



**KERN HEALTH
SYSTEMS**

**REGULAR MEETING OF THE
BOARD OF DIRECTORS**

Thursday, August 15, 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, August 15, 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) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) –
- 2) CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representatives: Chief Executive Officer, Douglas A. Hayward, and designated staff - Unrepresented Employees: Kern Health Systems Executive Staff (Government Code Section 54957(b)) –

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

- 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!**

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 4) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))
- CA-5) Minutes for Kern Health Systems Board of Directors regular meeting on June 13, 2019 (Fiscal Impact: None) –
APPROVE
- 6) Report on Kern Health Systems New Building Progress and Relocation Plan (Fiscal Impact: None) –
RECEIVE AND FILE
- 7) Report on Kern Health Systems New Building Open House Ceremony (Fiscal Impact: None) –
RECEIVE AND FILE

-
- CA-8) Proposed selection of Daniells Phillips Vaughan & Bock to perform financial audit services for calendar years 2019-2021 (Fiscal Impact: None) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN THE ENGAGEMENT LETTER
- CA-9) Report on KHS investment portfolio for the second quarter ending June 30, 2019 (Fiscal Impact: None) – RECEIVE AND FILE
- 10) Report on Kern Health Systems Health Education School Based Awards Program Fiscal Impact: None) – RECEIVE AND FILE
- CA-11) Report on Kern Health Systems Strategic Plan for second quarter ending June 30, 2019 (Fiscal Impact: None) – RECEIVE AND FILE
- CA-12) Proposed Agreement with Commercial Cleaning Systems, Inc., for commercial janitorial services for 2900 Buck Owens Blvd., from September 6, 2019 through September 5, 2020 in an amount not to exceed \$144,000 (Fiscal Impact: \$144,000 annually; Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-13) Proposed Agreement with Coffey Communications, Inc., for the development, printing and mailing of the member newsletter in English and Spanish, from August 27, 2019 through August 27, 2020 in an amount not to exceed \$122,255.60 (Fiscal Impact: \$122,255.60 annually; Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- 14) Report on Kern Health Systems Nominating Committee for the proposed election of officers to serve as Chairman, Vice Chairman, Secretary and Treasurer, effective October 10, 2019 and, to nominate for another term in office, the Safety Net Care Provider Representative and the Pharmacy Representative
 ELECT OFFICERS AND NOMINATE BOARD MEMBERS AS RECOMMENDED BY NOMINATING COMMITTEE
- 15) Report on Kern Health Systems financial statements for May 2019 and June 2019 (Fiscal Impact: None) – RECEIVE AND FILE
- CA-16) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for May 2019 and June and IT Technology Consulting Resources for the period ended April 30, 2019 (Fiscal Impact: None) – RECEIVE AND FILE
- CA-17) Report on New Office Building Expenditures (Fiscal Impact: None) – RECEIVE AND FILE

- CA-18) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- 19) Report on Kern Health Systems Operation Performance and Review of the Kern Health Systems Grievance report (Fiscal Impact: None) –
RECEIVE AND FILE
- 20) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) –
RECEIVE AND FILE
- 21) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-22) Miscellaneous Documents –
RECEIVE AND FILE
- A) Minutes for KHS Finance Committee meeting on June 7, 2019

ADJOURN TO OCTOBER 10, 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, June 13, 2019

8:00 A.M.

BOARD RECONVENED

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

Directors absent: Deats, Melendez, Patel, Patrick

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

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

BOARD ACTION SHOWN IN CAPS

ADJOURN TO CLOSED SESSION

McGlew

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

8:45 A.M.

BOARD RECONVENED AT 8:45 A.M.

REPORT ON ACTIONS TAKEN IN CLOSED SESSION –

Item No. 1 concerning a Conference with Legal Counsel - Anticipated Litigation (Number of potential cases unknown) – (Government Code Section 54956.9) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 2 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **INITIAL CREDENTIALING MAY 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 HOFFMANN ABSTAINED FROM VOTING ON DULANTO, HANRAHAN, HAWKINS; DIRECTOR JUDD ABSTAINED FROM VOTING ON RAFIQ, SAKOWSKI; DIRECTOR STEWART ABSTAINED FROM VOTING ON TUCKER

Item No. 2 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **RECREREDENTIALING MAY 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 HOFFMANN ABSTAINED FROM VOTING ON CARDONA, MOONGA, PAVIA-SANCHEZ; DIRECTOR JUDD ABSTAINED FROM VOTING ON AGUIRRE, CAPBIANCO, YAKOUB

Item No. 2 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **INITIAL CREDENTIALING JUNE 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 HOFFMANN ABSTAINED FROM VOTING ON JETT, STEWART; DIRECTOR JUDD ABSTAINED FROM VOTING ON GENDY, LEBOVITS, RAMOS; DIRECTOR STEWART ABSTAINED FROM VOTING ON HILL, HOFFMAN, HOLLAND, HUGHES, SHAFFNER

Item No. 2 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **RECREREDENTIALING JUNE 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 HOFFMANN ABSTAINED FROM VOTING ON GOH; DIRECTOR JUDD ABSTAINED FROM VOTING ON REYES, GHAFARIZADEH, MANSOUR, SABETIAN

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

STAFF RECOMMENDATION SHOWN IN CAPS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 5) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))
NO ONE HEARD
- CA-6) Minutes for Kern Health Systems Board of Directors regular meeting on April 11, 2019 (Fiscal Impact: None) –
APPROVED
Hinojosa-McGlew: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick
- 7) Report on Kern Health Systems New Building Progress and Relocation Plan (Fiscal Impact: None) – GREGORY BYNUM, GREGORY D. BYNUM AND ASSOCIATES, HEARD;
RECEIVED AND FILED
McGlew-Hoffmann: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick
- CA-8) Report on KHS investment portfolio for the first quarter ending March 31, 2019 (Fiscal Impact: None) –
RECEIVED AND FILED
Hinojosa-McGlew: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick
- 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) –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Hinojosa-McGlew: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick
- 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) –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Hinojosa-McGlew: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick
- CA-11) Report on State Legislative Update and Administrative Directive Update (Fiscal Impact: None) –
RECEIVED AND FILED
Hinojosa-McGlew: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick

-
- 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) –
APPOINTMENTS MADE
Judd-Hinojosa: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick
- CA-13) Report on Department of Health Care Services 2018 Medical Audit Results (Fiscal Impact: None) –
RECEIVED AND FILED
Hinojosa-McGlew: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick
- CA-14) Report on Department of Managed Health Care Knox Keene license surrender (Fiscal Impact: None) –
RECEIVED AND FILED
Hinojosa-McGlew: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick
- 15) Report on Kern Health Systems Proposed New Provider Grant Program (Fiscal Impact: \$4 million) –
APPROVED
Judd-McGlew: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick
- 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) –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Hinojosa-McGlew: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick
- 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) –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Hinojosa-McGlew: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick
- 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) –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Hinojosa-McGlew: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick
- 19) Report on Kern Health Systems financial statements for February 2019, March 2019 and April 2019 (Fiscal Impact: None) –
RECEIVED AND FILED
McGlew-Stewart: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick
- 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) –
RECEIVED AND FILED
Hinojosa-McGlew: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick

SUMMARY – Board of Directors
 Kern Health Systems
 Regular Meeting

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-
- CA-21) Report on New Office Building Expenditures (Fiscal Impact: None) –
 RECEIVED AND FILED
Hinojosa-McGlew: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick
- CA-22) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and
 Institutions Code Section 14087.38(m)) –
 APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Hinojosa-McGlew: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick
- CA-23) Report on Kern Health Systems recognition by the Department of Health Care Services for
 First and Best DUR practices (Fiscal Impact: None) –
 RECEIVED AND FILED
Hinojosa-McGlew: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick
- 24) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) –
 RECEIVED AND FILED
McGlew-Stewart: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick
- 25) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) –
 RECEIVED AND FILED
Judd-McGlew: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick
- CA-26) Proposed modifications to Kern Health Systems formulary (Fiscal Impact: None) –
 APPROVED
Hinojosa-McGlew: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick
- CA-27) Miscellaneous Documents –
 RECEIVED AND FILED
Hinojosa-McGlew: 6 Ayes; 4 Absent – Deats, Melendez, Patel, Patrick
- A) Minutes for KHS Finance Committee meeting on April 5, 2019

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

McGlew

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



To: KHS Board of Directors

From: Douglas A Hayward, CEO

Date: August 15, 2019

Re: New Building and Relocation Project Update

Background

The construction close-out phase is in process. There have been several city inspections and sign-offs. Only one final inspection remains before issuing a certificate of occupancy. The elevator area required additional work that delayed the inspection occurring sooner. Original timeframe for certificate of occupancy was expected the week of August 5. Final work is expected to be finished soon and the elevator inspection and final sign off should occur sometime during the week of August 19.

At this time, the moving schedule will not change as the delay in the building occupancy permit and remaining work should not impact the moving date. The move-in target date is still set for mid-September.

Emily Duran, Director of Provider Relations will give her final progress report on the building construction and final update on the relocation project.

Requested Action

Receive and File.



KERN HEALTH SYSTEMS

RELOCATION UPDATE

**BOARD OF DIRECTORS
AUGUST 15, 2019**



Kern Family
Health Care
The Friendly Face
of Kern Health Systems

1-800-391-2000

kernfamilyhealthcare.com

Construction Update



1-800-391-2000
kernfamilyhealthcare.com

Current Project Status

- Revised Electrical Plans Approved (8/7)
- Electrical Work to be Completed (8/8)
- Remaining IT Work Scheduled for (8/17)
- GC Currently Completing Required Elevator Components (Smoke Detector and Climate Control)
- Otis Elevator Anticipated to be Back On-Site Monday to Verify State Inspection Ready (8/12)
- State Elevator Inspection to be Scheduled During Otis Visit (required for C of O)



1-800-391-2000

kernfamilyhealthcare.com

Construction Update

- Plumbing Final Complete – (8/14)
- Gate Proximity Readers Installed Yesterday (8/7)
- Security Alarm Installation Began Yesterday (8/7)
- Monument and Directional Signs Installed Yesterday (8/7)
- Remaining Parking Lot Paving Scheduled for Friday (8/9)
- Striping Scheduled for Monday (8/12)

Construction Update

- Indoor Security Camera Installation (8/12)
- Final Clean to Begins (8/12)
- Final Punch List Items Currently in Progress
- Outdoor Security Camera Installation 70% Complete
- Cubicle Installation Ongoing
- Certificate of Occupancy delayed 2 weeks
 - Move in activities are being accommodated to avoid delay in occupancy



1-800-391-2000

kernfamilyhealthcare.com

Close-Out Timeline

Pre Certificate of Occupancy (C of O)

- Public Works Flow Test 8/12/19
- Fire Life Safety Test 8/12/19
- Electrical Final est. 8/16/19
- Elevator Inspection est. 8/16/19
- Final Certificate of Occupancy est. 8/23/19

Post Certificate of Occupancy

- Audio Visual Start 08/18/19
- I.T. Disaster Recovery Move 08/17/19
- I.T. Data Center Move 08/23/19
- Parking Lot Stenciling 08/23/19
- Office Furniture Move Starts 08/27/19
- Employee Tours 09/06/19
- Continued Move of Furniture 09/12/19
- Occupancy 09/16/19
- Decommissioning of Truxtun & Stockdale by: 09/30/19

****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: Douglas A. Hayward, CEO

Date: August 15, 2019

Re: Grand Opening/Ribbon Cutting Ceremony

Background

Plans are underway for the Grand Opening/Ribbon Cutting Ceremony of our new administrative office at 2900 Buck Owens Boulevard. The event is scheduled to take place on Tuesday, October 8, 2019 from 4-6pm.

Jacquelyn S. Jans, MBA, Marketing/Corporate Image Consultant, will provide an overview of the event including the program, guest list, food and entertainment.

Requested Action

Receive and File.



Save the Date

2900 BUCK OWENS BOULEVARD

GRAND OPENING/RIBBON CUTTING CEREMONY

TUESDAY, OCTOBER 8TH



Grand Opening/Ribbon Cutting Ceremony

Date: Tuesday, October 8, 2019

Time: 4:00-6:00pm

Program: Will begin at 4:30pm

Program Speakers:

- Larry Rhoades, KHS Board Chairman
- Doug Hayward, KHS CEO
- Resolution/Certificate Presentations: City, County, State and Federal Elected Officials or Representatives
- Master of Ceremonies: Jacquelyn Jans

Ribbon Cutting: following program (about 4:50pm)

- KHS Board Members, Doug Hayward & Elected Officials
 - Inviting Mayor Goh and Supervisor Couch to cut the ribbon.



Grand Opening/Ribbon Cutting Ceremony

Guest List: Estimating 200-250 invited guests

- **KHS Board Members**
- **KHS Executives and Directors**
- **Elected Officials (City, County, State & Federal)**
- **County Department Heads**
- **Providers**
- **Community Partners**
- **Local Business Partners**
- **Chambers of Commerce**
- **Media**



Grand Opening/Ribbon Cutting Ceremony

Food/Tour/Entertainment:

- **Passed hot and cold appetizers**
- **Beverages**
- **String Quartet – members of the Bakersfield Symphony Orchestra**
- **Opportunity to tour the first floor – Lunch Room, Member Services, Human Resources, Lobby/Reception and Board Room**
- **Photographer**



Save the Date

2900 BUCK OWENS BOULEVARD

GRAND OPENING/RIBBON CUTTING CEREMONY

TUESDAY, OCTOBER 8TH



To: KHS Board of Directors

From: Robert Landis, CFO

Date: August 15, 2019

Re: Finance Committee Recommendation of Accounting Firm to Provide Financial Audit Services for Calendar Years 2019-2021

Background

In June 2019, Kern Health Systems (“KHS”) issued a Request for Proposal (“RFP”) to provide Financial Audit Services. Daniells Phillips Vaughan & Bock has been the external independent auditors for the past five years.

Discussion

KHS received proposals to provide financial audit services for the next 3-5 calendar years beginning with calendar year 2019 from the following accounting firms:

- 1) Daniells Phillips Vaughan & Bock
- 2) Brown Armstrong
- 3) Bakertilly

Representatives from Daniells Phillips Vaughan & Bock and Brown Armstrong made presentations and answered questions at this month’s Finance Committee meeting (Bakertilly declined to attend the meeting and withdrew their bid). Attached is a Bid Matrix listing the proposed annual costs to perform the financial audit by each firm.

After careful deliberation of considering the proposals and experience of each accounting firm, the Finance Committee is recommending to the Board of Directors that the current auditing firm of Daniells Phillips Vaughan & Bock be retained by KHS to provide financial audit services for calendar years 2019-2021.

Requested Action

Approve the accounting firm Daniells Phillips Vaughan & Bock to provide financial audit services for calendar years 2019-2021 and authorize the CEO to sign the engagement letter.

KHS Bid Matrix & Decision Detail

Description of Item: Financial Audit

Bid Matrix

Date: 6/25/2019

| | | | |
|----------------------------|----------------------------------|-------------------------------------|--|
| Vendor Name | Brown Armstrong | Daniells Phillips Vaughan & Bock | Bakertilly |
| Contact | Courtney Stoller | Nancy C. Belton | Ben Gleason |
| Date of Quote | 6/24/2019 | 6/24/2019 | 6/24/2019 |
| Cost | \$47,000 | \$49,500 | \$98,000 |
| Additional Comments | Set price for next five years | Set price for next three years | Price will increase \$3,000 each year |



To: KHS Board of Directors

From: Robert Landis, CFO

Date: August 15, 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

Receive and File.

**Kern Health Systems
Investment Portfolio
June 30, 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) | \$ 2,400,000 | 1.05% | 100% | 1.50% | 1 Day | None |
| Morgan Stanley Money Market | (A) | \$ 20,300,000 | 8.88% | 20% | 1.99% | 1 Day | None |
| Local Agency Investment Fund (LAIF) | (B) | \$ 64,700,000 | 28.30% | 50% | 2.37% | 2 Days | None |
| US T-Bills at Wells Fargo | (1) | \$ 60,000,000 | 26.25% | 100% | 2.33% | 1 Day | Subject to Interest Rate Fluctuations |
| KHS Managed Portfolio at Wells Fargo | (C) | \$ 8,000,000 | 3.50% | | 2.15% | 3 Days | Subject to Interest Rate Fluctuations |
| Sub-Total | | \$ 155,400,000 | 67.98% | | 2.28% | | |

Long Term Portfolio (1 - 5 years)

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

| | | | | | | | |
|--------------------------------------|-----|-----------------------|----------------|--|--------------|--------|--|
| UBS Managed Portfolio | (D) | \$ 69,000,000 | 30.18% | | 2.11% | 3 Days | Subject to Interest Rate and Credit Fluctuations |
| KHS Managed Portfolio at Wells Fargo | (C) | \$ 4,200,000 | 1.84% | | 2.14% | 3 Days | Subject to Interest Rate and Credit Fluctuations |
| Sub-Total | | \$ 73,200,000 | 32.02% | | 2.11% | | |
| Total Portfolio | | \$ 228,600,000 | 100.00% | | 2.23% | | |

| <u>Yield Curve</u> | <u>Yield Curve</u> | | | |
|--------------------|--------------------|---------------------------|------------------------|-------------|
| | <u>Treasuries</u> | <u>AA Corporate Bonds</u> | <u>Corporate Bonds</u> | <u>CD's</u> |
| 1 year | 1.90% | 2.12% | 2.23% | 1.95% |
| 2 year | 1.75% | 2.03% | 2.12% | 2.00% |
| 3 year | 1.70% | 2.00% | 2.09% | 2.00% |
| 5 year | 1.75% | 2.23% | 2.33% | 2.15% |

- (A) \$14.5 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 \$105.7 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 July 1, 2019

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

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

Prepared for
Kern Health Systems

Accounts included in this review

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

What's inside

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| Additional information about your portfolio..... | 15 |
| Important information about this report..... | 16 |



Executive summary

as of July 01, 2019

Asset allocation review

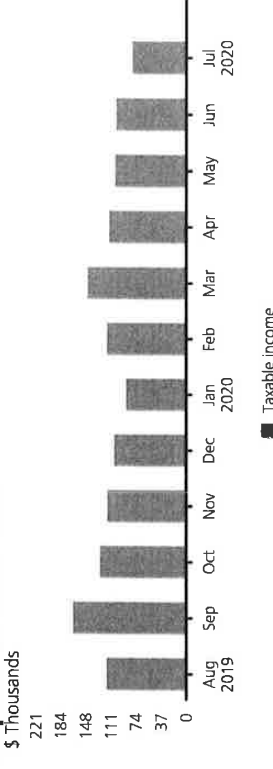
| | Value on 07/01/2019 (\$) | % of portfolio |
|--------------------------|-----------------------------|-------------------|
| A Cash | 89,207.71 | 0.13 |
| Cash | 89,207.71 | 0.13 |
| B Fixed Income | 68,875,593.11 | 99.87 |
| US | 68,875,593.11 | 99.87 |
| C Equity | 0.00 | 0.00 |
| D Commodities | 0.00 | 0.00 |
| E Non-Traditional | 0.00 | 0.00 |
| F Other | 0.00 | 0.00 |
| Total Portfolio | \$68,964,800.82 | 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: \$1,412,253.26
Total expected cash flow: \$1,412,253.26
 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

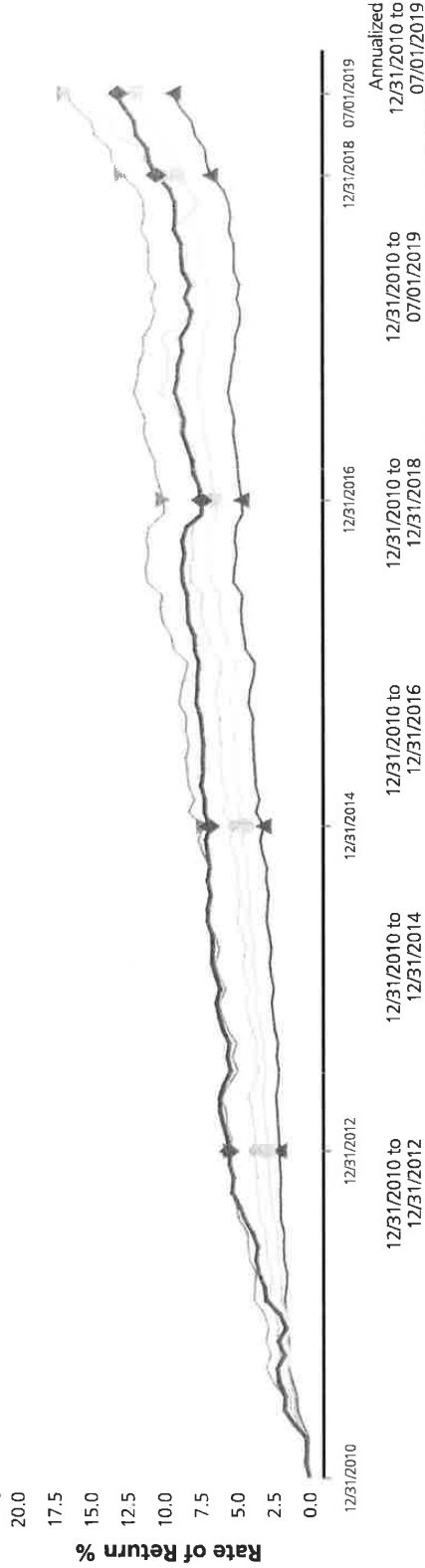
| Effective credit rating | Issues | Value on 07/01/2019 (\$) | % of port. |
|---------------------------------|-----------|--------------------------|--------------|
| A Aaa/AAA/AAA | 16 | 36,666,869.10 | 53.26 |
| B Aa/AA/AA | 6 | 7,433,251.17 | 10.78 |
| C A/A/A | 18 | 23,038,292.38 | 33.45 |
| D Baa/BBB/BBB | 2 | 868,101.57 | 1.25 |
| E Non-investment grade | 0 | 0.00 | 0.00 |
| F Certificate of deposit | 6 | 869,078.90 | 1.26 |
| G Not rated | 0 | 0.00 | 0.00 |
| Total | 48 | \$68,875,593.11 | 100% |





Cumulative performance

as of July 01, 2019



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

| Benchmarks - Time-weighted returns | |
|------------------------------------|-------|
| ◆ Net Time-weighted ROR | 13.13 |
| ● Barclays Agg Bond+ | 16.72 |
| ■ Barclays Govt/Credit 1-3Y | 11.85 |
| ▽ Barclays Govt/Credit 1-5Y | 16.83 |
| ▲ Barclays US Gov 1-3Y | 9.27 |
| | 1.05 |

+Additional benchmark information can be found on the benchmark composition page.
Past performance does not guarantee future results and current performance may be lower/higher than past data presented.
 Report created on: July 26, 2019



Bond summary

as of July 01, 2019

Bond overview

| | |
|--|-----------------|
| Total quantity | 68,546,000 |
| Total market value | \$68,519,269.99 |
| Total accrued interest | \$356,323.12 |
| Total market value plus accrued interest | \$68,875,593.11 |
| Total estimated annual bond interest | \$1,474,871.50 |
| Average coupon | 2.17% |
| Average current yield | 2.15% |
| Average yield to maturity | 2.12% |
| Average yield to worst | 2.11% |
| Average modified duration | 1.65 |
| Average effective maturity | 1.82 |

Credit quality of bond holdings

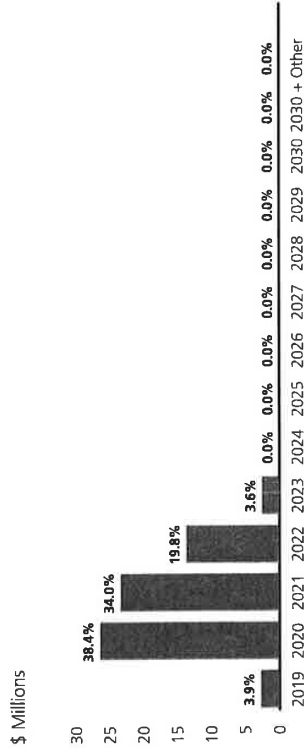
| Effective credit rating | Issues | Value on 07/01/2019 (\$) | % of port. |
|---------------------------------|-----------|--------------------------|-------------|
| A Aaa/AAA/AAA | 16 | 36,666,869.10 | 53.26 |
| B Aa/AA/AA | 6 | 7,433,251.17 | 10.78 |
| C A/A/A | 18 | 23,038,292.38 | 33.45 |
| D Baa/BBB/BBB | 2 | 868,101.57 | 1.25 |
| E Non-investment grade | 0 | 0.00 | 0.00 |
| F Certificate of deposit | 6 | 869,078.90 | 1.26 |
| G Not rated | 0 | 0.00 | 0.00 |
| Total | 48 | \$68,875,593.11 | 100% |



Investment type allocation

| Investment type | Taxable (\$) | Tax-exempt / deferred (\$) | Total (\$) | % of bond port. |
|-------------------------|------------------------|----------------------------|------------------------|-----------------|
| Certificates of deposit | 869,078.90 | 0.00 | 869,078.90 | 1.26 |
| Municipals | 2,889,850.33 | 0.00 | 2,889,850.33 | 4.20 |
| U.S. corporates | 28,449,794.78 | 0.00 | 28,449,794.78 | 41.31 |
| U.S. federal agencies | 36,184,623.90 | 0.00 | 36,184,623.90 | 52.54 |
| U.S. treasuries | 482,245.20 | 0.00 | 482,245.20 | 0.70 |
| Total | \$68,875,593.11 | \$0.00 | \$68,875,593.11 | 100% |

Bond maturity schedule



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

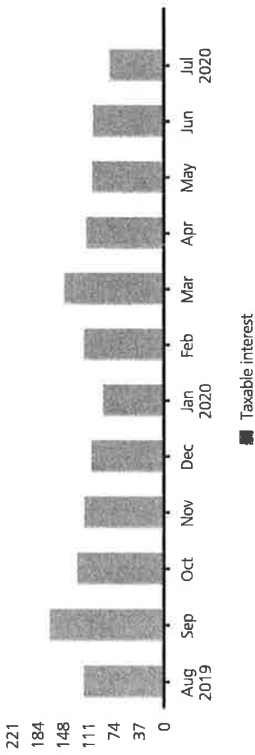
Includes all fixed income securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.
Report created on: July 26, 2019



Bond summary - as of July 01, 2019 (continued)

Expected bond cash flow

\$ Thousands



Total taxable income: \$1,412,253.26

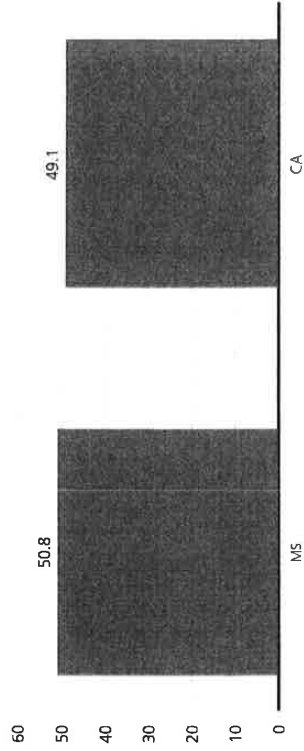
Total expected bond cash flow: \$1,412,253.26

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

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

Municipal state exposure

% of muni portfolio





Bond holdings

as of July 01, 2019

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

Summary of bond holdings

| Maturity Year | Issues | Quantity | Est. annual income (\$) | Current yield (%) | Yield to maturity (%) | Yield to worst (%) | Modified duration | Adjusted cost basis (\$) | Unrealized gain/loss (\$) | Mkt. value (\$) | % of bond portfolio maturing |
|---------------|-----------|-------------------|-------------------------|-------------------|-----------------------|--------------------|-------------------|--------------------------|---------------------------|------------------------|------------------------------|
| 2019 | 6 | 2,714,000 | 100,675.00 | 3.69% | 2.34% | 2.34% | 0.23 | 2,725,706.31 | -131.52 | 2,749,011.02 | 3.98% |
| 2020 | 20 | 26,378,000 | 566,051.00 | 2.15% | 2.14% | 2.14% | 0.99 | 26,307,217.62 | 61,115.69 | 26,484,035.69 | 38.48% |
| 2021 | 14 | 23,365,000 | 433,693.00 | 1.86% | 2.01% | 2.00% | 1.88 | 23,345,472.47 | -44,663.62 | 23,418,434.89 | 34.01% |
| 2022 | 7 | 13,589,000 | 310,702.50 | 2.28% | 2.18% | 2.13% | 2.50 | 13,581,794.43 | 42,608.61 | 13,694,919.84 | 19.88% |
| 2023 | 1 | 2,500,000 | 63,750.00 | 2.55% | 2.55% | 2.55% | 3.33 | 2,489,625 | 10,525.00 | 2,529,191.67 | 3.65% |
| 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 | 48 | 68,546,000 | \$1,474,871.50 | 2.15% | 2.12% | 2.11% | 1.65 | \$68,449,815.83 | \$69,454.16 | \$68,875,593.11 | |

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: July 26, 2019



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

Bond holdings - as of July 01, 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 | | 68,546,000 | 2.17% | 04/27/2021 | NA | \$1,474,871.50 2.15% | 1.65% 2.11% | 1.65 1.65 | \$68,449,815.8 \$69,454.16 | NA | \$68,519,269.99 \$68,875,593.11 | 100% |
| Maturing 2019 | | | | | | | | | | | | |
| FNMA NTS 01.125 % DUE 07/26/19 DTD 072616 FC 01262017 CUSIP: 3135G0M59 | Aaa/AAA/AA+ NR/NR/NR | 594,000 | 1.13% | 07/26/2019 | | 6,682.50 1.13% | 2.18% 2.18% | 0.06 | 593,109.00 451.44 | 99.926 | 593,560.44 2,877.19 | 0.87% |
| Initial Purchase Date: 08/02/2016 Original Maturity: 07/26/2019 | | | | | | | | | | | | |
| MORGAN STANLEY 05.625% 092319 DTD092309 FC032310 MMW+35BP CUSIP: 61747YCJ2 | A3/A/BBB+ NR/NR/NR | 750,000 | 5.63% | 09/23/2019 | | 42,187.50 5.59% | 2.57% 2.57% | 0.22 | 755,289.47 -166.97 | 100.683 | 755,122.50 11,484.38 | 1.10% |
| Initial Purchase Date: 08/28/2015 Original Maturity: 09/23/2019 | | | | | | | | | | | | |
| CALIFORNIA ST TAX BE/R/ 6.200 100119 DTD 101509 /CA CUSIP: 13063A7G3 | Aaa/AA-/AA- Aaa/AA-/NR | 400,000 | 6.20% | 10/01/2019 | | 24,800.00 6.14% | 2.19% 2.19% | 0.24 | 404,226.66 -274.66 | 100.988 | 403,952.00 6,200.00 | 0.59% |
| Initial Purchase Date: 12/30/2015 Original Maturity: 10/01/2019 | | | | | | | | | | | | |
| FHLMC MED TERM NTS 00.0000% DUE 100119 CUSIP: 3128X2SW6 | Aaa/AAA/AA+ NR/NR/NR | 485,000 | | 10/01/2019 | | | 2.28% 2.28% | 0.24 | 482,377.34 -132.14 | 99.432 | 482,245.20 0.00 | 0.70% |
| Initial Purchase Date: 06/03/2015 Original Maturity: 10/01/2019 | | | | | | | | | | | | |
| UNITED TECHNOLOGIES CORP 08.875% 111519 DTD111389 FC051590 DEB CUSIP: 913017ARO | Baa1/WD/BBB+ NR/NR/NR | 250,000 | 8.88% | 11/15/2019 | | 22,187.50 8.67% | 2.59% 2.59% | 0.36 | 256,945.39 -1,177.89 | 102.307 | 255,767.50 2,835.07 | 0.37% |
| Initial Purchase Date: 09/08/2016 Original Maturity: 11/15/2019 | | | | | | | | | | | | |
| DISCOVER BK GREENW DE US RT 02.0500% MAT 12/30/19 FIXED RATE CD /DE CUSIP: 254673IR8 | CD | 235,000 | 2.05% | 12/30/2019 | | 4,817.50 2.05% | 2.11% 2.11% | 0.49 | 233,758.45 1,168.70 | 99.969 | 234,927.15 39.60 | 0.34% |
| Initial Purchase Date: 11/21/2018 Original Maturity: 12/30/2019 | | | | | | | | | | | | |
| Total 2019 | | 2,714,000 | 4.53% | 09/27/2019 | | \$100,675.00 3.69% | 2.34% 2.34% | 0.23 0.23 | \$2,725,706.31 \$-131.52 | | \$2,725,574.79 \$23,436.23 | 3.98% |

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



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

Bond holdings - as of July 01, 2019 (continued)

| 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. |
|--|-----------|--------|-----------------------|-------------------------------|---|--------------------|----------------------|---|----------------------|--|-----------------------|
| Maturing 2020 | | | | | | | | | | | |
| A3/A/A NR/NR/NR | 850,000 | 2.10% | 01/10/2020 | | 17,850.00 2.10% | 2.36% 2.36% | 0.51 | 847,195.00 1,674.50 | 99.867 | 848,869.50 8,478.75 | 1.24% |
| CATERPILLAR FINL SVCS 02.100% 011020 DTD011217 FC071017 CALL@MW+12.5BP CUSIP: 14912L6Y2 Initial Purchase Date: 04/29/2019 Original Maturity: 01/10/2020 | | | | | | | | | | | |
| CD | 100,000 | 2.00% | 02/04/2020 | | 2,000.00 2.00% | 2.14% 2.14% | 0.58 | 99,161.77 755.23 | 99.917 | 99,917.00 805.48 | 0.15% |
| 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 | 240,000 | 2.45% | 02/18/2020 | | 5,880.00 2.45% | 2.15% 2.15% | 0.62 | 239,664.00 782.40 | 100.186 | 240,446.40 2,190.90 | 0.35% |
| 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 | 140,000 | 2.50% | 02/24/2020 | | 3,500.00 2.49% | 2.16% 2.16% | 0.63 | 139,790.00 516.60 | 100.219 | 140,306.60 1,227.40 | 0.20% |
| 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 | | | | | | | | | | | |
| Aaa/AAA/AA+ | 1,750,000 | 1.50% | 03/23/2020 | 09/23/2019 100.00 | 26,250.00 1.51% | 2.02% 2.02% | 0.71 | 1,748,250.00 -4,847.50 | 99.623 | 1,743,402.50 7,145.83 | 2.54% |
| 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 | | | | | | | | | | | |
| A2/A+/A- | 750,000 | 2.25% | 04/21/2020 | | 16,875.00 2.25% | 2.32% 2.32% | 0.79 | 739,950.00 9,645.00 | 99.946 | 749,595.00 3,281.25 | 1.09% |
| 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 | | | | | | | | | | | |
| A3/A-/A- | 2,000,000 | 5.15% | 04/30/2020 | | 103,000.00 5.03% | 2.34% 2.34% | 0.80 | 2,059,942.24 -14,022.24 | 102.296 | 2,045,920.00 17,452.78 | 2.99% |
| NBCUNIVERSAL MEDIA LLC 05.150% 04/30/20 DTD043011 CALL@MW+25BP CUSIP: 63946BAD2 Initial Purchase Date: 09/08/2016 Original Maturity: 04/30/2020 | | | | | | | | | | | |

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: July 26, 2019



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

Bond holdings - as of July 01, 2019 (continued)

| | Effective rating/ Underlying rating (Mdv/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$/ YTM (%) / Curr. yield (%) | YTM (%) / YTW (%) / duration | Adjusted cost basis (\$/ Unreal. gl (\$) | Market price (\$) | Mkt. value (\$/ Accr. interest (\$) | % of bond port. |
|-----------------------------------|---|-----------|--------|-----------------------|-------------------------------|--|------------------------------------|--|----------------------|--|-----------------------|
| Maturing 2020 | | | | | | | | | | | |
| QUALCOMM INC NTS B/E 02.250% | AZ/NR/A- | 2,879,000 | 2.25% | 05/20/2020 | | 64,777.50 | 0.87 | 2,882,710.93 | 99.991 | 2,878,740.89 | 4.20% |
| 052020 DTD052015 FC112015 | NR/NR/NR | | | | | 2.25% | | -3,970.04 | | 7,377.44 | |
| CUSIP: 747525AD5 | | | | | | | | | | | |
| Initial Purchase Date: 02/22/2017 | | | | | | | | | | | |
| Original Maturity: 05/20/2020 | | | | | | | | | | | |
| AMERICAN EXPRESS CRD 02.375% | A2/A/A- | 900,000 | 2.38% | 05/26/2020 | 04/25/2020 | 21,375.00 | 0.80 | 889,414.07 | 100.013 | 900,117.00 | 1.31% |
| 052620 DTD052615 FC112615 | NR/NR/NR | | | | 100.00 | 2.37% | | 10,702.93 | | 2,078.13 | |
| CORP NTS | | | | | | | | | | | |
| CUSIP: 0258M0DT3 | | | | | | | | | | | |
| Initial Purchase Date: 08/03/2018 | | | | | | | | | | | |
| Original Maturity: 05/26/2020 | | | | | | | | | | | |
| CITIBANK NA NTS B/E 02.100% | Aa3/A+/A+ | 550,000 | 2.10% | 06/12/2020 | 05/12/2020 | 11,550.00 | 0.93 | 539,005.50 | 99.840 | 549,120.00 | 0.80% |
| 061220 DTD061217 FC121217 | NR/NR/NR | | | | 100.00 | 2.10% | | 10,114.50 | | 609.58 | |
| CUSIP: 17325FAE8 | | | | | | | | | | | |
| Initial Purchase Date: 07/17/2018 | | | | | | | | | | | |
| Original Maturity: 06/12/2020 | | | | | | | | | | | |
| SYNCHRONY BANK UT US RT | CD | 99,000 | 2.15% | 06/19/2020 | | 2,128.50 | 0.95 | 98,522.82 | 99.828 | 98,829.72 | 0.14% |
| 02.1500% MAT 06/19/20 FIXED | | | | | | 2.15% | | 306.90 | | 69.98 | |
| RATE CD /UT | | | | | | | | | | | |
| CUSIP: 87165FHL1 | | | | | | | | | | | |
| Initial Purchase Date: 03/06/2019 | | | | | | | | | | | |
| Original Maturity: 06/19/2020 | | | | | | | | | | | |
| FHLMC MED TERM NTS 01.500 % | Aaa/AAA/AAA+ | 3,500,000 | 1.50% | 06/29/2020 | 09/29/2019 | 52,500.00 | 0.98 | 3,500,000.00 | 99.658 | 3,488,030.00 | 5.09% |
| DUE 062920 DTD 062916 FC | NR/NR/NR | | | | 100.00 | 1.51% | | -11,970.00 | | 291.67 | |
| 12292016 | | | | | | | | | | | |
| CUSIP: 3134G9LQ8 | | | | | | | | | | | |
| Initial Purchase Date: 06/03/2016 | | | | | | | | | | | |
| Original Maturity: 06/29/2020 | | | | | | | | | | | |
| WELLS FARGO BK NA SD US RT | CD | 50,000 | 2.80% | 06/29/2020 | | 1,400.00 | 0.98 | 50,145.29 | 100.622 | 50,311.00 | 0.07% |
| 02.8000% MAT 06/29/20 FIXED | | | | | | 2.78% | | 165.71 | | 7.67 | |
| RATE CD /SD | | | | | | | | | | | |
| CUSIP: 949763RW8 | | | | | | | | | | | |
| Initial Purchase Date: 03/06/2019 | | | | | | | | | | | |
| Original Maturity: 06/29/2020 | | | | | | | | | | | |
| INTEL CORP NTS B/E 02.450% | A1/A+/A+ | 1,750,000 | 2.45% | 07/29/2020 | | 42,875.00 | 1.04 | 1,734,110.00 | 100.289 | 1,755,057.50 | 2.56% |
| 072920 DTD072915 FC012916 | NR/NR/NR | | | | | 2.44% | | 20,947.50 | | 18,102.78 | |
| CALL@MMW+15BP | | | | | | | | | | | |
| CUSIP: 458140AQ3 | | | | | | | | | | | |
| Initial Purchase Date: 10/29/2018 | | | | | | | | | | | |
| Original Maturity: 07/29/2020 | | | | | | | | | | | |
| AMAZON COM INC NTS B/E | A3/A+/A+ | 2,500,000 | 1.90% | 08/21/2020 | | 47,500.00 | 1.11 | 2,479,925.00 | 99.709 | 2,492,725.00 | 3.64% |
| 01.900% 082120 DTD022118 | NR/NR/NR | | | | | 1.91% | | 12,800.00 | | 17,152.78 | |
| FC082118 CALL@MMW+7.5BP | | | | | | | | | | | |
| CUSIP: 023135AT3 | | | | | | | | | | | |
| Initial Purchase Date: 05/02/2019 | | | | | | | | | | | |
| Original Maturity: 08/21/2020 | | | | | | | | | | | |

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



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

Bond holdings - as of July 01, 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 | | | | | | | | | | | |
| FNMA NTS 01.350 % DJE 08/24/20 | Aaa/AAA/AA+ | 3,500,000 | 1.35% | 08/24/2020 | 08/24/2019 | 47,250.00 | 1.87% | 3,498,250.00 | 99.416 | 3,479,560.00 | 5.08% |
| DTD 08/24/16 FC 02/24/2017 | NR/NR/NR | | | | 100.00 | 1.36% | -18,690.00 | | | 16,668.75 | |
| CUSIP: 3136G3W92 | | | | | | | | | | | |
| Initial Purchase Date: 08/02/2016 | | | | | | | | | | | |
| Original Maturity: 08/24/2020 | | | | | | | | | | | |
| JP MORGAN CHASE & CO | A2/A+-A- | 1,000,000 | 2.55% | 10/29/2020 | 09/29/2020 | 25,500.00 | 2.43% | 994,430.00 | 100.148 | 1,001,480.00 | 1.46% |
| 02.550% 102920 DTD102915 | NR/NR/NR | | | | 100.00 | 2.55% | 7,050.00 | | | 4,391.67 | |
| FC042916 NTS B/E | | | | | | | | | | | |
| CUSIP: 46625HNX4 | | | | | | | | | | | |
| Initial Purchase Date: 11/04/2015 | | | | | | | | | | | |
| Original Maturity: 10/29/2020 | | | | | | | | | | | |
| BOEING CO B/E 01.650% 103020 | A2/A+ | 2,000,000 | 1.65% | 10/30/2020 | 09/30/2020 | 33,000.00 | 2.29% | 1,969,800.00 | 99.168 | 1,983,360.00 | 2.89% |
| DTD102915 FC043016 | NR/NR/NR | | | | 100.00 | 1.66% | 13,560.00 | | | 5,591.67 | |
| CALL@MW+10BP | | | | | | | | | | | |
| CUSIP: 097023BM6 | | | | | | | | | | | |
| Initial Purchase Date: 05/03/2019 | | | | | | | | | | | |
| Original Maturity: 10/30/2020 | | | | | | | | | | | |
| PNC BK NTS B/E 02.450% 110520 | A2/A+ | 320,000 | 2.45% | 11/05/2020 | 10/05/2020 | 7,840.00 | 2.31% | 316,736.00 | 100.186 | 320,595.20 | 0.47% |
| DTD110315 FC050516 | NR/NR/NR | | | | 100.00 | 2.45% | 3,859.20 | | | 1,219.56 | |
| CUSIP: 69353REU8 | | | | | | | | | | | |
| Initial Purchase Date: 01/29/2019 | | | | | | | | | | | |
| Original Maturity: 11/05/2020 | | | | | | | | | | | |
| VISA INC NTS B/E 02.200% 121420 | Aa3/NR/AA- | 1,500,000 | 2.20% | 12/14/2020 | 11/14/2020 | 33,000.00 | 2.11% | 1,480,215.00 | 100.130 | 1,501,950.00 | 2.19% |
| DTD121415 FC061416 | NR/NR/NR | | | | 100.00 | 2.20% | 21,735.00 | | | 1,558.33 | |
| CALL@MW+10BP | | | | | | | | | | | |
| CUSIP: 92826CAB8 | | | | | | | | | | | |
| Initial Purchase Date: 04/05/2018 | | | | | | | | | | | |
| Original Maturity: 12/14/2020 | | | | | | | | | | | |
| Total 2020 | | 26,378,000 | 2.15% | 07/12/2020 | | \$566,051.00 | 2.14% | \$26,307,217.6 | | \$26,368,333.31 | 38.48% |
| | | | | | | 2.15% | 2.14% | \$61,115.69 | | \$115,702.38 | |
| Maturing 2021 | | | | | | | | | | | |
| ANHEUSER BUSCH INBEV FIN | Baa1/BBB/A- | 600,000 | 2.65% | 02/01/2021 | 01/01/2021 | 15,900.00 | 2.34% | 591,840.00 | 100.479 | 602,874.00 | 0.88% |
| 02.650% 020121 DTD012516 | NR/NR/NR | | | | 100.00 | 2.64% | 11,034.00 | | | 6,625.00 | |
| FC080116 CALL@MW+20BP | | | | | | | | | | | |
| CUSIP: 035242A15 | | | | | | | | | | | |
| Initial Purchase Date: 05/16/2018 | | | | | | | | | | | |
| Original Maturity: 02/01/2021 | | | | | | | | | | | |

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: July 26, 2019



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

Bond holdings - as of July 01, 2019 (continued)

| Underlying (Mg)/Fitch/S&P | Effective rating/ (Mg)/Fitch/S&P | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%) | YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. gf (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
|-----------------------------------|----------------------------------|-----------|--------|--------------------|----------------------------|--|---------|---------|-------------------|---|-------------------|--------------------------------------|-----------------|
| Maturing 2021 | | | | | | | | | | | | | |
| FFCB BOND 01.470 % DUE 02/17/21 | Aaa/AAA/AA+ | 4,500,000 | 1.47% | 02/17/2021 | | 66,150.00 | 1.88% | 1.88% | 1.59 | 4,496,625.00 | 99.349 | 4,470,705.00 | 6.52% |
| DTD 081716 FC 02172017 | NR/NR/NR | | | | | 1.48% | | | | -25,920.00 | | 24,622.50 | |
| CUSIP: 3133EGRN7 | | | | | | | | | | | | | |
| Initial Purchase Date: 08/12/2016 | | | | | | | | | | | | | |
| Original Maturity: 02/17/2021 | | | | | | | | | | | | | |
| FHLMC MED TERM NTS 01.500 % | Aaa/AAA/AA+ | 3,525,000 | 1.50% | 03/30/2021 | 09/30/2019 | 52,875.00 | 1.91% | 1.91% | 1.70 | 3,524,118.75 | 99.295 | 3,500,148.75 | 5.11% |
| DUE 033021 DTD 093016 FC | NR/NR/NR | | | | 100.00 | 1.51% | 1.91% | | | -23,970.00 | | 13,365.63 | |
| CUSIP: 3134GAEE0 | | | | | | | | | | | | | |
| Initial Purchase Date: 09/08/2016 | | | | | | | | | | | | | |
| Original Maturity: 03/30/2021 | | | | | | | | | | | | | |
| GENL DYNAMICS CORP NTS | A2/WDA+ | 1,000,000 | 3.00% | 05/11/2021 | | 30,000.00 | 2.13% | 2.13% | 1.79 | 994,790.00 | 101.576 | 1,015,760.00 | 1.48% |
| 03.000% 051121 DTD051118 | NR/NR/NR | | | | | 2.95% | 2.13% | | | 20,970.00 | | 4,166.67 | |
| FC111118 CALL@MW+10BP | | | | | | | | | | | | | |
| CUSIP: 369550BE7 | | | | | | | | | | | | | |
| Initial Purchase Date: 10/30/2018 | | | | | | | | | | | | | |
| Original Maturity: 05/11/2021 | | | | | | | | | | | | | |
| BURLINGTON NTHN SANTA FE | A3/NR/A+ | 1,000,000 | 4.10% | 06/01/2021 | 03/01/2021 | 41,000.00 | 2.69% | 2.49% | 1.58 | 1,030,934.66 | 102.622 | 1,026,220.00 | 1.50% |
| 04.100% 060121 DTD051911 | NR/NR/NR | | | | 100.00 | 4.00% | | | | -4,714.66 | | 3,416.67 | |
| CALL@MW +15BP CORP NTS | | | | | | | | | | | | | |
| CUSIP: 12189LAD3 | | | | | | | | | | | | | |
| Initial Purchase Date: 02/22/2017 | | | | | | | | | | | | | |
| Original Maturity: 06/01/2021 | | | | | | | | | | | | | |
| PRIZER INC NTS B/E 01.950% | A1/A+AA | 1,070,000 | 1.95% | 06/03/2021 | | 20,865.00 | 2.13% | 2.13% | 1.87 | 1,065,645.10 | 99.667 | 1,066,436.90 | 1.56% |
| 060321 DTD060316 FC120316 | NR/NR/NR | | | | | 1.96% | 2.13% | | | 791.80 | | 1,622.83 | |
| CALL@MW+10BP | | | | | | | | | | | | | |
| CUSIP: 717081DX8 | | | | | | | | | | | | | |
| Initial Purchase Date: 06/14/2019 | | | | | | | | | | | | | |
| Original Maturity: 06/03/2021 | | | | | | | | | | | | | |
| FNMA NTS 01.530 % DUE 07/2821 | Aaa/AAA/AA+ | 3,750,000 | 1.53% | 07/28/2021 | 07/28/2019 | 57,375.00 | 1.81% | 1.81% | 2.01 | 3,750,000.00 | 99.438 | 3,728,925.00 | 5.44% |
| DTD 072816 FC 07282017 | NR/NR/NR | | | | 100.00 | 1.54% | 1.81% | | | -21,075.00 | | 24,384.38 | |
| CUSIP: 3136G3S97 | | | | | | | | | | | | | |
| 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 | 1.88% | 1.88% | 2.10 | 499,375.00 | 99.294 | 496,470.00 | 0.72% |
| DTD 090116 FC 03012017 | NR/NR/NR | | | | | 1.56% | 1.88% | | | -2,905.00 | | 2,583.33 | |
| CUSIP: 3130A9BJ9 | | | | | | | | | | | | | |
| Initial Purchase Date: 09/08/2016 | | | | | | | | | | | | | |
| Original Maturity: 09/01/2021 | | | | | | | | | | | | | |
| LOS ANG CAL TAX SR A | A2/NR/NR | 1,000,000 | 2.15% | 09/01/2021 | | 21,500.00 | 2.17% | 2.17% | 2.09 | 994,250.00 | 99.967 | 999,670.00 | 1.46% |
| 2.150 090121 DTD 122116/CA | A-a2/NR/NR | | | | | 2.15% | 2.17% | | | 5,420.00 | | 7,166.67 | |
| CUSIP: 544351KQ1 | | | | | | | | | | | | | |
| Initial Purchase Date: 12/23/2016 | | | | | | | | | | | | | |
| Original Maturity: 09/01/2021 | | | | | | | | | | | | | |

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: July 26, 2019



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Bond holdings - as of July 01, 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 2021 | | | | | | | | | | | |
| ORACLE CORP NTS B/E 01.9000% 091521 DTD070716 FC031517 CALL@MW+15BP CUSIP: 68389XBKO Initial Purchase Date: 05/03/2019 Original Maturity: 09/15/2021 CISCO SYSTEMS INC B/E 01.8500% 092021 DTD092016 FC032017 CALL@MW+10BP CUSIP: 17275RBJ0 Initial Purchase Date: 09/15/2017 Original Maturity: 09/20/2021 FHLB BOND 01.520 % DUE 092321 DTD 092316 FC 03232017 CUSIP: 3130A9FB2 Initial Purchase Date: 09/27/2016 Original Maturity: 09/23/2021 FHLB BOND 01.600 % DUE 092721 DTD 092716 FC 03272017 CUSIP: 3130A9JZ5 Initial Purchase Date: 09/27/2016 Original Maturity: 09/27/2021 MISSISSIPPI ST TAX SR G BE/R/ 2.470 110121 DTD 120815 /MS CUSIP: 605581GN1 Initial Purchase Date: 02/22/2017 Original Maturity: 11/01/2021 | A1/AAA- NR/NRNR | 1,425,000 | 1.90% | 09/15/2021 | 08/15/2021 100.00 | 27,075.00 1.91% | 2.17% 2.17% | 1,399,934.25 16,829.25 | 99.422 | 1,416,763.50 7,972.08 | 2.07% |
| | A1/NR/AA- NR/NRNR | 1,000,000 | 1.85% | 09/20/2021 | 08/20/2021 100.00 | 18,500.00 1.86% | 2.14% 2.14% | 993,660.00 160.00 | 99.382 | 993,820.00 5,190.28 | 1.45% |
| | Aaa/NR/AA+ NR/NRNR | 2,290,000 | 1.52% | 09/23/2021 | | 34,808.00 1.54% | 2.06% 2.06% | 2,289,150.00 -25,736.90 | 98.839 | 2,263,413.10 9,475.51 | 3.30% |
| | Aaa/NR/AA+ NR/NRNR | 255,000 | 1.60% | 09/27/2021 | | 4,080.00 1.61% | 2.01% 2.01% | 255,000.00 -2,289.90 | 99.102 | 252,710.10 1,065.33 | 0.37% |
| | Aa2/AAA Aa2/AA/NR | 1,450,000 | 2.47% | 11/01/2021 | | 35,815.00 2.44% | 1.96% 1.96% | 1,460,149.71 6,742.79 | 101.165 | 1,466,892.50 5,969.17 | 2.14% |
| Total 2021 | | 23,365,000 | 1.86% | 06/16/2021 | | \$433,693.00 1.86% | 2.01% 2.00% | \$23,345,472.4 \$-44,663.62 | | \$23,300,808.85 \$117,626.04 | 34.01% |
| Maturing 2022 | | | | | | | | | | | |
| APPLE INC NTS B/E 02.5000% 020922 DTD020917 FC080917 CALL@MW+10BP CUSIP: 037833CM0 Initial Purchase Date: 02/22/2017 Original Maturity: 02/09/2022 | Aa1/NR/AA+ NR/NRNR | 2,000,000 | 2.50% | 02/09/2022 | 01/09/2022 100.00 | 50,000.00 2.47% | 2.40% 2.07% | 2,003,126.23 18,033.77 | 101.058 | 2,021,160.00 19,722.22 | 2.95% |

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



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Bond holdings - as of July 01, 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. gl (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
|-----------------------------------|---|-------------------|--------------|-----------------------|-------------------------------|--|--------------------------------|---|----------------------|---|-----------------------|
| | | | | | | | | | | | |
| Maturing 2022 | | | | | | | | | | | |
| PEPSICO INC NTS B/E 02.250% | A1/AAA+ | 1,089,000 | 2.25% | 05/02/2022 | 04/02/2022 | 24,502.50 | 2.64 | 1,087,301.16 | 100.436 | 1,093,748.04 | 1.60% |
| 050222 DTD050217 FC110217 | NR/NR/NR | | | | 100.00 | 2.24% | | 6,446.88 | | 4,015.69 | |
| CALL@MW+10BP | | | | | | | | | | | |
| 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 | 2.74 | 1,017,467.04 | 101.683 | 1,016,830.00 | 1.48% |
| 052022 DTD052015 FC112015 | NR/NR/NR | | | | | 2.95% | | -637.04 | | 3,416.67 | |
| CALL@MW+15BP | | | | | | | | | | | |
| CUSIP: 747525AE3 | | | | | | | | | | | |
| Initial Purchase Date: 09/15/2017 | | | | | | | | | | | |
| Original Maturity: 05/20/2022 | | | | | | | | | | | |
| FHLB NTS 02.000 % DUE 090122 | Aaa/NR/AA+ | 3,000,000 | 2.00% | 09/01/2022 | | 60,000.00 | 3.03 | 2,988,750.00 | 100.001 | 3,000,030.00 | 4.38% |
| DTD 090117 FC 03012018 | NR/NR/NR | | | | | 2.00% | | 11,280.00 | | 20,000.00 | |
| CUSIP: 3130ACD84 | | | | | | | | | | | |
| Initial Purchase Date: 09/26/2017 | | | | | | | | | | | |
| Original Maturity: 09/01/2022 | | | | | | | | | | | |
| FFCB BOND 02.100 % DUE 092622 | Aaa/AAA/AA+ | 2,000,000 | 2.10% | 09/26/2022 | | 42,000.00 | 3.09 | 1,999,000.00 | 100.003 | 2,000,060.00 | 2.92% |
| DTD 092617 FC 03262018 | NR/NR/NR | | | | | 2.10% | | 1,060.00 | | 11,083.33 | |
| CUSIP: 3133EHX44 | | | | | | | | | | | |
| Initial Purchase Date: 09/26/2017 | | | | | | | | | | | |
| Original Maturity: 09/26/2022 | | | | | | | | | | | |
| FFCB BOND 02.160 % DUE 101122 | Aaa/AAA/AA+ | 2,500,000 | 2.16% | 10/11/2022 | | 54,000.00 | 3.13 | 2,495,150.00 | 99.623 | 2,490,575.00 | 3.63% |
| DTD 101117 FC 04112018 | NR/NR/NR | | | | | 2.17% | | -4,575.00 | | 12,000.00 | |
| CUSIP: 3133EHE58 | | | | | | | | | | | |
| Initial Purchase Date: 10/17/2017 | | | | | | | | | | | |
| Original Maturity: 10/11/2022 | | | | | | | | | | | |
| FHLB BOND 02.510 % DUE 122922 | Aaa/NR/AA+ | 2,000,000 | 2.51% | 12/29/2022 | 09/29/2019 | 50,200.00 | 0.24 | 1,991,000.00 | 100.100 | 2,002,000.00 | 2.92% |
| DTD 122917 FC 06292018 | NR/NR/NR | | | | 100.00 | 2.51% | | 11,000.00 | | 278.89 | |
| CUSIP: 3130AD6W7 | | | | | | | | | | | |
| Initial Purchase Date: 01/26/2018 | | | | | | | | | | | |
| Original Maturity: 12/29/2022 | | | | | | | | | | | |
| Total 2022 | | 13,589,000 | 2.29% | 08/13/2022 | | \$310,702.50 | 2.18% | \$13,581,794.4 | | \$13,624,403.04 | 19.88% |
| | | | | | | 2.28% | 2.13% | \$42,608.61 | | \$70,516.80 | |
| Maturing 2023 | | | | | | | | | | | |
| FFCB BOND 02.550 % DUE 011723 | Aaa/AAA/AA+ | 2,500,000 | 2.55% | 01/17/2023 | | 63,750.00 | 3.33 | 2,489,625.00 | 100.006 | 2,500,150.00 | 3.65% |
| DTD 011718 FC 07172018 | NR/NR/NR | | | | | 2.55% | | 10,525.00 | | -29,041.67 | |
| CUSIP: 3133EH7C1 | | | | | | | | | | | |
| Initial Purchase Date: 01/26/2018 | | | | | | | | | | | |
| Original Maturity: 01/17/2023 | | | | | | | | | | | |
| Total 2023 | | 2,500,000 | 2.55% | 01/17/2023 | | \$63,750.00 | 3.33 | \$2,489,625.00 | | \$2,500,150.00 | 3.65% |
| | | | | | | 2.55% | 2.55% | \$10,525.00 | | \$29,041.67 | |

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



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 Risk profile: Conservative
 Return Objective: Current Income

Bond holdings - as of July 01, 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. |
|---|-------------------|--------------|-----------------------|-------------------------------|--|-----------------------------------|--|----------------------|---|-----------------------|
| | 68,546,000 | 2.17% | 04/27/2021 | NA | \$1,474,871.50 2.15% | 1.65 2.12% | \$68,449,815.8 \$69,454.16 | NA | \$68,519,269.99 \$356,323.12 | 100% |
| Total Bond Portfolio | | | | | | | | | \$68,875,593.11 | |

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: July 26, 2019



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Additional information about your portfolio

as of July 01, 2019

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

| Performance | Start date to | ITD |
|-------------|---------------|-------|
| Start date | 07/01/2019 | |
| 12/08/2008 | | 2.65% |

Account EB 02120

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.

