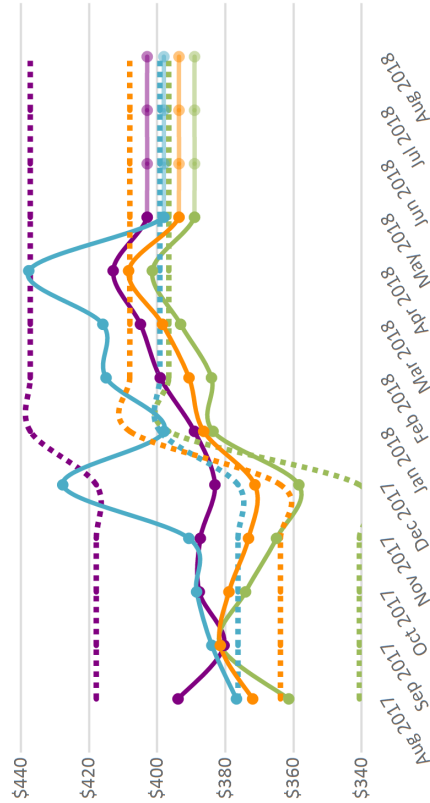
Emergency Room

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

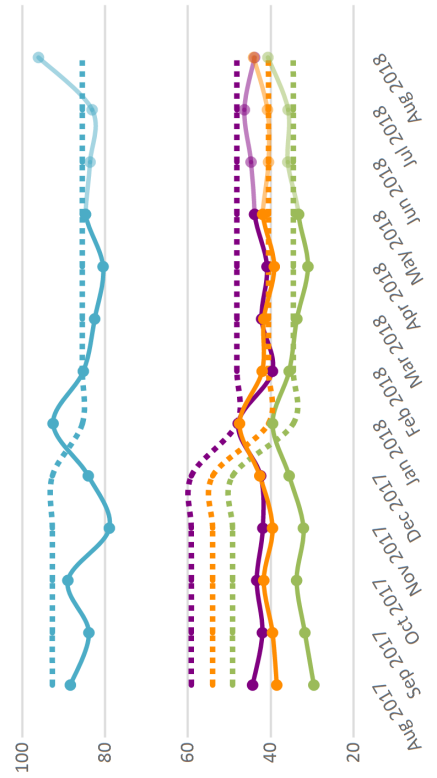
ER Services Incurred by Aid Group PMPM



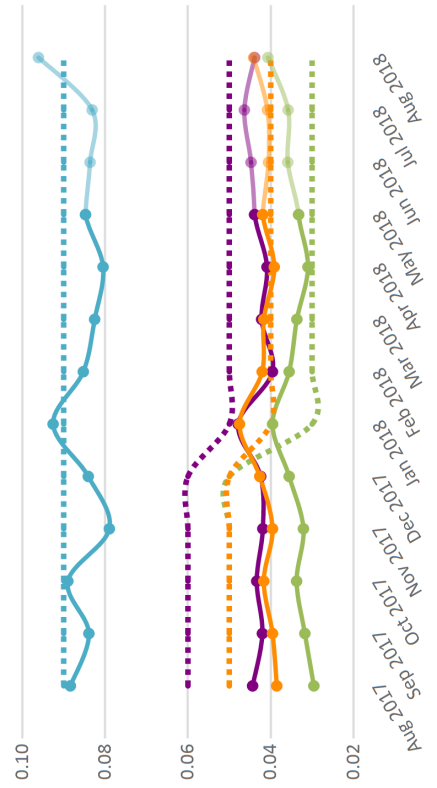
Cost Per ER Visit by Aid Group



ER Visits per 1,000 per Month by Aid Group



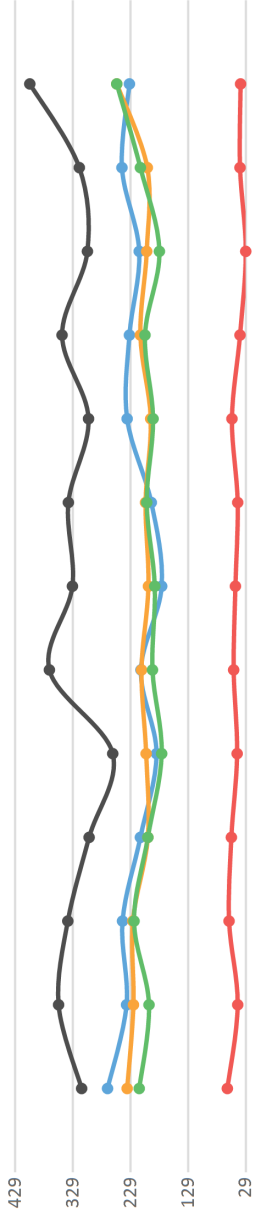
ER Visits per Member per Month by Aid Group



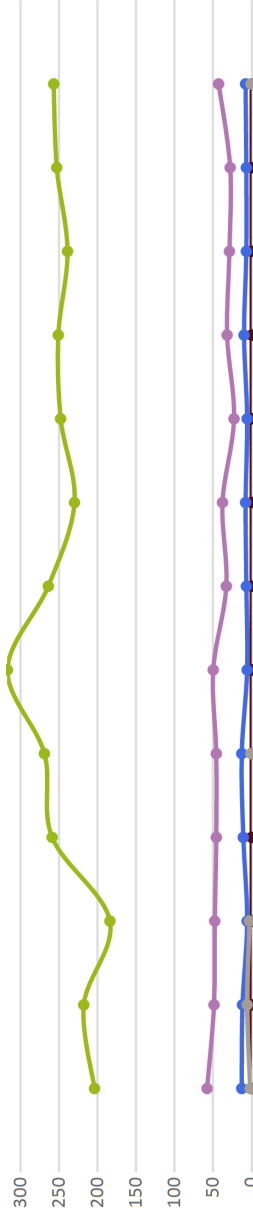


Governed Reporting System

Inpatient Admits by Hospital



	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
BAKERSFIELD MEMORIAL	314	354	338	301	260	370	330	337	302	348	304	318	404
SAN JOAQUIN COMMUNITY	269	236	243	212	184	211	175	193	235	231	214	244	231
MERCY HOSPITAL	214	197	223	199	175	191	187	201	190	204	179	212	253
KERN MEDICAL	235	224	225	199	202	210	198	203	194	212	201	200	253
GOOD SAMARITAN HOSPITAL	61	43	58	54	44	50	47	43	53	39	29	39	38

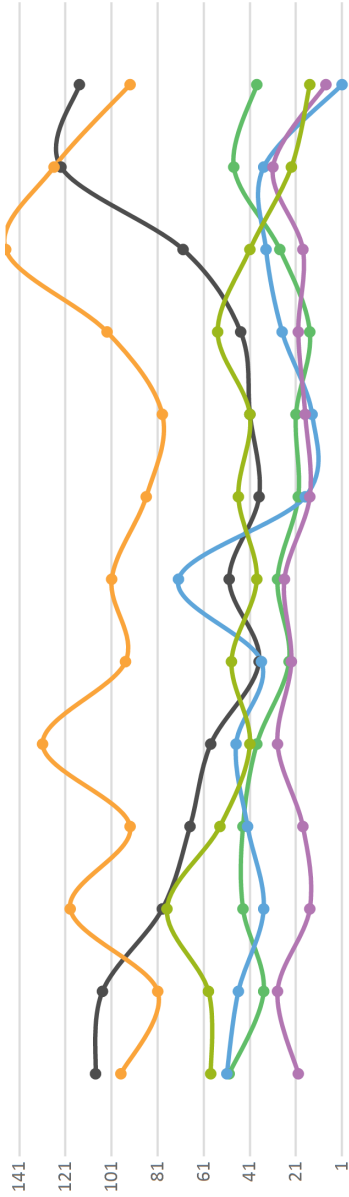


	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
OUT OF AREA	204	218	184	259	269	317	264	230	248	251	239	253	257
BAKERSFIELD HEART HOSP	49	47	52	67	70	83	57	65	44	56	51	52	45
DELANO REGIONAL HOSPITAL	58	49	48	46	46	50	33	38	23	32	29	28	43
KERN VLY HLTHCRE HOSP	13	12	6	11	13	6	7	8	6	10	7	7	8
ADVENTIST HEALTH MEDICAL CENTER	2	6	3	0	1	0	0	0	0	0	0	0	1

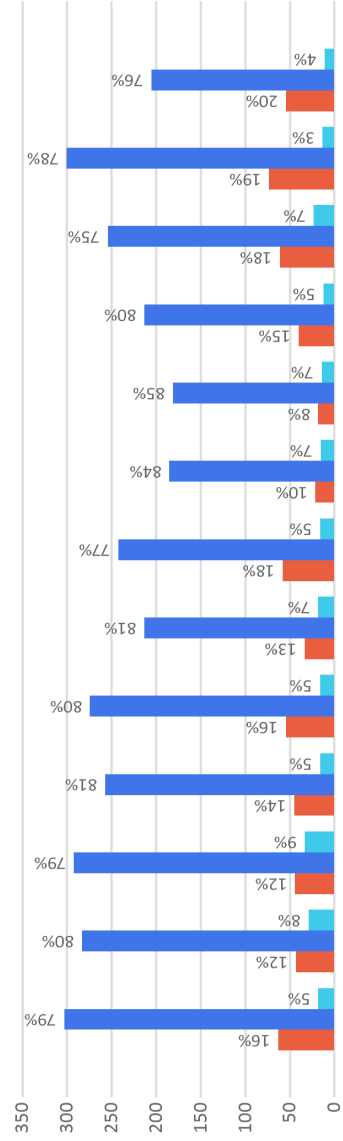


Governed Reporting System

Obstetrics Metrics



	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
KERN MEDICAL	97	81	119	93	131	95	101	86	79	103	147	126	93
BAKERSFIELD MEMORIAL	108	105	79	67	58	37	50	37	41	45	70	123	115
SAN JOAQUIN COMMUNITY	51	46	35	42	47	36	72	17	14	27	34	35	1
MERCY HOSPITAL	50	35	44	44	38	24	29	20	21	15	28	48	38
DELANO REGIONAL HOSPITAL	20	29	15	18	29	23	26	15	17	20	18	31	8
OTHER	58	59	77	54	41	49	38	46	41	55	41	23	15

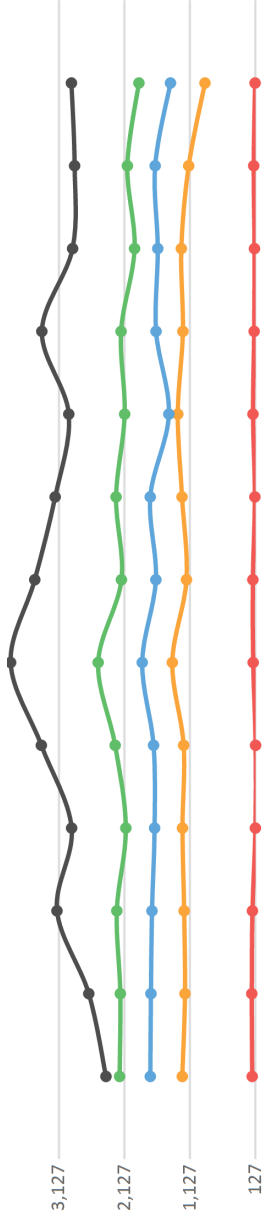


	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
VAGINAL DELIVERY	303	283	292	257	274	213	242	185	181	213	254	300	205
C-SECTION DELIVERY	63	43	44	45	54	33	58	21	18	40	61	73	54
PREVIOUS C-SECTION DELIVERY	18	29	33	16	16	18	16	15	14	12	23	13	11



Governed Reporting System

Emergency Visits by Hospital



	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
BAKERSFIELD MEMORIAL	2,409	2,671	3,156	2,933	3,395	3,863	3,495	3,184	2,976	3,387	2,918	2,887	2,936
MERCY HOSPITAL	2,201	2,190	2,244	2,106	2,269	2,528	2,173	2,255	2,124	2,179	1,973	2,083	1,907
SAN JOAQUIN COMMUNITY	1,733	1,723	1,707	1,667	1,683	1,856	1,648	1,734	1,450	1,645	1,619	1,659	1,425
KERN MEDICAL	1,245	1,204	1,217	1,242	1,224	1,397	1,181	1,249	1,314	1,236	1,260	1,147	899
BAKERSFIELD HEART HOSP	179	185	175	130	127	164	169	138	167	149	144	156	135



	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
DELANO REGIONAL HOSPITAL	937	905	897	849	905	989	889	879	862	944	872	783	864
OUT OF AREA	531	598	609	560	614	631	573	593	531	518	589	516	332
ADVENTIST HEALTH MEDICAL CENTER	299	317	297	274	311	314	266	281	248	264	267	265	257
KERN VLY HLTHCRE HOSP	98	114	133	133	132	144	125	108	117	163	126	115	123

Attachment E

2018 HEDIS Rate Tracking

As of 2018-4-27 Final

Note: These are preliminary rates awaiting Over-read and HSAG validation.

Hybrid Measures

Measure	Current 2018 Rate	2018 MPL	2018 HPL	2017 KHS Rate	Current Vs. 2018 MPL	Current Vs. 2018 HPL	Current Vs. 2017 KHS	Change in Numerators Required to meet MPL	Change in Numerators Required to meet HPL	2017 Health Net	Current Vs. 2017 Health Net
CCS	58.39	51.82	70.80	58.39	6.57	-12.41	0.00	-	51	43.31	15.08
CIS-3	68.86	65.25	79.32	64.96	3.61	-10.46	3.90	43	43	58.93	9.93
CDC-E	58.94	47.57	68.33	48.19	11.37	-9.39	10.75	-	51	-	-
CDC-HT	89.60	84.25	92.82	84.49	5.35	-3.22	5.11	-	18	84.43	5.17
CDC-H9 *	30.66	48.57	29.07	39.60	17.91	-1.59	8.94	-	9	-	-
CDC-H8	58.21	41.94	59.12	51.09	16.27	-0.91	7.12	-	5	-	-
CDC-N	92.88	88.56	93.27	88.87	4.32	-0.39	4.01	-	2	-	-
CDC-BP	69.89	52.70	75.91	63.87	17.19	-6.02	6.02	-	33	-	-
CBP	58.39	47.69	71.69	57.91	10.70	-13.30	0.48	-	55	53.58	4.81
IMA-2	36.74	15.87	30.39	21.65	20.87	6.35	15.09	-	-	-	-
PPC-Pre	82.48	77.66	91.67	75.43	4.82	-9.19	7.05	-	38	79.05	3.43
PPC-Pst	66.67	59.59	73.67	63.50	7.08	-7.00	3.17	-	29	-	-
WCC-N	63.02	58.56	82.53	67.40	4.46	-19.51	-4.38	-	80	-	-
WCC-PA	57.91	49.06	75.40	61.56	8.85	-17.49	-3.65	-	72	-	-
W-34	66.67	66.18	82.77	69.83	0.49	-16.10	-3.16	-	66	70.77	-4.10

* A lower rate indicates better performance therefore the number of required numerators must decrease by the number shown.

Administrative Measures

Measure	Current 2018 Rate	2018 MPL	2018 HPL	2017 KHS Rate	Current Vs. 2018 MPL	Current Vs. 2018 HPL	Current Vs. 2017 KHS	Change in Numerators Required to meet MPL
AAB**	27.63	24.91	39.53	29.47	2.72	-11.90	-1.84	-
AMR	49.80	55.33	72.38	48.38	-5.53	-22.58	N/A	97
BCS	55.98	52.70	70.29	50.48	3.28	-14.31	N/A	-
CAP-1224	89.69	93.27	97.89	89.65	-3.58	-8.20	0.04	218
CAP-256	81.42	84.94	93.16	80.61	-3.52	-11.74	0.81	1,044
CAP-711	80.88	87.58	96.09	81.49	-6.70	-15.21	-0.61	1,740
CAP-1219	78.84	85.65	94.72	80.21	-6.81	-15.88	-1.37	2,171
DSF	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
LBP**	71.59	66.23	78.29	66.25	5.36	-6.70	5.34	-
MIPM-ACE	90.19	85.93	92.79	88.40	4.26	-2.60	1.79	-
MIPM-Diu	89.79	85.52	92.47	87.61	4.27	-2.68	2.18	-

** Rate for these measures derived by an inverse calculation. The number of required numerators must decrease by the number shown. Note: For measures shaded in gray, DHCS is not holding MCPs accountable to meet the MPLs for HEDIS 2018 (measurement year 2017).



