



**KERN HEALTH
SYSTEMS**

**REGULAR MEETING OF THE
BOARD OF DIRECTORS**

Thursday, June 13, 2019

at

8:00 A.M.

At

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

The public is invited.

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

AGENDA

BOARD OF DIRECTORS

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

Regular Meeting
Thursday, June 13, 2019

8:00 A.M.

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

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

BOARD TO RECONVENE

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

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 1) Conference with Legal Counsel- Anticipated Litigation (Number of potential cases unknown) – (Government Code Section 54956.9)
- 2) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) –
- 3) PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Chief Executive Officer (Government Code Section 54957) –

8:45 A.M.

BOARD TO RECONVENE

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

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

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 5) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))
- CA-6) Minutes for Kern Health Systems Board of Directors regular meeting on April 11, 2019 (Fiscal Impact: None) –
APPROVE
- 7) Report on Kern Health Systems New Building Progress and Relocation Plan (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-8) Report on KHS investment portfolio for the first quarter ending March 31, 2019 (Fiscal Impact: None) –
RECEIVE AND FILE

-
- CA-9) Proposed renewal and binding of employee benefit plans for medical, vision, dental, life insurance, short-term and long-term disability, and long-term care effective September 1, 2019 (Fiscal Impact: \$5,920,000 Estimated; Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-10) Proposed renewal and binding of insurance coverages for crime, excess crime, property, general liability, excess liability, workers' compensation, fiduciary liability, excess cyber insurance, managed care errors and omissions, earthquake insurance and flood insurance from July 1, 2019 through June 30, 2020 (Fiscal Impact: \$700,000 Estimated; Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-11) Report on State Legislative Update and Administrative Directive Update (Fiscal Impact: None) – RECEIVE AND FILE
- 12) Appoint an Ad hoc Nominating Committee to nominate candidates for the Board of Directors and role of Chairman and Vice Chairman (Fiscal Impact: None) – MAKE APPOINTMENTS
- CA-13) Report on Department of Health Care Services 2018 Medical Audit Results (Fiscal Impact: None) – RECEIVE AND FILE
- CA-14) Report on Department of Managed Health Care Knox Keene license surrender (Fiscal Impact: None) – RECEIVE AND FILE
- 15) Report on Kern Health Systems Proposed New Provider Grant Program (Fiscal Impact: \$4 million) – APPROVE
- CA-16) Proposed Agreement with Cotiviti, Inc., for Healthcare Effectiveness Data and Information Set (HEDIS) software that is required to report annual health quality metrics to the State of California, from November 1, 2019 through October 31, 2020 (Fiscal Impact: \$162,400 annually; Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-17) Proposed Agreement with Spectrum Enterprise, for internet services for 2900 Buck Owens Blvd, from June 13, 2019 through June 12, 2022 (Fiscal Impact: \$114,300; Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-18) Proposed Agreement with TPX Communications, for telephone and voice services for 2900 Buck Owens Blvd, from July 1, 2019 through July 1, 2022 (Fiscal Impact: \$210,577; Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

-
- 19) Report on Kern Health Systems financial statements for February 2019, March 2019 and April 2019 (Fiscal Impact: None) –
RECEIVE AND FILE
 - CA-20) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for February 2019, March 2019 and April 2019 and IT Technology Consulting Resources for the period ended March 31, 2019 (Fiscal Impact: None) –
RECEIVE AND FILE
 - CA-21) Report on New Office Building Expenditures (Fiscal Impact: None) –
RECEIVE AND FILE
 - CA-22) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
 - CA-23) Report on Kern Health Systems recognition by the Department of Health Care Services for First and Best DUR practices (Fiscal Impact: None) –
RECEIVE AND FILE
 - 24) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) –
RECEIVE AND FILE
 - 25) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) –
RECEIVE AND FILE
 - CA-26) Proposed modifications to Kern Health Systems formulary (Fiscal Impact: None) –
APPROVE
 - CA-27) Miscellaneous Documents –
RECEIVE AND FILE
- A) Minutes for KHS Finance Committee meeting on April 5, 2019

ADJOURN TO AUGUST 15, 2019 AT 8:00 A.M.

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

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

SUMMARY

BOARD OF DIRECTORS

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

Regular Meeting
Thursday, April 11, 2019

8:00 A.M.

BOARD RECONVENED

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

Directors absent: Patrick

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

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

BOARD ACTION SHOWN IN CAPS

ADJOURN TO CLOSED SESSION

Melendez

CLOSED SESSION

- 1) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) – SEE RESULTS BELOW
- 2) Conference with Legal Counsel- Anticipated Litigation (Number of potential cases unknown) – (Government Code Section 54956.9) - SEE RESULTS BELOW

BOARD RECONVENED AT 8:30 A.M.

REPORT ON ACTIONS TAKEN IN CLOSED SESSION –

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **INITIAL CREDENTIALING MARCH 2019** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR DEATS ABSTAINED FROM VOTING ON ASHOURI, GAMARRA JACOBI; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON BEARE; DIRECTOR JUDD ABSTAINED FROM VOTING ON DUNN, DOUGLAS, HANDMAN, WASHOWICH; DIRECTOR STEWART

ABSTAINED FROM VOTING ON GEIGER, OCAMPO, PANAMA LANE HEALTH CENTER PHARMACY

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **RECREREDENTIALING MARCH 2019** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREREDENTIALING; DIRECTOR DEATS ABSTAINED FROM VOTING ON HARWICK; DIRECTOR JUDD ABSTAINED FROM VOTING ON HUTCHINS, CHALLA, HILLYER, TRANG; DIRECTOR STEWART ABSTAINED FROM VOTING ON BOGGS, SHAFTER COMMUNITY HEALTH CENTER PHARMACY

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **INITIAL CREDENTIALING APRIL 2019** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR DEATS ABSTAINED FROM VOTING ON CHEN, LEMUS-RANGEL, TALWAR, UDOFIA; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON DASU; DIRECTOR JUDD ABSTAINED FROM VOTING ON ABDELMISSEH, DE FREESE, FEIL, GONZALEZ, KHAN, MCCAGUE, MOOSAVI, NATTUZI, SANDHU, SALAMEH, SHOUA, SINGH, TALAI-SHAHIR; DIRECTOR STEWART ABSTAINED FROM VOTING ON KIONG, LI, TIDWELL

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **RECREREDENTIALING APRIL 2019** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREREDENTIALING; DIRECTOR DEATS ABSTAINED FROM VOTING ON HOEHNE; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON DEV; DIRECTOR JUDD ABSTAINED FROM VOTING ON AGARWAL, DANDAMUDI, FUKUSHIMA, KUNHI, LE, NALESNIK; DIRECTOR STEWART ABSTAINED FROM VOTING ON PETERSON

Item No. 2 concerning a Conference with Legal Counsel - Anticipated Litigation (Number of potential cases unknown) – (Government Code Section 54956.9) – HEARD; NO REPORTABLE ACTION TAKEN

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

- 3) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. Also, the Board may take action to direct the staff to place a matter of business on a future agenda. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THANK YOU!**
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 JUDD REPORTED ON A RECENT ACQUISITION BY HEALTH NET AND DIGNITY HEALTH AND STATED THAT THERE MAY BE A SIGNIFICANT CHANGE IN OUR MARKET FOR MEDI-CAL

DIRECTOR STEWART ANNOUNCED THAT OMNI FAMILY HEALTH OPENED THREE NEW CLINICS AND THANKED THE KHS STAFF FOR CONDUCTING THE SITE REVIEWS

- CA-5) Minutes for Kern Health Systems Board of Directors regular meeting on February 14, 2019 (Fiscal Impact: None) – APPROVED
Melendez-Deats: 9 Ayes; 1 Absent – Patrick
- CA-6) Minutes for Kern Health Systems Board of Directors special meeting on March 7, 2019 (Fiscal Impact: None) – APPROVED
Melendez-Deats: 9 Ayes; 1 Absent – Patrick
- 7) Report by Daniells Phillips Vaughan & Bock on the audited financial statements of Kern Health Systems for the year ending December 31, 2018 (Fiscal Impact: None) – NANCY BELTON, SHANNON WEBSTER, DANIELLS PHILLIPS VAUGHAN & BOCK, HEARD; APPROVED
Deats-Judd: 9 Ayes; 1 Absent – Patrick
- 9) Report on New Office Building Progress and Expenditures (Fiscal Impact: None) – GREGORY BYNUM, GREGORY D. BYNUM AND ASSOCIATES, HEARD; RECEIVED AND FILED
McGlew-Melendez: 9 Ayes; 1 Absent – Patrick
- 9) Report on Kern Health Systems Employee Workplace Satisfaction Survey (Fiscal Impact: None) – RECEIVED AND FILED
Deats-Hinojosa: 9 Ayes; 1 Absent – Patrick

NOTE - DIRECTOR JUDD ANNOUNCED THAT, DUE TO HIS CONTRACTUAL RELATIONSHIP WITH THE COUNTY OF KERN AND HIS APPOINTMENT AS CHIEF EXECUTIVE OFFICER OF KERN MEDICAL, HE WOULD RECUSE HIMSELF FROM THE DISCUSSION AND VOTE ON ITEM 10 AND LEFT THE DAIS AT 9:24 A.M.

- 10) Proposed Amendment No. 22 to Physicians Service Agreement and Amendment No. 42 to Hospital and Other Facility Services Agreement with Kern Medical for Medi-Cal Managed Care Capitation Rate Increases pursuant to Intergovernmental Transfers (“IGTs”) provided for the period July 1, 2017 through June 30, 2018, pursuant to the transfer of public funds between the County of Kern and the California Department of Health Care Services (Fiscal Impact: None) –

APPROVED

Hoffmann-Hinojosa: 8 Ayes; 1 Abstention...Judd; 1 Absent – Patrick

NOTE - DIRECTOR JUDD RETURNED TO THE DAIS AT 9:25 A.M. AFTER THE DISCUSSION AND VOTE ON ITEM 10

NOTE - DIRECTOR MCGLEW ANNOUNCED THAT, DUE TO HIS EMPLOYMENT WITH KERN VALLEY HEALTHCARE DISTRICT, HE WOULD RECUSE HIMSELF FROM THE DISCUSSION AND VOTE ON ITEM 11 AND LEFT THE DAIS AT 9:25 A.M.

- 11) Proposed Amendment to Hospital and Other Facility Services Agreement with Kern Valley Hospital for Medi-Cal Managed Care Capitation Rate Range Increases pursuant to the Intergovernmental Transfers (“IGTs”) provided for the period July 1, 2017 through June 30, 2018, pursuant to the transfer of public funds between Kern Valley Healthcare District and the California Department of Health Care Services (Fiscal Impact: None) –

APPROVED

Hinojosa- Melendez: 8 Ayes; 1 Abstention...McGlew; 1 Absent – Patrick

NOTE - DIRECTOR MCGLEW RETURNED TO THE DAIS AT 9:26 A.M. AFTER THE DISCUSSION AND VOTE ON ITEM 11

NOTE: DIRECTOR DEATS ANNOUNCED THAT, DUE TO HIS RELATIONSHIP WITH TEHACHAPI VALLEY HEALTHCARE DISTRICT, HE WOULD RECUSE HIMSELF FROM THE DISCUSSION AND VOTE ON ITEM 12 AND LEFT THE DAIS AT 9:26 A.M.

- 12) Proposed Amendment to Hospital and Other Facility Services Agreement with Tehachapi Valley Hospital for Medi-Cal Managed Care Capitation Rate Range Increases pursuant to the Intergovernmental Transfers (“IGTs”) provided for the period July 1, 2017 through June 30, 2018, pursuant to the transfer of public funds between Tehachapi Valley Healthcare District and the California Department of Health Care Services (Fiscal Impact: None) –

APPROVED

Patel-Hinojosa: 8 Ayes; 1 Abstention...Deats; 1 Absent – Patrick

NOTE: DIRECTOR DEATS RETURNED TO THE DAIS AT 9:27 A.M. AFTER THE DISCUSSION AND VOTE ON ITEM 12

- CA-13) Report on 2018 Annual Travel Report (Fiscal Impact: None) –

RECEIVED AND FILED

Melendez-Deats: 9 Ayes; 1 Absent – Patrick

- CA-14) Report on 2018 Annual Report of Disposal Assets (Fiscal Impact: None) –

RECEIVED AND FILED

Melendez-Deats: 9 Ayes; 1 Absent – Patrick

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- 15) Proposed Agreement with Healthx, Inc., to provide a hosted software solution for a Provider and Member Portal, from May 12, 2019 through May 12, 2022 (Fiscal Impact: \$1,411,200 per three year agreement; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Stewart-Deats: 9 Ayes; 1 Absent – Patrick
- 16) Proposed Agreement with Optum, Inc., for the APR DRG Pricing Tool, from April 16, 2019 through April 15, 2024 (Fiscal Impact: \$1,923,007 per five year agreement; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Hoffmann-Stewart: 9 Ayes; 1 Absent – Patrick
- NOTE – DIRECTOR JUDD LEFT THE DAIS AT 10:00 A.M. AND DID NOT RETURN
- 17) Report on Kern Health Systems 2018 Physician Survey (Fiscal Impact: None) – RECEIVED AND FILED
Melendez-Patel: 8 Ayes; 2 Absent – Judd, Patrick
- CA-18) Report on Kern Health Systems Strategic Plan for first quarter ending March 31, 2019 (Fiscal Impact: None) – RECEIVED AND FILED
Melendez-Deats: 9 Ayes; 1 Absent – Patrick
- 19) Report on Kern Health Systems financial statements for December 2018 and January 2019 (Fiscal Impact: None) – RECEIVED AND FILED
McGlew-Deats: 8 Ayes; 2 Absent – Judd, Patrick
- CA-20) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for December 2018 and January 2019 and IT Technology Consulting Resources for January 2019 and February 2019 (Fiscal Impact: None) – RECEIVED AND FILED
Melendez-Deats: 9 Ayes; 1 Absent – Patrick
- CA-21) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Melendez-Deats: 9 Ayes; 1 Absent – Patrick
- 22) Report on Kern Health Systems Operation Performance and Review of the Kern Health Systems Grievance report (Fiscal Impact: None) – ALAN AVERY, KHS CHIEF OPERATING OFFICER, PRESENTED THE 2019 1ST QUARTER GRIEVANCE REPORT TO THE KHS BOARD; GRIEVANCES OVERALL FOR THE 1ST QUARTER CONTINUED AT THE SAME LEVEL AS THE 4TH QUARTER OF 2018, WHICH HAD DECREASED FROM THE 2ND AND 3RD QUARTERS OF 2018; KHS RECEIVED 327 TOTAL GRIEVANCES FOR THE 1ST QUARTER; THE MEDICAL NECESSITY REPORTED GRIEVANCES CONTINUE TO BE THE LARGEST CATEGORY OF GRIEVANCES DURING THE QUARTER; A BOARD MEMBER ASKED HOW MANY REFERRAL REQUESTS ARE RECEIVED BY THE HEALTH PLAN ON A QUARTERLY BASIS IN COMPARISONS TO THE NUMBER OF CORRESPONDING GRIEVANCE REQUESTS;

MR. AVERY REPORTED THE HEALTH PLAN RECEIVES OVER 40,000 AUTHORIZATIONS FOR BOTH MEDICAL AND PHARMACY, OF THE 327 GRIEVANCES RECEIVED DURING THE QUARTER, 173 OR 72% OF THE DECISIONS WERE UPHELD BY THE GRIEVANCE COMMITTEE, 65 OR 28% WERE OVERTURNED AND RULED IN FAVOR OF THE MEMBER; BECAUSE OF THE TIMING OF THE BOARD MEETING AND THE REPORTING DEADLINE, 89 OF 27% OF THE GRIEVANCES WERE STILL UNDER REVIEW; THE QUESTION WAS RAISED BY THE BOARD WHAT GENERALLY CAUSES A GRIEVANCE TO BE OVERTURNED; MR. AVERY REPORTED GRIEVANCES GENERALLY GET OVERTURNED WHEN THE PLAN RECEIVES ADDITIONAL SUPPORTING AND CLARIFYING DOCUMENTATION FROM THE MEMBER OR THE PROVIDER; HEARD; RECEIVED AND FILED

Hinojosa-Melendez: 8 Ayes; 2 Absent – Judd, Patrick

CA-23) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) – RECEIVED AND FILED

Melendez-Deats: 9 Ayes; 1 Absent – Patrick

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

Deats-Stewart: 8 Ayes; 2 Absent – Judd, Patrick

CA-25) Proposed modifications to Kern Health Systems formulary (Fiscal Impact: None) – APPROVED

Melendez-Deats: 9 Ayes; 1 Absent – Patrick

ADJOURN TO FRIDAY, JUNE 13, 2019 AT 8:00 A.M.

Patel

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



To: KHS Board of Directors

From: Emily Duran, Director of Provider Relations

Date: June 13, 2019

Re: Relocation Update

Background

The construction of our new building is progressing rapidly and coming to a close. For the next few months, the final interior and exterior touches are unfolding. Several milestones have been met; such as interior paint, solar covered parking, AC unit installation and brick veneer. Power is expected on June 24, and parking lot paving will begin soon. It is very exciting to see the final stages of the construction portion of our relocation project.

The physical move of KHS belongings (i.e. furniture, files, etc.) is a significant undertaking. This effort is being planned carefully in order to avoid operational downtime and disruption, as well as carefully coordinated with our construction schedule and move out of current facilities. Our staff have been purging, e-filing and clearing out 15 years' worth of history at our Stockdale office and 6 years' worth at the Truxtun location. Moving 410+ employees to a new location requires a lot of planning and we have created a workgroup to address a very long list of items to be coordinated.

The last phase of the relocation project is to decommission both Stockdale and Truxtun offices. This includes several final activities such as moving all KHS items out of the buildings, minor repairs, removal of signs, termination of utilities, etc.

A presentation will provide further details to the Board of Directors on the current status of our relocation project.

Requested Action

Receive and File.



KERN HEALTH SYSTEMS

RELOCATION UPDATE

**BOARD OF DIRECTORS
JUNE 13, 2019**



Kern Family
Health Care
The Friendly Face
of Kern Health Systems

1-800-391-2000

kernfamilyhealthcare.com

Construction Status

- Exterior
 - Brick Veneer almost complete
 - Solar currently being installed
 - Parking lot to begin soon
 - Irrigation lines currently being installed
 - All exterior doors and windows are installed
- Interior
 - Flooring in progress
 - Interior glass almost complete
 - Cabinetry almost complete
 - Painting complete
 - **Elevator on-site!**
 - Cubicle installation will began June 3.

Construction Status

- Administrative
 - Regular meetings with GC and Developer ongoing
 - Budget on track
 - Schedule on track
 - Site visits occurring often and regularly (KHS & Bynum)
 - Coordination with move efforts
 - Coordination with all utilities: PG&E, AT&T, Spectrum, gas, water
 - Regular inspections from City Planning
 - LEED Commissioning

Current projected completion date: July 31, 2019

Estimated Certificate of Occupancy: August 5, 2019



Kern Family
Health Care
Of Kern Health Systems
1-800-391-2000
kernfamilyhealthcare.com



















Building Decommissioning

- 9700 Stockdale
 - Escrow scheduled to close the week of June 10
 - Lease agreement in place
 - FTE's impacted: 304
- 5701 Truxtun Ave. Ste. 201
 - Lease amended to month-to-month tenancy
 - Complete move out date pending
 - FTE's impacted: 110



Move Planning

KHS Move Committee has been tasked to assist in the coordination of moving two locations to the new site, with little to no down-time.

Team consists of consultant, Construction PMs, Corporate Services, IT, and Human Resources with reporting to Executives.

Move Planning

- Punch List includes 500+ items such as:
- Current inventory – both locations
- Move schedule
- RFP moving company
- Communications to staff
- Regulatory notifications
- Termination and/or move of services
- Mail courier
- Staff purge, file and pack items & files
- Security set-up
- Signage
- Vendor/provider notices
- Printer services
- Workroom set-ups
- phone installation
- Lunch room vending
- Stationary changes
- Reception area set up
- Recycling program



1-800-391-2000

kernfamilyhealthcare.com

Tentative Move Schedule

- Data Center Set-up & testing Move
 - August 12-18
- Office/Conference Room Furniture (non-line staff)
 - August 27-30 - Truxtun Office
 - September 3-6 - Stockdale Office
- Staff Site Orientation
 - September 6
- Move IT equipment & Set-up Final furniture/chairs/boxes/files
 - September 12-15
- Staff starts work at new location
 - September 16

****Subject to Change****

Questions

For additional questions, please contact:

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



1-800-391-2000
kernfamilyhealthcare.com



To: KHS Board of Directors
From: Robert Landis, CFO
Date: June 13, 2019
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

The KHS Finance Committee has reviewed and recommends that the KHS Board of Directors Receive and File.

**Kern Health Systems
Investment Portfolio
March 31, 2019**

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)	\$ 1,600,000	0.50%	100%	1.50%	1 Day	None
Morgan Stanley Money Market	(A)	\$ 11,000,000	3.44%	20%	2.24%	1 Day	None
Local Agency Investment Fund (LAIF)	(B)	\$ 64,300,000	20.12%	50%	2.43%	2 Days	None
US T-Bills at Wells Fargo	(1)	\$ 159,900,000	50.03%	100%	2.38%	1 Day	Subject to Interest Rate Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	\$ 7,900,000	2.47%		1.97%	3 Days	Subject to Interest Rate Fluctuations
Sub-Total		\$ 244,700,000	76.56%		2.37%		

Long Term Port Folio (1 - 5 years)

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

UBS Managed Portfolio	(D)	\$ 73,200,000	22.90%		2.45%	3 Days	Subject to Interest Rate and Credit Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	\$ 1,700,000	0.53%		2.67%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total		\$ 74,900,000	23.44%		2.45%		
Total Portfolio		\$ 319,600,000	100.00%		2.39%		

Yield Curve

<u>Yield Curve</u>	A			
	<u>Treasuries</u>	<u>AA Corporate Bonds</u>	<u>Corporate Bonds</u>	<u>CD's</u>
1 year	2.42%	2.50%	2.60%	2.35%
2 year	2.39%	2.52%	2.62%	2.45%
3 year	2.36%	2.55%	2.62%	2.50%
5 year	2.38%	2.70%	2.82%	2.60%

- (A) \$16 Billion money market fund managed by Morgan Stanley comprised of high -quality debt securities issued by the US Government.
 - (B) LAIF is part of a \$87 Billion Pooled Money Investment Account managed by the State Treasurer of CA. Majority of portfolio is comprised of Treasuries, CD's, Time Deposits and Commercial Paper.
 - (C) High quality diversified portfolio comprising certificate of deposits, commercial paper, corporate bonds and notes and municipal securities.
 - (D) High quality diversified portfolio comprising certificate of deposits, corporate bonds and notes, municipal securities and US Treasury Securities. Includes investments maturing in less than 1 year that will be re-invested for over 1 year at maturity.
-
- (1) Funds are utilized to pay providers, meet operating expenses, distribute pass-through monies waiting for additional approvals and/or support, amounts owed to the State for MCO Taxes, potential State premium recoupments and for amounts owed under the Expansion Risk Corridor. 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 2019 capital projects, which includes building a new office building.



UBS Client Review

as of March 31, 2019

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

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

Prepared for

Kern Health Systems
 EXECUTIVE REVIEW

Accounts included in this review

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

What's inside

Executive summary.....	2
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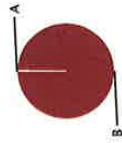
Executive summary

as of March 31, 2019

Asset allocation review

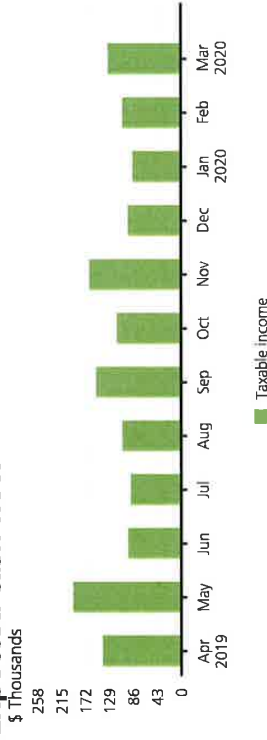
	Value on 03/31/2019 (\$)	% of portfolio
A Cash	140,073.75	0.19
Cash	140,073.75	0.19
B Fixed Income	73,058,350.16	99.81
US	73,058,350.16	99.81
C Equity	0.00	0.00
D Commodities	0.00	0.00
E Non-Traditional	0.00	0.00
F Other	0.00	0.00
Total Portfolio	\$73,198,423.91	100%

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



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

Expected cash flow



Total taxable income: \$1,507,480.35
Total expected cash flow: \$1,507,480.35
 Cash flows displayed account for known events such as maturities and mandatory puts.

Equity sector analysis

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

Credit quality of bond holdings

Effective credit rating	Issues	Value on 03/31/2019 (\$)	% of port.
A Aaa/AAA/AAA	19	45,552,539.30	62.46
B Aa/AA/AA	7	9,886,439.92	13.52
C A/A/A	15	15,885,057.09	21.65
D Baa/BBB/BBB	2	868,598.44	1.18
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	6	865,715.40	1.19
G Not rated	0	0.00	0.00
Total	49	\$73,058,350.16	100%

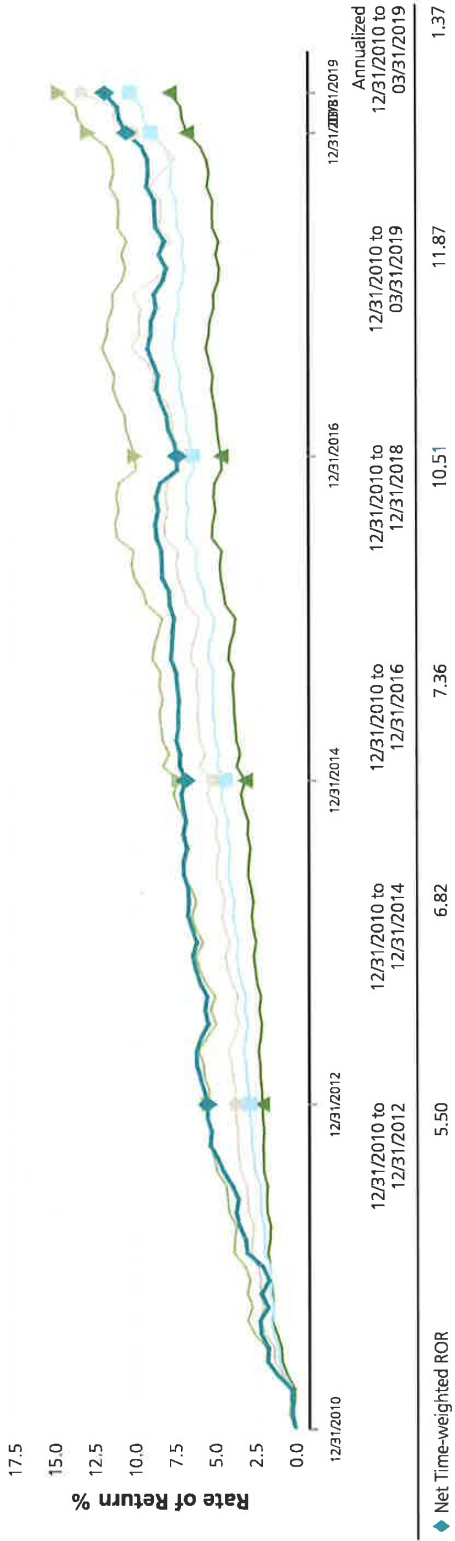




Cumulative performance

as of March 31, 2019

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



Benchmarks - Time-weighted returns

● Barclays Agg Bond+	3.75	5.16	7.27	10.13	13.37	1.53
■ Barclays Govt/Credit 1-3Y	2.88	4.33	6.36	8.98	10.29	1.19
▼ Barclays Govt/Credit 1-5Y	5.44	7.25	9.99	12.92	14.74	1.68
▲ Barclays US Gov 1-3Y	2.08	3.12	4.60	6.73	7.79	0.91

+Additional benchmark information can be found on the benchmark composition page.
Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

Report created on: May 20, 2019



Bond summary

as of March 31, 2019

Bond overview

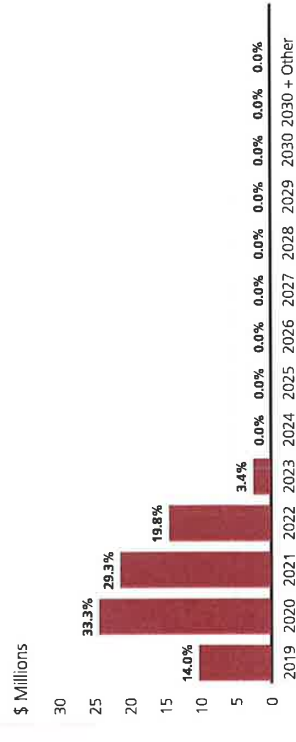
Total quantity	73,001,000
Total market value	\$72,619,250.21
Total accrued interest	\$439,099.95
Total market value plus accrued interest	\$73,058,350.16
Total estimated annual bond interest	\$1,585,151.50
Average coupon	2.19%
Average current yield	2.18%
Average yield to maturity	2.47%
Average yield to worst	2.45%
Average modified duration	1.75
Average effective maturity	1.89

Credit quality of bond holdings

Effective credit rating	Issues	Value on 03/31/2019 (\$)	% of port.
A Aaa/AAA/AAA	19	45,552,539.30	62.46
B Aa/A/AA	7	9,886,439.92	13.52
C A/A/A	15	15,885,057.09	21.65
D Baa/BBB/BBB	2	868,598.44	1.18
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	6	865,715.40	1.19
G Not rated	0	0.00	0.00
Total	49	\$73,058,350.16	100%



Bond maturity schedule



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

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

Investment type allocation

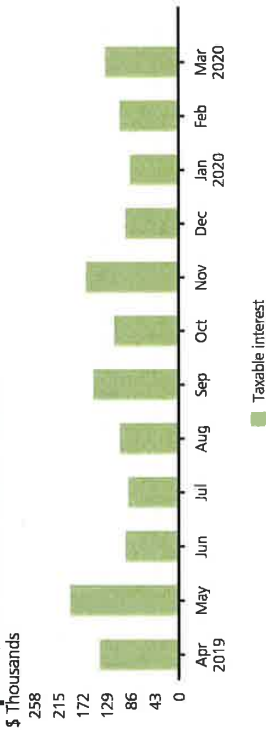
Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
Certificates of deposit	865,715.40	0.00	865,715.40	1.18
Municipals	5,396,684.08	0.00	5,396,684.08	7.39
U.S. corporates	21,243,411.37	0.00	21,243,411.37	29.08
U.S. federal agencies	45,073,752.15	0.00	45,073,752.15	61.70
U.S. treasuries	478,787.15	0.00	478,787.15	0.66
Total	\$73,058,350.15	\$0.00	\$73,058,350.15	100%

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: May 20, 2019



Bond summary - as of March 31, 2019 (continued)

Expected bond cash flow

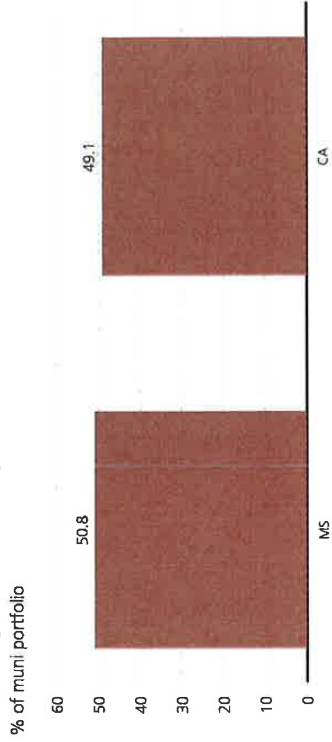


Total taxable income: \$1,507,480.35
Total expected bond cash flow: \$1,507,480.35

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

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

Municipal state exposure



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: May 20, 2019



Bond holdings

as of March 31, 2019

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

Summary of bond holdings

Maturity Year	Issues	Quantity	Est. annual income (\$)	Current yield (%)	Yield to maturity (%)	Yield to worst (%)	Modified duration	Adjusted cost basis (\$)	Unrealized gain/loss (\$)	Mkt. value (\$)	% of bond portfolio maturing
2019	8	10,214,000	208,425.00	2.04%	2.23%	2.23%	0.15	10,234,398.44	-4,484.71	10,302,682.49	14.09%
2020	18	24,278,000	566,826.00	2.34%	2.60%	2.54%	1.07	24,279,550.95	-90,134.38	24,367,578.80	33.31%
2021	14	21,520,000	410,878.00	1.93%	2.44%	2.43%	2.10	21,558,013.53	-280,108.88	21,377,569.26	29.3%
2022	8	14,489,000	335,272.50	2.32%	2.45%	2.45%	3.17	14,481,738.1	-59,747.84	14,497,390.43	19.86%
2023	1	2,500,000	63,750.00	2.55%	2.55%	2.55%	3.58	2,489,625	10,400.00	2,513,129.17	3.44%
2024	0	0	0		NA	NA	NA				
2025	0	0	0		NA	NA	NA				
2026	0	0	0		NA	NA	NA				
2027	0	0	0		NA	NA	NA				
2028	0	0	0		NA	NA	NA				
2029	0	0	0		NA	NA	NA				
2030	0	0	0		NA	NA	NA				
2031	0	0	0		NA	NA	NA				
2032	0	0	0		NA	NA	NA				
2033	0	0	0		NA	NA	NA				
2034	0	0	0		NA	NA	NA				
2035	0	0	0		NA	NA	NA				
2036	0	0	0		NA	NA	NA				
2037	0	0	0		NA	NA	NA				
2038	0	0	0		NA	NA	NA				
2039	0	0	0		NA	NA	NA				
2040	0	0	0		NA	NA	NA				
2041	0	0	0		NA	NA	NA				
2042	0	0	0		NA	NA	NA				
2043	0	0	0		NA	NA	NA				
2044	0	0	0		NA	NA	NA				
2045	0	0	0		NA	NA	NA				
2046	0	0	0		NA	NA	NA				
2047	0	0	0		NA	NA	NA				
2048	0	0	0		NA	NA	NA				
2048 +	0	0	0		NA	NA	NA				
Other	0	0	0		NA	NA	NA				
Total	49	73,001,000	\$1,585,151.50	2.18%	2.47%	2.45%	1.75	\$73,043,326.02	\$-424,075.81	\$73,058,350.16	

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: May 20, 2019



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

Bond holdings - as of March 31, 2019 (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. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
Total Bond Portfolio											\$439,099.95	\$73,058,350.16
Maturing 2019												
FFCB BOND 01.030 % DUE 04/05/19	Aaa/AAA/AA+	5,000,000	1.03%	04/05/2019		51,500.00	1.92%	0.01	4,996,250.00	99.985	4,999,250.00	6.88%
DTD 07/05/16 FC 10052016	NR/NR/AR					1,03%	1.92%		3,000.00		25,177.78	
CUSIP: 3133EGJW6												
Initial Purchase Date: 06/29/2016												
Original Maturity: 04/05/2019												
CALIFORNIA ST TAX BE/R	Aaa/AA-/AA-	2,500,000	2.25%	05/01/2019		56,250.00	2.43%	0.08	2,500,626.04	99.982	2,499,550.00	3.44%
2.250 05/01/19 DTD 05/01/14 /CA	Aa3/AA-/NR					2,25%	2.43%		-1,076.04		23,437.50	
CUSIP: 13063CKL3												
Initial Purchase Date: 05/20/2014												
Original Maturity: 05/01/2019												
FNMA NTS 01.125 % DUE 07/26/19	Aaa/AAA/AA+	594,000	1.13%	07/26/2019	04/26/2019	6,682.50	2.43%	0.32	593,109.00	99.577	591,487.38	0.81%
DTD 07/26/16 FC 01262017	NR/NR/AR				100.00	1,13%	2.43%		-1,621.62		1,206.56	
CUSIP: 3135G0M59												
Initial Purchase Date: 08/02/2016												
Original Maturity: 07/26/2019												
MORGAN STANLEY 05.625%	A3/A/BBB+	750,000	5.63%	09/23/2019		42,187.50	2.89%	0.47	760,956.76	101.302	759,765.00	1.05%
092319 DTD092309 FC032310	NR/NR/AR					5,55%	2.89%		-1,191.76		937.50	
WWW-358P												
CUSIP: 61747YCJ2												
Initial Purchase Date: 08/28/2015												
Original Maturity: 09/23/2019												
CALIFORNIA ST TAX BE/R	Aa3/AA-/AA-	400,000	6.20%	10/01/2019		24,800.00	2.51%	0.48	408,360.52	101.843	407,372.00	0.56%
6.200 10/01/19 DTD 101509 /CA	Aa3/AA-/NR					6,09%	2.51%		-988.52		12,400.00	
CUSIP: 13063A7G3												
Initial Purchase Date: 12/30/2015												
Original Maturity: 10/01/2019												
FILM MED TERM NTS 00.00000%	Aaa/AAA/AA+	485,000		10/01/2019		479,813.18	2.57%	0.49	479,813.18	98.719	478,787.15	0.66%
DUE 10/1/19	NR/NR/AR						2.57%		-1,026.03		0.00	
CUSIP: 3128X25W6												
Initial Purchase Date: 06/03/2015												
Original Maturity: 10/01/2019												

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: May 20, 2019



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

Bond holdings - as of March 31, 2019 (continued)

	Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) YTW (%)	Modified duration	Adjusted cost basis (\$) Unreal. gr (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
Maturing 2019												
UNTD TECHNOLOGIES CORP 08.875% 11/15/19 DTD111389 FC051590 DEB CUSIP: 913017AR0 Initial Purchase Date: 09/08/2016 Original Maturity: 11/15/2019	Baa1/WD/BBB+ NR/NR/NR	250,000	8.88%	11/15/2019		22,187.50 8.55%	2.78% 2.78%	0.59	261,524.49 -2,121.99	103.761	259,402.50 8,381.94	0.36%
DISCOVER BK GREENW DE US RT 02.0500% MAT 12/30/19 FIXED RATE CD/DE CUSIP: 254673JRH Initial Purchase Date: 11/21/2018 Original Maturity: 12/30/2019	CD	235,000	2.05%	12/30/2019		4,817.50 2.06%	2.45% 2.45%	0.74	233,758.45 541.25	99.702	234,299.70 1,227.47	0.32%
Total 2019		10,214,000	2.16%	05/28/2019		\$208,425.00 2.04%	2.23% 2.23%	0.15	\$10,234,398.4 \$-4,484.71		\$10,229,913.73 \$72,768.76	14.09%
Maturing 2020												
GOLDMAN SACHS BANK NY US RT 02.0000% MAT 02/04/20 FIXED RATE CD /NY CUSIP: 38148JKC4 Initial Purchase Date: 09/14/2018 Original Maturity: 02/04/2020	CD	100,000	2.00%	02/04/2020		2,000.00 2.01%	2.46% 2.46%	0.83	99,161.77 449.23	99.611	99,611.00 301.37	0.14%
BANK OF AMERICA NA NC US RT 02.4500% MAT 02/18/20 FIXED RATE CD /NC CUSIP: 06051VB54 Initial Purchase Date: 09/14/2018 Original Maturity: 02/18/2020	CD	240,000	2.45%	02/18/2020		5,880.00 2.45%	2.47% 2.47%	0.87	239,664.00 297.60	99.984	239,961.60 708.82	0.33%
MORGAN STANLEY BK UT US RT 02.5000% MAT 02/24/20 FIXED RATE CD /UT CUSIP: 61747M5F4 Initial Purchase Date: 09/14/2018 Original Maturity: 02/24/2020	CD	140,000	2.50%	02/24/2020		3,500.00 2.50%	2.47% 2.47%	0.89	139,790.00 246.40	100.026	140,036.40 345.21	0.19%
FNMA NTS 01.500 % DUE 03/23/20 DTD 03/23/16 FC 09/23/2016 CUSIP: 3136G3CC7 Initial Purchase Date: 03/01/2016 Original Maturity: 03/23/2020	Aaa/AAA/AA+ NR/NR/NR	1,750,000	1.50%	03/23/2020	06/23/2019 100.00	26,250.00 1.51%	2.42% 2.42%	0.96	1,748,250.00 -13,860.00	99.108	1,734,390.00 583.33	2.39%

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: May 20, 2019



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

Bond holdings - as of March 31, 2019 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2020											
BK OF AMER CORP NTS B/E 02.250% 04/21/20 DTD042115 FC102115 CUSIP: 06051GFN4 Initial Purchase Date: 11/16/2018 Original Maturity: 04/21/2020	A2/A+/A- NR/NR/NR	750,000	2.25%	04/21/2020		16,875.00 2.26%	1.03 2.76%	739,950.00 6,090.00	99.472	746,040.00 7,500.00	1.03%
NBCUNIVERSAL MEDIA LLC 05.150% 04/30/20 DTD043011 CALL@MMW+258P CUSIP: 63946BAD2 Initial Purchase Date: 09/08/2016 Original Maturity: 04/30/2020	A3/A+/A- NR/NR/NR	2,000,000	5.15%	04/30/2020		103,000.00 5.02%	1.03 2.80%	2,077,737.15 -27,757.15	102.499	2,049,980.00 42,916.67	2.82%
QUALCOMM INC NTS B/E 02.250% 05/20/20 DTD052015 FC112015 CUSIP: 747525AD5 Initial Purchase Date: 02/22/2017 Original Maturity: 05/20/2020	A2/NR/A- NR/NR/NR	2,879,000	2.25%	05/20/2020		64,777.50 2.26%	1.11 2.63%	2,883,739.17 -16,888.55	99.578	2,866,850.62 23,571.81	3.95%
AMERICAN EXPRESS CRD 02.375% 05/26/20 DTD052615 FC112615 CORP NTS CUSIP: 0258M0DT3 Initial Purchase Date: 08/03/2018 Original Maturity: 05/26/2020	A2/A+/A- NR/NR/NR	900,000	2.38%	05/26/2020	04/25/2020 100.00	21,375.00 2.38%	1.12 2.66%	889,414.07 7,669.93	99.676	897,084.00 7,421.88	1.24%
CITIBANK NA NTS B/E 02.100% 06/12/20 DTD061217 FC121217 CUSIP: 17325FAE8 Initial Purchase Date: 07/17/2018 Original Maturity: 06/12/2020	Aa3/A+/A+ NR/NR/NR	550,000	2.10%	06/12/2020	05/12/2020 100.00	11,550.00 2.12%	1.17 2.71%	539,005.50 7,040.00	99.281	546,045.50 3,497.08	0.75%
SYNCHRONY BANK UT US RT 02.1500% MAT 06/19/20 FIXED RATE CD /UT CUSIP: 87165FHL1 Initial Purchase Date: 03/06/2019 Original Maturity: 06/19/2020	CD	99,000	2.15%	06/19/2020		2,128.50 2.16%	1.19 2.64%	98,522.82 -101.97	99.415	98,420.85 594.81	0.14%
FHLMC MED TERM NTS 01.500 % DUE 06/29/20 DTD 06/29/16 FC 12292016 CUSIP: 3134G9LQ8 Initial Purchase Date: 06/03/2016 Original Maturity: 06/29/2020	Aaa/AAA/AA+ NR/NR/NR	3,500,000	1.50%	06/29/2020	03/29/2019 100.00	52,500.00 1.52%	1.22 2.40%	3,500,000.00 -39,305.00	98.877	3,460,695.00 13,416.67	4.77%
WELLS FARGO BK NA SD US RT 02.8000% MAT 06/29/20 FIXED RATE CD /SD CUSIP: 949763RW8 Initial Purchase Date: 03/06/2019 Original Maturity: 06/29/2020	CD	50,000	2.80%	06/29/2020		1,400.00 2.79%	1.22 2.47%	50,181.24 19.26	100.401	50,200.50 7.67	0.07%

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: May 20, 2019



Bond holdings - as of March 31, 2019 (continued)

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

Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) / Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
Maturing 2020										
A1/A+/A+ NR/NR/NR	1,750,000	2.45%	07/29/2020		42,875.00 2.45%	2.55% 2.55%	1,734,110.00 13,650.00	99.872	1,747,760.00 7,384.03	2.41%
INTEL CORP NTS B/E 02.450% 072920 DTD072915 FC012916 CALL@MMW+15BP CUSIP: 458140AQ3 Initial Purchase Date: 10/29/2018 Original Maturity: 07/29/2020										
Aaa/AAA/AA+ NR/NR/NR	3,500,000	1.35%	08/24/2020	05/24/2019 100.00	47,250.00 1.37%	2.36% 2.36%	3,498,250.00 -46,760.00	98.614	3,451,490.00 4,856.25	4.75%
FNMA NTS 01.350 % DUE 08/24/20 082416 FC 02242017 CUSIP: 3136G3W92 Initial Purchase Date: 08/02/2016 Original Maturity: 08/24/2020										
AZ/AA-/A- NR/NR/NR	1,000,000	2.55%	10/29/2020	09/29/2020 100.00	25,500.00 2.56%	2.72% 2.72%	994,430.00 2,910.00	99.734	997,340.00 10,766.67	1.37%
J P MORGAN CHASE & CO 02.550%, 102920.DTD102915 FC042916 NTS B/E CUSIP: 46625HMX4 Initial Purchase Date: 11/04/2015 Original Maturity: 10/29/2020										
Aaa/NR/AA+ NR/NR/NR	3,250,000	3.05%	11/02/2020	05/02/2019 100.00	99,125.00 3.05%	3.02% 2.55%	3,250,394.23 1,003.27	100.043	3,251,397.50 41,302.08	4.48%
DTE 103018 FC 05022019 CUSIP: 3130AFB71 Initial Purchase Date: 10/30/2018 Original Maturity: 11/02/2020										
AZ/A+/A NR/NR/NR	320,000	2.45%	11/05/2020	10/05/2020 100.00	7,840.00 2.46%	2.71% 2.71%	316,736.00 1,977.60	99.598	318,713.60 3,179.56	0.44%
PNC BK NTS B/E 02.450% 110520 DTD110315 FC050516 CUSIP: 69353REU8 Initial Purchase Date: 01/29/2019 Original Maturity: 11/05/2020										
A1/NR/AA- NR/NR/NR	1,500,000	2.20%	12/14/2020	11/14/2020 100.00	33,000.00 2.21%	2.46% 2.46%	1,480,215.00 13,185.00	99.560	1,493,400.00 9,808.33	2.06%
VISA INC NTS B/E 02.200% 121420 DTD121415 FC061416 CALL@MMW+10BP CUSIP: 92826CAB8 Initial Purchase Date: 04/05/2018 Original Maturity: 12/14/2020										
Total 2020	24,278,000	2.34%	07/20/2020		\$566,826.00 2.34%	2.60% 2.54%	\$24,279,550.9 \$-90,134.38	1.07	\$24,189,416.57 \$178,162.23	33.31%

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: May 20, 2019



EB 02120 • BOND PORTFOLIO • Portfolio Management Program

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

Bond holdings - as of March 31, 2019 (continued)

	Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) / Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
Maturing 2021											
E I DU PONT DE NEMOURS 03.625% 011521 DTD092310 CALL@MW+158P B/E CUSIP: 263534CB3	A3/A+- NR/NR	400,000	3.63%	01/15/2021		14,500.00 3.55%	2.47% 2.47%	411,427.40 -3,395.40	102.008	408,032.00 3,061.11	0.56%
Initial Purchase Date: 06/03/2016 Original Maturity: 01/15/2021											
ANHEUSER BUSCH INBEV FIN 02.650% 020121 DTD012516 FC080116 CALL@MW+20BP CUSIP: 035242AJ5	Baa1/BBB/A- NR/NR	600,000	2.65%	02/01/2021	01/01/2021 100.00	15,900.00 2.66%	2.82% 2.82%	591,840.00 6,324.00	99.694	598,164.00 2,650.00	0.82%
Initial Purchase Date: 05/16/2018											
FFCB BOND 01.470 % DUE 02.1721 DTD 081716 FC 02172017 CUSIP: 3133EGRN7	Aaa/AAA/AA+ NR/NR	4,500,000	1.47%	02/17/2021		66,150.00 1.49%	2.34% 2.34%	4,496,625.00 -68,220.00	98.409	4,428,405.00 8,085.00	6.10%
Initial Purchase Date: 08/12/2016											
FLHMC MED TERM NTS 01.500 % DUE 033021 DTD 093016 FC 03302017 CUSIP: 3134GAEEO	Aaa/AAA/AA+ NR/NR	3,525,000	1.50%	03/30/2021	03/30/2019 100.00	52,875.00 1.53%	1.94 2.35%	3,524,118.75 -57,457.50	98.345	3,466,661.25 26,437.50	4.77%
Initial Purchase Date: 09/08/2016											
E I DU PONT DE NEMOURS 04.250% 040121 DTD032511 CALL@MW+158P CUSIP: 263534CE7	A3/A+- NR/NR	250,000	4.25%	04/01/2021		10,625.00 4.10%	2.42% 2.42%	261,722.27 -2,842.27	103.552	258,880.00 5,312.50	0.36%
Initial Purchase Date: 09/08/2016											
GENL DYNAMICS CORP NTS 03.000% 051121 DTD051118 FC111118 CALL@MW+10BP CUSIP: 369550BE7	A2/A+/A+ NR/NR	1,000,000	3.00%	05/11/2021		30,000.00 2.97%	2.56% 2.56%	994,790.00 14,240.00	100.903	1,009,030.00 11,666.67	1.39%
Initial Purchase Date: 10/30/2018											
BURLINGTON NTHN SANTA FE 04.100% 060121 DTD051911 CALL@MW +158P CORP NTS CUSIP: 12189LAD3	A3/NR/A+ NR/NR	1,000,000	4.10%	06/01/2021	03/01/2021 100.00	41,000.00 3.99%	1.83 2.68%	1,034,849.30 -8,329.30	102.652	1,026,520.00 13,666.67	1.41%
Initial Purchase Date: 02/22/2017											
Original Maturity: 06/01/2021											

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: May 20, 2019



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

Bond holdings - as of March 31, 2019 (continued)

	Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) YTW (%)	Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
Maturing 2021												
FNMA NTS 01.530 % DUE 072821	Aaa/AAA/AA+	3,750,000	1.53%	07/28/2021	04/28/2019	57,375.00	2.28%	2.26	3,750,000.00	98.309	3,686,587.50	5.08%
DTD 072816 FC 01282017	NR/NR/NR				100.00	1.56%	2.28%		-63,412.50		10,040.63	
CUSIP: 3136G3597 Initial Purchase Date: 08/02/2016												
Original Maturity: 07/28/2021												
FHLB NTS 01.550 % DUE 090121	Aaa/NR/AA+	500,000	1.55%	09/01/2021		7,750.00	2.35%	2.35	499,375.00	98.124	490,620.00	0.68%
DTD 090116 FC 03012017	NR/NR/NR					1.58%	2.35%		-8,755.00		645.83	
CUSIP: 3130A9B19 Initial Purchase Date: 09/08/2016												
Original Maturity: 09/01/2021												
LOS ANG CAL TAX SR A	Aaa2/NR/NR	1,000,000	2.15%	09/01/2021		21,500.00	2.50%	2.34	994,250.00	99.185	991,850.00	1.37%
2.150 090121 DTD 122116 /CA	Aaa2/NR/NR					2.17%	2.50%		-2,400.00		1,791.67	
CUSIP: 544351K01 Initial Purchase Date: 12/23/2016												
Original Maturity: 09/01/2021												
CISCO SYSTEMS INC BFE 01.850%	A1/NR/AA-	1,000,000	1.85%	09/20/2021	08/20/2021	18,500.00	2.64%	2.39	993,660.00	98.120	981,200.00	1.35%
092021 DTD092016 FC032017	NR/NR/NR				100.00	1.89%	2.64%		-12,460.00		565.28	
CALL@MW+10BP CUSIP: 17275RB0 Initial Purchase Date: 09/15/2017												
Original Maturity: 09/20/2021												
FHLB BOND 01.520 % DUE 092321	Aaa/NR/AA+	2,290,000	1.52%	09/23/2021		34,808.00	2.50%	2.41	2,289,150.00	97.652	2,236,230.80	3.08%
DTD 092316 FC 03232017	NR/NR/NR					1.56%	2.50%		-52,919.20		773.51	
CUSIP: 3130A9FB2 Initial Purchase Date: 09/27/2016												
Original Maturity: 09/23/2021												
FHLB BOND 01.600 % DUE 092721	Aaa/NR/AA+	255,000	1.60%	09/27/2021		4,080.00	2.35%	2.42	255,000.00	98.182	250,364.10	0.34%
DTD 092716 FC 03272017	NR/NR/NR					1.63%	2.35%		-4,635.90		45.33	
CUSIP: 3130A9JZ5 Initial Purchase Date: 09/27/2016												
Original Maturity: 09/27/2021												
MISSISSIPPI ST TAX SR G	Aaa2/AA/AA	1,450,000	2.47%	11/01/2021		35,815.00	2.60%	2.46	1,461,205.81	99.680	1,445,360.00	1.99%
BEV/ 2.470 110121 DTD 120815	Aaa2/AA/NR					2.48%	2.60%		-15,845.81		14,922.92	
AMS CUSIP: 605581GN1 Initial Purchase Date: 02/22/2017												
Original Maturity: 11/01/2021												
Total 2021		21,520,000	1.92%	06/07/2021		\$410,878.00	2.44%	2.10	\$21,558,013.5		\$21,277,904.65	29.30%
						1.93%	2.43%		\$-280,108.88		\$99,664.61	

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: May 20, 2019



EB 02120 • BOND PORTFOLIO • Portfolio Management Program

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

Bond holdings - as of March 31, 2019 (continued)

	Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$/ Curr. yield (%)	YTM (%) / Modified duration	Adjusted cost basis (\$/ Unreal. gd (\$)	Market price (\$)	Mkt. value (\$/ Accr. interest (\$)	% of bond port.
Maturing 2022											
APPLE INC NTS B/E 02/500%	Aa1/NR/AA+	2,000,000	2.50%	02/09/2022	01/09/2022	50,000.00	2.54%	2,003,415.26	99.878	1,997,560.00	2.75%
020922 DTD020917 FC080917	NR/NR/NR				100.00	2.50%	-5,855.26			7,222.22	
CALL@MW+108P											
CUSIP: 037833CM0											
Initial Purchase Date: 02/22/2017											
Original Maturity: 02/09/2022											
FFCB BOND 02.730 % DUE 02/14/22	Aaa/AAA/AA+	900,000	2.73%	02/14/2022		24,570.00	2.73%	898,200.00	100.001	900,009.00	1.24%
DTD 021418 FC 08142018	NR/NR/NR					2.73%	2.73%	1,809.00		3,207.75	
CUSIP: 3133EJCG2											
Initial Purchase Date: 02/23/2018											
Original Maturity: 02/14/2022											
PEPSICO INC NTS B/E 02.250%	A1/A/AA+	1,089,000	2.25%	05/02/2022	04/02/2022	24,502.50	2.44%	1,087,301.16	99.434	1,082,836.26	1.49%
050222 DTD050217 FC110217	NR/NR/NR				100.00	2.26%	2.44%	-4,464.90		10,141.31	
CALL@MW+108P											
CUSIP: 713448DT2											
Initial Purchase Date: 05/16/2017											
Original Maturity: 05/02/2022											
QUALCOMM INC NTS B/E 03.000%	A2/NR/A-	1,000,000	3.00%	05/20/2022		30,000.00	2.72%	1,018,921.68	100.824	1,008,240.00	1.39%
052022 DTD052015 FC112015	NR/NR/NR					2.98%	2.72%	-10,681.68		10,916.67	
CALL@MW+158P											
CUSIP: 747525AE3											
Initial Purchase Date: 09/15/2017											
Original Maturity: 05/20/2022											
FHFB NTS 02.000 % DUE 09/01/22	Aaa/NR/AA+	3,000,000	2.00%	09/01/2022		60,000.00	2.35%	2,988,750.00	98.859	2,965,770.00	4.08%
DTD 090117 FC 03012018	NR/NR/NR					2.02%	2.35%	-22,980.00		5,000.00	
CUSIP: 3130ACD84											
Initial Purchase Date: 09/26/2017											
Original Maturity: 09/01/2022											
FFCB BOND 02.100 % DUE 09/26/22	Aaa/AAA/AA+	2,000,000	2.10%	09/26/2022		42,000.00	2.32%	1,999,000.00	99.265	1,985,300.00	2.73%
DTD 092617 FC 03262018	NR/NR/NR					2.12%	2.32%	-13,700.00		583.33	
CUSIP: 3133EHZK4											
Initial Purchase Date: 09/26/2017											
Original Maturity: 09/26/2022											
FFCB BOND 02.160 % DUE 10/11/22	Aaa/AAA/AA+	2,500,000	2.16%	10/11/2022		54,000.00	2.32%	2,495,150.00	99.455	2,486,375.00	3.42%
DTD 101117 FC 04112018	NR/NR/NR					2.17%	2.32%	-8,775.00		25,500.00	
CUSIP: 3133EHE58											
Initial Purchase Date: 10/17/2017											
Original Maturity: 10/11/2022											
FHFB BOND 02.510 % DUE 12/29/22	Aaa/NR/AA+	2,000,000	2.51%	12/29/2022	03/29/2019	50,200.00	2.52%	1,991,000.00	99.795	1,995,900.00	2.75%
DTD 122917 FC 06292018	NR/NR/NR				100.00	2.52%	2.52%	4,900.00		12,828.89	
CUSIP: 3130AD6W7											
Initial Purchase Date: 01/26/2018											
Original Maturity: 12/29/2022											
Total 2022		14,489,000	2.32%	08/02/2022		\$335,272.50	2.45%	\$14,481,738.1		\$14,421,990.26	19.86%
						2.32%	2.45%	\$-59,747.84		\$75,400.17	

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: May 20, 2019



Bond holdings - as of March 31, 2019 (continued)

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

Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) YTW (%)	Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
AAA/AAA/AA+	2,500,000	2.55%	01/17/2023		63,750.00 2.55%	2.55%	3.58	2,489,625.00 10,400.00	100.001	2,500,025.00 13,104.17	3.44%
NR/NR/NR											
Total 2023	2,500,000	2.55%	01/17/2023		\$63,750.00 2.55%	2.55%	3.58	\$2,489,625.00 \$10,400.00		\$2,500,025.00 \$13,104.17	3.44%
Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) YTW (%)	Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
	73,001,000	2.19%	02/19/2021	NA	\$1,585,151.50 2.18%	2.47%	1.75	\$73,043,326.0 \$-424,075.81	NA	\$72,619,250.21 \$439,099.95	100%
Total Bond Portfolio										\$73,058,350.16	

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: May 20, 2019



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

Additional information about your portfolio

as of March 31, 2019

Inception to date net time-weighted returns(annualized > 1 year)

Account EB	Performance Start date	Start date to	ITD
02120	12/08/2008	03/31/2019	2.60%

Benchmark composition

Account EB 02120

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 - Current: 100% Barclays Agg Bond



Disclosures applicable to accounts at UBS Financial Services Inc.

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

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

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

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

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

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

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

Performance: This report presents 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 (Advisory Strategy Start) for individual advisory accounts. This presents Advisory level performance since the latest Strategy 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 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 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 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 returns on a portfolio.

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

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

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

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

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

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 return is displayed net deposits / withdrawals does not include program fees (including wrap fees). For security contributions and withdrawals, securities are calculated using the end of day UBS FS price on the day securities are delivered in or out of the accounts. Wrap fees will be included in this calculation except when paid via an invoice or through a separate accounts billing arrangement. When shown on Client summary and/or Portfolio review report, program fees (including wrap fees) may not be included in net deposits/withdrawals. 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.

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 failure will be restricted. Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details

regarding your new Performance Start Date.

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

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

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

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

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

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS accounts statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to

be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

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

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

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

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

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

This information is supplied by Morningstar, Inc. on a weekly basis to UBS FS based on data supplied by the

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

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

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

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

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

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

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

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

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

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



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

any investment decision based on this report.

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

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

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

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

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

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

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

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

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

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

interest, where applicable.

Cash Flow: This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These potential cash flows are subject to change due to a variety of reasons, including but not limited to: contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on 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 services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS FS generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy.

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

Bond sensitivity analysis: This analysis uses Modified Duration which approximates the percentage price change of a security for a given change in yield. The higher the modified duration of a security, the higher its risk. For callable securities, modified duration does not

address the impact of changing interest rates on a bond's expected cash flow as a result of a call or prepayment.

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

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

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

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

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

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

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Kern Health Systems

Account Number: EBXXX20

Filtered by: Entry Date 01/01/2019-03/31/2019, Call/Redemption

Your Financial Advisor:
THE COHEN GROUP
Phone: 651-653-9200/600-628-5012

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
01/28/19	01/28/19	CALL REDEMPTION	FNMA NTS 01.375% DUE 012819	F04DJ1	-150,000.00	REDEMPTION	150,000.00

Filtered by: Entry Date 10/01/2018-12/31/2018, Bought

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
03/06/19	03/08/19	BOUGHT	SYNCHRONY BANK UT US RT 02.1500% MAT 06/19/20	N360W7	99,000.00	\$99.518	-98,983.51
03/06/19	03/08/19	BOUGHT	WELLS FARGO BK NA SD US RT 02.8000% MAT 06/29/20	ZBITY-N79483	50,000.00	\$100.380	-50,220.87
01/29/19	01/31/19	BOUGHT	PNC BK NTS B/E 02.450% 110520 DTD110315	815861	320,000.00	\$98.980	-318,608.89

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

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

*The information is based upon the market value of your account(s) as of the close of business on **March 31, 2019**, is subject to daily market fluctuation and in some cases may be rounded for convenience.*

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

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



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

Bank Account Statement
Wells Fargo Bank, N.A.

Statement Period
03/01/2019 - 03/31/2019

KERN HEALTH SYSTEMS
 9700 STOCKDALE HWY
 Account Number
 1AB84760

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	15,957,584.61	11,010,790.82	6%
Bonds	43,700,509.21	169,542,930.99	94%
Stocks	0.00	0.00	0%
Total Account Value	\$ 59,658,093.82	\$ 180,553,721.81	100%
Value Change Since Last Statement Period		\$ 120,895,627.99	
Percent Increase Since Last Statement Period			203%
Value Last Year-End		\$ 96,963,495.64	
Percent Increase Since Last Year-End			86%

Income Summary USD

	This Period	Year-To-Date
Interest	\$ 58,067.70	\$ 248,181.03
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	47,443.53	101,426.24
Other	0.00	0.00
Income Total	\$ 105,511.23	\$ 349,607.27

Interest Charged USD

Description	This Period
Debit Interest For March 2019	0.00
Total Interest Charged	\$ 0.00

Money Market Mutual Funds Summary USD

Description	Amount
Opening Balance	\$ 15,957,584.61
Deposits and Other Additions	207,220,700.60
Distributions and Other Subtractions	(212,214,937.92)
Dividends Reinvested	47,443.53
Change in Value	0.00
Closing Balance	\$ 11,010,790.82

Safekeeping

035162 1013462 0010 20027 UNP28FE421-00011119 78800 0010 01542 03/31/19 P

Important Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial Statements: WFS financial statements are available upon request.

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

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

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

Customer Service
90 South 7th Street
5th Floor, MAC N9305-05F
Minneapolis, MN 55402
wiscustomerservice@wellsfargo.com

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

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

KERN HEALTH SYSTEMS
Account Number: 1AB84780

Statement Ending: **March 31, 2019**

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

Security ID	Description	Maturity Date	Coupon	Current Par / Original Par	Market Price*	Market Value	Original Par Pledged**	Callable
Bonds USD								
912796UV9	UNITED STATES TREASURY BILL	04/02/19	0.000%	70,000,000.000	99.9934	69,995,387.00		
912796UW7	UNITED STATES TREASURY BILL	04/09/19	0.000%	35,000,000.000	99.9472	34,981,508.45		
912796RG6	UNITED STATES TREASURY BILL	04/11/19	0.000%	30,000,000.000	99.9340	29,980,213.80		
912796UX5	UNITED STATES TREASURY BILL	04/16/19	0.000%	25,000,000.000	99.8803	24,970,062.50		
94974BFU9	WELLS FARGO & COMPANY	04/22/19	2.125%	1,621,000.000	99.9699	1,620,512.22		N
13063CKL3	CALIFORNIA ST TXBL-VARIOUS PURPOSE	05/01/19	2.250%	1,310,000.000	99.9820	1,309,764.20		N
48306BSE6	KAISER FOUNDATION HOSP DISCOUNTED COMMERCIAL PAPER	05/14/19	0.000%	3,000,000.000	99.6560	2,989,680.66		
94988J5D5	WELLS FARGO BANK NA	05/24/19	1.750%	1,000,000.000	99.8782	998,782.30		N
02665WBEO	AMERICAN HONDA FINANCE	07/12/19	1.200%	1,000,000.000	99.6028	996,027.69		N
43815HAB3	HAROT 2018-3 A2	12/21/20	2.670%	1,700,551.900 2,000,000.000	100.0259	1,700,992.17		
						169,631,551.900	169,542,930.99	0.00

*See important information regarding security pricing on Page 2.