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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 weighs 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 1/31/2010 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 1/31/2010, 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 maybe subject to review and revision.

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

cannot invest directly in the indices. Market index data 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 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.

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 indexes. 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 programs fees (including wrap fees) and other fees.

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

Performance Start Date Changes: The Performance Start Date for accounts marked with a '*' 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 purchase or sell decisions, for tax purposes or otherwise. See your monthly statement for additional information.

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS accounts statement for important information regarding the pricing 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 undclassified, 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 to 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 unavailable cost basis, the gain/loss for these positions are excluded in the calculation for the Gain/Loss. As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms when preparing your tax return. See your monthly statement for additional information.

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

Account 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 04/01/2019-06/30/2019, Call/Redemption

Your Financial Advisor
THE COHEN GROUP
Phone: 561-663-2100/561-663-8022

| Entry Date | Settle Date | Activity | Description | Security# | Quantity | Price/Detail | Amount |
|------------|-------------|-----------------|---|-----------|----------------|--------------|--------------|
| 06/06/19 | 06/06/19 | CALL REDEMPTION | FFCB BOND 02.730 % DUE 021422 | FA6MIQ6 | -900,000.000 | REDEMPTION | 900,000.00 |
| 05/02/19 | 05/02/19 | CALL REDEMPTION | FHLB BOND 03.050 % DUE 110220 | FC0E60 | -3,250,000.000 | REDEMPTION | 3,250,000.00 |
| 05/01/19 | 05/01/19 | CALL REDEMPTION | CALIFORNIA ST TAX BE/R | 652VN5 | -2,500,000.000 | REDEMPTION | 2,500,000.00 |
| 04/22/19 | 04/22/19 | CALL REDEMPTION | E I DU PONT DE NEMOURS 04.250% 040121 DTD032511 | 6242K5 | -250,000.000 | REDEMPTION | 257,991.89 |
| 04/22/19 | 04/22/19 | CALL REDEMPTION | E I DU PONT DE NEMOURS 03.625% 011521 DTD092310 | 6209E5 | -400,000.000 | REDEMPTION | 407,018.83 |
| 04/05/19 | 04/05/19 | CALL REDEMPTION | FFCB BOND 01.030 % DUE 040519 | F06GM0 | -5,000,000.000 | REDEMPTION | 5,000,000.00 |

Filtered by: Entry Date 04/01/2019-06/30/2019, Bought

| Entry Date | Settle Date | Activity | Description | Security# | Quantity | Price/Detail | Amount |
|------------|-------------|----------|---|-----------|---------------|--------------|---------------|
| 06/14/19 | 06/18/19 | BOUGHT | PFIZER INC NTS B/E 01.950% 060321 DTD060316 | 825DQ4 | 1,070,000.000 | \$99.593 | -1,066,514.48 |
| 05/03/19 | 05/07/19 | BOUGHT | BOEING CO B/E 01.650% 103020 DTD102915 | 661FZ4 | 2,000,000.000 | \$98.490 | -1,970,441.67 |
| 05/03/19 | 05/07/19 | BOUGHT | ORACLE CORP NTS B/E 01.900% 091521 DTD070716 | 813C11 | 1,425,000.000 | \$98.241 | -1,403,845.08 |
| 05/02/19 | 05/06/19 | BOUGHT | AMAZON COM INC NTS B/E 01.900% 082120 DTD022118 | 677TE3 | 2,500,000.000 | \$99.197 | -2,489,820.83 |
| 04/29/19 | 05/01/19 | BOUGHT | CATERPILLAR FINL SVCS 02.100% 011020 DTD011217 | 671DGG9 | 850,000.000 | \$99.670 | -852,698.75 |

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 **June 30, 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.

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

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

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

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

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

Financial Statements: WFS financial statements are available upon request.

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

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

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

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

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

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

KERN HEALTH SYSTEMS
Account Number: 1AB84780

Statement Ending: **June 30, 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 | | | | | | | | |
| 912796VJ5 | UNITED STATES TREASURY BILL | 07/02/19 | 0.000% | 20,000,000.000 | 99.9946 | 19,998,920.00 | | |
| 912796RW1 | UNITED STATES TREASURY BILL | 07/05/19 | 0.000% | 25,000,000.000 | 99.9783 | 24,994,582.75 | | |
| 912796VK2 | UNITED STATES TREASURY BILL | 07/09/19 | 0.000% | 15,000,000.000 | 99.9570 | 14,993,550.00 | | |
| 29101BUB6 | EMERSON ELECTRIC CO 4(2) DISCOUNTED COMMERCIAL PAPER | 07/11/19 | 0.000% | 3,000,000.000 | 99.9152 | 2,997,457.41 | | |
| 02665WBE0 | AMERICAN HONDA FINANCE | 07/12/19 | 1.200% | 1,000,000.000 | 99.9536 | 999,535.83 | | N |
| 0258M0DP1 | AMERICAN EXPRESS CREDIT | 08/15/19 | 2.250% | 4,000,000.000 | 99.9774 | 3,999,095.88 | | N |
| 43815HAB3 | HAROT 2018-3 A2 | 12/21/20 | 2.670% | 1,224,037.900 2,000,000.000 | 100.1250 | 1,225,567.58 | | |
| 17305EGB5 | CCCIT 2017-A3 A3 | 04/07/22 | 1.920% | 3,000,000.000 | 99.7896 | 2,993,687.40 | | N |
| | | | | 72,224,037.900 | | 72,202,396.85 | 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 | | | | | | | | | |
| 05/31/19 | 06/04/19 | Security Receipt | 17305EGB5 | CCCIT 2017-A3 A3 | 3,000,000.00 | 99.5703125 | (2,987,109.38) | (9,120.00) | (2,996,229.38) |
| 05/30/19 | 06/04/19 | Security Receipt | 912796VJ5 | UNITED STATES TREASURY BILL | 20,000,000.00 | 99.8242220 | (19,964,844.44) | 0.00 | (19,964,844.44) |
| 06/05/19 | 06/05/19 | Security Receipt | 912796VG1 | UNITED STATES TREASURY BILL | 10,000,000.00 | 99.9194720 | (9,991,947.22) | 0.00 | (9,991,947.22) |
| 06/05/19 | 06/06/19 | Security Receipt | 912796VF3 | UNITED STATES TREASURY BILL | 15,000,000.00 | 99.9690280 | (14,995,354.17) | 0.00 | (14,995,354.17) |
| 06/05/19 | 06/06/19 | Security Receipt | 912796VH9 | UNITED STATES TREASURY BILL | 15,000,000.00 | 99.8823060 | (14,982,345.83) | 0.00 | (14,982,345.83) |
| 06/10/19 | 06/11/19 | Security Receipt | 912796VK2 | UNITED STATES TREASURY BILL | 15,000,000.00 | 99.8238330 | (14,973,575.00) | 0.00 | (14,973,575.00) |
| 06/13/19 | 06/13/19 | Security Receipt | 29101BUB6 | EMERSON ELECTRIC CO 4(2) | 3,000,000.00 | 99.8195560 | (2,994,586.67) | 0.00 | (2,994,586.67) |
| 06/17/19 | 06/18/19 | Security Receipt | 50000ETT1 | KOCH INDUSTRIES INC DISCOUNTED | 3,000,000.00 | 99.9420000 | (2,998,260.00) | 0.00 | (2,998,260.00) |
| 06/25/19 | 06/27/19 | Security Receipt | 0258M0DP1 | AMERICAN EXPRESS CREDIT | 4,000,000.00 | 99.9970000 | (3,999,860.00) | (33,000.00) | (4,032,860.00) |

Income / Payment Activity USD

| | | | | | | | | | |
|----------|----------|---------|-----------|-----------------------------|--|--|---------------|--|---------------|
| 06/04/19 | 06/04/19 | Matured | 912796VE6 | UNITED STATES TREASURY BILL | | | 20,000,000.00 | | 20,000,000.00 |
| 06/11/19 | 06/11/19 | Matured | 912796VF3 | UNITED STATES TREASURY BILL | | | 15,000,000.00 | | 15,000,000.00 |
| 06/14/19 | 06/14/19 | Matured | 63866CTE4 | NATIONWIDE LIFE INS CO 4(2) | | | 3,000,000.00 | | 3,000,000.00 |



Statement Ending: June 30, 2019

KERN HEALTH SYSTEMS
Account Number: 1AB84780

Daily Account Activity (Continued)

Your investment transactions during this statement period.

| Transaction / Trade Date | Settlement / Effective Date | Activity | Security ID | Description | Par / Quantity | Price | Principal Amount | Income Amount | Debit / Credit Amount |
|--------------------------------------|-----------------------------|----------|-------------|--------------------------------|----------------|-------|------------------|---------------|-----------------------|
| Income / Payment Activity USD | | | | | | | | | |
| 06/17/19 | 06/17/19 | Matured | 50000ETH7 | KOCH INDUSTRIES INC DISCOUNTED | | | 3,000,000.00 | | 3,000,000.00 |
| 06/18/19 | 06/18/19 | Matured | 45113VTJ9 | IBM CREDIT LLC 4(2) DISCOUNTED | | | 3,000,000.00 | | 3,000,000.00 |
| 06/18/19 | 06/18/19 | Matured | 912796VG1 | UNITED STATES TREASURY BILL | | | 10,000,000.00 | | 10,000,000.00 |
| 06/21/19 | 06/21/19 | Paydown | 43815HAB3 | HAROT 2018-3 A2 | | | 151,893.70 | | 151,893.70 |
| 06/21/19 | 06/21/19 | Interest | 43815HAB3 | HAROT 2018-3 A2 | | | | 3,061.45 | 3,061.45 |
| 06/25/19 | 06/25/19 | Matured | 912796VH9 | UNITED STATES TREASURY BILL | | | 15,000,000.00 | | 15,000,000.00 |
| 06/27/19 | 06/27/19 | Matured | 50000ETT1 | KOCH INDUSTRIES INC DISCOUNTED | | | 3,000,000.00 | | 3,000,000.00 |

Cash Activity USD

| Transaction / Trade Date | Settlement / Eff. Date | Activity | Description | Debit Amount / Disbursements | Credit Amount / Receipts |
|--------------------------|------------------------|---------------------|----------------|------------------------------|--------------------------|
| 06/04/19 | 06/04/19 | ACH/DDA Transaction | DESIGNATED DDA | 8,000,000.00 | |
| 06/05/19 | 06/05/19 | ACH/DDA Transaction | DESIGNATED DDA | 3,600,000.00 | |
| 06/05/19 | 06/05/19 | ACH/DDA Transaction | DESIGNATED DDA | | 15,000,000.00 |
| 06/05/19 | 06/05/19 | ACH/DDA Transaction | DESIGNATED DDA | | 36,000,000.00 |
| 06/06/19 | 06/06/19 | ACH/DDA Transaction | DESIGNATED DDA | | 15,000,000.00 |
| 06/08/19 | 06/08/19 | ACH/DDA Transaction | DESIGNATED DDA | | 2,000,000.00 |
| 06/08/19 | 06/08/19 | ACH/DDA Transaction | DESIGNATED DDA | 7,000,000.00 | |
| 06/11/19 | 06/11/19 | ACH/DDA Transaction | DESIGNATED DDA | 5,000,000.00 | |
| 06/12/19 | 06/12/19 | ACH/DDA Transaction | DESIGNATED DDA | 3,000,000.00 | |
| 06/13/19 | 06/13/19 | ACH/DDA Transaction | DESIGNATED DDA | 5,000,000.00 | |
| 06/17/19 | 06/17/19 | ACH/DDA Transaction | DESIGNATED DDA | 8,000,000.00 | |
| 06/18/19 | 06/18/19 | ACH/DDA Transaction | DESIGNATED DDA | 7,000,000.00 | |
| 06/19/19 | 06/19/19 | ACH/DDA Transaction | DESIGNATED DDA | | 6,000,000.00 |
| 06/21/19 | 06/21/19 | ACH/DDA Transaction | DESIGNATED DDA | 5,000,000.00 | |
| 06/25/19 | 06/25/19 | ACH/DDA Transaction | DESIGNATED DDA | 15,000,000.00 | |
| 06/28/19 | 06/28/19 | ACH/DDA Transaction | DESIGNATED DDA | | |

Money Market Fund Activity

| Morgan Stan TreasSvc 8314 | Dividend paid this period | 7 day* simple yield | 30 day* simple yield |
|---------------------------|---------------------------|---------------------|----------------------|
| *As of June 30, 2019 | | | |
| USD | 60,865.37 | 2.130% | 2.180% |

| Transaction Date | Activity | Shares | Price | Market Value (\$) | Dividend Amount | Share Balance |
|------------------|--------------------------|--------|---------------|----------------------|-----------------|-------------------------|
| | Beginning Balance | | 1.0000 | 28,580,583.19 | | 28,580,583.19000 |

KERN HEALTH SYSTEMS
Account Number: 1AB84780

Money Market Fund Activity (Continued)

| Transaction Date | Activity | Shares | Price | Market Value (\$) | Dividend Amount | Share Balance |
|------------------|-----------------------|--------------------|---------------|----------------------|-----------------|-------------------------|
| 06/03/19 | Reinvest | 60,865.37000 | | | 60,865.37 | 28,641,448.56000 |
| 06/04/19 | Redemption | (2,961,073.82000) | | (2,961,073.82) | | 25,680,374.74000 |
| 06/04/19 | Redemption | (8,000,000.00000) | | (8,000,000.00) | | 17,680,374.74000 |
| 06/05/19 | Purchase | 36,000,000.00000 | | 36,000,000.00 | | 53,680,374.74000 |
| 06/05/19 | Purchase | 15,000,000.00000 | | 15,000,000.00 | | 68,680,374.74000 |
| 06/05/19 | Redemption | (3,600,000.00000) | | (3,600,000.00) | | 65,080,374.74000 |
| 06/05/19 | Redemption | (9,991,947.22000) | | (9,991,947.22) | | 55,088,427.52000 |
| 06/06/19 | Redemption | (29,977,700.00000) | | (29,977,700.00) | | 25,110,727.52000 |
| 06/06/19 | Purchase | 15,000,000.00000 | | 15,000,000.00 | | 40,110,727.52000 |
| 06/06/19 | Purchase | 2,000,000.00000 | | 2,000,000.00 | | 42,110,727.52000 |
| 06/11/19 | Purchase | 26,425.00000 | | 26,425.00 | | 42,137,152.52000 |
| 06/11/19 | Redemption | (7,000,000.00000) | | (7,000,000.00) | | 35,137,152.52000 |
| 06/12/19 | Redemption | (5,000,000.00000) | | (5,000,000.00) | | 30,137,152.52000 |
| 06/13/19 | Redemption | (3,000,000.00000) | | (3,000,000.00) | | 27,137,152.52000 |
| 06/13/19 | Redemption | (2,994,586.67000) | | (2,994,586.67) | | 24,142,565.85000 |
| 06/14/19 | Purchase | 3,000,000.00000 | | 3,000,000.00 | | 27,142,565.85000 |
| 06/17/19 | Purchase | 3,000,000.00000 | | 3,000,000.00 | | 30,142,565.85000 |
| 06/17/19 | Redemption | (5,000,000.00000) | | (5,000,000.00) | | 25,142,565.85000 |
| 06/18/19 | Purchase | 10,001,740.00000 | | 10,001,740.00 | | 35,144,305.85000 |
| 06/18/19 | Redemption | (8,000,000.00000) | | (8,000,000.00) | | 27,144,305.85000 |
| 06/19/19 | Redemption | (7,000,000.00000) | | (7,000,000.00) | | 20,144,305.85000 |
| 06/21/19 | Purchase | 154,955.15000 | | 154,955.15 | | 20,299,261.00000 |
| 06/21/19 | Purchase | 6,000,000.00000 | | 6,000,000.00 | | 26,299,261.00000 |
| 06/25/19 | Purchase | 15,000,000.00000 | | 15,000,000.00 | | 41,299,261.00000 |
| 06/25/19 | Redemption | (5,000,000.00000) | | (5,000,000.00) | | 36,299,261.00000 |
| 06/27/19 | Redemption | (1,032,880.00000) | | (1,032,880.00) | | 35,266,381.00000 |
| 06/28/19 | Redemption | (15,000,000.00000) | | (15,000,000.00) | | 20,266,381.00000 |
| | Ending Balance | | 1.0000 | 20,266,381.00 | | 20,266,381.00000 |





**CALIFORNIA STATE TREASURER
FIONA MA, CPA**



PMIA Performance Report

| Date | Daily Yield* | Quarter to Date Yield | Average Maturity (in days) |
|----------|--------------|-----------------------|----------------------------|
| 06/24/19 | 2.41 | 2.44 | 166 |
| 06/25/19 | 2.40 | 2.44 | 167 |
| 06/26/19 | 2.41 | 2.44 | 168 |
| 06/27/19 | 2.41 | 2.44 | 169 |
| 06/28/19 | 2.40 | 2.44 | 174 |
| 06/29/19 | 2.40 | 2.44 | 174 |
| 06/30/19 | 2.39 | 2.44 | 173 |
| 07/01/19 | 2.40 | 2.40 | 180 |
| 07/02/19 | 2.40 | 2.40 | 180 |
| 07/03/19 | 2.39 | 2.40 | 182 |
| 07/04/19 | 2.39 | 2.40 | 182 |
| 07/05/19 | 2.39 | 2.40 | 182 |
| 07/06/19 | 2.39 | 2.40 | 182 |
| 07/07/19 | 2.39 | 2.39 | 182 |
| 07/08/19 | 2.39 | 2.39 | 179 |
| 07/09/19 | 2.39 | 2.39 | 179 |
| 07/10/19 | 2.39 | 2.39 | 178 |
| 07/11/19 | 2.38 | 2.39 | 179 |
| 07/12/19 | 2.38 | 2.39 | 179 |
| 07/13/19 | 2.38 | 2.39 | 179 |
| 07/14/19 | 2.38 | 2.39 | 179 |
| 07/15/19 | 2.38 | 2.39 | 176 |
| 07/16/19 | 2.38 | 2.39 | 178 |
| 07/17/19 | 2.38 | 2.39 | 179 |
| 07/18/19 | 2.37 | 2.39 | 180 |
| 07/19/19 | 2.37 | 2.39 | 179 |
| 07/20/19 | 2.37 | 2.39 | 179 |
| 07/21/19 | 2.37 | 2.39 | 179 |
| 07/22/19 | 2.37 | 2.38 | 179 |
| 07/23/19 | 2.37 | 2.38 | 177 |
| 07/24/19 | 2.37 | 2.38 | 178 |

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

Quarter Ending 06/30/19

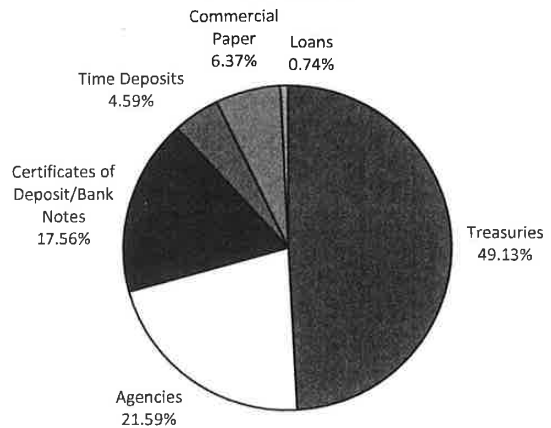
Apportionment Rate: 2.57
 Earnings Ratio: .00007028813234525
 Fair Value Factor: 1.001711790
 Daily: 2.39%
 Quarter to Date: 2.44%
 Average Life: 173

PMIA Average Monthly Effective Yields

June 2019 2.428
 May 2019 2.449
 Apr 2019 2.445

**Pooled Money Investment Account
Portfolio Composition**

06/30/19
\$105.7 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 07/24/2019



To: KHS Board of Directors

From: Douglas A Hayward, CEO

Date: August 15, 2019

Re: 2019/20 School Wellness Grant Program

Background

The KHS Wellness Committee established a School Wellness Grant Program in 2017 to address obesity and chronic disease in the community through school wellness programs. Since the inception of this program, it has grown to address all components of wellness, such as behavioral/mental health and social determinants of health.

KHS has awarded \$211,000 in grant funds to six public school sites and one school district to implement wellness programs during the 2019-20 academic year. The awarded schools are Curran Middle School, Kelly F. Blanton Education Center, Rafer Johnson Community Day School, and Williams Elementary School in Bakersfield, Terrace Elementary School in Delano, Woodrow E. Wallace Elementary School in Lake Isabella, and Standard School District in Oildale.

The awarded schools plan to implement wellness programs targeted around healthy eating, physical activity, outdoor safety, and social and emotional learning. End of year program rewards include shaded play structures and benches, a meditation garden and greenhouse, relaxation stations, playground equipment, hydration stations and a rock climbing wall.

The KHS Wellness Committee recommended continuing the School Wellness Internship Program. Six students have been recruited to assist the awarded schools with coordination and implementation of their program objectives and activities.

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

Requested Action

Receive and File.



School Wellness Program

Isabel Silva, MPH, CHES

Director of Health Education, Cultural & Linguistic Services

August 15, 2019

Background

| 2015-16 Academic Year | 2017-18 Academic Year |
|--|--|
| <p>KHS School Wellness Pilot Program at</p> <ul style="list-style-type: none"> • Jefferson Elementary School (Bakersfield) • Pioneer School (Delano) <p>Goal: Increase students daily walking and other types of physical activity to reach healthier weights.</p> <p>Outcome: 200,000 miles walked at each school site; Decrease in overweight/obese students</p> | <p>KHS School Wellness Grant Program at:</p> <ul style="list-style-type: none"> • A.M. Thomas Middle School (Lost Hills) • Buttonwillow School • East Bakersfield High School • Fremont Elementary (Delano) • Lamont School • Woodrow E. Wallace Middle School (Lake Isabella) <p>Goal: Implement school wellness programs that will engage students and stakeholders in activities that promote physical activity and health eating among each school's student</p> <p>Outcomes: Improvement in student behaviors, physical performance, and knowledge retention; decrease in BMI; increase in water intake</p> |

Background

Given the Program's success and impact on children:

- KHS Wellness Committee recommended continuation of the School Wellness Grant Program with a broadened goal to include other components of wellness
- KHS Board approved continuation of the grant program to new school sites
- Funding for the continued program is included in KHS' 2019 budget

In addition to promoting healthy eating and active living among students, the 2019-20 School Wellness Program will also target social and emotional learning of students and outdoor safety programs.

2019-2020 School Wellness Grant Program

- **Goal:** Expand efforts of the KHS School Wellness Program by engaging students and stakeholders in activities that promote and support the physical, social, emotional and behavioral health and wellbeing among students and their families.
- **School Wellness Grant:** up to \$35,000 per school to implement a School Wellness Program
 - **Eligibility:**
 - Kern County public school or district dependent charter school
 - Primarily serves low income students from Kindergarten up to 12th grade.
 - Has not previously participated in the KHS School Wellness Program
- **School Wellness Internship:** Paid internship to aid with implementation of the School Wellness Programs. Maximum of 24 work hours per week.
 - **Eligibility:**
 - 18 years or older
 - Enrolled college student or recent college graduate
 - Not a dependent of a KHS employee

School Wellness Grant Applicants

- **Application deadline: April 9, 2019**
- **17 applications received**
 - Bakersfield (13):
 - Bakersfield City School District
 - Edison School District
 - Standard School District
 - Kern County Superintendent of Schools
 - Outlying areas (4)
 - Delano Union Elementary School District
 - Kernville Union Elementary School District
 - Lost Hills Union School District
 - South Fork Union School District

Internship Applicants

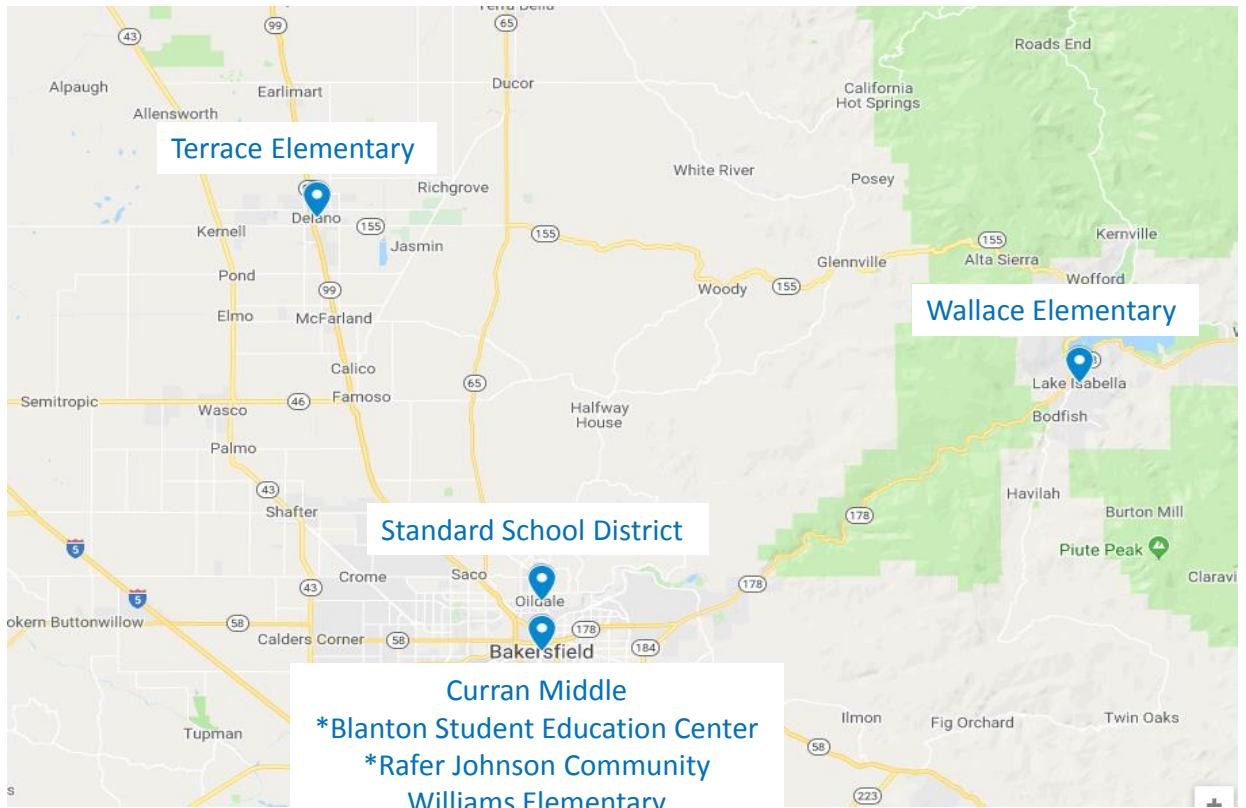
- **Application deadline – June 15, 2019**
- **47 Applications Received**
 - Bakersfield, Oildale
 - Arvin, Delano, Lost Hills, Mojave, Shafter, Terra Bella
- **College Campus:**
 - Bakersfield College
 - California State University, Bakersfield
 - University of California, San Diego
- **Pursued Degree Programs:**
 - Health and Social Services
 - Business and Public Policy
 - Child Development and Education
 - Communications and Journalism



Scoring Rubric for Applicants

| Schools | Student Interns |
|---|---|
| 1. Student Impact | 1. Availability |
| 2. School Need and Strengths | 2. Interests in internship |
| 3. Prevention Impact | 3. Education and Career Interests |
| 4. School Staff Commitment | 4. Experience and Skills/talents |
| 5. Parent & Community Engagement | 5. Parent/community engagement strategies |
| 6. Program Evaluation | 6. Organization and time management |
| 7. Short & Long-term Effectiveness & Sustainability | 7. Computer proficiency |
| 8. Creativity | |

Awarded Schools



Awarded Interns

- Total of 6 interns



- Bakersfield College Students (2)
 - Associates in Public Health
 - Associates in Child Development



- Cal State Bakersfield Students (4)
 - Bachelors in Kinesiology
 - Bachelors in Psychology
 - Bachelors in Public Policy and Administration

Program Budget

| Item | Budgeted Funds |
|------------------------------|------------------|
| School Wellness Programs (7) | \$211,000 |
| Internship (6) | \$78,000 |
| TOTAL: | \$289,000 |

Timeline and Next Steps

- ✓ April – School Applications Due
- ✓ May – Grant Award Announcements
- ✓ June – Internship Applications Due
- ✓ July – Internship Award Announcement
- August – Grant Agreements and Intern Clearance
- September – Implementation
- October – Initial Progress Reports Due

Questions?

Please contact:
Isabel Silva, MPH, CHES
661-664-5117
isabelc@khs-net.com



To: KHS Board of Directors

From: Douglas Hayward, CEO

Date: August 15, 2019

Re: Update on KHS Strategic Plan

Background

At the close of each quarter Management updates the Board on KHS' Strategic Plan progress. With the conclusion of Q2 2019 of the 2018-2020 Strategic Plan, staff has included a presentation showing the current status. KHS is currently on target for items that were targeted for completion in the 2nd quarter 2019.

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

Requested Action

Receive and File.



Q2 2019 Strategic Plan Update

August 15, 2019

Background

- In November 2017 a Board and Executive strategy meeting was held to begin shaping the 2018-2020 KHS strategic plan. This was followed by an internal work effort to further define key initiatives, action items, and projects directly supporting the newly defined Strategic Plan. In February 2018 the KHS Board of Directors approved the 2018-2020 Strategic Plan.
- With Q2 2019 coming to an end, management has prepared a status update on the key initiatives currently in progress within the Strategic Plan.
- **Green** = On Track, **White** = Not Started, **Gray** = Completed, **Yellow** = Behind Schedule, **Red** = Incomplete/Canceled



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

| Task Name | Start Date | Due Date | % Complete | Assigned To |
|---|-----------------|------------|------------|---------------------|
| Align Compensation and Network Configuration to improve service quality and value in the health care delivery system | | | | |
| Look to ways to compensate providers through value based purchasing using cost-effective, quality driven Alternative Reimbursement Arrangements. | | | | Emily Duran |
| Define clinical activities where Value Based Purchasing applies | 1/1/2018 | 3/31/2018 | 100.00% | |
| Establish priority list of clinical services and treatment modalities for consideration. | 1/1/2018 | 3/31/2018 | 100.00% | |
| Custom design payment strategies unique to specific care delivery systems | 4/1/2018 | 8/1/2019 | 100.00% | |
| Determine desired outcome(s) for each | 4/1/2018 | 12/31/2018 | 100.00% | |
| Determine impact to KHS internal operations for 2018 priorities | 4/1/2018 | 7/1/2019 | 100.00% | |
| Develop provider specific proposals for 2018 priorities | 1/1/2018 | 8/1/2019 | 100.00% | |
| For 2018 priorities Initiate provider contract revisions to change or enhance compensation | 4/1/2018 | 8/1/2019 | 100.00% | |
| For 2018 priorities, begin monitoring to determine if targeted outcomes are achieved | 1/1/2019 | 8/1/2019 | 100.00% | |
| Determine impact to KHS internal operations for 2019 priorities | 1/1/2019 | 8/1/2019 | 100.00% | |
| Develop provider specific proposals for 2019 priorities | 1/1/2019 | 12/31/2019 | 60.00% | |
| For 2019 priorities Initiate provider contract revisions to change or enhance compensation | 1/1/2019 | 9/30/2019 | 50.00% | |
| For 2019 priorities, begin monitoring to determine if targeted outcomes are achieved | 1/1/2019 | 10/31/2019 | 10.00% | |
| Focus on internal departmental restructuring, fostering partnership, and new technologies. | 1/1/2018 | | | Deborah Murr |
| Reorganize UM, DM, CM Depts. to more effectively implement and monitor the Triple Aim | 1/1/2018 | 3/31/2018 | 100.00% | |
| Revise the Prior Authorization list to ensure appropriate care for treatment requested | 1/1/2018 | 3/31/2018 | 100.00% | |
| Augment referral network using telehealth alternatives | 1/1/2018 | 5/31/2018 | 100.00% | |
| Identify vendor platforms for Medical Necessity Determination | 1/1/2018 | 6/30/2018 | 100.00% | |
| Incorporate risk stratification methodology to identify future risk populations for early intervention to prevent or stabilize medical condition(s) and reduce cost through early intervention. | 1/1/2018 | 7/31/2018 | 100.00% | |



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

| Task Name | Start Date | Due Date | % Complete | Assigned To |
|---|------------|------------|------------|--------------------|
| Align Compensation and Network Configuration to improve service quality and value in the health care delivery system | | | | |
| Develop a provider network configuration strategy designed to achieve optimum health care system performance around the Triple Aim of “Right Care, Right Time, and Right Setting”. | | | | Emily Duran |
| Review network configuration to address Physical, Behavioral and Social Determinants | 1/1/2018 | 11/30/2018 | 100.00% | |
| Adjust network configuration for changing population need and/or medical complexity | 4/1/2018 | 11/30/2018 | 100.00% | |
| Using evidence based medicine as the standard, identify network gaps or limitations | 4/1/2018 | 12/31/2018 | 100.00% | |
| Develop delivery system model to address needs at all levels using existing provider network, County Mental Health, Human Services and Community Based Organizations where necessary | 4/1/2018 | 12/31/2018 | 100.00% | |
| Develop clinical algorithms for Provider education to promote consistent management of member condition | 4/1/2018 | 7/31/2019 | 100.00% | Deborah Murr |
| Establish provider compensation arrangements to support structure and performance goals, monitor expected outcomes | 4/1/2018 | 10/31/2018 | 100.00% | |
| Ensure systems in place to communicate/coordinate patient care across the physical and mental health divide. | 4/1/2018 | 9/30/2019 | 90.00% | Deborah Murr |
| Determine internal and external (Provider) operational needs to support concept | 4/1/2018 | 9/30/2019 | 90.00% | Deborah Murr |
| Determine internal and external capital requirements where necessary to support concept | 4/1/2018 | 9/30/2019 | 90.00% | Deborah Murr |
| Implementation | 4/1/2018 | 9/30/2019 | 90.00% | Deborah Murr |



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

| Task Name | Start Date | Due Date | % Complete | Assigned To |
|--|------------|------------|------------|--------------------------------|
| Prepare for New Benefits / Programs /Coverage Populations/ Regulations | | | | |
| Prepare for new or modified benefits, expanded coverage, or changes to the tracking and reporting requirements as required by government agencies | | | | Jeremy McGuire |
| Determine the impact of changes to benefits or population coverage categories, or monitoring and reporting requirements on KHS and provider network | 1/1/2018 | 12/31/2020 | 70.00% | Jeremy McGuire |
| BHT Expansion | 1/1/2018 | 7/31/2018 | 100.00% | Deborah Murr |
| Diabetes Prevention Program | 1/1/2018 | 12/31/2018 | 100.00% | Deborah Murr |
| DHCS Sanctions | 3/1/2019 | 6/30/2019 | 100.00% | Jeremy McGuire |
| 2019 State Budget Items | 1/1/2019 | 7/30/2019 | 100.00% | Jeremy McGuire |
| Establish a project plan for instituting new benefits, coverage expansion, or tracking and reporting requirements | 1/1/2018 | 12/31/2020 | 80.00% | Jeremy McGuire |
| Palliative Care | 1/1/2018 | 3/31/2018 | 100.00% | Deborah Murr |
| Health Homes | 1/1/2018 | 12/31/2019 | 85.00% | Julie Worthing |
| Diabetes Prevention Program | 11/1/2018 | 4/26/2019 | 100.00% | Martha Tasinga Deborah Murr |
| DHCS Sanctions Projects | 6/1/2019 | 6/30/2020 | 10.00% | Deborah Murr |
| Determine the impact of Managed Care Final Rule (MCFR) to KHS, its policy, procedures, protocols and tracking and reporting functions. | 1/1/2018 | 12/31/2020 | 60.00% | Jeremy McGuire |
| Establish a project plan for adopting MCFR requirements instituting new benefits, | 1/1/2018 | 12/31/2020 | 60.00% | Jeremy McGuire |
| Hospital Directed Payments | 7/30/2018 | 9/30/2019 | 90.00% | Jeremy McGuire |
| COBA | 1/1/2018 | 2/28/2019 | 100.00% | Jeremy McGuire |
| Post implementation, audit each activity to ensure installation and performance meets KHS and government agencies expectations. | 1/1/2018 | 12/31/2020 | 50.00% | Carl Breining |



Goal 3 – Increase Member Engagement in their Health Care

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

Goal 4 – Assure Kern Health Systems’ Long Term Viability

| Task Name | Start Date | Due Date | % Complete | Assigned To |
|--|------------|------------|------------|----------------------|
| Assure Kern Health Systems Long Term Viability | | | | |
| Maintain a Financially viable organization capable of meeting its obligations to its members, providers, and government agencies. | | | | Robert Landis |
| Annually develop an operating budget enabling KHS to achieve its annual goals | 6/3/2019 | 12/12/2019 | 20.00% | Robert Landis |
| Annually develop capital budget to support new programs, member growth and benefits | 8/1/2019 | 10/11/2019 | 60.00% | Robert Landis |
| Determine Capital Budget And Estimated Depreciation Expense | 8/30/2019 | 9/27/2019 | 0.00% | |
| Prepare 2019 Capital Budget | 8/30/2019 | 10/11/2019 | 0.00% | |
| Executive Review And Discussion - Executives to Review Capital Budget | 10/1/2019 | 10/11/2019 | 0.00% | |
| Draft Capital Presented To Finance Committee | 10/14/2019 | 11/8/2019 | 0.00% | |
| Final Capital Presented To Finance Committee - To Schedule For December | 11/1/2019 | 12/6/2019 | 0.00% | |
| Final Capital Presented To KHS Board For Approval - To Present At December | 12/6/2019 | 12/12/2019 | 0.00% | |
| Retain sufficient reserves to protect KHS from unexpected events to include but not limited to: unforeseen underwriting risks (adverse selection), actuarially unsound rates, un-financed or under financed required benefits, payment delays, future growth | 1/1/2019 | 12/31/2019 | 60.00% | Robert Landis |
| Maintain an on-going dialogue with DHCS over reimbursement for any current or proposed, programs, benefits, aid categories or services KHS is required to provide by the State or Federal governments. | 1/1/2019 | 12/31/2019 | 60.00% | Robert Landis |
| Relocate KHS offices to its new facility which is convenient to members and able to house all functions in one location. | | | | Emily Duran |
| Issue Notice to Proceed with Phase II to S.C. Anderson | 1/1/2018 | 1/31/2018 | 100.00% | |
| Obtain Grading Permits | 1/1/2018 | 2/28/2018 | 100.00% | |
| Complete Phase III – Notice Inviting Bids | 5/30/2018 | 1/31/2019 | 100.00% | |
| Novate all Contracts to S.C. Anderson | 6/1/2017 | 1/31/2019 | 100.00% | |
| Commence Construction | 12/1/2017 | 2/2/2018 | 100.00% | |
| Obtain appropriate property / earthquake insurance | 1/1/2018 | 9/30/2018 | 100.00% | |
| Monitoring of Owner Controlled Insurance Program | 1/1/2019 | 12/31/2019 | 90.00% | |
| Monitor On-Going Construction | 1/1/2019 | 12/31/2019 | 90.00% | |
| Monitor Construction Budget | 1/1/2019 | 12/31/2019 | 90.00% | |
| Compliance Oversight GC | 1/1/2019 | 12/31/2019 | 90.00% | |
| Coordinate Move | 9/30/2018 | 9/15/2019 | 60.00% | |
| Occupancy | 7/1/2019 | 9/15/2019 | 0.00% | |



Goal 4 – Assure Kern Health Systems’ Long Term Viability

| Task Name | Start Date | Due Date | % Complete | Assigned To |
|---|------------|------------|------------|----------------------------------|
| Assure Kern Health Systems Long Term Viability | | | | |
| Continue to consider opportunities to expand KHS business suitable to the mission and business model. | | | | Jeremy McGuire |
| Monitor key regulatory areas of MC Waiver, SUDS, APM/CP3 FQHC payment reform and CCI | 1/1/2018 | 12/31/2020 | 50.00% | Jeremy McGuire |
| Monitor Medi-Cal marketplace trends e.g. Continuation of the two-plan model, entrance of new commercial managed care plans and public plan option in the ACA | 1/1/2018 | 12/31/2020 | 50.00% | Jeremy McGuire |
| Continue expanding HHP model to additional qualified contracted provider’s sites sufficient to meet the requirements as determined by DHCS. | 1/1/2018 | 7/1/2020 | 85.00% | Jeremy McGuire Julie Worthing |
| Continue participation in implementation of Whole Person Care | 1/1/2018 | 2/28/2018 | 100.00% | Emily Duran |
| Monitor internal capacity and regulatory landscape for initiating: CCI (Duals),MH Expansion (S and P population),SUD, LTC and IHSS | 1/1/2018 | 12/31/2020 | 50.00% | Jeremy McGuire |
| Consider future Medicare SNP expansion | 1/1/2020 | 6/30/2020 | 0.00% | Jeremy McGuire |
| Ensure achievement of the annual Medical Loss Ratio as determined in KHS’s annual operating budget | | | | |
| Review utilization and cost trends by aid category and medical service category over the past 12 months. Internal Reallocation of resources to address inefficiency or duplication of services in the Provider Network. | 1/1/2018 | 12/31/2020 | 50.00% | |
| Review applicable changes in treatment modalities or best practices impacting respective medical service categories. | 1/1/2018 | 12/31/2020 | 50.00% | |
| Identify potential medical service areas for impact and determine intervention strategies(s) required to achieve desired results | 1/1/2018 | 12/31/2020 | 50.00% | |
| Develop reporting and monitoring system | 1/1/2018 | 12/31/2020 | 50.00% | |



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

| Task Name | Start Date | Due Date | % Complete | Assigned To |
|--|------------|------------|------------|-----------------------|
| Optimize the use of technology to improve service to constituency and increase administrative / operations economies of scale. | | | | |
| Continue to maximize utility of the new UM, CM, DM and QI operating system to integrate medical management responsibilities using a single platform (JIVA). | | | | Deborah Murr |
| Refine JIVA Phase 1 application components to meet production and performance requirements: UM Workflows, Ops Systems Platform Integration, Data Reporting and Analytics Config, JIVA Training | 1/1/2018 | 3/31/2018 | 100.00% | |
| Implement JIVA Phase 2 components: CM/DM/HE/ Appeals, MCG Point of Service (POS), JIVA / QNXT interphase | 1/1/2018 | 10/31/2019 | 90.00% | |
| Implement JIVA Phase 3 to integrate HHP and QI Programs | 1/1/2018 | 7/1/2019 | 100.00% | |
| Include prospects in annual project planning | 1/1/2018 | 12/31/2020 | 45.00% | |
| Develop project budgets along with ROI and/or cost-benefit analysis | 1/1/2018 | 12/31/2020 | 45.00% | |
| Continuously monitor and control for operational effectiveness | 1/1/2018 | 12/31/2020 | 45.00% | |
| Increase data sharing between and among providers and KHS to reduce health care cost and/or enhance the patient care experience | | | | Richard Pruitt |
| Identify opportunities for sharing information (e.g. Health Homes Program, telehealth, | 1/1/2018 | 12/31/2019 | 75.00% | |
| Educate applicable providers about the importance of data sharing to reduce health care costs and/or enhance the patient care experience. | 1/1/2018 | 12/31/2019 | 75.00% | |
| Develop approaches KHS can implement with providers to achieve a level of data sharing | 1/1/2018 | 12/31/2019 | 75.00% | |
| Analyze and evaluate products or methods for effectiveness and compatibility with the health plan and provider community | 1/1/2018 | 12/31/2019 | 75.00% | |
| Complete a cost benefit analysis of the data sharing program | 1/1/2018 | 12/31/2018 | 100.00% | |
| Present to Board of Directors | 1/1/2018 | 12/31/2018 | 100.00% | |
| Create plan for implementation | 1/1/2018 | 12/31/2018 | 100.00% | |
| Continuously identify and promote organizational efficiencies and process improvement through Business Process Reengineering (BPR). | | | | Richard Pruitt |
| Identify and analyze efficiencies and improvement opportunities | 1/1/2019 | 12/31/2019 | 50.00% | |
| Perform cost analysis of efficiencies or improvement opportunity | 1/1/2019 | 12/31/2019 | 50.00% | |
| Establish projects into annual project and budget planning | 1/1/2019 | 12/31/2019 | 50.00% | |
| Align these initiatives with annual departmental goals and objectives | 1/1/2019 | 12/31/2019 | 50.00% | |
| Continuously monitor and control for operational effectiveness | 1/1/2019 | 12/31/2019 | 50.00% | |
| Create and execute project plans | 1/1/2019 | 12/31/2019 | 50.00% | |



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

| Task Name | Start Date | Due Date | % Complete | Assigned To |
|---|------------|------------|------------|-----------------------|
| Develop business intelligence unit devoted to support metrics driven performance and management at all organizational levels | | | | |
| Create a KHS Business Intelligence Department with clearly defined roles and responsibilities. | | | | Richard Pruitt |
| Identify personnel from multiple departments that are capable of contributing towards BI | 1/1/2018 | 3/30/2018 | 100.00% | |
| Collaborate with management to migrate new BI personnel and transition to BI | 1/1/2018 | 3/30/2018 | 100.00% | |
| Create a dedicated cost center and budget that is cost neutral | 1/1/2018 | 4/30/2018 | 100.00% | |
| Establish employee job descriptions, standards, roles and responsibilities, expectations | 1/1/2018 | 3/30/2018 | 100.00% | |
| Centralize resources in a geographical location to locally manage. | 1/1/2018 | 3/30/2018 | 100.00% | |
| Define employee work models and productivity metrics. | 1/1/2018 | 3/30/2018 | 100.00% | |
| Develop Business Intelligence Department processes and procedures to create an effective and efficient team that will support KHS. | | | | Richard Pruitt |
| Create a business analytic intake process that IDs needs, problems, actions, outcomes | 1/1/2018 | 3/31/2018 | 100.00% | |
| Establish new data analytics procedure that optimizes full potential outcome/benefits | 1/1/2018 | 6/30/2018 | 100.00% | |
| Create process analytics procedure that can identify areas of opportunity for process improvement or continuous improvement. | 1/1/2018 | 6/30/2018 | 100.00% | |
| Implement corporate KPI Census reporting process that communicates the measure and performance of established KPIs | 1/1/2018 | 6/30/2019 | 100.00% | |
| Establish Audit/QA process to ensure that the department produces quality work | 1/1/2018 | 12/31/2019 | 90.00% | |
| Establish regular monitoring of department processes/KPI/Data Governance to identify anomalies, unacceptable variance, or issues. | 1/1/2018 | 12/31/2019 | 90.00% | |
| Provide business visibility of services contributed by BI efforts | 1/1/2018 | 12/31/2019 | 90.00% | |
| Manage Inventory Process | 1/1/2018 | 12/31/2018 | 100.00% | |
| Create Corporate Policies to support the new Business Intelligence processes/procedures | 1/1/2018 | 12/31/2019 | 25.00% | |
| Provide centralized standard operational reporting and analytics for the company. | | | | Richard Pruitt |
| Provide Dept.'s data analysis and routine or adhoc reporting support. | 1/1/2018 | 12/31/2020 | 50.00% | |



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

| Task Name | Start Date | Due Date | % Complete | Assigned To |
|---|------------|------------|------------|-----------------------|
| Develop business intelligence unit devoted to support metrics driven performance and management at all organizational levels | | | | |
| Provide Depts. with tools and training to perform routine data analysis and reporting | | | | Richard Pruitt |
| Empowering Depts. with the ability to perform self-service reporting capabilities and basic analytics for routine or simple analysis | 1/1/2018 | 12/31/2020 | 0.00% | |
| Create quality control protocol to monitor dept reports for consistency and accuracy | 1/1/2018 | 3/31/2020 | 10.00% | |
| Evaluate Depts. data and information requirements | 1/1/2018 | 12/31/2018 | 100.00% | |
| Continue to develop and refine a metrics-driven performance culture within the organizations administrative and medical disciplines to enhance operations. | | | | Richard Pruitt |
| "Analyze and establish metric oriented baselines for measurement: Finance, Health Services, Physician Peer Profiles, HHP, Pharmacy, KHS/Statewide (DHCS) Benchmarks | 1/1/2018 | 12/31/2019 | 50.00% | |
| Create presentation model(s) to ensure transparent and fluid communication | 1/1/2018 | 12/31/2019 | 50.00% | |
| Continuously monitor and affirm metrics and performance for effectiveness | 1/1/2018 | 12/31/2019 | 50.00% | |
| Provide support for the annual Corporate Project Portfolio through Business Intelligence | 1/1/2019 | 12/31/2019 | 60.00% | Jeremy McGuire |
| Verify and Validate Return on Investment (ROI) Calculation prior to Execution Phase | 1/1/2019 | 12/31/2019 | 50.00% | |
| Identify and create 2019 Project metrics | 1/1/2019 | 12/31/2019 | 50.00% | |
| Measure Factors that are critical to the success of each Project | 1/1/2019 | 12/31/2019 | 50.00% | |





To: KHS Board of Directors

From: Alonso Hurtado, Director of Procurement and Facilities

Date: August 15, 2019

Re: Commercial Cleaning Systems, Inc. Agreement

Background

In 2018, Kern Health Systems embarked on building a new facility located at 2900 Buck Owens Boulevard to accommodate the current and future growth of the business. KHS will leverage Commercial Cleaning Systems, Inc., to provide commercial janitorial services for this facility.

Discussion

In June 2019, KHS posted an RFP for commercial janitorial services for its new facility. CCS was selected as the vendor for these services based on experience, price, and references. CCS will provide commercial janitorial services for its new facility five days a week.

These services include the cleaning services for KHS four story 110,000 square feet facility which houses 18 conference rooms, 48 private offices, 350 cubicles and a break area for 250 employees. In addition, CCS will provide a janitor during working hours that will assist with maintaining KHS common areas.

Financial Impact

Cost for a one year term will not exceed \$144,000.

Requested Action

Approve; Authorize Chief Executive Officer to Sign.



Commercial Janitorial Services August 15, 2019

Alonso Hurtado
Director of Procurement and Facilities

Agenda

- Background
- Scope of services
- RFP process and bids
- Recommendation
- Questions

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.

Scope of Services

- Daily janitorial services for KHS four story 110,000 square feet facility
 - 18 conference rooms
 - 48 private offices
 - 350 cubicles
 - 3 common areas (board room, break room and training room)
- Additional daily janitor from 11 am – 2 pm

Request for Proposal

- In June 2019, KHS posted an RFP for commercial janitorial services for its new facility. CCS was selected as the vendor for these services based on experience, price, and references. CCS will provide commercial janitorial services for its new facility five days a week.
- KHS received four proposals from vendors.

| Vendor | CCS | Vendor | SJS | Vendor | HCS | Vendor | Eco-Friendly |
|--------|----------|--------|----------|--------|----------|--------|--------------|
| Price | \$11,192 | Price | \$14,100 | Price | \$11,500 | Price | \$30,000 |

* Per month cost

Recommendation

- Request the Board of Directors authorize the CEO to approve a one year contract with Commercial Cleaning Systems Inc., in the amount not to exceed \$144,000 for commercial janitorial services.

Questions

For additional information, please contact:

Alonso Hurtado

Director of Procurement and Facilities

661-664-5541

Proposed administrative contract over \$100,000, August 15, 2019.

1. Operational Agreement with Commercial Cleaning Systems, Inc.

a. Recommended Action

Approve; Authorize Chief Executive Officer to Sign

b. Contact

Alonso Hurtado; Director of Procurement and Facilities

c. 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. KHS will leverage CCS to provide commercial janitorial services for this facility.

d. Discussion

In June 2019, KHS posted an RFP for Commercial Janitorial Services for its new facility. CCS was selected as the vendor for these services based on experience, price, and references. CCS will provide commercial janitorial services for its new facility five days a week.

e. Fiscal Impact

Not to exceed \$144,000.00 for one year.

f. Risk Assessment

Janitorial services are required in order to maintain a suitable work environment for KHS employees and members.

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

AGREEMENT AT A GLANCE

- Contract
- Purchase

Department Name: CS Department Head: Alonso Hurtado

Contract Vendor: Commercial Cleaning Systems, Inc.

Vendor contact Name & e-mail: Jennifer Gulbransen, jgulbransen@ccsbts.com

What services will this vendor provide to KHS? Janitorial services five days a week for 2900 Buck Owens Blvd. These services also include a day porter.

Description of Contract

Type of Agreement: Professional Services 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. KHS will leverage CCS to provide commercial janitorial services for this facility.

Establish a new agreement

Previous Agreement No. _____ or Amendment No. _____

Amendment

Date Agreement Began _____

Continuation of an Existing Contract

Brief Explanation In June 2019, KHS posted an RFP for commercial janitorial services for its new facility. CCS was selected as the vendor for these services based on experience, price, and references. CCS will provide commercial janitorial services for its new facility five days a week.

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: Commercial Cleaning Systems was selected as the vendor based on company experience, price and references.

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 340 GL# 5510

Will this require additional funds? NO YES

Maximum cost of this agreement not to exceed: \$144,000.00 per one year

Notes: Monthly charge of \$12,000

Contract Terms and Conditions

Effective date: 9/6/19 Termination date: 9/5/20

Explain extension provisions, termination conditions and required notice: Termination clause of thirty (30) days' notice per PSA.

Approvals

Contract Owner:

[Signature]
Department Head

7/30/19
Date

Reviewed as to Budget:

[Signature]
Chief Financial Officer or Controller

7/30/19
Date

Compliance Review:

Director of Compliance and Regulatory Affairs

Date

Purchasing:

[Signature]
Director of Procurement and Facilities

7/30/19
Date

Recommended by the Executive Committee:

[Signature]
Chief Operating Officer

7-30-19
Date

Legal Review:

Legal Counsel

Date

Chief Executive Officer Approval:

[Signature]
Chief Executive Officer

7/30/19
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

KERN HEALTH SYSTEMS
REQUEST FOR PROPOSAL
SUBMISSION CHECKLIST

Kern Health Systems (KHS) is a government agency dedicated to running a fair bidding program to foster high quality business relationships. In preparing an RFP response, please bear the following in mind:

1. This RFP is not an offer. It is a request for proposals. KHS may reject all proposals at its convenience without any liability to proposers.
2. There is a deadline for submitting questions to KHS about this RFP.
3. There is a deadline for submitting bids to KHS.
4. Every bid package must include:
 - a. Indemnification letter for Confidential and Proprietary information
 - b. Answers to questions in Attachment A
 - c. Answers to questions in Attachment B
 - d. Answers to questions in Attachment C
 - e. Signed copy Attachment D
 - f. Signed copy of Attachment E



KERN HEALTH SYSTEMS

9700 Stockdale Highway

Bakersfield, CA 93311

Request for Proposal

Professional Services Agreement

To

Services

Date

Proposal Deadline:

[[Date, Time]]

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- Attachment A: Scope of Services
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A. INSTRUCTIONS AND CONDITIONS

1. Definitions
 - a. As used herein, "RFP" means "Request for Proposal."
 - b. As used herein, "KHS" means "Kern Health Systems."
2. Preparation of Responses (Instructions to Bidders)
 - a. Before submitting a Proposal, each Bidder is expected to thoroughly examine the specifications in the Attachments, and all other related contractual documents included in this RFP, including subsequent amendments to the RFP. Failure to do so will be at the Bidder's risk, and will not bar the Bidder's obligation to perform if a contract is awarded pursuant to this RFP.
 - b. Each Bidder shall submit, as part of their Proposal, completed copies of Attachments "D", Proposal Signature Verification, and "E" Non-Collusion Declaration.
 - c. **Each Bidder shall complete Attachments A, B, and C according to the instructions on each of the attachments.**
 - d. Each Bidder must be satisfied by personal examination and by such other means as it may prefer, as to the actual conditions and requirements under which the contract will be performed.
 - e. **KHS' standard Professional Service Agreement (PSA) will be used to contract with the chosen vendor. A blank template is included with this RFP package. Any objections to the terms and conditions stated in that document must be clearly explained and included with the bid package as an additional Attachment F**
3. Explanation to Bidders
 - a. If a Bidder desires an explanation of any kind regarding provisions of this RFP, the Bidder must generate a written request for such explanation. The request may be e-mailed to rfp@khs-net.com, faxed to 661-664-4381, or addressed to:

Kern Health Systems
 Attention Purchasing Department
 9700 Stockdale Highway
 Bakersfield, CA 93311
 - b. Requests for explanation must be submitted by {Insert Date & Time here}, allowing sufficient time for a reply to reach all Bidders before the submission of their Proposals. The Purchasing Manager or duly authorized personnel will advise all candidates known to have received a copy of the RFP of each question and subsequent explanation.
4. Amendments
 - a. Bidders are advised that KHS reserves the right to amend the requirements of this RFP prior to the date set for opening of bids. Such revisions will be done formally by publishing amendments to all Bidders known to have received a copy of the RFP. This may be done via fax, e-mail, or other method as determined by KHS. Amendments will be posted to the KHS website: <http://www.kernhealthsystems.com/>, listed under the specific RFP. If in the judgment of KHS, the change is of such nature that additional time is required for Bidders to prepare their Proposals, KHS will change the date of the Proposal opening and notify all Bidders by e-mail and it will be posted to the KHS website.