Kern Health Systems

HEDIS Trending Dashboard September 2018



Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

Measure	Current Year %	Prior Year %	% Point Change
CCS	44.44%	44.09%	0.34%
CDC - Eye Exam	25.96%	24.74%	1.22%
CDC - Hba1c Test	73.96%	73.19%	0.77%
CDC - Nephropathy	83.16%	82.92%	0.23%
CIS - Combo 3	28.44%	36.07%	-7.63%
IMA - Combo 2	29.31%	41.62%	-12.30%
PPC - Prenatal	65.02%	74.95%	-9.93%
PPC - Postpartum	55.86%	57.24%	-1.38%
W34	52.86%	53.27%	-0.41%
AAB	55.61%	50.60%	5.01%
AMR	23.16%	19.92%	3.24%
BCS	45.24%	47.11%	-1.87%
LBP	73.03%	69.76%	3.27%
MPM - Ace Inhibitors	83.22%	82.37%	0.85%
MPM - Diuretics	82.31%	80.97%	1.34%

Hybrid Measures

Administrative Measures



Governed Reporting System

Hybrid Measures



Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

Cervical Cancer Screening (CCS)

Cervical Cancer Screening

CCS

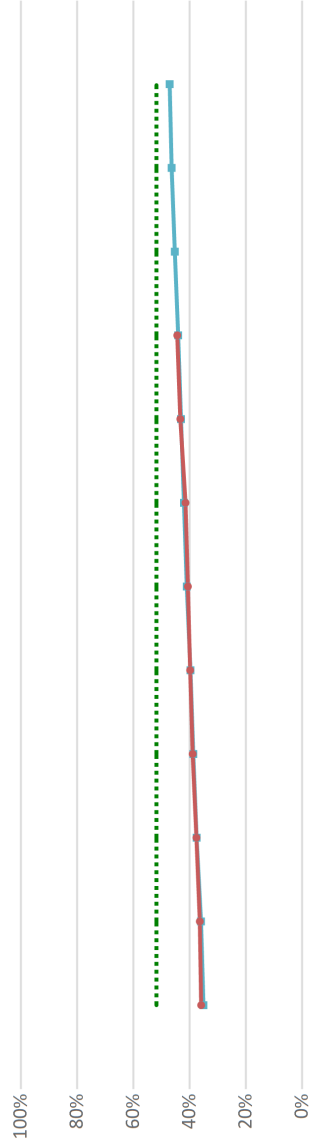
44.44 %

Prior Year 44.09%

% Point Change 0.34%

$$\frac{21,558}{48,514}$$

Numerator
Denominator



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	35.10%	35.97%	37.53%	38.72%	39.72%	41.04%	42.06%	43.08%	44.09%	45.29%	46.42%	47.12%
2018	35.93%	36.41%	37.61%	38.95%	39.83%	40.63%	41.48%	43.34%	44.44%			
MPL	51.82%	51.82%	51.82%	51.82%	51.82%	51.82%	51.82%	51.82%	51.82%	51.82%	51.82%	51.82%

HEDIS Trending Year-Over-Year Comparison

Comprehensive Diabetes Care (CDC - EYE EXAM)

The percentage of members 18–75 years of age with diabetes (type 1 and type 2) who had Eye exam (retinal) performed.

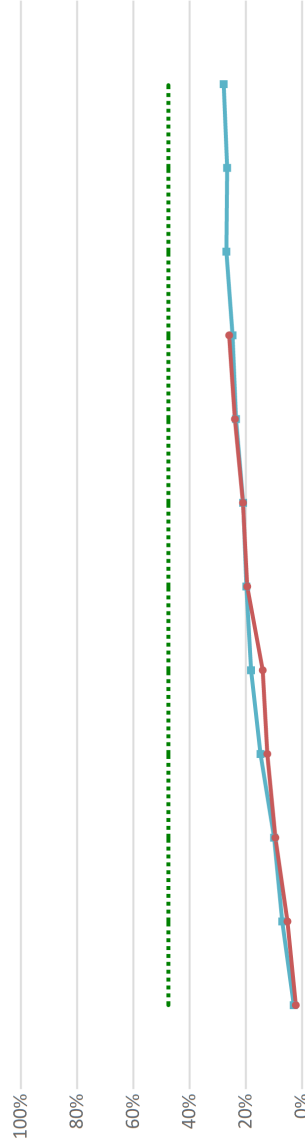
CDC - Eye Exam

25.96 %

Prior Year 24.74%

% Point Change 1.22%

$$\frac{2,903}{11,181} \text{ Numerator Denominator}$$



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	2.97%	7.07%	9.96%	14.81%	18.16%	19.83%	20.97%	23.52%	24.74%	26.94%	26.67%	27.89%
2018	2.25%	5.22%	9.51%	12.39%	14.02%	19.52%	21.06%	23.92%	25.96%			
MPL	47.57%	47.57%	47.57%	47.57%	47.57%	47.57%	47.57%	47.57%	47.57%	47.57%	47.57%	47.57%



Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

Comprehensive Diabetes Care (CDC - HBA1C TEST)

The percentage of members 18–75 years of age with diabetes (type 1 and type 2) who had Hemoglobin A1c (HbA1c) testing.

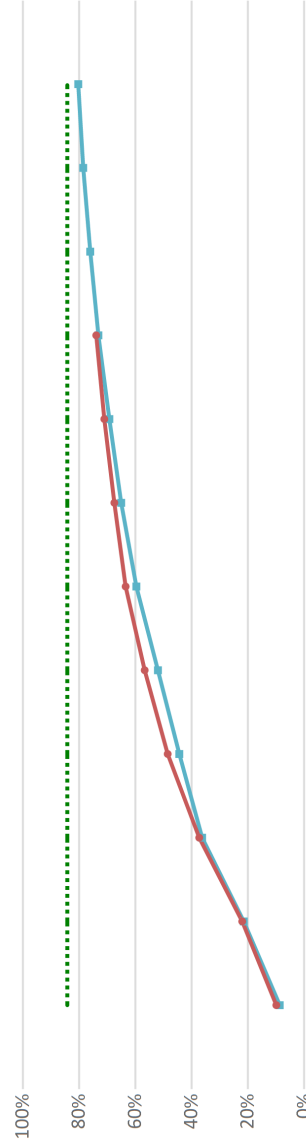
CDC - Hba1c Test

73.96 %

Prior Year 73.19%

% Point Change 0.77%

$$\frac{8,269}{11,181} \text{ Numerator Denominator}$$



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	8.68%	21.48%	36.28%	44.39%	52.01%	59.68%	65.08%	69.28%	73.19%	76.07%	78.58%	80.35%
2018	9.90%	22.02%	37.31%	48.54%	56.72%	63.50%	67.51%	71.08%	73.96%			
MPL	84.25%	84.25%	84.25%	84.25%	84.25%	84.25%	84.25%	84.25%	84.25%	84.25%	84.25%	84.25%

HEDIS Trending Year-Over-Year Comparison

Comprehensive Diabetes Care (CDC - NEPHROPATHY)

The percentage of members 18–75 years of age with diabetes (type 1 and type 2) who had Medical attention for nephropathy.

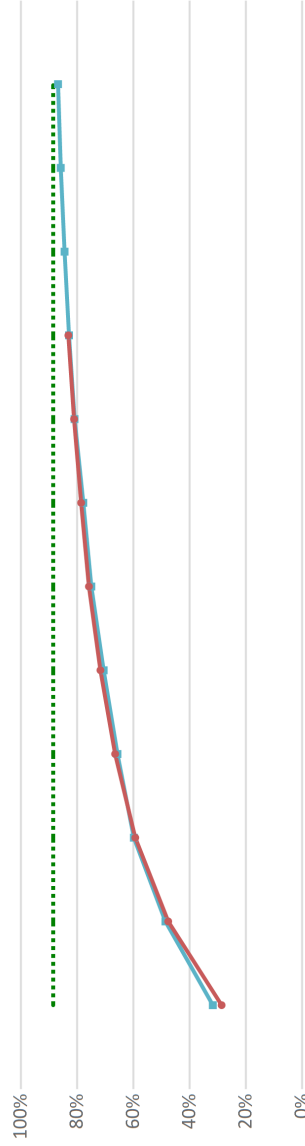
CDC - Nephropathy

83.16 %

Prior Year 82.92%

% Point Change 0.23%

$$\frac{9,298}{11,181} \text{ Numerator Denominator}$$



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	31.76%	48.64%	59.86%	65.68%	70.60%	74.98%	77.84%	80.93%	82.92%	84.50%	85.86%	86.82%
2018	28.64%	47.64%	59.35%	66.53%	71.75%	75.84%	78.61%	81.13%	83.16%			
MPL	88.56%	88.56%	88.56%	88.56%	88.56%	88.56%	88.56%	88.56%	88.56%	88.56%	88.56%	88.56%



Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

Childhood Immunization Status (CIS - COMBO 3)

Childhood Immunization Status

CIS - Combo 3

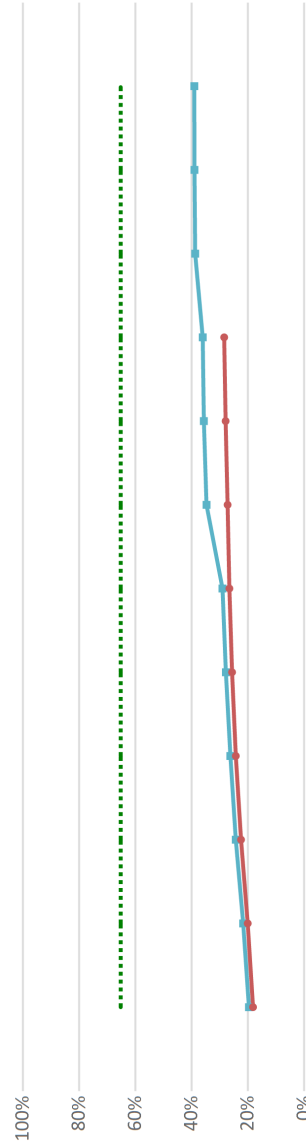
28.44 %

Prior Year 36.07%

% Point Change -7.63%

$$\frac{1,833}{6,445}$$

Numerator
Denominator



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	19.63%	21.68%	24.32%	26.23%	27.84%	29.03%	34.73%	35.67%	36.07%	38.76%	39.00%	39.07%
2018	18.18%	20.07%	22.45%	24.31%	25.64%	26.59%	27.22%	27.93%	28.44%	28.44%	28.44%	28.44%
MPL	65.25%	65.25%	65.25%	65.25%	65.25%	65.25%	65.25%	65.25%	65.25%	65.25%	65.25%	65.25%

HEDIS Trending Year-Over-Year Comparison

Immunizations for Adolescents (IMA - COMBO 2)

Immunizations for Adolescents

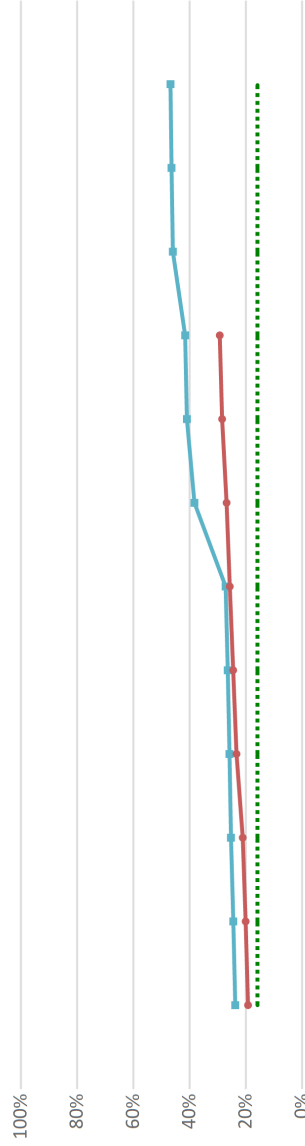
IMA - Combo 2

29.31 %

Prior Year 41.62%

% Point Change -12.30%

$$\frac{1,816}{6,195} \text{ Numerator Denominator}$$



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	23.78%	24.48%	25.31%	25.84%	26.46%	27.21%	38.31%	40.99%	41.62%	45.98%	46.46%	46.83%
2018	19.25%	20.10%	21.13%	23.35%	24.53%	25.74%	26.87%	28.46%	29.31%			
MPL	15.87%	15.87%	15.87%	15.87%	15.87%	15.87%	15.87%	15.87%	15.87%	15.87%	15.87%	15.87%



Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

Prenatal and Postpartum Care (PPC - PRENATAL)

The percentage of deliveries of live births between November 6 of the year prior to the measurement year and November 5 of the measurement year. • Timeliness of Prenatal Care. The percentage of deliveries that received a prenatal care visit as a member of the organization in the first trimester or within 42 days of enrollment in the organization.

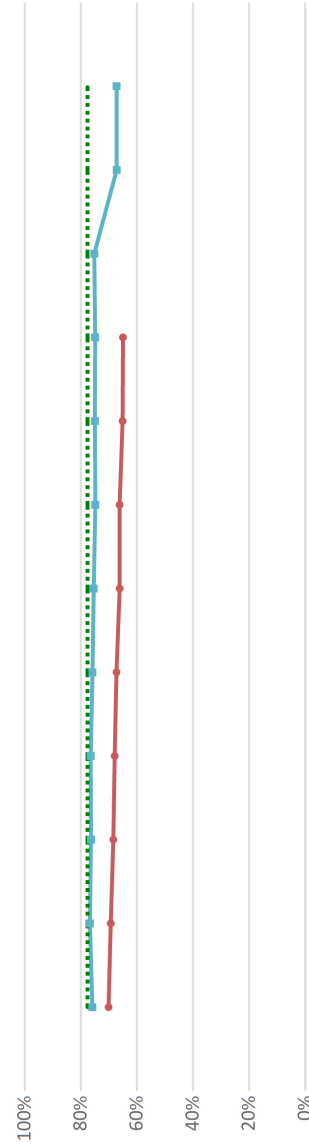
PPC - Prenatal

65.02 %

Prior Year 74.95%

% Point Change -9.93%

$$\frac{2,370}{3,645} \text{ Numerator Denominator}$$



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	75.94%	76.82%	76.43%	76.52%	75.89%	75.45%	74.88%	75.05%	74.95%	75.25%	67.25%	67.29%
2018	70.16%	69.38%	68.47%	67.97%	67.33%	66.20%	66.21%	65.16%	65.02%			
MPL	77.66%	77.66%	77.66%	77.66%	77.66%	77.66%	77.66%	77.66%	77.66%	77.66%	77.66%	77.66%

HEDIS Trending Year-Over-Year Comparison

Prenatal and Postpartum Care (PPC - POSTPARTUM)

The percentage of deliveries of live births between November 6 of the year prior to the measurement year and November 5 of the measurement year. Postpartum Care. The percentage of deliveries that had a postpartum visit on or between 21 and 56 days after delivery.