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

Daily Account Activity

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
Transaction Activity USD									
03/13/19	03/13/19	Security Receipt	912796UV9	UNITED STATES TREASURY BILL	10,000,000.00	99.8711110	(9,987,111.10)	0.00	(9,987,111.10)
03/13/19	03/13/19	Security Receipt	912796UV9	UNITED STATES TREASURY BILL	50,000,000.00	99.8711110	(49,935,555.50)	0.00	(49,935,555.50)
03/14/19	03/14/19	Security Receipt	48306BSE6	KAISER FOUNDATION HOSP	3,000,000.00	99.5899440	(2,987,698.32)	0.00	(2,987,698.32)
03/20/19	03/20/19	Security Receipt	912796UU1	UNITED STATES TREASURY BILL	30,000,000.00	99.9613330	(29,988,400.00)	0.00	(29,988,400.00)
03/21/19	03/21/19	Security Receipt	912796UW7	UNITED STATES TREASURY BILL	10,000,000.00	99.8751810	(9,987,518.06)	0.00	(9,987,518.06)
03/22/19	03/22/19	Security Receipt	912796UW7	UNITED STATES TREASURY BILL	25,000,000.00	99.8822500	(24,970,562.50)	0.00	(24,970,562.50)
03/22/19	03/22/19	Security Receipt	912796UX5	UNITED STATES TREASURY BILL	25,000,000.00	98.8361110	(24,959,027.78)	0.00	(24,959,027.78)
03/27/19	03/27/19	Security Receipt	912796RG6	UNITED STATES TREASURY BILL	10,000,000.00	99.9029170	(9,990,291.67)	0.00	(9,990,291.67)

Income / Payment Activity USD

03/01/19	03/01/19	Matured	17275RAQ5	CISCO SYSTEMS INC			5,000,000.00		5,000,000.00
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Safekeeping

KERN HEALTH SYSTEMS
Account Number: 1AB84780

Daily Account Activity (Continued)

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
Income / Payment Activity USD									
03/01/19	03/01/19	Interest	17275RAQ5	CISCO SYSTEMS INC				39,577.15	39,577.15
03/15/19	03/15/19	Matured	30231GAE2	EXXON MOBIL CORPORATION			2,000,000.00		2,000,000.00
03/18/19	03/18/19	Interest	30231GAE2	EXXON MOBIL CORPORATION				14,364.48	14,364.48
03/21/19	03/21/19	Paydown	43815HAB3	HAROT 2018-3 A2			153,859.91		153,859.91
03/21/19	03/21/19	Interest	43815HAB3	HAROT 2018-3 A2				4,126.07	4,126.07
03/26/19	03/26/19	Matured	912796UU1	UNITED STATES TREASURY BILL			30,000,000.00		30,000,000.00

Cash Activity USD

Transaction / Trade Date	Settlement / Eff. Date	Activity	Description	Debit Amount / Disbursements	Credit Amount / Receipts
03/05/19	03/05/19	ACH/DDA Transaction	DESIGNATED DDA	11,000,000.00	
03/08/19	03/06/19	ACH/DDA Transaction	DESIGNATED DDA	3,000,000.00	
03/11/19	03/11/19	ACH/DDA Transaction	DESIGNATED DDA	2,000,000.00	
03/12/19	03/12/19	ACH/DDA Transaction	DESIGNATED DDA	5,000,000.00	
03/13/19	03/13/19	ACH/DDA Transaction	DESIGNATED DDA		103,000,000.00
03/15/19	03/15/19	ACH/DDA Transaction	DESIGNATED DDA		2,000,000.00
03/19/19	03/19/19	ACH/DDA Transaction	DESIGNATED DDA	10,000,000.00	
03/20/19	03/20/19	ACH/DDA Transaction	DESIGNATED DDA		65,000,000.00
03/22/19	03/22/19	ACH/DDA Transaction	DESIGNATED DDA	2,000,000.00	
03/26/19	03/26/19	ACH/DDA Transaction	DESIGNATED DDA	15,000,000.00	
03/29/19	03/29/19	ACH/DDA Transaction	DESIGNATED DDA	1,400,000.00	

Money Market Fund Activity

Morgan Stan TreasSvc 8314	Dividend earned this period	7 day* simple yield	30 day* simple yield
*As of March 31, 2019			
USD	47,443.53	2.240%	2.240%

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	Beginning Balance		1.0000	15,957,584.61		15,957,584.61
03/01/19	Purchase	5,039,577.15		5,039,577.15		20,997,161.76
03/01/19	Reinvest	47,443.53			47,443.53	21,044,605.29
03/05/19	Redemption	(11,000,000.00)		(11,000,000.00)		10,044,605.29
03/06/19	Redemption	(3,000,000.00)		(3,000,000.00)		7,044,605.29
03/11/19	Redemption	(2,000,000.00)		(2,000,000.00)		5,044,605.29
03/12/19	Redemption	(5,000,000.00)		(5,000,000.00)		44,605.29

KERN HEALTH SYSTEMS
Account Number: 1AB84780

Statement Ending: **March 31, 2019**

Money Market Fund Activity (Continued)

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
03/13/19	Purchase	103,000,000.00		103,000,000.00		103,044,605.29
03/13/19	Redemption	(59,926,533.34)		(59,926,533.34)		43,118,071.95
03/14/19	Purchase	3,866.74		3,866.74		43,121,938.69
03/14/19	Redemption	(2,987,698.32)		(2,987,698.32)		40,134,240.37
03/15/19	Purchase	2,000,000.00		2,000,000.00		42,134,240.37
03/15/19	Purchase	2,000,000.00		2,000,000.00		44,134,240.37
03/19/19	Purchase	14,364.48		14,364.48		44,148,604.85
03/19/19	Redemption	(10,000,000.00)		(10,000,000.00)		34,148,604.85
03/20/19	Purchase	65,000,000.00		65,000,000.00		99,148,604.85
03/20/19	Redemption	(29,988,400.00)		(29,988,400.00)		69,160,204.85
03/21/19	Purchase	157,985.98		157,985.98		69,318,190.83
03/21/19	Redemption	(9,987,518.06)		(9,987,518.06)		59,330,672.77
03/22/19	Purchase	4,906.25		4,906.25		59,335,579.02
03/22/19	Redemption	(24,975,468.75)		(24,975,468.75)		34,360,110.27
03/22/19	Redemption	(24,959,027.78)		(24,959,027.78)		9,401,082.49
03/22/19	Redemption	(2,000,000.00)		(2,000,000.00)		7,401,082.49
03/26/19	Purchase	30,000,000.00		30,000,000.00		37,401,082.49
03/26/19	Redemption	(15,000,000.00)		(15,000,000.00)		22,401,082.49
03/27/19	Redemption	(9,990,291.67)		(9,990,291.67)		12,410,790.82
03/29/19	Redemption	(1,400,000.00)		(1,400,000.00)		11,010,790.82
	Ending Balance		1.0000	11,010,790.82		11,010,790.82

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Safekeeping



**CALIFORNIA STATE TREASURER
FIONA MA, CPA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
03/11/19	2.43	2.38	187
03/12/19	2.43	2.38	185
03/13/19	2.43	2.38	184
03/14/19	2.44	2.38	184
03/15/19	2.44	2.38	183
03/16/19	2.44	2.39	183
03/17/19	2.44	2.39	183
03/18/19	2.44	2.39	179
03/19/19	2.44	2.39	178
03/20/19	2.44	2.39	177
03/21/19	2.44	2.39	178
03/22/19	2.44	2.39	177
03/23/19	2.44	2.39	177
03/24/19	2.44	2.39	177
03/25/19	2.44	2.39	175
03/26/19	2.44	2.39	174
03/27/19	2.44	2.39	175
03/28/19	2.44	2.39	176
03/29/19	2.44	2.39	181
03/30/19	2.44	2.39	181
03/31/19	2.44	2.39	179
04/01/19	2.44	2.44	179
04/02/19	2.44	2.44	184
04/03/19	2.44	2.44	182
04/04/19	2.44	2.44	179
04/05/19	2.44	2.44	179
04/06/19	2.44	2.44	179
04/07/19	2.44	2.44	179
04/08/19	2.44	2.44	181
04/09/19	2.45	2.43	182
04/10/19	2.45	2.43	181

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

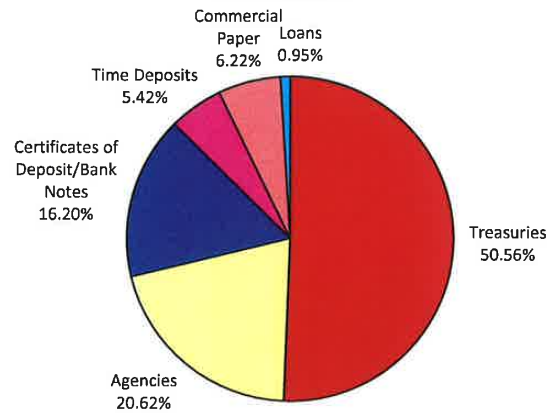
Quarter Ending 12/31/18

Apportionment Rate: 2.40
 Earnings Ratio: 0.00006573663340150
 Fair Value Factor: 0.999051127
 Daily: 2.32%
 Quarter to Date: 2.21%
 Average Life: 192

PMIA Average Monthly Effective Yields

Mar 2019 2.436
 Feb 2019 2.392
 Jan 2019 2.355

**Pooled Money Investment Account
Portfolio Composition
03/31/19
\$86.9 billion**



Percentages may not total 100% due to rounding

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1)

Based on data available as of 04/10/2019



To: KHS Board of Directors

From: Anita Martin, Director of Human Resources

Date: June 13, 2019

Subject: Employee Benefits Renewal 2019/2020

Background

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

Of the 6 benefit categories (Health, Dental, Vision, Life, Short and Long Term Disability and Long Term Care, we were able to keep the 19/20 rates at the 18/19 levels. Management is proposing a renewal with Kaiser Permanente HMO with no benefit changes along with no benefit changes for any of the other benefit categories except for an increase in the dental limits from \$1,500 to \$2,500 for an annual increase of just under 4% or \$13,600.

For the 2019/2020 renewal of employee benefits, management is proposing the following:

Maintain the current Employee Medical Insurance with Kaiser Permanente. For the current renewal period, Kaiser Permanente initially requested an increase of 2.6% primarily due to medical claims that have been incurred but not reported. The Medical Loss Ratio during this renewal cycle was 83%. Our insurance broker was able to reduce this increase to a decrease of 2%. This is much less than our 2019 budget increase of 10% for the period 9/1/19 -12/31/19. Based on current staffing levels, the current monthly premium will be \$436,835 or \$5,242,020 annually.

During the past year, KHS focused on employee wellness programs so that KHS employees were kept informed about their health matters and were able to explore ways for employees to eat healthier and to improve their overall level of physical fitness. To aid in this effort, KHS decided to partner with Advanced Care Wellness. The new wellness initiative was very successful as demonstrated by the reduction in the Kaiser medical ratio from 86% to 83% and a 2% rate decrease in the Kaiser renewal rate. KHS will continue offering new and exciting wellness programs during the 19/20 renewal period.

- Maintain VSP as the vision provider. The current monthly cost if enrollment stays at the current level will be \$4,930 per month or \$59,160 annually. This policy had no change in premium for the 2019/2020 renewal period.
- Maintain Lincoln as the dental carrier. For the current renewal period, Lincoln initially requested an increase of 4.35%. Our insurance broker was able to reduce this increase to 0%. Lincoln was able to increase the annual dental maximums from \$1,500 to \$2,500 for an annual increase of just under 4% or \$13,600. Based on renewal date staffing levels, the monthly premium will be \$30,940 or \$371,280 annually. This equates to an annual increase of approximately \$13,600.
- Maintain Lincoln as the current Basic Life Insurance carrier. Lincoln provided a three year rate guarantee. The employer paid life will be on year two of three at renewal. The current monthly cost if enrollment stays at the current level will be \$3,225 per month or \$38,700 annually.
- Maintain Lincoln as the Short-term Disability (“STD”) and Long Term Disability (“LTD”) carrier. KHS moved to Lincoln last year with rate guarantees on the STD and LTD products. The STD has a 2 year and the LTD has a 3 year rate guarantee. The STD is running at a 73% loss ratio and the LTD at 2% loss ratio. Last year KHS enhanced the LTD class 1 benefit to a maximum of \$15,000 from \$10,000 in order to cover the full risk for the employees in a higher salary bracket. The current monthly premium based on renewal date staffing levels for both STD and LTD combined is \$14,600 or \$175,200 annually.
- Maintain current Long-term Care Policy with Unum. The current monthly premium based on current staffing levels is \$2,800 or \$33,600 annually. This policy had no change in premium for the 2019/2020 renewal period.

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

Requested Action

The KHS Finance Committee has reviewed and recommends that the KHS Board of Directors approve the renewal and binding of employee benefit plans for medical, vision, dental, life insurance, short-term and long-term disability and long-term care.



To: KHS Board of Directors
From: Robert Landis, CFO
Date: June 13, 2019
Re: Analysis of Insurance Renewals

Background

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

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

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

• **Crime Insurance**

Crime insures against employee theft of money and other property along with faithful performance of duty, forgery, robbery and safe burglary, computer fraud, funds transfer fraud and other social engineering. KHS Employee benefits plans are also covered for theft of funds. This coverage meets the DMHC requirement. Management recommends a renewal of the crime insurance policy.

- National Union Fire Insurance Company of Pittsburgh, PA (AIG)
- Rating: Carrier has an A XV rating from AM Best
- Term: July 1, 2019 through June 30, 2020
- Limits: \$10,000,000
- Deductible: \$2,500
- Annual Premium: \$9,355. Prior year premium was \$9,355.

No claims were filed last year.

- **Excess Crime**

Alliant has provided the following option to consider for excess crime over the above crime insurance. Management recommends the purchase of additional limits of \$5,000,000.

- Zurich American Insurance Company
- Rating: Carrier has an A XV rating from AM Best
- Term: July 1, 2019 through June 30, 2020
- Deductible: Excess of National Union Ins. Co. of Pittsburgh, PA (AIG)
- Annual Premium \$5,107.

- **Property and Liability Insurance**

The Property Coverage insures against first party losses to KHS owned property including buildings, contents, loss of income and auto physical damage. KHS has \$19.6 million in property values along with \$27.8 million in values for builders risk coverage for the Buck Owens construction project.

The Liability Coverage insures against third party losses for general liability, auto liability, public officials errors and omissions, employment related practices liability and sexual abuse or molestation liability.

Primary Cyber Coverage is included at a limit of \$2 million that insures against the damages that can occur related to computer system breaches and Pollution coverage is included with a limit of \$2 million that insures against environmental hazards.

Management recommends renewing participation in the property and liability program offered by the Joint Powers Authority, Special District Risk Management (SDRMA). This agency was formed in 1986 to offer risk sharing and risk financing for California public agencies.

- Rating: SDRMA confidence level rating of 95%
- Term: July 1, 2019 through June 30, 2020
- **Property Coverage:**
- Limit per Occurrence - \$1,000,000,000 repair or replacement cost
 - Business Income - \$100,000,000
 - Flood - \$10,000,000
 - Boiler and Machinery - \$100,000,000
- All Risk Deductible: \$1,000 – Autos (Physical Damage \$250/500) – Flood \$250,000
- **Liability Coverage:**
- General Liability - \$10,000,000
- Auto Liability - \$10,000,000
- Uninsured Motorist - \$1,000,000
- Public Officials' and Employees' Errors and Omissions - \$10,000,000
- Personal Liability for Board Members - \$500,000
- Employee Benefits Liability - \$10,000,000
- Sexual Abuse - \$5,000,000
- Sexual Harassment - \$1,000,000

- Deductibles: Various - \$500 Property Damage, \$10,000 Property Damage Uninsured/Underinsured Motorist and Employment Practices Liability (first \$10,000 is paid by SDRMA – from \$10,000 to \$210,000 50% is paid by KHS with a maximum of \$100,000, other 50% is paid by SDRMA).

Annual Estimated Premium \$271,143 Last year's premium \$213,346

Premium increase of 27% is represented as follows:

Property Rate Increase of \$23,547

Property Total Insured Values Increase of \$10,703

Liability Rate Increase of \$10,703

Liability Increase due to operating budget increase \$8,563

Liability Increase due to payroll increase \$8,245

KHS member credits – (\$3,964)

Once the Stockdale location is sold and the Buck Owens location is completed and building is occupied we will need to adjust the insurance accordingly. This should have little impact on the premiums for both property and liability during the policy term.

No claims were filed last year.

- **Excess Liability**

The Excess Liability provided additional limits over the Liability Coverage offered above with SDRMA - \$15,000,000 excess of \$10,000,000. This policy insures against losses from General Liability, Auto Liability, Public Officials Errors and Omissions and Employment Related Practices Liability.

Management recommends renewing the excess liability program. Lloyd's of London (1st \$5,000,000) and Great American Assurance Company (2nd \$10,000,000)

- Rating: Carrier has a Lloyd's of London A VIII from AM Best
- Rating: Great American Assurance Company has a A+ IV rating from AM Best
- Term: July 1, 2019 through June 30, 2020
- Liability Coverage: Limit of liability per occurrence or wrongful act \$15,000,000

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

Annual Estimated Premium \$102,960. Last year's premium \$93,600. The 10% increase in premium is due to the primary Liability Coverage premium increase with SDRMA.

Management is currently expecting to receive a lower quote from Hallmark Specialty Insurance to replace Lloyd's of London for an approximate \$15,000 savings. Hallmark has a similar rating as Lloyd's. If the lower quote is received, management recommends renewing with Hallmark for the first layer of \$5,000,000 in excess coverage.

No claims were filed last year.

- **Workers' Compensation Insurance**

Workers' Compensation coverage insures against losses from work related injuries and \$1,000,000 employers' liability. Coverage is mandated by the state. Management recommends renewing coverage with Berkshire (Homestate Insurance Company). Alliant marketed the coverage extensively and the best quote was received from Berkshire.

- Berkshire Homestate Insurance Company
- Rating: Carrier has a superior A+ XV rating from AM Best
- Term: July 1, 2019 through June 30, 2020
- Limit per Occurrence: Statutory for Workers' Compensation and \$1,000,000 for Employer's Liability
- Deductible: N/A
- The annual premium is a function of KHS' annual estimated payroll of \$27,824,024 which is a 5% increase over the prior period. The insured has employees in 3 states, California, Texas and Florida.
- Since 2010, KHS has filed 57 workers' compensation claims with estimated losses of \$754,041.81. Three year loss ratio is 65%
- Annual Estimated Premium: \$189,254. Prior year estimated premium was \$237,653

Premium decrease of 20% is represented as follows:

Payroll increase 5%

Rate decrease of 25%

Projected Experience Modification – The current carrier confirmed that the Workers' Compensation Insurance Rating Bureau (WCIRB) will not promulgate the experience modification factor (EMOD) this year. This means the current premium is at EMOD of 100% for the premium calculations. The WCIRB will not be using an EMOD until rating year 2020. Once the EMOD is published, this will adjust the insured's premium significantly, presently the projected EMOD is 177%. The impact would increase premium by at least 77% for the increased EMOD. KHS' EMOD has improved from last year which was at 222%.

- **Fiduciary Liability Insurance**

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

- Hudson Insurance Company
- Rating: Carrier has an A XV rating from AM Best
- Term: August 1, 2019 through August 1, 2020
- Limit per occurrence: \$2,000,000
- Aggregate: \$2,000,000
- Self-Insured Retention: \$0 Non-indemnifiable losses \$25,000 All other losses
- Annual Premium \$4,384. Last year's premium was \$4,384.

No claims were filed last year.

- **Excess Cyber Liability Insurance**

Included in the SDRMA placement is the limit of \$2,000,000 per incident and in the aggregate. This excess coverage provides KHS with an additional \$8,000,000 in coverage for a total of \$10,000,000. Management recommends renewing coverage for Excess Cyber liability.

- **1st Excess Layer:**
 - AXIS Insurance Company
 - Rating: Carrier has an excellent A+ XV rating from AM Best
 - Term: July 1, 2019 through June 30, 2020
 - Limit per incident: \$3,000,000
 - Aggregate: \$3,000,000
 - Self-Insured Retention: Primary coverage within the SDRMA Program
 - Annual Premium: \$2,784. Last year's premium was \$2,784.
- **2nd Excess Layer:**
 - Greenwich Insurance Company
 - Rating: Carrier has an A+ XV rating from AM Best
 - Term: July 1, 2019 through June 30, 2020
 - Limit per incident: \$5,000,000
 - Aggregate: \$5,000,000
 - Self-Insured Retention: Excess of AXIS Excess Cyber Policy
 - Annual Premium: \$10,000. Last year's premium was \$10,000.

No claims were filed last year.

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

Managed Care E&O insures against losses for KHS operations for an act, error or omission in the performance of any health care or managed care financial, management or insurance services performed; the design, development and marketing of such service; vicarious liability for the conduct of others performing any such service on our behalf. Alliant

marketed the coverage this renewal and has presented two options for consideration – AIG (incumbent) quoted \$48,762, which is a 5% premium increase over last year’s premium, with a strict settlement clause. One Beacon quoted \$46,440 with a settlement clause of 80/20%. Management recommends renewing the coverage for the Managed Care E&O with One Beacon.

- Homeland Insurance Company of New York – One Beacon
- Rating: Carrier has an A+ XV rating from AM Best
- Term: July 1, 2019 through June 30, 2020
- Limit per occurrence: \$1,000,000
- Aggregate: \$3,000,000
- Self-Insured Retention: \$100,000 each claim
- Annual Premium: \$46,440. Last year’s premium was \$46,440.

1 claim was filed last year (Transportation Claim)

• **Earthquake Insurance –**

Earthquake insures against the peril of earthquake for KHS owned property. Management recommends renewing the Earthquake insurance coverage.

- Everest Indemnity Insurance Company
- Rating: Carrier has excellent A XV rating from AM Best
- Term: July 1, 2019 through June 30, 2020
- Limit per occurrence: \$5,000,000
- Aggregate: \$5,000,000
- Deductible:5% Per unit (unit is defined as replacement cost of the covered Property – Building, Contents and Business Income separately), subject to a minimum of \$25,000
- Annual Premium: \$10,774. Last year’s premium was \$10,774.

Once the Stockdale location is sold, this policy can be cancelled, as it will only be covering contents. Once the Buck Owens building is completed Earthquake coverage will be procured for the Building and Contents (\$37.1M TIV) – the estimated premium for the optional limits are as follows:

- 1) \$10,000,000 EQ Limit – Estimated Annual Premium \$25,800
- 2) \$15,000,000 EQ Limit – Estimated Annual Premium \$30,960
- 3) \$20,000,000 EQ Limit – Estimated Annual Premium \$36,120

Please note optional quotes are for Deductible of 5% per unit (unit is defined as replacement cost of the covered Property – Building, Contents and Business Income separately), subject to a minimum of \$50,000.

Management and the Finance Committee recommend increasing the earthquake limit to \$20,000,000 on the new corporate office location.

No claims were filed last year.

- **Flood Insurance**

Flood insurers against the peril of flood for KHS owned property. Management recommends renewing the Flood Insurance coverage.

- Hartford Ins. Company of the Midwest
- Rating: Carrier has a superior A+ XV rating from AM Best
- Term: July 1, 2019 through June 30, 2020
9700 Stockdale Hwy – Building and Contents
\$500,000 Building (maximum limit available)
\$500,000 Contents (maximum limit available)
\$1,250.00 Deductible on both Building & Contents
Annual Premium: \$3,553. Last year's premium was \$3,323.

Once the Stockdale location is sold this policy will be cancelled, as National Flood Insurance Program policies are written on a location specific basis. Once the Buck Owens location is completed flood coverage will be procured for Building and Contents – the estimated annual premium is expected to not exceed \$5,000.

No claims were filed last year.

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

Requested Action

The KHS Finance Committee has reviewed and recommends that the KHS Board of Directors approve the renewal and binding of insurance coverages for crime, excess crime, property, general liability, excess liability, workers' compensation, fiduciary liability, excess cyber insurance, managed care errors and omissions, earthquake insurance and flood insurance.



To: KHS Board of Directors

From: Douglas Hayward, CEO

Date: June 13th, 2019

Re: Update on 2019 State Legislation and Administration Activities

Background

The State Legislature reconvened on January 7th for the 2019 session. February 22nd was the deadline for new bills to be introduced. Committee Hearings will take place through August as the legislature reviews and votes on this year's bills. So far this session there are an assortment of bills being tracked including: expansion of Medi-Cal to undocumented immigrants, additional Medi-Cal benefits, enhancing oversight/quality, and care accessibility. As we are early in the session, it is anticipated that many amendments will be forthcoming. KHS staff will continue working with our Trade Associations to provide feedback and input on bill language. As bills become more defined, our Trade Associations will work with plans to take a position of support, opposition, or neutrality.

In early January the new Governor was sworn in and immediately focused on healthcare. The January draft budget proposed to extend Medi-Cal coverage to undocumented immigrants up to age 26 and proposed to expand supplemental payments to providers via Prop 56 funds. Additionally, the Governor has released an executive order which would carve-out pharmacy benefits from managed care by 2021. Recently plans received a letter from the Governor expressing a desired emphasis on Children's Preventive Services and a corresponding increase in measurement and oversight in this area.

With the new Legislative session underway and a new Governor in place, staff will present on key items of interest to KHS.

Requested Action

Receive and file.



2019 State Legislation and Administration Update

June 13th, 2019

Jeremy McGuire, Director of Government Affairs and
Business Development

Background

- Legislature reconvened on January 7th
- The Governor's first proposed budget was released January 10th
- The last day for bills to be introduced was February 22nd
- A revised State budget will be released in May and must be approved by June 15th
- September 13th is the last day for each house to pass bills
- The governor has until October 13th to veto bills that were passed by the legislature
- Currently tracking 38 bills



2019 Key Legislation

- AB 4/SB 29 – Would expand Medi-Cal eligibility to undocumented immigrants with no age restrictions.
- AB 1642 – Would change alternate access standards and increase oversight/sanctions related to access.
- AB 318 – Would require translated member materials to undergo a community review process.
- Benefit Enhancements:
 - AB 166 – Violence preventative services
 - AB 678 – Podiatry
 - AB 767 – Fertility services
 - AB 848 – Continuous Glucose Monitors
 - AB 1131 – Comprehensive Medication Management
 - SB 163 – Expands autism services benefit
 - SB 207 – Asthma Prevention



Administrative Activities

- **State Budget**
 - First draft released January 10th
 - Proposed expanding Medi-Cal to Undocumented Immigrants up to age 26
 - Proposed adding two additional Prop 56 payments to providers – trauma screenings and value-based payment program
 - Would create a penalty for individuals who don't obtain Health Insurance
- **Governor's Executive Order to Carve-Out Pharmacy Services**
 - January 7th Executive Order directs DHCS to take the necessary steps to transition all pharmacy services from Managed Care to Fee-For-Service no sooner than 2021
 - Stated benefits: Negotiating/bargaining power, improved quality/access with a statewide network, standardized pharmacy benefit statewide
 - Requires DHCS to conduct a review and make recommendations on how to proceed by July 12, 2019



Administrative Activities

- Oversight of Children's Services
 - California State Auditor published a report on March 14th regarding DHCS' provision of Children's Preventive Services
 - Concern about DHCS provider rates, timely access, and oversight of plans
 - Recommended Legislature create bills regarding alternative access and Pay for Performance (P4P)
 - In response to the Audit, the Governor's office submitted a letter to each Medi-Cal Managed Care Plan asking for their thoughts on emphasizing Children's Preventive Services Measures
 - Additionally, DHCS is beginning to roll out changes in response to the audit
 - Expand 2019 quality measures to include CMS Child and Adult Core measures and raise Minimum Performance Level from 25th percentile to 50th percentile
 - When minimum performance is not met, DHCS will move to impose Corrective Action Plans and Sanctions
 - Expanded Timely Access Reporting
 - DHCS requesting 21 new staff positions to focus on oversight of Children's Services



Next Steps

- State Legislation
 - Ongoing monitoring of State Legislative Session
 - Continue to work with Trade Associations on bills
- State Budget
 - Updated budget proposal expected in May, final budget in June
 - Review final budget proposal for items impacting KHS
- Pharmacy Carve Out
 - Ongoing conversations with Health Plans, Trade Associations, DHCS, Legislators and the Administration
 - DHCS submission to the Governor is expected in July
- Children's Services
 - DHCS Implementation Plan expected in April
 - Develop internal strategy and tactics to meet requirements
 - Monitor related legislation (AB 1642)
 - Advocate for collaboration in the design of the new measures





To: KHS Board of Directors

From: Larry Rhoades, Chairman

Date: June 13, 2019

Re: Formation of a Nominating Committee

Background

The Board will need to convene a Nominating Committee to:

- Consider reappointment of Cindy Stewart, SNP Representative and Kim Hoffmann, Pharmacy Representative to the Board.
- Consider reappointment of 4 Community Representatives
- Nominate new appointment of 1 Community Representative
- Recommend candidate for role of Chairman of KHS Board of Directors and Vice Chairman (should current Vice Chairman be recommended to serve as Chairman as has been the practice).

Nominating Committee Structure

In the past, the Nominating Committee included 3 members of the Board with the Committee appointing one member as Chair. Staff will be available to assist with any logistics on the Committees' behalf including coordinating any communication, correspondence or scheduling that the Committee requires.

Board Member Qualifications

To qualify, Candidates must meet the following requirements:

- All Candidates must be at least twenty-one (21) years of age and shall be residents of or employed within the County of Kern, State of California at the time of his or her appointment and shall be chosen for their willingness and ability to effectively carry out the purposes of KHS.

- All Candidates for Provider Services' Board seats shall provide health care services to KHS beneficiaries within KHS' service area pursuant to a provider services agreement with KHS and the Candidate or the Candidate's employer or agent.
- No Candidate shall be an employee, officer or director of or own or control more than ten percent (10%) of the shares of stock in any other managed health care plan or health maintenance organization.

Nominating Process (Steps)

1. Select 3 Board members to serve on the Nominating Committee to identify and evaluate potential interested new and existing candidates.
2. For new candidates, Staff will identify qualified candidates for open positions on the KHS Board to inform them of the nomination process.
3. For existing members, staff will confirm their interest to continue serving on the KHS Board.
4. Before making its recommendation to the KHS Board at an upcoming Board meeting, the Nominating Committee will convene to evaluate each new candidate's credentials and confirm existing Board member's desire to continue serving.
5. KHS Board votes on the Nominating Committee's recommendations at its next regularly scheduled meeting following completing its charge.
6. A Letter of Recommendation is sent to the Kern County Board of Supervisors requesting appointment of the nominee voted on by the KHS Board of Directors.
7. The Kern County Board of Supervisors schedules the vote for appointment at one of its upcoming Board meetings.
8. Kern Health Systems is notified of the outcome of the vote of the Board of Supervisors.
9. The appointed member is seated at the next KHS Board of Directors meeting following notification from the Board of Supervisors.

Requested Action

Appoint a three member Nominating Committee to identify and evaluate interested new and existing candidates to serve on KHS's Board.



To: KHS Board of Directors

From: Douglas Hayward, CEO

Date: June 13, 2019

Re: 2018 DHCS Medical Audit - findings

Background

Pursuant to statute, the Department of Health Care Services (DHCS) conducted its' annual medical audit of Kern Health Systems (KHS) on August 14, 2018 through August 17, 2018. The audit review period included August 1, 2017 through July 31, 2018.

The audit consisted of an evaluation of KFHC's compliance with DHCS contract and regulations pertaining to the areas of Utilization Management; Case Management and Coordination of Care; Access and Availability; Member's Rights; Quality Improvement; and Administrative and Organizational Capacity. On April 1, 2019, KHS provided DHCS with additional information regarding its Corrective Action Plan (CAP) in response to the report originally issued on January 10, 2019.

Audit Results

Given the broad range of the medical audit review and few number of findings, DHCS complimented the KHS team for its practices and documentation. Of the two minor findings, identified during the Audit, DHCS deemed each item to be sufficiently addressed and considered closed following receiving KHS's corrective response.

The results of the DHCS Medical Audit have been summarized in the attached matrix. The DHCS close-out memo issued on April 11, 2019 along with the Corrective Action Plan Response Form are also included.

Requested Action

Receive and file.



State of California—Health and Human Services Agency
 Department of Health Care Services

2018 - MEDICAL AUDIT

AUDIT PERIOD: August 1, 2017 to July 31, 2018

CAPs APPROVED: April 11, 2019

AUDIT CATEGORIES: Utilization Management; Case Management; Access & Availability; Member Rights; Quality Improvement; Administrative Capacity

Category/Item	Resolution	Member Impact
Case Management and Coordination of Care		
2.5.1 - six month review of treatment plans	New reporting & continued follow through	High
Administrative and Organizational Capacity		
6.2.1 - mandatory compliance plan	Charter & meetings established	Low

Key – Member Impact

High - beneficiary risk
Medium - possible beneficiary risk
Low - no beneficiary risk

Prepared by: Carl R. Breining, CHC
 June 4, 2019



State of California—Health and Human Services Agency
Department of Health Care Services



GAVIN NEWSOM
GOVERNOR

April 11, 2019

Carl Breining, Director of Compliance and Regulatory Affairs
Kern Health System
9700 Stockdale Highway
Bakersfield, CA 93311

RE: Department of Health Care Services Medical Audit

Dear Mr. Breining:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted an on-site Medical Audit of Kern Health System, a Managed Care Plan (MCP), from August 14, 2018 through August 17, 2018. The survey covered the period of August 1, 2017 through July 31, 2018.

On April 1, 2019, the MCP provided DHCS with additional information regarding its Corrective Action Plan (CAP) in response to the report originally issued on January 10, 2019.

All items have been reviewed and DHCS accepts the MCP's submitted CAP. The CAP is hereby closed. Full implementation of the CAP will be monitored on the subsequent audit. The enclosed report will serve as DHCS' final response to the MCP's CAP.

Please be advised that in accordance with Health & Safety Code Section 1380(h) and the Public Records Act, the final report will become a public document and will be made available on the DHCS website and to the public upon request.

If you have any questions, feel free to contact me at (916) 345-7831 or Lyubov Poonka at (916) 345-7825.

Managed Care Quality and Monitoring Division
1501 Capitol Avenue, P.O. Box 997413, MS 4400
Sacramento, CA 95899-7413
Phone (916) 449-5000 Fax (916) 449-5005
www.dhcs.ca.gov

Page 2

Sincerely,

A handwritten signature in black ink that reads "Hannah Robins". The signature is written in a cursive, flowing style.

Hannah Robins, Chief
Compliance Unit

Enclosures: Attachment A CAP Response Form

cc: Vickshna Anand, Contract Manager
Department of Health Care Services
Medi-Cal Managed Care Division
P.O. Box 997413, MS 4408
Sacramento, CA 95899-7413

ATTACHMENT A
Corrective Action Plan Response Form
Plan Name: Kern Family Health Care



Audit Type: Medical Audit

Review Period: 08/01/17 - 07/31/18

MCPs are required to provide a CAP and respond to all documented deficiencies within 30 calendar days, unless an alternative timeframe is indicated in the letter. MCPs are required to submit the CAP via email in word format which will reduce turnaround time for DHCS to complete its review.

The CAP submission must include a written statement identifying the deficiency and describing the plan of action taken to correct the deficiency, and the operational results of that action. For deficiencies that require long term corrective action or a period of time longer than 30 days to remedy or operationalize, the MCP must demonstrate it has taken remedial action and is making progress toward achieving an acceptable level of compliance. The MCP will be required to include the date when full compliance is expected to be achieved. Any policy and/or procedure submitted during the CAP process must also be sent to the MCP's Contract Manager for review and approval in accordance with existing requirements.

DHCS will maintain close communication with the MCP throughout the CAP process and provide technical assistance to ensure the MCP provides sufficient documentation to correct deficiencies. Depending on the volume and complexity of deficiencies identified, DHCS may require the MCP to provide weekly updates, as applicable.

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* <small>(*anticipated or completed)</small>	DHCS Comments
2. Case Management and Coordination of Care				
2.5.1 The Plan is required to provide Behavioral Health Treatment (BHT) services that are based upon a treatment plan that is reviewed no less than every six months by a	An internally automated report was created to capture various Member demographics including: Functional Behavior Assessment (FBA) date, received date, Treatment Plan due date, Applied Behavior Analysis (ABA) severity, a Transition and Crisis Plan, and the Provider to ensure receipt	Attachment A: Functional Behavior Assessment (FBA) Tracking Log	12/1/2018	01/29/19 - MCP submitted the following documentation to support its efforts to correct this finding: - Functional Behavior Assessment (FBA) Tracking Log that shows evidence of tracking and reviewing BHT treatment plans for no less than every six months.

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* <small>(*anticipated or completed)</small>	DHCS Comments
<p>qualified autism service provider. [Contract, Exhibit A, Attachment 9(3) (A), (4) (B), and (3) (B)].</p> <p>Health and Safety Code Section 1374.73 (c) (3), and by the federally approved State Plan.</p>	<p>that the necessary documentation is received for review, and facilitate dialog between KHS and the Autism Provider to ensure uninterrupted services to qualified KHS membership.</p> <p>Behavioral Licensed Clinical Social Worker staff are responsible for ABA benefit management with Medical Director oversight for medical necessity determinations without bias and to ensure parity between behavioral and medical conditions.</p>			<p>03/28/19 - The following additional documentation submitted supports the MCP's efforts to correct this deficiency:</p> <ul style="list-style-type: none"> - MCP's written communication (03/28/19) clarifying MCPs long term and short term solutions. "As a result of the newly implemented FBA tracking log, changes will be required to be made to the current Medical Management Platform (ZeOmega) UM module to enable an automated notification for 6 month renewals and/or treatment plan/crisis plan update (Long term solution). The current manual method for tracking via spreadsheet (Short term solutions) would be replaced with the MMP solution. Anticipated automated resolution anticipated in Q4 2018 or Q2 2019 subject to project enhancement approval." <p>04/01/19 - The following additional documentation submitted supports the MCP's efforts to correct this deficiency:</p> <ul style="list-style-type: none"> - MCP submitted Revised Policy and Procedures "P&P 3.72-P" (Revised Date 3/28/19). "P&P 3.72-P" incorporates language to Section 3.0 (page 3) to clearly delineate it's

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* <small>(*anticipated or completed)</small>	DHCS Comments
				<p>process for reviewing BHT treatment plans for any missing documentation or past due treatment plans, including the transition and crisis plan.</p> <p>Individual treatment plans for every member receiving BHT services will be tracked and reviewed at the plan level at least every 6 months to ensure a Qualified Autism service provider is involved in the development, execution, and modification of services received.</p> <p>In addition, treatment plans will be audited by the plan to ensure a transition plan and crisis plan are outlined for each member.</p> <p>The process for tracking individual treatment, transition, and crisis plans will be performed either through a manual spreadsheet or through an automated process within the Medical management platform, as available, to ensure uninterrupted services.</p> <p>04/01/19 - The following additional documentation submitted supports the MCP's efforts to correct this deficiency:</p>

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* <small>(*anticipated or completed)</small>	DHCS Comments
<p>an Anti-Fraud and Abuse Program in which there will be a compliance officer and a compliance committee for all fraud and/or abuse issues, and who shall be accountable to senior management.</p> <p>[Contract, Exhibit E, Attachment 2, 26(B)].</p>	<p>matters arise.</p>	<p>Committee meeting held 11/15/2018.</p>		<p>Abuse issues and ensure that training and education are effective appropriately completed;</p> <ul style="list-style-type: none"> • Review Fraud, Waste or Abuse Reports, including member and provider reported cases; • Address when there is risk of program non-compliance or potential FWA, and ensure CAPs are implemented and monitored for effectiveness (Section IV, 1(b) (c) (h)) <p>- Schedule of Compliance Committee Meeting for 2019. The Compliance Committee will meet quarterly.</p> <p>- MCP submitted Minutes from Q3 2018 Compliance Committee meeting (11/15/18) demonstrate review and discussion of FWA Internal and External logs and incidents.(Page 2)</p> <p>This finding is closed.</p>

Submitted by: [Signature on File]
 Title: Chief Executive Officer

Date: 01/23/19



To: KHS Board of Directors

From: Douglas A. Hayward, CEO

Date: June 13, 2019

Re: KHS' Group Health Plan's Children's Health Insurance Program Line of Business

Background

KHS currently has two Knox Keene license: one active for "Medi-Cal" and one dormant (formally used for the "Children's Health Insurance Program" or CHIP). Since CHIP was transferred to Medi-Cal a few years ago, KHS has no need for the second license.

The Department of Managed Health Care (DMHC) is encouraging health plans with dormant license to surrender these license or be subject to meeting all the requirements as if it were active (which are numerous). Since this license was designated for the CHIP and we have no current plan to apply it to other lines of business, KHS plans to surrender the second license to DMHC by 7/1 through notification using the attached form. Since our CHIP business transferred to Medi-Cal some years ago, all business related activity conducted by KHS under the old license has long sense ceased.

Before this decision, KHS inquired as to whether it would be necessary to file for a new license should it decide to expand its lines of business to other markets. According to DMHC, KHS would only need to file a **material modification** to its remaining license to expand its lines of business; which is less onerous with a shorter approval period.

Requested Action

Authorize the CEO to surrender the Kern Health Systems Group Health Plan license to the DMHC.

State of California
 Health and Human Services Agency
 Department of Managed Health Care
 APPLICATION FOR SURRENDER OF LICENSE
 DMHC 10-102 Rev: 01/12



**APPLICATION FOR SURRENDER OF LICENSE
 PURSUANT TO
 SECTION 1399, HEALTH AND SAFETY CODE**

Date of Application _____	Department of Managed Health Care FILE NO. _____
---------------------------	---

1. Name of Licensee (as appearing in license).
2. Person to be contacted regarding this application.
Name
Address
Telephone Number
3. Reason for Surrender of License
(Explain briefly):
4. Date upon which licensee proposes to terminate business:
If the date is subject to contingencies or will be determined hereafter, explain briefly below:
5. Please complete the following:
a. Attach a copy of the balance sheet and a statement of income and expense for the plan, prepared as of a date within 30 days of the filing of this application. Such financial statements need not be certified.
b. State whether the licensee is required to file certain reports pursuant to Section 1384 of the Knox-Keene Health Care Service Plan Act of 1975. If so, state the date by which the licensee will forward such reports to the Director:
c. Section 1300.85.1. of the rules pursuant to the Knox-Keene Health Care Service Plan Act of 1975 requires that the books and records of a plan be preserved for a period of five years. State the name and address of the custodian of the plan's books and records and the address at which such records will be located:
Custodian:
Location:

Application for Surrender of License

d. Describe in an attachment hereto the licensee's plans for the termination of its business as a health care service plan or specialized health care service plan, including the following information:

1. The provision for payment of any amounts due to subscribers and enrollees and the aggregate amount owed thereto.
2. The provision for payment of any amounts due to providers of health care services, the aggregate owed thereto and a schedule showing the persons to whom such amounts are owed, the amount due each such person, and the date such liability first became due and payable.
3. The final date for payment of periodic payments by or on behalf of subscribers for health care services and the final date which the plan will be obligated to furnish health care services by reason of such payments.
4. If an insurer assumes obligations as to the plans subscribers and enrollees, attach a detailed statement of the plan for the assumption of business by the subsequent provider or insurer, including the provision being made for notice to subscribers and enrollees, group representatives and providers of health care services who contract with the plan.
5. If the plan of any provider of health care services to the plan holds medical records as to any subscriber or enrollee, indicate the disposition to be made of such records, including the provision made for its subsequent availability to persons providing health care services to such subscribers and enrollees.

e. Is the plan's application pursuant to Section 1351 of the Knox-Keene Health Care Service Plan Act of 1975 current, reflecting all matters which require an amendment to such application pursuant to Rules 1300.52, 1300.52.1 or 1300.52.2? Yes No
 If "No", attach an amendment(s) to such application in conformance with such rules.

f. Is the plan currently involved in any civil or administrative proceeding? Yes No
 If "Yes", furnish full details, including the court or administrative action before which such matter is pending.

6. The licensee has duly caused this application to be signed on its behalf by the undersigned, thereunto duly authorized.

	(Licensee)
	By:
	Title:

I certify under penalty of perjury that I have read this application and the attachments hereto and know the contents thereof, and that the statements therein are true.

Executed at (City & State)		
Executed on (Date)		By:

Signature of Declarant

If executed in a jurisdiction which does not permit verification under penalty of perjury, attach a verification executed and sworn to before a notary public.



To: KHS Board of Directors

From: Douglas A. Hayward, Chief Executive Officer

Date: June 13, 2019

Re: 2019/2021 Provider Grant Program

Background

For the last several years, Kern Health Systems (KHS) has committed to maintaining a strong network of physicians to accommodate access to quality care programs for our members. This effort has been demonstrated by implementing grant funding opportunities for our provider community. This year, we would like to propose a new Provider Grant Program that will focus on access to care, service area expansion, quality care initiatives and special needs populations.

Funding for the program will come from KHS's 2019 surplus in the amount of \$4,000,000.

Enclosed is a presentation Emily Duran, Director of Provider Relations, will provide on the proposed new Provider Grant Program.

Requested Action

Approve \$4 million to fund Kern Health Systems 2019-2021 Provider Grant Program including the grant structure, timeline and CEO's authority to perform grant administration's review and approval process.



KERN HEALTH SYSTEMS

PROVIDER GRANT PROGRAM 2019-2021

**BOARD OF DIRECTORS
JUNE 13 , 2019**



Kern Family
Health Care
The Friendly Face
of Kern Health Systems

1-800-391-2000

kernfamilyhealthcare.com

1

Background

Kern Health Systems (KHS) is committed to maintaining a strong network of physicians to accommodate access to quality care programs for our members. This effort has been demonstrated by implementing grant funded opportunities for our provider community.

Program Overview

The objective for the 2019-2021 provider grant funding program will focus on:

- Access to Care
- Service Area Expansion
- Quality Care Initiatives
- Special needs populations



Kern Family
Health Care
The Friendly Face
Of Kern Health Systems
1-800-391-2000
kernfamilyhealthcare.com

Program Overview

Project proposals can range from:

- 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

Program Funding Allocation

KHS is requesting \$4,000,000 in grant funding to be allocated to the following provider categories:

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

Grantee Qualifications

- Must be KHS Contracted Individual or Group Provider
- Contracted provider must be in good standing
- Proposed project needs to indicate a positive return on investment for KHS

Reporting & Evaluation

- Monthly Progress Reports
- Monthly Financial Reports
- Evaluation reporting based on goals and objectives outlined in grant scope of work

Grant Timeline

Publish Grant – July 2019

Grant Responses Due – August 2019

KHS Proposal Reviews – August 2019

Awards Announced – September 2019

Contracts Start Date – 4th Quarter 2019

Requested Action

The requested action from the KHS Board of Directors:

1. Approve \$4,000,000 for 2019-2021 Provider Grant Program
2. Approve KHS CEO to perform grant administration, review and approval process

Questions

For additional information, please contact:

Emily Duran

Director of Provider Relations

661-664-5035





To: KHS Board of Directors

From: Deborah Murr, Senior Director of Health Services

Date: June 13, 2019

Re: Cotiviti Agreement

Background

Kern Health Systems is required under its Knox-Keene license to perform an annual data audit of its managed care operations. This audit is mandated by the State to be accomplished using the National Committee for Quality Assurance (NCQA) annual HEDIS metrics. These healthcare metrics are complex algorithms that are used to evaluate KHS data to present an entire population (denominator), and any compliant members (numerator) for the healthcare metric. Kern Health Systems has been using the software manufactured by Cotiviti, for the last six years. In addition, KHS has built its Pay for Performance (P4P) program on monthly HEDIS calculations by the Cotiviti software to provide a quarterly reimbursement to Providers as incentives for services that will improve the annual KHS HEDIS scores.

Discussion

Cotiviti, Inc., will provide KHS with a software solution that performs HEDIS calculations on a monthly and annual basis. The platform provides a data collection tool, full access to the underlying databases, dynamic member correspondence, an analytic and reporting interface and required state data formats to report HEDIS results. This contract will provide KHS with software licensing support and maintenance for Cotiviti software. Depending on the final APL for Managed Care Accountability Set quality measures proposed changes for 2020 and Cotiviti's ability to support the added measures and DHCS requirements, the HEDIS software may need to be replaced in 2021. If warranted, a parallel implementation may need to be purchased to allow for configuration of the new software which will require an additional purchase.

Financial Impact

Cost for a one year term will not exceed \$162,400.

Requested Action

The KHS Finance Committee has reviewed and recommends that the KHS Board of Directors approve and authorize the Chief Executive Officer to sign the agreement.



HEDIS Software

June 13, 2019

Deborah Murr, RN, BS-HCM,
Senior Director of Health Services

Agenda

- HEDIS Software Purpose
- Software Functionality
- Software Deliverables
- Board Request

HEDIS Software Purpose

Healthcare Effectiveness Data and Information Set (HEDIS) is a comprehensive set of standardized performance measures designed to provide purchasers and consumers with the information they need for reliable comparison of health plan performance.

HEDIS is an annual DHCS requirement that serves to:

- Gauge provider performance in preventative care
- Identifying opportunities for quality improvement
- Provide basis for auto assignment of new membership in Kern County (Health Net)

KHS is mandated to utilize National Committee for Quality Assurance (NCQA) defined measures and thus requires a certified software provider to complete this deliverable

Software Functionality

- Monthly/Annual HEDIS Abstraction and Measure Rate Calculation
- P4P (Pay for Performance) Rate Calculations
- Quality Improvement initiative identification

KHS has used current vendor Cotiviti (previously known as Verscend and Verisk) for more than 8 years

Request for one year extension will allow KHS time to receive and review the final APL for Managed Care Accountability Set (MCAS) Quality Measures and determine if Cotiviti can support those future measures and/or if an RFP required

Allows KHS to implement the new solution in parallel (if deemed necessary)

Software Deliverables

KHS received final MCAS for Measurement Year 2019 / Reporting Year 2020

(Based on CMS Adult and Child Core Sets for Reporting Year 2019)

Plans will be held accountable for 19 measures (hybrid/administrative) including several not measured in previous 3 years

Provider education

Configuration of data sets for capture and compliance reporting

Board Request

- Authorize the CEO to sign the budgeted contract associated with the HEDIS Software solution from Cotiviti, Inc., in the amount not to exceed **\$162,400** for one (1) year.

Questions

Deborah Murr, RN, BS-HCM

661-664-5141

deborah.murr@khs-net.com

Proposed Administrative contract over \$100,000, June 13, 2019

1. Operational Agreement with Cotiviti, Inc.

a. Recommended Action

Approve; Authorize Chief Executive Officer to Sign

b. Contact

Deborah Murr; Senior Director of Health Services

c. Background

HEDIS is a yearly regulatory event that serves as the basis of auto assignment and identifying opportunities for improvement. This audit of our managed care operations is mandated by the State to use National Committee for Quality Assurance (NCQA) defined measures and requires a certified software provider to complete this deliverable. The software uses our membership, as well as claims and encounter data to identify a selected population and measure performance of preventive care performed. KHS has used Cotiviti, Inc.'s software for the past 9 years for both HEDIS and P4P calculations. During the RFP process, Cotiviti, Inc., produced the lowest bid for services.

d. Discussion

Cotiviti, Inc., will provide KHS with a software solution that Performs HEDIS calculations on a monthly and annual basis. The Solution provides a data collection tool, full-access to the underlying databases, dynamic member correspondence, an analytic and reporting interface, and the required state data formats to report HEDIS results. This contract will provide KHS with software licensing, support, and maintenance for the Cotiviti software.

e. Fiscal Impact

Total amount not to exceed \$162,400 for one year.

f. Risk Assessment

Performing an annual data audit of KHS's managed care operations is a regulatory requirement under its Knox-Keene license, and failure to perform the audit would place KHS into a non-compliant state.

g. Attachments

An Agreement at a Glance form is attached.

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

This agreement is pending legal counsel approval.



KERN HEALTH SYSTEMS

- Contract
- Purchase

AGREEMENT AT A GLANCE

Department Name: Quality Improvement Department Head: Deb Murr

Contract Vendor: Cotiviti, Inc.

Vendor contact Name & e-mail: Mike Adams, mike.adams@veriskhealth.com

What services will this vendor provide to KHS? Certified HEDIS vendor will provide data and abstraction platform for HEDIS submission, interventions and P4P capture to determine plan quality efforts and auto assignment of new membership as one of the two plan model in Kern County.

Description of Contract

Type of Agreement: <u>Software</u>	Background: HEDIS is a yearly regulatory event that serves as the basis of auto assignment and identifying opportunities for improvement. This audit of our managed care operations is mandated by the State to use <u>National Committee for Quality Assurance (NCQA) defined measures and requires a certified software provider to complete this deliverable. The software uses our membership, as well as claims and encounter data to identify a selected population and measure performance of preventive care performed. KHS has used Cotiviti Inc.'s software for the past 9 years for both HEDIS and P4P calculations. During the RFP process, Cotiviti, Inc. produced the lowest bid for services.</u>
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- Establish a new agreement
- Amendment
- Continuation of an Existing Contract
- Replacement
- Addendum

Previous Agreement No. _____ or Amendment No. _____

Date Agreement Began _____

Brief Explanation Cotiviti, Inc will provide KHS with a software solution that performs HEDIS calculations on a monthly and annual basis. The platform provides a data collection tool, full access to the underlying databases, dynamic member correspondence, an analytic and reporting interface and requires state data formats to report HEDIS results. This contract will provide KHS with software licensing support and maintenance for Cotiviti software. Depending on final APL for MCAS Quality measures proposed changes for 2020 and Cotiviti's ability to support the added measures and DHCS requirements, the HEDIS software may need to be replaced for RY 2021. If warranted, a parallel implementation may need to be purchased to allow for configuration of the new software which will require an additional purchase.

- Retroactive Agreement
Retroactive Date _____

Reason for delay in approval: _____

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

Brief vendor selection justification: Lowest bid of certified vendor. This has been our vendor for the past 6 years and the system is known and understood by IT and QL.

Sole source – no competitive process can be performed.

Brief reason for sole source:

Conflict of Interest Form is required for this Contract

HIPAA Business Associate Agreement is required for this Contract

Fiscal Impact

KHS Governing Board previously approved this expense in KHS' FY 2019 Administrative Budget NO YES

Budgeted Cost Center 311 GL# 5645

Will this require additional funds? NO YES

Maximum cost of this agreement not to exceed: \$162,400.00 per one year

Notes: Price includes \$145,600 for license, \$15,000 for P4P, and \$1800 for MCAL ACR.

Contract Terms and Conditions

Effective date: 11/01/19

Termination date: 10/31/20


Explain extension provisions, termination conditions and required notice: One year extension for current vendor contract for same services.

Approvals

Contract Owner:

Purchasing:

Department Head


Director of Procurement and Facilities

Date

Date

5/23/19

Reviewed as to Budget:

Recommended by the Executive Committee:


Chief Financial Officer or Controller


Chief Operating Officer

Date

Date

5/29/19

5/29/19

Compliance Review:

Carl M. [Signature]
Director of Compliance and Regulatory Affairs

5-28-19
Date

Legal Review:

Legal Counsel

Date

Chief Executive Officer Approval:

[Signature]
Chief Executive Officer

5/30/19
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

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**Amendment No. 1 to
Statement of Work for Client Hosted Verscend Quality Intelligence Software**

This amendment (the "Amendment") is dated 09/08/2016, and for Statement of Work for Client Hosted Verscend Quality Intelligence Software (the "SOW"), to the Master Services Agreement dated September 8, 2016, (the "Agreement") and is between Verscend Technologies, Inc., f/k/a/ Verisk Health, Inc. ("Verscend") and Kern Health Systems ("Client").

WITNESSETH

WHEREAS, the parties desire to amend the SOW to update pricing.


NOW THEREFORE, for good and valuable consideration by both parties, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **Section 9(a), Member Count**, is hereby revised by replacing "two hundred fifty thousand (250,000)" with "300,000."
2. In **Section 9(b), Fee Schedule**, the **Annual License Fee** is hereby revised by replacing "\$107,500" with "\$114,000."
3. In **Section 9(b), Fee Schedule**, the **PMPY Fee** is hereby revised by replacing "\$0.43" with "\$0.38."

Except as provided herein or modified hereby, all terms, covenants and conditions of the Agreement remain unchanged. To the extent any provision in this Amendment conflicts with any similar provision in the Agreement, the terms set forth on this Amendment shall control. This Amendment may be executed in counterparts, each of which shall be deemed to be an original instrument, and all such counterparts shall together constitute the same document.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized representatives.

Kern Health Systems

By: 
 Name: Douglas A. Hayward
 Title: Chief Executive Officer
 Date: 4/5/17

Verscend Technologies, Inc.

By: 
 Name: David Mason
 Title: COO
 Date: 4/24/2017

DocuSign Envelope ID: 858411BE-0621-4D14-965E-1DFB356F10DD

STATEMENT OF WORK FOR CLIENT HOSTED VERSCEND QUALITY INTELLIGENCE SOFTWARE

1. General

- (a) *Controlling Agreement.* This Statement of Work (SOW), by and between Verscend Technologies, Inc. f/k/a Verisk Health, Inc. ("Verscend"), and Kern Health Systems ("Client") is incorporated into the Master Services Agreement by and between the same dated 9/16/12 and the Business Associates Agreement between the Parties, collectively the "Agreement"), as of the last dated signature below ("SOW Effective Date"). Unless explicitly amended by a term in this Statement of Work, the terms and conditions of the Agreement remain in force. If there is any discrepancy or ambiguity in interpretation such that a term of this SOW potentially conflicts with a term of the Agreement, the Parties agree that the term of this SOW takes precedence.
- (b) *Effect of Termination of the Terms of this SOW.* If this SOW represents the only SOW in effect between Verscend and Client, termination under the terms of this SOW will be treated as a termination of the Master Agreement as described in the Term and Termination Section. In all other cases, termination under the terms of this SOW will be a termination of the obligations of the Parties as described in this SOW only.
- (c) *Term.* The Term of this SOW will commence as of the SOW Effective Date and remain in effect for thirty six (36) months. Thereafter, the Term of this SOW will be automatically extended for successive renewal periods of one (1) year at a time, provided that either Party may terminate this SOW as of the end of the initial or any renewal period by written notice to the other Party given not later than sixty (60) days prior to the end of the initial or relevant renewal period. Verscend reserves the right, not later than ninety (90) days prior to the end of the initial or relevant renewal period, to make revisions to pricing described in this SOW, without revision to any other section or appendix of this Agreement.

2. Scope of License.

- (a) *Licensed Program Description.* Quality Intelligence (Licensed Program or Software) is a suite of software modules, which provide for the calculation and analysis of Healthcare Effectiveness Data and Information Set (HEDIS[®]) measures. HEDIS is developed and maintained by the National Committee for Quality Assurance (NCQA), a not-for-profit organization committed to assessing, reporting on and improving the quality of care provided by organized delivery systems.

Quality Intelligence consists of: (i) Quality Engine ("Quality Engine"), which calculates HEDIS administrative rates and is 100% certified by the NCQA HEDIS Software CertificationSM program, a systematic sampling module that is also 100% certified under the NCQA Software Certification program, a medical record chase module, which identifies health care providers which are likely to possess the medical records needed for the HEDIS hybrid methodology chart review process, a patient level detail (PLD) file generator used for submission of Medicare data to NCQA, and other utilities for extraction of demonstration data, NCQA IDSS submission file creation, and administrative updates to sample data; (ii) Quality Reporter ("Quality Reporter"), which provides HEDIS reports, detailed data drills for analysis, audit, comparative studies, intervention support, medical record review, and other data analysis features.

HEDIS[®] is a registered trademark and HEDIS Software CertificationSM is a service mark of the National Committee for Quality Assurance (NCQA).

- (b) *California Pay for Performance (P4P).* Integrated Healthcare Association California Value Based Pay-for-Performance Program measure set. The California Pay for Performance (P4P) program is the largest nongovernmental physician incentive program in the United States and measures are certified through NCQA on an annual basis. This measure set includes the required administrative measures, both for Commercial and Medicare populations, for either a MCO (Managed Care) or a PO (Provider

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Organization) submission for the health plan. Measure set includes annual testing measures. Included with the measure coding is the measure listed in Quality Engine to run and a measure summary report, measure detail and extract as needed for submission.

- (c) **2017 Medi-Cal Measures.** Deliverables for the California Medi-Cal Plan State Defined Requirements include the following:
- (i) Client will gain access to run in Quality Engine as part of the HEDIS PCR (Plan All-Cause Readmission) measure, and access to the state defined All Cause Readmission measure (ACR) on any Medicaid population through Quality Reporter Project Tree.
 - (ii) Client will receive ability to create extracts in Quality Engine via TFP for three separate reports for each requested population:
 - A. Patient Level Detail (PLD) data extracts for the state defined All Cause Readmission measure (ACR)
 - B. Patient Level Detail (PLD) data extracts for the HEDIS Ambulatory Care Measure (AMB)
 - C. California Medi-Cal specific member demographic extract; Client is required to load additional data for related population in advance in order to perform this function.
 - (iii) Support for the annual auditor review of the ACR measure source code – this is a Verscend-hosted WebEx session that allows auditor to review source code and ask questions.
 - (iv) The License for the Medi-Cal measures is limited to the 2017 Medi-Cal specifications only. Client will need to renew the license for the 2018 measures and each year thereafter, which will be subject additional fees, these fees will not exceed \$5,000 per year.
- (d) **Grant Terms.** Subject to and conditioned upon Client's continued compliance with all the terms and conditions of this License, Verscend hereby grants to Client a U.S., personal, nonexclusive, nontransferable license to use the Licensed Program during the Term of this SOW at Client's offices noted in the Master Agreement solely in conjunction with the Services and solely for Client's internal business purposes. Client shall have the right to make one (1) copy of the Licensed Program for archival purposes.
- (e) **Limitations.** Client shall not reverse engineer, reverse assemble, decompile, create derivative works, modify, or otherwise attempt to derive the source code of the Licensed Program or, except as expressly set forth in this Agreement, copy, modify, or create derivative works of the Licensed Program..
- (f) **Ownership.** The Licensed Program is licensed, not sold hereunder. Verscend retains all right, title and interest in and to the Licensed Program.
- (g) **NCQA Certification.** Verscend represents and warrants that it has obtained, and will maintain during the term of this SOW National committee for Quality Assurance ("NCQA") certification.
- (h) **Third Party Intellectual Property Notices.**
- (i) **AMA Sublicense.** CPT (current procedural terminology) Codes, CPT descriptions, and CPT material only are copyright American Medical Association ("AMA"). All Rights Reserved. No fee schedules, basic units, relative values or related listings are included in CPT. AMA does not directly or indirectly practice medicine or dispense medical services. AMA assumes no liability for data contained or not contained in the Licensed Program provided. CPT is a trademark of the American Medical Association. Future updates to CPT are contingent upon Verscend continuing its contractual relationship with the AMA.
 - (ii) **U.S. Government Rights.** The Licensed Program include CPT which is commercial technical data and/or computer data bases and/or commercial computer software and/or commercial computer software documentation, as applicable, which were developed exclusively at private expense by the American Medical Association, 515 North State Street, Chicago, Illinois, 60610. U.S. Government rights to use, modify, reproduce, release, perform, display, or disclose their

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technical data or and/or computer data bases and/or computer software and/or computer software documentation are subject to the limited rights restrictions of DFARS 252.227-7015(b)(2) (June 1995) and/or subject to the restriction of DFARS 227.7202-1(a) (June 1995) and DFARS 227.7202-3(a) (June 1995), as applicable for the U.S. Department of Defense procurements and the limited rights provisions of FAR 52.227-14 (June 1987) and FAR 52.227-19 (June 1987), as applicable, and any applicable agency FAR Supplements, for non Department of Defense Federal procurements.

3. Input Data

The Verscend data input specifications ("Input Specifications") are published on Verscend's client portal ("Web Portal"), all Client data must confirm to the Input Specifications to be processed in the Licensed Program. Verscend will provide an initial 90-minute phone meeting to review the Input Specifications and answer questions. Further, a Verscend Data Analyst will be designated to answer questions and provide feedback to Client technical personnel on an on-going basis as needed in order to understand and interpret the Input Specifications at no charge subject to the Support limitations set forth below.

4. Audit of Input Data

Verscend will provide a data audit application (the "Data Audit Tool") that can be used to identify problems and inconsistencies with input data. During the one-day installation at Client's site, Verscend will train the technical personnel designated by Client on the use of the Data Audit Tool.

Further, once Client begins submitting data to Quality Engine, Verscend will designate a Verscend Data Analyst to answer questions and provide feedback to Client technical personnel as needed in order to resolve discrepancies in HEDIS output results. If it is determined that the Data Audit Tool failed to identify erroneous input data for the Quality Engine, then the Verscend consulting services necessary to correct the problem will be provided at no charge. If it is determined that the Data Audit Tool clearly identified erroneous input data for the Quality Engine, which was ignored and subsequently used as input to the Quality Engine, Verscend will charge its standard rate for such services to correct the problem (\$200/hour).

5. Roles & Responsibilities

- (a) Client will provide his or her own server for use by the Licensed Program.
- (b) The server may be shared by other software applications, but Verscend is not responsible for the impact of such software on the performance of the Licensed Program.
- (c) Client will provide his or her own operating system (Microsoft Windows), and database management system software (Microsoft SQL Server) for use by the Licensed Program.
- (d) Client will provide SQL Server SYSADMIN Server Role and dbo access for the Quality Engine within the Licensed Program to utilize for the creation of the HEDIS datamart and measure calculations.
- (e) Client will provide access to facilities and equipment as needed by Verscend personnel.
- (f) Client will provide adequate software security credentials as needed by Verscend personnel for the purposes of installing and operating Verscend software.
- (g) *Installation.* The Verscend software installation by Verscend personnel is a one-day, on-site engagement. Verscend will send up to two (2) Verscend staff members for the purposes of the installation.

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- (h) **Project Planning.** Each party shall designate in writing one person ("Project Manager") who will be the contact person for all implementation issues associated with the performance of this Statement of Work. Each party may substitute or replace its Project Manager at any time upon providing written notice to the other party. Each party shall make its Project Manager available for planning sessions, status meetings, telephone consultation, and otherwise as reasonably required to facilitate the implementation of this Statement of Work.
- (i) **HEDIS® Reporting.** Verscend shall be responsible for activities as follows:
 - (I) Maintain certification for its HEDIS® software for all certifiable measures.
 - (II) Provide services as required under this SOW during normal business hours.
- (j) **Failure to Procure Data.** In no event, excepting cases of true impossibility, shall Client's failure to procure data to run through the Quality Engine constitute a "frustration of the venture" or otherwise discharge Client's obligation to pay the annual fee.
- (k) **Internet and Remote Access**
 - (i) Client agrees to provide remote access to its systems, as needed, in order for Verscend to fulfill obligations as defined herein.
 - (ii) Client agrees to provide Internet access for the Licensed Program for the purposes of product support and license verification

6. Deliverables and Schedule

Item	Deliverable description	Assigned to	Completion Date
1	Kickoff meeting, Web Portal Set up, Software downloads provided	Verscend	SOW execution plus 7 days
2	Client Questionnaire completed	Client	SOW execution plus 7 days
3	Input File Walkthrough	Verscend	SOW execution plus 14 days
	Train Quality Reporter via webinar - Viewing	Verscend	SOW execution plus 14 days
4	Define Custom Input (if applicable)	NA	NA – client will use standard format
5	Test Admin Data prepared	Client	SOW execution plus 21 days
6	Translate Custom Input (if applicable)	NA	NA
7	Install and Train Quality Engine in Person	Verscend	SOW execution plus 28 days

(a) Change Management

Deliverable completion dates cannot be changed except via this change control process. If a deliverable date is to change, a Service Change Request shall be submitted to Client's Project Manager for review and consideration. The request should indicate why the change is necessary and what it will cost, as well as the impact on the planned activity dates. Should the Client Project Manager believe the change should be approved, it must be reviewed and approved by Client. Once

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approved, the Project Manager must submit the change via appropriate standard Client request documentation to the Client approval process for additional funding; if additional funding is approved, the project plan will be changed and the purchase order altered to reflect the increased cost.

