



**KERN HEALTH  
SYSTEMS**

**REGULAR MEETING OF THE  
BOARD OF DIRECTORS**

**Thursday, February 11, 2021**

**at**

**8:00 A.M.**

**At**

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

**The public is invited.**

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



## AGENDA

### BOARD OF DIRECTORS

KERN HEALTH SYSTEMS  
**2900 Buck Owens Boulevard**  
Bakersfield, California 93308

Regular Meeting  
Thursday, February 11, 2021

8:00 A.M.

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

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

#### BOARD TO RECONVENE

Directors: McGlew, Judd, Stewart, Deats, Flores, Garcia, Hoffmann, Jones, Martinez, Melendez, Nilon, Patel, Patrick, Rhoades, Watson

#### 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)) –

8:15 A.M.

#### BOARD TO RECONVENE

#### REPORT ON ACTIONS TAKEN IN CLOSED SESSION

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

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 3) 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-4) Minutes for Kern Health Systems Board of Directors regular meeting on December 10, 2020 (Fiscal Impact: None) –  
APPROVE
- 5) Proposed Amendment No. 11 to Agreement with Douglas A. Hayward, for services as Chief Executive Officer, and to incorporate 2021 performance goals (Fiscal Impact: None) –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

- 
- 6) Report on Kern Health Systems 2020 Member Survey (Fiscal Impact: None) –  
RECEIVE AND FILE
  - 7) Report on Kern Health Systems 2020 Employee Satisfaction & Engagement Survey  
(Fiscal Impact: None) –  
RECEIVE AND FILE
  - 8) Report on Kern Health Systems 2019 Provider Satisfaction Survey (Fiscal Impact:  
None) –  
RECEIVE AND FILE
  - CA-9) Report on Kern Health Systems 2019-2020 Provider Grant Results (Fiscal Impact:  
None) –  
RECEIVE AND FILE
  - 10) Report on Kern Health Systems 2021-2022 Provider Grant Program (Fiscal Impact: Up  
to \$10 million; Not-budgeted) –  
RECEIVE AND FILE
  - CA-11) Report on Kern Health Systems 2020 Department Goals and Objectives (Fiscal  
Impact: None) –  
RECEIVE AND FILE
  - CA-12) Report on Kern Health Systems Strategic Plan for fourth quarter ending December 31,  
2020 (Fiscal Impact: None) –  
RECEIVE AND FILE
  - CA-13) Report on Kern Health Systems investment portfolio for the fourth quarter ending  
December 31, 2020 (Fiscal Impact: None) –  
RECEIVE AND FILE
  - CA-14) Report on 2020 annual review of the Kern Health Systems Investment Policy (Fiscal  
Impact: None) –  
RECEIVE AND FILE
  - CA-15) Report on 2020 Annual Travel Report (Fiscal Impact: None) –  
RECEIVE AND FILE
  - CA-16) Report on 2020 Annual Report of Disposed Assets (Fiscal Impact: None) –  
RECEIVE AND FILE
  - CA-17) Proposed Agreement with FluidEdge, LLC., for Population Health Consulting Services,  
from March 1, 2021 through May 31, 2021 (Fiscal Impact: \$160,000; Not-Budgeted) –  
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

- 
- CA-18) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) –  
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- 19) Report on Kern Health Systems financial statements for November 2020 (Fiscal Impact: None) –  
RECEIVE AND FILE
- CA-20) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for November 2020 and IT Technology Consulting Resources for the period ending November 30, 2020 (Fiscal Impact: None) –  
RECEIVE AND FILE
- 21) Report on Kern Health Systems Operation Performance and Review of the Kern Health Systems Grievance Report (Fiscal Impact: None) –  
RECEIVE AND FILE
- 22) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) –  
RECEIVE AND FILE
- 23) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) –  
RECEIVE AND FILE
- CA-24) Miscellaneous Documents –  
RECEIVE AND FILE
- A) Minutes for KHS Finance Committee meeting on December 4, 2020

ADJOURN TO APRIL 15, 2021 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, 2900 Buck Owens Boulevard, Bakersfield, California 93308 or by calling (661) 664-5010. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.

## SUMMARY

### BOARD OF DIRECTORS

KERN HEALTH SYSTEMS  
**2900 Buck Owens Boulevard**  
Bakersfield, California 93308

Regular Meeting  
Thursday, December 10, 2020

8:00 A.M.

#### BOARD RECONVENED

Directors: McGlew, Judd, Stewart, Deats, Flores, Garcia, Hoffmann, Jones, Martinez, Melendez, Nilon, Patel, Patrick, Peters, Rhoades, Watson

ROLL CALL: 14 Present; 2 Absent – Nilon, Rhoades

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) PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Title: Chief Executive Officer (Government Code Section 54957) – SEE RESULTS BELOW
- 2) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) – SEE RESULTS BELOW

8:30 A.M.

BOARD RECONVENED AT 8:30 A.M.

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REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 1 concerning PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Title: Chief Executive Officer (Government Code Section 54957) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 2 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **INITIAL CREDENTIALING NOVEMBER 2020** 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 JUDD ABSTAINED FROM VOTING ON CHITTURI; DIRECTOR STEWART ABSTAINED FROM VOTING ON ALBERT, OJO, TRAPSE; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON LAGUNDA, MERLE, PABBATHI, RUBEN; DIRECTOR MELENDEZ ABSTAINED FROM VOTING ON LAGUNDA, MERLE, PABBATHI, RUBEN

Item No. 2 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **RECREREDENTIALING NOVEMBER 2020** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREDENTIALING; DIRECTOR JUDD ABSTAINED FROM VOTING ON NGUYEN; DIRECTOR STEWART ABSTAINED FROM VOTING ON ARDIS, DRAKE, MUTZ, NELSON, SPENCER; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON BULLARD, LOPEZ, SAHI, SALAMANCA; DIRECTOR MELENDEZ ABSTAINED FROM VOTING ON BULLARD, LOPEZ, SAHI, SALAMANCA

Item No. 2 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **INITIAL CREDENTIALING DECEMBER 2020** 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 STEWART ABSTAINED FROM VOTING ON CAMERON, CASTILLO, TAYLOR

Item No. 2 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **RECREREDENTIALING DECEMBER 2020** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREDENTIALING; DIRECTOR MCGLEW ABSTAINED FROM VOTING ON DAVIS, KERN VALLEY HEALTHCARE DISTRICT; DIRECTOR JUDD ABSTAINED FROM VOTING ON KERN MEDICAL CAMPUS PHARMACY, CAPEHART, FALCO, GOMEZ, JOHNSON, LEAL, VARELA; DIRECTOR STEWART ABSTAINED FROM VOTING ON PARK, WADE, BUSTAMANTE, KHAN, MOMEN, PATEL, SACKKEY, SARVA, SOHI, TY; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON KERN MEDICAL CAMPUS PHARMACY, DAVIS, ELLIAS, JURICH, MARQUEZ, MEAVE, SAMUEL, SCHLAERTH, THOMAS; DIRECTOR MELENDEZ ABSTAINED FROM VOTING ON DAVIS, ELLIAS, JURICH, MARQUEZ, MEAVE, SAMUEL, SCHLAERTH, THOMAS



PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

DIRECTOR DEATS ANNOUNCED THAT HE WAS APPROVED TO SERVE ON THE DELANO ADVENTIST BOAED AND THAT THEY THINK VERY HIGHLY OF KHS

DIRECTOR HOFFMANN ANNOUNCED THAT ACCORDIING TO THE BEHAVIORAL HEALTH & RECOVERY SERVICES, SUICIDE NUMBERS ARE UP AND THAT WE ARE SEEING PATIENTS THAT HAVE NOT HAD ANY PRIOR ISSUES; WE ARE ALSO GETTING CALLS FROM PHARMACIES ASKING ABOUT THE VACCINE

DIRECTOR JUDD ANNOUCED THAT WE ARE SEEING A RAPID NUMBER OF HOSPITALIZED PATIENTS WITH COVID; HOWEVER, BEDS ARE STILL AVAILABLE; DIRECTOR JUDD STATED THAT KM IS HAVING A HARD TIME LOCATING NURSES, EVEN WITH THE STARTING PAY AT \$125HR; DIRECTOR JUDD STATED THAT ONCE APPROVE, THE COUNTY WILL BE RECEIVING 7K DOSES OF THE VACCINE AND, DO ANTICIPATE BY THE 1<sup>ST</sup> OF YEAR RECEIVNG MORE DOSES

- CA-5) Minutes for Kern Health Systems Board of Directors regular meeting on October 15, 2020 (Fiscal Impact: None) –  
APPROVED  
**Patrick-Melendez: 14 Ayes; 2 Absent – Nilon, Rhoades**

- 6) Report on Behavioral Health Integration Program (Fiscal Impact: None) –  
RECEIVED AND FILED  
**Melendez-Patrick: 14 Ayes; 2 Absent – Nilon, Rhoades**
- CA-7) Report on Leadership in Energy and Environmental Designs (LEED) Certification  
(Fiscal Impact: None) –  
RECEIVED AND FILED  
**Patrick-Melendez: 14 Ayes; 2 Absent – Nilon, Rhoades**
- CA-8) Report on Kern Health Systems investment portfolio for the third quarter ending  
September 30, 2020 (Fiscal Impact: None) –  
RECEIVED AND FILED  
**Patrick-Melendez: 14 Ayes; 2 Absent – Nilon, Rhoades**
- 9) Report on Kern Health Systems 2021 Goals and Projects (Fiscal Impact: None) –  
RECEIVED AND FILED  
**Garcia-Deats: 14 Ayes; 2 Absent – Nilon, Rhoades**
- 10) Report on Kern Health Systems 2021 Marketing Plan (Fiscal Impact: None) –  
RECEIVED AND FILED  
**Deats-Melendez: 13 Ayes; 3 Absent – Judd, Nilon, Rhoades**
- NOTE – DIRECTOR JUDD LEFT THE DAIS AT 9:29 A.M DURING THE  
DISCUSSION ON ITEM 10 AND DID NOT RETURN
- 11) Proposed Kern Health Systems 2021 Operating and Capital Budgets (Fiscal  
Impact: None) –  
APPROVED  
**Melendez-Deats: 13 Ayes; 3 Absent – Judd, Nilon, Rhoades**
- CA-12) Proposed Budget Request for 2021 Project Consulting Professional Services,  
from January 1, 2021 through December 31, 2021 (Fiscal Impact: \$3,561,948;  
Budgeted) –  
APPROVED  
**Patrick-Melendez: 14 Ayes; 2 Absent – Nilon, Rhoades**
- CA-13) Proposed Agreement with Edifecs, Inc., for the support and maintenance of the  
Enterprise Management Software Tool, from December 20, 2020 through  
December 19, 2025 (Fiscal Impact: \$1,045,332; Budgeted) –  
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN  
**Patrick-Melendez: 14 Ayes; 2 Absent – Nilon, Rhoades**

- CA-14) Proposed policy with IOA RE for reinsurance to mitigate costs incurred by Kern Health Systems for members with high dollar inpatient admissions from January 1, 2021 through December 31, 2021 in an amount not to exceed \$0.29 per member per month (Fiscal Impact: \$961,855 estimated; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN  
**Patrick-Melendez: 14 Ayes; 2 Absent – Nilon, Rhoades**
- 15) Report on Kern Health Systems financial statements for September 2020 and October 2020 (Fiscal Impact: None) – RECEIVED AND FILED  
**Patrick-Deats: 13 Ayes; 3 Absent – Judd, Nilon, Rhoades**
- CA-16) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for September 2020 and October 2020 and IT Technology Consulting Resources for the period ending September 30, 2020 (Fiscal Impact: None) – RECEIVED AND FILED  
**Patrick-Melendez: 14 Ayes; 2 Absent – Nilon, Rhoades**
- 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  
**Patrick-Melendez: 14 Ayes; 2 Absent – Nilon, Rhoades**
- 18) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) – RECEIVED AND FILED  
**Deats-Melendez: 13 Ayes; 3 Absent – Judd, Nilon, Rhoades**
- 19) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) – RECEIVED AND FILED  
**Stewart-Melendez: 13 Ayes; 3 Absent – Judd, Nilon, Rhoades**
- CA-20) Miscellaneous Documents – RECEIVED AND FILED  
**Patrick-Melendez: 14 Ayes; 2 Absent – Nilon, Rhoades**
- A) Minutes for KHS Finance Committee meeting on October 9, 2020

ADJOURN TO THURSDAY, FEBRUARY 11, 2021 AT 8:00 A.M.  
**Patel**

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





**To: KHS Board of Directors**

**From: Tim McGlew, Chairman**

**Date: February 11, 2021**

**Re: Amendment to the Chief Executive Officer's Employment Agreement**

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**Background**

Enclosed is the 2021 amendment to the Chief Executive Officers Employment Agreement. The Amendment includes 2021 Performance Goals to be used to assist the Board with the CEO's next annual employment performance review scheduled for January 2022. The following language was added to the Background introduction of the 2021 Corporate Goals:

*Finally, in recognition of our Safety Net Providers, where appropriate, each corporate goal will consider their role and involvement toward achieving the goal and how they may benefit from the outcome.*

Beginning January 2020, in order to maintain his current salary's purchase value, the Executive will be entitled only to an annual cost of living adjustment for the 2021 pay period. In accordance with the U.S. Bureau of Labor Statistics 12/2020 Publication, the CPI rose 1.9% for S. California's inland region. This value will be used to adjust CEO's annual salary for 2021.

**Requested Action**

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

**AMENDMENT NO.11  
TO  
AGREEMENT FOR PROFESSIONAL SERVICES  
CONTRACT EMPLOYEE  
(Kern Health Systems – Douglas A. Hayward)**

This Amendment No. 11 to the Agreement for Professional Services (“Amendment”) is made and entered into this 11th day of February 2021, 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 2021 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 February 11<sup>th</sup>, 2021.

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. Exhibit “C”, attached hereto and incorporated herein by this reference, shall be made part of the Agreement.
2. All capitalized terms used in the Agreement and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
3. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
4. 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.
5. 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 this Amendment No. 11 as of the day and year first written above.

KERN HEALTH SYSTEMS

EXECUTIVE

By \_\_\_\_\_  
Tim McGlew, Chairman  
Board of Directors

By \_\_\_\_\_  
Douglas A. Hayward

APPROVED AS TO FORM:

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



**EXHIBIT “C”**

**to**

**Amendment 11**

**2021 Performance Goals**

**Douglas A Hayward, CEO**

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*The following goals and deliverables will aid in determining the CEO’s 2021 annual performance as stipulated in his Employment Agreement.*

**Background**

No one could have predicted a pandemic nor its impact on our way of life and work. To minimize its toll on the public’s health, the Governor issued a Statewide order for all residents to ‘stay at home’ resulting in an economic downturn from layoffs, furloughs and business interruptions.

Deficit estimates are projected to be between \$30-50 billion which means that there could be significant cuts to services and programs across the State. To put that in perspective, during the recession in 2008, the deficit was approximately \$20 billion. The Governor recently shared his revised Fiscal Year 2020-21 proposed budget showing what a significant negative impact COVID-19 has and will continue to have on the State’s economy. The final budget included revenue reductions to the Medi-Cal program. The significance will vary depending on the health plan. However, it did include a retro rate reduction of 1.5%.

As we navigate these uncertain times, it is likely COVID -19 will remain paramount in the minds of the State, Providers, Members and our community. The 2021 Corporate goals will consider both the pandemic and its impact to our way of doing business and obligation to our members. In addition, the goals will recognize the specific requirements the State and Federal government will impose on health plans in 2021 such as Interoperability and Long-Term Care at Home. Finally, it will be necessary to carry over from 2020 certain programs partially or never launched due to the pandemic. These programs have been rescheduled for continued development and implementation in 2021.

Finally, in recognition of our Safety Net Providers, where appropriate, each corporate goal will consider their role and involvement toward achieving the goal and how they may benefit from the outcome.





**Goal 1– Behavioral Health Integration Program**

The Department of Health Care Services (DHCS) offered grant funding to incentivize Medi-Cal Managed Care Health Plans (MCPs) to promote behavioral health integration (BHI) at the primary care level. The Program objectives were:

- To improve physical and behavioral health outcomes, care delivery efficiency, and patient experience by establishing or expanding fully integrated and coordinated care delivery for the whole patient.
- To increase network integration for providers at all levels of integration, focused on new target populations or health disparities, and improve provider’s level of integration or impact.
- To create and integrated model that can be replicated by MCPs throughout their network.

DHCS identified six options MCPs could follow for achieving the desired outcome:

- Basic Behavioral Health Integration
- Maternal Access to Mental Health and Substance Use Disorder Screening and Treatment
- Medication Management for Beneficiaries with Co-occurring Chronic Medical and Behavioral Diagnoses
- Diabetes Screening and Treatment for People with Serious Mental Illness
- Improving Follow-Up after Hospitalization for Mental Illness
- Improving Follow-Up after Emergency Department Visit for Behavioral Health Diagnosis

Kern Health Systems was awarded five grants for three providers totaling \$11,000,000 from DHCS to implement behavioral health integration programs over a two-year period. The awards were based on proposals received from participating network providers interested in developing integrated physical and behavioral health focused initiatives. Grants were given to: Good Samaritan Hospital (2), Adventist Health (2) and Premier Valley Medical Group.



**Deliverables**

- *Determine BHI readiness for each grantee by 1<sup>st</sup> Quarter, 2021*
- *Create BHI grant agreement for each grantee by 1<sup>st</sup> Quarter, 2021*
- *Contract with each grantee by 1<sup>st</sup> Quarter, 2021*
- *Execute start date of each BHI program initiatives by 1<sup>st</sup> Quarter, 2021*
- *Continue to monitor grantees performance against predetermined objectives throughout the 2-year grant cycle starting following initiation of each grantee's program by 2<sup>nd</sup> Quarter, 2021.*

**Goal 2 Expansion of KHS's Alternative Payment Model (Phase V)**

In 2020, KHS expanded its alternative reimbursement program with the implementation of the Chronic Obstructive Pulmonary Disease (COPD) APM Program. COVID-19 impeded the COPD Program's progress preventing KHS from achieving the Program's expected outcomes which will be measured when clinical practice returns to more normal schedules. The APM Program will continue in 2021 with new applications yet to be determined.

**Deliverables:**

- *Identify and develop provider specific proposals for another appropriate specialty care practice or special needs program by 1<sup>st</sup> Quarter, 2021*
- *For selected providers, initiate provider contract revisions to change or enhance compensation arrangements by 2<sup>nd</sup> Quarter, 2021*
- *Determine impact to KHS internal operations by beginning of 3<sup>rd</sup> Quarter, 2021*



- *Design data tracking and reporting of specialty care to determine achievement of the desired outcome and / or ROI by the 3<sup>rd</sup> Quarter, 2021*
- *Following implementation, begin monitoring to determine if targeted outcomes are achieved by 4<sup>th</sup> Quarter, 2021*

**Goal 3 – Expansion of Kern Health System’s Health Home Program (Cont.)**

Kern Health Systems recognizes several thousand members will benefit from receiving their medical services through a patient centered medical home. To date, Kern Health Systems has established six health homes programs located at various provider sites throughout Kern County.

Despite launching six provider site-based health home programs countywide, there remains significant unmet need in Kern County for these programs. In 2020, it was expected this gap would be significantly reduced with the addition of 2 new external sites and the launch of a new model called the Distributed Health Home Program whereby eligible PCP physicians with a significant number of HHP qualified members assigned to their practice may become part of a “decentralized network”. The network will be supported with six broad service areas in the effort to achieve the HHP goal to address these medically complex cases:

- Comprehensive Care Management
- Care Coordination
- Health Promotion
- Comprehensive Transitional Care
- Individual and Family Support Serves
- Referral to Community and Social Supports



While member's PCP will provide the clinical treatment, KHS will serve as manager and coordinator for these broader services in the DHHP. This HHP "without walls" enables members to continue to receive care from their PCP along with these enhanced services. The DHHP will follow the same DHCS guidelines and reporting requirements of our other HHPs.

COVID -19 delayed implementation of some of our 2020 HHP sites with the Governor's stay at home order. Although some progress was made in 2020 pre-pandemic, not enough work could be done to consider it successful.

Besides the DHHP rollout delay, KHS expected Clinica Sierra Vista (CSV) to begin their long awaited HHP program in 2020. Due to CSV's leadership change, their HHP launch was delayed and will need to be reintroduced in 2021.

**Deliverable:**

- *Select remaining interested PCPs with a significant number of HHP qualified members by 1<sup>st</sup> Quarter, 2021.*
- *Modify new PCP participants contract to include role, function and responsibilities as a PCP under the DHHP concept by 2<sup>nd</sup> Quarter, 2021.*
- *Modify new PCP participants practice setting to meet DHHP requirements beginning 2<sup>nd</sup> Quarter, 2021.*
- *Conduct new PCP participants and staff training program under the DHHP beginning 3<sup>rd</sup> Quarter, 2021.*
- *Launch expanded DHHP with new participants beginning by end of 3<sup>rd</sup> Quarter, 2021.*
- *Launch CSV's HHP site by 2<sup>nd</sup> Quarter, 2021.*



**Goal 4 – Kern Health Systems 2021 to 2023 Three Year Strategic Plan**

In 2017 Pacific Health Consulting Group assisted Kern Health Systems in developing a 3-year Strategic Plan. Over the past 3 years, Kern Health Systems has implemented the strategies and tasks around five major goals:

- Delivery System and Payment Reform
- Primary Care and Specialty Care Access
- Premier Health Plan of Choice for MCAL in Kern County
- Health Plan Sustainability and Diversification
- Technology Optimization to Improve Constituency Service

With outside assistance, Kern Health Systems will again undertake a new Strategic Planning session in early 2021. The Strategic Plan serves as a management tool to ensure KHS remains committed to its mission, working toward achieving desired goals, addressing new challenges and identifying new opportunities.

The overarching themes of this session should revolve around the changing healthcare environment (particularly CalAIM) and its impact to Kern Health Systems. The Board of Directors along with Executive staff will need to evaluate:

- Mission and Vision Statement
- External Environment and Competitive Market Conditions
- Internal review (strengths, weakness)
- Opportunities and Choices (including challenges to success)

From this evaluation, the Board will develop Goals and Strategies to position KHS for future success.

**Deliverable:**

- *Board to adopt a new three-year strategic plan by the end of 2<sup>nd</sup> Quarter, 2021*



**Goal – 5 Interoperability and Patient Access**

CMS and the State of California have regulated the Interoperability and Patient Access Rule (CMS-9115-F) to “*deliver on the Administration’s promise to put patients first, giving them access to their health information when they need it most and in a way they can best use it.*” The goal is to break down information silos for patients leading to better care and improved outcomes. This secure data link between 3<sup>rd</sup> parties, payors, providers, and patients and is intended to improve care coordination and reduce cost through data exchange and technological innovations.

**Deliverables:**

- *Establish new technology systems and processes to facilitate data exchanges with members and providers by the end 1<sup>st</sup> Quarter 2021.*
- *Create Provider and Member Portal applications to present data in a meaningful manner to providers and members by the end of 2<sup>nd</sup> Quarter 2021*
- *Research and identify 3<sup>rd</sup> party applications to use data in a manner that will benefit a Medi-Cal population by end of 2<sup>nd</sup> Quarter 2021.*
- *Engage and inform members and providers on new methods of data access and tools by end of 3<sup>rd</sup> Quarter 2021*
- *Establish audit and reconciliation processes to manage data exchange effectiveness with reporting and analytics by end of 4<sup>th</sup> Quarter 2021.*
- *Create Payer to Payer data exchanges to collect external data sources to consolidate and deliver other payor data by end of 1<sup>st</sup> Quarter 2022.*



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

Beginning 2021, with few exceptions, the MediCal prescription drug benefit will be administered by the State in partnership with Magellan Medicaid Administration. For managed care health plans, this will mean a diminished role in the administration and distribution of the pharmacy benefit. However, under certain circumstances and in specific situations, managed care plans (MCP) will continue to administer the MediCal pharmacy benefit. Transitioning to this new arrangement began in 2020 and will continue to a smaller extent in 2021. The transition to the new arrangement with realignments in place is expected to be finished by the end of 1<sup>st</sup> quarter, 2021. Though the claims processing/payment and authorization for outpatient drugs will fall to the State, the MCPs are expected to continue their case management, DUR, MTM, and other related activities. Quality measures that involve administrative pharmacy data will also be activities the plans will be required to meet.

**Deliverables:**

- *Create Data Exchange and integration to current system application beginning in 3<sup>rd</sup> Quarter, 2020.*
- *Incorporate Operational readiness for Member Services, Provider Network Management, Health Services, Claims Adjudication, and Business Intelligence by 4<sup>th</sup> Quarter, 2020.*
- *Transition Pharmacy Operations for outpatient pharmacy processing only beginning 1<sup>st</sup> Quarter, 2021*
- *Complete 120day transition for TAR drugs or grandfathering medications by 2<sup>nd</sup> Quarter, 2021*
- *Continue to perform run out activities for outpatient pharmacy through 1<sup>st</sup> Quarter, 2021.*
- *Complete Member and Provider transition for outpatient pharmacy from KHS to Magellan by beginning of 1<sup>st</sup> Quarter, 2021*
- *Transition department to providing ongoing support to members and providers for pharmacy prescription benefits remaining the responsibility of KHS (ongoing)*



**Goal 7 - Back to Care for Members**

COVID 19 put a sudden halt to members receiving routine non-emergent care in a variety of areas including:

- Child immunizations, screenings and well visits
- Adult screenings and annual physicals
- High risk patients with chronic medical conditions on medication
- Special needs patients such as Health Home Programs, Chronic Pulmonary Clinic, Prediabetic Prevention Programs, etc.
- Patients who've delayed or deferred elective procedures or elective surgeries

Travel restrictions and government orders to suspend elective care for a time resulted in pent up demand for medical care. With these restrictions lifted, KHS will need to examine members falling into these categories to prioritize who may need assistance to restart or continue their care. A plan will be developed to assist members and providers on when and how members should reengage in their care. Technology will be used to contact members to remind them to resume their care or where appropriate, augment their care by offering telehealth consults for those who remain at home.

With the elimination of Prop 56 supplemental payments and expected performance shortfall in the 2020 P4P incentive program, a new incentive program will be part of the "Back to Care Program" to encourage patients to return to their doctor.

**Deliverables**

- *Identify membership qualifying for participation from one or more of these groups beginning of 1<sup>st</sup> Quarter, 2021*
- *Prioritize members for intervention beginning 1<sup>st</sup> Quarter, 2021*
- *Develop the Back to Care Communication Program to encourage providers and members to reengage in their health care by 1<sup>st</sup> Quarter, 2021.*





- *Under appropriate circumstances create a provider incentive program to aid in achieving desired outcomes by 2<sup>nd</sup> Quarter, 2021*
- *Under appropriate circumstances create a patient incentive program to aid in achieving desired outcomes by 2<sup>nd</sup> Quarter, 2021*
- *Determine ways to use technology to improve member and /or provider communication and with KHS staff by 2<sup>nd</sup> Quarter, 2021*
- *Incorporate Telehealth Services (where appropriate) to expand access to care by 2<sup>nd</sup> Quarter, 2021*
- *Develop tracking instrument and report to measure the Program's effectiveness in timely reengagement of patients by 4<sup>th</sup> Quarter, 2019.*





**To: KHS Board of Directors**

**From: Alan Avery, COO**

**Date: February 11, 2021**

**Re: 2020 Member Satisfaction Survey**

---

**Background**

Kern Health Systems (KHS), in partnership with participating providers, is committed to meeting the expectations of our members as they interact with the health plan and when receiving health care services through our provider network. Annually, KHS conducts a Member Satisfaction Survey to measure and evaluate how well we are meeting members' expectations.

As we continue to develop and implement the goals and objectives of the KHS Strategic Plan, our annual Member Satisfaction Survey remains an important tool in this effort. For the past 5 years, KHS has engaged SPH Analytics to conduct our Member Satisfaction Survey. SPH Analytics is a CMS and NCQA approved Medicaid, Medicare & Commercial Health Plan survey vendor with a large footprint in California. SPH Analytics utilizes scores from various benchmarks to provide comparative and trending data for the results from member responses to the 59 questions provided on the survey. The 2020 Member Satisfaction Survey results show that overall, 81.7% of our members are satisfied with KHS compared to the industry benchmark of 77.6% (scoring significantly higher). As we look to the future we will endeavor to continue on the member centric path encouraging the use of the Member Portal and self-service tools available there and by listening to the voice of our members through the results of the annual Member Satisfaction Survey.

The survey does not account for the Pandemic's impact on patient satisfaction. Access to professional services fell from public travel restrictions imposed on Kern County residence. In response some providers reduced office hours or delayed elective procedures which may have influenced the quality rating for Specialist. Nevertheless, KHS will use these results to improve access to Specialists.

**Requested Action**

Receive and File.

## 2020 Member Satisfaction Survey



## Overview

- The Kern Family Health Care (KFHC) Member Satisfaction Survey (MSS) is conducted annually by SPH Analytics (SPH), a CMS and NCQA certified HEDIS® Survey vendor, to measure member satisfaction with KFHC, their providers and provider access.
- This is the second year KHS utilized the CAHPS® 5.0H Medicaid Adult Member Satisfaction Simulation Survey which will assist our efforts to achieve objectives needed for NCQA accreditation.
- The 2020 KFHC MSS results were measured in comparison to NCQA Quality Compass® All Plans 2019 and the 2020 SPH book of business benchmarks.

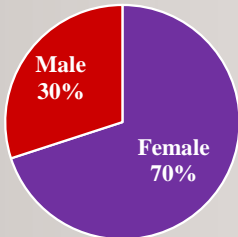
## Respondent Demographics

The Member Satisfaction Survey was conducted from August to December of 2020.

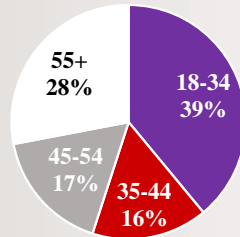
A sampling of 4,000 KFHC eligible member households was selected.

721 surveys were completed (18% response rate) [293 by mail & 428 by phone]

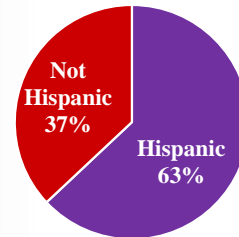
**Gender**



**Age**



**Ethnicity**



## Term Descriptions

- **Summary Rates** represent the most favorable response percentages (“Yes”, “Usually”, “Always”, rates 8-10 and 9-10 on a rating scale of 0 to 10)
- **2020 SPH Analytics MAS Book of Business Benchmark** is the mean summary rate from the Medicaid adult plans that contracted with SPHA to administer the 2020 CAHPS 5.0H survey and submitted data to NCQA (152 health plans).
- **2019 Quality Compass® All Plans Benchmark** is the mean summary rate from the Medicaid adult plans that submitted data to NCQA in 2019 (165 plan-specific samples).

## Summary Rate Scores

RATING MEASURES Scale = 0 - 10	Kern Family Health Care		2020 SPH ANALYTICS CAHPS MAS BENCHMARK	2019 QUALITY COMPASS® MAS ALL PLANS BENCHMARK
	2020	2019	SRS	SRS
8-10 Rating of Health Plan	<b>81.7%</b>	81.3%	80.3%	77.6%
8-10 Rating of Health Care	77.0%	75.5%	76.9%	75.4%
8-10 Rating of Personal Doctor	84.8%	82.1%	84.2%	82.1%
8-10 Rating of Specialist	<b>79.8%</b>	81.1%	84.7%	82.3%

### KEY TAKEAWAYS

Rating of Health Plan scores higher than Quality Compass.

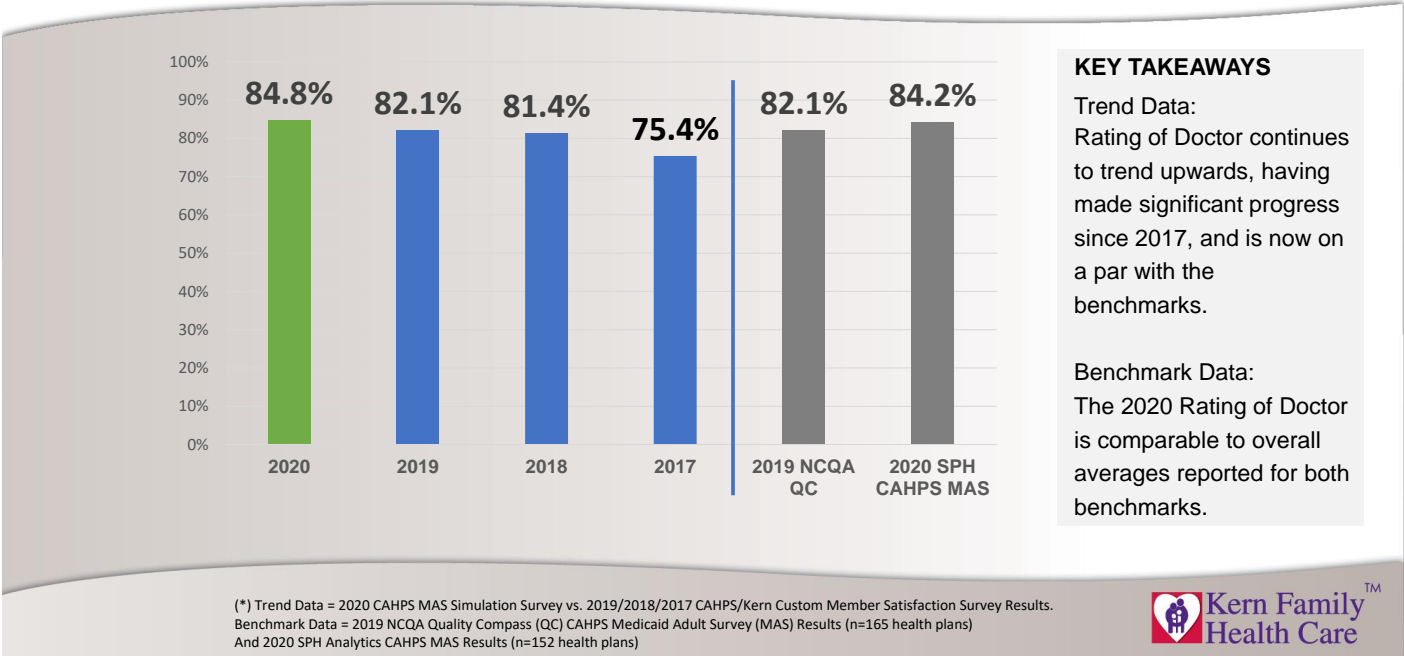
However, Rating of Specialist scores lower than the SPH Book of Business.

Significance Testing  
Green / Red – Current year score significantly higher / lower when compared to trend or benchmark score.

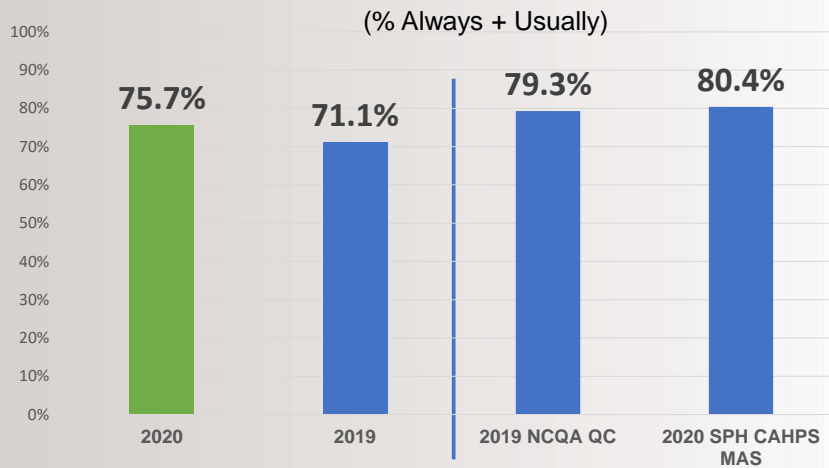




# Overall Rating of Personal Doctor



## Access to Routine Care



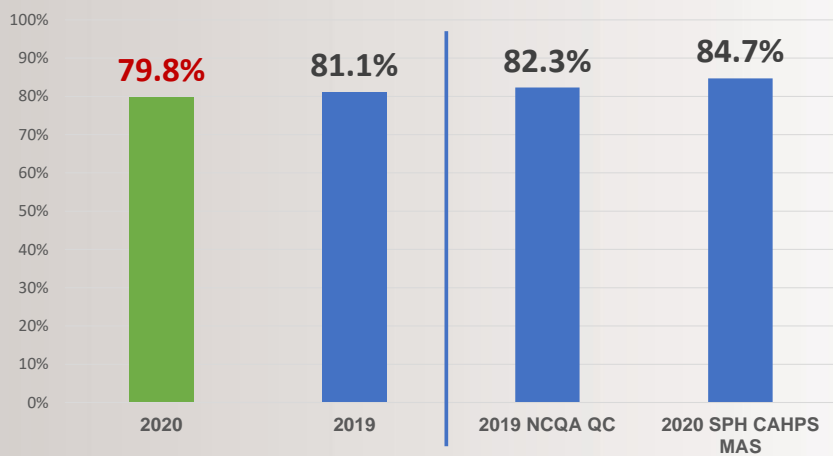
### KEY TAKEAWAY

Although access to routine care has improved since last year, it is still below the SPH Benchmark.

(\*) Trend Data = 2020 CAHPS MAS Simulation Survey vs. 2019/2018/2017 CAHPS/Kern Custom Member Satisfaction Survey Results.  
Benchmark Data = 2019 NCQA Quality Compass (QC) CAHPS Medicaid Adult Survey (MAS) Results (n=165 health plans)  
And 2020 SPH Analytics CAHPS MAS Results (n=152 health plans)



## Overall Rating of Specialist



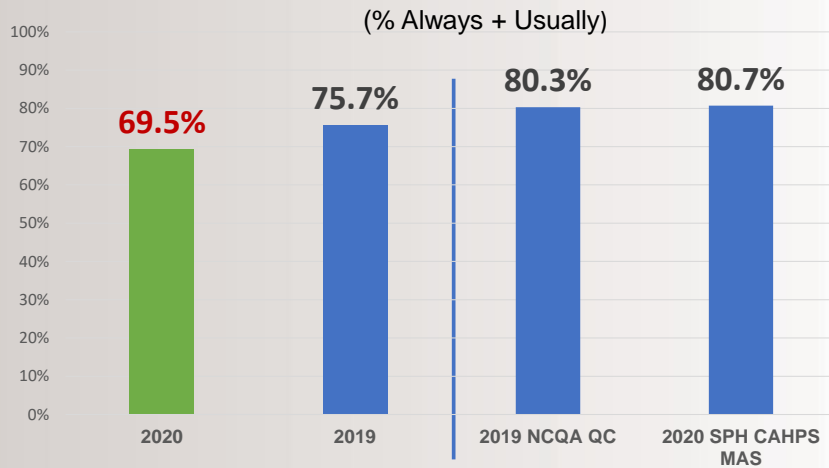
### KEY TAKEAWAYS

Rating of Specialist is similar to last year, but is below the SPH Book of Business benchmark.

(\*) Trend Data = 2020 CAHPS MAS Simulation Survey vs. 2019/2018/2017 CAHPS/Kern Custom Member Satisfaction Survey Results.  
Benchmark Data = 2019 NCQA Quality Compass (QC) CAHPS Medicaid Adult Survey (MAS) Results (n=165 health plans)  
And 2020 SPH Analytics CAHPS MAS Results (n=152 health plans)



## Access to Specialists



### KEY TAKEAWAY

Members ability to get an appointment to see a Specialist dropped from last year, and is now significantly below both benchmarks.

(\*) Trend Data = 2020 CAHPS MAS Simulation Survey vs. 2019/2018/2017 CAHPS/Kern Custom Member Satisfaction Survey Results.  
Benchmark Data = 2019 NCQA Quality Compass (QC) CAHPS Medicaid Adult Survey (MAS) Results (n=165 health plans)  
And 2020 SPH Analytics CAHPS MAS Results (n=152 health plans)



## Performance Improvement

SPH recommendations for improvement:

### **Access to Care**

- Assess CAHPS data by provider to determine high/low performers
- Discuss and engage providers/staff on scheduling best practices
- Explore/expand alternative telehealth options
- Explore open access scheduling opportunities

### **Specialists**

- Assess access issues by type of specialist
- Assess member satisfaction with specialists by specialist type

## Next Steps

- Continue to discover opportunities for expansion of provider network
- Discover opportunities for alternative care through technology
- Educate and engage members to encourage member action for health status improvement
- Continue working with SPH to provide benchmark data specific to California health plans



For more information:  
Alan Avery  
Chief Operating Officer  
(661) 664-5000









**To: KHS Board of Directors**

**From: Anita Martin, Chief Human Resources Officer**

**Date: February 11, 2021**

**Re: Annual Employee Survey**

---

**Background**

Kern Health Systems conducted the first Employee Survey in 2015 in accordance with our then Three-Year Strategic Plan's Sustainability Goal calling for creation of an Employee Retention Plan.

As part of this plan, employees are surveyed to:

- Identify factors which influence employee retention with KHS
- Evaluate internal opportunities for enhancing employees work experience with KHS
- Determine year to year unfavorable trends to address root causes in order to change their trajectory.

We have just completed our sixth survey and in general, the survey would continue to be used to assess employee's satisfaction and their engagement with KHS.

A summary of the results using the enclosed PPT will be presented.

**Requested Action**

Receive and File.





**KERN HEALTH  
SYSTEMS**

**Employee Satisfaction &  
Engagement Survey 2020**

**Anita Martin  
Chief Human Resources Officer  
February 11, 2021**



## Conducting the Survey

### EXECUTIVE SUMMARY

#### 5 Key Reasons to Conduct Employee Satisfaction and Engagement Surveys

- 1.) Measure employee satisfaction and engagement
- 2.) Surveys give employees a voice
- 3.) Provides clarity and insight into performance results
- 4.) Provide data for organizational planning and development to achieve better performance outcomes
- 5.) Benchmark year-over-year results

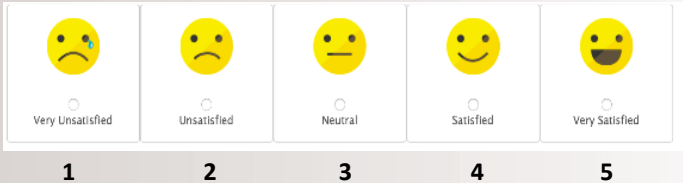
KHS will continue the process of annually surveying our employees to gauge their level of satisfaction and commitment to the organization and report our results to the Board of Directors.



# The Survey

**SCORING:**

- 16 areas represented the survey with 2 - 8 questions in each area;
- Divided into 2 areas: Employee Satisfaction & Employee Engagement
- Responses scored on a scale of 1 to 5. The scale is as follows:



**PARTICIPATION:**

- 88.7% (345 employees responded out of 425 active employees (does not include 36 employees on Leave of Absence))



## Last Year's Action Items

- **Report EE Satisfaction and Engagement Survey results to Directors and staff and develop an action plan for scores below 80<sup>th</sup> percentile satisfaction rating. Those six measure were:**
  - Confidence in Department Leadership/Executive Team
  - Corporate/Department Communications
  - Recognition and Rewards
  - Teamwork and Collaboration
- **Roll-out new DDI Suite of Leadership Training**
- **Roll-out new Development Plans in the Dayforce Performance Module**
- **Conduct Blanchard "One Minute Manager" Training for all Leadership** (completed in Jan. and Feb.)
- **All departments to conduct team building activities**

### **RESULTS:**

- **All Action Items were complete in spite of the unprecedented events of 2020, resulting in all six areas improving and every single area of measurement above the 80<sup>th</sup> percentile target for the first time since conducting the survey.**

## Employee Satisfaction and Employee Engagement

### Why measure both? What's the difference?

While the terms “employee engagement” and “employee satisfaction” may sound sort of like the same thing, they are actually quite different.

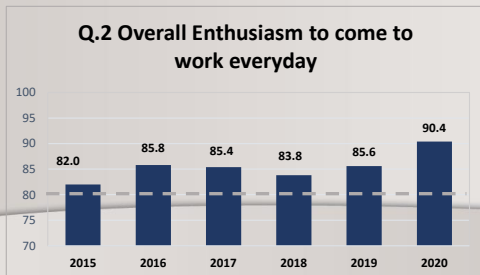
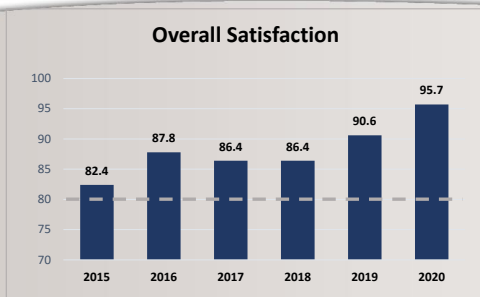
- **Employee satisfaction** is the state of a worker enjoying their job – but not necessarily being engaged with it. Imagine the employee who gets to show up to work early and leave late without contributing much or breaking a sweat.
- **Employee engagement** is something that occurs when workers are committed to helping their companies achieve all of their goals. Engaged employees are motivated to show up to work every day and do everything within their power to help their companies succeed.



Source: [www.decision-wise.com/employee-engagement-survey-download](http://www.decision-wise.com/employee-engagement-survey-download)

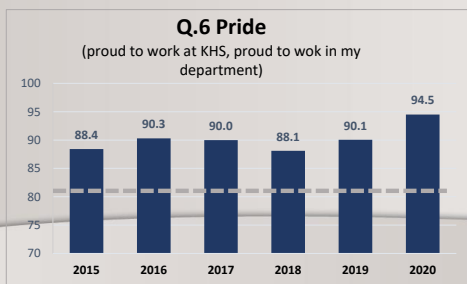
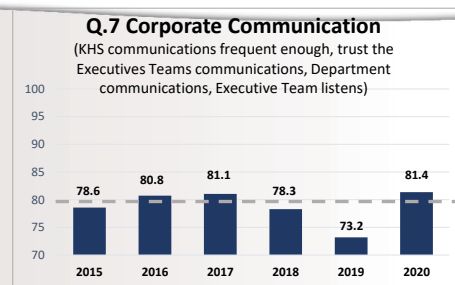
Source: [www.tinypulse.com/blog/employee-engagement-employee-satisfaction-difference](http://www.tinypulse.com/blog/employee-engagement-employee-satisfaction-difference)

## The Survey Responses 2015 - 2020

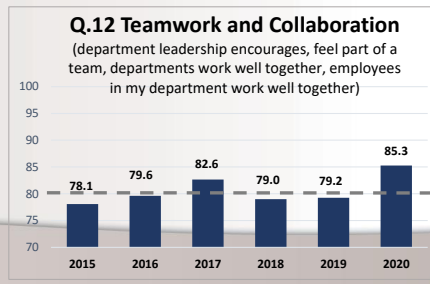
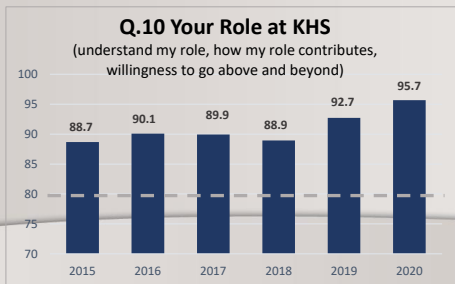
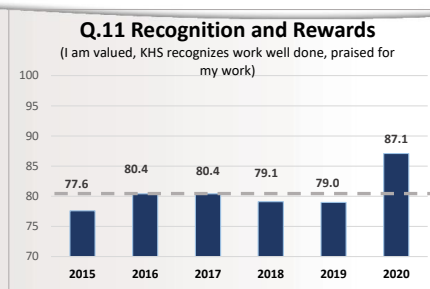




## The Survey Responses 2015 - 2020

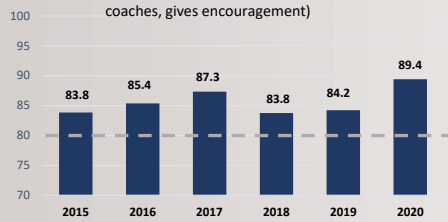


## The Survey Responses 2015 - 2020



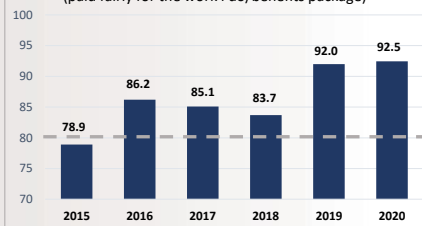
## The Survey Responses 2015 - 2020

**Q.13 Immediate Supervisor**  
(fair, comfort level, handles issues satisfactorily, coaches, gives encouragement)



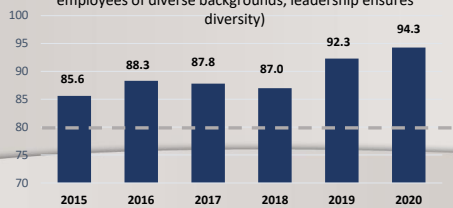
**Q.15 Pay/Benefits**

(paid fairly for the work I do/benefits package)

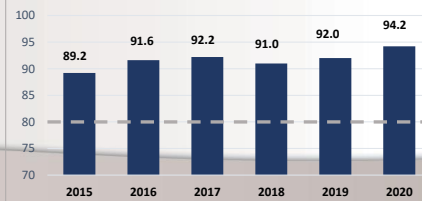


**Q.14 Diversity**

(all employees are treated fairly, comfort level with all employees of diverse backgrounds, leadership ensures diversity)



**Q.16 I would recommend KHS to a friend or relative?**



## Employee Engagement (the secret sauce)



Source: [www.decision-wise.com/employee-engagement-survey-download](http://www.decision-wise.com/employee-engagement-survey-download)

**Meaning:** Do employees find meaning and purpose in their jobs? Does their work make a difference for others?

**Autonomy:** Do employees have freedom, self-governance, and the ability to make choices about their work?

**Growth:** Does the job provide development and growth opportunities? Does the work challenge and stretch employees to grow and improve?

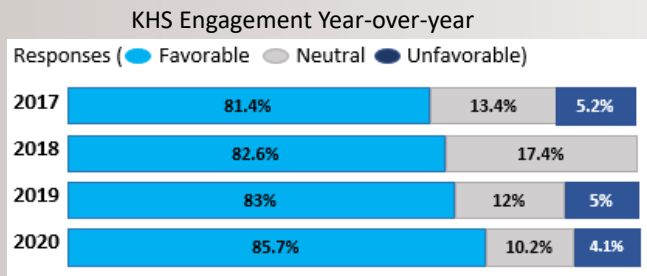
**Impact:** Do employees feel like they are successful in their work? Do they see that their effort makes a difference and contributes to the success of the organization?

**Connection:** Do employees have a personal connection with the people they work with, their boss, and the social community of the workplace?

## Employee Engagement 2017 - 2020 Gallup Q12

### Three Levels of Engagement

- Favorable – Engaged
- Neutral - Not Engaged
- Unfavorable – Actively Disengaged



**Engaged:** Engaged employees are highly involved in and enthusiastic about their work and workplace. They are psychological “owners,” drive high performance and innovation, and move the organization forward.

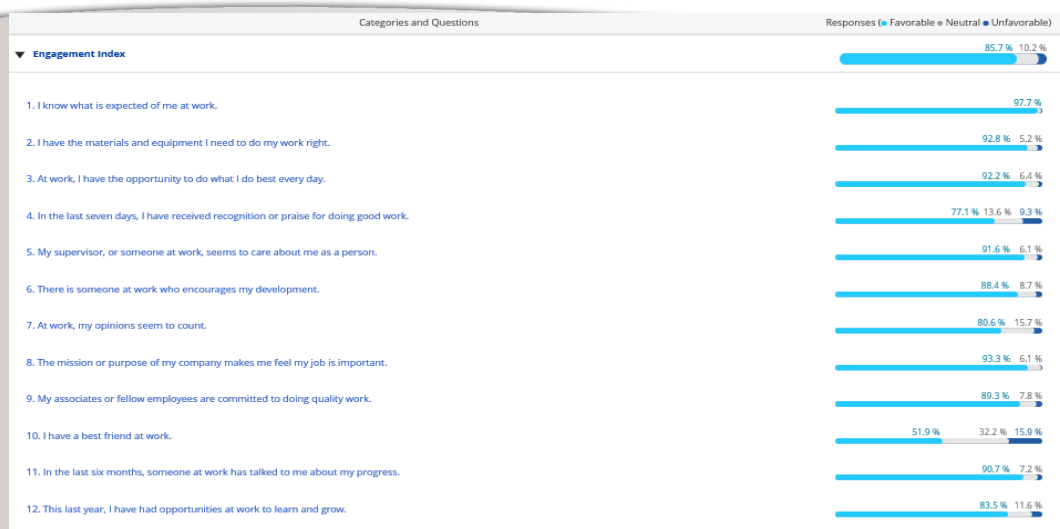
**Not Engaged:** Not engaged employees are psychologically unattached to their work and company. Because their engagement needs are not being fully met, they’re putting time – but not energy or passion – into their work.

**Actively Disengaged:** Actively disengaged employees aren’t just unhappy at work – they are resentful that their needs aren’t being met and are acting out their unhappiness. These employees are actively looking for other work on the job.

Source: Gallup.com



## Employee Engagement 2020 Gallup Q12



## Summary of the 2020 Employee Satisfaction and Engagement Survey

In spite of the pandemic and the hurdles KHS had to overcome related to remote work while trying to maintain a connected and high-performing workforce, management and staff persevered and gained new insights in to building a strong resilient workforce. The results included:

- 85.7% overall Engagement | 2.7% increase over 2019 | 35% national average (as reported on Gallup.com)
- Improved communication both companywide and intra-departmental
- Improved supervisor-employee relationships
- Higher degree of teamwork and collaboration
- Overall higher job satisfaction
- KHS has a solid workplace technology foundation and infrastructure
- All measures rated above the 80<sup>th</sup> percentile target for the first time since surveying employees



## Next Steps

- Report 2020 Employee Satisfaction and Engagement Survey department results to Directors and task them with an Action Plan for areas with a score below the 80<sup>th</sup> percentile.
  - Present Department Action Plans in March to Executive Officers Team.
- Report results of the 2020 Department Surveys and Department Action Plan to each department and the improvements from the 2019 Action Plan.
- CEO and CHRO to maintain semi-annual Town Hall Meetings virtually
- Continue to survey employees annually to measure Employee Satisfaction and Engagement
- Each department to document key drivers as well as new and innovative ways management has used to connect to employees and manage their staff remotely
- All Departments to continue quarterly team building activities



# Thank you!

**Anita Martin**

**Chief Human Resources Officer**

[anita.martin@khs-net.com](mailto:anita.martin@khs-net.com)

**(661) 664-5020**







**To: KHS Board of Directors**

**From: Emily Duran, Chief Network Administration Officer**

**Date: February 11, 2021**

**Re: 2019 Provider Satisfaction Survey**

---

**Background:**

Annually, Kern Health Systems (KHS) performs a provider satisfaction survey to evaluate the level of satisfaction with our plan performance by the network of providers. KHS engaged a third-party vendor who provides baseline survey data and national industry benchmark comparison to other Medi-Cal plans.