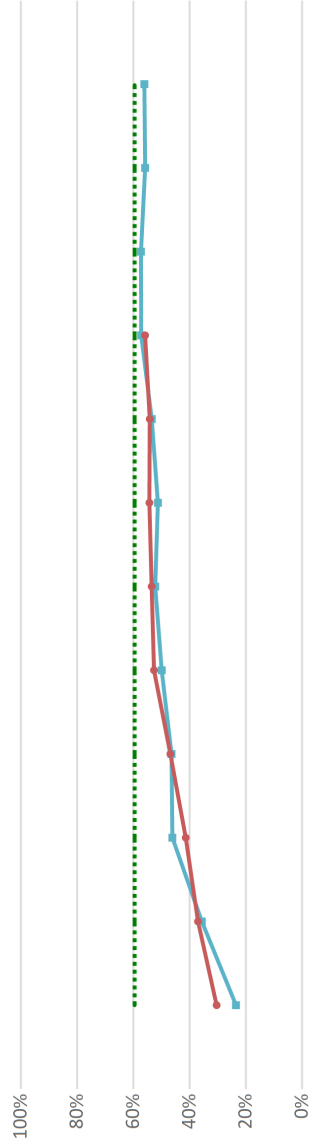
PPC - Postpartum

55.86 %

Prior Year 57.24%

% Point Change -1.38%

$$\frac{2,036}{3,645} \text{ Numerator Denominator}$$



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	23.52%	35.69%	46.15%	46.46%	49.95%	52.26%	51.31%	53.50%	57.24%	57.33%	55.84%	56.12%
2018	30.42%	37.04%	41.40%	46.87%	52.69%	53.53%	54.34%	54.20%	55.86%			
MPL	59.59%	59.59%	59.59%	59.59%	59.59%	59.59%	59.59%	59.59%	59.59%	59.59%	59.59%	59.59%



Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

Well-Child Visits in the Third, Fourth, Fifth and Sixth Years of Life (W34)

Well-Child Visits in the Third, Fourth, Fifth and Sixth Years of Life

W34

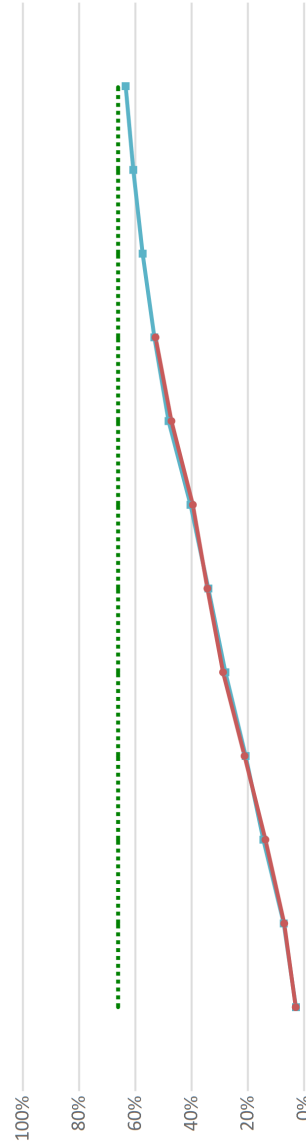
52.86 %

Prior Year 53.27%

% Point Change -0.41%

$$\frac{14,130}{26,731}$$

Numerator
Denominator



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	2.92%	7.25%	14.51%	20.80%	28.01%	34.07%	40.42%	48.21%	53.27%	57.44%	60.76%	63.48%
2018	3.00%	7.08%	13.77%	21.20%	28.85%	34.41%	39.58%	47.20%	52.86%	66.18%	66.18%	66.18%
MPL	66.18%	66.18%	66.18%	66.18%	66.18%	66.18%	66.18%	66.18%	66.18%	66.18%	66.18%	66.18%



Governed Reporting System

Administrative Measures

HEDIS Trending Year-Over-Year Comparison

Avoidance of Antibiotic Treatment in Adults With Acute Bronchitis (AAB)

Avoidance of Antibiotic Treatment in Adults With Acute Bronchitis

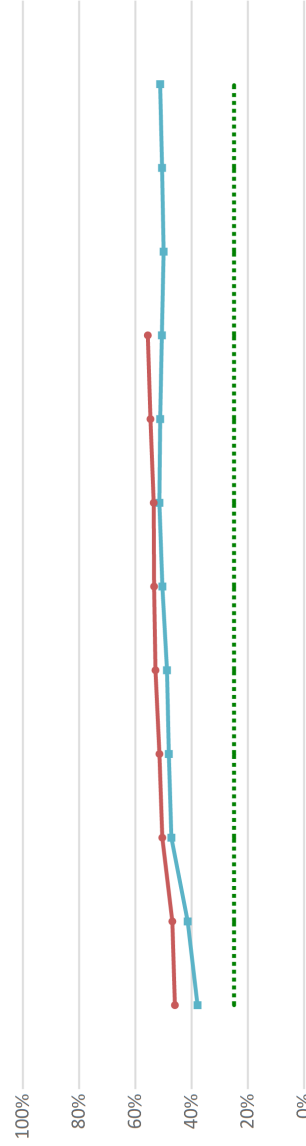
AAB

55.61 %

Prior Year 50.60%

% Point Change 5.01%

$$\frac{1,130}{2,032} \text{ Numerator Denominator}$$



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	37.92%	41.42%	47.22%	48.13%	48.77%	50.43%	51.49%	51.20%	50.60%	49.98%	50.53%	51.22%
2018	45.97%	46.88%	50.45%	51.48%	52.88%	53.37%	53.52%	54.66%	55.61%	55.61%		
MPL	24.91%	24.91%	24.91%	24.91%	24.91%	24.91%	24.91%	24.91%	24.91%	24.91%	24.91%	24.91%

HEDIS Trending Year-Over-Year Comparison

Asthma Medication Ratio (AMR)

Asthma Medication Ratio

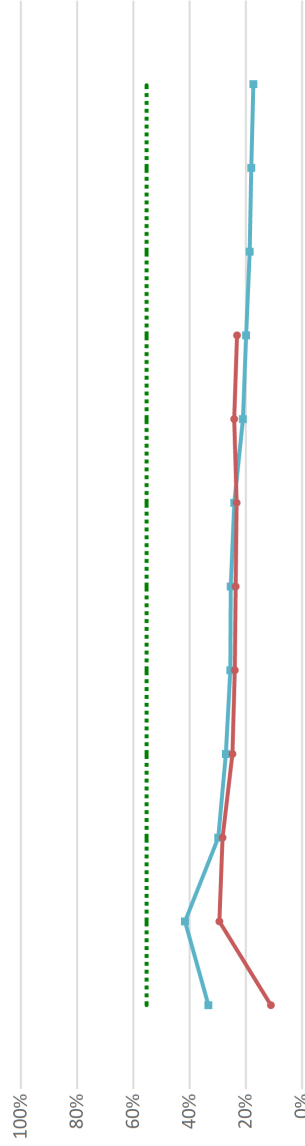
AMR

23.16 %

Prior Year 19.92%

% Point Change 3.24%

$$\frac{277}{1,196} \text{ Numerator Denominator}$$



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	33.33%	41.67%	29.84%	27.13%	25.54%	25.39%	24.13%	21.05%	19.92%	18.65%	18.09%	17.36%
2018	11.11%	29.44%	28.31%	24.79%	23.96%	23.64%	23.30%	24.16%	23.16%			
MPL	55.33%	55.33%	55.33%	55.33%	55.33%	55.33%	55.33%	55.33%	55.33%	55.33%	55.33%	55.33%



Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

Breast Cancer Screening (BCS)

Breast Cancer Screening

BCS

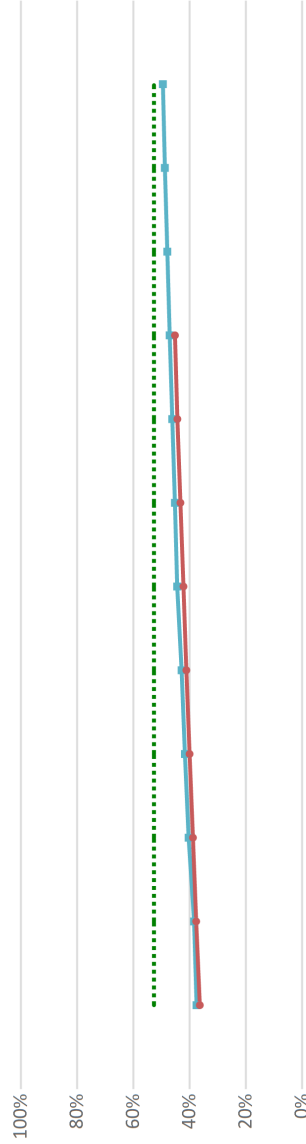
45.24 %

Prior Year 47.11%

% Point Change -1.87%

$$\frac{5,634}{12,454}$$

Numerator
Denominator



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	37.54%	38.44%	40.38%	41.70%	42.87%	44.44%	45.25%	46.19%	47.11%	47.95%	48.82%	49.52%
2018	36.39%	37.69%	38.84%	40.04%	41.19%	42.21%	43.29%	44.38%	45.24%			
MPL	52.70%	52.70%	52.70%	52.70%	52.70%	52.70%	52.70%	52.70%	52.70%	52.70%	52.70%	52.70%

HEDIS Trending Year-Over-Year Comparison

Use of Imaging Studies for Low Back Pain (LBP)

Use of Imaging Studies for Low Back Pain

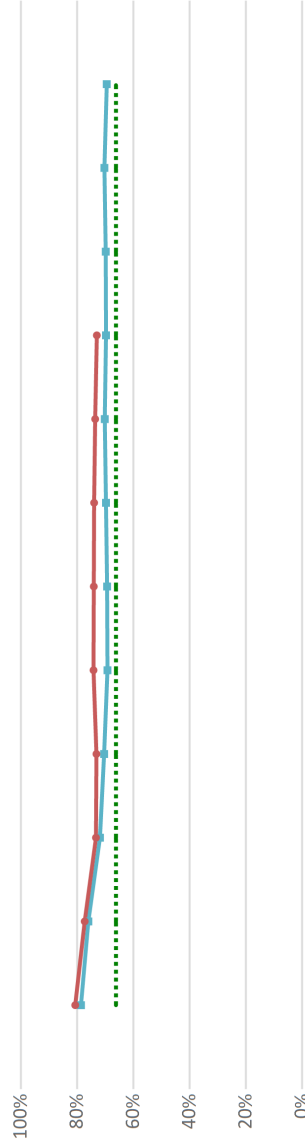
LBP

73.03 %

Prior Year 69.76%

% Point Change 3.27%

$$\frac{1,267}{1,735} \text{ Numerator Denominator}$$



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	78.67%	76.05%	71.92%	70.44%	69.25%	69.37%	69.78%	70.21%	69.76%	69.87%	70.32%	69.48%
2018	80.71%	77.34%	73.33%	73.17%	74.21%	74.11%	73.99%	73.62%	73.03%			
MPL	66.23%	66.23%	66.23%	66.23%	66.23%	66.23%	66.23%	66.23%	66.23%	66.23%	66.23%	66.23%

HEDIS Trending Year-Over-Year Comparison

Annual Monitoring for Patients on Persistent Medications (MPM - ACE INHIBITORS)

The percentage of members 18 years of age and older who received at least 180 treatment days of ambulatory medication therapy for a select therapeutic agent during the measurement year and at least one therapeutic monitoring event for the therapeutic agent in the measurement year

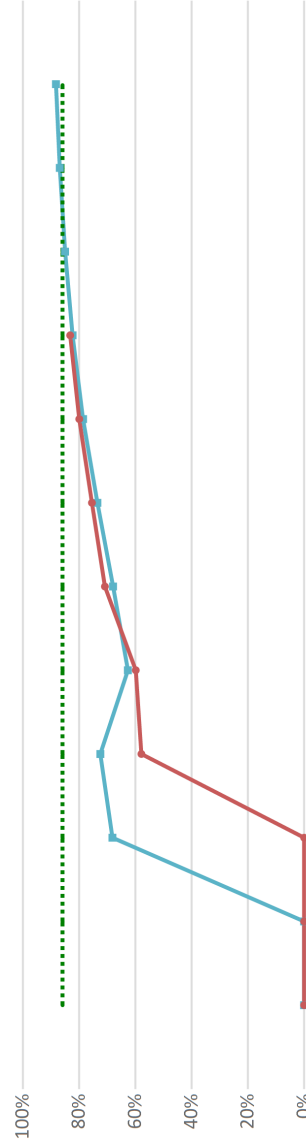
MPM - Ace Inhibitors

83.22 %

Prior Year 82.37%

% Point Change 0.85%

$$\frac{3,229}{3,880} \text{ Numerator Denominator}$$



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	0.00%	0.00%	68.18%	72.50%	62.68%	67.94%	73.53%	78.65%	82.37%	85.02%	86.92%	88.28%
2018	0.00%	0.00%	0.00%	57.89%	59.89%	70.87%	75.48%	79.99%	83.22%	85.93%	85.93%	85.93%
MPL	85.93%	85.93%	85.93%	85.93%	85.93%	85.93%	85.93%	85.93%	85.93%	85.93%	85.93%	85.93%

HEDIS Trending Year-Over-Year Comparison

Annual Monitoring for Patients on Persistent Medications (MPM - DIURETICS)

The percentage of members 18 years of age and older who received at least 180 treatment days of ambulatory medication therapy for a select therapeutic agent during the measurement year and at least one therapeutic monitoring event for the therapeutic agent in the measurement year

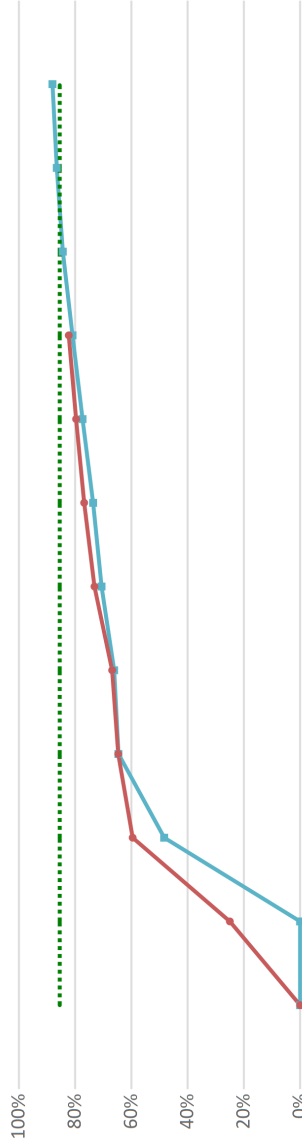
MPM - Diuretics

82.31 %

Prior Year 80.97%

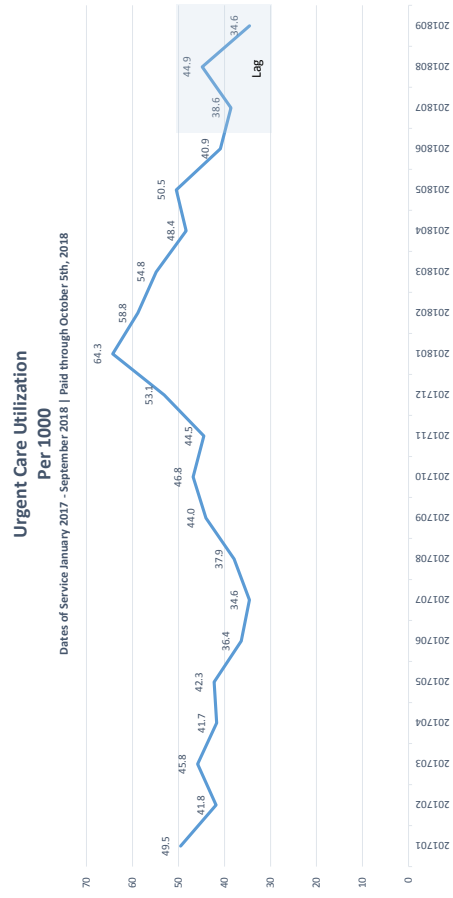
% Point Change 1.34%

$$\frac{1,577}{1,916} \text{ Numerator Denominator}$$



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	0.00%	0.00%	48.33%	64.62%	66.15%	70.63%	73.64%	77.40%	80.97%	84.41%	86.56%	88.08%
2018	0.00%	25.00%	59.57%	64.71%	66.88%	73.17%	76.82%	79.70%	82.31%			
MPL	85.52%	85.52%	85.52%	85.52%	85.52%	85.52%	85.52%	85.52%	85.52%	85.52%	85.52%	85.52%

Attachment G



KERN HEALTH SYSTEMS
CHIEF EXECUTIVE OFFICER'S REPORT
For October 11th, 2018
BOARD OF DIRECTORS MEETING

REGULATORY AND COMPLIANCE ACTIVITIES

Regulatory and Compliance Monthly Activities Report

Attachment A is the monthly update on regulatory and compliance activities impacting KHS.