7. Training

- (a) *Including Training.* Verscend shall provide the following training in the first year of this SOW:
 - i. Remote Installation and basic Quality Engine training via 2 hour webinar
 - ii. In-person Quality Engine training - 2 days

- (b) *Additional Training.* Onsite training will be billed at the rate of \$3,000 per day plus reasonable travel and expenses.

8. Standard Support

- (a) *Included Standard Support.* Verscend will provide support for work specified in this SOW for up to 5 hours per month. For Standard Support in excess of 5 hours per month, or for items which are Application Consulting Services, or any other deliverable, Service, or custom work not specified in this SOW, Client will be charged at the rate set for the in the Pricing Table below. The following types of services are examples of Application Consulting Services and not included in Standard Support: Advanced Measure Logic Development, Data Translation, Custom Report Generation, Template Customization, Run Re-Work.

- (b) *Client Acknowledgement.* Client understands and acknowledges that the Client hosted model of this software requires Client to allocate specific sophisticated internal resources to utilize the Software for its intended purpose. Client has been informed of this requirement, and acknowledges it was offered a different service model whereby additional services would be provided by Verscend and Client has chosen to instead choose this model of delivery and load and run the software.

- (c) *Support Terms.* Verscend's Standard support hours are 8:00am – 5:00pm Central Time, Monday through Friday. For support outside Standard support hours, specific arrangements for after-hours support must be made by Client with Verscend a minimum of forty-eight (48) hours in advance of the support being conducted. Verscend will inform Client in advance when a specific request for service requires support outside of the standard support hours.

9. Fees & Billing. Client agrees to pay fees, as set forth in the schedule below, as full payment for the services described in this:

- (a) *Member Count.* The Annual License Fee includes the loading of data for a Member Count of up to two hundred fifty thousand (250,000) unique individuals into the Licensed Program. For each unique individual above the Member Count Verscend shall charge Client a Per Member Per Year "PMPY" fee as stated below.

(b) Fee Schedule

Description	Installed (Stand Alone)
Implementation Fee (one-time fee)	\$0
Annual License Fee	\$107,500
PMPY Fee	\$0.43
California Pay for Performance (P4P) Annual Fee	\$15,000
2017 Medi-Cal ACR One Time Annual Fee	\$1,800
Products and Services	Installed (Stand Alone)
Quality Engine software	Included – Installed
Quality Reporter Software*	Included – Installed

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Verscend Web Portal (Account Management Tool)	Included
Portable Quality Reporter & Synch for remote chart reading	Included – Unlimited
Initial Quality Engine and Quality Reporter Training	Included – In Person
User Licenses	Unlimited
HEDIS runs - client performs runs	Unlimited
Application Hosting Services	Not Included
Datamart Hosting Services	Not Included
Additional Standard Support above 5 hours per month	\$200.00 per hour
Licensed Program Consulting Services	\$300.00 per hour
On-site training	\$3,000/day + travel expenses

(c) Onsite Services. Client will be billed for reasonable travel, lodging, and out-of-pocket expenses for all on site work.

(d) Billing.

(i) *Annual License Fee.* The Annual License Fee for the first year of the license shall be invoiced on the SOW Effective Date. The Annual Base License Fee in each subsequent year shall be invoiced on the anniversary of the SOW Effective Date

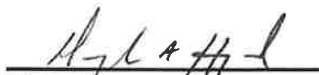
(ii) *PMPY Fee.* The PMPY Fee, if applicable shall be invoiced in July of each year.

(iii) *As-Requested Services.* Rates for As-Requested Services will be billed in the month following the provision of the Services.



(e) *Annual Licensed Program Price Escalation.* The Annual License Fee will increase by 3% for each year following year one of the contract.

Both parties agree to the forgoing Statement of Work by their respective signatures below:

Client

Signature: 
 Print Name: Douglas A. Maynard
 Title: CEO
 Date: 9/8/16

Verscend Technologies, Inc.

DocuSigned by:

 Signature: 
 Print Name: Jordan Bazinsky
 Title: COO
 Date: 9/8/2016



To: KHS Board of Directors

From: Richard M. Pruitt, Chief Information Officer

Date: June 13, 2019

Re: New Building Dedicated Data Circuit

Background

Kern Health Systems is planning to relocate its new facility on Buck Owens Blvd. this summer. The relocation of staff and equipment to new facilities will require various purchases to support the company operations.

Discussion

At the August 2018 Board of Directors meeting, the Board approved the purchase of Rubrik, a cloud based data backup and recovery system. In order to migrate the existing Rubrik backup system to the new building, KHS will need to procure a data circuit from a vendor who can support the new building, so the backup will continue with the Microsoft Azure cloud.

Financial Impact

Not to exceed \$114,300 over the period of three years in operating expenses.

Requested Action

The KHS Finance Committee has reviewed and recommends that the KHS Board of Directors approve and authorize the Chief Executive Officer to sign the agreement.



New Building Dedicated Data Circuit for Data Backup and Recovery System

June 13, 2019
Richard M. Pruitt

Agenda

- Background
- Procurement Process
- Management Recommendation
- Board Request

Background

Kern Health Systems is planning to relocate its new facility on Buck Owens Blvd. this summer. The relocation of staff and equipment to new facilities will require various purchases to support the company operations.

At the August 2018 Board of Directors meeting, the Board approved the purchase of Rubrik, a cloud based data backup and recovery system. In order to migrate the existing Rubrik backup system to the new building, KHS will need to procure a data circuit from a vendor who can support the new building, so the backup will continue to the Microsoft Azure cloud.

Procurement Process

- Planned Expense Allocated in the 2019 Budget
- Reviewed Existing Data Circuit Utilization
- Defined requirements for New Data Circuit
- Engaged Telecom Broker to Solicit Seven (7) Vendors
- Reviewed Broker Results and Telecom Vendors
- Analyzed Vendor Qualifications and Costs
- Obtained Contracts Committee Approval
- Created Board of Directors Recommendation

Vendor Recommendation

Recommendation: Vendor 6; Spectrum; lowest cost for fastest delivery speed.

VENDOR	SPEED	MONTHLY	3 YEAR
1	3 Gbps.	\$ 8,413	\$ 302,868
2	3 Gbps.	\$ 12,500	\$ 450,000
3	2 Gbps.	\$ 8,728	\$ 314,208
4	3 Gbps.	\$ 14,589	\$ 525,204
5	3 Gbps.	\$ 7,686	\$ 276,696
6	5 Gbps.	\$ 3,175	\$ 114,300
7	2 Gbps.	\$ 2,800	\$ 100,800

Services Provided: Dedicated Data Circuit at specified speed between Buck Owen and Microsoft Azure Cloud.

Board Request

- Authorize the CEO to approve contracts associated to new building data circuit and associated construction cost, with Spectrum, to the Microsoft Azure cloud in the amount not to exceed **\$114,300** in budgeted operating expenses over the next three (3) years.

Questions

Please contact:

Richard M. Pruitt

661-664-5078

richard.pruitt@khs-net.com

Proposed administrative contract over \$100,000, June 13, 2019.

1. Operational Agreement with Spectrum Enterprise

a. Recommended Action

Approve; Authorize Chief Executive Officer to Sign

b. Contact

Richard Pruitt; Chief Information Officer

c. Background

At the August 2018 Board of Directors meeting, the Board approved the purchase of Rubrik, a cloud based data backup and recovery system. In order to migrate the existing Rubrik backup system to the new building, KHS will need to procure a data circuit from a vendor who can support the new building, so the backup will continue to the Microsoft Azure cloud.

d. Discussion

Authorize the CEO to approve contracts associated to new building data circuit and associated construction cost, with Spectrum, to the Microsoft Azure cloud in the amount not to exceed \$114,300 in budgeted operating expenses over the next three (3) years.

e. Fiscal Impact

Not to exceed \$114,300 for three (3) years.

f. Risk Assessment

If KHS does not purchase a dedicated circuit to the Microsoft Azure Cloud it will not be able to migrate its data backup and recovery system to the new building.

g. Attachments

An Agreement at a Glance form is attached.

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

This contract is pending Legal review.



KERN HEALTH SYSTEMS

- Contract
- Purchase

AGREEMENT AT A GLANCE

Department Name: IT Department Head: Richard M. Pruitt

Contract Vendor: Spectrum

Vendor contact Name & e-mail: Elizabeth Martin, Elizabeth.martin@charter.com

What services will this vendor provide to KHS? Spectrum will provide KHS with 5Gbps ELAN/Cloud Connect Azure for the new building location, 2900 Buck Owens Boulevard, for a three (3) year term.

Description of Contract

Type of Agreement: Professional Services Background: In 2018, KHS embarked on a building a new facility, located at 2900 Buck Owens Boulevard, to accommodate the current and future growth of the business, and will leverage Spectrum Internet services for the Azure connection.

Establish a new agreement

Previous Agreement No. _____ or Amendment No. _____

Amendment

Date Agreement Began _____

Continuation of an Existing Contract

Brief Explanation Spectrum will provide KHS with 5Gbps ELAN/Cloud Connect Azure for the new building location, 2900 Buck Owens Boulevard, for a three (3) year term.

Replacement

Addendum

Retroactive Agreement

Reason for delay in approval: _____

Retroactive Date _____

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

Brief vendor selection justification: Spectrum was selected due to the lowest bidder.

Sole source – no competitive process can be performed.

Brief reason for sole source: _____

Conflict of Interest Form is required for this Contract

HIPAA Business Associate Agreement is required for this Contract

Fiscal Impact

KHS Governing Board previously approved this expense in KHS' FY 2019 Administrative Budget NO YES

Budgeted Cost Center 225 GL# 5547

Will this require additional funds? NO YES

Form updated 11/28/16

Maximum cost of this agreement not to exceed: \$114,300.00 per three years

Notes:

Contract Terms and Conditions

Effective date: 6/13/19

Termination date: 6/12/22

Explain extension provisions, termination conditions and required notice: _____

Approvals

Contract Owner:

[Signature]
Department Head

5/30/19
Date

Purchasing:

[Signature]
Director of Procurement and Facilities

5/30/19
Date

Reviewed as to Budget:

[Signature]
Chief Financial Officer or Controller

5/30/19
Date

Recommended by the Executive Committee:

[Signature]
Chief Operating Officer

5/30/19
Date

Compliance Review:

Director of Compliance and Regulatory Affairs

Date

Legal Review:

Legal Counsel

Date

Chief Executive Officer Approval:

[Signature]
Chief Executive Officer

5/31/19
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



Spectrum Enterprise Service Agreement

The customer identified below ("Customer") hereby acknowledges and agrees to the Commercial Terms of Service available at <https://enterprise.spectrum.com> ("Terms of Service"), which are incorporated herein by this reference, with respect to any service order(s) placed by Customer and accepted by Spectrum hereafter (each, a "Service Order"), which together with this agreement constitute the "Service Agreement" by and between the Customer and Charter Communications Operating, LLC on behalf of those operating subsidiaries providing the service(s) hereunder ("Spectrum").

Spectrum Contact Information	
Spectrum Enterprise 12405 Powerscourt Drive St. Louis, MO 63131	Contact: Elizabeth Martin Telephone: 210-852-0882 Email: elizabeth.martin@charter.com

Customer Information				
Customer Name (Exact Legal Name): Kern Health Systems				
Street Address: 2900 Buck Owens Blvd.	Suite:	City: Bakersfield	State: CA	Zip Code: 93308
Customer's Main Tel No.: 661-664-5000		Fax No.:		
Customer Contact Name: Richard Pruitt	Tel No.: 661-617-2535	E-mail: richard.pruitt@khs-net.com		
Billing Address: 9700 Stockdale Hwy	Suite:	City: Bakersfield	State: CA	Zip Code: 93309
Billing Contact Name: Mathea Perkins	Tel No.: 661-664-5176	E-mail: mathea.perkins@khs-net.com		

BY EXECUTING THIS SERVICE AGREEMENT BELOW, CUSTOMER ACKNOWLEDGES THAT: (1) CUSTOMER ACCEPTS AND AGREES TO BE BOUND BY THE TERMS OF SERVICE, INCLUDING THE ARBITRATION SECTION THEREOF, WHICH PROVIDES THAT THE PARTIES DESIRE TO RESOLVE ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THE SERVICE AGREEMENT THROUGH ARBITRATION; AND (2) BY AGREEING TO ARBITRATION, CUSTOMER IS GIVING UP VARIOUS RIGHTS, INCLUDING THE RIGHT TO TRIAL BY JURY.

Customer:	Charter Communications Operating, LLC
By:	By: Charter Communications, Inc. its Manager
Name (printed):	Name (printed):
Title:	Title:
Date:	Date:



SERVICE ORDER

THIS SERVICE ORDER ("Service Order"), is executed and effective upon the date of the signature set forth in the signature block below ("Effective Date") and is by and between Charter Communications Operating, LLC on behalf of those operating subsidiaries providing the Service(s) hereunder ("Spectrum") and Customer (as shown below) and is governed by and subject to the Spectrum Enterprise Commercial Terms of Service posted to the Spectrum Enterprise website, <https://enterprise.spectrum.com/> (or successor url) or, if applicable, an existing services agreement mutually executed by the parties (each, as appropriate, a "Service Agreement"). Except as specifically modified herein, all other terms and conditions of the Service Agreement shall remain unamended and in full force and effect.

SPECTRUM CONTACT INFORMATION	
Spectrum Enterprise 12405 Powerscourt Drive St. Louis, MO 63131	Contact: Elizabeth Martin Telephone: 210-852-0882 Email: elizabeth.martin@charter.com

Fiber Internet Access

SUMMARY OF FIBER INTERNET ACCESS SERVICES											
Service Location Address	City	State	Zip	Service Ordered	Order Term		Quantity	Monthly Recurring Charges (MRC)	Install One-Time Charges (OTC)		
TOTAL								\$	-	\$	-

Ethernet Service

SUMMARY OF ETHERNET SERVICES - EPL										
Location Description	Bandwidth (Mbps)	Location Address	City	State	Zip	Order term	Monthly Recurring Charges	Install OTC		
A - LOCATION										
Z- LOCATION										
TOTAL							\$	-	\$	-

SUMMARY OF ETHERNET SERVICES - EVPL										
Location Description	Bandwidth (Mbps)	Location Address	City	State	Zip	Order Term	Monthly Recurring Charges	Install OTC		
AGGREGATION SITE										
REMOTE CIRCUIT SITE										
REMOTE CIRCUIT SITE										
REMOTE CIRCUIT SITE										
REMOTE CIRCUIT SITE										
TOTAL							\$	-	\$	-

SUMMARY OF ETHERNET SERVICES - EPLAN							
Speed	Metro/Regional OR National	Order Term		Monthly Recurring Charges	Install OTC		
5Gbps ELAN	2900 Buck Owens Blvd, Bakersfield, CA 93308	36 months		\$1,875.00	\$ -		
Cloud Connect Azure	11 Great Oaks, San Jose, CA 95119	36 months		\$1,600	\$250		
5Gbps ELAN	11 Great Oaks, San Jose, CA 95119	36 months		\$ -	\$ -		
TOTAL				\$	3,175.00	\$	250.00

Voice Service

SUMMARY OF VOICE SERVICES

SERVICE LOCATION									
Location Address	City	State	Zip	Service Ordered	Order Term	Quantity	Monthly Recurring Charges	Install OTC	
TOTAL							\$	-	\$ -

Additional Information for Business Phone

Telephone Number(s) / PRI Group Lead TN ¹	Service Location Street Address	Service Location City, State ZIP	E-911 Location (Floor/Suite) (if applicable)	Directory Listings? (Y/N)	Additional or Foreign Listing? (Y/N) ²
«PHONE_NUMBER»			«Floor_Suite»		

¹ For Trunks (PRI/SIP) list the lead number of the trunk group and the associated E-911 Address.
² Additional and Foreign Listing charges apply/ Detail directory information to be collected at a later time by the Telephony Specialist.

Additional Information for Business Toll Free

Toll Free Number(s)	Primary Ring to Number	Additional Ring To Numbers? (Y/N)**	National Directory Listings? (Y/N)
«PHONE_NUMBER»			

**Additional charges apply/ Additional ring to numbers and other routing information will be collected at a later time by the Telephony Specialist.

COAX DATA/VIDEO SERVICES

SUMMARY OF BUSINESS INTERNET ACCESS									
SERVICE LOCATION									
Street Address	City	State	Zip	Service Ordered	Order Term	Quantity	Monthly Recurring Charges	Install One-Time Charges ("OTC")	
TOTAL							\$	-	\$ -

SUMMARY OF SPECTRUM BUSINESS TV & ENTERPRISE TV SERVICES									
SERVICE LOCATION									
Street Address	City	State	Zip	Service Ordered	Order Term	Quantity	Monthly Recurring Charges	Install One-Time Charges	
TOTAL							\$	-	\$ -

Additional Services

Please use this section for any services not listed above.									
Service Location Address	City	State	Zip	Service Ordered	Order Term	Qty	Monthly Recurring Charges	Install OTC	
TOTAL							\$	-	\$ -

1. TOTAL FEES. Total Monthly Recurring Charges	\$	3,175.00
Total One Time Charges	\$	250.00

Charges are due in accordance with monthly invoice

- TAXES.** Prices for Services do not include taxes, surcharges, or other fees.
- NO UNTRUE STATEMENTS.** Customer represents and warrants to Spectrum that neither this Service Order, nor any other information, including without limitation, any schedules or drawings furnished to Spectrum contains any untrue or incorrect statement of material fact or omits or fails to state a material fact.

4. **SPECIAL TERMS**
(If Applicable)

Prices are not final until Site Survey and internal review are completed. Standard usage rates apply unless a Usage package is specifically selected.

The Parties have caused their duly authorized representatives to execute this Service Order.

Charter Communications Operating, LLC
By: Charter Communications, Inc., its Manager

CUSTOMER **Kern Health Systems**

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____



Service Delivery Questionnaire

Dedicated Ethernet Access Services (Fiber & Ethernet over DOCSIS)		
Customer / Company NAME <input style="width: 90%;" type="text" value="Kern Health Systems"/>		
Check Service Ordered Below:		
<input type="checkbox"/> FIA <input type="checkbox"/> EPL (pt-2-pt) <input type="checkbox"/> EVPL (pt-2-mpt) <input type="checkbox"/> E-LAN (mpt-2-mpt) <input type="checkbox"/> PRI ISDN Service <input type="checkbox"/> EoDOCSIS		
Configuration <input type="checkbox"/> Require /30 IP To Be Assigned to WAN Interface of Customer Router		
# of IP Addresses Requested		
<input type="checkbox"/> /30=1 <input type="checkbox"/> 29=5 <input type="checkbox"/> /28=13 <input type="checkbox"/> /27=29 <input type="checkbox"/> /26=61 <input type="checkbox"/> /25=125 <input type="checkbox"/> /24=253 <input type="checkbox"/> Other <input style="width: 50px;" type="text"/>		
Note: If BGP Required Check Box <input type="checkbox"/> If BGP is Checked Form Attached? <input type="checkbox"/>		
PRI ISDN Service Configuration & Equipment Information		
Phone Vendor Name: <input style="width: 90%;" type="text"/>		
Tel: <input style="width: 90%;" type="text"/>		
E-mail: <input style="width: 90%;" type="text"/>		
PRI ISDN Configuration		
Switch Type / CO Emulation		
<input type="checkbox"/> NI2 <input type="checkbox"/> SESS <input type="checkbox"/> DMS100		
<input type="checkbox"/> Other <input style="width: 100px;" type="text"/>		
PBX/Phone System Model <input style="width: 90%;" type="text"/>		
Software Version <input style="width: 90%;" type="text"/>		
Verify Channels Required:		
<input type="checkbox"/> 23 <input type="checkbox"/> 16 <input type="checkbox"/> 12 <input type="checkbox"/> 8		
# of Digits Sent by Carrier:		
<input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 7 <input type="checkbox"/> 10		
Clock Source:		
<input type="checkbox"/> Voice Gateway/Switch Footage from PBX to Spectrum NID: <input type="checkbox"/>		
<input type="checkbox"/> PBX? # Spare PRI Ports <input type="text"/>		
Spectrum Equipment Mounting:		
<input type="checkbox"/> Rackmount <input type="checkbox"/> Wallmount		
Existing Number of PRIs? <input type="text"/>		
Recommended Type of Cut-Over:		
<input type="checkbox"/> Hot Cut <input type="checkbox"/> Migration <input type="checkbox"/> New <input type="checkbox"/> None		
Backup Power Source:		
<input type="checkbox"/> UPS <input type="checkbox"/> Generator <input type="checkbox"/> None		
Primary Site Address	CPE UNI Handoff Type	
<input style="width: 95%;" type="text" value="2900 Buck Owens Blvd. Bakersfield, CA, 93308"/>		
<i>*If Optical Handoff, default connector is LC unless Identified</i>		
<input type="checkbox"/> Copper <input type="checkbox"/> Optical MMF		
<input type="checkbox"/> Optical SMF		
Customer Site Demarcation Information		
Wall Mounting		
<input type="checkbox"/> Drywall <input type="checkbox"/> Plywood Dedicated Power? AC DC Rack Space? Yes No Backup Power? Yes No		
Building Contact Info		
Phone Vendor Name: <input style="width: 90%;" type="text" value="Teresa Waller"/>		
Tel: <input style="width: 90%;" type="text" value="661-455-6999"/>		
E-mail: <input style="width: 90%;" type="text" value="teresa@blueskytb.com"/>		
Technical Contact (Main or Site Based)		
Building Contact Name: <input style="width: 90%;" type="text"/>		
Tel: <input style="width: 90%;" type="text"/>		
E-mail: <input style="width: 90%;" type="text"/>		
Demarc Information: <input style="width: 90%;" type="text"/>		
Z Location Address (If Applicable)	CPE UNI Handoff Type	
<input style="width: 95%;" type="text"/>		
<i>*If Optical Handoff, default connector is LC unless Identified</i>		
<input type="checkbox"/> Copper <input type="checkbox"/> Optical MMF		
<input type="checkbox"/> Optical SMF		
Customer Site Demarcation Information		
Wall Mounting		
<input type="checkbox"/> Drywall <input type="checkbox"/> Plywood Dedicated Power? AC DC Rack Space? Yes No Backup Power? Yes No		
Building Contact Info		
Phone Vendor Name: <input style="width: 90%;" type="text"/>		
Tel: <input style="width: 90%;" type="text"/>		
E-mail: <input style="width: 90%;" type="text"/>		
Technical Contact (Main or Site Based)		
Technical Contact Name: <input style="width: 90%;" type="text"/>		
Tel: <input style="width: 90%;" type="text"/>		
E-mail: <input style="width: 90%;" type="text"/>		
Demarc Information: <input style="width: 90%;" type="text"/>		



Ethernet Intrastate-Only Traffic Certification

Customer Name (Legal Entity):	Kern Health Systems
Billing Address:	9700 Stockdale Hwy
	Bakersfield
	CA
	93309

Spectrum, which includes Charter Communications Operating, LLC and its subsidiaries providing the Services, ("Spectrum") presumes that at least 10% of the traffic carried on the WAN/Ethernet services that we provide to you over any circuit will be interstate in nature, and that each such circuit therefore may be treated as jurisdictionally interstate in its entirety. If you expect that **10% or less** of the traffic to be carried over any circuit will be **interstate** in nature, please complete the certification form below to identify the relevant circuit(s) and specify the expected jurisdictional allocation of your traffic associated with such circuit(s). Please note that all Internet-related traffic is presumptively interstate. Also, please note that **you must refresh this certification annually and whenever there is a material change in the actual or expected jurisdictional nature of your traffic.** In the event that you fail to refresh this certification in accordance with procedures specified by Spectrum, Spectrum reserves the right to again presume that at least 10% of the traffic carried over each circuit is interstate in nature and calculate the fees and taxes applicable to that usage accordingly.

CERTIFICATION

I certify that the traffic carried by Spectrum in its provision of Ethernet services on the circuits **listed on the attached Service Order** is jurisdictionally intrastate and **will contain no more than 10% interstate traffic.**

(Authorized Customer Signature)	(Date Signed)
(Printed Name)	(Title)

Authorized Customer Contact Information:

Phone:	Email:
--------	--------



2900 Bucks Owens Blvd / Connectivity to Azure

Supplier		Product / Bandwidth	Monthly Recurring Chrges	One Time Install Charges	Term
	2900 Buck Owens Blvd Bakersfield CA 93308	3Gbps eLynk EVC	\$8,413.41	\$0.00	36 Months
	11 Great Oaks Blvd San Jose CA 95113	3Gbps eLynk EVC			
	2900 Buck Owens Blvd Bakersfield CA 93308	3Gbps AVPN to Private Cloud	\$12,500.00	\$0.00	42 Months
	11 Great Oaks Blvd San Jose CA 95113	3Gbps NetBond to Azure			
	2900 Buck Owens Blvd Bakersfield CA 93308	2Gbps MPLS Circuit	\$ 8,727.80	\$0.00	36 Months
	11 Great Oaks Blvd San Jose CA 95113	2Gbps MPLS (X2) to Azure			
	2900 Buck Owens Blvd Bakersfield CA 93308	3Gbps LAN PHY Wave on 10G Leased AT&T Fiber	\$ 14,589.00	\$1,000.00	36 Months
	11 Great Oaks Blvd San Jose CA 95113	3Gbps LAN PHY Wave on 10G LAN			
	2900 Buck Owens Blvd Bakersfield CA 93308	3Gbps Multi-Cloud Connect 10Gbps P2P Leased Fiber	\$ 7,686.25	\$0.00	36 Months
	900 N Alameda St Los Angels CA 90086	10Gbps MegaPort connections to Aure San Jose			
	2900 Buck Owens Blvd Bakersfield CA 93308	5Gbps Cloud Connect Circuit	\$ 3,175.00	\$250.00	36 Months
	11 Great Oaks Blvd San Jose CA 95113	5Gbps Cloud Connect Circuit (X2) to Azure			
	2900 Buck Owens Blvd Bakersfield CA 93308	2Gbps Cloud Connect Circuit	\$ 2,800.00	\$500.00	36 Months
	11 Great Oaks Blvd San Jose CA 95113	2Gbps Cloud Connect Circuit (X2) to Azure			

BLUE SKY TECHNOLOGY BROKERS : 4725 Panama Ln D3-154 Bakersfield CA 93313: Phone 661.455.6999



To: KHS Board of Directors

From: Richard M. Pruitt, Chief Information Officer

Date: June 13, 2019

Re: New Building Telecommunication Circuits

Background

Kern Health Systems is planning to relocate its new facility on Buck Owens Blvd. this summer. The relocation of staff and equipment to new facilities will require various purchases to support the company operations.

Discussion

KHS has deployed 439 telephones for typical voice users and call center agents using the Cisco enterprise telephone system. The telephone system requires 200 call paths and Long Distance Services on multiple telecom circuits to receive and place outbound calls for the KHS voice operations. As a result of the move to Buck Owens, KHS will need to procure new telephone circuits to support the telephone system at the new facility.

Financial Impact

Not to exceed \$210,577 over the period of three years in operating expenses.

Requested Action

The KHS Finance Committee has reviewed and recommends that the KHS Board of Directors approve and authorize the Chief Executive Officer to sign the agreement.



New Building Telecommunication Circuits for Voice Operations

June 13, 2019
Richard M. Pruitt

Agenda

- Background
- Procurement Process
- Management Recommendation
- Board Request

Background

Kern Health Systems is planning to relocate its new facility on Buck Owens Blvd. this summer. The relocation of staff and equipment to new facilities will require various purchases to support the company operations.

KHS has deployed 439 telephones for typical voice users and call center agents using the Cisco enterprise telephone system. The telephone system requires 200 call paths and Long Distance Services on multiple telecom circuits to receive and place outbound calls for the KHS voice operations. As a result of the move to Buck Owens, KHS will need to procure new telephone circuits to support the telephone system at the new facility.

Procurement Process

- Planned Expense Allocated in the 2019 Budget
- Reviewed Existing Voice Telecommunication Utilization
- Defined requirements for New Voice Circuits
- Engaged Telecom Broker to Solicit Four (4) Vendors
- Reviewed Broker Results and Telecom Vendors
- Analyzed Vendor Qualifications and Costs
- Obtained Contracts Committee Approval
- Created Board of Directors Recommendation

Management Recommendation

Recommendation: Vendor 3; TPX Communications; lowest cost based on comparable services.

VENDOR	MONTHLY	3 YEAR
1	\$ 6,323	\$ 227,628
2	\$ 6,101	\$ 219,636
3	\$ 5,849	\$ 210,577
4*	\$ 5,121	\$ 184,896

Services Provided: 200 Call Paths; 1200 DID's; 90K Monthly Minutes of Long Distance; 3 Toll Free Numbers; Dedicated Circuits/Enterprise Trunks.

Board Request

- Authorize the CEO to approve contracts associated with the new building for voice telecommunication circuits, associated services, and expected long distance growth, with TPX Communications in the amount not to exceed **\$210,577** in budgeted operating expenses over the next three (3) years.

Questions

Please contact:

Richard M. Pruitt

661-664-5078

richard.pruitt@khs-net.com

Proposed administrative contract over \$100,000, June 13, 2019.

1. Operational Agreement with TPX Communications

a. Recommended Action

Approve; Authorize Chief Executive Officer to Sign

b. Contact

Richard Pruitt; Chief Information Officer

c. Background

KHS has deployed 439 telephones for typical voice users and call center agents using the Cisco enterprise telephone system. The telephone system requires 200 call paths and Long Distance Services on multiple telecom circuits to receive and place outbound calls for the KHS voice operations. As a result of the move to Buck Owens, KHS will need to procure new telephone circuits to support the telephone system at the new facility.

d. Discussion

Authorize the CEO to approve contracts associated with the new building for voice telecommunication circuits, associated services, and expected long distance growth, with TPX Communications in the amount not to exceed **\$210,577** in budgeted operating expenses over the next three (3) years.

e. Fiscal Impact

Not to exceed \$210,577 for three (3) years.

f. Risk Assessment

If KHS does not engage in a contract for voice services operations will not be able to complete inbound and outbound telephone calls.

g. Attachments

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

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

This contract is pending Legal review.



KERN HEALTH SYSTEMS

- Contract
- Purchase

AGREEMENT AT A GLANCE

Department Name: IT Department Head: Richard M. Pruitt

Contract Vendor: TPX Communications

Vendor contact Name & e-mail: Teresa Waller, Blue Sky Technology, TPX

What services will this vendor provide to KHS? TPX will provide KHS with Enterprise Trunking Services (SIP) for the new building, located at 2900 Buck Owens Boulevard, for a three (3) year term.

Description of Contract

Type of Agreement: Other

Background: In 2018, KHS embarked on building a new facility, located at 2900 Buck Owens Blvd, to accommodate the current and future growth of the business, and will leverage TPX to provide 150 call paths (Enterprise Trunking), 1220 DIDs, Long Distance with 3 toll free Plus Usage, and a 20 M Dedicated Circuit for Voice.

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

Previous Agreement No. _____ or Amendment No. _____

Date Agreement Began _____

Brief Explanation TPX will provide KHS with Enterprise Trunking Services (SIP) for the new building, located at 2900 Buck Owens Boulevard, for a three (3) year term.

Retroactive Date _____

Reason for delay in approval: _____

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

Brief vendor selection justification: _____

Sole source – no competitive process can be performed.

Brief reason for sole source: _____

Conflict of Interest Form is required for this Contract

HIPAA Business Associate Agreement is required for this Contract

Fiscal Impact

KHS Governing Board previously approved this expense in KHS' FY 2019 Administrative Budget NO YES

Budgeted Cost Center 225 GL# 5540/5541/5542

Will this require additional funds? NO YES

Maximum cost of this agreement not to exceed: \$210,577.00 for 3 years

Notes:

Contract Terms and Conditions

Effective date: 6/13/19

Termination date: 6/12/22

Explain extension provisions, termination conditions and required notice: _____

Approvals

Contract Owner:

[Signature]
Department Head

5/30/19
Date

Purchasing:

[Signature]
Director of Procurement and Facilities

5/30/19
Date

Reviewed as to Budget:

[Signature]
Chief Financial Officer or Controller

5/30/19
Date

Recommended by the Executive Committee:

[Signature]
Chief Operating Officer

5/30/19
Date

Compliance Review:

Director of Compliance and Regulatory Affairs

Date

Legal Review:

Legal Counsel

Date

Chief Executive Officer Approval:

[Signature]
Chief Executive Officer

5/31/19
Date

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

KHS Board Chairman

Date



To: KHS Board of Directors

From: Robert Landis, CFO

Date: June 13, 2019

Re: February 2019 Financial Results

The February results reflect a \$690,544 Net Increase in Net Position which is a \$1,673,812 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$8.1 million favorable variance primarily due to:
 - A) \$1.6 million favorable variance in Proposition 56 Supplemental Revenue due to an unbudgeted increase in tobacco tax revenue funds being allocated for fiscal year 18/19 to additional CPT procedure codes along with an increase in supplemental allowable payable amounts offset against expenses included in 2A below.
 - B) \$.9 million favorable variance relating to unbudgeted new supplemental revenue relating to Ground Emergency Medical Transportation (GEMT) for fiscal year 18/19 offset against expenses included in 2A below.
 - C) \$5.8 million favorable variance in Rate/Income Adjustments primarily due to retroactive revenue received for the period July 2018 – December 2018 relating to enhanced payments for Ground Emergency Medical Transportation (GEMT) services (\$2.6 million) and additional retroactive revenue received relating to the Expansion membership (\$2.3 million) partially offset against expenses mentioned in 2B below.
- 2) Total Medical Costs reflect a \$7.3 million unfavorable variance primarily due to:
 - A) \$3.0 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 offset against revenue included in 1A above (\$1.8 million). There was also an unfavorable variance in Ambulance and NEMT primarily due to accruing for estimated expenses for supplemental GEMT services (\$1.3 million) offset against revenue included in 1B above.
 - B) \$4.4 million unfavorable variance in IBNR/Incentive/Paid Claim Adjustments primarily due to accruing for estimated expenses relating to unbudgeted supplemental GEMT services payable for dates of service July 2018 – December 2018 mentioned in 1C above (\$2.6 million). There was also additional Expansion Risk Corridor expense relating to the period July 2018 – December 2018 from retroactive revenue received for the Expansion membership mentioned in 1C above due to the expected CMS requirement for fiscal year 18/19 to maintain a minimum 85 % medical loss ratio for the Expansion population (\$2.0 million).

The February Medical Loss Ratio is 94.3% which is favorable to the 95.1% budgeted amount. The February Administrative Expense Ratio is 4.5% which is favorable to the 6.1% budgeted amount.

The results for the 2 months ended February 28, 2019 reflect a Net Increase in Net Position of \$1,184,178. This is a \$3,131,475 favorable variance to budget and includes approximately \$2.9 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 93.7% which is favorable to the 95.1% budgeted amount. The year-to-date Administrative Expense Ratio is 5.1% which is favorable to the 6.2% budgeted amount.

Requested Action

The KHS Finance Committee has reviewed and recommends that the KHS Board of Directors Receive and File.

**Kern Health Systems
Financial Packet
February 2019**

KHS – Medi-Cal Line of Business

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

KHS Group Health Plan – Healthy Families Line of Business

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

KHS Administrative Analysis and Other Reporting

Monthly Member Count	Page 15
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KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF FEBRUARY 28, 2019			
ASSETS	FEBRUARY 2019	JANUARY 2019	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 77,499,026	\$ 83,869,352	\$ (6,370,326)
Short-Term Investments	116,113,501	105,187,003	10,926,498
Premiums Receivable - Net	112,926,482	101,667,917	11,258,565
Interest Receivable	491,932	252,089	239,843
Other Receivables	1,575,392	1,229,575	345,817
Prepaid Expenses & Other Current Assets	1,782,175	1,961,202	(179,027)
Total Current Assets	\$ 310,388,508	\$ 294,167,138	\$ 16,221,370
RESTRICTED ASSETS	\$ 300,000	\$ 300,000	\$ -
CAPITAL ASSETS - NET OF ACCUM DEPRES:			
Land	4,876,562	4,876,562	-
Furniture and Equipment - Net	10,086,001	10,511,928	(425,927)
Automobiles - Net	33,943	34,726	(783)
Building and Building Improvements - Net	6,267,988	6,295,843	(27,855)
Building Project in Progress	20,088,864	19,916,665	172,199
Capital Projects in Progress	14,758,045	14,570,389	187,656
Total Capital Assets	\$ 56,111,403	\$ 56,206,113	\$ (94,710)
LONG TERM ASSETS:			
Officer Life Insurance Receivables	704,750	704,750	-
Total Long Term Assets	\$ 704,750	\$ 704,750	\$ -
DEFERRED OUTFLOWS OF RESOURCES	\$ 2,657,573	\$ 2,657,573	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 370,162,234	\$ 354,035,574	\$ 16,126,660
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	\$ 32,209	\$ 40,792	(8,583)
Accrued Salaries and Employee Benefits	2,311,893	2,301,612	10,281
Accrued Other Operating Expenses	1,502,929	3,430,003	(1,927,074)
Accrued Taxes and Licenses	16,124,027	8,036,109	8,087,918
Claims Payable (Reported)	20,154,701	16,474,208	3,680,493
IBNR - Inpatient Claims	26,559,059	27,157,387	(598,328)
IBNR - Physician Claims	14,499,810	13,432,325	1,067,485
IBNR - Accrued Other Medical	19,159,293	18,721,950	437,343
Risk Pool and Withholds Payable	2,862,415	2,368,213	494,202
Statutory Allowance for Claims Processing Expense	2,326,151	2,326,151	-
Other Liabilities	55,584,831	51,392,452	4,192,379
Total Current Liabilities	\$ 161,117,318	\$ 145,681,202	\$ 15,436,116
NONCURRENT LIABILITIES:			
Net Pension Liability	5,865,463	5,865,463	-
TOTAL NONCURRENT LIABILITIES	\$ 5,865,463	\$ 5,865,463	\$ -
DEFERRED INFLOWS OF RESOURCES	\$ 364,304	\$ 364,304	\$ -
NET POSITION:			
Net Position - Beg. of Year	201,630,971	201,630,971	-
Increase (Decrease) in Net Position - Current Year	1,184,178	493,634	690,544
Total Net Position	\$ 202,815,149	\$ 202,124,605	\$ 690,544
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 370,162,234	\$ 354,035,574	\$ 16,126,660

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED FEBRUARY 28, 2019			YEAR-TO-DATE MEMBER MONTHS		
						ACTUAL	BUDGET	VARIANCE
ENROLLMENT								
166,386	167,400	(1,014)	Family Members	332,182	334,400	(2,218)		
59,818	59,675	143	Expansion Members	118,947	119,350	(403)		
14,513	14,200	313	SPD Members	29,098	28,400	698		
6,384	5,600	784	Other Members	12,704	11,200	1,504		
8,385	8,400	(15)	Kaiser Members	16,714	16,800	(86)		
255,486	255,275	211	Total Members - MCAL	509,645	510,150	(505)		
REVENUES								
24,192,447	23,254,577	937,870	Title XIX - Medicaid - Family and Other	47,318,781	46,479,087	839,694		
23,396,309	21,930,976	1,465,333	Title XIX - Medicaid - Expansion Members	45,372,035	43,861,952	1,510,083		
12,067,762	11,927,381	140,381	Title XIX - Medicaid - SPD Members	24,038,413	23,854,763	183,650		
8,047,808	8,244,473	(196,665)	Premium - MCO Tax	16,054,014	16,475,588	(421,574)		
397,291	391,160	6,131	Interest /Dividends	736,028	781,687	(45,659)		
-	125,906	(125,906)	Reinsurance Recoveries	-	251,609	(251,609)		
5,819,936	-	5,819,936	Rate/Income Adjustments	7,184,308	-	7,184,308		
25,501	-	25,501	Other Income (Expense)	111,247	-	111,247		
73,947,054	65,874,474	8,072,580	TOTAL REVENUES	140,814,826	131,704,684	9,110,142		
EXPENSES								
Medical Costs:								
13,768,201	13,437,634	(330,567)	Physician Services	26,980,999	26,859,171	(121,828)		
3,447,281	3,456,706	9,425	Other Professional Services	6,861,902	6,911,306	49,404		
4,710,529	4,557,694	(152,835)	Emergency Room	9,169,628	9,108,899	(60,729)		
12,906,122	13,505,073	598,951	Inpatient	25,867,508	26,998,559	1,131,051		
125,026	125,906	880	Reinsurance Expense	250,162	251,609	1,447		
6,037,448	5,677,904	(359,544)	Outpatient Hospital	11,451,671	11,350,750	(100,921)		
6,854,723	3,892,765	(2,961,958)	Other Medical	12,419,043	7,781,774	(4,637,269)		
9,033,300	9,641,852	608,552	Pharmacy	18,646,000	19,276,723	630,723		
494,202	493,750	(452)	Pay for Performance Quality Incentive	985,862	986,700	838		
-	-	-	Expansion Risk Corridor	-	-	-		
367,246	-	(367,246)	Non-Claims Expense Adjustment	564,681	-	(564,681)		
4,381,620	-	(4,381,620)	IBNR, Incentive, Paid Claims Adjustment	3,721,837	-	(3,721,837)		
62,125,698	54,789,285	(7,336,413)	Total Medical Costs	116,919,293	109,525,491	(7,393,802)		
11,821,356	11,085,189	736,167	GROSS MARGIN	23,895,533	22,179,193	1,716,340		
Administrative:								
1,953,045	2,132,848	179,803	Compensation	4,172,692	4,265,456	92,764		
538,593	780,268	241,675	Purchased Services	1,072,732	1,563,908	491,176		
78,778	111,792	33,014	Supplies	194,401	224,259	29,858		
179,517	198,963	19,446	Depreciation	359,033	397,926	38,893		
188,631	320,114	131,483	Other Administrative Expenses	515,260	639,352	124,092		
-	-	-	Administrative Expense Adjustment	-	-	-		
2,938,564	3,543,984	605,420	Total Administrative Expenses	6,314,118	7,090,902	776,784		
65,064,262	58,333,269	(6,730,993)	TOTAL EXPENSES	123,233,411	116,616,393	(6,617,018)		
8,882,792	7,541,205	1,341,587	OPERATING INCOME (LOSS) BEFORE TAX	17,581,415	15,088,291	2,493,124		
8,087,918	8,244,473	156,555	MCO TAX	16,176,037	16,475,588	299,551		
794,874	(703,268)	1,498,142	OPERATING INCOME (LOSS) NET OF TAX	1,405,378	(1,387,297)	2,792,675		
NONOPERATING EXPENSE								
-	-	-	Reserve Fund Projects/Community Grants	-	-	-		
104,330	280,000	(175,670)	Health Home	221,200	560,000	(338,800)		
104,330	280,000	(175,670)	TOTAL NONOPERATING EXPENSE	221,200	560,000	(338,800)		
690,544	(983,268)	1,673,812	NET INCREASE (DECREASE) IN NET POSITION	1,184,178	(1,947,297)	3,131,475		
94.3%	95.1%	0.8%	MEDICAL LOSS RATIO	93.7%	95.1%	1.3%		
4.5%	6.1%	1.7%	ADMINISTRATIVE EXPENSE RATIO	5.1%	6.2%	1.1%		

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED FEBRUARY 28, 2019	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
ENROLLMENT						
166,386	167,400	(1,014)	Family Members	332,182	334,400	(2,218)
59,818	59,675	143	Expansion Members	118,947	119,350	(403)
14,513	14,200	313	SPD Members	29,098	28,400	698
6,384	5,600	784	Other Members	12,704	11,200	1,504
8,385	8,400	(15)	Kaiser Members	16,714	16,800	(86)
255,486	255,275	211	Total Members - MCAL	509,645	510,150	(505)
REVENUES						
140.03	134.42	5.61	Title XIX - Medicaid - Family and Other	137.20	134.49	2.71
391.12	367.51	23.62	Title XIX - Medicaid - Expansion Members	381.45	367.51	13.94
831.51	839.96	(8.44)	Title XIX - Medicaid - SPD Members	826.12	839.96	(13.84)
32.57	33.40	(0.83)	Premium - MCO Tax	32.57	33.40	(0.83)
1.61	1.58	0.02	Interest /Dividends	1.49	1.58	(0.09)
0.00	0.51	(0.51)	Reinsurance Recoveries	0.00	0.51	(0.51)
0.00	0.00	0.00	COB/Subrogation Collections	0.00	0.00	0.00
23.55	0.00	23.55	Rate/Income Adjustments	14.57	0.00	14.57
0.10	0.00	0.10	Other Income (Expense)	0.23	0.00	0.23
299.26	266.83	32.43	TOTAL REVENUES	285.67	266.96	18.71
EXPENSES						
Medical Costs:						
55.72	54.43	(1.29)	Physician Services	54.74	54.44	(0.29)
13.95	14.00	0.05	Other Professional Services	13.92	14.01	0.09
19.06	18.46	(0.60)	Emergency Room	18.60	18.46	(0.14)
52.23	54.70	2.47	Inpatient	52.48	54.72	2.25
0.51	0.51	0.00	Reinsurance Expense	0.51	0.51	0.00
24.43	23.00	(1.43)	Outpatient Hospital	23.23	23.01	(0.22)
27.74	15.77	(11.97)	Other Medical	25.19	15.77	(9.42)
36.56	39.06	2.50	Pharmacy	37.83	39.07	1.25
2.00	2.00	0.00	Pay for Performance Quality Incentive	2.00	2.00	0.00
0.00	0.00	0.00	Expansion Risk Corridor	0.00	0.00	0.00
1.49	0.00	(1.49)	Non-Claims Expense Adjustment	1.15	0.00	(1.15)
17.73	0.00	(17.73)	IBNR, Incentive, Paid Claims Adjustment	7.55	0.00	(7.55)
251.42	221.93	(29.49)	Total Medical Costs	237.19	222.00	(15.19)
47.84	44.90	2.94	GROSS MARGIN	48.48	44.96	3.52
Administrative:						
7.90	8.64	0.74	Compensation	8.47	8.65	0.18
2.18	3.16	0.98	Purchased Services	2.18	3.17	0.99
0.32	0.45	0.13	Supplies	0.39	0.45	0.06
0.73	0.81	0.08	Depreciation	0.73	0.81	0.08
0.76	1.30	0.53	Other Administrative Expenses	1.05	1.30	0.25
0.00	0.00	0.00	Administrative Expense Adjustment	0.00	0.00	0.00
11.89	14.36	2.46	Total Administrative Expenses	12.81	14.37	1.56
263.31	236.29	(27.02)	TOTAL EXPENSES	250.00	236.38	(13.62)
35.95	30.55	5.40	OPERATING INCOME (LOSS) BEFORE TAX	35.67	30.58	5.08
32.73	33.40	0.66	MCO TAX	32.82	33.40	0.58
3.22	(2.85)	6.07	OPERATING INCOME (LOSS) NET OF TAX	2.85	(2.81)	5.66
NONOPERATING EXPENSE						
0.00	0.00	0.00	Reserve Fund Projects/Community Grants	0.00	0.00	0.00
(0.41)	1.13	1.54	Health Home	(0.43)	2.27	2.70
(0.41)	1.13	1.54	TOTAL NONOPERATING EXPENSE	(0.43)	2.27	2.70
2.79	(3.98)	6.78	NET INCREASE (DECREASE) IN NET POSITION	2.40	(3.95)	6.35
94.3%	95.1%	0.8%	MEDICAL LOSS RATIO	93.7%	95.1%	1.3%
4.5%	6.1%	1.7%	ADMINISTRATIVE EXPENSE RATIO	5.1%	6.2%	1.1%

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH FEBRUARY 28, 2019	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	AUGUST 2018	SEPTEMBER 2018	OCTOBER 2018	NOVEMBER 2018	DECEMBER 2018	JANUARY 2019	FEBRUARY 2019	13 MONTH TOTAL
REVENUE														
Title XIX - Medicaid - Family and Other	20,328,489	21,226,405	20,886,377	23,080,439	21,832,796	22,819,237	24,767,995	23,083,686	23,000,590	23,501,422	30,919,748	23,126,334	24,192,447	302,765,965
Title XIX - Medicaid - Expansion Members	20,367,468	20,638,072	20,813,430	21,917,368	21,204,090	21,752,232	22,282,962	21,704,606	21,501,088	21,231,579	24,465,934	21,975,726	23,396,309	283,250,814
Title XIX - Medicaid - SPD Members	10,530,984	10,764,853	10,871,613	11,583,059	11,088,761	11,910,574	12,352,541	11,987,574	12,128,124	12,551,376	13,341,766	11,970,651	12,067,762	153,144,038
Premium - MCO Tax	7,688,203	7,815,000	7,859,452	7,883,583	7,817,901	8,087,918	8,087,606	8,087,918	8,087,777	8,087,777	7,658,846	8,006,206	8,047,808	103,166,634
Interest/Dividends	312,296	330,992	509,405	392,144	493,098	298,592	326,444	328,291	331,150	316,046	369,891	338,737	397,291	4,744,377
Reinsurance Recoveries	-	-	-	-	139,352	-	-	-	-	(139,352)	267,973	-	-	267,973
COB/Subrogation Collections	-	10,245,425	3,503,612	1,257,496	1,027,705	465,065	417,036	196,954	325,659	110,446	59,980	-	-	17,609,378
Rate/Income Adjustments	319,159	1,095,189	457,845	21,528,562	(1,680,199)	(113,750)	129,606	5,175	121,890	251,712	(5,850)	1,364,372	5,819,936	29,384,647
Other Income (Expense)	(200,000)	(384,933)	(360,661)	(99,712)	345,348	58,667	15,476	136,661	142,515	45,043	609,097	85,746	25,501	478,748
TOTAL REVENUES	59,297,229	71,730,403	64,541,073	87,542,939	62,263,852	65,278,855	68,379,666	65,530,865	65,729,793	65,955,938	77,747,385	66,867,772	73,947,054	894,812,574
EXPENSES														
Medical Costs:														
Physician Services	12,606,454	15,608,603	14,450,521	13,315,057	13,013,296	13,202,517	13,538,335	13,438,560	12,587,105	13,509,654	11,452,439	13,212,798	13,768,201	173,703,540
Other Professional Services	2,788,474	2,996,590	2,911,566	3,414,591	3,111,320	2,964,061	3,254,300	3,251,122	3,323,654	4,150,323	3,375,679	3,414,621	3,447,281	42,403,582
Emergency Room	4,171,278	5,259,525	5,247,777	4,510,635	4,780,947	4,584,869	4,563,430	4,531,949	4,490,225	4,169,595	3,601,196	4,459,099	4,710,529	59,080,454
Inpatient	13,055,324	16,973,565	14,300,202	13,932,093	13,267,422	13,921,068	13,023,461	12,885,548	13,069,188	9,158,011	2,692,667	12,961,386	12,906,122	162,146,057
Reinsurance Expense	117,545	118,427	107,531	115,783	116,124	116,240	116,494	116,075	116,072	115,275	115,395	125,136	125,026	1,520,923
Outpatient Hospital	5,138,504	5,322,082	6,217,088	6,587,061	5,930,118	5,662,578	6,047,228	5,798,838	4,785,905	5,131,143	4,278,893	5,414,223	6,037,448	72,351,099
Other Medical	1,923,364	2,576,860	2,195,432	6,103,942	3,282,963	3,057,129	4,241,840	3,605,940	3,663,995	4,451,124	15,028,871	5,564,230	6,854,723	62,750,403
Pharmacy	8,544,614	9,369,495	8,793,635	9,203,737	8,567,706	8,848,741	9,437,755	8,667,417	8,798,273	8,615,571	9,932,074	9,612,700	9,033,300	116,874,988
Pay for Performance Quality Incentive	487,626	489,882	492,694	494,146	494,634	495,722	493,934	493,924	490,532	491,044	444,467	491,660	494,202	6,354,467
Expansion Risk Corridor	-	-	-	20,941,682	(11,991)	(299,863)	6,624	(335)	-	-	10,500,000	-	-	10,500,000
Non-Claims Expense Adjustment	(81,180)	18,265	(1,015,946)	(1,917,277)	(1,197,835)	342,052	1,872,269	566,662	1,438,167	4,196,430	482,510	(659,783)	4,381,620	8,425,954
IBNR Incentive, Paid Claims Adjustment	48,751,703	58,733,294	53,700,500	76,700,850	51,354,704	53,194,977	56,289,183	53,362,649	53,549,587	54,170,337	60,587,658	54,793,595	62,125,698	737,314,735
Total Medical Costs	10,545,596	12,997,109	10,840,573	10,842,089	12,088,558	12,090,483	12,168,216	12,180,206	11,785,001	17,159,727	12,074,177	11,821,356	11,821,356	157,497,839
GROSS MARGIN	1,857,459	2,076,645	1,687,623	1,916,952	1,884,868	2,017,219	2,083,690	2,021,643	2,161,106	2,025,307	1,990,200	2,219,647	1,953,045	25,895,404
Administrative	545,740	804,716	642,623	636,968	578,949	415,147	594,201	555,317	465,811	616,200	628,945	534,139	538,593	7,587,349
Compensation	27,993	(9,431)	72,492	71,465	68,507	57,005	61,411	30,559	67,086	36,154	104,250	115,633	78,778	781,852
Purchased Services	127,578	127,464	130,267	122,140	127,238	127,238	127,237	127,238	127,238	127,238	131,127	179,516	179,516	1,761,036
Supplies	235,000	339,883	284,983	279,546	275,729	332,386	255,200	315,104	265,994	221,013	303,506	326,629	188,631	3,613,604
Other Administrative Expenses	2,783,770	3,339,277	2,817,988	3,027,071	2,935,291	2,948,995	3,121,739	3,049,841	3,087,235	3,025,912	3,541,021	3,375,554	2,938,564	39,992,258
Total Administrative Expenses	51,535,473	62,072,571	56,518,488	79,727,921	54,289,995	56,143,972	59,410,922	56,412,490	56,636,822	57,196,249	64,128,679	58,169,149	65,064,262	777,306,993
TOTAL EXPENSES	7,614,836	9,657,832	8,022,585	8,815,018	7,973,857	9,134,563	8,968,744	9,118,375	9,092,971	8,759,689	13,618,706	8,698,623	8,882,792	117,505,581
OPERATING INCOME (LOSS) BEFORE TAX	7,516,749	7,672,823	7,650,254	7,650,254	7,578,338	8,087,918	8,087,607	8,087,918	8,087,777	8,087,716	8,087,687	8,088,119	8,087,918	102,742,768
MCO TAX	251,077	2,007,809	372,331	164,764	395,029	1,046,645	881,137	1,030,457	1,005,194	671,973	5,531,019	610,504	794,874	14,762,813
OPERATING INCOME (LOSS) NET OF TAX	140,027	615,733	138,970	(43,857)	233,737	158,805	191,701	507,923	41,390	233,595	54,987	116,870	104,330	2,544,211
TOTAL NONOPERATING EXPENSE	111,050	1,392,076	233,361	208,621	161,292	887,840	689,436	462,534	963,804	448,378	5,476,032	493,634	690,544	12,128,082
NET INCREASE (DECREASE) IN NET POSITION	94,426	919,292	94,772	96,338	94,336	93,040	92,996	92,996	92,996	93,626	86,426	93,126	94,326	93,126
MEDICAL LOSS RATIO	5.4%	5.2%	5.0%	3.8%	5.4%	5.2%	5.2%	5.3%	5.3%	5.4%	5.1%	5.7%	4.5%	5.1%
ADMINISTRATIVE EXPENSE RATIO	5.4%	5.2%	5.0%	3.8%	5.4%	5.2%	5.2%	5.3%	5.3%	5.4%	5.1%	5.7%	4.5%	5.1%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM THROUGH FEBRUARY 28, 2019		FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	AUGUST 2018	SEPTEMBER 2018	OCTOBER 2018	NOVEMBER 2018	DECEMBER 2018	JANUARY 2019	FEBRUARY 2019	13 MONTH TOTAL
ENROLLMENT		243,813	244,941	246,347	247,073	247,317	247,861	246,967	246,962	245,266	245,522	244,683	245,830	247,101	3,199,683
REVENUES															
Members - MCAL															
Title XIX - Medicaid - Family and Other		118.93	123.47	121.12	133.71	126.38	131.77	143.39	133.25	134.04	136.65	180.80	134.36	140.03	135.21
Title XIX - Medicaid - Expansion Members		347.78	351.14	348.64	370.03	353.55	369.19	373.39	365.14	363.20	361.19	413.07	371.66	391.12	367.18
Title XIX - Medicaid - SPD Members		735.40	755.17	765.50	768.84	759.68	814.12	848.74	823.82	833.04	830.42	924.01	820.75	831.51	810.34
Premium - MCO Tax		31.33	31.91	31.61	31.91	31.61	32.63	32.75	32.94	32.94	31.50	32.57	32.57	32.57	32.74
Interest/Dividends		1.28	1.35	2.07	1.59	1.99	1.20	1.32	1.33	1.35	1.29	1.51	1.38	1.61	1.48
Reinsurance Recoveries		0.00	0.00	0.00	0.00	0.56	0.00	0.00	0.00	0.00	(0.57)	1.10	0.00	0.00	0.08
COB/Subrogation Collections		0.00	41.83	14.22	5.09	4.16	1.88	1.69	0.80	1.33	0.45	0.25	0.00	0.00	5.50
Rate/Income Adjustments		1.31	4.47	1.86	87.13	(6.79)	(0.46)	0.52	0.02	0.87	1.03	(0.02)	5.55	23.55	9.18
Other Income (Expense)		(0.82)	(1.57)	(1.46)	(0.40)	0.24	0.24	0.06	0.55	0.58	0.18	2.73	0.35	0.10	0.15
TOTAL REVENUES		243.21	292.85	261.99	354.32	251.76	263.37	276.88	265.35	267.99	268.64	317.75	272.01	299.26	279.66
EXPENSES															
Medical Costs:															
Physician Services		51.71	63.72	58.66	53.89	52.62	53.27	54.82	54.42	51.32	55.02	46.81	53.75	55.72	54.29
Other Professional Services		11.44	12.23	11.82	13.82	12.58	11.96	13.18	13.16	13.55	16.90	13.80	13.89	13.95	13.25
Emergency Room		17.11	21.47	21.30	18.25	19.33	18.50	18.48	18.35	18.31	16.98	14.72	18.14	19.06	18.46
Inpatient		53.55	69.30	58.05	56.39	53.65	56.16	52.73	52.18	53.29	37.30	11.00	52.72	52.23	50.68
Reinsurance Expense		0.48	0.48	0.44	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.51	0.51	0.48
Outpatient Hospital		21.08	21.73	23.24	26.66	20.98	22.85	24.49	23.48	19.51	20.90	17.49	22.02	24.43	22.61
Other Medical		7.89	10.52	8.91	13.27	13.27	12.33	17.18	14.60	15.75	18.13	61.42	32.63	27.74	19.61
Pharmacy		35.05	38.25	35.70	37.25	34.64	35.70	36.21	35.10	36.25	35.83	35.21	39.10	36.56	36.53
Pay for Performance Quality Incentive		2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.82	2.00	2.00	1.99
Expansion Risk Corridor		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	42.91	0.00	0.00	3.28
Non-Chains Expense Adjustment		0.00	0.00	0.00	84.76	(0.05)	0.00	(1.21)	0.03	0.01	(0.00)	0.00	0.80	1.49	6.63
IBNR, Incentive, Paid Claims Adjustment		(0.33)	0.07	(4.12)	(7.76)	(4.84)	1.38	7.58	2.29	5.86	17.09	1.97	(2.68)	17.73	2.63
Total Medical Costs		199.96	239.79	217.99	310.44	207.65	214.62	227.92	216.08	218.33	220.63	247.62	232.89	251.42	230.43
GROSS MARGIN		43.25	53.06	44.01	43.88	44.11	48.75	48.96	49.27	49.66	48.00	70.13	49.12	47.84	49.23
Administrative:															
Compensation		7.62	8.48	6.85	7.76	7.62	8.14	8.44	8.19	8.81	8.25	8.13	9.03	7.90	8.09
Purchased Services		2.24	3.29	2.61	2.58	2.34	1.67	2.41	2.25	1.90	2.51	2.57	2.17	2.18	2.36
Supplies		0.11	(0.04)	0.29	0.29	0.28	0.23	0.25	0.12	0.27	0.15	0.43	0.47	0.32	0.24
Depreciation		0.52	0.52	0.53	0.49	0.51	0.51	0.52	0.52	0.52	0.52	0.54	0.73	0.73	0.55
Other Administrative Expenses		0.92	1.39	1.16	1.13	1.11	1.34	1.03	1.28	1.08	0.90	1.24	1.33	0.76	1.15
Administrative Expense Adjustment		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.57	0.00	0.00	0.12
Total Administrative Expenses		11.42	13.63	11.44	12.25	11.87	11.90	12.64	12.35	12.59	12.32	14.47	13.73	11.89	12.50
TOTAL EXPENSES		211.37	253.42	229.43	322.69	219.52	226.51	240.56	228.43	230.92	232.96	262.09	236.62	263.31	242.93
OPERATING INCOME (LOSS) BEFORE TAX		31.84	39.43	32.57	31.63	32.24	36.85	36.32	36.92	37.07	35.65	55.66	35.38	35.93	36.72
MCO TAX		30.81	31.23	31.05	30.96	30.64	32.63	32.75	32.75	32.98	32.94	33.05	32.90	32.73	32.11
OPERATING INCOME (LOSS) NET OF TAX		1.03	8.20	1.51	0.67	1.60	4.22	3.57	4.17	4.10	2.74	22.60	2.48	3.22	4.61
TOTAL NONOPERATING EXPENSE		0.57	2.51	0.56	(0.18)	0.95	0.64	0.78	2.30	0.17	0.91	0.22	0.48	0.42	0.80
NET INCREASE (DECREASE) IN NET POSITION		0.46	5.68	0.95	0.84	0.65	3.58	2.79	1.87	3.93	1.83	22.38	2.01	2.79	3.82
MEDICAL LOSS RATIO		94.4%	91.9%	94.7%	96.3%	94.3%	93.0%	93.4%	92.9%	92.9%	93.6%	86.4%	93.1%	94.3%	93.1%
ADMINISTRATIVE EXPENSE RATIO		5.3%	5.2%	5.0%	3.8%	5.4%	5.2%	5.2%	5.3%	5.4%	5.2%	5.1%	5.7%	4.5%	5.1%

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED FEBRUARY 28, 2019				YEAR-TO-DATE		
CURRENT MONTH		REVENUES		ACTUAL	BUDGET	VARIANCE
ACTUAL	BUDGET	VARIANCE				
20,038,593	19,764,169	274,424	Title XIX - Medicaid - Family & Other	39,467,682	39,500,498	(32,816)
2,147,060	2,422,591	(275,531)	Premium - Medi-Cal	3,682,680	4,845,182	(1,162,502)
60,585	74,897	(14,312)	Premium - Maternity Kick	166,532	149,621	16,911
138,385	259,205	(120,820)	Premium - Hep C Kick	412,616	517,811	(105,195)
1,723,102	652,735	1,070,367	Premium - BHT Kick	3,420,699	1,304,054	2,116,645
84,722	80,980	3,742	Premium - Provider Enhancement	168,572	161,920	6,652
24,192,447	23,254,578	937,869	Other	47,318,781	46,479,087	839,694
			Total Title XIX - Medicaid - Family & Other			
			Title XIX - Medicaid - Expansion Members			
21,935,327	20,794,399	1,140,928	Premium - Medi-Cal	42,489,676	41,588,798	900,878
253,008	243,020	9,988	Premium - Maternity Kick	586,034	486,040	99,994
439,126	544,869	(105,743)	Premium - Hep C Kick	772,101	1,089,738	(317,637)
742,340	323,232	419,108	Premium - Provider Enhancement	1,471,510	646,464	825,046
26,508	25,456	1,052	Other	52,714	50,912	1,802
23,396,309	21,930,976	1,465,333	Total Title XIX - Medicaid - Expansion Members	45,372,035	43,861,952	1,510,083
			Title XIX - Medicaid - SPD Members			
11,520,323	11,198,120	322,203	Premium - Medi-Cal	22,699,754	22,396,240	303,514
75,724	211,894	(136,170)	Premium - Hep C Kick	181,671	423,788	(242,117)
193,682	391,982	(198,300)	Premium - BHT Kick	603,453	783,964	(180,511)
278,033	125,386	152,647	Premium - Provider Enhancement	553,535	250,772	302,763
12,067,762	11,927,381	140,381	Total Title XIX - Medicaid - SPD Members	24,038,413	23,854,763	183,650

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED FEBRUARY 28, 2019				YEAR-TO-DATE		
CURRENT MONTH		VARIANCE		ACTUAL	BUDGET	VARIANCE
ACTUAL	BUDGET					
3,204,444	2,903,863	(300,581)		6,056,776	5,803,190	(253,586)
8,891,359	9,169,907	278,548		17,952,374	18,330,622	378,248
1,663,998	1,355,464	(308,534)		2,954,149	2,707,659	(246,490)
8,400	8,400	-		17,700	17,700	-
13,768,201	13,437,634	(330,567)		26,980,999	26,859,171	(121,828)
PHYSICIAN SERVICES						
245,148	259,798	14,650		490,513	519,188	28,675
159,928	183,437	23,509		324,729	366,874	42,145
470,395	537,736	67,341		981,338	1,075,471	94,133
67,588	101,420	33,832		148,114	202,840	54,726
78,571	90,483	11,912		171,787	180,966	9,179
75,645	87,826	12,181		158,593	175,653	17,260
44,522	85,845	41,323		93,865	171,690	77,825
177,760	205,777	28,017		368,752	411,555	42,803
48,934	55,990	7,056		103,353	111,979	8,626
831,512	651,187	(180,325)		1,470,376	1,301,775	(168,601)
183,744	161,002	(22,742)		396,712	321,810	(74,902)
1,063,534	1,036,204	(27,330)		2,153,970	2,071,505	(82,465)
3,447,281	3,456,706	9,425		6,861,902	6,911,306	49,404
4,710,529	4,557,694	(152,835)		9,169,628	9,108,899	(60,729)
12,906,122	13,505,073	598,951		25,867,508	26,998,559	1,131,051
125,026	125,906	880		250,162	251,609	1,447
6,037,448	5,677,904	(359,544)		11,451,671	11,350,750	(100,921)
OTHER MEDICAL						
2,536,809	1,213,279	(1,323,530)		3,682,966	2,424,932	(1,258,034)
1,551,156	291,363	(1,259,793)		650,617	582,515	(68,102)
93,464	445,757	352,293		342,417	891,514	549,097
1,180,282	779,389	(400,893)		2,124,898	1,558,467	(566,431)
-	62,040	62,040		-	123,979	123,979
2,889,012	1,100,938	(1,788,074)		5,618,145	2,200,367	(3,417,778)
6,854,723	3,892,765	(2,961,958)		12,419,043	7,781,774	(4,637,269)
PHARMACY SERVICES						
7,864,951	8,357,384	492,433		16,461,012	16,708,308	247,296
579,505	831,660	252,155		1,121,970	1,663,146	541,176
722,044	598,518	(123,526)		1,369,618	1,196,662	(172,956)
(133,200)	(145,710)	(12,510)		(306,600)	(291,393)	15,207
9,033,300	9,641,852	608,552		18,646,000	19,276,723	630,723
494,202	493,750	(452)		985,862	986,700	838
-	-	-		-	-	-
367,246	-	(367,246)		564,681	-	(564,681)
4,381,620	-	(4,381,620)		3,721,837	-	(3,721,837)
62,125,698	54,789,285	(7,336,413)		116,919,293	109,525,491	(7,393,802)
Total Medical Costs						