- b. Bidders are requested to acknowledge receipt of amendments to an RFP. This may be done by any one of the following means:
 - 1) Sign and return the amendment via e-mail or fax.
 - 2) Sign Attachment “D”, Proposal Signature Verification.
5. Submitting Proposals
 - a. **Please submit THREE (3) hard copies of your Proposal and ONE (1) electronic copy. Electronic copy should be submitted via e-mail to rfp@khs-net.com.**
 - b. Mailed or third-party delivered Proposals and amendments of Proposals shall be enclosed in sealed envelopes and addressed to KHS Purchasing Department, 9700 Stockdale Highway, Bakersfield, CA 93311. Proposals shall be clearly identified by stating, “ATTENTION PURCHASING: {NAME OF PROPOSAL HERE} shown on the outside of the envelope. Proposals and/or amendments may be hand delivered, but the foregoing information will nevertheless be required for identification purposes. KHS is not responsible for delinquent delivery issues.
 - c. Faxed proposals and amendments will NOT be considered.
 - d. Alternate Proposals are not authorized and will NOT be considered.
 - e. **All Proposals (electronic and hard copies) must be received by KHS no later than {insert DATE & TIME here}. Late Proposals will NOT be considered or accepted. For purposes of this RFP, the official time shall be the time on the clock in the lobby of KHS front office. Participants are strongly encouraged to arrive early to avoid any discrepancy between their own watch and the official clock.**
6. Non-Collusion Declaration

Each Bidder is required to complete the document entitled, “Non-Collusion Declaration” on the form provided herein (Attachment E).
7. Bidders Response Information

Since KHS is a public entity, all responses may be disclosed through the Public Records Act. KHS may keep submissions and negotiations confidential until the Governing Board approves the final contract and/or a Purchase Order is issued.
8. Award of Contract
 - a. Award will be made, in whole or in part, to the responsive, responsible Bidder whose Proposal is determined by KHS to be most advantageous to KHS, price, delivery, and others factors considered.
 - b. KHS may reject any or all bids, and may waive informalities and minor irregularities in bids received.
 - c. **THE CONTRACT IS SUBJECT TO KHS GOVERNING BOARD APPROVAL.**
9. Evaluation Process
 - a. The determination and final selection of the successful Bidder will be based upon evaluation by KHS considering all factors and such other criteria (subjective and otherwise) as KHS may, at its sole discretion, deem relevant. In no event will KHS be limited to selecting a Bidder based solely upon total cost submitted.
 - b. Including the Total Price, the following overall factors will be considered:
 - Corporate capabilities
 - Responsiveness to RFP
 - Experience with {INSERT TYPE OF SERVICE HERE}

- Value-added services
 - Timeliness of service
 - Trade reference and/or referrals
 - History of compliance with government contracts and laws
- c. KHS will provide special consideration to vendors located and doing substantial business in Kern County.
10. Company Evaluation
Bidders shall provide responses to the series of questions and information requested in Attachment C that will be used to evaluate the Bidder's company. Responses to individual questions/information request should be kept to a single page, except as designated.
11. Late Bids
No Proposal or Proposal Amendment received at the office designated in this RFP after the time set for receipt specified in this RFP will be considered or accepted.
12. Cost of Preparation of Bids
Costs for developing responses to this proposal are entirely the responsibility of the Bidder.
13. Withdrawal of Bids
- a. Proposals may be withdrawn by letter or in person by a Bidder or an authorized representative possessing proper identification and written proof of his authority to act on behalf of the Bidder. If withdrawn in person by a Bidder or a representative of the Bidder, the person withdrawing the Proposal will be required to sign a receipt for the Proposal.
 - b. Withdrawal action of any type must be done before the date and time specified for opening of bids in this RFP.
14. Payment
- a. Invoices for services rendered shall be directed to:
Kern Health Systems
Accounts Payable
9700 Stockdale Highway
Bakersfield, CA 93311
or submitted via email to:
apinvoice@khs-net.com
 - b. Payment will be made upon receipt of an appropriate invoice and determination by KHS where products and/or services have been determined by KHS to be satisfactorily provided, and subject to the terms of the contract. Payment terms are Net 30 after receipt of a valid invoice. KHS is unable to take advantage of any prompt-payment discounts. KHS is not responsible for misdirected invoices.
15. Miscellaneous
- a. The successful Bidder may not assign the contract or any part of its obligations without the prior written consent of KHS, which may be withheld in its sole discretion.
 - b. The successful bidder will enter into a "Professional Services Agreement" with KHS.
 - c. Bidder recognizes that the Medi-Cal Managed Care and Healthy Families programs are dynamic programs that are subject to numerous legislative and regulatory changes, which will likely require the successful Bidder to implement related changes to the agreement that may be awarded pursuant to this RFP.

16. Disposition of Proposals and Proprietary Data

All materials submitted in response to this RFP become the property of Kern Health Systems. Any and all proposals received by the KHS shall be subject to public disclosure and inspection, except to the extent the proposer designates trade secrets or other proprietary data to be confidential, after the Evaluation Committee has completed its deliberative process and either the proposer has been informed that they are not the vendor selected by the Evaluation Committee for recommendation to the Board of Directors, or the matter has been set for consideration before the Board of Directors, whichever comes first.

Material designated as proprietary or confidential shall accompany the proposal and each page shall be clearly marked and readily separable from the proposal in order to facilitate public inspection of the non-confidential portion of the proposal. Prices, makes and models or catalog numbers of the items offered, deliverables, and terms of payment shall be publicly available regardless of any designation to the contrary. KHS will endeavor to restrict distribution of material designated as confidential or proprietary to only those individuals involved in the review and analysis of the proposals.

Proposers are cautioned that materials designated as confidential may nevertheless be subject to disclosure. Proposers are advised that KHS does not wish to receive confidential or proprietary information and that proposers are not to supply such information except when it is absolutely necessary. If any information or materials in any proposal submitted is labeled confidential or proprietary, the proposal shall include the following clause:

(legal name of proposer) shall indemnify, defend and hold harmless Kern Health Systems, its officers, agents and employees from and against any request, action or proceeding of any nature and any damages or liability of any nature, specifically including attorneys' fees awarded under the California Public Records Act (Government Code §6250 et seq.) arising out of, concerning or in any way involving any materials or information in this proposal that (legal name of proposer) has labeled as confidential, proprietary or otherwise not subject to disclosure as a public record.

17. Timeline

The following timeline is based on KHS' requirements and will be strictly adhered to unless modified by amendment

{INSERT TIMELINE HERE}

- **May 1, 2011** RFP release
- **May 27, 2011** Bidders Questions Due (1:00PM) Please e-mail.
- **June 3, 2011** KHS will e-mail responses to all Bidders
- **June 15, 2011** Proposals due (2:00PM)
- **June 30, 2011** Proposal evaluations complete, finalists selected
- **July 14, 2011** Proposed contract presented to KHS Board for approval
- **July 15, 2011** Award Announcement
- **November 1, 2011** Notwithstanding the approval of the contract by the KHS Governing Board, the contract, its terms and conditions, and the commencement of operations thereunder are subject to regulatory approval and modification.

B. STATEMENT OF PURPOSE

This RFP contains a list of requirements for the development of {[INSERT STATEMENT HERE](#)}

KHS is soliciting responses from qualified Bidders to address the stated requirements of this RFP. A qualified Bidder, for the purpose of this RFP, is one that can reliably provide the required services to KHS and perform to the satisfaction of KHS and its regulators for the entire term of the agreement.

Upon receipt of this RFP, recipients are expected to read and understand the service priorities and requirements that have been defined by KHS. Ample opportunity will be given to ask questions and receive clarification. The final Proposal submitted should include all appropriate goods and services required to satisfy the identified priorities and requirements. KHS will look to the selected vendor for technical compatibility of components and application requirements satisfaction during the entire term of the agreement.

KHS management would prefer to have an ongoing relationship with the chosen Bidder. The character and operating principles of the successful Bidder are important to KHS management. The following sections ask questions about the history and purpose of the Bidder's company. Please answer the specific questions. If additional information would be informative to KHS management please add it to the last question in each section. Bidders should number all responses with the section letter and section number.

C. BACKGROUND INFORMATION

KHS is a public agency formed under Section 14087.38 of the California Welfare and Institutions Code. KHS began full operations on September 1, 1996. KHS serves about 250,000 Medi-Cal participants in Kern County. Medi-Cal is a jointly funded, Federal-State health insurance program for certain low-income people.

On September 17, 2015 the Kern Health Board of Directors ("Board") approved a proposal to build a new facility for Kern Health Systems. Currently Kern Health Systems is under contract to purchase 5.82 net acres of unimproved real property, located at the northeast corner of Buck Owens Boulevard and Sillect Avenue, Bakersfield, California, for purposes of constructing the new facility.

The Project will include large conference rooms, a break room, two training rooms, and a ground-level conference room for Board Meetings. It will house over 400 staff, with room to grow to as many as 450 staff. It will include multiple flex spaces for various-sized departments. This new facility is scheduled to be completed in the Summer of 2019. KHS is seeking competitive bids for Janitorial Services for the new facility.

ATTACHMENT A

SCOPE OF SERVICES

Job Specifications

Entrances

Task Description Service Days

Detail Dust - High And Low Areas - Ledges, windowsills, baseboards, chair bases, table legs, picture frames and pictures

1 day/wk.

Dust Mop or Vacuum Hard Surface Floors 5 days/wk.

Damp Mop Hard Surface Floors- Use Appropriate Cleaner (Water ONLY for tile flooring) 5 days/wk.

Clean Both Sides Of Door Glass And Wipe Frames 5 days/wk.

Spot Clean Entrance Glass 5 days/wk.

Vacuum Walk-Off Mats 5 days/wk.

Lobbies

Task Description Service Days

Dust All Horizontal Surfaces Within Normal Reach 5 days/wk.

Detail Dust - High And Low Areas - Ledges, windowsills, baseboards, chair bases, table legs, picture frames and pictures

1 day/wk.

Spot Clean All Walls, Light Switches And Doors 1 day/wk.

Damp Wipe Horizontal Surfaces-Use Appropriate Cleaner 5 days/wk.

Empty And Remove Trash, Replace Liner If Needed, Clean wastebaskets as needed 5 days/wk.

Dust Mop or Vacuum Hard Surface Floors 5 days/wk.

Damp Mop Hard Surface Floors- Use Appropriate Cleaner (Water ONLY for tile flooring) 5 days/wk.

Reception Glass Window 1 day/wk.

Vacuum Walk-Off Mats (Reception floor mat must be removed and replaced after floor has been swept, mopped and dried)

5 days/wk.

Conference Rooms

Task Description Service Days

Dust All Horizontal Surfaces Within Normal Reach 5 days/wk.

Detail Dust - High And Low Areas - Ledges, windowsills, baseboards, chair bases, table legs, picture frames and pictures

1 day/wk.

Spot Clean All Walls, Light Switches And Doors 1 day/wk.

Damp Wipe Horizontal Surfaces-Use Appropriate Cleaner 5 days/wk.

Empty And Remove Trash, Replace Liner If Needed, Clean wastebaskets as needed 5 days/wk.

Spot Vacuum All Carpet 5 days/wk.

Spot Clean Carpet, i.e. Spills As needed

3rd Floor Executive Offices

Task Description Service Days

Dust All Horizontal Surfaces Within Normal Reach 5 days/wk.

Detail Dust - High And Low Areas - Ledges, windowsills, baseboards, chair bases, table legs, picture frames and pictures

1 day/wk.

Spot Clean All Walls, Light Switches And Doors 1 day/wk.

Damp Wipe Horizontal Surfaces-Use Appropriate Cleaner 5 days/wk.

Empty And Remove Trash, Replace Liner If Needed, Clean wastebaskets as needed 5 days/wk.

Spot Vacuum All Carpet 5 days/wk.

Spot Clean Carpet, i.e. Spills As needed
Clean Executive Glass Doors 5 days/wk.
Executive Patio - Sweep and hose off flooring and half walls 5 days/wk.

Offices

Task Description Service Days

Dust All Horizontal Surfaces Within Normal Reach 5 days/wk.
Detail Dust - High And Low Areas - Ledges, windowsills, baseboards, chair bases, table legs, picture frames and pictures
1 day/wk.
Spot Clean All Walls, Light Switches And Doors 1 day/wk.
Damp Wipe Horizontal Surfaces-Use Appropriate Cleaner 5 days/wk.
Spot Clean Partition Glass 5 days/wk.
Empty And Remove Trash, Replace Liner If Needed, Clean wastebaskets as needed 5 days/wk.
Spot Vacuum All Carpet including under cubicle desktops 5 days/wk.
Spot Clean Carpet, i.e. Spills As needed
Clean Private Office Interior Windows 1 day/wk.
Clean Coffee Stations and Sinks 5 days/wk.

Hallways

Task Description Service Days

Detail Dust - High And Low Areas - Ledges, windowsills, stairwell railings, baseboards, chair bases, table legs, picture frames and pictures
1 day/wk.
Dust All Horizontal Surfaces Within Normal Reach 5 days/wk.
Spot Clean All Walls, Light Switches And Doors 1 day/wk.
Spot Vacuum All Carpet 5 days/wk.
Spot Clean Carpet, i.e. Spills As needed
Dust Mop or Vacuum Hard Surface Floors 5 days/wk.
Damp Mop Hard Surface Floors- Use Appropriate Cleaner (Water ONLY for tile flooring) 5 days/wk.
Vacuum Elevator Carpet, Clean And Polish Brightwork 5 days/wk.
Clean Both Sides Of Door Glass And Wipe Frames 5 days/wk.
Spot Clean Entrance Glass 5 days/wk.

10

Restrooms

Task Description Service Days

Spot Clean All Walls, Light Switches And Doors 5 days/wk.

Wash Restroom Walls and Partitions 1 day/wk.

Replace Air Fresheners As needed

Clean And Disinfect Showers As needed

Empty Trash and Wipe Out Waste Receptacle, Replace Liner when needed, Refill Supply
Dispensers, Clean , Polish and Disinfect Restroom Fixtures, Clean Mirrors, Counters,
Partitions And Chrome, Sweep And Mop Floor Using Appropriate Cleaner Including Corners,
Empty Sanitary Napkin Containers and Replace Insert

5 days/wk.

Lunchrooms

Task Description Service Days

Detail Dust - High And Low Areas - Tops of Refrigerators, Chair Bases, Table Legs 1 day/wk.

Spot Clean Vending Machines, Walls And Light Switches 5 days/wk.

Arrange Furniture 5 days/wk.

Dust Mop or Vacuum Hard Surface Floors 5 days/wk.

Damp Mop Hard Surface Floors- Use Appropriate Cleaner (Water ONLY for tile flooring) 5 days/wk.

Refill paper towels and hand soap As needed

Clean patio table and chairs (towel dry) 5 days/wk.

Clean patio door and thresholds 5 days/wk.

Damp Wipe All Lunchroom Tables 5 days/wk.

Damp Wipe Countertops Using Appropriate Cleaner 5 days/wk.

Clean Sinks Using Appropriate Cleaner 5 days/wk.

Clean Coffee Machine/Station 5 days/wk.

Vacuum Walk-Off Mats 5 days/wk.

Damp Clean Interior And Exterior Of Microwave 5 days/wk.

Empty And Remove Trash, Clean Wastebasket if needed 5 days/wk.

Clean Refrigerator, Empty Contents If Requested 1 day/wk.

Janitor Closets

Task Description Service Days

Spot Clean All Walls, Light Switches And Doors As needed

Sweep Hard Surface Floors As needed

Spot Mop Stains And Spills Using Appropriate Cleaner As needed

Keep Neat and Clean 5 days/wk.

ATTACHMENT B
SCHEDULE OF FEES

Proposal Costs (This section is derived from the Scope of Services, Attachment A)

- A. Define your proposed method of reimbursement for services provided through your organization. Kern Health Systems customarily prefers itemized billing on a project basis (or as major milestones are accomplished for very large projects) with specific deadlines identified in the Proposal.
- B. Please provide a summary table matrix of costs by line item including:
 - 1. Item description
 - 2. Quantities required (specify units of measure)
 - 3. Not-to-exceed amounts for installation or travel
 - 4. Target date of completion
- C. List any additional costs that may be incurred in completion of this project and the circumstances that would trigger those costs.

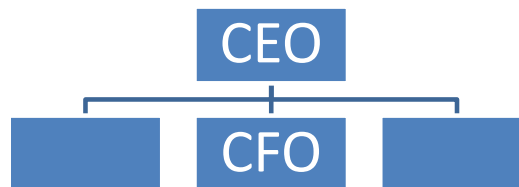
ATTACHMENT C

COMPANY EVALUATION CRITERIA

- A. Provide a “functional organizational chart” of your company. Indicate the name and experience of the Manager or Lead Employee that will be assigned to Kern Health Systems and the functional area to which this position reports. If your company is NOT a full service consulting organization, indicate which services are subcontracted in the “functional organizational chart.” The following chart is for illustration purposes only:

ABC Consulting Company

Organizational Chart



- B. **IMPORTANT:** Bidder’s present financial statements are necessary and must be part of the Proposal submission. If any type of prepayment is required, Bidder must provide company’s summary of its present financial status **and** performance *for the past three years*
- C. Organizational information
1. Provide a summary list of the organizational personnel that will actively participate and contribute their skills to this project. Include in this list the individual’s name, job title, work location and relevant experience in projects of similar size and complexity. (Responses may be one page per individual.)
 2. Provide a summary of the work plan and/or methodology and physical resources (staff and equipment) your company will commit to ensure successful project completion. (Response may be up to four pages.)
 3. Summarize your company’s overall project services that you are able and willing to provide.
 4. Provide three current customer references of organizations currently receiving products or services similar to those proposed. Include in the reference list organization name, location, contact name and telephone number.
 5. Summarize your billing procedures.
 6. List the members of your organization who are authorized to negotiate Proposals/Contracts.

7. What is your company's Mission Statement?
 8. How long has your company been in business?
 9. Describe the educational background and experience of the key members of the project team your firm would assign to KHS' project.
 10. Describe your company's experience with health insurance plans.
 11. Describe your company's experience with governmental agencies (in particular, California Department of Health Care Services, California Department of Managed Health Care, and the Centers for Medicare and Medicaid Services).
 12. Does your company perform audits or consulting services for any Independent Physician Associations (IPAs) or hospitals?
 13. Is your firm currently under investigation or being sued by any governmental agency? If so, describe.
 14. Has your company been investigated or sued by any governmental agency over the past five years? If so, describe.
 15. Has your company been sued over the last five years for services similar to those that are the subject of this RFP?
 16. Has your company been the subject of a sanction, audit deficiency, settlement or Corporate Integrity Agreement under the Medicare or Medicaid Programs?
 17. What is the form of your organization? (e.g., profit, not-for-profit, private, public)
 18. List any shareholders who own five or more percent of the company and their percent share.
 19. Describe your organization's policies, procedures and protocols to protect Protected Health Information under HIPAA, HITECH and the California Confidentiality of Medical Information Act.
- Add any information that would be useful in describing your company.

ATTACHMENT D
PROPOSAL SIGNATURE VERIFICATION

All offers in response to this RFP must be received on or before {INSERT DATE & TIME HERE} at the office of **Kern Health Systems, Attn: Purchasing Dept., 9700 Stockdale Highway, Bakersfield, CA 93311.** All offers are subject to the attached Instructions and Conditions, general provisions, special provisions, and Attachments. The undersigned agrees, if its offer is accepted (in whole or in part) to provide products, other materials, and services as set forth in the Attachments, it shall do so in accordance with the provisions of this RFP, the controlling contract between the parties, and the master contracts between KHS and the State of California.

Offer Name: _____

Address: _____

Phone Number: _____

FAX: _____

Typed or printed name and title of person authorized to sign offer:

Signature of Authorized Person: _____

Date of Offer: _____

Grand Total of "Attachment B": \$ _____

Acknowledgment of Amendments

The Offer acknowledges receipt of Amendments to the RFP numbered and dated as follows:

| Amend # | Date | Amend # | Date | Amend # | Date |
|---------|------|---------|------|---------|------|
| | | | | | |

ATTACHMENT E
NON-COLLUSION DECLARATION
TO BE EXECUTED BY BIDDER
AND SUBMITTED WITH PROPOSAL (Mandatory)
Public Contract Code § 7106

State of California

County of Kern

The undersigned declares:

I am the ____ of ____, the party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on ___[date], at ___[city], ___[state].”

Signature

Date



To: KHS Board of Directors

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

Date: August 15, 2019

Re: Agreement with Coffey Communications

Background

All Medi-Cal Managed Care Health Plans generate and distribute member newsletters to their member households. As a contractual requirement with DHCS, KHS must maintain a health education system that provides educational interventions (i.e. member newsletter) addressing appropriate use of health care services, risk-education and healthy lifestyles, and self-care and management of health conditions.

Discussion

In June 2019, KHS published an RFP for the selection of a vendor that can develop, print and mail copies of the member newsletter on a bi-annual basis to KHS' members. KHS received one proposal from Coffey Communications. As a result, KHS selected Coffey Communications for this service.

Coffey Communications has produced a high quality member newsletter and provided excellent customer service in the development of articles, illustrations, layout translations, and helpful resources to KHS for more than 15 years. Coffey Communications gives KHS access to their national library which consists of hundreds of pre-written articles available in English and Spanish which allows KHS the flexibility of using a Coffey produced article or customizing a local article.

Financial Impact

Not to exceed \$122,255.60 over the period of one year.

Requested Action

Approve; Authorize Chief Executive Officer to Sign.



KERN HEALTH SYSTEMS

Member Newsletter

August 15, 2019

Isabel Silva, MPH, CHES

Director of Health Education, Cultural and Linguistic Services

Agenda

- Background
- Service Provided
- Board Request

Background

- All Medi-Cal Managed Care Health Plans generate and distribute member newsletters to their member households. As a contractual requirement with DHCS, KHS must maintain a health education system that provides educational interventions (i.e. member newsletters) addressing:
 - Appropriate use of health care services;
 - Risk-reduction and healthy lifestyles and;
 - Self-care and management of health conditions.
- For more than 15 years, KHS has maintained a contract with Coffey Communications to produce high quality and easy to read member newsletters that contain attractive illustrations, educational and benefit informing articles and helpful resources.
- In the most recent Group Needs Assessment, the member newsletter was listed as one of the preferred learning methodologies among KHS members. Results from the Member Satisfaction Survey continues to identify the preferred method for members to receive information from KHS is by mail.

Service Provided

- Development, production and mailing of 2 member newsletter issues in English and Spanish per year. Includes digital flipbook for KHS corporate website.
- Access to national library of articles.
- Ability to customize 100% of content.
- Minimal increase in cost due to postage and mailing fees. No other vendor responses to RFP.



Board Request

- Authorize the CEO to sign the budgeted contract renewal associated with the Member Newsletter from Coffey Communications in the amount not to exceed **\$122,255.60** for one (1) year.

Questions

Please contact:

Isabel Silva, MPH, CHES

661-664-5117

isabelc@khs-net.com

Proposed administrative contract over \$100,000, August 15, 2019.

1. Operational Agreement with Coffey Communications

a. Recommended Action

Approve; Authorize Chief Executive Officer to Sign

b. Contact

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

c. Background

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

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

For more than 15 years, KHS has maintained a contract with Coffey Communications to produce high quality and easy to read member newsletters that contain attractive illustrations and helpful resources. In the most recent group needs assessment, the member newsletter was listed as one of the preferred learning methodologies among KHS members. Results from the member satisfaction survey continues to identify the preferred method for members to receive information from KHS is by mail.

d. Discussion

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

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

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

e. Fiscal Impact

Not to exceed \$122,255.60 per one year

f. Risk Assessment

The member newsletter is the simplest and most cost effective way of informing and educating KHS members on a variety of

information through a single mailing. Without the member newsletter, KHS would experience a cost increase due to:

- Postage for multiple member information mailings
- Staffing time to produce, design, mail and track multiple member information mailings
- Utilization of other communication methods (i.e. telephone, television/radio announcements)

g. Attachments

An Agreement at a Glance form.

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

Contract is pending Legal review



KERN HEALTH SYSTEMS

- Contract
- Purchase

AGREEMENT AT A GLANCE

Department Name: Health Education Department Head: Isabel Silva

Contract Vendor: Coffey Communications

Vendor contact Name & e-mail: Josh Moulton, jmoulton@coffeycomm.com

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

| Description of Contract | |
|--|--|
| Type of Agreement: <u>Printed Materials</u> | Background: <u>Two issues per year. Member newsletters contain health, member and benefit related articles in compliance with state contract and KHS P&Ps.</u> |
| <input type="checkbox"/> Establish a new agreement | Previous Agreement No. _____ or Amendment No. _____ |
| <input type="checkbox"/> Amendment | Date Agreement Began _____ |
| <input checked="" type="checkbox"/> Continuation of an Existing Contract | Brief Explanation <u>KHS has used Coffey Communications for development of the member newsletter for over 15 years.</u> |
| <input type="checkbox"/> Replacement | |
| <input type="checkbox"/> Addendum | |
| <input type="checkbox"/> Retroactive Agreement | Reason for delay in approval: _____ |
| Retroactive Date _____ | |
| <input checked="" type="checkbox"/> Summary of Quotes and/or Bids attached. <i>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.)</i> | |
| Brief vendor selection justification: <u>Coffey Communications has produced a high quality member newsletter and provided excellent customer service in the development of articles, illustrations, layout, translations, and helpful resources to KHS for more than 15 years. Coffey Communications gives KHS access to their national library which consists of hundreds of pre-written articles available in English and Spanish which allows KHS the flexibility of using a Coffey produced article or customizing a local article. A Request for Proposals was sent out to vendors and only Coffey Communications responded with a proposal.</u> | |
| <input type="checkbox"/> Sole source – no competitive process can be performed. Brief reason for sole source: _____ | |
| <input type="checkbox"/> Conflict of Interest Form is required for this Contract | |
| <input checked="" type="checkbox"/> HIPAA Business Associate Agreement is required for this Contract | |

Fiscal Impact

Form updated 11/17/15

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

Budgeted Cost Center 312 GL# 5645

Will this require additional funds? NO YES

Maximum cost of this agreement not to exceed: \$122,255.60 per one year

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

Contract Terms and Conditions

Effective date: 8/15/19

Termination date: 8/14/21

Explain extension provisions, termination conditions and required notice: _____

Approvals

Contract Owner:

Antion Liba
Department Head

7/30/19
Date

Purchasing:

[Signature]
Director of Procurement and Facilities

7/30/19
Date

Reviewed as to Budget:

[Signature]
Chief Financial Officer or Controller

7/30/19
Date

Recommended by the Executive Committee:

[Signature]
Chief Operating Officer

7/31/19
Date

Compliance Review:

Director of Compliance and Regulatory Affairs

Date

Legal Review:

Legal Counsel

Date

Chief Executive Officer Approval:

[Signature]
Chief Executive Officer

7/31/19
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

AMENDMENT NO. (2)

TO Agreement dated August 11, 2016

This AMENDMENT NO. (2) TO Agreement dated August 11, 2016 (“Agreement Amendment”) is effective as of August 11, 2019 (the “Agreement Amendment Effective Date”), between Coffey Communications, Inc., 1505 Business One Circle, Walla Walla, Washington, (hereinafter “Coffey”), and Kern Health Systems, 9700 Stockdale Highway, Bakersfield, California, (hereinafter “Client”) with reference to the following:

A. Coffey and Client previously have entered into that certain Agreement, dated August 11, 2016 (the “Agreement”).

B. Coffey and Client now desire to amend the Agreement as set forth below in this Agreement Amendment.

In consideration of the mutual promises and covenants set forth in this Agreement Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

Terms defined in the Agreement shall have the same meaning when used in this Agreement Amendment.

2. AMENDMENTS

2.1 Term of Agreement

Section 3 paragraph (1) of the Agreement is amended and restated to read as follows:

This Agreement shall be effective on and commence on August 11, 2019 and shall continue for a term which shall be for a period of one (1) year (hereinafter “Term”).

2.2 Production Schedule and Deadlines

Section 5 paragraph 2 of the Agreement are amended and restated to read as follows:

2019 – 2020

First Production Period: August, September, October, November, December, January

Second Production Period: February, March, April, May, June, July

2.3 Appendix C

Appendix C, of the Agreement, is amended and restated to read as attached.

3. NO OTHER CHANGES

Except as specifically amended by this Agreement Amendment (and any other amendments executed by the parties pursuant to section 24, Modification of Agreement Terms of the Agreement), the Agreement is unmodified and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement Amendment by their duly authorized representatives in one or more counterparts, each of which will be deemed an original, effective as of the Agreement Amendment Effective Date.

KERN HEALTH SYSTEMS

COFFEY COMMUNICATIONS, INC.

Date: _____

Date: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

APPENDIX C

**Kern Health Systems
MEMBER NEWSLETTER
9" x 10-7/8"**

**8-page, 2 versions, 2 issues per year
Printed on 70-pound uncoated offset paper stock**

| <u>Quantity</u> | <u>Per-copy price</u> |
|-------------------|-----------------------|
| 100,000 – 124,999 | \$0.2075 |
| 125,000 – 149,999 | \$0.2025 |

Print minimum is 100,000 copies.

Mail Preparation Fees:

Mailing services: \$0.03 per piece. \$400 minimum.
File setup: \$150 for one file, \$50 each additional file.
Wafer sealing: \$0.023 per piece.
Wafer sealing setup: \$60 per version.
National Change of Address (NCOA): \$0.00225 per piece.
NCOA setup: \$75 per file.



Budget Estimate

Kern Family Health Care
July 26, 2019

| Family Health, 9" x 10-7/8", 8 pages, 2 versions, 70# uncoated offset, mailing services | | | |
|--|----------------------|-----------------------|------------------------|
| | | Cost per issue | Issues per year |
| Base cost: | 125,000 at \$ 0.2025 | \$ 25,312.50 | |
| Mailing services: | 116,000 at \$ 0.0300 | \$ 3,480.00 | |
| File set-up fee for client-supplied lists: | | \$200.00 | |
| NCOA processing: | 116,000 at \$0.00225 | \$261.00 | |
| NCOA setup: | 2 at \$75 | \$150 | |
| Wafer sealing: | 116,000 at \$ 0.0230 | \$ 2,668.00 | |
| Wafer sealing setup: | 2 at \$ 60 | \$ 120.00 | |
| Shipping estimate: | | \$ 2,801.50 | |
| Postage estimate: | 116,000 at \$ 0.2253 | \$ 26,134.80 | |
| Total: | | \$ 61,127.80 | 2 |

**Quick look:
Annual cost**
\$ 122,255.60

1. Per copy price includes 100 percent customization.
2. Per copy price includes design, layout, copyediting, proofreading and printing.
3. Per copy price includes access to Coffey's Winning Health content library.
4. Postage based on for profit rates.
5. Quotes are BUDGETARY and will be finalized when the exact count is determined.
6. Pricing is valid for 60 days.



To: KHS Board of Directors

From: Larry Rhoades, Nominating Committee Chairman

Date: August 15, 2019

Re: Nominating Committee Proposed Reappointments and Officer Slate of Candidates

At the Board of Director's meeting in June, an Ad hoc Nominating Committee was formed to:

- Consider 4 Community Representatives reappointment
- Nominate a new appointment of 1 Community Representative
- Consider Provider Representative Re-appointment of Cindy Stewart, SNP representative and Kim Hoffmann, Pharmacy Representative to the Board.
- Recommend slate of candidates for role of:
 - Chairman
 - Vice Chairman
 - Secretary
 - Treasurer

1. Board Appointments for Community Representatives:

- Consider reappointment of 4 Community Representatives
- Nominate new appointment of 1 Community Representative

(A meeting was held with David Couch, Chairman of the Board of Supervisors for Kern County to discuss the County Board of Supervisor's desire to augment the size of the KHS Board and discuss current member's status whose terms have expired or soon to expire. Supervisor Couch indicated the County was not in any hurry to change the current KHS Board configuration. Nor are they intending to reappoint existing or new KHS Board members at this time. They are comfortable with existing KHS Board members continuing to serve as stated under the KHS's Bylaws allowing for continued service beyond term limits. As such and until the Board of Supervisor's change direction, the Nominating Committee did not address these two items).

2. Board Appointments for Provider Representatives:

The following KHS Board members' current terms in office have expired and will again need to be considered for Kern County Board of Supervisor's reappointment:

- Cindy Stewart – Safety Net Care Provider Representative
- Dr. Kim Hoffmann – Pharmacy Representative

3. The Reappointment steps include:

- The KHS Nominating Committee makes its recommendations to the Kern Health Systems Board of Directors at August Board meeting.
- Kern Health Systems Board votes on the Nominating Committee's recommendations at its regularly scheduled meeting in August.
- A Letter of Recommendation (from the KHS Board Chairman) is sent to the Kern County Board of Supervisors requesting appointment of provider representatives voted on by the KHS Board of Directors.
- The Kern County Board of Supervisors schedules the vote for appointment at one of its upcoming Board meetings.
- Kern Health Systems is notified of the outcome of the vote.
- Appointed members are seated at the October 2019 KHS Board of Directors meeting. Since members may continue to serve until such time as they are reappointed, no gap in service will occur.

(Enclosed are letters of endorsement from the constituency organizations or associations these Board members represent recommending reappointment of each KHS Board member for another term. All of these current Board members have indicated an interest to continue serving on the Board and none have exceeded the maximum term limit as defined under Kern Health Systems Bylaws).

4. Candidates for Chairman, Vice Chairman, Secretary and Treasurer:

The KHS bylaws allow all officers to serve one three year term in their respective positions. All officer's terms have expired and new officers will need to be elected and seated at the October Board meeting. With each Officer's term ending, a new slate of candidates for Chairman, Vice Chairman, Secretary and Treasurer will need to be created and presented for Board consideration and approval.

(Historically, it's been the practice for the Vice Chairman to serve as Chairman. The current Vice Chairman, Tim McGlew expressed his interest to serve as Chairman. The Nominating Committee will need to recommend Tim McGlew for Chairman to the Board should it support his candidacy).

5. Election of Officers steps include:

- The KHS Nominating Committee makes its recommendations to the Kern Health Systems Board of Directors at the August Board meeting.
- Kern Health Systems Board votes on the Nominating Committee's recommendations at its meeting in August.
- The new slate of Officers assume their new roles at the October 2019 KHS Board of Directors Board meeting.

The Nominating Committee Recommendations:

1. KHS Board recommends the Kern County Board of Supervisors re-appoint the following individuals to serve another term on KHS's Board of Directors:
 - Cindy Stewart – Safety Net Care Provider Representative
 - Dr. Kim Hoffmann – Pharmacy Representative
2. The following Board members expressed an interest to serve as officers for the designated positions of Chairman, Vice Chairman, Secretary and Treasurer. The Nominating Committee recommends the Board approve the following individuals to serve as officers of Kern Health Systems for one 3 year term beginning October 10, 2019.
 - Tim McGlew – Chairman
 - Russell Judd – Vice Chairman
 - Cindy Stewart – Secretary
 - Linda Hinojosa – Treasurer

Requested Action

1. Recommend to Kern County Board of Supervisors reappointment of Cindy Stewart and Dr. Kim Hoffmann for another term as a member of Kern Health Systems Board of Directors.
2. Approve Nominating Committee's recommended slate of candidates to serve as officers on Kern Health Systems Board of Directors beginning Oct 10th, 2019.

Attachments:

- *Endorsement letters for:*
 - *Cindy Stewart – Safety Net Care Provider Representative*
 - *Dr. Kim Hoffmann – Pharmacy Representative*



June 11, 2019

Doug Hayward, MHA
Chief Executive Officer
Kern Health Systems
9700 Stockdale Highway
Bakersfield, CA 93311

A handwritten signature in blue ink that reads "Doug" with a long horizontal stroke extending to the right.

Dear Mr. Hayward,

On behalf of the Omni Family Health Board of Directors and myself, please accept this letter as a nomination for Cindy Stewart, LVN, Director of Managed Care, to continue in her role as the current representative for Kern County Safety Net Providers. Ms. Stewart has been the representative for Safety Net Providers since December 2012.

Ms. Stewart's knowledge and experience with Federally Qualified Health Centers, managed care plans and regulatory systems help to ensure the seat is represented well. Furthermore, her experience with both Safety Net FQHCs provides a unique perspective that is crucial in holding the seat as representative for the Kern Health Systems Board of Directors.

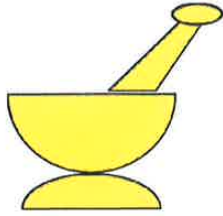
Once again, Omni Family Health strongly supports Ms. Stewart's candidacy for continuation as the Safety Net Care Provider representative. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Francisco L. Castillon" with a long horizontal stroke extending to the left.

Francisco L. Castillon, MPA
Chief Executive Officer

Cc: Cindy Stewart, LVN, Director of Managed Care, Omni Family Health



**Kern County Pharmacists Association
c/o 7307 Condor Street
Bakersfield, CA 93306**

July 8, 2019



Larry Rhoades, Chairman

Kern Health Systems

9700 Stockdale Hwy.

Bakersfield, CA 93311

RE: Pharmacy Representative KHS Board of Directors

Dear Chairman Rhoades:

As Interim President of the local California Pharmacist Association chapter, the Kern County Pharmacists Association, acting on behalf of its membership, I would like to re-nominate, Kim Hoffmann, Pharm. D for the Pharmacist Board Member position on the Kern Health Systems (KHS) Board of Directors. Dr. Hoffmann is an experienced and qualified pharmacist who has served the members of our local Association well as a member of the KHS Board of Directors. We would like to see her re-appointed to this position for another term.

Thank you for your consideration allowing Dr. Hoffmann to continue in her role as a member of the KHS Board.

Respectfully requested,

A handwritten signature in blue ink, appearing to read "Pat Person", followed by a horizontal line.

Pat Person

Interim President of the Kern County Pharmacist Association

Past President, California Pharmacists Association



To: KHS Finance Committee

From: Robert Landis, CFO

Date: August 15, 2019

Re: May 2019 Financial Results

The May results reflect a \$146,229 Net Increase in Net Position which is a \$1,296,190 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$3.4 million favorable variance primarily due to:
 - A) \$.6 million favorable variance in SPD primarily due to a higher than expected budgeted rate increase from the State and higher than expected enrollment.
 - B) 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 2F below
 - C) \$.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 2F below.
 - D) \$.8 million favorable variance related to higher than expected BHT Revenue offset against amounts included in 2B below.

- 2) Total Medical Costs reflect a \$2.2 million unfavorable variance primarily due to:
 - A) \$.6 million unfavorable variance in Physician Services primarily due to higher than expected utilization of Referral Specialty Services for Family and Other members.
 - B) \$.5 million unfavorable variance in Other Professional Services primarily due to higher than expected utilization of BHT services for SPD and Family & Other members offset against amounts included in 1D above.
 - C) \$.5 million unfavorable variance in Emergency Room primarily due to higher than expected utilization by Family & Other members.
 - D) \$1.4 million favorable variance in Inpatient primarily due to lower than expected utilization.

- E) \$.7 million unfavorable variance in Outpatient Hospital primarily due to higher than expected utilization by Expansion and Family & Other members.

- F) \$3.3 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 1B above (\$2.1 million). There was also an unfavorable variance in Ambulance and NEMT primarily due to higher than expected utilization (\$.5 million) and accruing for estimated expenses for supplemental GEMT services (\$.5 million) offset against revenue included in 1C above.

- G) \$2.1 million favorable IBNR adjustment from the prior year.

The May Medical Loss Ratio is 93.2% which is favorable to the 95.2% budgeted amount. The May Administrative Expense Ratio is 6.0% which is favorable to the 6.3% budgeted amount.

The results for the 5 months ended May 31, 2019 reflect a Net Increase in Net Position of \$1,559,452. This is a \$6,803,724 favorable variance to budget and includes approximately \$13.2 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 93.6% which is favorable to the 95.1% budgeted amount. The year-to-date Administrative Expense Ratio is 5.5% which is favorable to the 6.2% budgeted amount.

**Kern Health Systems
Financial Packet
May 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 |
|----------------------|---------|

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF MAY 31, 2019 | | | |
|--|-----------------------|-----------------------|------------------------|
| ASSETS | MAY 2019 | APRIL 2019 | INC(DEC) |
| CURRENT ASSETS: | | | |
| Cash and Cash Equivalents | \$ 94,452,942 | \$ 115,705,253 | \$ (21,252,311) |
| Short-Term Investments | 124,056,383 | 110,619,449 | 13,436,934 |
| Premiums Receivable - Net | 73,925,190 | 77,814,455 | (3,889,265) |
| Interest Receivable | 809,672 | 557,439 | 252,233 |
| Other Receivables | 1,369,632 | 1,154,895 | 214,737 |
| Prepaid Expenses & Other Current Assets | 2,086,844 | 1,271,509 | 815,335 |
| Total Current Assets | \$ 296,700,663 | \$ 307,123,000 | \$ (10,422,337) |
| RESTRICTED ASSETS | \$ 300,000 | \$ 300,000 | \$ - |
| CAPITAL ASSETS - NET OF ACCUM DEP: | | | |
| Land | 4,876,562 | 4,876,562 | - |
| Furniture and Equipment - Net | 10,827,663 | 10,983,968 | (156,305) |
| Automobiles - Net | 31,609 | 32,392 | (783) |
| Building and Building Improvements - Net | 6,184,421 | 6,212,277 | (27,856) |
| Building Project in Progress | 30,130,298 | 26,413,619 | 3,716,679 |
| Capital Projects in Progress | 14,798,124 | 14,313,816 | 484,308 |
| Total Capital Assets | \$ 66,848,677 | \$ 62,832,634 | \$ 4,016,043 |
| 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 | \$ 367,211,204 | \$ 373,617,498 | \$ (6,406,294) |
| LIABILITIES AND NET POSITION | | | |
| CURRENT LIABILITIES: | | | |
| Accounts Payable | \$ 63,778 | \$ 53,978 | 9,800 |
| Accrued Salaries and Employee Benefits | 2,943,310 | 2,493,215 | 450,095 |
| Accrued Other Operating Expenses | 2,839,626 | 4,018,792 | (1,179,166) |
| Accrued Taxes and Licenses | 16,124,027 | 8,036,109 | 8,087,918 |
| Claims Payable (Reported) | 21,649,122 | 27,553,956 | (5,904,834) |
| IBNR - Inpatient Claims | 22,258,422 | 24,100,020 | (1,841,598) |
| IBNR - Physician Claims | 13,765,589 | 15,048,765 | (1,283,176) |
| IBNR - Accrued Other Medical | 18,662,583 | 19,132,154 | (469,571) |
| Risk Pool and Withholds Payable | 3,277,378 | 2,780,680 | 496,698 |
| Statutory Allowance for Claims Processing Expense | 2,326,151 | 2,326,151 | - |
| Other Liabilities | 53,881,028 | 58,799,717 | (4,918,689) |
| Total Current Liabilities | \$ 157,791,014 | \$ 164,343,537 | \$ (6,552,523) |
| 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 | 1,559,452 | 1,413,223 | 146,229 |
| Total Net Position | \$ 203,190,423 | \$ 203,044,194 | \$ 146,229 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | \$ 367,211,204 | \$ 373,617,498 | \$ (6,406,294) |

| CURRENT MONTH MEMBERS | | | KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED MAY 31, 2019 | | | YEAR-TO-DATE MEMBER MONTHS | | |
|-----------------------------|-------------|-------------|---|-------------|-------------|----------------------------|--------|----------|
| | | | | | | ACTUAL | BUDGET | VARIANCE |
| ENROLLMENT | | | | | | | | |
| 166,854 | 168,600 | (1,746) | Family Members | 832,905 | 839,000 | (6,095) | | |
| 59,928 | 59,675 | 253 | Expansion Members | 298,516 | 298,375 | 141 | | |
| 14,958 | 14,200 | 758 | SPD Members | 73,733 | 71,000 | 2,733 | | |
| 6,609 | 5,600 | 1,009 | Other Members | 32,216 | 28,000 | 4,216 | | |
| 8,557 | 8,400 | 157 | Kaiser Members | 42,076 | 42,000 | 76 | | |
| 256,906 | 256,475 | 431 | Total Members - MCAL | 1,279,446 | 1,278,375 | 1,071 | | |
| REVENUES | | | | | | | | |
| 24,444,272 | 23,344,783 | 1,099,489 | Title XIX - Medicaid - Family and Other | 120,253,903 | 116,423,230 | 3,830,673 | | |
| 23,133,193 | 21,930,976 | 1,202,217 | Title XIX - Medicaid - Expansion Members | 114,446,339 | 109,654,879 | 4,791,460 | | |
| 13,147,466 | 11,927,381 | 1,220,085 | Title XIX - Medicaid - SPD Members | 62,113,394 | 59,636,907 | 2,476,487 | | |
| 8,092,541 | 8,284,547 | (192,006) | Premium - MCO Tax | 40,303,085 | 41,289,155 | (986,070) | | |
| 361,666 | 393,062 | (31,396) | Interest /Dividends | 2,092,632 | 1,958,971 | 133,661 | | |
| - | 126,518 | (126,518) | Reinsurance Recoveries | - | 630,551 | (630,551) | | |
| 178,336 | - | 178,336 | Rate/Income Adjustments | 7,815,575 | - | 7,815,575 | | |
| 20,444 | - | 20,444 | Other Income (Expense) | 743,287 | - | 743,287 | | |
| 69,377,918 | 66,007,267 | 3,370,651 | TOTAL REVENUES | 347,768,215 | 329,593,693 | 18,174,522 | | |
| EXPENSES | | | | | | | | |
| Medical Costs: | | | | | | | | |
| 14,054,383 | 13,485,921 | (568,462) | Physician Services | 72,312,930 | 67,268,648 | (5,044,282) | | |
| 3,960,952 | 3,463,025 | (497,927) | Other Professional Services | 18,194,137 | 17,294,061 | (900,076) | | |
| 5,106,796 | 4,577,163 | (529,633) | Emergency Room | 24,637,420 | 22,820,919 | (1,816,501) | | |
| 12,181,510 | 13,539,835 | 1,358,325 | Inpatient | 64,445,063 | 67,583,303 | 3,138,240 | | |
| 126,609 | 126,518 | (91) | Reinsurance Expense | 629,189 | 630,551 | 1,362 | | |
| 6,408,304 | 5,693,077 | (715,227) | Outpatient Hospital | 31,118,723 | 28,414,808 | (2,703,915) | | |
| 7,183,716 | 3,904,036 | (3,279,680) | Other Medical | 32,193,112 | 19,482,611 | (12,710,501) | | |
| 9,659,273 | 9,662,794 | 3,521 | Pharmacy | 47,270,261 | 48,244,163 | 973,902 | | |
| 496,698 | 496,150 | (548) | Pay for Performance Quality Incentive | 2,474,740 | 2,472,750 | (1,990) | | |
| - | - | - | Expansion Risk Corridor | - | - | - | | |
| 39,610 | - | (39,610) | Non-Claims Expense Adjustment | 192,652 | - | (192,652) | | |
| (2,087,231) | - | 2,087,231 | IBNR, Incentive, Paid Claims Adjustment | (5,601,577) | - | 5,601,577 | | |
| 57,130,620 | 54,948,520 | (2,182,100) | Total Medical Costs | 287,866,650 | 274,211,815 | (13,654,835) | | |
| 12,247,298 | 11,058,747 | 1,188,551 | GROSS MARGIN | 59,901,565 | 55,381,878 | 4,519,687 | | |
| Administrative: | | | | | | | | |
| 2,336,685 | 2,174,090 | (162,595) | Compensation | 10,725,195 | 10,746,485 | 21,290 | | |
| 882,833 | 785,273 | (97,560) | Purchased Services | 3,641,079 | 3,925,172 | 284,093 | | |
| 15,577 | 111,871 | 96,294 | Supplies | 444,400 | 560,352 | 115,952 | | |
| 179,516 | 252,963 | 73,447 | Depreciation | 929,265 | 1,102,815 | 173,550 | | |
| 239,380 | 319,965 | 80,585 | Other Administrative Expenses | 1,256,608 | 1,602,172 | 345,564 | | |
| - | - | - | Administrative Expense Adjustment | - | - | - | | |
| 3,653,991 | 3,644,161 | (9,830) | Total Administrative Expenses | 16,996,547 | 17,936,996 | 940,449 | | |
| 60,784,611 | 58,592,681 | (2,191,930) | TOTAL EXPENSES | 304,863,197 | 292,148,810 | (12,714,387) | | |
| 8,593,307 | 7,414,586 | 1,178,721 | OPERATING INCOME (LOSS) BEFORE TAX | 42,905,018 | 37,444,883 | 5,460,135 | | |
| 8,087,918 | 8,284,547 | 196,629 | MCO TAX | 40,439,791 | 41,289,155 | 849,364 | | |
| 505,389 | (869,961) | 1,375,350 | OPERATING INCOME (LOSS) NET OF TAX | 2,465,227 | (3,844,272) | 6,309,499 | | |
| NONOPERATING EXPENSE | | | | | | | | |
| - | - | - | Reserve Fund Projects/Community Grants | - | - | - | | |
| 359,160 | 280,000 | 79,160 | Health Home | 905,775 | 1,400,000 | (494,225) | | |
| 359,160 | 280,000 | 79,160 | TOTAL NONOPERATING EXPENSE | 905,775 | 1,400,000 | (494,225) | | |
| 146,229 | (1,149,961) | 1,296,190 | NET INCREASE (DECREASE) IN NET POSITION | 1,559,452 | (5,244,272) | 6,803,724 | | |
| 93.2% | 95.2% | 2.0% | MEDICAL LOSS RATIO | 93.6% | 95.1% | 1.5% | | |
| 6.0% | 6.3% | 0.4% | ADMINISTRATIVE EXPENSE RATIO | 5.5% | 6.2% | 0.7% | | |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED MAY 31, 2019 | YEAR-TO-DATE | | |
|-----------------------------|---------|----------|--|--------------|-----------|----------|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE |
| ENROLLMENT | | | | | | |
| 166,854 | 168,600 | (1,746) | Family Members | 832,905 | 839,000 | (6,095) |
| 59,928 | 59,675 | 253 | Expansion Members | 298,516 | 298,375 | 141 |
| 14,958 | 14,200 | 758 | SPD Members | 73,733 | 71,000 | 2,733 |
| 6,609 | 5,600 | 1,009 | Other Members | 32,216 | 28,000 | 4,216 |
| 8,557 | 8,400 | 157 | Kaiser Members | 42,076 | 42,000 | 76 |
| 256,906 | 256,475 | 431 | Total Members - MCAL | 1,279,446 | 1,278,375 | 1,071 |
| REVENUES | | | | | | |
| 140.92 | 134.01 | 6.91 | Title XIX - Medicaid - Family and Other | 139.00 | 134.28 | 4.72 |
| 386.02 | 367.51 | 18.51 | Title XIX - Medicaid - Expansion Members | 383.38 | 367.51 | 15.88 |
| 878.96 | 839.96 | 39.00 | Title XIX - Medicaid - SPD Members | 842.41 | 839.96 | 2.45 |
| 32.59 | 33.40 | (0.81) | Premium - MCO Tax | 32.57 | 33.40 | (0.82) |
| 1.46 | 1.58 | (0.13) | Interest/Dividends | 1.69 | 1.58 | 0.11 |
| 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 |
| 0.72 | 0.00 | 0.72 | Rate/Income Adjustments | 6.32 | 0.00 | 6.32 |
| 0.08 | 0.00 | 0.08 | Other Income (Expense) | 0.60 | 0.00 | 0.60 |
| 279.36 | 266.08 | 13.28 | TOTAL REVENUES | 281.05 | 266.58 | 14.47 |
| EXPENSES | | | | | | |
| Medical Costs: | | | | | | |
| 56.59 | 54.36 | (2.23) | Physician Services | 58.44 | 54.41 | (4.03) |
| 15.95 | 13.96 | (1.99) | Other Professional Services | 14.70 | 13.99 | (0.72) |
| 20.56 | 18.45 | (2.11) | Emergency Room | 19.91 | 18.46 | (1.45) |
| 49.05 | 54.58 | 5.53 | Inpatient | 52.08 | 54.66 | 2.58 |
| 0.51 | 0.51 | 0.00 | Reinsurance Expense | 0.51 | 0.51 | 0.00 |
| 25.80 | 22.95 | (2.85) | Outpatient Hospital | 25.15 | 22.98 | (2.17) |
| 28.93 | 15.74 | (13.19) | Other Medical | 26.02 | 15.76 | (10.26) |
| 38.89 | 38.95 | 0.06 | Pharmacy | 38.20 | 39.02 | 0.82 |
| 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 |
| 0.16 | 0.00 | (0.16) | Non-Claims Expense Adjustment | 0.16 | 0.00 | (0.16) |
| (8.40) | 0.00 | 8.40 | IBNR, Incentive, Paid Claims Adjustment | (4.53) | 0.00 | 4.53 |
| 230.04 | 221.50 | (8.54) | Total Medical Costs | 232.64 | 221.79 | (10.86) |
| 49.31 | 44.58 | 4.74 | GROSS MARGIN | 48.41 | 44.79 | 3.62 |
| Administrative: | | | | | | |
| 9.41 | 8.76 | (0.65) | Compensation | 8.67 | 8.69 | 0.02 |
| 3.55 | 3.17 | (0.39) | Purchased Services | 2.94 | 3.17 | 0.23 |
| 0.06 | 0.45 | 0.39 | Supplies | 0.36 | 0.45 | 0.09 |
| 0.72 | 1.02 | 0.30 | Depreciation | 0.75 | 0.89 | 0.14 |
| 0.96 | 1.29 | 0.33 | Other Administrative Expenses | 1.02 | 1.30 | 0.28 |
| 0.00 | 0.00 | 0.00 | Administrative Expense Adjustment | 0.00 | 0.00 | 0.00 |
| 14.71 | 14.69 | (0.02) | Total Administrative Expenses | 13.74 | 14.51 | 0.77 |
| 244.75 | 236.19 | (8.57) | TOTAL EXPENSES | 246.38 | 236.29 | (10.09) |
| 34.60 | 29.89 | 4.71 | OPERATING INCOME (LOSS) BEFORE TAX | 34.67 | 30.29 | 4.39 |
| 32.57 | 33.40 | 0.83 | MCO TAX | 32.68 | 33.40 | 0.71 |
| 2.03 | (3.51) | 5.54 | OPERATING INCOME (LOSS) NET OF TAX | 1.99 | (3.11) | 5.10 |
| NONOPERATING EXPENSE | | | | | | |
| 0.00 | 0.00 | 0.00 | Reserve Fund Projects/Community Grants | 0.00 | 0.00 | 0.00 |
| (1.40) | 1.13 | 2.53 | Health Home | (0.71) | 5.64 | 6.35 |
| (1.40) | 1.13 | 2.53 | TOTAL NONOPERATING EXPENSE | (0.71) | 5.64 | 6.35 |
| 0.59 | (4.64) | 5.22 | NET INCREASE (DECREASE) IN NET POSITION | 1.26 | (4.24) | 5.50 |
| 93.2% | 95.2% | 2.0% | MEDICAL LOSS RATIO | 93.6% | 95.1% | 1.5% |
| 6.0% | 6.3% | 0.4% | ADMINISTRATIVE EXPENSE RATIO | 5.5% | 6.2% | 0.7% |

| KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH MAY 31, 2019 | MAY 2018 | JUNE 2018 | JULY 2018 | AUGUST 2018 | SEPTEMBER 2018 | OCTOBER 2018 | NOVEMBER 2018 | DECEMBER 2018 | JANUARY 2019 | FEBRUARY 2019 | MARCH 2019 | APRIL 2019 | MAY 2019 | 13 MONTH TOTAL |
|--|-------------|--------------|--------------|----------------|-------------------|-----------------|------------------|------------------|-----------------|------------------|---------------|-------------|-------------|-------------------|
| | 247,317 | 247,861 | 247,861 | 246,967 | 246,962 | 245,266 | 245,522 | 244,683 | 245,830 | 247,101 | 247,836 | 248,254 | 248,349 | 3,209,021 |
| ENROLLMENT | | | | | | | | | | | | | | |
| Members - MCAL | | | | | | | | | | | | | | |
| REVENUES | | | | | | | | | | | | | | |
| Title XIX - Medicaid - Family and Other | 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 | 24,487,252 | 24,003,598 | 24,444,272 | 313,259,816 |
| Title XIX - Medicaid - Expansion Members | 1,917,368 | 2,120,090 | 2,175,232 | 22,282,622 | 21,704,606 | 21,501,088 | 21,231,529 | 24,465,234 | 21,975,736 | 23,396,309 | 22,894,496 | 23,046,615 | 23,133,193 | 290,506,148 |
| Title XIX - Medicaid - SPD Members | 11,583,059 | 11,083,761 | 11,910,674 | 12,352,541 | 11,970,574 | 12,281,224 | 12,551,376 | 13,341,766 | 11,970,651 | 12,067,762 | 12,439,467 | 12,488,048 | 13,147,466 | 159,052,169 |
| Premium - MCO Tax | 7,883,583 | 7,817,901 | 8,087,918 | 8,087,606 | 8,087,918 | 8,087,716 | 8,087,716 | 7,658,846 | 8,006,206 | 8,047,808 | 8,071,581 | 8,084,049 | 8,092,541 | 104,102,350 |
| Interest/Dividends | 392,144 | 493,098 | 298,592 | 326,444 | 328,291 | 331,150 | 316,046 | 369,891 | 338,737 | 397,291 | 375,455 | 619,483 | 361,666 | 4,948,288 |
| Reinsurance Recoveries | - | 139,352 | - | - | - | (139,352) | 267,973 | - | - | - | - | - | - | 267,973 |
| COB/Subrogation Collections | 1,257,496 | 1,027,705 | 465,065 | 417,036 | 196,954 | 325,659 | 110,446 | 59,980 | - | - | - | - | - | 3,860,341 |
| Rate/Income Adjustments | 21,528,562 | (1,680,199) | (113,750) | 129,006 | 5,175 | 212,890 | 251,712 | (5,850) | 1,364,372 | 5,819,936 | 626,404 | (173,473) | 178,336 | 28,143,721 |
| Other Income (Expense) | (99,712) | 345,348 | 58,667 | 15,376 | 136,661 | 142,515 | 45,043 | 669,097 | 85,746 | 25,501 | 610,282 | 1,314 | 20,444 | 2,056,382 |
| TOTAL REVENUES | 87,542,939 | 62,563,852 | 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 | 68,070,534 | 69,377,918 | 906,197,188 |
| EXPENSES | | | | | | | | | | | | | | |
| Medical Costs: | | | | | | | | | | | | | | |
| Physician Services | 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 | 15,391,612 | 15,885,936 | 14,054,383 | 176,369,893 |
| Other Professional Services | 3,414,591 | 3,111,320 | 2,964,061 | 3,254,300 | 3,251,122 | 3,323,654 | 4,150,323 | 3,275,679 | 3,741,621 | 3,447,281 | 3,652,683 | 3,718,600 | 3,960,952 | 45,039,187 |
| Emergency Room | 4,510,035 | 4,780,947 | 4,584,869 | 4,563,430 | 4,531,949 | 4,490,225 | 4,169,595 | 3,601,196 | 4,450,009 | 4,710,529 | 4,835,728 | 5,525,268 | 5,106,796 | 59,869,666 |
| Inpatient | 13,932,093 | 13,367,422 | 13,921,068 | 13,023,461 | 12,885,548 | 13,069,188 | 9,158,011 | 2,692,667 | 12,961,386 | 12,906,122 | 13,846,038 | 12,850,017 | 12,181,510 | 156,394,521 |
| Reinsurance Expense | 115,783 | 116,124 | 116,240 | 116,494 | 116,075 | 116,072 | 115,275 | 115,395 | 125,136 | 125,026 | 126,021 | 126,397 | 126,609 | 1,556,647 |
| Outpatient Hospital | 6,387,061 | 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 | 6,373,571 | 6,408,304 | 75,340,477 |
| Other Medical | 6,103,942 | 3,282,963 | 3,057,129 | 4,241,840 | 3,603,940 | 3,863,995 | 4,851,124 | 15,028,871 | 5,564,320 | 6,854,723 | 6,448,536 | 6,141,817 | 7,183,716 | 75,828,216 |
| Pharmacy | 9,403,737 | 8,567,706 | 8,848,741 | 9,437,555 | 8,667,417 | 9,382,074 | 8,798,273 | 8,281,541 | 9,612,700 | 9,033,300 | 9,671,212 | 9,293,776 | 9,659,273 | 118,791,505 |
| Pay for Performance Quality Incentive | 494,146 | 494,634 | 495,722 | 493,934 | 493,924 | 490,532 | 491,044 | 444,467 | 491,660 | 494,202 | 495,672 | 496,508 | 496,698 | 6,373,143 |
| Expansion Risk Corridor | - | - | - | - | - | - | - | 10,500,000 | - | - | - | - | - | 10,500,000 |
| Non-Claims Expense Adjustment | 20,941,652 | (11,991) | - | (299,863) | 6,624 | 2,670 | (535) | - | 197,435 | 367,246 | 324,378 | (736,017) | 39,610 | 20,831,239 |
| IBNR, Incentive, Pooled Claims Adjustment | (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 | (3,810,327) | (3,425,856) | (2,087,231) | 181,401 |
| Total Medical Costs | 76,706,850 | 51,354,704 | 53,194,977 | 56,289,183 | 53,362,649 | 54,170,337 | 60,587,658 | 54,793,595 | 62,125,698 | 57,566,720 | 56,250,017 | 56,250,017 | 57,130,620 | 747,076,595 |
| GROSS MARGIN | 10,836,089 | 10,909,148 | 12,083,558 | 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 | 12,247,298 | 159,120,593 |
| Administrative: | | | | | | | | | | | | | | |
| Compensation | 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 | 2,336,685 | 26,826,180 |
| Purchased Services | 636,968 | 578,949 | 415,147 | 594,201 | 555,317 | 616,200 | 628,945 | 534,139 | 538,593 | 901,569 | 783,945 | 882,833 | 813,217 | 8,132,617 |
| Supplies | 71,465 | 68,507 | 57,005 | 61,411 | 30,539 | 67,086 | 36,154 | 104,230 | 115,623 | 78,778 | 93,764 | 140,658 | 15,577 | 940,797 |
| Depreciation | 123,140 | 127,238 | 127,238 | 127,238 | 127,238 | 127,238 | 127,238 | 131,127 | 179,516 | 179,517 | 211,201 | 179,515 | 179,515 | 1,945,959 |
| Other Administrative Expenses | 279,546 | 275,729 | 332,386 | 255,200 | 315,104 | 265,994 | 221,013 | 303,506 | 326,629 | 188,631 | 246,439 | 255,529 | 239,380 | 3,505,085 |
| Administrative Expense Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Administrative Expenses | 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 | 3,653,991 | 41,733,652 |
| TOTAL EXPENSES | 79,727,921 | 54,289,995 | 56,143,972 | 59,410,922 | 56,412,490 | 56,636,832 | 57,196,249 | 64,128,679 | 58,169,149 | 65,064,262 | 61,114,197 | 59,730,978 | 60,784,617 | 788,810,247 |
| OPERATING INCOME (LOSS) BEFORE TAX | 7,818,018 | 7,974,357 | 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 | 8,593,507 | 117,336,941 |
| MCO TAX | 7,650,254 | 7,578,328 | 8,087,918 | 8,087,607 | 8,087,918 | 8,087,716 | 8,087,716 | 8,087,687 | 8,088,119 | 8,087,918 | 8,087,918 | 8,087,918 | 8,087,918 | 104,195,496 |
| OPERATING INCOME (LOSS) NET OF TAX | 1,647,644 | 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 | 505,589 | 13,191,445 |
| TOTAL NONOPERATING EXPENSE | (43,857) | 233,737 | 158,805 | 191,701 | 567,923 | 41,390 | 223,595 | 54,987 | 116,870 | 104,330 | 135,960 | 191,455 | 359,160 | 2,334,056 |
| NET INCREASE (DECREASE) IN NET POSITION | 208,621 | 161,292 | 887,840 | 689,436 | 462,534 | 963,804 | 448,378 | 5,476,032 | 493,634 | 690,544 | 168,862 | 60,183 | 146,229 | 10,857,389 |
| MEDICAL LOSS RATIO | 96.3% | 94.3% | 93.0% | 93.4% | 92.9% | 92.9% | 93.6% | 86.9% | 93.1% | 93.7% | 93.7% | 93.8% | 93.2% | 93.1% |
| ADMINISTRATIVE EXPENSE RATIO | 3.8% | 5.4% | 5.2% | 5.2% | 5.3% | 5.4% | 5.2% | 5.1% | 5.7% | 4.5% | 5.8% | 5.8% | 6.0% | 5.2% |

| KERN HEALTH SYSTEMS MEDICAL - STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PAID ROLLING 13 MONTHS THROUGH MAY 31, 2019 | | MAY 2018 | JUNE 2018 | JULY 2018 | AUGUST 2018 | SEPTEMBER 2018 | OCTOBER 2018 | NOVEMBER 2018 | DECEMBER 2018 | JANUARY 2019 | FEBRUARY 2019 | MARCH 2019 | APRIL 2019 | MAY 2019 | 13 MONTH TOTAL |
|---|--|-------------|--------------|--------------|----------------|-------------------|-----------------|------------------|------------------|-----------------|------------------|---------------|---------------|-------------|-------------------|
| ENROLLMENT | | 247,073 | 247,317 | 247,861 | 246,967 | 246,962 | 245,266 | 245,222 | 244,683 | 245,530 | 247,101 | 247,836 | 248,254 | 248,349 | 3,209,021 |
| Members - MCMV | | | | | | | | | | | | | | | |
| REVENUES | | | | | | | | | | | | | | | |
| Title XIX - Medicaid - Family and Other | | 133.71 | 126.38 | 131.77 | 143.39 | 133.25 | 134.04 | 136.65 | 180.80 | 134.36 | 140.03 | 141.35 | 138.32 | 140.92 | 139.58 |
| Title XIX - Medicaid - Expansion Members | | 370.03 | 353.55 | 362.19 | 373.39 | 366.14 | 363.20 | 361.19 | 413.07 | 371.66 | 391.12 | 383.67 | 384.32 | 386.02 | 375.36 |
| Title XIX - Medicaid - SPD Members | | 768.84 | 759.68 | 814.12 | 848.74 | 828.82 | 838.04 | 850.42 | 924.01 | 820.75 | 831.51 | 839.09 | 846.53 | 878.96 | 833.40 |
| Premium - MCO Tax | | 31.91 | 31.61 | 32.63 | 32.75 | 32.75 | 32.75 | 32.75 | 31.30 | 32.57 | 32.57 | 32.57 | 32.57 | 32.59 | 32.44 |
| Interest/Dividends | | 1.59 | 1.99 | 1.20 | 1.32 | 1.33 | 1.35 | 1.29 | 1.51 | 1.38 | 1.61 | 1.51 | 1.51 | 1.46 | 1.54 |
| Reinsurance Recoveries | | 0.00 | 0.56 | 0.00 | 0.00 | 0.00 | 0.00 | (0.57) | 1.10 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.08 |
| COB/Subrogation Collections | | 5.00 | 4.16 | 1.88 | 1.69 | 1.33 | 1.33 | 0.45 | 0.25 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.20 |
| Rate Income Adjustments | | 87.13 | (6.79) | (0.46) | 0.52 | 0.02 | 0.87 | 1.03 | (0.02) | 5.55 | 23.55 | 2.53 | (0.70) | 0.72 | 8.77 |
| Other Income (Expense) | | (0.40) | 1.40 | 0.24 | 0.06 | 0.55 | 0.58 | 0.18 | 2.73 | 0.35 | 0.10 | 2.46 | 0.01 | 0.08 | 0.64 |
| TOTAL REVENUES | | 354.32 | 351.76 | 363.37 | 376.88 | 365.35 | 367.99 | 368.64 | 317.75 | 272.01 | 299.20 | 280.45 | 274.20 | 279.36 | 282.39 |
| EXPENSES | | | | | | | | | | | | | | | |
| Medical Costs: | | | | | | | | | | | | | | | |
| Physician Services | | 53.89 | 53.62 | 53.27 | 54.82 | 54.42 | 51.32 | 55.02 | 46.81 | 53.75 | 55.72 | 62.10 | 63.99 | 56.89 | 54.96 |
| Other Professional Services | | 13.82 | 12.58 | 11.96 | 13.18 | 13.16 | 13.55 | 16.90 | 13.80 | 13.89 | 13.95 | 14.74 | 14.98 | 15.95 | 14.04 |
| Emergency Room | | 18.25 | 19.33 | 18.50 | 18.48 | 18.31 | 18.31 | 16.98 | 14.72 | 18.14 | 19.06 | 19.51 | 22.26 | 20.56 | 18.66 |
| Inpatient | | 56.39 | 53.65 | 56.16 | 52.73 | 52.18 | 53.29 | 37.30 | 11.00 | 52.72 | 52.23 | 54.66 | 51.76 | 49.05 | 48.74 |
| Reinsurance Expense | | 0.47 | 0.47 | 0.47 | 0.47 | 0.47 | 0.47 | 0.47 | 0.47 | 0.51 | 0.51 | 0.51 | 0.51 | 0.51 | 0.49 |
| Outpatient Hospital | | 26.66 | 23.98 | 23.85 | 24.49 | 23.48 | 19.51 | 20.90 | 17.49 | 22.02 | 24.43 | 27.78 | 25.67 | 25.80 | 23.48 |
| Other Medical | | 24.71 | 13.27 | 12.33 | 17.18 | 14.60 | 18.13 | 15.75 | 18.13 | 22.63 | 27.74 | 26.02 | 24.74 | 28.93 | 23.63 |
| Pharmacy | | 37.25 | 34.64 | 35.70 | 39.21 | 35.10 | 38.25 | 35.83 | 35.21 | 39.10 | 36.56 | 39.02 | 37.44 | 38.89 | 37.02 |
| Pay for Performance Quality Incentive | | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 1.82 | 2.00 | 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 | 0.00 |
| Non-Claims Expense Adjustment | | 84.76 | (0.05) | 0.00 | (1.21) | 0.03 | 0.01 | (0.00) | 0.00 | 0.80 | 1.49 | 1.31 | (2.96) | 0.16 | 6.49 |
| BBNR, Incentive, Paid Claims Adjustment | | (7.76) | (4.84) | 1.38 | 7.58 | 2.29 | 5.86 | 17.09 | 1.97 | (2.68) | 17.73 | (15.37) | (13.80) | (8.40) | 0.06 |
| Total Medical Costs | | 310.44 | 297.65 | 291.62 | 327.92 | 316.08 | 318.33 | 320.63 | 247.62 | 222.89 | 251.42 | 232.28 | 226.58 | 230.04 | 232.81 |
| GROSS MARGIN | | 43.88 | 44.11 | 48.75 | 48.96 | 49.27 | 49.66 | 48.00 | 70.13 | 49.12 | 47.84 | 48.17 | 47.61 | 49.31 | 49.59 |
| Administrative: | | | | | | | | | | | | | | | |
| Compensation | | 7.76 | 7.62 | 8.14 | 8.44 | 8.19 | 8.81 | 8.25 | 8.13 | 9.03 | 7.90 | 8.45 | 8.54 | 9.41 | 8.36 |
| Purchased Services | | 2.58 | 2.34 | 2.67 | 2.41 | 2.25 | 1.90 | 2.51 | 2.57 | 2.17 | 2.18 | 3.64 | 3.16 | 3.55 | 2.53 |
| Supplies | | 0.29 | 0.28 | 0.23 | 0.25 | 0.12 | 0.27 | 0.15 | 0.43 | 0.47 | 0.32 | 0.38 | 0.57 | 0.06 | 0.29 |
| Depreciation | | 0.49 | 0.51 | 0.51 | 0.52 | 0.52 | 0.52 | 0.52 | 0.52 | 0.54 | 0.73 | 0.85 | 0.72 | 0.72 | 0.61 |
| Other Administrative Expenses | | 1.13 | 1.11 | 1.34 | 1.03 | 1.28 | 1.08 | 0.90 | 1.24 | 1.33 | 0.76 | 0.99 | 1.03 | 0.96 | 1.09 |
| Administrative Expense Adjustment | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.57 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.12 |
| Total Administrative Expenses | | 12.25 | 11.87 | 11.90 | 12.64 | 12.35 | 12.59 | 12.32 | 14.47 | 13.73 | 11.89 | 14.31 | 14.02 | 14.71 | 13.01 |
| TOTAL EXPENSES | | 322.69 | 319.52 | 326.51 | 340.56 | 328.43 | 330.92 | 332.96 | 262.09 | 236.62 | 263.31 | 246.59 | 240.60 | 244.75 | 245.81 |
| OPERATING INCOME (LOSS) BEFORE TAX | | 31.63 | 32.24 | 36.85 | 36.32 | 36.92 | 37.07 | 35.68 | 55.66 | 35.38 | 35.95 | 33.86 | 33.59 | 34.60 | 36.58 |
| MCO TAX | | 30.96 | 30.64 | 32.63 | 32.75 | 32.75 | 32.98 | 32.94 | 33.05 | 32.90 | 32.75 | 32.63 | 32.58 | 32.57 | 32.47 |
| OPERATING INCOME (LOSS) NET OF TAX | | 0.67 | 1.60 | 4.22 | 3.57 | 4.17 | 4.10 | 2.74 | 22.60 | 2.48 | 3.22 | 1.22 | 1.01 | 2.03 | 4.11 |
| TOTAL NONOPERATING EXPENSE | | (0.18) | 0.95 | 0.64 | 0.78 | 2.30 | 0.17 | 0.91 | 0.22 | 0.48 | 0.42 | 0.54 | 0.77 | 1.45 | 0.73 |
| NET INCREASE (DECREASE) IN NET POSITION | | 0.49 | 1.65 | 3.58 | 2.79 | 1.87 | 3.93 | 1.83 | 22.38 | 2.01 | 2.79 | 0.68 | 0.24 | 0.59 | 3.38 |
| MEDICAL LOSS RATIO | | 96.3% | 94.3% | 93.0% | 93.4% | 92.9% | 92.9% | 93.6% | 86.4% | 91.1% | 94.3% | 93.7% | 93.8% | 93.2% | 93.1% |
| ADMINISTRATIVE EXPENSE RATIO | | 3.8% | 5.4% | 5.2% | 5.2% | 5.3% | 5.4% | 5.2% | 5.1% | 5.7% | 4.5% | 5.8% | 5.8% | 6.0% | 5.2% |

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED MAY 31, 2019 | | | | YEAR-TO-DATE | | |
|---|------------|-----------|--|--------------|-------------|-------------|
| CURRENT MONTH | | REVENUES | | ACTUAL | BUDGET | VARIANCE |
| ACTUAL | BUDGET | VARIANCE | | | | |
| 19,988,729 | 19,847,689 | 141,040 | Premium - Medi-Cal | 99,442,278 | 98,960,045 | 482,233 |
| 1,862,972 | 2,422,591 | (559,619) | Premium - Maternity Kick | 9,506,584 | 12,112,955 | (2,606,371) |
| 181,671 | 75,417 | 106,254 | Premium - Hep C Kick | 681,266 | 375,351 | 305,915 |
| 578,523 | 261,003 | 317,520 | Premium - BHT Kick | 1,529,613 | 1,299,023 | 230,590 |
| 1,747,791 | 656,983 | 1,090,808 | Premium - Provider Enhancement | 8,673,460 | 3,270,755 | 5,402,705 |
| 84,586 | 81,100 | 3,486 | Other | 420,702 | 405,100 | 15,602 |
| 24,444,272 | 23,344,783 | 1,099,489 | Total Title XIX - Medicaid - Family & Other | 120,253,903 | 116,423,229 | 3,830,674 |
| Title XIX - Medicaid - Expansion Members | | | | | | |
| 21,451,819 | 20,794,399 | 657,420 | Premium - Medi-Cal | 106,745,347 | 103,971,994 | 2,773,353 |
| 222,076 | 243,020 | (20,944) | Premium - Maternity Kick | 1,258,431 | 1,215,100 | 43,331 |
| 685,050 | 544,869 | 140,181 | Premium - Hep C Kick | 2,441,202 | 2,724,345 | (283,143) |
| 747,617 | 323,232 | 424,385 | Premium - Provider Enhancement | 3,868,963 | 1,616,160 | 2,252,803 |
| 26,631 | 25,456 | 1,175 | Other | 132,396 | 127,280 | 5,116 |
| 23,133,193 | 21,930,976 | 1,202,217 | Total Title XIX - Medicaid - Expansion Members | 114,446,339 | 109,654,879 | 4,791,460 |
| Title XIX - Medicaid - SPD Members | | | | | | |
| 11,771,729 | 11,198,119 | 573,610 | Premium - Medi-Cal | 57,580,383 | 55,990,597 | 1,589,786 |
| 242,682 | 211,894 | 30,788 | Premium - Hep C Kick | 833,112 | 1,059,470 | (226,358) |
| 845,681 | 391,982 | 453,699 | Premium - BHT Kick | 2,294,561 | 1,959,910 | 334,651 |
| 287,374 | 125,386 | 161,988 | Premium - Provider Enhancement | 1,405,358 | 626,930 | 778,408 |
| 13,147,466 | 11,927,381 | 1,220,085 | Total Title XIX - Medicaid - SPD Members | 62,113,394 | 59,636,907 | 2,476,487 |

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED MAY 31, 2019 | | | | YEAR-TO-DATE | | |
|--|------------|-------------|--|--------------|-------------|--------------|
| CURRENT MONTH | | VARIANCE | | ACTUAL | BUDGET | VARIANCE |
| ACTUAL | BUDGET | | | | | |
| 3,132,132 | 2,917,473 | (214,659) | | 14,708,147 | 14,541,999 | (166,148) |
| 9,485,042 | 9,197,479 | (287,563) | | 49,037,827 | 45,895,488 | (3,142,339) |
| 1,427,909 | 1,361,669 | (66,240) | | 8,521,056 | 6,795,161 | (1,726,495) |
| 9,300 | 9,300 | - | | 45,300 | 36,000 | (9,300) |
| 14,054,383 | 13,485,921 | (568,462) | | 72,312,930 | 67,268,648 | (5,044,282) |
| PHYSICIAN SERVICES | | | | | | |
| Primary Care Physician Services | | | | | | |
| 248,254 | 261,022 | 12,768 | | 1,233,704 | 1,301,030 | 67,326 |
| 179,129 | 183,437 | 4,308 | | 829,492 | 917,185 | 87,693 |
| 554,978 | 537,736 | (17,243) | | 2,529,956 | 2,688,678 | 158,722 |
| 91,692 | 101,420 | 9,728 | | 384,809 | 507,101 | 122,292 |
| 99,085 | 90,483 | (8,602) | | 446,438 | 452,415 | 5,977 |
| 90,596 | 87,826 | (2,770) | | 405,875 | 439,132 | 33,257 |
| 60,500 | 85,846 | 25,346 | | 251,541 | 429,226 | 177,685 |
| 202,905 | 205,777 | 2,872 | | 939,581 | 1,028,886 | 89,305 |
| 58,437 | 55,990 | (2,447) | | 264,658 | 279,948 | 15,290 |
| 1,250,610 | 652,985 | (597,625) | | 4,624,276 | 3,258,933 | (1,365,343) |
| 1,035,427 | 1,038,916 | 3,489 | | 782,241 | 805,986 | 23,745 |
| 3,960,952 | 3,463,025 | (497,927) | | 5,501,566 | 5,185,542 | (316,024) |
| 5,106,796 | 4,577,163 | (529,633) | | 18,194,137 | 17,294,061 | (900,076) |
| 12,181,510 | 13,539,835 | 1,358,325 | | 24,637,420 | 22,820,919 | (1,816,501) |
| 126,609 | 126,518 | (91) | | 64,445,063 | 67,583,303 | 3,138,240 |
| 6,408,304 | 5,693,077 | (715,227) | | 629,189 | 630,551 | 1,362 |
| OUTPATIENT HOSPITAL SERVICES | | | | | | |
| OTHER MEDICAL | | | | | | |
| 2,206,229 | 1,218,155 | (988,074) | | 9,523,162 | 6,074,520 | (3,448,642) |
| 542,991 | 291,997 | (250,994) | | 1,877,055 | 1,457,872 | (419,183) |
| 165,956 | 445,757 | 279,801 | | 1,042,288 | 2,228,784 | 1,186,496 |
| 1,043,600 | 780,323 | (263,277) | | 5,072,221 | 3,898,504 | (1,173,717) |
| - | 62,341 | 62,341 | | - | 310,701 | 310,701 |
| 3,224,940 | 1,105,463 | (2,119,477) | | 14,678,386 | 5,512,231 | (9,166,155) |
| 7,183,716 | 3,904,036 | (3,279,680) | | 32,193,112 | 19,482,611 | (12,710,501) |
| PHARMACY SERVICES | | | | | | |
| RX - Drugs & OTC | | | | | | |
| 8,527,200 | 8,376,765 | (150,435) | | 41,811,508 | 41,819,223 | 7,715 |
| 604,476 | 832,179 | 227,703 | | 2,836,305 | 4,159,164 | 1,322,859 |
| 732,945 | 599,642 | (133,303) | | 3,457,796 | 2,994,464 | (463,332) |
| (205,348) | (145,792) | (59,556) | | (835,348) | (728,688) | 106,660 |
| 9,659,273 | 9,662,794 | 3,521 | | 47,270,261 | 48,244,163 | 973,902 |
| 496,698 | 496,150 | (548) | | 2,474,740 | 2,472,750 | (1,990) |
| - | - | - | | - | - | - |
| 39,610 | - | (39,610) | | 192,652 | - | (192,652) |
| (2,087,231) | - | 2,087,231 | | (5,601,577) | - | 5,601,577 |
| 57,130,620 | 54,948,520 | (2,182,100) | | 287,866,650 | 274,211,815 | (13,654,835) |

* Medical costs per DMHC regulations

| CURRENT MONTH | | | YEAR-TO-DATE | | |
|---|--------|----------|--------------|--------|----------|
| ACTUAL | BUDGET | VARIANCE | ACTUAL | BUDGET | VARIANCE |
| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED MAY 31, 2019 | | | | | |
| PHYSICIAN SERVICES | | | | | |
| 12.61 | 11.76 | (0.85) | 11.89 | 11.76 | (0.12) |
| 38.19 | 37.08 | (1.12) | 39.63 | 37.12 | (2.51) |
| 5.75 | 5.49 | (0.26) | 6.89 | 5.89 | (1.39) |
| 0.04 | 0.04 | 0.00 | 0.04 | 0.03 | (0.01) |
| 56.59 | 54.36 | (2.23) | 58.44 | 54.41 | (4.03) |
| OTHER PROFESSIONAL SERVICES | | | | | |
| 1.00 | 1.05 | 0.05 | 1.00 | 1.05 | 0.06 |
| 0.72 | 0.74 | 0.02 | 0.67 | 0.74 | 0.07 |
| 2.23 | 2.17 | (0.07) | 2.04 | 2.17 | 0.13 |
| 0.37 | 0.41 | 0.04 | 0.31 | 0.41 | 0.10 |
| 0.40 | 0.36 | (0.03) | 0.36 | 0.37 | 0.01 |
| 0.36 | 0.35 | (0.01) | 0.33 | 0.36 | 0.03 |
| 0.24 | 0.35 | 0.11 | 0.20 | 0.35 | 0.14 |
| 0.82 | 0.83 | 0.01 | 0.76 | 0.83 | 0.07 |
| 0.24 | 0.23 | (0.01) | 0.21 | 0.23 | 0.01 |
| 5.04 | 2.63 | (2.40) | 3.74 | 2.64 | (1.10) |
| 0.36 | 0.65 | 0.29 | 0.63 | 0.65 | 0.02 |
| 4.17 | 4.19 | 0.02 | 4.45 | 4.19 | (0.25) |
| 15.95 | 13.96 | (1.99) | 14.70 | 13.99 | (0.72) |
| 20.56 | 18.45 | (2.11) | 19.91 | 18.46 | (1.45) |
| 49.05 | 54.58 | 5.53 | 52.08 | 54.66 | 2.58 |
| 0.51 | 0.51 | 0.00 | 0.51 | 0.51 | 0.00 |
| 25.80 | 22.95 | (2.85) | 25.15 | 22.98 | (2.17) |
| OTHER MEDICAL | | | | | |
| 8.88 | 4.91 | (3.97) | 7.70 | 4.91 | (2.78) |
| 2.19 | 1.18 | (1.01) | 1.52 | 1.18 | (0.34) |
| 0.67 | 1.80 | 1.13 | 0.84 | 1.80 | 0.96 |
| 4.20 | 3.15 | (1.06) | 4.10 | 3.15 | (0.95) |
| 0.00 | 0.25 | 0.25 | 0.00 | 0.25 | 0.25 |
| 12.99 | 4.46 | (8.53) | 11.86 | 4.46 | (7.40) |
| 28.93 | 15.74 | (13.19) | 26.02 | 15.76 | (10.26) |
| PHARMACY SERVICES | | | | | |
| 34.34 | 33.77 | (0.57) | 33.79 | 33.82 | 0.03 |
| 2.43 | 3.35 | 0.92 | 2.29 | 3.36 | 1.07 |
| 2.95 | 2.42 | (0.53) | 2.79 | 2.42 | (0.37) |
| (0.83) | (0.59) | 0.24 | (0.68) | (0.59) | 0.09 |
| 38.89 | 38.95 | 0.06 | 38.20 | 39.02 | 0.82 |
| 2.00 | 2.00 | 0.00 | 2.00 | 2.00 | 0.00 |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 0.16 | 0.00 | (0.16) | 0.16 | 0.00 | (0.16) |
| (8.40) | 8.40 | 0.00 | (4.53) | 0.00 | 4.53 |
| 230.04 | 221.50 | (8.54) | 232.64 | 221.79 | (10.86) |

* Medical costs per DMHC regulations

| KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH MAY 31, 2019 | JANUARY 2019 | FEBRUARY 2019 | MARCH 2019 | APRIL 2019 | MAY 2019 | YEAR TO DATE 2019 |
|--|-------------------|-------------------|--------------------|--------------------|--------------------|-------------------------|
| PHYSICIAN SERVICES | | | | | | |
| Primary Care Physician Services | 2,852,332 | 3,204,444 | 2,641,133 | 2,878,106 | 3,132,132 | 14,708,147 |
| Referral Specialty Services | 9,061,015 | 8,891,359 | 10,768,936 | 10,831,475 | 9,485,042 | 49,037,827 |
| Urgent Care & After Hours Advise | 1,290,151 | 1,663,998 | 1,972,243 | 2,167,355 | 1,427,909 | 8,521,656 |
| Hospital Admitting Team | 9,300 | 8,400 | 9,300 | 9,000 | 9,300 | 45,300 |
| TOTAL PHYSICIAN SERVICES | 13,212,798 | 13,768,201 | 15,391,612 | 15,885,936 | 14,054,383 | 72,312,930 |
| OTHER PROFESSIONAL SERVICES | | | | | | |
| Vision Service Capitation | 245,365 | 245,148 | 247,101 | 247,836 | 248,254 | 1,233,704 |
| 221 - Business Intelligence | 164,801 | 159,928 | 165,714 | 159,920 | 179,129 | 829,492 |
| 310 - Health Services - Utilization Management - UM Allocation * | 510,943 | 470,395 | 478,085 | 515,555 | 554,978 | 2,529,956 |
| 311 - Health Services - Quality Improvement - UM Allocation * | 80,526 | 67,588 | 68,819 | 76,184 | 91,692 | 384,809 |
| 312 - Health Services - Education - UM Allocation * | 93,216 | 78,571 | 86,664 | 88,902 | 99,085 | 446,438 |
| 313 - Health Services - Pharmacy - UM Allocation * | 82,748 | 75,645 | 78,387 | 78,499 | 90,596 | 405,875 |
| 314 - Health Homes - UM Allocation * | 49,343 | 44,522 | 48,105 | 49,071 | 60,500 | 251,541 |
| 315 - Case Management - UM Allocation * | 190,992 | 177,760 | 187,111 | 180,813 | 202,905 | 939,581 |
| 616 - Disease Management - UM Allocation * | 54,419 | 48,934 | 50,373 | 52,495 | 58,437 | 264,658 |
| Behavior Health Treatment | 638,864 | 831,512 | 952,302 | 950,988 | 1,250,610 | 4,624,276 |
| Mental Health Services | 212,968 | 183,744 | 127,778 | 168,412 | 89,339 | 782,241 |
| Other Professional Services | 1,090,436 | 1,063,534 | 1,162,244 | 1,149,925 | 1,035,427 | 5,501,566 |
| TOTAL OTHER PROFESSIONAL SERVICES | 3,414,621 | 3,447,281 | 3,652,683 | 3,718,600 | 3,960,952 | 18,194,137 |
| EMERGENCY ROOM | 4,459,099 | 4,710,529 | 4,835,728 | 5,525,268 | 5,106,796 | 24,637,420 |
| INPATIENT HOSPITAL | 12,961,386 | 12,906,122 | 13,546,028 | 12,850,017 | 12,181,510 | 64,445,063 |
| REINSURANCE EXPENSE PREMIUM | 125,136 | 125,026 | 126,021 | 126,397 | 126,609 | 629,189 |
| OUTPATIENT HOSPITAL SERVICES | 5,414,223 | 6,037,448 | 6,885,177 | 6,373,571 | 6,408,304 | 31,118,723 |
| OTHER MEDICAL | | | | | | |
| Ambulance and NEMT | 1,146,157 | 2,536,809 | 1,948,589 | 1,685,378 | 2,206,229 | 9,523,162 |
| Home Health Services & CBAS | 495,461 | 155,156 | 325,629 | 357,818 | 542,991 | 1,877,055 |
| Utilization and Quality Review Expenses | 248,953 | 93,464 | 298,591 | 235,324 | 165,956 | 1,042,288 |
| Long Term/SNF/Hospice | 944,616 | 1,180,282 | 999,537 | 904,186 | 1,043,600 | 5,072,221 |
| Enhanced Medical Benefits | - | - | - | - | - | - |
| Provider Enhancement Expense | 2,729,133 | 2,889,012 | 2,876,190 | 2,959,111 | 3,224,940 | 14,678,386 |
| Non-Medical Transportation | - | - | - | - | - | - |
| TOTAL OTHER MEDICAL | 5,564,320 | 6,854,723 | 6,448,536 | 6,141,817 | 7,183,716 | 32,193,112 |
| PHARMACY SERVICES | | | | | | |
| RX - Drugs & OTC | 8,596,061 | 7,864,951 | 8,712,771 | 8,110,525 | 8,527,200 | 41,811,508 |
| RX - IIEP-C | 542,465 | 579,505 | 435,632 | 674,227 | 604,476 | 2,836,305 |
| Rx - DME | 647,574 | 722,044 | 706,209 | 649,024 | 732,945 | 3,457,796 |
| RX - Pharmacy Rebates | (173,400) | (133,200) | (183,400) | (140,000) | (205,348) | (835,348) |
| TOTAL PHARMACY SERVICES | 9,612,700 | 9,033,300 | 9,671,212 | 9,293,776 | 9,659,273 | 47,270,261 |
| PAY FOR PERFORMANCE QUALITY INCENTIVE | 491,660 | 494,202 | 495,672 | 496,508 | 496,698 | 2,474,740 |
| EXPANSION RISK CORRIDOR | - | - | - | - | - | - |
| NON-CLAIMS EXPENSE ADJUSTMENT | 197,435 | 367,246 | 324,378 | (736,017) | 39,610 | 192,652 |
| IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | (659,783) | 4,381,620 | (3,810,327) | (3,425,856) | (2,087,231) | (5,601,577) |
| Total Medical Costs | 54,793,595 | 62,125,698 | 57,566,720 | 56,250,017 | 57,130,620 | 287,866,650 |

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH MAY 31, 2019 | JANUARY 2019 | FEBRUARY 2019 | MARCI 2019 | APRIL 2019 | MAY 2019 | YEAR TO DATE 2019 |
|--|-----------------|------------------|----------------|----------------|---------------|-------------------------|
| PHYSICIAN SERVICES | | | | | | |
| Primary Care Physician Services | 11.60 | 12.97 | 10.66 | 11.59 | 12.61 | 11.89 |
| Referral Specialty Services | 36.86 | 35.98 | 43.45 | 43.63 | 38.19 | 39.63 |
| Urgent Care & After Hours Advise | 5.25 | 6.73 | 7.96 | 8.73 | 5.75 | 6.89 |
| Hospital Admitting Team | 0.04 | 0.03 | 0.04 | 0.04 | 0.04 | 0.04 |
| TOTAL PHYSICIAN SERVICES | 53.75 | 55.72 | 62.10 | 63.99 | 56.59 | 58.44 |
| OTHER PROFESSIONAL SERVICES | | | | | | |
| Vision Service Capitation | 1.00 | 0.99 | 1.00 | 1.00 | 1.00 | 1.00 |
| 221 - Business Intelligence | 0.67 | 0.65 | 0.67 | 0.64 | 0.72 | 0.67 |
| 310 - Health Services - Utilization Management - UM Allocation * | 2.08 | 1.90 | 1.93 | 2.08 | 2.23 | 2.04 |
| 311 - Health Services - Quality Improvement - UM Allocation * | 0.33 | 0.27 | 0.28 | 0.31 | 0.37 | 0.31 |
| 312 - Health Services - Education - UM Allocation * | 0.38 | 0.32 | 0.35 | 0.36 | 0.40 | 0.36 |
| 313 - Health Services - Pharmacy - UM Allocation * | 0.34 | 0.31 | 0.32 | 0.32 | 0.36 | 0.33 |
| 314 - Health Homes - UM Allocation * | 0.20 | 0.18 | 0.19 | 0.20 | 0.24 | 0.20 |
| 315 - Case Management - UM Allocation * | 0.78 | 0.72 | 0.75 | 0.73 | 0.82 | 0.76 |
| 616 - Disease Management - UM Allocation * | 0.22 | 0.20 | 0.20 | 0.21 | 0.24 | 0.21 |
| Behavior Health Treatment | 2.60 | 3.37 | 3.84 | 3.83 | 5.04 | 3.74 |
| Mental Health Services | 0.87 | 0.74 | 0.52 | 0.68 | 0.36 | 0.63 |
| Other Professional Services | 4.44 | 4.30 | 4.69 | 4.63 | 4.17 | 4.45 |
| TOTAL OTHER PROFESSIONAL SERVICES | 13.89 | 13.95 | 14.74 | 14.98 | 15.95 | 14.70 |
| EMERGENCY ROOM | 18.14 | 19.06 | 19.51 | 22.26 | 20.56 | 19.91 |
| INPATIENT HOSPITAL | 52.72 | 52.23 | 54.66 | 51.76 | 49.05 | 52.08 |
| REINSURANCE EXPENSE PREMIUM | 0.51 | 0.51 | 0.51 | 0.51 | 0.51 | 0.51 |
| OUTPATIENT HOSPITAL SERVICES | 22.02 | 24.43 | 27.78 | 25.67 | 25.80 | 25.15 |
| OTHER MEDICAL | | | | | | |
| Ambulance and NEMT | 4.66 | 10.27 | 7.86 | 6.79 | 8.88 | 7.70 |
| Home Health Services & CBAS | 2.02 | 0.63 | 1.31 | 1.44 | 2.19 | 1.52 |
| Utilization and Quality Review Expenses | 1.01 | 0.38 | 1.20 | 0.95 | 0.67 | 0.84 |
| Long Term/SNF/Hospice | 3.84 | 4.78 | 4.03 | 3.64 | 4.20 | 4.10 |
| Enhanced Medical Benefits | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Provider Enhancement Expense | 11.10 | 11.69 | 11.61 | 11.92 | 12.99 | 11.86 |
| Non-Medical Transportation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL OTHER MEDICAL | 22.63 | 27.74 | 26.02 | 24.74 | 28.93 | 26.02 |
| PHARMACY SERVICES | | | | | | |
| RX - Drugs & OTC | 34.97 | 31.83 | 35.16 | 32.67 | 34.34 | 33.79 |
| RX - HEP-C | 2.21 | 2.35 | 1.76 | 2.72 | 2.43 | 2.29 |
| Rx - DME | 2.63 | 2.92 | 2.85 | 2.61 | 2.95 | 2.79 |
| RX - Pharmacy Rebates | (0.71) | (0.54) | (0.74) | (0.56) | (0.83) | (0.68) |
| TOTAL PHARMACY SERVICES | 39.10 | 36.56 | 39.02 | 37.44 | 38.89 | 38.20 |
| PAY FOR PERFORMANCE QUALITY INCENTIVE | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| EXPANSION RISK CORRIDOR | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| NON-CLAIMS EXPENSE ADJUSTMENT | 0.80 | 1.49 | 1.31 | (2.96) | 0.16 | 0.16 |
| IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | (2.68) | 17.73 | (15.37) | (13.80) | (8.40) | (4.53) |
| Total Medical Costs | 222.89 | 251.42 | 232.28 | 226.58 | 230.04 | 232.64 |

| CURRENT MONTH | | YEAR-TO-DATE | | | |
|---|-----------|--------------|------------|-------------|-------------|
| ACTUAL | BUDGET | VARIANCE | ACTUAL | BUDGET | VARIANCE |
| KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED MAY 31, 2019 | | | | | |
| 195,373 | 258,313 | 62,940 | 1,200,647 | 1,291,566 | 90,919 |
| 155,814 | 158,992 | 3,178 | 707,075 | 794,960 | 87,885 |
| 645,579 | 617,732 | (27,847) | 2,706,122 | 3,088,658 | 382,536 |
| 22,857 | 18,734 | (4,123) | 103,762 | 93,669 | (10,093) |
| 301,083 | 338,857 | 37,774 | 1,288,652 | 1,694,276 | 405,624 |
| 539,033 | 477,708 | (61,325) | 2,502,120 | 2,381,694 | (120,426) |
| 86,052 | 109,760 | 23,708 | 441,464 | 548,798 | 107,334 |
| 92,899 | 96,311 | 3,412 | 450,715 | 481,556 | 30,841 |
| 28,960 | 33,152 | 4,192 | 122,695 | 166,462 | 43,767 |
| (15,754) | - | 15,754 | 759 | 1,250 | 491 |
| 127,589 | 123,682 | (3,907) | 664,179 | 625,108 | (39,071) |
| 18 | 500 | 482 | (380) | 2,500 | 2,880 |
| 13,230 | 13,135 | (95) | 60,252 | 65,824 | 5,572 |
| 21,808 | 20,738 | (1,070) | 98,507 | 103,688 | 5,181 |
| 235,564 | 247,979 | 12,415 | 1,098,790 | 1,219,648 | 120,858 |
| 477,021 | 517,791 | 40,770 | 2,265,232 | 2,510,996 | 245,764 |
| 364,405 | 424,472 | 60,067 | 1,783,999 | 1,960,360 | 176,361 |
| 53,208 | 62,743 | 9,535 | 271,489 | 313,715 | 42,226 |
| 108,984 | 64,500 | (44,484) | 242,406 | 322,492 | 80,086 |
| 48,141 | 64,750 | 16,609 | 230,314 | 323,750 | 93,436 |
| 152,127 | 197,193 | 45,066 | 757,748 | 960,427 | 202,679 |
| - | (202,880) | (202,880) | - | (1,014,400) | (1,014,400) |
| 3,653,991 | 3,644,161 | (9,830) | 16,996,547 | 17,936,996 | 940,449 |

| KERN HEALTH SYSTEMS MEDI-CAL | | JANUARY 2019 | FEBRUARY 2019 | MARCH 2019 | APRIL 2019 | MAY 2019 | YEAR TO DATE 2019 |
|---|--|-----------------|------------------|---------------|---------------|-------------|-------------------------|
| SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED MAY 31, 2019 | | | | | | | |
| 110 - Executive | | 298,677 | 186,923 | 234,566 | 285,108 | 195,373 | 1,200,647 |
| 210 - Accounting | | 149,967 | 127,374 | 139,032 | 134,888 | 155,814 | 707,075 |
| 220 - Management Information Systems (MIS) | | 401,536 | 495,303 | 640,543 | 523,161 | 645,579 | 2,706,122 |
| 221 - Business Intelligence | | 205 | 10,000 | 50,100 | 20,600 | 22,857 | 103,762 |
| 225 - Infrastructure | | 255,998 | 238,858 | 247,310 | 245,403 | 301,083 | 1,288,652 |
| 230 - Claims | | 510,558 | 444,621 | 505,751 | 502,157 | 539,033 | 2,502,120 |
| 240 - Project Management | | 85,314 | 84,072 | 96,834 | 89,192 | 86,052 | 441,464 |
| 310 - Health Services - Utilization Management | | 86,447 | 91,228 | 95,142 | 84,999 | 92,899 | 450,715 |
| 311 - Health Services - Quality Improvement | | 25,633 | 21,530 | 22,707 | 23,865 | 28,960 | 122,695 |
| 312 - Health Services - Education | | 23 | 612 | (5) | 15,883 | (15,754) | 759 |
| 313- Pharmacy | | 127,668 | 124,298 | 159,313 | 125,311 | 127,589 | 664,179 |
| 314 - Health Homes | | 556 | (556) | (398) | - | 18 | (380) |
| 315 - Case Management | | 12,191 | 11,347 | 11,943 | 11,541 | 13,230 | 60,252 |
| 616 - Disease Management | | 20,405 | 18,247 | 18,631 | 19,416 | 21,808 | 98,507 |
| 320 - Provider Network Management | | 267,760 | 126,987 | 223,524 | 244,955 | 235,564 | 1,098,790 |
| 330 - Member Services | | 470,954 | 389,538 | 441,753 | 485,966 | 477,021 | 2,265,232 |
| 340 - Corporate Services | | 319,181 | 347,539 | 396,534 | 356,340 | 364,405 | 1,783,999 |
| 360 - Audit & Investigative Services | | 57,536 | 55,624 | 51,626 | 53,495 | 53,208 | 271,489 |
| 410 - Advertising Media | | 24,987 | 11,283 | 34,440 | 62,712 | 108,984 | 242,406 |
| 420 - Sales/Marketing/Public Relations | | 48,311 | 41,979 | 43,514 | 48,369 | 48,141 | 230,314 |
| 510 - Human Resources | | 211,647 | 111,757 | 134,617 | 147,600 | 152,127 | 757,748 |
| Total Department Expenses | | 3,375,554 | 2,938,564 | 3,547,477 | 3,480,961 | 3,653,991 | 16,996,547 |

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

| ASSETS | MAY 2019 | APRIL 2019 | INC(DEC) |
|---|---------------------|---------------------|-----------------|
| CURRENT ASSETS: | | | |
| Cash and Cash Equivalents | \$ 1,473,556 | \$ 1,473,556 | - |
| Interest Receivable | 5,599 | 2,609 | 2,990 |
| Prepaid Expenses & Other Current Assets | 834 | 1,667 | (833) |
| TOTAL CURRENT ASSETS | \$ 1,479,989 | \$ 1,477,832 | \$ 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 | 11,762 | 9,605 | 2,157 |
| Total Net Position | \$ 1,112,300 | \$ 1,110,143 | \$ 2,157 |
| TOTAL LIABILITIES AND NET POSITION | \$ 1,479,989 | \$ 1,477,832 | \$ 2,157 |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED MAY 31, 2019 | | | YEAR-TO-DATE | | |
|-----------------------|----|-------|---|---------------|-----------|----------------|-----------|----------------|
| | | | | | | | | |
| ENROLLMENT | | | | | | | | |
| - | - | - | Members | - | - | - | - | - |
| REVENUES | | | | | | | | |
| - | - | - | Premium | - | - | - | - | - |
| 2,990 | - | 2,990 | Interest | 14,578 | - | 14,578 | - | 14,578 |
| - | - | - | Other Investment Income | 1,350 | - | 1,350 | - | 1,350 |
| 2,990 | - | 2,990 | TOTAL REVENUES | 15,928 | - | 15,928 | - | 15,928 |
| EXPENSES | | | | | | | | |
| - | - | - | Medical Costs | - | - | - | - | - |
| - | - | - | IBNR and Paid Claims Adjustment | - | - | - | - | - |
| - | - | - | Total Medical Costs | - | - | - | - | - |
| 2,990 | - | 2,990 | GROSS MARGIN | 15,928 | - | 15,928 | - | 15,928 |
| Administrative | | | | | | | | |
| 833 | - | (833) | Management Fee Expense and Other Admin Exp | 4,166 | - | (4,166) | - | (4,166) |
| 833 | - | (833) | Total Administrative Expenses | 4,166 | - | (4,166) | - | (4,166) |
| 833 | - | (833) | TOTAL EXPENSES | 4,166 | - | (4,166) | - | (4,166) |
| 2,157 | - | 2,157 | OPERATING INCOME (LOSS) | 11,762 | - | 11,762 | - | 11,762 |
| - | - | - | TOTAL NONOPERATING REVENUE (EXPENSES) | - | - | - | - | - |
| 2,157 | - | 2,157 | NET INCREASE (DECREASE) IN NET POSITION | 11,762 | - | 11,762 | - | 11,762 |
| 0% | 0% | 0% | MEDICAL LOSS RATIO | 0% | 0% | 0% | 0% | 0% |
| 28% | 0% | -28% | ADMINISTRATIVE EXPENSE RATIO | 26% | 0% | -26% | 0% | -26% |

**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 | 33,184 | 0 | | | | | | | |
| REFUGEE - FAMILY | 0 | 0 | 0 | 1 | 0 | | | | | | | |
| FOSTER CARE | 720 | 699 | 712 | 776 | 0 | | | | | | | |
| POVERTY-133/200% | 1 | 1 | 1 | 1 | 0 | | | | | | | |
| MI - CHILD | 108,363 | 109,594 | 110,076 | 110,865 | 0 | | | | | | | |
| CHLD-ACA | 41 | 40 | 13 | 15 | 0 | | | | | | | |
| FAMILY - UNDER 19 | 22,145 | 22,131 | 22,194 | 22,160 | 0 | | | | | | | |
| ADULT | 0 | 0 | 0 | 0 | 43,788 | | | | | | | |
| CHILD | 0 | 0 | 0 | 0 | 123,066 | | | | | | | |
| SUB-TOTAL ADULT & FAMILY | 165,796 | 166,386 | 166,867 | 167,002 | 166,854 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | |
|-------------------------------|----------------|
| MEDI-CAL EXPANSION | 15 |
| LHP Transition Pre-ACA | 296,324 |
| ACA Expansion Adult-Citizen | 13 |
| ACA Expansion CAL Fresh Adult | 2,164 |
| ACA Expansion Duals | 298,516 |
| SUB-TOTAL MANDATORY | 298,516 |

| | |
|--------------------------------|------------------|
| SDP MEMBERS | 758 |
| SSI - AGED | 6,500 |
| MN - AGED | 49,606 |
| SSI - BLIND & DISABLED | 1,911 |
| MN - BLIND & DISABLED | 14,958 |
| SPD (AGED AND DISABLED) | 73,733 |
| SUB-TOTAL MANDATORY SPD | 73,733 |
| TOTAL MANDATORY | 1,205,154 |

| | |
|--------------------------|------------|
| OTHER MEMBERS | 114 |
| BCCTP-TOBACCO SETTLEMENT | |

| | |
|---------------------------------|---------------|
| DUALS | 102 |
| PA - FAMILY DUALS | 3,342 |
| PART D SSI - AGED | 6,302 |
| PART D MN - AGED | 9,973 |
| PART D SSI - BLIND & DISABLED | 4,176 |
| PART D MN - BLIND & DISABLED | 6 |
| PART D BCCTP-TOBACCO SETTLEMENT | 1,615 |
| PART D MI - CHILD | 435 |
| PARTIAL DUALS - FAMILY | 6,151 |
| SPD FULL DUALS | 32,102 |
| SUB-TOTAL DUALS | 32,216 |

| | |
|---------------------|------------------|
| TOTAL OTHERS | 42,076 |
| TOTAL KAISER | 1,279,446 |

| | |
|-------------------------------|------------------|
| TOTAL MEDI-CAL MEMBERS | 1,279,446 |
|-------------------------------|------------------|



To: KHS Board of Directors

From: Robert Landis, CFO

Date: August 15, 2019

Re: June 2019 Financial Results

The June results reflect a \$2,258,259 Net Increase in Net Position (including a \$2,205,329 gain on the sale of the Stockdale Building) which is a \$3,429,074 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$4.7 million favorable variance primarily due to:
 - A) \$.8 million favorable variance in Expansion primarily due to a higher than expected budgeted rate increase from the State and higher than expected enrollment.
 - B) \$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 2C below.
 - C) \$.5 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.
 - D) \$1.2 million favorable variance in Maternity Revenue primarily due to higher than expected reported births.
 - E) \$.6 million favorable variance related to higher than expected BHT Revenue offset against amounts included in 2A below.
- 2) Total Medical Costs reflect a \$3.4 million unfavorable variance primarily due to:
 - A) \$.9 million unfavorable variance in Other Professional Services primarily due to higher than expected utilization of BHT services for SPD and Family & Other members offset against amounts included in 1E above.
 - B) \$.8 million unfavorable variance in Inpatient primarily due to higher than expected utilization by Family & Other members.
 - C) \$2.5 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 (\$1.9 million) offset against revenue included in 1B above. There was also an unfavorable variance in Ambulance and NEMT primarily due to accruing for estimated expenses for supplemental GEMT services (\$.8 million) offset against revenue included in 1C above.

- D) \$1.2 million favorable variance in Pharmacy due to lower than expected prescriptions filled along with lower than expected unit costs (\$.8 million) and lower than expected HEP-C utilization (\$.4 million).

The June Medical Loss Ratio is 93.4% which is favorable to the 95.2% budgeted amount. The June Administrative Expense Ratio is 5.2% which is favorable to the 6.3% budgeted amount.

The results for the 6 months ended June 30, 2019 reflect a Net Increase in Net Position of \$3,817,711. This is a \$10,232,799 favorable variance to budget and includes approximately \$12.5 million of favorable adjustments from the prior year and a \$2.2 million gain from the sale of the Stockdale Building. The year-to-date Medical Loss Ratio is 93.6% which is favorable to the 95.1% budgeted amount. The year-to-date Administrative Expense Ratio is 5.5% which is favorable to the 6.2% budgeted amount.