Regulatory Compliance Audit Program (quarterly review)

All Plan Letters (APLs) are the means by which the State conveys information or interpretation of changes in policy or procedure at the Federal or State levels, and provides instruction to health plans on how to implement these changes. Policy Letters (PLs) provide instruction to health plans about changes in Federal or State law and Regulation that affect the way in which health plans operate, or deliver services to Medi-Cal beneficiaries. Both APLs/PLs supplement the original guidance as set forth by the contract between KHS and the DHCS. To confirm KHS compliance with all such DHCS guidance, the Compliance Department has instituted a two prong approach. Retrospective reviews (audits) are done to validate compliance with older APLs/PLs and prospective reviews are done to see that new APLs/PLs are instituted according to instruction. Compliance offers oversight and coordination for stakeholders (KHS staff) to see that deadlines and requirements are met. The list of APLs/PLs for 2018 (new) & 2017 (older) along with findings and recommendations are included under Attachments B and C. Internal audit findings for all selected & audited APLs/PLs indicate KHS is in compliance (Green), in process (White) no longer applicable or information only (Gray) or not in compliance and requires corrective action (Red). Where audits were done, no APLs or PLs were identified as KHS being noncompliant. Several audits remain open or yet to begin (White). These items will carry over to a future reports as new information on the audit process becomes available.

PROGRAM DEVELOPMENT SUMMARY UPDATE

Diabetes Prevention Program

Senate Bill 97 requires DHCS to establish the Diabetes Prevention Program (DPP) as a Medi-Cal benefit. The DPP is an evidence-based, lifestyle change program designed to assist Medi-Cal beneficiaries diagnosed with prediabetes. DHCS is working to finalize the DPP coverage and reimbursement policies with a targeted implementation date of January 1, 2019. DHCS released

Kern Health Systems
Board of Directors Meeting
CEO Report – October, 2018
Page 2 of 7

draft APL guidance in September, with final APL language forthcoming. KHS has an internal project team doing preliminary review and preparation for this benefit. Upon release of the final APL and the final implementation date, the project team will initiate this effort.

LEGISLATIVE SUMMARY UPDATE

California's 2018 Legislation Session Ends

Governor Brown's signature on legislation approved by both the State Senate and State Assembly completes the 2017 Legislative year. A summary of the 2018 legislation impacting KHS is presented under Agenda item 12.

KHS OCTOBER ENROLLMENT

Medi-Cal Enrollment

As of OCTOBER 1, 2018, Medi-Cal enrollment is 171,159, which represents a decrease of 1.0% from SEPTEMBER enrollment.

Seniors and Persons with Disabilities (SPDs)

As of OCTOBER 1, 2018, SPD enrollment is 13,211, which represents a decrease of 0.3% from SEPTEMBER enrollment.

Expanded Eligible Enrollment

As of OCTOBER 1, 2018, Expansion enrollment is 59,225, which represents a decrease of 0.8% from SEPTEMBER enrollment.

Kaiser Permanente (KP)

As of OCTOBER 1, 2018, Kaiser enrollment is 8,253, which represents a decrease of 0.9% from SEPTEMBER enrollment.

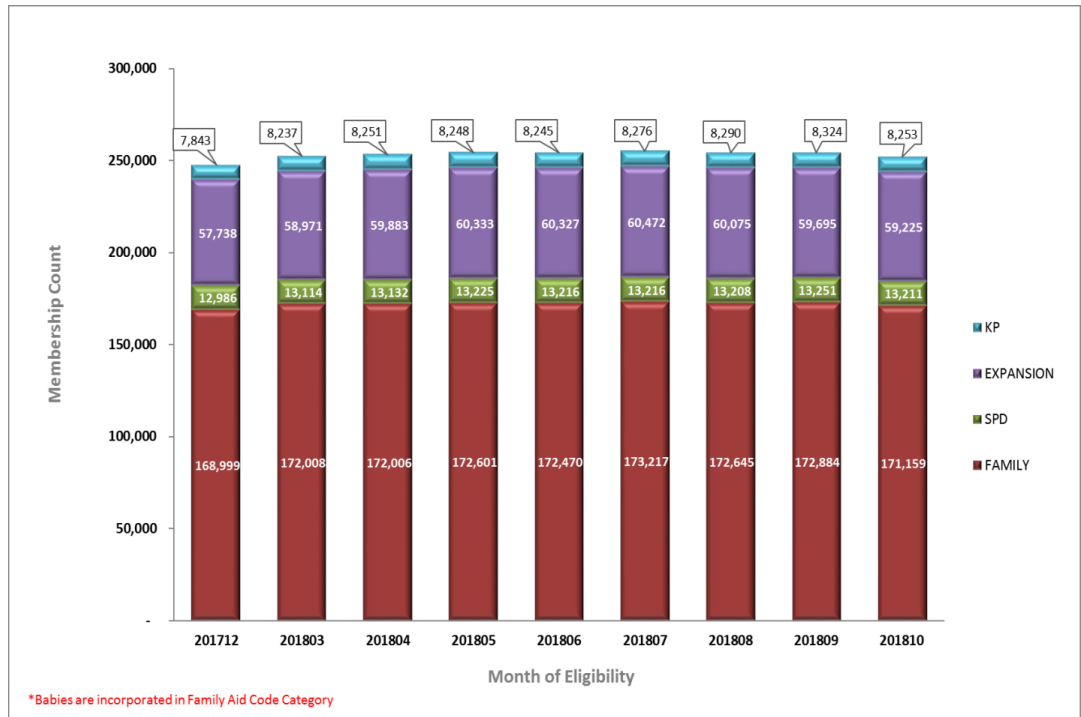
Total KHS Medi-Cal Managed Care Enrollment

As of OCTOBER 1, 2018, total Medi-Cal enrollment is 251,848, which represents a decrease of 0.9% from SEPTEMBER enrollment.

Kern Health Systems
 Board of Directors Meeting
 CEO Report – October, 2018
 Page 3 of 7

Month of Eligibility	FAMILY	SPD	EXPANSION	KP	BABIES	Members
201712	168,568	12,986	57,738	7,843	431	247,566
201803	171,607	13,114	58,971	8,237	401	252,330
201804	171,626	13,132	59,883	8,251	380	253,272
201805	172,217	13,225	60,333	8,248	384	254,407
201806	172,083	13,216	60,327	8,245	387	254,258
201807	172,807	13,216	60,472	8,276	410	255,181
201808	172,163	13,208	60,075	8,290	482	254,218
201809	172,425	13,251	59,695	8,324	459	254,154
201810	170,703	13,211	59,225	8,253	456	251,848 *

**Annually, the Kern County Department of Human Services (DHS) processes Medi-Cal renewals resulting in decreased enrollment until eligibility redetermination is complete which isn't expected before yearend. Historically, this enrollment reappears as new member growth during the 1st quarter of the following year as these Medi-Cal eligible become re-enrolled.*



Kern Health Systems
Board of Directors Meeting
CEO Report – October, 2018
Page 4 of 7

KHS ADMINISTRATIVE INITIATIVES

Provider Relations

Provider Contracting: Provider contract agreements and amendments highlighted for this month are as follows:

- Prop 56 amendments to ALL PCPs and Specialist – 97% collected
- Hospital contracts in negotiation
- Dignity Health
- AH San Joaquin Community Hospital
- Kern Valley Healthcare District
- Bakersfield Heart Hospital

Provider Grant Programs:

- Asthma Program – Komoto
- Transition of Care – Centric & Adventist Health
- Diabetic Clinics: Telehealth Docs, Dignity Health, KM
- Health Home Programs
- Respite Care – Vendor Pending
- Homeless Collaborative & Support Services

Grants & Special Programs Management:

A Manager for our Grant and Special Services Programs started with KHS on October 6, 2018. With the increase in mandated services and programs from the State and Federal agencies and their requirements to move more toward alternative provider reimbursement and value based purchasing compensation models, the Manager will assist with the development and ongoing coordination of these programs and payment arrangements. Her initial work will begin with the 6 health home program grants currently underway.

Kern Health Systems
 Board of Directors Meeting
 CEO Report – October, 2018
 Page 5 of 7

Marketing/Public Relations Update

Sponsorships:

KHS will share sponsorship in the following events in October & November:

- KHS donated \$8,500 to Children First Campaign. This funding will cover the purchase and installation of a drinking fountain for the newly constructed Pocket Park, on the corner of Brown and Monterey Streets in East Bakersfield—one block east of Williams Elementary School. The park will be maintained by Children First and named after Officer David Nelson who lost his life in the line of duty.
- KHS donated \$1,500 to Vision y Compromiso Promotoras/Community Health Worker Network in Kern County. Our sponsorship will allow local Promotoras to attend the Vision y Compromiso 16th Annual Conference on October 4th-6th in Ontario. KHS is proud to support the Promotora Model and to recognize the important work they do in our communities.
- KHS donated \$2,500 to the Boys & Girls Club to sponsor their Farm to Table (aux) event on October 5th at Highgate at Seven Oaks.
- KHS donated \$1,000 to Links for Life to sponsor their 26th Annual Fall Fashion Show on October 18th at the Doubletree by Hilton.
- KHS donated \$1,000 to the National Alliance on Mental Illness (NAMI) Kern County to sponsor their 2018 NAMI Walk that will take place on October 13th at River Walk Park.
- KHS donated \$1,000 to the Southeast Neighborhood Partnership “Good Neighbor Festival” that will take place on October 13th at Dr. Martin Luther King Jr. Park.
- KHS donated \$11,250 to the Kern County Public Health Services Department to offer two free Flu shot clinics in October. The first clinic will take place on October 14th at the Kern County Fairgrounds Swap Meet offering 800 Influenza vaccines. The second clinic will take place on October 19th at the Hosking Avenue Swap Meet, in conjunction with Binational Health Week, offering 450 Influenza vaccines.
- KHS donated \$5,000 to the American Heart Association to sponsor their 2018 Heart and Stroke Walk on October 20th at CSUB. In addition to our sponsorship, KHS employees have a goal to raise over \$15,000 for the AHA.
- KHS donated \$1,000 to the Valley Fever Americas Foundation to sponsor their Kids Conquer Cocci event on October 20th at Camelot Park.

Kern Health Systems
Board of Directors Meeting
CEO Report – October, 2018
Page 6 of 7

- KHS donated \$1,000 to the Alzheimer’s Association to sponsor the 2018 Walk to End Alzheimer’s on October 20th at River Walk Park.
- KHS donated \$1,000 to Hoffman Hospice to sponsor their Walk to Remember on October 27th.
- KHS donated \$500 to the American Cancer Society to sponsor their Making Strides Against Breast Cancer event on October 27th at CSUB.
- KHS donated \$1,000 to The Wildlands Conservancy to sponsor their 3rd Annual Fall Fundraiser on November 3rd at Wind Wolves Preserve.
- KHS donated \$1,000 to Cirugía sin Fronteras (Surgery Without Medical Insurance) to sponsor their “Saving Lives Tango Gala” on November 17th at Seven Oaks Country Club.

In October & November, KHS will participate in:

- 10/18 Homeless Consumer & Service Provider Day @ St. Vincent de Paul in Bakersfield
- 11/2 Fall Resource Fair @ Bakersfield Adult School
- 11/15 Homeless Consumer & Service Provider Day @ Bakersfield Homeless Center
- 11/30 World Aids Day @ Self Help Credit Union in Bakersfield

KHS OFFICES RELOCATION PROJECT UPDATE

Project Status: Green

The activities undertaken since the last report include:

- Site visits are occurring often and regularly by KHS and Developer.
- Steel erection complete on both pads.
- Decks set and concrete poured.
- Interior wall framing has begun.
- Underground trench has begun.

Kern Health Systems
 Board of Directors Meeting
 CEO Report – October, 2018
 Page 7 of 7

- HVAC ducting has begun.
- Street work started on Buck Owens Blvd. and Sillect Ave.
- Closely working with Delawie on LEED certification.
- Working with signage consultant for monument signage and internal non-code signage.
- The cubicle design was completed and KHS Corporate Services is finalizing the contract with Stinson's to procure said cubicles.
- Monthly required reporting to U.S. Census Bureau regarding construction progress continues.
- 95% of Subcontracts have been novated to S.C. Anderson (outstanding: Window Coverings, Brick Veneer, and Solar).
- Board Room and Executive Conference Room finishes and furniture have been presented to CEO.
- Currently working with interior designer on Lunchroom, Executive Lobby, and Main Lobby.
- KHS working closely with Ironshore regarding Pollution Claim.
- Met with commercial real estate group to discuss Stockdale sale
- Independent appraisal conducted and forwarded to CEO.

Dashboard Presentation

- The 3rd Qtr. 2018 Projects Report summarizing projects tracked quarterly throughout the year is found under Attachment D
- The 3rd Qtr. 2018 Staffing Report is located under Attachment E.
- The Dashboard Reports showing KHS critical performance measurements for Administrative Services are located under Attachment F.



Attachment A

Board of Directors Meeting

October 11, 2018

STATE

Department of Health Care Services (DHCS)

All Plan Letters (APL)/Policy Letters (PL)

The DHCS issued three (3) APLs during the months of August and September to provide guidance for Managed Care Plans (MCP).

All Plan Letters (APL)

APL 18-013 - The purpose of this APL is to notify all MCPs of the DHCS' new policy for the treatment of hepatitis C virus (HCV). The new policy, titled "Treatment Policy for the Management of Chronic Hepatitis C" was put into effect July 1, 2018, and replaced the hepatitis C policy that was previously released in July 2015.

APL 18-014 - The purpose of this APL is to clarify the MCPs primary care requirements to provide Alcohol Misuse Screening and Behavioral Counseling Interventions to members ages 18 and older who misuse alcohol. This APL was formally named "Screening, Brief Intervention and Referral to Treatment for Misuse of Alcohol." This APL aligns with the April 2018 updates to the Preventive Services Medi-Cal Provider Manual and supersedes APL 17-016.

Alcohol Misuse Screening Consistent with USPSTF recommendations and the Preventive Services Medi-Cal Provider Manual, MCPs must annually screen adult members 18 years of age and older for alcohol misuse.

Behavioral Counseling Interventions for Alcohol Misuse MCPs must offer members with brief behavioral counseling interventions, as specified by the Preventive Services Medi-Cal Provider Manual. The screening process identifies members who misuse alcohol at which time the screener may offer counseling to address risky or hazardous drinking behavior.

Referral to Mental Health and/or Alcohol Use Disorder Services MCPs must ensure that members who, upon screening and evaluation, meet the criteria for an AUD as defined by the current DSM (DSM-5, or as amended), or whose diagnosis is uncertain, are referred for further evaluation and treatment to the county department for alcohol and substance use disorder treatment services, or a DHCS-certified treatment program.

APL 18-015 - The purpose of this APL is to describe the responsibilities of MCPs for amending or replacing Memoranda of Understanding (MOU) with the county Mental Health Plans (MHPs) for coordination of Medi-Cal mental health services. These requirements are in addition to existing MOU requirements for specialty mental health services provided by MHPs as outlined in Title 9, California Code of Regulations, Chapter 11 and Exhibit A, Attachments 11 and 12 of current MCP contracts.

COMPLIANCE

All Plan & Policy Letter Reviews

The following matrices are included with the month's BOD packet: Prospective Reviews of DHCS and DMHC All Plan Letters [Attachment B] and Retrospective Audits [Attachment C].

California State Auditor's Office

The California State Auditor's Office contacted the Director of Compliance and Regulatory Affairs regarding their intent to audit KHS' Administrative Expenses for the period 2015 – 2018 including Kern's fraud detection program.

The California State Auditor is responsible for conducting audits requested by the Legislature and approved by the Joint Legislative Audit Committee. The Audit Committee directed the State Auditor to audit the oversight provided by the DHCS of the Health Plan of San Joaquin and similar Medi-Cal health maintenance organizations. Kern Health Systems is a similar Plan, hence an audit was deemed necessary.

DHCS Medical Audit –2018

Update: The DHCS Medical Audit did take place as expected; the draft report is pending with the Department.