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED FEBRUARY 28, 2019			CURRENT MONTH		YEAR-TO-DATE	
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VARIANCE
12.97	11.76	(1.21)	12.29	11.76	(0.52)	
35.98	37.14	1.16	36.42	37.16	0.74	
6.73	5.49	(1.24)	5.99	5.49	(0.50)	
0.03	0.03	0.00	0.04	0.04	(0.00)	
55.72	54.43	(1.29)	54.74	54.44	(0.29)	
PHYSICIAN SERVICES						
0.99	1.05	0.06	1.00	1.05	0.06	
0.65	0.74	0.10	0.66	0.74	0.08	
1.90	2.18	0.27	1.99	2.18	0.19	
0.27	0.41	0.14	0.30	0.41	0.11	
0.32	0.37	0.05	0.32	0.37	0.05	
0.31	0.36	0.05	0.32	0.36	0.04	
0.18	0.35	0.17	0.19	0.35	0.16	
0.72	0.83	0.11	0.75	0.83	0.08	
0.20	0.23	0.03	0.21	0.23	0.02	
3.37	2.64	(0.73)	2.98	2.64	(0.34)	
0.74	0.65	(0.09)	0.80	0.65	(0.15)	
4.30	4.20	(0.11)	4.37	4.20	(0.17)	
13.95	14.00	0.05	13.92	14.01	0.09	
19.06	18.46	(0.60)	18.60	18.46	(0.14)	
52.23	54.70	2.47	52.48	54.72	2.25	
0.51	0.51	0.00	0.51	0.51	0.00	
24.43	23.00	(1.43)	23.23	23.01	(0.22)	
OTHER MEDICAL						
10.27	4.91	(5.35)	7.47	4.92	(2.56)	
0.63	1.18	0.55	1.32	1.18	(0.14)	
0.38	1.81	1.43	0.69	1.81	1.11	
4.78	3.16	(1.62)	4.31	3.16	(1.15)	
0.00	0.25	0.25	0.00	0.25	0.25	
11.69	4.46	(7.23)	11.40	4.46	(6.94)	
27.74	15.77	(11.97)	25.19	15.77	(9.42)	
PHARMACY SERVICES						
31.83	33.85	2.02	33.39	33.87	0.47	
2.35	3.37	1.02	2.28	3.37	1.10	
2.92	2.42	(0.50)	2.78	2.43	(0.35)	
(0.54)	(0.59)	(0.05)	(0.62)	(0.59)	0.03	
36.56	39.06	2.50	37.83	39.07	1.25	
2.00	2.00	0.00	2.00	2.00	0.00	
0.00	0.00	0.00	0.00	0.00	0.00	
1.49	0.00	(1.49)	1.15	0.00	(1.15)	
17.73	0.00	(17.73)	7.55	0.00	(7.55)	
251.42	221.93	(29.49)	237.19	222.00	(15.19)	

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH FEBRUARY 28, 2019	JANUARY 2019	FEBRUARY 2019	YEAR TO DATE 2019
PHYSICIAN SERVICES			
Primary Care Physician Services	2,852,332	3,204,444	6,056,776
Referral Specialty Services	9,061,015	8,891,359	17,952,374
Urgent Care & After Hours Advise	1,290,151	1,663,998	2,954,149
Hospital Admitting Team	9,300	8,400	17,700
TOTAL PHYSICIAN SERVICES	13,212,798	13,768,201	26,980,999
OTHER PROFESSIONAL SERVICES			
Vision Service Capitation	245,365	245,148	490,513
221 - Business Intelligence	164,801	159,928	324,729
310 - Health Services - Utilization Management - UM Allocation *	510,943	470,395	981,338
311 - Health Services - Quality Improvement - UM Allocation *	80,526	67,588	148,114
312 - Health Services - Education - UM Allocation *	93,216	78,571	171,787
313 - Health Services - Pharmacy - UM Allocation *	82,748	75,645	158,393
314 - Health Homes - UM Allocation *	49,343	44,522	93,865
315 - Case Management - UM Allocation *	190,992	177,760	368,752
616 - Disease Management - UM Allocation *	54,419	48,934	103,353
Behavior Health Treatment	638,864	831,512	1,470,376
Mental Health Services	212,968	183,744	396,712
Other Professional Services	1,090,436	1,063,534	2,153,970
TOTAL OTHER PROFESSIONAL SERVICES	3,414,621	3,447,281	6,861,902
EMERGENCY ROOM	4,459,099	4,710,529	9,169,628
INPATIENT HOSPITAL	12,961,386	12,906,122	25,867,508
REINSURANCE EXPENSE PREMIUM	125,136	125,026	250,162
OUTPATIENT HOSPITAL SERVICES	5,414,223	6,037,448	11,451,671
OTHER MEDICAL			
Ambulance and NEMT	1,146,157	2,536,809	3,682,966
Home Health Services & CBAS	495,461	155,156	650,617
Utilization and Quality Review Expenses	248,953	93,464	342,417
Long Term/SNF/Hospice	944,616	1,180,282	2,124,898
Enhanced Medical Benefits	-	-	-
Provider Enhancement Expense	2,729,133	2,889,012	5,618,145
Non-Medical Transportation	-	-	-
TOTAL OTHER MEDICAL	5,564,320	6,854,723	12,419,043
PHARMACY SERVICES			
RX - Drugs & OTC	8,596,061	7,864,951	16,461,012
RX - HEP-C	542,465	579,505	1,121,970
Rx - DME	647,574	722,044	1,369,618
RX - Pharmacy Rebates	(173,400)	(133,200)	(306,600)
TOTAL PHARMACY SERVICES	9,612,700	9,033,300	18,646,000
PAY FOR PERFORMANCE QUALITY INCENTIVE	491,660	494,202	985,862
EXPANSION RISK CORRIDOR	-	-	-
NON-CLAIMS EXPENSE ADJUSTMENT	197,435	367,246	564,681
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(659,783)	4,381,620	3,721,837
Total Medical Costs	54,793,595	62,125,698	116,919,293

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH FEBRUARY 28, 2019	JANUARY 2019	FEBRUARY 2019	YEAR TO DATE 2019
PHYSICIAN SERVICES			
Primary Care Physician Services	11.60	13.14	12.29
Referral Specialty Services	36.86	36.47	36.42
Urgent Care & After Hours Advise	5.25	6.82	5.99
Hospital Admitting Team	0.04	0.03	0.04
TOTAL PHYSICIAN SERVICES	53.75	56.47	54.74
OTHER PROFESSIONAL SERVICES			
Vision Service Capitation	1.00	1.01	1.00
221 - Business Intelligence	0.67	0.66	0.66
310 - Health Services - Utilization Management - UM Allocation *	2.08	1.93	1.99
311 - Health Services - Quality Improvement - UM Allocation *	0.33	0.28	0.30
312 - Health Services - Education - UM Allocation *	0.38	0.32	0.35
313 - Health Services - Pharmacy - UM Allocation *	0.34	0.31	0.32
314 - Health Homes - UM Allocation *	0.20	0.18	0.19
315 - Case Management - UM Allocation *	0.78	0.73	0.75
616 - Disease Management - UM Allocation *	0.22	0.20	0.21
Behavior Health Treatment	2.60	3.41	2.98
Mental Health Services	0.87	0.75	0.80
Other Professional Services	4.44	4.36	4.37
TOTAL OTHER PROFESSIONAL SERVICES	13.89	14.14	13.92
EMERGENCY ROOM	18.14	19.32	18.60
INPATIENT HOSPITAL	52.72	52.93	52.48
REINSURANCE EXPENSE PREMIUM	0.51	0.51	0.51
OUTPATIENT HOSPITAL SERVICES	22.02	24.76	23.23
OTHER MEDICAL			
Ambulance and NEMT	4.66	10.40	7.47
Home Health Services & CBAS	2.02	0.64	1.32
Utilization and Quality Review Expenses	1.01	0.38	0.69
Long Term/SNF/Hospice	3.84	4.84	4.31
Enhanced Medical Benefits	0.00	0.00	0.00
Provider Enhancement Expense	11.10	11.85	11.40
Non-Medical Transportation	0.00	0.00	0.00
TOTAL OTHER MEDICAL	22.63	28.11	25.19
PHARMACY SERVICES			
RX - Drugs & OTC	34.97	32.26	33.39
RX - HEP-C	2.21	2.38	2.28
Rx - DME	2.63	2.96	2.78
RX - Pharmacy Rebates	(0.71)	(0.55)	(0.62)
TOTAL PHARMACY SERVICES	39.10	37.05	37.83
PAY FOR PERFORMANCE QUALITY INCENTIVE	2.00	2.03	2.00
EXPANSION RISK CORRIDOR	0.00	0.00	0.00
NON-CLAIMS EXPENSE ADJUSTMENT	0.80	1.51	1.15
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(2.68)	17.97	7.55
Total Medical Costs	222.89	254.81	237.19

CURRENT MONTH		YEAR-TO-DATE	
ACTUAL	BUDGET	ACTUAL	BUDGET
VARIANCE		VARIANCE	
186,923	258,313	485,600	516,626
127,374	158,992	277,341	317,984
495,303	617,731	896,839	1,235,463
10,000	18,734	10,205	37,467
238,858	338,855	494,856	677,708
444,621	472,608	955,179	944,752
84,072	109,760	169,386	219,519
91,228	96,311	177,675	192,622
21,530	33,052	47,163	66,655
612	275	635	650
124,298	123,682	251,966	249,963
(556)	500	-	1,000
11,347	13,135	23,538	26,419
18,247	20,738	38,652	41,475
126,987	241,230	394,747	482,460
389,538	491,806	860,492	983,611
347,539	370,472	666,720	740,944
55,624	62,743	113,160	125,486
11,283	64,498	36,270	128,996
41,979	64,750	90,290	129,500
111,757	188,680	323,404	377,361
-	(202,880)	-	(405,760)
2,938,564	3,543,984	6,314,118	7,090,902
			776,784

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT
FOR THE MONTH ENDED FEBRUARY 28, 2019

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED FEBRUARY 28, 2019	JANUARY 2019	FEBRUARY 2019	YEAR TO DATE 2019
110 - Executive	298,677	186,923	485,600
210 - Accounting	149,967	127,374	277,341
220 - Management Information Systems (MIS)	401,536	495,303	896,839
221 - Business Intelligence	205	10,000	10,205
225 - Infrastructure	255,998	238,858	494,856
230 - Claims	510,558	444,621	955,179
240 - Project Management	85,314	84,072	169,386
310 - Health Services - Utilization Management	86,447	91,228	177,675
311 - Health Services - Quality Improvement	25,633	21,530	47,163
312 - Health Services - Education	23	612	635
313- Pharmacy	127,668	124,298	251,966
314 - Health Homes	556	(556)	-
315 - Case Management	12,191	11,347	23,538
616 - Disease Management	20,405	18,247	38,652
320 - Provider Relations	267,760	126,987	394,747
330 - Member Services	470,954	389,538	860,492
340 - Corporate Services	319,181	347,539	666,720
360 - Audit & Investigative Services	57,536	55,624	113,160
410 - Advertising Media	24,987	11,283	36,270
420 - Sales/Marketing/Public Relations	48,311	41,979	90,290
510 - Human Resources	211,647	111,757	323,404
Total Department Expenses	3,375,554	2,938,564	6,314,118

KHS5/30/2019
Management Use Only

**KERN HEALTH SYSTEMS
GROUP HEALTH PLAN - HFAM
BALANCE SHEET STATEMENT
AS OF FEBRUARY 28, 2019**

ASSETS	FEBRUARY 2019	JANUARY 2019	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,464,577	\$ 1,464,577	-
Interest Receivable	5,600	2,800	2,800
Prepaid Expenses & Other Current Assets	3,333	4,167	(834)
TOTAL CURRENT ASSETS	\$ 1,473,510	\$ 1,471,544	\$ 1,966

LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	13,840	13,840	-
Other Liabilities	353,849	353,849	-
TOTAL CURRENT LIABILITIES	\$ 367,689	\$ 367,689	\$ -

NET POSITION:			
Net Position- Beg. of Year	1,100,538	1,100,538	-
Increase (Decrease) in Net Position - Current Year	5,283	3,317	1,966
Total Net Position	\$ 1,105,821	\$ 1,103,855	\$ 1,966
TOTAL LIABILITIES AND NET POSITION	\$ 1,473,510	\$ 1,471,544	\$ 1,966

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED FEBRUARY 28, 2019			YEAR-TO-DATE		
ENROLLMENT								
-	-	-	Members	-	-	-	-	-
REVENUES								
-	-	-	Premium	-	-	-	-	-
2,800	-	2,800	Interest	5,600	-	5,600	-	5,600
-	-	-	Other Investment Income	1,350	-	1,350	-	1,350
2,800	-	2,800	TOTAL REVENUES	6,950	-	6,950	-	6,950
EXPENSES								
-	-	-	Medical Costs	-	-	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-	-	-
-	-	-	Total Medical Costs	-	-	-	-	-
2,800	-	2,800	GROSS MARGIN	6,950	-	6,950	-	6,950
Administrative								
834	-	(834)	Management Fee Expense and Other Admin Exp	1,667	-	(1,667)	-	(1,667)
834	-	(834)	Total Administrative Expenses	1,667	-	(1,667)	-	(1,667)
834	-	(834)	TOTAL EXPENSES	1,667	-	(1,667)	-	(1,667)
1,966	-	1,966	OPERATING INCOME (LOSS)	5,283	-	5,283	-	5,283
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-	-	-
1,966	-	1,966	NET INCREASE (DECREASE) IN NET POSITION	5,283	-	5,283	-	5,283
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%	0%	0%
30%	0%	-30%	ADMINISTRATIVE EXPENSE RATIO	24%	0%	-24%	0%	-24%

**KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT**

KERN HEALTH SYSTEMS

	2019 MEMBER MONTHS											
	JAN'19	FEB'19	MAR'19	APR'19	MAY'19	JUN'19	JUL'19	AUG'19	SEP'19	OCT'19	NOV'19	DEC'19
MEDI-CAL												
ADULT AND FAMILY												
PA - FAMILY	34,526	33,921										
MN - FAMILY	0	0										
REFUGEE - FAMILY	0	0										
FOSTER CARE	720	699										
POVERTY-133/200%	1	1										
POVERTY-100%	0	0										
MI - CHILD	108,363	109,594										
CHILD-ACA	41	40										
FAMILY - UNDER 19	22,145	22,131										
SUB-TOTAL ADULT & FAMILY	165,796	166,386	0	0	0	0	0	0	0	0	0	0

MEDI-CAL EXPANSION	10
LHP Transition Pre-ACA	58,680
ACA Expansion Adult-Citizen	4
ACA Expansion CAL Fresh Adult	465
LHP Transition Pre-ACA	440
SUB-TOTAL MANDATORY	59,129

SDP MEMBERS	379
SSI-AGED	182
MN - AGED	1,621
SSI - BLIND & DIS-ABLED	12,333
MN - BLIND & DIS-ABLED	449
SUB-TOTAL MANDATORY SPD	14,585
TOTAL MANDATORY	239,510

OTHER MEMBERS	48
BCCTP-TOBACCO SETTLEMENT	23

DUALS	48
PA - FAMILY DUALS	18
PART D SSI-AGED	838
PART D MN - AGED	1,510
PART D SSI - BLIND & DIS-ABLED	2,471
PART D MN - BLIND & DIS-ABLED	1,082
PART D BCCTP-TOBACCO SETTLEMENT	1
PART D MI - ADULT	0
PART D MI - CHILD	377
SUB-TOTAL DUALS	6,297

TOTAL OTHERS	6,320
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TOTAL KAISER	8,329
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TOTAL MEDI-CAL MEMBERS	254,159
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	25
	30
	821
	1,559
	2,490
	1,049
	1
	0
	409
	6,359
	6,384
	8,385
	255,486



To: KHS Board of Directors

From: Robert Landis, CFO

Date: June 13, 2019

Re: March 2019 Financial Results

The March results reflect a \$168,862 Net Increase in Net Position which is a \$1,184,480 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$3.6 million favorable variance primarily due to:
 - A) \$1.8 million favorable variance in Proposition 56 Supplemental Revenue due to an unbudgeted increase in tobacco tax revenue funds being allocated for fiscal year 18/19 to additional CPT procedure codes along with an increase in supplemental allowable payable amounts offset against expenses included in 2C below.
 - B) \$.4 million favorable variance relating to unbudgeted new supplemental revenue relating to Ground Emergency Medical Transportation (GEMT) for fiscal year 18/19 offset against expenses included in 2C below.
 - C) \$.6 million favorable variance in Rate/Income Adjustments primarily due to retroactive revenue received for the prior year.
 - D) \$.6 million favorable variance relating to Other Income (Expense) primarily due to marking the investment portfolio to market.
- 2) Total Medical Costs reflect a \$2.7 million unfavorable variance primarily due to:
 - A) \$1.9 million unfavorable variance in Physician Services primarily due to higher than expected utilization of Referral Specialty Service.
 - B) \$1.2 million unfavorable variance in Outpatient Hospital due to higher than expected utilization.
 - C) \$2.6 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 offset against revenue included in 1A above (\$1.8 million). There was also an unfavorable variance in Ambulance and NEMT primarily due to higher than expected utilization (\$.3 million) and accruing for estimated expenses for supplemental GEMT services (\$.4 million) offset against revenue included in 1B above.
 - D) \$3.8 million favorable variance primarily relating to IBNR adjustments (\$2.4 million) and lower than expected Ground Emergency Medical Transportation payments (\$1.4 million) from the prior year.

The March Medical Loss Ratio is 93.7% which is favorable to the 95.1% budgeted amount. The March Administrative Expense Ratio is 5.8% which is favorable to the 6.2% budgeted amount.

The results for the 3 months ended March 31, 2019 reflect a Net Increase in Net Position of \$1,353,040. This is a \$4,315,955 favorable variance to budget and includes approximately \$7.0 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 93.7% which is favorable to the 95.1% budgeted amount. The year-to-date Administrative Expense Ratio is 5.3% which is favorable to the 6.2% budgeted amount.

Requested Action

The KHS Finance Committee has reviewed and recommends that the KHS Board of Directors Receive and File.

**Kern Health Systems
Financial Packet
March 2019**

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
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Schedule of Administrative Expenses by Department	Page 11
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KHS Group Health Plan – Healthy Families Line of Business

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

KHS Administrative Analysis and Other Reporting

Monthly Member Count	Page 15
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KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF MARCH 31, 2019			
ASSETS	MARCH 2019	FEBRUARY 2019	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 76,896,112	\$ 77,499,026	\$ (602,914)
Short-Term Investments	159,725,342	116,113,501	43,611,841
Pass-through Monies Held for Future Payment	82,981,479	-	82,981,479
Premiums Receivable - Net	80,237,428	112,926,482	(32,689,054)
Interest Receivable	375,076	491,932	(116,856)
Other Receivables	1,210,782	1,575,392	(364,610)
Prepaid Expenses & Other Current Assets	1,514,421	1,782,175	(267,754)
Total Current Assets	\$ 402,940,640	\$ 310,388,508	\$ 92,552,132
RESTRICTED ASSETS	\$ 300,000	\$ 300,000	\$ -
CAPITAL ASSETS - NET OF ACCUM DEPREE:			
Land	4,876,562	4,876,562	-
Furniture and Equipment - Net	11,102,498	10,086,001	1,016,497
Automobiles - Net	33,175	33,943	(768)
Building and Building Improvements - Net	6,240,132	6,267,988	(27,856)
Building Project in Progress	23,332,378	20,088,864	3,243,514
Capital Projects in Progress	14,069,076	14,758,045	(688,969)
Total Capital Assets	\$ 59,653,821	\$ 56,111,403	\$ 3,542,418
LONG TERM ASSETS:			
Officer Life Insurance Receivables	704,291	704,750	(459)
Total Long Term Assets	\$ 704,291	\$ 704,750	\$ (459)
DEFERRED OUTFLOWS OF RESOURCES	\$ 2,657,573	\$ 2,657,573	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 466,256,325	\$ 370,162,234	\$ 96,094,091
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	\$ 47,693	\$ 32,209	15,484
Accrued Salaries and Employee Benefits	2,378,492	2,311,893	66,599
Accrued Other Operating Expenses	2,880,454	1,502,929	1,377,525
Accrued Taxes and Licenses	24,211,945	16,124,027	8,087,918
Other Medical Liabilities - Nonoperating Passthrough	82,981,479	-	82,981,479
Claims Payable (Reported)	21,364,121	20,154,701	1,209,420
IBNR - Inpatient Claims	28,278,023	26,559,059	1,718,964
IBNR - Physician Claims	13,462,856	14,499,810	(1,036,954)
IBNR - Accrued Other Medical	21,205,674	19,159,293	2,046,381
Risk Pool and Withholds Payable	2,284,172	2,862,415	(578,243)
Statutory Allowance for Claims Processing Expense	2,326,151	2,326,151	-
Other Liabilities	55,621,487	55,584,831	36,656
Total Current Liabilities	\$ 257,042,547	\$ 161,117,318	\$ 95,925,229
NONCURRENT LIABILITIES:			
Net Pension Liability	5,865,463	5,865,463	-
TOTAL NONCURRENT LIABILITIES	\$ 5,865,463	\$ 5,865,463	\$ -
DEFERRED INFLOWS OF RESOURCES	\$ 364,304	\$ 364,304	\$ -
NET POSITION:			
Net Position - Beg. of Year	201,630,971	201,630,971	-
Increase (Decrease) in Net Position - Current Year	1,353,040	1,184,178	168,862
Total Net Position	\$ 202,984,011	\$ 202,815,149	\$ 168,862
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 466,256,325	\$ 370,162,234	\$ 96,094,091

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED MARCH 31, 2019			YEAR-TO-DATE MEMBER MONTHS		
						ACTUAL	BUDGET	VARIANCE
ENROLLMENT								
166,867	167,800	(933)	Family Members	499,049	502,200	(3,151)		
59,673	59,675	(2)	Expansion Members	178,620	179,025	(405)		
14,925	14,200	725	SPD Members	44,023	42,600	1,423		
6,371	5,600	771	Other Members	19,075	16,800	2,275		
8,394	8,400	(6)	Kaiser Members	25,108	25,200	(92)		
256,230	255,675	555	Total Members - MCAL	765,875	765,825	50		
REVENUES								
24,487,252	23,284,646	1,202,606	Title XIX - Medicaid - Family and Other	71,806,033	69,763,732	2,042,301		
22,894,496	21,930,976	963,520	Title XIX - Medicaid - Expansion Members	68,266,531	65,792,927	2,473,604		
12,439,467	11,927,381	512,086	Title XIX - Medicaid - SPD Members	36,477,880	35,782,144	695,736		
8,071,581	8,257,831	(186,250)	Premium - MCO Tax	24,125,595	24,733,418	(607,823)		
375,455	391,794	(16,339)	Interest /Dividends	1,111,483	1,173,481	(61,998)		
-	126,110	(126,110)	Reinsurance Recoveries	-	377,719	(377,719)		
626,404	-	626,404	Rate/Income Adjustments	7,810,712	-	7,810,712		
610,282	-	610,282	Other Income (Expense)	721,529	-	721,529		
69,504,937	65,918,739	3,586,198	TOTAL REVENUES	210,319,763	197,623,422	12,696,341		
EXPENSES								
Medical Costs:								
15,391,612	13,453,730	(1,937,882)	Physician Services	42,372,611	40,312,901	(2,059,710)		
3,652,683	3,458,812	(193,871)	Other Professional Services	10,514,585	10,370,118	(144,467)		
4,835,728	4,564,184	(271,544)	Emergency Room	14,005,356	13,673,083	(332,273)		
13,546,028	13,516,661	(29,367)	Inpatient	39,413,536	40,515,220	(1,101,684)		
126,021	126,110	89	Reinsurance Expense	376,183	377,719	1,536		
6,885,177	5,682,962	(1,202,215)	Outpatient Hospital	18,336,848	17,033,711	(1,303,137)		
6,448,536	3,896,522	(2,552,014)	Other Medical	18,867,579	11,678,296	(7,189,283)		
9,671,212	9,648,833	(22,379)	Pharmacy	28,317,212	28,925,556	608,344		
495,672	494,550	(1,122)	Pay for Performance Quality Incentive	1,481,534	1,481,250	(284)		
-	-	-	Expansion Risk Corridor	-	-	-		
324,378	-	(324,378)	Non-Claims Expense Adjustment	889,059	-	(889,059)		
(3,810,327)	-	3,810,327	IBNR, Incentive, Paid Claims Adjustment	(88,490)	-	88,490		
57,566,720	54,842,363	(2,724,357)	Total Medical Costs	174,486,013	164,367,854	(10,118,159)		
11,938,217	11,076,376	861,841	GROSS MARGIN	35,833,750	33,255,568	2,578,182		
Administrative:								
2,094,504	2,132,848	38,344	Compensation	6,267,196	6,398,305	131,109		
901,569	788,268	(113,301)	Purchased Services	1,974,301	2,352,176	377,875		
93,764	111,929	18,165	Supplies	288,165	336,187	48,022		
211,201	198,963	(12,238)	Depreciation	570,234	596,889	26,655		
246,439	322,156	75,717	Other Administrative Expenses	761,699	961,508	199,809		
-	-	-	Administrative Expense Adjustment	-	-	-		
3,547,477	3,554,163	6,686	Total Administrative Expenses	9,861,595	10,645,065	783,470		
61,114,197	58,396,526	(2,717,671)	TOTAL EXPENSES	184,347,608	175,012,919	(9,334,689)		
8,390,740	7,522,213	868,527	OPERATING INCOME (LOSS) BEFORE TAX	25,972,155	22,610,504	3,361,651		
8,087,918	8,257,831	169,913	MCO TAX	24,263,955	24,733,418	469,463		
302,822	(735,618)	1,038,440	OPERATING INCOME (LOSS) NET OF TAX	1,708,200	(2,122,915)	3,831,115		
NONOPERATING EXPENSE								
-	-	-	Reserve Fund Projects/Community Grants	-	-	-		
133,960	280,000	(146,040)	Health Home	355,160	840,000	(484,840)		
133,960	280,000	(146,040)	TOTAL NONOPERATING EXPENSE	355,160	840,000	(484,840)		
168,862	(1,015,618)	1,184,480	NET INCREASE (DECREASE) IN NET POSITION	1,353,040	(2,962,915)	4,315,955		
93.7%	95.1%	1.4%	MEDICAL LOSS RATIO	93.7%	95.1%	1.4%		
5.8%	6.2%	0.4%	ADMINISTRATIVE EXPENSE RATIO	5.3%	6.2%	0.9%		

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED MARCH 31, 2019	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
ENROLLMENT						
166,867	167,800	(933)	Family Members	499,049	502,200	(3,151)
59,673	59,675	(2)	Expansion Members	178,620	179,025	(405)
14,925	14,200	725	SPD Members	44,023	42,600	1,423
6,371	5,600	771	Other Members	19,075	16,800	2,275
8,394	8,400	(6)	Kaiser Members	25,108	25,200	(92)
256,230	255,675	555	Total Members - MCAL	765,875	765,825	50
REVENUES						
141.35	134.28	7.07	Title XIX - Medicaid - Family and Other	138.59	134.42	4.17
383.67	367.51	16.16	Title XIX - Medicaid - Expansion Members	382.19	367.51	14.68
833.47	839.96	(6.49)	Title XIX - Medicaid - SPD Members	828.61	839.96	(11.35)
32.57	33.40	(0.83)	Premium - MCO Tax	32.57	33.40	(0.83)
1.51	1.58	(0.07)	Interest/Dividends	1.50	1.58	(0.08)
0.00	0.51	(0.51)	Reinsurance Recoveries	0.00	0.51	(0.51)
0.00	0.00	0.00	COB/Subrogation Collections	0.00	0.00	0.00
2.53	0.00	2.53	Rate/Income Adjustments	10.54	0.00	10.54
2.46	0.00	2.46	Other Income (Expense)	0.97	0.00	0.97
280.45	266.58	13.87	TOTAL REVENUES	283.92	266.83	17.09
EXPENSES						
Medical Costs:						
62.10	54.41	(7.70)	Physician Services	57.20	54.43	(2.77)
14.74	13.99	(0.75)	Other Professional Services	14.19	14.00	(0.19)
19.51	18.46	(1.05)	Emergency Room	18.91	18.46	(0.45)
54.66	54.66	0.01	Inpatient	53.21	54.70	1.50
0.51	0.51	0.00	Reinsurance Expense	0.51	0.51	0.00
27.78	22.98	(4.80)	Outpatient Hospital	24.75	23.00	(1.75)
26.02	15.76	(10.26)	Other Medical	25.47	15.77	(9.70)
39.02	39.02	(0.00)	Pharmacy	38.23	39.06	0.83
2.00	2.00	0.00	Pay for Performance Quality Incentive	2.00	2.00	0.00
0.00	0.00	0.00	Expansion Risk Corridor	0.00	0.00	0.00
1.31	0.00	(1.31)	Non-Claims Expense Adjustment	1.20	0.00	(1.20)
(15.37)	0.00	15.37	IBNR, Incentive, Paid Claims Adjustment	(0.12)	0.00	0.12
232.28	221.79	(10.49)	Total Medical Costs	235.55	221.93	(13.62)
48.17	44.79	3.38	GROSS MARGIN	48.37	44.90	3.47
Administrative:						
8.45	8.63	0.17	Compensation	8.46	8.64	0.18
3.64	3.19	(0.45)	Purchased Services	2.67	3.18	0.51
0.38	0.45	0.07	Supplies	0.39	0.45	0.06
0.85	0.80	(0.05)	Depreciation	0.77	0.81	0.04
0.99	1.30	0.31	Other Administrative Expenses	1.03	1.30	0.27
0.00	0.00	0.00	Administrative Expense Adjustment	0.00	0.00	0.00
14.31	14.37	0.06	Total Administrative Expenses	13.31	14.37	1.06
246.59	236.16	(10.43)	TOTAL EXPENSES	248.86	236.30	(12.56)
33.86	30.42	3.44	OPERATING INCOME (LOSS) BEFORE TAX	35.06	30.53	4.53
32.63	33.40	0.76	MCO TAX	32.76	33.40	0.64
1.22	(2.97)	4.20	OPERATING INCOME (LOSS) NET OF TAX	2.31	(2.87)	5.17
NONOPERATING EXPENSE						
0.00	0.00	0.00	Reserve Fund Projects/Community Grants	0.00	0.00	0.00
(0.52)	1.13	1.66	Health Home	(0.46)	3.40	3.86
(0.52)	1.13	1.66	TOTAL NONOPERATING EXPENSE	(0.46)	3.40	3.86
0.68	(4.11)	4.79	NET INCREASE (DECREASE) IN NET POSITION	1.83	(4.00)	5.83
93.7%	95.1%	1.4%	MEDICAL LOSS RATIO	93.7%	95.1%	1.4%
5.8%	6.2%	0.4%	ADMINISTRATIVE EXPENSE RATIO	5.3%	6.2%	0.9%

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH MARCH 31, 2019	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	AUGUST 2018	SEPTEMBER 2018	OCTOBER 2018	NOVEMBER 2018	DECEMBER 2018	JANUARY 2019	FEBRUARY 2019	MARCH 2019	13 MONTH TOTAL
	244,941	246,347	247,073	247,317	247,861	246,967	246,962	245,266	245,522	244,683	245,830	247,101	247,856	3,203,706
ENROLLMENT														
Members - MCAL														
REVENUES														
Title XIX - Medicaid - Family and Other	21,226,405	20,886,377	23,080,439	21,832,796	22,819,237	24,767,995	23,083,686	23,000,590	23,501,422	30,919,748	33,126,334	24,192,447	24,487,252	306,924,728
Title XIX - Medicaid - Expansion Members	20,638,072	20,813,430	21,917,368	21,204,090	21,752,232	22,282,962	21,704,606	21,501,088	21,231,529	24,465,934	21,975,726	23,396,309	22,894,496	285,977,842
Title XIX - Medicaid - SPD Members	10,764,453	10,871,613	11,583,959	11,083,761	11,910,574	12,352,541	11,987,574	12,138,124	12,551,376	13,341,766	11,970,651	12,067,762	12,439,467	155,052,531
Premium - MCO Tax	7,815,000	7,859,452	7,883,583	7,871,991	8,087,918	8,087,606	8,087,918	8,087,777	8,087,716	7,658,846	8,006,206	8,047,808	8,071,581	103,599,312
Interest/Dividends	330,992	509,405	392,144	493,098	298,592	326,444	328,291	331,150	316,046	369,891	338,737	397,291	375,455	4,807,536
Reinsurance Recoveries	-	-	-	139,352	-	-	-	-	(139,352)	267,973	-	-	-	267,973
COB/Subrogation Collections	10,245,425	3,503,612	1,257,496	1,027,705	465,065	417,036	196,954	325,659	110,446	59,980	-	-	-	17,609,378
Rate/Income Adjustments	1,095,189	457,845	2,152,852	(1,680,199)	(113,750)	129,606	5,175	212,890	251,712	(5,850)	1,364,372	5,819,936	626,404	29,691,892
Other Income (Expense)	(384,933)	(360,661)	(99,712)	345,348	58,667	15,476	136,661	142,515	45,043	609,097	85,746	25,501	610,282	1,289,030
TOTAL REVENUES	71,730,403	64,541,073	87,542,939	62,263,852	65,278,535	68,379,666	65,530,865	65,729,793	65,955,938	77,747,385	66,867,772	73,947,054	69,504,937	905,020,212
EXPENSES														
Medical Costs:														
Physician Services	15,608,603	14,450,521	13,151,057	13,013,296	13,202,517	13,538,335	13,438,560	12,587,105	13,509,654	11,452,459	13,212,798	13,768,201	15,391,612	176,488,698
Other Professional Services	2,996,590	2,911,566	3,414,591	3,111,320	2,964,061	3,254,300	3,251,122	3,323,654	4,150,323	3,375,679	3,414,621	3,447,281	3,652,683	43,267,991
Emergency Room	5,259,525	5,247,777	4,510,035	4,780,947	4,584,869	4,563,430	4,531,949	4,490,225	4,169,595	3,601,196	4,459,099	4,710,529	4,835,728	59,744,904
Inpatient	16,973,565	14,300,202	13,932,093	13,267,422	13,921,068	13,023,461	12,385,548	13,069,188	9,158,011	2,692,667	12,961,386	12,906,122	13,546,028	162,636,761
Reinsurance Expense	118,427	107,531	115,783	116,124	116,240	116,494	116,075	116,072	115,275	115,395	125,136	125,026	126,021	1,429,599
Outpatient Hospital	5,322,082	6,217,088	6,587,061	5,930,118	5,662,578	6,047,228	5,798,828	4,785,905	5,131,143	4,278,893	5,414,223	6,037,448	6,885,177	74,097,772
Other Medical	2,576,860	2,195,432	6,103,942	3,282,963	3,057,129	4,241,840	3,605,940	3,863,995	4,451,174	15,028,871	5,564,320	6,854,723	6,448,536	67,275,675
Pharmacy	9,694,995	8,793,635	9,203,737	8,567,706	8,848,741	9,437,755	8,667,417	9,382,074	8,798,273	8,615,541	9,612,700	9,033,300	9,671,212	118,001,586
Pay for Performance/Quality Incentive	489,882	492,694	494,146	494,634	495,722	493,934	493,924	490,532	491,044	444,467	491,600	494,202	495,672	6,362,513
Expansion Risk Corridor	-	-	-	-	-	-	-	-	-	10,500,000	-	-	-	10,500,000
Non-Claims Expense Adjustment	-	-	20,941,682	(11,991)	(299,863)	6,624	(299,863)	2,670	(535)	197,435	367,246	324,378	324,378	21,527,646
IBNR, Incentive, Paid Claims Adjustment	18,265	(1,015,946)	(1,917,277)	(1,973,835)	342,052	1,872,269	566,662	1,438,167	4,196,430	482,510	(659,783)	4,381,620	(3,810,327)	4,696,807
Total Medical Costs	58,733,294	53,700,500	76,700,850	51,354,704	53,184,977	56,289,183	53,362,649	53,549,587	54,170,337	60,587,658	54,793,595	62,125,698	57,566,720	746,129,752
GROSS MARGIN														
Administrative:	12,997,109	10,840,573	10,842,089	10,909,148	12,082,558	12,090,483	12,168,216	12,180,206	11,785,601	17,159,727	12,074,177	11,821,356	11,938,217	158,890,400
Compensation	2,076,645	1,687,623	1,916,952	1,884,868	2,017,219	2,083,690	2,021,643	2,161,106	2,025,307	1,990,200	2,219,647	1,953,045	2,094,504	26,132,449
Purchased Services	804,716	642,623	636,968	578,949	415,147	594,201	555,317	465,811	616,200	628,945	534,139	538,593	901,569	7,913,178
Supplies	(9,431)	72,492	71,465	68,507	57,005	61,411	30,539	67,086	36,154	104,230	115,623	78,778	93,764	847,623
Depreciation	127,464	130,267	122,140	127,238	127,238	127,237	127,238	127,238	127,238	131,117	179,516	179,517	211,201	1,844,659
Other Administrative Expenses	339,883	284,983	279,546	275,729	332,436	255,200	315,104	265,994	221,013	303,506	326,629	188,651	246,439	3,655,043
Total Administrative Expenses	3,339,277	2,817,988	3,027,071	2,935,291	2,948,995	3,121,739	3,049,841	3,087,235	3,025,912	3,541,021	3,375,554	2,938,564	3,547,477	40,755,965
TOTAL EXPENSES	62,072,571	56,518,488	79,727,921	54,289,995	56,143,972	59,410,922	56,412,490	56,636,822	57,196,249	64,128,679	58,169,149	65,064,262	61,114,197	786,885,717
OPERATING INCOME (LOSS) BEFORE TAX	9,657,832	8,022,585	8,815,018	7,973,857	9,134,563	8,968,744	9,118,375	9,092,971	8,759,689	13,618,706	8,698,623	8,882,792	8,390,740	118,134,495
MCO Tax	7,650,023	7,650,254	7,650,254	7,578,838	8,087,918	8,087,607	8,087,918	8,087,777	8,087,716	8,087,687	8,088,119	8,087,918	8,087,918	103,199,937
OPERATING INCOME (LOSS) NET OF TAX	2,007,809	372,331	1,664,764	395,029	1,046,645	881,137	1,030,457	1,005,194	671,973	5,531,019	610,504	794,874	302,822	14,814,558
TOTAL NONOPERATING EXPENSE	615,733	138,970	(43,857)	233,737	158,805	191,701	567,923	41,390	221,595	54,987	116,870	104,330	133,960	2,538,144
NET INCREASE (DECREASE) IN NET POSITION	1,392,076	233,361	208,621	161,292	887,840	689,436	462,534	963,804	448,378	5,476,032	493,634	690,544	168,862	12,276,414
MEDICAL LOSS RATIO	91.9%	94.7%	96.3%	94.3%	93.0%	93.4%	92.9%	92.9%	93.6%	86.4%	93.1%	94.3%	93.7%	93.1%
ADMINISTRATIVE EXPENSE RATIO	5.2%	5.0%	3.8%	5.4%	5.2%	5.2%	5.3%	5.4%	5.2%	5.1%	5.7%	4.5%	5.8%	5.1%

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH MARCH 31, 2019	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	AUGUST 2018	SEPTEMBER 2018	OCTOBER 2018	NOVEMBER 2018	DECEMBER 2018	JANUARY 2019	FEBRUARY 2019	MARCH 2019	13 MONTH TOTAL
	ENROLLMENT	244,941	246,347	247,073	247,317	247,861	246,967	246,962	245,266	245,522	244,683	245,830	247,101	247,836
Members - MCAL														
REVENUES														
Title XIX - Medicaid - Family and Other	123.47	121.12	133.71	126.38	131.77	143.39	133.25	134.04	136.65	180.80	134.36	140.03	141.35	136.92
Title XIX - Medicaid - Expansion Members	351.14	348.64	370.03	353.55	369.19	373.39	365.14	363.20	361.19	413.07	371.66	391.12	383.67	369.93
Title XIX - Medicaid - SPD Members	755.17	765.50	760.84	759.68	814.12	848.74	828.82	838.04	850.42	924.01	820.75	831.51	839.09	817.90
Premium - MCO Tax	31.91	31.90	31.91	32.63	32.63	32.75	32.75	32.98	32.94	31.50	32.57	32.57	32.57	32.34
Interest/Dividends	1.35	2.07	1.59	1.99	1.20	1.32	1.33	1.35	1.29	1.51	1.38	1.61	1.51	1.50
Reinsurance Recoveries	0.00	0.00	0.00	0.56	0.00	0.00	0.00	0.00	(0.57)	1.10	0.00	0.00	0.00	0.08
COB/Subrogation Collections	41.83	14.22	5.09	4.16	1.88	1.69	0.80	1.33	0.45	0.25	0.00	0.00	0.00	5.50
Rate/Income Adjustments	4.47	1.86	87.13	(6.79)	(0.46)	0.52	0.02	0.87	1.03	(0.02)	5.55	23.55	2.53	9.27
Other Income (Expense)	(1.57)	(1.46)	(0.40)	1.40	0.24	0.06	0.55	0.58	0.18	2.73	0.35	0.10	2.46	0.40
TOTAL REVENUES	292.85	261.99	354.32	251.76	263.37	276.88	265.35	267.99	268.64	317.75	272.01	299.26	280.45	282.49
EXPENSES														
Medical Costs:														
Physician Services	63.72	58.66	53.89	52.62	53.27	54.82	54.42	51.32	55.02	46.81	53.75	55.72	62.10	55.09
Other Professional Services	12.23	11.82	13.82	12.58	11.96	13.18	13.16	13.55	16.90	13.80	13.89	13.95	14.74	13.51
Emergency Room	21.47	21.30	18.25	19.33	18.53	18.48	18.35	18.31	16.98	14.72	18.14	19.06	19.51	18.65
Inpatient	69.30	58.05	56.39	53.65	56.16	52.73	52.18	53.29	37.30	11.00	52.72	52.23	54.66	50.77
Reinsurance Expense	0.48	0.44	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.51	0.51	0.51	0.48
Outpatient Hospital	21.73	25.24	26.66	23.98	22.85	24.49	23.48	19.51	20.90	17.49	22.02	24.43	27.78	23.13
Other Medical	10.52	8.91	24.71	13.27	12.33	17.18	14.60	15.75	18.13	61.42	22.63	27.74	26.02	21.00
Pharmacy	38.25	35.70	37.25	34.64	35.70	38.21	35.10	38.25	35.83	35.21	39.10	36.56	39.02	36.83
Pay for Performance Quality Incentive	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.82	2.00	2.00	2.00	1.99
Expansion Risk Corridor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	42.91	0.00	0.00	0.00	3.28
Non-Claims Expense Adjustment	0.00	0.00	84.76	(0.05)	0.00	(1.21)	0.03	0.01	(0.00)	0.00	0.80	1.49	1.31	6.72
IBNR, Incentive, Paid Claims Adjustment	0.07	(4.12)	(7.76)	(4.84)	1.38	7.58	2.29	5.86	17.09	1.97	(2.68)	17.73	(15.37)	1.47
Total Medical Costs	239.79	217.99	310.44	207.65	214.62	227.92	216.08	218.33	220.63	247.62	232.89	251.42	232.28	232.90
GROSS MARGIN	53.06	44.01	43.88	44.11	48.75	48.96	49.27	49.66	48.00	70.13	49.12	47.84	48.17	49.60
Administrative:														
Administrative Compensation	8.48	6.85	7.76	7.62	8.14	8.44	8.19	8.81	8.25	8.13	9.03	7.90	8.45	8.16
Purchased Services	3.29	2.61	2.58	2.34	1.67	2.41	2.25	1.90	2.51	2.57	2.17	2.18	3.64	2.47
Supplies	(0.04)	0.29	0.29	0.28	0.23	0.25	0.12	0.27	0.15	0.43	0.47	0.32	0.38	0.26
Depreciation	0.52	0.53	0.49	0.51	0.51	0.52	0.52	0.52	0.52	0.54	0.73	0.73	0.85	0.58
Other Administrative Expenses	1.39	1.16	1.13	1.11	1.34	1.03	1.28	1.08	0.90	1.24	1.33	0.76	0.99	1.13
Administrative Expense Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.57	0.00	0.00	0.00	0.12
Total Administrative Expenses	13.63	11.44	12.25	11.87	11.90	12.64	12.35	12.59	12.32	14.47	13.73	11.89	14.31	12.72
TOTAL EXPENSES	253.42	229.43	322.69	219.52	226.51	240.56	228.43	230.92	232.96	262.09	236.62	263.31	246.59	245.62
OPERATING INCOME (LOSS) BEFORE TAX	39.43	32.57	31.63	32.24	36.85	36.32	36.92	37.07	35.68	55.66	35.38	35.95	33.86	36.87
MCO TAX	31.23	31.05	30.96	30.64	32.63	32.75	32.75	32.98	33.94	33.05	33.90	32.73	32.63	32.25
OPERATING INCOME (LOSS) NET OF TAX	8.20	1.51	0.67	1.60	4.22	4.22	4.17	4.10	2.48	22.60	2.48	3.22	1.22	4.62
TOTAL NONOPERATING EXPENSE	2.51	0.56	(0.18)	0.95	0.64	0.78	2.30	0.17	0.91	0.22	0.48	0.42	0.54	0.79
NET INCREASE (DECREASE) IN NET POSITION	5.68	0.95	0.84	0.65	3.58	2.79	1.87	3.93	1.83	22.38	2.01	2.79	0.68	3.83
MEDICAL LOSS RATIO	91.99%	94.79%	96.33%	94.33%	93.00%	93.47%	92.97%	92.97%	93.47%	86.47%	93.17%	94.37%	93.77%	93.17%
ADMINISTRATIVE EXPENSE RATIO	5.2%	5.0%	3.8%	5.4%	5.2%	5.2%	5.3%	5.4%	5.2%	5.1%	5.7%	4.5%	5.8%	5.1%

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED MARCH 31, 2019				YEAR-TO-DATE		
CURRENT MONTH		REVENUES		ACTUAL	BUDGET	VARIANCE
ACTUAL	BUDGET	VARIANCE				
19,998,979	19,792,009	206,970	Premium - Medi-Cal	59,466,661	59,292,507	174,154
2,221,336	2,422,591	(201,255)	Premium - Maternity Kick	5,904,016	7,267,773	(1,363,757)
136,253	75,070	61,183	Premium - Hep C Kick	302,785	224,691	78,094
288,872	259,805	29,067	Premium - BHT Kick	701,488	777,616	(76,128)
1,758,889	654,151	1,104,738	Premium - Provider Enhancement	5,179,588	1,958,205	3,221,383
82,923	81,020	1,903	Other	251,495	242,940	8,555
24,487,252	23,284,646	1,202,606	Total Title XIX - Medicaid - Family & Other	71,806,033	69,763,732	2,042,301
Title XIX - Medicaid - Expansion Members						
21,382,875	20,794,399	588,476	Premium - Medi-Cal	63,872,551	62,383,197	1,489,354
220,020	243,020	(23,000)	Premium - Maternity Kick	806,054	729,060	76,994
363,342	544,869	(181,527)	Premium - Hep C Kick	1,135,443	1,634,607	(499,164)
901,853	323,232	578,621	Premium - Provider Enhancement	2,373,363	969,696	1,403,667
26,406	25,456	950	Other	79,120	76,368	2,752
22,894,496	21,930,976	963,520	Total Title XIX - Medicaid - Expansion Members	68,266,531	65,792,928	2,473,603
Title XIX - Medicaid - SPD Members						
11,567,757	11,198,120	369,637	Premium - Medi-Cal	34,267,511	33,594,360	673,151
151,392	211,894	(60,502)	Premium - Hep C Kick	333,063	635,682	(302,619)
438,008	391,982	46,026	Premium - BHT Kick	1,041,461	1,175,946	(134,485)
282,310	125,386	156,924	Premium - Provider Enhancement	835,845	376,158	459,687
12,439,467	11,927,381	512,086	Total Title XIX - Medicaid - SPD Members	36,477,880	35,782,145	695,735

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED MARCH 31, 2019		CURRENT MONTH		YEAR-TO-DATE	
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
2,641,133	2,908,400	267,267	8,697,909	8,711,590	13,681
10,768,936	9,179,098	(1,589,838)	28,721,310	27,509,720	(1,211,590)
1,972,243	1,356,932	(615,311)	4,926,392	4,064,591	(861,801)
9,300	9,300	-	27,000	27,000	-
15,391,612	13,453,730	(1,937,882)	42,372,611	40,312,901	(2,059,710)
PHYSICIAN SERVICES					
247,101	260,206	13,105	737,614	779,394	41,780
165,714	183,437	17,723	490,443	550,311	59,868
478,085	537,736	59,651	1,459,423	1,613,207	153,784
68,819	101,420	32,601	216,933	304,261	87,328
86,664	90,483	3,819	258,451	271,449	12,998
78,387	87,826	9,439	236,780	263,479	26,699
48,105	85,845	37,740	141,970	257,535	115,565
187,111	205,777	18,666	555,863	617,332	61,469
50,373	55,990	5,617	153,726	167,969	14,243
952,302	651,787	(300,515)	2,422,678	1,953,562	(469,116)
127,778	161,197	33,419	524,490	483,007	(41,483)
1,162,244	1,037,108	(125,136)	3,316,214	3,108,613	(207,601)
3,652,683	3,458,812	(193,871)	10,514,585	10,370,118	(144,467)
4,835,728	4,564,184	(271,544)	14,005,356	13,673,083	(332,273)
13,546,028	13,516,661	(29,367)	39,413,536	40,515,220	1,101,684
126,021	126,110	89	376,183	377,719	1,536
6,885,177	5,682,962	(1,202,215)	18,336,848	17,033,711	(1,303,137)
OTHER MEDICAL					
1,948,589	1,214,904	(733,685)	5,631,555	3,639,836	(1,991,719)
325,629	291,574	(34,055)	976,246	874,089	(102,157)
298,591	445,757	147,166	641,008	1,337,270	696,262
999,537	779,701	(219,836)	3,124,435	2,338,168	(786,267)
-	62,140	62,140	-	186,119	186,119
2,876,190	1,102,446	(1,773,744)	8,494,335	3,302,814	(5,191,521)
6,448,536	3,896,522	(2,552,014)	18,867,579	11,678,296	(7,189,283)
PHARMACY SERVICES					
8,712,771	8,363,845	(348,926)	25,173,783	25,072,152	(101,631)
435,632	831,833	396,201	1,557,602	2,494,979	937,377
706,209	598,893	(107,316)	2,075,827	1,795,555	(280,272)
(183,400)	(145,738)	37,662	(490,000)	(437,130)	52,870
9,671,212	9,648,833	(22,379)	28,317,212	28,925,556	608,344
495,672	494,550	(1,122)	1,481,534	1,481,250	(284)
-	-	-	-	-	-
324,378	-	(324,378)	889,059	-	(889,059)
(3,810,327)	-	3,810,327	(88,490)	-	88,490
57,566,720	54,842,363	(2,724,357)	174,486,013	164,367,854	(10,118,159)

* Medical costs per DMHC regulations

CURRENT MONTH		VARIANCE		KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED MARCH 31, 2019				YEAR-TO-DATE	
ACTUAL	BUDGET			ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
10.66	11.76	1.11		11.74	11.76	0.02	11.74	11.76	0.02
43.45	37.12	(6.33)		38.77	37.14	(1.63)	38.77	37.14	(1.63)
7.96	5.49	(2.47)		6.65	5.49	(1.16)	6.65	5.49	(1.16)
0.04	0.04	0.00		0.04	0.04	0.00	0.04	0.04	0.00
62.10	54.41	(7.70)		57.20	54.43	(2.77)	57.20	54.43	(2.77)
1.00	1.05	0.06		1.00	1.05	0.06	1.00	1.05	0.06
0.67	0.74	0.07		0.66	0.74	0.08	0.66	0.74	0.08
1.93	2.17	0.25		1.97	2.18	0.21	1.97	2.18	0.21
0.28	0.41	0.13		0.29	0.41	0.12	0.29	0.41	0.12
0.35	0.37	0.02		0.35	0.37	0.02	0.35	0.37	0.02
0.32	0.36	0.04		0.32	0.36	0.04	0.32	0.36	0.04
0.19	0.35	0.15		0.19	0.35	0.16	0.19	0.35	0.16
0.75	0.83	0.08		0.75	0.83	0.08	0.75	0.83	0.08
0.20	0.23	0.02		0.21	0.23	0.02	0.21	0.23	0.02
3.84	2.64	(1.21)		3.27	2.64	(0.63)	3.27	2.64	(0.63)
0.52	0.65	0.14		0.71	0.65	(0.06)	0.71	0.65	(0.06)
4.69	4.19	(0.50)		4.48	4.20	(0.28)	4.48	4.20	(0.28)
14.74	13.99	(0.75)		14.19	14.00	(0.19)	14.19	14.00	(0.19)
19.51	18.46	(1.05)		18.91	18.46	(0.45)	18.91	18.46	(0.45)
54.66	54.66	0.01		53.21	54.70	1.50	53.21	54.70	1.50
0.51	0.51	0.00		0.51	0.51	0.00	0.51	0.51	0.00
27.78	22.98	(4.80)		24.75	23.00	(1.75)	24.75	23.00	(1.75)
7.86	4.91	(2.95)		7.60	4.91	(2.69)	7.60	4.91	(2.69)
1.31	1.18	(0.13)		1.32	1.18	(0.14)	1.32	1.18	(0.14)
1.20	1.80	0.60		0.87	1.81	0.94	0.87	1.81	0.94
4.03	3.15	(0.88)		4.22	3.16	(1.06)	4.22	3.16	(1.06)
0.00	0.25	0.25		0.00	0.25	0.25	0.00	0.25	0.25
11.61	4.46	(7.15)		11.47	4.46	(7.01)	11.47	4.46	(7.01)
26.02	15.76	(10.26)		25.47	15.77	(9.70)	25.47	15.77	(9.70)
35.16	33.82	(1.33)		33.98	33.85	(0.13)	33.98	33.85	(0.13)
1.76	3.36	1.61		2.10	3.37	1.27	2.10	3.37	1.27
2.85	2.42	(0.43)		2.80	2.42	(0.38)	2.80	2.42	(0.38)
(0.74)	(0.59)	(0.15)		(0.66)	(0.59)	0.07	(0.66)	(0.59)	0.07
39.02	39.02	(0.00)		38.23	39.06	0.83	38.23	39.06	0.83
2.00	2.00	0.00		2.00	2.00	0.00	2.00	2.00	0.00
0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
1.31	0.00	(1.31)		1.20	0.00	(1.20)	1.20	0.00	(1.20)
(15.37)	0.00	15.37		(0.12)	0.00	0.12	(0.12)	0.00	0.12
232.28	221.79	(10.49)		235.55	221.93	(13.62)	235.55	221.93	(13.62)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH MARCH 31, 2019	JANUARY 2019	FEBRUARY 2019	MARCH 2019	YEAR TO DATE 2019
PHYSICIAN SERVICES				
Primary Care Physician Services	2,852,332	3,204,444	2,641,133	8,697,909
Referral Specialty Services	9,061,015	8,891,359	10,768,936	28,721,310
Urgent Care & After Hours Advise	1,290,151	1,663,998	1,972,243	4,926,392
Hospital Admitting Team	9,300	8,400	9,300	27,000
TOTAL PHYSICIAN SERVICES	13,212,798	13,768,201	15,391,612	42,372,611
OTHER PROFESSIONAL SERVICES				
Vision Service Capitation	245,365	245,148	247,101	737,614
221 - Business Intelligence	164,801	159,928	165,714	490,443
310 - Health Services - Utilization Management - UM Allocation *	510,943	470,395	478,085	1,459,423
311 - Health Services - Quality Improvement - UM Allocation *	80,526	67,588	68,819	216,933
312 - Health Services - Education - UM Allocation *	93,216	78,571	86,664	258,451
313 - Health Services - Pharmacy - UM Allocation *	82,748	75,645	78,387	236,780
314 - Health Homes - UM Allocation *	49,343	44,522	48,105	141,970
315 - Case Management - UM Allocation *	190,992	177,760	187,111	555,863
616 - Disease Management - UM Allocation *	54,419	48,934	50,373	153,726
Behavior Health Treatment	638,864	831,512	952,302	2,422,678
Mental Health Services	212,968	183,744	127,778	524,490
Other Professional Services	1,090,436	1,063,534	1,162,244	3,316,214
TOTAL OTHER PROFESSIONAL SERVICES	3,414,621	3,447,281	3,652,683	10,514,585
EMERGENCY ROOM	4,459,099	4,710,529	4,835,728	14,005,356
INPATIENT HOSPITAL	12,961,386	12,906,122	13,546,028	39,413,536
REINSURANCE EXPENSE PREMIUM	125,136	125,026	126,021	376,183
OUTPATIENT HOSPITAL SERVICES	5,414,223	6,037,448	6,885,177	18,336,848
OTHER MEDICAL				
Ambulance and NEMT	1,146,157	2,536,809	1,948,589	5,631,555
Home Health Services & CBAS	495,461	155,156	325,629	976,246
Utilization and Quality Review Expenses	248,953	93,464	298,591	641,008
Long Term/SNF/Hospice	944,616	1,180,282	999,537	3,124,435
Enhanced Medical Benefits	-	-	-	-
Provider Enhancement Expense	2,729,133	2,889,012	2,876,190	8,494,335
Non-Medical Transportation	-	-	-	-
TOTAL OTHER MEDICAL	5,564,320	6,854,723	6,448,536	18,867,579
PHARMACY SERVICES				
RX - Drugs & OTC	8,596,061	7,864,951	8,712,771	25,173,783
RX - HEP-C	542,465	579,505	435,632	1,557,602
Rx - DME	647,574	722,044	706,209	2,075,827
RX - Pharmacy Rebates	(173,400)	(133,200)	(183,400)	(490,000)
TOTAL PHARMACY SERVICES	9,612,700	9,033,300	9,671,212	28,317,212
PAY FOR PERFORMANCE QUALITY INCENTIVE	491,660	494,202	495,672	1,481,534
EXPANSION RISK CORRIDOR	-	-	-	-
NON-CLAIMS EXPENSE ADJUSTMENT	197,435	367,246	324,378	889,059
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(659,783)	4,381,620	(3,810,327)	(88,490)
Total Medical Costs	54,793,595	62,125,698	57,566,720	174,486,013

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH MARCH 31, 2019	JANUARY 2019	FEBRUARY 2019	MARCH 2019	YEAR TO DATE 2019
PHYSICIAN SERVICES				
Primary Care Physician Services	11.60	12.97	10.66	11.74
Referral Specialty Services	36.86	35.98	43.45	38.77
Urgent Care & After Hours Advise	5.25	6.73	7.96	6.65
Hospital Admitting Team	0.04	0.03	0.04	0.04
TOTAL PHYSICIAN SERVICES	53.75	55.72	62.10	57.20
OTHER PROFESSIONAL SERVICES				
Vision Service Capitation	1.00	0.99	1.00	1.00
221 - Business Intelligence	0.67	0.65	0.67	0.66
310 - Health Services - Utilization Management - UM Allocation *	2.08	1.90	1.93	1.97
311 - Health Services - Quality Improvement - UM Allocation *	0.33	0.27	0.28	0.29
312 - Health Services - Education - UM Allocation *	0.38	0.32	0.35	0.35
313 - Health Services - Pharmacy - UM Allocation *	0.34	0.31	0.32	0.32
314 - Health Homes - UM Allocation *	0.20	0.18	0.19	0.19
315 - Case Management - UM Allocation *	0.78	0.72	0.75	0.75
616 - Disease Management - UM Allocation *	0.22	0.20	0.20	0.21
Behavior Health Treatment	2.60	3.37	3.84	3.27
Mental Health Services	0.87	0.74	0.52	0.71
Other Professional Services	4.44	4.30	4.69	4.48
TOTAL OTHER PROFESSIONAL SERVICES	13.89	13.95	14.74	14.19
EMERGENCY ROOM	18.14	19.06	19.51	18.91
INPATIENT HOSPITAL	52.72	52.23	54.66	53.21
REINSURANCE EXPENSE PREMIUM	0.51	0.51	0.51	0.51
OUTPATIENT HOSPITAL SERVICES	22.02	24.43	27.78	24.75
OTHER MEDICAL				
Ambulance and NEMT	4.66	10.27	7.86	7.60
Home Health Services & CBAS	2.02	0.63	1.31	1.32
Utilization and Quality Review Expenses	1.01	0.38	1.20	0.87
Long Term/SNF/Hospice	3.84	4.78	4.03	4.22
Enhanced Medical Benefits	0.00	0.00	0.00	0.00
Provider Enhancement Expense	11.10	11.69	11.61	11.47
Non-Medical Transportation	0.00	0.00	0.00	0.00
TOTAL OTHER MEDICAL	22.63	27.74	26.02	25.47
PHARMACY SERVICES				
RX - Drugs & OTC	34.97	31.83	35.16	33.98
RX - HEP-C	2.21	2.35	1.76	2.10
Rx - DME	2.63	2.92	2.85	2.80
RX - Pharmacy Rebates	(0.71)	(0.54)	(0.74)	(0.66)
TOTAL PHARMACY SERVICES	39.10	36.56	39.02	38.23
PAY FOR PERFORMANCE QUALITY INCENTIVE	2.00	2.00	2.00	2.00
EXPANSION RISK CORRIDOR	0.00	0.00	0.00	0.00
NON-CLAIMS EXPENSE ADJUSTMENT	0.80	1.49	1.31	1.20
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(2.68)	17.73	(15.37)	(0.12)
Total Medical Costs	222.89	251.42	232.28	235.55

CURRENT MONTH		YEAR-TO-DATE	
ACTUAL	BUDGET	ACTUAL	BUDGET
VARIANCE		VARIANCE	
234,566	258,313	720,166	774,939
139,032	158,992	416,373	476,976
640,543	617,731	1,537,382	1,853,194
50,100	18,734	60,305	56,201
247,310	338,856	742,166	1,016,563
505,751	480,110	1,460,930	1,424,862
96,834	109,760	266,220	329,279
95,142	96,311	272,817	288,933
22,707	33,102	69,870	99,757
(5)	100	630	750
159,313	126,482	411,279	376,445
(398)	500	(398)	1,500
11,943	13,135	35,481	39,554
18,631	20,738	57,283	62,213
223,524	241,230	618,271	723,690
441,753	491,807	1,302,245	1,475,418
396,534	370,472	1,063,254	1,111,416
51,626	62,743	164,786	188,229
34,440	64,498	70,710	193,494
43,514	64,750	133,804	194,250
134,617	188,680	458,021	566,041
-	(202,880)	-	(608,640)
3,547,477	3,554,163	9,861,595	10,645,065
			783,470

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT
FOR THE MONTH ENDED MARCH 31, 2019

KERN HEALTH SYSTEMS MEDI-CAL		JANUARY 2019	FEBRUARY 2019	MARCH 2019	YEAR TO DATE 2019
SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED MARCH 31, 2019					
110 - Executive		298,677	186,923	234,566	720,166
210 - Accounting		149,967	127,374	139,032	416,373
220 - Management Information Systems (MIS)		401,536	495,303	640,543	1,537,382
221 - Business Intelligence		205	10,000	50,100	60,305
225 - Infrastructure		255,998	238,858	247,310	742,166
230 - Claims		510,558	444,621	505,751	1,460,930
240 - Project Management		85,314	84,072	96,834	266,220
310 - Health Services - Utilization Management		86,447	91,228	95,142	272,817
311 - Health Services - Quality Improvement		25,633	21,530	22,707	69,870
312 - Health Services - Education		23	612	(5)	630
313- Pharmacy		127,668	124,298	159,313	411,279
314 - Health Homes		556	(556)	(398)	(398)
315 - Case Management		12,191	11,347	11,943	35,481
616 - Disease Management		20,405	18,247	18,631	57,283
320 - Provider Relations		267,760	126,987	223,524	618,271
330 - Member Services		470,954	389,538	441,753	1,302,245
340 - Corporate Services		319,181	347,539	396,534	1,063,254
360 - Audit & Investigative Services		57,536	55,624	51,626	164,786
410 - Advertising Media		24,987	11,283	34,440	70,710
420 - Sales/Marketing/Public Relations		48,311	41,979	43,514	133,804
510 - Human Resources		211,647	111,757	134,617	458,021
Total Department Expenses		3,375,554	2,938,564	3,547,477	9,861,595

KHS5/30/2019
Management Use Only

**KERN HEALTH SYSTEMS
GROUP HEALTH PLAN - HFAM
BALANCE SHEET STATEMENT
AS OF MARCH 31, 2019**

ASSETS	MARCH 2019	FEBRUARY 2019	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,464,577	\$ 1,464,577	-
Interest Receivable	8,598	5,600	2,998
Prepaid Expenses & Other Current Assets	2,500	3,333	(833)
TOTAL CURRENT ASSETS	\$ 1,475,675	\$ 1,473,510	\$ 2,165
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	13,840	13,840	-
Other Liabilities	353,849	353,849	-
TOTAL CURRENT LIABILITIES	\$ 367,689	\$ 367,689	\$ -
NET POSITION:			
Net Position- Beg. of Year	1,100,538	1,100,538	-
Increase (Decrease) in Net Position - Current Year	7,448	5,282	2,166
Total Net Position	\$ 1,107,986	\$ 1,105,820	\$ 2,166
TOTAL LIABILITIES AND NET POSITION	\$ 1,475,675	\$ 1,473,509	\$ 2,166

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED MARCH 31, 2019			YEAR-TO-DATE		
ENROLLMENT								
-	-	-	Members	-	-	-	-	-
REVENUES								
-	-	-	Premium	-	-	-	-	-
2,998	-	2,998	Interest	8,598	-	8,598	-	8,598
-	-	-	Other Investment Income	1,350	-	1,350	-	1,350
2,998	-	2,998	TOTAL REVENUES	9,948	-	9,948	-	9,948
EXPENSES								
-	-	-	Medical Costs	-	-	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-	-	-
-	-	-	Total Medical Costs	-	-	-	-	-
2,998	-	2,998	GROSS MARGIN	9,948	-	9,948	-	9,948
Administrative								
833	-	(833)	Management Fee Expense and Other Admin Exp	2,500	-	(2,500)	-	(2,500)
833	-	(833)	Total Administrative Expenses	2,500	-	(2,500)	-	(2,500)
833	-	(833)	TOTAL EXPENSES	2,500	-	(2,500)	-	(2,500)
2,165	-	2,165	OPERATING INCOME (LOSS)	7,448	-	7,448	-	7,448
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-	-	-
2,165	-	2,165	NET INCREASE (DECREASE) IN NET POSITION	7,448	-	7,448	-	7,448
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%	0%	0%
28%	0%	-28%	ADMINISTRATIVE EXPENSE RATIO	25%	0%	-25%	25%	-25%

**KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT**

KERN HEALTH SYSTEMS

	2019 MEMBER MONTHS											
	JAN'19	FEB'19	MAR'19	APR'19	MAY'19	JUN'19	JUL'19	AUG'19	SEP'19	OCT'19	NOV'19	DEC'19
MEDI-CAL												
ADULT AND FAMILY												
PA - FAMILY	34,526	33,921	33,871									
MN - FAMILY	0	0	0									
REFUGEE - FAMILY	0	0	0									
FOSTER CARE	720	699	712									
POVERTY-133/200%	1	1	1									
POVERTY-100%	0	0	0									
MI - CHILD	108,363	109,594	110,076									
CHILD-ACA	41	40	13									
FAMILY - UNDER 19	22,145	22,131	22,194									
SUB-TOTAL ADULT & FAMILY	165,796	166,386	166,867	0	0	0	0	0	0	0	0	0

MEDI-CAL EXPANSION	
LHP Transition Pre-ACA	15
ACA Expansion Adult-Citizen	177,243
ACA Expansion CAL Fresh Adult	11
LHP Transition Pre-ACA	1,351
SUB-TOTAL MANDATORY	178,620

SDP MEMBERS	
SSI-AGED	560
MN - AGED	4,867
SSI - BLIND & DIS-ABLED	37,204
MN - BLIND & DIS-ABLED	1,392
SUB-TOTAL MANDATORY SPD	44,023
TOTAL MANDATORY	721,692

OTHER MEMBERS	
BCCTP-TOBACCO SETTLEMENT	70

DUALS	
PA - FAMILY DUALS	72
PART D SSI -AGED	2,491
PART D MN - AGED	4,633
PART D SSI - BLIND & DIS-ABLED	7,492
PART D MN - BLIND & DIS-ABLED	3,134
PART D BCCTP-TOBACCO SETTLEMENT	3
PART D MI - ADULT	0
PART D MI - CHILD	1,180
SUB-TOTAL DUALS	19,005

TOTAL OTHERS	19,075
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TOTAL KAISER	25,108
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TOTAL MEDICAL MEMBERS	765,875
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5	5	5	5	5	5	5	5	5	5	5	5	5
58,680	59,344	59,219										
4	4	3										
440	465	446										
59,129	59,818	59,673	0	0	0	0	0	0	0	0	0	0

182	197	181										
1,621	1,623	1,623										
12,333	12,191	12,680										
449	502	441										
14,585	14,513	14,925	0	0	0	0	0	0	0	0	0	0
239,510	240,717	241,465	0	0	0	0	0	0	0	0	0	0

23	25	22										
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18	30	24										
838	821	832										
1,510	1,559	1,564										
2,471	2,490	2,531										
1,082	1,049	1,003										
1	1	1										
0	0	0										
377	409	394										
6,297	6,359	6,349	0	0	0	0	0	0	0	0	0	0

6,320	6,384	6,371	0	0	0	0	0	0	0	0	0	0
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8,329	8,385	8,394										
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254,159	255,486	256,230	0	0	0	0	0	0	0	0	0	0
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To: KHS Board of Directors

From: Robert Landis, CFO

Date: June 13, 2019

Re: April 2019 Financial Results

The April results reflect a \$60,183 Net Increase in Net Position which is a \$1,191,579 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$2.1 million favorable variance primarily due to:
 - A) \$1.7 million favorable variance in Proposition 56 Supplemental Revenue due to an unbudgeted increase in tobacco tax revenue funds being allocated for fiscal year 18/19 to additional CPT procedure codes along with an increase in supplemental allowable payable amounts offset against expenses included in 2B below.
 - B) \$.4 million favorable variance relating to unbudgeted new supplemental revenue relating to Ground Emergency Medical Transportation (GEMT) for fiscal year 18/19 offset against expenses included in 2B below.
- 2) Total Medical Costs reflect a \$1.4 million unfavorable variance primarily due to:
 - A) \$2.4 million unfavorable variance in Physician Services primarily due to higher than expected utilization for Urgent Care and Referral Specialty Services.
 - B) \$2.2 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 offset against revenue included in 1A above (\$1.9 million). There was also an unfavorable variance in Ambulance and NEMT primarily due to accruing for estimated expenses for supplemental GEMT services (\$.4 million) offset against revenue included in 1B above.
 - C) \$3.4 million favorable IBNR adjustment from the prior year.