Overall, Kern Health Systems performed at an 88.3% satisfaction rating.

- The Medicaid Line of Business satisfaction rate for like plans surveyed by SPH Analytics was an overall 68.6% satisfaction.
- KHS scored dramatically higher when compared to our local competitor HealthNet where we contract with many of the same physicians.
- KHS scored higher than similar health plans from other counties conducting the same survey. The counties included Orange, Ventura, Kings, Fresno, San Joaquin, Stanislaus and Madera.

Enclosed is a PPT summary presentation that will be given to the Board showing the satisfaction survey results and outlines efforts to continue to rate favorably by our provider network.

**Requested Action:**

Receive and File.



# **Provider Satisfaction Survey Results**

## **Calendar Year 2019**

**Board of Directors  
February 11, 2021**



## Background & Timeline

- KHS conducts an annual provider satisfaction survey
- The 2020 survey measures CY 2019 KHS performance with network providers
- SPH Analytics (independent survey company) conducts the survey on KHS behalf
- KHS performance is benchmarked to HMO industry performance for similar measures
- Survey was conducted over three (3) waves through Q1/Q3 2020.



## Survey Panel

- Surveys were sent to all provider types:
  - Primary Care Providers
  - Specialists
  - Behavioral Health
  - Hospitals & Urgent Care Facilities
  - Pharmacies
  - Ancillary Provider Types
- 269 Total Surveys were received
  - 303 Surveys received last year
  - Provider's Offices Incentivized for Survey Completion
  - Plan attributes decrease to a side effect of COVID-19 pandemic. During the survey period, provider offices experienced temporary office closures and reduced hours during California stay-at-home orders in response to the COVID-19 outbreak.
- Confidence Level
  - Survey sample at 97% Confidence Level



## Report Highlights

Composites/ Attributes	KHS 2017 Rating	KHS 2018 Rating	KHS 2019 Rating	
Overall Satisfaction	77.0%	86.5%	88.3%	↑
Other Local Plans	54.4%	59.8%	64.3%	↑
Compensation	46.8%	51.3%	58.1%	↑
UM & Quality	45.8%	54.0%	54.1%	↑
Network/COC	43.2%	50.7%	52.7%	↑
Pharmacy	24.6%	32.2%	37.9%	↑
Health Plan Call Center	56.2%	60.0%	55.4%	↓
Provider Relations	55.6%	64.5%	70.5%	↑
Recommend to Other MDs	90.5%	93.0%	96.1%	↑



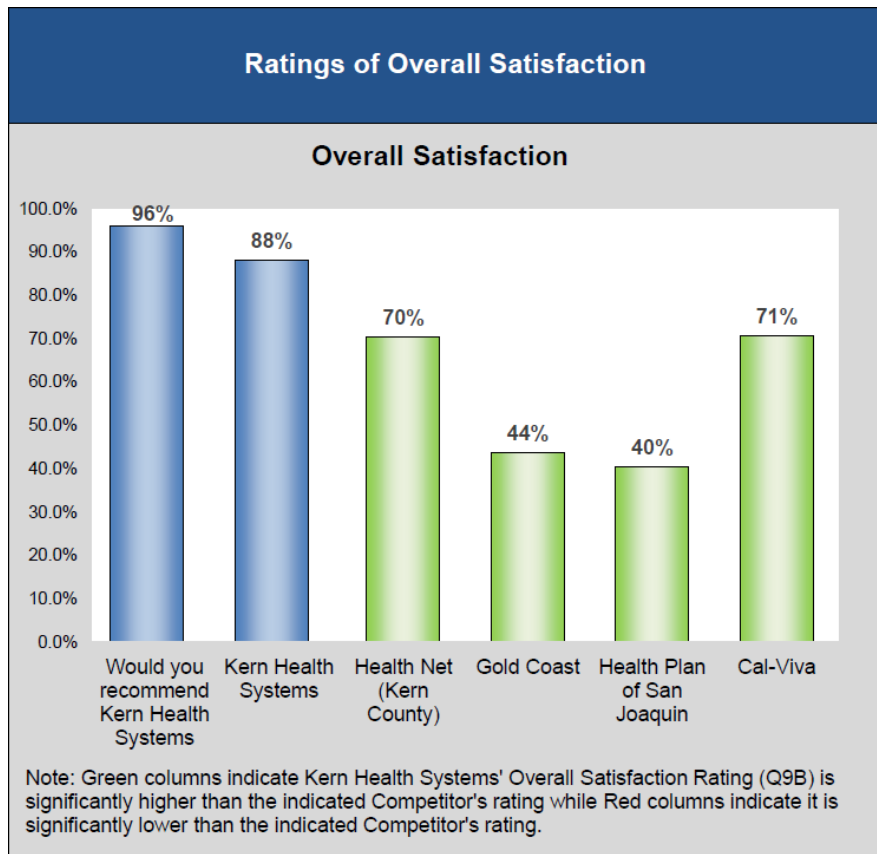
# Report Highlights

Composites/ Attributes	KHS 2019 Rating	2019 National Medicaid Summary Scores		90 <sup>th</sup> Percentile Score
Overall Satisfaction	88.3%	68.6%	Favorable F	Above
Other Local Plans	64.3%	34.8%	F	Above
Compensation	58.1%	30.2%	F	Above
UM & Quality	54.1%	32.5%	F	Above
Network/COC	52.7%	28.6%	F	Above
Pharmacy	37.9%	22.7%	F	Above
Health Plan Call Center	55.4%	37.4%	F	Above
Provider Relations	70.5%	35.0%	F	Above
Recommend to Other MDs	96.1%	83.6%	F	Above



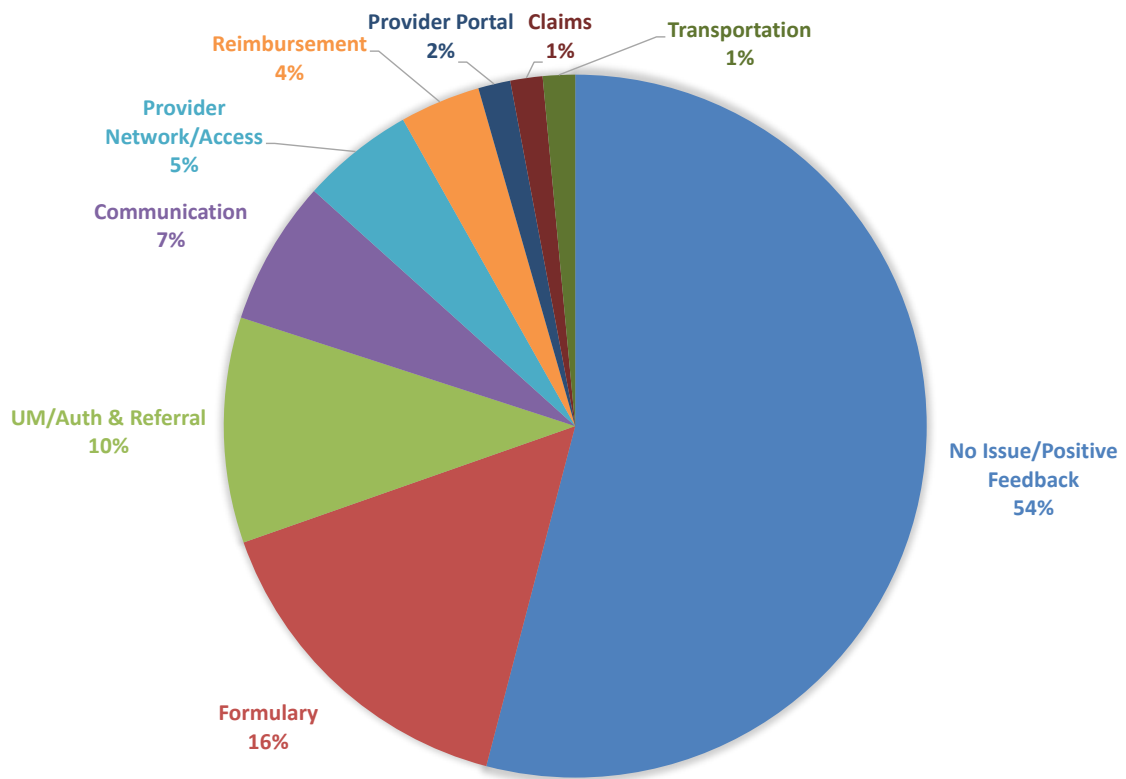


# Health Plan Comparison





# What Can KHS Do To Improve





## Next Steps

- Evaluate Call Center area, where rating decreased from prior year
- Enhance grant and special program opportunities for providers
- Continue to monitor and address referral and authorization concerns
- Create communication plan for provider education
  - Focus on virtual communication



# Questions

For additional information, please contact:

Emily Duran

Chief Network Administration Officer

(661) 664-5000



**To: KHS Board of Directors**

**From: Emily Duran, Chief Network Administration Officer**

**Date: February 11, 2021**

**Re: 2019-20 Provider Grant Report**

---

**Background**

In early 2019, Kern Health Systems Board of Directors approved \$4,000,000 in funding to support Provider Quality Care Programs. These Grants were to be used for provider service enhancement projects directed at improving access to quality health care for our members.

Enclosed is a power point presentation showing the variety of ways funds were used to achieve the goals of the Grant program.

**Requested Action**

Receive and File.



**KERN HEALTH  
SYSTEMS**

## Provider Quality Care Grant Program

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**BOARD OF DIRECTORS MEETING**


FEBRUARY 11, 2021

## Background

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Kern Health Systems' Board approved Provider Quality Care Grant program on June 13, 2019.

The objective for the 2019-2020 provider grant funding program was to focus on:

- ◇ Access to Care
  - ◇ Service Area Expansion
  - ◇ Quality Care Initiatives
  - ◇ Special needs populations
  - ◇ Expansion in provider hours of operation
  - ◇ New PCP or Specialty care clinics
  - ◇ Provider Recruitment and retention efforts
  - ◇ HEDIS focused Quality Care Initiatives
  - ◇ Minor capital projects/medical equipment
  - ◇ Home health program for High risk members
- 

## Grant Program Funding

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KHS allocated \$4,000,000 in grant funding for this grant cycle, to be distributed in the following provider categories:

◇ Safety Net Providers (SNP)	\$3,200,000
◇ Non-SNP/Community Providers	\$800,000



## Safety Net Providers

Safety Net Providers	Scope of Work	Timeline	Approved Budget	Outcomes
Clinica Sierra Vista	These grant funds will be used to implement a High Risk Pediatric Patient Care Coordination (HRPC) pilot program for patients between the ages of 0-21 yrs.	July 31, 2020 – June 30, 2021	\$976,756.50	Provider has not request any funding as of yet. Funding is to be used for R&R of 2 Primary care physicians, 2 Obstetrics/Gynecology, 2 internal Medicine and 3 Advanced practitioners.
Kern Medical Hospital Authority	The grant funds will be used to enhance and supplement provider recruitment & retention activities. Kern Medical seeks offer sign-on bonuses, retention incentives, CME incentives and other recruiting activates.	October 1, 2019 – September 30, 2020	\$1,156,216.85	The funding was used for onboarding of 17 full time and 1 part-time provider. Providers include 6 OB/GYN, 1 Uro/Gyn, 1 Ophthalmology , 2 psychiatry, 2 emergency medicine, 2 internal medicine, 1 hospitalists, 1 plastic surgeon, 1 radiologist and 1 part-time pediatrician.

Safety Net Providers	Scope of Work	Timeline	Approved Budget	Outcomes
Omni Family Health	The grant funds will be used to improve access through service area expansion and provider retention efforts.	October 1, 2019 – September 30, 2020	\$1,067,026.65	Funding was used for the constructions of Omni health centers in the 93301 and 93307 zip codes. Clinics opened in May 2020. The program also funded 12 provider retention loans.

## Omni's New Health Clinics



**White Lane Plaza**

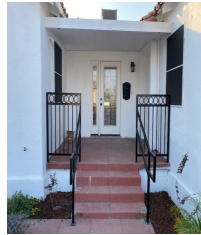


**H Street Health Center**

## Non-Safety Net Providers

Non-Safety Net Providers	Scope of Work	Timeline	Approved Budget	Outcomes
Sharma Medical Clinic Inc.	Expand access to care at their Delano Clinic by hiring a new provider. Increase HEDIS scores and manage patient care.	October 1, 2019 – September 30, 2020	\$58,120	Hiring of additional providers allowed expansion of clinic hours. Funding assisted with updating EMR System to allow improved HEDIS measures tracking and adding depression screenings for pregnant patients.
San Michael Pediatrics Inc.	Improve HEDIS by hiring a new medical assistant and purchasing new medical equipment.	October 1, 2019 – September 30, 2020	\$50,000	Clinic hired a new MA to improve quality and accuracy of HEDIS measures. From Oct – Aug, 6,788 medical visits in various HEDIS categories were completed. Funding also went toward office remodeling and purchase of new IT and Medical equipment.
Polyclinic Medical Center	Expand operational hours to increase access to care, enhance the clinic's electronic system and purchase minor medical equipment.	October 1, 2019 – September 30, 2020	\$120,000	Expanded access to care through extended hours and days. Expanded clinic's electronic systems by upgrading EMR and purchase of IT equipment. Upgraded medical services by the purchase of new medical equipment.

Non-Safety Net Providers	Scope of Work	Timeline	Approved Budget	Outcomes
Good Samaritan Hospital	Establish Recuperative Care program to assist medical providers in administering high quality post-acute clinical care and facilitate a safe and appropriate transition out of respite care that is driven by quality improvement.	October 1, 2019 – September 30, 2020	\$300,000	Grant funding is being used for construction of a 10 bed respite care facility. The facility is pending licensure.



Non-Safety Net Providers	Scope of Work	Timeline	Approved Budget	Outcomes
Ridgecrest Medical Transportation	Expand services in East Kern County. Hire two additional employees and two new van vehicles to provide transportation services for KHS members.	October 1, 2019 – September 30, 2020	\$101,880	Funding used for the purchase of two additional vans and hiring of additional employees to expand service. Program helped cover transportation needs in California city, Tehachapi, Ridgecrest and Lake Isabella.



**Ridgecrest Medical Transportation's grant funded vans**

Non-Safety Net Providers	Scope of Work	Timeline	Approved Budget	Outcomes
ACE Eyecare Inc.	Expand access to care, improve quality initiatives, lower long-term health care costs, increase clinic efficiency and improve patient experience.	October 1, 2019 – September 30, 2020	\$20,000	Medical equipment purchased helps improve visual acuity outcomes and eye measurements for KHS Patients.



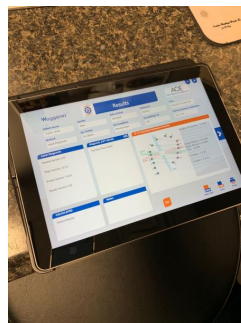
Zeiss I Terminal 2



Accutome A Scan Handle



Icare Tonometer



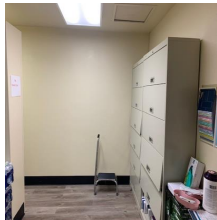
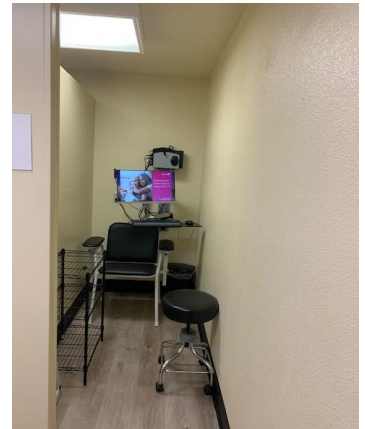
Waggoner color vision tablet



Ascan Accutome Machine

## Ace Eyecare's Grant funded equipment

Non-Safety Net Providers	Scope of Work	Timeline	Approved Budget	Outcomes
Adventist Health	Program aiming to expand access to care, increase service area, provide quality care and expansion in provider hours. Grant funding will be used for redevelopment/construction and furnishing in California City.	January 1, 2020 – December 31, 2020	\$150,000	The grant funding was used to cover a portion of modular improvements, IT costs and medical equipment. This site will assist in expanding access to care. The clinic is scheduled to open by Dec 31 <sup>st</sup> 2020.



**Adventist Health Cal City Clinic**

## Questions

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For additional information, please contact:

Emily Duran

Chief Network Administration Officer

661-664-5035



**KERN HEALTH  
SYSTEMS**





**To: KHS Board of Directors**

**From: Emily Duran, Chief Network Administration Officer**

**Date: February 11, 2021**

**Re: Provider Grant Program 2021-2022**

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### **Background**

Each January, the State determines its projected current year revenue to aid in developing its annual budget and setting priorities. Based on information available, the State determined revenue would be higher than expected in 2021 enabling the State to revisit initiatives that were put on hold in 2020. One such initiative impacting KHS is CalAIM. Health plans were notified by the Department of Health Care Services (DHCS) it will reinstitute the planning process and health plans should expect to launch certain CalAIM components as early as 2022. These include Enhanced Care Management (ECM), In Lieu Of Services (ILOS) Programs, Whole Person Care (WHP) and Organ Transplants.

Planning for this eventuality requires preparation on the part of our provider network that may include incurring infrastructure cost and / or service development cost for which the provider is unprepared to assume. Historically, Kern Health Systems provides grants for such purposes so that we may be ready to assume this responsibility and comply with all requirements mandated by DHCS.

### **Grant Program**

Kern Health Systems (KHS) is committed to our Safety Net and community provider network by offering grant opportunities. These funds are intended to enhance access to quality care programs for our members. As KHS prepares to add services that includes both clinical and non-clinical services through the CalAIM initiative, it's imperative to also extend these grants to selected community agencies who perform services that address our member's social determinants of health.

The focus for the new Provider Grant funded programs will be on the CalAIM Initiatives impacting:

- Access to Care
- Service Expansion and
- Care Quality

KHS is requesting \$10,000,000 in grant funding to be allocated to the following provider categories:

Safety Net Providers	\$8,000,000
Non-SNP/Community Providers	\$2,000,000

The requested amount is based on the number and size of initiatives required to fulfill our obligations under CalAIM that focus on access, service expansion and quality assurance. Much of which is included in the CalAIM rollout over the next few years is new to health plans like KHS. For example, ECM and ILOS includes serving current and new populations requiring additional nonmedical services currently outside of KHS's responsibility. Many of these services come through community based nonprofit organizations or from providers who will be new to our network. (In certain instances, current providers such as our Safety Net Providers will be able to expand their services to assume some new programs under CalAIM for their assigned members).

Configuring or realigning the network to smoothly access services, share data and account for service performance in the way we currently do now, will require new or modified infrastructure. The Grant program will assist with this expense for providers who can't afford the added cost.

To assure the money is not wasted, justification for funding is predicated on meeting the objectives of the Grant Program. The application process includes submitting a narrative describing what the Grant is for and how it will achieve the Grant Program objectives. It will also require documenting the full scope of work to be undertaken by Grantee and a detailed budget covering the scope of work required of the Grantee.

The approved amount in the Grant is limited only to what's necessary to meet the funding goal for each Grantee. Any funds remaining after awarding Grants are returned to KHS reserves.

**Requested Action**

KHS Board of Directors to:

1. Approve \$10,000,000 for 2021-2022 Provider Grant Program
2. Approve KHS CEO to perform grant administration, review and approval process



# **PROVIDER GRANT PROGRAM 2021-2022**

**Board of Directors  
February 11, 2021**



## Background

Kern Health Systems (KHS) is committed to our Safety Net and community provider network by offering grant opportunities. These funds are intended to enhance access to quality care programs for our members. As KHS prepares to add services that include non-clinical services through the CalAim initiative, it's imperative to also extend these grants to community agencies that can deliver resources that address our member's social determinants of health.



## Program Overview

The focus areas for the 2021-2022 provider grant funded programs will be:

- CalAim Initiatives
  - In-Lieu of Services (non-clinical resources)
  - Community resources addressing Social Determinants of Health
- Access to Care
  - Professional resources and/or skill acquisition
  - Service Delivery expansion of hours/days

## Program Overview Cont.

- Service Area Expansion
  - New PCP or Specialty care clinic
  - Minor clinic infrastructure
- Quality Care Initiatives
  - Medical equipment or technology improvements
  - Data sharing & EMR system improvements
  - Medical and Mental Health integration



## Program Funding Allocation

KHS is requesting \$10,000,000 in grant funding to be allocated to the following provider categories:

Safety Net Providers	\$8,000,000
Non-SNP/Community Providers	\$2,000,000

## Grantee Qualifications

1. Must be KHS Contracted Individual or Group Provider
2. Contracted provider must be in good standing
  - a) For community resource agencies, services must meet the CalAim definition of In-Lieu of Services
3. Proposed projects must demonstrate alignment to the grant program focus areas





## Reporting & Evaluation

- Monthly Progress Reports
- Monthly Financial Reports
- Evaluation reporting based on goals and objectives outlined in pre-approved Scope of Work



## **Grant Timeline**

Publish Grant – March 2021

Grant Responses Due – April 2021

KHS Proposal Reviews – May 2021

Awards Announced and Contracting – June 2021

**Project Period – July 1, 2021 – June 30, 2022**



## Requested Action

The requested action from the KHS Board of Directors:

1. Approve \$10,000,000 for 2021-2022 Provider Grant Program
2. Approve KHS CEO to perform grant administration, review and approval process



# Questions

For additional information, please contact:

Emily Duran

Chief Network Administration Officer

(661) 664-5000



**To: KHS Board of Directors**  
**From: Douglas Hayward, CEO**  
**Date: February 11, 2021**  
**Re: Update on KHS 2020 Goals and Objectives**

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**Background**

At the close of each calendar year Management summarizes the results of the annual departmental goals and objectives. The attached presentation includes the year-end status report on KHS' 2020 Department Goals and Objectives.

Unsurprisingly, the COVID 19 Public Health Emergency caused disruption which resulted in the delay of certain goals. Despite the unprecedented circumstances, KHS still achieved a high level of completion.

As of the end of 2020 staff has completed 101 (89%) of the departmental goals and objectives. The remaining 13 (11%) in-progress goals have been rolled into 2021 and are scheduled to be completed. An overview of the in-progress and incomplete items is included in the accompanying presentation.

**Requested Action**

Receive and File.



# 2020 Departmental Goals and Objectives Update

February 11, 2021



## Background

- Each year department-heads work with executive management to create goals and objectives. These goals are tied to the organization's strategic plan and/or the department's operational performance metrics.
- With 2020 coming to an end, management has prepared a summary status report for the departmental goals and objectives.
- Unsurprisingly, the COVID 19 Public Health Emergency caused disruption which resulted in the delay of certain goals. Despite the unprecedented circumstances, KHS still achieved a high level of completion.



## 2020 Goals and Objectives Summary

- Overall completion rate of 89%. Potentially becomes 100% completion rate when “in-progress” goals are completed.

2020 Goals and Objectives Summary			
Department	Green	Yellow	Red
Member Services	9	0	0
ALS Compliance	5	0	0
Claims	6	0	0
Corporate Services	5	0	0
Finance	14	0	0
Government Relations	4	0	0
Case Management	5	0	0
Disease Management	1	2	0
Health Education	3	1	0
Health Homes	2	2	0
Quality Improvement	3	2	0
Utilization Management	6	2	0
Pharmacy	5	0	0
Human Resources	8	3	0
Information Technology	5	1	0
Marketing	10	0	0
Provider Network Management	6	0	0
Project Management	4	0	0
<b>Total</b>	<b>101</b>	<b>13</b>	<b>0</b>
<b>Percentage</b>	<b>89%</b>	<b>11%</b>	<b>0%</b>

**Green** = Completed on time and desired outcome achieved

**Yellow** = In progress and desired outcome achievable

**Red** = Not completed or desired outcome not achieved





## Incomplete Items

- **Disease Management** – There were two goals related to creating in-person Diabetes Prevention and Asthma Management programs which were delayed due to the COVID Public Health Emergency (PHE). In 2020 KHS continued to provide services remotely and intends to move forward with in-person classes when possible in 2021.
- **Health Education** – A goal to evaluate the success and member satisfaction with the Member Engagement Pregnancy Program was mostly completed. A survey was sent, and the results are expected in Q1 2021. The team is also monitoring the compliance of prenatal visits and has seen improvement as of December, with year-end results expected in Q1 2021.
- **Health Homes** – The goal related to launching a CSV Health Home site was delayed due to the recruitment of an on-site Pediatrician. CSV continues to recruit for a provider and the HHP site is anticipated to start seeing members in Q1 2021.
- **Health Homes** – The HHP team partially completed work on internal reporting/dashboard improvements. Eligibility and Enrollment sections of the dashboard were completed for all sites. Remaining sections of the dashboard are in progress and to be completed in 2021.
- **Quality Improvement** – The QI team analyzed options for a new MCAS/HEDIS software vendor. With the support of the Executive team, it was determined the selection and implementation of new software should be postponed. The RFP process is now expected to take place in 2021.
- **Quality Improvement** – In early 2020 DHCS intended to update requirements related to the Facility Site Review process. DHCS postponed implementation of these requirements until after the COVID PHE subsides.
- **Utilization Management** – UM evaluated options to streamline the internal review process for certain specialty referrals. A proposal to contract with a vendor was ultimately canceled, however the team addressed the need by modifying other internal processes.
- **Utilization Management** – Staff worked with local partners to explore integrating with a community-wide software platform to improve data sharing. Additional work will continue into 2021, including RFP and installation of a system to coordinate with Community Based Organizations.
- **Human Resources** – There were three goals partially completed but delayed due to competing priorities resulting from the COVID PHE. These included initiatives to improve HR reporting capabilities, update career path documents, and facilitating trainings to assist departments in achieving their strategic goals.
- **IT/MIS** – The Business Intelligence team analyzed options for improving the KHS self-service reporting tool. The implementation project was placed on hold due to the addition of unplanned regulatory projects.





**To: KHS Board of Directors**

**From: Douglas Hayward, CEO**

**Date: February 11, 2021**

**Re: Update on KHS Strategic Plan**

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**Background**

After the close of each quarter Management updates the Board on KHS' Strategic Plan progress. With the conclusion of Q4 2020, KHS has now reached the end of the 2018-2020 Strategic Plan. Management has included a presentation showing the final status. In total, KHS was very successful in achieving the goals laid out in the Strategic Plan.

There are a few items that will carry over beyond the timeframe of this Strategic Plan. Most of those items are regulatory initiatives driven by external due dates (highlighted in yellow and green). In 2020, the State postponed implementation of these items until mid-2021 or 2022.

Additionally, there is one open item where the work is complete pending a final Board presentation to the Board. The item involves improvements made to KHS' Disaster Recovery Program. Management is finalizing the presentation format and timing for future Board presentation.

As previously discussed, it is KHS' intention to begin the new Strategic Planning development process later in 2021 for 2022 implementation. There have been recent discussions with our Strategic Planning facilitators (Pacific Health Consulting Group) to further refine when the process is to begin and the specific timing for the Strategic Planning Retreat tentatively scheduled for late 3<sup>rd</sup> quarter. We are expected to begin these efforts in April and will have more information at the next Board meeting.

**Requested Action**

Receive and file



# Q4 2020 Strategic Plan Update

February 11<sup>th</sup>, 2021



## 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.
- Q4 2020 marks the end of the current Strategic Plan. As expected, most items have been completed. Items that remain in progress are related to regulatory initiatives which extend beyond the end of 2020. These items will continue to be tracked and implemented.



## 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
<b>Align Compensation and Network Configuration to improve service quality and value in the health care delivery system</b>				
<b>Look to ways to compensate providers through value based purchasing using cost –effective, quality driven Alternative Reimbursement Arrangements.</b>				<b>Emily Duran</b>
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	8/1/2019	100.00%	
Determine desired outcome(s) for each	4/1/2018	12/31/2018	100.00%	
Determine impact to KHS internal operations for 2018 priorities	4/1/2018	7/1/2019	100.00%	
Develop provider specific proposals for 2018 priorities	1/1/2018	8/1/2019	100.00%	
For 2018 priorities Initiate provider contract revisions to change or enhance	4/1/2018	8/1/2019	100.00%	
For 2018 priorities, begin monitoring to determine if targeted outcomes are achieved	1/1/2019	8/1/2019	100.00%	
Determine impact to KHS internal operations for 2019 priorities	1/1/2019	8/1/2019	100.00%	
Develop provider specific proposals for 2019 priorities	1/1/2019	12/31/2019	100.00%	
For 2019 priorities Initiate provider contract revisions to change or enhance	1/1/2019	9/30/2019	100.00%	
For 2019 priorities, begin monitoring to determine if targeted outcomes are achieved	1/1/2019	10/31/2019	100.00%	
Design data tracking/reporting to determine achievement of the desired outcome	1/1/2020	6/30/2020	100.00%	
Determine impact to KHS internal operations for 2020 priorities	1/1/2020	12/1/2020	100.00%	
Begin monitoring to determine if targeted outcomes are achieved	1/1/2020	12/1/2020	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
<b>Align Compensation and Network Configuration to improve service quality and value in the health care delivery system</b>				
<b>Focus on internal departmental restructuring, fostering partnership, and utilization of new technologies.</b>				<b>Deborah Murr</b>
Reorganize UM, DM, CM Depts. to more effectively implement and monitor the Triple	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	1/1/2018	7/31/2018	100.00%	
<b>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”.</b>				<b>Emily Duran Deborah Murr</b>
Review network configuration to address Physical, Behavioral and Social Determinants	1/1/2018	11/30/2018	100.00%	
Adjust network configuration for changing population need and/or medical complexity	4/1/2018	11/30/2018	100.00%	
Using evidence based medicine as the standard, identify network gaps or limitations	4/1/2018	12/31/2018	100.00%	
Develop delivery system model to address needs at all levels using existing provider network, County Mental Health, County Human Services and Community Based Organizations	4/1/2018	12/31/2018	100.00%	
Develop clinical algorithms for Provider education to promote consistent management of member condition	4/1/2018	7/31/2019	100.00%	Deborah Murr
Establish provider compensation arrangements to support structure and performance goals, monitor expected outcomes	4/1/2018	10/31/2018	100.00%	
Ensure systems in place to communicate and coordinate patient care across the physical and mental health divide.	4/1/2018	11/15/2019	100.00%	Deborah Murr
Determine internal and external (Provider) operational needs to support concept	4/1/2018	11/15/2019	100.00%	Deborah Murr
Determine internal and external capital requirements where necessary to support	4/1/2018	11/15/2019	100.00%	Deborah Murr
Implementation	4/1/2018	12/31/2019	100.00%	Deborah Murr



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

Task Name	Start Date	Due Date	% Complete	Assigned To
<b>Prepare for New Benefits / Programs / Coverage Populations / Regulations</b>				
<b>Prepare for new or modified benefits, expanded coverage, or changes to the tracking and reporting requirements as required by government agencies</b>				<b>Jeremy McGuire</b>
Determine the impact of changes to benefits or population coverage categories, or monitoring and reporting requirements on KHS and provider network	1/1/2018	12/31/2020	100.00%	Jeremy McGuire
BHT Expansion	1/1/2018	7/31/2018	100.00%	Deborah Murr
Diabetes Prevention Program	1/1/2018	12/31/2018	100.00%	Deborah Murr
DHCS Sanctions	3/1/2019	6/30/2019	100.00%	Jeremy McGuire
2019 State Budget Items	1/1/2019	7/30/2019	100.00%	Jeremy McGuire
DHCS Rx Carve-Out	1/1/2019	6/30/2020	100.00%	Bruce Wearda
DHCS LTC and Transplant Carve-In	TBD	TBD	Delayed	Deborah Murr
CalAIM	TBD	TBD	Delayed	Jeremy McGuire
ECM / ILOS	TBD	TBD	Delayed	Deb Murr
LTC @ Home	TBD	TBD	Canceled	Martha Tasinga
Establish a project plan for instituting new benefits, coverage expansion, or tracking and reporting requirements	1/1/2018	12/31/2020	100.00%	Jeremy McGuire
Palliative Care	1/1/2018	3/31/2018	100.00%	Deborah Murr
Health Homes	1/1/2018	12/31/2019	100.00%	Julie Worthing
Diabetes Prevention Program	11/1/2018	4/26/2019	100.00%	Martha Tasinga
DHCS Sanctions Projects	6/1/2019	6/30/2020	100.00%	Deborah Murr
Rx Carve-Out	4/30/2020	3/31/2021	90.00%	Bruce Wearda
Determine the impact of Managed Care Final Rule (MCFR) to KHS, its policy, procedures, protocols and tracking and reporting functions.	1/1/2018	12/31/2020	100.00%	Jeremy McGuire
Establish a project plan for adopting MCFR requirements instituting new benefits, coverage expansion, or tracking and reporting requirements	1/1/2018	12/31/2020	100.00%	Jeremy McGuire
Hospital Directed Payments	7/30/2018	12/31/2020	100.00%	Jeremy McGuire
COBA	1/1/2018	2/28/2019	100.00%	Jeremy McGuire
Post implementation, audit each activity to ensure installation and performance meets KHS and government agencies expectations.	1/1/2018	12/31/2020	100.00%	Carmen Dobry





## Goal 3 – Increase Member Engagement in their Health Care

Task Name	Start Date	Due Date	% Complete	Assigned To
<b>Increase Member Engagement in their Health Care</b>				
<b>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.</b>				<b>Alan Avery</b>
Based on member's medical need, establish what programs and measures members can take to improve health outcomes.	1/1/2018	6/29/2018	100.00%	Martha Tasinga Deborah Murr
Gather information to determine ways to engage members more in maintaining health.	1/1/2018	3/29/2019	100.00%	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	6/28/2019	100.00%	Martha Tasinga Deborah Murr
Develop performance standards, data tracking system and reporting structure for the member engagement program.	3/1/2019	6/28/2019	100.00%	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	100.00%	Emily Duran
Leverage technology to enhance communication and improve service (administrative and clinical) to members	1/1/2018	6/28/2019	100.00%	Louie Iturriria Martha Tasinga
Explore ways to report health metrics to members to begin tracking what works and	9/3/2018	6/28/2019	100.00%	Deborah Murr
Survey membership to gauge satisfaction with member engagement program	1/1/2018	6/28/2019	100.00%	
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	100.00%	Deborah Murr Julie Worthing



## Goal 4 – Assure Kern Health Systems’ Long-Term Viability

Task Name	Start Date	Due Date	% Complete	Assigned To
<b>Assure Kern Health Systems Long Term Viability</b>				
<b>Maintain a Financially viable organization capable of meeting its obligations to its members, providers, and government agencies.</b>				<b>Robert Landis</b>
Annually develop an operating budget enabling KHS to achieve its annual goals	6/1/2020	12/10/2020	100.00%	Robert Landis
Annually develop capital budget to support new programs, member growth and benefits expansion	9/1/2020	12/10/2020	100.00%	Robert Landis Robin Plumb
Determine Capital Budget And Estimated Depreciation Expense	9/1/2020	10/2/2020	100.00%	
Prepare 2021 Capital Budget	9/1/2020	10/2/2020	100.00%	
Executive Review And Discussion - Executives to Review Capital Budget	10/5/2020	10/16/2020	100.00%	
Draft Capital Presented To Finance Committee	10/19/2020	11/13/2020	100.00%	
Final Capital Presented To Finance Committee - December Meeting	11/16/2020	12/4/2020	100.00%	
Final Capital Presented To KHS Board For Approval - December Meeting	12/4/2020	12/10/2020	100.00%	
Retain sufficient reserves to protect KHS from unexpected events to include but not limited to: unforeseen underwriting risks (adverse selection), actuarially unsound rates, un-financed or under financed required benefits, payment delays, future growth	1/1/2020	12/31/2020	100.00%	Robert Landis
Maintain an on-going dialogue with DHCS over reimbursement for any current or proposed, programs, benefits, aid categories or services KHS is required to provide by the State or Federal governments.	1/1/2020	12/31/2020	100.00%	Robert Landis
<b>Relocate KHS offices to its new facility which is convenient to members and able to house all functions in one location.</b>				<b>Emily Duran, MSA</b>
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	1/31/2019	100.00%	
Novate all Contracts to S.C. Anderson	6/1/2017	1/31/2019	100.00%	
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	1/1/2019	12/31/2019	100.00%	
Monitor On-Going Construction	1/1/2019	12/31/2019	100.00%	
Monitor Construction Budget	1/1/2019	12/31/2019	100.00%	
Compliance Oversight GC	1/1/2019	12/31/2019	100.00%	
Coordinate Move	9/30/2018	9/15/2019	100.00%	
Occupancy	7/1/2019	9/15/2019	100.00%	



## Goal 4 – Assure Kern Health Systems’ Long-Term Viability

Task Name	Start Date	Due Date	% Complete	Assigned To
<b>Assure Kern Health Systems Long Term Viability</b>				
<b>Consider opportunities to expand KHS business suitable to the mission and business model.</b>				<b>Jeremy</b>
Monitor key regulatory areas of MC Waiver, SUDS, APM/CP3 FQHC payment reform and	1/1/2018	12/31/2020	100.00%	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	100.00%	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	12/31/2020	100.00%	Julie Worthing Emily Duran
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	100.00%	Jeremy McGuire
Consider future Medicare SNP expansion	1/1/2020	6/30/2020	100.00%	Jeremy McGuire
<b>Ensure achievement of the annual Medical Loss Ratio as determined in KHS’s annual budget</b>				<b>Deborah Murr</b>
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	100.00%	
Review applicable changes in treatment modalities or best practices impacting respective medical service categories.	1/1/2018	12/31/2020	100.00%	
Identify potential medical service areas for impact and determine intervention strategies(s) required to achieve desired results	1/1/2018	12/31/2020	100.00%	
Develop reporting and monitoring system	1/1/2018	12/31/2020	100.00%	



## 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
<b>Optimize the use of technology to improve service to constituency and increase administrative / operations economies of scale.</b>				
<b>Continue to maximize utility of the new UM, CM, DM and QI operating system to integrate medical management responsibilities using a single platform (JIVA).</b>				<b>Deborah Murr</b>
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	6/30/2020	100.00%	
Implement JIVA Phase 3 to integrate HHP and QI Programs	1/1/2018	7/1/2019	100.00%	
Include prospects in annual project planning	1/1/2018	12/31/2020	100.00%	
Develop project budgets along with ROI and/or cost-benefit analysis	1/1/2018	12/31/2020	100.00%	
Continuously monitor and control for operational effectiveness	1/1/2018	12/31/2020	100.00%	
<b>Increase data sharing between and among providers and KHS to reduce health care cost and/or enhance the patient care experience</b>				<b>Richard Pruitt</b>
Identify opportunities for sharing information (e.g. Health Homes Program, telehealth, EDI)	1/1/2018	12/31/2019	100.00%	
Educate applicable providers about the importance of data sharing to reduce health care costs and/or enhance the patient care experience.	1/1/2018	12/31/2019	100.00%	
Develop approaches KHS can implement with providers to achieve a level of data sharing	1/1/2018	12/31/2019	100.00%	
Analyze and evaluate products or methods for effectiveness and compatibility with the health plan and provider community	1/1/2018	12/31/2019	100.00%	
Complete a cost benefit analysis of the data sharing program	1/1/2018	12/31/2018	100.00%	
Present to Board of Directors	1/1/2018	12/31/2018	100.00%	
Create plan for implementation	1/1/2018	12/31/2018	100.00%	
<b>Implement regulatory interoperability requirements</b>	<b>3/1/2020</b>	<b>3/31/2021</b>	<b>50.00%</b>	
Review and analyze requirements	3/1/2020	7/17/2020	100.00%	
Procure/build solution	5/1/2020	3/31/2021	85.00%	
Market/train constituents	7/1/2020	5/31/2021	10.00%	
Available for utilization	12/31/2020	3/31/2021	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
<b>Optimize the use of technology to improve service to constituency and increase administrative / operations economies of scale.</b>				
<b>Continuously identify and promote organizational efficiencies and process improvement through Business Process Reengineering (BPR).</b>				<b>Richard Pruitt</b>
Identify and analyze efficiencies and improvement opportunities	1/1/2020	12/31/2020	100.00%	
Perform cost analysis of efficiencies or improvement opportunity	1/1/2020	12/31/2020	100.00%	
Establish projects into annual project and budget planning	1/1/2020	12/31/2020	100.00%	
Align these initiatives with annual departmental goals and objectives	1/1/2020	12/31/2020	100.00%	
Continuously monitor and control for operational effectiveness	1/1/2020	12/31/2020	100.00%	
Create and execute project plans	1/1/2020	12/31/2020	100.00%	
<b>Review and Update Disaster Recovery and Business Continuity Plans to minimize risk of operational downtime</b>				<b>Richard Pruitt Alan Avery</b>
Update Disaster Recovery Plan	1/1/2020	8/30/2020	100.00%	
Procure and Install Disaster Recovery Software	1/1/2020	8/30/2020	100.00%	
Disaster Recovery testing	8/15/2020	12/31/2020	100.00%	
Report to Board of Directors	10/1/2020	4/30/2021	0.00%	



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

Task Name	Start Date	Due Date	% Complete	Assigned To
<b>Develop business intelligence unit devoted to support metrics driven performance and management at all organizational levels</b>				
<b>Create a KHS Business Intelligence Department with clearly defined roles and responsibilities.</b>				<b>Richard Pruitt</b>
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 and transition to BI	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%	
<b>Develop Business Intelligence Department processes and procedures to create an effective and efficient team that will support KHS.</b>				<b>Richard Pruitt</b>
Create a business analytic intake process that identifies needs, problems, actions,	1/1/2018	3/31/2018	100.00%	
Establish new data analytics procedure that optimizes full potential outcome and benefits	1/1/2018	6/30/2018	100.00%	
Create process analytics procedure that can identify areas of opportunity for process improvement or continuous 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	6/30/2019	100.00%	
Establish Audit/QA process to ensure that the department produces quality work products.	1/1/2018	12/31/2019	100.00%	
Establish regular monitoring of department processes/KPI/Data Governance to identify anomalies, unacceptable variance, or issues.	1/1/2018	12/31/2019	100.00%	
Provide business visibility of services contributed by BI efforts	1/1/2018	12/31/2019	100.00%	
Manage Inventory Process	1/1/2018	12/31/2018	100.00%	
Create Corporate Policies to support the new Business Intelligence processes/procedures	1/1/2018	12/31/2019	100.00%	



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

Task Name	Start Date	Due Date	% Complete	Assigned To
<b>Develop business intelligence unit devoted to support metrics driven performance and management at all organizational levels</b>				
<b>Provide centralized standard operational reporting and analytics for the company.</b>				<b>Richard Pruitt</b>
Provide Dept.'s data analysis and routine or adhoc reporting support.	1/1/2018	12/31/2020	100.00%	
<b>Provide Depts. with tools and training to perform routine data analysis and reporting</b>				<b>Richard Pruitt</b>
Empowering Depts. with the ability to perform self-service reporting capabilities and basic analytics for routine or simple analysis	1/1/2018	12/31/2020	100.00%	
Create quality control protocol to monitor dept reports for consistency and accuracy	1/1/2018	3/31/2020	100.00%	
Evaluate Depts. data and information requirements	1/1/2018	12/31/2018	100.00%	
<b>Continue to develop and refine a metrics-driven performance culture within the organizations administrative and medical disciplines to enhance operations.</b>				<b>Richard Pruitt</b>
Analyze and establish metric oriented baselines for measurement: Finance, Health Services, Physician Peer Profiles, HHP, Pharmacy, KHS/Statewide (DHCS) Benchmarks	1/1/2018	12/31/2019	100.00%	
Create presentation model(s) to ensure transparent and fluid communication with	1/1/2018	12/31/2019	100.00%	
Continuously monitor and affirm metrics and performance for effectiveness	1/1/2018	12/31/2019	100.00%	
Provide support for the annual Corporate Project Portfolio through Business Intelligence	1/1/2020	12/31/2020	100.00%	Angela Ahsan
Verify and Validate Return on Investment (ROI) Project Calculation prior to Project	1/1/2020	12/31/2020	100.00%	
Identify and create 2020 Project metrics	1/1/2020	12/31/2020	100.00%	
Measure Factors that are critical to the success of each Project	1/1/2020	12/31/2020	100.00%	







**To: KHS Board of Directors**

**From: Robert Landis, CFO**

**Date: February 11, 2021**

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

---

**Background**

The Kern Health Systems (“KHS”) Investment Policy stipulates the following order of investment objectives:

- Preservation of principal
- Liquidity
- Yield

The investment portfolios are designed to attain a market-average rate of return through economic cycles given an acceptable level of risk. KHS currently maintains the following investment portfolios:

**Short-Term Portfolio (Under 1 year)**

Funds held in this time frame are typically utilized to pay providers, meet operating expenses and fund capital projects. Additionally, extra liquidity is maintained in the event the State is late with its monthly capitation payment.

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

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

**Requested Action**

Receive and File.

**Kern Health Systems  
Investment Portfolio  
December 31, 2020**

**Short Term Portfolio (under 1 year)**

Funds held in this time frame are typically utilized to pay providers, meet operating expenses, distribute pass-through monies waiting for additional approvals and/or support to be paid and monies owed to the State for MCO Taxes. Extra liquidity is maintained in the event the State is late with its monthly capitation payment.

<u>Description</u>		<u>Dollar Amount</u>	<u>% of Portfolio</u>	<u>Maximum Allowed Per Policy</u>	<u>Approximate Current Yield</u>	<u>Liquidity</u>	<u>Principal Fluctuation</u>
Wells Fargo - Cash		(1) \$ 2,700,000	1.11%	100%		1 Day	None
Goldman Money Market	(A)	(1) \$ -	0.00%	40%		1 Day	None
Local Agency Investment Fund (LAIF)	(B)	(2) \$ 70,700,000	29.01%	50%	0.58%	2 Days	None
US T-Bills at Wells Fargo		(1) \$ 110,000,000	45.14%	100%	0.06%	1 Day	Subject to Interest Rate Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	(1) \$ 9,000,000	3.69%		0.17%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total		\$ 192,400,000	78.95%		0.26%		

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

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

UBS Managed Portfolio	(D)	\$ 51,300,000	21.05%		0.30%	3 Days	Subject to Interest Rate and Credit Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	\$ -	0.00%		0.00%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total		\$ 51,300,000	21.05%		0.30%		
<b>Total Portfolio</b>		<b>\$ 243,700,000</b>	<b>100.00%</b>		<b>0.27%</b>		

<u>Yield Curve</u>	<u>Yield Curve</u>			
	<u>Treasuries</u>	<u>AA Corporate Bonds</u>	<u>A Corporate Bonds</u>	<u>CD's</u>
1 year	0.09%	0.20%	0.24%	0.05%
2 year	0.11%	0.28%	0.33%	0.15%
3 year	0.15%	0.38%	0.57%	0.20%
5 year	0.35%	0.68%	0.72%	0.45%

- (A) Money market fund comprised of US Treasury and Repurchase Agreement Obligations.
- (B) LAIF is part of a \$107 Billion Pooled Money Investment Account managed by the State Treasurer of CA. Majority of portfolio is comprised of Treasuries, CD's, Time Deposits and Commercial Paper.
- (C) High quality diversified portfolio comprising commercial paper, corporate bonds and notes.
- (D) High quality diversified portfolio comprising certificate of deposits, corporate bonds and notes, municipal securities and US Treasury Securities. Includes investments maturing in less than 1 year that will be re-invested for over 1 year at maturity.
- (1) Funds are utilized to pay providers, meet operating expenses, distribute pass-through monies waiting for additional approvals and/or support, amounts owed to the State for MCO Taxes, potential State premium recoupments and for amounts owed under various Risk Corridors. Extra liquidity is maintained in the event the State is late with its monthly capitation payment.
- (2) Funds are primarily utilized to fund various Grant Programs and 2021 capital projects.



**Branch office:**  
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Suite 230  
Bakersfield, CA 93311

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

## UBS Client Review

as of December 31, 2020

### Prepared for

Kern Health Systems

### Accounts included in this review

Account	Name	Type
EX XX120	• BOND PORTFOLIO	• Portfolio Management Program
Risk profile:	Conservative	
Return Objective:	Current Income	

### What's inside

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## Portfolio review

as of December 31, 2020

### Asset allocation review

	Value on 12/31/2020 (\$)	% of Portfolio
<b>A Cash</b>	<b>56,159.02</b>	<b>0.11</b>
Cash	56,159.02	0.11
US	56,159.02	0.11
<b>B Fixed Income</b>	<b>51,258,679.64</b>	<b>99.89</b>
US	51,258,679.64	99.89
US Fixed Income	200,278.74	0.39
Government	12,314,351.28	24.00
Municipals	2,502,458.33	4.88
Corporate IG Credit	36,241,591.29	70.62
<b>C Equity</b>	<b>0.00</b>	<b>0.00</b>
<b>D Commodities</b>	<b>0.00</b>	<b>0.00</b>
<b>E Non-Traditional</b>	<b>0.00</b>	<b>0.00</b>
<b>F Other</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Portfolio</b>	<b>\$51,314,838.66</b>	<b>100%</b>



Balanced mutual funds are allocated in the 'Other' category.

### Portfolio value and investment results

Performance returns (annualized > 1 year)

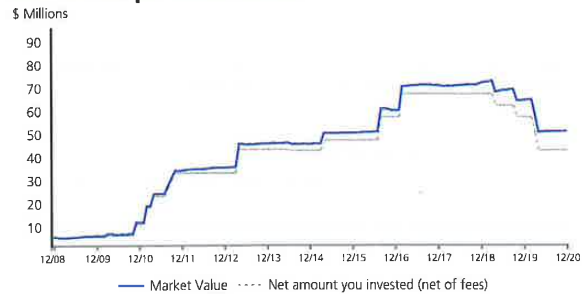
	For the period of 12/31/2019 to 03/31/2020	For the period of 03/31/2020 to 06/30/2020	For the period of 06/30/2020 to 09/30/2020	For the period of 09/30/2020 to 12/31/2020
<b>Opening value</b>	<b>64,774,148.39</b>	<b>58,129,797.38</b>	<b>51,191,820.22</b>	<b>51,263,475.90</b>
Net deposits/withdrawals	-7,028,930.59	-7,427,147.10	-21,163.90	-24,483.19
Div./interest income	344,471.43	276,248.55	162,495.87	233,052.70
Change in accr. interest	-54,177.38	-51,281.07	45,507.55	-43,329.00
Change in value	94,285.53	264,202.47	-115,183.84	-113,877.75
<b>Closing value</b>	<b>58,129,797.38</b>	<b>51,191,820.22</b>	<b>51,263,475.90</b>	<b>51,314,838.66</b>
Net Time-weighted ROR	0.64	0.90	0.14	0.10

Net deposits and withdrawals include program and account fees.