The Director of Compliance and Regulatory Affairs has initiated preliminary discussions with the DHCS Audit Team lead regarding the annual DHCS Medical Audit. The DHCS will be conducting their annual Medical Audit for the review period beginning August 1, 2017 through July 31, 2018. The audit will cover six categories: Utilization Management, Case Management,

Access and Availability, Member Rights, Quality System and Delegation, and Administration and Organization Capacity.

DMHC Medical Audit – 2016

Update: The final report for the 18 month follow-up audit of KHS' 2016 deficiencies was received by the Director of Compliance and Regulatory Affairs. A copy of the final report is being shared with the Board as a separate agenda item.

Reporting to government agencies

August 2018

Report Name/Item	Status
BHT-CDE Monthly	On Time
Claims Settlement Payment (Quarterly) (DMHC)	On Time
Grievance & Appeals Report	On Time
MER Monthly	On Time
Mental Health	On Time
NMT-NEMT Monthly	On Time
Out-of-Network Report	On Time
Palliative Care Report	On Time
Provider Calls Monthly	On Time

September 2018

Report Name/Item	Status
BHT-CDE Monthly	On Time
MER Monthly	On Time
NMT-NEMT Monthly	On Time
Provider Calls Monthly	On Time
Palliative Care - Resubmission	On Time
Grievance & Appeals - Resubmission	On Time

**Kern Health Systems
2018 DHCS All Plan Letters and Status Updates
Attachment B**

2018 DHCS All Plan Letters		Kern Health Systems 2018 DHCS All Plan Letters and Status Updates Attachment B				
APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
APL18-001 (PDF)	Voluntary Inpatient Detoxification	Member Services Health Services	Clarification provided regarding voluntary inpatient detoxification.	1/25/2018	P&P 3.10-P Current and approved.	
APL18-002 (PDF)	2018-2019 Medi-Cal Managed Care Health Plan MEDS/834 Cutoff and Processing Schedule	IT	Provides KHS IT Department with the 2018-2019 Eligibility Data Systems (MEDS)/834 cutoff and processing schedule.	1/14/2018	APL sent to IT Department for informational purposes. No Action required.	
APL18-003 (PDF)	Administrative and Financial Sanctions	Executive	Provides clarification regarding the imposition of administrative and financial sanctions.	1/26/2018	APL distributed to Executives and Directors. No further Action.	
APL18-004 (PDF)	Immunization Requirements	Health Services Member Services Provider Relations	MCPs must ensure timely provision of immunizations to members in accordance with the most recent schedule and recommendations.	4/8/2018	P&P 3.05-P Current and approved.	
APL18-005 (PDF)	Network Certification Requirements	Provider Relations Compliance	Guidance provided to MCPs regarding new Annual Network Certification, reporting requirements, and associated network adequacy standards.	5/23/2018	Stakeholders operationalizing mandate, will finalize P&P by June 2018.	
APL18-006 (PDF)	Responsibilities for Behavioral Health Treatment Coverage for Members Under the Age of 21	Health Services Member Services Provider Relations	Guidance provided regarding the provision of medically necessary Behavioral Health Treatment services to eligible Medi-Cal members under 21 years.	6/26/2018	P&P 3.72-P Approved by DHCS, P&P will be circulated for signatures.	
APL18-007 (PDF)	Requirements for Coverage of Early and Periodic Screening, Diagnostic, and Treatment for Medi-Cal Members Under the Age of 21	Health Services Member Services Provider Relations	Clarifies the responsibilities of MCPs to provide Early and Periodic Screening, Diagnostic, and Treatment services to eligible members under the age of 21.	6/26/2018	P&P 3.13-P Approved by DHCS, P&P will be circulated for signature.	

**Kern Health Systems
2018 DHCS All Plan Letters and Status Updates
Attachment B**

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
APL18-008 (PDF)	Continuity of Care for Medi-Cal members Who Transition into Medi-Cal Managed Care	Health Services Member Services Provider Relations	Clarifies continuity of care requirements for Medi-Cal members who transition into Medi-Cal managed care.	7/24/2018	P&P 3.40-1 Approved by DHCS. P&P will be updated to comply with APL revisions.	
APL18-009 (PDF)	Memorandum of Understanding Requirements for Medi-Cal Managed Care Health Plans and Regional Centers.	Health Services Member Services Provider Relations	Clarifies the responsibilities of Medi-Cal managed care health plans when entering into a Memorandum of Understanding with a Regional Center to cover all members receiving Behavioral Health Treatment services, regardless of diagnosis.	7/24/2018	DHCS approved the MOU between Kern Regional Center and KHS.	
APL18-010 (PDF)	Proposition 56 Directed Payment Expenditures for Specified Services for State Fiscal year 2017-18	Claims Provider Relations Finance IT	Identifies the requirements for MCPs to make direct payments for certain services funded through Proposition 56 for FY 2017-18.	7/25/2018	Third payments will be made the week of 10/24/2018.	
APL18-011 (PDF)	California Children's Services Whole Child Model Program	N/A	N/A	6/7/2018	N/A	N/A
APL18-012 (PDF)	All Med-Cal Managed Care Health Plans Participating in Health Homes Program	HHP Health Services Member Services IT	Provides guidance for the provision of Health Homes Program (HHP) services, and the development and operation of the HHP, to Medi-Cal managed care health plans	7/25/2018	KHS currently has an HHP. Stakeholders will review the requirements of the APL and align current operations with the mandates of the APL.	
APL18-013 (PDF)	Hepatitis C Virus Treatment Policy Update	Health Services Pharmacy	Updates DHCS hepatitis C policy that was previously released in July 2015.	9/25/2018	Stakeholders are meeting to review the APL's requirements.	
APL18-014 (APL)	Alcohol Misuse: Screening and Behavioral Counseling Interventions in Primary Care	Health Services Provider Relations	Clarifies primary care requirement to provide Alcohol Misuse Screening and Behavioral Counseling interventions to members 18 years and older.	9/25/2018	Stakeholders are meeting to review the APL's requirements.	

**Kern Health Systems
2018 DHCS All Plan Letters and Status Updates
Attachment B**

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
APL18-015 (PDF)	Memorandum of Understanding requirements for Medi-Cal Managed Care Plans	Health Services Provider Relations	Describes the responsibilities of Medi-Cal Managed Care Plans for amending or replacing MOUs with county Mental Health Plans for coordination of Medi-Cal mental health services.	9/25/2018	Stakeholders are meeting to review the APL's requirements.	
KEY						
				Compliance - YES		
				Compliance - NO		
				Outcome Pending		
				N/A - informational document		

**Kern Health Systems
2018 DMHC All Plan Letter Index and Status Updates
Attachment B**

2018 DMHC All Plan Letters		Kern Health Systems 2018 DMHC All Plan Letter Index and Status Updates Attachment B				
APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
<u>APL18-001</u>	Newly Enacted Statutes Impacting Health Plan License Files	Compliance Member Services	Compliance reviewed its current EOCs, other disclosure forms, provider contracts, and credentialing exhibits and confirms they do not conflict with AB 1074 and are aligned with SB133 and SB223.	2/28/2018	Kern Health Systems submitted a Compliance E-1, as directed in the Department's APL 18-001, to demonstrate compliance with certain statutes enacted in 2017.	
<u>APL18-002</u>	Timely Access Compliance Report MY 2018	Compliance Provider Relations	Compliance reviewed Provider Relations current processes to validate alignment with the requirements of the APL.	3/31/2018	KHS submitted its Timely Access report to DMHC prior to the March 31, 2018 deadline. A third-party vendor reviewed the Plan's timely access data quality to ensure compliance.	
<u>APL18-003</u>	Plan Year 2019 QHP/QDP Filing Requirements	N/A	N/A	N/A	N/A	N/A
<u>APL18-004</u>	Unified Billing	N/A	N/A	N/A	N/A	N/A
<u>APL18-005</u>	Administrative Services Agreement (ASA) Checklist	Compliance Procurement and Facilities	Compliance reviewed KHS Administrative Services Agreement and its adherence to DMHC requirements for consulting contracts or any other contract or contract amendment.	6/22/2018	P&P 100.12-1 is currently being updated to reflect operational processes.	

**Kern Health Systems
2018 DMHC All Plan Letter Index and Status Updates
Attachment B**

2018 DMHC All Plan Letters		Kern Health Systems 2018 DMHC All Plan Letter Index and Status Updates Attachment B				
APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
APL18-006	Annual Assessment	Compliance Finance	Compliance reviewed the APL which requires the Plan to file the "Report of the Enrollment Plan" by May 15, 2018. The APL provides guidance for submission of the document.	3/30/2018	KHS filed the "Report of the Enrollment Plan" timely.	
APL18-007	Confidentiality of Information Submitted to Office of Plan Licensing	Compliance	Compliance reviewed the APL requirements for requesting confidentiality and determined that the Plan did not foresee any issues with adherence to the requirements of the APL.	3/21/2018	KHS is prepared to adhere to the requirements of APL18-007.	
APL18-008	AB72 Delegated Entity Report	N/A	N/A	4/11/2018	N/A	N/A
APL18-009	Responding to Help Center RHPs	N/A	N/A	5/29/2018	N/A	N/A
APL18-010 (PDF)	Plan Compliance with MHPAEA Rules for Financial Requirements and Quantitative Treatment Limitations	N/A	N/A	7/27/2018	N/A	N/A
APL18-011 (PDF)	Annual filing of SB 17 prescription drug cost information	N/A	N/A	7/27/2018	N/A	N/A
APL18-012	State of emergency in Riverside and Shasta Counties due to the effects of the Cranston and Carr fires.	N/A	N/A	7/27/2018	N/A	N/A

**Kern Health Systems
2018 DMHC All Plan Letter Index and Status Updates
Attachment B**

2018 DMHC All Plan Letters		Kern Health Systems 2018 DMHC All Plan Letter Index and Status Updates Attachment B				
APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
APL18-013	Revisions to the Independent Medical Review Form (IMR)/Complaint Form	Compliance	Compliance distributed the All Plan Letter (APL) to Stakeholders.	8/1/2018	KHS is prepared to adhere to the requirements of APL18-013.	
	States of emergency due to wild fires in ten California counties.	N/A	N/A	8/15/2018	N/A	N/A
APL18-015	Filing Requirements for the Medi-Cal Health Homes Program	HHP Compliance	Compliance is working with HHP to identify gaps in program administration.	9/21/2018	KHS will file the necessary documents prior to the April 2019 due date.	
APL18-016	Communication between the Help Center and Health Plans Regarding Consumer Complaints	Compliance	Compliance distributed the All Plan Letter (APL) to Stakeholders.	9/12/2018	KHS is prepared to adhere to the requirements of APL18-016.	
		KEY				
						Compliance - YES
						Compliance - NO
						Outcome Pending
						N/A - informational document

**Kern Health Systems
2017 DHCS All Plan Letter Index and Status Update
Attachment C**

2017 DHCS All Plan Letter									
APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL17-001.pdf	2017-2018 Medi-Cal Managed Care Health Plan Meds/834 Cutoff And Processing Schedule	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
APL17-002.pdf	Health Education and Cultural and Linguistic Group Needs Assessment (Supersedes PL 10-012)	Health Education	Annual GNA Survey	5/25/2018	7/31/2018	Policy 2.11- I, Group Needs Assessment, requires minor policy revisions.	Non-Compliant	The Plan revised 2.11-I, Group Needs Assessment.	
APL17-003.pdf	Treatment of Recoveries Made by the Managed Care Health Plan of Overpayments to Providers	Claims	Recovery of overpayments	4/19/2018	6/15/2018	Policy 6.01- P, Claims Submission and Reimbursement, was updated with the required revisions. Policy 6.29-I, Recovery of Claims Overpayments requires minor policy revisions.	Non-Compliant	Policy 6.29-I, Recovery of Claims Overpayments was updated to reference Policy 6.01- P, Claims Submission and Reimbursement.	
APL17-004.pdf	Subcontractual Relationships and Delegation	Corporate Services Utilization Management Quality Improvement Provider Relations Information Technology	New and existing subcontracting and delegation requirements.	8/9/2018	10/15/2018	In Process: Compliance Requirement Not Met: Professional Services Agreement requires alignment with APL.	Non-Compliant	The Plan will revise the Professional Services Agreement.	
APL17-005.pdf	Certification of Document and Data Submissions	Claims Health Services Provider Relations Accounting Member Services Compliance Executives Information Systems	Timely submission of accurate data, documents, and reporting to DHCS	8/7/2018	8/28/2018	Compliance Requirement Met: 14.57-I, is in alignment with the APL requirements. The Plan and the Delegated entities comply with the requirements related to certification of data, information, and documentation.		Compliance Requirement Met.	
APL17-006.pdf	Grievance and Appeal Requirements and Revised Notice Templates and "Your Rights" Attachments (Supersedes All Plan Letters 04-006 and 05-005 and Policy Letter 09-006)	Health Services Member Services Provider Relations Compliance	Grievance and Appeals Processes	6/1/2018	10/1/2018	The quarterly Grievance Report to DHCS does not include the Exempt Grievances.	Non-Compliant	The Plan integrated the Exempt Grievances to the quarterly DHCS Grievance Report and resubmitted Q3'17, Q4'17, Q1'18, and Q2'18.	
APL17-007.pdf	Continuity of Care for New Enrollees Transitioned to Managed Care After Requesting a Medical Exemption and Implementation of Monthly Medical Exemption Review Denial Reporting (Supersedes All Plan Letter 15-001)	Health Services Provider Relations IT Member Services	Continuity of Care for New Members	5/4/2018	6/12/2018	The Plan failed to retain a copy of the Notification of the Medical Exemption Request (MER) sent to the Member.	Non-Compliant	Effective 5/25/18 the Plan implemented a process that requires MSRs to save a copy of the MER that is sent to the Member.	

**Kern Health Systems
2017 DHCS All Plan Letter Index and Status Update
Attachment C**

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL17-008.pdf	Requirement to Participate in the Medi-Cal Drug Utilization Review Program	Health Services Pharmacy	Requirements to Participate in the Medi-Cal Drug Utilization Review Program	7/2/2018	8/31/2018	Compliance Requirement Met: 13.04-1, is in alignment with the APL requirements.		Compliance Requirement Met.	
APL17-009.pdf	Reporting Requirements Related to Provider Preventable Conditions	Health Services Claims Provider Relations IT	Reporting requirements for Claims Encounter Data resulting from PPCs.	6/1/2018	7/27/2018	The Plan did not generate a Provider Bulletin Notice advising Providers of current PPC reporting requirements.	Non-Compliant	The Plan generated a Provider Bulletin advising Providers of current PPC reporting requirements.	
APL17-010.pdf	Non-Emergency Medical and Non-Medical Transportation Services	Member Services Provider Relations Health Services	Non-Emergency Medical and Non-Medical Transportation Services.	7/10/2018	10/31/2018	In Process: 5.15-1, is in alignment with the APL requirements. Compliance will send a request for additional deliverables to Stakeholders.			
APL17-011.pdf	Standards for Determining Threshold Languages and Requirements for Section 1557 of the Affordable Care Act	Member Services Provider Relations Health Services	Identifies standards for Determining Threshold Languages and Requirements for Section 1557 of the Affordable Care Act	6/11/2018	7/17/2018	3.70-1, Cultural and Linguistic Services, 3.71-P Linguistic Services, and 12.02-1 Translation of Written Member Informing Materials, are in line with APL requirements.		Compliance Requirement Met.	
APL17-012.pdf	All Medi-Cal Managed Care Health Plan Operating in Coordinated Care Initiative Counties	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
APL17-013.pdf	Requirements for Health Risk Assessment Of Medi-Cal Seniors and Persons with Disabilities	Member Services Provider Relations Health Services	Outlines the Requirements for the Health Risk Assessment of Medi-Cal Seniors and Persons with Disabilities	5/23/2018	10/30/2018	In Process: Pending review of selected samples and Case Management Process and Procedures.			
APL17-014.pdf	Quality and Performance Improvement Requirements (Supersedes APL 16-018)	Health Services Quality Improvement	Outlines changes to the Quality and Performance Improvement Program						
APL17-015.pdf	Palliative Care and Medi-Cal Managed Care	Health Services Provider Relations Member Services Health Homes	Outlines the obligations of MCPs to provide palliative care to their beneficiaries.						
APL17-016.pdf	Alcohol Misuse: Screening and Behavioral Counseling Interventions in Primary Care (Supersedes APL 14-004)	Health Services Provider Relations Member Services	Outlines the obligations of MCPs to provide Alcohol Misuse Screening and Counseling.	N/A	N/A	APL 17-016 is superseded by APL 18-014. A Prospective Review is in process.	N/A	N/A	N/A
APL17-017.pdf	Long Term Care Coordination and Disenrollment (Supersedes APL 03-003)	Health Services Provider Relations Member Services	Clarifies the requirements for coordination of care and placement of Members in LTC and disenrollment requirements of the program.						