The April Medical Loss Ratio is 93.8% which is favorable to the 95.2% budgeted amount. The April Administrative Expense Ratio is 5.8% which is favorable to the 6.3% budgeted amount.

The results for the 4 months ended April 30, 2019 reflect a Net Increase in Net Position of \$1,413,223. This is a \$5,507,534 favorable variance to budget and includes approximately \$11.0 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 93.7% which is favorable to the 95.1% budgeted amount. The year-to-date Administrative Expense Ratio is 5.4% which is favorable to the 6.2% budgeted amount.

Requested Action

The KHS Finance Committee has reviewed and recommends that the KHS Board of Directors Receive and File.

**Kern Health Systems
Financial Packet
April 2019**

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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Schedule of Revenues	Page 6
Schedule of Medical Costs	Page 7
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Schedule of Administrative Expenses by Department	Page 11
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KHS Group Health Plan – Healthy Families Line of Business

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

KHS Administrative Analysis and Other Reporting

Monthly Member Count	Page 15
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KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF APRIL 30, 2019			
ASSETS	APRIL 2019	MARCH 2019	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 115,705,253	\$ 76,896,112	\$ 38,809,141
Short-Term Investments	110,619,449	159,725,342	(49,105,893)
Pass-through Monies Held for Future Payment	-	82,981,479	(82,981,479)
Premiums Receivable - Net	77,814,455	80,237,428	(2,422,973)
Interest Receivable	557,439	375,076	182,363
Other Receivables	1,154,895	1,210,782	(55,887)
Prepaid Expenses & Other Current Assets	1,271,509	1,514,421	(242,912)
Total Current Assets	\$ 307,123,000	\$ 402,940,640	\$ (95,817,640)
RESTRICTED ASSETS	\$ 300,000	\$ 300,000	\$ -
CAPITAL ASSETS - NET OF ACCUM DEPREE:			
Land	4,876,562	4,876,562	-
Furniture and Equipment - Net	10,983,968	11,102,498	(118,530)
Automobiles - Net	32,392	33,175	(783)
Building and Building Improvements - Net	6,212,277	6,240,132	(27,855)
Building Project in Progress	26,413,619	23,332,378	3,081,241
Capital Projects in Progress	14,313,816	14,069,076	244,740
Total Capital Assets	\$ 62,832,634	\$ 59,653,821	\$ 3,178,813
LONG TERM ASSETS:			
Officer Life Insurance Receivables	704,291	704,291	-
Total Long Term Assets	\$ 704,291	\$ 704,291	\$ -
DEFERRED OUTFLOWS OF RESOURCES	\$ 2,657,573	\$ 2,657,573	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 373,617,498	\$ 466,256,325	\$ (92,638,827)
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	\$ 53,978	\$ 47,693	6,285
Accrued Salaries and Employee Benefits	2,493,215	2,378,492	114,723
Accrued Other Operating Expenses	4,018,792	2,880,454	1,138,338
Accrued Taxes and Licenses	8,036,109	24,211,945	(16,175,836)
Other Medical Liabilities - Nonoperating Passthrough	-	82,981,479	(82,981,479)
Claims Payable (Reported)	27,553,956	21,364,121	6,189,835
IBNR - Inpatient Claims	24,100,020	28,278,023	(4,178,003)
IBNR - Physician Claims	15,048,765	13,462,856	1,585,909
IBNR - Accrued Other Medical	19,132,154	21,205,674	(2,073,520)
Risk Pool and Withholds Payable	2,780,680	2,284,172	496,508
Statutory Allowance for Claims Processing Expense	2,326,151	2,326,151	-
Other Liabilities	58,799,717	55,621,487	3,178,230
Total Current Liabilities	\$ 164,343,537	\$ 257,042,547	\$ (92,699,010)
NONCURRENT LIABILITIES:			
Net Pension Liability	5,865,463	5,865,463	-
TOTAL NONCURRENT LIABILITIES	\$ 5,865,463	\$ 5,865,463	\$ -
DEFERRED INFLOWS OF RESOURCES	\$ 364,304	\$ 364,304	\$ -
NET POSITION:			
Net Position - Beg. of Year	201,630,971	201,630,971	-
Increase (Decrease) in Net Position - Current Year	1,413,223	1,353,040	60,183
Total Net Position	\$ 203,044,194	\$ 202,984,011	\$ 60,183
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 373,617,498	\$ 466,256,325	\$ (92,638,827)

**KERN HEALTH SYSTEMS
MEDI-CAL - ALL COA
STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE MONTH ENDED APRIL 30, 2019**

CURRENT MONTH MEMBERS			YEAR-TO-DATE MEMBER MONTHS		
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
ENROLLMENT					
167,002	168,200	(1,198)	666,051	670,400	(4,349)
59,968	59,675	293	238,588	238,700	(112)
14,752	14,200	552	58,775	56,800	1,975
6,532	5,600	932	25,607	22,400	3,207
8,411	8,400	11	33,519	33,600	(81)
256,665	256,075	590	1,022,540	1,021,900	640
REVENUES					
24,003,598	23,314,714	688,884	95,809,631	93,078,447	2,731,184
23,046,615	21,930,976	1,115,639	91,313,146	87,723,903	3,589,243
12,488,048	11,927,381	560,667	48,965,928	47,709,526	1,256,402
8,084,949	8,271,189	(186,240)	32,210,544	33,004,608	(794,064)
619,483	392,428	227,055	1,730,966	1,565,909	165,057
-	126,314	(126,314)	-	504,033	(504,033)
(173,473)	-	(173,473)	7,637,239	-	7,637,239
1,314	-	1,314	722,843	-	722,843
68,070,534	65,963,003	2,107,531	278,390,297	263,586,425	14,803,872
EXPENSES					
Medical Costs:					
15,885,936	13,469,825	(2,416,111)	58,258,547	53,782,726	(4,475,821)
3,718,600	3,460,918	(257,682)	14,233,185	13,831,036	(402,149)
5,525,268	4,570,673	(954,595)	19,530,624	18,243,757	(1,286,867)
12,850,017	13,528,248	678,231	52,263,553	54,043,468	1,779,915
126,397	126,314	(83)	502,580	504,033	1,453
6,373,571	5,688,019	(685,552)	24,710,419	22,721,731	(1,988,688)
6,141,817	3,900,279	(2,241,538)	25,009,396	15,578,575	(9,430,821)
9,293,776	9,655,813	362,037	37,610,988	38,581,369	970,381
496,508	495,350	(1,158)	1,978,042	1,976,600	(1,442)
-	-	-	-	-	-
(736,017)	-	736,017	153,042	-	(153,042)
(3,425,856)	-	3,425,856	(3,514,346)	-	3,514,346
56,250,017	54,895,441	(1,354,576)	230,736,030	219,263,295	(11,472,735)
GROSS MARGIN					
11,820,517	11,067,562	752,955	47,654,267	44,323,131	3,331,136
Administrative:					
2,121,314	2,174,090	52,776	8,388,510	8,572,395	183,885
783,945	787,723	3,778	2,758,246	3,139,899	381,653
140,658	112,294	(28,364)	428,823	448,481	19,658
179,515	252,963	73,448	749,749	849,852	100,103
255,529	320,700	65,171	1,017,228	1,282,207	264,979
-	-	-	-	-	-
3,480,961	3,647,769	166,808	13,342,556	14,292,834	950,278
59,730,978	58,543,210	(1,187,768)	244,078,586	233,556,129	(10,522,457)
OPERATING INCOME (LOSS) BEFORE TAX					
8,339,556	7,419,793	919,763	34,311,711	30,030,296	4,281,415
MCO TAX					
8,087,918	8,271,189	183,271	32,351,873	33,004,608	652,735
OPERATING INCOME (LOSS) NET OF TAX					
251,638	(851,396)	1,103,034	1,959,838	(2,974,311)	4,934,149
NONOPERATING EXPENSE					
-	-	-	-	-	-
191,455	280,000	(88,545)	546,615	1,120,000	(573,385)
191,455	280,000	(88,545)	546,615	1,120,000	(573,385)
NET INCREASE (DECREASE) IN NET POSITION					
60,183	(1,131,396)	1,191,579	1,413,223	(4,094,311)	5,507,534
MEDICAL LOSS RATIO					
93.8%	95.2%	1.4%	93.7%	95.1%	1.4%
ADMINISTRATIVE EXPENSE RATIO					
5.8%	6.3%	0.5%	5.4%	6.2%	0.8%

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED APRIL 30, 2019			YEAR-TO-DATE		
						ACTUAL	BUDGET	VARIANCE
ENROLLMENT						ACTUAL	BUDGET	VARIANCE
167,002	168,200	(1,198)	Family Members	666,051	670,400	(4,349)		
59,968	59,675	293	Expansion Members	238,588	238,700	(112)		
14,752	14,200	552	SPD Members	58,775	56,800	1,975		
6,532	5,600	932	Other Members	25,607	22,400	3,207		
8,411	8,400	11	Kaiser Members	33,519	33,600	(81)		
256,665	256,075	590	Total Members - MCAL	1,022,540	1,021,900	640		
REVENUES								
138.32	134.15	4.18	Title XIX - Medicaid - Family and Other	138.52	134.35	4.17		
384.32	367.51	16.81	Title XIX - Medicaid - Expansion Members	382.72	367.51	15.22		
846.53	839.96	6.58	Title XIX - Medicaid - SPD Members	833.11	839.96	(6.85)		
32.57	33.40	(0.83)	Premium - MCO Tax	32.57	33.40	(0.83)		
2.50	1.58	0.91	Interest /Dividends	1.75	1.58	0.17		
0.00	0.51	(0.51)	Reinsurance Recoveries	0.00	0.51	(0.51)		
0.00	0.00	0.00	COB/Subrogation Collections	0.00	0.00	0.00		
(0.70)	0.00	(0.70)	Rate/Income Adjustments	7.72	0.00	7.72		
0.01	0.00	0.01	Other Income (Expense)	0.73	0.00	0.73		
274.20	266.33	7.87	TOTAL REVENUES	281.48	266.71	14.77		
EXPENSES								
Medical Costs:								
63.99	54.39	(9.61)	Physician Services	58.91	54.42	(4.49)		
14.98	13.97	(1.01)	Other Professional Services	14.39	13.99	(0.40)		
22.26	18.45	(3.80)	Emergency Room	19.75	18.46	(1.29)		
51.76	54.62	2.86	Inpatient	52.84	54.68	1.84		
0.51	0.51	0.00	Reinsurance Expense	0.51	0.51	0.00		
25.67	22.97	(2.71)	Outpatient Hospital	24.98	22.99	(1.99)		
24.74	15.75	-(8.99)	Other Medical	25.29	15.76	(9.52)		
37.44	38.99	1.55	Pharmacy	38.03	39.04	1.01		
2.00	2.00	0.00	Pay for Performance Quality Incentive	2.00	2.00	0.00		
0.00	0.00	0.00	Expansion Risk Corridor	0.00	0.00	0.00		
(2.96)	0.00	2.96	Non-Claims Expense Adjustment	0.15	0.00	(0.15)		
(13.80)	0.00	13.80	IBNR, Incentive, Paid Claims Adjustment	(3.55)	0.00	3.55		
226.58	221.64	(4.94)	Total Medical Costs	233.30	221.86	(11.44)		
47.61	44.69	2.93	GROSS MARGIN	48.18	44.85	3.34		
Administrative:								
8.54	8.78	0.23	Compensation	8.48	8.67	0.19		
3.16	3.18	0.02	Purchased Services	2.79	3.18	0.39		
0.57	0.45	(0.11)	Supplies	0.43	0.45	0.02		
0.72	1.02	0.30	Depreciation	0.76	0.86	0.10		
1.03	1.29	0.27	Other Administrative Expenses	1.03	1.30	0.27		
0.00	0.00	0.00	Administrative Expense Adjustment	0.00	0.00	0.00		
14.02	14.73	0.71	Total Administrative Expenses	13.49	14.46	0.97		
240.60	236.37	(4.23)	TOTAL EXPENSES	246.79	236.32	(10.47)		
33.59	29.96	3.64	OPERATING INCOME (LOSS) BEFORE TAX	34.69	30.39	4.31		
32.58	33.40	0.82	MCO TAX	32.71	33.40	0.68		
1.01	(3.44)	4.45	OPERATING INCOME (LOSS) NET OF TAX	1.98	(3.01)	4.99		
NONOPERATING EXPENSE								
0.00	0.00	0.00	Reserve Fund Projects/Community Grants	0.00	0.00	0.00		
(0.75)	1.13	1.88	Health Home	(0.53)	4.52	5.06		
(0.75)	1.13	1.88	TOTAL NONOPERATING EXPENSE	(0.53)	4.52	5.06		
0.24	(4.57)	4.81	NET INCREASE (DECREASE) IN NET POSITION	1.43	(4.14)	5.57		
93.8%	95.2%	1.4%	MEDICAL LOSS RATIO	93.7%	95.1%	1.4%		
5.8%	6.3%	0.5%	ADMINISTRATIVE EXPENSE RATIO	5.4%	6.2%	0.8%		

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH APRIL 30, 2019	E N R O L L M E N T													
	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	AUGUST 2018	SEPTEMBER 2018	OCTOBER 2018	NOVEMBER 2018	DECEMBER 2018	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	13 MONTH TOTAL
	246,347	247,073	247,317	247,861	246,967	246,962	245,266	245,522	244,683	245,830	247,101	247,836	248,254	3,207,019
R E V E N U E S														
Title XIX - Medicaid - Family and Other	20,886,377	23,080,439	21,832,796	22,819,237	24,767,995	23,083,686	23,000,590	23,501,422	30,919,748	23,176,334	24,192,447	24,487,252	24,003,598	289,701,921
Title XIX - Medicaid - Expansion Members	20,813,430	21,917,368	21,204,090	21,752,232	22,282,962	21,704,606	21,501,088	21,331,519	24,465,934	21,975,726	23,396,509	22,894,496	23,046,615	288,186,385
Title XIX - Medicaid - SPD Members	10,871,613	11,585,059	11,083,761	11,910,574	12,552,541	11,987,571	12,128,124	12,551,736	13,341,766	11,970,651	12,067,762	12,459,467	12,488,048	156,776,316
Premium - MCO Tax	7,859,452	7,883,583	7,817,991	8,087,918	8,087,606	8,087,918	8,087,177	8,087,177	7,658,846	8,086,208	8,047,808	8,071,581	8,084,649	103,869,261
Interest/Dividends	509,405	392,144	493,008	298,592	326,444	328,291	331,150	316,046	369,891	338,737	397,291	375,455	619,443	5,096,027
Reinsurance Recoveries	-	-	139,352	-	-	-	-	(139,352)	267,973	-	-	-	-	2,671,973
COB/Subrogation Collections	3,503,612	1,257,496	1,027,705	465,065	417,036	196,954	325,659	110,446	59,980	-	-	-	-	7,363,963
Rate/Income Adjustments	457,845	21,528,562	(1,680,199)	(113,250)	129,606	5,175	212,890	251,712	(6,850)	1,364,372	5,819,936	626,404	(173,473)	28,423,230
Other Income (Expense)	(360,661)	(93,712)	345,348	58,667	15,476	136,661	142,515	45,043	669,097	85,746	25,501	610,382	1,314	1,675,277
TOTAL REVENUES	64,541,073	87,542,939	82,263,852	85,278,535	88,379,666	85,530,865	85,729,793	85,955,938	97,747,385	86,867,772	89,947,054	89,504,937	88,070,534	901,360,333
E X P E N S E S														
Medical Costs:														
Physician Services	14,450,521	13,315,057	13,013,296	13,202,517	13,438,560	13,438,560	12,587,105	13,509,654	11,452,439	13,212,798	13,768,201	15,391,612	15,885,936	176,766,031
Other Professional Services	2,911,566	3,414,591	3,111,320	2,964,061	3,254,300	3,251,122	3,323,654	4,150,323	3,375,679	3,414,621	3,447,281	3,652,683	3,718,600	43,989,801
Emergency Room	5,343,777	4,510,035	4,780,947	4,584,869	4,553,430	4,531,949	4,490,225	4,169,595	3,601,196	4,459,099	4,710,529	4,855,728	5,525,268	60,010,647
Inpatient	14,500,202	13,932,093	13,267,422	13,921,068	13,023,461	12,885,948	13,023,461	9,158,011	2,692,667	12,961,386	12,906,122	13,546,028	12,850,017	158,513,213
Reinsurance Expense	107,531	115,783	116,124	116,240	116,494	116,075	116,275	115,295	125,136	125,026	126,021	126,397	126,397	1,537,569
Outpatient Hospital	6,217,088	6,587,061	5,930,118	5,662,578	6,047,228	5,798,828	4,785,905	5,131,143	4,278,893	5,414,223	6,037,448	6,885,177	6,473,571	75,149,261
Other Medical	2,195,432	3,103,942	3,282,963	3,057,129	4,241,840	3,605,940	3,663,995	4,451,124	15,028,071	5,664,320	6,854,723	6,448,536	6,141,817	70,840,632
Pharmacy	8,793,635	9,203,737	8,567,706	8,848,741	9,437,755	8,667,417	8,798,274	8,798,274	8,615,841	9,612,700	9,033,300	9,671,212	9,293,776	117,925,867
Pay for Performance Quality Incentive	492,694	494,146	494,634	495,722	493,934	493,934	491,044	491,044	444,667	491,660	494,202	495,672	496,508	6,369,139
Expansion Risk Corridor	-	-	-	-	-	-	-	10,500,000	-	-	-	-	-	10,500,000
Non-Claims Expense Adjustment	(1,015,946)	(1,917,277)	(1,199,111)	(299,863)	6,634	(299,863)	6,634	(555)	197,435	367,246	324,378	(736,077)	(20,791,629)	20,791,629
IBNR, Incidence, Paid Claims Adjustment	53,700,500	76,700,850	51,354,704	53,194,977	56,289,183	53,362,649	53,549,587	54,170,337	60,587,658	54,793,595	62,125,698	57,566,720	56,250,017	743,646,475
TOTAL MEDICAL COSTS	10,842,089	10,909,148	12,085,558	12,090,483	12,168,216	12,180,206	11,785,601	17,159,727	12,074,177	11,821,356	11,938,217	11,820,517	11,820,517	157,713,868
GROSS MARGIN														
Administrative:	1,687,623	1,916,952	1,884,868	2,017,219	2,083,690	2,021,643	2,161,106	2,025,307	1,990,200	2,219,647	1,953,045	2,094,504	2,121,314	26,177,118
Compensation	642,623	636,968	578,949	415,147	594,201	555,317	465,811	616,200	628,945	534,139	538,593	901,569	783,945	7,892,407
Purchased Services	71,492	71,465	68,507	57,005	61,411	30,539	67,086	36,154	104,230	115,623	78,778	93,764	140,658	997,712
Supplies	130,267	121,140	127,238	127,238	127,238	127,238	127,238	131,127	179,516	179,516	211,201	179,516	179,516	1,896,710
Depreciation	284,983	279,546	275,729	332,386	255,200	315,104	265,994	221,013	303,506	326,629	188,631	246,439	255,529	3,550,689
Other Administrative Expenses	2,817,988	3,027,071	2,935,291	2,948,995	3,121,739	3,049,841	3,087,235	3,025,912	3,541,021	3,375,554	2,938,564	3,547,477	3,480,961	383,013
Total Administrative Expenses	56,518,488	79,727,021	54,289,995	56,143,972	59,410,922	56,412,490	56,636,822	57,196,249	64,128,679	58,109,149	65,064,262	61,114,197	59,730,978	784,544,134
TOTAL EXPENSES	8,022,585	7,815,018	7,973,857	9,134,563	8,968,744	9,118,375	9,092,971	8,759,689	13,618,706	8,698,623	8,882,792	8,390,740	8,339,556	116,816,219
OPERATING INCOME (LOSS) BEFORE TAX	7,650,254	7,650,254	7,578,838	8,087,918	8,087,607	8,087,918	8,087,918	8,087,918	8,087,687	8,088,119	8,087,918	8,087,918	8,087,918	103,757,832
MCO TAX														
OPERATING INCOME (LOSS) NET OF TAX	372,331	164,764	395,029	1,046,645	881,137	1,030,457	1,005,194	671,973	5,531,019	610,504	794,874	302,822	251,638	13,058,387
TOTAL NONOPERATING EXPENSE	(138,970)	(43,857)	233,737	158,805	191,701	567,923	41,390	224,595	54,987	116,870	104,330	133,960	191,455	2,113,866
NET INCREASE (DECREASE) IN NET POSITION	233,361	208,621	161,292	887,840	689,436	462,534	448,378	5,476,032	492,634	690,544	690,544	168,862	60,183	10,944,521
MEDICAL LOSS RATIO	94.7%	96.3%	94.3%	93.0%	93.4%	92.9%	93.6%	86.4%	93.1%	94.3%	93.7%	93.7%	93.8%	93.2%
ADMINISTRATIVE EXPENSE RATIO	5.0%	3.8%	5.4%	5.2%	5.2%	5.3%	5.4%	5.2%	5.1%	5.7%	4.5%	5.8%	5.8%	5.1%

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH APRIL 30, 2019														
	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	AUGUST 2018	SEPTEMBER 2018	OCTOBER 2018	NOVEMBER 2018	DECEMBER 2018	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	13 MONTH TOTAL
ENROLLMENT														
Members - MCAL	247,073	247,317	247,561	246,967	246,962	245,222	244,683	245,830	247,101	247,836	248,254	248,254	248,254	3,207,019
REVENUES														
Title XIX - Medicaid - Family and Other	121.12	133.71	126.58	131.77	143.39	133.25	134.04	136.65	180.80	134.36	140.03	141.35	138.32	138.06
Title XIX - Medicaid - Expansion Members	348.64	376.03	353.55	362.19	373.39	366.14	363.20	361.19	413.07	371.66	391.12	383.67	384.32	372.47
Title XIX - Medicaid - SPD Members	765.50	760.84	759.68	814.12	848.74	829.82	838.04	850.42	924.01	820.75	831.51	839.09	846.53	824.74
Premium - MCO Tax	31.90	31.91	32.63	32.75	32.75	32.75	32.98	31.30	31.30	32.57	32.57	32.57	32.57	323.39
Interest/Dividends	2.07	1.59	1.99	1.20	1.32	1.33	1.33	1.29	1.51	1.38	1.61	1.51	1.51	1.59
Reinsurance Recoveries	0.00	0.00	0.56	0.00	0.00	0.00	0.00	(0.57)	1.10	0.00	0.00	0.00	0.00	0.68
COB/Subrogation Collections	14.22	5.09	4.16	1.88	1.69	0.80	1.33	0.45	0.25	0.00	0.00	0.00	0.00	2.30
Retiree Income Adjustments	1.86	87.13	(6.79)	(0.46)	0.52	0.02	0.87	1.03	(0.02)	5.55	23.55	2.53	(0.70)	8.86
Other Income (Expense)	(1.46)	(0.40)	1.40	0.24	0.06	0.55	0.58	0.18	2.73	0.35	0.10	2.46	0.01	0.52
TOTAL REVENUES	261.99	354.32	251.76	263.37	276.88	265.35	267.99	268.64	317.75	272.01	299.26	280.45	274.20	281.06
EXPENSES														
Medical Costs:														
Physician Services	58.66	53.89	52.62	53.27	54.82	54.42	51.32	55.02	46.81	53.75	55.72	62.10	63.99	55.12
Other Professional Services	11.82	13.82	12.58	11.96	13.18	13.16	13.55	16.90	13.80	13.89	13.95	14.74	14.98	13.72
Emergency Room	21.30	18.25	19.33	18.50	18.48	18.35	18.31	16.98	14.72	18.14	19.06	19.51	22.26	18.71
Patients	58.05	56.39	53.65	56.16	52.73	52.18	52.29	37.50	47.72	52.72	52.23	54.66	51.76	49.43
Reinsurance Expense	0.44	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.51	0.51	0.51	0.51	0.48
Outpatient Hospital	25.24	26.66	23.98	23.85	24.49	23.48	19.51	20.90	17.49	22.02	24.43	27.78	25.67	23.43
Other Medical	8.91	24.71	13.27	12.33	14.60	14.60	15.75	18.13	16.42	22.63	21.74	26.02	24.74	22.09
Pharmacy	35.70	37.25	34.64	35.70	38.25	35.83	35.21	35.83	35.21	39.10	36.56	39.02	37.44	36.77
Pay for Performance Quality Incentive	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.82	2.00	2.00	2.00	2.00	1.99
Expansion Risk Corridor	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	3.27
Non-Claims Expense Adjustment	0.00	84.76	(0.85)	0.00	(1.21)	0.03	0.01	(0.00)	43.91	0.00	0.00	0.00	0.00	0.00
IBNR, Incentive, Paid Claims Adjustment	(4.12)	(7.76)	(4.84)	1.38	7.58	2.29	5.86	(1.97)	1.97	(2.68)	17.73	(15.37)	(13.80)	6.48
Total Medical Costs	217.99	310.44	207.65	214.62	227.92	216.08	218.33	220.63	247.62	222.89	251.42	232.28	226.58	231.88
GROSS MARGIN	44.01	43.88	44.11	48.75	48.96	49.27	49.66	48.00	70.13	49.12	47.84	48.17	47.61	49.18
Administrative:														
Compensation	6.85	7.76	7.62	8.14	8.44	8.19	8.81	8.25	8.13	9.03	7.90	8.45	8.54	8.16
Purchased Services	2.61	2.58	2.34	1.67	2.41	2.25	1.90	2.51	2.57	2.17	2.18	3.64	3.16	2.46
Supplies	0.29	0.29	0.28	0.23	0.25	0.12	0.27	0.12	0.43	0.47	0.32	0.38	0.57	0.31
Depreciation	0.53	0.49	0.51	0.51	0.52	0.52	0.52	0.52	0.54	0.73	0.73	0.85	0.72	0.59
Other-Administrative Expenses	1.16	1.13	1.11	1.34	1.03	1.28	1.08	0.90	1.24	1.33	0.76	0.99	1.03	1.11
Administrative Expense Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.57	0.00	0.00	0.00	0.00	0.12
Total Administrative Expenses	11.44	12.25	11.87	11.90	12.64	12.35	12.59	12.32	14.47	11.89	11.89	14.31	14.02	12.75
TOTAL EXPENSES	229.43	322.69	219.52	226.51	240.56	228.43	230.92	233.96	262.09	236.62	263.31	246.59	240.60	244.63
OPERATING INCOME (LOSS) BEFORE TAX	32.57	31.63	32.24	36.85	36.32	36.92	37.07	35.68	55.66	35.38	35.95	33.86	33.59	36.43
MCO TAX	31.05	30.96	30.64	32.63	32.75	32.75	32.98	33.94	33.05	32.90	32.73	32.63	32.58	32.35
OPERATING INCOME (LOSS) NET OF TAX	1.51	0.67	1.60	4.22	3.57	4.17	4.10	2.74	22.60	2.48	3.22	1.22	1.01	4.07
TOTAL NONOPERATING EXPENSE	0.56	(0.18)	0.95	0.64	0.78	2.30	0.17	0.91	0.22	0.48	0.42	0.54	0.71	0.60
NET INCREASE (DECREASE) IN NET POSITION	0.95	0.84	0.65	3.58	2.79	1.87	3.93	1.83	21.38	2.01	2.79	0.68	0.24	3.41
MEDICAL LOSS RATIO	94.7%	96.3%	94.3%	93.0%	93.4%	92.9%	92.9%	93.6%	86.4%	93.1%	94.3%	93.7%	93.8%	93.2%
ADMINISTRATIVE EXPENSE RATIO	5.0%	3.8%	5.4%	5.2%	5.2%	5.3%	5.4%	5.2%	5.1%	5.7%	4.5%	5.8%	5.8%	5.1%

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED APRIL 30, 2019				YEAR-TO-DATE		
CURRENT MONTH		REVENUES		ACTUAL	BUDGET	VARIANCE
ACTUAL	BUDGET	VARIANCE				
19,986,888	19,819,849	167,039	Title XIX - Medicaid - Family & Other	79,453,549	79,112,356	341,193
1,739,596	2,422,591	(682,995)	Premium - Medi-Cal	7,643,612	9,690,364	(2,046,752)
196,810	75,243	121,567	Premium - Maternity Kick	499,595	299,934	199,661
249,602	260,404	(10,802)	Premium - Hep C Kick	951,090	1,038,020	(86,930)
1,746,081	655,567	1,090,514	Premium - BHT Kick	6,925,669	2,613,772	4,311,897
84,621	81,060	3,561	Premium - Provider Enhancement	336,116	324,000	12,116
24,003,598	23,314,714	688,884	Other	95,809,631	93,078,447	2,731,184
			Total Title XIX - Medicaid - Family & Other			
			Title XIX - Medicaid - Expansion Members			
21,420,977	20,794,399	626,578	Premium - Medi-Cal	85,293,528	83,177,595	2,115,933
230,301	243,020	(12,719)	Premium - Maternity Kick	1,036,355	972,080	64,275
620,709	544,869	75,840	Premium - Hep C Kick	1,756,152	2,179,476	(423,324)
747,983	323,232	424,751	Premium - Provider Enhancement	3,121,346	1,292,928	1,828,418
26,645	25,456	1,189	Other	105,765	101,824	3,941
23,046,615	21,930,976	1,115,639	Total Title XIX - Medicaid - Expansion Members	91,313,146	87,723,903	3,589,243
			Title XIX - Medicaid - SPD Members			
11,541,143	11,198,119	343,024	Premium - Medi-Cal	45,808,654	44,792,478	1,016,176
257,367	211,894	45,473	Premium - Hep C Kick	590,430	847,576	(257,146)
407,419	391,982	15,437	Premium - BHT Kick	1,448,880	1,567,928	(119,048)
282,119	125,386	156,733	Premium - Provider Enhancement	1,117,964	501,544	616,420
12,488,048	11,927,381	560,667	Total Title XIX - Medicaid - SPD Members	48,965,928	47,709,526	1,256,402

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED APRIL 30, 2019				YEAR-TO-DATE		
ACTUAL	CURRENT MONTH BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
2,878,106	2,912,936	34,830	PHYSICIAN SERVICES	11,576,015	11,624,526	48,511
10,831,475	9,188,289	(1,643,186)	Primary Care Physician Services	39,552,785	36,698,008	(2,854,777)
2,167,355	1,359,601	(807,754)	Referral Specialty Services	7,093,747	5,433,492	(1,660,255)
9,000	9,000	-	Urgent Care & After Hours Advice	36,000	26,700	(9,300)
15,885,936	13,469,825	(2,416,111)	Hospital Admitting Team	58,258,547	53,782,726	(4,475,821)
			TOTAL PHYSICIAN SERVICES			
			OTHER PROFESSIONAL SERVICES			
247,836	260,614	12,778	Vision Service Capitation	985,450	1,040,008	54,558
159,920	183,437	23,517	221 - Business Intelligence	650,363	733,748	83,385
515,555	537,736	22,181	310 - Health Services - Utilization Management - UM Allocation *	1,974,978	2,150,942	175,964
76,184	101,420	25,236	311 - Health Services - Quality Improvement - UM Allocation *	293,117	405,681	112,564
88,902	90,483	1,581	312 - Health Services - Education - UM Allocation *	347,553	361,932	14,379
78,499	87,826	9,327	313 - Health Services - Pharmacy - UM Allocation *	315,279	351,306	36,027
49,071	85,845	36,774	314 - Health Homes - UM Allocation *	191,041	343,380	152,339
180,813	205,777	24,964	315 - Case Management - UM Allocation *	736,676	823,109	86,433
52,495	55,990	3,495	616 - Disease Management - UM Allocation *	206,221	223,958	17,737
950,988	652,386	(298,602)	Behavior Health Treatment	3,373,666	2,605,947	(767,719)
168,412	161,392	(7,020)	Mental Health Services	692,902	644,399	(48,503)
1,149,925	1,038,012	(111,913)	Other Professional Services	4,466,139	4,146,625	(319,514)
3,718,600	3,460,918	(257,682)	TOTAL OTHER PROFESSIONAL SERVICES	14,233,185	13,831,036	(402,149)
5,525,268	4,570,673	(954,595)	EMERGENCY ROOM	19,530,624	18,243,757	(1,286,867)
12,850,017	13,528,248	678,231	INPATIENT HOSPITAL	52,263,553	54,043,468	1,779,915
126,397	126,314	(83)	REINSURANCE EXPENSE PREMIUM	502,580	504,033	1,453
6,373,571	5,688,019	(685,552)	OUTPATIENT HOSPITAL SERVICES	24,710,419	22,721,731	(1,988,688)
			OTHER MEDICAL			
1,685,378	1,216,529	(468,849)	Ambulance and NEMT	7,316,933	4,856,365	(2,460,568)
357,818	291,786	(66,032)	Home Health Services & CBAS	1,334,064	1,165,875	(168,189)
235,324	445,757	210,433	Utilization and Quality Review Expenses	876,332	1,783,027	906,695
904,186	780,012	(124,174)	Long Term/SNF/Hospice	4,028,621	3,118,180	(910,441)
-	62,241	62,241	Enhanced Medical Benefits	-	248,360	248,360
2,959,111	1,103,954	(1,855,157)	Provider Enhancement Expense	11,453,446	4,406,768	(7,046,678)
6,141,817	3,900,279	(2,241,538)	TOTAL OTHER MEDICAL	25,009,396	15,578,575	(9,430,821)
			PHARMACY SERVICES			
8,110,525	8,370,305	259,780	RX - Drugs & OTC	33,284,308	33,442,457	158,149
674,227	832,006	157,779	RX - HEP-C	2,231,829	3,326,985	1,095,156
649,024	599,267	(49,757)	Rx - DME	2,724,851	2,394,822	(330,029)
(140,000)	(145,765)	(5,765)	RX - Pharmacy Rebates	(630,000)	(582,895)	47,105
9,293,776	9,655,813	362,037	TOTAL PHARMACY SERVICES	37,610,988	38,581,369	970,381
496,508	495,350	(1,158)	PAY FOR PERFORMANCE QUALITY INCENTIVE	1,978,042	1,976,600	(1,442)
-	-	-	EXPANSION RISK CORRIDOR	-	-	-
(736,017)	-	736,017	NON-CLAIMS EXPENSE ADJUSTMENT	153,042	-	(153,042)
(3,425,856)	-	3,425,856	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(3,514,346)	-	3,514,346
56,250,017	54,895,441	(1,354,576)	Total Medical Costs	230,736,030	219,263,295	(11,472,735)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED APRIL 30, 2019				CURRENT MONTH		YEAR-TO-DATE	
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE	
11.59	11.76	0.17	PHYSICIAN SERVICES	11.70	11.76	0.06	
43.63	37.10	(6.53)	Primary Care Physician Services	39.99	37.13	(2.86)	
8.73	5.49	(3.24)	Referral Specialty Services	7.17	5.50	(1.67)	
0.04	0.04	0.00	Urgent Care & After Hours Advise	0.04	0.03	(0.01)	
63.99	54.39	(9.61)	Hospital Admitting Team	58.91	54.42	(4.49)	
			TOTAL PHYSICIAN SERVICES				
1.00	1.05	0.05	OTHER PROFESSIONAL SERVICES	1.00	1.05	0.06	
0.64	0.74	0.10	Vision Service Capitation	0.66	0.74	0.08	
2.08	2.17	0.09	221 - Business Intelligence	2.00	2.18	0.18	
0.31	0.41	0.10	310 - Health Services - Utilization Management - UM Allocation *	0.30	0.41	0.11	
0.36	0.37	0.01	311 - Health Services - Quality Improvement - UM Allocation *	0.35	0.37	0.02	
0.32	0.35	0.04	312 - Health Services - Education - UM Allocation *	0.32	0.36	0.04	
0.20	0.35	0.15	313 - Health Services - Pharmacy - UM Allocation *	0.19	0.35	0.15	
0.73	0.83	0.10	314 - Health Homes - UM Allocation *	0.74	0.83	0.09	
0.21	0.23	0.01	315 - Case Management - UM Allocation *	0.21	0.23	0.02	
3.83	2.63	(1.20)	616 - Disease Management - UM Allocation *	3.41	2.64	(0.77)	
0.68	0.65	(0.03)	Behavior Health Treatment	0.70	0.65	(0.05)	
4.63	4.19	(0.44)	Mental Health Services	4.52	4.20	(0.32)	
14.98	13.97	(1.01)	Other Professional Services	14.39	13.99	(0.40)	
22.26	18.45	(3.80)	TOTAL OTHER PROFESSIONAL SERVICES	19.75	18.46	(1.29)	
51.76	54.62	2.86	EMERGENCY ROOM	52.84	54.68	1.84	
0.51	0.51	0.00	INPATIENT HOSPITAL	0.51	0.51	0.00	
25.67	22.97	(2.71)	REINSURANCE EXPENSE PREMIUM	24.98	22.99	(1.99)	
			OUTPATIENT HOSPITAL SERVICES				
			OTHER MEDICAL				
6.79	4.91	(1.88)	Ambulance and NEMT	7.40	4.91	(2.48)	
1.44	1.18	(0.26)	Home Health Services & CBAS	1.35	1.18	(0.17)	
0.95	1.80	0.85	Utilization and Quality Review Expenses	0.89	1.80	0.92	
3.64	3.15	(0.49)	Long Term/SNF/Hospice	4.07	3.16	(0.92)	
0.00	0.25	0.25	Enhanced Medical Benefits	0.00	0.25	0.25	
11.92	4.46	(7.46)	Provider Enhancement Expense	11.58	4.46	(7.12)	
24.74	15.75	(8.99)	TOTAL OTHER MEDICAL	25.29	15.76	(9.52)	
			PHARMACY SERVICES				
32.67	33.80	1.13	RX - Drugs & OTC	33.65	33.84	0.18	
2.72	3.36	0.64	RX - HEP-C	2.26	3.37	1.11	
2.61	2.42	(0.19)	Rx - DME	2.76	2.42	(0.33)	
(0.56)	(0.59)	(0.02)	RX - Pharmacy Rebates	(0.64)	(0.59)	0.05	
37.44	38.99	1.55	TOTAL PHARMACY SERVICES	38.03	39.04	1.01	
2.00	2.00	0.00	PAY FOR PERFORMANCE QUALITY INCENTIVE	2.00	2.00	0.00	
0.00	0.00	0.00	EXPANSION RISK CORRIDOR	0.00	0.00	0.00	
-2.96	0.00	2.96	NON-CLAIMS EXPENSE ADJUSTMENT	0.15	0.00	(0.15)	
(13.80)	0.00	13.80	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(3.55)	0.00	3.55	
236.58	221.64	(14.94)	Total Medical Costs	233.30	221.86	(11.44)	

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH APRIL 30, 2019	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	YEAR TO DATE 2019
PHYSICIAN SERVICES					
Primary Care Physician Services	2,852,332	3,204,444	2,641,133	2,878,106	11,576,015
Referral Specialty Services	9,061,015	8,891,359	10,768,936	10,831,475	39,552,785
Urgent Care & After Hours Advise	1,290,151	1,663,998	1,972,243	2,167,355	7,093,747
Hospital Admitting Team	9,300	8,400	9,300	9,000	36,000
TOTAL PHYSICIAN SERVICES	13,212,798	13,768,201	15,391,612	15,885,936	58,258,547
OTHER PROFESSIONAL SERVICES					
Vision Service Capitation	245,365	245,148	247,101	247,836	985,450
221 - Business Intelligence	164,801	159,928	165,714	159,920	650,363
310 - Health Services - Utilization Management - UM Allocation *	510,943	470,395	478,085	515,555	1,974,978
311 - Health Services - Quality Improvement - UM Allocation *	80,526	67,588	68,819	76,184	293,117
312 - Health Services - Education - UM Allocation *	93,216	78,571	86,664	88,902	347,353
313 - Health Services - Pharmacy - UM Allocation *	82,748	75,645	78,387	78,499	315,279
314 - Health Homes - UM Allocation *	49,343	44,522	48,105	49,071	191,041
315 - Case Management - UM Allocation *	190,992	177,760	187,111	180,813	736,676
616 - Disease Management - UM Allocation *	54,419	48,934	50,373	52,495	206,221
Behavior Health Treatment	638,864	831,512	952,302	950,988	3,373,666
Mental Health Services	212,968	183,744	127,778	168,412	692,902
Other Professional Services	1,090,436	1,063,534	1,162,244	1,149,925	4,466,139
TOTAL OTHER PROFESSIONAL SERVICES	3,414,621	3,447,281	3,652,683	3,718,600	14,233,185
EMERGENCY ROOM	4,459,099	4,710,529	4,835,728	5,525,268	19,530,624
INPATIENT HOSPITAL	12,961,386	12,906,122	13,546,028	12,850,017	52,263,553
REINSURANCE EXPENSE PREMIUM	125,136	125,026	126,021	126,397	502,580
OUTPATIENT HOSPITAL SERVICES	5,414,223	6,037,448	6,885,177	6,373,571	24,710,419
OTHER MEDICAL					
Ambulance and NEMT	1,146,157	2,536,809	1,948,589	1,685,378	7,316,933
Home Health Services & CBAS	495,461	155,156	325,629	357,818	1,334,064
Utilization and Quality Review Expenses	248,953	93,464	298,591	235,324	876,332
Long Term/SNF/Hospice	944,616	1,180,282	999,537	904,186	4,028,621
Enhanced Medical Benefits	-	-	-	-	-
Provider Enhancement Expense	2,729,133	2,889,012	2,876,190	2,959,111	11,453,446
Non-Medical Transportation	-	-	-	-	-
TOTAL OTHER MEDICAL	5,564,320	6,854,723	6,448,536	6,141,817	25,009,396
PHARMACY SERVICES					
RX - Drugs & OTC	8,596,061	7,864,951	8,712,771	8,110,525	33,284,308
RX - HEP-C	542,465	579,505	435,632	674,227	2,231,829
Rx - DME	647,574	722,044	706,209	649,024	2,724,851
RX - Pharmacy Rebates	(173,400)	(133,200)	(183,400)	(140,000)	(630,000)
TOTAL PHARMACY SERVICES	9,612,700	9,033,300	9,671,212	9,293,776	37,610,988
PAY FOR PERFORMANCE QUALITY INCENTIVE	491,660	494,202	495,672	496,508	1,978,042
EXPANSION RISK CORRIDOR	-	-	-	-	-
NON-CLAIMS EXPENSE ADJUSTMENT	197,435	367,246	324,378	(736,017)	153,042
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(659,783)	4,381,620	(3,810,327)	(3,425,856)	(3,514,346)
Total Medical Costs	54,793,595	62,125,698	57,566,720	56,250,017	230,736,030

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH APRIL 30, 2019	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	YEAR TO DATE 2019
PHYSICIAN SERVICES					
Primary Care Physician Services	11.60	12.97	10.66	11.59	11.70
Referral Specialty Services	36.86	35.98	43.45	43.63	39.99
Urgent Care & After Hours Advise	5.25	6.73	7.96	8.73	7.17
Hospital Admitting Team	0.04	0.03	0.04	0.04	0.04
TOTAL PHYSICIAN SERVICES	53.75	55.72	62.10	63.99	58.91
OTHER PROFESSIONAL SERVICES					
Vision Service Capitation	1.00	0.99	1.00	1.00	1.00
221 - Business Intelligence	0.67	0.65	0.67	0.64	0.66
310 - Health Services - Utilization Management - UM Allocation *	2.08	1.90	1.93	2.08	2.00
311 - Health Services - Quality Improvement - UM Allocation *	0.33	0.27	0.28	0.31	0.30
312 - Health Services - Education - UM Allocation *	0.38	0.32	0.35	0.36	0.35
313 - Health Services - Pharmacy - UM Allocation *	0.34	0.31	0.32	0.32	0.32
314 - Health Homes - UM Allocation *	0.20	0.18	0.19	0.20	0.19
315 - Case Management - UM Allocation *	0.78	0.72	0.75	0.73	0.74
616 - Disease Management - UM Allocation *	0.22	0.20	0.20	0.21	0.21
Behavior Health Treatment	2.60	3.37	3.84	3.83	3.41
Mental Health Services	0.87	0.74	0.52	0.68	0.70
Other Professional Services	4.44	4.30	4.69	4.63	4.52
TOTAL OTHER PROFESSIONAL SERVICES	13.89	13.95	14.74	14.98	14.39
EMERGENCY ROOM	18.14	19.06	19.51	22.26	19.75
INPATIENT HOSPITAL	52.72	52.23	54.66	51.76	52.84
REINSURANCE EXPENSE PREMIUM	0.51	0.51	0.51	0.51	0.51
OUTPATIENT HOSPITAL SERVICES	22.02	24.43	27.78	25.67	24.98
OTHER MEDICAL					
Ambulance and NEMT	4.66	10.27	7.86	6.79	7.40
Home Health Services & CBAS	2.02	0.63	1.31	1.44	1.35
Utilization and Quality Review Expenses	1.01	0.38	1.20	0.95	0.89
Long Term/SNF/Hospice	3.84	4.78	4.03	3.64	4.07
Enhanced Medical Benefits	0.00	0.00	0.00	0.00	0.00
Provider Enhancement Expense	11.10	11.69	11.61	11.92	11.58
Non-Medical Transportation	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER MEDICAL	22.63	27.74	26.02	24.74	25.29
PHARMACY SERVICES					
RX - Drugs & OTC	34.97	31.83	35.16	32.67	33.65
RX - HEP-C	2.21	2.35	1.76	2.72	2.26
Rx - DME	2.63	2.92	2.85	2.61	2.76
RX - Pharmacy Rebates	(0.71)	(0.54)	(0.74)	(0.56)	(0.64)
TOTAL PHARMACY SERVICES	39.10	36.56	39.02	37.44	38.03
PAY FOR PERFORMANCE QUALITY INCENTIVE	2.00	2.00	2.00	2.00	2.00
EXPANSION RISK CORRIDOR	0.00	0.00	0.00	0.00	0.00
NON-CLAIMS EXPENSE ADJUSTMENT	0.80	1.49	1.31	(2.96)	0.15
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(2.68)	17.73	(15.37)	(13.80)	(3.55)
Total Medical Costs	222.89	251.42	232.28	226.58	233.30

CURRENT MONTH		YEAR-TO-DATE			
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED APRIL 30, 2019					
285,108	258,313	(26,795)	1,005,274	1,033,252	27,978
134,888	158,992	24,104	551,261	635,967	84,706
523,161	617,731	94,570	2,060,543	2,470,925	410,382
20,600	18,734	(1,866)	80,905	74,935	(5,970)
245,403	338,856	93,453	987,569	1,355,419	367,850
502,157	479,124	(23,033)	1,963,087	1,903,986	(59,101)
89,192	109,760	20,568	355,412	439,038	83,626
84,999	96,311	11,312	357,816	385,245	27,429
23,865	33,552	9,687	93,735	133,310	39,575
15,883	500	(15,383)	16,513	1,250	(15,263)
125,311	124,982	(329)	536,590	501,426	(35,164)
-	500	500	(398)	2,000	2,398
11,541	13,135	1,594	47,022	52,689	5,667
19,416	20,738	1,322	76,699	82,950	6,251
244,955	247,979	3,024	863,226	971,669	108,443
485,966	517,788	31,822	1,788,211	1,993,206	204,995
356,340	424,472	68,132	1,419,594	1,535,888	116,294
53,495	62,743	9,248	218,281	250,972	32,691
62,712	64,498	1,786	133,422	257,992	124,570
48,369	64,750	16,381	182,173	259,000	76,827
147,600	197,192	49,592	605,621	763,233	157,612
-	(202,880)	(202,880)	-	(811,520)	(811,520)
3,480,961	3,647,769	166,808	13,342,556	14,292,834	950,278

KERN HEALTH SYSTEMS MEDI-CAL		JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	YEAR TO DATE 2019
SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED APRIL 30, 2019						
110 - Executive		298,677	186,923	234,566	285,108	1,005,274
210 - Accounting		149,967	127,374	139,032	134,888	551,261
220 - Management Information Systems (MIS)		401,536	495,303	640,543	523,161	2,060,543
221 - Business Intelligence	205		10,000	50,100	20,600	80,905
225 - Infrastructure	255,998		238,858	247,310	245,403	987,569
230 - Claims	510,558		444,621	505,751	502,157	1,963,087
240 - Project Management	85,314		84,072	96,834	89,192	355,412
310 - Health Services - Utilization Management	86,447		91,228	95,142	84,999	357,816
311 - Health Services - Quality Improvement	25,633		21,530	22,707	23,865	93,735
312 - Health Services - Education	23		612	(5)	15,883	16,513
313- Pharmacy	127,668		124,298	159,313	125,311	536,590
314 - Health Homes	556		(556)	(398)	-	(398)
315 - Case Management	12,191		11,347	11,943	11,541	47,022
616 - Disease Management	20,405		18,247	18,631	19,416	76,699
320 - Provider Relations	267,760		126,987	223,524	244,955	863,226
330 - Member Services	470,954		389,538	441,753	485,966	1,788,211
340 - Corporate Services	319,181		347,539	396,534	356,340	1,419,594
360 - Audit & Investigative Services	57,536		55,624	51,626	53,495	218,281
410 - Advertising Media	24,987		11,283	34,440	62,712	133,422
420 - Sales/Marketing/Public Relations	48,311		41,979	43,514	48,369	182,173
510 - Human Resources	211,647		111,757	134,617	147,600	605,621
Total Department Expenses	3,375,554	2,938,564	3,547,477	3,480,961	13,342,556	

KHS5/29/2019
Management Use Only

KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF APRIL 30, 2019			
ASSETS	APRIL 2019	MARCH 2019	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,473,556	\$ 1,464,577	8,979
Interest Receivable	2,609	8,598	(5,989)
Prepaid Expenses & Other Current Assets	1,667	2,500	(833)
TOTAL CURRENT ASSETS	\$ 1,477,832	\$ 1,475,675	\$ 2,157
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	13,840	13,840	-
Other Liabilities	353,849	353,849	-
TOTAL CURRENT LIABILITIES	\$ 367,689	\$ 367,689	\$ -
NET POSITION:			
Net Position- Beg. of Year	1,100,538	1,100,538	-
Increase (Decrease) in Net Position - Current Year	9,605	7,448	2,157
Total Net Position	\$ 1,110,143	\$ 1,107,986	\$ 2,157
TOTAL LIABILITIES AND NET POSITION	\$ 1,477,832	\$ 1,475,675	\$ 2,157

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED APRIL 30, 2019	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
ENROLLMENT						
-	-	-	Members	-	-	-
REVENUES						
-	-	-	Premium	-	-	-
2,990	-	2,990	Interest	11,588	-	11,588
-	-	-	Other Investment Income	1,350	-	1,350
2,990	-	2,990	TOTAL REVENUES	12,938	-	12,938
EXPENSES						
-	-	-	Medical Costs	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
2,990	-	2,990	GROSS MARGIN	12,938	-	12,938
Administrative						
833	-	(833)	Management Fee Expense and Other Admin Exp	3,333	-	(3,333)
833	-	(833)	Total Administrative Expenses	3,333	-	(3,333)
833	-	(833)	TOTAL EXPENSES	3,333	-	(3,333)
2,157	-	2,157	OPERATING INCOME (LOSS)	9,605	-	9,605
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-
2,157	-	2,157	NET INCREASE (DECREASE) IN NET POSITION	9,605	-	9,605
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%
28%	0%	-28%	ADMINISTRATIVE EXPENSE RATIO	26%	0%	-26%

**KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT**

KERN HEALTH SYSTEMS

MEDI-CAL

	2019 MEMBER MONTHS	JAN'19	FEB'19	MAR'19	APR'19	MAY'19	JUN'19	JUL'19	AUG'19	SEP'19	OCT'19	NOV'19	DEC'19
ADULT AND FAMILY													
PA - FAMILY	135,502	34,526	33,921	33,871	33,184								
MN - FAMILY	0	0	0	0	0								
REFUGEE - FAMILY	1	0	0	0	1								
FOSTER CARE	2,907	720	699	712	776								
POVERTY-133/200%	4	1	1	1	1								
POVERTY-100%	0	0	0	0	0								
MI - CHILD	438,898	108,363	109,594	110,076	110,865								
CHILD-ACA	109	41	40	13	15								
FAMILY - UNDER 19	88,630	22,145	22,131	22,194	22,160								
SUB-TOTAL ADULT & FAMILY	666,051	165,796	166,396	166,867	167,002	0	0	0	0	0	0	0	0

MEDI-CAL EXPANSION													
LHP Transition Pre-ACA	15	5	5	5	0								
ACA Expansion Adult-Citizen	236,797	58,680	59,344	59,219	59,554								
ACA Expansion CAL Fresh Adult	13	4	4	3	2								
LHP Transition Pre-ACA	1,763	440	465	446	412								
SUB-TOTAL MANDATORY	238,588	59,129	59,818	59,673	59,968	0	0	0	0	0	0	0	0

SDP MEMBERS													
SSI-AGED	758	182	197	181	198								
MN - AGED	6,500	1,621	1,623	1,623	1,633								
SSI - BLIND & DISABLED	49,606	12,333	12,191	12,680	12,402								
MN - BLIND & DISABLED	1,911	449	502	441	519								
SUB-TOTAL MANDATORY SPD	58,775	14,585	14,513	14,925	14,752	0	0	0	0	0	0	0	0

TOTAL MANDATORY	963,414	239,510	240,777	241,465	241,722	0	0	0	0	0	0	0	0
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OTHER MEMBERS

BCCTP-TOBACCO SETTLEMENT	92	23	25	22	22								
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DUALS

PA - FAMILY DUALS	102	18	30	24	30								
PART D SSI-AGED	3,342	838	821	832	851								
PART D MN - AGED	6,302	1,510	1,559	1,564	1,669								
PART D SSI - BLIND & DISABLED	9,973	2,471	2,490	2,531	2,481								
PART D MN - BLIND & DISABLED	4,176	1,082	1,049	1,003	1,042								
PART D BCCTP-TOBACCO SETTLEMENT	5	1	1	1	2								
PART D MI - ADULT	0	0	0	0	0								
PART D MI - CHILD	1,615	377	409	394	435								
SUB-TOTAL DUALS	25,515	6,297	6,359	6,349	6,510	0	0	0	0	0	0	0	0

TOTAL OTHERS	25,607	6,320	6,394	6,371	6,532	0	0	0	0	0	0	0	0
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TOTAL KAISER	33,519	8,329	8,385	8,394	8,411								
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TOTAL MEDI-CAL MEMBERS	1,022,540	254,159	255,486	256,230	256,665	0	0	0	0	0	0	0	0
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February AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1001	KERN MEDICAL CENTER***	705,918.51	705,918.51	HEALTH HOME GRANTS	COMMUNITY GRANTS
T3130	OPTUMINSIGHT, INC.***	541,208.00	541,208.00	CES DIRECT LICENSE - 12/18- 12/19 ANNUAL FEE / OUTSOURCED ANALYSIS	CAPITAL PROJECT IN PROGRESS/PROVIDER RELATIONS
T1045	KAISER FOUNDATION HEALTH	422,389.68	844,549.36	EMPLOYEE HEALTH BENEFITS	VARIOUS
T3449	CDW GOVERNMENT	395,996.36	520,942.33	FORTINET FORTGATE FIREWALL APPLIANCES, LICENSES, AND SUPPORT	CAPITAL PROJECT - NEW BUILDING OCCUPATION
T4165	SHI INTERNATIONAL CO.	232,344.64	258,558.68	SERVERS FOR PRIMARY APPLICATIONS AND MAINTENANCE SUPPORT	CAPITAL PROJECT - NEW BUILDING OCCUPATION
T4391	OMNI FAMILY HEALTH***	207,588.66	209,536.28	HEALTH HOME GRANTS	COMMUNITY GRANTS
T4237	FLUIDEDGE CONSULTING, INC.	186,346.02	239,897.70	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING AND CORPORATE PROJECTS	VARIOUS
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	130,593.52	223,511.27	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT - NEW BUILDING
T2726	DST PHARMACY SOLUTIONS, INC.	107,026.73	201,068.72	PHARMACY AND CLAIMS PROCESSING	PHARMACY
T4350	COMPUTER ENTERPRISE INC.	72,507.50	276,855.67	PROFESSIONAL SERVICES /CONSULTING SERVICES	CAPITAL PROJECTS IN PROCESS/ MIS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	59,287.27	117,240.22	PROFESSIONAL SERVICES - NETWORKX MODELER AND PRICER	CAPITAL PROJECT
T4193	TECHNOSOCIALWORK.COM DBA STRIA	57,760.95	91,624.41	OCR SERVICES	CLAIMS
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	56,743.73	112,948.35	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T4483	INFUSION AND CLINICAL SERVICES, INC.***	51,153.48	51,153.48	HEALTH HOME GRANTS	COMMUNITY GRANTS
T4792	KP LLC***	49,534.81	50,134.81	PRINTING AND SHIPPING OF PROVIDER DIRECTORIES	PROVIDER RELATIONS
T3469	CPACINC.COM INC***	49,350.00	49,350.00	VMWARE/VEEAM LICENSING W/ SUPPORT & MAINTENANCE FOR NEW BUILDING	CAPITAL PROJECT - NEW BUILDING OCCUPATION
T4699	Z6OMEGA, INC.	46,287.50	543,193.98	PROFESSIONAL SERVICES - MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT- CASE MANAGEMENT/DISEASE MANAGEMENT
T1189	APPLE ONE INC.***	41,399.13	41,399.13	TEMPORARY HELP - MIS, IMS, CS	VARIOUS
T3011	OFFICE ALLY, INC.***	39,959.25	39,959.25	EDI CLAIM PROCESSING	CLAIMS
T4582	HEALTHX, INC.	39,200.00	79,400.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS
T4308	TRUXTUN PLACE PARTNERS	31,275.53	57,798.53	TRUXTUN - RENT & UTILITIES	CORPORATE SERVICES
T2584	UNITED STATES POSTAL SVC-HASLER***	30,000.00	30,000.00	POSTAGE - METERED	VARIOUS
T4460	PAYSPAN, INC.***	27,213.94	36,777.60	ELECTRONIC CLAIMS/PAYMENTS	ACCOUNTING
T4698	INFINITY COMMUNICATIONS & CONSULTING, INC.***	25,160.00	27,660.00	TECHNICAL BUILDING ARCHITECTURAL CONSULTING PHASE II	CAPITAL PROJECT - NEW BUILDING
T1408	DELL MARKETING L.P.	22,226.48	61,538.89	SOFTWARE LICENSE	MIS
T4987	ADMINISTRATIVE SOLUTIONS, INC.***	21,763.49	29,045.76	EMPLOYEE PAID VOLUNTARY INSURANCE/FSA CARD DEPOSIT	PAYROLL DEDUCTION



February AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4396	KAISER FOUNDATION HEALTH-DHMO	20,878.91	42,420.64	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4546	LEVEL 3 COMMUNICATIONS, LLC	20,697.35	41,775.99	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	PROVIDER RELATIONS
T4654	DELAWARE	19,548.00	38,094.50	PROFESSIONAL SERVICES	CAPITAL PROJECT - NEW BUILDING
T4873	L5 HEALTHCARE SOLUTIONS, INC.	18,849.00	33,764.00	LICENSE AND SUPPORT FEES - CLAIMS/AUDIT TOOL	MIS
T2918	STINSONS****	16,473.61	16,473.61	OFFICE SUPPLIES	VARIOUS
T4982	NGC US, LLC	15,000.00	90,000.00	PREFUND HEALTH HOMES INCENTIVE	HEALTH HOMES
T2232	DLT SOLUTIONS, LLC	14,629.87	33,514.12	SQL SERVER MAINTENANCE CONTRACT	MIS INFRASTRUCTURE
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	14,068.39	40,385.71	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T1005	COLONIAL LIFE & ACCIDENT	11,752.01	23,333.04	EMPLOYEE PREMIUM	VARIOUS
T4652	BAKERSFIELD SYMPHONY ORCHESTRA****	11,000.00	11,000.00	COMMUNITY SPONSORSHIP	ADMINISTRATION
T4881	JOHN MILLER****	10,857.00	11,643.00	PHYSICIAN MALPRACTICE INSURANCE POLICY	HUMAN RESOURCES
T4785	COMMIGAP****	10,392.50	13,907.50	INTERPRETATION SERVICES	HEALTH EDUCATION
		<u>3,834,361.82</u>			
	TOTAL VENDORS OVER \$10,000	3,834,361.82			
	TOTAL VENDORS UNDER \$10,000	244,272.29			
	TOTAL VENDOR EXPENSES- FEBRUARY	<u>\$ 4,078,634.11</u>			