### EX XX120 • BOND PORTFOLIO • Portfolio Management Program

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

### Sources of portfolio value



### Summary of gains and losses

	Short term (\$)	Long term (\$)	Total (\$)
<b>2019 Realized gains and losses</b>	<b>6,267.00</b>	<b>32,265.75</b>	<b>38,532.75</b>
Taxable	6,267.00	32,265.75	38,532.75
Tax-deferred	0.00	0.00	0.00
<b>2020 Year to date</b>	<b>23,642.27</b>	<b>224,416.40</b>	<b>248,058.67</b>
Taxable	23,642.27	224,416.40	248,058.67
Tax-deferred	0.00	0.00	0.00

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

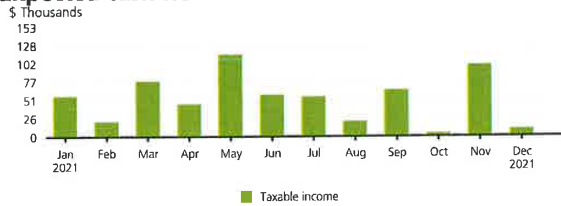
Report created on: January 13, 2021

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Portfolio review - as of December 31, 2020 (continued)

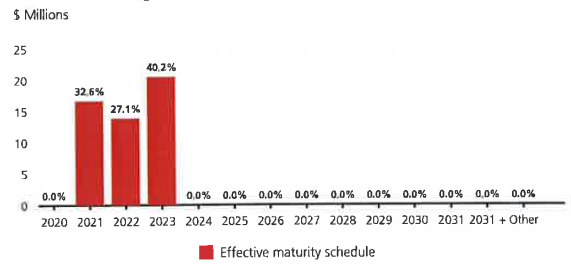
**Expected cash flow**



**Total taxable income: \$652,351.98**  
**Total expected cash flow: \$652,351.98**  
 Cash flows displayed account for known events such as maturities and mandatory puts

**EX XX120 • BOND PORTFOLIO • Portfolio Management Program**  
 Prepared for: **Kern Health Systems**  
 Risk profile: Conservative  
 Return Objective: Current Income

**Bond maturity schedule**



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

**Equity sector analysis**

Compared to S&P 500 index

	Value on 12/31/2020 (\$)	Actual (%)	Model (%)	Gap (%)
Communication Services	0.00	0.00	10.72	-10.72
Consumer Discretionary	0.00	0.00	11.67	-11.67
Consumer Staples	0.00	0.00	7.18	-7.18
Energy	0.00	0.00	2.63	-2.63
Financials	0.00	0.00	10.91	-10.91
Health Care	0.00	0.00	13.38	-13.38
Industrials	0.00	0.00	7.86	-7.86
Information Technology	0.00	0.00	27.21	-27.21
Materials	0.00	0.00	2.83	-2.83
Real Estate	0.00	0.00	2.32	-2.32
Utilities	0.00	0.00	2.64	-2.64
<b>Total classified equity</b>	<b>\$0.00</b>			
Unclassified Securities	0.00			

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

Report created on: January 13, 2021



**EX XX120 • BOND PORTFOLIO • Portfolio Management Program**  
 Prepared for: **Kaiser Health Systems**  
 Risk profile: **Conservative**  
 Return Objective: **Current Income**

Portfolio review - as of December 31, 2020 (continued)

**Summary of performance by account**

	Performance start date	Value on 12/31/2020 (\$)	% of portfolio		Performance returns (annualized > 1 year)			
					For the period of 12/31/2019 to 02/21/2020	For the period of 03/31/2020 to 06/30/2020	For the period of 09/30/2020 to 12/31/2020	For the period of 03/31/2020 to 09/30/2020
EX000120 BOND PORTFOLIO*PMI*The Cohen Group Fixed Income - PV Risk profile: Conservative Return objective: Current Income	Dec 08, 2008	\$1,314,838.66	100.00%	Net time-weighted	0.64%	0.90%	0.14%	0.10%
<b>Total Portfolio</b>	<b>Dec 08, 2008</b>	<b>\$1,314,838.66</b>	<b>100%</b>	<b>Net time-weighted</b>	<b>0.64%</b>	<b>0.90%</b>	<b>0.14%</b>	<b>0.10%</b>
<b>Benchmarks - Annualized time-weighted returns</b>					For the period of 12/31/2019 to 02/21/2020	For the period of 03/31/2020 to 06/30/2020	For the period of 09/30/2020 to 12/31/2020	For the period of 03/31/2020 to 09/30/2020
Blended Index					0.24%	2.47%	0.40%	0.42%
Blended Index 2					0.54%	1.32%	0.22%	0.21%
US Treasury Bill - 3 Mos					0.47%	0.02%	0.03%	0.02%
Barclays US Agg 1-3Y					1.79%	0.88%	0.16%	0.22%
SNP 500					-19.60%	20.54%	8.93%	12.15%

Blended Index: 11/06/2019 - Current: 40% Barclays Corp 1-3Y, 55% Barclays Govt/Creds 1-3Y Blended Index 2: Start - Current: 30% BofA 1Y Tn Note, 40% BofA US Corp 1-3Y A-AAA, 30% US Treasury Bill - 3 Mos  
 Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

Report created on: January 13, 2021

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## Asset allocation by account

as of December 31, 2020

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Reported for: KHS Health Systems  
 Risk profile: Conservative  
 Return Objective: Current Income

	Equities (\$%)			Fixed Income (\$%)			Non-Traditional (\$%)	Commodities (\$%)	Other (\$%)	Total
	Cash (\$%)	U.S.	Global	International	U.S.	Global				
	56,159.02	0.00	0.00	0.00	51,258,679.64	0.00	0.00	0.00	0.00	551,314,838.66
<b>Total Portfolio</b>	<b>0.11</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>99.89</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>100.00%</b>
	56,159.02	0.00	0.00	0.00	51,258,679.64	0.00	0.00	0.00	0.00	551,314,838.66
	0.11	0.00	0.00	0.00	99.89	0.00	0.00	0.00	0.00	100.00%

EX XX120 - BOND PORTFOLIO - BSA FMP

Risk profile: Conservative  
 Return objective: Current Income

	Equities (\$%)			Fixed Income (\$%)			Non-Traditional (\$%)	Commodities (\$%)	Other (\$%)	Total
	Cash (\$%)	U.S.	Global	International	U.S.	Global				
	56,159.02	0.00	0.00	0.00	51,258,679.64	0.00	0.00	0.00	0.00	551,314,838.66
<b>Total Portfolio</b>	<b>0.11</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>99.89</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>100%</b>

Balanced mutual funds are allocated in the "Other" category



## Asset allocation review

as of December 31, 2020

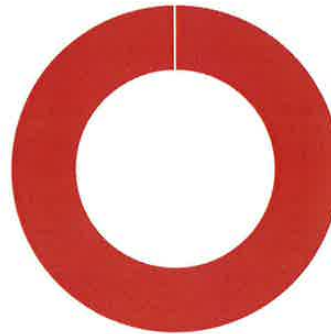
### Summary of asset allocation

	Market value (\$)	% of Portfolio
<b>Cash</b>	<b>56,159.02</b>	<b>0.11</b>
Cash	56,159.02	0.11
US	56,159.02	0.11
<b>Fixed Income</b>	<b>51,258,679.64</b>	<b>99.89</b>
US	51,258,679.64	99.89
US Fixed Income	200,278.74	0.39
Government	12,314,351.28	24.00
Municipals	2,502,458.33	4.88
Corporate IG Credit	36,241,591.29	70.62
<b>Equity</b>	<b>0.00</b>	<b>0.00</b>
<b>Commodities</b>	<b>0.00</b>	<b>0.00</b>
<b>Non-Traditional</b>	<b>0.00</b>	<b>0.00</b>
<b>Other</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Portfolio</b>	<b>\$51,314,838.66</b>	<b>100%</b>

Balanced mutual funds are allocated in the 'Other' category

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

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



■ Cash 0.11%  
 ■ US Fixed Income 99.89%





## Bond summary

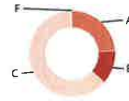
as of December 31, 2020

### Bond overview

Total quantity	50,542,000
Total market value	\$51,077,605.03
Total accrued interest	\$181,074.61
Total market value plus accrued interest	\$51,258,679.64
Total estimated annual bond interest	\$772,270.80
Average coupon	1.54%
Average current yield	1.51%
Average yield to maturity	0.47%
Average yield to worst	0.30%
Average modified duration	1.26
Average effective maturity	1.63

### Credit quality of bond holdings

Effective credit rating	Issues	Value on 12/31/2020 (\$)	% of port.
<b>A</b> Aaa/AAA/AAA	7	12,314,351.28	24.09
<b>B</b> Aa/AA/AA	4	6,556,643.61	12.79
<b>C</b> A/A	22	32,187,406.01	62.73
<b>D</b> Baa/BBB/BBB	0	0.00	0.00
<b>E</b> Non-investment grade	0	0.00	0.00
<b>F</b> Certificate of deposit	1	200,278.74	0.39
<b>G</b> Not rated	0	0.00	0.00
<b>Total</b>	<b>34</b>	<b>\$51,258,679.64</b>	<b>100%</b>

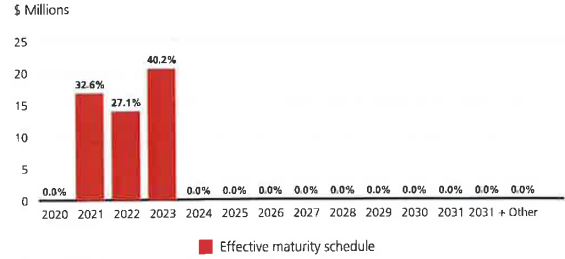


**EX XX120 • BOND PORTFOLIO • Portfolio Management Program**  
 Prepared for: Kern Health Systems  
 Risk profile: Conservative  
 Return Objective: Current Income

### Investment type allocation

Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
Certificates of deposit	200,278.74	0.00	200,278.74	0.39
Municipals	2,502,458.33	0.00	2,502,458.33	4.88
U.S. corporates	36,241,591.29	0.00	36,241,591.29	70.70
U.S. federal agencies	12,314,351.28	0.00	12,314,351.28	24.02
<b>Total</b>	<b>\$51,258,679.64</b>	<b>\$0.00</b>	<b>\$51,258,679.64</b>	<b>100%</b>

### Bond maturity schedule



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

Includes all fixed income securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.  
 Report created on: January 13, 2021



**Bond holdings**  
as of December 31, 2020

EX XX120 • BOND PORTFOLIO • Portfolio Management Program  
Prepared for Kern Health Systems  
Risk profile: Conservative  
Return Objective: Current Income

**Summary of bond holdings**

Maturity Year	Issues	Quantity	Est. annual income (%)	Current yield (%)	Yield to maturity (%)	Yield to worst (%)	Modified duration	Adjusted cost basis (\$)	Unrealized gain/loss (\$)	Net value (\$)	% of bond portfolio maturing
2020	0	0			NA	NA	NA				
2021	17	16,518,000	403,721.75	2.42%	0.61 %	0.33 %	0.46	16,519,745.18	151,703.64	16,754,735.51	32.64%
2022	10	13,574,000	244,449.05	1.76%	0.41 %	0.27 %	1.08	13,716,536.47	133,933.74	13,816,654.13	27.12%
2023	12	20,450,000	124,028.00	0.60%	0.38 %	0.30 %	2.01	20,538,337.52	17,348.48	20,587,290.00	40.24%
2024	0	0			NA	NA	NA				
2025	0	0			NA	NA	NA				
2026	0	0			NA	NA	NA				
2027	0	0			NA	NA	NA				
2028	0	0			NA	NA	NA				
2029	0	0			NA	NA	NA				
2030	0	0			NA	NA	NA				
2031	0	0			NA	NA	NA				
2032	0	0			NA	NA	NA				
2033	0	0			NA	NA	NA				
2034	0	0			NA	NA	NA				
2035	0	0			NA	NA	NA				
2036	0	0			NA	NA	NA				
2037	0	0			NA	NA	NA				
2038	0	0			NA	NA	NA				
2039	0	0			NA	NA	NA				
2040	0	0			NA	NA	NA				
2041	0	0			NA	NA	NA				
2042	0	0			NA	NA	NA				
2043	0	0			NA	NA	NA				
2044	0	0			NA	NA	NA				
2045	0	0			NA	NA	NA				
2046	0	0			NA	NA	NA				
2047	0	0			NA	NA	NA				
2048	0	0			NA	NA	NA				
2049	0	0			NA	NA	NA				
2049 =	0	0			NA	NA	NA				
Other	0	0			NA	NA	NA				
<b>Total</b>	<b>34</b>	<b>50,542,000</b>	<b>\$772,270.80</b>	<b>1.51%</b>	<b>0.47 %</b>	<b>0.30 %</b>	<b>1.26</b>	<b>\$50,774,619.17</b>	<b>\$302,985.86</b>	<b>\$51,258,679.64</b>	

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities  
Report created on: January 13, 2021



EX XX120 • BOND PORTFOLIO • Portfolio Management Program  
 Prepared for: Kern Health Systems  
 Risk profile: Conservative  
 Return Objective: Current Income

Bond holdings - as of December 31, 2020 (continued)

**Details of bond holdings**

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g1 (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
<b>Total Bond Portfolio</b>		<b>50,542,000</b>	<b>1.54%</b>	<b>08/18/2022</b>	<b>NA</b>	<b>\$772,279.90</b> <b>1.51%</b>	<b>0.41%</b> <b>0.30%</b>	<b>1.26</b>	<b>\$50,774,619.1</b> <b>\$302,985.86</b>	<b>NA</b>	<b>\$51,077,605.03</b> <b>\$181,074.61</b> <b>\$51,258,679.64</b>	<b>100%</b>

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g1 (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
<b>Maturing 2021</b>												
WELLS FARGO NATL B NV US RT 01.6500% MAT 01/13/21 FIXED RATE CD NV	CD	200,000	1.65%	01/13/2021		3,300.00 1.65%	0.02% 0.02%	0.03	199,800.00 316.00	100.058	200,116.00 162.74	0.39%
JPMORGAN CHASE & CO NTS 02.550% 03/01/21 DTD030116 FC090116 B/E	A2/AA-/A- NR/NR/NR	1,000,000	2.55%	03/01/2021	02/01/2021 100.00	25,500.00 2.55%	1.58% 0.64%	0.08	1,001,542.17 47.83	100.159	1,001,590.00 8,500.00	1.96%
BANK OF AMER CORP 02.625% 04/19/21 DTD041916 FC101916 CALL@MW+25BP	A2/A+/A- NR/NR/NR	3,143,000	2.63%	04/19/2021		82,503.75 2.61%	0.29% 0.29%	0.29	3,160,300.99 4,668.58	100.699	3,164,969.57 16,500.75	6.20%
GENL DYNAMICS CORP NTS 03.000% 05/11/21 DTD051118 FC111118 CALL@MW+10BP	A2/MD/A NR/NR/NR	1,000,000	3.00%	05/11/2021		30,000.00 2.97%	0.33% 0.33%	0.36	994,790.00 14,840.00	100.963	1,009,630.00 4,166.67	1.98%
BURLINGTON NTHN SANTA FE 04.100% 06/01/21 DTD051911 CALL@MW +15BP CORP NTS	A3/NR/A+ NR/NR/NR	1,000,000	4.10%	06/01/2021	03/01/2021 100.00	41,000.00 4.08%	2.66% 0.55%	0.16	1,006,868.55 -958.55	100.591	1,005,910.00 3,416.67	1.97%
LAM RESEARCH CORP NTS 2.800% 06/15/21 DTD060716 FC121516 CALL@MW+25BP	A3/NR/A- NR/NR/NR	2,000,000	2.80%	06/15/2021	05/15/2021 100.00	56,000.00 2.78%	0.84% 0.41%	0.37	2,016,344.11 1,435.89	100.889	2,017,780.00 2,488.89	3.95%
CATERPILLAR FINANCIAL SE 01.700% 08/09/21 DTD080916 FC020917 NTS B/E	A3/A/A NR/NR/NR	2,000,000	1.70%	08/09/2021		34,000.00 1.69%	0.30% 0.30%	0.60	1,984,080.00 32,800.00	100.844	2,016,880.00 13,411.11	3.95%
LOS ANG CAL TAX SR A BE/R/ 2.150 09/01/21 DTD 122116 /CA	Aa2/NR/NR Aa2/NR/NR	1,000,000	2.15%	09/01/2021		21,500.00 2.12%	0.35% 0.35%	0.66	994,250.00 17,740.00	101.199	1,011,990.00 7,166.67	1.98%
ORACLE CORP NTS B/E 01.900% 09/15/21 DTD070716 FC031517 CALL@MW+15BP	A3/A-/A NR/NR/NR	1,425,000	1.90%	09/15/2021	08/15/2021 100.00	27,075.00 1.88%	0.47% 0.28%	0.61	1,399,934.25 39,415.50	101.007	1,439,349.75 7,972.08	2.82%
NVIDIA CORP NTS B/E 2.200% 09/16/21 DTD091616 FC031617 CALL@MW+15BP	A2/A/A- NR/NR/NR	1,300,000	2.20%	09/16/2021	08/16/2021 100.00	28,600.00 2.17%	0.48% 0.25%	0.61	1,314,489.71 1,331.29	101.217	1,315,821.00 8,341.67	2.58%
CISCO SYSTEMS INC B/E 01.850% 09/20/21 DTD092016 FC032017 CALL@MW+10BP	A1/NR/A- NR/NR/NR	1,000,000	1.85%	09/20/2021	08/20/2021 100.00	18,500.00 1.83%	0.44% 0.26%	0.63	993,660.00 16,420.00	101.008	1,010,080.00 5,190.28	1.98%

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

Report created on: January 13, 2021



**EX XX120 • BOND PORTFOLIO • Portfolio Management Program**  
 Prepared for: Kern Health Systems  
 Risk profile: Conservative  
 Return Objective: Current Income

Bond holdings - as of December 31, 2020 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / Modified YTW (%) / duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port
<b>Maturing 2021</b>											
MISSISSIPPI ST TAX SR G BE/RV 2.470 110121 DTD 120815	Aa2/AAA/AA Aa2/AA/NR	1,450,000	2.47%	11/01/2021		35,815.00 2.42%	0.20% 0.20%	1,453,685.40 23,647.10	101.885	1,477,332.50 5,969.17	2.89%
<b>Total 2021</b>		<b>14,518,600</b>	<b>2.44%</b>	<b>07/08/2021</b>		<b>\$481,793.75</b> <b>2.42%</b>	<b>0.61%</b> <b>0.33%</b>	<b>\$18,519,745.1</b> <b>\$151,703.64</b>		<b>\$16,671,448.82</b> <b>\$83,286.69</b>	<b>32.64%</b>
<b>Maturing 2022</b>											
FFCB BOND 01.580 % DUE 011322 DTD 011320 FC 07132020	Aaa/AAA/AA+ NR/NR/NR	1,100,000	1.58%	01/13/2022	01/13/2021 100.00	17,380.00 1.58%	1.55% 0.59%	1,099,175.00 1,188.00	100.033	1,100,363.00 8,110.67	2.15%
PEPSICO INC NTS B/E 02.250% 050222 DTD050217 FC110217 CALL@MMW+10BP	A1/WD/A+ NR/NR/NR	1,089,000	2.25%	05/02/2022	04/02/2022 100.00	24,502.50 2.19%	0.34% 0.22%	1,087,301.16 29,348.55	102.539	1,116,649.71 4,015.69	2.19%
CATERPILLAR FINL SERVICE 00.950% 051322 DTD051520 FC111320 CALL@MMW+15BP	A3/A/A NR/NR/NR	1,500,000	0.95%	05/13/2022		14,250.00 0.94%	0.29% 0.29%	1,505,185.72 8,284.28	100.898	1,513,470.00 1,900.00	2.96%
IBM CORP NTS B/E 02.850% 051322 DTD051519 FC111519 CALL@MMW+10BP	A2/WD/A NR/NR/NR	1,500,000	2.85%	05/13/2022		42,750.00 2.75%	0.24% 0.24%	1,553,533.80 -253.80	103.552	1,553,280.00 5,462.50	3.04%
QUALCOMM INC NTS B/E 03.000% 052022 DTD052015 FC112015 CALL@MMW+15BP	A2/NR/A NR/NR/NR	1,000,000	3.00%	05/20/2022		30,000.00 2.89%	0.27% 0.27%	1,008,536.55 29,273.45	103.781	1,037,810.00 3,416.67	2.03%
UNITEDHEALTH GROUP INC 03.350% 071522 DTD072315 FC011516 CALL@MMW+20BP	A3/A/A+ NR/NR/NR	1,700,000	3.35%	07/15/2022		56,950.00 3.20%	0.21% 0.21%	1,778,730.85 3,209.15	104.820	1,781,940.00 26,260.28	3.49%
FHLMC MED TERM NTS 00.310 % DUE 081922 DTD 051920 FC 11192020	Aaa/AAA/NR NR/NR/NR	2,000,000	0.31%	08/19/2022	05/19/2021 100.00	6,200.00 0.31%	0.29% 0.24%	1,999,500.00 1,020.00	100.026	2,000,520.00 723.33	3.92%
HONEYWELL INTL INC NTS 00.483% 081922 DTD081920 FC021921 CALL@MMW+5BP	A2/A/A NR/NR/NR	1,000,000	0.48%	08/19/2022	08/19/2021 100.00	4,830.00 0.48%	0.38% 0.23%	1,001,570.74 29.26	100.160	1,001,600.00 1,771.00	1.96%
WALT DISNEY CO NTS B/E 01.650% 090122 DTD090619 FC030120	A2/A- NR/NR/NR	2,300,000	1.65%	09/01/2022		37,950.00 1.61%	0.26% 0.26%	2,290,501.00 62,445.00	102.302	2,352,946.00 12,650.00	4.61%
BANK OF AMER CORP 02.503% 102122 DTD102116 FC042117	A2/A- NR/NR/NR	385,000	2.50%	10/21/2022	10/21/2021 100.00	9,636.55 2.46%	1.49% 0.28%	392,501.65 -610.15	101.790	391,891.50 1,873.77	0.77%
<b>Total 2022</b>		<b>13,574,000</b>	<b>1.82%</b>	<b>04/25/2022</b>		<b>\$248,646.03</b> <b>1.76%</b>	<b>0.41%</b> <b>0.27%</b>	<b>1.09 \$13,716,536.4</b> <b>\$133,933.74</b>		<b>\$13,850,470.21</b> <b>\$66,183.91</b>	<b>27.12%</b>

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

Report created on: January 13, 2021



**EX XX120 • BOND PORTFOLIO • Portfolio Management Program**  
 Prepared for: Kern Health Systems  
 Risk profile: Conservative  
 Return Objective: Current Income

Bond holdings - as of December 31, 2020 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / Modified YTW (%) duration	Adjusted cost basis (\$)/ Unreal. g/ (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
<b>Maturing 2023</b>											
JPMORGAN CHASE & CO NTS 02.972% 011523 DTD120816 FC071517 CALL@MW+20BP	A2/AA-/A- NR/NR/NR	1,150,000	2.97%	01/15/2023	01/15/2022 100.00	34,178.00 2.89%	1.61% 0.34%	1,181,774.50 -448.50	102.724	1,181,326.00 15,759.86	2.31%
PEPSICO INC NTS B/E 00.750% 050123 DTD050120 FC110120 CALL@MW+10BP	A1/AWD/A+ NR/NR/NR	1,500,000	0.75%	05/01/2023		11,250.00 0.74%	0.14% 0.14%	1,515,231.36 6,158.64	101.426	1,521,390.00 1,875.00	2.98%
APPLE INC NTS B/E 00.750% 051123 DTD051120 FC111120 CALL@MW+10BP	Aa1/NR/AA+ NR/NR/NR	3,000,000	0.75%	05/11/2023		22,500.00 0.74%	0.24% 0.24%	3,030,376.23 5,413.77	101.193	3,035,790.00 3,125.00	5.94%
FNMA NTS 00.475 % DUE 061623 DTD 061620 FC 12162020	Aaa/AAA/AA+ NR/NR/NR	2,000,000	0.47%	06/16/2023	06/16/2021 100.00	9,500.00 0.47%	0.47% 0.44%	2,000,000.00 280.00	100.014	2,000,280.00 395.83	3.92%
JOHN DEERE CPTL CORP 00.700% 070523 DTD060420 FC010521 MED TERM NTS	A2/A/A NR/NR/NR	1,000,000	0.70%	07/05/2023		7,000.00 0.69%	0.28% 0.28%	1,008,633.73 1,956.27	101.059	1,010,590.00 4,025.00	1.98%
PACCAR FINANCIAL CORP 00.350% 081123 DTD081120 FC021121 MED TERM NTS	A1/NR/A+ NR/NR/NR	2,000,000	0.35%	08/11/2023		7,000.00 0.35%	0.37% 0.37%	2,000,000.00 -1,280.00	99.936	1,998,720.00 2,722.22	3.91%
PEPSICO INC NTS B/E 00.400% 100723 DTD100720 FC040721	A1/NR/A+ NR/NR/NR	600,000	0.40%	10/07/2023		2,400.00 0.40%	0.20% 0.20%	602,812.12 493.88	100.551	603,306.00 560.00	1.18%
FFCB BOND 00.290 % DUE 110223 DTD 110220 FC 05022021	NR/AAA/AA+ NR/NR/NR	2,000,000	0.29%	11/02/2023	11/02/2021 100.00	5,800.00 0.29%	0.30% 0.30%	1,998,818.00 742.00	99.978	1,999,560.00 950.56	3.91%
FHLMC MED TERM NTS 00.350 % DUE 111323 DTD 081320 FC 11132020	Aaa/AAA/NR NR/NR/NR	1,200,000	0.35%	11/13/2023	05/13/2021 100.00	4,200.00 0.35%	0.37% 0.37%	1,199,580.00 -276.00	99.942	1,199,304.00 560.00	2.35%
FANNIE MAE NTS 00.310 % DUE 111623 DTD 111620 FC 05162021	Aaa/AAA/AA+ NR/NR/NR	2,000,000	0.31%	11/16/2023	11/16/2022 100.00	6,200.00 0.31%	0.27% 0.25%	1,999,800.00 2,400.00	100.110	2,002,200.00 775.00	3.92%
BANK OF NY MELLON CORP 00.350% 120723 DTD120720 FC060721 NTS B/E	A1/AA-/A NR/NR/NR	2,000,000	0.35%	12/07/2023	11/07/2023 100.00	7,000.00 0.35%	0.30% 0.30%	2,001,311.58 1,688.42	100.150	2,003,000.00 466.67	3.92%
FHLMC NTS 00.350 % DUE 121123 DTD 121120 FC 06112021	Aaa/AAA/NR NR/NR/NR	2,000,000	0.35%	12/11/2023	06/11/2021 100.00	7,000.00 0.35%	0.35% 0.33%	2,000,000.00 220.00	100.011	2,000,220.00 388.89	3.92%
<b>Total 2023</b>		<b>28,450,000</b>	<b>0.61%</b>	<b>08/19/2023</b>		<b>\$124,028.80</b>	<b>0.38%</b>	<b>2.01</b>	<b>\$28,538,137.5</b>	<b>\$28,538,137.5</b>	<b>49.24%</b>
						<b>0.60%</b>	<b>0.30%</b>		<b>\$17,348.48</b>	<b>\$31,604.02</b>	
		<b>50,542,000</b>	<b>1.54%</b>	<b>08/18/2023</b>	<b>NA</b>	<b>\$772,276.80</b>	<b>0.47%</b>	<b>1.26</b>	<b>\$58,374,619.1</b>	<b>\$58,374,619.1</b>	<b>100%</b>
<b>Total Bond Portfolio</b>						<b>1.51%</b>	<b>0.30%</b>		<b>\$302,985.86</b>	<b>\$181,074.61</b>	
										<b>\$51,258,679.64</b>	

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

Report created on: January 13, 2021



EX XX120 • BOND PORTFOLIO • Portfolio Management Program

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

## Additional information about your portfolio

as of December 31, 2020

### Benchmark composition

#### Account EX XX120

##### Blended Index

Start - 05/15/2017: 50% Barclays US Gov 1-3Y, 50% Barclays Govt/Credit 1-5Y  
05/15/2017 - 05/31/2018: 100% Barclays Agg Bond  
05/31/2018 - 11/04/2019: 100% Barclays Agg Bond  
11/04/2019 - Current: 45% Barclays Corp 1-3Y, 55% Barclays Govt/Credit 1-3Y

##### Blended Index 2

Start - Current: 30% BofA 1Y Trs Note; 40% BofA US Corp 1-3Y A-AAA; 30% US Treasury Bill - 3 Mos



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

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

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

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

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

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

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

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

**Performance:** This report presents account activity and performance depending on which inception type you've chosen. The two options are: (1) All Assets (Since Performance Start) This presents performance for all assets since the earliest possible date; (2) Advisory Assets (Effective Date Start) For individual advisory accounts. This presents Advisory level performance since the Latest Strategic Start date, if an account that has never been managed is included in the consolidated report, the total performance of that unmanaged account will be included since inception.

**Time-weighted Returns for accounts / SWP/AAP sleeves (Monthly periods):** The report displays a time weighted rate of return (TWR) that is calculated using the Modified Dietz Method. This calculation uses the beginning and ending portfolio values for the month and weights each contribution/withdrawal based upon the day the cash flow occurred. Periods greater than one month are calculated by linking the monthly returns. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. All periods shown which are greater than 12 months are annualized. This applies to all performance for all assets before 09/30/2010, Advisory assets before 12/31/2010 and SWP sleeves before 04/30/2018.

**Time-weighted Returns for accounts / SWP/AAP sleeves (Daily periods):** The report displays a time weighted rate of return (TWR) that is calculated by dividing the portfolio's daily gain/loss by the previous day's closing market value plus the net value of cash flows that occurred during the day, if it was positive. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. Periods greater than one day are calculated by linking the daily returns. All periods shown which are greater than 12 months are annualized. For reports generated prior to 01/26/2018, the performance calculations used the account's end of day value on the performance inception (listed in the report under the column "ITD") and all cash flows were posted at end of day. As a result of the change, the overall rate of return (TWR) and beginning market value displayed can vary from prior generated reports. This

applies to all performance for all assets on or after 09/30/2010, Advisory assets on or after 12/31/2010, SWP/AAP sleeves on or after 04/30/2018 as well as all Asset Class and Security level returns.

**Money-weighted returns:** Money-weighted return (MWR) is a measure of the rate of return for an asset or portfolio of assets. It is calculated by finding the daily Internal Rate of Return (IRR) for the period and then compounding this return by the number of days in the period being measured. The MWR incorporates the size and timing of cash flows, so it is an effective measure of returns on a portfolio.

**Annualized Performance:** All performance periods greater than one year are calculated (unless otherwise stated) on an annualized basis, which represents the return on an investment multiplied or divided to give a comparable one year return.

**Cumulative Performance:** A cumulative return is the aggregate amount that an investment has gained or lost over time, independent of the period of time involved.

**Net of Fees and Gross of Fees Performance:** Performance is presented on a "net of fees" and "gross of fees" basis, where indicated. Net returns do not reflect Program and wrap fees prior to 10/31/10 for accounts that are billed separately via invoice through a separate account billing arrangement. Gross returns do not reflect the deduction of fees, commissions or other charges. The payment of actual fees and expenses will reduce a client's return. The compound effect of such fees and expenses should be considered when reviewing returns. For example, the net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance. It should also be noted that where gross returns are compared to an index, the index performance also does not reflect any transaction costs, which would lower the performance results. Market index data maybe subject to review and revision.

**Benchmark/Major Indices:** The past performance of an index is not a guarantee of future results. Any benchmark is shown for informational purposes only and relates to historical performance of market indices and not the performance of actual investments. Although most portfolios use indices as benchmarks, portfolios are actively managed and generally are not restricted to investing only in securities in the index. As a result, your portfolio holdings and performance may vary substantially from the index. Each index reflects an unmanaged universe of securities without any deduction for advisory fees or other expenses that would reduce actual returns, as well as the reinvestment of all income and dividends. An actual investment in the securities included in the index would require an investor to incur transaction costs, which would lower the performance

results. Indices are not actively managed and investors cannot invest directly in the indices. Market index data maybe subject to review and revision. Further, there is no guarantee that an investor's account will meet or exceed the stated benchmark. Index performance information has been obtained from third parties deemed to be reliable. We have not independently verified this information, nor do we make any representations or warranties to the accuracy or completeness of this information.

**Blended Index - For Advisory accounts,** Blended Index is designed to reflect the asset categories in which your account is invested. For Brokerage accounts, you have the option to select any benchmark from the list.

For certain products, the blended index represents the investment style corresponding to your client target allocation. If you change your client target allocation, your blended index will change in step with your change to your client target allocation.

Blended Index 2 - 8 - are optional indices selected by you which may consist of a blend of indices. For advisory accounts, these indices are for informational purposes only. Depending on the selection, the benchmark selected may not be an appropriate basis for comparison of your portfolio based on it's holdings.

**Custom Time Periods:** If represented on this report, the performance start date and the performance end date have been selected by your Financial Advisor in order to provide performance and account activity information for your account for the specified period of time only. As a result, only a portion of your account's activity and performance information is presented in the performance report, and, therefore, presents a distorted representation of your account's activity and performance.

**Net Deposits/Withdrawals:** When shown on a report, this information represents the net value of all cash and securities contributions and withdrawals, program fees (including wrap fees) and other fees added to or subtracted from your accounts from the first day to the last day of the period. When fees are shown separately, net deposits / withdrawals does not include program fees (including wrap fees). When investment returns is displayed net deposits / withdrawals does not include program fees (including wrap fees). For security contributions and withdrawals, securities are calculated using the end of day UBS FS price on the day securities are delivered in or out of the accounts. Wrap fees will be included in this calculation except when paid via an invoice or through a separate accounts billing arrangement. When shown on Client summary and/or Portfolio review report, program fees (including wrap fees) may not be included in net deposits/withdrawals. PACE Program fees paid from sources other than your PACE account are treated as a contribution. A PACE



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

**Program Fee rebate** that is not reinvested is treated as a withdrawal.

**Deposits:** When shown on a report, this information represents the net value of all cash and securities contributions added to your accounts from the first day to the last day of the period. On Client Summary Report and/or Portfolio Review Report, this may exclude the Opening balance. For security contributions, securities are calculated using the end of day UBS FS price on the day securities are delivered in or out of the accounts.

**Withdrawals:** When shown on a report, this information represents the net value of all cash and securities withdrawals subtracted from your accounts from the first day to the last day of the period. On Client Summary Report and/or Portfolio Review Report Withdrawals may not include program fees (including wrap fees). For security withdrawals, securities are calculated using the end of day UBS FS price on the day securities are delivered in or out of the accounts.

**Dividends/Interest:** Dividend and interest earned, when shown on a report, does not reflect your account's tax status or reporting requirements. Use only official tax reporting documents (i.e., 1099) for tax reporting purposes. The classification of private investment distributions can only be determined by referring to the official year-end tax-reporting document provided by the issuer.

**Change in Accrued Interest:** When shown on a report, this information represents the difference between the accrued interest at the beginning of the period from the accrued interest at the end of the period.

**Change in Value:** Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest. Change in Value may include program fees (including wrap fees) and other fees.

**Fees:** Fees represented in this report include program and wrap fees. Program and wrap fees prior to October 1, 2010 for accounts that are billed separately via invoice through a separate account billing arrangement are not included in this report.

**Performance Start Date Changes:** The Performance Start Date for accounts marked with a "\*" have changed. Performance figures of an account with a changed Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS FS. As a result, the overall performance of these accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS FS recommends

reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and will show performance and activity information from the earliest available inception date. The change in Performance Start Date may be the result of a performance gap due to a zero-balance that prevents the calculation of continuous returns from the inception of the account. The Performance Start Date may also change if an account has failed one of our performance data integrity tests. In such instances, the account will be labeled as "Review Required" and performance prior to that future will be restricted. Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details regarding your new Performance Start Date.

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

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

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

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

If you choose to display tax lot level information as separate line items on the Portfolio Holdings report, the tax lot information may include information from sources other than UBS FS. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other

than UBS FS. As a result this information may not be accurate and is provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. See your monthly statement for additional information.

**Pricing:** All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities. However, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS account statement for important information regarding the pricing used for certain types of securities. The sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your accounts, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use of the sources such as the last reported transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

**Cash:** Cash on deposit at UBS Bank USA is protected by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in principal and accrued interest per depositor for each ownership type. Deposits made in an individual's own name, joint name, or individual retirement account are each held in a separate type of ownership. Such deposits are not guaranteed by UBS FS. More information is available upon request.

**Asset Allocation:** Your allocation analysis is based on your current portfolio. The Asset Allocation portion of this report shows the mix of various investment classes in your account. An asset allocation that shows a significantly higher percentage of equity investments may be more appropriate for an investor with a more aggressive investment strategy and higher tolerance for risk. Similarly, the asset allocation of a more conservative investor may show a higher percentage of fixed income investments.

**Separately Managed Accounts and Pooled Investment Vehicles** (such as mutual funds, closed end funds and exchange traded funds). The asset classification displayed is based on firm's proprietary methodology for classifying assets. Please note that the asset classification assigned to rolled up strategies may include individual investments that provide exposure to other asset classes. For example, an International Developed Markets strategy may include exposure to Emerging Markets, and a US Large Cap strategy may include exposure to Mid Cap and Small Cap, etc.

**Mutual Fund Asset Allocation:** If the option to

unbundle balanced mutual funds is selected and if a fund's holdings data is available, mutual funds will be classified by the asset class, subclass, and style breakdown of their underlying holdings. Where a mutual fund or ETF contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the fund to those sectors measured as a percentage of the total fund's asset value as of the date shown.

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

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

**Ineligible Assets:** We require that you hold and purchase only eligible managed assets in your advisory accounts. Please contact your Financial Advisor for a list of the eligible assets in your program. These reports may provide performance information for eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your advisory assets. As a result, the performance reflected in this report can vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs. For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. Neither UBS nor your Financial Advisor will act as your investment adviser with respect to Ineligible Assets.

**Variable Annuity Asset Allocation:** If the option to unbundle a variable annuity is selected and if a variable annuity's holdings data is available, variable annuities will be classified by the asset class, subclass, and style breakdown for their underlying holdings. Where a variable annuity contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the variable annuity to those sectors measured as a percentage of the total variable annuity's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a





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

weekly basis to UBS FS based on data supplied by the variable annuity which may not be current. Portfolio holdings of variable annuities change on a regular (often daily) basis. Accordingly, any analysis that includes variable annuities may not accurately reflect the current composition of these variable annuities. If a variable annuity's underlying holding data is not available, it will remain classified as an annuity. All data is as of the date indicated in the report.

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

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

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

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

**Estimated Annual Income:** The Estimated Annual Income is calculated by summing the previous four dividend/interest rates per share and multiplying by the quantity of shares held in the selected account(s) as of the End Date of Report. For savings product & sweep funds this value is not calculated and is displayed as 0.

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

**Bond Rating:** These ratings are obtained from independent industry sources and are not verified by UBS FS. Securities without rating information are left blank. Rating agencies may discontinue ratings on high yield securities.

**NR:** When NR is displayed under bond rating column, no ratings are currently available from that rating agency.

**High Yield:** This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or

sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

**Credit/Event Risk:** Investments are subject to event risk and changes in credit quality of the issuer. Issuers can experience economic situations that may have adverse effects on the market value of their securities.

**Interest Rate Risk:** Bonds are subject to market value fluctuations as interest rates rise and fall. If sold prior to maturity, the price received for an issue may be less than the original purchase price.

**Reinvestment Risk:** Since most corporate issues pay interest semiannually, the coupon payments over the life of the bond can have a major impact on the bond's total return.

**Call Provisions:** When evaluating the purchase of a corporate bond, one should be aware of any features that may allow the issuer to call the security. This is particularly important when considering an issue that is trading at a premium to its par value, since the return may be negatively impacted if the issue is redeemed. Should an issue be called, investors may be faced with an earlier than anticipated reinvestment decision, and may be unable to reinvest their principal at equally favorable rates.

**Effective Maturity:** Effective maturity is the expected redemption due to pre-refunding, puts, or maturity and does not reflect any sinking fund activity, optional or extraordinary calls. Securities without a maturity date are left blank and typically include Preferred Securities, Mutual Funds and Fixed Income UITs.

**Yields:** Yield to Maturity and Yield to Worst are calculated to the worst call.

**Accrued Interest:** Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

**Bond Averages:** All averages are weighted averages calculated based on market value of the holding, not including accrued interest.

**Tax Status:** "Taxable" includes all securities held in a taxable account that are subject to federal and/or state or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

**Cash Flow:** The Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with

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

**Expected Cash Flow reporting for Puerto Rico Income Tax Purposes:** Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the firm and you should contact your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees or associated persons provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

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

**Gain/Loss:** The gain/loss information may include

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

**Gain/Loss reporting for Puerto Rico Income Tax Purposes:** Gain/Loss reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received gain/loss reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Pursuant to the Puerto Rico Internal Revenue Code (PRIRC) long-term capital gains are derived from the sale or exchange of capital assets held longer than six (6) months. For the purposes of this report only, long term gains and losses are represented by assets held for a period of more than six (6) months. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers for purposes other than determining realized gain/loss for Puerto Rico income tax purposes. Neither UBS FS nor its employees or associated persons provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

**Gain/Loss 60/40:** Index options listed in this report may be subject to IRS Tax Code - section 1256 categorizing them as broad-based index options. If so, the index may be eligible to be treated as 60% long term and 40% short term for tax purposes. Please contact your tax professional to determine eligibility.

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



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

Account names displayed in this report and labels used for groupings of accounts can be customizable "nicknames" chosen by you to assist you with your recordkeeping or may have been included by your financial advisor for reference purposes only. The names used have no legal effect, are not intended to reflect any strategy, product, recommendation, investment objective or risk profile associated with your accounts or any group of accounts, and are not a promise or guarantee that results, or any financial results, can or will be achieved. All investments involve the risk of loss, including the risk of loss of the entire investment.

For more information about account or group names, or to make changes, contact your Financial Advisor.

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

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

**ADV disclosure:** A complimentary copy of our current Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

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

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

available, an "as of" date is included in the description.

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

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

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**UBS**  
**Kern Health Systems**  
**Account Number: EBXXX20**

Your Financial Advisor  
 The UBS GROUP  
 Phone: 661-663-3100/800-629-8022

Filtered by: Entry Date 10/01/2020-12/31/2020, CallRedemption

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
12/29/20	12/29/20	CALL REDEMPTION	FHLMC NTS 00 400 % DUE 122922	FG12D0	-1,200,000.00	REDEMPTION	1,200,000.00
12/14/20	12/14/20	CALL REDEMPTION	VISA INC NTS B/E 2 200% 121420 DTD121415	904H56	-1,500,000.00	REDEMPTION	1,500,000.00
12/02/20	12/02/20	CALL REDEMPTION	FNMA NTS 00 450 % DUE 060223	FG12E8	-1,500,000.00	REDEMPTION	1,500,000.00
12/01/20	12/01/20	CALL REDEMPTION	FHLMC MED TERM NTS 00 340 % DUE 090122	FF9ZX1	-2,400,000.00	REDEMPTION	2,400,000.00
11/30/20	11/30/20	CALL REDEMPTION	PFIZER INC NTS B/E 01 950% 060321 DTD060316 AS OF 11	825DQ4	-1,070,000.00	REDEMPTION	1,079,715.60
11/25/20	11/25/20	CALL REDEMPTION	FNMA NTS 00 500 % DUE 052523	FF9S29	-2,500,000.00	REDEMPTION	2,500,000.00
11/23/20	11/23/20	CALL REDEMPTION	FHLMC MED TERM NTS 00 375 % DUE 112322	FF9B70	-2,000,000.00	REDEMPTION	2,000,000.00
10/30/20	10/30/20	CALL REDEMPTION	BOEING CO B/E 01 650% 103020 DTD102915	661FZ4	-2,000,000.00	REDEMPTION	2,000,000.00
10/28/20	10/28/20	CALL REDEMPTION	FNMA NTS 01 800 % DUE 102822	FD8FY0	-2,000,000.00	REDEMPTION	2,000,000.00
10/06/20	10/06/20	CALL REDEMPTION	PNC BK NTS B/E 02 450% 110520 DTD110315	815861	-320,000.00	REDEMPTION	320,000.00

Filtered by: Entry Date 10/01/2020-12/31/2020, Bought

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
12/30/20	01/04/21	BOUGHT	JPMORGAN CHASE & CO NTS 02 972% 011523 DTD120816	750QR1	1,150,000.00	\$102.763	-1,197,819.17
12/21/20	12/23/20	BOUGHT	IBM CORP NTS B/E 02 850% 051322 DTD051519	685554	1,500,000.00	\$103.634	-1,559,260.00
12/08/20	12/11/20	BOUGHT	FHLMC NTS 00 350 % DUE 121123	FH45V4	2,000,000.00	\$100.000	-2,000,000.00
12/08/20	12/10/20	BOUGHT	PEPSICO INC NTS B/E 00 400% 100723 DTD100720	787AM1	600,000.00	\$100.479	-603,294.00
12/07/20	12/09/20	BOUGHT	APPLE INC NTS B/E 00 750% 051123 DTD051120	8558E5	1,000,000.00	\$101.119	-1,011,773.33
12/07/20	12/09/20	BOUGHT	BANK OF NY MELLON CORP 00.350% 120723 DTD120720	693YF3	2,000,000.00	\$100.067	-2,001,378.89
12/01/20	12/02/20	BOUGHT	FANNIE MAE NTS 00 310 % DUE 111623	FH01D1	2,000,000.00	\$99.990	-2,000,075.56
12/01/20	12/02/20	BOUGHT	FFCB BOND 00 290 % DUE 110223	FG93R9	2,000,000.00	\$99.941	-1,999,301.33
11/03/20	11/05/20	BOUGHT	APPLE INC NTS B/E 00 750% 051123 DTD051120	8558E5	2,000,000.00	\$101.039	-2,028,030.00
11/03/20	11/05/20	BOUGHT	PACCAR FINANCIAL CORP 00 350% 081123 DTD081120	8155P8	2,000,000.00	\$100.000	-2,001,633.33
10/07/20	10/09/20	BOUGHT	BANK OF AMER CORP 02 503% 102122 DTD102116	6686D8	385,000.00	\$102.194	-397,943.86

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

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

The information is based upon the market value of your account(s) as of the close of business on December 31, 2020, is subject to daily market fluctuations and in some cases may be rounded for convenience. Your UBS account statements and trade confirmations are the official records of your accounts at UBS. We assign index benchmarks to our asset allocations, strategies in our separately managed accounts and discretionary programs based on our understanding of the allocation, strategy, the investment style and our research. The benchmarks included in this report can differ from those assigned through our research process.

As a result, you may find that the performance comparisons may differ, sometimes significantly, from that presented in performance reports and other materials that are prepared and delivered centrally by the Firm. Depending upon the composition of your portfolio and your investment objectives, the indexes used in this report may not be an appropriate measure for comparison purposes, and as such, are represented for illustrative only. Your portfolio holdings and performance may vary significantly from the index. Your financial advisor can provide additional information about how benchmarks within this report were selected. You have discussed the receipt of this individually customized report with your Financial Advisor and understand that it is being provided for informational purposes only. If you would like to revoke such consent, and no longer receive this report, please notify your Financial Advisor and/or Branch Manager.



Wells Fargo Bank, N.A.  
 333 SOUTH GRAND AVENUE  
 8TH FLOOR  
 LOS ANGELES CA 90071  
 JONATHAN CHUANG  
 1-213-253-6202

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

**Statement Period**  
**12/01/2020 - 12/31/2020**

KERN HEALTH SYSTEMS  
 2900 BUCK OWENS BOULEVARD

**Account Number**  
XXXXXXXXXX

**Account Value Summary** *USD*

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

	Amount Last Statement Period	Amount This Statement Period	Portfolio	%
Cash	\$ 0.00	\$ 0.00		0%
Money Market Mutual Funds	10,086,673.75	961.36		0%
Bonds	103,025,882.08	119,016,592.54		100%
Stocks	0.00	0.00		0%
<b>Total Account Value</b>	<b>\$ 113,112,555.83</b>	<b>\$ 119,017,553.90</b>		<b>100%</b>
<b>Value Change Since Last Statement Period</b>		<b>\$ 5,904,998.07</b>		
<b>Percent Increase Since Last Statement Period</b>				<b>5%</b>
<b>Value Last Year-End</b>		<b>\$ 72,702,342.87</b>		
<b>Percent Increase Since Last Year-End</b>				<b>64%</b>

**Income Summary** *USD*

	This Period	Year-To-Date
Interest	\$ 2,118.28	\$ 585,053.60
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	164.52	131,884.38
Other	0.00	0.00
<b>Income Total</b>	<b>\$ 2,282.80</b>	<b>\$ 716,937.98</b>

**Interest Charged** *USD*

Description	This Period
Debit Interest For December 2020	0.00
<b>Total Interest Charged</b>	<b>\$ 0.00</b>

**Money Market Mutual Funds Summary** *USD*

Description	Amount
<b>Opening Balance</b>	<b>\$ 10,086,673.75</b>
Deposits and Other Additions	165,003,129.39
Distributions and Other Subtractions	(175,089,008.30)
Dividends Reinvested	164.52
Change in Value	0.00
<b>Closing Balance</b>	<b>\$ 961.36</b>

Safekeeping

## Important Information

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

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

**Pricing:** Security and brokered certificate of deposit ("CD") prices shown on the statement are obtained from independent vendors or internal pricing sources. While we believe the prices are reliable, we cannot guarantee their accuracy. For exchange-listed securities, the price presented is the closing price at month end. For unlisted securities, it is the bid price at month end. The price of CDs that mature in one year or less are shown at last price traded. The price of CDs that mature in greater than one year and of other instruments that trade infrequently are estimated using similar securities for which prices are available. Prices on the statement may not necessarily be obtained when the asset is sold.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Statement Ending: December 31, 2020

**KERN HEALTH SYSTEMS**

Account Number: ██████████

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

Security ID	Description	Maturity Date	Coupon	Current Par / Original Par	Market Price*	Market Value	Original Par Pledged**	Callable
<b>Bonds USD</b>								
912796A58	US TREASURY BILL	01/05/21	0.000%	20,000,000.000	100.0000	20,000,000.00		
89236TFR1	TOYOTA MOTOR CREDIT CORP	01/08/21	0.770%	3,000,000.000	100.0053	3,000,157.74		N
912796A66	US TREASURY BILL	01/12/21	0.000%	50,000,000.000	99.9991	49,999,555.50		
912796A74	US TREASURY BILL	01/19/21	0.000%	20,000,000.000	99.9983	19,999,666.60		
912796A82	US TREASURY BILL	01/26/21	0.000%	20,000,000.000	99.9971	19,999,419.40		
69448WPG3	PACIFIC LIFE SHORT TERM 4(2) DISCOUNTED COMMERCIAL PAPER	02/16/21	0.000%	3,000,000.000	99.9743	2,999,228.43		
437076AW2	HOME DEPOT INC	04/01/21	4.400%	2,000,000.000	100.0000	2,000,000.00		Y
24422ERE1	JOHN DEERE CAPITAL CORP	07/12/21	3.900%	1,000,000.000	101.8565	1,018,564.87		N
				119,000,000.000		119,016,592.54	0.00	

\*See important information regarding security pricing on Page 2.

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

**Daily Account Activity**

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
<b>Transaction Activity USD</b>									
12/04/20	12/09/20	Security Receipt	912796A58	US TREASURY BILL	20,000,000.00	99.9949440	(19,998,988.89)	0.00	(19,998,988.89)
12/14/20	12/16/20	Security Receipt	564759PS1	MANUF & TRADERS TRUST CO	2,000,000.00	100.0367000	(2,000,774.00)	(1,210.44)	(2,001,984.44)
12/16/20	12/17/20	Security Receipt	69448WPG3	PACIFIC LIFE SHORT TERM 4(2)	3,000,000.00	99.9745830	(2,999,237.50)	0.00	(2,999,237.50)
12/16/20	12/17/20	Security Receipt	912796A66	US TREASURY BILL	50,000,000.00	99.9956670	(49,997,833.34)	0.00	(49,997,833.34)
12/16/20	12/18/20	Security Receipt	89236TFR1	TOYOTA MOTOR CREDIT CORP	3,000,000.00	100.0360000	(3,001,080.00)	(4,554.35)	(3,005,634.35)
12/22/20	12/22/20	Security Receipt	912796A74	US TREASURY BILL	20,000,000.00	99.9953330	(19,999,066.67)	0.00	(19,999,066.67)
12/30/20	12/30/20	Security Receipt	912796A82	US TREASURY BILL	20,000,000.00	99.9962500	(19,999,250.00)	0.00	(19,999,250.00)
<b>Income / Payment Activity USD</b>									
12/01/20	12/01/20	Matured	9127964U0	US TREASURY BILL			20,000,000.00		20,000,000.00
12/08/20	12/08/20	Matured	9127965B1	US TREASURY BILL			20,000,000.00		20,000,000.00
12/15/20	12/15/20	Matured	9127965C9	US TREASURY BILL			20,000,000.00		20,000,000.00
12/22/20	12/22/20	Matured	9127965D7	US TREASURY BILL			20,000,000.00		20,000,000.00
12/28/20	12/28/20	Matured	564759PS1	MANUF & TRADERS TRUST CO			2,000,000.00		2,000,000.00
12/28/20	12/28/20	Interest	564759PS1	MANUF & TRADERS TRUST CO				2,118.28	2,118.28

Safekeeping

**KERN HEALTH SYSTEMS**

Account Number: ██████████

**Daily Account Activity (Continued)**

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
12/29/20	12/29/20	Matured	9127965F2	US TREASURY BILL			20,000,000.00		20,000,000.00

**Cash Activity USD**

Transaction / Trade Date	Settlement / Eff. Date	Activity	Description	Debit Amount / Disbursements	Credit Amount / Receipts
12/02/20	12/02/20	ACH/DDA Transaction	DESIGNATED DDA	10,000,000.00	
12/09/20	12/09/20	ACH/DDA Transaction	DESIGNATED DDA	20,000,000.00	
12/15/20	12/15/20	ACH/DDA Transaction	DESIGNATED DDA	15,000,000.00	
12/16/20	12/16/20	ACH/DDA Transaction	DESIGNATED DDA		83,000,000.00
12/22/20	12/22/20	ACH/DDA Transaction	DESIGNATED DDA	15,000,000.00	
12/29/20	12/29/20	ACH/DDA Transaction	DESIGNATED DDA	17,086,000.00	

**Money Market Fund Activity**

Morgan Stan TreasSvc 8314	Dividend paid this period	7 day* simple yield	30 day* simple yield
*As of December 31, 2020			
USD	0.00	0.010%	0.010%

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	<b>Beginning Balance</b>		1.0000	12.50		12.50000
	<b>Ending Balance</b>		1.0000	12.50		12.50000

Goldman FS Tr Ob Ins 468	Dividend paid this period	7 day* simple yield	30 day* simple yield
*As of December 31, 2020			
USD	69.62	0.040%	0.040%

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	<b>Beginning Balance</b>		1.0000	10,086,600.00		10,086,600.00000
12/01/20	Purchase	20,000,000.00000		20,000,000.00		30,086,600.00000
12/01/20	Reinvest	69.62000			69.62	30,086,669.62000
12/02/20	Redemption	(10,000,000.00000)		(10,000,000.00)		20,086,669.62000
12/08/20	Purchase	1,011.11000		1,011.11		20,087,680.73000
12/08/20	Redemption	(20,000,000.00000)		(20,000,000.00)		87,680.73000
12/15/20	Purchase	20,000,000.00000		20,000,000.00		20,087,680.73000

KERN HEALTH SYSTEMS

Account Number: ██████████

**Money Market Fund Activity (Continued)**

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
12/15/20	Redemption	(15,000,000.00000)		(15,000,000.00)		5,087,690.73000
12/16/20	Redemption	(2,001,984.44000)		(2,001,984.44)		3,085,696.29000
12/16/20	Purchase	83,000,000.00000		83,000,000.00		86,085,696.29000
12/17/20	Redemption	(52,997,070.84000)		(52,997,070.84)		33,088,625.45000
12/18/20	Redemption	(3,005,634.35000)		(3,005,634.35)		30,082,991.10000
12/22/20	Purchase	20,000,000.00000		20,000,000.00		50,082,991.10000
12/22/20	Redemption	(15,000,000.00000)		(15,000,000.00)		35,082,991.10000
12/22/20	Redemption	(19,999,066.67000)		(19,999,066.67)		15,083,924.43000
12/28/20	Purchase	2,002,118.28000		2,002,118.28		17,086,042.71000
12/29/20	Purchase	20,000,000.00000		20,000,000.00		37,086,042.71000
12/29/20	Redemption	(17,086,000.00000)		(17,086,000.00)		20,000,042.71000
12/30/20	Redemption	(19,999,250.00000)		(19,999,250.00)		792.71000
<b>Ending Balance</b>			<b>1.0000</b>	<b>792.71</b>		<b>792.71000</b>
<b>JPMorgan UST Plus Inst 3918</b>			<b>Dividend paid this period</b>	<b>7 day* simple yield</b>	<b>30 day* simple yield</b>	
*As of December 31, 2020						
USD			94.90	0.030%	0.030%	
Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	<b>Beginning Balance</b>		<b>1.0000</b>	<b>61.25</b>		<b>61.25000</b>
12/01/20	Reinvest	94.90000			94.90	156.15000
<b>Ending Balance</b>			<b>1.0000</b>	<b>156.15</b>		<b>156.15000</b>

015782 1010384 0013 20207 UN#3325450-0000024 14688-0010 50956 01/05/21 P

Safekeeping





## PMIA/LAIF Performance Report as of 01/15/21



### PMIA Average Monthly Effective Yields<sup>(1)</sup>

Dec	0.540
Nov	0.576
Oct	0.620

### Quarterly Performance Quarter Ended 12/31/20

LAIF Apportionment Rate <sup>(2)</sup> :	0.63
LAIF Earnings Ratio <sup>(2)</sup> :	0.00001719170547343
LAIF Fair Value Factor <sup>(1)</sup> :	1.002271318
PMIA Daily <sup>(1)</sup> :	0.49%
PMIA Quarter to Date <sup>(1)</sup> :	0.58%
PMIA Average Life <sup>(1)</sup> :	165

### Pooled Money Investment Account Monthly Portfolio Composition <sup>(1)</sup> 12/31/20 \$107.4 billion

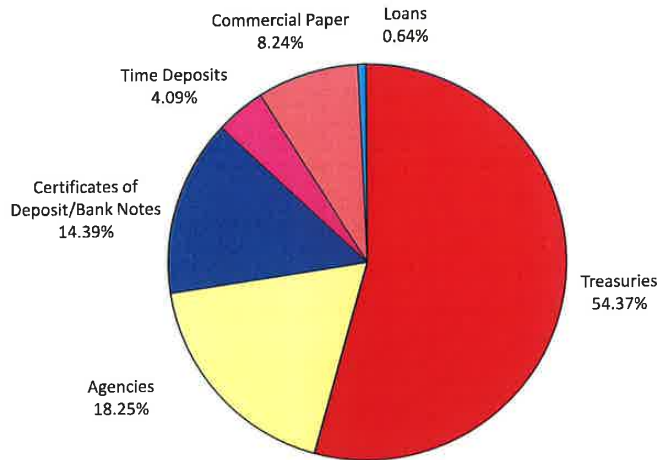


Chart does not include 0.01% of mortgages. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:

<sup>(1)</sup> State of California, Office of the Treasurer

<sup>(2)</sup> State of California, Office of the Controller





**To: KHS Board of Directors**

**From: Robert Landis, CFO**

**Date: February 11, 2021**

**Re: 2020 Annual Review of Kern Health Systems Investment Policy**

---

**Background**

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

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

- Preservation of principal
- Liquidity
- Yield

**UBS** is a national brokerage firm with a Bakersfield office that administers the KHS Board approved investment policy in a segregated account. Investments are in high quality bonds and FDIC insured certificates of deposit with an average effective maturity of approximately 1.5 years. For the 2020-year UBS investments earned the highest returns.