**Kern Health Systems
2017 DHCS All Plan Letter Index and Status Update
Attachment C**

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL17-018.pdf	Medi-Cal Managed Care Health Plan Responsibilities for Outpatient Mental Health Services (Supersedes APL 13-021)	Health Services Provider Relations Member Services	Explains the contractual responsibilities of MCPs for the provision of medically necessary outpatient mental health services and the regulatory requirements for the Medicaid Mental Health Parity Final Rule.						
APL17-019.pdf	Provider Credentialing / Recredentialing and Screening / Enrollment (Supersedes APL 16-012)	Provider Relations Quality Improvement	Updates to the Plan's requirements related to screening, enrollment, credentialing, and Recredentialing of Providers.	N/A	N/A	The State extended the deadline to implement the APL requirements. The Plan meets current requirements.	N/A	N/A	N/A
APL17-020.pdf	American Indian Health Programs	Accounting Claims Configuration Provider Relations Member Services	Outlines reimbursement rates for the American Indian Health Programs, resulting in potential changes in contract and payments.	5/14/2018	6/22/2018	6.31-P American Indian Programs, is in line with the APL requirements.		Compliance Requirement Met.	
APL17-021.pdf	Workers' Compensation – Notice of Change to Workers' Compensation Recovery Program; Reporting and Other Requirements (Supersedes APL 04-004)	Claims Finance Compliance	Outlines DHCS Workers' Compensation Recovery Program requirements and KHS engagement in the recovery process.	5/7/2018	7/5/2018	60.06-1, Third Party Liability, policy revisions are in line with the APL requirements.		Compliance Requirement Met.	

Key	
	Compliance - Yes
	Compliance - No
	Outcome Pending
	N/A- Informational/Supersedes

Kern Health Systems
2018 Project Summary – Q3
Attachment D



Open Projects

Project Title	Start Date	End Date	Percent Complete	Project Objectives
Medical Management System Enhancements	3/2018	12/2018	60%	Implement enhancements to the JIVA product to improve the user experience for Health Services and providers.
Medical Management System Conversion - Phase II/III	1/2018	12/2018	Phase II - 100% Phase III - 45%	Migrate Health Education, Case Management, Disease Management, Quality Improvement, Health Homes Program and Appeals departments from custom workflows to the Jiva Medical Management platform.
Document Repository Migration	1/2017	12/2018	75%	Migrate KHS digital document repository from a product that is no longer supported. Implement and integrate the new digital document repository.
Electronic Data Interchange	1/2018	12/2018	75%	Migrate specified Electronic Data Interchange (EDI) transactions to the Edifecs Solution and create a baseline for EDI transaction builds and changes.
Health Home Program Expansion	1/2018	12/2018	70%	Launch at least 3 new Health Home Program Sites.
Claim Editing Software	1/2018	9/2018	99%	Implement Optum Claim Editing Software (CES) increasing Auto Adjudication by 2% (replacing ClaimCheck software which is end of life).
Internal Dashboards	1/2018	12/2018	75%	Create 3 additional internal KHS departmental dashboards with key performance indicators to encourage performance improvement and help provide levels of internal controls.
Alternative Payment Methodology Phase II	1/2018	12/2018	65%	Implement alternative payment methods that will contribute to cost savings, better patient outcomes, and shared risk through collaboration.
Coordination of Benefits for Dual-Eligible Members (COBA/OHC)	1/2018	10/2018	COBA 80% OHC 60%	Comply with DHCS regulatory requirements by working with CMS to exchange Coordination of Benefits information for dual-eligible members and to incorporate additional OHC data.
External Dashboards	2/2018	9/2018	95%	Redesign the Provider Practice dashboard. Provider adoption is expected to increase by 5%.
Provider and Member Portal Enhancements	2/2018	10/2018	75%	Implement portal enhancements to improve the user experience and increase portal utilization by 5%.
QI Site Review Automation Phase II	4/2018	12/2018	50%	Automate remaining site review forms to reduce site review time by 1 hour per review.
Claims Audit Tool	4/2018	9/2018	90%	Implement new auditing tool to reduce preventable errors and overpayments by 10%.
QNXT Upgrade Q4	10/2018	12/2018	n/a	Install QNXT upgrade and CA specific enhancements. Auto Adjudication is expected to increase by 0.5%.
Zelis Claims Review Process	8/2018	12/2018	10%	Project added to implement the Zelis claims review process which will detect and prevent overpayments.
Hospital Directed Payments	8/2018	6/2019	20%	Project added to allow KHS to accurately pass through hospital directed payments from DHCS based on accepted encounter data by KHS and DHCS.

Kern Health Systems 2018 Project Summary – Q3



Completed Projects

Project Title	Start Date	End Date	Realized Benefit
QNXT Upgrade Q1	1/2018	3/2018	Installed QNXT upgrade and CA specific enhancements. Auto Adjudication is expected to increase by 0.5%. Benefits to be measured in 2018 Q4.
Palliative Care	9/2017	3/2018	Provided Palliative care as mandated by the state to all qualified KHS members.

Attachment E

KERN HEALTH SYSTEMS MANAGED CARE STAFFING RATIOS - September 30, 2018 3rd Quarter End		KERN HEALTH SYSTEMS	
SEGMENTED CATEGORY:		KERN HEALTH SYSTEMS	
ENROLLMENT TYPE		<i>MediCal</i>	<i>September 30, 2018</i>
MEMBERSHIP SIZE		<u>Actual</u>	<u>Budgeted Membership</u>
CORPORATE STATUS		252,408	252,525
FULL TIME EMPLOYEE COUNT (FTE)		Not for Profit	
RATIO		384	397
		<i>1 FTE/Members</i>	
EXECUTIVE			
	Executive Dept. Total FTE	4	4
	Executive Dept. RATIO FTEs/MEMBERS	63,102	63,131
ACCOUNTING			
	Accounting Dept. Total FTE	12	14
	Accounting Dept. RATIO FTEs/Members	21,034	18,038
IT			
	IT Dept. Total FTE©	31	33
	MIS Dept. RATIO FTEs/MEMBERS	8,142	7,652
BI			
	BI Dept. Total FTE©	14	16
	BI Dept. RATIO FTEs/MEMBERS	18,029	15,783
CLAIMS			
	Claims Dept. Total FTE	56	57
	Claims Dept. RATIO FTEs/MEMBERS	4,507	4,430
PROJECT MANAGEMENT			
	Project Management Dept. Total FTE	9	9
	Project Management Dept. RATIO FTEs/MEMBERS	28,045	28,058
UTILIZATION MANAGEMENT			
	UM Mgmt. Dept. Total FTE	84	87
	UM Dept. RATIO FTEs/MEMBERS	3,005	2,903
HEALTH HOMES			
	Health Homes Dept. Total FTE	8	8
	Health Homes Dept. RATIO FTEs/MEMBERS	31,551	31,566
QI			
	QI Dept. Total FTE	12	12
	QI Dept. RATIO FTEs/MEMBERS	21,034	21,044
HEALTH ED			
	Health Ed Dept. Total FTE	11	11
	Health Ed. RATIO FTEs/MEMBERS	22,946	22,957
PHARMACY			
	Pharmacy Dept. Total FTE	10	11
	Pharmacy Dept. RATIO FTEs/MEMBERS	25,241	22,957
DISEASE MANAGEMENT			
	Disease Management Dept. Total FTE	9	9
	Disease Management Dept. RATIO FTEs/MEMBERS	28,045	28,058
PROVIDER RELATIONS			
	Provider Relations Dept. Total FTE	21	21
	Provider Relations Dept. RATIO FTEs/MEMBERS	12,019	12,025
MEMBER SERVICES			
	Member Services Dept. Total FTE	74	75
	Member Services Dept. RATIO FTEs/MEMBERS	3,411	3,367
CORPORATE SERVICES			
	Corporate Services Dept. Total FTE	8	8
	Corporate Services Dept. RATIO FTEs/MEMBERS	31,551	31,566
COMPLIANCE			
	Compliance Dept. Total FTE	6	6
	Compliance Dept. RATIO FTEs/MEMBERS	42,068	42,088
MARKETING			
	Marketing Dept. Total FTE	4	5
	Marketing Dept. RATIO FTEs/MEMBERS	63,102	50,505
HR			
	HR Dept. Total FTE	11	11
	HR Dept. RATIO FTEs/MEMBERS	22,946	22,957
ORGANIZATIONAL VIEW			
	Org. View Total FTE	384	397
	Org. View RATIO FTEs/MEMBERS	657	636

©Kern Health Systems Human Resources



Governed Reporting System

Kern Health Systems Attachment F

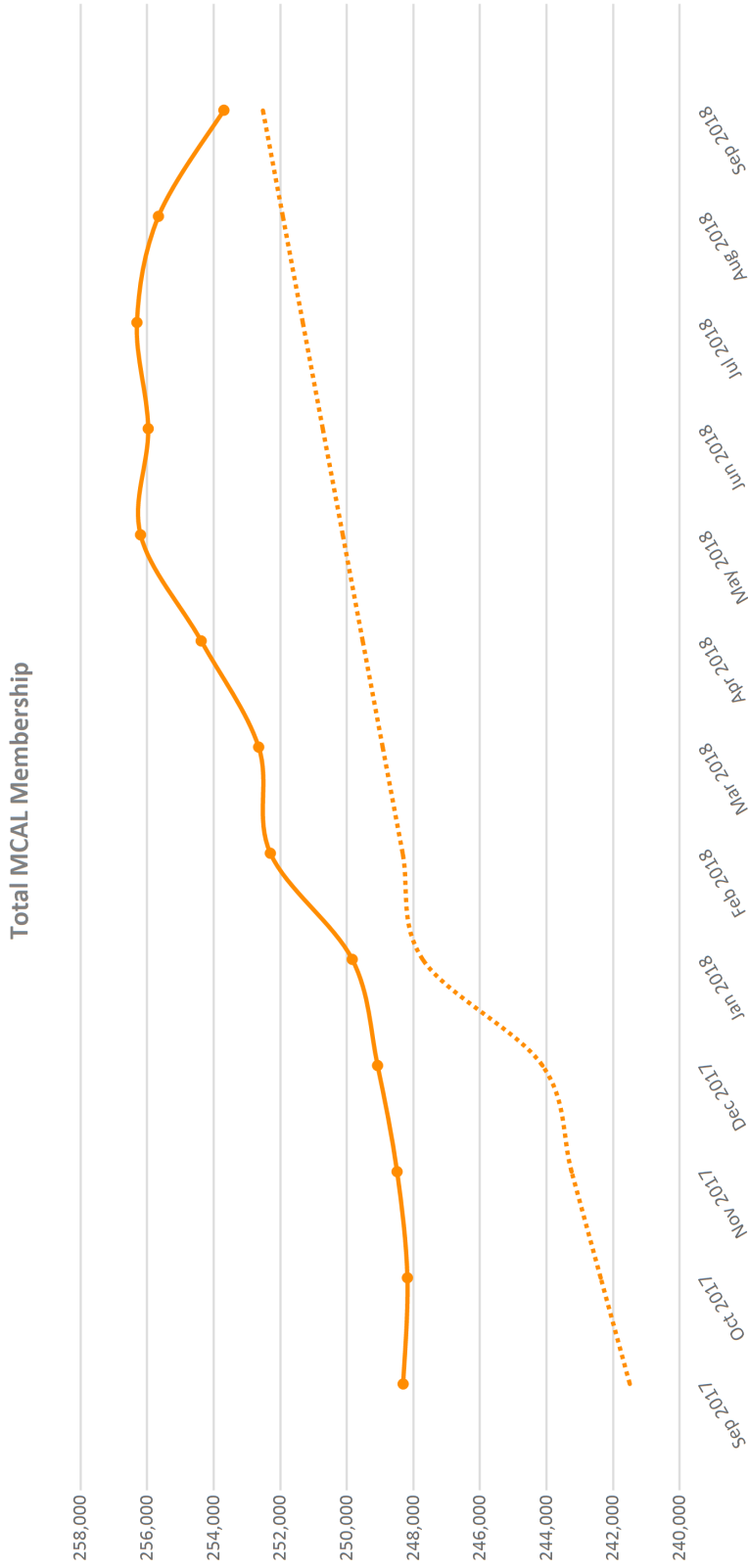
**KHS Dashboard Performance Reports
(Critical Performance Measurements)**



Governed Reporting System

Membership

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



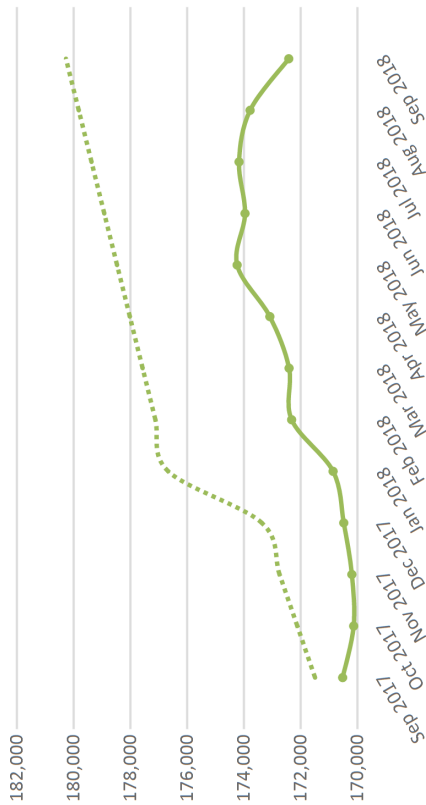


Governed Reporting System

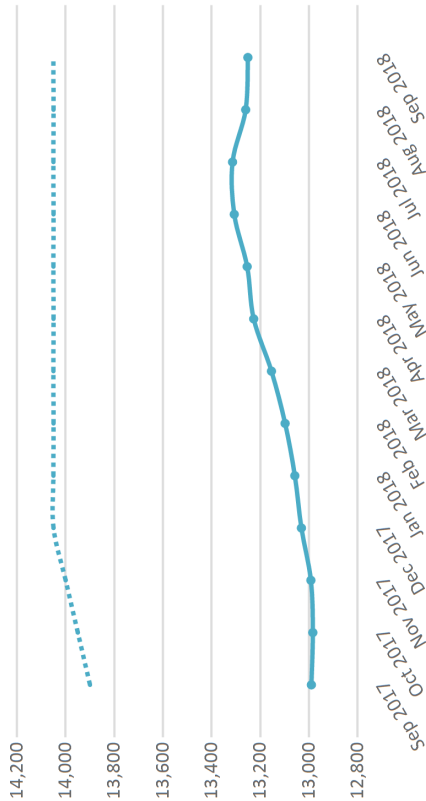
Membership

—●— MCAL Expansion - Actual
 —●— MCAL Family/Other - Actual
 —●— MCAL SPD - Actual
 —●— Total Combined - Actual
- - - MCAL Expansion - Budget
 - - - MCAL Family/Other - Budget
 - - - MCAL SPD - Budget
 - - - Total Combined - Budget