**Kern Health Systems
Financial Packet
June 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 |
|----------------------|---------|

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF JUNE 30, 2019 | | | |
|---|-----------------------|-----------------------|-----------------------|
| ASSETS | JUNE 2019 | MAY 2019 | INC(DEC) |
| CURRENT ASSETS: | | | |
| Cash and Cash Equivalents | \$ 87,420,157 | \$ 94,452,942 | \$ (7,032,785) |
| Short-Term Investments | 141,187,654 | 124,056,383 | 17,131,271 |
| Premiums Receivable - Net | 78,480,529 | 73,925,190 | 4,555,339 |
| Interest Receivable | 413,290 | 809,672 | (396,382) |
| Other Receivables | 1,360,226 | 1,369,632 | (9,406) |
| Prepaid Expenses & Other Current Assets | 1,982,886 | 2,086,844 | (103,958) |
| Total Current Assets | \$ 310,844,742 | \$ 296,700,663 | \$ 14,144,079 |
| RESTRICTED ASSETS | \$ 300,000 | \$ 300,000 | \$ - |
| CAPITAL ASSETS - NET OF ACCUM DEPRES: | | | |
| Land | 4,090,706 | 4,876,562 | (785,856) |
| Furniture and Equipment - Net | 10,681,457 | 10,827,663 | (146,206) |
| Automobiles - Net | 30,825 | 31,609 | (784) |
| Building and Building Improvements - Net | - | 6,184,421 | (6,184,421) |
| Building Project in Progress | 30,451,660 | 30,130,298 | 321,362 |
| Capital Projects in Progress | 15,146,985 | 14,798,124 | 348,861 |
| Total Capital Assets | \$ 60,401,633 | \$ 66,848,677 | \$ (6,447,044) |
| LONG TERM ASSETS: | | | |
| Officer Life Insurance Receivables | 703,894 | 704,291 | (397) |
| Total Long Term Assets | \$ 703,894 | \$ 704,291 | \$ (397) |
| DEFERRED OUTFLOWS OF RESOURCES | \$ 2,657,573 | \$ 2,657,573 | \$ - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 374,907,842 | \$ 367,211,204 | \$ 7,696,638 |
| LIABILITIES AND NET POSITION | | | |
| CURRENT LIABILITIES: | | | |
| Accounts Payable | \$ 69,463 | \$ 63,778 | 5,685 |
| Accrued Salaries and Employee Benefits | 3,035,824 | 2,943,310 | 92,514 |
| Accrued Other Operating Expenses | 2,982,880 | 2,839,626 | 143,254 |
| Accrued Taxes and Licenses | 24,211,945 | 16,124,027 | 8,087,918 |
| Claims Payable (Reported) | 17,946,299 | 21,649,122 | (3,702,823) |
| IBNR - Inpatient Claims | 25,575,556 | 22,258,422 | 3,317,134 |
| IBNR - Physician Claims | 13,968,762 | 13,765,589 | 203,173 |
| IBNR - Accrued Other Medical | 21,748,840 | 18,662,583 | 3,086,257 |
| Risk Pool and Withholds Payable | 2,977,736 | 3,277,378 | (299,642) |
| Statutory Allowance for Claims Processing Expense | 2,326,151 | 2,326,151 | - |
| Other Liabilities | 48,385,937 | 53,881,028 | (5,495,091) |
| Total Current Liabilities | \$ 163,229,393 | \$ 157,791,014 | \$ 5,438,379 |
| 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 | 3,817,711 | 1,559,452 | 2,258,259 |
| Total Net Position | \$ 205,448,682 | \$ 203,190,423 | \$ 2,258,259 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | \$ 374,907,842 | \$ 367,211,204 | \$ 7,696,638 |

| CURRENT MONTH MEMBERS | | | KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED JUNE 30, 2019 | | | YEAR-TO-DATE MEMBER MONTHS | | |
|---------------------------------------|-------------|-------------|--|-------------|-------------|----------------------------|--|--|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE | | |
| ENROLLMENT | | | | | | | | |
| 168,577 | 169,000 | (423) | Family Members | 1,001,482 | 1,008,000 | (6,518) | | |
| 60,947 | 59,675 | 1,272 | Expansion Members | 359,463 | 358,050 | 1,413 | | |
| 15,103 | 14,200 | 903 | SPD Members | 88,836 | 85,200 | 3,636 | | |
| 6,269 | 5,600 | 669 | Other Members | 38,485 | 33,600 | 4,885 | | |
| 8,609 | 8,400 | 209 | Kaiser Members | 50,685 | 50,400 | 285 | | |
| 259,505 | 256,875 | 2,630 | Total Members - MCAL | 1,538,951 | 1,535,250 | 3,701 | | |
| REVENUES | | | | | | | | |
| 25,745,431 | 23,374,852 | 2,370,579 | Title XIX - Medicaid - Family and Other | 145,999,334 | 139,798,081 | 6,201,253 | | |
| 23,356,415 | 21,930,976 | 1,425,439 | Title XIX - Medicaid - Expansion Members | 137,802,754 | 131,585,855 | 6,216,899 | | |
| 13,032,438 | 11,927,381 | 1,105,057 | Title XIX - Medicaid - SPD Members | 75,145,832 | 71,564,288 | 3,581,544 | | |
| 8,174,408 | 8,297,905 | (123,497) | Premium - MCO Tax | 48,477,493 | 49,587,060 | (1,109,567) | | |
| 1,068,219 | 393,695 | 674,524 | Investment Earnings | 3,821,976 | 2,352,666 | 1,469,310 | | |
| - | 126,722 | (126,722) | Reinsurance Recoveries | - | 757,274 | (757,274) | | |
| (703,658) | - | (703,658) | Rate/Income Adjustments | 7,111,917 | - | 7,111,917 | | |
| 40,508 | - | 40,508 | Other Income (Expense) | 122,670 | - | 122,670 | | |
| 70,713,761 | 66,051,533 | 4,662,228 | TOTAL REVENUES | 418,481,976 | 395,645,224 | 22,836,752 | | |
| EXPENSES | | | | | | | | |
| Medical Costs: | | | | | | | | |
| 13,468,415 | 13,502,017 | 33,602 | Physician Services | 85,781,345 | 80,770,665 | (5,010,680) | | |
| 4,388,042 | 3,465,131 | (922,911) | Other Professional Services | 22,582,179 | 20,759,192 | (1,822,987) | | |
| 4,698,111 | 4,583,652 | (114,459) | Emergency Room | 29,335,531 | 27,404,572 | (1,930,959) | | |
| 14,390,451 | 13,551,422 | (839,029) | Inpatient | 78,835,514 | 81,134,726 | (2,299,212) | | |
| 126,658 | 126,722 | 64 | Reinsurance Expense | 755,847 | 757,274 | (1,427) | | |
| 5,912,776 | 5,698,135 | (214,641) | Outpatient Hospital | 37,031,499 | 34,112,943 | (2,918,556) | | |
| 6,357,547 | 3,907,792 | (2,449,755) | Other Medical | 38,550,659 | 23,390,403 | (15,160,256) | | |
| 8,508,813 | 9,669,775 | 1,160,962 | Pharmacy | 55,779,074 | 57,913,938 | (2,134,864) | | |
| 501,792 | 496,950 | (4,842) | Pay for Performance Quality Incentive | 2,976,532 | 2,969,700 | (6,832) | | |
| - | - | - | Expansion Risk Corridor | - | - | - | | |
| 756,640 | - | (756,640) | Non-Claims Expense Adjustment | 949,292 | - | (949,292) | | |
| (704,885) | - | 704,885 | IBNR, Incentive, Paid Claims Adjustment | (6,306,462) | - | 6,306,462 | | |
| 58,404,360 | 55,001,598 | (3,402,762) | Total Medical Costs | 346,271,010 | 329,213,413 | (17,057,597) | | |
| 12,309,401 | 11,049,935 | 1,259,466 | GROSS MARGIN | 72,210,966 | 66,431,812 | 5,779,154 | | |
| Administrative: | | | | | | | | |
| 2,155,354 | 2,174,090 | 18,736 | Compensation | 12,880,549 | 12,920,575 | (40,026) | | |
| 449,468 | 785,273 | 335,805 | Purchased Services | 4,090,547 | 4,710,444 | (619,897) | | |
| 59,549 | 111,806 | 52,257 | Supplies | 503,949 | 672,158 | (168,209) | | |
| 179,516 | 252,963 | 73,447 | Depreciation | 1,108,781 | 1,355,778 | (246,997) | | |
| 412,596 | 318,713 | (93,883) | Other Administrative Expenses | 1,669,204 | 1,920,884 | (251,680) | | |
| - | - | - | Administrative Expense Adjustment | - | - | - | | |
| 3,256,483 | 3,642,844 | 386,361 | Total Administrative Expenses | 20,253,030 | 21,579,840 | (1,326,810) | | |
| 61,660,843 | 58,644,442 | (3,016,401) | TOTAL EXPENSES | 366,524,040 | 350,793,252 | (15,730,788) | | |
| 9,052,918 | 7,407,090 | 1,645,828 | OPERATING INCOME (LOSS) BEFORE TAX | 51,957,936 | 44,851,972 | 7,105,964 | | |
| 8,087,917 | 8,297,905 | 209,988 | MCO TAX | 48,527,708 | 49,587,060 | (1,059,352) | | |
| 965,001 | (890,815) | 1,855,816 | OPERATING INCOME (LOSS) NET OF TAX | 3,430,228 | (4,735,088) | 8,165,316 | | |
| NONOPERATING REVENUE (EXPENSE) | | | | | | | | |
| 2,205,329 | - | 2,205,329 | Gain on Sale of Building | 2,205,329 | - | 2,205,329 | | |
| (780,000) | - | (780,000) | Reserve Fund Projects/Community Grants | (780,000) | - | (780,000) | | |
| (132,071) | (280,000) | 147,929 | Health Home | (1,037,846) | (1,680,000) | 642,154 | | |
| 1,293,258 | (280,000) | 1,573,258 | TOTAL NONOPERATING REVENUE (EXPENSE) | 387,483 | (1,680,000) | 2,067,483 | | |
| 2,258,259 | (1,170,815) | 3,429,074 | NET INCREASE (DECREASE) IN NET POSITION | 3,817,711 | (6,415,088) | 10,232,799 | | |
| 93.4% | 95.2% | 1.8% | MEDICAL LOSS RATIO | 93.6% | 95.1% | 1.5% | | |
| 5.2% | 6.3% | 1.1% | ADMINISTRATIVE EXPENSE RATIO | 5.5% | 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 JUNE 30, 2019 | | | YEAR-TO-DATE | | |
|---------------------------------------|---------|---------|---|-----------|-----------|--------------|--------|----------|
| | | | | | | ACTUAL | BUDGET | VARIANCE |
| ENROLLMENT | | | | | | | | |
| 168,577 | 169,000 | (423) | Family Members | 1,001,482 | 1,008,000 | (6,518) | | |
| 60,947 | 59,675 | 1,272 | Expansion Members | 359,463 | 358,050 | 1,413 | | |
| 15,103 | 14,200 | 903 | SPD Members | 88,836 | 85,200 | 3,636 | | |
| 6,269 | 5,600 | 669 | Other Members | 38,485 | 33,600 | 4,885 | | |
| 8,609 | 8,400 | 209 | Kaiser Members | 50,685 | 50,400 | 285 | | |
| 259,505 | 256,875 | 2,630 | Total Members - MCAL | 1,538,951 | 1,535,250 | 3,701 | | |
| REVENUES | | | | | | | | |
| 147.25 | 133.88 | 13.37 | Title XIX - Medicaid - Family and Other | 140.39 | 134.21 | 6.17 | | |
| 383.23 | 367.51 | 15.72 | Title XIX - Medicaid - Expansion Members | 383.36 | 367.51 | 15.85 | | |
| 862.90 | 839.96 | 22.95 | Title XIX - Medicaid - SPD Members | 845.89 | 839.96 | 5.94 | | |
| 32.58 | 33.40 | (0.81) | Premium - MCO Tax | 32.57 | 33.40 | (0.82) | | |
| 4.26 | 1.58 | 2.67 | Investment Earnings | 2.57 | 1.58 | 0.98 | | |
| 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 | | |
| (2.80) | 0.00 | (2.80) | Rate/Income Adjustments | 4.78 | 0.00 | 4.78 | | |
| 0.16 | 0.00 | 0.16 | Other Income (Expense) | 0.08 | 0.00 | 0.08 | | |
| 281.84 | 265.83 | 16.02 | TOTAL REVENUES | 281.19 | 266.45 | 14.73 | | |
| EXPENSES | | | | | | | | |
| Medical Costs: | | | | | | | | |
| 53.68 | 54.34 | 0.66 | Physician Services | 57.64 | 54.40 | (3.24) | | |
| 17.49 | 13.95 | (3.54) | Other Professional Services | 15.17 | 13.98 | (1.19) | | |
| 18.73 | 18.45 | (0.28) | Emergency Room | 19.71 | 18.46 | (1.26) | | |
| 57.36 | 54.54 | (2.82) | Inpatient | 52.97 | 54.64 | 1.67 | | |
| 0.50 | 0.51 | 0.01 | Reinsurance Expense | 0.51 | 0.51 | 0.00 | | |
| 23.57 | 22.93 | (0.63) | Outpatient Hospital | 24.88 | 22.97 | (1.91) | | |
| 25.34 | 15.73 | (9.61) | Other Medical | 25.90 | 15.75 | (10.15) | | |
| 33.91 | 38.92 | 5.00 | Pharmacy | 37.48 | 39.00 | 1.52 | | |
| 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 | | |
| 3.02 | 0.00 | (3.02) | Non-Claims Expense Adjustment | 0.64 | 0.00 | (0.64) | | |
| (2.81) | 0.00 | 2.81 | IBNR, Incentive, Paid Claims Adjustment | (4.24) | 0.00 | 4.24 | | |
| 232.78 | 221.36 | (11.43) | Total Medical Costs | 232.67 | 221.71 | (10.95) | | |
| 49.06 | 44.47 | 4.59 | GROSS MARGIN | 48.52 | 44.74 | 3.78 | | |
| Administrative: | | | | | | | | |
| 8.59 | 8.75 | 0.16 | Compensation | 8.65 | 8.70 | 0.05 | | |
| 1.79 | 3.16 | 1.37 | Purchased Services | 2.75 | 3.17 | 0.42 | | |
| 0.24 | 0.45 | 0.21 | Supplies | 0.34 | 0.45 | 0.11 | | |
| 0.72 | 1.02 | 0.30 | Depreciation | 0.75 | 0.91 | 0.17 | | |
| 1.64 | 1.28 | (0.36) | Other Administrative Expenses | 1.12 | 1.29 | 0.17 | | |
| 0.00 | 0.00 | 0.00 | Administrative Expense Adjustment | 0.00 | 0.00 | 0.00 | | |
| 12.98 | 14.66 | 1.68 | Total Administrative Expenses | 13.61 | 14.53 | 0.92 | | |
| 245.76 | 236.02 | (9.75) | TOTAL EXPENSES | 246.28 | 236.25 | (10.03) | | |
| 36.08 | 29.81 | 6.27 | OPERATING INCOME (LOSS) BEFORE TAX | 34.91 | 30.21 | 4.71 | | |
| 32.24 | 33.40 | 1.16 | MCO TAX | 32.61 | 33.40 | 0.79 | | |
| 3.85 | (3.59) | 7.43 | OPERATING INCOME (LOSS) NET OF TAX | 2.30 | (3.19) | 5.49 | | |
| NONOPERATING REVENUE (EXPENSE) | | | | | | | | |
| 8.79 | 0.00 | 8.79 | Gain on Sale of Building | 1.48 | 0.00 | 1.48 | | |
| (3.11) | 0.00 | (3.11) | Reserve Fund Projects/Community Grants | (0.52) | 0.00 | (0.52) | | |
| (0.53) | (1.13) | 0.60 | Health Home | (0.70) | (1.13) | 0.43 | | |
| 5.15 | (1.13) | 6.28 | TOTAL NONOPERATING REVENUE (EXPENSE) | 0.26 | (1.13) | 1.39 | | |
| 9.00 | (4.71) | 13.71 | NET INCREASE (DECREASE) IN NET POSITION | 2.57 | (4.32) | 6.89 | | |
| 93.4% | 95.2% | 1.8% | MEDICAL LOSS RATIO | 93.6% | 95.1% | 1.5% | | |
| 5.2% | 6.3% | 1.1% | ADMINISTRATIVE EXPENSE RATIO | 5.5% | 6.2% | 0.8% | | |

| KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - FMPM ROLLING 13 MONTHS THROUGH JUNE 30, 2019 | | | | | | | | | | | | | | |
|--|---------------|---------------|----------------|-------------------|-----------------|------------------|------------------|-----------------|------------------|---------------|---------------|---------------|---------------|-------------------|
| | JUNE 2018 | JULY 2018 | AUGUST 2018 | SEPTEMBER 2018 | OCTOBER 2018 | NOVEMBER 2018 | DECEMBER 2018 | JANUARY 2019 | FEBRUARY 2019 | MARCH 2019 | APRIL 2019 | MAY 2019 | JUNE 2019 | 13 MONTH TOTAL |
| ENROLLMENT | | | | | | | | | | | | | | |
| Members - MCAL | 247,317 | 247,861 | 246,967 | 246,962 | 245,266 | 245,522 | 244,683 | 245,830 | 247,101 | 247,836 | 248,254 | 248,349 | 250,896 | 3,212,844 |
| REVENUES | | | | | | | | | | | | | | |
| Title XIX - Medicaid - Family and Other | 126.38 | 131.77 | 145.39 | 133.25 | 134.04 | 136.65 | 180.80 | 134.36 | 140.03 | 141.35 | 138.32 | 140.92 | 147.25 | 140.63 |
| Title XIX - Medicaid - Expansion Members | 353.55 | 362.19 | 373.39 | 366.14 | 363.20 | 361.19 | 413.07 | 371.66 | 391.12 | 383.67 | 384.32 | 386.02 | 383.23 | 376.38 |
| Title XIX - Medicaid - SPD Members | 759.68 | 814.12 | 848.74 | 829.82 | 838.04 | 850.42 | 924.01 | 820.75 | 831.51 | 839.09 | 846.53 | 878.96 | 862.90 | 841.53 |
| Premium - MCO Tax | 31.61 | 32.63 | 32.75 | 32.75 | 32.57 | 32.57 | 31.30 | 32.57 | 32.57 | 32.57 | 32.57 | 32.59 | 32.58 | 32.49 |
| Investment Earnings | 3.19 | 1.02 | 1.38 | 1.84 | 1.93 | 1.47 | 3.75 | 1.71 | 1.71 | 3.75 | 2.50 | 1.46 | 4.26 | 2.31 |
| Reinsurance Recoveries | 0.56 | 0.00 | 0.00 | 0.00 | 0.00 | (0.57) | 1.10 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.08 |
| COB/Subrogation Collections | 4.16 | 1.88 | 1.69 | 0.80 | 1.33 | 0.45 | 0.25 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.81 |
| Rate/Income Adjustments | (6.79) | (0.46) | 0.52 | 0.02 | 0.87 | 1.03 | (0.02) | 5.55 | 23.55 | 2.53 | (0.70) | 0.72 | (2.80) | 1.84 |
| Other Income (Expense) | 0.20 | 0.42 | 0.00 | 0.04 | 0.00 | 0.00 | 0.50 | 0.00 | 0.00 | 0.23 | 0.01 | 0.08 | 0.16 | 0.13 |
| TOTAL REVENUES | 251.76 | 263.37 | 276.88 | 265.35 | 267.99 | 268.64 | 317.75 | 272.01 | 299.26 | 280.45 | 274.20 | 279.36 | 281.84 | 276.82 |
| EXPENSES | | | | | | | | | | | | | | |
| Medical Costs: | | | | | | | | | | | | | | |
| Physician Services | 52.62 | 53.27 | 54.82 | 54.42 | 51.32 | 55.02 | 46.81 | 59.75 | 55.72 | 62.10 | 63.99 | 56.59 | 53.68 | 54.94 |
| Other Professional Services | 12.58 | 11.96 | 13.18 | 13.16 | 13.55 | 16.90 | 13.80 | 13.89 | 13.95 | 14.74 | 14.98 | 15.95 | 17.49 | 14.32 |
| Emergency Room | 19.33 | 18.50 | 18.48 | 18.35 | 18.31 | 16.98 | 14.72 | 18.14 | 19.06 | 19.51 | 22.26 | 20.56 | 18.73 | 18.69 |
| Inpatient | 53.65 | 56.16 | 52.73 | 52.18 | 53.29 | 37.30 | 11.00 | 52.72 | 52.23 | 54.66 | 51.76 | 49.05 | 57.36 | 48.82 |
| Reinsurance Expense | 0.47 | 0.47 | 0.47 | 0.47 | 0.47 | 0.47 | 0.47 | 0.51 | 0.51 | 0.51 | 0.51 | 0.51 | 0.50 | 0.49 |
| Outpatient Hospital | 23.98 | 22.85 | 24.49 | 23.48 | 19.51 | 20.90 | 17.49 | 22.02 | 24.43 | 27.78 | 25.67 | 25.80 | 23.57 | 23.24 |
| Pharmacy | 13.27 | 12.33 | 17.18 | 14.60 | 15.75 | 18.13 | 61.42 | 22.63 | 27.74 | 26.02 | 27.44 | 28.93 | 25.34 | 23.68 |
| Pay for Performance Quality Incentive | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 1.82 | 2.00 | 2.00 | 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 | 42.91 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3.27 |
| Non-Claims Expense Adjustment | (0.05) | 0.00 | (1.21) | 0.03 | 0.01 | (0.00) | 0.00 | 0.80 | 1.49 | 1.31 | (2.90) | 0.16 | 3.02 | 0.20 |
| IBNR, Incentive, Paid Claims Adjustment | (4.84) | 1.38 | 7.58 | 2.29 | 5.86 | 17.09 | 1.97 | (2.68) | 17.73 | (15.37) | (13.80) | (8.40) | (2.81) | 0.43 |
| Total Medical Costs | 207.65 | 214.62 | 227.92 | 216.08 | 218.33 | 220.63 | 247.62 | 222.89 | 251.42 | 232.23 | 226.58 | 230.04 | 232.78 | 226.83 |
| GROSS MARGIN | 44.11 | 48.75 | 48.96 | 49.27 | 49.66 | 48.00 | 70.13 | 49.12 | 47.84 | 48.17 | 47.61 | 49.31 | 49.06 | 49.98 |
| Administrative: | | | | | | | | | | | | | | |
| Compensation | 7.62 | 8.14 | 8.44 | 8.19 | 8.81 | 8.25 | 8.13 | 9.03 | 7.90 | 8.45 | 8.54 | 9.41 | 8.59 | 8.42 |
| Purchased Services | 2.34 | 1.67 | 2.41 | 2.25 | 1.90 | 2.51 | 2.57 | 2.17 | 2.18 | 3.64 | 3.16 | 3.55 | 1.79 | 2.47 |
| Supplies | 0.28 | 0.23 | 0.25 | 0.12 | 0.27 | 0.15 | 0.43 | 0.47 | 0.32 | 0.38 | 0.57 | 0.06 | 0.24 | 0.29 |
| Depreciation | 0.51 | 0.51 | 0.52 | 0.52 | 0.52 | 0.52 | 0.54 | 0.73 | 0.73 | 0.85 | 0.72 | 0.72 | 0.72 | 0.62 |
| Other Administrative Expenses | 1.11 | 1.34 | 1.03 | 1.28 | 1.08 | 0.90 | 1.24 | 1.33 | 0.76 | 0.99 | 1.03 | 0.96 | 1.64 | 1.13 |
| Administrative Expense Adjustment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.57 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.12 |
| Total Administrative Expenses | 11.87 | 11.90 | 12.64 | 12.35 | 12.59 | 12.32 | 14.47 | 13.73 | 11.89 | 14.31 | 14.02 | 14.71 | 12.98 | 13.06 |
| TOTAL EXPENSES | 219.52 | 226.51 | 240.56 | 228.43 | 230.92 | 232.96 | 262.09 | 236.62 | 263.31 | 246.59 | 240.60 | 244.75 | 245.76 | 239.89 |
| OPERATING INCOME (LOSS) BEFORE TAX | 32.24 | 36.85 | 36.32 | 36.92 | 37.07 | 35.68 | 55.66 | 35.38 | 35.95 | 33.86 | 33.59 | 34.60 | 36.08 | 36.92 |
| MCO TAX | 30.64 | 32.63 | 32.75 | 32.75 | 32.98 | 32.94 | 33.05 | 32.90 | 32.73 | 32.63 | 32.58 | 32.57 | 32.24 | 32.57 |
| OPERATING INCOME (LOSS) NET OF TAX | 1.60 | 4.22 | 3.57 | 4.17 | 4.10 | 2.74 | 22.60 | 2.48 | 3.22 | 1.22 | 1.01 | 2.03 | 3.85 | 4.35 |
| TOTAL NONOPERATING REVENUE (EXPENSE) | (0.95) | (0.64) | (0.78) | (2.30) | (0.17) | (0.91) | (0.22) | (0.48) | (0.42) | (0.54) | (0.77) | (1.45) | 5.15 | (0.34) |
| NET INCREASE (DECREASE) IN NET POSITION | 0.65 | 3.58 | 2.79 | 1.87 | 3.93 | 1.83 | 22.38 | 2.01 | 2.79 | 0.68 | 0.24 | 0.59 | 9.00 | 4.02 |
| MEDICAL LOSS RATIO | 94.33% | 93.0% | 93.4% | 92.9% | 92.9% | 93.6% | 86.4% | 93.1% | 94.3% | 93.7% | 93.8% | 93.2% | 93.4% | 92.8% |
| ADMINISTRATIVE EXPENSE RATIO | 5.4% | 5.2% | 5.2% | 5.3% | 5.4% | 5.2% | 5.1% | 5.7% | 4.5% | 5.8% | 5.8% | 6.0% | 5.2% | 5.3% |

| CURRENT MONTH | | | YEAR-TO-DATE | | |
|--|-------------------|------------------|--------------------|--------------------|------------------|
| ACTUAL | BUDGET | VARIANCE | ACTUAL | BUDGET | VARIANCE |
| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED JUNE 30, 2019 | | | | | |
| REVENUES | | | | | |
| Title XIX - Medicaid - Family & Other | | | | | |
| 19,795,364 | 19,875,529 | (80,165) | 118,475,591 | 118,835,574 | (359,983) |
| 3,380,861 | 2,422,591 | 958,270 | 12,887,445 | 14,535,546 | (1,648,101) |
| 75,696 | 75,590 | 106 | 756,962 | 450,941 | 306,021 |
| 491,267 | 261,603 | 229,664 | 2,020,880 | 1,560,626 | 460,254 |
| 1,761,755 | 658,399 | 1,103,356 | 10,435,215 | 3,929,154 | 6,506,061 |
| 154,925 | - | 154,925 | 916,976 | - | 916,976 |
| 85,563 | 81,140 | 4,423 | 506,265 | 486,240 | 20,025 |
| 25,745,431 | 23,374,852 | 2,370,579 | 145,999,334 | 139,798,081 | 6,201,253 |
| Title XIX - Medicaid - Expansion Members | | | | | |
| 21,552,051 | 20,794,399 | 757,652 | 127,538,580 | 124,766,393 | 2,772,187 |
| 499,671 | 243,020 | 256,651 | 1,758,102 | 1,458,120 | 299,982 |
| 363,342 | 544,869 | (181,527) | 2,804,544 | 3,269,214 | (464,670) |
| 759,235 | 323,232 | 436,003 | 4,628,198 | 1,939,392 | 2,688,806 |
| 155,059 | - | 155,059 | 913,877 | - | 913,877 |
| 27,057 | 25,456 | 1,601 | 159,453 | 152,736 | 6,717 |
| 23,356,415 | 21,930,976 | 1,425,439 | 137,802,754 | 131,585,855 | 6,216,899 |
| Title XIX - Medicaid - SPD Members | | | | | |
| 11,783,618 | 11,198,119 | 585,499 | 68,747,792 | 67,188,716 | 1,559,076 |
| 90,836 | 211,894 | (121,058) | 923,948 | 1,271,364 | (347,416) |
| 739,168 | 391,982 | 347,186 | 3,033,729 | 2,351,892 | 681,837 |
| 291,152 | 125,386 | 165,766 | 1,696,490 | 752,316 | 944,174 |
| 127,664 | - | 127,664 | 743,873 | - | 743,873 |
| 13,032,438 | 11,927,381 | 1,105,057 | 75,145,832 | 71,564,288 | 3,581,544 |

| CURRENT MONTH | | VARIANCE | YEAR-TO-DATE | | |
|---|------------|-------------|--------------|-------------|--------------|
| ACTUAL | BUDGET | | ACTUAL | BUDGET | VARIANCE |
| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED JUNE 30, 2019 | | | | | |
| PHYSICIAN SERVICES | | | | | |
| 2,545,597 | 2,922,009 | 376,412 | 17,253,744 | 17,464,008 | 210,264 |
| 9,590,131 | 9,206,670 | (383,461) | 58,627,958 | 55,102,158 | (3,525,800) |
| 1,323,687 | 1,364,338 | 40,651 | 9,845,343 | 8,150,199 | (1,695,144) |
| 9,000 | 9,000 | - | 54,300 | 54,300 | - |
| 13,468,415 | 13,502,017 | 33,602 | 85,781,345 | 80,770,665 | (5,010,680) |
| OTHER PROFESSIONAL SERVICES | | | | | |
| 248,349 | 261,430 | 13,081 | 1,482,053 | 1,562,459 | 80,406 |
| 153,193 | 183,437 | 30,244 | 982,685 | 1,100,622 | 117,937 |
| 465,516 | 537,736 | 72,220 | 2,995,472 | 3,226,413 | 230,941 |
| 80,862 | 101,420 | 20,558 | 465,671 | 608,521 | 142,850 |
| 93,588 | 90,483 | (3,105) | 540,026 | 542,898 | 2,872 |
| 79,958 | 87,826 | 7,868 | 485,833 | 526,958 | 41,125 |
| 48,781 | 85,846 | 37,065 | 300,322 | 515,072 | 214,750 |
| 171,694 | 205,777 | 34,083 | 1,111,275 | 1,234,664 | 123,389 |
| 49,786 | 55,990 | 6,204 | 314,444 | 335,937 | 21,493 |
| 1,668,762 | 653,584 | (1,015,178) | 6,293,038 | 3,912,517 | (2,380,521) |
| 1,150,406 | 1,039,820 | (110,586) | 6,651,972 | 6,225,362 | (426,610) |
| 4,388,042 | 3,465,131 | (922,911) | 22,582,179 | 20,759,192 | (1,822,987) |
| 4,698,111 | 4,583,652 | (114,459) | 29,335,531 | 27,404,572 | (1,930,959) |
| 14,390,451 | 13,551,422 | (839,029) | 78,835,514 | 81,134,726 | 2,299,212 |
| 126,658 | 126,722 | 64 | 755,847 | 757,274 | 1,427 |
| 5,912,776 | 5,698,135 | (214,641) | 37,031,499 | 34,112,943 | (2,918,556) |
| REINSURANCE EXPENSE PREMIUM | | | | | |
| OUTPATIENT HOSPITAL SERVICES | | | | | |
| OTHER MEDICAL | | | | | |
| 2,029,378 | 1,219,780 | (809,598) | 11,552,540 | 7,294,301 | (4,258,239) |
| 322,679 | 292,208 | (30,471) | 2,199,734 | 1,750,079 | (449,655) |
| 222,833 | 445,757 | 222,924 | 1,265,121 | 2,674,541 | 1,409,420 |
| 755,531 | 780,635 | 25,104 | 5,827,752 | 4,679,138 | (1,148,614) |
| - | 62,442 | 62,442 | - | 373,143 | 373,143 |
| 3,027,126 | 1,106,971 | (1,920,155) | 17,705,512 | 6,619,201 | (11,086,311) |
| 6,357,547 | 3,907,792 | (2,449,755) | 38,550,659 | 23,390,403 | (15,160,256) |
| TOTAL OTHER MEDICAL | | | | | |
| PHARMACY SERVICES | | | | | |
| 7,615,766 | 8,383,226 | 767,460 | 49,427,274 | 50,202,448 | 775,174 |
| 428,028 | 832,352 | 404,324 | 3,264,333 | 4,991,517 | 1,727,184 |
| 600,019 | 600,016 | (3) | 4,057,815 | 3,594,480 | (463,335) |
| (135,000) | (145,820) | (10,820) | (970,348) | (874,507) | 95,841 |
| 8,508,813 | 9,669,775 | 1,160,962 | 55,779,074 | 57,913,938 | 2,134,864 |
| 501,792 | 496,950 | (4,842) | 2,976,532 | 2,969,700 | (6,832) |
| - | - | - | - | - | - |
| 756,640 | - | (756,640) | 949,292 | - | (949,292) |
| (704,885) | - | 704,885 | (6,306,462) | - | 6,306,462 |
| 58,404,360 | 55,001,598 | (3,402,762) | 346,271,010 | 329,213,413 | (17,057,597) |

* Medical costs per DMHC regulations

| CURRENT MONTH | | YEAR-TO-DATE | |
|---|--------|--------------|--------|
| ACTUAL | BUDGET | ACTUAL | BUDGET |
| VARIANCE | | VARIANCE | |
| KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED JUNE 30, 2019 | | | |
| 10.15 | 11.76 | 1.61 | |
| 38.22 | 37.05 | (1.17) | |
| 5.28 | 5.49 | 0.22 | |
| 0.04 | 0.04 | 0.00 | |
| 53.68 | 54.34 | 0.66 | |
| 0.99 | 1.05 | 0.06 | |
| 0.61 | 0.74 | 0.13 | |
| 1.86 | 2.16 | 0.31 | |
| 0.32 | 0.41 | 0.09 | |
| 0.37 | 0.36 | (0.01) | |
| 0.32 | 0.35 | 0.03 | |
| 0.19 | 0.35 | 0.15 | |
| 0.68 | 0.83 | 0.14 | |
| 0.20 | 0.23 | 0.03 | |
| 6.65 | 2.63 | (4.02) | |
| 0.71 | 0.65 | (0.05) | |
| 4.59 | 4.18 | (0.40) | |
| 17.49 | 13.95 | (3.54) | |
| 18.73 | 18.45 | (0.28) | |
| 57.36 | 54.54 | (2.82) | |
| 0.50 | 0.51 | 0.01 | |
| 23.57 | 22.93 | (0.63) | |
| 8.09 | 4.91 | (3.18) | |
| 1.29 | 1.18 | (0.11) | |
| 0.89 | 1.79 | 0.91 | |
| 3.01 | 3.14 | 0.13 | |
| 0.00 | 0.25 | 0.25 | |
| 12.07 | 4.46 | (7.61) | |
| 25.34 | 15.73 | (9.61) | |
| 30.35 | 33.74 | 3.38 | |
| 1.71 | 3.35 | 1.64 | |
| 2.39 | 2.41 | 0.02 | |
| (0.54) | (0.59) | (0.05) | |
| 33.91 | 38.92 | 5.00 | |
| 2.00 | 2.00 | 0.00 | |
| 0.00 | 0.00 | 0.00 | |
| 3.02 | 0.00 | (3.02) | |
| (2.81) | 0.00 | 2.81 | |
| 232.78 | 221.36 | (11.43) | |
| 11.59 | 11.76 | 0.17 | |
| 39.39 | 37.11 | (2.28) | |
| 6.62 | 5.49 | (1.13) | |
| 0.04 | 0.04 | 0.00 | |
| 57.64 | 54.40 | (3.24) | |
| 1.00 | 1.05 | 0.06 | |
| 0.66 | 0.74 | 0.08 | |
| 2.01 | 2.17 | 0.16 | |
| 0.31 | 0.41 | 0.10 | |
| 0.36 | 0.37 | 0.00 | |
| 0.33 | 0.35 | 0.03 | |
| 0.20 | 0.35 | 0.15 | |
| 0.75 | 0.83 | 0.08 | |
| 0.21 | 0.23 | 0.01 | |
| 4.23 | 2.63 | (1.59) | |
| 0.64 | 0.65 | 0.01 | |
| 4.47 | 4.19 | (0.28) | |
| 15.17 | 13.98 | (1.19) | |
| 19.71 | 18.46 | (1.26) | |
| 52.97 | 54.64 | 1.67 | |
| 0.51 | 0.51 | 0.00 | |
| 24.88 | 22.97 | (1.91) | |
| 7.76 | 4.91 | (2.85) | |
| 1.48 | 1.18 | (0.30) | |
| 0.85 | 1.80 | 0.95 | |
| 3.92 | 3.15 | (0.76) | |
| 0.00 | 0.25 | 0.25 | |
| 11.90 | 4.46 | (7.44) | |
| 25.90 | 15.75 | (10.15) | |
| 33.21 | 33.81 | 0.60 | |
| 2.19 | 3.36 | 1.17 | |
| 2.73 | 2.42 | (0.31) | |
| (0.65) | (0.59) | 0.06 | |
| 37.48 | 39.00 | 1.52 | |
| 2.00 | 2.00 | 0.00 | |
| 0.00 | 0.00 | 0.00 | |
| 0.64 | 0.00 | (0.64) | |
| (4.24) | 0.00 | (4.24) | |
| 232.67 | 221.71 | (10.95) | |

* Medical costs per DMHC regulations

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH JUNE 30, 2019 | JANUARY 2019 | FEBRUARY 2019 | MARCH 2019 | APRIL 2019 | MAY 2019 | JUNE 2019 | YEAR TO DATE 2019 |
|--|-------------------|-------------------|--------------------|--------------------|--------------------|-------------------|-------------------------|
| PHYSICIAN SERVICES | | | | | | | |
| Primary Care Physician Services | 2,852,332 | 3,204,444 | 2,641,133 | 2,878,106 | 3,132,132 | 2,545,597 | 17,253,744 |
| Referral Specialty Services | 9,061,015 | 8,891,359 | 10,768,936 | 10,831,475 | 9,485,042 | 9,590,131 | 58,627,958 |
| Urgent Care & After Hours Advise | 1,290,151 | 1,663,998 | 1,972,243 | 2,167,355 | 1,427,909 | 1,323,687 | 9,845,343 |
| Hospital Admitting Team | 9,300 | 8,400 | 9,300 | 9,000 | 9,300 | 9,000 | 54,300 |
| TOTAL PHYSICIAN SERVICES | 13,212,798 | 13,768,201 | 15,391,612 | 15,885,936 | 14,054,383 | 13,468,415 | 85,781,345 |
| OTHER PROFESSIONAL SERVICES | | | | | | | |
| Vision Service Capitation | 245,365 | 245,148 | 247,101 | 247,836 | 248,254 | 248,349 | 1,482,053 |
| 221 - Business Intelligence | 164,801 | 159,928 | 165,714 | 159,920 | 179,129 | 153,193 | 982,685 |
| 310 - Health Services - Utilization Management - UM Allocation * | 510,943 | 470,395 | 478,085 | 515,555 | 554,978 | 465,516 | 2,995,472 |
| 311 - Health Services - Quality Improvement - UM Allocation * | 80,526 | 67,588 | 68,819 | 76,184 | 91,692 | 80,862 | 465,671 |
| 312 - Health Services - Education - UM Allocation * | 93,216 | 78,571 | 86,664 | 88,902 | 99,085 | 93,588 | 540,026 |
| 313 - Health Services - Pharmacy - UM Allocation * | 82,748 | 75,645 | 78,387 | 78,499 | 90,596 | 79,958 | 485,833 |
| 314 - Health Homes - UM Allocation * | 49,343 | 44,522 | 48,105 | 49,071 | 60,500 | 48,781 | 300,322 |
| 315 - Case Management - UM Allocation * | 190,992 | 177,760 | 187,111 | 180,813 | 202,905 | 171,694 | 1,111,275 |
| 616 - Disease Management - UM Allocation * | 54,419 | 48,934 | 50,373 | 52,495 | 58,437 | 49,786 | 314,444 |
| Behavior Health Treatment | 638,864 | 831,512 | 952,302 | 950,988 | 1,250,610 | 1,668,762 | 6,293,038 |
| Mental Health Services | 212,968 | 183,744 | 127,778 | 168,412 | 89,339 | 177,147 | 959,388 |
| Other Professional Services | 1,090,436 | 1,063,534 | 1,162,244 | 1,149,925 | 1,035,427 | 1,150,406 | 6,651,972 |
| TOTAL OTHER PROFESSIONAL SERVICES | 3,414,621 | 3,447,281 | 3,652,683 | 3,718,600 | 3,960,952 | 4,388,042 | 22,582,179 |
| EMERGENCY ROOM | 4,459,099 | 4,710,529 | 4,835,728 | 5,525,268 | 5,106,796 | 4,698,111 | 29,335,531 |
| INPATIENT HOSPITAL | 12,961,386 | 12,906,122 | 13,546,028 | 12,850,017 | 12,181,510 | 14,390,451 | 78,835,514 |
| REINSURANCE EXPENSE PREMIUM | 125,136 | 125,026 | 126,021 | 126,397 | 126,609 | 126,658 | 755,847 |
| OUTPATIENT HOSPITAL SERVICES | 5,414,223 | 6,037,448 | 6,885,177 | 6,373,571 | 6,408,304 | 5,912,776 | 37,031,499 |
| OTHER MEDICAL | | | | | | | |
| Ambulance and NEMT | 1,146,157 | 2,536,809 | 1,948,589 | 1,685,378 | 2,206,229 | 2,029,378 | 11,552,540 |
| Home Health Services & CBAS | 495,461 | 155,156 | 325,629 | 357,818 | 542,991 | 322,679 | 2,199,734 |
| Utilization and Quality Review Expenses | 248,953 | 93,464 | 298,591 | 235,324 | 165,956 | 222,833 | 1,265,121 |
| Long Term/SNF/Hospice | 944,616 | 1,180,282 | 999,537 | 904,186 | 1,043,600 | 755,531 | 5,827,752 |
| Enhanced Medical Benefits | - | - | - | - | - | - | - |
| Provider Enhancement Expense | 2,729,133 | 2,889,012 | 2,876,190 | 2,959,111 | 3,224,940 | 3,027,126 | 17,705,512 |
| Non-Medical Transportation | - | - | - | - | - | - | - |
| TOTAL OTHER MEDICAL | 5,564,320 | 6,854,723 | 6,448,536 | 6,141,817 | 7,183,716 | 6,357,547 | 38,550,659 |
| PHARMACY SERVICES | | | | | | | |
| RX - Drugs & OTC | 8,596,061 | 7,864,951 | 8,712,771 | 8,110,525 | 8,527,200 | 7,615,766 | 49,427,274 |
| RX - HEP-C | 542,465 | 579,505 | 435,632 | 674,227 | 604,476 | 428,028 | 3,264,333 |
| Rx - DME | 647,574 | 722,044 | 706,209 | 649,024 | 732,945 | 600,019 | 4,057,815 |
| RX - Pharmacy Rebates | (173,400) | (133,200) | (183,400) | (140,000) | (205,348) | (135,000) | (970,348) |
| TOTAL PHARMACY SERVICES | 9,612,700 | 9,033,300 | 9,671,212 | 9,293,776 | 9,659,273 | 8,508,813 | 55,779,074 |
| PAY FOR PERFORMANCE QUALITY INCENTIVE | 491,660 | 494,202 | 495,672 | 496,508 | 496,698 | 501,792 | 2,976,532 |
| EXPANSION RISK CORRIDOR | - | - | - | - | - | - | - |
| NON-CLAIMS EXPENSE ADJUSTMENT | 197,435 | 367,246 | 324,378 | (736,017) | 39,610 | 756,640 | 949,292 |
| IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | (659,783) | 4,381,620 | (3,810,327) | (3,425,856) | (2,087,231) | (704,885) | (6,306,462) |
| Total Medical Costs | 54,793,595 | 62,125,698 | 57,566,720 | 56,250,017 | 57,130,620 | 58,404,360 | 346,271,010 |

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH JUNE 30, 2019 | JANUARY 2019 | FEBRUARY 2019 | MARCH 2019 | APRIL 2019 | MAY 2019 | JUNE 2019 | YEAR TO DATE 2019 |
|---|-----------------|------------------|----------------|----------------|---------------|---------------|-------------------------|
| PHYSICIAN SERVICES | | | | | | | |
| Primary Care Physician Services | 11.60 | 12.97 | 10.66 | 11.59 | 12.61 | 10.15 | 11.59 |
| Referral Specialty Services | 36.86 | 35.98 | 43.45 | 43.63 | 38.19 | 38.22 | 39.39 |
| Urgent Care & After Hours Advise | 5.25 | 6.73 | 7.96 | 8.73 | 5.75 | 5.28 | 6.62 |
| Hospital Admitting Team | 0.04 | 0.03 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 |
| TOTAL PHYSICIAN SERVICES | 53.75 | 55.72 | 62.10 | 63.99 | 56.59 | 53.68 | 57.64 |
| OTHER PROFESSIONAL SERVICES | | | | | | | |
| Vision Service Capitation | 1.00 | 0.99 | 1.00 | 1.00 | 1.00 | 0.99 | 1.00 |
| 221 - Business Intelligence | 0.67 | 0.65 | 0.67 | 0.64 | 0.72 | 0.61 | 0.66 |
| 310 - Health Services - Utilization Management - UM Allocation * | 2.08 | 1.90 | 1.93 | 2.08 | 2.23 | 1.86 | 2.01 |
| 311 - Health Services - Quality Improvement - UM Allocation * | 0.33 | 0.27 | 0.28 | 0.31 | 0.37 | 0.32 | 0.31 |
| 312 - Health Services - Education - UM Allocation * | 0.38 | 0.32 | 0.35 | 0.36 | 0.40 | 0.37 | 0.36 |
| 313 - Health Services - Pharmacy - UM Allocation * | 0.34 | 0.31 | 0.32 | 0.32 | 0.36 | 0.32 | 0.33 |
| 314 - Health Homes - UM Allocation * | 0.20 | 0.18 | 0.19 | 0.20 | 0.24 | 0.19 | 0.20 |
| 315 - Case Management - UM Allocation * | 0.78 | 0.72 | 0.75 | 0.73 | 0.82 | 0.68 | 0.75 |
| 616 - Disease Management - UM Allocation * | 0.22 | 0.20 | 0.20 | 0.21 | 0.24 | 0.20 | 0.21 |
| Behavior Health Treatment | 2.60 | 3.37 | 3.84 | 3.83 | 5.04 | 6.65 | 4.23 |
| Mental Health Services | 0.87 | 0.74 | 0.52 | 0.68 | 0.36 | 0.71 | 0.64 |
| Other Professional Services | 4.44 | 4.30 | 4.69 | 4.63 | 4.17 | 4.59 | 4.47 |
| TOTAL OTHER PROFESSIONAL SERVICES | 13.89 | 13.95 | 14.74 | 14.98 | 15.95 | 17.49 | 15.17 |
| EMERGENCY ROOM | 18.14 | 19.06 | 19.51 | 22.26 | 20.56 | 18.73 | 19.71 |
| INPATIENT HOSPITAL | 52.72 | 52.23 | 54.66 | 51.76 | 49.05 | 57.36 | 52.97 |
| REINSURANCE EXPENSE PREMIUM | 0.51 | 0.51 | 0.51 | 0.51 | 0.51 | 0.50 | 0.51 |
| OUTPATIENT HOSPITAL SERVICES | 22.02 | 24.43 | 27.78 | 25.67 | 25.80 | 23.57 | 24.88 |
| OTHER MEDICAL | | | | | | | |
| Ambulance and NEMT | 4.66 | 10.27 | 7.86 | 6.79 | 8.88 | 8.09 | 7.76 |
| Home Health Services & CBAS | 2.02 | 0.63 | 1.31 | 1.44 | 2.19 | 1.29 | 1.48 |
| Utilization and Quality Review Expenses | 1.01 | 0.38 | 1.20 | 0.95 | 0.67 | 0.89 | 0.85 |
| Long Term/SNF/Hospice | 3.84 | 4.78 | 4.03 | 3.64 | 4.20 | 3.01 | 3.92 |
| Enhanced Medical Benefits | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Provider Enhancement Expense | 11.10 | 11.69 | 11.61 | 11.92 | 12.99 | 12.07 | 11.90 |
| Non-Medical Transportation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL OTHER MEDICAL | 22.63 | 27.74 | 26.02 | 24.74 | 28.93 | 25.34 | 25.90 |
| PHARMACY SERVICES | | | | | | | |
| RX - Drugs & OTC | 34.97 | 31.83 | 35.16 | 32.67 | 34.34 | 30.35 | 33.21 |
| RX - HEP-C | 2.21 | 2.35 | 1.76 | 2.72 | 2.43 | 1.71 | 2.19 |
| Rx - DME | 2.63 | 2.92 | 2.85 | 2.61 | 2.95 | 2.39 | 2.73 |
| RX - Pharmacy Rebates | (0.71) | (0.54) | (0.74) | (0.56) | (0.83) | (0.54) | (0.65) |
| TOTAL PHARMACY SERVICES | 39.10 | 36.56 | 39.02 | 37.44 | 38.89 | 33.91 | 37.48 |
| PAY FOR PERFORMANCE QUALITY INCENTIVE | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| EXPANSION RISK CORRIDOR | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 | 0.00 |
| NON-CLAIMS EXPENSE ADJUSTMENT | 0.80 | 1.49 | 1.31 | (2.96) | 0.16 | 3.02 | 0.64 |
| IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | (2.68) | 17.73 | (15.37) | (13.80) | (8.40) | (2.81) | (4.24) |
| Total Medical Costs | 222.89 | 251.42 | 232.28 | 226.58 | 230.04 | 232.78 | 232.67 |

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED JUNE 30, 2019 | | | | | | |
|---|-----------|-----------|--------------|-------------|-------------|--|
| CURRENT MONTH | | | YEAR-TO-DATE | | | |
| ACTUAL | BUDGET | VARIANCE | ACTUAL | BUDGET | VARIANCE | |
| 232,632 | 258,313 | 25,681 | 1,433,279 | 1,549,879 | 116,600 | |
| 168,405 | 158,992 | (9,413) | 875,480 | 953,951 | 78,471 | |
| 477,994 | 617,732 | 139,738 | 3,184,116 | 3,706,390 | 522,274 | |
| 11,091 | 18,734 | 7,643 | 114,853 | 112,403 | (2,450) | |
| 200,444 | 338,857 | 138,413 | 1,489,096 | 2,033,133 | 544,037 | |
| 558,994 | 480,666 | (78,328) | 3,061,114 | 2,862,360 | (198,754) | |
| 93,268 | 109,760 | 16,492 | 534,732 | 658,557 | 123,825 | |
| 78,445 | 96,311 | 17,866 | 529,160 | 577,867 | 48,707 | |
| 26,561 | 33,052 | 6,491 | 149,256 | 199,515 | 50,259 | |
| - | 125 | 125 | 759 | 1,375 | 616 | |
| 27,151 | 119,382 | 92,231 | 691,330 | 744,490 | 53,160 | |
| - | 500 | 500 | (380) | 3,000 | 3,380 | |
| 10,958 | 13,135 | 2,177 | 71,210 | 78,958 | 7,748 | |
| 18,412 | 20,738 | 2,326 | 116,919 | 124,426 | 7,507 | |
| 211,875 | 247,979 | 36,104 | 1,310,665 | 1,467,627 | 156,962 | |
| 424,507 | 517,791 | 93,284 | 2,689,739 | 3,028,787 | 339,048 | |
| 386,714 | 424,472 | 37,758 | 2,170,713 | 2,384,832 | 214,119 | |
| 47,245 | 62,743 | 15,498 | 318,734 | 376,458 | 57,724 | |
| 61,286 | 64,500 | 3,214 | 303,692 | 386,992 | 83,300 | |
| 44,213 | 64,750 | 20,537 | 274,527 | 388,500 | 113,973 | |
| 176,288 | 197,193 | 20,905 | 934,036 | 1,157,620 | 223,584 | |
| - | (202,880) | (202,880) | - | (1,217,280) | (1,217,280) | |
| 3,256,483 | 3,642,844 | 386,361 | 20,253,030 | 21,579,840 | 1,326,810 | |

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED JUNE 30, 2019 | JANUARY 2019 | FEBRUARY 2019 | MARCH 2019 | APRIL 2019 | MAY 2019 | JUNE 2019 | YEAR TO DATE 2019 |
|---|-----------------|------------------|---------------|---------------|-------------|--------------|-------------------------|
| 110 - Executive | 298,677 | 186,923 | 234,566 | 285,108 | 195,373 | 232,632 | 1,433,279 |
| 210 - Accounting | 149,967 | 127,374 | 139,032 | 134,888 | 155,814 | 168,405 | 875,480 |
| 220 - Management Information Systems (MIS) | 401,536 | 495,303 | 640,543 | 523,161 | 645,579 | 477,994 | 3,184,116 |
| 221 - Business Intelligence | 205 | 10,000 | 50,100 | 20,600 | 22,857 | 11,091 | 114,853 |
| 225 - Infrastructure | 255,998 | 238,858 | 247,310 | 245,403 | 301,083 | 200,444 | 1,489,096 |
| 230 - Claims | 510,558 | 444,621 | 505,751 | 502,157 | 539,033 | 558,994 | 3,061,114 |
| 240 - Project Management | 85,314 | 84,072 | 96,834 | 89,192 | 86,052 | 93,268 | 534,732 |
| 310 - Health Services - Utilization Management | 86,447 | 91,228 | 95,142 | 84,999 | 92,899 | 78,445 | 529,160 |
| 311 - Health Services - Quality Improvement | 25,633 | 21,530 | 22,707 | 23,865 | 28,960 | 26,561 | 149,256 |
| 312 - Health Services - Education | 23 | 612 | (5) | 15,883 | (15,754) | - | 759 |
| 313- Pharmacy | 127,668 | 124,298 | 159,313 | 125,311 | 127,589 | 27,151 | 691,330 |
| 314 - Health Homes | 556 | (556) | (398) | - | 18 | - | (380) |
| 315 - Case Management | 12,191 | 11,347 | 11,943 | 11,541 | 13,230 | 10,958 | 71,210 |
| 616 - Disease Management | 20,405 | 18,247 | 18,631 | 19,416 | 21,808 | 18,412 | 116,919 |
| 320 - Provider Network Management | 267,760 | 126,987 | 223,524 | 244,955 | 235,564 | 211,875 | 1,310,665 |
| 330 - Member Services | 470,954 | 389,538 | 441,753 | 485,966 | 477,021 | 424,507 | 2,689,739 |
| 340 - Corporate Services | 319,181 | 347,539 | 396,534 | 356,340 | 364,405 | 386,714 | 2,170,713 |
| 360 - Audit & Investigative Services | 57,536 | 55,624 | 51,626 | 53,495 | 53,208 | 47,245 | 318,734 |
| 410 - Advertising Media | 24,987 | 11,283 | 34,440 | 62,712 | 108,984 | 61,286 | 303,692 |
| 420 - Sales/Marketing/Public Relations | 48,311 | 41,979 | 43,514 | 48,369 | 48,141 | 44,213 | 274,527 |
| 510 - Human Resources | 211,647 | 111,757 | 134,617 | 147,600 | 152,127 | 176,288 | 934,036 |
| Total Department Expenses | 3,375,554 | 2,938,564 | 3,547,477 | 3,480,961 | 3,653,991 | 3,256,483 | 20,253,030 |

| KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF JUNE 30, 2019 | | | |
|---|---------------------|---------------------|--------------------|
| ASSETS | JUNE 2019 | MAY 2019 | INC(DEC) |
| CURRENT ASSETS: | | | |
| Cash and Cash Equivalents | \$ 1,459,716 | \$ 1,473,556 | (13,840) |
| Interest Receivable | 8,824 | 5,599 | 3,225 |
| Prepaid Expenses & Other Current Assets | - | 834 | (834) |
| TOTAL CURRENT ASSETS | \$ 1,468,540 | \$ 1,479,989 | \$ (11,449) |
| LIABILITIES AND NET POSITION | | | |
| CURRENT LIABILITIES: | | | |
| Accounts Payable | - | 13,840 | (13,840) |
| Other Liabilities | 353,849 | 353,849 | - |
| TOTAL CURRENT LIABILITIES | \$ 353,849 | \$ 367,689 | \$ (13,840) |
| NET POSITION: | | | |
| Net Position- Beg. of Year | 1,100,538 | 1,100,538 | - |
| Increase (Decrease) in Net Position - Current Year | 14,153 | 11,762 | 2,391 |
| Total Net Position | \$ 1,114,691 | \$ 1,112,300 | \$ 2,391 |
| TOTAL LIABILITIES AND NET POSITION | \$ 1,468,540 | \$ 1,479,989 | \$ (11,449) |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED JUNE 30, 2019 | | | YEAR-TO-DATE | | |
|-----------------------|----|-------|--|---------------|-----------|----------------|------------|----------------|
| | | | | | | | | |
| ENROLLMENT | | | | | | | | |
| - | - | - | Members | - | - | - | - | - |
| REVENUES | | | | | | | | |
| - | - | - | Premium | - | - | - | - | - |
| 3,225 | - | 3,225 | Interest | 17,803 | - | 17,803 | - | 17,803 |
| - | - | - | Other Investment Income | 1,350 | - | 1,350 | - | 1,350 |
| 3,225 | - | 3,225 | TOTAL REVENUES | 19,153 | - | 19,153 | - | 19,153 |
| EXPENSES | | | | | | | | |
| - | - | - | Medical Costs | - | - | - | - | - |
| - | - | - | IBNR and Paid Claims Adjustment | - | - | - | - | - |
| - | - | - | Total Medical Costs | - | - | - | - | - |
| 3,225 | - | 3,225 | GROSS MARGIN | 19,153 | - | 19,153 | - | 19,153 |
| Administrative | | | | | | | | |
| 834 | - | (834) | Management Fee Expense and Other Admin Exp | 5,000 | - | (5,000) | - | (5,000) |
| 834 | - | (834) | Total Administrative Expenses | 5,000 | - | (5,000) | - | (5,000) |
| 834 | - | (834) | TOTAL EXPENSES | 5,000 | - | (5,000) | - | (5,000) |
| 2,391 | - | 2,391 | OPERATING INCOME (LOSS) | 14,153 | - | 14,153 | - | 14,153 |
| - | - | - | TOTAL NONOPERATING REVENUE (EXPENSES) | - | - | - | - | - |
| 2,391 | - | 2,391 | NET INCREASE (DECREASE) IN NET POSITION | 14,153 | - | 14,153 | - | 14,153 |
| 0% | 0% | 0% | MEDICAL LOSS RATIO | 0% | 0% | 0% | 0% | 0% |
| 26% | 0% | -26% | ADMINISTRATIVE EXPENSE RATIO | 26% | 0% | -26% | 26% | 0% |

**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 |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|----------|----------|----------|----------|----------|
| MEDICAL | | | | | | | | | | | | |
| ADULT AND FAMILY | | | | | | | | | | | | |
| PA - FAMILY | 34,526 | 33,921 | 33,871 | 33,184 | 0 | 0 | 0 | | | | | |
| REFUGEE - FAMILY | 0 | 0 | 0 | 1 | 0 | 0 | 0 | | | | | |
| FOSTER CARE | 720 | 699 | 712 | 776 | 0 | 0 | 0 | | | | | |
| POVERTY-133/200% | 1 | 1 | 1 | 1 | 0 | 0 | 0 | | | | | |
| MI- CHILD | 108,363 | 109,594 | 110,076 | 110,865 | 0 | 0 | 0 | | | | | |
| CHILD-ACA | 41 | 40 | 13 | 15 | 0 | 0 | 0 | | | | | |
| FAMILY - UNDER 19 | 22,145 | 22,131 | 22,194 | 22,160 | 0 | 0 | 0 | | | | | |
| ADULT | 0 | 0 | 0 | 0 | 43,788 | 44,339 | | | | | | |
| CHILD | 0 | 0 | 0 | 0 | 123,066 | 123,784 | | | | | | |
| SUB-TOTAL ADULT & FAMILY | 165,796 | 166,386 | 166,867 | 167,002 | 166,854 | 168,123 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | | |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------|----------|----------|----------|----------|----------|
| MEDICAL EXPANSION | 15 | 5 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LHP Transition Pre-ACA | 58,660 | 59,344 | 59,219 | 59,554 | 59,527 | 60,505 | | | | | | |
| ACA Expansion Adult-Citizen | 4 | 4 | 3 | 2 | 0 | 0 | | | | | | |
| ACA Expansion CAL Fresh Adult | 440 | 465 | 446 | 412 | 401 | 442 | | | | | | |
| ACA Expansion Duals | | | | | | | | | | | | |
| SUB-TOTAL MANDATORY | 59,129 | 59,818 | 59,673 | 59,968 | 59,928 | 60,947 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | | |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|----------|----------|----------|----------|----------|
| SDP MEMBERS | 758 | 197 | 181 | 198 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SSI -AGED | 1,621 | 1,623 | 1,623 | 1,633 | 0 | 0 | | | | | | |
| MN - AGED | 12,333 | 12,191 | 12,680 | 12,402 | 0 | 0 | | | | | | |
| SSI-BLIND & DISABLED | 449 | 502 | 441 | 519 | 0 | 0 | | | | | | |
| MN - BLIND & DISABLED | 0 | 0 | 0 | 0 | 14,958 | 15,103 | | | | | | |
| SPD (AGED AND DISABLED) | | | | | | | | | | | | |
| SUB-TOTAL MANDATORY SPD | 14,565 | 14,513 | 14,925 | 14,752 | 14,958 | 15,103 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL MANDATORY | 239,510 | 240,717 | 241,465 | 241,722 | 241,740 | 244,173 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | | |
|--------------------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| OTHER MEMBERS | 136 | 25 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 |
| BCCIP-TOBACCO SETTLEMENT | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|----------|----------|----------|----------|----------|----------|
| DUALS | 102 | 30 | 24 | 30 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PA - FAMILY DUALS | 838 | 821 | 832 | 851 | 0 | 0 | | | | | | |
| PART D SSI -AGED | 1,510 | 1,559 | 1,564 | 1,669 | 0 | 0 | | | | | | |
| PART D MN - AGED | 2,471 | 2,490 | 2,531 | 2,481 | 0 | 0 | | | | | | |
| PART D SSI - BLIND & DISABLED | 1,082 | 1,049 | 1,003 | 1,042 | 0 | 0 | | | | | | |
| PART D MN - BLIND & DISABLED | 1 | 1 | 1 | 2 | 1 | 1 | | | | | | |
| PART D BCCIP-TOBACCO SETTLEMENT | 377 | 409 | 394 | 435 | 0 | 0 | | | | | | |
| PART D MI - CHILD | 0 | 0 | 0 | 0 | 435 | 453 | | | | | | |
| PARTIAL DUALS - FAMILY | 0 | 0 | 0 | 0 | 6,151 | 6,247 | | | | | | |
| SPD FULL DUALS | | | | | | | | | | | | |
| SUB-TOTAL DUALS | 6,297 | 6,359 | 6,349 | 6,510 | 6,567 | 6,701 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | | |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|----------|----------|----------|----------|----------|----------|
| TOTAL OTHERS | 6,320 | 6,384 | 6,371 | 6,532 | 6,609 | 6,723 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL KAISER | 8,329 | 8,385 | 8,394 | 8,411 | 8,557 | 8,609 | | | | | | |

| | | | | | | | | | | | | |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|----------|----------|----------|----------|----------|
| TOTAL MEDICAL MEMBERS | 254,759 | 255,466 | 256,230 | 256,665 | 256,906 | 259,505 | 0 | 0 | 0 | 0 | 0 | 0 |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|----------|----------|----------|----------|----------|