The **Local Agency Investment Fund (LAIF)** is a public agency that allows smaller public agencies to pool their money and get the economies of scale that larger agencies with large portfolios receive. The California State Treasurer operates LAIF. Because it serves many agencies with short term liquidity needs, investments have an average maturity of approximately 5 1/2 months.

**Wells Fargo** is KHS' local bank. This is beneficial since surplus cash can be easily moved to and from the checking accounts. KHS invests directly with the Wells Fargo Securities Fixed Income division in high quality bonds, commercial paper and Money Market Funds.

**Requested Action**

Receive and File.



**KERN HEALTH SYSTEMS**

KERN HEALTH SYSTEMS				
POLICY AND PROCEDURES				
SUBJECT: Investment Policy			POLICY #: 80.11-I	
DEPARTMENT: Finance				
Effective Date: 2010-10	Review/Revised Date: 7/21/2020	DMHC		PAC
		DHCS		QI/UM COMMITTEE
		BOD	X	FINANCE COMMITTEE

Doug Hayward Date 7/21/2020  
 Douglas A. Hayward  
 Chief Executive Officer

Robert Landis Date 7/20/2020  
 Chief Financial Officer

Alan Avery Date 7/20/2020  
 Chief Operating Officer

Veronica Barker Date 7/13/2020  
 Controller

**POLICY:**

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

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

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

I. **OBJECTIVES**

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

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

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

II. **PRUDENCE**

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

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

III. **ETHICS AND CONFLICTS OF INTEREST**

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

IV. **DELEGATION OF AUTHORITY**

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

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

A. **Financial Benchmarks**

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

B. **Safekeeping**

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

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

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

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

D. Chief Financial Officer's Procedures

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

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

E. Duties and Responsibilities of Finance Committee:

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

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

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

**V. DEFINITIONS**

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

**VI. PERMITTED INVESTMENTS**

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

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

Permitted investments shall include:

A. U.S. Treasuries

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

U.S. Government securities include:

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

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

Maximum term: Five Years



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

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

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

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

Maximum Term: Five years

C. State of California and Local Agency Obligations

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

Maximum Term: Five years

D. State and Local Agency Obligations Outside of California

Registered state warrants, treasury notes or bonds of any U.S. State and bonds, notes, warrants or other evidences of indebtedness of any local agency of the State, including bonds payable solely

out of revenues from a revenue producing property owned, controlled, or operated by the state. Such obligations must be issued by an entity whose general obligation debt is rated P-1 by Moody's and A-1 by Standard & Poor's or equivalent or better for short-term obligations, or A by Moody's or A by Standard & Poor's or better for long-term debt. Public agency bonds issued for private purposes (industrial development bonds) are specifically excluded as allowable investments. Any single investment in a particular State is limited to 5% of portfolio at time of Purchase.

Maximum Term: Five years

Maximum of 20% of the portfolio

E. Bankers Acceptances

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

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

Maximum Term: 180 days

F. Commercial Paper

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

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

Maximum Term: 270 days

G. Negotiable Certificates of Deposit

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

Maximum Term: Five years

H. Repurchase Agreements

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

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

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

Maximum Term: One year

Reverse repurchase agreements are not allowed.

I. Corporate Debt Securities

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

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

Maximum Term: Five years

J. Money Market Funds

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

1. Which are rated AAA (or equivalent highest ranking) by two of the three largest nationally recognized rating services, and,
2. Such investment may not represent more than five percent (5%) of the money market fund's assets.

K. Mortgage or Asset-backed Securities

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

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

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

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

Maximum Term: Five years

L. Variable and Floating Rate Securities

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

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

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

Maximum Term: Five Years

M. Local Agency Investment Fund (LAIF)

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

Maximum Term: Five Years

VII. **POLICIES**

A. Securities Lending

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

B. Leverage

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

C. Other Investments

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

D. Underlying Nature of Investments

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

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

E. Investment Managers

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

F. Derivatives

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

G. Rating Category

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

H. Rating Downgrades

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

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

I. Maximum Stated Term

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

J. Diversification Guidelines

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

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

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

<i>INSTRUMENTS</i>	MAXIMUM % OF PORTFOLIO AT TIME OF PURCHASE
J. Money Market Funds	40%
K. Mortgage and Asset-backed Securities	20%
L. Variable and Floating Rate Securities	30%
M. Local Agency Investment Fund (KAIF)	50%

a. Issuer/Counterparty Diversification Guidelines – The percentages specified below shall be adhered to on the basis of the entire portfolio:

- i. Any one Federal Agency or Government Sponsored Enterprise 35%
- ii. Any one-repurchase agreement counterparty name
  - If maturity/term is  $\leq 7$  days 50%
  - If maturity/term is  $> 7$  days 25%

b. Issuer/Counterparty Diversification Guidelines for All Other Securities described in Subsections A-K in VII. Permitted Investments of this Investment Policy. Any one corporation, bank, local agency, or other corporate name for one or more series of securities, and specifically with respect to special purpose vehicles issuers for mortgage and asset-backed securities, the maximum applies to all such securities backed by the same type of assets of the same issuer. 5%

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

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

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



**REFERENCE:**

**Revision 2020-06:** Policy updated to reflect Board of Directors approved changes on 6/11/2020. **Revision 2015-04:** Item "M" Local Agency Investment Fund (LAIF) added to Section VII Permitted Investments as approved by KHS Board of Directors at April 2015 meeting. **Revision 2014-08:** Policy revised by Controller to allow for non-California municipal investments as approved by KHS Board of Directors. **Revision 2010-11:** Policy revised to conform to government code requirements. The Board of Directors approved current policy on October 14, 2010.

**KERN HEALTH SYSTEMS  
2020 INVESTMENT ANALYSIS**

**Attachment 2**

	<u>UBS</u>	<u>LAIF</u>	<u>Wells Fargo Securities</u>
December 31, 2020 Balance	51,315,563	70,708,919	119,017,554
Average Monthly Balance	53,984,972	68,676,700	91,720,582
Total Dividend/Revenue (YTD)	913,284	802,626	716,938
Percentage	1.69%	1.17%	0.78%



**To: KHS Board of Directors**

**From: Robert Landis, CFO**

**Date: February 11, 2021**

**Re: 2020 Annual Report for Travel**

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**Background**

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

**Discussion**

KHS encourages employees to attend conferences and seminars to:

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

Examples of KHS travel include attending meetings with State regulators such as DHCS & DMHC, attending trade association conferences, participating on vendor advisory boards and professional education and training seminars.

During 2020 \$17,890 was spent on regulatory or trade association travel, \$8,571 was spent on professional development and training travel, \$0 was spent on conference attendance travel and \$5,486 in Other travel primarily relating to an out of area employee's travel to Bakersfield for onsite configuration to implement additional auto adjudication enhancements and to reduce the manual pricing of claims. The total travel expenses incurred for 2020 was \$31,947 which was approximately \$100,500 less than the prior year. **This decrease is a result of Covid-19 travel restrictions.**

**Requested Action**

Receive and file for informational purposes only.



2020 TRAVEL REPORT

EMPLOYEE TITLE	CONFERENCE TITLE	REGULATORY OR TRADE ASSOCIATION (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (O)	In County (In), Out of County (Out), or Out of State (OS)	LOCATION	START DATE	END DATE	FARE & LODGING	MEALS	TOTAL AMOUNT SPENT
1 Chief Information Officer	Local Health Plans of California - Quarterly CEO Meeting	R	Out	Santa Barbara, CA	1/23/2020	1/24/2020	232.61	57.00	289.61
2 Chief Operating Officer	Local Health Plans of California - Implementing The Long Term Care Benefit	R	Out	Sacramento, CA	1/26/2020	1/27/2020	543.10	82.50	625.60
3 Strategic Development	Local Health Plans of California - Implementing The Long Term Care Benefit	R	Out	Sacramento, CA	1/26/2020	1/27/2020	510.71	82.50	593.21
4 Chief Executive Officer	Local Health Plans of California: January Board Meeting & Strategic Retreat	R	Out	Coronado, CA	1/25/2020	1/31/2020	1,004.38	142.00	1,146.38
5 Senior Director of Government Relations and Strategic Development	Local Health Plans of California: January Board Meeting & Strategic Retreat	R	Out	Coronado, CA	1/29/2020	1/31/2020	1,025.69	71.00	1,096.69
6 Senior Director of Government Relations and Strategic Development	Department of Health Care Services: CalAIM Medi-Cal Managed Care Plan Convening	R	Out	Sacramento, CA	2/9/2020	2/10/2020	576.02	49.50	625.52
7 Senior Director of Government Relations and Strategic Development	California Associations of Health Plans: State Programs Committee Meeting	R	Out	Orange, CA	2/13/2020	2/13/2020	161.00	46.86	207.86
8 Chief Executive Officer	California Association of Health Plans: The Movement to More Integrated & Community	R	Out	Burbank, CA	2/25/2020	2/26/2020	1,121.90	82.50	1,204.40
9 Senior Director of Government Relations and Strategic Development	Local Health Plan California: 2020 Legislative & Agency Staff Briefing	R	Out	Sacramento, CA	2/25/2020	2/26/2020	339.40	33.00	372.40
10 Chief Executive Officer	California Association of Health Plans 17TH Annual Napa Valley Event & All Plan CEO Meeting	R	Out	Napa, CA & Sacramento, CA	3/8/2020	3/11/2020	6.00	165.00	171.00
11 Chief Financial Officer	California Association of Health Plans PAC17th Annual & All CEO Quarterly Meeting	R	Out	Napa, CA	3/10/2020	3/12/2020	381.98	99.00	480.98
<b>Executive Total</b>							<b>5,902.79</b>	<b>910.86</b>	<b>6,813.65</b>
12 Configuration Analyst IV	Onsite Meetings - QNST Healthcheck	O	In	Bakersfield, CA	1/6/2020	1/10/2020	879.58	274.50	1,154.08
13 Director of Technical Operations	QUsers/Trizetto Board Meeting	R	OS	New York, NY	1/10/2020	1/15/2020	1,986.48	456.00	2,442.48
14 Director of Technical Operations	Local Health Plans of California - Quarterly CEO Meeting	R	Out	Santa Barbara, CA	1/23/2020	1/24/2020	364.80	76.00	440.80
15 Director of Technical Operations	Association for Community Affiliated Plans: 2020 Leadership Academy	P	OS	Washington, DC	2/9/2020	2/14/2020	1,827.66	390.00	2,217.66
16 Configuration Analyst IV	Onsite Meetings - QNST Healthcheck	O	In	Bakersfield, CA	2/25/2020	3/3/2020	2,795.84	457.50	3,253.34
17 Configuration Analyst II	KHS On-site Configuration Team Support	O	In	Bakersfield, CA	2/27/2020	2/29/2020	548.10	76.25	624.35
<b>MIS Total</b>							<b>8,402.46</b>	<b>1,720.25</b>	<b>10,122.71</b>



2020 TRAVEL REPORT

EMPLOYEE TITLE	CONFERENCE TITLE	REGULATORY OR TRADE ASSOCIATION (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (O)	In County (In), Out of County (Out), or Out of State (OS)	LOCATION	START DATE	END DATE	FARE & LODGING	MEALS	TOTAL AMOUNT SPENT
18 Data Operations Manager BI	EDW Meeting w/ Health Plan of San Joaquin	O	Out	French Camp, CA	1/26/2020	1/27/2020	363.20	91.50	454.70
<b>Business Intelligence Total</b>									
19 Project Manager II	Local Health Plan California, Medi-Cal Managed Care 101 Understanding the Fundamentals of Medi-Cal Managed Care	R	Out	Orange, CA	2/9/2020	2/10/2020	379.50	82.50	462.00
<b>Project Management Total</b>									
20 Senior Director of Health Services	Local Health Plans of California: Seminar: Implementing The Long Term Care Benefit	R	Out	Sacramento, CA	1/26/20	1/27/2020	556.18	99.00	655.18
21 Chief Health Services Officer	Department of Health Care Services: CalAIM Medi-Cal Managed Care Plan Convening	R	Out	Sacramento, CA	2/9/2020	2/10/2020	240.21	99.00	339.21
22 Chief Health Services Officer	California Association of Health Plans 2020 Seminar Series: Dual Eligible Beneficiaries	R	Out	Burbank, CA	2/26/2020	2/26/2020	132.89	49.50	182.39
23 Medical Director	Department of Health Care Services: CalAIM Medi-Cal Managed Care Plan Convening	R	Out	Sacramento, CA	2/9/2020	2/10/2020	561.07	99.00	660.07
<b>Health Services - UM Total</b>									
24 Senior Analyst and Trainer	Local Health Plans of California: Medi-Cal Managed Care 101 - Understanding the Fundamentals of Medi-Cal Managed Care	R	Out	Orange, CA	2/9/2020	2/10/2020	398.09	82.50	480.59
<b>Health Services - OM/OT Total</b>									
25 Director of Health Education	Department of Health Care Services: MMCD Health Education and Cultural and Linguistics Workgroup	R	Out	Sacramento, CA	2/12/2020	2/13/2020	517.87	99.00	616.87
26 Senior Member Health Educator	California Healthy Housing Coalition 2020 Annual Meeting	P	Out	Sacramento, CA	2/24/2020	2/26/2020	583.44	129.36	712.80
<b>Health Services - Health Ed Total</b>									
27 Director of Pharmacy	Participate in Medi-Cal Rx Advisory Board	R	Out	Sacramento, CA	1/13/2020	1/14/2020	723.89	110.50	834.39
28 Director of Pharmacy	Department of Health Care Services: Rx Directors Meeting	R	Out	Sacramento, CA	2/18/2020	2/19/2020	811.15	99.00	910.15
<b>Health Services - Pharmacy Total</b>									
							<b>1,490.35</b>	<b>346.50</b>	<b>1,836.85</b>
							<b>398.09</b>	<b>82.50</b>	<b>480.59</b>
							<b>1,101.31</b>	<b>228.36</b>	<b>1,329.67</b>
							<b>1,565.04</b>	<b>209.50</b>	<b>1,774.54</b>



2020 TRAVEL REPORT

EMPLOYEE TITLE	CONFERENCE TITLE	REGULATORY OR TRADE ASSOCIATION (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (O)	In County (In), Out of County (Out), or Out of State (OS)	LOCATION	START DATE	END DATE	FARE & LODGING	MEALS	TOTAL AMOUNT SPENT
29 Administrative Director of Health Home Program	Department of Health Care Services: CalAIM Medi-Cal Managed Care Plan Conceiving	R	Out	Sacramento, CA	2/9/2020	2/10/2020	568.07	99.00	667.07
30 Health Homes Program Supervisor	Department of Health Care Services: CalAIM Medi-Cal Managed Care Plan Conceiving	R	Out	Sacramento, CA	2/9/2020	2/10/2020	325.96	81.50	408.46
<b>Home Health Total</b>									
31 Director of Case Management & Disease Management	Department of Health Care Services: CalAIM Medi-Cal Managed Care Plan Conceiving	R	Out	Sacramento, CA	2/9/2020	2/10/2020	568.07	99.00	667.07
<b>Case Management Total</b>									
32 Provider Relations Contracting Manager	Medi-Cal Healthier California for All - Managed Care Plan Conceiving	R	Out	Sacramento, CA	2/9/2020	2/10/2020	530.62	99.00	629.62
33 Provider Relations Contracting Manager	Local Health Plans of California- Implementing the Long-Term Care Benefit	R	Out	Sacramento, CA	1/26/2020	1/27/2020	337.50	66.00	403.50
<b>Provider Relations Total</b>									
34 Member Services Supervisor	Local Health Plans of California: Medi-Cal Managed Care (10)- Understanding the Fundamentals of Managed Care	R	Out	West Orange, CA	2/10/2020	2/10/2020	179.40	46.86	226.26
<b>Member Services Total</b>									
35 Director of Procurement & Facilities	Institute for Supply Management: Certified Professional in Supply Management Boot Camp Training	P	Out	Merced, CA	1/27/2020	1/30/2020	264.89	178.75	443.64
36 Director of Procurement & Facilities	2020 Annual CAPRO Meeting	P	Out	San Diego, CA	2/10/2020	2/21/2020	802.49	239.98	1,042.47
<b>Corporate Services Total</b>									
37 Corporate Learning & Development Trainer	Development Dimensions International, Inc. Facilitator Certification Process Public Workshop	P	Out	Dublin, CA	1/13/2020	1/16/2020	983.98	231.00	1,214.98
<b>Human Resources Total</b>									
							<b>983.98</b>	<b>231.00</b>	<b>1,214.98</b>

**KERN·HEALTH**  
**SYSTEMS**

2020 TRAVEL REPORT

EMPLOYEE TITLE	CONFERENCE TITLE	REGULATORY OR TRADE ASSOCIATION (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (O)	In County (In), Out of County (Out), or Out of State (OS)	LOCATION	START DATE	END DATE	FARE & LODGING	MEALS	TOTAL AMOUNT SPENT
38 Disease Management Manager	Touro University California - Master Trainer Training	P	Out	Fairfield, CA	2/21/2020	2/24/2020	809.13	192.50	1,001.63
39 Disease Management DM Pauprofessional Bilingual I	Touro University California - Master Trainer Training	P	Out	Fairfield, CA	2/21/2020	2/24/2020	796.24	192.50	988.74
40 Disease Management DM Pauprofessional Bilingual I	Touro University California - Master Trainer Training	P	Out	Fairfield, CA	2/21/2020	2/24/2020	766.78	192.50	959.28
<b>Disease Management Total</b>							<b>2,372.15</b>	<b>577.50</b>	<b>2,949.65</b>

Fare & Lodging	26,555.87	Meals	5,391.56	Grand Total	31,947.43
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Regulatory or Trade Associations	17,889.76	Professional Development	8,571.20	Conferences	-	Other	5,486.47	Total	31,947.43
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2020 Budget	1,30,285.00	31,460.00	Grand Total	161,745.00
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**To: KHS Board of Directors**  
**From: Robert Landis, CFO**  
**Date: February 11, 2021**  
**Re: 2020 Annual Report for Disposed Assets**

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**Background**

Kern Health Systems Asset and Surplus Property or Equipment Disposition Policy (Attachment 2) requires an annual report (Attachment 1) to be submitted to the KHS Finance Committee.

**Discussion**

KHS Department Managers are to identify property or equipment that is no longer being used in operations, indicate an item as non-repairable, obsolete or surplus and are to submit a request for disposal of the item. It is the responsibility of the Corporate Services Department to dispose of equipment in a manner that maximizes returns while ensuring open and effective competition.

During 2020, a loss of \$0 was recorded on the disposition of equipment.

**Requested Actions**

Receive and file for informational purposes only.



Attachment 1



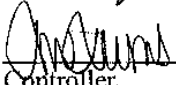
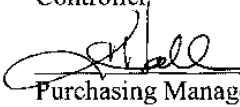
2020 Asset Dispositions

Date in Service	Category	Description	Book Value at Date of Disposal	Disposition Date	Reason for Disposal
2/16/2012	MIS Equipment	Desktop Computers - Optiplex 790 (4)	-	2/28/2020	Obsolete
7/27/2012	MIS Equipment	rx2800 i2 Optimized Server	-	2/28/2020	Obsolete
9/1/2009	MIS Equipment	Advocent 32PT IP Switch	-	2/28/2020	Obsolete
7/27/2012	MIS Equipment	HP DesignJet T1100 Printer	-	2/28/2020	Obsolete
5/25/2012	MIS Equipment	Boardroom Wireless Mic Bundle	-	2/28/2020	Obsolete
TOTAL LOSS RECOGNIZED ON DISPOSITION OF OFFICE FURNITURE & EQUIPMENT			\$ -		

Attachment 2

**KERN HEALTH SYSTEMS  
POLICIES AND PROCEDURES**

SUBJECT: Asset and Surplus Property or Equipment Disposition		INDEX NUMBER 80.21-1	Page 1 of 4
RESPONSIBLE DEPARTMENT HEAD: Controller			
Review Date	01/01/12		
Effective Date	01/06/12		
Revision No.	2012-01		

Approved		Date	1/6/12
	Acting Chief Executive Officer		
Approved		Date	1-5-12
	Chief Financial Officer		
Approved		Date	1-5-12
	Controller		
Approved		Date	1-5-12
	Purchasing Manager		

**POLICY<sup>1</sup>:** Asset and Surplus Property or Equipment Disposition

**PURPOSE:** To appropriately dispose of Kern Health Systems (KHS) owned tagged assets and surplus equipment that no longer has operational value.

**DEFINITIONS:**

Asset	Any tangible property owned by KHS, either with or without value, excluding real property
Disposal/Disposition	The sale, replacement, transfer, scrap, discard, recycling or other means of disposing of assets
E Waste	Electronic items to be recycled such as computers, monitors, phones
Fixed Asset	Classification of an item determined at the time of purchase to meet the capitalization requirements established by policy 80.11 Budget Guidelines
Item	Any piece of property or equipment

**KERN HEALTH SYSTEMS  
POLICIES AND PROCEDURES**

SUBJECT: Asset and Surplus Property or Equipment Disposition	INDEX NUMBER 80.21-I	Page 2 of 4
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Obsolete	Significant decline in the competitiveness, usefulness, or value of an item or property whether due to alternatives that perform better, are cheaper, or both; or due to changes in user preference or requirements. For the purposes of this policy, obsolete will mean little to no monetary value.
Salvage Value	The estimated residual value of a depreciable asset (fixed asset) at the end of its economic or useful life.
Surplus Equipment	Excess, obsolete, salvageable or non-salvageable assets which are sold, replaced through the budget process, transferred, scrapped, discarded or otherwise removed from service by any other means of disposal.
Useful Life	The number of years an asset is determined to last at the time of purchase, to which a matching depreciation period is assigned.

**ASSET DISPOSITION AUTHORITY:**

- 1.0 Any Department Manager may identify KHS' property or equipment that is no longer being used in operations, whether that item is non-repairable, obsolete, or surplus, and may submit a request for disposal of that item. It is the responsibility of the Corporate Services department to dispose of surplus equipment in a manner that maximizes returns while ensuring open and effective competition. Surplus equipment and property may be disposed of via: interdepartmental transfer, sale by competitive bid or direct negotiation, trade-in on new property, donation, e-waste recycling, or scrap. Proceeds from the sale or recycling of equipment shall go into the KHS General Fund.

**NOTIFICATION AND VERIFICATION:**

- 1.0 Notification to Accounting of intent to dispose of property
- a) When a Department Manager has determined an item is non-repairable, obsolete or surplus, they will notify the Accounting department to obtain the necessary specification details located on either the item's existing equipment card (in the case of a fixed asset), or purchasing documentation for non-capitalized items.
  - b) Upon receipt of the information from the Accounting department, the Department Manager will complete the Intent to Dispose of Property (IDP) form and will submit the form to Corporate Services.
- 2.0 Verification of Non-Repairable, Obsolete or Surplus
- Corporate Services will make a reasonable effort to classify the item into one of the following categories: Non-Repairable, Obsolete or Surplus.
- a) Non-Repairable Equipment: equipment that is broken beyond repair
  - b) Obsolete Equipment: equipment that has no useful value to KHS, has little to no monetary value, but may have value to another organization
  - c) Surplus Equipment: equipment in working order that is no longer being used by a

**KERN HEALTH SYSTEMS  
POLICIES AND PROCEDURES**

SUBJECT: Asset and Surplus Property or Equipment Disposition	INDEX NUMBER 80.21-I	Page 3 of 4
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- 3.0 Notification to Accounting of sale, donation or recycling of property  
When a fixed asset is sold, donated, or recycled, Corporate Services will notify Accounting by completing a Disposal of Fixed Asset (DFA) form. Corporate Services will attach the completed and executed IDP form to the DFA form. Accounting will review the DFA form and will record the disposition of the fixed asset on the equipment card.
- 4.0 The Controller will maintain the log of assets sold, transferred, traded, donated or scrapped.
- 5.0 On an annual basis, the CFO will present a listing of disposed assets for review by the Finance Committee.
- 6.0 In the event a potential disposal item has a book or market value in excess of \$5,000.00, then Board approval is required before disposition is authorized.

**DISPOSITION METHODS:**

The principal methods for disposal of surplus equipment are:

- 1.0 Interdepartmental transfer: Prior to disposal, Corporate Services will make a reasonable effort to ensure the equipment cannot be used by another department. If the item can be used by another department, Corporate Services will deliver that item to the requesting department. In the case of a fixed asset, Corporate Services will indicate the new location on the IDP form and will forward the form to Accounting so that a change in location can be recorded on the equipment card. A copy of the IDP form will also be sent to the requesting Department Manager.
- 2.0 Sale by competitive bid or direct negotiation: If obsolete or surplus equipment is in working condition and has previously been determined to have a resale value greater than \$100, Corporate Services will attempt to bundle like (or networked) items and sell the equipment via an online auction competitive bidding process or directly negotiated sale. It will be made clear to all prospective buyers that assets are sold as-is and at the buyer's risk. No warranty or after sale service will be offered. Delivery of the equipment will be at the buyer's expense.
- 3.0 Trade-in: If the surplus equipment has trade-in value toward the purchase of a new, like item, the item will be hauled away by the new equipment vendor. The trade-in value will be reflected on the invoice for the new equipment.
- 4.0 Donate or Sell:  
KHS will donate surplus equipment within Kern County according to the following priority list:
- KHS will offer computer equipment to contracted providers to promote electronic business to business interactions.
  - KHS will offer equipment to non-profit organizations and governmental agencies.
  - KHS will sell equipment to KHS employees.
- 5.0 Prior to the sale or donation of any computer equipment, KHS will ensure that the computers are scrubbed clean of all corporate information (all electronic files deleted and licensed software removed), and the operating system will be reloaded. Inventory and identification tags will be removed. KHS will donate computer equipment as is, with no guarantee toward the current or future working condition of the equipment. KHS will not provide technical assistance with set-up or operation of the equipment.
- 6.0 E-Waste: Electronic items that have monetary value less than \$50, which cannot be sold or donated, will be recycled using an approved e-waste vendor selected by Corporate Services.

**KERN HEALTH SYSTEMS  
POLICIES AND PROCEDURES**

SUBJECT: Asset and Surplus Property or Equipment Disposition	INDEX NUMBER 80.21-I	Page 4 of 4
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Corporate Services will complete a DFA form and will submit to Accounting.

- 7.0 Scrap: If the surplus equipment is broken and is not e-waste, Corporate Services will make a reasonable effort to determine the cost of repairs, the extended life of the repairs, and compare the repaired value against the cost of a replacement item. If the cost to repair the item is greater than replacement or if the item cannot be repaired due to the non-availability of parts, the item will be marked as scrap. Scrap equipment will be physically disposed of following current city and county dump site requirements.

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**Attachments:**

- ❖ Attachment A – Intent to Dispose of KHS Property
- ❖ Attachment B – Disposal of Fixed Asset(s)

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<sup>1</sup> **Revision 2012-01:** Developed by KHS' Chief Financial Officer to appropriately dispose of KHS owned assets and surplus equipment that no longer have an operational value.

Attachment A

 <p style="margin: 0;"><b>KERN HEALTH SYSTEMS</b></p> <p style="margin: 0; font-size: small;">9700 Stockdale Hwy Bakersfield, CA 93311 661-664-5000</p>	<p style="font-size: 1.2em; margin: 0;"><b>Intent to Dispose of Property, Plant &amp; Equipment</b></p>
---	---

<b>Department:</b>	
<b>Contact Person:</b>	<b>Phone:</b>

QTY	Serial number	Description	KHS Tag #

**Status of Item**

**Non-Repairable**

**Obsolete**


**Surplus**

**Comments:**

**Verification of Item Status:** \_\_\_\_\_

**New Location of Surplus Equipment:** \_\_\_\_\_

**Cc: Accounting, Corporate Service, Department Manager**

 <p style="margin: 0;"><b>KERN HEALTH SYSTEMS</b></p> <p style="margin: 0; font-size: small;">9700 Stockdale Hwy Bakersfield, CA 93311 661-664-5000</p>	<h2 style="margin: 0;">Disposal of Fixed Asset</h2>
---	---

<b>Department:</b> _____	
<b>Contact Person:</b> _____	<b>Phone:</b> _____

QTY	Serial number	Description	KHS Tag #

**Disposition Notes:** (method and details of disposal: donate, trade-in, sell, E-waste, scrap)

**CHAIN OF CUSTODY**

MIS (computer equip only): \_\_\_\_\_ Date: \_\_\_\_\_ Time: \_\_\_\_\_

Relinquished: \_\_\_\_\_ Date: \_\_\_\_\_ Time: \_\_\_\_\_

Received: \_\_\_\_\_ Date: \_\_\_\_\_ Time: \_\_\_\_\_

cc: Accounting, Relinquishing Department and Corporate Services (Original stays with accounting)





**To: KHS Board of Directors**

**From: Deborah Murr, Chief Health Services Officer**

**Date: February 11, 2021**

**Re: FluidEdge Agreement**

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**Background**

Population Health Management (PHM) is a model of care that addresses individuals' health needs at all points along the continuum of care, including in the community setting, through participation, engagement and targeted interventions for a defined population. The goal of PHM is to maintain or improve the physical and psychosocial well-being of individuals and address health disparities through cost-effective and tailored health solutions. Under the direction of DHCS and the pending implementation of the CalAIM initiative, KHS' focus is to ensure the organization has both the internal and external structure in place to implement the delivery system changes necessary for a Population Health program. During the RFP process, FluidEdge produced the lowest bid for services.

**Discussion**

FluidEdge will provide KHS a strategy that is consistent with NCQA Population Health Accreditation requirements as well as align with the Department of Health Care Services (DHCS) requirements under the CalAIM proposal for development of a Managed Medi-Cal Population Health Management Program. This contract will provide KHS with consultant services with FluidEdge to complete all deliverables outlined in the RFP in 6 key focus areas:

- a) SWOT analysis of Health Services
- b) Adequacy of KHS network
- c) Population Care Gradient Analysis
- d) Member Engagement
- e) Technology
- f) Effectiveness Evaluation and Reporting
- g) Model of Care development

**Financial Impact**

Cost for this engagement will not exceed \$160,000.00 per project

**Requested Action**

Approve; Authorize Chief Executive Officer to Sign.

Population Health Consultant  
Request for Proposal Recommendation to  
Board of Directors

February 11, 2021

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



## Agenda

- Population Health Overview
- CalAIM Initiative
- Synergistic Relationship
- Consultant services
- Selection Matrix
- Request

## What is Population Health ?

*“Population Health Management (PHM) is a model of care that addresses individuals’ health needs at all points along the **continuum of care**, including in the **community** setting, through **participation, engagement, coordination, and targeted interventions** for a defined population.*

*The goal of PHM is to maintain or improve the physical and psychosocial well-being of individuals and address health disparities through cost-effective and tailored health solutions.” (NCQA, 2018)*

### KHS approach to PHM to meet CalAIM requirements

- Utilizes its population’s unique characteristics and needs to **identify programs and services** through population **stratification**
- Highlight KHS-sponsored **delivery system** supports designed to enhance population health management within our provider network and community
- Describe KHS’s process for **annually re-assessing** the member population needs and the **effectiveness** of the population health strategy at meeting those needs



## California Advancing and Innovating Medi-Cal (Cal AIM)

*CalAIM is a **multi-year initiative by DHCS to improve the quality of life and health outcomes of our population** by implementing broad delivery system, program and payment reform across the Medi-Cal program.*

DHCS principles of CalAIM:

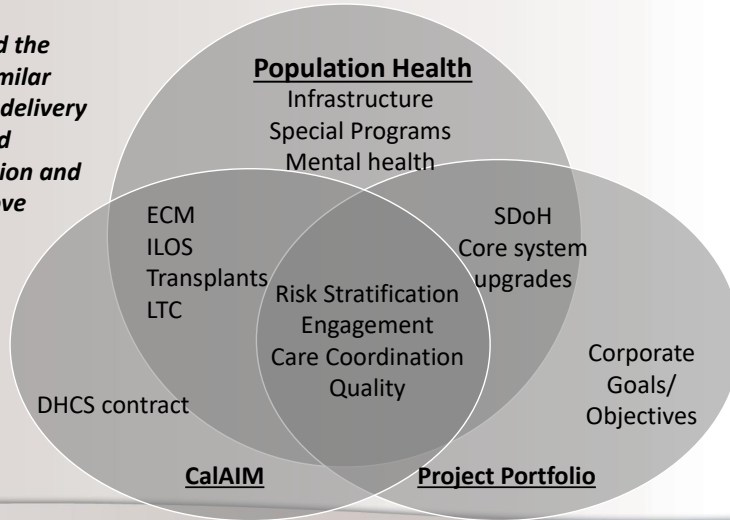
- Identify and manage member risk and need through **whole person care (WPC)** approaches and addressing **Social Determinants of Health (SDoH)**;
- Move Medi-Cal to a more consistent and seamless system by **reducing complexity and increasing flexibility**; and
- Improve quality outcomes, reduce health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

Behavioral, medical, and social characteristics will drive the underlying approach to Population health transformation

- **Enhanced Case Management (ECM)/In Lieu of Services (ILOS)**
- Mental Health integration into Care Model **Health Homes program (HHP)**

## Synergies in Population Health and CalAIM

*Population Health, Cal AIM, and the KHS project portfolio share a similar focus on advancing the current delivery system and providing a targeted approach to member stratification and program development to improve quality and access to care with associated cost savings*



## California Advancing and Innovating Medi-Cal (Cal AIM) Timeline

### **January 1-December 31, 2021**

- Develop shared savings/risk and plan incentives

### **April 1, 2021**

- Readiness activities for major organ transplant (MOT) carve-in
- Pharmacy Carve Out implementation

### **Summer 2021**

- Submit Transition and Coordination Plan for ECM and ILOS (WPC, HHP, TCM)

### **Fall 2021**

- **Submit model of care for ECM, ILOS\***

*\*Submission and planning dates are approximate and based on dates originally specified or discussed in 2020 (pre-pandemic). CalAIM proposal indicates due dates are TBD.*

### **January 1-December 31, 2022**

- Readiness activities for LTC carve-in planned January 1, 2023
- Discussions on improving beneficiary contact and demographic information

### **January 1, 2022**

- ECM implementation for plans in WPC, HHP counties (aligned populations only)
- ILOS implementation for all plans
- Major Organ Transplant Carve-in
- Mandatory managed care enrollment (except dual and LTC aid codes)
  - Implement standardized mental health SCREENING AND TRANSITION tools

### **July 1, 2022**

- **Submit PHM program description\* -planned implementation January 1, 2023**



## Consultant Services

- SWOT analysis of Health Services
- Adequacy of KHS network
- Population Care Gradient Analysis
- Member Engagement
- Technology
- Effectiveness Evaluation and Reporting
- Model of Care development



# Cost Matrix

<u>Vendor</u>	<u>Similar Experience/ Background</u>	<u>Consultant-Subject Matter Expert</u>	<u>Previous KHS Favorable work history</u>	<u>Services</u>	<u>Cost</u>	<u>Score</u>
FluidEdge	4.75	4.75	4.75	5	4.75	4.8
Optum	5	4	3	4.75	3.75	4.1

\*\*Total of 4 RFP submissions received; 2 vendors eliminated due to high-cost variances for same capability



## Finance Committee Request

Request Board of Directors for approval of additional funding and execution of Population Health Consultant services contract with FluidEdge in the amount not to exceed \$160,000 for a 12-week engagement March-May 2021

\*\*unbudgeted for 2021



## Questions

Martha Tasinga, CMO

[martha.tasinga@khs-net.com](mailto:martha.tasinga@khs-net.com)

Deb Murr, CHSO

[deborah.murr@khs-net.com](mailto:deborah.murr@khs-net.com)





**Proposed administrative contract over \$100,000, February 11, 2021**

1. Operational Agreement with FluidEdge

a. Recommended Action

Approve; Authorize Chief Executive Officer to Sign

b. Contact

Deb Murr; Chief Health Services Officer

c. Background

Population Health Management (PHM) is a model of care that addresses individuals' health needs at all points along the continuum of care, including in the community setting, through participation, engagement and targeted interventions for a defined population. The goal of PHM is to maintain or improve the physical and psychosocial well-being of individuals and address health disparities through cost-effective and tailored health solutions. Under the direction of DHCS and the pending implementation of the CalAIM initiative, KHS's focus is to ensure the organization has both the internal and external structure in place to implement the delivery system changes necessary for a Population Health program. During the RFP process, FluidEdge produced the lowest bid for services.

d. Discussion

FluidEdge will provide KHS a strategy that is consistent with NCQA Population Health Accreditation requirements as well as align with the Department of Health Care Services (DHCS) requirements under the Cal AIM proposal for development of a Managed Medi-Cal Population Health Management Program.

This contract will provide KHS with consultant services with FluidEdge to complete all deliverables outlined in the RFP in 6 key focus areas:

- a) SWOT analysis of Health Services
- b) Adequacy of KHS network
- c) Population Care Gradient Analysis
- d) Member Engagement
- e) Technology
- f) Effectiveness Evaluation and Reporting
- g) Model of Care development
- e. Fiscal Impact  
Total amount not to exceed \$160,000.00 per one engagement
- f. Risk Assessment  
Failure to meet requirements for the development and implementation of a Population Health Management program as defined by DHCS would place KHS in jeopardy of potential further punitive actions.
- g. Attachments  
An Agreement at a Glance form and the agreement are attached.
- h. Reviewed by Chief Compliance Officer and/or Legal Counsel  
This contract has been approved by Legal.



# KERN HEALTH SYSTEMS

## AGREEMENT AT A GLANCE

Department Name: UM

Department Head: Deborah Murr, CHSO

Vendor Name: FluidEdge

Contact name & e-mail: Steve Weiss, sweiss@fluidedgeconsulting.com

What services will this vendor provide to KHS? FluidEdge will provide KHS with a strategy that is consistent with NCOA Population Health Accreditation requirements as well as align with the Department of Health Care Services (DHCS) requirements under the Cal AIM proposal for development of a Managed Medi-Cal Population Health Management Program.

Description of Contract	
<p>Type of Agreement: <u>Professional Services</u></p> <p><input checked="" type="checkbox"/> Contract</p> <p><input type="checkbox"/> Purchase</p> <p><input checked="" type="checkbox"/> New agreement</p> <p><input type="checkbox"/> Continuation of Agreement</p> <p><input type="checkbox"/> Addendum</p> <p><input type="checkbox"/> Amendment No. _____</p> <p><input type="checkbox"/> Retroactive Agreement</p>	<p>Background: <u>Population Health Management (PHM) is a model of care that addresses individuals' health needs at all points along the continuum of care, including in the community setting, through participation, engagement and targeted interventions for a defined population. The goal of PHM is to maintain or improve the physical and psychosocial well-being of individuals and address health disparities through cost-effective and tailored health solutions. Under the direction of DHCS and the pending implementation of the CalAIM initiative, KHS's focus is to ensure the organization has both the internal and external structure in place to implement the delivery system changes necessary for a Population Health program. During the RFP process, FluidEdge produced the lowest bid for services.</u></p> <p>Brief Explanation: <u>This contract will provide KHS with consultant services with FluidEdge to complete all deliverables outlined in the RFP to ensure readiness in 6 key focus areas:</u></p> <ul style="list-style-type: none"> <li>a) <u>SWOT analysis of Health Services</u></li> <li>b) <u>Adequacy of KHS network</u></li> <li>c) <u>Population Care Gradient Analysis</u></li> <li>d) <u>Member Engagement</u></li> <li>e) <u>Technology</u></li> <li>f) <u>Effectiveness Evaluation and Reporting</u></li> <li>g) <u>Model of Care development</u></li> </ul>

Form updated 11/21/19

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: Ability to meet all deliverables outlined in the RFP with the lowest bid among 4 finalists

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 2021 Administrative Budget  NO  YES

Will this require additional funds?  NO  YES

Capital project  NO  YES

Project type: \_\_\_\_\_

Budgeted Cost Center 310 GL# \_\_\_\_\_

Maximum cost of this agreement not to exceed: \$160,000.00 per project

Notes: \_\_\_\_\_

**Contract Terms and Conditions**

Effective date: 3/01/2021 Termination date: 5/31/2021

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

**Approvals**

**Compliance DMHC/DHCS Review:**

**Legal Review:**

\_\_\_\_\_  
Director of Compliance and Regulatory Affairs

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**Contract Owner:**

**Purchasing:**

Approved by Deb Mum per  
\_\_\_\_\_  
Department Head

[Signature]  
\_\_\_\_\_  
Director of Procurement and Facilities

meeting date 1/25/21  
\_\_\_\_\_  
Date

1/26/21  
\_\_\_\_\_  
Date



**Reviewed as to Budget:**

Robert Landis (not Budgeted)  
Chief Financial Officer or Controller

1/26/21  
Date

**IT Approval:**

Approved by Richard Pruitt  
Chief Information Officer or IT Director

per meeting date 1/25/21  
Date

**Recommended by the Executive Committee:**

[Signature]  
Chief Operating Officer

1-26-21  
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

**KHS Bid Matrix & Decision Detail**

Description of Item: Population Health Consultant 2-2021

**Bid Matrix**

<b>Vendor Name</b>	FluidEdge
<b>Cost</b>	<b>\$160,000</b> per 12 week-NTE unless scope change
<b>Vendor Name</b>	Optum
<b>Cost</b>	<b>\$175,00</b> per 12 week- NTE unless scope change
<b>Vendor Name</b>	HMA
<b>Cost</b>	<b>\$267,985</b> per 12 week- NTE unless scope change
<b>Vendor Name</b>	Accenture
<b>Cost</b>	<b>\$488,000</b> per 12 week-plus cost/granting access to all 3rd party products

**KERN HEALTH SYSTEMS  
BOARD OF DIRECTORS  
NEW VENDOR CONTRACTS  
February 11, 2021**

Legal Name DBA	Specialty	Address	Comments	Contract Effective Date
<b>PAC 02/03/2021</b>				
CHA Hollywood Medical Center, LP dba: Hollywood Presbyterian Medical Center	Tertiary / Acute General Hospital	1300 N Vermont Ave Los Angeles CA 90027		3/1/2021
JB & MM Consulting Services, LLC. dba: Pacific Coast Home Health Services, LLC.	Home Health	800 S Victory Blvd Ste. 205 Burbank CA 91502		3/1/2021
Jeffrey S. Wick, MD	Wound Care	3012 Sillect Ave Ste. B Bakersfield CA 93308		3/1/2021
Jey Neuro Center, Inc dba: Valley Neurology Group	Neurology	3400 Calloway Dr Ste. 100 Bakersfield CA 93309	Existing Provider with New Contract	3/1/2021
Montebello Home Health Care, Inc. dba: Life Care Home Health	Home Health	2920 F St, Ste. I-10 Bakersfield CA 93301		3/1/2021
Oak Fence Senior Living, LLC dba: Oak Fence CLHF	SNF/Congregate Living Facility	6067 Oak Fence Lane Lancaster CA 93536		3/1/2021
Roger Kohn MD, Inc.	Ophthalmology	2920 F St Ste. C-17 Bakersfield CA 93301	Note: Provider provides unique services for Oculofacial Plastic and Reconstructive Surgery	3/1/2021
SG Pharma Inc. dba: Access Specialty Pharmacy	Specialty Pharmacy	5555 Business Park S Ste. 230 Bakersfield CA 93309		3/1/2021
SJV Medical Group	PCP & Pulmonary Disease	3801 San Dimas St Bakersfield CA 93301	Change of Ownership under Ned Devasia, MD Existing Provider (formerly SJVPMG)	<b>Retro-Eff 1/1/2021</b>
Tim H. Nguyen dba: United Eye Care Optometry	Optometry *	6225 Colony St Bakersfield CA 93307 401 N. Central Ave Wasco CA 93280	Note: Diabetic Eye Exams Only	3/1/2021
WeCare Psychology Group Inc.	Mental Health	1430 Truxtun Ave 5th Flr Bakersfield CA 93301	Existing Psychiatrist: N. Bodapati MD New Provider: K. Vallejo LMFT	3/1/2021

**KERN HEALTH SYSTEMS  
BOARD OF DIRECTORS  
TERMED CONTRACTS  
February 11, 2021**

Legal Name DBA	Specialty	Address	Comments	Term Effective Date
<b>PAC 02/03/2021</b>				
Chin Sok An dba: Lucky Services	Transportation	4949 Buckley Way Ste. 110 Bakersfield CA	Change of Ownership	11/30/2020
Edward W. Taylor, MD	General Surgery	3838 San Dimas Street Bldg B Ste. B-231 Bakersfield CA	Retired	11/30/2020
Bakersfield Pathology Medical Group	Clinical Pathology	3000 Sillect Avenue	Change of Ownership	12/1/2020
Luis E. Araujo dba: Good Kids Pediatric	ABA Provider	615 S Lexington Street Ste. 24 Delano CA	Resigned	12/23/2020
Ace 1 Homehealth Services, Inc.	Home Health	2112 24th Street Ste. 5 Bakerfield CA 93301	Did not reapply	12/31/2020
Kern Psychiatric Health and Wellness Center, Inc.	Mental Health	6313 Schirra Court Ste. 1 Bakersfield CA	Resigned	12/31/2020
Amy K Mehta MD Inc	Pulmonary Disease	3838 San Dimas Street Ste. A-250 Bakersfield CA	Working for Kaiser	1/1/2021
Valley Children's Medical Group dba: Pedi Center	Urgent Care	9900 Stockdale Hwy Ste. 105 Bakersfield, CA 93311	Change of Ownership	1/16/2021



**To: KHS Board of Directors**

**From: Robert Landis, CFO**

**Date: February 11, 2021**

**Re: November 2020 Financial Results**

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The November results reflect a \$722,625 Net Increase in Net Position which is a \$1,578,870 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$3.0 million favorable variance primarily due to:
  - A) \$4.2 million favorable variance primarily due to higher than expected budgeted membership.
  - B) \$2.5 million favorable variance in Proposition 56 Supplemental Revenue due to an unbudgeted rate increase in tobacco tax revenue funds in fiscal year 19/20 for additional CPT procedure codes along with unbudgeted new Prop 56 programs that became effective January 1, 2020 offset against amounts included in 2E below.
  - C) \$1.7 million unfavorable variance in Premium MCO Tax due to a revised reduction in our MCO tax liability rates that occurred with an agreement between CMS and DHCS which is offset against MCO Tax Expense included in Item 3 below.
  - D) \$1.8 million unfavorable variance in Premium-Hospital Directed Payments primarily due to receiving revised 18/19 HDP rates. This amount is offset against amounts included in 2G below.
  
- 2) Total Medical Costs reflect a \$2.9 million unfavorable variance primarily due to:
  - A) \$.6 million favorable variance in Physician Services primarily due to lower than expected utilization of PCP, Specialty and Urgent Care services.
  - B) \$.6 million favorable variance in Emergency Room primarily due to lower than expected utilization.
  - C) \$3.6 million unfavorable variance in Inpatient primarily due to higher than expected utilization.
  - D) \$.4 million favorable variance in Outpatient Hospital primarily due to lower than expected utilization.

- E) \$3.9 million unfavorable variance in Other Medical primarily due to accruing for estimated Proposition 56 expenses relating to unbudgeted additional CPT procedure codes along with increases in supplemental allowable payable amounts that became effective January 1, 2020 offset against revenue included in 1B above (\$2.0 million) and Covid-19 provider relief expenses (\$2.0 million).
- F) \$1.0 million favorable variance in Pharmacy primarily due from formulary modifications that capitalized on new generics that came to market and less costly brands within the same therapeutic class. There was also a timing impact from the lengthening of the day supply per prescription of maintenance medications that occurred beginning in March.
- G) \$1.8 million favorable variance in Hospital Directed Payments primarily due to receiving revised 18/19 HDP rates. This amount is offset against amounts included in 1D above.

3) \$1.2 million favorable variance in MCO Tax due to a revised reduction in our MCO tax liability rates that occurred with an agreement between CMS and DHCS which is partially offset against MCO Tax Premium included in Item 1C above.

The November Medical Loss Ratio is 91.6% which is favorable to the 93.5% budgeted amount. The November Administrative Expense Ratio is 5.5% which is favorable to the 6.5% budgeted amount.

The results for the 11 months ended November 30, 2020 reflect a Net Increase in Net Position of \$11,557,452. This is a \$19,507,728 favorable variance to budget and includes approximately \$13.0 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 91.6% which is favorable to the 93.3% budgeted amount. The year-to-date Administrative Expense Ratio is 5.9% which is favorable to the 6.6% budgeted amount.