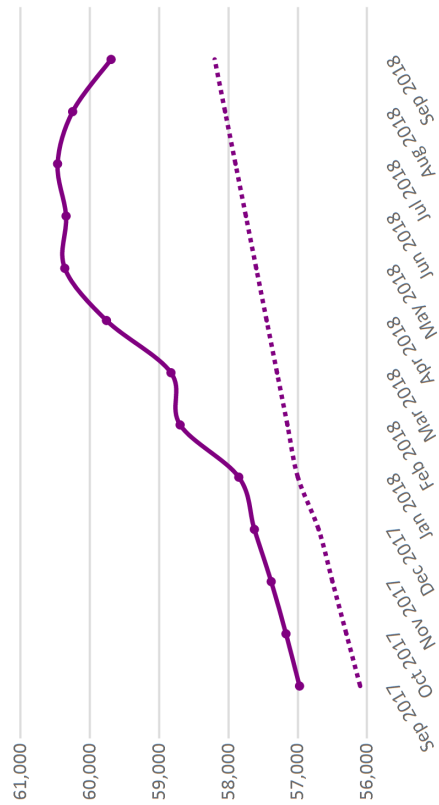
MCAL Family/Other Membership



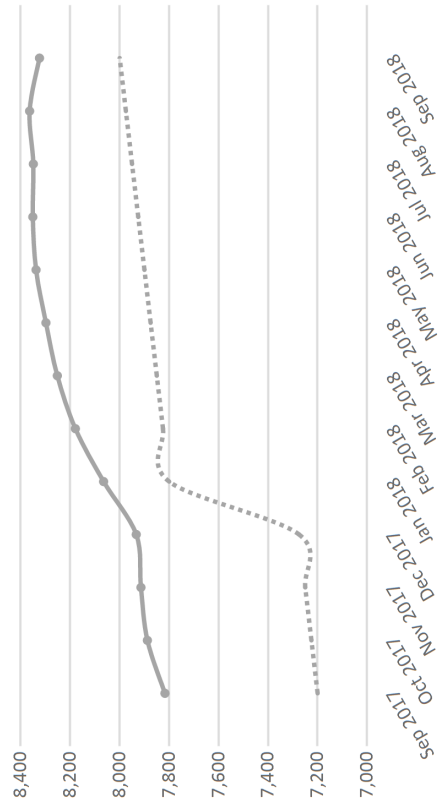
MCAL SPD Membership



MCAL Expansion Membership



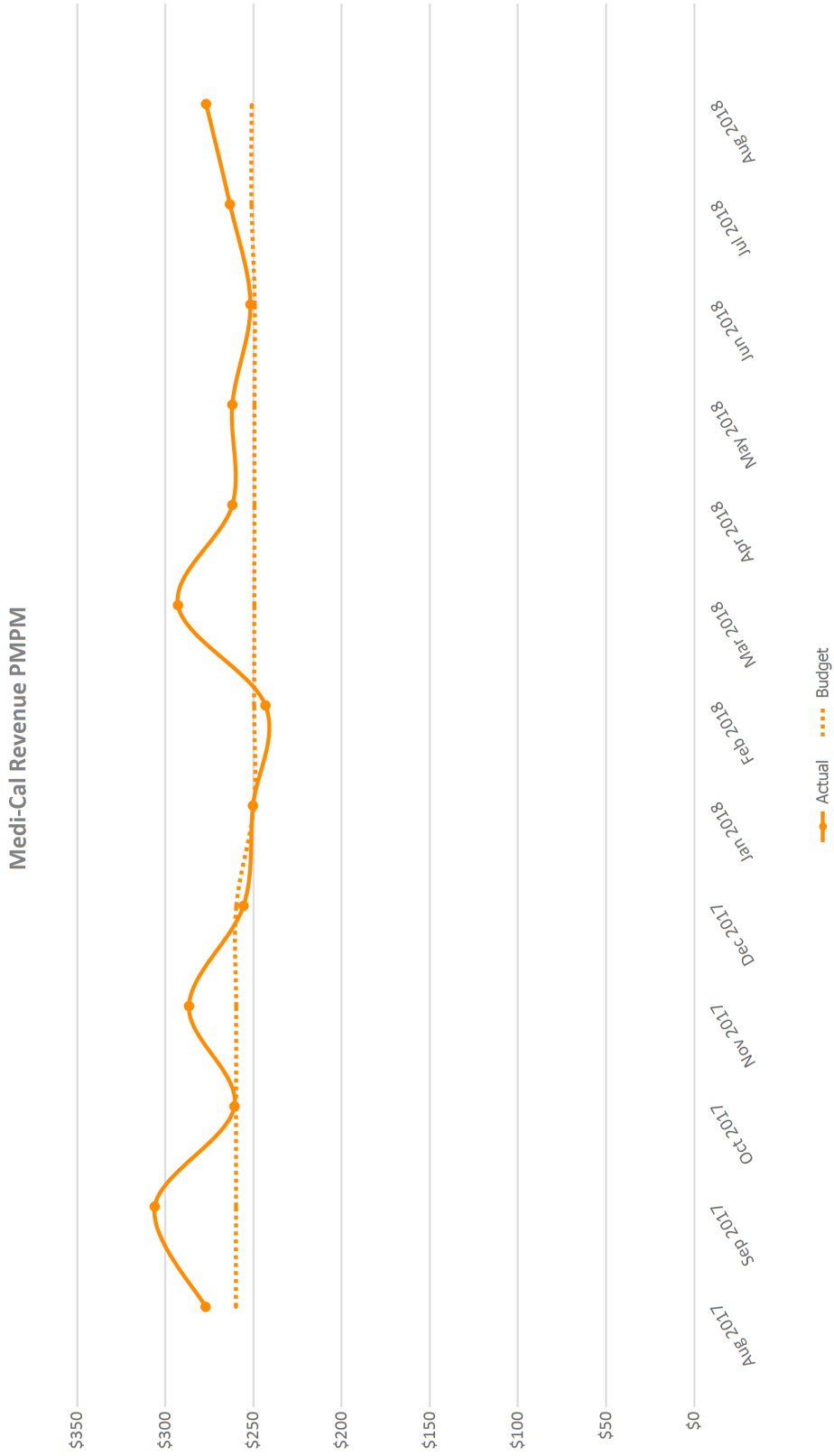
KP Membership





Governed Reporting System

Revenue





Governed Reporting System

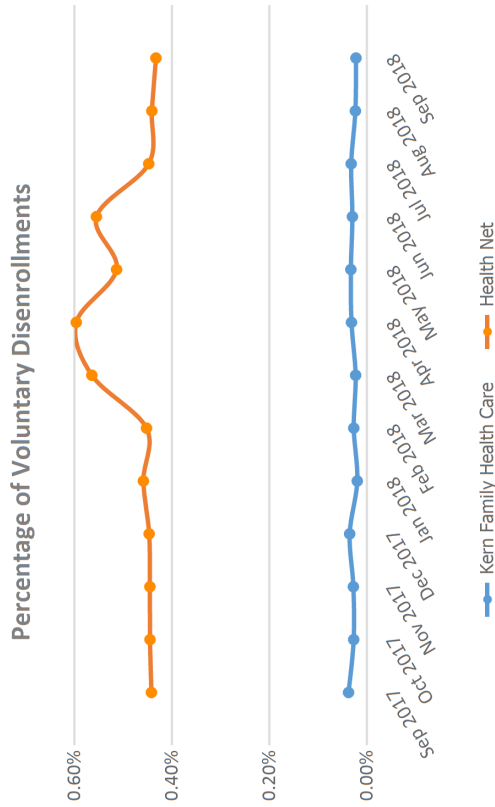
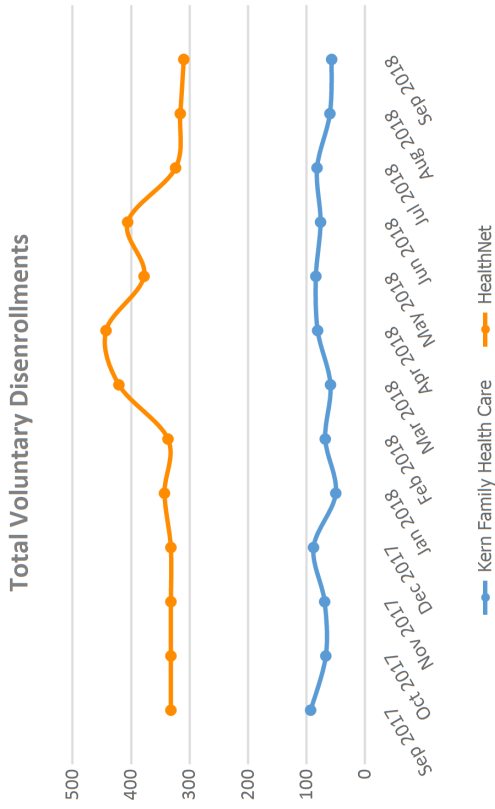
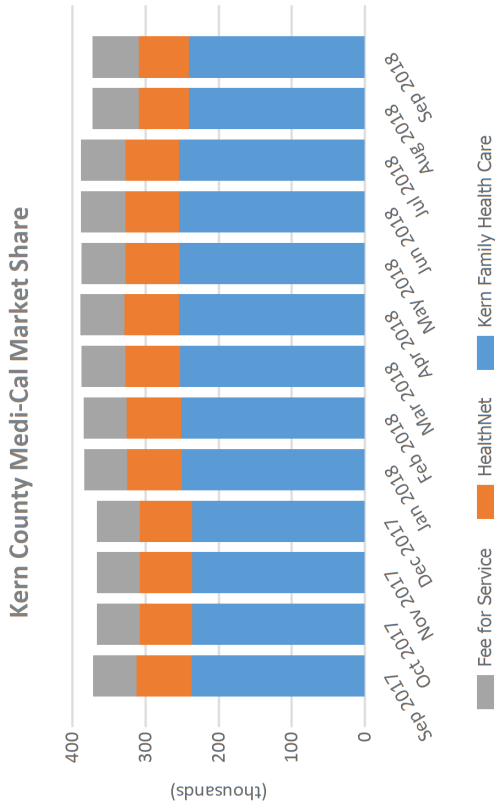
Kern Health Systems

Performance Reports
Operations Metrics



Governed Reporting System

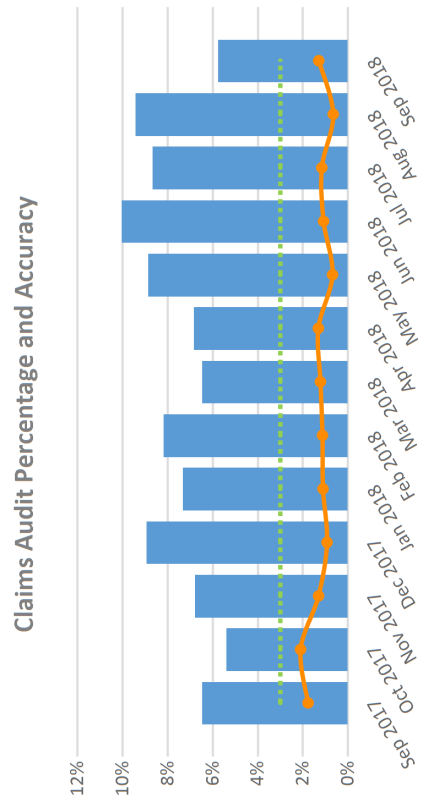
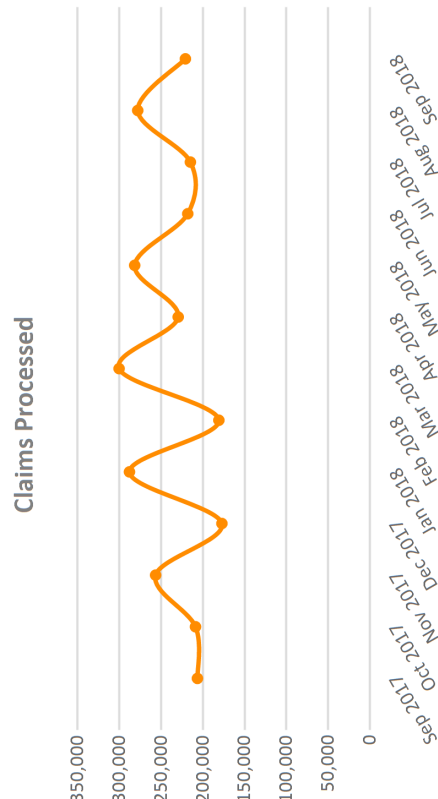
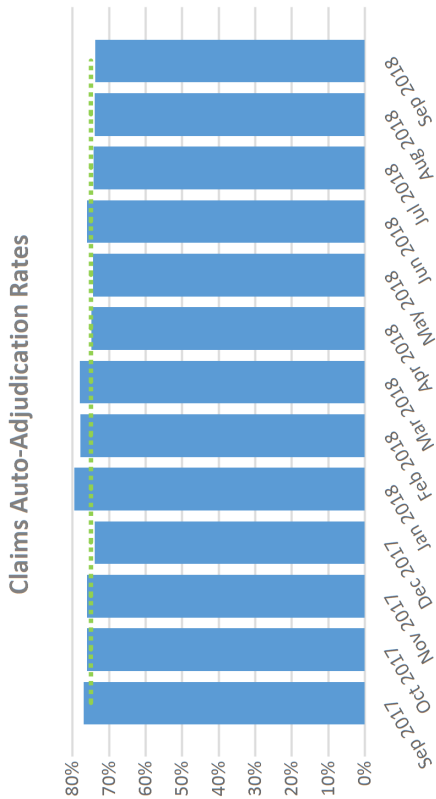
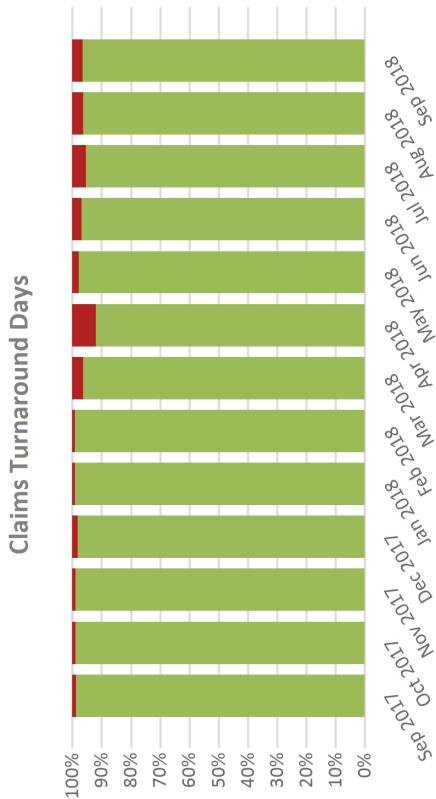
Enrollment - Market Share