Note:

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



February AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4290	S.C. ANDERSON, INC.	2,158,786.60	NEW BUILDING CONSTRUCTION SERVICES	CAPITAL PROJECT - NEW BUILDING
T1045	KAISER FOUNDATION HEALTH	844,549.36	EMPLOYEE HEALTH BENEFITS	VARIOUS
T1001	KERN MEDICAL CENTER****	705,918.51	HEALTH HOME GRANTS	COMMUNITY GRANTS
T4699	ZeOMEGA, INC.	543,183.98	2019 ANNUAL LICENSE AND MAINTENANCE / PROFESSIONAL SERVICES - MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT- CASE MANAGEMENT/DISEASE MANAGEMENT
T3130	OPTUMINSIGHT, INC.****	541,208.00	CES DIRECT LICENSE - 12/18 - 12/19 ANNUAL FEE / OUTSOURCED ANALYSIS	CAPITAL PROJECT IN PROGRESS/PROVIDER RELATIONS
T3449	CDW GOVERNMENT	520,842.33	FORTNET FORTGATE FIREWALL APPLIANCES, LICENSES, AND SUPPORT	CAPITAL PROJECT - NEW BUILDING OCCUPATION
T5015	SENTINEL ENGINEERING	408,965.98	JUNIPER NETWORKS HARDWARE, SOFTWARE, LICENSING AND SUPPORT FOR 1 YEAR FOR NEW BUILDING	CAPITAL PROJECT - NEW BUILDING OCCUPATION
T2167	PG&E	277,757.49	ANNUAL TRUE-UP FOR 2018 USAGE/UTILITIES	CORPORATE SERVICES
T4350	COMPUTER ENTERPRISE INC.	276,855.67	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS/ MIS
T5005	CRAYON SOFTWARE EXPERTS LLC	272,333.82	ANNUAL MICROSOFT ENTERPRISE AGREEMENT	MIS INFRASTRUCTURE
T4165	SHI INTERNATIONAL CO.	258,558.68	SERVERS FOR PRIMARY APPLICATIONS AND MAINTENANCE SUPPORT/ STORAGE MAINTENANCE/ HARDWARE	CAPITAL PROJECT - NEW BUILDING OCCUPATION/ VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	239,897.70	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING AND CORPORATE PROJECTS	VARIOUS
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	223,511.27	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT - NEW BUILDING
T4391	OMNI FAMILY HEALTH****	209,536.28	HEALTH HOME GRANTS	COMMUNITY GRANTS
T2726	DST PHARMACY SOLUTIONS, INC.	201,088.72	PHARMACY AND CLAIMS PROCESSING	PHARMACY
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	117,240.22	PROFESSIONAL SERVICES - NETWORKX MODELER AND PRICER	CAPITAL PROJECT
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	112,946.35	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T4193	TECHNOSOCIALWORK.COM DBA STRIA	91,624.41	OCR SERVICES	CLAIMS
T4982	NGC US, LLC	90,000.00	PREFUND HEALTH HOMES INCENTIVE	HEALTH HOMES
T4582	HEALTHX, INC.	78,400.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS
T4686	CENTRIC HEALTH	69,518.58	TRANSITION OF CARE CLINIC FUNDING - JUNE 2018 - NOVEMBER 2018	UTILIZATION MANAGEMENT
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	2019 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T1408	DELL MARKETING L.P.	61,538.89	SOFTWARE LICENSE	MIS
T1272	COFFEY COMMUNICATIONS INC.	58,212.00	WEBSITE IMPLEMENTATION	MIS INFRASTRUCTURE



February AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4308	TRUXTUN PLACE PARTNERS	57,798.53	TRUXTUN - RENT & UTILITIES	CORPORATE SERVICES
T4909	GEM PHYSICIANS MEDICAL GROUP, INC.	54,003.59	HEALTH HOME GRANTS	COMMUNITY GRANTS
T4963	LINKEDIN CORPORATION	52,000.00	ONLINE JOB POSTINGS/CANDIDATE SEARCH CAPABILITIES	HUMAN RESOURCES
T4483	INFUSION AND CLINICAL SERVICES, INC.	51,155.48	HEALTH HOME GRANTS	COMMUNITY GRANTS
T5025	SHANNON M DEAN	50,000.00	COMPENSATION DISTRIBUTION	ADMINISTRATION
T4792	KP LLC****	50,134.81	PRINTING AND SHIPPING OF PROVIDER DIRECTORIES	PROVIDER RELATIONS
T3469	CPACINC.COM INC****	49,350.00	VWAREVEEAM LICENSING W/ SUPPORT & MAINTENANCE FOR NEW BUILDING	CAPITAL PROJECT - NEW BUILDING OCCUPATION
T4514	AJ KLEIN INC T. DENATALE, B.GOLDNER	48,006.60	LEGAL SERVICES	ADMINISTRATION
T2707	ACT 1 PERSONNEL SERVICES, INC.	47,878.96	TEMPORARY HELP - MIS ; MS; CS	PAYROLL DEDUCTION
T4396	KAISER FOUNDATION HEALTH-DHMO	42,420.64	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4546	LEVEL 3 COMMUNICATIONS, LLC	41,775.99	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	PROVIDER RELATIONS
T1189	APPLE ONE INC.****	41,399.13	TEMPORARY HELP - MIS ; MS; CS	VARIOUS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	40,385.71	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T3011	OFFICE ALLY, INC.****	39,959.25	EDI CLAIM PROCESSING	CLAIMS
T4654	DELAWIE	38,084.50	PROFESSIONAL SERVICES	CAPITAL PROJECT - NEW BUILDING
T4460	PAYSPAN, INC****	36,777.60	ELECTRONIC CLAIMS/PAYMENTS	ACCOUNTING
T4696	ZNALYTICS, LLC	34,720.00	PROFESSIONAL SERVICES	CAPITAL PROJECT- CASE MANAGEMENT/DISEASE MANAGEMENT
T4873	L6 HEALTHCARE SOLUTIONS, INC.	33,764.00	LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL	MIS
T2232	DLT SOLUTIONS, LLC	33,514.12	SQL SERVER MAINTENANCE CONTRACT	MIS INFRASTRUCTURE
T2584	UNITED STATES POSTAL SVC.-HASLER***	30,000.00	POSTAGE-METERED	VARIOUS
T4967	ADMINISTRATIVE SOLUTIONS, INC.****	29,045.76	EMPLOYEE PAID VOLUNTARY INSURANCE/FSA CARD DEPOSIT	PAYROLL DEDUCTION
T4698	INFINITY COMMUNICATIONS & CONSULTING, INC.****	27,660.00	TECHNICAL BUILDING ARCHITECTURAL CONSULTING PHASE II	CAPITAL PROJECT - NEW BUILDING
T5024	GALLAGHER BENEFIT SERVICES INC	24,750.00	REVIEW CURRENT PBW RFP QUESTIONNAIRE AND ADD ANY MODIFICATIONS	UTILIZATION MANAGEMENT
T4452	WELLS FARGO	23,668.14	EXECUTIVE, MISC CORPORATE SERVICES, PROVIDER RELATIONS, MISC TRAVEL EXPENSES	VARIOUS
T1005	COLONIAL LIFE & ACCIDENT	23,333.04	EMPLOYEE PREMIUM	VARIOUS



February AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4902	CHANGE HEALTHCARE LLC	20,014.60	EDI CLAIMS, CLAIM CHECK	CLAIMS / MIS
T4991	FANELLIPI	19,410.00	RELOCATION MANAGEMENT	PROJECT MANAGEMENT
T1861	CEREDIAN BENEFITS SERVICES	18,898.14	MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS	HUMAN RESOURCES
T4583	SOILS ENGINEERING INC	18,800.00	SOIL SAMPLING OBSERVATION - OIL DIRT DISCOVERY/REMEDIATION	CAPITAL PROJECT- NEW BUILDING
T1183	MILLIMAN USA	18,053.25	ACTUARIAL SERVICES, 2018 CLAIM LIABILITY	ADMINISTRATION
T2413	TREK IMAGING INC	18,025.51	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T2918	STINSON'S****	16,473.61	OFFICE SUPPLIES	VARIOUS
T3084	KERN COUNTY - COUNTY COUNSEL	16,362.50	LEGAL FEES	ADMINISTRATION
T4294	J. SERVICES JANITORIAL****	15,345.00	JANITORIAL SERVICES	CORPORATE SERVICES
T5030	KHOA NGUYEN DBA KN CONSULTING LLC	15,000.00	CONSULTING SERVICES - GROUP INITIATIVE PROPOSAL	CORPORATE SERVICE
T4785	COMMGA****	13,807.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T1180	LANGUAGE LINE SERVICES, INC****	12,875.49	INTERPRETATION SERVICES	MEMBER SERVICES
T4657	DAPONDE SZABO ROWE PC****	12,860.50	CONSULTING SERVICES TO REVIEW CONTRACTS	PROVIDER RELATIONS
T4563	SPH ANALYTICS	12,198.00	MEMBER SATISFACTION SURVEY	MEMBER SERVICES
T4981	JOHN MILLER****	11,643.00	PHYSICIAN MALPRACTICE TAIL INSURANCE POLICY	HUMAN RESOURCES
T4652	BAKERSFIELD SYMPHONY ORCHESTRA****	11,000.00	COMMUNITY SPONSORSHIP	ADMINISTRATION
T2790	KERN COUNTY DEPARTMENT OF PUBLIC HEALTH	10,899.00	COMMUNITY ACTIVITIES	MARKETING
T2941	KERN PRINT SERVICES, INC. ****	10,387.30	MEMBER DIRECT MAILINGS AND LETTERHEAD AND ENVELOPES	HEALTH EDUCATION/ MEMBER SERVICES
		<u>9,701,032.09</u>		
	TOTAL VENDORS OVER \$10,000	9,701,032.09		
	TOTAL VENDORS UNDER \$10,000	445,511.90		
	TOTAL VENDOR EXPENSES - FEBRUARY	<u>\$ 10,146,543.99</u>		

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



March AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4290	S.C. ANDERSON, INC.	1,965,402.70	4,124,189.30	NEW BUILDING CONSTRUCTION SERVICES	CAPITAL PROJECT - NEW BUILDING
T4350	COMPUTER ENTERPRISE INC.	481,924.16	758,779.83	PROFESSIONAL SERVICES /CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS/ MIS
T1045	KAISER FOUNDATION HEALTH	420,434.69	1,264,984.05	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	289,508.83	509,406.53	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING AND CORPORATE PROJECTS	VARIOUS
T4483	INFUSION AND CLINICAL SERVICES, INC.	224,278.29	275,431.77	HEALTH HOME GRANTS	COMMUNITY GRANTS
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	119,602.48	343,113.75	NEW BUILDING DEVELOPMENT OVER-HEAD FEES	CAPITAL PROJECT - NEW BUILDING
T2726	DST PHARMACY SOLUTIONS, INC.	105,201.76	306,290.48	PHARMACY AND CLAIMS PROCESSING	PHARMACY
T4696	ZNALYTICS, LLC	101,790.00	136,510.00	PROFESSIONAL SERVICES	CAPITAL PROJECT- CASE MANAGEMENT/DISEASE MANAGEMENT
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	56,817.68	169,764.03	VOLUNTARY LIFE, AD&D, DENTAL, INSURANCE	VARIOUS
T1189	APPLE ONE INC.	50,990.86	92,389.99	TEMPORARY HELP - MIS ; MS ; CS	VARIOUS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	44,833.33	162,073.55	PROFESSIONAL SERVICES - NETWORKX MODELER AND PRICER	CAPITAL PROJECT
T4582	HEALTHX, INC.	39,200.00	117,600.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS
T4308	TRUXTUN PLACE PARTNERS	37,910.49	96,709.02	TRUXTUN - RENT & UTILITIES	CORPORATE SERVICES
T4967	ADMINISTRATIVE SOLUTIONS, INC.	33,961.57	65,007.33	EMPLOYEE PAID VOLUNTARY INSURANCE/FSA CARD DEPOSIT	PAYROLL DEDUCTION
T4699	ZeOMEGA, INC.	33,916.40	577,110.38	PROFESSIONAL SERVICES MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T4193	TECHNOSOCIALWORK COM DBA STRIA	32,060.35	123,684.76	OCR SERVICES	CLAIMS
T1861	CEREDIAN BENEFITS SERVICES	30,419.61	49,317.75	MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES	HUMAN RESOURCES
T5026	TEL-TEC SECURITY SYSTEMS****	24,476.63	24,476.63	INSTALLATION OF BURGLAR PHASE- SECURITY SYSTEM	CAPITAL PROJECT - NEW BUILDING
T1005	COLONIAL LIFE & ACCIDENT	23,491.68	46,824.72	EMPLOYEE PREMIUM	VARIOUS
T4546	LEVEL 3 COMMUNICATIONS, LLC	22,575.61	64,351.60	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	PROVIDER RELATIONS
T4396	KAISER FOUNDATION HEALTH-DHMO	21,431.26	63,851.90	EMPLOYEE HEALTH BENEFITS	VARIOUS
T3011	OFFICE ALLY, INC.	21,248.75	61,208.00	EDI CLAIM PROCESSING	CLAIMS
T1272	COFFEY COMMUNICATIONS INC.	19,919.37	78,131.37	MEMBER NEWSLETTER	HEALTH EDUCATION
T4165	SHI INTERNATIONAL CO.	17,420.63	275,979.31	STORAGE MAINTENANCE/ HARDWARE	VARIOUS



March AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4563	SPH ANALYTICS	17,267.00	29,465.00	PROVIDER SATISFACTION SURVEY	PROVIDER RELATIONS
T2985	VITAL SIGNS OF BAKERSFIELD***	15,000.50	15,000.50	NEW BUILDING SIGNAGE	CAPITAL PROJECT - NEW BUILDING
T4982	NGC US, LLC	15,000.00	105,000.00	PREFUND HEALTH HOMES INCENTIVE	HEALTH HOMES
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	14,781.11	55,166.82	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T2918	STINSON'S	14,477.23	30,950.84	OFFICE SUPPLIES	VARIOUS
T4460	PAYSPAN, INC	13,291.30	50,068.90	ELECTRONIC CLAIMS/PAYMENTS	ACCOUNTING
T3084	KERN COUNTY - COUNTY COUNSEL	11,126.50	27,489.00	LEGAL FEES	ADMINISTRATION
T4902	CHANGE HEALTHCARE LLC	10,828.86	30,843.46	EDI CLAIMS, CLAIM CHECK	CLAIMS / MIS
T4537	BURKE, WILLIAMS & SORENSEN, LLP***	10,544.14	15,791.14	LEGAL SERVICES	ADMINISTRATION
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	10,500.00	21,500.00	COMMUNITY SPONSORSHIP	ADMINISTRATION
T4654	DELAWIE	10,170.10	48,254.60	PROFESSIONAL SERVICES	CAPITAL PROJECT - NEW BUILDING
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS***	10,000.00	10,100.00	PLAN ASSESSMENT-TIMELY ACCESS INITIATIVE-RANDI PROPOSAL	ADMINISTRATION
		<u>4,351,803.87</u>			
	TOTAL VENDORS OVER \$10,000	4,351,803.87			
	TOTAL VENDORS UNDER \$10,000	272,270.75			
	TOTAL VENDOR EXPENSES- MARCH	<u>\$ 4,624,074.62</u>			

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



March AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4290	S.C. ANDERSON, INC.	4,124,189.30	NEW BUILDING CONSTRUCTION SERVICES	CAPITAL PROJECT - NEW BUILDING
T1045	KAISER FOUNDATION HEALTH	1,264,984.05	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	758,779.83	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS/ MIS
T1001	KERN MEDICAL CENTER	705,918.51	HEALTH HOME GRANTS	COMMUNITY GRANTS
T4699	ZeOMEGA, INC.	577,110.38	2019 ANNUAL LICENSE AND MAINTENANCE / PROFESSIONAL SERVICES - MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT- CASE MANAGEMENT/DISEASE MANAGEMENT
T3130	OPTUMINSIGHT, INC.	541,208.00	CES DIRECT LICENSE - 12/18- 12/19 ANNUAL FEE / OUTSOURCED ANALYSIS	CAPITAL PROJECT IN PROGRESS/PROVIDER RELATIONS
T3449	CDW GOVERNMENT	522,984.06	FORTINET FORTGATE FIREWALL APPLIANCES, LICENSES, AND SUPPORT	CAPITAL PROJECT - NEW BUILDING OCCUPATION
T4237	FLUIDEDGE CONSULTING, INC.	509,406.53	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING AND CORPORATE PROJECTS	VARIOUS
T5015	SENTINEL ENGINEERING	408,965.98	JUNIPER NETWORKS HARDWARE, SOFTWARE, LICENSING AND SUPPORT FOR 1 YEAR FOR NEW BUILDING	CAPITAL PROJECT - NEW BUILDING OCCUPATION
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	343,113.75	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT - NEW BUILDING
T2726	DST PHARMACY SOLUTIONS, INC.	306,290.48	PHARMACY AND CLAIMS PROCESSING	PHARMACY
T2167	PG&E	277,785.22	ANNUAL TRUE-UP FOR 2018 USAGE/UTILITIES	CORPORATE SERVICES
T4165	SHI INTERNATIONAL CO.	275,979.31	SERVERS FOR PRIMARY APPLICATIONS AND MAINTENANCE SUPPORT/ STORAGE MAINTENANCE/ HARDWARE	CAPITAL PROJECT - NEW BUILDING OCCUPATION/ VARIOUS
T4483	INFUSION AND CLINICAL SERVICES, INC.	275,431.77	HEALTH HOME GRANTS	COMMUNITY GRANTS
T5005	CRAYON SOFTWARE EXPERTS LLC	272,333.82	ANNUAL MICROSOFT ENTERPRISE AGREEMENT	MIS INFRASTRUCTURE
T4391	OMNI FAMILY HEALTH	209,536.28	HEALTH HOME GRANTS	COMMUNITY GRANTS
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	189,764.03	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	162,073.55	PROFESSIONAL SERVICES - NETWORKX MODELER AND PRICER	CAPITAL PROJECT
T4696	ZNALYTICS, LLC	136,510.00	PROFESSIONAL SERVICES	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T4193	TECHNOSOCIALWORK.COM DBA STRIA	123,684.76	OCR SERVICES	CLAIMS



March AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4582	HEALTHX, INC.	117,800.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS
T4982	NGC US, LLC	105,000.00	PREFUND HEALTH HOMES INCENTIVE	HEALTH HOMES
T4308	TRUXTUN PLACE PARTNERS	95,709.02	TRUXTUN - RENT & UTILITIES	CORPORATE SERVICES
T1189	APPLE ONE INC.	92,389.99	TEMPORARY HELP - MIS ; MS ; CS	VARIOUS
T1272	COFFEY COMMUNICATIONS INC.	78,131.37	MEMBER NEWSLETTER/ WEBSITE IMPLEMENTATION	HEALTH EDUCATION/ MIS INFRASTRUCTURE
T4686	CENTRIC HEALTH	69,518.58	TRANSITION OF CARE CLINIC FUNDING - JUNE 2018- NOVEMBER 2018	UTILIZATION MANAGEMENT
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	2019 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T4546	LEVEL 3 COMMUNICATIONS, LLC	64,351.60	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	PROVIDER RELATIONS
T4396	KAISER FOUNDATION HEALTH-DHMO	63,851.90	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4987	ADMINISTRATIVE SOLUTIONS, INC.	63,007.33	EMPLOYEE PAID VOLUNTARY INSURANCE/FSA CARD DEPOSIT	PAYROLL DEDUCTION
T1408	DELL MARKETING L.P.	61,538.89	SOFTWARE LICENSE	MIS
T3011	OFFICE ALLY, INC.	61,208.00	EDI CLAIM PROCESSING	CLAIMS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	55,166.82	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4909	GEM PHYSICIANS MEDICAL GROUP, INC.	54,003.59	HEALTH HOME GRANTS	COMMUNITY GRANTS
T4953	LINKEDIN CORPORATION	52,000.00	ONLINE JOB POSTINGS/CANDIDATE SEARCH CAPABILITIES	HUMAN RESOURCES
T4514	AJ KLEIN INC T. DENATALE, B.GOLDNER	51,150.06	LEGAL SERVICES	ADMINISTRATION
T4792	KP LLC	50,734.81	PRINTING AND SHIPPING OF PROVIDER DIRECTORIES	PROVIDER RELATIONS
T4460	PAYSPAN, INC	50,068.90	ELECTRONIC CLAIMS/PAYMENTS	ACCOUNTING
T5025	SHANNON M DEAN	50,000.00	COMPENSATION DISTRIBUTION	ADMINISTRATION
T3469	CPACINC.COM INC	49,350.00	VWAREVEEAM LICENSING W/ SUPPORT & MAINTENANCE FOR NEW BUILDING	MIS INFRASTRUCTURE
T1861	CEREDIAN BENEFITS SERVICES	49,317.75	MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS	HUMAN RESOURCES
T4654	DELAWIE	48,254.60	PROFESSIONAL SERVICES	CAPITAL PROJECT - NEW BUILDING
T2707	ACT 1 PERSONNEL SERVICES, INC.	47,878.96	TEMPORARY HELP - MIS ; MS ; CS	VARIOUS



March AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1005	COLONIAL LIFE & ACCIDENT	46,824.72	EMPLOYEE PREMIUM	VARIOUS
T4873	L5 HEALTHCARE SOLUTIONS, INC.	33,764.00	LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL	MIS
T2232	DLT SOLUTIONS, LLC	33,514.12	SQL SERVER MAINTENANCE CONTRACT	MIS INFRASTRUCTURE
T4452	WELLS FARGO	33,065.07	EXECUTIVE, MISC CORPORATE SERVICES, PROVIDER RELATIONS, MISC TRAVEL EXPENSES	VARIOUS
T4698	INFINITY COMMUNICATIONS & CONSULTING, INC.	31,520.00	TECHNICAL BUILDING ARCHITECTURAL CONSULTING PHASE II	CAPITAL PROJECT - NEW BUILDING
T2918	STINSON'S	30,950.84	OFFICE SUPPLIES	VARIOUS
T4902	CHANGE HEALTHCARE LLC	30,843.46	EDI CLAIMS, CLAIM CHECK	CLAIMS / MIS
T2584	UNITED STATES POSTAL SVC.-HASLER	30,000.00	POSTAGE-METERED	VARIOUS
T4563	SPH ANALYTICS	29,465.00	PROVIDER AND MEMBER SATISFACTION SURVEYS	MEMBER SERVICES/ PROVIDER RELATIONS
T3084	KERN COUNTY - COUNTY COUNSEL	27,489.00	LEGAL FEES	ADMINISTRATION
T4991	FANELLIPI	25,880.00	RELOCATION MANAGEMENT	PROJECT MANAGEMENT
T4294	J. SERVICES JANITORIAL	25,065.00	JANITORIAL SERVICES	CORPORATE SERVICES
T5024	GALLAGHER BENEFIT SERVICES INC	24,750.00	REVIEW CURRENT PBM RFP QUESTIONNAIRE AND ADD ANY MODIFICATIONS	UTILIZATION MANAGEMENT
T5026	TEL-TEC SECURITY SYSTEMS****	24,476.63	INSTALLATION OF BURGLAR PHASE- SECURITY SYSTEM	CAPITAL PROJECT - NEW BUILDING
T1183	MILLIMAN USA	22,038.75	ACTUARIAL SERVICES, RDT, RATE SUPPORT, VALUE-BASED PURCHASING ANALYSIS, OTHER CONSULTING SERVICES	ADMINISTRATION
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	21,500.00	COMMUNITY SPONSORSHIP	ADMINISTRATION
T2413	TREK IMAGING INC	20,632.07	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T4583	SOILS ENGINEERING INC	19,620.00	SOIL SAMPLING OBSERVATION -OIL DIRT DISCOVERY/REMEDATION	CAPITAL PROJECT - NEW BUILDING
T3378	CARRIER CORPORATION****	18,291.93	SERVICE AGREEMENT	CORPORATE SERVICE
T1128	HALL LETTER SHOP INC.****	17,403.60	NEW MEMBER PACKETS / MEMBERSHIP CARDS	MEMBER SERVICES
T1180	LANGUAGE LINE SERVICES, INC	16,299.72	INTERPRETATION SERVICES	MEMBER SERVICES
T4537	BURKE, WILLIAMS & SORENSEN, LLP****	15,791.14	LEGAL SERVICES	ADMINISTRATION
T4503	VISION SERVICE PLAN****	15,008.41	EMPLOYEE HEALTH BENEFITS	VARIOUS



March AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2965	VITAL SIGNS OF BAKERSFIELD***	15,000.50	NEW BUILDING SIGNAGE	CAPITAL PROJECT - NEW BUILDING
T5030	KHOA NGUYEN DBA KN CONSULTING LLC	15,000.00	PROFESSIONAL SERVICES	CORPORATE SERVICE
T4657	DAPONDE SZABO ROWE PC	14,557.50	CONSULTING SERVICES TO REVIEW CONTRACTS	PROVIDER RELATIONS
T4694	KELLY SERVICES, INC.***	14,453.06	TEMPORARY EMPLOYEE SERVICES	VARIOUS
T2941	KERN PRINT SERVICES, INC.	13,558.43	MEMBER DIRECT MAILINGS AND LETTERHEAD AND ENVELOPES	HEALTH EDUCATION/MEMBER SERVICES
T4561	SRI & SHARMA, LLC****	13,125.00	MONTHLY PARKING RENTAL	CORPORATE SERVICES
T2446	AT&T MOBILITY****	13,049.31	CELLULAR PHONE / INTERNET	MIS
T3986	JACQUELYN S JANS****	12,917.00	PROFESSIONAL SERVICES MARKETING AND PR SERVICES	ADMINISTRATION/ MARKETING
T4785	COMMIGAP	15,827.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T4544	BARNES WEALTH MANAGEMENT GROUP****	12,250.00	RETIREMENT PLAN CONSULTANTS	ADMINISTRATION
T4981	JOHN MILLER	12,310.59	PHYSICIAN MALPRACTICE INSURANCE POLICY	HUMAN RESOURCES
T4389	EXACT STAFF, INC.***	11,144.34	TEMPORARY HELP	MEMBER SERVICES
T2790	KERN COUNTY DEPARTMENT OF PUBLIC HEALTH	10,809.00	COMMUNITY ACTIVITIES	MARKETING
T4733	UNITED STAFFING ASSOCIATES****	10,451.08	TEMPORARY HELP	VARIOUS
T4739	SECURITAS SECURITY SERVICES USA, INC****	10,364.16	SECURITY SERVICES	CORPORATE SERVICES
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS****	10,100.00	PLAN ASSESSMENT-TIMELY ACCESS INITIATIVE- RAND PROPOSAL	ADMINISTRATION
T4501	ALLIED UNIVERSAL SECURITY SERVICES****	10,089.60	ONSITE SECURITY	CORPORATE SERVICES
T4417	KAISER FOUNDATION HEALTH PLAN	10,066.72	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4228	THE SSI GROUP, LLC****	10,027.80	EDI CLAIM PROCESSING	CLAIMS
		14,290,496.83		
	TOTAL VENDORS OVER \$10,000	14,290,496.83		
	TOTAL VENDORS UNDER \$10,000	477,247.77		
	TOTAL VENDOR EXPENSES- MARCH	\$ 14,767,744.60		

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



April AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4290	S.C. ANDERSON, INC.	1,860,204.77	5,984,394.07	NEW BUILDING CONSTRUCTION SERVICES	CAPITAL PROJECT - NEW BUILDING
T1045	KAISER FOUNDATION HEALTH	425,494.65	1,690,478.70	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	217,080.06	726,486.59	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING AND CORPORATE PROJECTS	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	191,918.47	950,688.29	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS/MIS
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	112,265.69	455,379.44	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT IN PROCESS
T2726	DST PHARMACY SOLUTIONS, INC.	114,879.83	421,170.31	PHARMACY AND CLAIMS PROCESSING	PHARMACY
T4982	NGC US, LLC	99,492.59	204,492.59	PREFUND HEALTH HOMES INCENTIVE	HEALTH HOME
T1071	CLINICA SIERRA VISTA****	84,888.00	84,888.00	EMERGENCY ROOM DIVERSION GRANT	COMMUNITY GRANTS
T4483	INFUSION AND CLINICAL SERVICES, INC.	73,067.93	348,499.70	HEALTH HOME GRANTS	COMMUNITY GRANTS
T4699	ZeOMEGA, INC.	61,274.25	638,384.63	PROFESSIONAL SERVICES MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	56,560.10	226,344.13	VOLUNTARY LIFE AD&D, DENTAL INSURANCE.	VARIOUS
T4582	HEALTHX, INC.	39,200.00	156,800.00	IMPLEMENTATION FEE- MEMBER ENHANCEMENT PROVIDER AND MEMBER PORTAL	HEALTH EDUCATION
T4193	TECHNOSOCIALWORK.COM DBA STRIA	36,400.58	160,085.34	OCR SERVICES	CLAIMS
T1189	APPLE ONE INC.	34,592.12	126,982.11	TEMPORARY HELP - MIS : MS: CS	PAYROLL DEDUCTION
T2584	UNITED STATES POSTAL SVC.-HASLER	30,000.00	60,000.00	POSTAGE-METERED	VARIOUS
T4308	TRUXTUN PLACE PARTNERS	26,523.00	122,232.02	TRUXTUN- LEASE & UTILITIES	PAYROLL DEDUCTION
T5028	QUANTUM CONSULTING GROUP LLC****	26,175.00	26,175.00	CONSULTING SERVICES	HEALTH HOMES
T3469	CPACINC.COM INC	25,110.40	74,460.40	VMWARE/VEEAM LICENSING W/ SUPPORT & MAINTENANCE FOR NEW BUILDING	MIS INFRASTRUCTURE
T5080	COURTNEY HILEMAN****	25,000.00	25,000.00	COMPENSATION DISTRIBUTION	ADMINISTRATION
T4265	SIERRA SCHOOL EQUIPMENT COMPANY****	24,774.75	27,128.89	CHAIRS -REPLACEMENT OF BROKEN ONES & PURCHASE	CORPORATE SERVICES
T5024	GALLAGHER BENEFIT SERVICES INC	24,750.00	49,500.00	REVIEW CURRENT PBM RFP QUESTIONNAIRE AND ADD ANY MODIFICATIONS	UTILIZATION MANAGEMENT
T3011	OFFICE ALLY, INC.	24,342.50	85,550.50	EDI CLAIM PROCESSING	CLAIMS
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK****	22,000.00	27,000.00	FINANCIAL REPORTING SERVICES	ADMINISTRATION



April AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4546	LEVEL 3 COMMUNICATIONS, LLC	21,635.13	85,986.73	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	PROVIDER RELATIONS
T4460	PAYSPAN, INC	21,116.75	71,185.65	ELECTRONIC CLAIMS/PAYMENTS	ACCOUNTING
T4396	KAISER FOUNDATION HEALTH-DHMO	20,437.03	84,288.93	EMPLOYEE HEALTH BENEFITS	VARIOUS
T2961	SOLUTION BENCH, LLC***	19,959.04	19,959.04	M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	15,317.76	70,484.58	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4867	ADMINISTRATIVE SOLUTIONS, INC.	14,293.72	77,301.05	EMPLOYEE PAID VOLUNTARY INSURANCE/FA CARD DEPOSIT	PAYROLL DEDUCTION
T4391	OMNI FAMILY HEALTH	14,113.87	223,650.15	COMMUNITY GRANTS	HEALTH HOMES
T4683	CLAUDIA M. BACA****	13,515.33	21,640.33	PROJECT MANAGEMENT CONSULTING SERVICES	PROJECT MANAGEMENT
T5081	KO LEGAL, INC ****	12,500.00	12,500.00	LEGAL SERVICES	ADMINISTRATION
T2938	SAP AMERICA, INC****	12,306.32	12,306.32	BUSINESS PROJECT ANNUAL MAINTENANCE	MIS INFRASTRUCTURE
T4785	COMMIGAP	11,595.00	27,422.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T4294	J. SERVICES JANITORIAL ***	11,280.00	36,345.00	JANITORIAL SERVICES	CORPORATE
T4537	BURKE, WILLIAMS & SORENSEN, LLP	10,513.96	26,305.10	LEGAL SERVICES	ADMINISTRATION
T4902	CHANGE HEALTHCARE LLC	10,458.33	41,301.79	EDI CLAIMS, CLAIM CHECK	CLAIMS / MIS
T1408	DELL MARKETING L.P.	10,140.31	71,679.20	SOFTWARE LICENSE	MIS
T5071	WEST SIDE FAMILY HEALTH CARE****	10,000.00	10,000.00	PROVIDER RECRUITMENT & RETENTION GRANT	COMMUNITY GRANTS
		<u>3,865,199.24</u>			
TOTAL VENDORS OVER \$10,000		3,865,199.24			
TOTAL VENDORS UNDER \$10,000		285,735.36			
TOTAL VENDOR EXPENSES- APRIL		<u>\$ 4,130,934.60</u>			

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



April AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4290	S.C. ANDERSON, INC.	5,984,364.07	NEW BUILDING CONSTRUCTION SERVICES	CAPITAL PROJECT - NEW BUILDING
T1045	KAISER FOUNDATION HEALTH	1,660,478.70	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	950,698.29	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS/ MIS
T4237	FLUIDEDGE CONSULTING, INC.	726,466.59	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING AND CORPORATE PROJECTS	VARIOUS
T1001	KERN MEDICAL CENTER	705,918.51	HEALTH HOME GRANTS	COMMUNITY GRANTS
T4699	ZeOMEGA, INC.	638,384.63	2019 ANNUAL LICENSE AND MAINTENANCE / PROFESSIONAL SERVICES - MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT- CASE MANAGEMENT/DISEASE MANAGEMENT
T3130	OPTUMINSIGHT, INC.	541,208.00	CES DIRECT LICENSE - 12/18-12/19 ANNUAL FEE / OUTSOURCED ANALYSIS	CAPITAL PROJECT IN PROGRESS/PROVIDER RELATIONS
T3449	CDW GOVERNMENT	525,399.76	FORTINET FORTGATE FIREWALL APPLIANCES, LICENSES, AND SUPPORT	CAPITAL PROJECT - NEW BUILDING OCCUPATION
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	455,379.44	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT - NEW BUILDING
T2726	DST PHARMACY SOLUTIONS, INC.	421,170.31	PHARMACY AND CLAIMS PROCESSING	PHARMACY
T5015	SENTINEL ENGINEERING	408,865.98	JUNIPER NETWORKS HARDWARE, SOFTWARE, LICENSING AND SUPPORT FOR 1 YEAR FOR NEW BUILDING	CAPITAL PROJECT - NEW BUILDING OCCUPATION
T4483	INFUSION AND CLINICAL SERVICES, INC.	348,499.70	HEALTH HOME GRANTS	COMMUNITY GRANTS
T2167	PG&E	277,810.36	ANNUAL TRUE-UP FOR 2018 USAGE/UTILITIES	CORPORATE SERVICES
T4165	SHI INTERNATIONAL CO.	275,979.31	SERVERS FOR PRIMARY APPLICATIONS AND MAINTENANCE SUPPORT/ STORAGE MAINTENANCE/ HARDWARE	CAPITAL PROJECT - NEW BUILDING OCCUPATION/ VARIOUS
T5005	CRAYON SOFTWARE EXPERTS LLC	272,333.82	ANNUAL MICROSOFT ENTERPRISE AGREEMENT	MIS INFRASTRUCTURE
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	226,344.13	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T4391	OMNI FAMILY HEALTH	223,650.15	HEALTH HOME GRANTS	COMMUNITY GRANTS
T4982	NGC US, LLC	204,492.59	PREFUND HEALTH HOMES INCENTIVE	HEALTH HOMES
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	166,641.51	PROFESSIONAL SERVICES - NETWORKX MODELER AND PRICER	CAPITAL PROJECT
T4193	TECHNOSOCIALWORK.COM DBA STRIA	160,085.34	OCR SERVICES	CLAIMS
T4582	HEALTHX, INC.	156,800.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS



April AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4696	ZNALYTICS, LLC	136,510.00	PROFESSIONAL SERVICES	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T1189	APPLE ONE INC.	126,982.11	TEMPORARY HELP - MIS ; MS; CS	VARIOUS
T4308	TRUXTUN PLACE PARTNERS	122,232.02	TRUXTUN - RENT & UTILITIES	CORPORATE SERVICES
T4546	LEVEL 3 COMMUNICATIONS, LLC	85,986.73	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	PROVIDER RELATIONS
T1071	CLINICA SIERRA VISTA****	84,888.00	EMERGENCY ROOM DIVERSION GRANT	COMMUNITY GRANTS
T4396	KAISER FOUNDATION HEALTH-DHMO	84,288.93	EMPLOYEE HEALTH BENEFITS	VARIOUS
T3011	OFFICE ALLY, INC.	85,550.50	EDI CLAIM PROCESSING	CLAIMS
T1272	COFFEY COMMUNICATIONS INC.	78,131.37	MEMBER NEWSLETTER/ WEBSITE IMPLEMENTATION	HEALTH EDUCATION/ MIS INFRASTRUCTURE
T4967	ADMINISTRATIVE SOLUTIONS, INC.	77,301.05	EMPLOYEE PAID VOLUNTARY INSURANCE/FSA CARD DEPOSIT	PAYROLL DEDUCTION
T3469	CPACINC.COM INC	74,460.40	VMWARE/VEEAM LICENSING W/ SUPPORT & MAINTENANCE FOR NEW BUILDING	MIS INFRASTRUCTURE
T1408	DELL MARKETING L.P.	71,679.20	SOFTWARE LICENSE	MIS
T4480	PAYSPAN, INC	71,185.65	ELECTRONIC CLAIMS/PAYMENTS	ACCOUNTING
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	70,484.58	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4686	CENTRIC HEALTH	69,518.58	TRANSITION OF CARE CLINIC FUNDING - JUNE 2018- NOVEMBER 2018	UTILIZATION MANAGEMENT
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	2019 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T2584	UNITED STATES POSTAL SVC.-HASLER	60,000.00	POSTAGE-METERED	VARIOUS
T4514	AJ KLEIN INC T. DENATALE, B.GOLDNER	54,716.06	LEGAL SERVICES	ADMINISTRATION
T4909	GEM PHYSICIANS MEDICAL GROUP, INC.	54,003.59	HEALTH HOME GRANTS	COMMUNITY GRANTS
T4963	LINKEDIN CORPORATION	52,000.00	ONLINE JOB POSTINGS/CANDIDATE SEARCH CAPABILITIES	HUMAN RESOURCES
T1861	CEREDIAN BENEFITS SERVICES	51,856.70	MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS	HUMAN RESOURCES
T4792	KP LLC	51,459.81	PRINTING AND SHIPPING OF PROVIDER DIRECTORIES	PROVIDER RELATIONS
T5025	SHANNON M DEAN	50,000.00	COMPENSATION DISTRIBUTION	ADMINISTRATION



April AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5024	GALLAGHER BENEFIT SERVICES INC	49,500.00	REVIEW CURRENT PBM RFP QUESTIONNAIRE AND ADD ANY MODIFICATIONS	UTILIZATION MANAGEMENT
T4854	DELAWIE	48,254.60	PROFESSIONAL SERVICES	CAPITAL PROJECT - NEW BUILDING
T2707	ACT 1 PERSONNEL SERVICES, INC.	47,878.96	TEMPORARY HELP - MIS ; MS; CS	VARIOUS
T1005	COLONIAL LIFE & ACCIDENT	46,824.72	EMPLOYEE PREMIUM	VARIOUS
T4873	L5 HEALTHCARE SOLUTIONS, INC.	42,179.00	LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL	MIS
T4902	CHANGE HEALTHCARE LLC	41,301.79	EDI CLAIMS, CLAIM CHECK	CLAIMS / MIS
T4563	SPH ANALYTICS	37,597.00	PROVIDER AND MEMBER SATISFACTION SURVEYS	MEMBER SERVICES/ PROVIDER RELATIONS
T4294	J. SERVICES JANITORIAL	36,345.00	JANITORIAL SERVICES	CORPORATE SERVICES
T4452	WELLS FARGO	35,460.35	EXECUTIVE, MISC CORPORATE SERVICES, PROVIDER RELATIONS, MISC TRAVEL EXPENSES	VARIOUS
T2232	DLT SOLUTIONS, LLC	33,514.12	SQL SERVER MAINTENANCE CONTRACT	MIS INFRASTRUCTURE
T4991	FANELLIPI	32,350.00	RELOCATION MANAGEMENT	PROJECT MANAGEMENT
T4698	INFINITY COMMUNICATIONS & CONSULTING, INC.	31,520.00	TECHNICAL BUILDING ARCHITECTURAL CONSULTING PHASE II	CAPITAL PROJECT - NEW BUILDING
T2918	STINSON'S	30,950.84	OFFICE SUPPLIES	VARIOUS
T1183	MILLIMAN USA	28,938.25	ACTUARIAL SERVICES, RDT, RATE SUPPORT, VALUE-BASED PURCHASING ANALYSIS, OTHER CONSULTING SERVICES	ADMINISTRATION
T3084	KERN COUNTY - COUNTY COUNSEL	27,489.00	LEGAL FEES	ADMINISTRATION
T4785	COMM GAP	27,422.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T2413	TREK IMAGING INC	27,243.86	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T4265	SIERRA SCHOOL EQUIPMENT COMPANY****	27,128.89	CHAIRS - REPLACEMENT OF BROKEN ONES & PURCHASE	CORPORATE SERVICES
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK****	27,000.00	FINANCIAL REPORTING SERVICES	ADMINISTRATION
T4537	BURKE, WILLIAMS & SORENSEN, LLP	26,305.10	LEGAL SERVICES	ADMINISTRATION
T5028	QUANTUM CONSULTING GROUP LLC****	26,175.00	CONSULTING SERVICES	HEALTH HOMES
T3378	CARRIER CORPORATION	24,546.93	SERVICE AGREEMENT	CORPORATE SERVICE
T5026	TEL-TEC SECURITY SYSTEMS	24,476.63	INSTALLATION OF BURGLAR PHASE- SECURITY SYSTEM	CAPITAL PROJECT - NEW BUILDING

KERN·HEALTH SYSTEMS

April AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4683	CLAUDIA M. BACA***	21,640.33	PROJECT MANAGEMENT CONSULTING SERVICES	PROJECT MANAGEMENT
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	21,500.00	COMMUNITY SPONSORSHIP	ADMINISTRATION
T1180	LANGUAGE LINE SERVICES, INC	20,972.49	INTERPRETATION SERVICES	MEMBER SERVICES
T4733	UNITED STAFFING ASSOCIATES	20,364.03	TEMPORARY HELP	VARIOUS
T4503	VISION SERVICE PLAN	20,053.72	EMPLOYEE HEALTH BENEFITS	VARIOUS
T2961	SOLUTION BENCH, LLC***	19,959.04	M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE
T4583	SOILS ENGINEERING INC	19,520.00	SOIL SAMPLING OBSERVATION-OIL DIRT DISCOVERY/REMEDIATION	CAPITAL PROJECT-NEW BUILDING
T1128	HALL LETTER SHOP INC.	19,146.95	NEW MEMBER PACKETS / MEMBERSHIP CARDS	MEMBER SERVICES
T4561	SRI & SHARMA, LLC	17,500.00	MONTHLY PARKING RENTAL	CORPORATE SERVICES
T4694	KELLY SERVICES, INC.	17,411.64	TEMPORARY EMPLOYEE SERVICES	VARIOUS
T2446	AT&T MOBILITY	17,402.49	CELLULAR PHONE / INTERNET	MIS
T3986	JACQUELYN S JANS	17,292.00	PROFESSIONAL SERVICES MARKETING AND PR SERVICES	ADMINISTRATION/ MARKETING
T2941	KERN PRINT SERVICES, INC.	17,032.90	MEMBER DIRECT MAILINGS AND LETTERHEAD AND ENVELOPES	HEALTH EDUCATION/ MEMBER SERVICES
T4739	SECURITAS SECURITY SERVICES USA, INC	16,232.16	SECURITY SERVICES	CORPORATE SERVICES
T2441	LAURA BREZINSKI***	16,200.00	MARKETING MATERIALS	MARKETING
T2969	AMERICAN BUSINESS MACHINES INC***	15,519.31	COPIER/SCANNER SUPPORT AND MAINTENANCE	MIS INFRASTRUCTURE
T2965	VITAL SIGNS OF BAKERSFIELD	15,000.50	NEW BUILDING SIGNAGE	CAPITAL PROJECT - NEW BUILDING
T5030	KHOA NGUYEN DBA KN CONSULTING LLC	15,000.00	PROFESSIONAL SERVICES	CORPORATE SERVICE
T4657	DAFONDE SZABO ROWE PC	14,557.50	CONSULTING SERVICES TO REVIEW CONTRACTS	PROVIDER RELATIONS
T4501	ALLIED UNIVERSAL SECURITY SERVICES	13,795.84	ONSITE SECURITY	CORPORATE SERVICES
T4228	THE SSI GROUP, LLC	13,622.20	EDI CLAIM PROCESSING	CLAIMS
T3990	SPARKLETTES, INC***	12,754.84	BOTTLED WATER SERVICE	VARIOUS
T4417	KAISER FOUNDATION HEALTH PLAN	12,583.40	EMPLOYEE HEALTH BENEFITS	VARIOUS
T5081	KO LEGAL, INC.***	12,500.00	LEGAL SERVICES	ADMINISTRATION
T4981	JOHN MILLER	12,310.59	PHYSICIAN MALPRACTICE INSURANCE POLICY	HUMAN RESOURCES



April AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2938	SAP AMERICA, INC****	12,308.32	BUSINESS PROJECT ANNUAL MAINTENANCE	MIS INFRASTRUCTURE
T4544	BARNES WEALTH MANAGEMENT GROUP	12,250.00	RETIREMENT PLAN CONSULTANTS	ADMINISTRATION
T4183	LAMAR ADVERTISING OF BAKERSFIELD****	11,750.00	BILLBOARD ADVERTISING	MEDIA & ADVERTISING
T4389	EXACT STAFF, INC.	11,144.34	TEMPORARY HELP	MEMBER SERVICES
T2790	KERN COUNTY DEPARTMENT OF PUBLIC HEALTH	10,809.00	COMMUNITY ACTIVITIES	MARKETING
T1347	ADVANCED DATA STORAGE****	10,690.15	SHREDDING SERVICE / STORAGE	CORPORATE SERVICES
T4708	HEALTH MANAGEMENT ASSOCIATES INC****	10,500.00	CONSULTING SERVICES	ADMINISTRATION
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	10,100.00	PLAN ASSESSMENT-TIMELY ACCESS INITIATIVE- RAND PROPOSAL	ADMINISTRATION
T5071	WEST SIDE FAMILY HEALTH CARE****	10,000.00	PROVIDER RECRUITMENT & RETENTION GRANT	COMMUNITY GRANTS
		<u>18,339,182.75</u>		
	TOTAL VENDORS OVER \$10,000	18,339,182.75		
	TOTAL VENDORS UNDER \$10,000	559,431.43		
	TOTAL VENDOR EXPENSES- APRIL	<u>\$ 18,898,614.18</u>		

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

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
January							
J. Services	\$62,160.00	Yes	CS	Alonso Hurtado	Janitorial Services for Stockdale and Truxtum	1/1/2019	12/31/2019
Jacquelyn S. Jans	\$32,500.00	Yes	MRK	Louie Iturrria	Marketing and Corporate Image Consultant	1/1/2019	12/31/2019
CPAC, Inc.	\$49,350.00	Yes	IT	Richard Pruitt	6 VMware & 6 Veeam licensing with support & maint	1/29/2019	1/28/2024
Poppyrock Design	\$39,600.00	Yes	MRK	Louie Iturrria	Graphic Design of member, provider and marketing	1/1/2019	12/31/2019
ZeOmega	\$72,000.00	Yes	UM	Deborah Murr	Quote#792-Dedicated implementation manager for 3 months	1/1/2019	3/31/2019
ZeOmega	\$33,000.00	Yes	UM	Deborah Murr	Quote#827-Inclusion HHP site outreach rules & NOA language into JIVA MMP	1/29/2019	12/31/2019
CenturyLink	\$61,000.00	Yes	IT	Richard Pruitt	IG-3G connection for Buck Owens building	1/1/2019	12/31/2019
Quantum Consulting Group	\$31,000.00	Yes	HHP	Julie Worthing	Beverly Gibbs consulting services for HHP	1/3/2019	12/31/2019
LinkedIn	\$32,000.00	Yes	HR	Anita Martin	Online training to manage learners	1/1/2019	1/1/2020
DLT	\$33,514.12	Yes	IT	Richard Pruitt	66 Spotlight SQL licenses w/ support co-termed	1/18/2019	1/31/2020
February							
LifeSigns	\$45,000.00	Yes	HE	Isabel Silba	ASL interpreting services for members	2/28/2019	2/27/2020
March							
KP	\$46,569.60	Yes	PR	Louie Iturrria	Printing and shipping of Provider Directories	3/8/2019	4/30/2019
CPAC, Inc.	\$38,199.52	Yes	IT	Richard Pruitt	IDF w/support and maintenance for new facility	3/8/2019	3/7/2025
April							
Univision	\$35,802.00	Yes	MRK	Louie Iturrria	Spanish TV Advertisements	4/1/2019	11/30/2019
SJS Building Maintenance	\$81,550.00	Yes	CS	Alonso Hurtado	Professional janitorial services	4/15/2019	10/31/2019
Cognizant	\$59,692.86	Yes	IT	Richard Pruitt	Professional services for NetworkX price, PCR#1	4/15/2019	5/17/2019
ZeOmega	\$72,000.00	Yes	UM	Deborah Murr	Quote#854_Implementation Manager resource	4/1/2019	6/30/2019
Nexstar	\$41,990.00	Yes	MRK	Louie Iturrria	English & Spanish TV commercials	4/1/2019	11/30/2019
Scrrips	\$35,995.00	Yes	MRK	Louie Iturrria	Airing English & Spanish TV commercials	4/1/2019	11/30/2019
Lamar Transit	\$37,910.48	Yes	PR	Louie Iturrria	GET Bus Advertisement	4/15/2019	11/24/2019
Eliza Corporation	\$57,000.00	Yes	HE	Michael Pitts	HRA project for outreach of SPD members	4/26/2019	4/25/2020

2019 TECHNOLOGY CONSULTING RESOURCES																		
ITEM #	PROJECT Name	CAP/EXP	BUDGET	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YTD	TOTAL	REMAINING BALANCE
1	CDRA	EXP	\$18,500	\$18,500													\$18,500	\$0
2	QJ Site	CAP	\$9,300	\$3,600	\$3,600												\$7,200	\$2,100
3	Mfiles	CAP	\$34,860	\$15,960	\$760	\$0											\$16,720	\$18,140
4	Health Home Program Expansion	CAP	\$137,673	\$19,320	\$45,400	\$26,460											\$91,180	\$46,493
5	Medical Management	CAP	\$361,700	\$98,280	\$64,920	\$40,230											\$143,430	\$218,270
6	Diabetes Prevention Program (DPP)	CAP	\$280,403	\$19,980	\$20,520	\$21,600											\$62,100	\$218,303
7	Hospital Directed Payments (HDP)	EXP	\$28,305	\$16,490	\$680	\$0											\$17,170	\$11,135
8	Corporate Website Support	EXP	\$32,280		\$0	\$0											\$0	\$32,280
9	New Building Move	CAP	\$531,300	\$47,626	\$44,936	\$44,081											\$136,643	\$394,657
10	2019 HHP State Alignment	CAP	\$240,000		\$0	\$0											\$0	\$240,000
11	Internal Dashboards (4)	CAP	\$628,363	\$32,640	\$43,320	\$47,880											\$123,840	\$504,523
12	Member Engagement - Pre and Post Natal Utilization	CAP	\$72,961			\$5,250											\$5,250	\$67,711
13	Computer Assisted Translation Tool	CAP	\$19,915			\$0											\$0	\$19,915
14	Telehealth-E-consult/Teleads	EXP	\$69,581			\$5,250											\$5,250	\$64,331
15	GES Upgrade	EXP	\$33,000			\$0											\$0	\$33,000
16	Orchestrator Job Migration Cont.	EXP	\$103,950			\$0											\$0	\$103,950
17	2D Profiling Internal Management (CE)	CAP	\$300,930			\$0											\$0	\$300,930
18	APM/Network Modeler and Pricer - Professional	CAP	\$385,781	\$24,480	\$29,458	\$29,278											\$83,215	\$198,566
19	Microsoft Server Upgrades	EXP	\$58,800			\$0											\$0	\$58,800
20	Call Center Knowledge Management Solution	CAP	\$6,715														\$0	\$6,715
21	CACTUS Upgrade	CAP	\$227,188														\$0	\$227,188
22	KHS Biztek	EXP	\$11,200														\$0	\$11,200
23	SPD/MRA	EXP	\$85,225														\$0	\$85,225
24	Staff Augmentation	EXP	\$1,445,983	\$149,513	\$169,494	\$199,870											\$518,877	\$927,106
25	Totals:	Totals	\$5,041,923	\$386,389	\$423,087	\$419,899	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,229,375	\$3,812,548



To: KHS Board of Directors

From: Robert Landis, CFO

Date: June 13, 2019

Re: Report on New Office Building Expenditures

Background

At the February 14th, 2019 Kern Health Systems Board of Directors Meeting, the Board requested updated summaries of amounts paid relating to the new office building (Attached).

Discussion

The attached document has a total building contract amount of \$29,924,275.63 for the work to be performed by the KHS contractor SC Anderson, Inc. Work completed less retainage as of 4/30/19 is \$23,880,168.14 . The balance of work to be completed including retainage amounts owed is \$6,044,107.49.

Included in the attachment is an itemized description of amounts complete and paid through April 30, 2019 as well as an itemized listing of the balance and retainage amounts to finish the building.

Requested Action

The KHS Finance Committee has reviewed and recommends that the KHS Board of Directors Receive and File.

** Revised*
 T4290
 PO# 19-23501
 RCP# 21603

5/22/19
x [Signature]

RECEIVED
MAY 22 2019
ACCOUNTING

AIA Document G702™ – 1992

Application and Certificate for Payment

TO OWNER: KERN HEALTH SYSTEMS 9700 STOCKDALE HIGHWAY BAKERSFIELD, CA 93311	PROJECT: KERN HEALTH SYSTEMS 2900 BUCK OWENS BLVD BAKERSFIELD, CA 93308	APPLICATION NO: 01170843-00015 PERIOD TO: 4/30/2019	Distribution to: OWNER <input type="checkbox"/> ARCHITECT <input type="checkbox"/> CONTRACTOR <input type="checkbox"/> FIELD <input type="checkbox"/> OTHER <input type="checkbox"/>
FROM CONTRACTOR: SC ANDERSON, INC. 2180 Mars Court Bakersfield, CA 93308	VIA ARCHITECT:	CONTRACT FOR: CONTRACT DATE: PROJECT NOS: 01.17084.3	

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. AIA Document G703™, Continuation Sheet, is attached.

- 1. ORIGINAL CONTRACT SUM \$ 27,822,583.00
- 2. NET CHANGE BY CHANGE ORDERS \$ 2,101,892.63
- 3. CONTRACT SUM TO DATE (Line 1 ± 2) \$ 29,924,275.83
- 4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 25,137,019.22
- 5. RETAINAGE:
 - a. 5 % of Completed Work
(Columns D + E on G703) \$ 1,256,851.08
 - b. % of Stored Material
(Column F on G703) \$
- Total Retainage (Lines 5a + 5b, or Total in Column I of G703) \$ 1,256,851.08
- 6. TOTAL EARNED LESS RETAINAGE \$ 23,880,168.14
(Line 4 minus Line 5 Total)
- 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT \$ 20,883,561.76
(Line 6 from prior Certificate)
- 8. CURRENT PAYMENT DUE \$ 2,996,606.38
- 9. BALANCE TO FINISH, INCLUDING RETAINAGE
(Line 3 minus Line 6) \$ 6,044,107.49

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$ 2,042,873.03	\$ (8,110.77)
Total approved this month	\$ 21,067.35	\$
TOTAL	\$ 2,063,740.38	\$ (8,110.77)
NET CHANGES by Change Order	\$	2,055,629.61

CAUTION: You should sign an original AIA Contract Document, on which this text appears in RED. An original assures that changes will not be obscured.

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The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: B.C. Anderson, Inc.
 By: *[Signature]* Date: *5/21/19*
 State of: California

County of: Kern
 Subscribed and sworn to before me this

Notary Public:
 My commission expires:

See Attached

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$
 (Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT:
 By: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.



Document G702™ - 1992

RECEIVED
MAY 22 2019

Application and Certificate for Payment

TO OWNER: KERN HEALTH SYSTEMS
9700 STOCKDALE HIGHWAY
BAKERSFIELD, CA 93311

PROJECT: KERN HEALTH SYSTEMS
2900 BUCK OWENS BLVD
BAKERSFIELD, CA 93308

FROM CONTRACTOR: SC ANDERSON, INC.
2160 Mars Court
Bakersfield, CA 93308

VIA ARCHITECT:

APPLICATION NO: 01170843-00015
PERIOD TO: 4/30/2019

Distribution to: OWNER
ARCHITECT
CONTRACTOR
FIELD
OTHER

CONTRACT FOR:

CONTRACT DATE: / /

PROJECT NOS: 01.17084.3 / /

CONTRACTOR'S APPLICATION FOR PAYMENT
Application is made for payment, as shown below, in connection with the Contract.
AIA Document G703™, Continuation Sheet, is attached.

1. ORIGINAL CONTRACT SUM	\$ 27,822,583.00
2. NET CHANGE BY CHANGE ORDERS	\$ 2,101,892.63
3. CONTRACT SUM TO DATE (Line 1 ± 2)	\$ 29,924,275.63
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$ 25,137,019.22

5. RETAINAGE:

a. 5 % of Completed Work
\$ 1,256,851.08
(Column D + E on G703)

b. _____ % of Stored Material
\$ _____
(Column F on G703)

Total Retainage (Lines 5a + 5b, or Total in Column I of G703) \$ 1,256,851.08

6. TOTAL EARNED LESS RETAINAGE	\$ 23,880,168.14
(Line 4 minus Line 5 Total)	
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT	\$ 20,883,561.76
(Line 6 from prior Certificate)	
8. CURRENT PAYMENT DUE	\$ 2,996,606.38
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 minus Line 6)	\$ 6,044,107.49

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ _____
(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT: _____ Date: _____

By: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CAUTION: You should sign an original AIA Contract Document, on which this text appears in RED. An original assures that changes will not be obscured.

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A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Kern

Subscribed and sworn to (or affirmed) before me on this
 21st day of May , 2019, by Tona Middleton
proved to me on the basis of satisfactory evidence to be the
person(s) who appeared before me.



(seal)

Signature

Samantha Jones

Notary Public

REQUEST FOR PAYMENT DETAIL

Project: 01.17084.3 / KERN HEALTH SYSTEMS Invoice: 3702501562 Draw: 01170843-00015 Period Ending Date: 4/30/2019

Item ID	Description	Total Contract Amount	Previously Completed Work	Work Completed This Period	Presently Stored Materials	Completed And Stored To Date	% Comp	Balance To Finish	Retainage Balance
015723	SWPPP	43,555.00	29,393.96	626.20		30,020.16	68.92	13,534.84	1,501.00
017423	FINAL CLEAN	39,200.00						39,200.00	
017833	PAYMENT AND PERFORMANCE	143,280.00	143,280.00			143,280.00	100.00		7,164.00
017837	GENERAL LIABILITY INSURANC	55,864.00	55,864.00			55,864.00	100.00		2,793.20
022113	SITE SURVEY	30,880.00	22,268.96			22,268.96	72.11	8,611.04	1,113.45
024199	DEMOLITION	42,022.00	35,718.70			35,718.70	85.00	6,303.30	1,785.94
031113	CONCRETE	2,106,700.00	1,724,270.00			1,724,270.00	81.85	382,430.00	86,213.50
042098	MASONRY	49,600.00						49,600.00	
051223	STRUCTURAL STEEL	2,971,400.00	2,925,500.00			2,925,500.00	98.46	45,900.00	148,275.01
057099	SHEET METAL/DECORATIVE PA	549,550.00	511,827.00	20,000.00		531,827.00	96.77	17,723.00	26,591.35
062023	DOORS-FRAMES-HARDWARE-L	45,166.00	20,890.00			20,890.00	46.16	24,316.00	1,042.50
062099	FINISHROUGH CARPENTRY	21,417.00	5,410.00			5,410.00	25.26	16,007.00	270.50
064023	ARCHITECTURAL WOODWORK	249,580.00	32,461.50			32,461.50	13.01	217,118.50	1,623.09
066116	SOLID SURFACE TOPS	170,558.00	55,452.00			55,452.00	32.51	115,107.00	2,772.60
072099	THERMAL INSULATION	94,550.00	94,550.00			94,550.00	100.00		4,727.50
075399	PVC ROOFING	394,466.00	287,863.00	99,103.00		386,966.00	98.10	7,500.00	19,348.30
077200	ROOF HATCH AND LADDER	4,443.00	4,443.00			4,443.00	100.00		222.15
077236	SMOKE CONTAINMENT CURTAIN	49,027.00	735.00			735.00	1.50	48,292.00	36.75
081113	DOORS-FRAMES-HARDWARE	167,022.00	121,926.06	41,755.50		163,681.56	98.00	3,340.44	8,184.06
083323	OVERHEAD COILING DOOR	8,674.00		8,674.00		8,674.00	100.00		433.70
083513	FOLDING PARTITION	30,450.00						30,450.00	
084199	STOREFRONT GLASS & GLAZI	1,479,900.00	1,280,657.00	104,610.00		1,385,267.00	93.61	94,633.00	69,283.35
092216	METAL STUDS & DRYWALL	6,076,322.00	5,939,701.50	108,820.50		6,048,322.00	99.51	30,000.00	302,316.10
093013	CERAMIC TILE	265,258.00	173,844.00	18,000.00		191,844.00	72.32	73,414.00	9,592.20
095199	ACOUSTICAL CEILINGS	713,000.00		363,850.00		363,850.00	51.03	349,150.00	18,192.50
096599	FLOOR COVERINGS	955,511.00		446,897.05		446,897.05	46.77	508,613.95	22,344.85
099199	PAINTING	119,300.00	17,920.00	57,520.00		75,440.00	63.24	43,860.00	3,772.00
101499	SIGNAGE	18,850.00						18,850.00	
102113	TOILET COMPARTMENTS/ACCE	139,800.00	34,997.00			34,997.00	25.03	104,803.00	1,749.85
104413	FIRE EXTINGUISHER CABINETS	6,858.00						6,858.00	
107599	FLAG POLE	6,959.00						6,959.00	
122499	WINDOW COVERINGS	89,800.00						89,800.00	
129313	BIKE RACKS	3,530.00						3,530.00	

REQUEST FOR PAYMENT DETAIL

Project: 01.17084.3 / KERN HEALTH SYSTEMS Invoice: 3702501562 Draw: 01170843-00015 Period Ending Date: 4/30/2019

Item ID	Description	Total Contract Amount	Previously Completed Work	Work Completed This Period	Presently Stored Materials	Completed And Stored To Date	% Comp	Balance To Finish	Retainage Balance
142099	ELEVATOR	388,290.00	174,730.50	124,904.25		269,634.75	77.17	88,655.25	14,981.74
211313	FIRE SPRINKLERS	333,217.00	323,217.00	4,750.00		327,967.00	98.42	5,250.00	16,398.36
229999	PLUMBING	909,000.00	769,400.00	42,500.00		811,900.00	89.32	97,100.00	40,565.00
239999	HVAC	2,704,454.00	2,394,867.60	100,242.90		2,495,210.50	92.28	209,243.50	124,780.53
269999	ELECTRICAL & FIRE ALARM	3,000,000.00	2,328,882.50	303,580.00		2,632,462.50	87.75	367,537.50	131,623.14
312213	EARTHWORK	410,435.00	330,318.48			330,318.48	80.48	80,116.52	16,515.83
321216	ASPHALT PAVING	420,340.00	26,108.35	68,598.00		94,706.35	22.53	325,633.65	4,735.32
323119	DECORATIVE FENCING	238,844.00	80,253.00			90,253.00	37.79	148,591.00	4,512.85
328499	LANDSCAPING AND IRRIGATION	397,000.00	44,250.00			44,250.00	11.15	352,750.00	2,212.50
331099	SITE UTILITIES	121,000.00	32,000.00	89,000.00		121,000.00	100.00		8,050.00
999998	GENERAL REQUIREMENTS	723,200.00	618,884.00	51,657.00		671,541.00	92.86	51,659.00	33,577.05
999999	CM/GC FEES	1,034,510.00	796,572.70	62,070.60		858,643.30	83.00	175,866.70	42,932.19
9999CO01	CHANGE ORDER #01	22,812.00	22,812.00			22,812.00	100.00		1,140.80
9999CO02	CHANGE ORDER #02	33,803.17	33,803.17			33,803.17	100.00		1,680.16
9999CO03	CHANGE ORDER #03	235,713.11	129,050.16			129,050.16	54.75	106,662.95	6,452.51
9999CO04	CHANGE ORDER #04	84,186.15	64,955.78			64,955.78	68.97	29,230.37	3,247.79
9999CO05	CHANGE ORDER #05	92,450.11	92,450.11			92,450.11	100.00		4,622.51
9999CO07	CHANGE ORDER #07	34,478.69	26,676.92			26,676.92	77.37	7,801.77	1,333.85
9999CO08	CHANGE ORDER #08	38,854.55	38,854.55			38,854.55	100.00		1,942.73
9999CO09	CHANGE ORDER #09	130,521.90	53,394.10	24,350.00		77,744.10	59.56	52,777.80	3,887.21
9999CO10	CHANGE ORDER #10	138,058.58	6,297.73	131,760.83		138,058.56	100.00		8,802.93
9999CO11	CHANGE ORDER #11	51,825.00	51,825.00			51,825.00	100.00		2,591.25
9999CO12	CHANGE ORDER #12	-8,110.77	1,778.37	2,752.54		4,530.91	55.88	-12,641.68	226.55
9999CO13	CHANGE ORDER #13	86,445.84						86,445.84	
9999CO14	CHANGE ORDER #14	725,283.76		536,059.16		536,059.16	73.91	189,224.60	28,802.96
9999CO15	CHANGE ORDER #15	304,625.83		304,625.83		304,625.83	100.00		15,231.28
9999CO16	CHANGE ORDER #16	28,040.57	11,484.00	14,085.37		25,569.37	95.90	1,091.20	1,277.47
9999CO17	CHANGE ORDER #17	27,193.99		25,749.99		25,749.99	94.69	1,444.00	1,287.50
9999CO18	CHANGE ORDER #18	21,087.35						21,087.35	
9999CO19	CHANGE ORDER #19	46,063.02						46,063.02	

REQUEST FOR PAYMENT DETAIL

Project: 01.17084.3 / KERN HEALTH SYSTEMS Invoice: 3702501562 Draw: 01170843-00015 Period Ending Date: 4/30/2019

Item ID	Description	Total Contract Amount	Previously Completed Work	Work Completed This Period	Presently Stored Materials	Completed And Stored To Date	% Comp	Balance To Finish	Retainage Balance
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Totals		29,924,275.63	21,982,686.70	3,154,322.52		25,137,018.22	84.00	4,787,256.41	1,256,851.08
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**KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
NEW VENDOR CONTRACTS FOR MAY AND JUNE
BOD: JUNE 13, 2019**

Legal Name DBA Name	Specialty	Address	Comments	Contract Effective Date
PAC 05/01/2019				
Kern Psychiatric Health and Wellness Center, Inc	Psychiatry	6313 Schirra Ct Suite 1 Bakersfield CA 93313	Ownership Change & new TIN from Truxtun Psychiatry Medical Group *Most providers already credentialed	6/1/2019
Shih Applied Behavior Analysis	ABA Provider	8723 Winlock St Bakersfield CA 93312		6/1/2019
PAC 06/05/2019				
The Baiden Group Inc. dba: Acton Vale Pharmacy	Pharmacy / DME	3630 Smith Ave Ste. A Acton CA 93510		7/1/2019
Biocorp Clinical Lab, Inc.	Clinical Laboratory	2700 F Street Ste. 240 Bakersfield CA 93301		7/1/2019
Burns Prescription Pharmacy dba: Burns Pharmacy	Pharmacy / DME	866 W. Lancaster Blvd. Lancaster CA 93534		7/1/2019
Curex Pharmacy, Inc.	Pharmacy	3008 Sillect Ave Ste. 180 Bakersfield CA 93308		Retro-Eff 6/1/2019

**KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
TERMED CONTRACTS
June 13, 2019**

Legal Name DBA	Specialty	Address	Comments	Effective Date
Napoli in the Desert	SNF	3731 Tourament Dr. Palmdale CA 93551		5/6/2019
Truxtun Psychiatric Medical Group, Inc	Psychiatry	6001 Truxtun Avenue Ste. 160 Bakersfield CA 93309	Change in ownership and new Tax ID number	5/31/2019
GMA Healthcare Providers	Multi-Specialty	4550 California Ave Ste. 500 Bakersfield CA 93309	Change in ownership and new Tax ID number	3/29/2019
Jeffrey Wick, MD	Physical Med/Rehab	5001 Commerce Drive Bakersfield CA 93309	Moved out of State & did not reapply	5/31/2019



To: KHS Board of Directors

From: Bruce Wearda, R.Ph.