**Kern Health Systems  
Financial Packet  
November 2020**

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

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

**KHS Administrative Analysis and Other Reporting**

Monthly Member Count	Page 15
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<b>KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF NOVEMBER 30, 2020</b>			
<b>ASSETS</b>	<b>NOVEMBER 2020</b>	<b>OCTOBER 2020</b>	<b>INC(DEC)</b>
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 77,825,996	\$ 76,219,721	\$ 1,606,275
Short-Term Investments	154,301,299	172,284,415	(17,983,116)
Premiums Receivable - Net	93,226,885	92,887,931	338,954
Premiums Receivable - Hospital Direct Payments	185,930,497	176,610,813	9,319,684
Interest Receivable	381,917	235,752	146,165
Provider Advance Payment	5,746,518	5,746,518	-
Other Receivables	1,230,780	1,074,872	155,908
Prepaid Expenses & Other Current Assets	1,159,952	1,507,161	(347,209)
<b>Total Current Assets</b>	<b>\$ 519,803,844</b>	<b>\$ 526,567,183</b>	<b>\$ (6,763,339)</b>
<b>CAPITAL ASSETS - NET OF ACCUM DEPREE:</b>			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	2,167,198	2,189,812	(22,614)
Computer Hardware and Software - Net	15,157,865	15,435,994	(278,129)
Building and Building Improvements - Net	35,423,975	35,499,670	(75,695)
Capital Projects in Progress	11,563,748	11,276,865	286,883
<b>Total Capital Assets</b>	<b>\$ 68,403,492</b>	<b>\$ 68,493,047</b>	<b>\$ (89,555)</b>
<b>LONG TERM ASSETS:</b>			
Restricted Investments	300,000	300,000	-
Officer Life Insurance Receivables	1,503,894	1,503,894	-
<b>Total Long Term Assets</b>	<b>\$ 1,803,894</b>	<b>\$ 1,803,894</b>	<b>\$ -</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 2,889,179</b>	<b>\$ 2,889,179</b>	<b>\$ -</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 592,900,409</b>	<b>\$ 599,753,303</b>	<b>\$ (6,852,894)</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES:</b>			
Accrued Salaries and Employee Benefits	\$ 4,015,907	\$ 3,958,354	57,553
Accrued Other Operating Expenses	1,547,512	1,390,353	157,159
Accrued Taxes and Licenses	17,631,626	35,440,923	(17,809,297)
Claims Payable (Reported)	23,081,047	25,976,730	(2,895,683)
IBNR - Inpatient Claims	29,387,438	30,071,704	(684,266)
IBNR - Physician Claims	16,238,253	15,000,319	1,237,934
IBNR - Accrued Other Medical	25,041,289	24,520,646	520,643
Risk Pool and Withholds Payable	5,005,162	4,460,200	544,962
Statutory Allowance for Claims Processing Expense	2,066,234	2,066,234	-
Other Liabilities	49,720,472	47,744,680	1,975,792
Accrued Hospital Directed Payments	185,930,497	176,610,813	9,319,684
<b>Total Current Liabilities</b>	<b>\$ 359,665,437</b>	<b>\$ 367,240,956</b>	<b>\$ (7,575,519)</b>
<b>NONCURRENT LIABILITIES:</b>			
Net Pension Liability	6,564,477	6,564,477	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 6,564,477</b>	<b>\$ 6,564,477</b>	<b>\$ -</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 420,664</b>	<b>\$ 420,664</b>	<b>\$ -</b>
<b>NET POSITION:</b>			
Net Position - Beg. of Year	214,692,379	214,692,379	-
Increase (Decrease) in Net Position - Current Year	11,557,452	10,834,827	722,625
<b>Total Net Position</b>	<b>\$ 226,249,831</b>	<b>\$ 225,527,206</b>	<b>\$ 722,625</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 592,900,409</b>	<b>\$ 599,753,303</b>	<b>\$ (6,852,894)</b>



CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED NOVEMBER 30, 2020			YEAR-TO-DATE MEMBER MONTHS		
						ACTUAL	BUDGET	VARIANCE
<b>ENROLLMENT</b>								
181,621	171,500	10,121	Family Members	1,907,755	1,864,500	43,255		
69,855	61,090	8,765	Expansion Members	708,403	671,990	36,413		
15,692	14,730	962	SPD Members	172,418	162,030	10,388		
7,912	6,205	1,707	Other Members	82,441	68,255	14,186		
10,753	8,660	2,093	Kaiser Members	107,296	95,260	12,036		
285,833	262,185	23,648	<b>Total Members - MCAL</b>	2,978,313	2,862,035	116,278		
<b>REVENUES</b>								
30,920,096	27,701,948	3,218,148	Title XIX - Medicaid - Family and Other	326,370,216	302,765,917	23,604,299		
25,504,052	23,145,509	2,358,543	Title XIX - Medicaid - Expansion Members	268,470,122	254,600,602	13,869,520		
16,007,482	14,884,621	1,122,861	Title XIX - Medicaid - SPD Members	166,939,083	163,730,832	3,208,251		
8,420,487	10,141,000	(1,720,513)	Premium - MCO Tax	90,088,326	110,671,000	(20,582,674)		
9,313,088	11,109,596	(1,796,508)	Premium - Hospital Directed Payments	98,175,481	121,969,940	(23,794,459)		
166,556	402,860	(236,304)	Investment Earnings And Other Income	2,361,185	4,396,504	(2,035,319)		
-	73,522	(73,522)	Reinsurance Recoveries	-	802,365	(802,365)		
10,627	-	10,627	Rate Adjustments - Hospital Directed Payments	(51,773,397)	-	(51,773,397)		
127,031	-	127,031	Rate/Income Adjustments	(1,319,768)	-	(1,319,768)		
90,469,419	87,459,057	3,010,362	<b>TOTAL REVENUES</b>	899,311,248	958,937,160	(59,625,912)		
<b>EXPENSES</b>								
<b>Medical Costs:</b>								
13,867,872	14,474,359	606,487	Physician Services	148,668,958	158,289,774	9,620,816		
4,389,484	4,655,322	265,838	Other Professional Services	45,187,956	50,960,350	5,772,394		
4,638,713	5,195,226	556,513	Emergency Room	50,089,683	56,748,581	6,658,898		
17,212,070	13,580,002	(3,632,068)	Inpatient	177,017,544	148,678,396	(28,339,148)		
84,521	73,522	(10,999)	Reinsurance Expense	826,721	802,365	(24,356)		
6,209,999	6,582,277	372,278	Outpatient Hospital	70,432,022	72,112,659	1,680,637		
10,958,385	7,069,293	(3,889,092)	Other Medical	113,696,497	77,275,330	(36,421,167)		
8,717,167	9,755,384	1,038,217	Pharmacy	100,893,936	106,917,828	6,023,892		
544,962	507,050	(37,912)	Pay for Performance Quality Incentive	5,721,372	5,533,550	(187,822)		
-	-	-	Risk Corridor Expense	-	-	-		
9,313,088	11,109,596	1,796,508	Hospital Directed Payments	98,175,481	121,969,940	23,794,459		
6,596	-	(6,596)	Hospital Directed Payment Adjustment	(52,014,310)	-	(52,014,310)		
(209,309)	-	209,309	Non-Claims Expense Adjustment	(2,455,554)	-	(2,455,554)		
205,986	-	(205,986)	IBNR, Incentive, Paid Claims Adjustment	(11,410,176)	-	(11,410,176)		
75,939,534	73,002,031	(2,937,503)	<b>Total Medical Costs</b>	744,830,130	799,288,771	54,458,641		
14,529,885	14,457,026	72,859	<b>GROSS MARGIN</b>	154,481,118	159,648,389	(5,167,271)		
<b>Administrative:</b>								
2,456,357	2,662,790	206,433	Compensation	28,358,187	29,374,556	1,016,369		
745,537	863,729	118,192	Purchased Services	8,628,728	9,470,690	841,962		
106,489	119,193	12,704	Supplies	781,557	1,311,299	529,742		
419,850	337,375	(82,475)	Depreciation	4,612,905	3,665,125	(947,780)		
242,696	348,092	105,396	Other Administrative Expenses	2,987,538	3,853,980	866,442		
-	-	-	Administrative Expense Adjustment	(212,229)	-	(212,229)		
3,970,929	4,331,179	360,250	<b>Total Administrative Expenses</b>	45,156,686	47,675,650	2,518,964		
79,910,463	77,333,210	(2,577,253)	<b>TOTAL EXPENSES</b>	789,986,816	846,964,421	56,977,605		
10,558,956	10,125,848	433,108	<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	109,324,432	111,972,739	(2,648,307)		
8,904,649	10,141,000	1,236,351	<b>MCO TAX</b>	92,014,925	110,671,000	18,656,075		
1,654,307	(15,152)	1,669,459	<b>OPERATING INCOME (LOSS) NET OF TAX</b>	17,309,507	1,301,739	16,007,768		
<b>NONOPERATING REVENUE (EXPENSE)</b>								
-	-	-	Gain on Sale of Assets	-	-	-		
(814,038)	(333,334)	(480,704)	Provider Recruitment and Retention Grants	(4,083,748)	(3,666,666)	(417,082)		
(117,644)	(507,759)	390,115	Health Home	(1,668,307)	(5,585,349)	3,917,042		
(931,682)	(841,093)	(90,589)	<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	(5,752,055)	(9,252,015)	3,499,960		
722,625	(856,245)	1,578,870	<b>NET INCREASE (DECREASE) IN NET POSITION</b>	11,557,452	(7,950,276)	19,507,728		
91.6%	93.5%	1.9%	<b>MEDICAL LOSS RATIO</b>	91.6%	93.3%	1.7%		
5.5%	6.5%	1.1%	<b>ADMINISTRATIVE EXPENSE RATIO</b>	5.9%	6.6%	0.6%		

			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED NOVEMBER 30, 2020					
CURRENT MONTH						YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE		
<b>ENROLLMENT</b>								
181,621	171,500	10,121	Family Members	1,907,755	1,864,500	43,255		
69,855	61,090	8,765	Expansion Members	708,403	671,990	36,413		
15,692	14,730	962	SPD Members	172,418	162,030	10,388		
7,912	6,205	1,707	Other Members	82,441	68,255	14,186		
10,753	8,660	2,093	Kaiser Members	107,296	95,260	12,036		
285,833	262,185	23,648	<b>T o t a l M e m b e r s - M C A L</b>	2,978,313	2,862,035	116,278		
<b>REVENUES</b>								
163.14	155.89	7.25	Title XIX - Medicaid - Family and Other	163.99	156.65	7.34		
365.10	378.88	(13.78)	Title XIX - Medicaid - Expansion Members	378.98	378.88	0.10		
1,020.10	1,010.50	9.61	Title XIX - Medicaid - SPD Members	968.22	1,010.50	(42.27)		
30.61	40.00	(9.39)	Premium - MCO Tax	31.38	40.00	(8.62)		
33.86	43.82	(9.96)	Premium - Hospital Directed Payments	34.20	44.08	(9.89)		
0.61	1.59	(0.98)	Investment Earnings And Other Income	0.82	1.59	(0.77)		
0.00	0.29	(0.29)	Reinsurance Recoveries	0.00	0.29	(0.29)		
0.04	0.00	0.04	Rate Adjustments - Hospital Directed Payments	(18.03)	0.00	(18.03)		
0.46	0.00	0.46	Rate/Income Adjustments	(0.46)	0.00	(0.46)		
328.88	344.97	(16.09)	<b>TOTAL REVENUES</b>	313.24	346.59	(33.35)		
<b>EXPENSES</b>								
Medical Costs:								
50.41	57.09	6.68	Physician Services	51.78	57.21	5.43		
15.96	18.36	2.41	Other Professional Services	15.74	18.42	2.68		
16.86	20.49	3.63	Emergency Room	17.45	20.51	3.06		
62.57	53.56	(9.01)	Inpatient	61.66	53.74	(7.92)		
0.31	0.29	(0.02)	Reinsurance Expense	0.29	0.29	0.00		
22.58	25.96	3.39	Outpatient Hospital	24.53	26.06	1.53		
39.84	27.88	(11.95)	Other Medical	39.60	27.93	(11.67)		
31.69	38.48	6.79	Pharmacy	35.14	38.64	3.50		
1.98	2.00	0.02	Pay for Performance Quality Incentive	1.99	2.00	0.01		
0.00	0.00	0.00	Risk Corridor Expense	0.00	0.00	0.00		
33.86	43.82	9.96	Hospital Directed Payments	34.20	44.08	9.89		
0.02	0.00	(0.02)	Hospital Directed Payment Adjustment	(18.12)	0.00	18.12		
(0.76)	0.00	0.76	Non-Claims Expense Adjustment	(0.86)	0.00	0.86		
0.75	0.00	(0.75)	IBNR, Incentive, Paid Claims Adjustment	(3.97)	0.00	3.97		
276.06	287.95	11.88	<b>Total Medical Costs</b>	259.43	288.89	29.46		
52.82	57.02	(4.20)	<b>GROSS MARGIN</b>	53.81	57.70	(3.89)		
Administrative:								
8.93	10.50	1.57	Compensation	9.88	10.62	0.74		
2.71	3.41	0.70	Purchased Services	3.01	3.42	0.42		
0.39	0.47	0.08	Supplies	0.27	0.47	0.20		
1.53	1.33	(0.20)	Depreciation	1.61	1.32	(0.28)		
0.88	1.37	0.49	Other Administrative Expenses	1.04	1.39	0.35		
0.00	0.00	0.00	Administrative Expense Adjustment	(0.07)	0.00	0.07		
14.44	17.08	2.65	<b>Total Administrative Expenses</b>	15.73	17.23	1.50		
290.50	305.03	14.53	<b>TOTAL EXPENSES</b>	275.16	306.12	30.96		
38.39	39.94	(1.56)	<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	38.08	40.47	(2.39)		
32.37	40.00	7.63	<b>MCO TAX</b>	32.05	40.00	7.95		
6.01	(0.06)	6.07	<b>OPERATING INCOME (LOSS) NET OF TAX</b>	6.03	0.47	5.56		
<b>NONOPERATING REVENUE (EXPENSE)</b>								
0.00	0.00	0.00	Gain on Sale of Assets	0.00	0.00	0.00		
(2.96)	(1.31)	(1.64)	Reserve Fund Projects/Community Grants	(1.42)	(1.33)	(0.10)		
(0.43)	(2.00)	1.58	Health Home	(0.58)	(2.02)	1.44		
(3.39)	(3.32)	(0.07)	<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	(2.00)	(3.34)	1.34		
2.63	(3.38)	6.00	<b>NET INCREASE (DECREASE) IN NET POSITION</b>	4.03	(2.87)	6.90		
91.6%	93.5%	1.9%	<b>MEDICAL LOSS RATIO</b>	91.6%	93.3%	1.7%		
5.5%	6.5%	1.1%	<b>ADMINISTRATIVE EXPENSE RATIO</b>	5.9%	6.6%	0.6%		



# KHS Board of Directors Meeting, February 11, 2021

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH NOVEMBER 30, 2020														
	NOVEMBER 2019	DECEMBER 2019	JANUARY 2020	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	13 MONTH TOTAL
<b>ENROLLMENT</b>														
Members - MCAL	250,459	249,381	248,640	250,007	251,552	252,950	256,134	259,592	261,732	264,749	278,100	272,481	275,080	3,370,857
<b>REVENUES</b>														
Title XIX - Medicaid - Family and Other	199.08	162.50	162.42	161.68	163.16	157.08	158.57	169.56	165.45	166.87	166.16	173.40	164.62	166.98
Title XIX - Medicaid - Expansion Members	419.77	410.96	386.35	387.18	388.37	369.94	373.98	388.48	377.98	376.19	379.54	393.46	371.41	386.09
Title XIX - Medicaid - SPD Members	1,039.69	1,000.74	958.75	975.52	973.74	936.77	938.61	987.39	981.08	972.23	972.22	945.03	1,012.68	975.91
Premium - MCO Tax	46.35	(209.68)	0.00	64.63	30.16	31.29	30.90	30.91	31.47	31.48	29.96	33.64	30.61	14.66
Premium - Hospital Directed Payments	0.00	546.01	45.35	45.56	45.70	45.92	45.35	46.80	(33.85)	34.42	32.77	36.53	33.86	69.52
Investment Earnings And Other Income	1.06	2.93	0.76	1.21	1.69	1.05	1.26	0.24	1.21	0.66	(0.05)	0.56	0.61	1.00
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	0.00	406.58	0.48	0.24	0.17	0.14	0.14	(0.04)	(198.96)	0.02	0.01	0.00	0.04	14.72
Rate/Income Adjustments	(0.01)	(1.57)	3.30	3.24	2.45	(17.91)	1.74	1.84	0.52	1.10	0.25	(2.14)	0.46	(0.51)
<b>TOTAL REVENUES</b>	<b>352.21</b>	<b>1,017.92</b>	<b>316.41</b>	<b>381.55</b>	<b>348.16</b>	<b>317.99</b>	<b>339.12</b>	<b>352.88</b>	<b>66.89</b>	<b>334.29</b>	<b>317.10</b>	<b>345.36</b>	<b>328.88</b>	<b>368.27</b>
<b>EXPENSES</b>														
<b>Medical Costs:</b>														
Physician Services	57.48	62.38	59.35	55.49	57.05	49.10	48.53	45.48	51.04	49.61	52.19	51.96	50.41	52.99
Other Professional Services	14.36	17.53	17.43	15.87	16.00	15.45	13.62	13.04	16.89	17.45	17.41	13.97	15.96	15.77
Emergency Room	20.87	18.97	21.02	21.03	21.35	15.08	16.45	12.96	13.95	18.18	17.71	17.67	16.86	17.81
Inpatient	58.52	57.94	59.97	55.57	58.61	63.24	56.26	65.93	65.27	62.83	64.29	62.89	62.57	61.15
Reinsurance Expense	0.52	0.51	0.29	0.58	(0.00)	0.31	0.27	0.28	0.29	0.29	0.28	0.28	0.31	0.32
Outpatient Hospital	24.52	19.12	27.08	24.82	26.10	24.79	20.30	24.84	24.63	26.04	24.47	24.42	22.58	24.13
Other Medical	66.50	26.66	22.77	40.08	42.35	34.92	42.40	35.44	43.96	34.20	50.46	47.40	39.84	40.64
Pharmacy	37.06	37.16	40.10	36.98	40.99	34.27	33.64	32.03	33.55	34.68	35.34	33.98	31.69	35.43
Pay for Performance Quality Incentive	2.00	2.00	2.00	2.00	2.00	2.02	1.98	2.00	2.00	2.00	1.90	2.04	1.98	1.99
Risk Corridor Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.11	(7.64)	0.00	(9.71)	0.00	0.00	0.00
Hospital Directed Payments	0.00	546.01	45.35	45.56	45.70	45.92	45.35	46.80	(33.85)	34.42	32.77	36.53	33.86	69.52
Hospital Directed Payment Adjustment	0.00	406.58	0.48	0.24	0.17	0.14	0.14	(0.04)	(198.96)	(0.88)	0.02	0.00	0.02	14.58
Non-Claims Expense Adjustment	(0.07)	0.02	0.23	0.93	(6.30)	0.01	0.66	(1.25)	(0.09)	(0.00)	(2.80)	0.02	(0.76)	(0.73)
IBNR, Incentive, Paid Claims Adjustment	(0.16)	(1.04)	0.00	(0.03)	(10.53)	(17.57)	0.05	(1.64)	1.32	(0.46)	(15.53)	(0.02)	0.75	(3.47)
<b>Total Medical Costs</b>	<b>281.60</b>	<b>1,192.88</b>	<b>296.10</b>	<b>299.13</b>	<b>293.50</b>	<b>267.65</b>	<b>279.64</b>	<b>293.97</b>	<b>12.34</b>	<b>278.36</b>	<b>268.81</b>	<b>291.15</b>	<b>276.06</b>	<b>330.14</b>
<b>GROSS MARGIN</b>	<b>70.61</b>	<b>(174.96)</b>	<b>20.32</b>	<b>82.43</b>	<b>54.66</b>	<b>50.34</b>	<b>59.47</b>	<b>58.91</b>	<b>54.55</b>	<b>55.93</b>	<b>48.29</b>	<b>54.21</b>	<b>52.82</b>	<b>38.13</b>
<b>Administrative:</b>														
Compensation	9.60	10.38	10.37	9.63	9.73	10.59	9.28	10.92	10.44	9.81	9.48	9.59	8.93	9.89
Purchased Services	3.21	5.45	3.24	2.91	3.45	2.55	3.53	4.40	3.29	3.10	1.52	2.53	2.71	3.20
Supplies	0.23	(0.03)	0.14	0.60	0.40	0.24	0.23	0.11	0.27	0.24	0.26	0.13	0.39	0.25
Depreciation	1.12	1.22	1.16	1.15	1.19	1.19	3.61	1.61	1.60	1.58	1.51	1.54	1.53	1.54
Other Administrative Expenses	1.08	1.38	1.42	0.73	1.07	1.75	0.87	1.33	0.92	0.96	1.07	0.51	0.88	1.07
Administrative Expense Adjustment	0.00	5.31	0.00	0.00	0.00	0.00	0.00	(0.82)	0.00	0.00	0.00	0.00	0.00	0.33
<b>Total Administrative Expenses</b>	<b>15.24</b>	<b>23.72</b>	<b>16.33</b>	<b>15.01</b>	<b>15.84</b>	<b>16.31</b>	<b>17.51</b>	<b>17.56</b>	<b>16.51</b>	<b>15.69</b>	<b>13.83</b>	<b>14.30</b>	<b>14.44</b>	<b>16.28</b>
<b>TOTAL EXPENSES</b>	<b>296.84</b>	<b>1,216.60</b>	<b>312.43</b>	<b>314.14</b>	<b>309.34</b>	<b>283.96</b>	<b>297.16</b>	<b>311.53</b>	<b>28.85</b>	<b>294.05</b>	<b>282.64</b>	<b>305.45</b>	<b>290.50</b>	<b>346.42</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>55.37</b>	<b>(198.68)</b>	<b>3.99</b>	<b>67.41</b>	<b>38.82</b>	<b>34.03</b>	<b>41.96</b>	<b>41.35</b>	<b>38.04</b>	<b>40.24</b>	<b>34.46</b>	<b>39.91</b>	<b>38.39</b>	<b>21.85</b>
<b>MCO TAX</b>	<b>49.04</b>	<b>(212.37)</b>	<b>0.00</b>	<b>64.63</b>	<b>30.16</b>	<b>31.29</b>	<b>30.90</b>	<b>30.49</b>	<b>34.02</b>	<b>33.64</b>	<b>32.02</b>	<b>32.68</b>	<b>32.37</b>	<b>15.23</b>
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>6.32</b>	<b>13.69</b>	<b>3.99</b>	<b>2.78</b>	<b>8.66</b>	<b>2.73</b>	<b>11.05</b>	<b>10.86</b>	<b>4.02</b>	<b>6.60</b>	<b>2.44</b>	<b>7.23</b>	<b>6.01</b>	<b>6.62</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(3.54)</b>	<b>(1.71)</b>	<b>(3.79)</b>	<b>(2.28)</b>	<b>(4.28)</b>	<b>1.68</b>	<b>(2.29)</b>	<b>(1.85)</b>	<b>1.77</b>	<b>(2.60)</b>	<b>(0.64)</b>	<b>(4.36)</b>	<b>(3.39)</b>	<b>(2.10)</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>2.79</b>	<b>11.98</b>	<b>0.20</b>	<b>0.50</b>	<b>4.38</b>	<b>4.41</b>	<b>8.76</b>	<b>9.01</b>	<b>5.78</b>	<b>4.01</b>	<b>1.81</b>	<b>2.87</b>	<b>2.63</b>	<b>4.52</b>
<b>MEDICAL LOSS RATIO</b>	<b>92.1%</b>	<b>87.7%</b>	<b>92.5%</b>	<b>93.4%</b>	<b>91.0%</b>	<b>92.1%</b>	<b>89.1%</b>	<b>89.8%</b>	<b>91.4%</b>	<b>91.2%</b>	<b>92.8%</b>	<b>92.5%</b>	<b>91.6%</b>	<b>91.3%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>5.0%</b>	<b>8.6%</b>	<b>6.0%</b>	<b>5.5%</b>	<b>5.8%</b>	<b>6.8%</b>	<b>6.7%</b>	<b>6.4%</b>	<b>6.2%</b>	<b>5.8%</b>	<b>5.4%</b>	<b>5.2%</b>	<b>5.5%</b>	<b>6.0%</b>

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED NOVEMBER 30, 2020	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			<b>REVENUES</b>			
			Title XIX - Medicaid - Family & Other			
23,753,713	22,351,200	1,402,513	Premium - Medi-Cal	253,471,157	244,259,992	9,211,165
2,499,571	2,375,503	124,068	Premium - Maternity Kick	26,183,469	26,130,533	52,936
52,306	73,978	(21,672)	Premium - Hep C Kick	640,753	804,437	(163,684)
656,176	606,077	50,099	Premium - BHT Kick	4,472,874	6,590,450	(2,117,576)
269,172	318,083	(48,911)	Premium - Health Home Kick	1,953,877	3,458,817	(1,504,940)
3,418,659	1,724,575	1,694,084	Premium - Provider Enhancement	36,774,676	18,751,925	18,022,751
167,762	158,293	9,469	Premium - Ground Emergency Medical Transportation	1,794,995	1,728,455	66,540
102,737	94,239	8,498	Other	1,078,415	1,034,937	43,478
30,920,096	27,701,948	3,218,148	<b>Total Title XIX - Medicaid - Family &amp; Other</b>	<b>326,370,216</b>	<b>302,759,546</b>	<b>23,610,670</b>
			Title XIX - Medicaid - Expansion Members			
23,065,047	21,183,611	1,881,436	Premium - Medi-Cal	242,995,570	233,019,721	9,975,849
245,891	214,189	31,702	Premium - Maternity Kick	2,738,729	2,356,079	382,650
193,534	303,377	(109,843)	Premium - Hep C Kick	2,578,706	3,337,147	(758,441)
447,008	519,998	(72,990)	Premium - Health Home Kick	3,774,981	5,719,978	(1,944,997)
1,350,785	742,244	608,542	Premium - Provider Enhancement	14,255,092	8,164,682	6,090,411
170,382	152,964	17,418	Premium - Ground Emergency Medical Transportation	1,797,604	1,682,604	115,000
31,405	29,126	2,279	Other	329,440	320,386	9,054
25,504,052	23,145,509	2,358,543	<b>Total Title XIX - Medicaid - Expansion Members</b>	<b>268,470,122</b>	<b>254,600,597</b>	<b>13,869,525</b>
			Title XIX - Medicaid - SPD Members			
14,312,871	13,148,587	1,164,284	Premium - Medi-Cal	149,757,898	144,634,457	5,123,441
104,613	94,152	10,461	Premium - Hep C Kick	1,218,739	1,035,672	183,067
597,505	818,847	(221,342)	Premium - BHT Kick	5,706,834	9,007,317	(3,300,483)
364,709	416,635	(51,926)	Premium - Health Home Kick	3,680,859	4,582,985	(902,126)
482,543	282,521	200,022	Premium - Provider Enhancement	5,055,138	3,115,731	1,939,407
145,241	123,879	21,362	Premium - Ground Emergency Medical Transportation	1,519,615	1,362,669	156,946
16,007,482	14,884,621	1,122,861	<b>Total Title XIX - Medicaid - SPD Members</b>	<b>166,939,083</b>	<b>163,738,831</b>	<b>3,200,252</b>

CURRENT MONTH			KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED NOVEMBER 30, 2020	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			<b>PHYSICIAN SERVICES</b>			
2,941,771	2,894,620	(47,151)	Primary Care Physician Services	30,435,399	31,598,913	1,163,514
9,663,573	10,131,853	468,280	Referral Specialty Services	103,809,311	110,897,492	7,088,181
1,253,528	1,438,886	185,358	Urgent Care & After Hours Advise	14,323,748	15,692,868	1,369,120
9,000	9,000	-	Hospital Admitting Team	100,500	100,500	-
<b>13,867,872</b>	<b>14,474,359</b>	<b>606,487</b>	<b>TOTAL PHYSICIAN SERVICES</b>	<b>148,668,958</b>	<b>158,289,774</b>	<b>9,620,816</b>
			<b>OTHER PROFESSIONAL SERVICES</b>			
306,024	272,138	(33,886)	Vision Service Capitation	3,032,320	2,979,286	(53,034)
177,185	212,779	35,594	221 - Business Intelligence	2,281,673	2,340,569	58,896
632,460	560,325	(72,135)	310 - Health Services - Utilization Management - UM Allocation *	6,364,136	6,111,639	(252,497)
116,037	169,504	53,467	311 - Health Services - Quality Improvement - UM Allocation *	1,591,757	1,864,539	272,782
113,521	127,991	14,470	312 - Health Services - Education - UM Allocation *	1,264,847	1,407,897	143,050
85,496	94,630	9,134	313 - Health Services - Pharmacy - UM Allocation *	928,514	1,040,934	112,420
129,111	139,492	10,381	314 - Health Homes - UM Allocation *	1,187,004	1,489,999	302,995
263,912	258,856	(5,056)	315 - Case Management - UM Allocation *	2,901,229	2,847,419	(53,810)
56,164	61,775	5,611	616 - Disease Management - UM Allocation *	657,956	679,523	21,567
1,109,648	1,424,924	315,276	Behavior Health Treatment	10,568,104	15,599,132	5,031,028
63,631	171,403	107,772	Mental Health Services	1,298,229	1,879,001	580,772
1,336,295	1,161,505	(174,790)	Other Professional Services	13,112,187	12,720,412	(391,775)
<b>4,389,484</b>	<b>4,655,322</b>	<b>265,838</b>	<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>45,187,956</b>	<b>50,960,350</b>	<b>5,772,394</b>
<b>4,638,713</b>	<b>5,195,226</b>	<b>556,513</b>	<b>EMERGENCY ROOM</b>	<b>50,089,683</b>	<b>56,748,581</b>	<b>6,658,898</b>
<b>17,212,070</b>	<b>13,580,002</b>	<b>(3,632,068)</b>	<b>INPATIENT HOSPITAL</b>	<b>177,017,544</b>	<b>148,678,396</b>	<b>(28,339,148)</b>
<b>84,521</b>	<b>73,522</b>	<b>(10,999)</b>	<b>REINSURANCE EXPENSE PREMIUM</b>	<b>826,721</b>	<b>802,365</b>	<b>(24,356)</b>
<b>6,209,999</b>	<b>6,582,277</b>	<b>372,278</b>	<b>OUTPATIENT HOSPITAL SERVICES</b>	<b>70,432,022</b>	<b>72,112,659</b>	<b>1,680,637</b>
			<b>OTHER MEDICAL</b>			
1,224,809	1,554,793	329,984	Ambulance and NEMT	13,711,504	17,019,218	3,307,714
560,737	390,895	(169,842)	Home Health Services & CBAS	4,922,615	4,285,014	(637,601)
121,178	511,869	390,691	Utilization and Quality Review Expenses	2,734,931	5,512,481	2,777,550
1,372,401	941,435	(430,966)	Long Term/SNF/Hospice	14,000,291	10,333,703	(3,666,588)
407,580	485,324	77,744	Health Home Capitation & Incentive	2,482,135	5,333,331	2,851,196
4,769,377	2,749,841	(2,019,536)	Provider Enhancement Expense - Prop. 56	53,764,596	30,027,855	(23,736,741)
468,619	435,136	(33,483)	Provider Enhancement Expense - GEMT	4,881,405	4,773,728	(107,677)
2,033,684	-	(2,033,684)	Provider COVID-19 Expenses	17,199,020	-	(17,199,020)
<b>10,958,385</b>	<b>7,069,293</b>	<b>(3,889,092)</b>	<b>TOTAL OTHER MEDICAL</b>	<b>113,696,497</b>	<b>77,275,330</b>	<b>(36,421,167)</b>
			<b>PHARMACY SERVICES</b>			
7,628,753	8,737,504	1,108,751	RX - Drugs & OTC	90,852,157	95,756,338	4,904,181
265,484	471,507	206,023	RX - HEP-C	3,441,953	5,177,418	1,735,465
957,930	692,328	(265,602)	Rx - DME	7,845,418	7,588,089	(257,329)
(135,000)	(145,956)	(10,956)	RX - Pharmacy Rebates	(1,245,592)	(1,604,017)	(358,425)
<b>8,717,167</b>	<b>9,755,384</b>	<b>1,038,217</b>	<b>TOTAL PHARMACY SERVICES</b>	<b>100,893,936</b>	<b>106,917,828</b>	<b>6,023,892</b>
<b>544,962</b>	<b>507,050</b>	<b>(37,912)</b>	<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	<b>5,721,372</b>	<b>5,533,550</b>	<b>(187,822)</b>
-	-	-	<b>RISK CORRIDOR EXPENSE</b>	-	-	-
<b>9,313,088</b>	<b>11,109,596</b>	<b>1,796,508</b>	<b>HOSPITAL DIRECTED PAYMENTS</b>	<b>98,175,481</b>	<b>121,969,940</b>	<b>23,794,459</b>
6,596	-	(6,596)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	(52,014,310)	-	52,014,310
(209,309)	-	209,309	NON-CLAIMS EXPENSE ADJUSTMENT	(2,455,554)	-	2,455,554
205,986	-	(205,986)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(11,410,176)	-	11,410,176
<b>75,939,534</b>	<b>73,002,031</b>	<b>(2,937,503)</b>	<b>Total Medical Costs</b>	<b>744,830,130</b>	<b>799,288,771</b>	<b>54,458,641</b>

\* Medical costs per DMHC regulations

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED NOVEMBER 30, 2020	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
<b>PHYSICIAN SERVICES</b>						
10.69	11.42	0.72	Primary Care Physician Services	10.60	11.42	0.82
35.13	39.96	4.83	Referral Specialty Services	36.16	40.08	3.92
4.56	5.68	1.12	Urgent Care & After Hours Advise	4.99	5.67	0.68
0.03	0.04	0.00	Hospital Admitting Team	0.04	0.04	0.00
50.41	57.09	6.68	<b>TOTAL PHYSICIAN SERVICES</b>	51.78	57.21	5.43
<b>OTHER PROFESSIONAL SERVICES</b>						
1.11	1.07	(0.04)	Vision Service Capitation	1.06	1.08	0.02
0.64	0.84	0.20	221 - Business Intelligence	0.79	0.85	0.05
2.30	2.21	(0.09)	310 - Health Services - Utilization Management - UM Allocation *	2.22	2.21	(0.01)
0.42	0.67	0.25	311 - Health Services - Quality Improvement - UM Allocation *	0.55	0.67	0.12
0.41	0.50	0.09	312 - Health Services - Education - UM Allocation *	0.44	0.51	0.07
0.31	0.37	0.06	313 - Health Services - Pharmacy - UM Allocation *	0.32	0.38	0.05
0.47	0.55	0.08	314 - Health Homes - UM Allocation *	0.41	0.54	0.13
0.96	1.02	0.06	315 - Case Management - UM Allocation *	1.01	1.03	0.02
0.20	0.24	0.04	616 - Disease Management - UM Allocation *	0.23	0.25	0.02
4.03	5.62	1.59	Behavior Health Treatment	3.68	5.64	1.96
0.23	0.68	0.44	Mental Health Services	0.45	0.68	0.23
4.86	4.58	(0.28)	Other Professional Services	4.57	4.60	0.03
15.96	18.36	2.41	<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	15.74	18.42	2.68
16.86	20.49	3.63	<b>EMERGENCY ROOM</b>	17.45	20.51	3.06
62.57	53.56	(9.01)	<b>INPATIENT HOSPITAL</b>	61.66	53.74	(7.92)
0.31	0.29	(0.02)	REINSURANCE EXPENSE PREMIUM	0.29	0.29	0.00
22.58	25.96	3.39	<b>OUTPATIENT HOSPITAL SERVICES</b>	24.53	26.06	1.53
<b>OTHER MEDICAL</b>						
4.45	6.13	1.68	Ambulance and NEMT	4.78	6.15	1.38
2.04	1.54	(0.50)	Home Health Services & CBAS	1.71	1.55	(0.17)
0.44	2.02	1.58	Utilization and Quality Review Expenses	0.95	1.99	1.04
4.99	3.71	(1.28)	Long Term/SNF/Hospice	4.88	3.73	(1.14)
1.48	1.91	0.43	Health Home Capitation & Incentive	0.86	1.92	1.06
17.34	10.85	(6.49)	Provider Enhancement Expense - Prop. 56	18.73	10.85	(7.87)
1.70	1.72	0.01	Provider Enhancement Expense - GEMT	1.70	1.73	0.03
7.39	0.00	(7.39)	Provider COVID-19 Expenses	5.99	0.00	(5.99)
39.84	27.88	(11.95)	<b>TOTAL OTHER MEDICAL</b>	39.60	27.93	(11.67)
<b>PHARMACY SERVICES</b>						
27.73	34.46	6.73	RX - Drugs & OTC	31.64	34.61	2.96
0.97	1.86	0.89	RX - HEP-C	1.20	1.87	0.67
3.48	2.73	(0.75)	Rx - DME	2.73	2.74	0.01
(0.49)	(0.58)	(0.08)	RX - Pharmacy Rebates	(0.43)	(0.58)	(0.15)
31.69	38.48	6.79	<b>TOTAL PHARMACY SERVICES</b>	35.14	38.64	3.50
1.98	2.00	0.02	<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	1.99	2.00	0.01
0.00	0.00	0.00	<b>RISK CORRIDOR EXPENSE</b>	0.00	0.00	0.00
33.86	43.82	9.96	<b>HOSPITAL DIRECTED PAYMENTS</b>	34.20	44.08	9.89
0.02	0.00	(0.02)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	(18.12)	0.00	18.12
(0.76)	0.00	0.76	NON-CLAIMS EXPENSE ADJUSTMENT	(0.86)	0.00	0.86
0.75	0.00	(0.75)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(3.97)	0.00	3.97
276.06	287.95	11.88	<b>Total Medical Costs</b>	259.43	288.89	29.46

\* Medical costs per DMHC regulations







CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED NOVEMBER 30, 2020	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
316,516	314,502	(2,014)	110 - Executive	3,732,536	3,534,571	(197,965)
153,242	198,806	45,564	210 - Accounting	1,979,041	2,184,924	205,883
173,060	273,113	100,053	220 - Management Information Systems	3,074,539	3,004,257	(70,282)
-	13,049	13,049	221 - Business Intelligence	101,110	143,567	42,457
260,214	281,945	21,731	222 - Enterprise Development	2,812,742	3,101,429	288,687
370,137	415,723	45,586	225 - Infrastructure	3,880,412	4,572,949	692,537
552,091	558,119	6,028	230 - Claims	5,847,860	6,141,011	293,151
103,727	114,151	10,424	240 - Project Management	1,120,655	1,255,661	135,006
81,548	100,300	18,752	310 - Health Services - Utilization Management	1,119,047	1,097,105	(21,942)
36,643	55,141	18,498	311 - Health Services - Quality Improvement	473,644	606,352	132,708
-	67	67	312 - Health Services - Education	481	1,033	552
129,932	144,883	14,951	313- Pharmacy	1,513,289	1,569,209	55,920
109	-	(109)	314 - Health Homes	1,170	-	(1,170)
16,846	16,573	(273)	315 - Case Management	185,698	182,300	(3,398)
20,774	23,131	2,357	616 - Disease Management	243,401	254,443	11,042
245,000	313,552	68,552	320 - Provider Network Management	3,049,923	3,449,072	399,149
528,313	563,886	35,573	330 - Member Services	5,738,023	6,202,696	464,673
600,397	533,116	(67,281)	340 - Corporate Services	6,338,875	5,818,276	(520,599)
79,743	67,176	(12,567)	360 - Audit & Investigative Services	799,286	738,936	(60,350)
29,950	54,315	24,365	410 - Advertising Media	498,459	597,465	99,006
91,614	68,457	(23,157)	420 - Sales/Marketing/Public Relations	538,568	753,027	214,459
181,073	221,175	40,102	510 - Human Resources	2,320,156	2,467,367	147,211
-	-	-	Administrative Expense Adjustment	(212,229)	-	212,229
3,970,929	4,331,179	360,250	Total Administrative Expenses	45,156,686	47,675,650	2,518,964

KERN HEALTH SYSTEMS MEDICAL												
SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED NOVEMBER 30, 2020	JANUARY 2020	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	YEAR TO DATE 2020
110 - Executive	339,242	293,820	365,045	399,347	259,748	354,211	358,020	346,343	374,015	326,229	316,516	3,732,536
210 - Accounting	173,904	178,919	174,836	183,136	174,058	229,239	197,424	181,448	174,523	158,312	153,242	1,979,041
220 - Management Information Systems (MIS)	381,511	295,419	338,903	162,587	375,885	409,177	283,465	385,215	(71,269)	340,586	173,060	3,074,539
221 - Business Intelligence	-	11,648	20,702	22,767	15,303	14,750	15,840	100	14,760	(14,760)	-	101,110
222 - Enterprise Development	211,299	225,855	262,079	292,897	213,893	299,686	277,998	269,776	270,074	228,971	260,214	2,812,742
225 - Infrastructure	359,015	241,507	308,323	274,546	428,168	431,419	409,337	388,698	315,770	353,492	370,137	3,880,412
230 - Claims	556,280	498,960	493,312	543,105	485,601	547,271	552,376	529,257	570,198	519,409	552,091	5,847,860
240 - Project Management	85,191	84,709	97,954	100,673	102,586	121,862	123,048	107,034	102,541	91,330	103,727	1,120,655
310 - Health Services - Utilization Management	98,529	107,809	95,426	112,873	93,694	127,289	99,273	106,044	114,396	82,166	81,548	1,119,047
311 - Health Services - Quality Improvement	10,824	41,860	43,027	54,448	45,627	46,653	50,493	44,850	48,886	50,333	36,643	473,644
312 - Health Services - Education	-	60	-	61	-	-	-	102	258	-	-	481
313 - Pharmacy	156,947	147,980	148,599	141,729	123,386	126,485	118,633	129,761	154,674	135,163	129,932	1,513,289
314 - Health Homes	222	15,046	98	(14,707)	-	76	68	-	258	-	109	1,170
315 - Case Management	17,349	15,664	15,615	19,456	16,074	17,240	17,939	16,261	17,064	16,190	16,846	185,698
616 - Disease Management	20,836	20,068	21,223	25,749	20,786	21,699	24,558	21,762	23,538	22,408	20,774	243,401
320 - Provider Network Management	256,860	252,748	291,995	307,450	269,465	313,902	281,741	260,987	274,601	295,174	245,000	3,049,923
330 - Member Services	530,714	484,954	496,790	563,492	484,348	547,629	542,035	529,092	504,521	526,135	528,313	5,738,023
340 - Corporate Services	439,804	482,885	487,474	449,175	1,070,946	640,485	556,403	599,825	606,212	405,269	600,397	6,338,875
360 - Audit & Investigative Services	81,923	83,979	59,288	87,154	60,510	76,957	69,507	55,676	81,171	63,378	79,743	799,286
410 - Advertising Media	9,439	47,590	38,083	134,979	29,053	138,348	28,355	(17,205)	18,396	41,471	29,950	498,459
420 - Sales/Marketing/Public Relations	44,020	35,104	43,800	36,382	55,996	54,859	78,000	3,632	45,864	49,297	91,614	538,568
510 - Human Resources	285,952	186,648	181,915	228,494	160,954	252,332	237,528	195,087	204,890	205,283	181,073	2,320,156
<b>Total Department Expenses</b>	<b>4,059,861</b>	<b>3,753,232</b>	<b>3,984,487</b>	<b>4,125,793</b>	<b>4,486,081</b>	<b>4,771,569</b>	<b>4,322,041</b>	<b>4,153,745</b>	<b>3,845,341</b>	<b>3,895,836</b>	<b>3,970,929</b>	<b>45,368,915</b>
<b>ADMINISTRATIVE EXPENSE ADJUSTMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(212,229)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(212,229)</b>
<b>Total Administrative Expenses</b>	<b>4,059,861</b>	<b>3,753,232</b>	<b>3,984,487</b>	<b>4,125,793</b>	<b>4,486,081</b>	<b>4,559,340</b>	<b>4,322,041</b>	<b>4,153,745</b>	<b>3,845,341</b>	<b>3,895,836</b>	<b>3,970,929</b>	<b>45,156,686</b>

<b>KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF NOVEMBER 30, 2020</b>			
<b>ASSETS</b>	<b>NOVEMBER 2020</b>	<b>OCTOBER 2020</b>	<b>INC(DEC)</b>
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,133,718	\$ 1,133,718	-
Interest Receivable	1,594	797	797
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 1,135,312</b>	<b>\$ 1,134,515</b>	<b>\$ 797</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES:</b>			
Other Liabilities	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET POSITION:</b>			
Net Position- Beg. of Year	1,128,885	1,128,885	-
Increase (Decrease) in Net Position - Current Year	6,427	5,630	797
<b>Total Net Position</b>	<b>\$ 1,135,312</b>	<b>\$ 1,134,515</b>	<b>\$ 797</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 1,135,312</b>	<b>\$ 1,134,515</b>	<b>\$ 797</b>

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED NOVEMBER 30, 2020	YEAR-TO-DATE		
<b>ENROLLMENT</b>						
-	-	-	<b>Members</b>	-	-	-
<b>REVENUES</b>						
-	-	-	<b>Premium</b>	-	-	-
799	-	799	<b>Interest</b>	13,390	-	13,390
(2)	-	(2)	<b>Other Investment Income</b>	(1,963)	-	(1,963)
797	-	797	<b>TOTAL REVENUES</b>	11,427	-	11,427
<b>EXPENSES</b>						
-	-	-	<b>Medical Costs</b>	-	-	-
-	-	-	<b>IBNR and Paid Claims Adjustment</b>	-	-	-
-	-	-	<b>Total Medical Costs</b>	-	-	-
797	-	797	<b>GROSS MARGIN</b>	11,427	-	11,427
<b>Administrative</b>						
-	-	-	<b>Management Fee Expense and Other Admin Exp</b>	5,000	-	(5,000)
-	-	-	<b>Total Administrative Expenses</b>	5,000	-	(5,000)
-	-	-	<b>TOTAL EXPENSES</b>	5,000	-	(5,000)
797	-	797	<b>OPERATING INCOME (LOSS)</b>	6,427	-	6,427
-	-	-	<b>TOTAL NONOPERATING REVENUE (EXPENSES)</b>	-	-	-
797	-	797	<b>NET INCREASE (DECREASE) IN NET POSITION</b>	6,427	-	6,427
0%	0%	0%	<b>MEDICAL LOSS RATIO</b>	0%	0%	0%
0%	0%	0%	<b>ADMINISTRATIVE EXPENSE RATIO</b>	44%	0%	-44%

**KERN HEALTH SYSTEMS  
MONTHLY MEMBERS COUNT**

**KERN HEALTH SYSTEMS**

		<b>2020 MEMBER MONTHS</b>											
<b>MEDI-CAL</b>		<b>JAN'20</b>	<b>FEB'20</b>	<b>MAR'20</b>	<b>APR'20</b>	<b>MAY'20</b>	<b>JUN'20</b>	<b>JUL'20</b>	<b>AUG'20</b>	<b>SEP'20</b>	<b>OCT'20</b>	<b>NOV'20</b>	<b>DEC'20</b>
<b>ADULT AND FAMILY</b>													
ADULT	515,004	43,519	43,767	44,480	44,402	45,381	46,558	47,144	47,950	50,967	49,961	50,875	0
CHILD	1,392,751	122,496	123,040	123,357	123,687	124,785	126,031	126,735	127,723	133,883	130,268	130,746	0
<b>SUB-TOTAL ADULT &amp; FAMILY</b>	<b>1,907,755</b>	<b>166,015</b>	<b>166,807</b>	<b>167,837</b>	<b>168,089</b>	<b>170,166</b>	<b>172,589</b>	<b>173,879</b>	<b>175,673</b>	<b>184,850</b>	<b>180,229</b>	<b>181,621</b>	<b>0</b>
<b>OTHER MEMBERS</b>													
BCCTP-TOBACCO SETTLEMENT	305	26	28	26	25	27	27	28	30	29	30	29	0
<b>DUALS</b>													
PARTIAL DUALS - FAMILY	5,290	432	432	453	461	474	450	452	462	550	570	554	0
PARTIAL DUALS - CHILD	11	1	1	1	1	1	1	1	1	1	1	1	0
PARTIAL DUALS - BCCTP	20	1	1	2	2	2	2	2	2	2	2	2	0
SPD FULL DUALS	76,815	6,599	6,759	6,911	6,923	6,983	6,941	6,945	7,021	7,235	7,172	7,326	0
<b>SUB-TOTAL DUALS</b>	<b>82,136</b>	<b>7,033</b>	<b>7,193</b>	<b>7,367</b>	<b>7,387</b>	<b>7,460</b>	<b>7,394</b>	<b>7,400</b>	<b>7,486</b>	<b>7,788</b>	<b>7,745</b>	<b>7,883</b>	<b>0</b>
<b>TOTAL FAMILY &amp; OTHER</b>	<b>1,990,196</b>	<b>173,074</b>	<b>174,028</b>	<b>175,230</b>	<b>175,501</b>	<b>177,653</b>	<b>180,010</b>	<b>181,307</b>	<b>183,189</b>	<b>192,667</b>	<b>188,004</b>	<b>189,533</b>	<b>0</b>
<b>SPD</b>													
SPD (AGED AND DISABLED)	172,418	15,667	15,493	15,688	15,992	15,946	15,803	15,518	15,508	15,301	15,810	15,692	0
<b>MEDI-CAL EXPANSION</b>													
ACA Expansion Adult-Citizen	703,622	59,583	60,197	60,360	61,164	62,179	63,373	64,432	65,545	69,552	68,077	69,160	0
ACA Expansion Duals	4,781	316	289	274	293	356	406	475	507	580	590	695	0
<b>SUB-TOTAL MED-CAL EXPANSION</b>	<b>708,403</b>	<b>59,899</b>	<b>60,486</b>	<b>60,634</b>	<b>61,457</b>	<b>62,535</b>	<b>63,779</b>	<b>64,907</b>	<b>66,052</b>	<b>70,132</b>	<b>68,667</b>	<b>69,855</b>	<b>0</b>
<b>TOTAL KAISER</b>	<b>107,296</b>	<b>8,992</b>	<b>9,125</b>	<b>9,169</b>	<b>9,262</b>	<b>9,475</b>	<b>9,594</b>	<b>9,823</b>	<b>10,138</b>	<b>10,386</b>	<b>10,579</b>	<b>10,753</b>	<b>0</b>
<b>TOTAL MEDI-CAL MEMBERS</b>	<b>2,978,313</b>	<b>257,632</b>	<b>259,132</b>	<b>260,721</b>	<b>262,212</b>	<b>265,609</b>	<b>269,186</b>	<b>271,555</b>	<b>274,887</b>	<b>288,486</b>	<b>283,060</b>	<b>285,833</b>	<b>0</b>

**KERN·HEALTH  
SYSTEMS**

November AP Vendor Report  
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to- Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	433,724.38	4,926,240.00	NOVEMBER 2020 HMO EMPLOYEE HEALTH BENEFITS	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	184,355.76	2,131,420.37	AUGUST - OCTOBER PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECTS IN PROCESS/ MIS
T2726	DST PHARMACY SOLUTIONS, INC.	114,129.44	1,293,598.82	OCTOBER 2020 PHARMACY CLAIMS	PHARMACY
T4237	FLUIDEDGE CONSULTING, INC.	97,280.00	1,109,565.67	OCTOBER 2020 PROFESSIONAL SERVICES/ CONSULTING SERVICES	VARIOUS
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	72,172.54	719,964.26	NOVEMBER 2020 VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	48,861.12	372,383.91	OCTOBER 2020 PROFESSIONAL SERVICES, QNXT MAINT., HPA BILLING & EDI CLAIMS PROCESSING, CLAIMS INTEGRITY	VARIOUS
T5109	RAND EMPLOYMENT SOLUTIONS	41,247.04	287,270.70	OCTOBER - NOVEMBER 2020 TEMP SERVICES- 4MS, 1UM, 1 HE, 1 MIS, 1 HHP, 1 ACCT	VARIOUS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC****	40,887.23	231,540.07	SEPTEMBER & OCTOBER 2020 EDI CLAIM PROCESSING	CLAIMS
T4582	HEALTHX, INC.	40,376.00	444,136.00	NOVEMBER 2020 MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T5076	MERIDIAN HEALTH SYSTEMS, P.C.****	36,140.00	113,360.00	SEPTEMBER & OCTOBER 2020 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4496	VOX NETWORK SOLUTIONS****	33,262.60	33,262.60	WORKFORCE MANAGEMENT ADVANCED LICENSE ANNUAL REVIEW	MIS INFRASTRUCTURE
T4165	SHI INTERNATIONAL CO.	32,943.16	317,043.51	2020-2021 VMWARE SOFTWARE	MIS INFRASTRUCTURE
T5185	HOUSING AUTHORITY COUNTY OF KERN****	28,900.00	181,400.00	JULY - AUGUST 2020 HOUSING AUTHORITY GRANT	UM
T2167	PG&E****	26,889.06	252,968.37	9/16/20-10/15/20 USAGE/UTILITIES	CORPORATE SERVICES

## KERN HEALTH SYSTEMS

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Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1272	COFFEY COMMUNICATIONS INC.****	24,360.60	148,438.09	SPRING 2020 MEMBER NEWSLETTER POSTAGE/ NOVEMBER 2020 WEBSITE IMPLEMENTATION	HEALTH EDUCATION/ MIS INFRASTRUCTURE
T4060	HODEL'S DEVELOPMENT CORPORATION****	23,975.64	23,975.64	2020 EMPLOYEE AWARDS	MARKETING
T4265	SIERRA SCHOOL EQUIPMENT COMPANY****	23,760.88	76,189.71	FURNITURE - (50) OFFICE CHAIRS	CORPORATE SERVICES
T4967	ADMINISTRATIVE SOLUTIONS, INC.	19,181.26	187,835.23	11/3/20 - 11/17/20 FSA EMPLOYEE PREMIUM & NOVEMBER 2020 SECTION 125 ADMINISTRATION	VARIOUS
T3011	OFFICE ALLY, INC.	18,857.50	179,178.00	OCTOBER 2020 EDI CLAIM PROCESSING	CLAIMS
T4460	PAYSPAN, INC	18,103.75	184,959.10	OCTOBER 2020 ELECTRIC CLAIMS/PAYMENTS	FINANCE
T4733	UNITED STAFFING ASSOCIATES	17,896.81	218,472.53	OCTOBER - NOVEMBER 2020 TEMPORARY HELP- 1 MIS, 1 HHP & 2 HE	VARIOUS
T5022	SVAM INTERNATIONAL INC****	16,368.00	49,848.00	OCTOBER 2020 PROFESSIONAL SERVICES / CONSULTING SERVICES	BUSINESS INTELLIGENCE
T5145	CCS ENGINEERING FRESNO INC.,	15,295.64	170,376.25	OCTOBER - NOVEMBER 2020 JANITORIAL SERVICES	CORPORATE SERVICES
T5313	HEALTH LITERACY INNOVATIONS, LLC****	14,854.00	14,854.00	HEALTH LITERACY ADVISORY SOFTWARE LICENSE	MIS INFRASTRUCTURE
T4501	ALLIED UNIVERSAL SECURITY SERVICES	13,924.33	214,729.89	OCTOBER - NOVEMBER 2020 ONSITE SECURITY	CORPORATE SERVICES
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	12,340.52	137,466.01	OCTOBER 2020 ACCIDENT & CRITICAL ILLNESS EMPLOYEE PREMIUM	VARIOUS
T2955	DELTA ELECTRIC INC.****	11,960.00	67,959.00	POWER AND DATA WORK ON 9 NEW CUBICLES	CORPORATE SERVICES
T4396	KAISER FOUNDATION HEALTH-DHMO****	11,625.10	137,075.78	NOVEMBER 2020 DHMO EMPLOYEE HEALTH BENEFITS	VARIOUS
T5005	CRAYON SOFTWARE EXPERTS LLC	11,010.04	542,324.99	SEPTEMBER 2020 ESD AZURE OVERAGE	MIS INFRASTRUCTURE



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Vendor No.	Vendor Name	Current Month	Year-to- Date	Description	Department
T1861	CERIDIAN HCM, INC.	10,935.00	186,894.37	SEPTEMBER & NOVEMBER 2020 MONTHLY SUBSCRIPTION FEES	HUMAN RESOURCES
T4782	LEBEAU - THELEN, LLP****	10,908.10	13,406.50	MAY - JULY 2020 LEGAL SERVICES	ADMINISTRATION
T4503	VISION SERVICE PLAN****	10,897.90	59,159.03	OCTOBER - NOVEMBER 2020 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4193	STRIA LLC	10,865.36	369,926.75	OCTOBER 2020 OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T1189	APPLE ONE INC, EMPLOYMENT SERVICES****	10,716.01	127,958.49	OCTOBER 2020 TEMP SERVICES- 1 MIS	MIS INFRASTRUCTURE
T4476	KERN PARTNERSHIP FOR CHILDREN AND FAMILIES****	10,000.00	12,000.00	2020 COMMUNITY ACTIVITIES-SPONSORSHIP	COMMUNITY ACTIVITIES
			<u><b>1,549,004.77</b></u>		
	TOTAL VENDORS OVER \$10,000	1,549,004.77			
	TOTAL VENDORS UNDER \$10,000	183,314.16			
	TOTAL VENDOR EXPENSES- NOVEMBER		<u><b>1,732,318.93</b></u>		

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



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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	4,926,240.00	HMO EMPLOYEE HEALTH BENEFITS	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	2,131,420.37	PROFESSIONAL SERVICES / CONSULTING SERVICES & TRAVEL EXP.	CAPITAL PROJECTS IN PROCESS/ MIS
T4391	OMNI FAMILY HEALTH	1,787,504.03	HEALTH HOMES AND PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T4290	S.C. ANDERSON, INC.	1,555,742.74	NEW BUILDING RETAINER AND DECEMBER 2019 NEW BUILDING CONSTRUCTION SERVICES	CAPITAL PROJECT - NEW BUILDING
T5229	DIGNITY HEALTH MEDICAL GROUP - BAKERSFIELD	1,299,106.91	HEALTH HOMES GRANT	COMMUNITY GRANTS
T2726	DST PHARMACY SOLUTIONS, INC.	1,293,598.82	PHARMACY CLAIMS	PHARMACY
T4982	NGC US, LLC	1,131,810.99	PREFUND HEALTH HOMES INCENTIVES & HEALTH EDUCATION MEMBER INCENTIVES	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	1,109,565.67	PROFESSIONAL SERVICES / CONSULTING SERVICES & TRAVEL EXP.	VARIOUS
T2686	ALLIANT INSURANCE SERVICES INC.	742,417.45	ANNUAL INSURANCE & ACIP CRIME PREMIUMS	ADMINISTRATION
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	719,964.26	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T5005	CRAYON SOFTWARE EXPERTS LLC	542,324.99	2019 TRUE UP MAINTENANCE, 2020 ESD ANNUAL SUPPORT & ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T5111	ENTISYS 360	512,952.65	DISASTER RECOVERY CONTINUITY PROJECT	MIS INFRASTRUCTURE/CAPITAL PROJECT
T4483	INFUSION AND CLINICAL SERVICES, INC.	490,706.91	HEALTH HOMES GRANT	COMMUNITY GRANT
T3130	OPTUMINSIGHT, INC.	453,564.00	ANNUAL LICENSED SOFTWARE EASYGROUP & INCREMENTAL LICENSE	MIS INFRASTRUCTURE
T4582	HEALTHX, INC.	444,136.00	2020 MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	372,383.91	PROFESSIONAL SERVICES	VARIOUS