May AP Vendor Report
Amounts over \$10,000.00

| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
|------------|---|---------------|---------------|--|--|
| T4290 | S.C. ANDERSON, INC. | 4,598,249.47 | 10,582,643.54 | NEW BUILDING CONSTRUCTION SERVICES | CAPITAL PROJECT - NEW BUILDING |
| T2704 | MCG HEALTH LLC *** | 623,873.90 | 623,873.90 | SOFTWARE LICENSE - HEALTH CARE MANAGEMENT 6/5/19- 6/4/20 | UTILIZATION MANAGEMENT |
| T1045 | KAISER FOUNDATION HEALTH | 422,504.63 | 2,112,983.33 | EMPLOYEE HEALTH BENEFITS | VARIOUS |
| T4350 | COMPUTER ENTERPRISE INC. | 289,123.00 | 1,239,821.29 | PROFESSIONAL SERVICES / CONSULTING SERVICES | CAPITAL PROJECT IN PROCESS |
| T5026 | TEL-TEC SECURITY SYSTEMS | 211,669.68 | 236,146.31 | INSTALLATION OF NEW BUILDING SECURITY SYSTEM | CAPITAL PROJECT - NEW BUILDING |
| T4237 | FLUIDEDGE CONSULTING, INC. | 149,307.28 | 875,793.87 | CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING AND CORPORATE PROJECTS | VARIOUS |
| T1408 | DELL MARKETING L.P. | 136,287.23 | 207,966.43 | SOFTWARE LICENSE / EQUIPMENT | CAPITAL PROJECT - NEW BUILDING OCCUPATION |
| T2726 | DST PHARMACY SOLUTIONS, INC. | 104,989.41 | 526,159.72 | PHARMACY AND CLAIMS PROCESSING | PHARMACY |
| T4609 | GREGORY D. BYNUM AND ASSOCIATES, INC. | 96,718.52 | 552,087.96 | NEW BUILDING DEVELOPMENT OVERHEAD FEES | CAPITAL PROJECT - NEW BUILDING |
| T4699 | Z6OMEGA, INC. | 93,628.16 | 732,012.79 | PROFESSIONAL SERVICES MEDICAL MANAGEMENT PLATFORM | CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT |
| T4982 | NGC US, LLC | 76,510.99 | 281,003.58 | PREFUND HEALTH HOMES INCENTIVE | HEALTH HOME |
| T4391 | OMNI FAMILY HEALTH | 72,821.40 | 296,471.55 | HEALTH HOME GRANTS | COMMUNITY GRANTS |
| T4722 | COGNIZANT TRIZETTO SOFTWARE GROUP, INC. | 71,033.41 | 237,674.92 | PROFESSIONAL SERVICES - NETWORKX MODELER AND PRICER | CAPITAL PROJECT |
| T4483 | INFUSION AND CLINICAL SERVICES, INC. | 59,483.79 | 407,983.49 | HEALTH HOME GRANTS | COMMUNITY GRANTS |
| T4696 | ZNALYTICS, LLC | 58,680.00 | 195,190.00 | PROFESSIONAL SERVICES | CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT |
| T2488 | THE LINCOLN NATIONAL LIFE INSURANCE | 55,944.64 | 282,288.77 | VOLUNTARY LIFE AD&D, DENTAL INSURANCE | VARIOUS |
| T5013 | ELIZA CORPORATION *** | 50,000.00 | 53,342.00 | HEALTH SERVICES MEMBER OUTREACH PILOT AGREEMENT | HEALTH EDUCATION |
| T2918 | STINSON S | 49,605.33 | 80,556.17 | OFFICE EQUIPMENT AND SUPPLIES | VARIOUS |
| T1189 | APPLE ONE INC. | 47,962.12 | 174,944.23 | TEMPORARY HELP - MIS ; MS ; CS | PAYROLL DEDUCTION |
| T4792 | KP LLC | 47,281.17 | 98,740.98 | DRUG FORMULARY | PHARMACY |
| T4582 | HEALTHX, INC. | 39,200.00 | 196,000.00 | MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL | MIS |
| T4546 | LEVEL 3 COMMUNICATIONS, LLC | 30,999.55 | 116,986.28 | DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS | PROVIDER RELATIONS |
| T4308 | TRUXTUN PLACE PARTNERS | 29,105.22 | 151,337.24 | TRUXTUN - LEASE & UTILITIES | CORPORATE SERVICES |
| T1861 | CERDIAN BENEFITS SERVICES | 28,947.75 | 80,804.45 | MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES | VARIOUS |



May AP Vendor Report
Amounts over \$10,000.00

| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
|------------|--|------------------------|--------------|---|--|
| T4433 | MICRO-DYN MEDICAL SYSTEMS, INC. **** | 28,835.00 | 28,835.00 | ANNUAL LICENSE- APR-DRG GROUPER SOFTWARE SOLUTION TO PROCESS CLAIMS PAYMENT | MIS |
| T5077 | SDL, INC **** | 27,851.25 | 27,851.25 | COMPUTER ASSISTED TRANSLATION TOOL | HEALTH EDUCATION |
| T3011 | OFFICE ALLY, INC. | 25,753.75 | 111,304.25 | EDI CLAIM PROCESSING | CLAIMS |
| T1005 | COLONIAL LIFE & ACCIDENT | 22,912.50 | 68,737.22 | EMPLOYEE PREMIUM | VARIOUS |
| T4415 | DANIELLS PHILLIPS VAUGHAN AND BOCK | 22,000.00 | 49,000.00 | FINANCIAL REPORTING SERVICES | ADMINISTRATION |
| T4902 | CHANGE HEALTHCARE LLC | 21,621.39 | 62,923.18 | EDI CLAIMS, CLAIM CHECK | CLAIMS / MIS |
| T4193 | TECHNOSOCIALWORK.COM DBA STRIA | 20,471.59 | 180,556.93 | OCR SERVICES | CLAIMS |
| T3469 | CPACINC.COM INC | 19,867.94 | 94,328.34 | VMWARE/VEEAM LICENSING W/ SUPPORT & MAINTENANCE FOR NEW BUILDING | MIS INFRASTRUCTURE |
| T4657 | DAPONDE SIMPSON ROWE PC **** | 18,290.00 | 32,847.50 | CONSULTING SERVICES TO REVIEW CONTRACTS | ADMINISTRATION |
| T4396 | KAISER FOUNDATION HEALTH-DHMO | 17,343.87 | 101,632.80 | EMPLOYEE HEALTH BENEFITS | VARIOUS |
| T4563 | SPH ANALYTICS | 16,561.80 | 54,158.80 | MEMBER SATISFACTION SURVEY | MEMBER SERVICES |
| T4733 | UNITED STAFFING ASSOCIATES | 16,145.44 | 36,509.47 | TEMPORARY HELP - MIS ; MS; CS | PAYROLL DEDUCTION |
| T4460 | PAYSPAN, INC | 15,971.51 | 87,157.16 | ELECTRONIC CLAIMS/PAYMENTS | ACCOUNTING |
| T4538 | CHANGE HEALTHCARE SOLUTIONS, LLC | 15,659.25 | 86,143.83 | EDI CLAIM PROCESSING (EMDEON) | CLAIMS |
| T4760 | CAMERON CHANG **** | 14,125.00 | 14,125.00 | PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT |
| T4967 | ADMINISTRATIVE SOLUTIONS, INC. | 14,120.80 | 91,421.85 | EMPLOYEE PAID VOLUNTARY INSURANCE/FSA CARD DEPOSIT | PAYROLL DEDUCTION |
| T4182 | THE LAMAR COMPANIES **** | 12,660.48 | 12,660.48 | PRODUCTION FEE FOR ADS ON BUSES | MARKETING |
| T5065 | CHAMP'S SECURITY PATROL SERVICES INC. **** | 12,240.00 | 19,840.00 | ONSITE SECURITY | CORPORATE SERVICES |
| T5078 | SJS BUILDING MAINTENANCE & SUPPLIES **** | 11,810.00 | 18,988.62 | JANITORIAL SERVICES | CORPORATE SERVICES |
| T4785 | COMMGAP | 11,615.00 | 39,037.50 | INTERPRETATION SERVICES | HEALTH EDUCATION |
| T4400 | OPTUM360 LLC **** | 11,479.61 | 12,801.00 | ENCODER PRO LICENSE | CLAIMS/UTILIZATION MANAGEMENT/PROVIDER RELATIONS |
| T4165 | SHI INTERNATIONAL CO. | 11,258.22 | 287,237.53 | STORAGE MAINTENANCE/HARDWARE | VARIOUS |
| | | <u>7,832,521.05</u> | | | |
| | TOTAL VENDORS OVER \$10,000 | 7,832,521.05 | | | |
| | TOTAL VENDORS UNDER \$10,000 | 329,962.94 | | | |
| | TOTAL VENDOR EXPENSES- MAY | <u>\$ 8,162,483.99</u> | | | |

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



May AP Vendor Report
Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---------------------------------------|---------------|---|---|
| T4290 | S.C. ANDERSON, INC. | 10,582,643.54 | NEW BUILDING CONSTRUCTION SERVICES | CAPITAL PROJECT - NEW BUILDING |
| T1045 | KAISER FOUNDATION HEALTH | 2,112,983.33 | EMPLOYEE HEALTH BENEFITS | VARIOUS |
| T4350 | COMPUTER ENTERPRISE INC. | 1,239,821.29 | PROFESSIONAL SERVICES / CONSULTING SERVICES | CAPITAL PROJECT IN PROCESS/ MIS |
| T4237 | FLUIDEDGE CONSULTING, INC. | 875,793.87 | CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING AND CORPORATE PROJECTS | VARIOUS |
| T4699 | ZsOMEGA, INC. | 732,012.79 | 2019 ANNUAL LICENSE AND MAINTENANCE / PROFESSIONAL SERVICES - MEDICAL MANAGEMENT PLATFORM | CAPITAL PROJECT- CASE MANAGEMENT/DISEASE MANAGEMENT |
| T1001 | KERN MEDICAL CENTER | 705,918.51 | HEALTH HOME GRANTS | COMMUNITY GRANTS |
| T2704 | MCG HEALTH LLC*** | 623,873.90 | SOFTWARE LICENSE - HEALTH CARE MANAGEMENT 6/5/19-6/4/20 | UTILIZATION MANAGEMENT |
| T4609 | GREGORY D. BYNUM AND ASSOCIATES, INC. | 552,097.96 | NEW BUILDING DEVELOPMENT OVERHEAD FEES | CAPITAL PROJECT - NEW BUILDING |
| 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 | 529,089.27 | FORTINET FORTGATE FIREWALL APPLIANCES, LICENSES, AND SUPPORT | CAPITAL PROJECT - NEW BUILDING OCCUPATION |
| T2726 | DST PHARMACY SOLUTIONS, INC. | 526,159.72 | PHARMACY AND CLAIMS PROCESSING | PHARMACY |
| T5015 | SENTINEL ENGINEERING | 408,965.98 | JUNIPER NETWORKS HARDWARE - SOFTWARE LICENSING AND SUPPORT FOR 1 YEAR FOR NEW BUILDING | CAPITAL PROJECT - NEW BUILDING OCCUPATION |
| T4483 | INFUSION AND CLINICAL SERVICES, INC. | 407,983.49 | HEALTH HOME GRANTS | COMMUNITY GRANTS |
| T4391 | OMNI FAMILY HEALTH | 296,471.55 | HEALTH HOME GRANTS | COMMUNITY GRANTS |
| T4165 | SHI INTERNATIONAL CO. | 287,237.53 | SERVERS FOR PRIMARY APPLICATIONS AND MAINTENANCE SUPPORT/ STORAGE MAINTENANCE/ HARDWARE | CAPITAL PROJECT - NEW BUILDING OCCUPATION/VARIOUS |



May AP Vendor Report
Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|--------------|--|--|
| T2488 | THE LINCOLN NATIONAL LIFE INSURANCE | 282,288.77 | VOLUNTARY LIFE, AD&D, DENTAL INSURANCE | VARIOUS |
| T4982 | NGC US, LLC | 281,003.58 | PREFUND HEALTH HOMES INCENTIVE | HEALTH HOMES |
| T2167 | PG&E | 277,810.36 | ANNUAL TRUE-UP FOR 2018 USAGE/UTILITIES | CORPORATE SERVICES |
| T5005 | CRAYON SOFTWARE EXPERTS LLC | 272,333.82 | ANNUAL MICROSOFT ENTERPRISE AGREEMENT | MIS INFRASTRUCTURE |
| T4722 | COGNIZANT TRIZETTO SOFTWARE GROUP, INC. | 237,674.92 | PROFESSIONAL SERVICES - NETWORKX MODELER AND PRICER | CAPITAL PROJECT |
| T5026 | TEL-TEC SECURITY SYSTEMS | 236,146.31 | INSTALLATION OF NEW BUILDING SECURITY SYSTEM | CAPITAL PROJECT - NEW BUILDING |
| T1408 | DELL MARKETING L.P. | 207,966.43 | SOFTWARE LICENSE / EQUIPMENT | CAPITAL PROJECT - NEW BUILDING OCCUPATION/MIS |
| T4582 | HEALTHX, INC. | 196,000.00 | MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL | MIS |
| T4696 | ZNALYTICS, LLC | 195,190.00 | PROFESSIONAL SERVICES | CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT |
| T4193 | TECHNOSOCIALWORK.COM DBA STRIA | 180,556.93 | OCR SERVICES | CLAIMS |
| T1189 | APPLE ONE INC, | 174,944.23 | TEMPORARY HELP - MIS ; MS; CS | VARIOUS |
| T4308 | TRUXTUN PLACE PARTNERS | 151,337.24 | TRUXTUN - RENT & UTILITIES | CORPORATE SERVICES |
| T4546 | LEVEL 3 COMMUNICATIONS, LLC | 116,986.28 | DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS | PROVIDER RELATIONS |
| T3011 | OFFICE ALLY, INC. | 111,304.25 | EDI CLAIM PROCESSING | CLAIMS |
| T4396 | KAISER FOUNDATION HEALTH-DHMO | 101,632.80 | EMPLOYEE HEALTH BENEFITS | VARIOUS |
| T4792 | KP LLC | 98,740.98 | PRINTING AND SHIPPING OF PROVIDER DIRECTORIES | PROVIDER RELATIONS |
| T3469 | CPACINC.COM INC | 94,328.34 | VMWARE/VEEAM LICENSING W/ SUPPORT & MAINTENANCE FOR NEW BUILDING | MIS INFRASTRUCTURE |
| T4967 | ADMINISTRATIVE SOLUTIONS, INC. | 91,421.85 | EMPLOYEE PAID VOLUNTARY INSURANCE/FSA CARD DEPOSIT | PAYROLL DEDUCTION |
| T1071 | CLINICA SIERRA VISTA | 88,888.00 | EMERGENCY ROOM DIVERSION GRANT | COMMUNITY GRANTS |



May AP Vendor Report
Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|--------------|--|---|
| T4460 | PAYSPAN, INC | 87,157.16 | ELECTRONIC CLAIMS/PAYMENTS | ACCOUNTING |
| T4538 | CHANGE HEALTHCARE SOLUTIONS, LLC | 86,143.83 | EDI CLAIM PROCESSING | CLAIMS |
| T1861 | CEREDIAN BENEFITS SERVICES | 80,804.45 | MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS | HUMAN RESOURCES |
| T2918 | STINSON'S | 80,556.17 | OFFICE EQUIPMENT AND SUPPLIES | VARIOUS |
| T1272 | COFFEY COMMUNICATIONS INC. | 80,259.40 | MEMBER NEWSLETTER/ WEBSITE IMPLEMENTATION | HEALTH EDUCATION/ MIS INFRASTRUCTURE |
| T1005 | COLONIAL LIFE & ACCIDENT | 69,737.22 | EMPLOYEE PREMIUM | VARIOUS |
| 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 |
| T4902 | CHANGE HEALTHCARE LLC | 62,923.18 | EDI CLAIMS, CLAIM CHECK | CLAIMS / MIS |
| T2584 | UNITED STATES POSTAL SVC.-HASLER | 60,000.00 | POSTAGE-METERED | VARIOUS |
| T4514 | AJ KLEIN INC T. DENATALE, B.GOLDNER | 58,051.38 | LEGAL SERVICES | ADMINISTRATION |
| T4654 | DELAWIE | 56,924.40 | PROFESSIONAL SERVICES | CAPITAL PROJECT - NEW BUILDING |
| T4563 | SPH ANALYTICS | 54,158.80 | PROVIDER AND MEMBER SATISFACTION SURVEYS | MEMBER SERVICES/ PROVIDER RELATIONS |
| T4909 | GEM PHYSICIANS MEDICAL GROUP, INC. | 54,003.59 | HEALTH HOME GRANTS | COMMUNITY GRANTS |
| T5013 | ELIZA CORPORATION*** | 53,342.00 | HEALTH SERVICES MEMBER OUTREACH PILOT AGREEMENT | HEALTH EDUCATION |
| T4963 | LINKEDIN CORPORATION | 52,000.00 | ONLINE JOB POSTINGS/CANDIDATE SEARCH CAPABILITIES | HUMAN RESOURCES |
| T5025 | SHANNON M DEAN | 50,000.00 | COMPENSATION DISTRIBUTION | ADMINISTRATION |
| T5024 | GALLAGHER BENEFIT SERVICES INC | 49,500.00 | REVIEW CURRENT PBM RFP QUESTIONNAIRE AND ADD ANY MODIFICATIONS | UTILIZATION MANAGEMENT |



May AP Vendor Report
Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--|--------------|---|--------------------------------|
| T4415 | DANIELLS PHILLIPS VAUGHAN AND BOCK | 49,000.00 | FINANCIAL REPORTING SERVICES | ADMINISTRATION |
| T2707 | ACT 1 PERSONNEL SERVICES, INC. | 47,878.96 | TEMPORARY HELP - MIS ; MS; CS | VARIOUS |
| T4873 | L5 HEALTHCARE SOLUTIONS, INC. | 42,179.00 | LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL | MIS |
| T4785 | COMMIGAP | 39,037.50 | INTERPRETATION SERVICES | HEALTH EDUCATION |
| T4891 | FANELLIPI | 38,820.00 | RELOCATION MANAGEMENT | PROJECT MANAGEMENT |
| T4733 | UNITED STAFFING ASSOCIATES | 36,509.47 | TEMPORARY HELP | VARIOUS |
| T4294 | J. SERVICES JANITORIAL | 36,345.00 | JANITORIAL SERVICES | CORPORATE SERVICES |
| T4452 | WELLS FARGO | 35,742.70 | EXECUTIVE, MISC CORPORATE SERVICES, PROVIDER RELATIONS, MISC TRAVEL EXPENSES | VARIOUS |
| T4537 | BURKE, WILLIAMS & SORENSEN, LLP | 35,411.63 | LEGAL SERVICES | ADMINISTRATION |
| T4698 | INFINITY COMMUNICATIONS & CONSULTING, INC. | 34,520.00 | TECHNICAL BUILDING ARCHITECTURAL CONSULTING PHASE II | CAPITAL PROJECT - NEW BUILDING |
| T2232 | DLT SOLUTIONS, LLC | 33,663.07 | SQL SERVER MAINTENANCE CONTRACT | MIS INFRASTRUCTURE |
| T4657 | DAPONDE SZABO ROWE PC | 32,847.50 | CONSULTING SERVICES TO REVIEW CONTRACTS | PROVIDER RELATIONS |
| T3084 | KERN COUNTY - COUNTY COUNSEL | 31,432.30 | LEGAL FEES | ADMINISTRATION |
| T4652 | BAKERSFIELD SYMPHONY ORCHESTRA | 30,100.00 | COMMUNITY SPONSORSHIP | ADMINISTRATION |
| T1183 | MILLIMAN USA | 30,028.00 | ACTUARIAL SERVICES, RDT, RATE SUPPORT, VALUE-BASED PURCHASING ANALYSIS, OTHER CONSULTING SERVICES | ADMINISTRATION |
| T4433 | MICRO-DYN MEDICAL SYSTEMS, INC | 28,835.00 | ANNUAL LICENSE- APR-DRG GROUPER SOFTWARE SOLUTION TO PROCESS CLAIMS PAYMENT | MIS |
| T2413 | TREK IMAGING INC | 28,747.11 | COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS | VARIOUS |
| T5077 | SDL, INC**** | 27,851.25 | COMPUTER ASSISTED TRANSLATION TOOL | HEALTH EDUCATION |



May AP Vendor Report
Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|--------------|--|--------------------------------|
| T4583 | SOILS ENGINEERING INC | 27,300.00 | SOIL SAMPLING OBSERVATION-OIL DIRT DISCOVERY/REMEDIATION | CAPITAL PROJECT - NEW BUILDING |
| T4265 | SIERRA SCHOOL EQUIPMENT COMPANY | 27,128.89 | CHAIRS - REPLACEMENT OF BROKEN ONES & PURCHASE | CORPORATE SERVICES |
| T1180 | LANGUAGE LINE SERVICES, INC | 26,867.11 | INTERPRETATION SERVICES | MEMBER SERVICES |
| T5028 | QUANTUM CONSULTING GROUP LLC | 26,175.00 | CONSULTING SERVICES | HEALTH HOMES |
| T4503 | VISION SERVICE PLAN | 25,032.17 | EMPLOYEE HEALTH BENEFITS | VARIOUS |
| T5080 | COURTNEY HILEMAN | 25,000.00 | COMPENSATION DISTRIBUTION | ADMINISTRATION |
| T3378 | CARRIER CORPORATION | 24,546.93 | SERVICE AGREEMENT | CORPORATE SERVICE |
| T1128 | HALL LETTER SHOP INC. | 24,506.70 | NEW MEMBER PACKETS / MEMBERSHIP CARDS | MEMBER SERVICES |
| T4561 | SRI & SHARMA, LLC | 21,875.00 | MONTHLY PARKING RENTAL | CORPORATE SERVICES |
| T4961 | AEROTEK SCIENTIFIC, LLC | 21,799.34 | TEMPORARY EMPLOYEE SERVICES | VARIOUS |
| T2446 | AT&T MOBILITY | 21,747.50 | CELLULAR PHONE / INTERNET | MIS |
| T3986 | JACQUELYN S JANS | 21,667.00 | PROFESSIONAL SERVICES MARKETING AND PR SERVICES | ADMINISTRATION/MARKETING |
| T4683 | CLAUDIA M. BACA | 21,640.33 | PROJECT MANAGEMENT CONSULTING SERVICES | PROJECT MANAGEMENT |
| T4739 | SECURITAS SECURITY SERVICES USA, INC | 20,364.21 | SECURITY SERVICES | CORPORATE SERVICES |
| T2961 | SOLUTION BENCH, LLC | 19,959.04 | M-FILES & SCANFINITY LICENSES SUPPORT | MIS INFRASTRUCTURE |
| T5065 | CHAMPS SECURITY PATROL SERVICES INC**** | 19,840.00 | ONSITE SECURITY | CORPORATE SERVICES |
| T2441 | LAURA BREZINSKI | 19,500.00 | MARKETING MATERIALS | MARKETING |
| T5078 | SJS BUILDING MAINTENANCE & SUPPLIES*** | 18,998.62 | JANITORIAL SERVICES | CORPORATE SERVICES |
| T4694 | KELLY SERVICES, INC. | 18,234.84 | TEMPORARY EMPLOYEE SERVICES | VARIOUS |
| T4501 | ALLIED UNIVERSAL SECURITY SERVICES | 18,059.52 | ONSITE SECURITY | CORPORATE SERVICES |



May AP Vendor Report
Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|--------------|---|--|
| T2941 | KERN PRINT SERVICES, INC. | 17,590.71 | MEMBER DIRECT MAILINGS AND LETTERHEAD AND ENVELOPES | HEALTH EDUCATION/MEMBER SERVICES |
| T4228 | THE SSI GROUP, LLC | 17,341.20 | EDI CLAIM PROCESSING | CLAIMS |
| T2969 | AMERICAN BUSINESS MACHINES INC | 16,429.34 | COPIER/SCANNER SUPPORT AND MAINTENANCE | MIS INFRASTRUCTURE |
| T3990 | SPARKLETT'S, INC | 15,594.25 | BOTTLED WATER SERVICE | VARIOUS |
| T4417 | KAISER FOUNDATION HEALTH PLAN | 15,100.08 | EMPLOYEE HEALTH BENEFITS | VARIOUS |
| 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 |
| T2933 | SIERRA PRINTERS, INC*** | 14,707.47 | PRINTING OF MEMBER EDUCATION MATERIAL / PROVIDER DIRECTORY / BUSINESS CARDS | VARIOUS |
| T4760 | CAMERON CHANG*** | 14,125.00 | PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT |
| T1347 | ADVANCED DATA STORAGE | 13,092.27 | SHREDDING SERVICE / STORAGE | CORPORATE SERVICES |
| T4389 | EXACT STAFF, INC. | 12,989.20 | TEMPORARY HELP | MEMBER SERVICES |
| T2790 | KERN COUNTY DEPARTMENT OF PUBLIC HEALTH | 12,809.00 | COMMUNITY ACTIVITIES | MARKETING |
| T4400 | OPTUM360 LLC*** | 12,801.00 | ENCODER PRO LICENSE | CLAIMS/UTILIZATION MANAGEMENT/PROVIDER RELATIONS |
| T4182 | LAMAR ADVERTISING OF BAKERSFIELD | 12,660.48 | PRODUCTION FEE FOR ADS ON BUSES | MARKETING |
| T5081 | KO LEGAL, INC. | 12,500.00 | LEGAL SERVICES | ADMINISTRATION |
| T4981 | JOHN MILLER | 12,310.59 | PHYSICIAN MALPRACTICE INSURANCE POLICY | HUMAN RESOURCES |
| 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 |
| T1022 | UNUM LIFE INSURANCE CO*** | 11,713.60 | EMPLOYEE PREMIUM | PAYROLL DEDUCTION |



May AP Vendor Report
Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|-------------------------|--|--------------------|
| T4674 | STOCKDALE PLAZA OWNERS ASOCIATION INC**** | 11,250.00 | LEASE AGREEMENT PARKING SPACE -STOCKDALE HWAY | CORPORATE SERVICES |
| T4708 | HEALTH MANAGEMENT ASSOCIATES INC | 10,500.00 | CONSULTING SERVICES | ADMINISTRATION |
| T2869 | COMMUNITY ACTION PARTNERSHIP OF KERN**** | 10,500.00 | COMMUNITY GRANT | MARKETING |
| T4216 | NEXSTAR BROADCASTING INC**** | 10,412.75 | MEDIA - ADVERTISEMENTS | MARKETING |
| T1404 | CALIFORNIA ASSOCIATION OF HEALTH PLANS | 10,100.00 | PLAN ASSESSMENT-TIMELY ACCESS INITIATIVE- RAND PROPOSAL | ADMINISTRATION |
| T4933 | HOLLY J. CULHANE DBA PROFESSIONAL ADMINISTRATIVE**** | 10,081.62 | PROFESSIONAL ADMINISTRATIVE SERVICES | ADMINISTRATION |
| T5071 | WEST SIDE FAMILY HEALTH CARE | 10,000.00 | PROVIDER RECRUITMENT & RETENTION GRANT | COMMUNITY GRANTS |
| | | <u>26,429,004.05</u> | | |
| | TOTAL VENDORS OVER \$10,000 | 26,429,004.05 | | |
| | TOTAL VENDORS UNDER \$10,000 | 616,158.90 | | |
| | TOTAL VENDOR EXPENSES- MAY | <u>\$ 27,045,162.95</u> | | |

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



June AP Vendor Report
Amounts over \$10,000.00

| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
|------------|--|---------------|--------------|---|--|
| T1045 | KAISER FOUNDATION HEALTH | 427,219.62 | 2,540,202.95 | EMPLOYEE HEALTH BENEFITS | VARIOUS |
| T4350 | COMPUTER ENTERPRISE INC. | 209,315.62 | 1,449,136.91 | PROFESSIONAL SERVICES / CONSULTING SERVICES | CAPITAL PROJECT IN PROCESS |
| T4959 | BERKSHIRE HATHWAY HOMESTEAD COMPANIES*** | 189,551.00 | 189,551.00 | WORKERS COMPENSATION INSURANCE PREMIUM | VARIOUS |
| T4609 | GREGORY D. BYNUM AND ASSOCIATES, INC. | 181,245.51 | 733,343.47 | NEW BUILDING DEVELOPMENT OVERHEAD FEES | CAPITAL PROJECT - NEW BUILDING |
| T4237 | FLUIDEDGE CONSULTING, INC. | 152,917.00 | 1,028,710.87 | CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING/ ADMINISTRATION | |
| T4696 | ZNALYTICS, LLC | 105,840.00 | 301,030.00 | PROFESSIONAL SERVICES | CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT |
| T4722 | COGNIZANT TRIZETTO SOFTWARE GROUP, INC. | 74,679.75 | 312,354.67 | SERVICES, BASIC 101, QNXT CORE SOLUTIONS | VARIOUS |
| T4699 | Z6OMEGA, INC. | 66,532.08 | 798,544.87 | PROFESSIONAL SERVICES MEDICAL MANAGEMENT PLATFORM | CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT |
| T4483 | INFUSION AND CLINICAL SERVICES, INC. | 46,387.91 | 454,371.40 | HEALTH HOME GRANT | HEALTH HOME |
| T1189 | APPLE ONE INC. | 44,263.30 | 219,207.53 | TEMPORARY HELP - MIS ; MS; CS | PAYROLL DEDUCTION |
| T4165 | SHI INTERNATIONAL CO. | 41,328.97 | 328,566.50 | STORAGE MAINTENANCE/ HARDWARE | VARIOUS |
| T4193 | TECHNOSOCIALWORK.COM DBA STRIA | 35,333.60 | 215,890.53 | OCR SERVICES | CLAIMS |
| T1272 | COFFEY COMMUNICATIONS INC. | 32,635.88 | 112,896.28 | MEMBER NEWSLETTER | HEALTH EDUCATION/MIS INFRASTRUCTURE |
| T2584 | UNITED STATES POSTAL SVC -HASLER | 30,000.00 | 90,000.00 | POSTAGE - METERED | VARIOUS |
| T4308 | TRUXTUN PLACE PARTNERS | 29,532.53 | 180,869.77 | TRUXTUN - LEASE & UTILITIES | PAYROLL DEDUCTION |
| T4582 | HEALTHX, INC. | 28,616.00 | 224,616.00 | MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL | HEALTH EDUCATION |
| T3011 | OFFICE ALLY, INC. | 23,911.75 | 135,216.00 | EDI CLAIM PROCESSING | CLAIMS |
| T4546 | LEVEL 3 COMMUNICATIONS, LLC | 22,803.73 | 139,790.01 | DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS | PROVIDER RELATIONS |
| T4460 | PAYSPAN, INC | 22,449.17 | 109,606.33 | ELECTRONIC CLAIMS/PAYMENTS | ACCOUNTING |
| T5076 | MERIDIAN HEALTH SYSTEMS, P.C.*** | 19,630.00 | 19,630.00 | PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT |
| T4396 | KAISER FOUNDATION HEALTH-DHMO | 18,890.45 | 120,523.25 | EMPLOYEE HEALTH BENEFITS | VARIOUS |
| T2413 | TREK IMAGING INC | 17,254.08 | 46,001.19 | COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVE | VARIOUS |
| T4963 | LINKEDIN CORPORATION | 16,500.00 | 68,500.00 | ONLINE JOB POSTINGS/CANDIDATE SEARCH CAPABILITIES | HUMAN RESOURCES |



June AP Vendor Report
Amounts over \$10,000.00

| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
|------------|---|------------------------|--------------|---|--------------------------------|
| T4982 | NGC US, LLC | 15,000.00 | 296,003.58 | PREFUND HEALTH HOMES INCENTIVE | HEALTH HOMES |
| T4538 | CHANGE HEALTHCARE SOLUTIONS, LLC | 14,839.07 | 100,982.90 | EDI CLAIM PROCESSING | CLAIMS |
| T4967 | ADMINISTRATIVE SOLUTIONS, INC. | 13,968.71 | 105,390.56 | EMPLOYEE PAID VOLUNTARY INSURANCE/FSA CARD DEPOSIT | PAYROLL DEDUCTION |
| T1128 | HALL LETTER SHOP, INC. | 13,830.65 | 38,337.35 | NEW MEMBER PACKETS / MEMBERSHIP CARDS | MEMBER SERVICES |
| T5065 | CHAMP'S SECURITY PATROL SERVICES INC. | 13,340.00 | 33,180.00 | ONSITE SECURITY | CORPORATE SERVICES |
| T5078 | SJS BUILDING MAINTENANCE & SUPPLIES | 11,964.00 | 30,962.62 | JANITORIAL SERVICES | CORPORATE SERVICES |
| T1861 | CEREDIAN BENEFITS SERVICES | 11,935.75 | 92,740.20 | DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDM | VARIOUS |
| T4902 | CHANGE HEALTHCARE LLC | 11,152.01 | 74,075.19 | EDI CLAIMS, CLAIM CHECK | CLAIMS / MIS |
| T4785 | COMMIGAP | 11,100.00 | 50,137.50 | INTERPRETATION SERVICES | HEALTH EDUCATION |
| T4961 | AEROTEK SCIENTIFIC, LLC | 10,699.36 | 32,498.70 | TEMPORARY EMPLOYEE SERVICES | VARIOUS |
| T3475 | CALIFORNIA STATE CONTROLLERS OFFICE**** | 10,695.12 | 10,695.12 | 2014 UNCLAIMED PROPERTY | ACCOUNTING |
| T4654 | DELAWIE | 10,432.06 | 67,356.46 | PROFESSIONAL SERVICES | CAPITAL PROJECT - NEW BUILDING |
| T4733 | UNITED STAFFING ASSOCIATES | 10,319.40 | 46,828.87 | TEMPORARY HELP - MIS; MS; CS | PAYROLL DEDUCTION |
| T5012 | KERN MEDICAL CENTER FOUNDATION**** | 10,000.00 | 10,000.00 | VALLEY FEVER INSTITUTE DONATION | MARKETING |
| | | <u>2,006,114.08</u> | | | |
| | TOTAL VENDORS OVER \$10,000 | 2,006,114.08 | | | |
| | TOTAL VENDORS UNDER \$10,000 | 237,005.22 | | | |
| | TOTAL VENDOR EXPENSES- JUNE | <u>\$ 2,243,119.30</u> | | | |

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



June AP Vendor Report
Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|---------------|---|---|
| T4290 | S.C. ANDERSON, INC. | 10,582,643.54 | NEW BUILDING CONSTRUCTION SERVICES | CAPITAL PROJECT - NEW BUILDING |
| T1045 | KAISER FOUNDATION HEALTH | 2,540,202.95 | EMPLOYEE HEALTH BENEFITS | VARIOUS |
| T4350 | COMPUTER ENTERPRISE INC. | 1,449,136.91 | PROFESSIONAL SERVICES / CONSULTING SERVICES | CAPITAL PROJECT IN PROCESS/ MIS |
| T4237 | FLUIDEDGE CONSULTING, INC. | 1,028,710.87 | CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING AND CORPORATE PROJECTS | VARIOUS |
| T4699 | ZeOMEGA, INC. | 798,544.87 | 2019 ANNUAL LICENSE AND MAINTENANCE / PROFESSIONAL SERVICES - MEDICAL MANAGEMENT PLATFORM | CAPITAL PROJECT- CASE MANAGEMENT/DISEASE MANAGEMENT |
| T4609 | GREGORY D. BYNUM AND ASSOCIATES, INC. | 733,343.47 | NEW BUILDING DEVELOPMENT OVERHEAD FEES | CAPITAL PROJECT - NEW BUILDING |
| T1001 | KERN MEDICAL CENTER | 705,918.51 | HEALTH HOME GRANTS | COMMUNITY GRANTS |
| T2704 | MCG HEALTH LLC | 623,873.90 | SOFTWARE LICENSE - HEALTH CARE MANAGEMENT 6/5/19-6/4/20 | UTILIZATION 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 | 529,089.27 | FORTINET FORTIGATE FIREWALL APPLIANCES, LICENSES, AND SUPPORT | CAPITAL PROJECT - NEW BUILDING OCCUPATION |
| T2726 | DST PHARMACY SOLUTIONS, INC. | 526,159.72 | PHARMACY AND CLAIMS PROCESSING | PHARMACY |
| T4483 | INFUSION AND CLINICAL SERVICES, INC. | 454,371.40 | HEALTH HOME GRANTS | COMMUNITY GRANTS |
| T5015 | SENTINEL ENGINEERING | 412,813.48 | JUNIPER NETWORKS HARDWARE, SOFTWARE, LICENSING AND SUPPORT FOR 1 YEAR FOR NEW BUILDING | CAPITAL PROJECT - NEW BUILDING OCCUPATION |
| T4165 | SHI INTERNATIONAL CO. | 328,566.50 | SERVERS FOR PRIMARY APPLICATIONS AND MAINTENANCE SUPPORT/ STORAGE MAINTENANCE/ HARDWARE | CAPITAL PROJECT -NEW BUILDING OCCUPATION/ VARIOUS |
| T4722 | COGNIZANT TRIZETTO SOFTWARE GROUP, INC. | 312,354.67 | PROFESSIONAL SERVICES - NETWORKX MODELER AND PRICER | CAPITAL PROJECT |
| T4696 | ZNALYTICS, LLC | 301,030.00 | PROFESSIONAL SERVICES | CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT |
| T4391 | OMINI FAMILY HEALTH | 296,471.55 | HEALTH HOME GRANTS | COMMUNITY GRANTS |
| T4982 | NGC US, LLC | 296,003.58 | PREFUND HEALTH HOMES INCENTIVE | HEALTH HOMES |



June AP Vendor Report
Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--|--------------|--|--------------------------------------|
| T2488 | THE LINCOLN NATIONAL LIFE INSURANCE | 282,288.77 | VOLUNTARY LIFE, AD&D, DENTAL INSURANCE | VARIOUS |
| T2167 | PG&E | 277,810.36 | ANNUAL TRUE-UP FOR 2018 USAGE/UTILITIES | CORPORATE SERVICES |
| T5005 | CRAYON SOFTWARE EXPERTS LLC | 272,333.82 | ANNUAL MICROSOFT ENTERPRISE AGREEMENT | MIS INFRASTRUCTURE |
| T5026 | TEL-TEC SECURITY SYSTEMS | 236,146.31 | INSTALLATION OF NEW BUILDING SECURITY SYSTEM | CAPITAL PROJECT - NEW BUILDING |
| T4582 | HEALTHX, INC. | 224,616.00 | MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL | MIS |
| T1189 | APPLE ONE INC, | 219,207.53 | TEMPORARY HELP - MIS ; MS; CS | VARIOUS |
| T4193 | TECHNOSOCIALWORK.COM DBA STRIA | 215,890.53 | OCR SERVICES | CLAIMS |
| T1408 | DELL MARKETING L.P. | 207,966.43 | SOFTWARE LICENSE | MIS |
| T4859 | BERKSHIRE HATHWAY HOMESTATE COMPANIES*** | 189,551.00 | WORKERS COMPENSATION INSURANCE PREMIUM | VARIOUS |
| T4308 | TRUXTUN PLACE PARTNERS | 180,869.77 | TRUXTUN - RENT & UTILITIES | CORPORATE SERVICES |
| T4546 | LEVEL 3 COMMUNICATIONS, LLC | 139,790.01 | DISASTER RECOVERY , INTERNET, LONG DISTANCE CALLS | PROVIDER RELATIONS |
| T3011 | OFFICE ALLY, INC. | 135,216.00 | EDI CLAIM PROCESSING | CLAIMS |
| T4396 | KAISER FOUNDATION HEALTH-DHMO | 120,523.25 | EMPLOYEE HEALTH BENEFITS | VARIOUS |
| T1272 | COFFEY COMMUNICATIONS INC. | 112,898.28 | MEMBER NEWSLETTER/ WEBSITE IMPLEMENTATION | HEALTH EDUCATION/ MIS INFRASTRUCTURE |
| T4460 | PAYSPAN, INC | 109,606.33 | ELECTRONIC CLAIMS/PAYMENTS | ACCOUNTING |
| T4792 | KP LLC | 106,368.01 | PRINTING AND SHIPPING OF PROVIDER DIRECTORIES | PROVIDER RELATIONS |
| T4967 | ADMINISTRATIVE SOLUTIONS, INC. | 105,390.56 | EMPLOYEE PAID VOLUNTARY INSURANCE/FSA CARD DEPOSIT | PAYROLL DEDUCTION |
| T4538 | CHANGE HEALTHCARE SOLUTIONS, LLC | 100,982.90 | EDI CLAIM PROCESSING (EMDEON) | CLAIMS |
| T1861 | CEREDIAN BENEFITS SERVICES | 92,740.20 | MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS | HUMAN RESOURCES |
| T3469 | CPACINC.COM INC | 94,328.34 | VMWARE/VEEAM LICENSING W/ SUPPORT & MAINTENANCE FOR NEW BUILDING | MIS INFRASTRUCTURE |



June AP Vendor Report
Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--|--------------|---|-------------------------------------|
| T2584 | UNITED STATES POSTAL SVC.-HASLER | 90,000.00 | POSTAGE-METERED | VARIOUS |
| T1071 | CLINICA SIERRA VISTA | 89,888.00 | EMERGENCY ROOM DIVERSION GRANT | COMMUNITY GRANTS |
| T2918 | STINSON'S | 86,646.77 | OFFICE SUPPLIES | VARIOUS |
| T4902 | CHANGE HEALTHCARE LLC | 74,075.19 | EDI CLAIMS, CLAIM CHECK | CLAIMS / MIS |
| T1005 | COLONIAL LIFE & ACCIDENT | 69,737.22 | EMPLOYEE PREMIUM | VARIOUS |
| T4686 | CENTRIC HEALTH | 69,518.58 | TRANSITION OF CARE CLINIC FUNDING - JUNE 2018- NOVEMBER 2018 | UTILIZATION MANAGEMENT |
| T4963 | LINKEDIN CORPORATION | 68,500.00 | ONLINE JOB POSTINGS/CANDIDATE SEARCH CAPABILITIES | HUMAN RESOURCES |
| T4654 | DELAWIE | 67,356.46 | PROFESSIONAL SERVICES | CAPITAL PROJECT - NEW BUILDING |
| T4054 | ASSOCIATION FOR COMMUNITY AFFILIATED PLANS | 65,000.00 | 2019 ANNUAL DUES ASSESSMENT | ADMINISTRATION |
| T4514 | AJ KLEIN INC T. DENATALE, B.GOLDNER | 58,953.98 | LEGAL SERVICES | ADMINISTRATION |
| T4563 | SPH ANALYTICS | 54,158.80 | PROVIDER AND MEMBER SATISFACTION SURVEYS | MEMBER SERVICES/ PROVIDER RELATIONS |
| T4909 | GEM PHYSICIANS MEDICAL GROUP, INC. | 54,003.59 | HEALTH HOME GRANTS | COMMUNITY GRANTS |
| T5013 | ELIZA CORPORATION | 53,342.00 | HEALTH SERVICES MEMBER OUTREACH PILOT AGREEMENT | HEALTH EDUCATION |
| T4785 | COMMGAP | 50,137.50 | INTERPRETATION SERVICES | HEALTH EDUCATION |
| T5025 | SHANNON M DEAN | 50,000.00 | COMPENSATION DISTRIBUTION | ADMINISTRATION |
| T5024 | GALLAGHER BENEFIT SERVICES INC | 49,500.00 | REVIEW CURRENT PBM RFP QUESTIONNAIRE AND ADD ANY MODIFICATIONS | UTILIZATION MANAGEMENT |
| T4415 | DANIELLS PHILLIPS VAUGHAN AND BOCK | 49,000.00 | FINANCIAL REPORTING SERVICES | ADMINISTRATION |
| T2707 | ACT 1 PERSONNEL SERVICES, INC. | 47,878.96 | TEMPORARY HELP - MIS ; MS; CS | VARIOUS |
| T4733 | UNITED STAFFING ASSOCIATES | 46,828.87 | TEMPORARY HELP | VARIOUS |
| T2413 | TREK IMAGING INC | 46,001.19 | COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS | VARIOUS |



June AP Vendor Report
Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--|--------------|---|--------------------------------|
| T4991 | FANELIPM | 45,290.00 | RELOCATION MANAGEMENT | PROJECT MANAGEMENT |
| T4873 | L5 HEALTHCARE SOLUTIONS, INC. | 42,179.00 | LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL | MIS |
| T1128 | HALL LETTER SHOP INC. | 38,337.35 | NEW MEMBER PACKETS / MEMBERSHIP CARDS | MEMBER SERVICES |
| T4657 | DAPONDE SZABO ROWE PC | 36,622.00 | CONSULTING SERVICES TO REVIEW CONTRACTS | PROVIDER RELATIONS |
| T4452 | WELLS FARGO | 36,443.55 | EXECUTIVE, MISC CORPORATE SERVICES, PROVIDER RELATIONS, MISC TRAVEL EXPENSES | VARIOUS |
| T4294 | J. SERVICES JANITORIAL | 36,345.00 | JANITORIAL SERVICES | CORPORATE SERVICES |
| T3084 | KERN COUNTY - COUNTY COUNSEL | 35,958.90 | LEGAL FEES | ADMINISTRATION |
| T4537 | BURKE, WILLIAMS & SORENSEN, LLP | 35,411.63 | LEGAL SERVICES | ADMINISTRATION |
| T4698 | INFINITY COMMUNICATIONS & CONSULTING, INC. | 34,520.00 | TECHNICAL BUILDING ARCHITECTURAL CONSULTING PHASE II | CAPITAL PROJECT - NEW BUILDING |
| T4265 | SIERRA SCHOOL EQUIPMENT COMPANY | 33,938.90 | CHAIRS - REPLACEMENT OF BROKEN ONES & PURCHASE | CORPORATE SERVICES |
| T2232 | DLT SOLUTIONS, LLC | 33,663.07 | SQL SERVER MAINTENANCE CONTRACT | MIS INFRASTRUCTURE |
| T5065 | CHAMP'S SECURITY PATROL SERVICES INC | 33,180.00 | ONSITE SECURITY | CORPORATE SERVICES |
| T4961 | AEROTEK SCIENTIFIC, LLC | 32,498.70 | TEMPORARY EMPLOYEE SERVICES | VARIOUS |
| T1183 | MILLIMAN USA | 31,833.50 | ACTUARIAL SERVICES, RDT, RATE SUPPORT, VALUE-BASED PURCHASING ANALYSIS, OTHER CONSULTING SERVICES | ADMINISTRATION |
| T5078 | SJS BUILDING MAINTENANCE & SUPPLIES | 30,962.62 | JANITORIAL SERVICES | CORPORATE SERVICES |
| T1180 | LANGUAGE LINE SERVICES, INC | 30,862.95 | INTERPRETATION SERVICES | MEMBER SERVICES |
| T4583 | SOILS ENGINEERING INC | 30,130.00 | SOIL SAMPLING OBSERVATION-OIL DIRT DISCOVERY/MEDIATION | CAPITAL PROJECT - NEW BUILDING |
| T4652 | BAKERSFIELD SYMPHONY ORCHESTRA | 30,100.00 | COMMUNITY SPONSORSHIP | ADMINISTRATION |
| T4503 | VISION SERVICE PLAN | 30,000.19 | EMPLOYEE HEALTH BENEFITS | VARIOUS |
| T4433 | MICRO-DYN MEDICAL SYSTEMS, INC | 28,835.00 | ANNUAL LICENSE- APR-DRG GROUPER SOFTWARE SOLUTION TO PROCESS CLAIMS PAYMENT | MIS |



June AP Vendor Report
Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--------------------------------------|--------------|---|-----------------------------------|
| T5077 | SDL, INC | 27,851.25 | COMPUTER ASSISTED TRANSLATION TOOL | HEALTH EDUCATION |
| T4683 | CLAUDIA M. BACA | 26,305.65 | PROJECT MANAGEMENT CONSULTING SERVICES | PROJECT MANAGEMENT |
| T2446 | AT&T MOBILITY | 26,281.81 | CELLULAR PHONE / INTERNET | MIS |
| T4561 | SRI & SHARMA, LLC | 26,250.00 | MONTHLY PARKING RENTAL | CORPORATE SERVICES |
| T5028 | QUANTUM CONSULTING GROUP LLC | 26,175.00 | CONSULTING SERVICES | HEALTH HOMES |
| T3986 | JACQUELYN S JANS | 26,042.00 | PROFESSIONAL SERVICES MARKETING AND PR SERVICES | ADMINISTRATION/ MARKETING |
| T5080 | COURTNEY HILEMAN | 25,000.00 | COMPENSATION DISTRIBUTION | ADMINISTRATION |
| T3378 | CARRIER CORPORATION | 24,971.93 | SERVICE AGREEMENT | CORPORATE SERVICE |
| T4739 | SECURITAS SECURITY SERVICES USA, INC | 24,374.05 | SECURITY SERVICES | CORPORATE SERVICES |
| T2961 | SOLUTION BENCH, LLC | 23,665.54 | M-FILES & SCANFINITY LICENSES SUPPORT | MIS INFRASTRUCTURE |
| T2441 | LAURA BREZINSKI | 22,800.00 | MARKETING MATERIALS | MARKETING |
| T4501 | ALLIED UNIVERSAL SECURITY SERVICES | 21,523.20 | ONSITE SECURITY | CORPORATE SERVICES |
| T4228 | THE SSI GROUP, LLC | 20,636.40 | EDI CLAIM PROCESSING | CLAIMS |
| T2941 | KERN PRINT SERVICES, INC. | 20,428.97 | MEMBER DIRECT MAILINGS AND LETTERHEAD AND ENVELOPES | HEALTH EDUCATION/ MEMBER SERVICES |
| T5076 | MERIDIAN HEALTH SYSTEMS, P.C.*** | 19,630.00 | PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT |
| T4182 | LAMAR ADVERTISING OF BAKERSFIELD | 19,410.48 | PRODUCTION FEE FOR ADS ON BUSES | MARKETING |
| T3990 | SPARKLETT'S, INC | 18,901.08 | BOTTLED WATER SERVICE | VARIOUS |
| T2969 | AMERICAN BUSINESS MACHINES INC | 18,857.08 | COPIER/SCANNER SUPPORT AND MAINTENANCE | MIS INFRASTRUCTURE |
| T4544 | BARNES WEALTH MANAGEMENT GROUP | 18,375.00 | RETIREMENT PLAN CONSULTANTS | ADMINISTRATION |
| T4694 | KELLY SERVICES, INC. | 18,234.84 | TEMPORARY EMPLOYEE SERVICES | VARIOUS |
| T4216 | NEXSTAR BROADCASTING INC | 16,362.75 | MEDIA - ADVERTISEMENTS | MARKETING |
| T1347 | ADVANCED DATA STORAGE | 15,812.10 | SHREDDING SERVICE / STORAGE | CORPORATE SERVICES |



June AP Vendor Report
Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--|--------------|--|---|
| T1650 | UNIVISION TELEVISION GROUP**** | 15,699.50 | TELEVISION ADVERTISEMENT WITH THE GOAL OF MEMBER RETENTION | MARKETING |
| T4417 | KAISER FOUNDATION HEALTH PLAN | 15,100.08 | EMPLOYEE HEALTH BENEFITS | VARIOUS |
| T2933 | SIERRA PRINTERS, INC | 15,076.95 | PRINTING OF MEMBER EDUCATION MATERIAL / PROVIDER DIRECTORY /BUSINESS CARDS | VARIOUS |
| 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 |
| T1022 | UNUM LIFE INSURANCE CO | 14,756.40 | EMPLOYEE PREMIUM | PAYROLL DEDUCTION |
| T4183 | LAMAR ADVERTISING OF BAKERSFIELD | 14,500.00 | BILLBOARD ADVERTISING | MEDIA & ADVERTISING |
| T4933 | HOLLY J. CULHANE DBA PROFESSIONAL ADMINISTRATIVE | 14,206.62 | PROFESSIONAL ADMINISTRATIVE SERVICES | ADMINISTRATION |
| T4760 | CAMERON CHANG | 14,125.00 | PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT |
| T4195 | SCRIPPS MEDIA, INC. DBA KERO-TV**** | 13,838.25 | MEDIA - TELEVISION ADVERTISEMENTS | MARKETING |
| T4674 | STOCKDALE PLAZA OWNERS ASSOCIATION INC | 13,500.00 | LEASE AGREEMENT PARKING SPACE -STOCKDALE HWAY | CORPORATE SERVICES |
| T1503 | PETROLEUM CLUB OF BAKERSFIELD**** | 13,102.99 | HEDIS PROVIDER RECOGNITION DINNER/PHARMACY FORUM | VARIOUS |
| T4989 | EXACT STAFF, INC. | 12,989.20 | TEMPORARY HELP | MEMBER SERVICES |
| T2790 | KERN COUNTY DEPARTMENT OF PUBLIC HEALTH | 12,809.00 | COMMUNITY ACTIVITIES | MARKETING |
| T4400 | OPTUM360 LLC | 12,801.00 | ENCODER PRO LICENSE | CLAIMS/ UTILIZATION MANAGEMENT/PROVIDER RELATIONS |
| T5081 | KO LEGAL, INC. | 12,500.00 | LEGAL SERVICES | ADMINISTRATION |
| T4981 | JOHN MILLER | 12,310.59 | PHYSICIAN MALPRACTICE INSURANCE POLICY | HUMAN RESOURCES |
| T2938 | SAP AMERICA, INC | 12,308.32 | BUSINESS PROJECT ANNUAL MAINTENANCE | MIS INFRASTRUCTURE |
| T4731 | LOGMEIN USA INC**** | 11,316.00 | INTERNET SERVICES | MIS |
| T4784 | AXIOM COMMISSIONING GROUP INC**** | 11,314.45 | PROFESSIONAL SERVICES | CAPITAL PROJECT - NEW BUILDING |



June AP Vendor Report
Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--|------------------------|---|------------------|
| T3475 | CALIFORNIA STATE CONTROLLER'S OFFICE**** | 10,695.12 | 2014 UNCLAIMED PROPERTY | ACCOUNTING |
| T4708 | HEALTH MANAGEMENT ASSOCIATES INC | 10,500.00 | CONSULTING SERVICES | ADMINISTRATION |
| T2869 | COMMUNITY ACTION PARTNERSHIP OF KERN | 10,500.00 | COMMUNITY GRANT | MARKETING |
| 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 |
| T5012 | KERN MEDICAL CENTER FOUNDATION**** | 10,000.00 | VALLEY FEVER INSTITUTE DONATION | MARKETING |
| | | <u>28,634,546.16</u> | | |
| | TOTAL VENDORS OVER \$10,000 | 28,634,546.16 | | |
| | TOTAL VENDORS UNDER \$10,000 | 653,836.09 | | |
| | TOTAL VENDOR EXPENSES- JUNE | <u>\$29,288,382.25</u> | | |

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

| 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 Truxant | 1/1/2019 | 12/31/2019 |
| Jacquelyn S. Jans | \$ 52,500.00 | Yes | MRK | Louie Iurriria | 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 Iurriria | 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 | \$ 52,000.00 | 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 Iurriria | 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 Iurriria | 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 NetworX pricer, 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 Iurriria | English & Spanish TV commercials | 4/1/2019 | 11/30/2019 |
| Scripps | \$ 35,995.00 | Yes | MRK | Louie Iurriria | Airing English & Spanish TV commercials | 4/1/2019 | 11/30/2019 |
| Lamar Transit | \$ 37,910.48 | Yes | PR | Louie Iurriria | 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 |
| May | | | | | | | |
| SHI | \$ 41,328.97 | Yes | IT | Richard Pruitt | Cisco licenses co-termed | 5/23/2019 | 5/22/2020 |
| American Business Machine | \$ 47,735.00 | Yes | IT | Richard Pruitt | 4 Multi-functional printers for UM, MRKT, MS | 5/23/2019 | 9/30/2019 |
| SHI | \$ 86,258.14 | Yes | IT | Richard Pruitt | Cisco phones for new BLDG | 5/23/2019 | 5/23/2022 |
| June | | | | | | | |
| Milliman, Inc | \$ 50,000.00 | Yes | ACCT | Robin Plumb | Auctional services-Amendment#1 | 6/1/2019 | 6/1/2020 |
| Language Line | \$ 70,000.00 | Yes | HE | Isabel Silba | Interpreting services for members | 6/15/2019 | 6/14/2020 |
| SHI | \$ 34,412.00 | Yes | IT | Richard Pruitt | Four (4) new VMware & Veeam licenses for new building | 6/21/2019 | 6/20/2024 |

| 2019 TECHNOLOGY CONSULTING RESOURCES | | | | | | | | | | | | | | | | | | |
|--------------------------------------|---|---------|-------------|-----------|-----------|-----------|-----------|-----|-----|-----|-----|------|-----|-----|-----|-----|-------------|-------------------|
| ITEM # | PROJECT | CAP/EXP | BUDGET | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEPT | OCT | NOV | DEC | YTD | TOTAL | REMAINING BALANCE |
| 1 | COBA | EXP | \$18,500 | \$18,500 | | | | | | | | | | | | | \$18,500 | \$0 |
| 2 | QI Site | CAP | \$9,300 | \$3,600 | \$3,600 | | | | | | | | | | | | \$7,200 | \$2,100 |
| 3 | Mfills | CAP | \$34,860 | \$15,960 | \$760 | \$0 | \$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 | \$55,560 | \$64,920 | \$72,230 | \$75,005 | | | | | | | | | | \$267,715 | \$93,985 |
| 6 | Diabetes Prevention Program (DPP) | CAP | \$280,403 | \$19,980 | \$20,520 | \$21,600 | \$0 | | | | | | | | | | \$62,100 | \$218,303 |
| 7 | Hospital Directed Payments (HDP) | EXP | \$28,305 | \$16,480 | \$680 | \$0 | \$0 | | | | | | | | | | \$17,170 | \$11,135 |
| 8 | Corporate Website Support | EXP | \$52,290 | | \$0 | \$0 | \$0 | | | | | | | | | | \$0 | \$52,290 |
| 9 | New Building Move | CAP | \$531,300 | \$47,626 | \$44,936 | \$46,321 | \$52,842 | | | | | | | | | | \$191,724 | \$339,576 |
| 10 | 2019 HHP State Alignment | CAP | \$240,000 | | | \$0 | \$16,720 | | | | | | | | | | \$16,720 | \$223,280 |
| 11 | Internal Dashboards (4) | CAP | \$628,363 | \$32,640 | \$43,320 | \$47,880 | \$48,720 | | | | | | | | | | \$172,560 | \$455,803 |
| 12 | Member Engagement - Pre and Post Natal | CAP | \$72,961 | | | \$5,250 | \$0 | | | | | | | | | | \$5,250 | \$67,711 |
| 13 | Computer Assisted Translation Tool | CAP | \$19,915 | | | \$0 | \$0 | | | | | | | | | | \$0 | \$19,915 |
| 14 | Telehealth-E-consults/Teledocs | EXP | \$69,581 | | | \$5,250 | \$0 | | | | | | | | | | \$5,250 | \$64,331 |
| 15 | CES Upgrade | EXP | \$33,000 | | | \$0 | \$0 | | | | | | | | | | \$0 | \$33,000 |
| 16 | Orchestrator Job Migration Cont. | EXP | \$109,950 | | | \$0 | \$0 | | | | | | | | | | \$0 | \$109,950 |
| 17 | 2D Profiling Internal Management (CE) | CAP | \$300,930 | | | | \$0 | | | | | | | | | | \$0 | \$300,930 |
| 18 | APM/Network Modeler and Pricer - Professional | CAP | \$281,781 | \$24,480 | \$29,458 | \$29,278 | \$28,800 | | | | | | | | | | \$112,015 | \$169,766 |
| 19 | Microsoft Server Upgrades | EXP | \$58,800 | | | \$0 | \$0 | | | | | | | | | | \$0 | \$58,800 |
| 20 | Call Center Knowledge Management Solution | CAP | \$8,715 | | | | | | | | | | | | | | \$0 | \$8,715 |
| 21 | CACTUS Upgrade | CAP | \$227,188 | | | | | | | | | | | | | | \$0 | \$227,188 |
| 22 | KHS Biztalk | EXP | \$11,200 | | | | | | | | | | | | | | \$0 | \$11,200 |
| 23 | SPD/HRA | EXP | \$85,225 | | | | | | | | | | | | | | \$0 | \$85,225 |
| 24 | HEDIS Quality Measures Revisions | EXP | \$75,328 | | | | | | | | | | | | | | \$0 | \$75,328 |
| 25 | RPT Reconciliation | EXP | \$24,150 | | | | | | | | | | | | | | \$0 | \$24,150 |
| 26 | Staff Augmentation | EXP | \$1,445,983 | \$149,513 | \$169,494 | \$199,870 | \$223,768 | | | | | | | | | | \$742,645 | \$703,338 |
| Totals: | | | \$5,141,401 | \$403,669 | \$423,087 | \$454,139 | \$445,855 | | | | | | | | | | \$1,726,749 | \$3,414,652 |



To: KHS Board of Directors

From: Robert Landis, CFO

Date: August 15, 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 \$29,964,935.63 for the work to be performed by the KHS contractor SC Anderson, Inc. Work completed less retainage as of 5/31/19 is \$25,499,653.05. The balance of work to be completed including retainage amounts owed is \$4,465,282.58.