Date: June 13, 2019

Re: KHS Recognition by DHCS for First and Best DUR practices

Background

Beginning July 1, 2017 new Center for Medicare and Medicaid Services (CMS) rules went into effect governing health plans nationally. These new rules were known unceremoniously as the “Mega Regs” since they impact so many HMO functions from authorizations, to billing, to member communication.

One of the Meg Reg’s components involve the enhancement of Medicaid Drug Utilization Review (DUR) activities; an integral part of the role HMOs play in managing enrollee’s pharmacy benefits. Historically, DUR focused exclusively on retrospective review. The Mega Regs expands this role to now include *prospective* reviews to require HMOs to review drug requests (pre –dispensing requests) for therapeutic duplication, drug-drug interaction, drug-disease contraindications, incorrect dosage, abuse/misuse, etc. In addition, the HMOs are required to provide supporting documentation or best practices to educate physicians who prescription ordering patterns raise concerns or contradict DUR criteria. These new steps are tracked and reported annually to the State of California Medi-Cal DUR Board comprised of stakeholders from across the State. Recently, the performance reports from all HMOs were reviewed by the Board. Selected health plans were invited to share their best practices at the State of California Medi-Cal DUR Board meeting held on May 21, 2019 in Sacramento.

From the reporting, KHS was recognized as showing the best results over 26 other health plan participants from around California. The Board described KHS’s approach as “unique” and “attention getting”. DHCS asked KHS to share this “best practice” with other participating health plans to emulate. Several health plans have inquired about KHS’s practices since the meeting.

Furthermore, recognition was given to KHS’s for its documentation and outcomes reporting. Since this was the initial year following instituting the new Mega Regs, health plan data under the Mega Regs reporting guidelines required testing for validity and accuracy. KHS again was recognized as showing best results post testing of data and outcomes outperforming CalOptima (Orange Co.), San Francisco, and 2 other statewide commercial HMOs. Using KHS as its example, DHCS submitted to CMS KHS’s reports to correct errors in CMS’s reporting templates and data transmission requirements which in turn helped other health plans trouble shoot their recording and transmission protocols.

Requested Action

Receive and File.



To: KHS Board of Directors

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

Date: June 13, 2019

Re: CMO BOARD REPORT

Medical Cost and Utilization Trend Analyses: (Attachment A)

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

The utilization and cost of physician services by the SPDs continue to trend higher than budget but has stabilized. The number of visits per thousand continues to exceed expectation which is positive when it leads to fewer hospital admissions, outpatient services and ER visits. The top 4 diagnosis seen in outpatient services utilization in the SPDs are Low back pain, Hypertension, Autistic disorder and diabetes type 2. The number of professional visits and number of visits per member per month are trending upwards and the cost per visit is trending downwards. This shows that members are accessing lower cost professional services in the outpatient which is expected in patients with diabetes, hypertension and low back pain and even autistic disorder.

The Overall (all aid categories) PMPM cost is stable, even though it remains higher than goal for the SPDs. We have continued implementing population based programs in 2019. We are starting to see that visits are increasing and the shift is occurring from high cost levels of care to lower costs levels of care. With continued to focus on population management, we should see a downward trend in PMPM cost for SPDs which will bring overall PMPM cost in line with budget.

The most frequent diagnosis for physician services for the family and other aide code is wellness exams with immunizations a close second.

Pharmacy

The monthly cost and utilization per enrollee for all aid categories is at or below budget through December 2018. The Flu season this year does not appear to have had a major increase in utilization of Pharmacy services. We continue to analyze utilization patterns and cost of utilization to identify ways to better manage this benefit. Some of our programs will initially increase use of appropriate medications but in long-term reduce to use of high cost services such as acute care. We continue to work with the Pharmacy and Therapeutic Committee to identify less expensive bioequivalent formulations of expensive medications when available to add to our formulary.

Inpatient Services

The overall PMPM inpatient cost is below budget and continues to trend favorably over the past six months. The cost per bed-day and average length of stay in the acute hospital for all aide codes is at or below budget. Our Case Managers continue to focus on our members who are at risk of hospitalization over the next 6 months as well as members currently incurring high cost services. Better management of specific patient populations using evidenced based guidelines remains our objective for managing inpatient care*.

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

Hospital Outpatient

Hospital outpatient utilization is stable. As we work with our hospitalist teams to increase use of observation units for patient who do not need to be in an acute hospital for more than 72 hours, we may see an increase in our hospital outpatient utilization numbers. This is a good thing. The cost of hospital outpatient visits has been stable since August 2018. In 2019, we are focusing on appropriate management of chronic conditions by primary care to reduce the numbers of Provider Preventable Admissions (PPA). We have developed and posted on our portal information on the practice patterns of our providers. This profile lets our providers see how they are practicing compared to their Peers. Unfortunately, our data is showing that the providers are not looking at this information. For the month of May 2019, we had only 128 hits. We are currently looking at other ways to communicate the importance of looking at this information and identifying ways that they can improve their practice patterns to be in line with their Peers.

Emergency Room (ER)

The PMPM cost and number of ER visits for 2019 has been at or below budget for all but the SPD Aide code. The most frequent diagnosis for the ER for all Aide code is Upper Respiratory Infection. We are working on implementing telemedicine and we hope there will be a high adoption rate in our member population so they will use it for URI instead of emergency rooms. We are seeing significant reduction in ER utilization in members participating in our Case management program.

Most of the ER visits are occurring at BMH (**Attachment C**).

Out of Service Area Utilization

Members who travel outside Kern County incur emergency medical services from non-network providers. Disconcerting is the growing number of members using out of area ERs. Sometimes this correlates with a 1 and 2 days admission to the out of area hospital. We are analyzing these data to identify causes for the increase in out of area utilization and to determine their medical appropriateness as well.

** Population management presents new challenges to health plans. KHS manages its complex cases through its Case Management department. A presentation will be given on KHS case management program and how it addresses the many and varied chronic medical conditions common to members with complex medical conditions.*



Governed Reporting System

Kern Health Systems

KHS Medical Management Performance Dashboard (Critical Performance Measurements)



Governed Reporting System

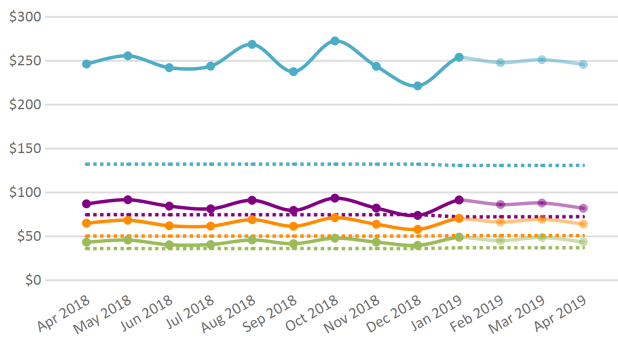


Physician Services

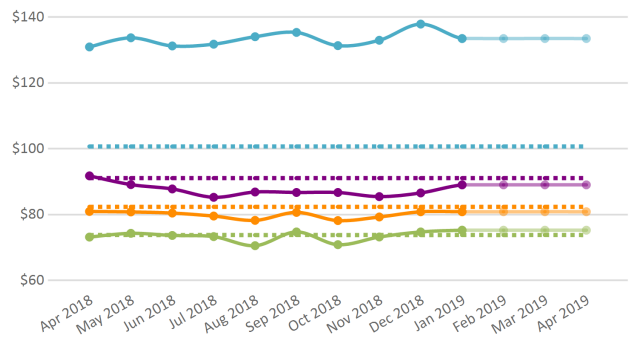
(Includes: Primary Care Physician Services, Referral Specialty Services, Other Professional Services and Urgent Care)

- 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

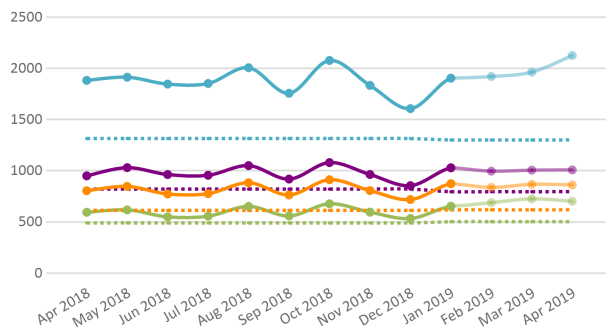
Professional Services Incurred by Aid Group PMPM



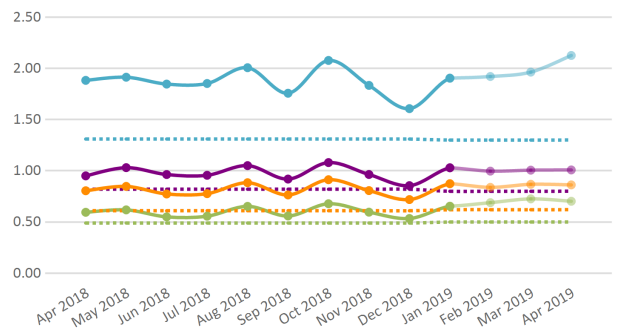
Cost per Professional Service Visit by Aid Group



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



Professional Service Visits per Member per Month by Aid Group





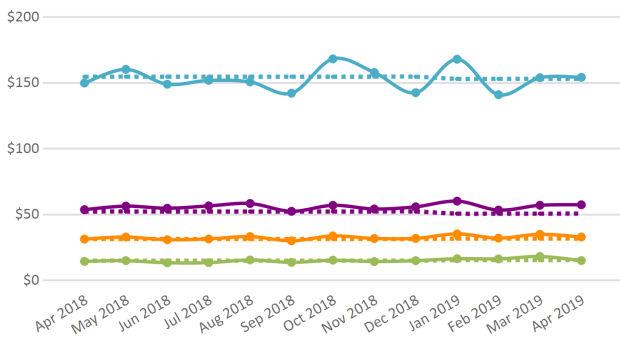
Governed Reporting System

Pharmacy

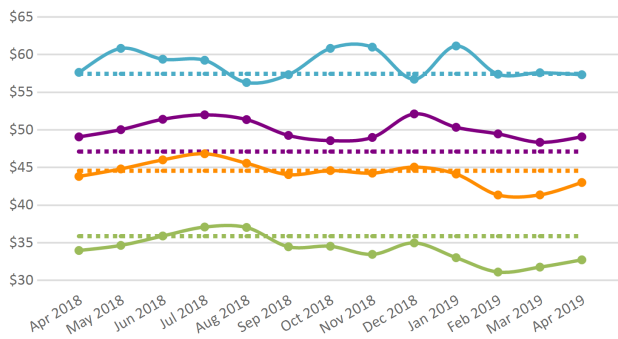
(Includes: Claims paid by PBM)

- 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

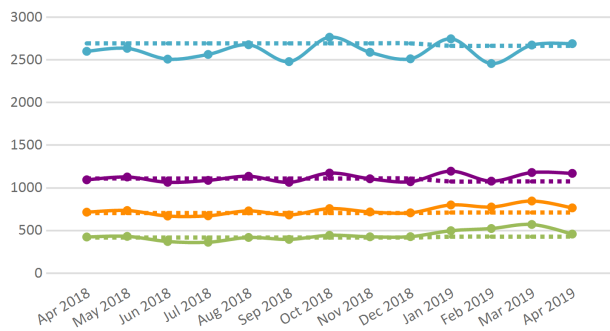
Pharmacy Services Incurred by Aid Group PMPM



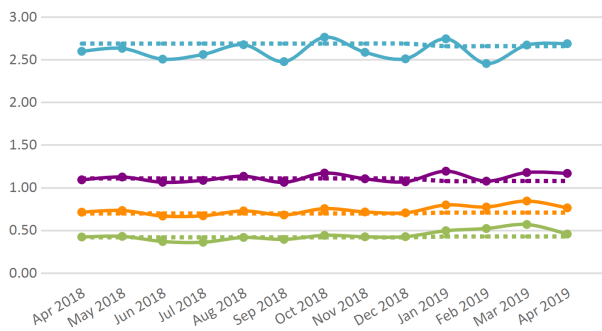
Cost per Script by Aid Group



Incurred Scripts per 1,000 per Month by Aid Group



Pharmacy Services Incurred per Member per Month by Aid Group





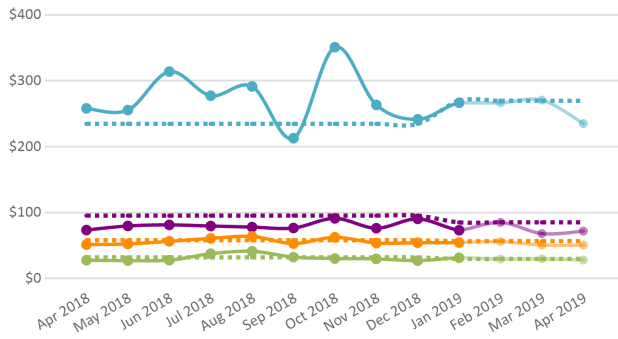
Governed Reporting System

Inpatient

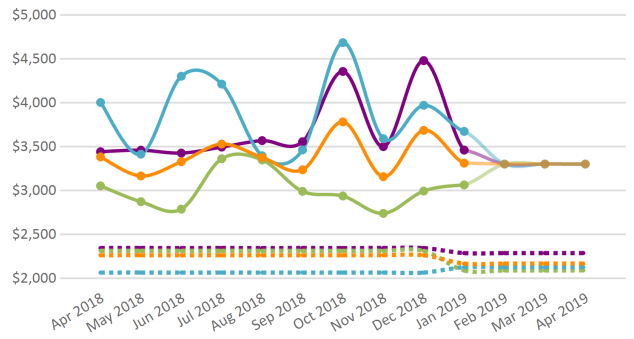
(Includes: Inpatient Hospital Claims)

- 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

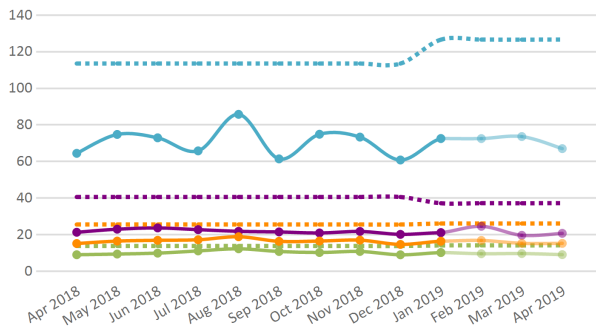
Inpatient Services Incurred by Aid Group PMPM



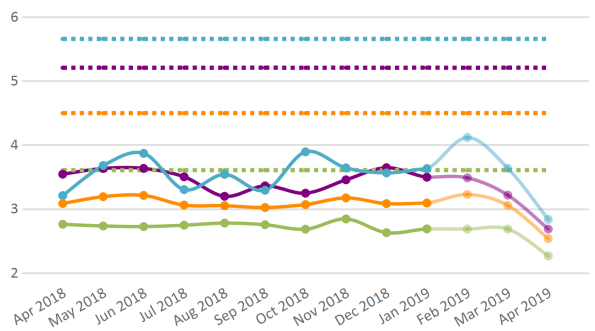
Cost Per Bed Day by Aid Group



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



Average Length of Stay in Days by Aid Group





Governed Reporting System

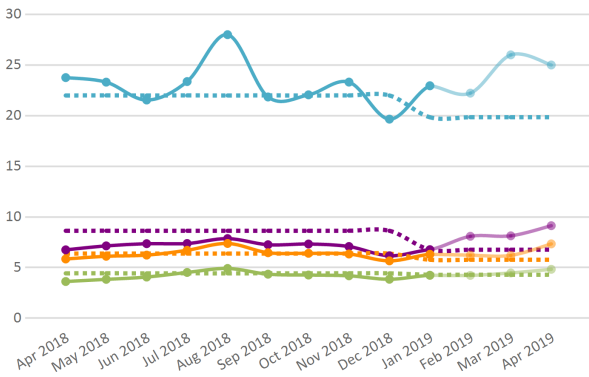


Inpatient

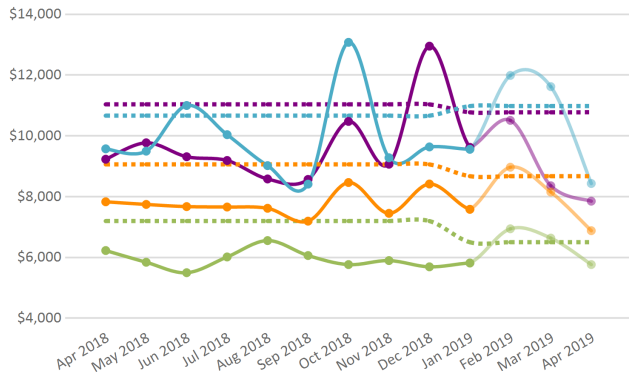
(Includes: Inpatient Hospital Claims)

- 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

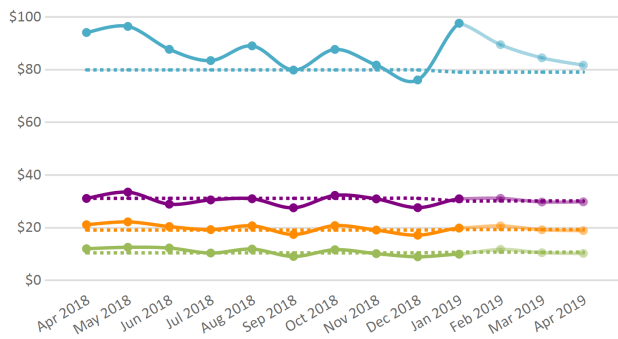


Outpatient Hospital

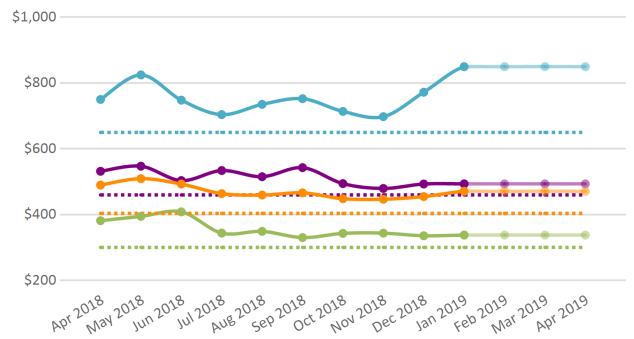
(Includes: Outpatient Diagnostic, Outpatient Surgery, Outpatient Observation, and Outpatient Other)

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

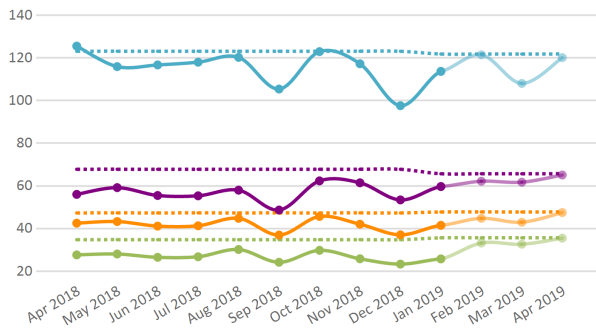
Outpatient Services Incurred by Aid Group PMPM



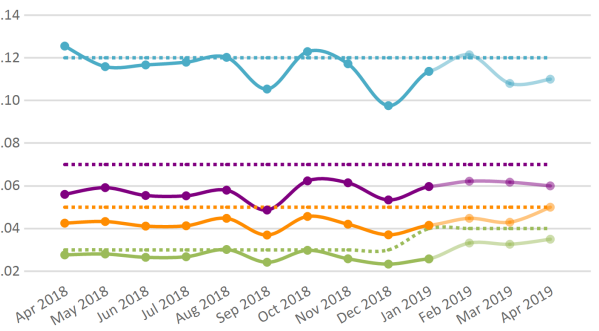
Cost Per Outpatient Visit by Aid Group



Outpatient Visits per 1,000 per Month by Aid Group



Outpatient Visits per Member per Month by Aid Group





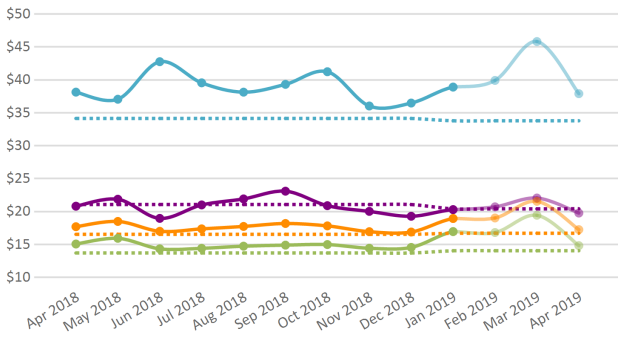
Governed Reporting System



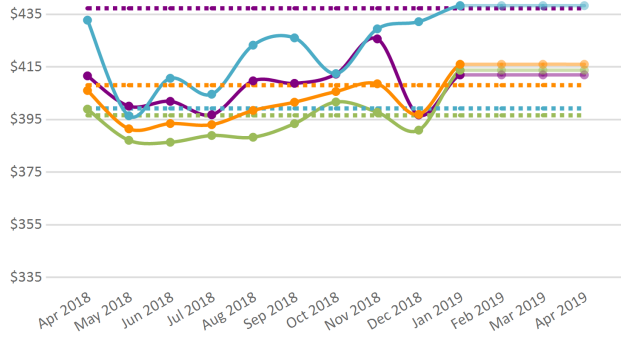
Emergency Room

- MCAL Expansion - Actual
- MCAL 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

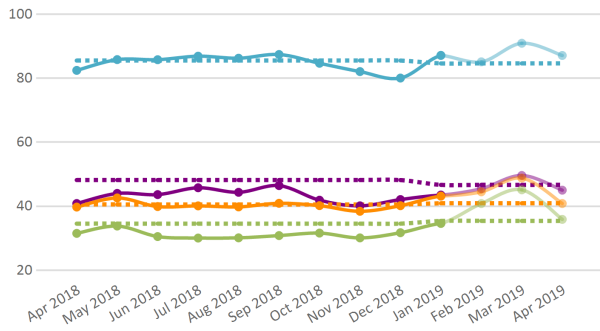
ER Services Incurred by Aid Group PMPM



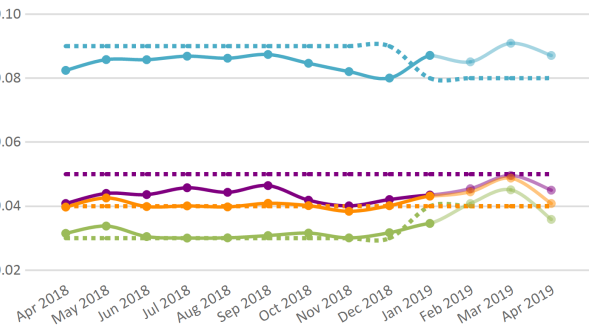
Cost Per ER Visit by Aid Group



ER Visits per 1,000 per Month by Aid Group



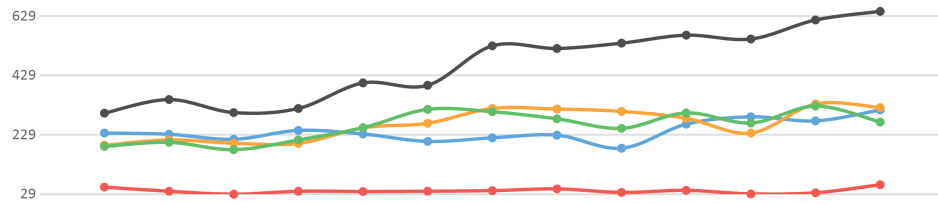
ER Visits per Member per Month by Aid Group



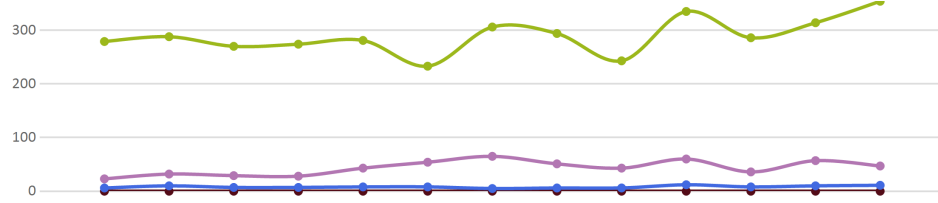


Governed Reporting System

Inpatient Admits by Hospital



	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19
BAKERSFIELD MEMORIAL	302	348	304	318	404	396	529	520	538	565	552	616	645
KERN MEDICAL	194	212	201	200	253	268	318	316	308	285	235	333	321
MERCY HOSPITAL	190	204	179	212	253	315	307	283	251	303	269	326	272
SAN JOAQUIN COMMUNITY	235	231	214	244	232	207	219	228	184	265	290	276	313
GOOD SAMARITAN HOSPITAL	53	39	29	39	38	39	41	47	35	42	30	34	61

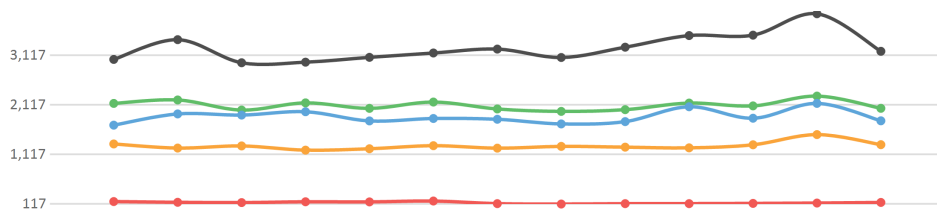


	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19
OUT OF AREA	279	288	270	274	281	233	306	294	243	335	286	314	354
BAKERSFIELD HEART HOSP	44	56	51	52	45	64	67	52	41	50	50	34	45
DELANO REGIONAL HOSPITAL	23	32	29	28	43	54	65	51	43	60	36	57	47
KERN VLY HLTHCRE HOSP	6	10	7	7	8	8	5	6	6	12	8	10	11

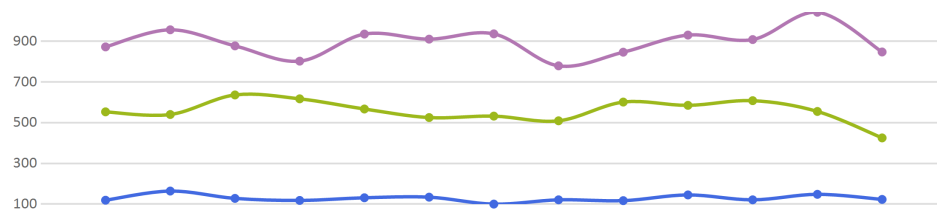


Governed Reporting System

Emergency Visits by Hospital



	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19
BAKERSFIELD MEMORIAL	3,036	3,435	2,969	2,981	3,078	3,166	3,245	3,075	3,283	3,518	3,526	3,958	3,200
MERCY HOSPITAL	2,148	2,218	2,014	2,159	2,048	2,176	2,036	1,987	2,022	2,155	2,098	2,296	2,049
SAN JOAQUIN COMMUNITY	1,709	1,936	1,913	1,980	1,795	1,844	1,828	1,734	1,781	2,081	1,849	2,149	1,797
KERN MEDICAL	1,330	1,247	1,290	1,205	1,233	1,295	1,245	1,281	1,265	1,251	1,313	1,519	1,315
BAKERSFIELD HEART HOSP	167	152	146	163	160	178	125	117	125	125	130	137	149



	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19
DELANO REGIONAL HOSPITAL	872	956	877	802	935	910	936	779	846	930	908	1,042	847
OUT OF AREA	553	540	636	617	567	525	532	509	601	585	608	555	425
KERN VLY HLTHCRE HOSP	119	164	128	118	131	134	100	121	117	145	121	148	123

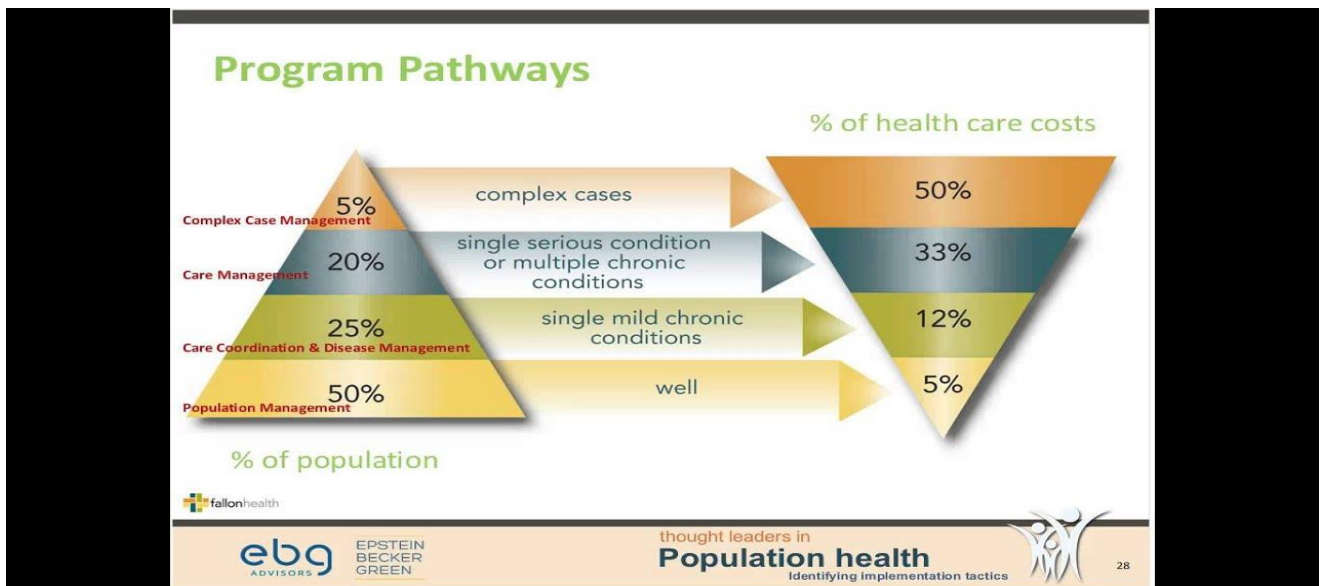
KHS POPULATION HEALTH MANAGEMENT PROGRAM

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

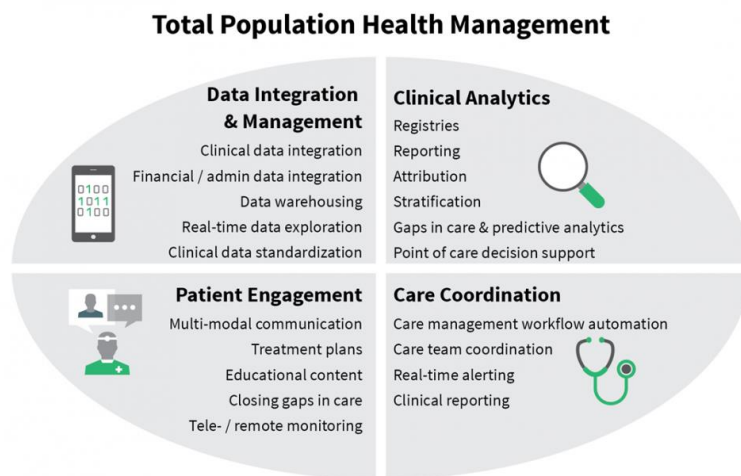
What is Population Health Management

- PHM programs use a business intelligence (BI) tool to aggregate data and provide a comprehensive clinical picture of each patient.
- PMH seeks to improve the health outcomes of a group by monitoring and identifying individual patients within that group.
- Care management is a critical component of PHM, focusing on improving patient self-management, improving medication management, and reducing the cost of care.

Why Population Health Management?



Critical elements for a successful Population Health Management Program



What is Care Management(CM)

CM provides intensive, personalized case management services that include:

- Goal-setting for members who have complex medical needs
- Collaborative processes that assess, plan, implement, coordinate, monitor care plans
- Evaluate the options and services required to meet an individual's health needs,
- Coordination of a wide variety of resources to manage health and improve quality of life.
- Using ALL available resources to achieve quality, and cost-effective outcomes
- Improvement in member Satisfaction with care

KHS Population Health Management Program

Population Health Management enables KHS to:

- Target the right resources to the patients who need it most
- Provide better access to care through alternative encounters, such as phone visits
- Improve the patient's experience of care
- Achieve better health outcomes by closing gaps in care
- Optimize team-based care and ensure all staff can work to the top of their skill and license
- Reduce emergency department use and hospital readmissions through coordinated care
- Stabilize or reduce health care costs

KHS Population Health Program Systems Integration and Care Management

1. Data collection(patient engagement): KHS Provider Portal, QNXT
 - Encounter and referral data from providers, Claims,
2. Enterprise Data Warehouse(EDW)(Data integration & Management)
 - Data from QNXT, Enrollment data from the State, other data from all sources such as laboratory
3. Risk Stratification Tool(John Hopkin's Risk stratification tool)(Clinical analytics)
 - Identification of populations of members
 - Assignment of risk
4. Medical management Platform(JIVA system)(Care coordination)
 - Case management/care coordination documentation and tracking
 - Reporting

KHS Risk Stratification and Patient Identification

KHS uses a standardized Risk Stratification tool which is able to:

- Explain and predicts how health care resources are delivered and consumed
- Identify persons who are likely to become high-resource users or to become hospitalized
- Provide important clinical context to aid in managing patient care
- Make available customized models unique to our population for care management

KHS Case Management Program

The program is voluntary and based on unique needs of the member
Case managers(Social workers and Registered Nurses) :

- Use a systematic approach to assessing, planning and provision of care coordination to improve health outcomes
- Support members adherence to care plans
- Advocacy to ensure appropriate services and resources are received
- Education and promotion of self-management in order to empower members to take a more active role in their health
- Coordinated and seamless integration of complex services and/or special needs
- Referrals to appropriate medical, behavioral, social and community resources to address member needs

KHS Population Health Programs

- HHP(Health Home Program)
- Members at risk of hospitalization in 6 months
- Transitions of care program
- Medication reconciliation program
- Gaps in Care management program
- COPD program
- Asthma program
- Pregnancy program
- HTN and diabetic program
- Diabetic prevention program
- 2-D profiling for providers
- P4P program for providers

2017 and 2018 KHS Case Management Program Outcomes

- 10812 members identified
- 39% accepted case management

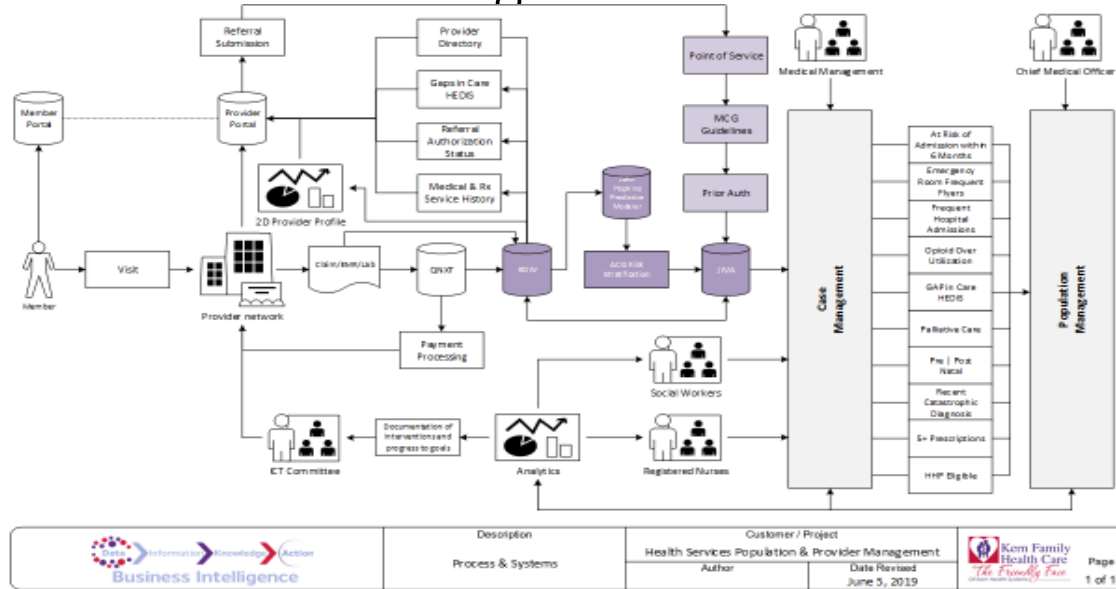
Results:

- 27% reduction in ER utilization
- 41% reduction in acute hospital utilization
- 5% reduction in Urgent care utilization
- 50% increase in professional services
- 60% increase NET(Non Emergency Transportation)
- 28% reduction in cost of professional visit

Member satisfaction: 99% said expectations met and 100% were very satisfied with case management

OVERALL: 36% reduction in PMPM

KHS Systems and Care Management Integration



**KERN HEALTH SYSTEMS
CHIEF EXECUTIVE OFFICER'S REPORT
For June 13th, 2019
BOARD OF DIRECTORS MEETING**

REGULATORY AND COMPLIANCE ACTIVITIES

Regulatory and Compliance Monthly Activities Report

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

Regulatory Compliance Audit Program

Internal audit findings under Attachments B and C for all selected & audited APLs and PLs show either KHS is in compliance (Green), review still in process (White), no longer applicable or information only (Gray), or not in compliance and requires corrective action (Red).

Where audits were done, no APLs or PLs were identified as being noncompliant. Several audits remain open or yet to begin (White). These items will carry over to future reports as new information on the audit of each item becomes available.

STATE LEGISLATIVE SUMMARY UPDATE

State Legislative Update

A status report on the 2019 State Legislation and Governor Newsome's Administrative Actions impacting KHS is presented under Agenda item 12.

KHS JUNE 2019 ENROLLMENT:

Medi-Cal Enrollment

As of June 1, 2019, Medi-Cal enrollment is 173,329 which represents an increase of 0.2% from May enrollment.

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Seniors and Persons with Disabilities (SPDs)

As of June 1, 2019, SPD enrollment is 13,603, which represents an increase of 0.7% from May enrollment.

Expanded Eligible Enrollment

As of June 1, 2019, Expansion enrollment is 60,738, which represents an increase of 1.1% from May enrollment.

Kaiser Permanente (KP)

As of June 1, 2019, Kaiser Permanente enrollment is 8,544, which represents an increase of 0.4% from May enrollment.

Total KHS Medi-Cal Managed Care Enrollment

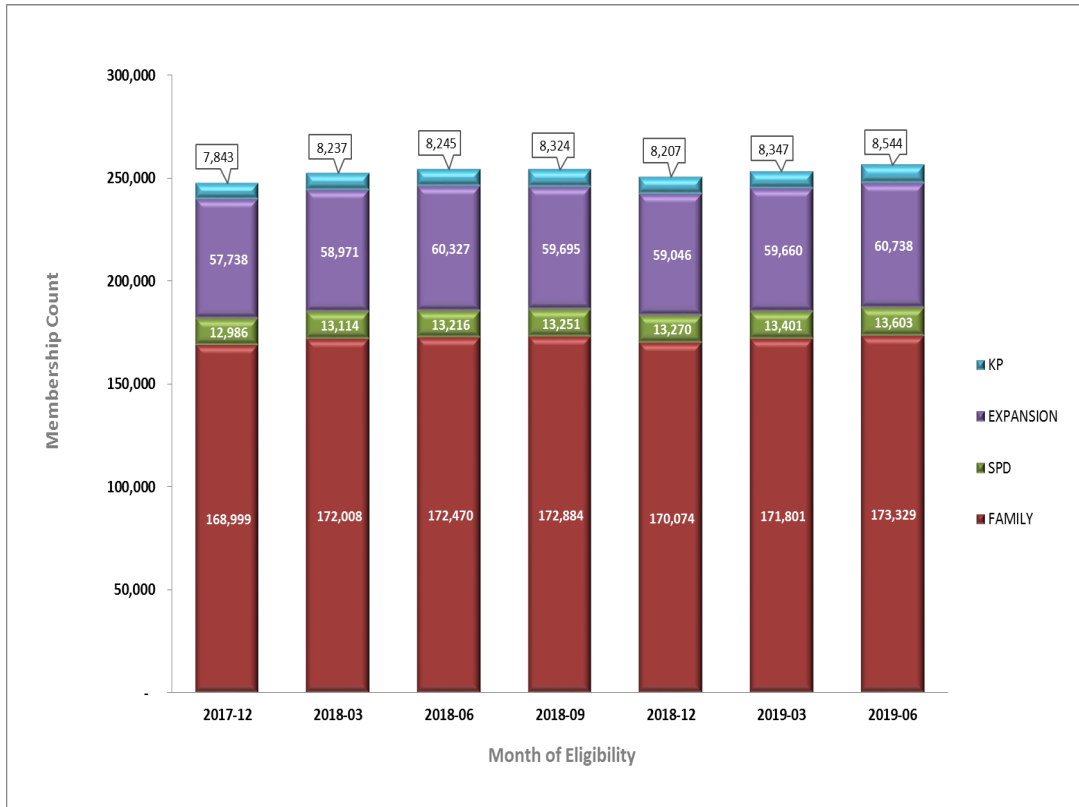
As of June 1, 2019, total Medi-Cal enrollment is 256,214, which represents an increase of 0.5% from May enrollment.

Enrollment Change Over Time for Each Aid Category of MCAL Eligible

Membership as of Month of Eligibility	FAMILY	SPD	EXPANSION	KP	BABIES	Monthly/Member Months Total
2017-12	168,568	12,986	57,738	7,843	431	247,566
2018-03	171,607	13,114	58,971	8,237	401	252,330
2018-06	172,083	13,216	60,327	8,245	387	254,258
2018-09	172,425	13,251	59,695	8,324	459	254,154
2018-12	169,650	13,270	59,046	8,207	424	250,597
2019-03	171,535	13,401	59,660	8,347	266	253,209
2019-04	171,516	13,421	59,915	8,349	277	253,478
2019-05	172,667	13,511	60,098	8,510	255	255,041
2019-06	173,040	13,603	60,738	8,544	289	256,214

Enrollment growth beginning in May results from higher eligibility redetermination levels associated with members completing their redetermination applications through the County Dept. of Human Services and DHCS’s acceptance for Medi-Cal continuation.

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 Board of Directors Meeting
 CEO Report – June, 2019
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KHS ADMINISTRATIVE INITIATIVES

Provider Relations Update

Pharmacy Forum

A dinner meeting was held for KHS network pharmacists and their staff. It was the second such meeting in two years. The meeting’s intent was to introduce new Federal and State Regulations impacting health plans and their relationship with pharmacies as well as a review of KHS’s policies and procedures relating to prescription authorizations and claims submission.

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Provider Contracting Activity

Hospital and other contracts under consideration

- Kern Medical – Hospital Services Agreement
- Teladoc Health – Telemedicine Agreement
- AH San Joaquin Community Hospital – Hospital Services Agreement
- AH San Joaquin Community Hospital – Transition of Care Program Agreement

Contracts and amendments out for signature

- 26

Contract related inquiries by provider type

Provider Relations receives inquiries from time to time from physicians or facilities regarding matters pertaining to their agreement with KHS or situational questions involving interaction between providers and the health plan. For May, Provider Relations received 134 inquiries involving the following areas:

- | | |
|------------------------------|---------------------------------------|
| ➤ Skilled Nursing Facility | ➤ Home Health Agency |
| ➤ Prop 56 (supple. payments) | ➤ Hospital Services |
| ➤ Ambulatory Surgery Center | ➤ Pharmacy |
| ➤ Prov / Plan Workflow | ➤ Autistic and BH services |
| ➤ Pay for performance 2019 | ➤ DME |
| ➤ Health Home Program | ➤ Laboratory |
| ➤ Urgent Care | ➤ Nonemergency Medical transportation |

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Marketing/Public Relations Update

KHS will share sponsorship in the following events in June and July:

- KHS donated \$2,500 to the Ronald McDonald House to sponsor the 2019 Walk for Kids on June 1st at the California Living Museum.
- KHS donated \$2,000 to Children First Campaign to sponsor the 2019 East Bakersfield Festival on June 8th at Jefferson Park.
- KHS donated \$1,000 to Central Valley Farmworker Foundation to sponsor the Dia de la Familia event on June 9th in Arvin.
- KHS donated \$500 to the Latina Leaders of Kern County to sponsor the 2019 Latinas Leading the Way Awards and Installation Dinner on July 20th in Bakersfield.

In June & July, KHS will participate in:

- 6/12 GEO Community Job & Resource Fair @ Kern County Probation Department
- 6/12 2019 Farmers Market Kick-off in Wasco
- 6/20 Homeless Consumer & Service Provider Days @ St. Vincent de Paul in Bakersfield
- 6/26 Free Produce Event @ Catholic Charities in Bakersfield
- 6/29 Frazier Mountain Community Health Fair @ Frazier Park Elementary School
- 7/18 Homeless Consumer & Service Provider Days @ Bakersfield Homeless Center
- 7/19 GET's Food Distribution & Resource Fair @ Downtown Bakersfield Transit Center
- 7/24 Free Produce Event @ Catholic Charities in Bakersfield

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Employee Newsletters

In an effort to centralize and enhance internal and intra-departmental communications, in May KHS launched our new monthly employee newsletter, "Keeping up with KHS". The goal is to inform KHS Staff of pertinent information they can find in one location. Staff were asked what can be done to strengthen our communication. KHS received several responses asking to relaunch the employee newsletter. Following employee input regarding format and content, the following two newest employee newsletters can be seen by going to the links below:

➤ **May 2019 – –**

<https://us20.campaign-archive.com/?u=f1b2565c17b55547feeb94aeb&id=3a73173025>

➤ **June 2019 –**

<https://us20.campaign-archive.com/?u=f1b2565c17b55547feeb94aeb&id=566c862a8f>

Member Newsletter

Family Health Summer 2019 – The summer edition of KFHC’s member news is found under Attachment D or can be accessed through: <http://kern.flippublication.com/Summer2019>

ADMINISTRATIVE PERFORMANCE REPORTS

Dashboard Presentation

The Dashboard Reports showing KHS critical performance measurements for Administrative Services are located under Attachment E.



**KERN HEALTH
SYSTEMS**

Attachment A

Board of Directors Meeting

June 13, 2019

STATE

Department of Health Care Services (DHCS)

All Plan Letters (APL)

The DHCS issued one (1) APL during the months of April and May to provide guidance for Managed Care Plans (MCP).

All Plan Letters (APL)

APL 19-003 – The purpose of this APL is to provide clarification and guidance to MCPs with regard to the provision of the Provider Directory, Formulary, and Member Handbook to Medi-Cal members in an electronic format.

Department of Managed Health Care (DMHC)

All Plan Letters (APL)

The DMHC issued two (2) APLs during the months of April and May to provide guidance to health care service plans.

APL 19-010 – This APL is to inform licensed health plans of the Department of Managed Health Care's (Department) decision to utilize a second Independent Medical Review Organization, Island Peer Review Organization, Inc. (IPRO), to perform Independent Medical Reviews (IMRs), in accordance with California Code of Regulations, Section 1300.74.30.

The Department will continue contracting with MAXIMUS as well as contracting with IPRO to conduct IMRs. Beginning April 15, 2019, IPRO and MAXIMUS will each receive a portion of the IMRs qualified by the Department, randomly assigned.

APL 19-011 – The DMHC issued this APL to notify health care service plans of the upcoming changes to the treatment of QIF Plans, and steps plans with an affiliated QIF Plan should take to maintain compliance with the Knox-Keene Health Care Service Plan Act. Beginning January 1, 2020, the Department will treat QIF Plans as distinct from affiliate plans, in all respects.

Background

In 2003, the Legislature amended the California Welfare and Institutions Code to authorize the Department of Health Care Services (DHCS) to impose a Quality Improvement Fee on capitation payments to Medi-Cal managed care plans.² To protect their commercial and non-Medi-Cal managed care contracts from being included in the calculation of the Quality Improvement Fee, some managed care plans created separate affiliate entities, often referred to as “QIF Plans,” to allow the affiliate plan to segregate Medi-Cal managed care contracts from its other lines of business.

Effective October 1, 2009, the Legislature eliminated DHCS’s authority to impose the Quality Improvement Fee on Medi-Cal plans. Accordingly, the reason for the formation of the QIF Plans no longer exists.

COMPLIANCE

All Plan & Policy Letter Reviews

The following matrices are included with the month’s BOD packet: Prospective Reviews of DHCS and DMHC 2019 All Plan Letters [Attachment B], Retrospective Audits 2018 All Plan Letters [Attachment C], and Policy Audits [Attachment D].

In this submission, the Compliance Department is including the 2018 Attachment B as a few reviews were ultimately completed in January 2019. Similarly, the 2017 Attachment C is being included as a couple of audits concluded in January 2019. Lastly, a Policy Audits Attachment D will not be included with the board packet, but will be include in a subsequent board packet.

Centers for Medicare and Medicaid Services (CMS)

The Chief Financial Officer received notice (a letter) from CMS regarding their intent to audit the California Medicaid Managed Care Medical Loss Ratio. The reporting periods under review include: January 1, 2014 to June 30, 2015, and July 1, 2015 to June 30, 2016.

The examination has several objectives:

- Determine if the MLR was reasonably represented by Medicaid managed care plans, specifically whether the numerator was accurately reported to DHCS with appropriate documentation and consistent with generally accepted accounting principles;
- Assess if Medicaid managed care plans' provider incentive payments and payments to related party entities were consistent with California's contractual requirements and documented appropriately;
- Focus on Medicaid managed care plans who required multiple re-submissions of their MLR calculations to DHCS to determine the cause of those re-submissions and if the causes of the re-submissions have been corrected;
- Determine and understand what factors are responsible for large variations across Medicaid managed care plans in components of their MLR calculations to ensure that the Medicaid managed care plans have sufficient documentation related to the factors to support the MLR calculations.

DHCS Medical Audit –2018 (Board item)

Update: The final acceptance letter pertaining to the CAPs was received from the Department. The letter along with the CAPs document is part of this month's board packet.

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

DHCS Rate Development Template (RDT) Audit

The Chief Financial Officer received notice from the Department of intent to audit Kern's RDT data. This notification was received on May 1st. A meeting was held early May with DHCS/Mercer and agreement was reached to shift the review to August 2019. A new request for information will be sent to the Plan by early August.

DMHC License – Kern Health Systems Group Health Plan (Board item)

The Department issued guidance to MCPs regarding upcoming changes to the treatment of QIF Plans, and steps plans with an affiliated QIF Plan should take to maintain compliance with the Knox-Keene Health Care Service Plan Act. Beginning January 1, 2020, the Department will treat QIF Plans as distinct from affiliate plans, in all respects.

Background

In 2003, the Legislature amended the California Welfare and Institutions Code to authorize the Department of Health Care Services (DHCS) to impose a Quality Improvement Fee on capitation payments to Medi-Cal managed care plans.² To protect their commercial and non-Medi-Cal managed care contracts from being included in the calculation of the Quality Improvement Fee, some managed care plans created separate affiliate entities, often referred to as “QIF Plans,” to allow the affiliate plan to segregate Medi-Cal managed care contracts from its other lines of business.

Effective October 1, 2009, the Legislature eliminated DHCS’s authority to impose the Quality Improvement Fee on Medi-Cal plans. Accordingly, the reason for the formation of the QIF Plans no longer exists, hence the CEO will be presenting a board agenda item requesting approval from the KHS BOD for the surrender of this license to the Department. Notification to the Department must be made by July 1, 2019 and the Application for Surrender must be submitted no later than September 1, 2019.

DMHC Routine Medical Survey of Kern Health Systems

Update: The Compliance Department staff submitted all requested deliverables to the Department via the DMHC Portal.

The Director of Compliance and Regulatory Affairs received an entrance letter from the Department. As authorized by Health and Safety Code section 1380 and Title 28, California Code of Regulations section 1300.80, the Department will conduct a Routine Survey of Plan starting on August 5, 2019 at the Plan’s administrative offices in Bakersfield, CA.

The purpose of the audit is as noted in the entrance letter: “Surveys pursuant to Health and Safety Code section 1380 assure the protection of subscribers and enrollees (non-SPD). The purpose of the survey is to assess the overall performance of the Plan in providing health care benefits and meeting the health care needs of subscribers and enrollees.” Audit period covers: March 1, 2017 to February 28, 2019

DMHC Notification of a Routine Examination

Update: The Compliance Department staff submitted all requested deliverables to the Department via the DMHC Portal.

The Director of Compliance and Regulatory Affairs received an entrance letter from the Department.

The purpose of the letter was to inform Plan of the Department’s intent to conduct a routine examination of the Plan as required by Section 1382 of the Knox-Keene Health Care Service Plan

Act. The examination will be of the Plan's fiscal and administrative affairs, including an examination of the financial report for the quarter ended March 31, 2019. Audit period covers: March 1, 2017 to March 31, 2019 (claims period).

(Reporting next page)

Reporting to government agencies

April 2019

Report Name/Item	Status
Arbitration (Quarterly) (DMHC)	On Time
BHT-CDE Monthly	On Time
BHT Quarterly	On Time
Call Center Quarterly	On Time
CBAS Quarterly	On Time
Dental Anesthesia Quarterly	On Time
MER Monthly	On Time
Monthly Certification Statement Monthly	On Time
NMT-NEMT Monthly	On Time
Provider Calls Monthly	On Time
Provider Network Reports Quarterly	On Time
QI-UM Committee Meeting Minutes Quarterly	On Time

May 2019

Report Name/Item	Status
AB 1455 Claims Settlement Report (Quarterly) (DMHC)	On Time
BHT-CDE Monthly	On Time
Drug Formulary (Annual)	On Time
Grievance & Appeals Quarterly	On Time
MER Monthly	On Time
Mental Health Quarterly	On Time
Monthly Certification Statement	On Time
NMT-NEMT Monthly	On Time
Out-of-Network Quarterly	On Time
Palliative Care Quarterly	On Time
Prop. 56 Report Quarterly	On Time
Provider Calls Monthly	On Time
Report of Enrollment (Annual) (DMHC)	On Time

**Kern Health Systems
2019 DHCS All Plan Letters and Status Updates
Attachment B**

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
APL 19-001	Medi-Cal Managed Care Health Plan Guidance on Network Provider Status	Provider Relations Compliance	The APL relates to Network Provider standardized contracting requirements, including KHS Network Provider and Subcontractor agreements, provider directory reporting, network adequacy certification, and directed payments.	3/26/2019	Provider and Hospital Boiler Plates have been submitted to DHCS for review and comment.	
APL19-002 (PDF)	Network Certification Requirements	Provider Relations Compliance	The APL provides guidance to KHS about reporting requirements for the Annual Network Certification process. The APL also outlines network adequacy standards the Plan will follow.	3/26/2019	APL has been reviewed with Provider Relations. Necessary P&P updates will be made in June 2019.	
APL 19-003	Providing information Materials to Medi-Cal Beneficiaries in an Electronic Format	Member Services Provider Relations Pharmacy Compliance	The APL provides Medi-Cal managed care health plans with clarification and guidance regarding the provision of the Provider Directory, Formulary, and Member Handbook to Medi-Cal members in an electronic format.	6/3/2019	APL has been sent to Stakeholders. Small Stakeholder is meeting scheduled	
		KEY				
					Compliance - YES	
					Compliance - NO	
					Outcome Pending	
					N/A - informational document	

**Kern Health Systems
2019 DMHC All Plan Letter Index and Status Updates
Attachment B**

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
<u>APL 19-001</u>	Health Plan Webinars	Compliance IT	Notification of pending webinars regarding the collection of health plan data to be uploaded into the Health Plan Profile.	1/11/2019	No action required	
<u>APL 19-002</u>	Newly Enacted Statutes Impacting Health Plans	Health Services Pharmacy Compliance	The APL outlines several newly enacted statutory legislative requirements for health Plans. KHS response to the DMHC is due by March 1, 2019, unless otherwise noted. KHS Health Services and Pharmacy Departments could be impacted.	1/11/2019	Plan provided required response to DMHC.	
<u>APL 19-003</u>	Guidance Regarding Provider Directory Annual Findings	Compliance Provider Relations	Provides guidance and instructions to Plans regarding the Annual Filing of the Provider Directory.	1/14/2019	Documents sent to Provider Relations for review.	
<u>APL 19-004</u>	Telehealth/Teledentistry Sample Questions	Compliance Provider Relations	Provides general information and guidance regarding the review of telehealth and tele dentistry contracts, services, and benefits by DMHC and the Office of Plan Licensing.	1/23/2019	Documents sent to Provider Relations for evaluation.	

Kern Health Systems
2019 DMHC All Plan Letter Index and Status Updates
Attachment B

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
<u>APL 19-005</u>	Plan Year 2020 QHP and QDP Filing Requirements	N/A	N/A	1/24/2019	N/A	N/A
<u>APL 19-006</u>	Clinical Quality Improvement	Compliance Quality Improvement	The APL includes a survey that collects information pertaining to Antibiotic Stewardship, Asthma Care, Diabetes Care, Opioid Stewardship, and Smoking Cessation.	5/3/2019	Survey Completed by Health Services and sent to the DMHC.	
<u>APL 19-007</u>	Filing requirements under Assembly Bill 2941	Compliance	Provides action requirements for Plans to follow after a declaration of emergency by the Governor that displaces or has the immediate potential to displace enrollees.	3/4/2019	KHS acknowledges the APL and is creating an Action Plan to respond to the APL's requirements.	
<u>APL 19-008</u>	Timely Access Compliance Reports MY 2019	Provider Relations Compliance	Provides MY 2019 requirements for Plan that conduct a (DMHC) mandatory Provider Appointment Availability Survey (PAAS)	3/15/2019	The Plan met the requirements of the APL and filed timely.	
<u>APL 19-009</u>	2019 Annual Assessments	Finance Compliance	Provides Plans with direction for filing the Report of Plan Enrollment	5/14/2019	The Plan met the requirements of the APL and filed timely.	
<u>APL19-010</u>	Introduction of a new Independent Review Organization.	N/A	N/A	4/4/2019	N/A	N/A

**Kern Health Systems
2019 DMHC All Plan Letter Index and Status Updates
Attachment B**

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
<u>APL19-011</u>	QIF Plan Regulatory Requirements	Executives Compliance	The APL reviews the upcoming changes to the treatment of QIF Plans.	6/3/2019	Stakeholders continue to review the Plan's options.	
		KEY				
			Compliance - YES			
			Compliance - NO			
			Outcome Pending			
			N/A - Informational Document			

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
<u>APL 18-001</u>	Voluntary Inpatient Detoxification	Member Services Health Services	Clarification provided regarding voluntary inpatient detoxification.						
<u>APL 18-002</u>	2018-2019 Medi-Cal Managed Care Health Plan MEDS/834 Cutoff and Processing Schedule	N/A	Provides KHS IT Department with the 2018-2019 Eligibility Data Systems (MEDS)/834 cutoff and processing schedule.	N/A	N/A	N/A	N/A	N/A	N/A
<u>APL 18-003</u>	Administrative and Financial Sanctions	NA	Provides clarification regarding the imposition of administrative and financial sanctions.	N/A	N/A	N/A	N/A	N/A	N/A
<u>APL 18-004</u>	Immunization Requirements	Health Services Member Services Provider Relations	MCPs must ensure timely provision of immunizations to members in accordance with the most recent schedule and recommendations.						
<u>APL 18-005</u>	Network Certification Requirements	Provider Relations Compliance	Guidance provided to MCPs regarding new Annual Network Certification, reporting requirements, and associated network adequacy standards.			APL 18-005 is superseded by APL 19-002:Network Certification Requirements.			
<u>APL 18-006</u>	Responsibilities for Behavioral Health Treatment Coverage for Members Under the Age of 21	Health Services Member Services Provider Relations	Guidance provided regarding the provision of medically necessary Behavioral Health Treatment services to eligible Medi-Cal members under 21 years.						
<u>APL 18-007</u>	Requirements for Coverage of Early and Periodic Screening, Diagnostic, and Treatment for Medi-Cal Members Under the Age of 21	Health Services Member Services Provider Relations	Clarifies the responsibilities of MCPs to provide Early and Periodic Screening, Diagnostic, and Treatment services to eligible members under the age of 21.	1/18/2019	4/1/2019	Requirement Not Met: Policy and Procedure 3.13-P, EPSDT Services and Targeted Case Management requires minor revisions. Policies and Procedures 3.03-P, 3.05-P, 3.16-P, and 3.56-P require review and implementation.		Compliance Requirement Met: Policies and Procedures 3.03-P, 3.05-P, 3.13-P, 3.16-P, and 3.56-P have been reviewed and revised.	

**Kern Health Systems
2018 DHCS All Plan Letters and Status Updates
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APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
<u>APL 18-008</u> REVISED	Continuity of Care for Medi-Cal members Who Transition into Medi-Cal Managed Care (REVISED)	Health Services Member Services Provider Relations	Clarifies continuity of care requirements for Medi-Cal members who transition into Medi-Cal managed care.	5/15/2019	6/30/2019	In Process: Comparison Matrix of APL requirements and Policy is complete. Meeting with Stakeholders in Process.			
<u>APL 18-010</u>	Proposition 56 Directed Payment Expenditures for Specified Services for State Fiscal year 2017-18	Claims Provider Relations Finance IT	Identifies the requirements for MCPs to make direct payments for certain services funded through Proposition 56 for FY 2017-18.						
<u>APL 18-011</u>	California Children's Services Whole Child Model Program	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>APL 18-012</u>	All Med-Cal Managed Care Health Plans Participating in Health Homes Program	HHP Health Services Member Services IT	Provides guidance for the provision of Health Homes Program (HHP) services, and the development and operation of the HHP, to Medi-Cal managed care health plans	N/A	N/A	N/A	N/A	N/A	N/A
<u>APL 18-013</u>	Hepatitis C Virus Treatment Policy Update	Health Services Pharmacy	Updates DHCS hepatitis C policy that was previously released in July 2015.	2/20/2019	4/30/2019	In Process: Policy 3.22-P, Referral and Authorization Process was revised to reference APL. Pharmacy HCV Approval Criteria was updated to reflect the APL requirements. Pending response from Provider Relations regarding delegates.			
<u>APL 18-014</u>	Alcohol Misuse: Screening and Behavioral Counseling Interventions in Primary Care	Health Services Provider Relations	Clarifies primary care requirement to provide Alcohol Misuse Screening and Behavioral Counseling interventions to members 18 years and older.	1/18/2019	6/30/2019	In Process: Pending review of possible findings by the Stakeholder.			

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2018 DHCS All Plan Letters and Status Updates
Attachment C**

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL 18-015	Memorandum of Understanding requirements for Medi-Cal Managed Care Plans	Health Services Provider Relations	Describes the responsibilities of Medi-Cal Managed Care Plans for amending or replacing MOUs with county Mental Health Plans for coordination of Medi-Cal mental health services.						
APL 18-016	Readability and Suitability of Written Health Education Materials	Health Education Member Services Compliance	The APL provides updated requirements for reviewing and approving written health education materials for Plan Members.	1/29/2019	2/25/2019	Compliance Requirement Met: 2.30-1, Health Services-Quality Improvement is in alignment with the APL requirements.			
APL 18-017	Blood Lead Screening of Young Children	Health Services Provider Relations Member Services	The APL clarifies blood lead screening and reporting requirements for Medi-Cal managed care health plans .	1/16/2019	4/23/2019	Compliance Requirement Not Met: 3.13-P, is in line with the APL requirements. On 4/10/19, Provider Relations released a Provider Bulletin as a reminder of the APL requirements for all Providers. The Plan has asked KFHP for a P&P. To date, KFHP has not provided a P&P to the Plan.			
APL 18-018	Diabetes Prevention Program	Health Services Disease Management Provider Relations Member Services	The APL provides guidance on the implementation of the Diabetes Prevention Program.						
APL 18-019	Family Planning Services Policy for Self-Administered Hormonal Contraceptives	Pharmacy Health Services Claims Member Services Provider Relations	Clarifies DCHS' requirements for converge of self-administered hormonal contraceptive supplies for family planning.						
APL 18-020	Palliative Care	Health Services Provider Relations Member Services Health Homes	Updates the obligations of MCPs to provide palliative care to their beneficiaries.						