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4193	STRIA LLC	369,926.75	OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS & HUMAN RESOURCES
T4165	SHI INTERNATIONAL CO.	317,043.51	STANDING WORKING STATIONS, LICENSES FEES, TRUEUP & JUNIPER NETWORKS -QSFP TRANSCEIVER MODULE	VARIOUS
T5109	RAND EMPLOYMENT SOLUTIONS	287,270.70	TEMPORARY HELP	VARIOUS
T1845	DEPARTMENT OF MANAGED HEALTH CARE	282,337.89	2020-2021 MCAL ANNUAL & SPECIAL CALIFORNIA HEALTH BENEFIT REVIEW PROGRAM ASSESSMENT	ADMINISTRATION
T2458	HEALTHCARE FINANCIAL, INC.	267,000.00	PROFESSIONAL SERVICES	ADMINISTRATION
T2167	PG&E	252,968.37	USAGE/UTILITIES	CORPORATE SERVICES
T5119	PACIFIC WEST SOUND PROFESSIONAL AUDIO & DESIGN INC.	235,758.22	NEW BUILDING FURNITURE (LIVE STREAM VIA IP)	CAPITAL PROJECT - NEW BUILDING
T4657	DAPONDE SIMPSON ROWE PC	233,903.50	LEGAL SERVICES	PROVIDER RELATIONS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	231,540.07	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4733	UNITED STAFFING ASSOCIATES	218,472.53	TEMPORARY HELP	VARIOUS
T4501	ALLIED UNIVERSAL SECURITY SERVICES	214,729.89	ONSITE SECURITY	CORPORATE SERVICES
T4959	BERKSHIRE HATHWAY HOMESTATE COMPANIES	202,824.00	2020-2021 WORKER'S COMPENSATION INSURANCE PREMIUM	ADMINISTRATION
T2584	UNITED STATES POSTAL SVC.-HASLER	200,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T1408	DELL MARKETING L.P.	190,160.00	HARDWARE & COMPUTER EQUIPMENT	MIS INFRASTRUCTURE
T4967	ADMINISTRATIVE SOLUTIONS, INC.	187,835.23	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1861	CERIDIAN HCM, INC.	186,894.37	MONTHLY SUBSCRIPTION FEES,PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS	HUMAN RESOURCES
T4460	PAYSPAN, INC	184,959.10	ELECTRONIC CLAIMS/PAYMENTS & PPD REIMBURSEMENTS	FINANCE
T5185	HOUSING AUTHORITY COUNTY OF KERN	181,400.00	HOUSING AUTHORITY GRANT	UM
T3011	OFFICE ALLY, INC.	179,178.00	EDI CLAIM PROCESSING	CLAIMS
T2918	STINSON'S	170,376.67	2020 OFFICE SUPPLIES, CONFERENCE TABLES, OFFICE FURNITURE, CABINET FOR TRAINING, DEVELOPMENT ROOM & ADDITIONAL CUBICLES	VARIOUS
T5145	CCS ENGINEERING FRESNO INC.,	170,376.25	JANITORIAL SERVICES	CORPORATE SERVICES
T5217	AMERICAN TILE & BRICK VENEER, INC.	157,500.00	FINAL PAYMENT FOR BRICK WALL	BUILDING IMPROVEMENT
T4699	ZeOMEGA, INC.	156,632.29	PROFESSIONAL SERVICES AND TRAVEL EXP.	UM
T5269	KERN COMMUNITY FOUNDATION	150,000.00	HEALTH HOME GRANT	COMMUNITY GRANT
T4696	ZNALYTICS, LLC	149,840.00	PROFESSIONAL SERVICES	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T1272	COFFEY COMMUNICATIONS INC.	148,438.09	MEMBER NEWSLETTER/ WEBSITE IMPLEMENTATION	HEALTH EDUCATION/ MIS INFRASTRUCTURE
T4331	COTIVITI, INC	148,388.00	CALIFORNIA MEDI-CAL MEDICAID MEASURES & ANNUAL LICENSE FEE	QUALITY IMPROVEMENT
T5258	GOOD SAMARITAN HOSPITAL, LP	144,285.41	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	137,466.01	EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T4396	KAISER FOUNDATION HEALTH-DHMO	137,075.78	DHMO EMPLOYEE HEALTH BENEFITS	VARIOUS
T1189	APPLE ONE INC, EMPLOYMENT SERVICES	127,958.49	TEMPORARY HELP	VARIOUS

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	113,360.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4038	POLYCLINIC MEDICAL CENTER, INC	111,594.66	HEALTH HOME AND PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T3449	CDW GOVERNMENT	111,143.62	HARDWARE & COMPUTER SUPPLIES	VARIOUS
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	108,991.83	EDI CLAIM PROCESSING	CLAIMS / MIS
T4785	COMMGAP	107,542.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T2704	MCG HEALTH LLC	104,263.86	SOFTWARE LICENSE - HEALTH CARE MANAGEMENT	UTILIZATION MANAGEMENT
T5026	TEL-TEC SECURITY SYSTEMS	103,092.05	ADDITIONAL SECURITY SYSTEM & LABOR	CORPORATE SERVICES
T5227	RIDGECREST MEDICAL TRANSPORTATION	101,880.00	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T5132	TIME WARNER CABLE LLC	101,459.45	INTERNET SERVICES	MIS INFRASTRUCTURE
T1960	LOCAL HEALTH PLANS OF CALIFORNIA	101,221.32	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T4634	EXECUTIVE STAFFING SOLUTIONS	99,998.00	RECRUITMENT FEES	HUMAN RESOURCES
T1128	HALL LETTER SHOP, INC.	81,415.07	NEW MEMBER LETTER/ENVELOPES, MEMBER HANDBOOKS, CLINICAL CARE MANUAL FOR HH, NEW MEMBER PACKETS & POSTERS	VARIOUS
T5121	TPx COMMUNICATIONS	79,594.40	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE
T4265	SIERRA SCHOOL EQUIPMENT COMPANY	76,189.71	NEW FURNITURE & OFFICE CHAIRS FOR EMPLOYEES	CORPORATE SERVICES
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	75,500.00	2020 ANNUAL DUES, 2019 SALARY SURVEY, & LEADERSHIP FEES	VARIOUS
T5015	SENTINEL ENGINEERING	74,963.34	JUNIPER NETWORKS - FIBER OPTICS	MIS INFRASTRUCTURE



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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1022	UNUM LIFE INSURANCE CO.	73,802.31	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T4813	ADVENTIST HEALTH TEHACHAPI VALLEY	73,686.20	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T4781	EDRINGTON HEALTH CONSULTING, LLC	71,881.25	CONSULTING SERVICES	ADMINISTRATION
T4963	LINKEDIN CORPORATION	68,775.00	ONLINE TRAINING FOR EMPLOYEES	HUMAN RESOURCES
T2955	DELTA ELECTRIC INC.	67,959.00	BUILDING MAINTENANCE	CORPORATE SERVICES
T2969	AMERICAN BUSINESS MACHINES INC	62,196.87	HARDWARE AND MAINTENANCE	CORPORATE SERVICES
T4503	VISION SERVICE PLAN	59,159.03	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4052	RAHUL SHARMA	58,120.00	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	55,135.00	2019 AUDIT FEES	ADMINISTRATION
T2446	AT&T MOBILITY	52,712.64	CELLULAR PHONE / INTERNET USAGE	MIS INFRASTRUCTURE
T3986	JACQUELYN S. JANS	50,375.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	50,066.66	COMMUNITY SPONSORSHIP	ADMINISTRATION
T5022	SVAM INTERNATIONAL INC	49,848.00	2020 PROFESSIONAL SERVICES / CONSULTING SERVICES	BUSINESS INTELLIGENCE
T2933	SIERRA PRINTERS, INC.	49,365.61	PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS	VARIOUS
T3001	MERCER	47,500.00	CONSULTING SERVICES	HUMAN RESOURCES
T2961	SOLUTION BENCH, LLC	46,414.59	M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE
T1180	LANGUAGE LINE SERVICES INC.	45,892.85	INTERPRETATION SERVICES	MEMBER SERVICES
T4731	LOGMEIN USA, INC.	44,608.00	INTERNET SERVICES	MIS INFRASTRUCTURE
T4960	ZELIS CLAIMS INTEGRITY, LLC	42,988.84	POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS
T4563	SPH ANALYTICS	42,907.80	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1326	WALKER-LEWIS RENTS	42,741.06	COVID-19 TESTING SITE EQUIPMENT	MARKETING
T5226	SAN MICHAEL PEDIATRICS INC.	42,739.61	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T4389	EXACT STAFF, INC.	42,591.30	TEMPORARY HELP	VARIOUS
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	42,500.00	CONSTRUCTION CLOSE OUT (SERVICES COMPLETED DURING 2019) AND DEV LEED MANAGEMENT & POST CONSTRUCTION	CAPITAL PROJECT/ NEW BUILDING
T4607	AGILITY RECOVERY SOLUTIONS INC.	40,451.00	HARDWARE RENTAL- LAPTOP & MONITOR'S RENTAL FOR EMPLOYEES WORKING FROM HOME	MIS INFRASTRUCTURE
T2413	TREK IMAGING INC	40,447.87	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T2441	LAURA J. BREZINSKI	37,825.00	MARKETING MATERIALS	MARKETING
T5260	HD DYNAMICS	36,995.00	2020 SYSTEM CONFIGURATION, CUSTOMIZATION, & PROJECT MANAGEMENT	PROVIDER RELATIONS
T3084	KERN COUNTY-COUNTY COUNSEL	36,844.31	LEGAL FEES	ADMINISTRATION
T4182	THE LAMAR COMPANIES	35,980.00	OUTDOOR ADVERTISEMENT-BILLBOARDS	ADVERTISING
T2941	KERN PRINT SERVICES INC.	35,450.80	OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD	VARIOUS
T5279	GOOD SAMARITAN HEALTH FOUNDATION	35,000.00	COVID-19 TESTING SITE SUPPORT-SPONSORSHIP	COMMUNITY ACTIVITIES
T4792	KP LLC	33,749.67	PROVIDER DIRECTORIES & FORMULARY (SUPPORT/MAINT.)	PROVIDER RELATIONS/PHARMACY

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4496	VOX NETWORK SOLUTIONS****	33,262.60	WORKFORCE MANAGEMENT ADVANCED LICENSE ANNUAL REVIEW	MIS INFRASTRUCTURE
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	32,512.00	2020 ANNUAL DUES & CONFERENCE REGISTRATION	VARIOUS
T4466	SMOOTH MOVE USA	32,329.82	MOVING SERVICES	CORPORATE SERVICES
T4663	DEVELOPMENT DIMENSIONS INTERNATIONAL, INC.	31,625.00	2020-2021 DEVELOPMENT DIMENSIONS INTERNATIONAL MASTER LICENSE FEE	HUMAN RESOURCES
T4873	L5 HEALTHCARE SOLUTIONS, INC.	29,374.47	LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL	MIS INFRASTRUCTURE
T4228	THE SSI GROUP, LLC.	28,821.20	EDI CLAIM PROCESSING	CLAIMS / MIS
T3448	SYNERGY HEALTHCARE, INC.	28,700.00	ASTHMA PROGRAM GRANT	COMMUNITY GRANTS
T4216	NEXSTAR BROADCASTING INC	26,766.50	ADVERTISEMENT - MEDIA	MARKETING
T2232	DLT SOLUTIONS, LLC	25,733.63	SQL LICENSES	MIS INFRASTRUCTURE
T3454	DEPARTMENT OF MANAGED HEALTH CARE	25,000.00	ENFORCEMENT MATTERS	ADMINISTRATION
T4544	BARNES WEALTH MANAGEMENT GROUP	24,500.00	RETIREMENT PLAN CONSULTANTS	ADMINISTRATION
T4060	HODEL'S DEVELOPMENT CORPORATION****	23,975.64	2020 EMPLOYEE AWARDS	MARKETING
T4708	HEALTH MANAGEMENT ASSOCIATES, INC.	23,805.00	CONSULTING SERVICES	ADMINISTRATION
T4654	DELAWIE	22,825.93	1ST QTR 2020 ARCHITECTURAL SERVICES	CAPITAL PROJECT
T1183	MILLIMAN USA	22,205.00	CY2018/2019 RDT & IBNP CONSULTING - ACTUARIAL	ADMINISTRATION
T4546	LEVEL 3 COMMUNICATIONS, LLC	21,169.97	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T1152	MICHAEL K. BROWN LANDSCAPE & MAINTENANCE CO., INC.	20,842.75	2020 BUILDING MAINTENANCE	CORPORATE SERVICE



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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5240	ACE EYECARE INC	20,000.00	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T4239	COAST TO COAST COMPUTER PRODUCTS	19,963.44	COMPUTER PRODUCTS & SUPPLIES	CORPORATE SERVICES
T5159	AT&T CORP	19,688.35	INTERNET SERVICES	MIS INFRASTRUCTURE
T4523	BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA	19,657.08	EMPLOYEE PREMIUM	ADMINISTRATION
T5275	CREATIVE FINANCIAL STAFFING, LLC	19,000.00	RECRUITMENT FEES	HUMAN RESOURCES
T4261	KAISER FOUNDATION HEALTH PLAN -TX PPO	18,858.88	TX-PPO EMPLOYEE HEALTH BENEFITS	VARIOUS
T2407	KAISER FOUNDATION HEALTH -COBRA	18,079.42	COBRA EMPLOYEE HEALTH BENEFITS	VARIOUS
T5161	INTEGRATED HEALTHCARE ASSOCIATION	17,877.50	PROVIDER DIRECTORY DATA VERIFICATION SERVICES	PROVIDER RELATIONS
T1097	NCQA	17,290.25	HEDIS, VOL 2 PLUS QUALITY COMPASS AND POPULATION HEALTH PROGRAM ACCREDITATION	QUALITY IMPROVEMENT
T4962	LIBERTY DATA, INC.	17,100.00	2020 TAX NUMBER VALIDATION SERVICES	MIS INFRASTRUCTURE
T5013	ELIZA CORPORATION	17,070.00	2020 DATA MANAGEMENT FEE	CASE MANAGEMENT



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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1650	UNIVISION TELEVISION GROUP	16,915.00	ADVERTISEMENT - TELEVISION	MARKETING
T1347	ADVANCED DATA STORAGE	16,890.91	STORAGE AND SHREDDING SERVICES	CORPORATE SERVICES
T5277	SUNBELT RENTALS, INC.	16,547.75	COVID-19 TESTING SITE SUPPORT-SPONSORSHIP	COMMUNITY ACTIVITIES
T4016	FIRST DATABANK, INC	16,060.00	2020-2021 NATIONAL CODE DATABASE WITH THE GENERIC CODE NUMBER RENEWAL	MIS INFRASTRUCTURE
T4521	PAYSCALE, INC.	16,000.00	COMPENSATION STUDY AND SALARY ANALYTICS	HUMAN RESOURCES
T3092	LINKS FOR LIFE	15,548.00	COMMUNITY ACTIVITIES-SPONSORSHIP	MARKETING
T5236	BEST BEST & KRIEGER LLP	15,389.24	LEGAL FEES	ADMINISTRATION
T5030	KHOA NGUYEN DBA KN CONSULTING LLC	15,000.00	LEGAL FEES	ADMINISTRATION
T5313	HEALTH LITERACY INNOVATIONS, LLC	14,854.00	ENGLISH/SPANISH HEALTH ADVISOR SOFTWARE - ANNUAL SOFTWARE LICENSE	MIS INFRASTRUCTURE
T5155	A-C ELECTRIC COMPANY	14,549.48	BUILDING MAINTENANCE	CORPORATE SERVICES
T5201	JAC SERVICES, INC.	14,535.00	SPRING 2020 AC MAINTENANCE & SERVICE	CORPORATE SERVICES
T2787	SAGE SOFTWARE, INC	14,381.75	2019-20 SAGE300 ERP SILVER BUSINESS ANNUAL LICENSE	FINANCE
T4934	APPLE INC.	14,283.66	HARDWARE, COMPUTER SUPPLIES & 2020 SERVICE AWARDS	VARIOUS
T2562	CACTUS SOFTWARE LLC	14,131.31	SOFTWARE LICENSE	MIS INFRASTRUCTURE
T4993	LEGALSHIELD	13,666.40	EMPLOYEE PAID VOLUNTARY COVERAGE	PAYROLL DEDUCTION
T4195	SCRIPPS MEDIA, INC. DBA KERO-TV	13,575.00	ADVERTISEMENT - TELEVISION	MARKETING
T5156	LIGHTS CAMERA ACTION CINEMA	13,575.00	ADVERTISEMENT - FILMING SERVICES	MARKETING
T4782	LEBEAU - THELEN. LLP****	13,406.50	LEGAL FEES	ADMINISTRATION
T4227	FREESTYLE EVENTS SERVICES INC****	12,890.00	SERVICES 2020 EMPLOYEE RECOGNITION AWARDS	MARKETING

**KERN·HEALTH  
SYSTEMS**

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2938	SAP AMERICA, INC	12,308.32	SAP BUSINESS OBJECTS SOFTWARE ANNUAL MAINTENANCE FEE	BUSINESS INTELLIGENCE
T5246	ACCELEBRATE, INC.	12,120.15	ASP.NET CORE 3 DEVELOPMENT TRAINING	BUSINESS INTELLIGENCE
T2300	AT&T LONG DISTANCE	12,041.39	LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T4476	KERN PARTNERSHIP FOR CHILDREN AND FAMILIES****	12,000.00	COMMUNITY SPONSORSHIP	COMMUNITY ACTIVITIES
T5292	ALL'S WELL HEALTH CARE SERVICES	11,735.80	TEMPORARY HELP	VARIOUS
T5251	PREVALENT, INC.	11,412.25	ANNUAL SAAS SUBSCRIPTION	MIS INFRASTRUCTURE
T4932	SPECTRUM REACH (MEDIA)	11,107.80	ADVERTISEMENT - TELEVISION	MARKETING
T4683	CLAUDIA M. BACA PROJECT MANAGEMENT CONSULTIN	11,000.00	PROJECT MANAGEMENT CONSULTING SERVICES	PROJECT MANAGEMENT
T2292	CITY OF BAKERSFIELD	10,902.26	UTILITES-GARBAGE/SEWER FEES	CORPORATE SERVICES
T4417	KAISER FOUNDATION HEALTH PLAN -OR****	10,336.36	OR-PPO EMPLOYEE HEALTH BENEFITS	VARIOUS
T2840	ATALASOFT, INC.	10,254.00	DOT IMAGING RENEWAL	MIS INFRASTRUCTURE
T5262	YOUTH CONNECTION, INC.	10,000.00	COMMUNITY SPONSORSHIP	COMMUNITY ACTIVITIES
T5270	ENFORCE, LLC	10,000.00	DAYFORCE OPTIMIZATION & CONSULTING SERVICES	HUMAN RESOURCES
		<u>29,990,350.66</u>		
	TOTAL VENDORS OVER \$10,000	29,990,350.66		
	TOTAL VENDORS UNDER \$10,000	811,908.36		
	TOTAL VENDOR EXPENSES- November	<u>\$ 30,802,259.02</u>		

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

# KHS Board of Directors Meeting, February 11, 2021

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
<b>January</b>							
LinkedIn	\$52,000.00	Yes	HR	Anita Martin	Online training for managed learners	1/1/2020	12/31/2020
Poppyrock Designs	\$40,800.00	Yes	MRK	Louie Iurriria	Graphic Design Consultant of KHS/KFHC marketing materials	1/1/2020	12/31/2020
Jacquelyn S. Jans	\$55,200.00	Yes	MRK	Louie Iurriria	Marketing and corporate image consultant	1/1/2020	12/31/2020
<b>February</b>							
Lifesigns	\$45,000.00	Yes	HE	Isabel Silva	ASL Interpreting services for members	2/23/2020	2/22/2021
<b>March</b>							
Stria	\$68,118.00	Yes	HR	Anita Martin	Document Management & Workflow services for HR	3/1/2020	2/28/2021
Entisys	\$99,945.63	Yes	IT	Richard Pruitt	Nutanix Xi Leap Cloud Service	3/23/2020	3/22/2021
Bynum Inc	\$42,500.00	Yes	PR	Emily Duran	Post construction consulting services	3/23/2020	3/22/2021
<b>April</b>							
CDW-G	\$44,942.40	Yes	IT	Richard Pruitt	Ninety (90) new IVR Cisco Unified licenses with support	4/6/2020	4/5/2021
Hall Letter Shop	\$47,921.92	Yes	MS	Nate Scott	Print and mail COVID19 letters to KHS households	4/6/2020	4/30/2020
Agility Recovery	\$30,000.00	Yes	IT	Richard Pruitt	Rental of Laptops	4/30/2020	8/1/2020
SHI	\$64,913.60	Yes	IT	Richard Pruitt	Cisco Smartnet co-term and 70 new licenses	4/23/2020	4/22/2021
<b>May</b>							
Dell	\$40,258.32	Yes	IT	Richard Pruitt	Six (6) new VMware licenses with maintenance and support	5/1/2020	4/30/2025
<b>June</b>							
Milliman	\$50,000.00	Yes	ACCT	Robin Plumb	Actuarial Services (IBNP, ACA OE MLR, CMS ACA OE Audit)	6/1/2020	5/31/2021
MCG	\$51,277.31	Yes	UM	Deborah Murr	Medical Care Clinical Guidelines (one month extension)	6/4/2020	7/4/2020
Edrington Health Consulting	\$95,000.00	Yes	ACCT	Robin Plumb	Actuarial Services (RDT, SDRs & Rate Analysis)	6/1/2020	5/31/2021
Entisys360	\$57,162.57	Yes	IT	Richard Pruitt	Nutanix AOS Single Node	6/24/2020	6/23/2023
<b>July</b>							
Entisys360	\$89,706.06	Yes	IT	Richard Pruitt	Nutanix AOS 2 Nodes	7/9/2020	7/8/2023
FluidEdge	\$72,800.00	Yes	PM	Angela Ahsan	Three month extension for Corry K.	6/31/20	9/30/2020
<b>August</b>							
Coffey Communications	\$69,677.50	Yes	HE	Isabel Silva	Member Newsletter two times a year	8/15/2020	8/14/2021
Solution Bench	\$33,814.59	Yes	IT	Richard Pruitt	Mfiles subscription based license fee	8/1/2020	7/31/2021
<b>September</b>							
SHI	\$45,452.22	Yes	IT	Richard Pruitt	317 Cisco phone & voicemail licenses due to Covid-19	8/25/2020	4/22/2021
Otis	\$36,864.00	Yes	CS	Alonso Hurtado	Support & maintenance of building elevators	9/1/2020	8/31/2023
Dell	\$59,003.00	Yes	IT	Richard Pruitt	25 Dell latitude 5411 & 25 docking stations	9/3/2020	9/2/2024
<b>October</b>							
Agility Recovery	\$45,444.00	Yes	EXEC	Alan Avery	Disaster Recovery and business continuity	10/3/2020	10/2/2021
Dell	\$52,099.84	Yes	IT	Richard Pruitt	Dell (25) 5411 laptops & (25) docking stations	10/26/2020	10/25/2024
Entisys360	\$97,655.57	Yes	IT	Richard Pruitt	Three (3) Nutanix new node hardware platform	10/26/2020	10/25/2021
<b>November</b>							
SHI International	\$31,793.82	Yes	IT	Richard Pruitt	New 6 VMware with 5 year support & 6 Veeam 1 year support	11/16/2020	11/15/2021
Everbridge	\$70,331.47	Yes	IT	Richard Pruitt	Text messaging software services	11/1/2020	10/31/2021
JAC Services	\$34,880.01	Yes	CS	Alonso Hurtado	HVAC support & maintenance for building	11/13/2020	11/12/2021
<b>December</b>							
SHI	\$32,943.16	Yes	IT	Richard Pruitt	VMware annual support and maintenance	12/7/2020	12/7/2021
TWE Solutions	\$44,093.14	Yes	IT	Richard Pruitt	Nimble annual technical support	12/23/2020	12/31/2021
Tvk Technologies	\$30,000.00	Yes	IT	Richard Pruitt	Tvk Launch for API Manager	12/7/2020	12/6/2021

2020 TECHNOLOGY CONSULTING RESOURCES																		
ITEM	PROJECT	CAP/EXP	BUDGET	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YTD	TOTAL	REMAINING BALANCE
1	Enterprise Logging	EXP	\$18,480	\$0	\$550	\$0	\$0	\$0	\$0	\$8,690	\$9,207	\$0					\$18,447	\$33
2	BizTalk Upgrade	EXP	\$14,705	\$5,100	\$4,590	\$4,845											\$14,535	\$170
3	2D - Clinical Engagement	CAP	\$12,500	\$0	\$4,118	\$5,400	\$2,633										\$12,150	\$350
4	QINXT Upgrade with Network and CES RB Update	EXP	\$500	\$0	\$0	\$468	\$0										\$468	\$32
5	Hospital Directed Payments (HDP)/Encounters	EXP	\$21,705	\$0	\$0	\$0	\$0	\$0	\$0	\$306	\$1,687	\$6,035	\$7,225	\$4,250			\$19,403	\$2,302
6	HHP 2020 - CSV Health Homes	CA	\$166,090	\$28,446	\$29,143	\$12,273	\$6,695	\$2,823	\$15,680	\$12,530	\$3,554	\$773	\$14,816	\$20,520			\$147,264	\$18,826
7	HHP - Member Engagement	CA	\$18,000	\$0	\$1,442	\$7,501	\$824	\$4,928	\$2,700								\$17,395	\$606
8	Enterprise Data Warehouse	CA	\$974,490	\$58,640	\$54,275	\$71,995	\$73,410	\$66,040	\$70,090	\$72,128	\$81,420	\$82,320	\$77,600	\$69,931			\$777,849	\$196,641
9	HHP 2020 - Distributive Model	CA	\$173,810	\$0	\$412	\$6,956	\$14,983	\$15,726	\$15,371	\$23,894	\$45,612	\$30,529	\$12,498	\$824			\$166,804	\$7,006
10	Disaster Recovery and Business Continuity Test	CA	\$446,200	\$56,200	\$51,475	\$54,950	\$50,960	\$31,920	\$46,900	\$26,880	\$25,200	\$23,240	\$24,640	\$14,560			\$406,925	\$39,275
11	Rx PBM Transition	EXP	\$70,860					\$0	\$0	\$0	\$6,417	\$15,624	\$16,368	\$14,136			\$52,545	\$18,315
12	Auto Adjudication Enhancements	CA	\$688,240	\$40,480	\$19,440	\$21,120	\$35,110	\$59,532	\$61,379	\$51,196	\$54,030	\$58,359	\$57,235	\$50,281			\$508,162	\$180,078
13	MCAS Member Engagement	CA	\$200,000				\$5,880	\$18,970	\$2,520	\$30,983	\$30,890	\$25,860	\$26,430	\$21,630			\$163,163	\$36,837
14	Specialty Med Mgmt.	CA	\$10,395			\$945	\$9,450	\$0									\$10,395	\$0
15	Interoperability	CA	\$244,660					\$0	\$2,781	\$4,120	\$28,068	\$52,541	\$41,799	\$26,853			\$156,162	\$88,499
17	Staff Augmentation	EXP	\$1,175,965	\$97,401	\$87,696	\$102,619	\$101,804	\$104,894	\$99,569	\$93,860	\$65,486	\$68,828	\$77,389	\$71,045			\$970,590	\$205,375
<b>Totals:</b>			<b>\$4,236,600</b>	<b>\$286,269</b>	<b>\$253,141</b>	<b>\$289,072</b>	<b>\$301,748</b>	<b>\$304,841</b>	<b>\$316,990</b>	<b>\$324,487</b>	<b>\$351,571</b>	<b>\$364,108</b>	<b>\$355,999</b>	<b>\$294,031</b>			<b>\$3,442,256</b>	<b>\$794,344</b>

\*Note: State's projects being re-organized due to mid-year changes.

Updated 1/12/21





**TO: KHS Board of Directors**

**FROM: Alan Avery, COO**

**DATE: February 11, 2021**

**RE: 4<sup>th</sup> Quarter 2020 Operations Report**

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**Background**

I am pleased to report the Kern Health Systems Operational Departments continue to meet and, in many cases, exceed all regulatory and health plan performance goals during the 4<sup>th</sup> Quarter of 2020. This is impressive considering all functions are continuing to be performed in 400+ remote locations as a result of the COVID-19 pandemic. In addition to meeting all performance metrics, KHS staff also continue to provide exceptional customer service to our members and providers.

**Claims**

Incoming claims receipts for the 4<sup>th</sup> Quarter followed the growth trend of the 3<sup>rd</sup> quarter and increased by over 60,000 claims, reflecting an 8% increase over the 3<sup>rd</sup> Quarter claims volume. Another important indicator of the return to pre-COVID claims activity levels is the comparison of the 4<sup>th</sup> Quarter 2020 claims (812,995) to the pre-COVID 4<sup>th</sup> Quarter 2019 claims of 785,806. We assume this increase is attributed to the improved access by providers to outpatient visits either in person or virtual via telehealth visits however we are conducting further analysis with the Business Intelligence Unit. We continue to see substantial progress eliminating the incoming paper claim volume and increasing the electronic claims received. During the 4<sup>th</sup> Quarter, we received 98% of incoming claims electronically, and only 2% of the claim volume was delivered on paper. This is an amazing accomplishment by the combined efforts of Claims and Provider Network Management staff which allows us to increase our overall processing efficiency. The claims department continues to meet and often exceeds all regulatory payment requirements for the quarter—including claims processing timeliness and inventory measures. Auto adjudication of claims, meaning claims received and processed without any manual intervention, increased significantly during the quarter—reaching a high of 85%. As we increase electronic claims submissions along with auto adjudication, providers will experience quicker and accurate claims payments.

I thought it would be noteworthy to report that if we had remained on our previous claims payment system and had not replaced it in 2015 with our current QNXT system and all of the subsequent software enhancements, we would have needed 223 claims staff vs the current staff of 59 to process the increased claims volume. The financial impact of these 164 additional KHS claims employees would have been over \$15,000,000 annually.

### **Member Services**

Member calls into the KHS Member Services Call Center decreased by 8% during the 4<sup>th</sup> Quarter, primarily attributed to the impact of the annual holiday seasonality. The Department implemented new COVID safe training guidelines which allowed the department to begin to replenish staffing vacancies to ensure call center metrics continued to be maintained going forward. Speaking of metrics, the abandonment rate, average speed to answer and average talk time metrics continued to exceed plan goals. The top five reasons for members calling Member Services continues to remain the same-(1) New Member questions (2) PCP changes, (3) Demographic updates/changes (4) ID Card replacement requests and (5) authorization referral status. All the top five reasons for incoming calls could easily be handled by the member via the Member Portal, therefore, we continue to encourage members to sign onto the portal and use the self-service tools. During the 4<sup>th</sup> quarter, Member Services received 2,948 new member portal account enrollments, for a total of 33,053 member accounts. This equates to almost 12% of our members with online accounts compared to industry standard of 4%. Member Service Representatives continue to encourage members to sign up for a member portal account whenever they call.

Two additional improvements in the Member Services Department are the implementation of “Screen Pop” software and the “Knowledge Base Help Center” software. When members call into Member Services, the Screen Pop software automatically provides key member information for the representative on their computer screen. This information includes the members name, Medi-Cal and KHS ID number, date of birth, phone numbers, and eligibility status. This allows the representative to have a better personalized interaction with the member and a way to confirm their contact information.

The Member Services Knowledge Based Help Center is a “google” like tool that allows Member Services Management to populate the software tool with answers to hundreds of questions, training tips and benefit explanations that previously were recorded in paper notes, emails, posted notes and sometimes outdated material. As an online reference source, Representatives can now find immediate answers to unique questions via this innovative software tool.

### **Provider Relations**

The Primary Care network, specialists and provider terminations remained relatively unchanged during the 4<sup>th</sup> quarter, thus meeting the overall provider network goals. Provider terminations were minimal—identical to previous quarters with only a 1.44% reduction. Appointment availability for primary care providers increased over the previous two quarters @ 5.70 days for PCP visits and 5.7 days for specialty care provider visits.



### **Human Resources**

During the 4<sup>th</sup> Quarter, the Human Resources Department coordinated the annual employee performance review process along with the corresponding merit increase that became effective the first pay period in January 2021. In addition, the Department also continues to manage employee COVID incident monitoring, contact tracing, scheduling COVID testing and reporting positive cases to our workmen's compensation carrier. Since April 1, 2020 22% of the KHS staff have utilized some or all the 80 hours of Emergency COVID paid sick leave. We anticipate this will continue until immunizations are available to the general population. Human Resources and I.T. are currently reviewing software tools to manage COVID related incidents, contact tracing and notification processes.

During the 4<sup>th</sup> Quarter staffing throughout KHS remained at 422 employees compared to a budget of 442. Employee turnover for 2020 ended at a remarkable 6.68%, a new record level.

### **Grievance Report**

Formal Grievances during the 4<sup>th</sup> Quarter closely aligned with the totals of the 3<sup>rd</sup> quarter even though specific categories may have varied overall. Two areas that had slight increases during the quarter were Access to Care and Medical Necessity. No significant issues/trends were identified in these two categories. Correspondingly, there was a sizeable decrease in the Potential Inappropriate Care grievances during the quarter. Again, when you look at a decrease of 60 over a three-month period, no specific issues or trends were identified. The remaining categories (Coverage Disputes, Quality of Service and Other) remained relatively similar to the previous quarter.

Exempt Grievances also remained flat compared to the 3<sup>rd</sup> quarter grievances. Exempt grievances are primarily simple service-related complaints, usually when the member doesn't want to file a Formal complaint. They can usually be easily resolved the same day without significant research or follow up. These include such things as PCP changes or complaints about the physical nature of the office or staff. The Grievance Department tracks and trends these by provider and results are reviewed by the KHS Physicians Advisory Committee as part of the recredentialing process.

Part two of the Grievance Report is the disposition of the formal grievances. This report indicates what decisions were made by the KHS Grievance Committee regarding the Formal grievances. The reporting format changed during the 2<sup>nd</sup> Quarter following a DMHC audit recommendation to change our workflow and forward all Potential Inappropriate Care (PIC) formerly entitled Quality of Service grievances to the KHS Quality Department for further review, investigation and resolution. As the report indicates, 200 PIC Formal Grievances were forwarded to the Quality Department, 98 were investigated and QI upheld the decision by the Grievance Committee, 92 cases required further review by the QI department and 10 were overturned and upheld the position of the member. The other major category was Medical Necessity where 317 cases were reported, 184 cases where the decision of the Grievance Committee was upheld, and 133 grievance decision was reversed in favor of the member. Generally speaking, the primary reason for overturning the original decision of the grievance occurs when we receive additional supporting documentation from the member or the provider.

**Transportation Update**

Transportation activity during the 4<sup>th</sup> quarter was like the activity in the 3<sup>rd</sup> Quarter. The three areas that saw changes included a 4600 ride decrease in ride share rides with an increase of 2700 rides in the GETVan Share category and 2600 increase in NEMT van rides. Overall, the use of transportation continues at 40% less than pre-COVID levels.

**Board Action**

Receive and file



# **2020 4<sup>th</sup> Quarter Operational Report**

Alan Avery  
Chief Operating Officer

## 4<sup>th</sup> Quarter 2020 Claims Department Indicators

Activity	Goal	4 <sup>th</sup> Quarter	Status	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	4 <sup>th</sup> Quarter 2019
Claims Received		<b>812,995</b>		752,017	667,768	843,576	785,806
Electronic	85%	<b>98%</b>		96%	94%	95%	93%
Paper	15%	<b>2%</b>		4%	6%	5%	7%
Claims Processed Within 30 days	90%	<b>99%</b>		96%	96%	93%	93%
Claims Processed within 45 days	95%	<b>99%</b>		99%	99%	99%	95%
Claims Processed within 90 days	99%	<b>99%</b>		99%	99%	99%	99%
Claims Inventory-Under 30 days	96%	<b>99%</b>		99%	98%	98%	97%
31-45 days	<3%	<b>&lt;1%</b>		<1%	1%	1%	2%
Over 45 days	<1%	<b>&lt;1%</b>		<1%	1%	1%	1%
Auto Adjudication	82%	<b>85%</b>		84%	80%	82%	82%
Audited Claims with Errors	<3%	<b>2%</b>		2%	2%	2%	2%
Claims Disputes	<5%	<b>1%</b>		1%	1%	1%	1%

## 4<sup>th</sup> Quarter 2020 Member Service Indicators

Activity	Goal	4 <sup>th</sup> Quarter	Status	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	4 <sup>th</sup> Quarter
Incoming Calls		<b>61,469</b>		66,882	57,207	77,452	74,441
Abandonment Rate	<5%	<b>1.19%</b>		2.6%	1.0%	1.6%	3.2%
Avg. Answer Speed	<2:00	<b>:11</b>		:26	:05	:19	:34
Average Talk Time	<8:00	<b>7:50</b>		7:52	7:38	7:26	7:24
Top Reasons for Member Calls	Trend	<ol style="list-style-type: none"> <li>1. New Member</li> <li>2. Demographic</li> <li>3. ID Card</li> <li>4. PCP Change</li> <li>5. Referrals</li> </ol>		Same	Same	Same	Same
Outbound Calls	Trend	<b>63,979</b>		78,915	86,206	103,634	97,467
# of Walk Ins	Trend	<b>0</b>		0	0	545	436
Member Portal Accounts-Q/Total	4%	<b>2948</b> <b>33,053</b> <b>(11.8%)</b>		3347 30,106 (11.19%)	2500 26,758 (10.3%)	2778 24,257 (9.75%)	2864 21,480

## 4<sup>th</sup> Quarter Provider Network Indicators

Activity	Goal	4 <sup>th</sup> Quarter	Status	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	4 <sup>th</sup> Quarter
# of PCPs	Maintain	0%		.99%	.75%	3.35%	0%
# of Specialists	>1% growth	(.77)%		3.78%	<.68%>	6.16%	4.4%
% Provider Terminations	<5% term	1.44%		1.44%	2.05%	1.97%	2.23%
Termination Reasons		50%-left group 3%-retired 17%-termed 3%-relocated 3%-site closed 3%-no reason 8% Contract not renewed		67%-left group 10%-retired 10%-termed 7%-relocated 3%-site closed 3%-no reason	76% left group 8%-Term 6% Site Closed 4% resigned 2% retired 2% illness 2% no reason given	71%-Left Group 13%-Site Closed 6%-term 4%-Resigned 2%-Death 4%-Retirement	43%-Left Group 40%-Site Closed 8%-term 3%-Resigned 2%-Death 2%-Practice Sold 2%-Retirement
Appointment Survey	Average wait time						
PCP	< 10 days	5.2 Days		9.0 Days	9.8 Days	4.4 Days	3.14 Days
Specialty	< 15 days	5.7 Days		8.52 Days	5.4 Days	3.1 Days	5.33 Days

## 4<sup>th</sup> Quarter Human Resources Indicators

Activity	Budget	4 <sup>th</sup> Quarter	Status	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	4 <sup>th</sup> Quarter
Staffing Count	442	<b>422</b>		422	423	418	406
Employee Turnover	12%	<b>6.68</b>		6.69%	5.28%	6.71%	8.90%
Turnover Reasons	Voluntary Involuntary Retired	<b>85.8%</b> <b>7.1%</b> <b>7.1%</b>		80.94% 9.53% 9.53%	72.8% 18.1% 8.1%	85.7% 14.3% 0%	82.9% 17.1% 0%

## 4<sup>th</sup> Quarter 2020 Grievance Report

Category	Q4 2020	Status	Issue	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Access to Care	72		Appointment Availability	52	33	53	56
Coverage Dispute	0		Authorizations and Pharmacy	0	0	0	0
Medical Necessity	317		Questioning denial of service	288	246	225	187
Other Issues	14		Miscellaneous	10	11	36	14
Potential Inappropriate Care	200		Questioning services provided. All cases forwarded to Quality Dept.	263	207	273	323
Quality of Service	7		Questioning the professionalism, courtesy and attitude of the office staff. All cases forwarded to PR Department	5	8	2	0
<b>Total Formal Grievances</b>	<b>610</b>			618	505	589	580
Exempt**	1050		Exempt Grievances-	1041	989	1620	1140
<b>Total Grievances (Formal &amp; Exempt)</b>	<b>1660</b>			1659	1494	2209	1720



## Additional Insights-Formal Grievance Detail

Issue	4 <sup>th</sup> Quarter Grievances	Upheld Plan Decision	Further Review by Quality	Overtaken Ruled for Member	Still Under Review
Access to Care	50	30	0	19	1
Coverage Dispute	0	0	0	0	0
Specialist Access	22	15	0	7	0
Medical Necessity	317	184	0	133	0
Other Issues	14	9	0	5	0
Potential Inappropriate Care	200	98	92	10	0
Quality of Service	7	7	0	0	0
<b>Total</b>	<b>610</b>	<b>343</b>	<b>92</b>	<b>174</b>	<b>1</b>

## 4<sup>th</sup> Quarter 2020 Transportation Update

Operational Statistics	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
ALC Calls	<b>81,672</b>	81,359	73,726	128,968	134,982
One Way Rides Scheduled	<b>79,456</b>	78,988	70,522	127,434	135,394
NMT	<b>46,071</b>	48,245	40,956	95,530	100,840
Bus Passes Distributed	<b>869</b>	989	1,055	3,101	2,575
GET Van Share	<b>3725</b>	1094			
Ride Share Rides	<b>41,477</b>	46,162	39,901	92,429	97,422
No Shows	<b>3640</b>	3396	3,613	6,537	6,292
NEMT	<b>33,385</b>	30,743	29,566	33,191	34,554
Van Rides Scheduled	<b>32,636</b>	29,958	28,981	32,484	33,958
Gurney Rides Scheduled	<b>749</b>	785	585	707	596
Member Reimbursement	<b>1834</b>	1930	1,752	4,011	1,762
ALC Admin Expense	<b>\$444,850.78</b>	\$459,741.50	\$414,731	\$753,478	\$775,838



**To: KHS Board of Directors**

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

**Date: February 11, 2021**

**Re: CMO Board Report**

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**Medical Cost and Utilization Trend Analyses: (Attachment A)**

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

The utilization of physician services shows a slight downward trajectory in overall cost for all aid categories due to a drop in utilization. Although visits are tracking lower, the cost per visit remains higher than budget indicating those who are seeing their doctor receive more services during their visit. This is common with patients with co-morbidity. We are hoping that with our back to care initiative will have an impact on members returning to their physicians to receive the care they have deferred since the pandemic.

Given current circumstances, it is not surprising to see the number one diagnosis for professional services in December of 2020 was contact with or exposure to a communicable disease 24.74%. By comparison, in December of 2019, the most frequent diagnosis was for immunizations 23.82 % for flu.

**Pharmacy**

The monthly cost and utilization per enrollee for all aid categories is at or below budget through December 2020. As of this report, the Flu season does not appear to have been severe, but more will be known with the January 2021 data.

### **Inpatient Services**

The PMPM expenses for inpatient services for all aid codes combined shows an increase in December. For all members, the 3<sup>rd</sup> highest diagnoses for inpatient care is treatment for COVID-19. Most of the inpatient stays continue to be at BMH with Kern Medical a close second (Attachment B). KHS continues to trend higher than other health plans with preventable admissions. The State defines this as inpatient care that could have been avoided with early and ongoing treatment on an outpatient basis. The KHS Health Services department, as one of its 2021 goals, is to work with providers and hospitals to reduce the number of inappropriate or preventable admissions.

### **Hospital Outpatient Services**

While the per capita cost for Hospital Outpatient Services remains below budget, cost per unit of services also remains below budget apart from patients enrolled under Seniors and Persons with Disabilities (SPDs). Like Physician Services, utilization trends continue to rise for all beneficiary groups. This would be expected following the State lifting its restriction on elective procedures.

### **Emergency Room (ER)**

The number of ER visits dropped significantly in April 2020 because of the first wave of the pandemic and stayed below pre pandemic levels for all of 2020. The utilization again started increasing in October but seems to have plateaued and leveling off through the end of 2020. The preferred ER for our members remains the Bakersfield Memorial Hospital (Attachment C). We continue to explore the use of technology such as Telemedicine to improve access to primary care services in less costly locations such as office and home. The most frequent diagnosis associated with an ER visit in December 2020 was COVID-19 with urinary tract infections a distant second. In December of 2020 the number diagnosis for ER visits was acute upper respiratory infection, unspecified.

### **Obstetrics Services**

Obstetrics Services appear to drop dramatically over the past three months. Since Obstetrics data comes exclusively from hospital claims, a delay occurs between the admission and when the claim is received. For this reason, we discount the data from the most recent three-month period. Data reflecting 90 days or older is accurate since few outstanding deliveries have yet to be billed by the hospital. That said, the trajectory between May 2020 and September 2020 would indicate fewer births occurring among our membership. Our primary C/Section (14%%) and repeat C/ section (6%) rates continue to be below the State averages. Most of the deliveries are occurring at BMH and Kern Medical (Attachment D).

**4th Quarter, 2020 Report (Attachment E)**

The purpose of this report is to show, in “real time”, how KHS is performing year-to-date in most HEDIS measurement categories. For the most part, the data for this report is based on information from medical service claims.

Each measurement count requires a patient encounter specific to service(s), that when performed, will indicate the measurement was met for that patient. All KHS members identified as having the medical condition associated with the measurement represent the denominator. When members receive service(s), it is recorded as “compliant” becoming part of the numerator. The level of achievement is shown as the percentage (%) of members receiving the required (service(s)). The minimum target performance percentage (MPL) is established by DHCS each year and the previous year’s MPL is used here to determine how well our HEDIS program performs against this standard. The second page of the report gives a snapshot summary of each measurement year-to-date. It is color coded in green when 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. We use the historical performance for the same month in the prior year, and this 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 32 MCAS measures displayed here, 13 measures are in green and on target to meet expectation. The 10 measures are in yellow which show a 5% or less variance to the previous year’s rate. In such cases, staff closely monitors yellow measures to see that trends come back in line with prior year’s results. The 9 measures showing red are actively managed and will be investigated to determine what additional steps may be necessary to bring them in line with expectation.

As I reported in August, the Pandemic had a negative impact on performance of the 2020 MCAS (2019 measurement year) because it hit at the time when we started record abstraction. We could not get records from doctors’ offices as everything was shut down. DHCS did not hold the managed care plans to the MPL. We are at the beginning of the collection and review data for MCAS 2021 report for measurement year 2020.

2020 was a difficult year in most aspects including closed offices and patient’s safety concerns related to visiting doctors who were open for routine care. We think we will still see the negative impact of the pandemic as we do our measurement for 2020. Our plan is to continue to work with our network providers to implement different strategies to improve access to preventive services for our members.



# **Kern Health Systems**

## **KHS Medical Management Performance Dashboard (Critical Performance Measurements)**



Governed Reporting System

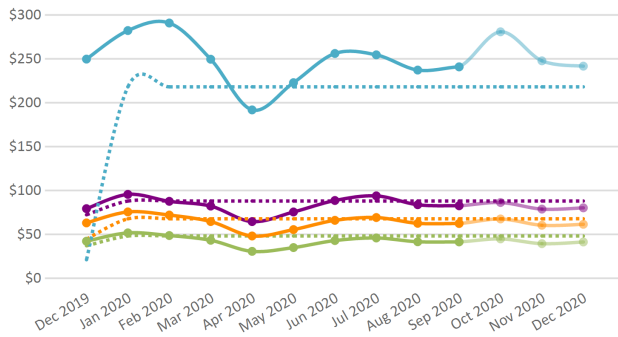


Physician Services

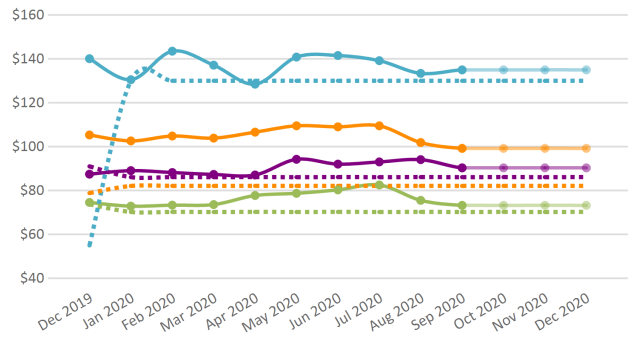
(Includes: Primary Care Physician Services, Referral Specialty Services, Other Professional Services and Urgent Care)

- MCAL Expansion - Actual
- MCAL 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

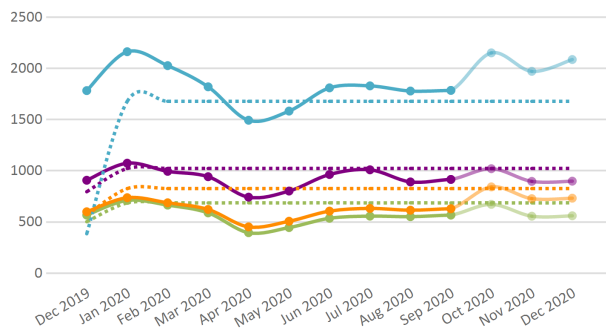
Professional Services Incurred by Aid Group PMPM



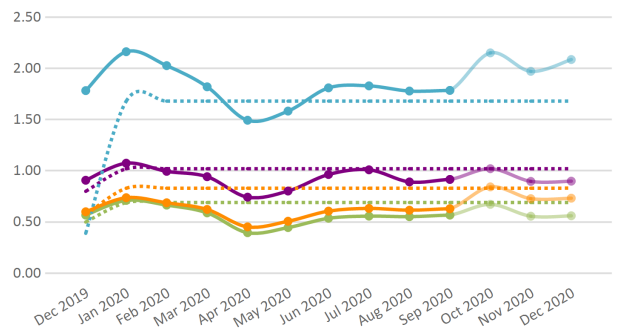
Cost per Professional Service Visit by Aid Group



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



Professional Service Visits per Member per Month by Aid Group





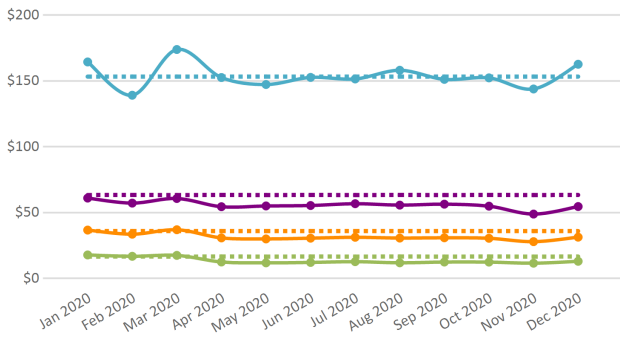
Governed Reporting System

Pharmacy

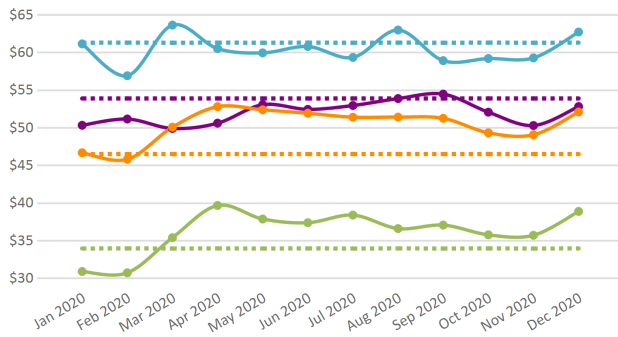
(Includes: Claims paid by PBM)

- 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

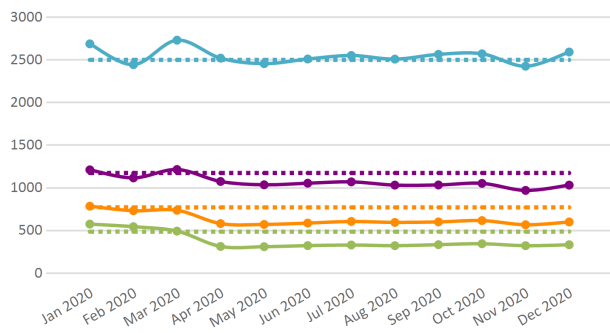
Pharmacy Services Incurred by Aid Group PMPM



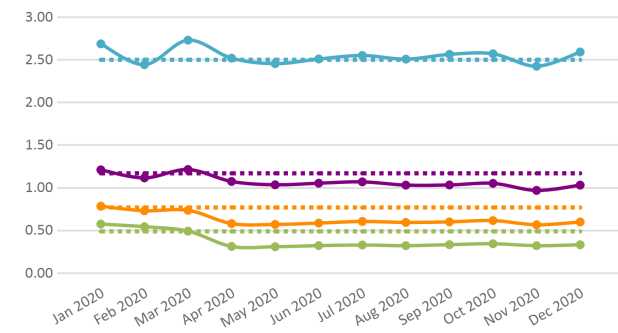
Cost per Script by Aid Group



Incurred Scripts per 1,000 per Month by Aid Group



Pharmacy Services Incurred per Member per Month by Aid Group







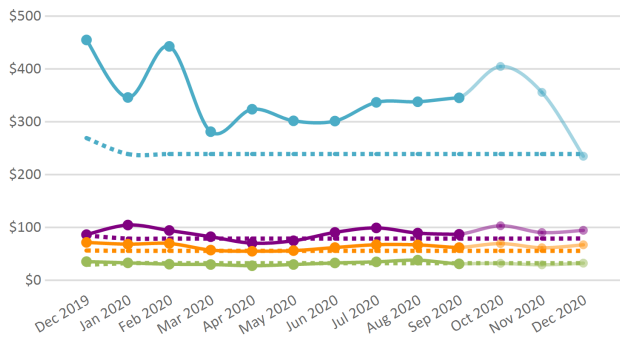
Governed Reporting System

**Inpatient**

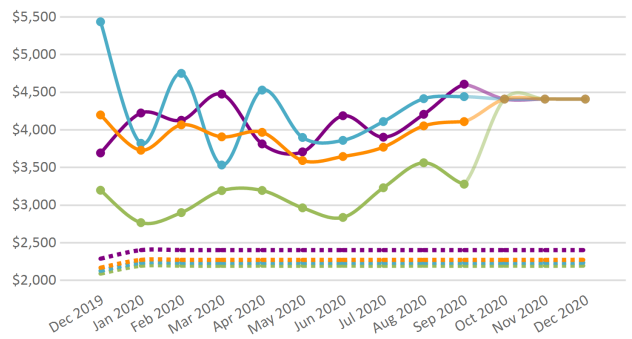
(Includes: Inpatient Hospital Claims)

- 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

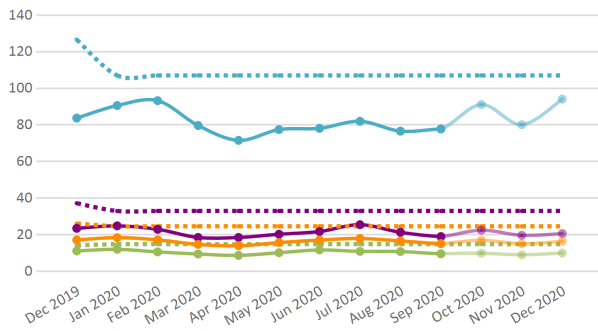
**Inpatient Services Incurred by Aid Group PMPM**