Included in the attachment is an itemized description of amounts complete and paid through May 31, 2019 as well as an itemized listing of the balance and retainage amounts to finish the building.

Requested Action

Receive and file; for informational purposes only.

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

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

VIA ARCHITECT:

APPROVED FOR PAYMENT

BY: *[Signature]*

APPROVED FOR PAYMENT

BY: *[Signature]*

APPLICATION NO: 01170843-00016

PERIOD TO: 5/31/2019

CONTRACT FOR: OWNER
ARCHITECT
CONTRACTOR
FIELD
OTHER

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 \$ 2,142,352.63
3. CONTRACT SUM TO DATE (Line 1 ± 2) \$ 29,964,935.63
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 26,841,840.21
5. RETAINAGE:
 - a. 5 % of Completed Work
(Columns D + E on G703) \$ 1,342,087.16
 - b. _____ % of Stored Material
(Column F on G703) \$ _____

Total Retainage (Lines 5a + 5b, or Total in Column I of G703) \$ 1,342,087.16
6. TOTAL EARNED LESS RETAINAGE \$ 25,499,653.05
(Line 4 minus Line 5 Total)
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT \$ 23,880,168.14
(Line 6 from prior Certificate)
8. CURRENT PAYMENT DUE \$ 1,619,484.91
9. BALANCE TO FINISH, INCLUDING RETAINAGE
(Line 3 minus Line 6) \$ 4,465,282.58

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: S.C. Anderson, Inc.
By: *[Signature]* Date: 6/12/19

State of: California
County of: Kern
Subscribed and sworn to before me this _____ day of See Attached

Notary Public:
My commission expires: _____

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 \$ 1,619,484.91
(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: *[Signature]*
By: *[Signature]* Date: 6/20/19

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.

| CHANGE ORDER SUMMARY | ADDITIONS | DEDUCTIONS |
|--|------------------------|----------------------|
| Total changes approved in previous months by Owner | \$ 2,063,740.38 | \$ (8,110.77) |
| Total approved this month | \$ 8,672,302.00 | \$ _____ |
| TOTAL | \$ 2,150,463.40 | \$ (8,110.77) |
| NET CHANGES by Change Order | \$ 2,142,352.63 | \$ _____ |

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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REQUEST FOR PAYMENT DETAIL

Project: 01.17084.3 / KERN HEALTH SYSTEMS Invoice: 3702501599 Draw: 01170843-00016 Period Ending Date: 5/31/2019

| 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 | 30,020.16 | 626.20 | | 30,646.36 | 70.36 | 12,908.64 | 1,532.31 |
| 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 | 108,900.00 | | 1,833,170.00 | 87.02 | 273,530.00 | 91,658.50 |
| 042099 | 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 | 146,275.01 |
| 057099 | SHEET METAL/DECORATIVE PA | 549,550.00 | 531,827.00 | | | 531,827.00 | 96.77 | 17,723.00 | 26,591.35 |
| 062023 | DOORS-FRAMES-HARDWARE-L | 45,166.00 | 20,850.00 | 5,750.00 | | 26,600.00 | 58.89 | 18,566.00 | 1,330.00 |
| 062099 | FINISH/ROUGH CARPENTRY | 21,417.00 | 5,410.00 | 7,303.10 | | 12,718.10 | 59.38 | 8,698.90 | 635.91 |
| 064023 | ARCHITECTURAL WOODWORK | 249,580.00 | 32,461.50 | 115,606.50 | | 148,068.00 | 59.33 | 101,512.00 | 7,403.42 |
| 066116 | SOLID SURFACE TOPS | 170,559.00 | 55,452.00 | 66,932.00 | | 122,384.00 | 71.75 | 48,175.00 | 6,119.20 |
| 072099 | THERMAL INSULATION | 94,550.00 | 94,550.00 | | | 94,550.00 | 100.00 | | 4,727.50 |
| 075399 | PVC ROOFING | 394,466.00 | 386,966.00 | | | 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 |
| 077235 | SMOKE CONTAINMENT CURTAIN | 49,027.00 | 735.00 | 32,713.00 | | 33,448.00 | 68.22 | 15,579.00 | 1,672.40 |
| 081113 | DOORS-FRAMES-HARDWARE | 167,022.00 | 163,681.56 | | | 163,681.56 | 98.00 | 3,340.44 | 8,184.08 |
| 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 & GLAZIN | 1,479,900.00 | 1,385,267.00 | 61,764.00 | | 1,447,031.00 | 97.78 | 32,869.00 | 72,351.55 |
| 092216 | METAL STUDS & DRYWALL | 6,076,322.00 | 6,046,322.00 | | | 6,046,322.00 | 99.51 | 30,000.00 | 302,316.10 |
| 093013 | CERAMIC TILE | 265,258.00 | 191,844.00 | 62,492.00 | | 254,336.00 | 95.88 | 10,922.00 | 12,716.80 |
| 095199 | ACOUSTICAL CEILINGS | 713,000.00 | 363,850.00 | 172,350.00 | | 536,200.00 | 75.20 | 176,800.00 | 26,810.00 |
| 096599 | FLOOR COVERINGS | 955,511.00 | 446,897.05 | 23,451.90 | | 470,348.95 | 49.22 | 485,162.05 | 23,517.45 |
| 099199 | PAINTING | 119,300.00 | 75,440.00 | 20,400.00 | | 95,840.00 | 80.34 | 23,460.00 | 4,792.00 |
| 101499 | SIGNAGE | 18,850.00 | | | | | | 18,850.00 | |
| 102113 | TOILET COMPARTMENTS/ACCE | 139,800.00 | 34,997.00 | 90,400.00 | | 125,397.00 | 89.70 | 14,403.00 | 6,269.85 |
| 104413 | FIRE EXTINGUISHER CABINET | 6,858.00 | | | | | | 6,858.00 | |
| 107599 | FLAG POLE | 6,959.00 | | | | | | 6,959.00 | |
| 122499 | WINDOW COVERINGS | 89,600.00 | | | | | | 89,600.00 | |
| 129313 | BIKE RACKS | 3,530.00 | | | | | | 3,530.00 | |

REQUEST FOR PAYMENT DETAIL

Project: 01.17084.3 / KERN HEALTH SYSTEMS Invoice: 3702501599 Draw: 01170843-00016 Period Ending Date: 5/31/2019

| 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 | 299,634.75 | | | 299,634.75 | 77.17 | 88,655.25 | 14,981.74 |
| 211313 | FIRE SPRINKLERS | 333,217.00 | 327,967.00 | | | 327,967.00 | 98.42 | 5,250.00 | 16,398.36 |
| 229999 | PLUMBING | 909,000.00 | 811,900.00 | 90,100.00 | | 862,000.00 | 94.83 | 47,000.00 | 43,100.00 |
| 239999 | HVAC | 2,704,454.00 | 2,495,210.50 | 135,811.50 | | 2,631,022.00 | 97.28 | 73,432.00 | 131,551.11 |
| 269999 | ELECTRICAL & FIRE ALARM | 3,000,000.00 | 2,632,462.50 | 317,232.50 | | 2,949,695.00 | 98.32 | 50,305.00 | 147,484.77 |
| 312213 | EARTHWORK | 410,435.00 | 330,316.48 | 59,618.75 | | 389,935.23 | 95.01 | 20,499.77 | 19,496.77 |
| 321216 | ASPHALT PAVING | 420,340.00 | 94,706.35 | | | 94,706.35 | 22.53 | 325,633.65 | 4,735.32 |
| 323119 | DECORATIVE FENCING | 238,844.00 | 90,253.00 | | | 90,253.00 | 37.79 | 148,591.00 | 4,512.65 |
| 328499 | LANDSCAPING AND IRRIGATION | 397,000.00 | 44,250.00 | 8,850.00 | | 53,100.00 | 13.38 | 343,900.00 | 2,655.00 |
| 331099 | SITE UTILITIES | 121,000.00 | 121,000.00 | | | 121,000.00 | 100.00 | | 6,060.00 |
| 999998 | GENERAL REQUIREMENTS | 723,200.00 | 671,541.00 | 25,829.50 | | 697,370.50 | 96.43 | 25,829.50 | 34,868.53 |
| 999999 | CM/GC FEES | 1,034,510.00 | 858,643.30 | 62,070.60 | | 920,713.90 | 89.00 | 113,796.10 | 46,035.72 |
| 9999CO01 | CHANGE ORDER #01 | 22,812.00 | 22,812.00 | | | 22,812.00 | 100.00 | | 1,140.60 |
| 9999CO02 | CHANGE ORDER #02 | 33,603.17 | 33,603.17 | | | 33,603.17 | 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 | 94,186.15 | 64,955.78 | 9,152.00 | | 74,107.78 | 78.68 | 20,078.37 | 3,705.39 |
| 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 | 77,744.10 | 14,062.00 | | 91,806.10 | 70.34 | 38,715.80 | 4,590.31 |
| 9999CO10 | CHANGE ORDER #10 | 138,058.56 | 138,058.56 | | | 138,058.56 | 100.00 | | 6,902.93 |
| 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 | 4,530.91 | | | 4,530.91 | 55.86 | -12,641.68 | 226.55 |
| 9999CO13 | CHANGE ORDER #13 | 86,445.84 | | | | | | 86,445.84 | |
| 9999CO14 | CHANGE ORDER #14 | 725,263.76 | 536,059.16 | 189,204.60 | | 725,263.76 | 100.00 | | 38,263.19 |
| 9999CO15 | CHANGE ORDER #15 | 304,625.63 | 304,625.63 | | | 304,625.63 | 100.00 | | 15,231.28 |
| 9999CO16 | CHANGE ORDER #16 | 28,640.57 | 25,549.37 | | | 25,549.37 | 95.80 | 1,091.20 | 1,277.47 |
| 9999CO17 | CHANGE ORDER #17 | 27,193.99 | 25,749.99 | 1,444.00 | | 27,193.99 | 100.00 | | 1,359.70 |
| 9999CO18 | CHANGE ORDER #18 | 21,067.35 | | 21,067.35 | | 21,067.35 | 100.00 | | 1,053.37 |
| 9999CO19 | CHANGE ORDER #19 | 46,063.02 | | 41,584.49 | | 41,584.49 | 90.28 | 4,478.53 | 2,079.22 |
| 9999CO20 | CHANGE ORDER #20 | 40,660.00 | | | | | | 40,660.00 | |

REQUEST FOR PAYMENT DETAIL

Project: 01.17084.3 / KERN HEALTH SYSTEMS Invoice: 3702501599 Draw: 01170843-00016 Period Ending Date: 5/31/2019

| 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 |
|---------|-------------|-----------------------|---------------------------|----------------------------|----------------------------|------------------------------|--------|-------------------|-------------------|
|---------|-------------|-----------------------|---------------------------|----------------------------|----------------------------|------------------------------|--------|-------------------|-------------------|

| | | | | | | | | | |
|--------|--|---------------|---------------|--------------|--|---------------|-------|--------------|--------------|
| Totals | | 29,964,935.63 | 25,137,019.22 | 1,704,720.99 | | 26,841,740.21 | 89.58 | 3,123,195.42 | 1,342,087.16 |
|--------|--|---------------|---------------|--------------|--|---------------|-------|--------------|--------------|

**KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
NEW VENDOR CONTRACTS FOR JULY AND AUGUST
BOD: AUGUST 15, 2019**

| Legal Name DBA Name | Specialty | Address | Comments | Contract Effective Date |
|---|------------------------------|---|----------|----------------------------------|
| PAC 08/07/2019 | | | | |
| B&D Hospice Services | Hospice & Palliative Care | 1701 Westwind Dr Ste. 208 Bakersfield CA 93301 | | 9/1/2019 |
| Hullander and Mazingo, GP Db: Pacific Pain Physicians | Pain Medicine | 5601 Auburn St Ste A Bakersfield CA 93306 | | 9/1/2019 |
| Kern Medical Surgery Center, LLC | ASC | 9300 Stockdale Hwy Ste. 200 Bakersfield CA 93311 | | Retro - Eff 6/15/2019 |
| Autism Learning Partners, LLC | ABA | 1201 24th St Ste B110 Bakersfield CA 93301 | | 9/1/2019 |
| Unity First Hospice Care, Inc. | Hospice | 2525 Colorado Blvd Ste. E Los Angeles CA 90041 | | 9/1/2019 |
| Gregory A. Stainer, MD, FACS, A Professional Medical Corporation | Ophthalmology | 215 China Grade Loop Bakersfield CA 93308 | | 9/1/2019 |

**KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
TERMED CONTRACTS
August 15, 2019**

| Legal Name DBA | Specialty | Address | Comments | Effective Date |
|---|--------------|---|---|----------------|
| Beverly Health & Rehabilitation Services, Inc. dba: Golden Living Center - Bakersfield | SNF | 3601 San Dimas Street Bakersfield CA 93301 | Change of Ownership | 7/1/2019 |
| Clinica Del Pueblo Lamont | Primary Care | 10200 Main Street Ste. A Lamont CA 93241 | Business Dissolved / Change to new ownership | 5/31/2019 |
| Liberty Ambulance | Ambulance | 1325 Ridgecrest Blvd. Ridgecrest CA 93555 | Change of Ownership | 6/30/2019 |



TO: KHS Board of Directors
FROM: Alan Avery, COO
DATE: August 15, 2019
RE: 2nd Quarter 2019 Operations Report

Claims

The Claims Department continued to meet or exceed regulatory compliance indicators overall during the 2nd Quarter. The one area that slightly missed being compliant (89% vs 90%) was the requirement to pay 90% of claims within 30 days. All other regulatory claims processing goals (96% of claims processed with 45 days and 99% paid within 90 days) continue to be met. We addressed the staffing and system needs for the 90% within 30 days goal and all goals have been compliant as of July and August.

The reason we barely missed paying 90% of the claims in 30 days was based on the increased claim volume during the 1st and 2nd Quarters by over 42,000 claims per quarter or 6% growth. This significant increase in claims volume is the result of the implementation of the Coordination of Benefits Agreement (COBA) claims from the Centers for Medicare & Medicaid Services (CMS). Previous to January 1st, KHS would receive CMS related claims from the contracted provider seeking payment coordination. The provider would forward a paper copy of their CMS payment to KHS, and we would in turn scan the paper claim, convert the claim into an electronic format and load the file into QNXT. With the implementation of COBA, the claims information is received directly from CMS in electronic format and eliminates the need for manual processing by the provider. This has been a huge positive change for the providers not having to resubmit paper claims to KHS, however, it has caused some significant challenges to our Claims and I.T. Configuration Departments to adjust to the increased claims volume and different payment types. These challenges were addressed and resolved as of July.

Member Services

Incoming phone call activity from Members and Providers into the Member Services Department continues to be slightly above the 2018 average of 72,000 calls per quarter with over 75,000 calls received during the 2nd Quarter. This reflects an overall higher daily call volume which began in July 2018 and continued throughout 2018 and 2019. In spite of this increased phone volume, the staff was able to maintain an extremely low abandonment rate of 1.2 % significantly well below industry standard of 5%. The top five reasons for members calling Member Services remain the same-(1) New Member questions (2) PCP changes, (3) Demographic updates/changes (4) ID Card replacement

requests and (5) referral authorization status. All of the top five reasons for incoming calls could be handled via the Member Portal, therefore, we continue to encourage members to sign onto the portal and use the self-service tools. During the 2nd quarter, Member Services received 3424 new member portal account enrollments, for a total of 14,905 member accounts. This equates to 6% of our members with online accounts compared to industry target of 4%.

Provider Relations

The KHS Primary Care network remained relatively flat with a slight increase during the 1st quarter of 1.03%. The specialty provider network also remained relatively flat during the quarter with minimal (.31%) growth. Appointment availability increased slight but continues to meet regulatory standards @ 4.4 days for PCP visits and 11.5 days for specialists.

Human Resources

At the end of the 2nd quarter we had 391 employees compared to a budget of 412. Employee turnover is at 10.77% annualized, with 27% of that turnover occurring in Member services, 22% in Utilization Management and 16% in Case Management.

Grievance Report

The Health Plan's grievances in the 2nd quarter continued at the same pace as the last two quarters in 2018. The number of grievances in each of the categories have remained fairly consistent with previous quarters. The breakdown of the grievances upheld or overturned continues to follow 2018/19 year to date trends of 75% upholding decision vs 25% overturning original decision.

Transportation Update

Transportation activity during the 2nd quarter continues to increase slightly throughout the quarter. Overall one way rides increased by 8% compared to 11% in the previous quarter. Bus pass distribution decreased by 24% compared to an increase in the 1st Quarter. The Lyft ride increase of 10% was slightly less than the 18% increase in the 1st quarter. Lastly, use of Member Reimbursement for rides increased significantly (1038 to 1878) during the quarter. The ALC administrative expense continues to trend under the approved budget.

Requested Action

Receive and File.



2019 2nd Quarter Operational Report

2nd Quarter Claims Department Indicators

| Activity | Goal | 2 nd Quarter | Status | 1 st Quarter | 4 th Quarter | 3 rd Quarter | 2 nd Quarter |
|---------------------------------|------|-------------------------|--------|-------------------------|-------------------------|-------------------------|-------------------------|
| Claims Received | | 764,979 | | 793,629 | 699,635 | 703,484 | 724,334 |
| Electronic | 85% | 92% | | 92% | 90% | 89% | 89% |
| Paper | 15% | 8% | | 8% | 10% | 11% | 11% |
| Claims Processed Within 30 days | 90% | 89% | | 86% | 87% | 96% | 93% |
| Claims Processed within 45 days | 95% | 96% | | 95% | 98% | 99% | 98% |
| Claims Processed within 90 days | 99% | 99% | | 95% | 99% | 99% | 99% |
| Claims Inventory-Under 30 days | 96% | 96% | | 93% | 87% | 99% | 97% |
| 31-45 days | <3% | 3% | | 6% | 11% | 1% | <2% |
| Over 45 days | <1% | 1% | | 1% | 2% | 1% | <1% |
| Auto Adjudication | 75% | 81% | | 80% | 82% | 74% | 74 |
| Audited Claims with Errors | <3% | 2% | | 2% | 2% | 1% | 1% |
| Claims Disputes | <5% | 1% | | 1% | 1% | 1% | 1% |

Member Service Indicators

| Activity | Goal | 2 nd Quarter | Status | 1 st Quarter | 4 th Quarter | 3 rd Quarter | 2 nd Quarter |
|--------------------------------|-------|---|--------|-------------------------|-------------------------|-------------------------|-------------------------|
| Incoming Calls | | 75,201 | | 74,885 | 82,112 | 74,252 | 66,689 |
| Abandonment Rate | <5% | 1.2% | | 1.1% | 2.5% | 3.62% | .5% |
| Avg Answer Speed | <2:00 | :12 | | :12 | :29 | :42 | :11 |
| Average Talk Time | <8:00 | 7:05 | | 6:47 | 7:00 | 6:54 | 6:46 |
| Top Reasons for Member Calls | Trend | New Member PCP Change Demographic ID Cards Referrals | | Same | Same | Same | Same |
| Outbound Calls | Trend | 96,819 | | 92,470 | 81,083 | 89,536 | 87,538 |
| # of Walk Ins | Trend | 372 | | 520 | 608 | 601 | 556 |
| Member Portal Accounts-Q/Total | 4% | 3424 14,905 (6%) | | 1872 11,481 | 1568 9615 | 8061 | 6337 |

Provider Network Indicators

| Activity | Goal | 2 nd Quarter | Status | 1 st Quarter | 4 th Quarter | 3 rd Quarter | 2 nd Quarter |
|-------------------------|-------------------|--|--------|---|-----------------------------|---|--|
| # of PCPs | Maintain | 1.03% | | 3.2% | .55% | .55% | 0 |
| # of Specialists | >1% growth | .31% | | 1.46% | 3.86% | 1.91% | 3.7% |
| % Provider Terminations | <5% term | 1.4% | | .68% | 1.6% | 1.18% | 1.73% |
| Termination Reasons | | 65%-left group 15% term 8% site closed 8%-Retired 8%-practice sold | | 67%-left group 13%-term 13%site closed 7% resigned | 89%-left group 11%-other | 77%-Left group 8%-Site Closed 8%-Resigned 8%-Practice sold | 75%-left group 9%-term 9%-site closed 5%-Resigned 2%-Practice sold |
| Appointment Survey | Average wait time | | | | | | |
| PCP | < 10 days | 4.4 Days | | 3.13 Days | 6.4 Days | 5.06 Days | 5.85 days |
| Specialty | < 15 days | 11.5 Days | | 8.64 Days | 7.6 Days | 6.80 Days | 8.28 days |

Human Resources Indicators

| Activity | Budget | 2 nd Quarter | Status | 1 st Quarter | 4 th Quarter | 3 rd Quarter | 2 nd Quarter |
|-------------------|---|--|--------|-------------------------|-------------------------------|------------------------------------|-------------------------|
| Staffing Count | 412 | 391 | | 387 | 383 | 384 | 380 |
| Employee Turnover | 12% | 10.77% | | 10.36% | 10.76% | 7.83% | 5.52% |
| Turnover Reasons | Voluntary Involuntary Deceased Retired | 86% 14% 0% 0% | | 80% 20% 0% 0% | 78% 9.75% 2.5% 9.75% | 83.34% 10.00% 3.33% 3.33% | 81% 15% 4% |

Grievance Report

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

| Category | Q2 2019 | Status | Issue | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 |
|-------------------------|------------|--------|--|------------|------------|------------|------------|
| Access to Care | 32 | | Appointment Availability | 41 | 32 | 59 | 42 |
| Coverage Dispute | 9 | | Authorizations and Pharmacy | 14 | 12 | 21 | 37 |
| Medical Necessity | 244 | | Questioning denial of service | 228 | 240 | 267 | 297 |
| Other Issues | 13 | | Miscellaneous | 9 | 10 | 7 | 1 |
| Quality of Care | 26 | | Questioning services provided. All cases forwarded to Quality Dept. | 29 | 22 | 30 | 27 |
| Quality of Service | 1 | | Questioning the professionalism, courtesy and attitude of the office staff. All cases forwarded to PR Department | 6 | 3 | 2 | 3 |
| Total Grievances | 325 | | | 327 | 319 | 386 | 407 |

Additional Insights-Grievance Detail

| Issue | 2 nd Quarter Grievances | Upheld Plan Decision | Overtured Ruled for Member | Still Under Review |
|--------------------|------------------------------------|----------------------|----------------------------|--------------------|
| Access to Care | 24 | 19 | 5 | 0 |
| Coverage Dispute | 9 | 8 | 0 | 1 |
| Specialist Access | 8 | 5 | 3 | 0 |
| Medical Necessity | 244 | 184 | 60 | 0 |
| Other Issues | 13 | 13 | 0 | 0 |
| Quality of Care | 26 | 14 | 12 | 0 |
| Quality of Service | 1 | 1 | 0 | 0 |
| Total | 325 | 244 | 80 | 1 |

Transportation Update

| Operational Statistics | Q2 2019 | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 |
|-------------------------|------------------|------------|------------|------------|------------|------------|
| ALC Calls | 123,448 | 113,417 | 98,474 | 84,958 | 60,283 | 31,752 |
| One Way Rides Scheduled | 129,084 | 119,091 | 107,514 | 94,358 | 81,594 | 66,517 |
| NMT | 95,526 | 86,786 | 73,055 | 60,683 | 45,832 | 33,459 |
| Bus Passes Distributed | 2679 | 3,565 | 2,875 | 5,809 | 4,813 | 5,383 |
| Lyft Rides Delivered | 91,847 | 83,221 | 70,180 | 54,874 | 41,019 | 28,076 |
| Lyft No Shows | 6,006 | 5,411 | 4,835 | 3,702 | 3,008 | 3,826 |
| NEMT | 33,558 | 32,305 | 34,459 | 33,675 | 35,762 | 33,058 |
| Van Rides Scheduled | 33,028 | 31,749 | 33,970 | 33,214 | 35,283 | 32,662 |
| Gurney Rides Scheduled | 530 | 556 | 489 | 461 | 479 | 396 |
| Member Reimbursement | 1,878 | 1,038 | 975 | 712 | 164 | 47 |
| ALC Admin Expense | \$750,070 | \$715,594 | \$656,604 | \$558,799 | \$522,945 | \$432,323 |



To: KHS Board of Directors

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

Date: August 15, 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 diagnosis seen in outpatient services utilization in the SPDs are throat pain and chest pain followed by disorders of the urinary system; and abdominal pain. The top diagnosis for the whole KHS population is disorders of the urinary tract system, mostly due to urinary tract infections. The number of professional visits and number of visits per member per month are trending upwards but the cost per visit is not. This shows that members are accessing lower cost professional services in the outpatient which is expected in patients with chronic conditions. 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 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 also illness unspecified followed by wellness exams and immunizations.

Pharmacy

The monthly cost and utilization per enrollee for all aid categories is at or below budget since the beginning of 2019. 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 there will be a reduction in the use of high cost services such as acute care. We continue to work with the Pharmacy and Therapeutic Committee to identify less expensive bioequivalent formulations of expensive medications when available to add to our formulary.

Inpatient Services

The overall PMPM, cost per bed-day, bed-days incurred and average length of stay in the acute hospital for all aide codes is at or below budget. KHS Case Management team continue to focus on our members who are at risk of hospitalization in 6 months and other populations that are at risk of incurring high cost health care services. The majority of admission continue to be at BMH. Unfortunately the second place for admissions to acute care is “out of Area Hospital” this is a challenge for us because we are usually not informed of the admission in a timely manner and management of care transitions is difficult out of area. (**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 are trending higher than budget for hospital outpatient visits per member per month for all Aide codes. The cost of hospital outpatient visits has been stable since February, 2019. We are continuing to focus 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.

Obstetric Metrics

Most of our deliveries are occurring at BMH and a group of “other” hospitals not in our network (**Attachment C**). KHS C/section rate is 11 %. The Leapfrog Group adopted the **cesarean section** target rate (**23.9%**) proposed by HealthyPeople 2020 initiative, which seeks to improve the health and well-being of women, infants, children and families by the year 2020. The C/section rate in the State of California ranges from 18 to 56%.

Emergency Room (ER)

The number of ER visits has been at or below budget for all but the SPD Aide code since April 2019. The most frequent diagnosis for the ER for Family/other Aide code is Upper Respiratory Infection, for SPD is pain in the throat/chest and for expansion is disorders of the urinary system. Our data is showing significant reduction in ER utilization in members participating in KHS Case management program. Most of the ER visits are occurring at BMH (**Attachment D**).

HEDIS Performance Trending Report (Attachment E)

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

Each measurement count requires a patient encounter specific to service(s), that when performed, will indicate the measurement was met for that patient. All KHS members identified as having the medical condition associated with the measurement represent the denominator. When members receive service(s), it is recorded as “compliant” becoming part of the numerator. The level of achievement is shown as the percentage (%) of members receiving the required (service(s)). The minimum target performance percentage (MPL) is established by DHCS each year and the previous year’s MPL is used here to determine how well our HEDIS program performs against this standard. This report gives a snap shot summary of each measurement year- to- date (cover page). It is color coded in green when on or above previous year trending rate, yellow when below previous year’s trending rate but statistically in line with expectation and red when below previous year’s trending rate and if continued, could fail to meet the minimum standard set by the State. Using historical performance for the same month in the prior year, enables staff to project year-end results for the measured period. Measurements showing “red” enables staff to know where they need to boost their effort to bring this measurement back in line with expectation while there is still time.

Each page following the cover page summary shows the current status of each measure. The color coded box in the upper left corner indicates the % of qualifying members who have received service(s) for their condition. Green indicates 2019 utilization trends will yield greater results than 2018 and red indicates 2019 trends are below 2018.

Of the 15 HEDIS measures displayed in this report, 11 measures are in green and on target to meet expectation. As we continue to receive encounter and claims information from our network we are expecting to see many other measures go to green. The remaining 4 measures are in yellow indicating they are slightly below last year’s trend but stand a good chance of meeting the MPL. These measures will be monitored closely and steps will be taken to make sure those members who have not had the service get the service before the ending date for HEDIS 2020.



Kern Health Systems

KHS Medical Management Performance Dashboard (Critical Performance Measurements)



Governed Reporting System

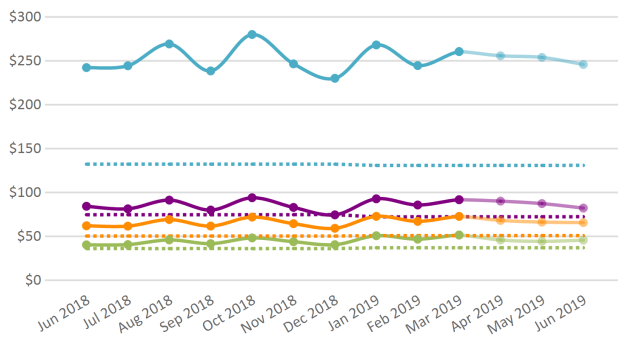


Physician Services

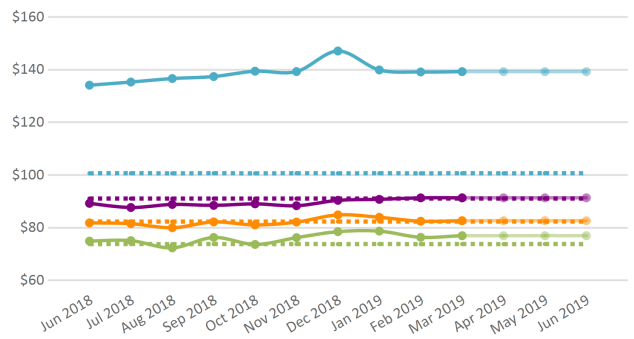
(Includes: Primary Care Physician Services, Referral Specialty Services, Other Professional Services and Urgent Care)

- 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

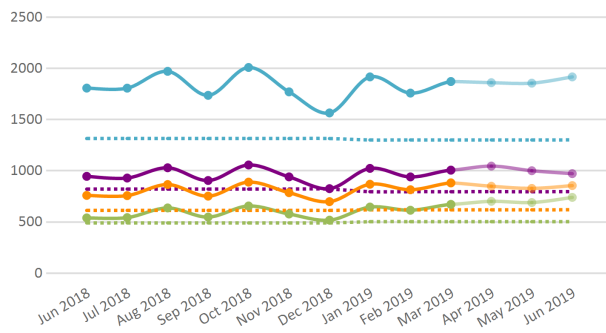
Professional Services Incurred by Aid Group PMPM



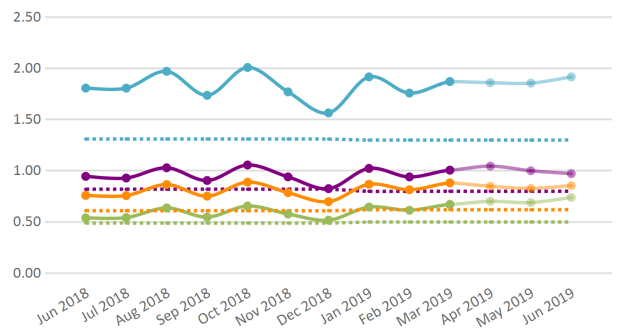
Cost per Professional Service Visit by Aid Group



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



Professional Service Visits per Member per Month by Aid Group





Governed Reporting System

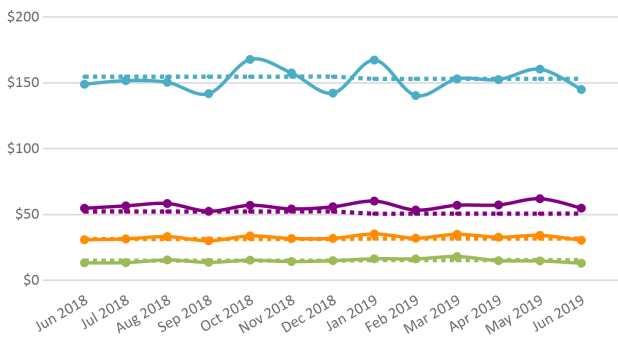


Pharmacy

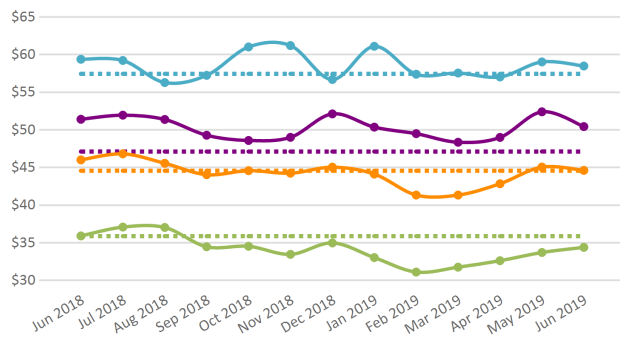
(Includes: Claims paid by PBM)

- MCAL Expansion - Actual
- MCAL 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

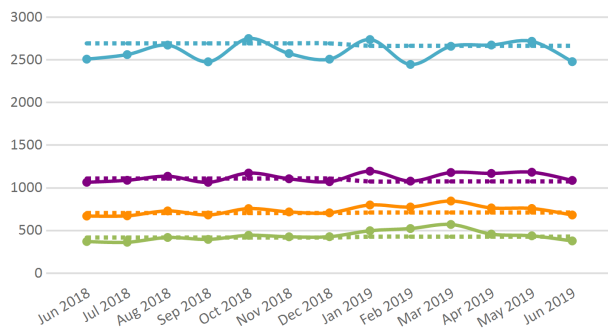
Pharmacy Services Incurred by Aid Group PMPM



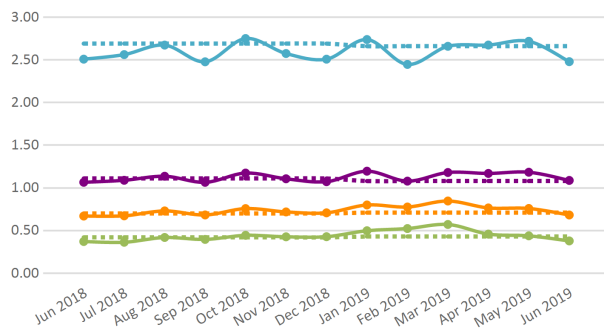
Cost per Script by Aid Group



Incurred Scripts per 1,000 per Month by Aid Group



Pharmacy Services Incurred per Member per Month by Aid Group





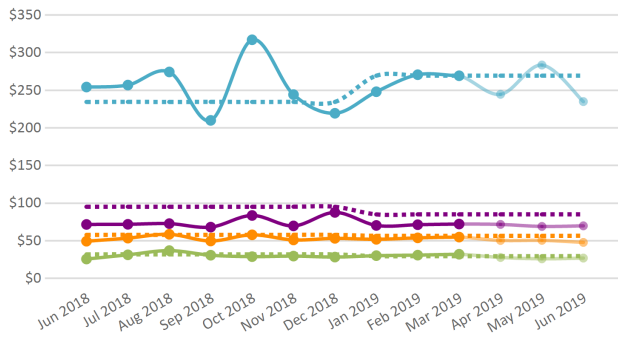
Governed Reporting System

Inpatient

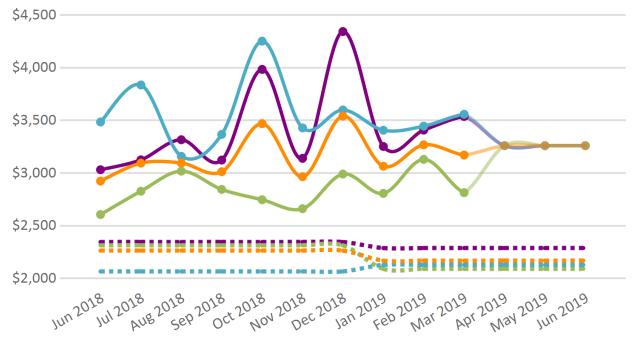
(Includes: Inpatient Hospital Claims)

- 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

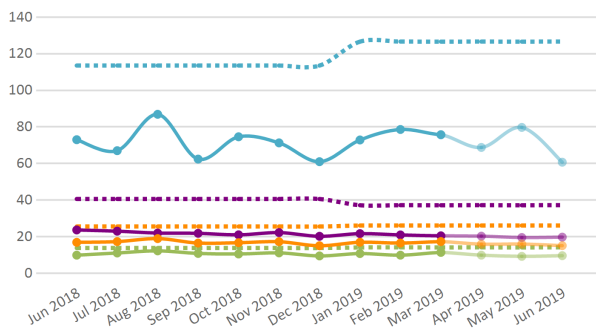
Inpatient Services Incurred by Aid Group PMPM



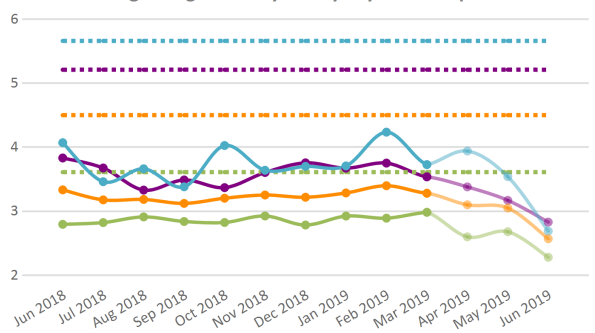
Cost Per Bed Day by Aid Group



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



Average Length of Stay in Days by Aid Group





Governed Reporting System

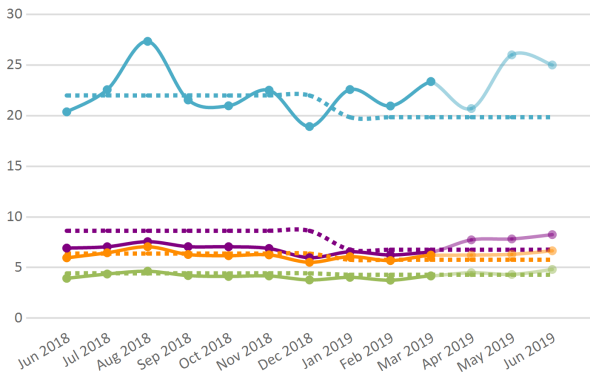


Inpatient

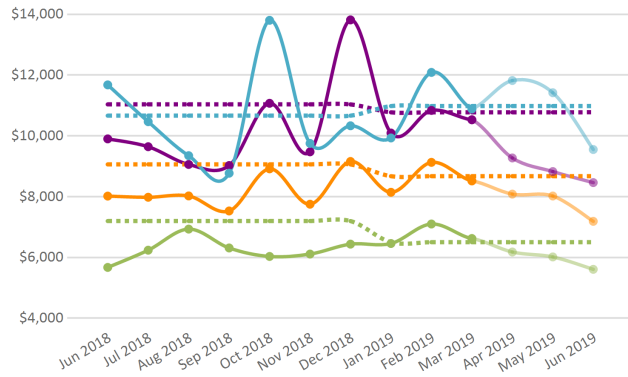
(Includes: Inpatient Hospital Claims)

- MCAL Expansion - Actual
- MCAL 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

Incurred Admits per 1,000 per Month by Aid Group



Cost per Admit by Aid Group





Governed Reporting System

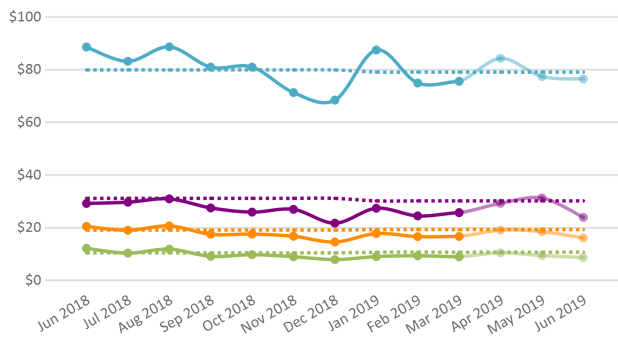


Outpatient Hospital

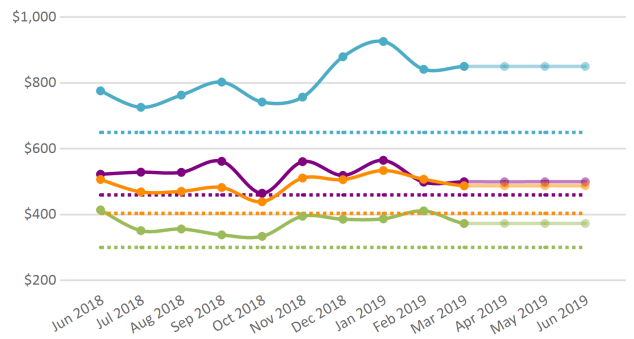
(Includes: Outpatient Diagnostic, Outpatient Surgery, Outpatient Observation, and Outpatient Other)

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

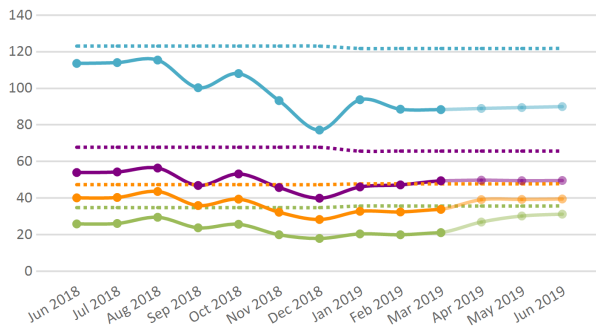
Outpatient Services Incurred by Aid Group PMPM



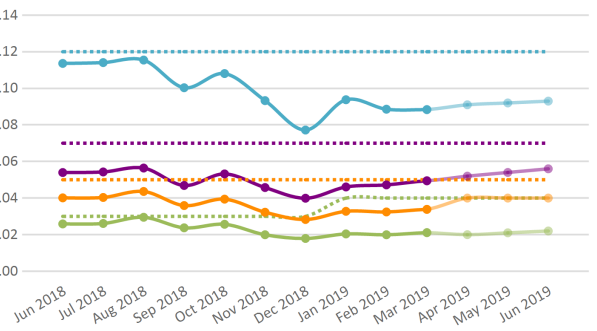
Cost Per Outpatient Visit by Aid Group



Outpatient Visits per 1,000 per Month by Aid Group



Outpatient Visits per Member per Month by Aid Group





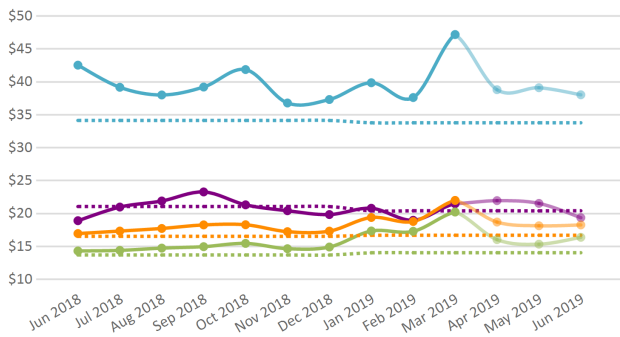
Governed Reporting System



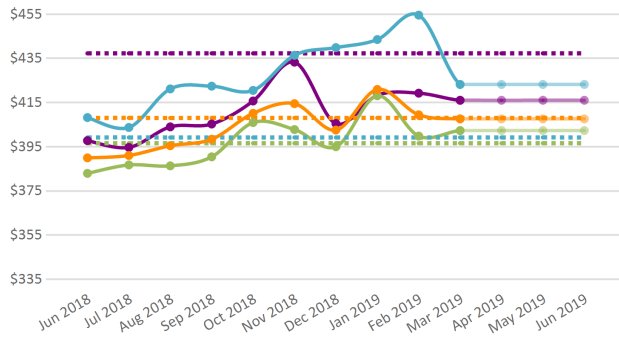
Emergency Room

- MCAL Expansion - Actual
- MCAL 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

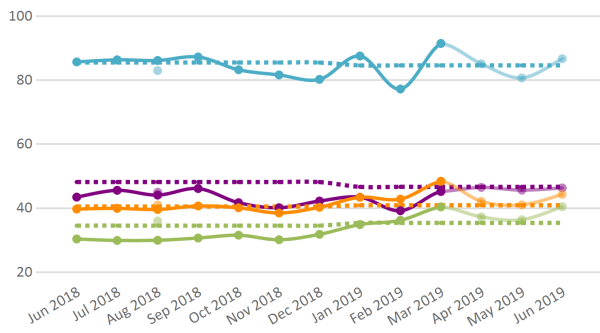
ER Services Incurred by Aid Group PMPM



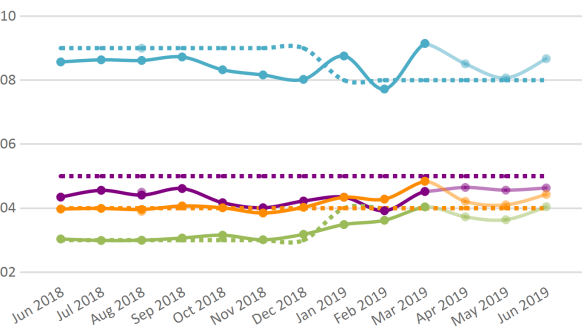
Cost Per ER Visit by Aid Group



ER Visits per 1,000 per Month by Aid Group



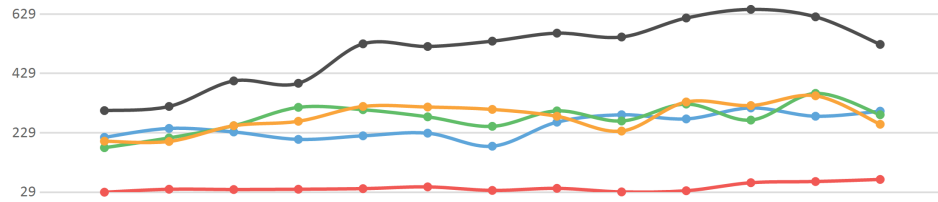
ER Visits per Member per Month by Aid Group



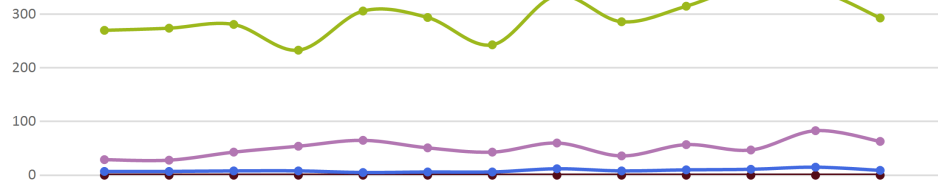


Governed Reporting System

Inpatient Admits by Hospital



| | Jun-18 | Jul-18 | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 |
|-------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| BAKERSFIELD MEMORIAL | 304 | 318 | 404 | 396 | 529 | 520 | 538 | 565 | 552 | 616 | 645 | 620 | 527 |
| MERCY HOSPITAL | 179 | 212 | 253 | 315 | 307 | 283 | 251 | 303 | 269 | 326 | 272 | 362 | 290 |
| KERN MEDICAL | 201 | 200 | 253 | 268 | 318 | 316 | 308 | 285 | 235 | 333 | 321 | 354 | 258 |
| SAN JOAQUIN COMMUNITY | 214 | 244 | 232 | 207 | 219 | 228 | 184 | 265 | 290 | 276 | 313 | 285 | 302 |
| GOOD SAMARITAN HOSPITAL | 29 | 39 | 38 | 39 | 41 | 47 | 35 | 42 | 30 | 34 | 61 | 65 | 72 |



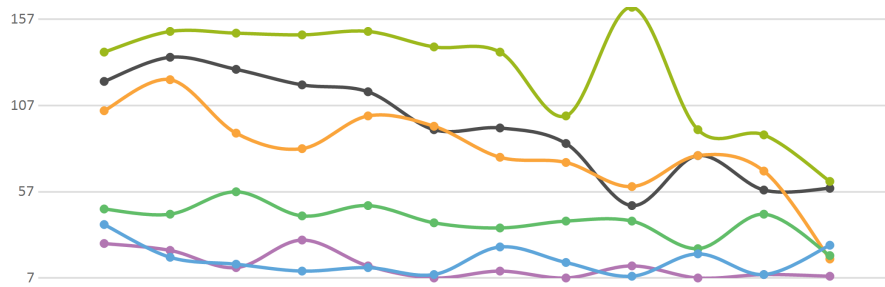
| | Jun-18 | Jul-18 | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| OUT OF AREA | 270 | 274 | 281 | 233 | 306 | 294 | 243 | 335 | 286 | 315 | 354 | 346 | 293 |
| DELANO REGIONAL HOSPITAL | 29 | 28 | 43 | 54 | 65 | 51 | 43 | 60 | 36 | 57 | 47 | 83 | 63 |
| BAKERSFIELD HEART HOSP | 51 | 52 | 45 | 64 | 67 | 52 | 41 | 50 | 50 | 34 | 45 | 37 | 43 |
| KERN VLY HLTHCRE HOSP | 7 | 7 | 8 | 8 | 5 | 6 | 6 | 12 | 8 | 10 | 11 | 15 | 9 |



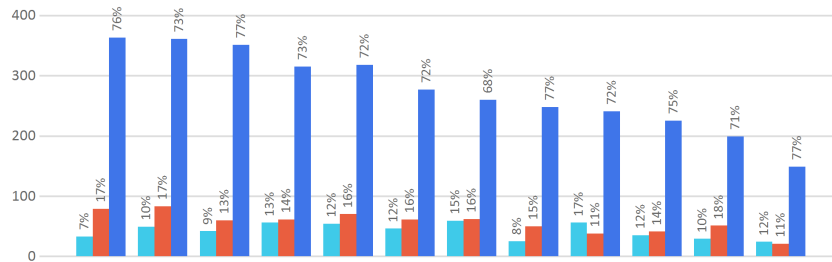
Governed Reporting System

Attachment C

Obstetrics Metrics



| | Jul-18 | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| BAKERSFIELD MEMORIAL | 121 | 135 | 128 | 119 | 115 | 93 | 94 | 85 | 49 | 78 | 58 | 59 |
| KERN MEDICAL | 104 | 122 | 91 | 82 | 101 | 95 | 77 | 74 | 60 | 78 | 69 | 18 |
| MERCY HOSPITAL | 47 | 44 | 57 | 43 | 49 | 39 | 36 | 40 | 40 | 24 | 44 | 20 |
| SAN JOAQUIN COMMUNITY | 38 | 19 | 15 | 11 | 13 | 9 | 25 | 16 | 8 | 21 | 9 | 26 |
| OTHER | 138 | 150 | 149 | 148 | 150 | 141 | 138 | 101 | 164 | 93 | 90 | 63 |
| DELANO REGIONAL HOSPITAL | 27 | 23 | 13 | 29 | 14 | 7 | 11 | 7 | 14 | 7 | 9 | 8 |



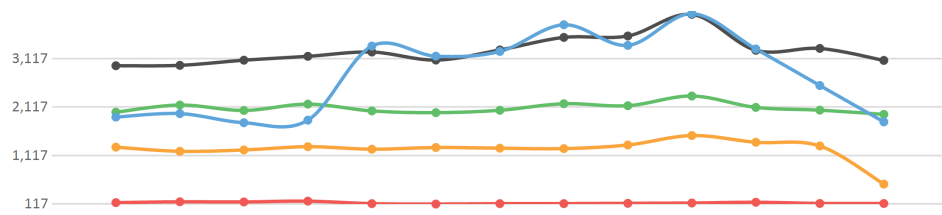
| | Jul-18 | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| VAGINAL DELIVERY | 363 | 361 | 351 | 315 | 318 | 277 | 260 | 248 | 241 | 225 | 199 | 149 |
| C-SECTION DELIVERY | 79 | 83 | 60 | 61 | 70 | 61 | 62 | 50 | 38 | 41 | 51 | 21 |
| PREVIOUS C-SECTION DELIVERY | 33 | 49 | 42 | 56 | 54 | 46 | 59 | 25 | 56 | 35 | 29 | 24 |