Governed Reporting System

Claims Efficiency and Quality

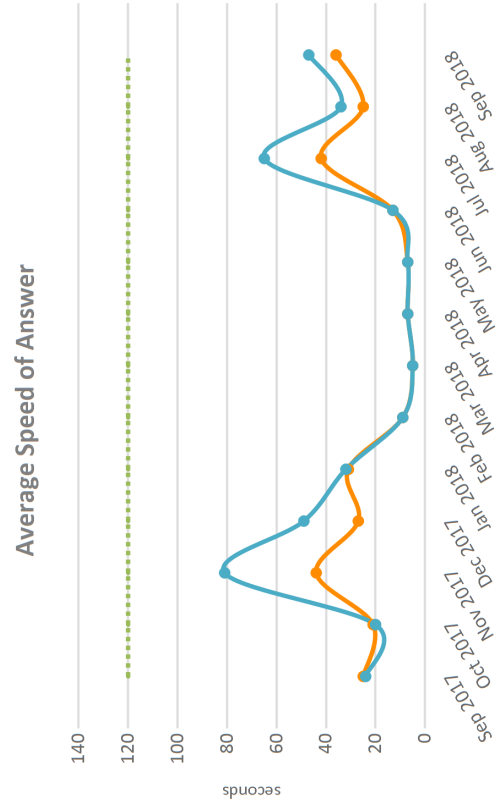
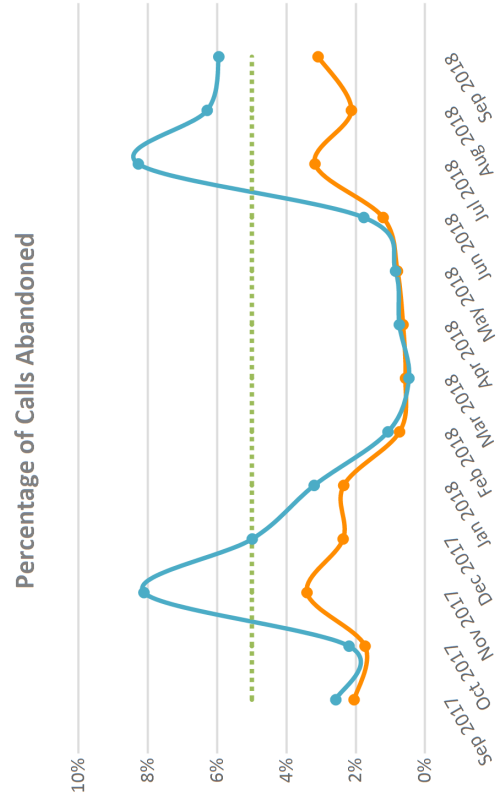
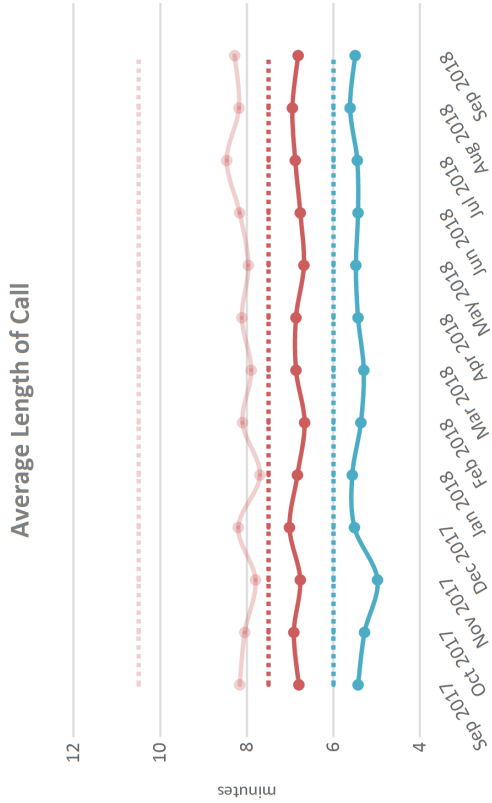
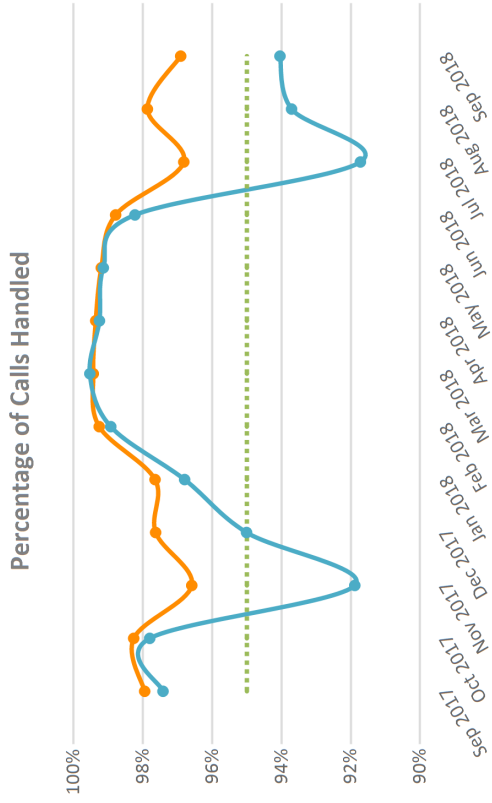




Governed Reporting System

Member Services

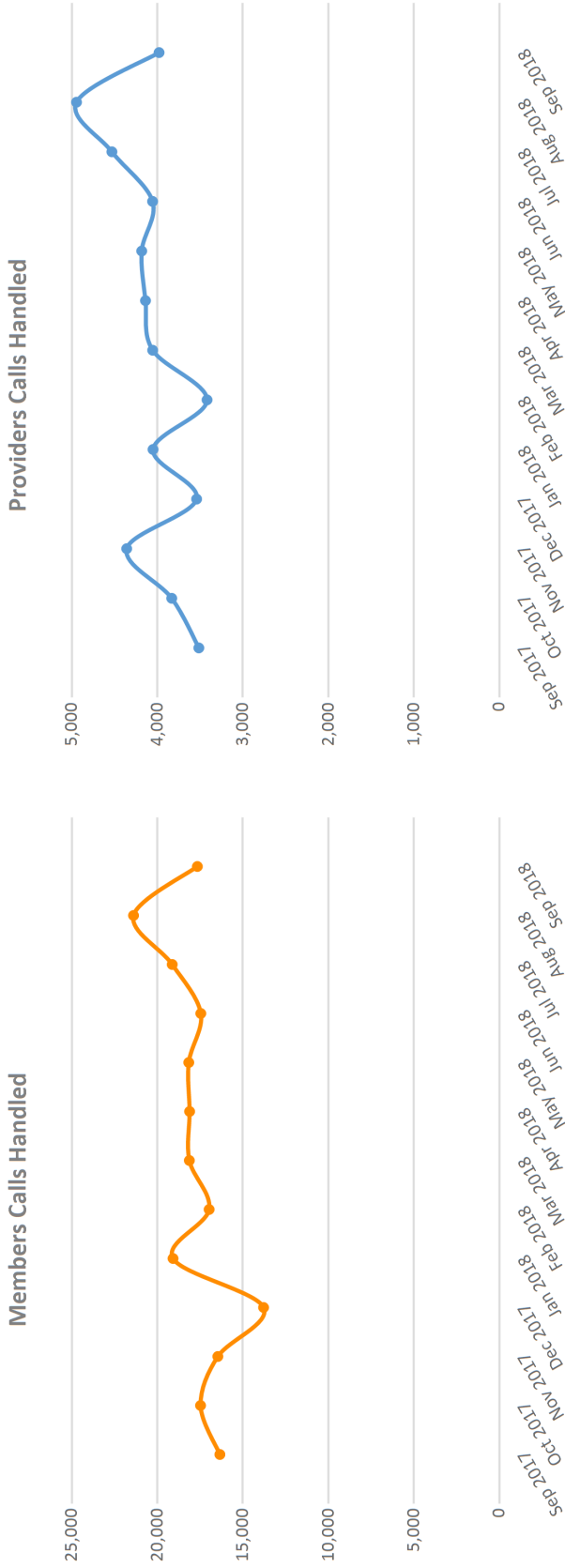
—●— Members - English
—●— Members - Spanish
—●— Providers
- - - Target





Governed Reporting System

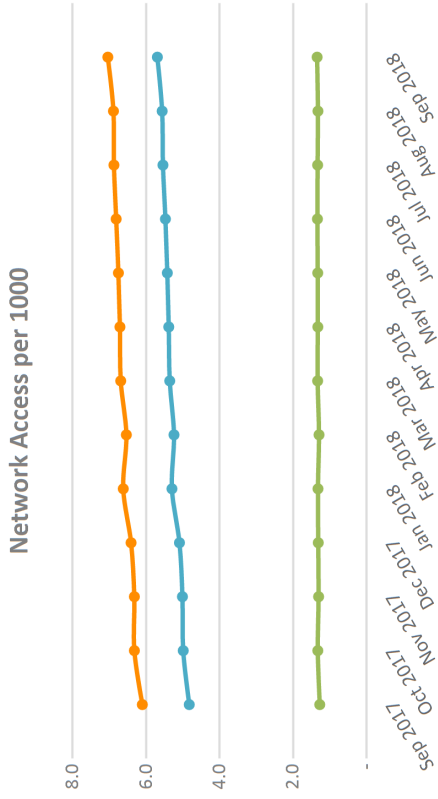
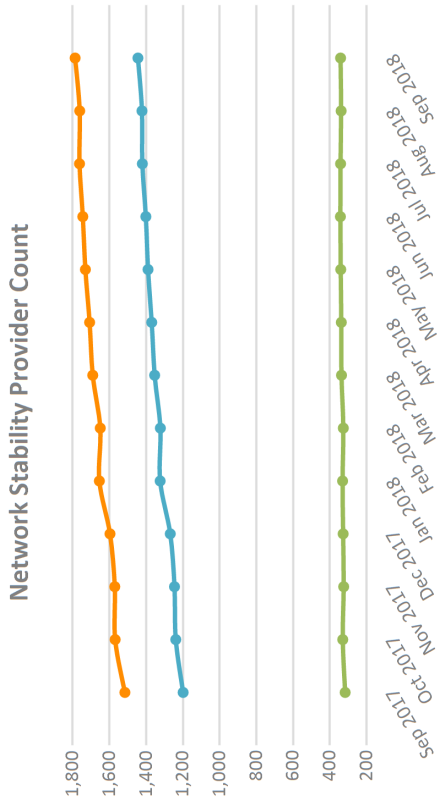
Member Services Calls Handled



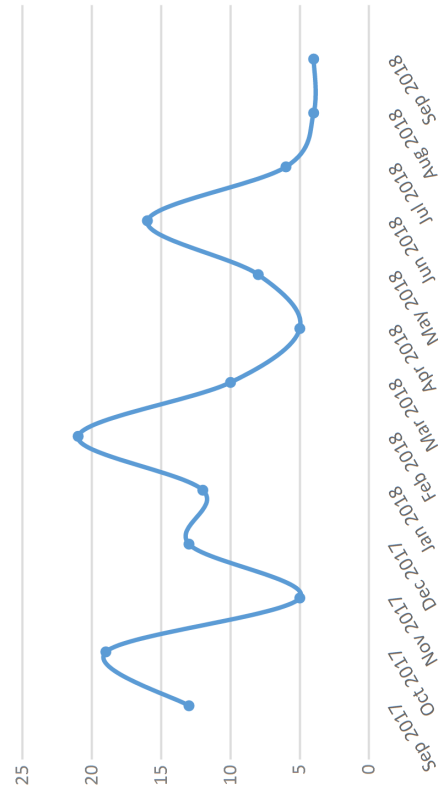


Governed Reporting System

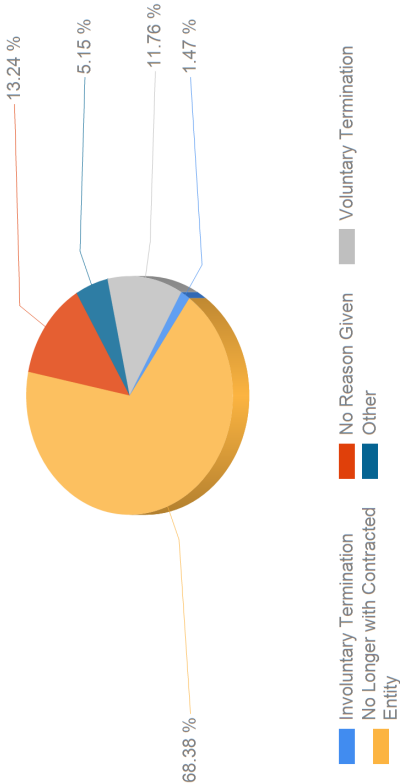
Provider Network and Terminations



Provider Terminations



Provider Terminations by Reason





To: KHS Board of Directors

From: Bruce Wearda, R.Ph.

Date: October 11, 2018

Re: Recommended Pharmacy & Therapeutics Modifications

Background:

The P&T Committee has assessed that the KHS formulary adequately provides medically necessary drug classes and appropriate limits to help ensure that the pharmaceuticals available and their manner prescribed will provide appropriate care (aligned with national guidelines), improve HEDIS scores, and minimize fraud, waste, and abuse in the area of Cardiology. The formulary was evaluated not only on upcoming therapies and medicines available, but also scrutinized older medications for relevancy.

The P&T Committee is continuing to evaluate the appropriateness of the pharmaceuticals available are not only efficacious and cost effective, but that the safety profile is sound.

Requested Action:

Accept the following recommendation of the P&T Committee:

1. Add the following drugs. They are in the same class as current medications on the Formulary. The relative cost per prescription is similar or better than current drugs in the same category: Irbesartan, Irbesartan/HCTZ, Lisinopril/HCTZ, Benezapril/HCTZ, nitroglycerin patch, and prasugrel with prior authorization criteria similar to formulary Brilinta. Veltassa is also being requested to be added with prior authorization.
2. Step-therapy requirement will be removed from the Angiotensin II Receptor Blocker (ARB) class and will be on parity with the Angiotensin Converting Enzyme Inhibitor (ACE) class.
3. The following will be removed due to extremely small utilization. In some instances, there are other formulations or salts of the same drug currently available on the formulary: Fosinopril, Moexipril, quinidine, propaferone ER, nifedipine (immediate release forms), nisoldipine, triamterene-HCTZ 50-25 capsules, fenofibric acid, Niaspan, nitroglycerin ointment, nitroglycerin spray, Renagel.

SUMMARY

FINANCE COMMITTEE MEETING

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

Friday, August 3, 2018

8:00 A.M.

COMMITTEE RECONVENED AT 8:00 A.M.

Members present: Rhoades, McGlew, Casas

Members absent: Deats, Melendez

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

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

COMMITTEE ACTION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

NO ONE HEARD

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

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

NO ONE HEARD

SUMMARYFinance Committee Meeting
Kern Health SystemsPage 2
8/3/2018

-
- CA-3) Minutes for KHS Finance Committee meeting on June 8, 2018 - APPROVED
Rhoades-Casas: 3 Ayes; 2 Absent – Deats, Melendez
- 4) Report on KHS investment portfolio for the second quarter ending June 30, 2018 (Fiscal Impact: None) – IRA COHEN, THE COHEN GROUP - UBS FINANCIAL, HEARD; RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-Casas: 3 Ayes; 2 Absent – Deats, Melendez
- 5) Proposed modification to Policy 8.11-1 Acquisitions and Payment of Expenditures and Policy 100.12-I Contracting Policy (Fiscal Impact: None) – APPROVED POLICY REVISIONS; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-Casas: 3 Ayes; 2 Absent – Deats, Melendez
- 6) Proposed Amendment to Professional Services Agreement with Payspan, Inc., for provider payment services from August 20, 2018 through August 20, 2021, in an amount not to exceed \$240,000.00 per year (Fiscal Impact: \$240,000.00 per year Estimated; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Casas-Rhoades: 3 Ayes; 2 Absent – Deats, Melendez
- 7) Proposed Agreement with Coffey Communications, for the development, printing and mailing of the member newsletter in English and Spanish from August 26, 2018 through August 26, 2019, in an amount not to exceed \$119,483.00 per one year (Fiscal Impact: \$119,483.00 per one year; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-Casas: 3 Ayes; 2 Absent – Deats, Melendez
- 8) Proposed Amendment with Cognizant, for Provider Contract Modeling & Pricing tool from August 9, 2018 through August 9, 2023, in an amount not to exceed \$1,489,162.00 per five years (Fiscal Impact: \$1,489,162.00 per five years; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-Casas: 3 Ayes; 2 Absent – Deats, Melendez
- 9) Proposed Agreement with CDW-G, for the purchase of a Backup and Recovery Solution from August 9, 2018 through August 9, 2021, in an amount not to exceed \$559,174.00 per three years (Fiscal Impact: \$559,174.00 per three years; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-Casas: 3 Ayes; 2 Absent – Deats, Melendez
- 10) Unusual travel request for Kern Health Systems Senior Network Systems Administrator to attend the Microsoft Ignite Conference in Orlando, Florida, from September 23, 2018 through September 28, 2018 in an amount not to exceed \$4,771.00 (Fiscal Impact: \$4,771.00; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Casas-Rhoades: 3 Ayes; 2 Absent – Deats, Melendez

SUMMARY

Finance Committee Meeting
Kern Health Systems

Page 3
8/3/2018

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

- 12) Report on Accounts Payable Vendor Report, Administrative Contracts under \$100,000 budgeted and \$50,000 non-budgeted, and non-claims paid through QNXT system for May 2018 and June 2018 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-Casas: 3 Ayes; 2 Absent – Deats, Melendez

ADJOURNED TO FRIDAY, OCTOBER 5, 2018 AT 8:00 A.M.