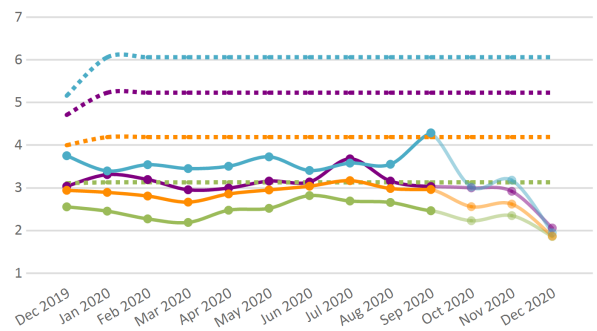
**Cost Per Bed Day by Aid Group**



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



**Average Length of Stay in Days by Aid Group**





Governed Reporting System

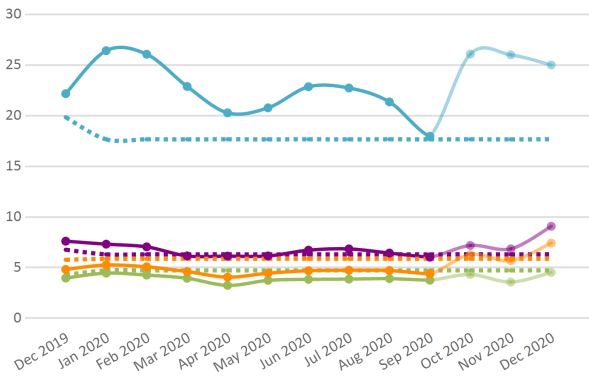


Inpatient

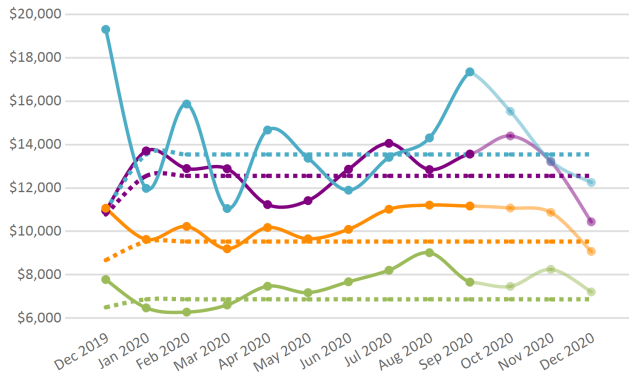
(Includes: Inpatient Hospital Claims)

- 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

Incurring Admits per 1,000 per Month by Aid Group



Cost per Admit by Aid Group





Governed Reporting System

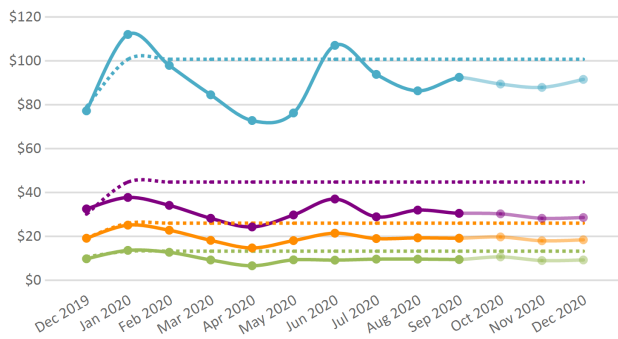


Outpatient Hospital

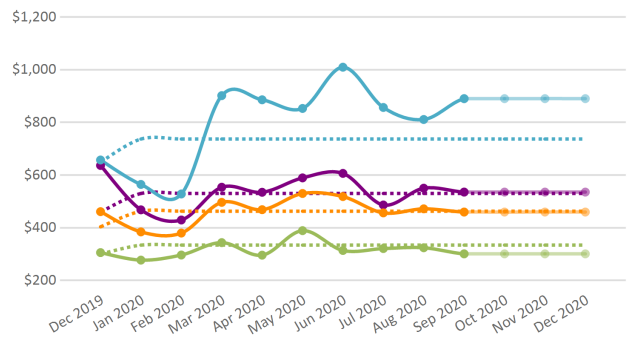
(Includes: Outpatient Diagnostic, Outpatient Surgery, Outpatient Observation, and Outpatient Other)

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

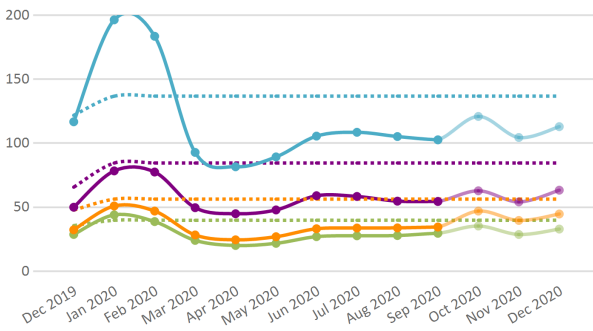
Outpatient Services Incurred by Aid Group PMPM



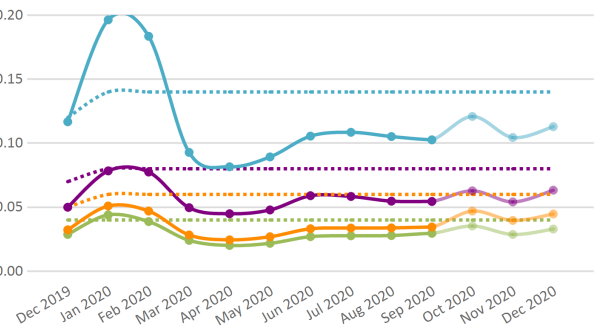
Cost Per Outpatient Visit by Aid Group



Outpatient Visits per 1,000 per Month by Aid Group



Outpatient Visits per Member per Month by Aid Group





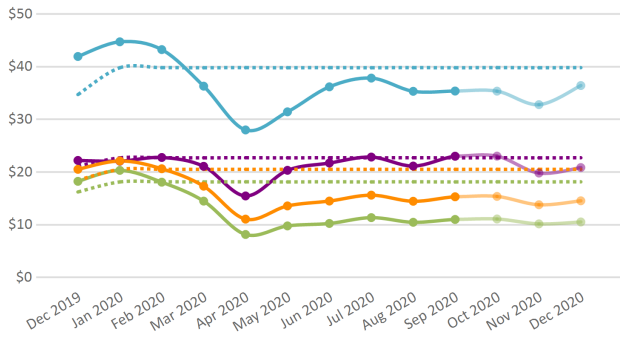
Governed Reporting System



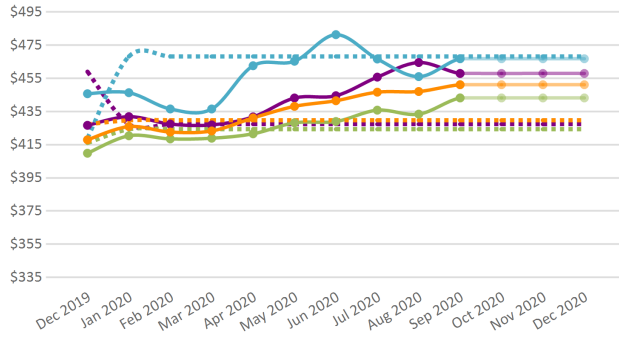
Emergency Room

- 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

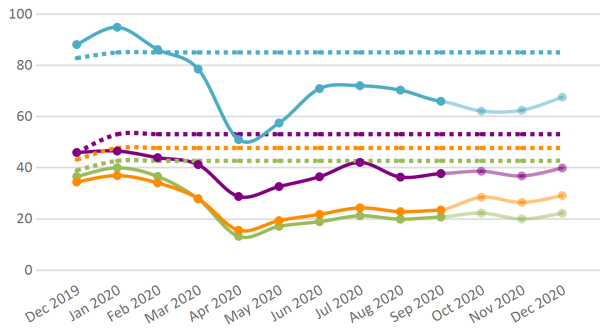
ER Services Incurred by Aid Group PMPM



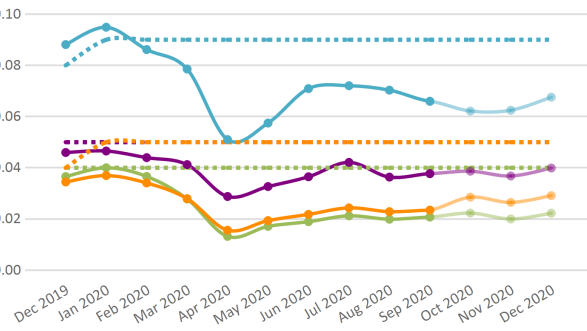
Cost Per ER Visit by Aid Group



ER Visits per 1,000 per Month by Aid Group



ER Visits per Member per Month by Aid Group

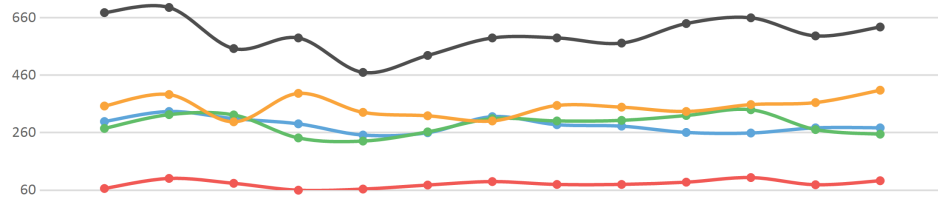




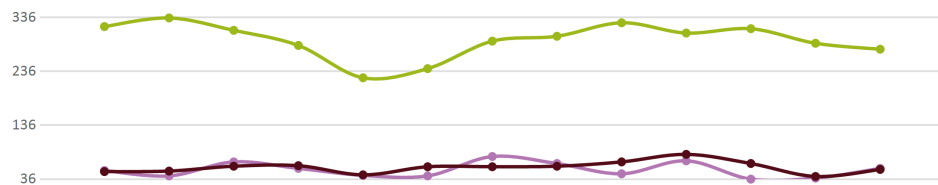
Attachment B

Governed Reporting System

Inpatient Admits by Hospital



	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
BAKERSFIELD MEMORIAL	678	696	553	590	470	529	590	590	572	640	660	597	628
KERN MEDICAL	353	393	298	397	331	319	301	355	349	334	358	365	408
MERCY HOSPITAL	275	323	322	242	231	263	309	301	303	320	340	271	255
ADVENTIST HEALTH	299	334	309	291	252	260	316	288	283	261	259	277	277
GOOD SAMARITAN HOSPITAL	66	101	84	60	64	78	90	80	80	88	104	79	93

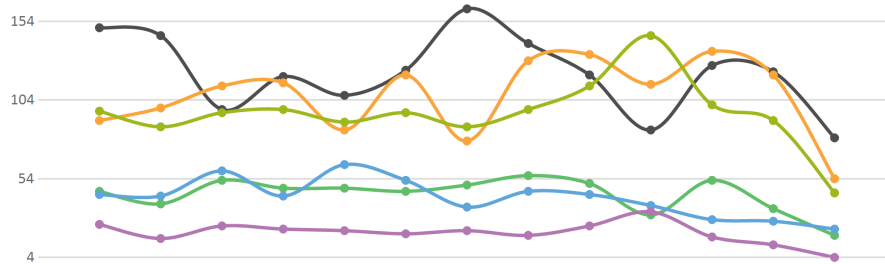


	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
BAKERSFIELD HEART HOSP	50	51	60	61	44	59	59	60	68	82	65	41	54
DELANO REGIONAL HOSPITAL	52	42	68	56	43	42	78	65	46	70	36	38	56
OUT OF AREA	319	335	312	284	224	241	292	301	326	307	315	288	277

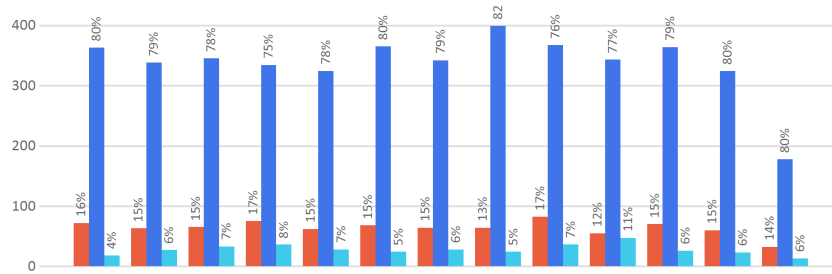


Governed Reporting System

Obstetrics Metrics



	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
BAKERSFIELD MEMORIAL	150	145	98	119	107	123	162	140	120	85	126	122	80
KERN MEDICAL	91	99	113	115	85	120	78	129	133	114	135	120	54
ADVENTIST HEALTH	44	43	59	43	63	53	36	46	44	37	28	27	22
MERCY HOSPITAL	46	38	53	48	48	46	50	56	51	31	53	35	18
DELANO REGIONAL HOSPITAL	25	16	24	22	21	19	21	18	24	33	17	12	4
OTHER	97	87	96	98	90	96	87	98	113	145	101	91	45

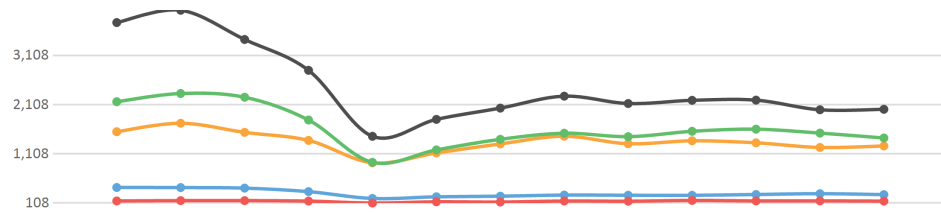


	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
VAGINAL DELIVERY	363	338	345	334	324	365	342	399	367	343	364	324	178
C-SECTION DELIVERY	72	63	65	75	62	68	64	64	82	55	70	60	32
PREVIOUS C-SECTION DELIVERY	18	27	33	36	28	24	28	24	36	47	26	23	13

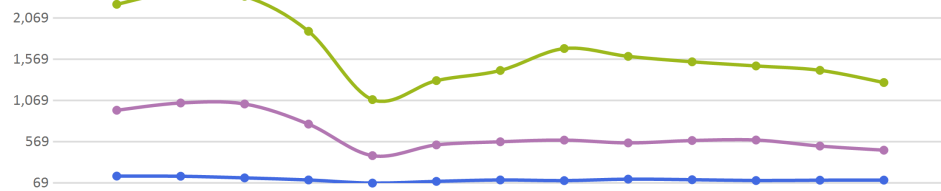


Governed Reporting System

Emergency Visits by Hospital



	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
BAKERSFIELD MEMORIAL	3,775	4,025	3,432	2,805	1,464	1,808	2,037	2,280	2,130	2,195	2,199	2,003	2,013
MERCY HOSPITAL	2,167	2,334	2,258	1,795	935	1,188	1,403	1,527	1,457	1,566	1,609	1,529	1,430
KERN MEDICAL	1,557	1,730	1,544	1,381	926	1,126	1,310	1,465	1,313	1,373	1,332	1,237	1,268
ADVENTIST HEALTH	424	422	411	340	201	235	247	270	266	265	281	298	279
BAKERSFIELD HEART HOSP	150	157	157	148	108	133	128	149	145	161	151	152	147



	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
OUT OF AREA	2,236	2,394	2,334	1,909	1,081	1,311	1,434	1,700	1,605	1,539	1,489	1,436	1,288
DELANO REGIONAL HOSPITAL	952	1,040	1,028	784	402	532	570	590	556	585	591	518	468
KERN VLY HLTHCRE HOSP	154	152	132	107	69	90	107	99	117	110	100	104	105

### MCAS Performance Trending Metrics

<p>ABA - 18-19</p> <p><b>8.67 %</b></p> <p>Prior Year 13.25%</p> <p>% Change -34.57%</p>	<p>ABA - 20-74</p> <p><b>25.75 %</b></p> <p>Prior Year 33.52%</p> <p>% Change -23.18%</p>	<p>ABA</p> <p><b>25.42 %</b></p> <p>Prior Year 33.14%</p> <p>% Change -23.30%</p>	<p>AMM - Acute</p> <p><b>50.11 %</b></p> <p>Prior Year 53.70%</p> <p>% Change -6.69%</p>	<p>AMM - Cont</p> <p><b>31.67 %</b></p> <p>Prior Year 34.89%</p> <p>% Change -9.23%</p>
<p>AMR</p> <p><b>54.03 %</b></p> <p>Prior Year 47.69%</p> <p>% Change 13.29%</p>	<p>APM - Cholesterol</p> <p><b>17.65 %</b></p> <p>Prior Year 35.40%</p> <p>% Change -50.14%</p>	<p>APM - Glucose</p> <p><b>41.18 %</b></p> <p>Prior Year 98.25%</p> <p>% Change -58.09%</p>	<p>APM - Glucose Cholesterol</p> <p><b>17.65 %</b></p> <p>Prior Year 33.65%</p> <p>% Change -47.55%</p>	<p>AWC</p> <p><b>29.45 %</b></p> <p>Prior Year 35.76%</p> <p>% Change -17.65%</p>
<p>BCS</p> <p><b>51.61 %</b></p> <p>Prior Year 53.95%</p> <p>% Change -4.34%</p>	<p>CBP</p> <p><b>5.13 %</b></p> <p>Prior Year 3.78%</p> <p>% Change 35.71%</p>	<p>CCS</p> <p><b>49.07 %</b></p> <p>Prior Year 50.74%</p> <p>% Change -3.29%</p>	<p>CDC - BP</p> <p><b>5.44 %</b></p> <p>Prior Year 3.44%</p> <p>% Change 58.14%</p>	<p>CDC - Eye Exam</p> <p><b>55.22 %</b></p> <p>Prior Year 49.78%</p> <p>% Change 10.93%</p>





Governed Reporting System

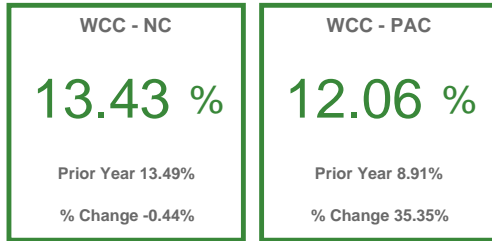
MCAS Performance Trending Metrics

<p>CDC - HBA1C &lt;7%</p> <p><b>16.70 %</b></p> <p>Prior Year 11.12%</p> <p>% Change 50.18%</p>	<p>CDC - HBA1C &lt;8%</p> <p><b>26.29 %</b></p> <p>Prior Year 18.19%</p> <p>% Change 44.53%</p>	<p>CDC - HBA1C &gt;9%</p> <p><b>64.77 %</b></p> <p>Prior Year 10.21%</p> <p>% Change 534.38%</p>	<p>CDC - HBa1C Test</p> <p><b>80.74 %</b></p> <p>Prior Year 88.38%</p> <p>% Change -8.64%</p>	<p>CDC - Nephropathy</p> <p><b>88.77 %</b></p> <p>Prior Year 94.02%</p> <p>% Change -5.58%</p>
<p>CHL - Adults</p> <p><b>61.83 %</b></p> <p>Prior Year 65.59%</p> <p>% Change -5.73%</p>	<p>CHL</p> <p><b>55.68 %</b></p> <p>Prior Year 56.61%</p> <p>% Change -1.64%</p>	<p>CHL - Peds</p> <p><b>49.14 %</b></p> <p>Prior Year 47.29%</p> <p>% Change 3.91%</p>	<p>CIS - Combo 10</p> <p><b>17.83 %</b></p> <p>Prior Year 10.49%</p> <p>% Change 69.97%</p>	<p>IMA - Combo 2</p> <p><b>34.75 %</b></p> <p>Prior Year 2.06%</p> <p>% Change 1,586.89%</p>
<p>PPC - Postpartum</p> <p><b>69.93 %</b></p> <p>Prior Year 72.53%</p> <p>% Change -3.58%</p>	<p>PPC - Prenatal</p> <p><b>45.61 %</b></p> <p>Prior Year 49.66%</p> <p>% Change -8.16%</p>	<p>SSD</p> <p><b>40.12 %</b></p> <p>Prior Year 82.11%</p> <p>% Change -51.14%</p>	<p>W34</p> <p><b>36.39 %</b></p> <p>Prior Year 61.71%</p> <p>% Change -41.03%</p>	<p>WCC - BMI</p> <p><b>26.61 %</b></p> <p>Prior Year 26.21%</p> <p>% Change 1.53%</p>



*Governed Reporting System*

### MCAS Performance Trending Metrics





Governed Reporting System

### MCAS Performance Trending Metrics

#### Adult BMI Assessment

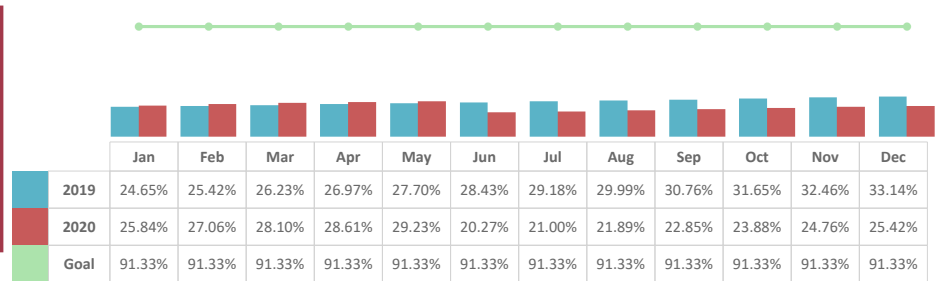
The percentage of members 18–74 years of age who had an outpatient visit and whose body mass index (BMI) was documented during the measurement year or the year prior to the measurement year.

**ABA**

33.14%

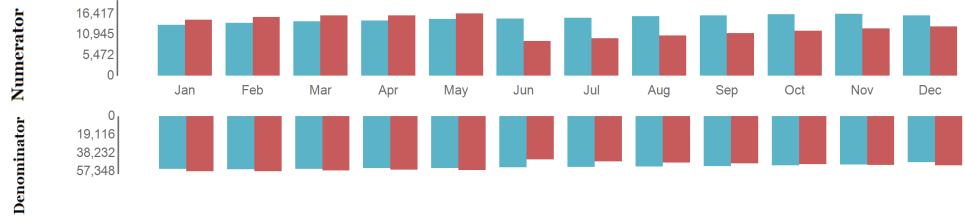
**25.42 %**

No Data Available



13,019
  

  
51,212





Governed Reporting System

### MCAS Performance Trending Metrics

#### Antidepressant Medication Management

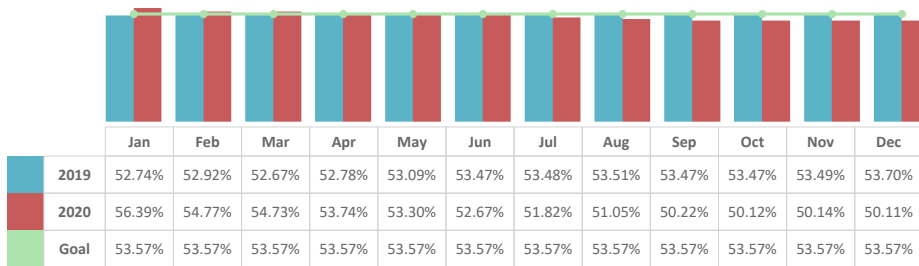
The percentage of members 18 years of age and older who were treated with antidepressant medication, had a diagnosis of major depression and who remained on an antidepressant medication treatment for at least 84 days.

**Acute**

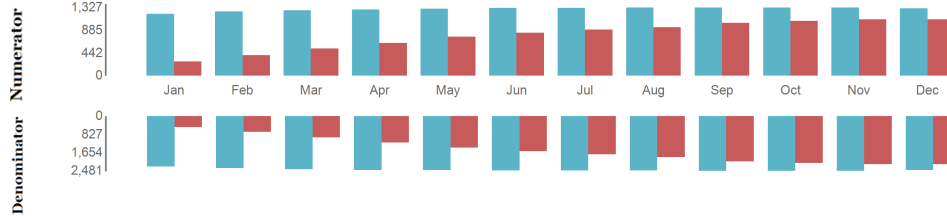
50.11%

No Data Available

53.70%



1,095  
-----  
2,185





Governed Reporting System

### MCAS Performance Trending Metrics

#### Antidepressant Medication Management

The percentage of members 18 years of age and older who were treated with antidepressant medication, had a diagnosis of major depression and who remained on an antidepressant medication treatment for at least 180 days.

Cont ↓

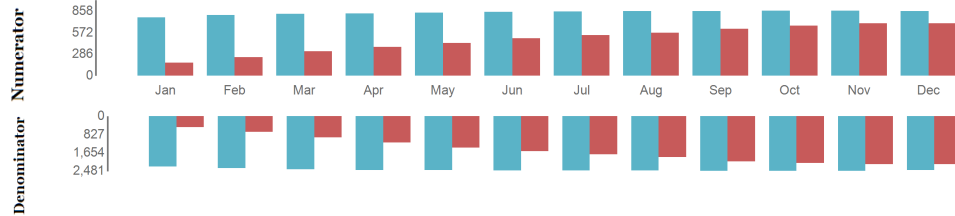
31.67 %

34.89%

No Data Available

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	33.76%	33.81%	33.79%	33.74%	33.89%	34.16%	34.30%	34.49%	34.50%	34.56%	34.58%	34.89%
2020	34.69%	33.61%	33.23%	31.91%	30.36%	31.15%	30.93%	30.71%	30.18%	31.10%	31.68%	31.67%
Goal	38.18%	38.18%	38.18%	38.18%	38.18%	38.18%	38.18%	38.18%	38.18%	38.18%	38.18%	38.18%

$$\frac{692}{2,185}$$





Governed Reporting System

### MCAS Performance Trending Metrics

#### Asthma Medication Ratio

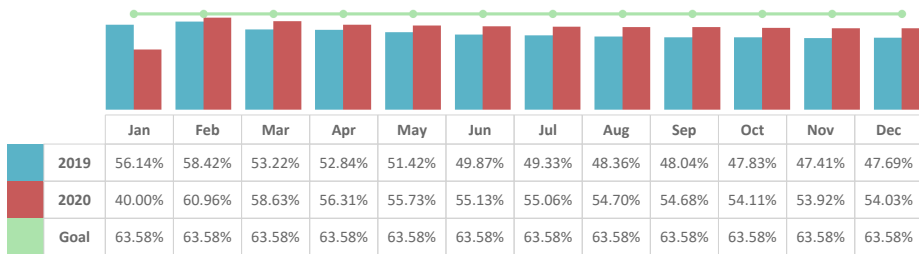
The percentage of members 5–64 years of age who were identified as having persistent asthma and had a ratio of controller medications to total asthma medications of 0.50 or greater during the measurement year.

**AMR** ↑

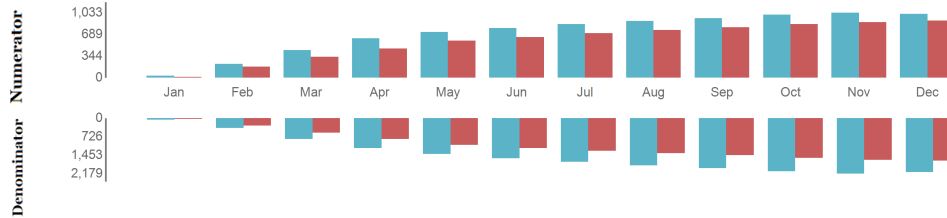
**54.03%**

47.69%

No Data Available



904  
-----  
1,673





Governed Reporting System

### MCAS Performance Trending Metrics

#### Metabolic Monitoring for Children and Adolescents on Antipsychotics

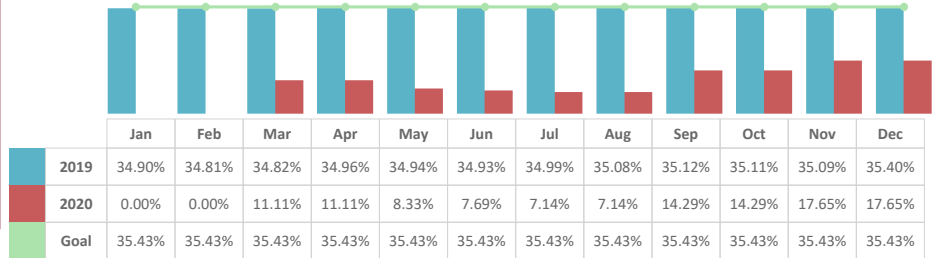
The percentage of children and adolescents on antipsychotics 1–17 years who received cholesterol testing.

**Cholesterol** ↓

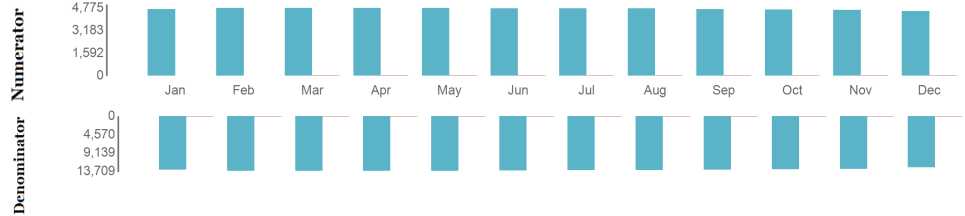
17.65 %

35.40%

No Data Available



3  
-----  
17





Governed Reporting System

### MCAS Performance Trending Metrics

#### Metabolic Monitoring for Children and Adolescents on Antipsychotics

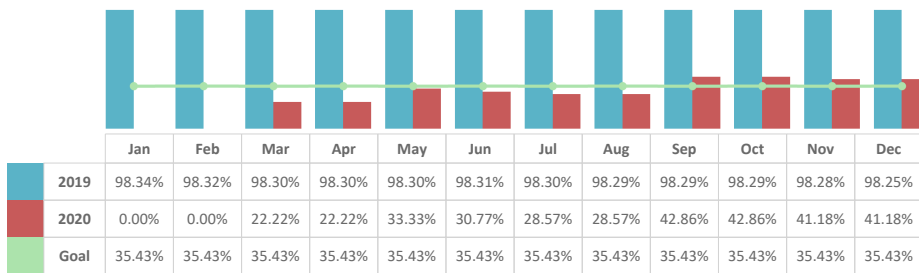
The percentage of children and adolescents 1–17 years on antipsychotics who received blood glucose testing.

**Glucose** ↓

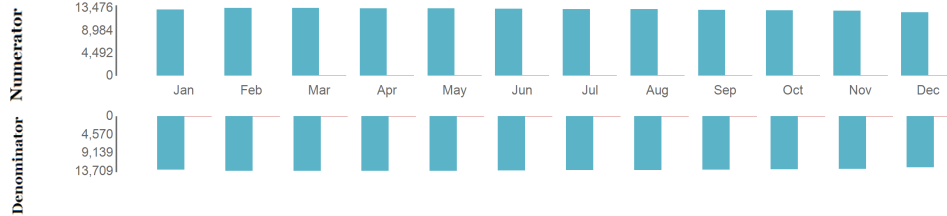
41.18%

98.25%

No Data Available



7  
-----  
17







Governed Reporting System

### MCAS Performance Trending Metrics

#### Adolescent Well-Care Visits

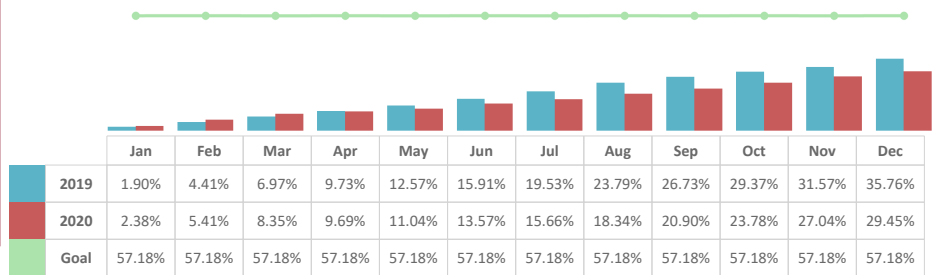
The percentage of enrolled members 12–21 years of age who had at least one comprehensive well-care visit with a PCP or an OB/GYN practitioner during the measurement year.

**AWC** ↓

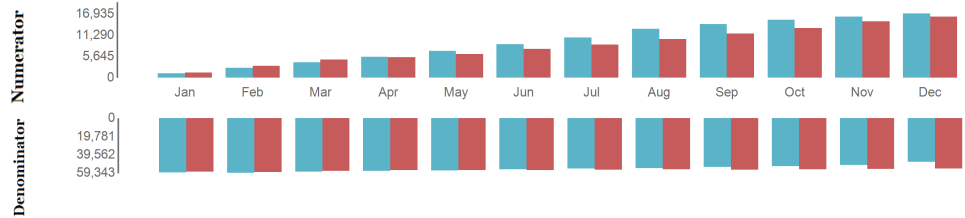
29.45 %

35.76%

No Data Available



16,136  
-----  
54,788





Governed Reporting System

### MCAS Performance Trending Metrics

#### Breast Cancer Screening

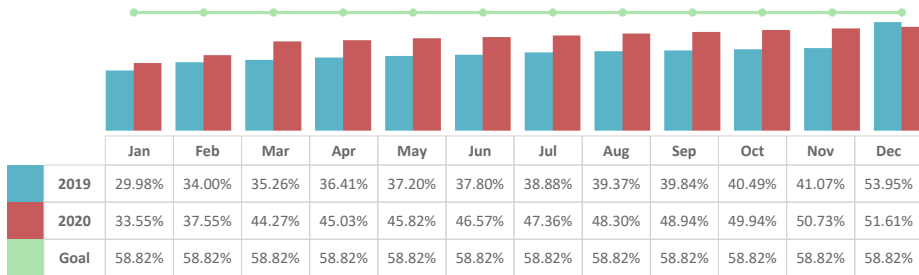
One or more mammograms any time on or between October 1 two years prior to the measurement year and December 31 of the measurement year.

**BCS** ↓

51.61 %

53.95%

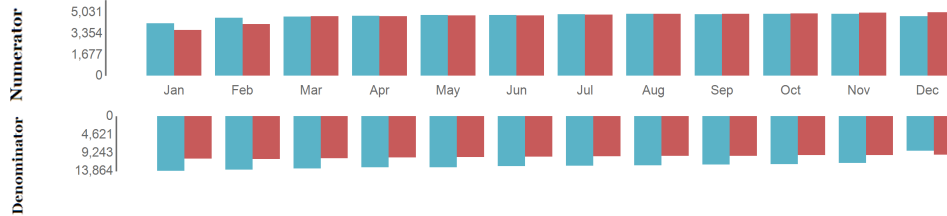
No Data Available



5,031

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9,748





Governed Reporting System

### MCAS Performance Trending Metrics

#### Controlling High Blood Pressure

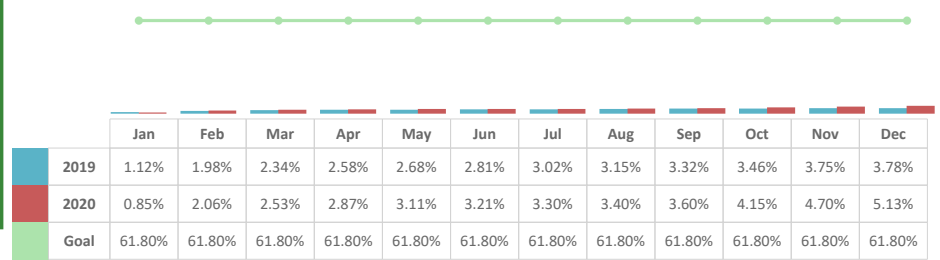
The percentage of members 18–85 years of age who had a diagnosis of hypertension (HTN) and whose BP was adequately controlled (<140/90 mm Hg) during the measurement year.

**CBP** ↑

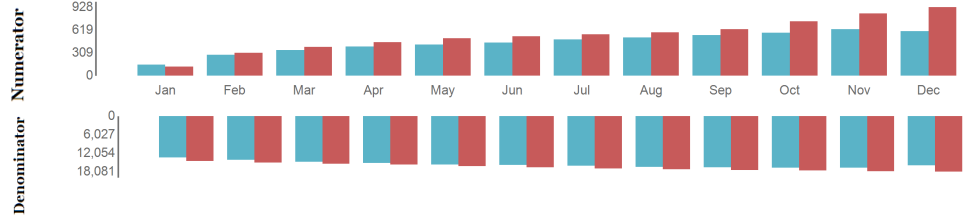
**5.13%**

3.78%

No Data Available



928  
 18,081





Governed Reporting System

### MCAS Performance Trending Metrics

#### Cervical Cancer Screening

The percentage of women 21–64 years of age who were screened for cervical cancer using either of the following criteria:

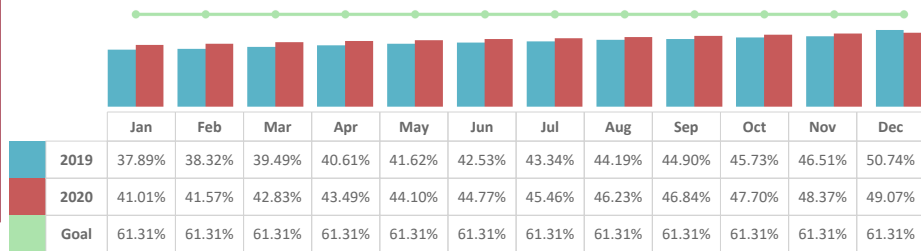
- Women 21–64 years of age who had cervical cytology performed within the last 3 years.
- Women 30–64 years of age who had cervical high-risk human papillomavirus (hrHPV) testing performed within the last 5 years.
- Women 30–64 years of age who had cervical cytology/high-risk human papillomavirus (hrHPV) cotesting within the last 5 years.

**CCS**

49.07 %

50.74%

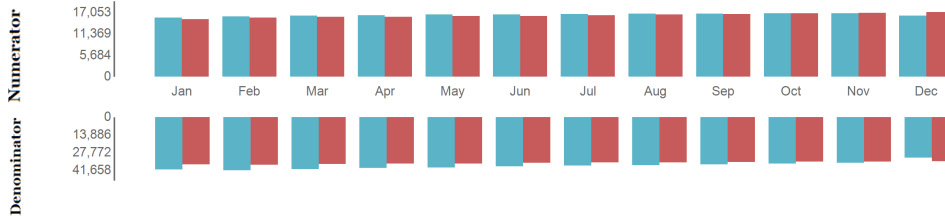
No Data Available



17,053

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34,749





Governed Reporting System

### MCAS Performance Trending Metrics

#### Comprehensive Diabetes Care

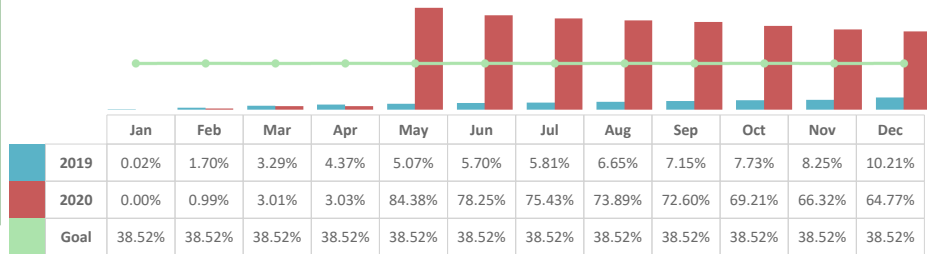
The percentage of members 18–75 years of age with diabetes (type 1 and type 2) who had recent HBA1C Test Result > 9 %.

HBA1C >9% ↑

64.77 %

10.21%

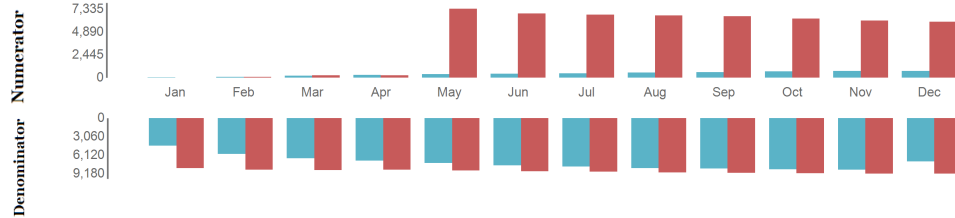
No Data Available



5,946

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9,180





Governed Reporting System

### MCAS Performance Trending Metrics

#### Chlamydia Screening in Women

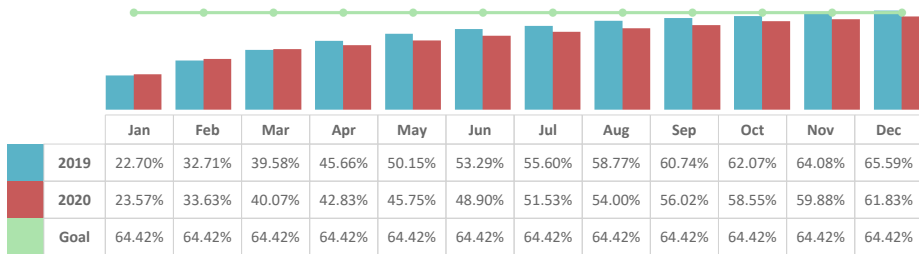
The percentage of women 16–24 years of age who were identified as sexually active and who had at least one test for chlamydia during the measurement year.

**Adults** ↓

61.83%

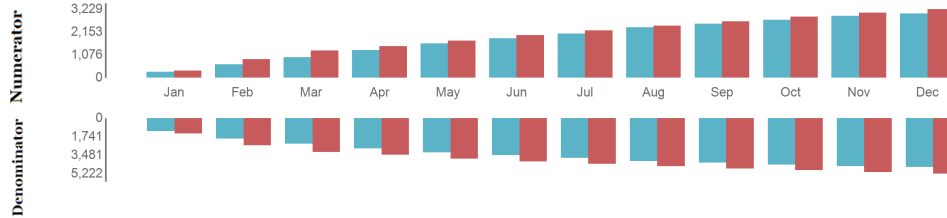
65.59%

No Data Available



3,229

5,222



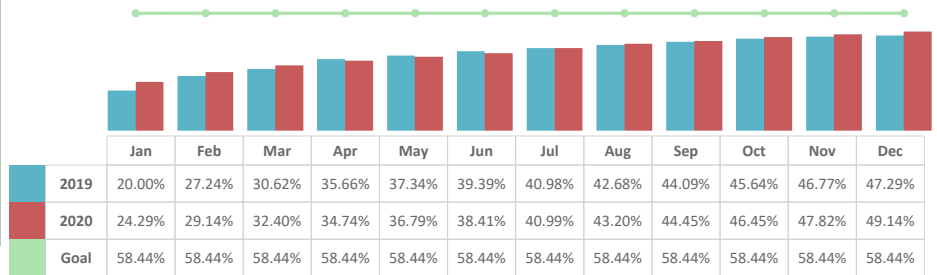
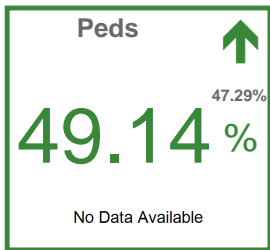


Governed Reporting System

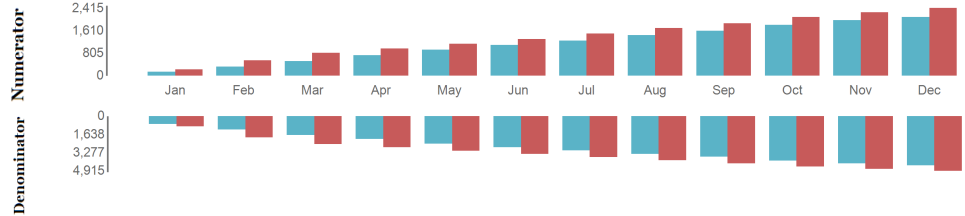
### MCAS Performance Trending Metrics

#### Chlamydia Screening in Women

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



2,415  
-----  
4,915





Governed Reporting System

### MCAS Performance Trending Metrics

#### Childhood Immunization Status

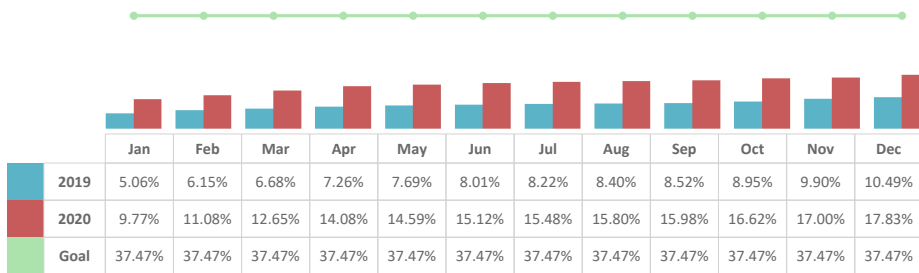
The percentage of members who turned 15 months old during the measurement year and who had the at least 6 well-child visits with a PCP during their first 15 months of life.

**Combo 10** ↑

**17.83%**

10.49%

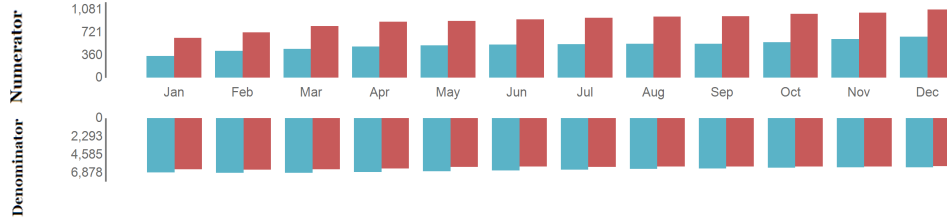
No Data Available



1,081

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6,062







Governed Reporting System

### MCAS Performance Trending Metrics

#### Immunizations for Adolescents

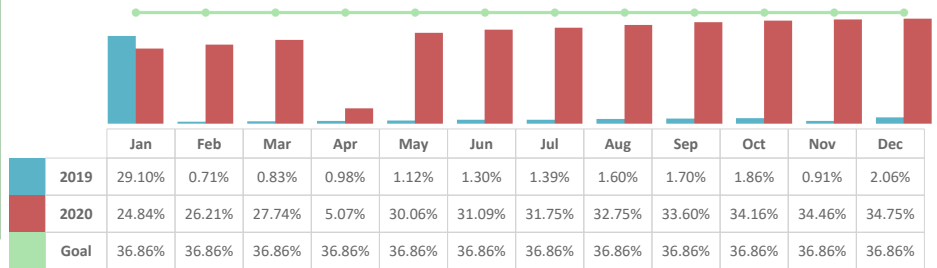
The percentage of adolescents 13 years of age who had one dose of meningococcal vaccine, one tetanus, diphtheria toxoids and acellular pertussis (Tdap) vaccine, and have completed the human papillomavirus (HPV) vaccine series by their 13th birthday. The measure calculates a rate for each vaccine and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

**Combo 2** ↑

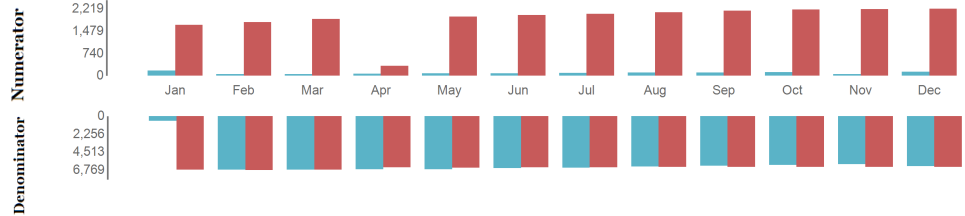
2.06%

34.75 %

No Data Available



2,219  
 6,386





Governed Reporting System

### MCAS Performance Trending Metrics

#### Postpartum Care

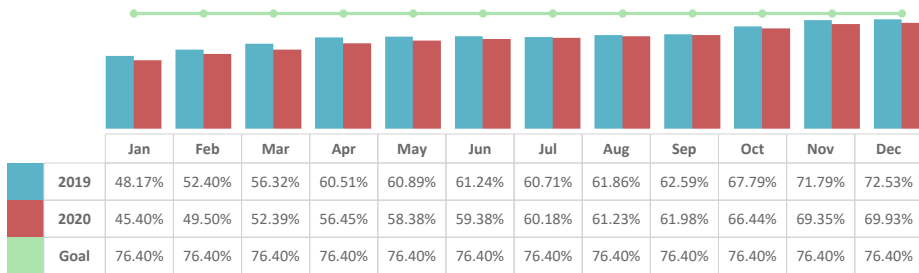
The percentage of deliveries of live births on or between October 8 of the year prior to the measurement year and October 7 of the measurement year. Postpartum Care. The percentage of deliveries that had a postpartum visit on or between 7 and 84 days after delivery.

**Postpartum** ↓

72.53%

69.93%

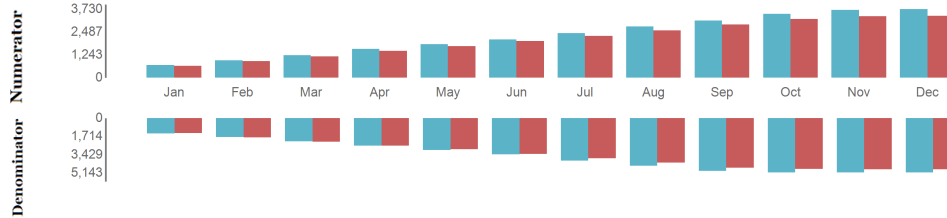
No Data Available



3,370

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4,819





Governed Reporting System

### MCAS Performance Trending Metrics

#### Prenatal Care

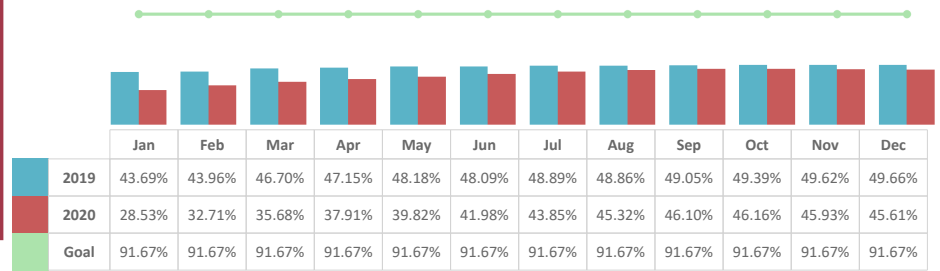
The percentage of deliveries of live births on or between October 8 of the year prior to the measurement year and October 7 of the measurement year. Timeliness of Prenatal Care. The percentage of deliveries that received a prenatal care visit in the first trimester, on or before the enrollment start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

**Prenatal** ↓

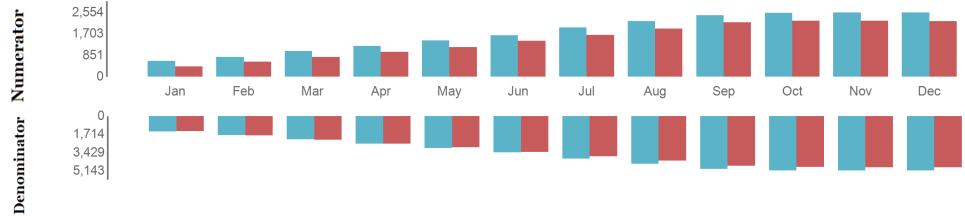
49.66%

45.61 %

No Data Available



2,198  
-----  
4,819





Governed Reporting System

### MCAS Performance Trending Metrics

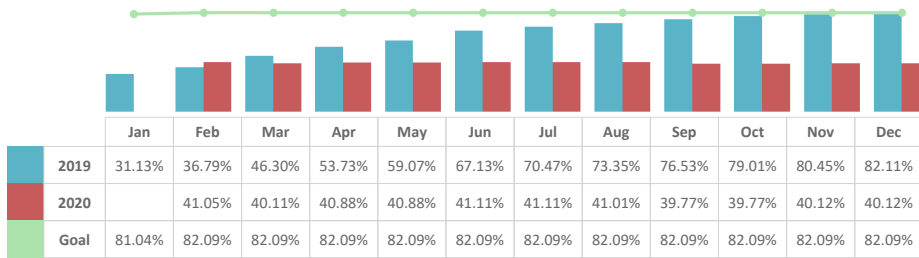
#### Diabetes Screening for People With Schizophrenia or Bipolar Disorder Who Are Using Antipsychotic Medications

The percentage of members 18–64 years of age with schizophrenia, schizoaffective disorder or bipolar disorder, who were dispensed an antipsychotic medication and had a diabetes screening test during the measurement year.

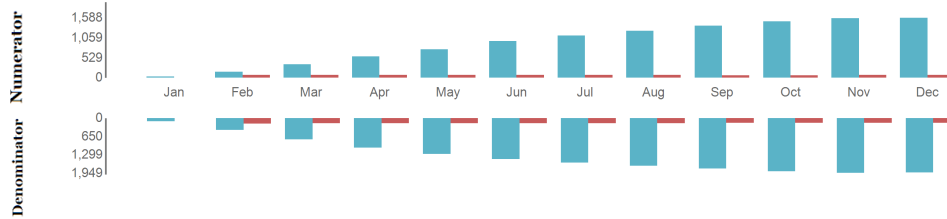
**SSD**

40.12 %

No Data Available



69  
-----  
172





Governed Reporting System

### MCAS Performance Trending Metrics

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

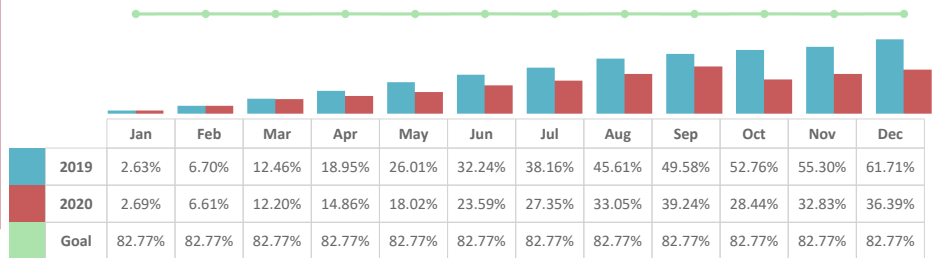
The percentage of members 3–6 years of age who had one or more well-child visits with a PCP during the measurement year.

**W34** ↓

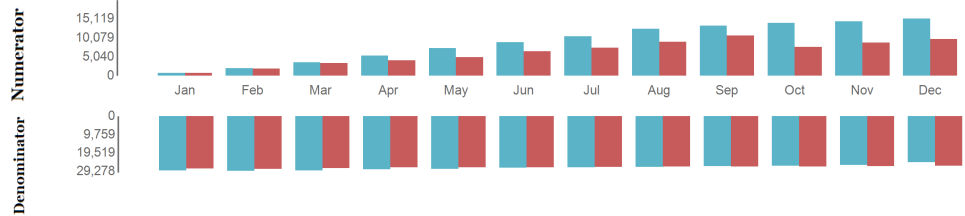
**36.39 %**

61.71%

No Data Available



$$\frac{9,668}{26,565}$$





Governed Reporting System

### MCAS Performance Trending Metrics

#### Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents

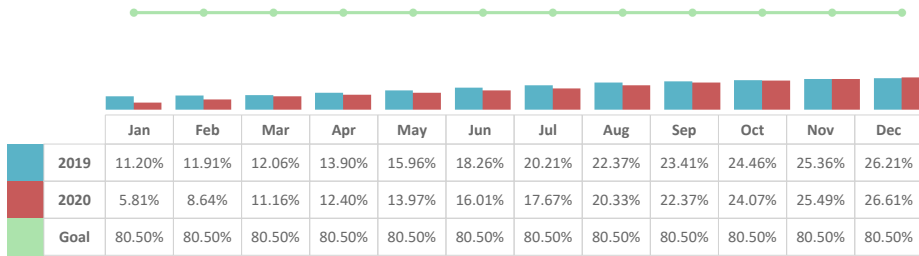
The percentage of members 3-17 years of age who had BMI Percentile documented during the measurement year.