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APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL 18-021	2019-2020 Medical Managed Care Health Plan MEDS/834 Cutoff and Processing Schedule	N/A	Provides KHS IT Department with the 2019-2020 Eligibility Data Systems (MEDS)/834 cutoff and processing schedule.	N/A	N/A	N/A	N/A	N/A	N/A
APL 18-022	Access Requirements for Freestanding Birth Centers and Provision of Midwife Services	Health Services Provider Relations Member Services	Clarifies the Plan's responsibilities to provide Members with access to freestanding Birthing Centers and services by Midwives.	1/30/2019	3/4/2019	The Plan is compliant with the APL requirements. Currently there are no FBC/Midwifery Service Providers in-network. The Plan reports network status of these mandatory provider types to DHCS. Pending response from Provider Relations regarding delegates.			
APL 18-023	California Children's Services Whole Child Model Program (supersedes APL 18-011)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		KEY							
			Compliance - YES						
			Compliance - NO						
			Outcome Pending						
			N/A - informational document						

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APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
<u>APL 18-001</u>	Voluntary Inpatient Detoxification	Member Services Health Services	Clarification provided regarding voluntary inpatient detoxification.						
<u>APL 18-002</u>	2018-2019 Medi-Cal Managed Care Health Plan MEDS/834 Cutoff and Processing Schedule	N/A	Provides KHS IT Department with the 2018-2019 Eligibility Data Systems (MEDS)/834 cutoff and processing schedule.	N/A	N/A	N/A	N/A	N/A	N/A
<u>APL 18-003</u>	Administrative and Financial Sanctions	NA	Provides clarification regarding the imposition of administrative and financial sanctions.	N/A	N/A	N/A	N/A	N/A	N/A
<u>APL 18-004</u>	Immunization Requirements	Health Services Member Services Provider Relations	MCPs must ensure timely provision of immunizations to members in accordance with the most recent schedule and recommendations.						
<u>APL 18-005</u>	Network Certification Requirements	Provider Relations Compliance	Guidance provided to MCPs regarding new Annual Network Certification, reporting requirements, and associated network adequacy standards.			APL 18-005 is superseded by APL 19-002:Network Certification Requirements.			
<u>APL 18-006</u>	Responsibilities for Behavioral Health Treatment Coverage for Members Under the Age of 21	Health Services Member Services Provider Relations	Guidance provided regarding the provision of medically necessary Behavioral Health Treatment services to eligible Medi-Cal members under 21 years.						
<u>APL 18-007</u>	Requirements for Coverage of Early and Periodic Screening, Diagnostic, and Treatment for Medi-Cal Members Under the Age of 21	Health Services Member Services Provider Relations	Clarifies the responsibilities of MCPs to provide Early and Periodic Screening, Diagnostic, and Treatment services to eligible members under the age of 21.	1/18/2019	4/1/2019	Requirement Not Met: Policy and Procedure 3.13-P, EPSDT Services and Targeted Case Management requires minor revisions. Policies and Procedures 3.03-P, 3.05-P, 3.16-P, and 3.56-P require review and implementation.		Compliance Requirement Met: Policies and Procedures 3.03-P, 3.05-P, 3.13-P, 3.16-P, and 3.56-P have been reviewed and revised.	

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APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
<u>APL 18-008</u> REVISED	Continuity of Care for Medi-Cal members Who Transition into Medi-Cal Managed Care (REVISED)	Health Services Member Services Provider Relations	Clarifies continuity of care requirements for Medi-Cal members who transition into Medi-Cal managed care.	5/15/2019	6/30/2019	In Process: Comparison Matrix of APL requirements and Policy is complete. Meeting with Stakeholders in Process.			
<u>APL 18-010</u>	Proposition 56 Directed Payment Expenditures for Specified Services for State Fiscal year 2017-18	Claims Provider Relations Finance IT	Identifies the requirements for MCPs to make direct payments for certain services funded through Proposition 56 for FY 2017-18.						
<u>APL 18-011</u>	California Children's Services Whole Child Model Program	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>APL 18-012</u>	All Med-Cal Managed Care Health Plans Participating in Health Homes Program	HHP Health Services Member Services IT	Provides guidance for the provision of Health Homes Program (HHP) services, and the development and operation of the HHP, to Medi-Cal managed care health plans	N/A	N/A	N/A	N/A	N/A	N/A
<u>APL 18-013</u>	Hepatitis C Virus Treatment Policy Update	Health Services Pharmacy	Updates DHCS hepatitis C policy that was previously released in July 2015.	2/20/2019	4/30/2019	In Process: Policy 3.22-P, Referral and Authorization Process was revised to reference APL. Pharmacy HCV Approval Criteria was updated to reflect the APL requirements. Pending response from Provider Relations regarding delegates.			
<u>APL 18-014</u>	Alcohol Misuse: Screening and Behavioral Counseling Interventions in Primary Care	Health Services Provider Relations	Clarifies primary care requirement to provide Alcohol Misuse Screening and Behavioral Counseling interventions to members 18 years and older.	1/18/2019	6/30/2019	In Process: Pending review of possible findings by the Stakeholder.			

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APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL 18-015	Memorandum of Understanding requirements for Medi-Cal Managed Care Plans	Health Services Provider Relations	Describes the responsibilities of Medi-Cal Managed Care Plans for amending or replacing MOUs with county Mental Health Plans for coordination of Medi-Cal mental health services.						
APL 18-016	Readability and Suitability of Written Health Education Materials	Health Education Member Services Compliance	The APL provides updated requirements for reviewing and approving written health education materials for Plan Members.	1/29/2019	2/25/2019	Compliance Requirement Met: 2.30-1, Health Services-Quality Improvement is in alignment with the APL requirements.			
APL 18-017	Blood Lead Screening of Young Children	Health Services Provider Relations Member Services	The APL clarifies blood lead screening and reporting requirements for Medi-Cal managed care health plans .	1/16/2019	4/23/2019	Compliance Requirement Not Met: 3.13-P, is in line with the APL requirements. On 4/10/19, Provider Relations released a Provider Bulletin as a reminder of the APL requirements for all Providers. The Plan has asked KFHP for a P&P. To date, KFHP has not provided a P&P to the Plan.			
APL 18-018	Diabetes Prevention Program	Health Services Disease Management Provider Relations Member Services	The APL provides guidance on the implementation of the Diabetes Prevention Program.						
APL 18-019	Family Planning Services Policy for Self-Administered Hormonal Contraceptives	Pharmacy Health Services Claims Member Services Provider Relations	Clarifies DCHS' requirements for converge of self-administered hormonal contraceptive supplies for family planning.						
APL 18-020	Palliative Care	Health Services Provider Relations Member Services Health Homes	Updates the obligations of MCPs to provide palliative care to their beneficiaries.						

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APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL 18-021	2019-2020 Medical Managed Care Health Plan MEDS/834 Cutoff and Processing Schedule	N/A	Provides KHS IT Department with the 2019-2020 Eligibility Data Systems (MEDS)/834 cutoff and processing schedule.	N/A	N/A	N/A	N/A	N/A	N/A
APL 18-022	Access Requirements for Freestanding Birth Centers and Provision of Midwife Services	Health Services Provider Relations Member Services	Clarifies the Plan's responsibilities to provide Members with access to freestanding Birthing Centers and services by Midwives.	1/30/2019	3/4/2019	The Plan is compliant with the APL requirements. Currently there are no FBC/Midwifery Service Providers in-network. The Plan reports network status of these mandatory provider types to DHCS. Pending response from Provider Relations regarding delegates.			
APL 18-023	California Children's Services Whole Child Model Program (supersedes APL 18-011)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		KEY							
			Compliance - YES						
			Compliance - NO						
			Outcome Pending						
			N/A - informational document						

Kern Health Systems
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APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL 17-001	2017-2018 Medi-Cal Managed Care Health Plan Meds/834 Cutoff And Processing Schedule	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
APL 17-002	Health Education and Cultural and Linguistic Group Needs Assessment (Supersedes PL 10-012)	Health Education	Annual GNA Survey	5/25/2018	7/31/2018	Compliance Requirement Not Met: Policy 2.11-1, Group Needs Assessment, requires minor policy revisions.		Compliance Requirement Met: The Plan revised 2.11-1, Group Needs Assessment.	
APL 17-003	Treatment of Recoveries Made by the Managed Care Health Plan of Overpayments to Providers	Claims	Recovery of overpayments	4/19/2018	6/15/2018	Compliance Requirement Not Met: Policy 6.01- P, Claims Submission and Reimbursement, was updated with the required revisions. Policy 6.29-4, Recovery of Claims Overpayments requires minor policy revisions.		Compliance Requirement Met: Policy 6.29-4, Recovery of Claims Overpayments was updated to reference Policy 6.01- P, Claims Submission and Reimbursement.	
APL 17-004	Subcontractual Relationships and Delegation	Corporate Services Utilization Management Quality Improvement Provider Relations Information Technology	New and existing Subcontracting and Delegation Requirements.	8/9/2018	6/15/2019	Compliance Requirement Not Met: The Plan's Legal Counsel is revising the Professional Service Agreement (PSA) to incorporate applicable APL requirements. Policy revisions are recommended for 14.55-1, Delegated Oversight Monitoring.			
APL 17-005	Certification of Document and Data Submissions	Claims Health Services Provider Relations Accounting Member Services Compliance Executive Information Systems	Timely submission of accurate data, documents, and reporting to DHCS	8/7/2018	8/28/2018	Compliance Requirement Met: 14.57-1, is in alignment with the APL requirements. The Plan and the Delegated entities comply with the requirements related to certification of data, information, and documentation.			
APL 17-006	Grievance and Appeal Requirements and Revised Notice Templates and "Your Rights" Attachments (Supersedes All Plan Letters 04-006 and 05-005 and Policy Letter 09-006)	Health Services Member Services Provider Relations Compliance	Grievance and Appeals Processes	6/1/2018	10/1/2018	Compliance Requirement Not Met: The quarterly Grievance Report to DHCS excluded the Exempt Grievances.		Compliance Requirement Met: The Plan integrated the Exempt Grievances into the quarterly DHCS Grievance Report and resubmitted Q3'17, Q4'17, Q1'18, and Q2'18.	
APL 17-007	Continuity of Care for New Enrollees Transitioned to Managed Care After Requesting a Medical Exemption and Implementation of Monthly Medical Exemption Review Denial Reporting (Supersedes All Plan Letter 15-001)	Health Services Provider Relations IT Member Services	Continuity of Care for New Members	5/4/2018	6/12/2018	Compliance Requirement Not Met: The Plan failed to retain a copy of the Notification of the Medical Exemption Request (MER) sent to the Member.		Compliance Requirement Met: Effective 5/25/18 the Plan implemented a process that requires MSRs to save a copy of the MER that is sent to the Member.	
APL 17-008	Requirement to Participate in the Medi-Cal Drug Utilization Review Program	Health Services Pharmacy	Requirements to Participate in the Medi-Cal Drug Utilization Review Program	7/2/2018	8/31/2018	Compliance Requirement Met: 13.04-1, Formulary Process and Drug Utilization Review, is in alignment with the APL requirements.			

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APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL 17-009	Reporting Requirements Related to Provider Preventable Conditions	Health Services Claims Provider Relations IT	Reporting requirements for Claims Encounter Data resulting from PPCs.	6/1/2018	7/27/2018	Compliance Requirement Not Met: A Provider Bulletin Notice advising Providers of current PPC reporting requirements was not generated.		Compliance Requirement Met: The Plan generated a Provider Bulletin apprising Providers of current PPC reporting requirements.	
APL 17-010	Non-Emergency Medical and Non-Medical Transportation Services	Member Services Provider Relations Health Services	Non-Emergency Medical and Non-Medical Transportation Services.	7/10/2018	11/30/2018	Compliance Requirement Met: 5.15-4, Member Transportation Assistance, is in alignment with the APL requirements. Compliance randomly selected samples for verification of reconciliation .			
APL 17-011	Standards for Determining Threshold Languages and Requirements for Section 1557 of the Affordable Care Act	Member Services Provider Relations Health Services	Identifies standards for Determining Threshold Languages and Requirements for Section 1557 of the Affordable Care Act	6/11/2018	7/17/2018	Compliance Requirement Met: 3.70-1, Cultural and Linguistic Services, 3.71-P Linguistic Services, and 12.02-1 Translation of Written Member Informing Materials, are in line with APL requirements.			
APL 17-012	All Medi-Cal Managed Care Health Plan Operating in Coordinated Care Initiative Counties	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
APL 17-013	Requirements for Health Risk Assessment Of Medi-Cal Seniors and Persons with Disabilities	Member Services Provider Relations Health Services Health Homes Program	Outlines the Requirements for the Health Risk Assessment of Medi-Cal Seniors and Persons with Disabilities	5/23/2018	6/30/2019	Compliance Requirement Not Met: 3.75-1, is not in alignment with the APL requirements, DHCS Contract A.10.4, and CA.W&I §14182 14.A-E. Stakeholder's are developing a Process to reestratify SPD Members and revise Policy 3.75-1, to include current process and procedures.		Compliance Requirement Not Met: 3.75-1 is currently under review. Risk Stratification Reports are being reviewed for accuracy. Compliance will schedule a meeting within the next two weeks to close out APL.	
APL 17-014	Quality and Performance Improvement Requirements (Supersedes APL 16-018)	Health Services Quality Improvement	Outlines changes to the Quality and Performance Improvement Program	9/8/2018	11/28/2018	20.50-1, Medi-Cal Managed Care Quality and Performance Improvement Program Requirements is in alignment with APL 17-014 (implementation date 4/13/2018).			
APL 17-015	Palliative Care and Medi-Cal Managed Care	Health Services Provider Relations Member Services Health Homes	Outlines the obligations of MCPs to provide palliative care to their beneficiaries.	11/30/2018	1/9/2019	Compliance Requirement Not Met: The Plan failed to conduct periodic reassessments for changes in a subscriber's condition or palliative care needs (3.77-1 § IV, B)		Compliance Requirement Met: Effective 2/1/19 the Plan implemented a new outreach process for palliative care members. KHS LCSW's will conduct a 30-day follow-up assessment.	
APL 17-016	Alcohol Misuse: Screening and Behavioral Counseling Interventions in Primary Care (Supersedes APL 14-004)	Health Services Provider Relations Member Services	Outlines the obligations of MCPs to provide Alcohol Misuse Screening and Counseling.	N/A	N/A	APL 17-016 is superseded by APL 18-014.	N/A	N/A	N/A
APL 17-017	Long Term Care Coordination and Disenrollment (Supersedes APL 03-003)	Health Services Provider Relations Member Services	Clarifies the requirements for coordination of care and placement of Members in LTC and disenrollment requirements of the program.	11/28/2018	12/14/2018	Compliance Requirement Not Met: A Compliance Auditor met with the Administrative Director of Health Services to discuss current Process and Procedures.		Compliance Requirement Met: Policy 3.42-P Nursing Facility Service and Long Term Care, was revised to incorporate the APL requirements.	

Kern Health Systems
2017 DHCS All Plan Letters and Status Updates
Attachment C

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL 17-018	Medi-Cal Managed Care Health Plan Responsibilities for Outpatient Mental Health Services (Supersedes APL 13-021)	Health Services Provider Relations Member Services	Explains the contractual responsibilities of MCPs for the provision of medically necessary outpatient mental health services and the regulatory requirements for the Medicaid Mental Health Parity Final Rule.	11/28/2018	12/19/2018	Compliance Requirement Met: 3.14-P, is in alignment with the APL requirements.			
APL 17-019	Provider Credentialing / Recredentialing and Screening / Enrollment (Supersedes APL 16-012)	Provider Relations Quality Improvement	Updates to the Plan's requirements related to screening, enrollment, credentialing, and Recredentialing of Providers.	N/A	N/A	The State extended the deadline to implement the APL requirements. The Plan meets current requirements.	N/A	N/A	N/A
APL 17-020	American Indian Health Programs	Accounting Claims Configuration Provider Relations Member Services	Outlines reimbursement rates for the American Indian Health Programs, resulting in potential changes in contract and payments.	5/14/2018	6/22/2018	Compliance Requirement Met: 6.31-P American Indian Programs, is in line with the APL requirements. 6.31-P was approved by KHS Management and fully implemented on 4/2/2018.			
APL 17-021	Workers' Compensation – Notice of Change to Workers' Compensation Recovery Program, Reporting and Other Requirements (Supersedes APL 04-004)	Claims Finance Compliance	Outlines DHCS Workers' Compensation Recovery Program requirements and KHS engagement in the recovery process.	5/7/2018	7/5/2018	Compliance Requirement Met: 60.06-I, Third Party Liability, policy revisions are in line with the APL requirements. 60.06-I was fully implemented on 6/21/2018.			
		Key							
			Compliance - Yes						
			Compliance - No						
			Outcome Pending						
			N/A- Informational/Supersedes						



FAMILY HEALTH

Attachment D

SUMMER 2019



Moms-to-be: Have you had the Tdap vaccine?

Protect your child even before your baby is born: Ask your provider about the whooping cough vaccine.

The whooping cough vaccine is also known as Tdap. It protects you from whooping cough (pertussis). It also protects you from two other illnesses: tetanus and diphtheria. And it will help protect your baby from whooping cough as soon as he or she is born.

You should get the Tdap vaccine early in your third trimester. This is between 27 weeks and 36 weeks of pregnancy. That's true even if you have had the shot before.

Source: Centers for Disease Control and Prevention

Building your Health Home

Kern Family Health Care (KFHC) covers Health Homes Program (HHP) services for members with certain chronic health conditions. These services are to help coordinate physical health services, like behavioral health services and community-based long-term services and supports, for members with chronic conditions.

You may be contacted if you qualify for the program. You can also call KFHC or speak to your doctor or clinic staff to see if you qualify.

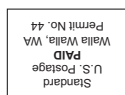
- Comprehensive care management.
- Care coordination.
- Health promotion.
- Comprehensive transitional care.
- Individual and family support services.
- Referral to community and social supports.

Cost to member:

There is no cost to the member for HHP services.

Covered HHP services:

HHP will give you a care coordinator and care team that will work with you and your health care providers, such as your doctors, specialists, pharmacists, case managers and others, to coordinate your care. Kern Family Health Care provides HHP services, which include:



Diabetes Prevention Program

Kern Family Health Care (KFHC) now offers the Diabetes Prevention Program to KFHC members. This program is designed to help members who have prediabetes lower their risk for type 2 diabetes and improve their health.

The program includes:

- Classes, handouts and other resources to help you make healthy changes.
- A lifestyle coach to help you learn new skills, set and meet goals, and keep you motivated.
- A support group of people with similar goals and challenges.

The program sessions have three parts:

- A review and check-in on weekly progress. This includes a private weigh-in.
- A discussion about the week's topic. This will give you a chance to learn from the program materials and each other.
- A wrap-up with a to-do list and handouts. These will reinforce what you've learned.



AT RISK FOR DIABETES? Take the risk test on the next page.

Is this program for me?

This program is designed for members who have prediabetes and are at high risk for developing type 2 diabetes.

To be eligible for the program, members must:

- Be at least 18 years old.
- Be overweight (body mass index greater than or equal to 25 or 23 if Asian).

- Have no prior diagnosis of type 1 or type 2 diabetes.
- Have a blood test result in the prediabetes range within the past year.
 - Hemoglobin A1C: 5.7 to 6.4 percent, or
 - Fasting plasma glucose: 100 to 125 mg/dL, or
 - Two-hour plasma glucose (after a 75 gm glucose load): 140 to 199 mg/dL, or
- Have been diagnosed with gestational diabetes.

Diabetes and hearing loss

Diabetes and hearing loss are two of America's most widespread health concerns. A recent study found that hearing loss is twice as common in people with diabetes as it is in those who don't have the disease. The rate of hearing loss is

30 percent higher than in people with normal blood glucose.

SIGNS OF HEARING LOSS:

- › Frequently asking others to repeat themselves.
- › Trouble following conversations that involve more than two people.
- › Thinking that others are mumbling.
- › Problems hearing in noisy places such as busy restaurants.
- › Trouble hearing the voices of women and small children.
- › Turning up the TV or radio volume too loud for others who are nearby.

If you suspect that you have hearing loss, talk to your primary care doctor. You may then want to seek help from a hearing specialist, like an audiologist. With a full hearing exam, you'll learn more about your hearing loss. You will also learn how to treat it.

Are you at risk for type 2 diabetes?

Take the diabetes risk test to find out. Write your score in the box.

1. How old are you?
 - a. Less than 40 years (0 points)
 - b. 40–49 years (1 point)
 - c. 50–59 years (2 points)
 - d. 60 years or older (3 points)
 2. Are you a man or a woman?.....
 - a. Man (1 point)
 - b. Woman (0 points)
 3. If you are a woman, have you ever been diagnosed with gestational diabetes?
 - a. Yes (1 point)
 - b. No (0 points)
 4. Do you have a mother, father, sister or brother with diabetes?
 - a. Yes (1 point)
 - b. No (0 points)
 5. Have you ever been diagnosed with high blood pressure?
 - a. Yes (1 point)
 - b. No (0 point)
 6. Are you physically active?
 - a. Yes (0 point)
 - b. No (1 point)
 7. What is your weight status? (see chart at right)
- Add up your score

Height	Weight (lbs.)		
4' 11"	119–142	143–190	191+
5' 0"	124–147	148–197	198+
5' 1"	128–152	153–203	204+
5' 2"	132–157	158–210	211+
5' 3"	136–163	164–217	218+
5' 4"	145–173	174–231	232+
5' 5"	150–179	180–239	240+
5' 6"	155–185	186–246	247+
5' 7"	159–190	191–254	255+
5' 8"	164–196	197–261	262+
5' 9"	169–202	203–269	270+
5' 10"	174–208	209–277	278+
5' 11"	179–214	215–285	286+
6' 0"	184–220	221–293	294+
6' 1"	189–226	227–301	302+
6' 2"	194–232	233–310	311+
6' 3"	200–239	240–318	319+
6' 4"	205–245	246–327	328+
	1 point	2 points	3 points
If you weigh less than the amount in the left column: 0 points			

The higher your score, the higher your risk.

● If you scored 5 or more: You are at increased risk for having type 2 diabetes. Talk to your health care provider about simple blood tests to check for diabetes or prediabetes. Early diagnosis and treatment can prevent or delay heart attack, stroke, blindness, kidney

disease and other health problems.

● If you scored below 5: Even if your score was below 5, you may be at increased risk for having prediabetes. This is when blood sugar levels are higher than normal but not high enough to be called diabetes. Talk to your health care team about getting tested,



particularly if you are over 45, overweight or have a family member with diabetes. Find out about the small steps you can

take to prevent or delay type 2 diabetes and live a long and healthy life.

Source: ndep.nih.gov; diabetes.org

Health educator corner



Q Does my child need to be tested for lead?

A If your child has been exposed to lead, talk to your doctor about getting them tested. There's no safe level of lead in kids' blood. Even low amounts can affect your child's IQ and ability to pay attention. That's why it's so crucial to stop your child from coming into contact with lead, especially if your child is under 6. And they tend to put their hands—or other things that may be contaminated with lead—into their mouths.

Carlos Bello, MPH, CHES, senior health educator

Sources: American Academy of Pediatrics; Centers for Disease Control and Prevention

Q Should I get tested for HIV?

A Get tested for HIV at least once a year. But get tested more frequently if you have had more than one sexual partner since your last HIV test. Also get tested more often if:

- You are a sexually active gay or bisexual man.
- You had sex with a partner

living with HIV who has an active/unknown viral load.

- You shared needles to inject drugs.
- You have had sex for drugs or other goods.
- You have another sexually transmitted infection like hepatitis or tuberculosis.
- You had sex with anyone who has done anything listed above.

● You had sex with someone with an unknown sexual history.

Getting tested is also crucial to protect your baby if you're pregnant or planning to have a child.

Give Kern Family Health Care a call at **800-391-2000** if you need help locating a testing site. Bernardo Ochoa, MPH, member health educator

Q What can I do about substance abuse?

A Get help! Substance abuse is one of the leading causes of other health problems. Issues related to substance use are:

- Teenage and/or unplanned pregnancies.

- STDs and HIV/AIDS.
 - Relationship and child abuse.
 - Fist fights, murder, suicide and other crimes.
- Alcohol misuse is also a risk factor for these problems. It is a pattern of drinking that can cause harm to one's health, ability

to work or social problems. If you need help, talk to your PCP about being screened. Your PCP can help counsel you and connect you with services.

Flor Del Hoyo, MPH, member health educator

Sources: Centers for Disease Control and Prevention; World Health Organization, Healthy People 2020

What is postpartum depression?



If you recently had a baby and feel sad or hopeless, it's OK. If you have these feelings for more than two weeks, it could be postpartum depression.

Most women get the baby blues, or feel sad or empty, a few days after giving birth. The baby blues go away within three to five days.

Postpartum depression is a serious mental illness, but it is treatable. Some women feel guilty or ashamed for being sad when they are supposed to be happy.

You and your baby don't have to suffer. **Talk to your doctor, nurse or midwife.**

Treatment for postpartum depression may include talk therapy and medicine. You can share how you feel, think and act because of this depression. Your doctor or nurse may also prescribe medicine. If you are breastfeeding, ask about side effects for you and your baby.

Take care of yourself.

Schedule your postpartum visit soon after your birth to help you manage this illness.

Source: Office on Women's Health

WOMEN WHO HAVE their postpartum visit with their doctor between 21 and 56 days after delivery will receive a \$30 gift card.

How to help a friend in an abusive relationship

Abuse may happen in any relationship. If your friend is in an abusive relationship, you can help.

Try to talk to your friend alone. Start with a simple question, such as: "I haven't seen you in a while. Is something going on?" Just listen. Let your friend know the abuse is not their fault.

Your friend may not be ready to talk about it. Urge them to spend more time with loved ones.

When your friend is ready, give them the following information: The Alliance against Family Violence & Sexual Assault, **661-327-1091**.

Is it autism?

You may know it as autism. The medical term for this disorder is *autism spectrum disorder* (ASD).

Sometimes, you may notice something unusual in your little one. It can be as simple as how your toddler acts from one moment to the next. You may wonder, "Is it autism?"

If you're concerned that your child may have ASD, tell your doctor. Finding out early can make a difference in a child's life. Your doctor can provide a screening, diagnosis and treatment of ASD.

Sources: American Academy of Pediatrics; Centers for Disease Control and Prevention; National Institute of Mental Health

Kern Family Health Care complies with applicable federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex.

ATTENTION: If you speak a language other than English, language assistance services, free of charge, are available to you. Call **800-391-2000** (TTY: **711**).

ATENCIÓN: Si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al **800-391-2000** (TTY: **711**).

注意：如果您使用繁體中文，您可以免費獲得語言援助服務。請致電 **800-391-2000** (TTY: **711**)。

KFHC mailing address: 9700 Stockdale Highway, Bakersfield, CA 93311

FAMILY HEALTH 5



Poison is a real danger for American kids. Each day, poison sends 300 kids to an emergency department. And two kids die. You can help keep your child safe from potentially poisonous products.

Store it up, up and away. Keep medicines and household products out of sight and out of reach. Under-sink cabinets might feel safe. But that's eye level for young children. If you have to use bottom cabinets, install child safety locks on cabinets where you keep poisonous items.

Use it carefully. Take care when you give or take medication. Don't put the next dose on the counter. A child could reach it. Make sure child safety caps are closed. Put medications back right away.

Look around. Medicines and cleaning supplies aren't the only dangers. Keep these potential poisons safely out of a little one's reach:

- Tobacco and e-cigarettes, especially liquid nicotine.
- Alcohol.
- Pesticides and bug sprays.
- Button batteries. You can find them in musical greeting cards or key fobs.
- Oils and lubricants. That includes fragrance oils, tiki torch oil and engine oil.
- Personal care products. Think contact lens solution and hand sanitizers.

Know the number. Call **800-222-1222** for free poison control help. Put this number into your cellphone. Post it near any home phones. The line is open 24/7. It offers help in both English and Spanish. Call 911 if a child has collapsed or is not breathing.

Kids can get into trouble fast. Take steps to keep your family safe.

Sources: American Association of Poison Control Centers; Centers for Disease Control and Prevention; Safe Kids Worldwide

Are you sick? Not feeling well?

Kern Family Health Care (KFHC) members can call and speak to a registered nurse. They can help you decide what to do when you or a family member is sick or hurt. Our advice nurses are here for you 24 hours a day. The advice nurses can answer health care questions when your doctor is not able to see you. Call KFHC at **661-632-1590** (Bakersfield) or **800-391-2000** (outside of Bakersfield) to speak to an advice nurse today. But if you're having a life-threatening emergency, please call 911.

New and improved asthma classes

Kern Family Health Care (KFHC) now offers an asthma class series that features two classes.

Class 1 topics:

- Asthma symptoms.
- Asthma triggers.
- Nontoxic cleaning.
- Clean air lifestyle.

Members who attend the first class will be entered into a raffle for two free hypoallergenic pillow cases.

Class 2 topics:

- Asthma medication.
- Asthma action plans.

- Asthma attack response.

Members who attend the second class will receive a free non-toxic cleaning kit. It will include baking soda, white vinegar and a microfiber cleaning cloth. Members will also be entered into a raffle for a free air purifier. They will also receive a certificate of completion. This will include a list of common asthma questions that can

TO SIGN UP for the asthma class series, call **800-391-2000** and ask for the Health Education Department.

be taken to visits with their health care providers.

Members who attend an asthma class will be called by KFHC health educators to check on their asthma control. They will also be offered education and referral to asthma resources.



KFHC mailing address: 9700 Stockdale Highway, Bakersfield, CA 93311

Be a clean air champion!

Be part of the solution for cleaner air in the Valley. Here are some tips for how you can make a difference.

GET INVOLVED.

- ▶ Learn about air quality issues.
- ▶ Attend Valley Air District workshops and meetings to learn more about air pollution and voice your thoughts.
- ▶ Talk to your elected officials about what you'd like them to do about air quality.
- ▶ Join the District's Governing Board, Citizens' Advisory Committee and Environmental Justice Advisory Group. They meet monthly. Meeting locations, agendas, dates and times are posted at valleyair.org.

MAKE ONE CHANGE FOR CLEANER AIR.

Check off the following boxes for the clean air changes you can make:

- Bike or walk to work or school.
- Don't idle your vehicle.
- Share a ride. Carpool to work, school or activities.
- Drive less, especially on unhealthy air days. Do all your errands at once. To check the air quality near you, go to valleyair.org/RAAN.
- Switch to electric lawn care machines.
- Barbeque with propane instead of charcoal.
- Use gas fireplaces instead of wood-burning.
- Purchase a cleaner vehicle. The Valley Air District offers incentives and rebates to help you replace your car with a clean-air car.
- Tune up your vehicle and keep your tires properly inflated. The Valley Air District offers "Tune In Tune Up" free car emissions testing events through the Valley. To see the event schedule, visit valleyair.org/tuneintuneup.

Source: www.valleyair.org



Now available: Mileage reimbursement

Did you know that Kern Family Health Care (KFHC) will reimburse your friend or family member for taking you to your medical appointment? As a KFHC member, you have a mileage reimbursement benefit. Use your mileage reimbursement benefit to get to appointments with a KFHC health care provider! This benefit can be used for trips to other Medi-Cal covered services. To receive mileage reimbursement, you must:

- Be a member of KFHC.
- Have no way to get to your doctor.
- Not be able to drive due to a disability. This can be a short- or long-term disability.
- Have a friend or family member who is willing to take you to your appointment.
 - The friend or family member must be licensed to drive. His or her car must be legal to drive in California. It must

also be covered by auto insurance.

To receive reimbursement, you and your driver must fill out a mileage reimbursement form. Also, your health care provider's office staff must sign or stamp the form to show you were there. To get the form, please call the KFHC Transportation Department.

Call **800-391-2000** and select **option 3**. They can also help you fill out the form.

Member rights

If you have a service or quality of care complaint against Kern Family Health Care (KFHC) or a provider, please contact us first. You can call **661-632-1590** (Bakersfield) or **800-391-2000** (outside of Bakersfield). You can also visit our website, **kernfamilyhealthcare.com**, or log in to your KFHC Member Portal account.

You may call the Department of Managed Health Care (DMHC) for help if:

- ▶ Your grievance is an emergency.
- ▶ You are not happy with KFHC's decision.
- ▶ It has not been resolved in 30 days.

The DMHC's toll-free number is **888-HMO-2219 (888-466-2219)**. Its TDD line (for people with hearing and speech impairments) is **877-688-9891**. You may also call the DHCS Office of the Ombudsman toll-free at **888-452-8609**.

FAMILY HEALTH

FAMILY HEALTH is published as a community service for the friends and patrons of Kern Family Health Care, 9700 Stockdale Highway, Bakersfield, CA 93311, telephone 800-391-2000.

Information in FAMILY HEALTH comes from a wide range of medical experts. If you have any concerns or questions about specific content that may affect your health, please contact your health care provider. Models may be used in photos and illustrations.

Editorial Board

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We post current health care news and tips to help you and your family stay healthy. You can also get important member updates and see what Kern Family Health Care is doing in your community.

 Like us on Facebook at facebook.com/KernFamilyHealthCare

 Follow us on Twitter at twitter.com/_KFHC

 Watch the Kern Family Health Care channel on YouTube

Kern Health Systems Attachment E

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

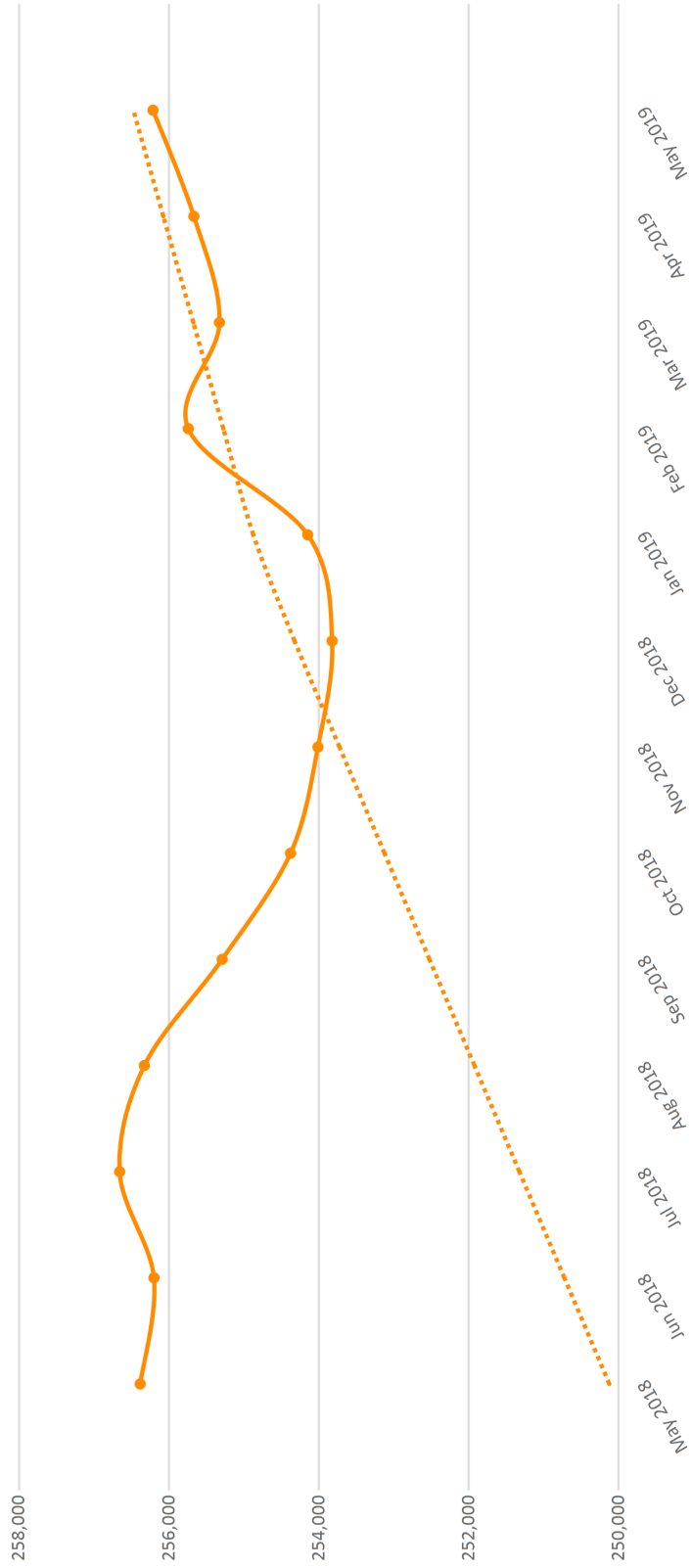


Governed Reporting System

Membership

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

Total MCAL Membership



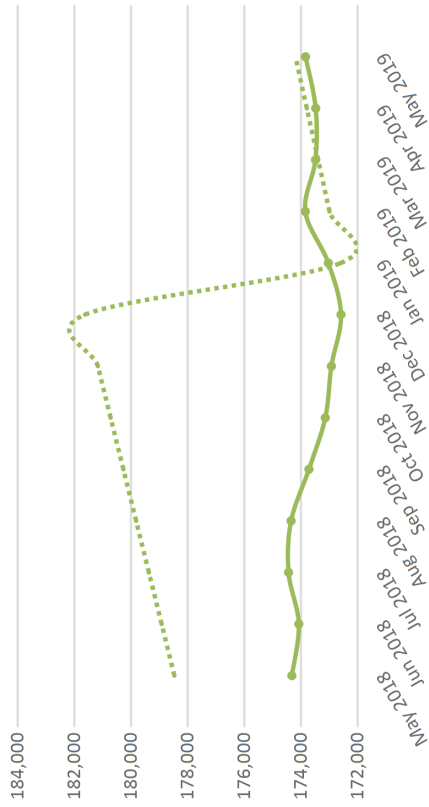


Governed Reporting System

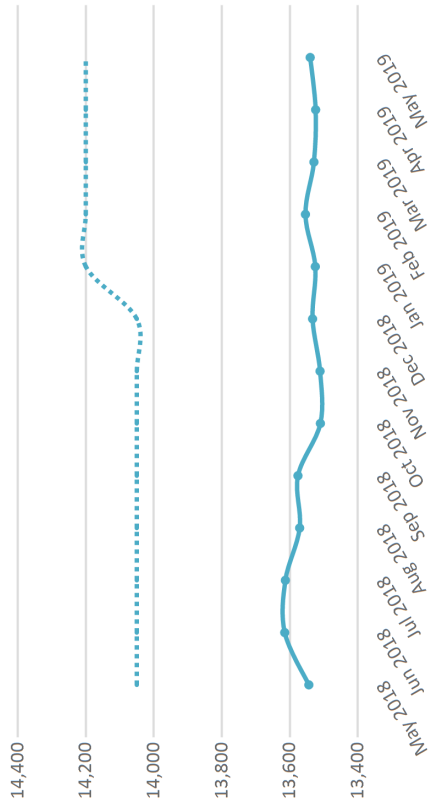
Membership

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

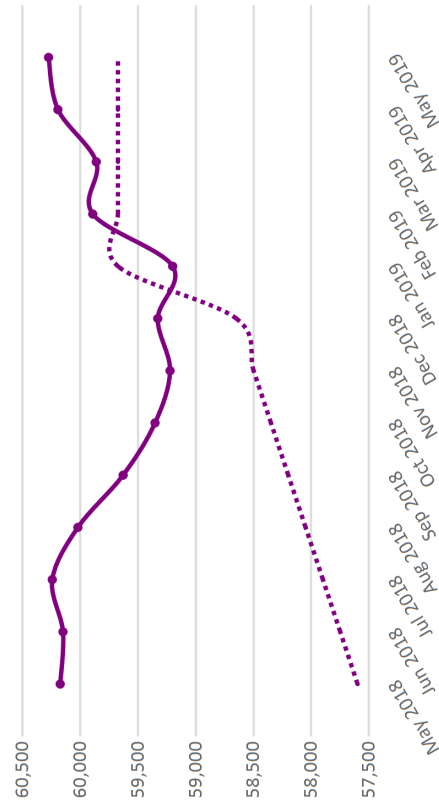
MCAL Family/Other Membership



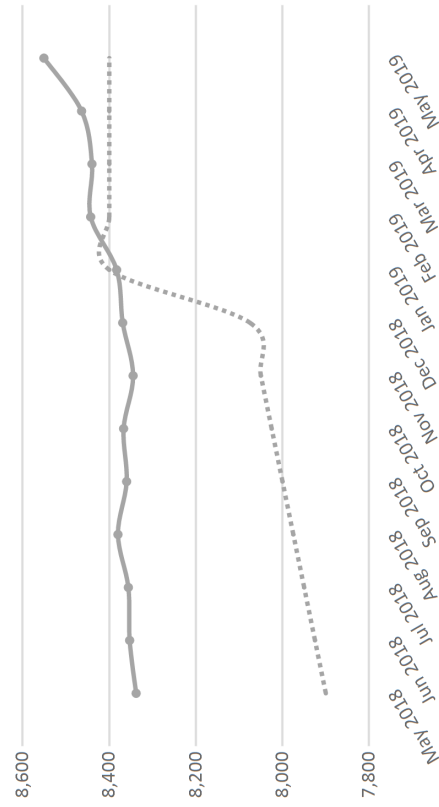
MCAL SPD Membership



MCAL Expansion Membership



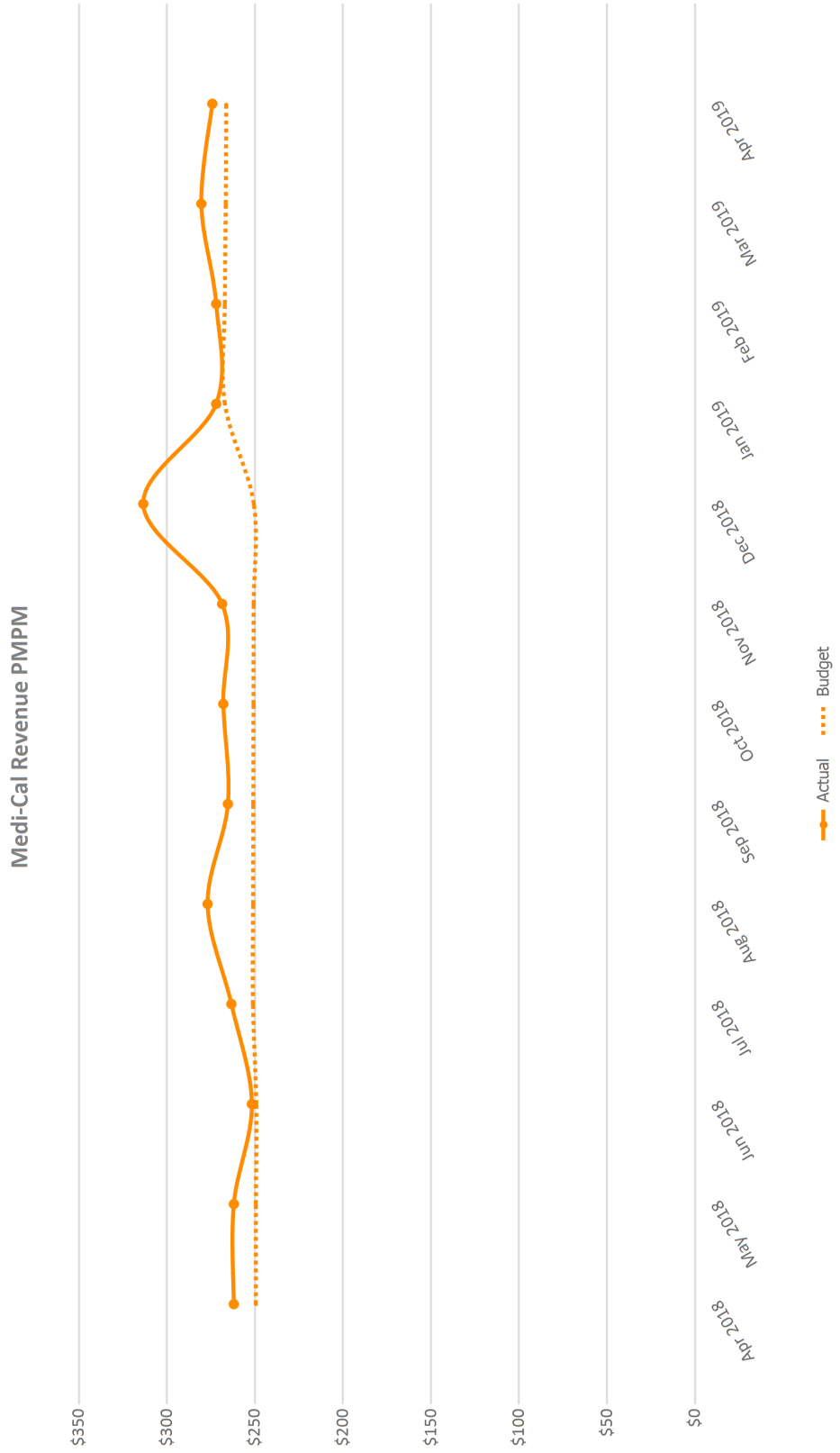
KP Membership





Governed Reporting System

Revenue





Governed Reporting System

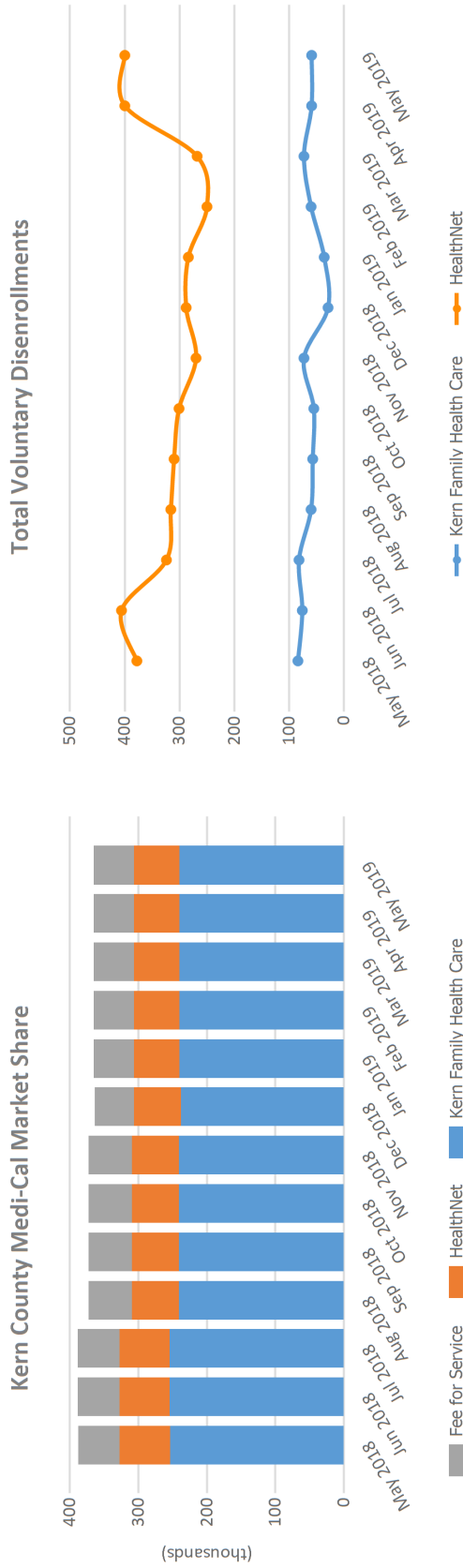
Kern Health Systems

Performance Reports
Operations Metrics

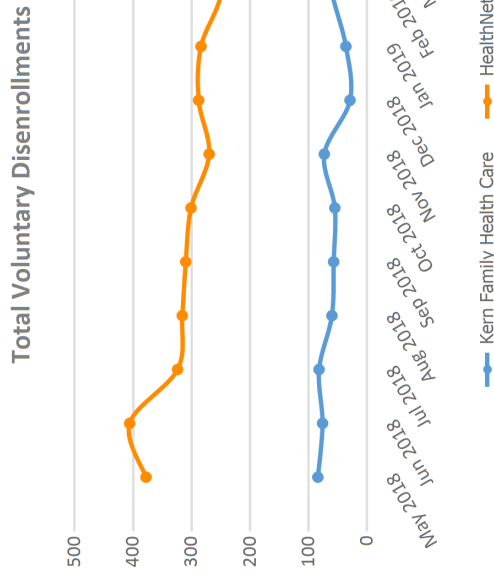
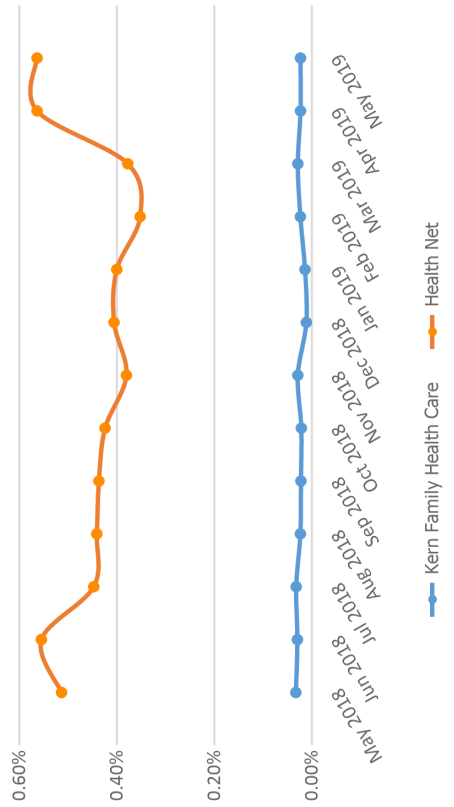


Governed Reporting System

Enrollment - Market Share



Percentage of Voluntary Disenrollments





Governed Reporting System

Claims Efficiency and Quality

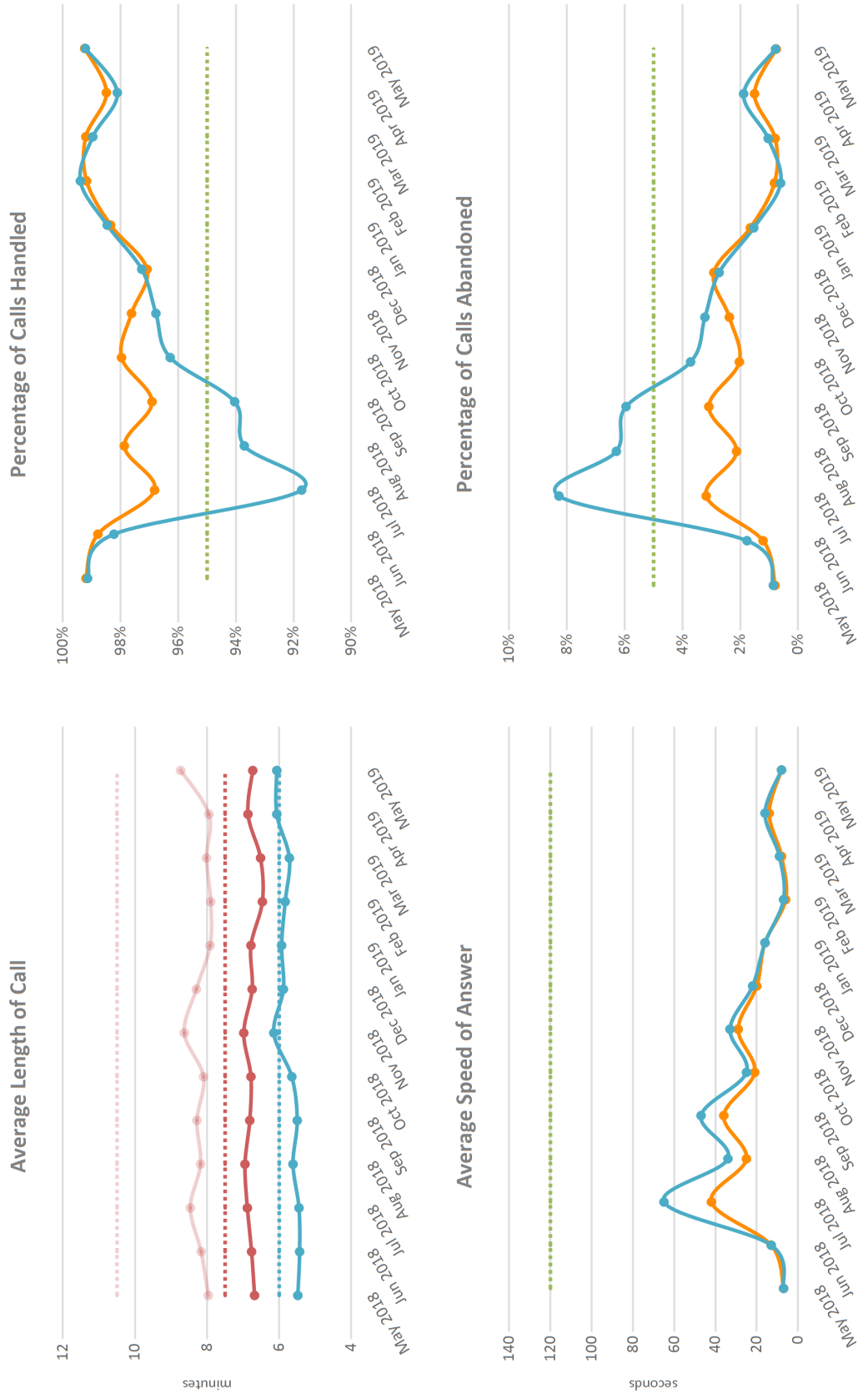




Governed Reporting System

Member Services

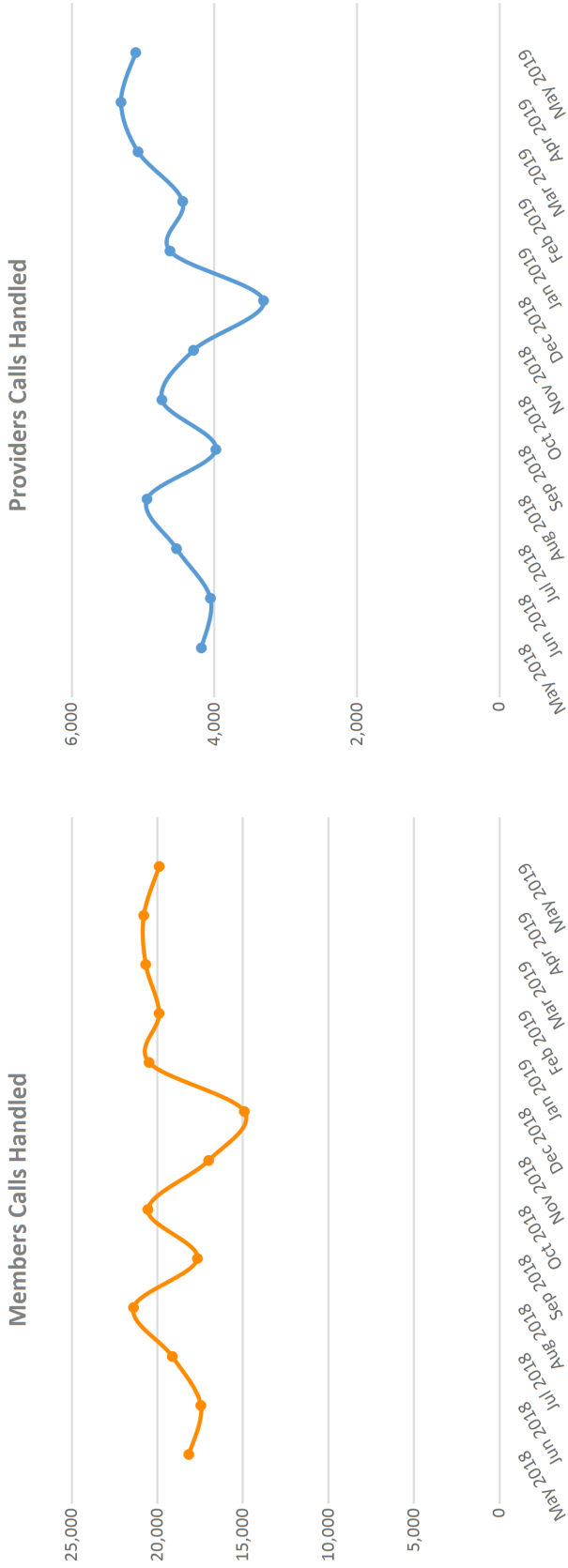
Members - English (orange line)
 Members - Spanish (red line)
 Providers (blue line)
 Target (green dotted line)





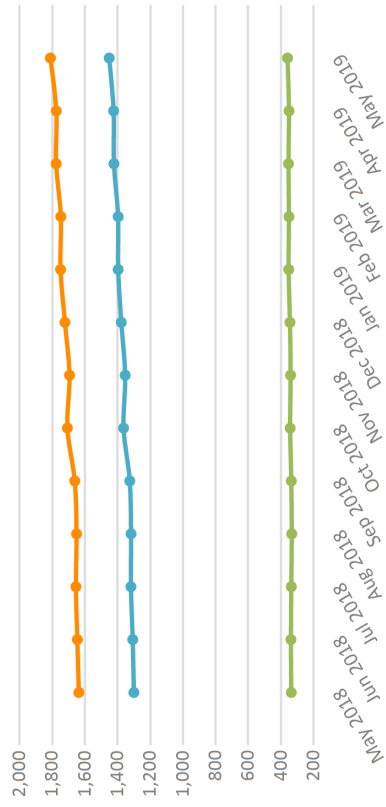
Governed Reporting System

Member Services Calls Handled

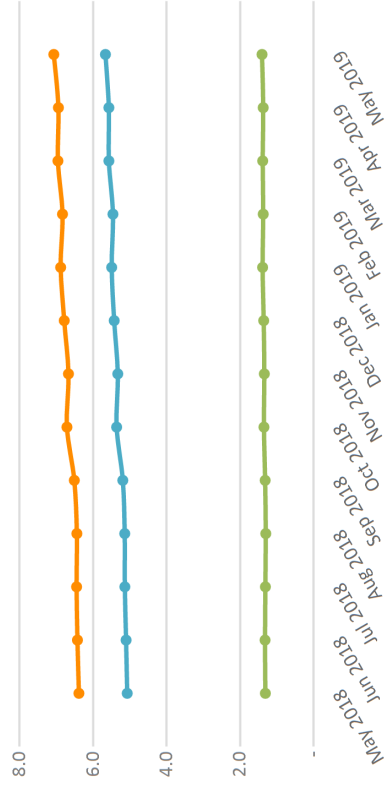


Provider Network and Terminations

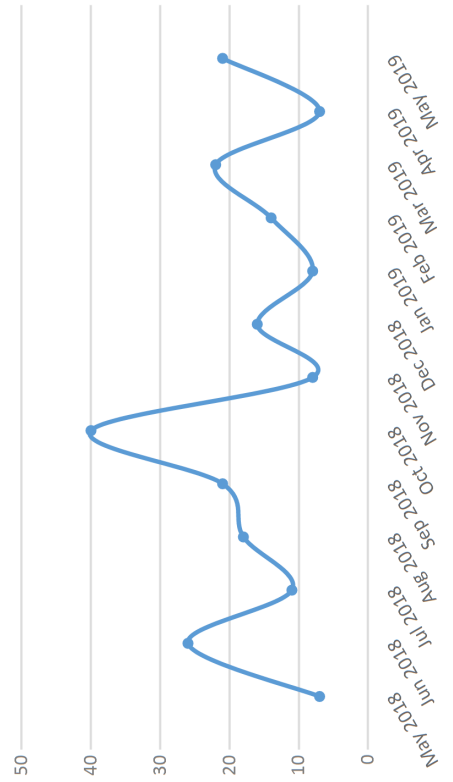
Network Stability Provider Count



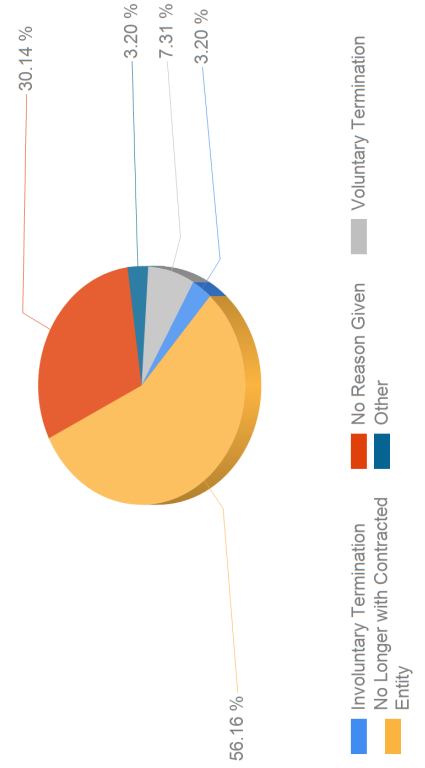
Network Access per 1000



Provider Terminations



Provider Terminations by Reason





To: KHS Board of Directors

From: Bruce Wearda, R.Ph.

Date: June 13, 2019

Re: Pharmacy & Therapeutics (P&T) Committee Formulary Changes

Background:

The P&T Committee sees to that the KHS Drug Formulary adequately provides medically necessary drug classes and appropriate limits to ensure that the pharmaceuticals available and manner prescribed provides appropriate care (aligned with national guidelines), improves HEDIS scores, and minimizes fraud, waste, and abuse.

At its recent meeting, the P&T Committee reviewed medications for the specialty practice of Endocrinology.

For Endocrinology, the Drug Formulary reviewed both current and upcoming therapies and medications and also scrutinized older listed medications for their continued relevance. In addition, the Committee determined whether the reviewed medications were efficacious, cost effective and safe.

Requested Action:

The Board is requested to accept the following recommendation of the P&T Committee by adding the following drugs to KHS's Formulary:

- Adlyxin (lixisenatide) – same criteria as other GLP-1
- Ozempic (semaglutide) –reserved for endocrinology
- Soliqua (insulin glargine/lixisenatide) - step off either insulin glargine or GLP-1 products

SUMMARY

FINANCE COMMITTEE MEETING

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

Friday, April 5, 2019

8:00 A.M.

COMMITTEE RECONVENED

Members present: Deats, McGlew, Melendez

Members absent: Rhoades

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

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- 3) Report by Daniells Phillips Vaughan & Bock on the audited financial statements of Kern Health Systems for the year ending December 31, 2018 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: 3 Ayes; 1 Absent - Rhoades

- 4) Proposed Amendment No. 22 to Physicians Service Agreement and Amendment No. 42 to Hospital and Other Facility Services Agreement with Kern Medical for Medi-Cal Managed Care Capitation Rate Increases pursuant to Intergovernmental Transfers (“IGTs”) provided for the period July 1, 2017 through June 30, 2018, pursuant to the transfer of public funds between the County of Kern and the California Department of Health Care Services (Fiscal Impact: None) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: 3 Ayes; 1 Absent - Rhoades

NOTE: DIRECTOR MCGLEW ANNOUNCED THAT, DUE TO HIS EMPLOYMENT WITH KERN VALLEY HEALTHCARE DISTRICT, HE WOULD RECUSE HIMSELF FROM THE DISCUSSION AND VOTE ON ITEM 5

- 5) Proposed Amendment to Hospital and Other Facility Services Agreement with Kern Valley Hospital for Medi-Cal Managed Care Capitation Rate Range Increases pursuant to the Intergovernmental Transfers (“IGTs”) provided for the period July 1, 2017 through June 30, 2018, pursuant to the transfer of public funds between Kern Valley Healthcare District and the California Department of Health Care Services (Fiscal Impact: None) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Deats-Melendez: 2 Ayes; 1 Abstention - McGlew; 1 Absent - Rhoades

NOTE: DIRECTOR DEATS ANNOUNCED THAT, DUE TO HIS RELATIONSHIP WITH TEHACHAPI VALLEY HEALTHCARE DISTRICT, HE WOULD RECUSE HIMSELF FROM THE DISCUSSION AND VOTE ON ITEM 6

- 6) Proposed Amendment to Hospital and Other Facility Services Agreement with Tehachapi Valley Hospital for Medi-Cal Managed Care Capitation Rate Range Increases pursuant to the Intergovernmental Transfers (“IGTs”) provided for the period July 1, 2017 through June 30, 2018, pursuant to the transfer of public funds between Tehachapi Valley Healthcare District and the California Department of Health Care Services (Fiscal Impact: None) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: 2 Ayes; 1 Abstention - Deats; 1 Absent - Rhoades

- 7) Report on New Office Building Expenditures (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: 3 Ayes; 1 Absent - Rhoades

- 8) Report on 2018 Annual Travel Report (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: 3 Ayes; 1 Absent - Rhoades

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- 9) Report on 2018 Annual Report of Disposal Assets (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Melendez-McGlew: 3 Ayes; 1 Absent - Rhoades
- 10) Proposed Agreement with Healthx, Inc., to provide a hosted software solution for a Provider and Member Portal, from May 12, 2019 through May 12, 2022 (Fiscal Impact: \$1,411,200 per three year agreement; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: 3 Ayes; 1 Absent - Rhoades
- 11) Proposed Agreement with Optum, Inc., for the APR DRG Pricing Tool, from April 16, 2019 through April 15, 2024 (Fiscal Impact: \$1,923,007 per five year agreement; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Melendez-McGlew: 3 Ayes; 1 Absent - Rhoades
- 12) Report on Kern Health Systems financial statements for December 2018 and January 2019 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: 3 Ayes; 1 Absent - Rhoades
- 13) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for December 2018 and January 2019 and IT Technology Consulting Resources for January 2019 and February 2019 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: 3 Ayes; 1 Absent - Rhoades

ADJOURN TO FRIDAY, JUNE 7, 2019 AT 8:00 A.M.