**BMI** ↑

**26.61** %

26.21%

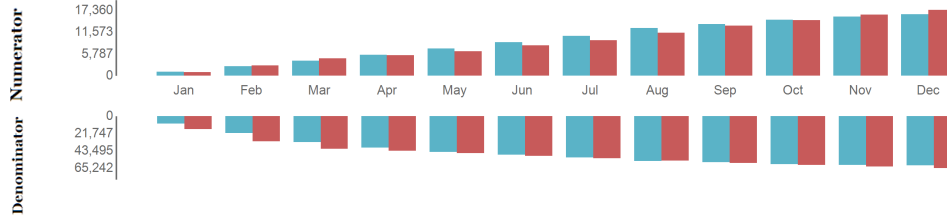
No Data Available



17,360

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65,242



**KERN HEALTH SYSTEMS**  
**CHIEF EXECUTIVE OFFICER'S REPORT**  
**February 11<sup>th</sup>, 2021**  
**BOARD OF DIRECTORS MEETING**

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**COMPLIANCE AND REGULATORY ACTIVITIES**

*Compliance and Regulatory Affairs Report*

December and January Compliance and Regulatory Affairs activities are included under attachments A and B to this report.

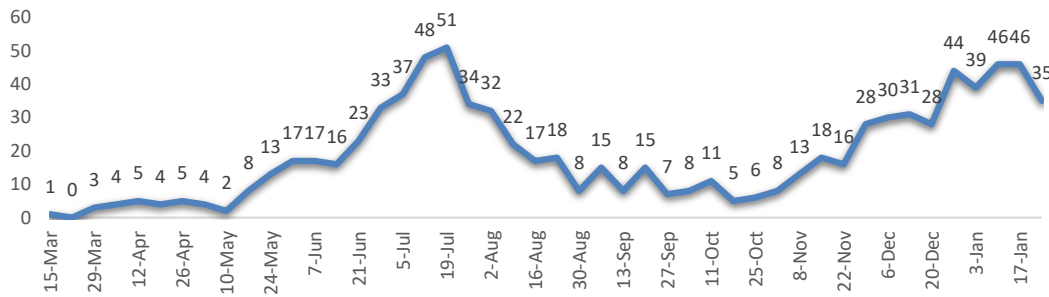
**COVID-19 IMPACT TO OPERATIONS**

As KHS enters its 12th month of adjusting to the COVID-19 pandemic the response from federal, state and local leadership remains fluid as circumstances change. Recent developments impacting KHS include:

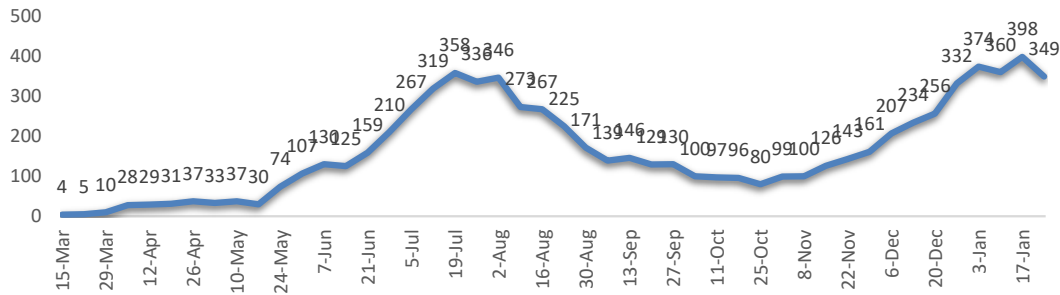
- **Employee Death** – Last week KHS lost an employee to COVID-19. The team member worked for KHS almost 25 years and participated in several volunteer causes dear to our company and all employees. For her years of service, we will rename the conference room in the Department where she worked in her honor and to pay tribute to her memory and all that she's given to Kern Health Systems over her years of service.
  
- **Resurgence impact to KHS** – KHS experienced a spike in cases starting January attributed to holiday gatherings. KHS is beginning to see coronavirus related hospital admissions going up. We anticipated this trajectory after the holiday season. We continue to monitor this daily in each of our local contracted hospitals. The pandemic continues to add unanticipated cost to KHS's medical expense. To date, \$18 million of additional cost can be attributed to the coronavirus for inpatient services alone. The graphs below show weekly totals for admissions and hospital beds days since the inception of the pandemic (March 2020). The trajectory reveals an upward direction beginning October with a spike in January.

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### Weekly Admits



### Weekly Bed Days



➤ **Building Reoccupation** – Predicting the best time to return employees to the office is next to impossible with the resurgence of the virus, new strains of the disease appearing and not knowing when the vaccine will be widely available. Health and Human Services at the Federal level extended the Public Health Emergency again giving States more time and continued control over measures pertaining to public conduct and social mobility. It is now expected to be the end of March before the vaccine is widely available to current eligible recipients 65 and over. This means, given the age of our workforce a super majority may not have access to the vaccine until fall 2021. Since we continue to show strong employee performance across all departments working remote and with the uncertainty surrounding vaccine availability, to minimize employee risk, KHS will reset its return to work timeline to begin September 2021. Should cautionary measures change



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(up or down) we will adjust accordingly. Until then, KHS will continue to error on the side of caution to avoid subjecting employees to the danger common to large gatherings.

- **Performance Monitoring** - Performance is monitor for every department (Attachment C and D) and circulated to management daily or weekly depending on report. Variances are shown by department by function enabling management to monitor employee worktime and daily production across functions. For this reason, KHS can continue to work remote for all but an essential number of onsite employees.

## **PROGRAM DEVELOPMENT ACTIVITIES**

### ***RX Carve-Out***

Currently DHCS still intends to implement the Pharmacy Carve-Out on April 1st, 2021. Many organizations have raised concerns about the potential member and provider disruption that could occur, particularly against the backdrop of the ongoing COVID public health emergency. DHCS has publicly stated they are pleased with the transition efforts to-date and they continue to prepare for 4/1. Internally, the KHS project team continues its work on a variety of process changes, data exchanges, member/provider communication, regulatory submissions, reporting and other preparations. Assuming no changes, KHS will be required to send a 30-day notice to all members in early March.

### ***CalAIM***

CalAIM is a series of initiatives proposed by DHCS to advance broad-based delivery system, program, and payment reform across the Medi-Cal program. Originally scheduled to begin in January 2021, the proposal was delayed due to the impact of COVID-19. As anticipated, more information related to the future of DHCS' CalAIM initiative was released in early January. The draft Governor's Budget included full funding for CalAIM and proposes to give DHCS the green light to proceed. Concurrently, DHCS released an updated CalAIM proposal document outlining the initiatives they intend to pursue. Generally, the updated proposal includes the same major initiatives that were recommended last year, with some changes to the details and due dates. DHCS will be releasing more information in February and through this spring. Engagement with Managed Care Plans and other stakeholders will ramp up over the course of the first quarter. CalAIM will also be a topic of discussion in the legislature and budget process leading into the summer. Management intends to provide a more detailed presentation on CalAIM to the Board of Directors in April.

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## **LEGISLATIVE SUMMARY UPDATE**

### ***Federal Update***

The new Executive Administration brings with it a busy transition period that will mostly be dominated by the COVID emergency. The Biden administration wasted no time in issuing a wide range of executive orders and other directives. Most of these orders require additional guidance, regulation, and/or funding to be implemented. KHS is working with ACAP to monitor items that may be of impact to the Plan. Another area being impacted by the new Administration is regulatory rule making. Federal draft rules that were not finalized will be put on hold and reviewed before proceeding. Additionally, rules that were recently finalized will be delayed until the appropriate actions can be determined. One area where this may impact KHS is with a very recent rule that would update some of the “interoperability” requirements. It will take some time for final decisions to be made on these items. Lastly, we have the process of appointing leadership to government agencies, particularly Health and Human Services (HHS) and the Centers for Medicare and Medicaid Services (CMS). The current Attorney General of California, Xavier Becerra has been nominated for Secretary of HHS. If confirmed, he would bring a California connection to a very prominent position. There has yet to be a publicly announced nomination for the head of CMS.

The 117th Congress has officially convened as of early January. Albeit by the narrowest of margins, the Democratic Party will control both chambers. The initial focus has been divided between impeachment proceedings and additional COVID relief. The latter item is something KHS has continuously worked on with our federal trade association (ACAP). For this latest package, it is undetermined whether Congress will attempt a bipartisan approach, or if Democrats will use “reconciliation” rules to pass a bill with a simple majority. The reconciliation process has its limits but will likely be a tempting option. Things should come into more focus over the coming weeks. KHS has invited a representative from ACAP to discuss the Federal landscape at the April board meeting.

### ***State Legislative***

In early January the Governor released a draft budget for the next fiscal year beginning in July 2021. Generally state funds look to be in better shape than anticipated for the near term. This led to a projected one-time surplus of \$15 billion. The State assumes Medi-Cal enrollment will grow by 11% due to unemployment projections and the halt on redeterminations during the public health emergency. The proposal also includes funding for several Medi-Cal items including: CalAIM, COVID-19 vaccines, extension of Prop 56 payments, expansion of telehealth, new

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coverage of Continuous Glucose Monitors, and continuing coverage for optional benefits. Notably, the proposal did not recommend rate or benefit cuts to the Medi-Cal program. The January Governor's budget marks the beginning of the budget process that lasts through June. As detailed budget bill language is released and discussed in budget committees, KHS staff will work with our trade associations to analyze and advocate as needed. An updated budget proposal is scheduled to be released in May.

The State Legislature reconvened in January and has begun bill introductions. There are a handful of bills being tracked already, as outlined under Attachment E. It is expected that more bills will be introduced through February. Committee hearings to discuss these bills will also ramp later in February.

## **KHS FEBRUARY 2021 ENROLLMENT**

### ***Medi-Cal Enrollment***

As of February 1, 2021, Medi-Cal enrollment is 194,218 which represents an increase of 0.6% from January enrollment.

### ***Seniors and Persons with Disabilities (SPDs)***

As of February 1, 2021, SPD enrollment is 14,109, which represents an increase of 0.05% from January enrollment.

### ***Expanded Eligible Enrollment***

As of February 1, 2021, Expansion enrollment is 73,020, which represents an increase of 1.4% from January enrollment.

### ***Kaiser Permanente (KP)***

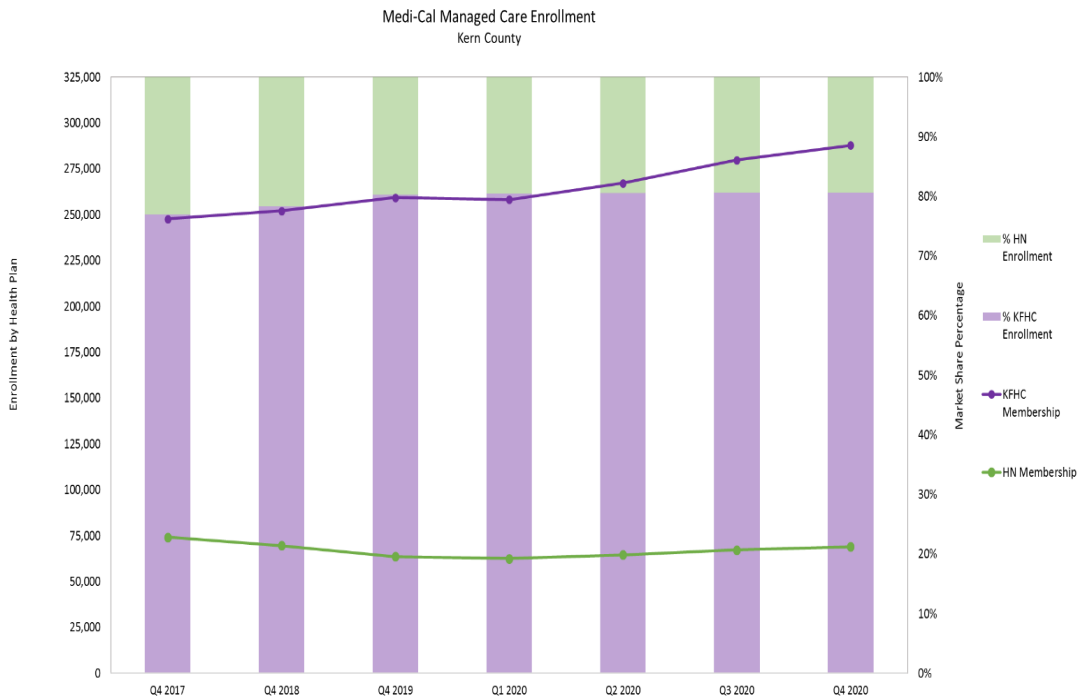
As of February 1, 2021, Kaiser enrollment is 11,183 which represents an increase of 1.2% from January enrollment.

### ***Total KHS Medi-Cal Managed Care Enrollment***

As of February 1, 2021, total Medi-Cal enrollment is 292,530, which represents an increase of 0.8% from January enrollment.

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Membership as of Month of Eligibility	FAMILY	SPD	EXPANSION	KP	BABIES	Member Total
2017-12	170,426	13,297	57,487	7,933	447	249,590
2018-12	172,772	13,637	59,233	8,371	478	254,491
2019-12	175,838	14,368	60,961	9,044	429	260,640
2020-03	175,681	14,537	60,613	9,222	428	260,481
2020-06	181,502	14,418	64,046	9,665	421	270,052
2020-09	187,141	14,308	67,912	10,393	462	280,216
2020-12	191,532	14,175	70,968	10,915	397	287,987
2021-01	192,596	14,102	72,039	11,047	470	290,254
2021-02	193,812	14,109	73,020	11,183	406	292,530



**\* Market Share** - 4 of every 5 Medi-Cal managed care enrollees are KFHC members  
 (Medi-Cal Managed Care Enrollment Kern County)

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***Enrollment Note:***

*The U.S. Department of Health & Human Services continued its public health emergency order resulting in the Department of Health Care Services extending the freeze on redeterminations. Thus, the Kern County Department of Human Services’ suspension of their “automated discontinuance process” for Medi-Cal Redeterminations continues. Halting the process means members are not required to demonstrate they remain eligible for Medi-Cal which ordinarily they would have to prove or be eliminated from receiving benefits. In the meantime, Kern DHS continues working new Medi-Cal applications, reenrollments, successful renewals, additions, etc. The impact from members remaining eligible and new members being added inflates KHS’s enrollment because deletions are not occurring as it would normally occur had the automated discontinuance process remained in place.*

**KHS ADMINISTRATIVE INITIATIVES**

***Provider Relations Credentialing***

Type	January 2021	February 2021 (Projected)
<b>Initial</b>	0	50
<b>Re-credentialing</b>	0	18
<b>New Vendors</b>	0	6

***Provider Portal Utilization***

Encouraging provider office staff to conduct inquires, track claims, review reports and submit information using the Provider Portal results in faster response times for providers. Below is the utilization summary for the most recent three months of data.

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Portal Activity	November 2020	December 2020	January 2021
<b>Total HealthX User Accounts</b>	3,916	3,940	4,027
<b>Total New HealthX User Accounts</b>	184	255	228
<b>Page Views</b>	576,069	779,552	737,007
<b>Unique Page Views</b>	241,004	334,966	304,616
<b>Avg. Time of Page</b>	3:31	3:000	3:06

***Provider Contracting***

**New or Modified Provider Agreements (may be completed or in negotiation):**

- Dignity Health (Bakersfield Memorial and Mercy Hospitals)
- Antelope Valley Hospital
- Glenda Love, LCSW
- Gevorgyan Medical Center, Inc
- CTON Corporation
- Jeffery S Wick
- Bruce Stone
- Amirpasha Ehsan
- Ikechukwu Arene
- James Holland LCSW
- WeCare InC
- Pacific Medical
- Healing Care

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***Marketing/Public Relations***

KHS will share sponsorship in the following events:

- KHS continues to support the Kern River Valley COVID-19 County Testing Site at Kern Valley Hospital by providing a tent, portable heaters and food/beverages for staff. The site was opened on May 27, 2020 and it's still operational. The contributions have totaled \$57,000.
- KHS donated \$10,000 to support Patient Navigation Services at Kern Medical's Valley Fever Institute. This service increases patient adherence to treatment and decreases the amount of missed clinic visits.

No community events are scheduled in February or March due to the Governor's order disallowing large gatherings.

***Back to Care Media Campaign Update***

Provided the Governor lifted the stay-at-home order in late January, we launched our Back to Care media campaign on February 1<sup>st</sup>. This multimedia campaign in English and Spanish will include the following advertising mediums: television, radio, outdoor, print and digital.

***Employee Newsletters:***

KHS Employee Newsletters can be seen by clicking the links below:

- [Keeping Up With KHS - 20th Edition December 2020 \(campaign-archive.com\)](https://campaign-archive.com)
- [Keeping Up With KHS - 21st Edition January 2021 \(campaign-archive.com\)](https://campaign-archive.com)



**Compliance and Regulatory Affairs Update**  
**Board of Directors Meeting**

**Carmen Dobry, M.S., CHC**  
**Director of Compliance and Regulatory Affairs**  
**February 11, 2021**  
**Attachment A**



## STATE REGULATORY AFFAIRS

### All Plan Letters and Regulatory Guidance released since the December 10, 2020 Board meeting:

- Department of Health Care Services (DHCS) released four All Plan Letters that were relevant to the Plan
  - APL20-19 Third Party Tort Liability Requirements - Provides Plans an updated process for submitting service and utilization information and copies of paid claims for covered services related to third party liability (TPL) torts to the DHCS.
  - APL20-21 Acute Hospital Care at Home - Provides Medi-Cal managed care health Plans with policy guidance regarding hospitals participating in the Centers for Medicare & Medicaid Services' Acute Hospital Care at Home program.
  - APL20-022 COVID-19 Vaccine Administration – Provides Plans with information and guidance regarding COVID-19 vaccine coverage and administration in the Medi-Cal program.
  - APL21-001 2021-2022 Medi-Cal Managed Care Health Plan MEDS/834 Cutoff and Processing Schedule - The purpose of the APL is to provide Plans with the 2021-2022 Medi-Cal Eligibility Data System/834 cutoff and processing schedule.
  
- Department of Health Care Services released two Guidance Letters that were relevant to the Plan
  - *COVID-19 Codes, Effective Dates, and PACES Deployment Dates*
  - *Medi-Cal Payment for Telehealth and Virtual/Telephonic Communications Relative to the 2019-Novel Coronavirus*

All Plan Letters and Regulatory Guidance released since the December 10, 2020 Board meeting, continued:

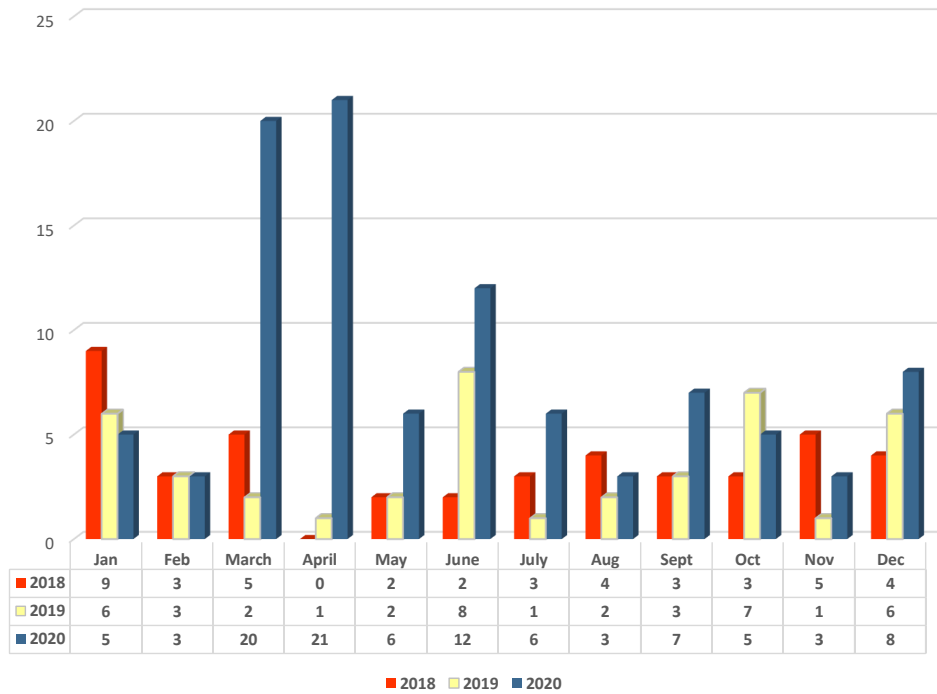
- The Department of Managed Care Services DMHC released four All Plan Letters that were relevant to the Plan
  - APL 20-039 – Health Plan Coverage of COVID-19 Vaccines - The federal Coronavirus Aid, Relief, and Economic Security (CARES) Act requires health Plans to cover “qualifying” vaccines to prevent COVID-19 to the extent the APL does not conflict with guidance issued by the California Department of Health Care Services
  - APL 20-040 - Health Plan Reporting Regarding Network Stability - health plans must report to the DMHC information regarding contracted primary care practices identified as “priority practices” as defined in the APL
  - APL 20-042 - Removal of Administrative Burdens on Hospitals - the DMHC is directing Plans to take immediate steps to reduce or remove unnecessary barriers to the efficient admission, transfer, and/or discharge of Plan enrollees.
  - APL 20-043 - Health Plan Reporting Regarding PPE and Related Support to Providers Plans must report to the DMHC information regarding the support they have provided to their contracted providers to ensure the providers have sufficient COVID-19 Supplies to safely deliver services to the Plan’s enrollees





## Regulatory All Plan Letters and Guidance Received for 2020 Attachment B

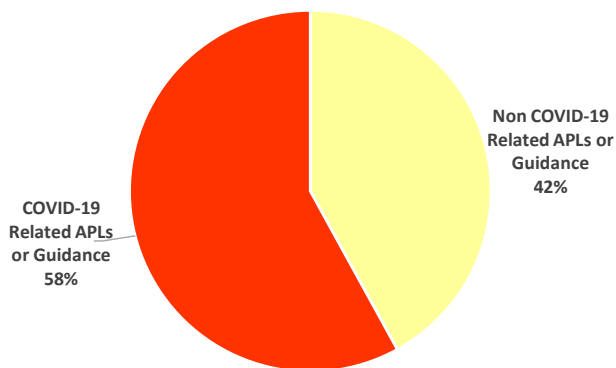
**Number of Regulatory All Plan Letters  
and Guidance Letters Received by the Plan in 2018, 2019, & 2020**



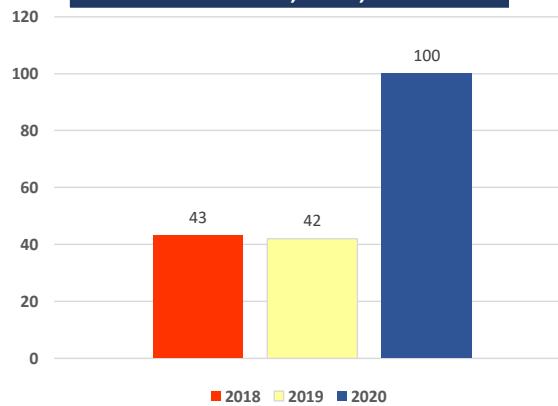
*Continued...*

## Regulatory All Plan Letters and Guidance COVID-19 Impact 2020

Percentage of COVID-19 vs. Non COVID-19  
Related APLs or Guidance 2020



Comparison of All Plan Letters and  
Guidance Letters Received by the Plan  
for Years 2018, 2019, & 2020



**Number of Regulatory Reports Sent to Government Agencies for  
December 2020 and January 2021**

REGULATORY AGENCY	December 2020	January 2021
DHCS	7	13
DMHC	0	7

**2020 Non-Routine Survey by the Department of Managed Health Care**

*February 11, 2021 Update*

**The Compliance Department is coordinating information requests from the DMHC. It is anticipated that a preliminary report will be issued before the end of the first quarter of 2021.**





## **Compliance Department: Fraud, Waste, & Abuse Activity for December 2020 and January 2021**

The Compliance Department maintains communications with State and Federal agencies and cooperates with their related investigations and requests for information.

### **State Medi-Cal Program Integrity Unit and the US Department of Justice Requests for Information December 2020 and January 2021**

#### **Providers**

The Plan received six requests for information from the State Medi-Cal Program Integrity Unit related to potential provider fraud, waste, or abuse in the months of December 2020 and January 2021. For three of the DHCS requests, the Plan determined that it had not received any encounters submitted by those Providers and the three other requests are currently under review by the Compliance Department.

During the months of December 2020 and January 2021 the Plan received an information request from the US Department of Justice. A report was sent as requested.

The Plan does not know the outcome of the State's or the Department of Justice's investigations pertaining to their requests for information.

#### **Members**

The Plan did not receive any requests regarding Fraud, Waste, or Abuse by any Plan Members by the State Medi-Cal Program Integrity Unit for the months of December 2020 and January 2021.

Continued...



## **Compliance Department: HIPAA Breach Activity for December 2020 and January 2021**

### ***Summary of Potential Protected Health Information (“PHI”) Disclosures for December 2020 and January 2021***

The Plan is dedicated to ensuring the privacy and security of the PHI and personally identifiable information (“PII”) that may be created, received, maintained, transmitted, used or disclosed in relation to the Plan’s members. The Plan strictly complies with the standards and requirements of Health Insurance Portability and Accountability Act (“HIPAA”) and the Health Information Technology for Economic and Clinical Health Act (“HITECH”).

In December 2020 and January 2021, the Compliance Department investigated and reported six individual alleged privacy concerns to the DHCS. three of the reported cases were closed by the DHCS as non-breaches. Three incidents are still under review.

The Plan investigates and reports information and evidence of alleged fraud cases to appropriate state and federal officials.

Information compiled during an investigation is forwarded to the appropriate state and federal agencies as required.

***Summary of Alleged Fraud, Waste, & Abuse Allegations Reported to the Plan***

*December 2020 and January 2021*

**Members**

During the months of December 2020 and January 2021, the Compliance Department did not receive any allegations of Fraud, Waste, or Abuse related to Plan Members.

**Providers**

During the months of December 2020 and January 2021, the Compliance Department received two allegations of fraud, waste, or abuse involving a Plan Provider. One case is related to a grievance filed by a Member and the Plan is investigating the allegation. The other assertion is from a member of the public and is under currently under review.







STATE REGULATORY AFFAIRS

## Compliance Education and Presence

### Newsletters

The Compliance Department produces monthly newsletters to relay various Compliance topics to all staff. The December 2020 newsletter topic was *“DMHC vs. DHCS, How do these two regulatory agencies differ?”* and for January 2021, the newsletter topic was *“Know the Code: Kern Health Systems (“KHS”) Code of Conduct.”*

### Employee Training and Education

In 2020, the Kern Health Systems Human Resources Department executed online training to all Plan employees for three compliance-related courses. Each course required all staff to watch a video and pass a knowledge test for the task to be considered complete. Below are the completion results of the all-staff trainings in 2020:

**Code of Conduct  
Training**

**100%  
Completion**

**Fraud, Waste, &  
Abuse Training**

**99.51%  
Completion**

**HIPAA Training**

**100%  
Completion**



## Kern Health Systems Essential Functions

Attachment C

### Business Unit Performance by Essential Functions

Report Run Date :2/4/2021 8:11:33 AM

#### Member Services

Essential Functions	Baseline <small>YTD Through Feb 2020</small>	Rolling 5 Day		< 01-28 Thursday	01-29 Friday	02-01 Monday	02-02 Tuesday	02-03 > Wednesday
		Average	+/-					
Calls Received	1,348	1,065	-21.0%	971	939	1,185	1,116	1,112
Calls Handled	1,322	1,057	-20.0%	970	935	1,172	1,107	1,101
Average Speed of Answer	00:03	00:09	151.4%	00:03	00:03	00:12	00:08	00:17
Abandonment Rate	1.9 %	0.7 %	-64.9%	0.1 %	0.4 %	1.0 %	0.8 %	1.0 %
Average Handle Time	07:01	06:06	-13.3%	06:09	05:47	06:23	06:10	05:57
Call Center   Call Tracking Completed	2,740	2,327	-15.1%	1,673	1,589	2,942	2,659	2,770
Call Center   Call Tracking Open Calls	3,840	2,626	-31.6%	1,916	1,799	3,253	3,010	3,153
Call Center   Call Tracking Open Calls Aging	6.9	1.1	-83.8%	1.5	1.4	.8	.9	1
Grievances & Appeals   Call Tracking Completed	21	13	-36.2%	16	16	10	19	6
Grievances & Appeals   Call Tracking Open Calls	348	125	-64.1%	127	131	130	127	110
Grievances & Appeals   Call Tracking Open Calls Aging	38.2	16.3	-57.4%	14.4	14	16.6	17.2	19.4

#### Claims

Essential Functions	Baseline <small>YTD Through Feb 2020</small>	Rolling 5 Day		< 01-28 Thursday	01-29 Friday	02-01 Monday	02-02 Tuesday	02-03 > Wednesday
		Average	+/-					
Claims Inventory Management	35,884	21,283	-40.7%	20,902	20,404	21,109	23,183	20,817
Manual Adjudication	2,455	1,930	-21.4%	2,183	1,861	1,874	1,755	1,978
Auto Adjudication	82.5 %	85.1 %	3.2%	85.1 %	80.3 %	83.8 %	87.5 %	88.9 %
Claims Loaded	14,302	10,839	-24.2%	9,920	6,828	10,944	16,324	10,181
Inventory % of Claim within 30 Days	99.2 %	99.9 %	0.7%	99.9 %	99.8 %	99.9 %	100.0 %	100.0 %
Disputes Completed	63	56	-10.8%	74	66	40	45	56
Disputes Open	1,570	1,437	-8.5%	1,561	1,487	1,421	1,381	1,336
Disputes Aging	19.3	14.4	-25.4%	12.6	12.6	14.9	15.7	16.2
Call Tracking Completed	62	61	-1.9%	62	58	62	62	60
Call Tracking Open Calls	313	191	-39.0%	194	214	210	200	137



## Kern Health Systems Essential Functions

### Business Unit Performance by Essential Functions

Report Run Date :2/4/2021 8:11:33 AM

Call Tracking Open Calls Aging	3.8	2	-47.9%	●	1.2	1	2.7	2.3	2.7
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#### Corporate Services

Essential Functions	Baseline <small>YTD Through Feb 2020</small>	Rolling 5 Day			< 01-28 Thursday	01-29 Friday	02-01 Monday	02-02 Tuesday	02-03 > Wednesday
		Average	+/-						
Completed Service Requests	4	2	-55.0%	●	1	1	1	3	3
Open Service Requests	19	3	-86.3%	●	2	1	3	3	4
Open Service Requests Aging	8.6	2.4	-71.7%	●	3.5	8		.7	

#### Health Services

Essential Functions	Baseline <small>YTD Through Feb 2020</small>	Rolling 5 Day			< 01-28 Thursday	01-29 Friday	02-01 Monday	02-02 Tuesday	02-03 > Wednesday
		Average	+/-						
Overall   Call Tracking Completed	393	483	22.8%	●	473	468	498	444	531
Overall   Call Tracking Open Calls	683	560	-18.0%	●	537	544	592	521	606
Overall   Call Tracking Open Calls Aging	14.6	1.4	-90.3%	●	1.5	1.5	1.4	1.7	.8
Case Management   Enrolled	256	438	71.2%	●	438	441	436	437	439
Case Management   Episodes Closed	6	9	46.7%	●	16	12	6	5	5
Case Management   Episodes Closed Successfully Rate	25.0 %	60.8 %	143.2%	●	59.3 %	63.2 %	54.5 %	55.6 %	71.4 %
Case Management   Initial Assessment Completed	7	5	-34.3%	●	3	9	3	2	6
Case Management   Timely Assessment Within 7 Days Rate	85.0 %	96.7 %	13.7%	●	100.0 %	100.0 %	100.0 %	100.0 %	83.3 %
Case Management   Care Plans Completed	69	72	4.6%	●	83	76	73	52	77
Case Management   Care Plans Within 30 Days Rate	85.0 %	100.0 %	17.6%	●	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Case Management   Care Plans Over 30 Days	5		-100.0%	●					
Disease Management   Enrolled	109	192	76.3%	●	189	195	193	190	194
Disease Management   Episodes Closed	23	26	13.9%	●	33	21	32	18	27
Disease Management   Episodes Closed Successfully Rate	25.0 %	11.9 %	-52.6%	●	9.1 %	28.6 %	3.1 %	0.0 %	18.5 %
Disease Management   Initial Assessment Completed	6	5	-13.3%	●	5	8	5	4	4
Disease Management   Timely Assessment Within 7 Days Rate	85.0 %	96.0 %	12.9%	●	100.0 %	100.0 %	80.0 %	100.0 %	100.0 %



## Kern Health Systems Essential Functions

### Business Unit Performance by Essential Functions

Report Run Date :2/4/2021 8:11:33 AM

Disease Management   Care Plans Completed	3	13	346.7%	●	9	16	11	9	22
Disease Management   Care Plans Within 30 Days Rate	85.0 %	100.0 %	17.6%	●	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Disease Management   Care Plans Over 30 Days	2		-100.0%	●					
Health Education   Enrolled	134	351	161.8%	●	359	352	343	344	356
Health Education   Episodes Closed	19	38	97.9%	●	50	56	31	21	30
Health Education   Interactions	73	142	95.1%	●	143	166	148	134	121
Health Education   Interpreter Request Completed	4	3	-25.0%	●		10	2	1	2
Health Education   Interpreter Request Received	7	4	-40.0%	●	6	5		4	6
Health Education   NOA Translations Completed	30	34	12.7%	●	40	34	30	35	30
Health Education   Activities Closed	44	52	19.1%	●	75	108	20	42	17
Pharmacy   NOA Letters Completed	58	48	-16.6%	●	42	52	51	48	49
Pharmacy   NOA Letters Open	44	39	-10.5%	●	47	39	45	36	30
Pharmacy   NOA Letters Open Aging	3.9	3.8	-1.6%	●	2.7	3.3	4.1	4.3	4.9
Pharmacy   TARs Processed	169	145	-14.3%	●	125	182	116	148	153
Pharmacy   TARs Processed Aging Hours	8.5	4.6	-46.4%	●	6.6	2.1	7.6	4.8	1.7
Utilization Management   Referral Decisions	1,399	1,920	37.2%	●	1,902	1,969	1,858	1,893	1,978
Utilization Management   Medical Director Reviews	108	140	29.6%	●	118	147	145	134	156

### Management Information Systems

Essential Functions	Baseline <small>YTD Through Feb 2020</small>	Rolling 5 Day			< 01-28 Thursday	01-29 Friday	02-01 Monday	02-02 Tuesday	02-03 > Wednesday
		Average	+/-						
Business Intelligence   Open Requests	43.3	28	-34.9%	●	27	24	28	32	30
Business Intelligence   Open Requests Aging	16.7	5.1	-69.7%	●	5.1	6	4.6	4.8	4.8
Business Intelligence   Requests Completed	4.4	6	31.8%	●	7	6	1	6	9
Business Intelligence   Capacity Rate	72.0 %	80.2 %	11.4%	●	91.1 %	52.2 %	95.6 %	94.4 %	67.8 %
Business Intelligence   G's & O's   Customer Service	73.1 %	93.8 %	28.3%	●	93.4 %	86.7 %	95.7 %	97.8 %	95.5 %
Business Intelligence   G's & O's   Methodology	91.9 %	93.8 %	2.1%	●	93.4 %	86.7 %	95.7 %	97.8 %	95.5 %
Enterprise Development   Open Requests	32.5	22	-32.3%	●	25	22	23	19	21
Enterprise Development   Open Requests Aging	19.1	28	46.6%	●	27.2	25.6	27.3	31	29
Enterprise Development   Requests Completed	2.7	3	-3.7%	●	5	1	5		2



## Kern Health Systems Essential Functions

### Business Unit Performance by Essential Functions

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Enterprise Development   Capacity Rate	84.0 %	103.2 %	22.9%	●	118.8 %	83.9 %	102.9 %	84.8 %	125.7 %
Enterprise Development   G's & O's   Customer Service	89.3 %	98.1 %	9.8%	●	98.3 %	100.0 %	95.5 %	96.6 %	100.0 %
Enterprise Development   G's & O's   Methodology	93.5 %	98.1 %	4.9%	●	98.3 %	100.0 %	95.5 %	96.6 %	100.0 %
Technical Operations   Open Requests	158.5	141	-10.9%	●	143	144	138	140	141
Technical Operations   Open Requests Aging	15.8	17	7.6%	●	16.6	16.5	17.6	17.8	16.5
Technical Operations   Requests Completed	22.9	31	37.1%	●	33	38	27	34	25
Technical Operations   Capacity Rate	64.0 %	95.4 %	49.0%	●	85.9 %	158.5 %	57.0 %	112.7 %	62.7 %
Technical Operations   G's & O's   Customer Service	78.0 %	97.1 %	24.5%	●	96.9 %	96.0 %	98.9 %	97.7 %	96.2 %
Technical Operations   G's & O's   Methodology	86.8 %	97.1 %	11.9%	●	96.9 %	96.0 %	98.9 %	97.7 %	96.2 %
Change Management	2.5	4	76.0%	●	3	4		9	6
Overall Capacity Rate	75.0 %	93.0 %	24.1%	●	97.1 %	105.5 %	81.2 %	98.2 %	83.2 %
Overall Goals & Objectives   Customer Service	78.0 %	83.0 %	6.4%	●	86.4 %	81.3 %	82.4 %	86.3 %	78.7 %
Overall Goals & Objectives   Methodology	91.0 %	98.2 %	7.9%	●	96.3 %	100.0 %	97.1 %	98.6 %	98.9 %

### Provider Network Management

Essential Functions	Baseline	Rolling 5 Day		< 01-28 Thursday	01-29 Friday	02-01 Monday	02-02 Tuesday	02-03 > Wednesday	
	YTD Through Feb. 2020	Average	+/-						
Provider Relations   101's Completed	40	37	-6.5%	●	47	64	34	20	22
Provider Relations   101's Inventory Management	32	33	1.9%	●	44	32		33	54
Provider Relations   Call Tracking Completed	1	1	-20.0%	●	1			1	2
Provider Relations   Call Tracking Open Calls	11	1	-90.9%	●	1	1	1	1	1
Provider Relations   Call Tracking Open Calls Aging	10	8.7	-13.3%	●	8.7	8.7	8.7	8.7	8.7
Provider Relations   Client Relations Management Activities	177	372	110.3%	●	289	336	548	416	272
Health Homes Program   Enrolled	2,466	2,788	13.1%	●	2,779	2,784	2,791	2,794	2,794
Health Homes Program   Activities Closed	107	199	86.2%	●	308	157	166	171	194
Health Homes Program   Episodes Assigned	10	18	82.0%	●	17	16	29	12	17
Health Homes Program   Episodes Closed	10	15	50.0%	●	27	9	13	9	17
Health Homes Program   Call Tracking Open Calls	23	1	-93.9%	●	1	1	1	1	3
Health Homes Program   Call Tracking Open Calls Aging	10.4	.6	-94.2%	●				2	1



## Kern Health Systems Essential Functions

### Business Unit Performance by Essential Functions

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Health Homes Program   Call Tracking Completed	15	68	356.0%	●	66	74	79	72	51
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#### Project Management Office

Essential Functions	Baseline	Rolling 5 Day		< 01-28 Thursday	01-29 Friday	02-01 Monday	02-02 Tuesday	02-03 > Wednesday	
	<small>YTD Through Feb 2020</small>	Average	+/-						
Capacity Utilization Rate	79.1 %	93.0 %	17.5%	●	95.4 %	58.3 %	143.2 %	80.1 %	87.9 %
Stories Completed	13	7	-47.7%	●	1	3	15	9	6
Agile Health Check Performance	79.0 %	82.3 %	4.2%	●	85.0 %	85.0 %	80.6 %	80.6 %	80.6 %

#### Finance

Essential Functions	Baseline	Rolling 5 Day		< 01-28 Thursday	01-29 Friday	02-01 Monday	02-02 Tuesday	02-03 > Wednesday
	<small>YTD Through Feb 2020</small>	Average	+/-					
Fee for Service Check Run Amount	\$11,257,082	\$2,437,275	-78.3%	●			\$12,186,376	
Supplemental Payments Approved	56	22	-61.1%	●	109			
Supplemental Payment Amount	\$1,396,782	\$35,396	-97.5%	●	\$176,982			

Business Unit Performance by Non-Systemic Essential Functions  
 January 2021  
 Human Resources

Attachment D



	Schedule							
	4-Jan		11-Jan		18-Jan		25-Jan	
	P	C	P	C	P	C	P	C
<b>Payroll</b>								
Semi-Monthly Cycle Processing								
Bi-Weekly Cycle Processing								
CalPERS Processing								
Other								
<b>Talent Acquisition</b>								
Requisitions	1	1			4	4	3	3
Interviews	6	6	4	4	5	5	3	3
Offers			1	1	2	2		
New Hire   Orientation								
<b>Benefits</b>								
New Employees Onboarded   Guided Process								
Monthly Reconciliation Processing								
<b>Learning &amp; Development</b>								
Virtual Trainings								
Virtual Training Creations								
One on One Training Support								
<b>Employee Relations</b>								
Open Requests								
Completed Requests								
Aging								

Business Unit Performance by Non-Systemic Essential Functions  
January 2021

Corporate Services



		Schedule							
		4-Jan		11-Jan		18-Jan		25-Jan	
		P	C	P	C	P	C	P	C
<b>Contracting &amp; Purchasing</b>	New			1		2			
	Renewals			6		1			
	Contracts Meeting								
<b>Mailings</b>									
	Inbound		246		9,451		6,580		7,657
	Outbound		7,838		1,268		0		1,003
<b>Account Reconciliation</b>									
	Statement Reconciliation								
	Finance Delivery								



Business Unit Performance by Non-Systemic Essential Functions  
January 2021

Finance



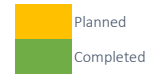
	Schedule							
	4-Jan		11-Jan		18-Jan		25-Jan	
	P	C	P	C	P	C	P	C
<b>Month Close Management</b>								
Month End Close							Planned	Completed
Financial Statement							Planned	Completed
Internal Management Reporting								
<b>Reporting</b>								
SDRs								
Audits			1	Completed	3	Completed		
DHCS Requests			2	Completed				
DMHC Requests								
<b>Account Reconciliation</b>								
Revenue Reconciliation			Planned	Completed				
Bank Reconciliation	Planned	Completed						
<b>Processing</b>								
Admin Check-Runs	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
Refund & Return Mail	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
Daily Cash Management	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
Argus Funding	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
Reinsurance Reporting	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
Review of Positive Pay Exceptions	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
Payroll Review	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed

1. Interim 2020 Financial Audit Testwork - Payroll information provided for sampled employees
2. 2020/2021 2nd Qtr MCO tax payment due 1/15
3. 2020 Financial Audit - completion of investment and bank confirmations

Business Unit Performance by Non-Systemic Essential Functions

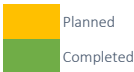
January 2021

Marketing



	Schedule							
	4-Jan		11-Jan		18-Jan		25-Jan	
	P	C	P	C	P	C	P	C
<b>Grant Management</b>								
New Grant Programs								
Applications Review								
Committee Decision								
Grant Recipient Reconciliation	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
<b>Communication Management</b>								
Website Updates	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
Social Media Updates	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
Member Materials/Brochures	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
Employee Newsletter	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
Community Outreach	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
<b>Advertising/Public Relations Management</b>								
Community Event Sponsorships	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
Press Releases/Media Contacts								
Advertising Campaign Management	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
Advertising Campaign Development	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
<b>Event Management</b>								
Employee Events	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
Community Events								
Company Events	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
<b>Enrollment Management</b>								
Enrollment Reporting	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
DHS Collaboration	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
<b>Corporate/Regulatory Initiatives</b>								
Manage PP/CAC Quarterly Meetings								
Corporate Projects	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
<b>Member Engagement</b>								
Member Portal Updates	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
Member Communication Enhancements	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed

Business Unit Performance by Non-Systemic Essential Functions  
 January 2021  
 Compliance



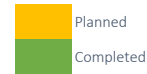
	Schedule							
	4-Jan		11-Jan		18-Jan		25-Jan	
	P	C	P	C	P	C	P	C
<b>Regulatory Management</b>								
File Deliveries	0	0	5	5	1	1	11	11
Privacy Incidents Reported								
FWA Reported								
<b>APL Management</b>								
Compliance Policy Review								
Notifications								
APL/Policy Review with Stakeholders								



Business Unit Performance by Non-Systemic Essential Functions

January 2021

Quality Improvement



	Schedule							
	4-Jan		11-Jan		18-Jan		25-Jan	
	P	C	P	C	P	C	P	C
<b>Facility Site and Medical Record Reviews</b>								
Facility Site Reviews	1	1						
Medical Record Reviews	1	1	1	1	1			
CAP Follow Ups					1		1	1
Interim/Focus Reviews								
<b>Potential Inappropriate Care Referrals (PIC)</b>								
Number of Referrals		13		18		3		37
Number of Referrals Completed		27		11		12		19
Number of Referrals Sent for Medical Director Review		4		3		1		2
Remaining Referrals		81		88		79		97

Notes:

**Attachment E****State Legislature Summary – February 2021**

The State Legislature reconvened in January and has begun bill introductions. There are a handful of bills being tracked already, as outlined in the table below. It is expected that more bills will be introduced through February. Committee hearings to discuss these bills will also ramp later in February.

<b>Title</b>	<b>Description</b>	<b>Status</b>
<b>AB 4 (Arambula)</b>	<p>Would, effective January 1, 2022, extend eligibility for full scope Medi-Cal benefits to anyone regardless of age, and who is otherwise eligible for those benefits but for their immigration status, pursuant to an eligibility and enrollment plan. The bill would require the eligibility and enrollment plan to ensure that an individual maintains continuity of care with respect to their primary care provider, as prescribed, would provide that an individual is not limited in their ability to select a different health care provider or Medi-Cal managed care health plan, and would require the department to provide monthly updates to the appropriate policy and fiscal committees of the Legislature on the status of the implementation of these provisions.</p> <p><a href="http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB4">http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB4</a></p>	01/11/21 - Referred to Com. on HEALTH.
<b>AB 32 (Aguiar-Curry)</b>	<p>This bill would require telehealth payment parity provisions to apply to Medi-Cal managed care plans. The bill would subject county organized health systems, and their subcontractors, that provide services under the Medi-Cal program to the above-described Knox-Keene requirements relative to telehealth. The bill would authorize a provider to enroll or recertify an individual in Medi-Cal programs through telehealth and other forms of virtual communication, as specified.</p> <p><a href="http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB32">http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB32</a></p>	01/11/21 - Referred to Com. on HEALTH.
<b>AB 112 (Holden)</b>	<p>Would require the suspension of Medi-Cal benefits to an inmate of a public institution who is not a juvenile to end on the date they are no longer an inmate of a public institution or 3 years from the date they become an inmate of a public institution, whichever is sooner. The bill would also require the suspension of Medi-Cal benefits to an inmate of a public institution who is a juvenile on the date that the individual is no longer an inmate of a public institution or 3 years after the date the individual is no longer an eligible juvenile under federal law, whichever is sooner.</p> <p><a href="http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB112">http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB112</a></p>	01/11/21 - Referred to Com. on HEALTH.
<b>AB 114 (Maienschein)</b>	<p>Would expand the Medi-Cal schedule of benefits to include rapid Whole Genome Sequencing, including individual sequencing, trio sequencing, and ultra-rapid sequencing.</p>	01/11/21 - Referred to Com. on HEALTH.

	<a href="http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB114">http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB114</a>	
<b>AB 265 (Petrie-Norris)</b>	<p>Current law requires the State Department of Health Care Services to develop reimbursement rates for clinical or laboratory services according to specified standards, such as requiring that reimbursement to providers for those services not exceed the lowest of enumerated criteria, including 80% of the lowest maximum allowance established by the federal Medicare Program for the same or similar services. This bill would delete provisions relating to the above-specified 80% standard and would make conforming changes.</p> <p><a href="http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB265">http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB265</a></p>	<p>01/16/21 - From printer. May be heard in committee February 15.</p>
<b>AB 278 (Flora)</b>	<p>Makes conforming changes to the provisions that govern applying to be a provider in the Medi-Cal program, or for a change of location by an existing provider, to include a doctor of podiatric medicine licensed by the California Board of Podiatric Medicine.</p> <p><a href="http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB278">http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB278</a></p>	<p>01/20/21 - From printer. May be heard in committee February 19.</p>
<b>SB 56 (Durazo)</b>	<p>This bill would, subject to an appropriation by the Legislature, and effective July 1, 2022, extend eligibility for full-scope Medi-Cal benefits to individuals who are 65 years of age or older, and who are otherwise eligible for those benefits but for their immigration status.</p> <p><a href="http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB56">http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB56</a></p>	<p>12/8/2020 - From printer. May be heard in committee 1/7</p>
<b>SB 221 (Wiener)</b>	<p>Codifies regulations to provide timely access standards for health care service plans for nonemergency health care services. The bill would require a health care service plan to ensure that appointments with nonphysician mental health and substance use disorder providers are subject to the timely access requirements. The bill would additionally require a health care service plan to ensure that an enrollee that is undergoing a course of treatment for an ongoing mental health or substance use disorder condition is able to get a followup appointment with a nonphysician mental health care or substance use disorder provider within 10 business days of the prior appointment.</p> <p><a href="http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB221">http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB221</a></p>	<p>01/14/21 - From printer. May be acted upon on or after February 13.</p>

<p><b>SB 242 (Newman)</b></p>	<p>This bill would require a health care service plan or health insurer to contract with its health care providers to reimburse, at a reasonable rate, their business expenses that are medically necessary to render treatment to patients, to protect health care workers, and to prevent the spread of diseases causing public health emergencies. The bill would require the State Department of Health Care Services to similarly reimburse a Medi-Cal provider after undertaking a process to set a reasonable rate in consultation with provider groups.</p> <p><a href="http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20212022OSB242">http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20212022OSB242</a></p>	<p>01/22/21 - From printer. May be acted upon on or after February 21.</p>
<p><b>SB 250 (Pan)</b></p>	<p>Authorizes the Department of Managed Health Care as appropriate to review a plan’s clinical criteria, guidelines, and utilization management policies to ensure compliance with existing law. If the criteria and guidelines are not in compliance with existing law, the bill would require the Director to issue a corrective action and send the matter to enforcement, if necessary.</p> <p>Requires a plan to report, among other things, its average number of denied prospective utilization review requests, as specified.</p> <p>Requires a plan to examine a physician’s record of prospective utilization review requests during the preceding 12 months and grant the physician “deemed approved” status for 2 years, meaning an exemption from the prospective utilization review process, if specified criteria are met. The bill would authorize a plan to request an audit of a physician’s records after the initial 2 years of a physician’s deemed approved status and every 2 years thereafter, and would specify the audit criteria by which a physician would keep or lose that status.</p> <p><a href="http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20212022OSB250">http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20212022OSB250</a></p>	<p>01/25/21 - Introduced. Read first time. To Com. on RLS. for assignment. To print.</p>
<p><b>SB 256 (Pan)</b></p>	<p>This bill would require rates for specified Medi-Cal managed care plan contracts to include in lieu of services and settings provided by the Medi-Cal managed care plan. The bill would require each Medi-Cal managed care plan to disclose the availability of in lieu of services on its internet website and its beneficiary handbook, and to disclose to the department specified information on in lieu of services that are plan specific, including the number of people receiving those services. The bill would require the department to publish that information on its internet website.</p> <p>This bill would expand the schedule of benefits under the Medi-Cal program to include enhanced care management if the service is provided in person to a beneficiary and, at a minimum, the service includes coordinating primary, acute, behavioral, oral, and long-term services and supports for that person.</p>	<p>01/26/21 - Introduced. Read first time. To Com. on RLS. for assignment. To print.</p>

<a href="http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB256">http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB256</a>	
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## SUMMARY

### FINANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS  
**2900 Buck Owens Boulevard**  
Bakersfield, California 93308

Friday, December 4, 2020

8:00 A.M.

#### COMMITTEE RECONVENED

Members present: Martinez, McGlew, Melendez, Rhoades

Members absent: Deats

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

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

#### COMMITTEE ACTION SHOWN IN CAPS

#### PUBLIC PRESENTATIONS

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

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Committee members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code Section 54954.2(a)(2))  
**NO ONE HEARD**
- CA-3) Minutes for KHS Finance Committee meeting on October 9, 2020 -  
APPROVED  
**Rhoades-Melendez: 4 Ayes;1 Absent – Deats**
- 4) Report on Kern Health Systems investment portfolio for the third quarter ending September 30, 2020 (Fiscal Impact: None) –  
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS  
**Rhoades-Melendez: 4 Ayes;1 Absent – Deats**
- 5) Proposed policy with IOA RE for reinsurance to mitigate costs incurred by Kern Health Systems for members with high dollar inpatient admissions from January 1, 2021 through December 31, 2021 in an amount not to exceed \$0.29 per member per month (Fiscal Impact: \$961,855 estimated; Budgeted) –  
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**Rhoades-Melendez: 4 Ayes;1 Absent – Deats**
- 6) Proposed Agreement with Edifecs, Inc., for the support and maintenance of the Enterprise Management Software Tool, from December 20, 2020 through December 19, 2025 (Fiscal Impact: \$1,045,332; Budgeted) –  
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**Melendez-Rhoades: 4 Ayes;1 Absent – Deats**
- 7) Proposed Kern Health Systems 2021 Operating and Capital Budgets (Fiscal Impact: None) –  
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**Rhoades-Melendez: 4 Ayes;1 Absent – Deats**
- 8) Proposed Budget Request for 2021 Project Consulting Professional Services, from January 1, 2021 through December 31, 2021 (Fiscal Impact: \$3,561,948; Budgeted) –  
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**Melendez-Rhoades: 4 Ayes;1 Absent – Deats**
- 9) Report on Kern Health Systems financial statements for September 2020 and October 2020 (Fiscal Impact: None) –  
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS  
**Rhoades-Melendez: 4 Ayes;1 Absent – Deats**

**SUMMARY**  
Finance Committee Meeting  
Kern Health Systems

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Page 3  
12/4/2020

- 10) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for September 2020 and October 2020 and IT Technology Consulting Resources for the period ended September 30, 2020 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS  
**Melendez-Rhoades: 4 Ayes;1 Absent - Deats**

ADJOURN TO FRIDAY, FEBRUARY 5, 2021 AT 8:00 A.M.  
**Rhoades**