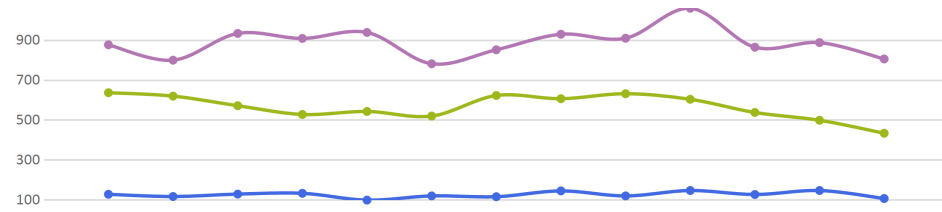
Attachment D

Governed Reporting System

Emergency Visits by Hospital



| | Jun-18 | Jul-18 | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| BAKERSFIELD MEMORIAL | 2,972 | 2,980 | 3,086 | 3,166 | 3,255 | 3,089 | 3,298 | 3,557 | 3,586 | 4,032 | 3,291 | 3,329 | 3,082 |
| MERCY HOSPITAL | 2,013 | 2,161 | 2,049 | 2,180 | 2,039 | 2,003 | 2,052 | 2,188 | 2,147 | 2,347 | 2,112 | 2,055 | 1,968 |
| SAN JOAQUIN COMMUNITY | 1,912 | 1,984 | 1,796 | 1,849 | 3,378 | 3,169 | 3,266 | 3,818 | 3,392 | 4,046 | 3,318 | 2,564 | 1,813 |
| KERN MEDICAL | 1,291 | 1,205 | 1,233 | 1,301 | 1,249 | 1,284 | 1,270 | 1,261 | 1,336 | 1,531 | 1,392 | 1,316 | 528 |
| BAKERSFIELD HEART HOSP | 146 | 163 | 160 | 177 | 125 | 117 | 125 | 126 | 132 | 138 | 154 | 129 | 128 |



| | Jun-18 | Jul-18 | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| DELANO REGIONAL HOSPITAL | 878 | 801 | 935 | 910 | 940 | 783 | 853 | 931 | 911 | 1,061 | 866 | 889 | 807 |
| OUT OF AREA | 638 | 621 | 573 | 529 | 544 | 521 | 624 | 608 | 633 | 605 | 539 | 500 | 435 |
| KERN VLY HLTHCRE HOSP | 129 | 118 | 130 | 134 | 100 | 121 | 117 | 146 | 121 | 148 | 128 | 148 | 108 |



Kern Health Systems

HEDIS Trending Dashboard July 2019



Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

| | | | | |
|-------------------------|---|---|---|--|
| Hybrid Measures | CCS 41.45% Prior Year 41.48% % Point Change -0.03% | CDC - Eye Exam 25.44% Prior Year 21.06% % Point Change 4.38% | CDC - Hba1c Test 68.25% Prior Year 67.51% % Point Change 0.73% | CDC - Nephropathy 80.16% Prior Year 78.61% % Point Change 1.56% |
| | CIS - Combo 3 26.53% Prior Year 27.22% % Point Change -0.69% | IMA - Combo 2 25.74% Prior Year 26.87% % Point Change -1.13% | PPC - Prenatal 67.60% Prior Year 66.21% % Point Change 1.39% | PPC - Postpartum 59.92% Prior Year 54.34% % Point Change 5.58% |
| | W34 41.05% Prior Year 39.58% % Point Change 1.46% | | | |
| | | | | |
| Administrative Measures | AAB 61.65% Prior Year 53.52% % Point Change 8.13% | AMR 59.74% Prior Year 23.30% % Point Change 36.44% | BCS 44.80% Prior Year 43.29% % Point Change 1.50% | LBP 72.55% Prior Year 73.99% % Point Change -1.44% |
| | MPM - Ace Inhibitors 76.17% Prior Year 75.48% % Point Change 0.69% | MPM - Diuretics 75.18% Prior Year 76.82% % Point Change -1.64% | | |



Governed Reporting System

Hybrid Measures

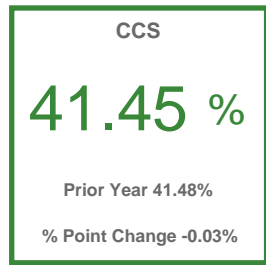


Governed Reporting System

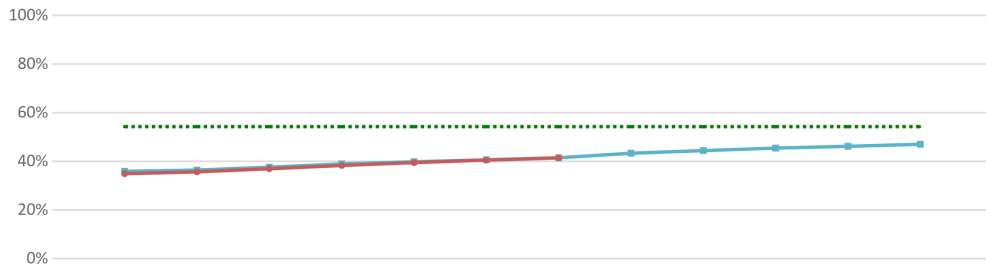
HEDIS Trending Year-Over-Year Comparison

Cervical Cancer Screening (CCS)

Y



$$\frac{21,278}{51,330} \quad \begin{matrix} \text{Numerator} \\ \text{Denominator} \end{matrix}$$



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2018 | 35.93% | 36.41% | 37.61% | 38.95% | 39.83% | 40.63% | 41.48% | 43.34% | 44.44% | 45.46% | 46.18% | 47.04% |
| 2019 | 34.93% | 35.69% | 36.96% | 38.31% | 39.50% | 40.52% | 41.45% | | | | | |
| MPL | 54.26% | 54.26% | 54.26% | 54.26% | 54.26% | 54.26% | 54.26% | 54.26% | 54.26% | 54.26% | 54.26% | 54.26% |

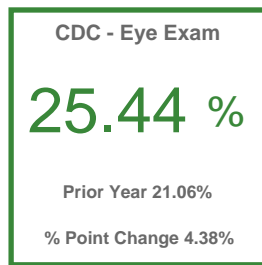


Governed Reporting System

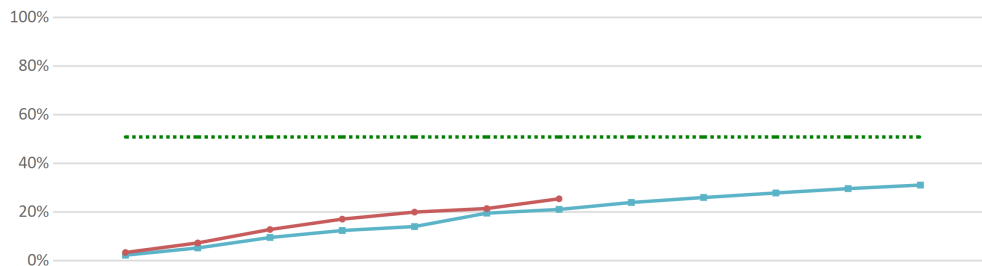
HEDIS Trending Year-Over-Year Comparison

Comprehensive Diabetes Care (CDC - EYE EXAM)

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



$$\frac{2,961}{11,640} \quad \begin{matrix} \text{Numerator} \\ \text{Denominator} \end{matrix}$$



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2018 | 2.25% | 5.22% | 9.51% | 12.39% | 14.02% | 19.52% | 21.06% | 23.92% | 25.96% | 27.83% | 29.62% | 31.07% |
| 2019 | 3.36% | 7.29% | 12.80% | 17.08% | 19.96% | 21.43% | 25.44% | | | | | |
| MPL | 50.85% | 50.85% | 50.85% | 50.85% | 50.85% | 50.85% | 50.85% | 50.85% | 50.85% | 50.85% | 50.85% | 50.85% |



Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

Comprehensive Diabetes Care (CDC - HbA1c TEST)

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

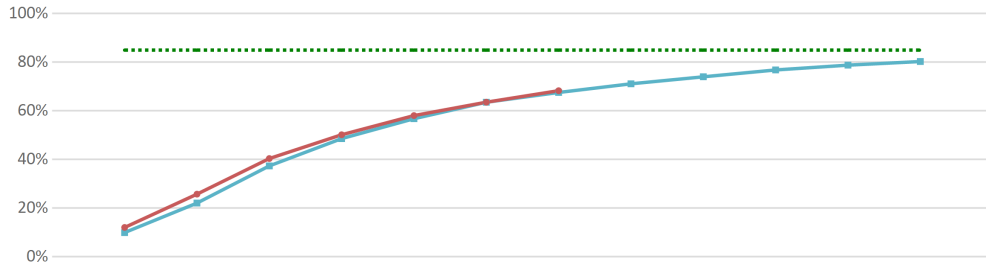
CDC - Hba1c Test

68.25 %

Prior Year 67.51%

% Point Change 0.73%

$$\frac{7,944}{11,640} \quad \begin{array}{l} \text{Numerator} \\ \text{Denominator} \end{array}$$



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2018 | 9.90% | 22.02% | 37.31% | 48.54% | 56.72% | 63.50% | 67.51% | 71.08% | 73.96% | 76.78% | 78.75% | 80.24% |
| 2019 | 12.00% | 25.70% | 40.34% | 50.13% | 58.01% | 63.51% | 68.25% | | | | | |
| MPL | 84.93% | 84.93% | 84.93% | 84.93% | 84.93% | 84.93% | 84.93% | 84.93% | 84.93% | 84.93% | 84.93% | 84.93% |



Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

Comprehensive Diabetes Care (CDC - NEPHROPATHY)

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

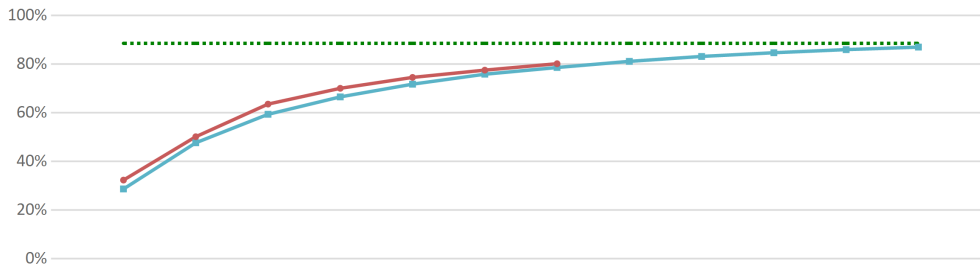
CDC - Nephropathy

80.16 %

Prior Year 78.61%

% Point Change 1.56%

$$\frac{9,331}{11,640} \quad \begin{array}{l} \text{Numerator} \\ \text{Denominator} \end{array}$$



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2018 | 28.64% | 47.64% | 59.35% | 66.53% | 71.75% | 75.84% | 78.61% | 81.13% | 83.16% | 84.68% | 85.97% | 86.99% |
| 2019 | 32.30% | 50.13% | 63.55% | 70.05% | 74.54% | 77.52% | 80.16% | | | | | |
| MPL | 88.56% | 88.56% | 88.56% | 88.56% | 88.56% | 88.56% | 88.56% | 88.56% | 88.56% | 88.56% | 88.56% | 88.56% |



Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

Childhood Immunization Status (CIS - COMBO 3)

Y

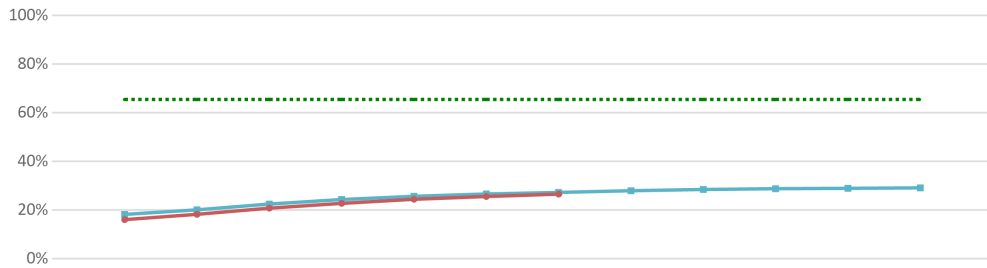
CIS - Combo 3

26.53 %

Prior Year 27.22%

% Point Change -0.69%

$$\frac{1,715}{6,465} \quad \begin{matrix} \text{Numerator} \\ \text{Denominator} \end{matrix}$$



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2018 | 18.18% | 20.07% | 22.45% | 24.31% | 25.64% | 26.59% | 27.22% | 27.93% | 28.44% | 28.76% | 28.92% | 29.10% |
| 2019 | 16.03% | 18.22% | 20.76% | 22.73% | 24.40% | 25.55% | 26.53% | | | | | |
| MPL | 65.45% | 65.45% | 65.45% | 65.45% | 65.45% | 65.45% | 65.45% | 65.45% | 65.45% | 65.45% | 65.45% | 65.45% |



Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

Immunizations for Adolescents (IMA - COMBO 2)

Y

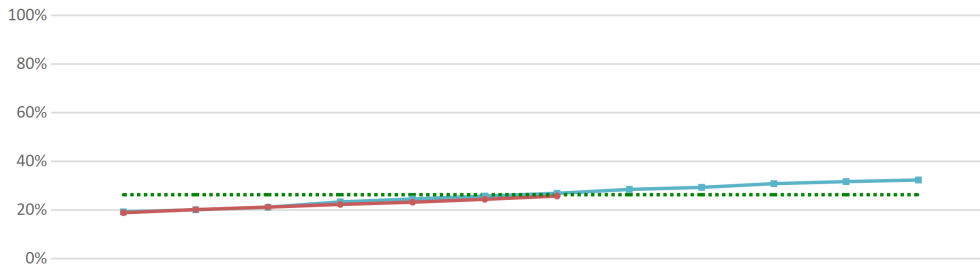
IMA - Combo 2

25.74 %

Prior Year 26.87%

% Point Change -1.13%

$$\frac{1,760}{6,838} \quad \begin{matrix} \text{Numerator} \\ \text{Denominator} \end{matrix}$$



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2018 | 19.25% | 20.10% | 21.13% | 23.35% | 24.53% | 25.74% | 26.87% | 28.46% | 29.31% | 30.84% | 31.67% | 32.34% |
| 2019 | 18.88% | 20.18% | 21.20% | 22.29% | 23.21% | 24.39% | 25.74% | | | | | |
| MPL | 26.28% | 26.28% | 26.28% | 26.28% | 26.28% | 26.28% | 26.28% | 26.28% | 26.28% | 26.28% | 26.28% | 26.28% |

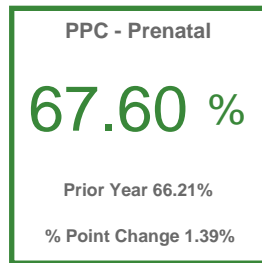


Governed Reporting System

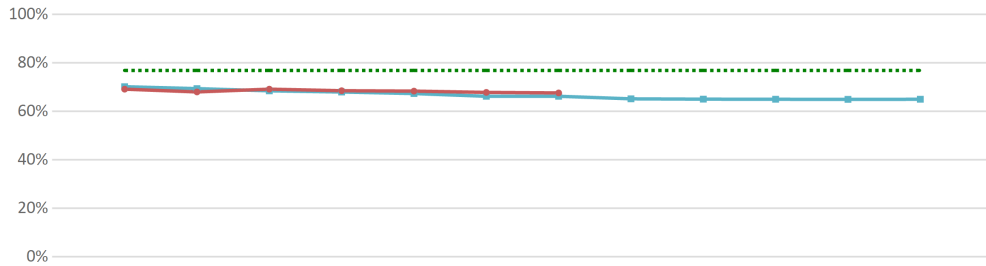
HEDIS Trending Year-Over-Year Comparison

Prenatal and Postpartum Care (PPC - PRENATAL)

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



$$\frac{1,936}{2,864} \quad \begin{array}{l} \text{Numerator} \\ \text{Denominator} \end{array}$$



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2018 | 70.16% | 69.38% | 68.47% | 67.97% | 67.33% | 66.20% | 66.21% | 65.16% | 65.02% | 64.98% | 64.92% | 64.98% |
| 2019 | 69.14% | 68.00% | 69.16% | 68.51% | 68.34% | 67.82% | 67.60% | | | | | |
| MPL | 76.89% | 76.89% | 76.89% | 76.89% | 76.89% | 76.89% | 76.89% | 76.89% | 76.89% | 76.89% | 76.89% | 76.89% |



Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

Prenatal and Postpartum Care (PPC - POSTPARTUM)

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

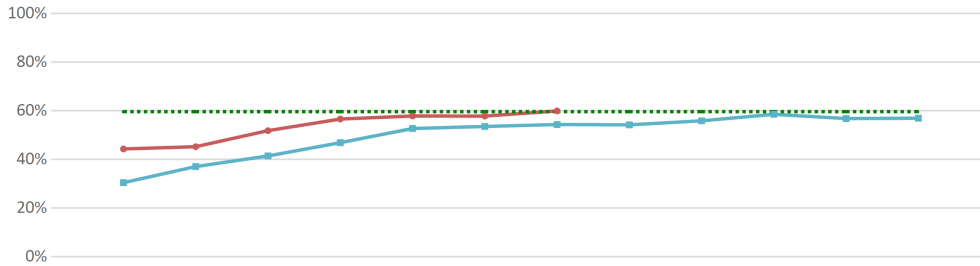
PPC - Postpartum

59.92 %

Prior Year 54.34%

% Point Change 5.58%

$$\frac{1,716}{2,864} \quad \begin{array}{l} \text{Numerator} \\ \text{Denominator} \end{array}$$



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2018 | 30.42% | 37.04% | 41.40% | 46.87% | 52.69% | 53.53% | 54.34% | 54.20% | 55.86% | 58.53% | 56.79% | 56.93% |
| 2019 | 44.29% | 45.21% | 51.82% | 56.59% | 57.83% | 57.80% | 59.92% | | | | | |
| MPL | 59.61% | 59.61% | 59.61% | 59.61% | 59.61% | 59.61% | 59.61% | 59.61% | 59.61% | 59.61% | 59.61% | 59.61% |

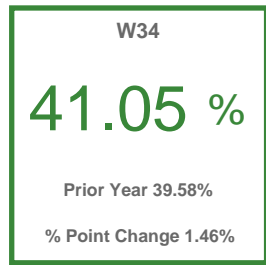


Governed Reporting System

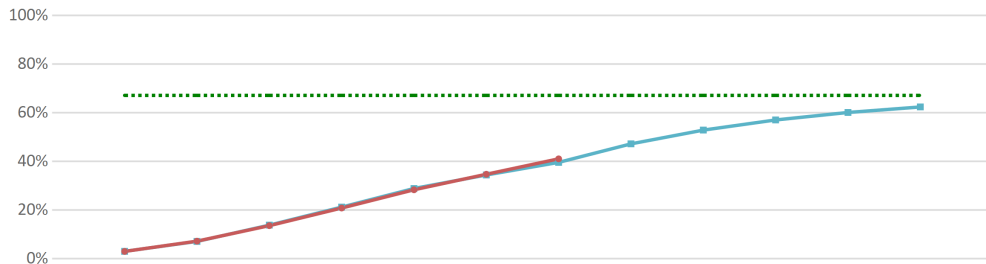
HEDIS Trending Year-Over-Year Comparison

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

Y



$$\frac{11,168}{27,207} \quad \begin{array}{l} \text{Numerator} \\ \text{Denominator} \end{array}$$



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2018 | 3.00% | 7.08% | 13.77% | 21.20% | 28.85% | 34.41% | 39.58% | 47.20% | 52.86% | 57.03% | 60.11% | 62.37% |
| 2019 | 2.97% | 7.19% | 13.56% | 20.81% | 28.31% | 34.70% | 41.05% | | | | | |
| MPL | 67.15% | 67.15% | 67.15% | 67.15% | 67.15% | 67.15% | 67.15% | 67.15% | 67.15% | 67.15% | 67.15% | 67.15% |



Governed Reporting System

Administrative Measures

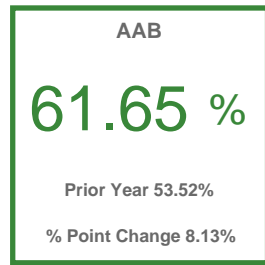


Governed Reporting System

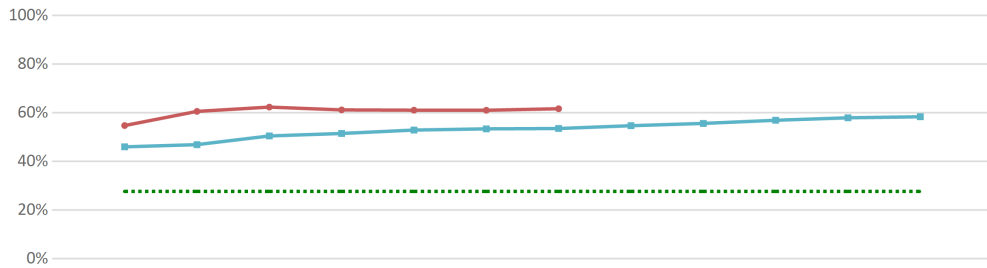
HEDIS Trending Year-Over-Year Comparison

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

Y



$$\frac{1,069}{1,734} \quad \begin{matrix} \text{Numerator} \\ \text{Denominator} \end{matrix}$$



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2018 | 45.97% | 46.88% | 50.45% | 51.48% | 52.88% | 53.37% | 53.52% | 54.66% | 55.61% | 56.91% | 57.92% | 58.35% |
| 2019 | 54.73% | 60.56% | 62.32% | 61.17% | 61.05% | 61.02% | 61.65% | | | | | |
| MPL | 27.63% | 27.63% | 27.63% | 27.63% | 27.63% | 27.63% | 27.63% | 27.63% | 27.63% | 27.63% | 27.63% | 27.63% |

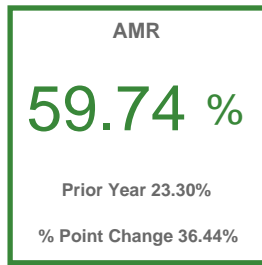


Governed Reporting System

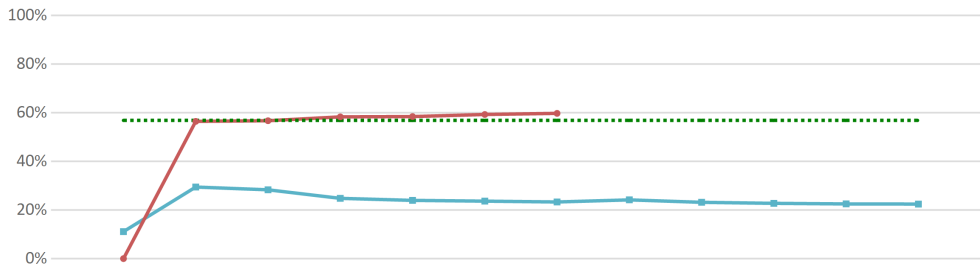
HEDIS Trending Year-Over-Year Comparison

Asthma Medication Ratio (AMR)

Y



$$\frac{328}{549} \quad \begin{array}{l} \text{Numerator} \\ \text{Denominator} \end{array}$$



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2018 | 11.11% | 29.44% | 28.31% | 24.79% | 23.96% | 23.64% | 23.30% | 24.16% | 23.16% | 22.74% | 22.50% | 22.44% |
| 2019 | 0.00% | 56.45% | 56.72% | 58.31% | 58.43% | 59.29% | 59.74% | | | | | |
| MPL | 56.85% | 56.85% | 56.85% | 56.85% | 56.85% | 56.85% | 56.85% | 56.85% | 56.85% | 56.85% | 56.85% | 56.85% |

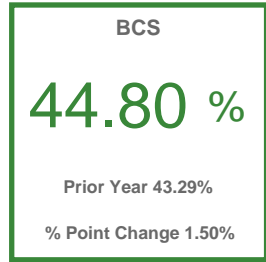


Governed Reporting System

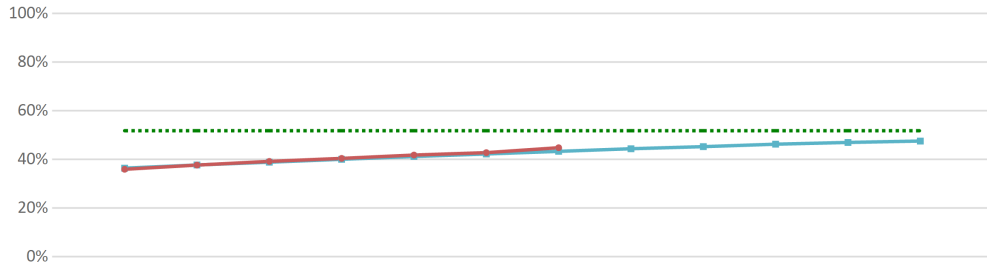
HEDIS Trending Year-Over-Year Comparison

Breast Cancer Screening (BCS)

Y



$$\frac{5,969}{13,325} \quad \begin{matrix} \text{Numerator} \\ \text{Denominator} \end{matrix}$$



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2018 | 36.39% | 37.69% | 38.84% | 40.04% | 41.19% | 42.21% | 43.29% | 44.38% | 45.24% | 46.24% | 46.97% | 47.54% |
| 2019 | 35.92% | 37.66% | 39.17% | 40.41% | 41.78% | 42.77% | 44.80% | | | | | |
| MPL | 51.78% | 51.78% | 51.78% | 51.78% | 51.78% | 51.78% | 51.78% | 51.78% | 51.78% | 51.78% | 51.78% | 51.78% |

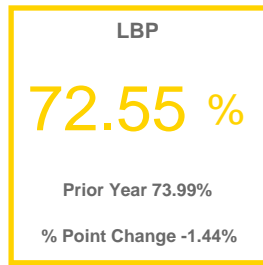


Governed Reporting System

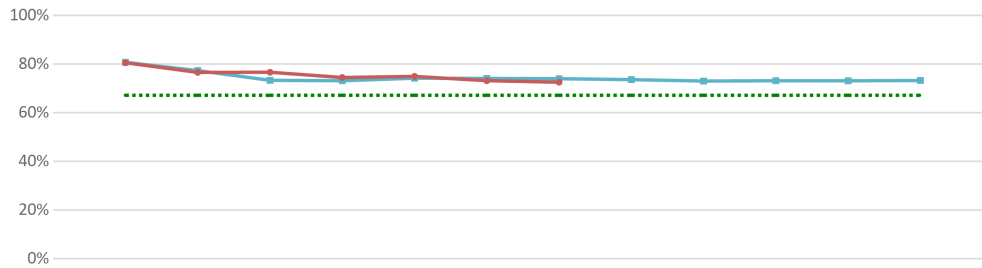
HEDIS Trending Year-Over-Year Comparison

Use of Imaging Studies for Low Back Pain (LBP)

Y



$$\frac{1,290}{1,778} \quad \begin{array}{l} \text{Numerator} \\ \text{Denominator} \end{array}$$



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2018 | 80.71% | 77.34% | 73.33% | 73.17% | 74.21% | 74.11% | 73.99% | 73.62% | 73.03% | 73.17% | 73.13% | 73.25% |
| 2019 | 80.57% | 76.60% | 76.65% | 74.49% | 74.96% | 73.18% | 72.55% | | | | | |
| MPL | 67.19% | 67.19% | 67.19% | 67.19% | 67.19% | 67.19% | 67.19% | 67.19% | 67.19% | 67.19% | 67.19% | 67.19% |



Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

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

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

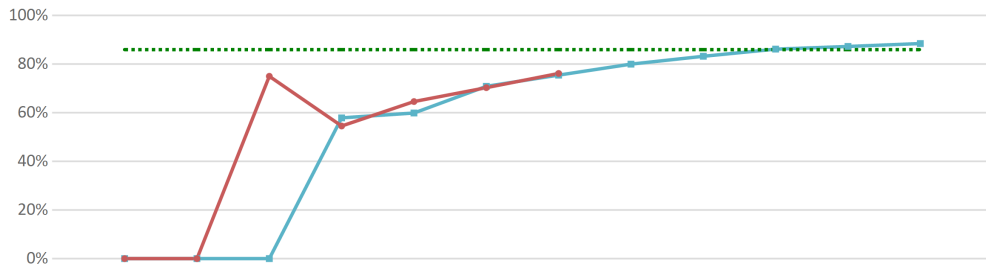
MPM - Ace Inhibitors

76.17 %

Prior Year 75.48%

% Point Change 0.69%

$$\frac{2,707}{3,554} \quad \begin{array}{l} \text{Numerator} \\ \text{Denominator} \end{array}$$



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2018 | 0.00% | 0.00% | 0.00% | 57.89% | 59.89% | 70.87% | 75.48% | 79.99% | 83.22% | 86.16% | 87.26% | 88.46% |
| 2019 | 0.00% | 0.00% | 75.00% | 54.55% | 64.60% | 70.31% | 76.17% | | | | | |
| MPL | 85.97% | 85.97% | 85.97% | 85.97% | 85.97% | 85.97% | 85.97% | 85.97% | 85.97% | 85.97% | 85.97% | 85.97% |



Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

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

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

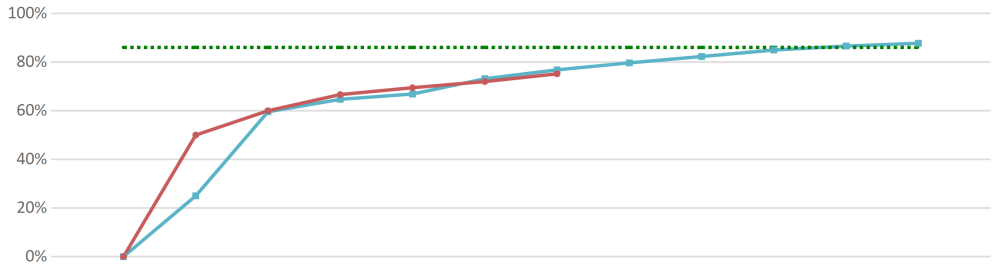
MPM - Diuretics

75.18 %

Prior Year 76.82%

% Point Change -1.64%

$$\frac{1,245}{1,656} \quad \begin{matrix} \text{Numerator} \\ \text{Denominator} \end{matrix}$$



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2018 | 0.00% | 25.00% | 59.57% | 64.71% | 66.88% | 73.17% | 76.82% | 79.70% | 82.31% | 84.97% | 86.59% | 87.75% |
| 2019 | 0.00% | 50.00% | 60.00% | 66.67% | 69.48% | 72.00% | 75.18% | | | | | |
| MPL | 86.06% | 86.06% | 86.06% | 86.06% | 86.06% | 86.06% | 86.06% | 86.06% | 86.06% | 86.06% | 86.06% | 86.06% |



Managed Care Accountability Set
(MCAS)
Martha Tasinga, MD,MPH,MBA
CMO
KERN HEALTH SYSTEMS

MCAS Changes



- DHCS is changing the **way** health plans are accountable for provider performance impacting the quality of patient care.
 - Under the new name: **Managed Care Accountability Set (MCAS) health plans must :**
 - Expand the number of quality measures use to monitor health plan performance
 - Achieve a new minimum performance level of 50th Percentile (currently it's the 25th Percentile).
 - Subject themselves to DHCS's new 3-tiered corrective action plan (CAP) process with probable financial sanctions for underperforming CAPs
 - All changes apply to measurement in 2019.



New MCAS Program*

*all measurement changes (additions, modifications or deletions) require changing KHS's QI Program design and tracking functions

| Population | New Measures | Existing Measures | Changing Measures | Removing Measures |
|------------|--------------|-------------------|-------------------|-------------------|
| Adult | 5 | 7 | 0 | 3 |
| Children | 4 | 3 | 2 | 0 |
| Both | 4 | 5 | 0 | 5 |
| Total | 13 | 15 | 2 | 8 |



MCAS – New Measures (sample)

- (CDF) Screening for Depression and Follow-Up Plan: Age 12 years & Older
- (CHL) Chlamydia screening women aged 16 to 24 years
- (COB) Concurrent Use of Opioids and Benzodiazepines
- (ABA) Adult BMI Assessment
- (ADD) Follow-Up Care for Children Prescribed ADHD Medications: Initiation & Continuation



MCAS – Measures Changing (sample)

- (CIS) Childhood immunization measure (CIS-10):
 - Requires 10 different vaccines
- (WCC) BMI Assessment for Children/Adolescents



MCAS – Measures Continuing (sample)

- (PCR) Plan All-Cause Readmissions
- (AMR) Asthma Medication Ratio showing use of controller medications
- (BCS) Breast Cancer Screening
- (CDC) Comprehensive Diabetes: Comprehensive Diabetes Care HbA1c Testing
- (IMA) Adolescent immunization Combo 2:
 - Dtap, Meningococcus, HPV
- (AMB) Ambulatory Care: Emergency Department Visits



MCAS – Measures Removed (sample)

- (CDC) Screening Diabetic Nephropathy
- (CDC) Screening Diabetic Blood Pressure Control
- (WCC) Counselling parents on children's diet
- (LBP) Early imaging for Low Back Pain
- (DSF) Depression Screening and Follow-Up for Adolescents & Adults

MCAS – Future Measures



- CMS is considering other core measures that will be communicated to DHCS.
- CMS changes the measures each November.

Together in... health

Challenges

1. Upgrade of workflow and technology to accommodate new measures
2. Revise KHS data collection and regulatory reporting to guarantee adequate tracking and capturing of performance
3. Enhance provider education and communication to ensure greatest probability for success in achieving these new performance standards
4. Purchase access to NCQA 50th percentile information for monitoring KHS performance (\$9k)
5. Establishment of a strategy for achieving new requirements and performance standards including provider and member engagement to understand their role in achieving higher performance. This will be an ongoing effort with re-adjustments needed based on outcomes.

Together in... health

Managed Care Accountability Set (MCAS)

Next Steps:

1. Confirm new/modified/omitted measures
2. I.D workflow and systemic changes to account for new measures
3. Communicate impact to physicians and their practice staff
4. Measure performance against new standards (50 percentile)
5. Design intervention schemes to address performance shortfall

KERN HEALTH SYSTEMS
CHIEF EXECUTIVE OFFICER'S REPORT
For August 15th, 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).

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.

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.

PROGRAM DEVELOPMENT ACTIVITIES

RX Carve-Out

DHCS has been moving forward on the Governor's Executive order to Carve-Out Pharmacy services from Managed Care Plans effective 1/1/21. Legislators included language in the State Budget which requires DHCS to convene a Stakeholder Workgroup to provide input into the transition and requires DHCS to submit a fiscal plan to the legislature. Health Plans and other interested parties participated in the first Stakeholder meeting in mid-July. In late July DHCS released the draft RFP seeking a vendor to act as a Pharmacy Benefit Manager and take over

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Board of Directors Meeting
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administrative duties statewide. Health Plans and others provided input on this draft RFP in early August. Our trade associations continue to advocate with legislators, the Governor’s office, and DHCS to ensure proper planning is conducted prior to the transition.

CMS Managed Care Regulation

KHS staff is working with DHCS and contracted Hospitals on changes to Hospital Directed Payments. KHS met a 6/30/19 deadline to ensure all eligible encounters from 2018 were submitted and approved by DHCS in order to calculate accurate Hospital Payments. Additionally, DHCS continues to provide updated information on the Provider Screening and Enrollment requirements which went into effect last year. An updated All-Plan Letter (APL) and FAQ on this subject was received in June.

Health Homes

KHS received DHCS approval for the official go-live of the Health Home Program (HHP) on 7/1. HHP sites with Omni, Dignity, Premier, and Kern Medical are operational. A second Omni site in Shafter launched in June. Additional Health Home Sites with CSV are currently on hold. Additional deliverables are due to DHCS prior to 1/1/20 for HHP-eligible members with Serious Mental Illness (SMI).

Provider Supplemental Payments

The 2019-2020 California State Budget allocated a portion of the Tobacco Tax (Prop 56) funds to create additional Supplemental Payment Programs for certain providers. The previous programs have been extended along with new programs related to Trauma Screenings and a comprehensive “value-based purchasing” (VBP) program. The VBP portion will reimburse a variety of providers for many services that support Quality Measures. FQHCs are excluded from the Prop 56 VBP program. Staff is working internally to operationalize this new program, pending further guidance from DHCS.

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LEGISLATIVE SUMMARY UPDATE

Federal Update

In early July an appeals court heard arguments regarding a lower court’s ruling to overturn the Affordable Care Act. The appeals court ruling is anticipated by Q4 2019, but may be appealed further to the Supreme Court. It goes without saying that a court ruling to ultimately overturn the ACA would have profound impacts on the national healthcare landscape. In particular for KHS, the Medicaid Expansion membership would be in jeopardy of losing coverage. The timing of the Supreme Court potentially taking the case would also align with the 2020 Presidential Election cycle. Staff continue to monitor the progress of these proceedings.

Other proposed policy/rule changes including modifying the definition of “public charge”, poverty level calculations, pricing transparency, and updating the “Mega-Reg” are awaiting further guidance. These items are being tracked by KHS staff in coordination with our Trade Associations. In terms of legislation, there is some bipartisan agreement on addressing the high cost of prescription drugs and/or eliminating “surprise” medical bills. Specific policy is still being reviewed by legislative committees but is being monitored. The House and Senate are on recess until September.

State Legislative Session

The 2019-2020 State Budget was approved effective July 1st. The budget includes the expansion of Medi-Cal to undocumented immigrants from age 19-26 effective 1/1/20. The budget also restores some optional benefits that were cut during the previous recession. This includes audiology, incontinence supplies, adult optical services, podiatry, and speech therapy. KHS had elected to continue coverage of these services and doesn’t anticipate major operational change. Other budget items include the continuation and expansion of the Prop 56 program, extension of Health Homes Program funding, and boilerplate language about the intent to continue the MCO tax.

The State Legislature has been on recess since early July, and will reconvene August 12th. The Legislature will have until September 13th to pass any bills and the Governor has until October 13th to veto any passed bills. Staff continue to track 25 bills with the full listing of bills included under Attachment D.

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AUGUST 2019 ENROLLMENT

Medi-Cal Enrollment

As of August 1, 2019, Medi-Cal enrollment is 173,555 which represents a decrease of 0.4% from July enrollment.

Seniors and Persons with Disabilities (SPDs)

As of August 1, 2019, SPD enrollment is 13,674, which is unchanged when compared to July enrollment.

Expanded Eligible Enrollment

As of August 1, 2019, Expansion enrollment is 60,967, which represents an increase of 0.1% from July enrollment.

Kaiser Permanente (KP)

As of August 1, 2019, Kaiser enrollment is 8,705, which represents an increase of 0.4% from July enrollment.

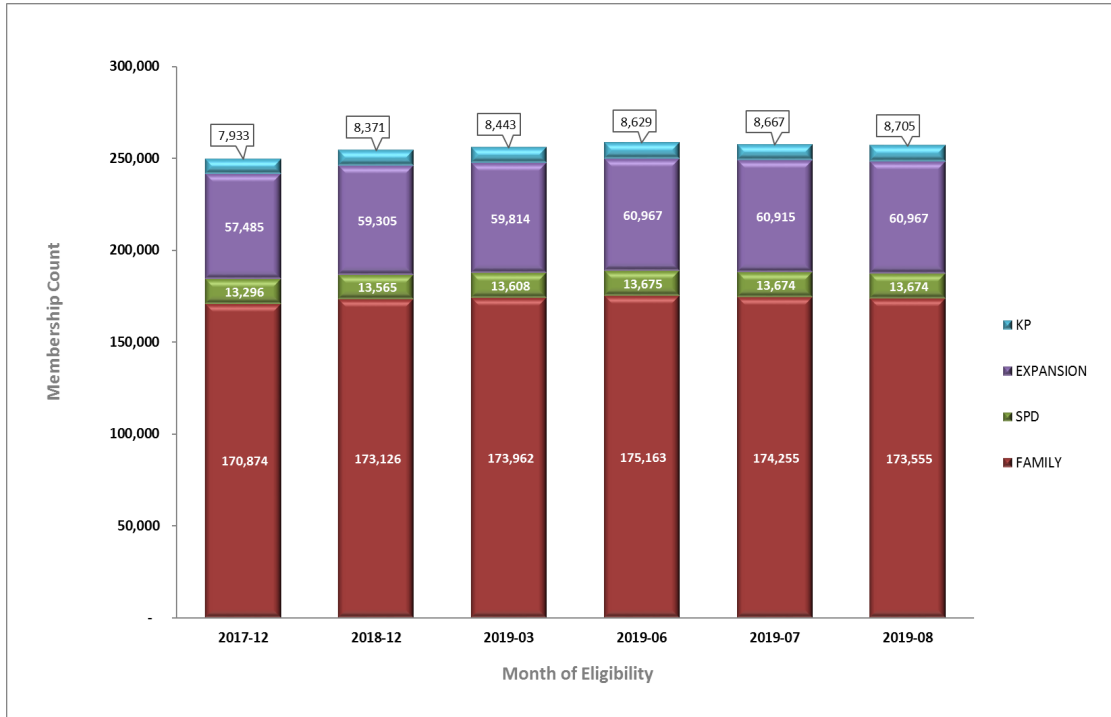
Total KHS Medi-Cal Managed Care Enrollment

As of August 1, 2019, total Medi-Cal enrollment is 256,901, which represents a decrease of 0.2% from July enrollment.

| Membership as of Month of Eligibility | FAMILY | SPD | EXPANSION | KP | BABIES | Monthly/ Member Months Total |
|--|---------------|------------|------------------|-----------|---------------|---|
| 2017-12 | 170,428 | 13,296 | 57,485 | 7,933 | 446 | 249,588 |
| 2018-12 | 172,650 | 13,565 | 59,305 | 8,371 | 476 | 254,367 |
| 2019-03 | 173,572 | 13,608 | 59,814 | 8,443 | 390 | 255,827 |
| 2019-06 | 174,762 | 13,675 | 60,967 | 8,629 | 401 | 258,434 |
| 2019-07 | 173,860 | 13,674 | 60,915 | 8,667 | 395 | 257,511 |
| 2019-08 | 173,076 | 13,674 | 60,967 | 8,705 | 479 | 256,901 |

Annually during 3rd and 4th quarters, the Kern County Department of Human Services (DHS) processes higher amounts of Medi-Cal renewals resulting in decreased enrollment. Historically, this enrollment reappears as new member growth during the 1st quarter of the following year as these Medi-Cal eligible become re-enrolled.

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KHS ADMINISTRATIVE INITIATIVES

Provider Contracting Activity

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

- Kern Behavioral & Recovery Services
- Kern Medical
- AH San Joaquin Community Hospital
- AH San Joaquin Community Hospital – TOC
- Kern Psychiatric Health and Wellness Center, Inc.
- Kern Psychiatric Health and Wellness Center, Inc., Psychiatry

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- Shih Applied Behavior Analysis, ABA
- The Baiden Group Inc. dba: Acton Vale Pharmacy, Pharmacy
- Biocorp Clinical Lab, Inc., Clinical Laboratory
- Burns Prescription Pharmacy dba: Burns Pharmacy, Pharmacy
- Curex Pharmacy, Inc., Pharmacy

Contract related inquiries by 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 July, Provider Relations received 248 inquiries involving the following areas:

| Inquiries | Count |
|---------------------------|--------------|
| P4P 2019 | 85 |
| Prop 56 | 34 |
| Urgent Care | 16 |
| Pharmacy | 15 |
| Hospice | 14 |
| APL 19-001 | 13 |
| Home Health Agency | 13 |
| DME: general | 11 |
| Hospital | 11 |
| Skilled Nursing Facility | 11 |
| Ambulatory Surgery Center | 10 |
| ABA, BHT | 8 |
| NEMT transportation | 8 |

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Marketing/Public Relations Update

KHS will share sponsorship in the following events in August and September:

- KHS donated \$1,000 to Clinica Sierra Vista in support of the Back to School Backpack giveaway events in July and August in Bakersfield, Delano, Lamont and McFarland.
- KHS donated \$5,000 to the Kern Valley Hospital Foundation to sponsor the River Rhythms concert series happening every Friday night in August in Kernville, the Kern Valley Hospital Health Fair on September 20th and the End of Summer Crab Fest on September 21st.
- KHS donated \$10,000 to the Valley Fever Institute at Kern Medical to sponsor the 8th Annual Walk for Valley Fever Awareness on August 10th at the Kern County Museum in Bakersfield. This year's walk is cohosted by Valley Fever Americas Foundation and Valley Fever Institute at Kern Medical.
- KHS donated \$1,500 to CSF Medical Non Profit Foundation to sponsor the Sharing the Hope Health Fair on September 7th at Yokuts Park in Bakersfield.
- KHS donated \$1,000 to Save a Lift Today (SALT) to sponsor the 5th Annual Stomp Out Suicide Walk on September 7th at Beach Park in Bakersfield.
- KHS donated \$1,500 to the California Farmworker Foundation to sponsor the 2019 "Día de la Familia" event on September 8th in Delano.
- KHS donated \$300 to the Delano Community Alliance to sponsor their Fall Fiesta on September 14th in Delano.

In August and September KHS will participate in:

- 8/2 Back to School Fun Day @ The Blessing Corner Ministries in Bakersfield
- 8/8 Kern County Child Support Services Ready-Set Back 2 School Health & Wellness Fair @ KC Fairgrounds
- 8/10 Back to School Connection @ First Assembly of God Church in Taft

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- 8/13 Back to School event @ David Nelson Pocket Park in East Bakersfield
- 8/14 Homeless Healthcare Day @ Clinica Sierra Vista Old Town Kern in Bakersfield
- 8/28 Pop-Up Homeless Connect @ City Serve in Bakersfield
- 9/4 Bakersfield College Student Involvement Festival @ Bakersfield College main campus
- 9/14 Pop-Up Homeless Connect @ DADD in Delano
- 9/14 BCSD Parent University Family & Community Engagement @ Stiern Middle School
- 9/19 Homeless Consumer & Service Provider Day @ Bakersfield Homeless Center
- 9/21 Special Needs & Mental Health Resource Fair @ Tehachapi Library
- 9/25 Free Produce Event @ Catholic Charities in Bakersfield
- 9/26 Pop-Up Homeless Connect @ Web Recycling in Lake Isabella

Employee Newsletters

The following two newest employee newsletters can be seen by going to the links below:

- July 2019 –
<https://us20.campaignarchive.com/?u=f1b2565c17b55547feeb94aeb&id=1b0a4e4487>
- August 2019 –
<https://us20.campaignarchive.com/?u=f1b2565c17b55547feeb94aeb&id=c49010d6ad>

ADMINISTRATIVE PERFORMANCE REPORTS

Dashboard Presentation

- The Dashboard Reports showing KHS critical performance measurements for Administrative Services are located under Attachment E.
- The 2nd Qtr. 2019 Staffing Report is located under Attachment F.
- The 2nd Qtr. 2019 Projects Report summarizing projects tracked quarterly throughout the year is found under Attachment G



**KERN HEALTH
SYSTEMS**

Attachment A

Board of Directors Meeting

August 15, 2019

STATE

Department of Health Care Services (DHCS)

All Plan Letters (APL)

The DHCS issued four (4) APL during the months of June and July to provide guidance for Managed Care Plans (MCP).

All Plan Letters (APL)

APL 19-005 – The purpose of this APL is to provide clarification and guidance to MCPs on the policy requirements for financial incentive payments to Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs).

APL 19-006 – The purpose of this APL is to provide MCPs with information on directed payments for certain services funded by the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56) for State Fiscal Year (SFY) 2017-18 and SFY 2018-19.

APL 19-007 – The purpose of this APL is to provide MCPs with information regarding increased reimbursement for Fee-For-Service (FFS) ground emergency medical transport (GEMT) for Current Procedural Terminology (CPT) codes A0429, A0427, and A0433. The increased FFS reimbursement will affect MCP reimbursement of out-of-network GEMT services as required by section 1396u-2(b)(2)(D) of Title 42 of the United States Code (USC), commonly referred to as “Rogers Rates.”

APL 19-008 – The purpose of this APL is to provide guidance to MCPs on changes in the Diagnosis Related Group (DRG) payment methodology used to establish reimbursement rates paid to out-of-network border hospitals, as defined in the State Plan, for acute care hospital inpatient services in the FFS system. Additionally, this APL provides notice to MCPs that the Federal Court rejected a challenge to the validity of the changes in the DRG payment methodology under State Plan

Amendment (SPA) 15-020. With the lawsuit now resolved, DRG payment rates remain effective as approved under SPA 15-020 and MCPs must continue to comply with SPA 15-020.

Department of Manage Health Care (DMHC)

All Plan Letters (APL)

The DMHC issued four (4) APLs during the months of June and July to provide guidance to health care service plans.

APL 19-012 - The DMHC issues this APL to remind health care services plans and certain delegated entities of the Knox-Keene Health Care Service Plan Act of 1975's (the Knox-Keene Act) requirement to file the policies and procedures used to determine the average contracted rate.

By August 15, 2019, and thereafter when the policies and procedures are amended, health care service plans or its delegated entity that has the responsibility for payment of a claim for health care services subject to Section 1371.9 shall file with the Department the policies and procedures used to determine the average contracted rate.² The methodology for determining the average contracted rate is described in Rule 1300.71.31, subdivision (c).

APL 19-013 - The purpose of this APL is to remind plans of some of the requirements for Block Transfer Filings and, specifically, for Enrollee Transfer Notices (ETNs).

The DMHC reviews Block Transfer filings submitted by health care service plans (health plans or plans). Plans must submit their Block Transfer Filings to the DMHC for review. Plans must include with the filing an example or "template" of the written ETN the health plan intends to send to affected enrollees regarding the date of the contract termination and reassignment (or redirection) to a new provider group (or hospital). The DMHC reviews the template ETNs to ensure the documents include all information required by law.

APL 19-014 - The DMHC recently adopted a regulation that, among other things, defines various types of risk and requires entities that assume any amount of global risk to either obtain a license under the Knox-Keene Health Care Service Plan Act of 1975 (Knox-Keene Act) or receive an exemption¹ from the DMHC for the contract(s) under which the entity assumes global risk.

The regulation defines the following terms that are relevant to this guidance:

- "Global risk," which means "the acceptance of a prepaid or periodic charge from or on behalf of enrollees in return for the assumption of both professional and institutional risk."
- "Institutional risk," which means "the assumption of the cost for the provision of hospital inpatient, hospital outpatient, or hospital ancillary services to subscribers or enrollees undertaken by a person, other than services performed pursuant to the person's own license...in return for a prepaid or periodic charge paid by or on behalf of the subscriber or enrollee."

APL 19-015 - The DMHC issued this APL to remind health care service plans of the requirements under Assembly Bill 2941 (Berman, Ch. 196, Stats. 2018) and the related DMHC filing instructions.

Within 48 hours of a declaration of emergency by the Governor that displaces or has the immediate potential to displace enrollees, each plan operating in the counties included in the declarations must file a notice with the DMHC:

- Describing whether the plan has experienced or expects to experience any disruption to plan operations;
- Explaining how the plan is communicating with potentially impacted enrollees; and,
- Summarizing actions the plan has taken or is in process of taking to ensure the health care needs of enrollees are met.

COMPLIANCE

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 –2019

Update: The DHCS audit team was on-site August 6-9 conducting interviews and collecting additional documentation from the Plan.

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, 2018 through July 31, 2019. 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 Routine Medical Survey of Kern Health Systems - 2019

Update: The DMHC audit team was on-site August 6-9 conducting interviews and collecting additional documentation from the Plan.

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

Reporting to government agencies

June 2019

| Report Name/Item | Status |
|---|---------------|
| BHT-CDE Monthly | On Time |
| MER Monthly | On Time |
| Monthly Certification Statement Monthly | On Time |
| NMT-NEMT Monthly | On Time |
| Provider Calls Monthly | On Time |

July 2019

| Report Name/Item | Status |
|------------------------------|---------------|
| AB 85 | On Time |
| Arbitration Quarterly (DMHC) | On Time |
| BHT-CDE Monthly | On Time |
| BHT Quarterly | On Time |
| Call Center | On Time |
| CBAS | On Time |

| | |
|--------------------------------------|---------|
| Dental Anesthesia | On Time |
| Grievance Tabulated Quarterly (DMHC) | On Time |
| MER Monthly | On Time |
| Monthly Certification Statement | On Time |
| NMT-NEMT Monthly | On Time |
| Provider Network Reports | On Time |
| Provider Calls Monthly | On Time |
| QI/UM Committee Minutes | On Time |
| UM Evaluation 2018 | On Time |
| UM Program Description 2019 | On Time |

**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 | Stakeholders completed the questionnaire. | |

**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 | Completed on 4/6/2019 | |
| <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 | |
| <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 | Completed on 5/9/19 | |
| <u>APL 19-009</u> | 2019 Annual Assessments | Finance Compliance | Provides Plans with direction for filing the Report of Plan Enrollment | 5/14/2019 | Completed on 5/15/19 | |
| <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 | Completed on 6/26/19 | |
| <u>APL19-012</u> | AB 72 Policy and Procedures | N/A | N/A | 1/24/2019 | N/A | N/A |
| <u>APL19-013</u> | Block Transfer Enrollee Transfer Notices | N/A | N/A | 1/25/2019 | N/A | N/A |
| <u>APL19-014</u> | Guidance Regarding General Licensure Regulation | N/A | N/A | 1/26/2019 | N/A | N/A |
| <u>APL19-015</u> | Governor's Declarations of Emergency Kern and San Bernardino Counties - Ridgecrest Earthquakes | Executives Compliance | Within 48 hours of a declaration of emergency by the Governor that displaces or has the immediate potential to displace enrollees, each plan operating in the county(s) included in the declarations must file a notice with the DMHC | 7/9/2019 | The Plan filed a notice with the DMHC on July 18, 2019. | |
| | | KEY | | | | |
| | | | Compliance - YES | | | |
| | | | Compliance - NO | | | |
| | | | Outcome Pending | | | |
| | | | N/A - Informational Document | | | |

**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 |
|----------------------------------|---|---|--|-----------------------------|---|-------------------|
| <u>APL19-001</u> | 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. | 5/25/2019 | KHS Boilerplates were approved by DHCS and DMHC. The contracts were implemented and effective July 2019. | |
| <u>APL19-002</u> | 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. | 7/8/2019 | The APL has been reviewed with Provider Relations. Stakeholders are updating P&Ps. Anticipated completion date is scheduled for September 2019. | |
| <u>APL19-003</u> | 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 | Stakeholders are working to implement the APL. A vendor will be used to assist in implementation. Follow-up meeting scheduled for 8/19. | |
| <u>APL19-004</u> | Provider Credentialing/Recredentialing and Screening/Enrollment | Provider Relations Compliance | The purpose of the APL is to inform Medi-Cal managed care health plans of their responsibilities related to the screening and enrollment of all network providers. It is an update to APL17-019. | 6/29/2019 | Closing meeting scheduled for September 2019. FAQ released in 6/19 and reviewed by Stakeholders. | |

**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 |
|----------------------------------|---|--|---|-----------------------------|---|-------------------|
| <u>APL19-005</u> | FQHC and RHC Financial Incentives and Pay for Performance Payment Policy | Provider Relations Finance Health Services Compliance | The purpose of this APL is to provide clarification and guidance to Medi-Cal managed care health plans on the policy requirements for financial incentive payments to FQHCs and RHCs. | 6/12/2019 | Stakeholders were sent the APL. PMO will oversee implementation. | |
| <u>APL19-006</u> | Proposition 56 Physician Directed payments for Specified Services for State Fiscal Years 2017-2018 & 2018-2019 | Provider Relations Claims Finance IT Compliance | The purpose of this APL is to provide Plans with information on directed payments for certain services funded by Prop 56 for State Fiscal Year (SFY) 2017-18 and SFY 2018-19. | 7/15/2019 | Stakeholders have implemented the APL. | |
| <u>APL19-007</u> | Non-contract Ground Emergency Transport Payment Obligations for State Fiscal 2018-2019 | Provider Relations Claims Finance IT Compliance | The purpose of this APL is to provide Plans with information regarding increased reimbursement for Fee-For-Service ground emergency medical transport (GEMT). | 7/12/2019 | KHS Stakeholders reviewed the APL and it will be incorporated into biweekly Prop 56 Payment meetings. | |
| <u>APL19-008</u> | Rate Changes for Emergency and Post-Stabilization Services Provided by Out-of-Network Border Hospitals under DRG Payment Methodology. | Claims Finance IT Compliance | Provides guidance on changes in the DRG payment methodology used to establish reimbursement rates paid to out-of-network border hospitals. | 7/18/2019 | Stakeholders have reviewed the APL and will monitor updates with Border Hospitals. | |
| | | KEY | | | | |
| | | | | | Compliance - YES | |
| | | | | | Compliance - NO | |
| | | | | | Outcome Pending | |
| | | | | | N/A - informational document | |

**Kern Health Systems
2018 DMHC All Plan Letter Index 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 18-001 | Newly Enacted Statutes Impacting Health Plan License Files | Compliance Member Services | Identifies requirements for EOC'S, Disclosure Forms, Provider Contracts. | | | | | | |
| APL 18-002 | Timely Access Compliance Report MY 2018 | Compliance Provider Relations | Accurate filing of the Timely Access Compliance Report for MY 2018. | 1/16/2019 | 5/7/2019 | Compliance Requirement Met: 4.30-P §4.1.1 is in alignment with the APL requirements. The Plan's administration of the survey followed the mandatory DMHC PAAS Methodology. The Plan filed an Exhibit J-13 for 4.30-P, §4.1.1. | | | |
| APL 18-003 | Plan Year 2019 QHP/QDP Filing Requirements | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| APL 18-004 | Unified Billing | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| APL 18-005 | Administrative Services Agreement (ASA) Checklist | Compliance Procurement and Facilities | Amended Administrative Services Agreement Updates. | 3/26/2019 | 8/30/2019 | In Process: Compliance creating a Matrix to validate the APL requirements with deliverables. | | | |
| APL 18-006 | Annual Assessment | Compliance Finance | Reporting of the Plans Enrollment and Utilization. | 1/28/2019 | 3/22/2019 | Compliance Requirement Met: The Plan timely and accurately filed all required elements of the APL. | | | |
| APL 18-007 | Confidentiality of Information Submitted to Office of Plan Licensing | Compliance | Guidance for submitting requests for Confidentiality. | 4/10/2019 | 5/24/2019 | Compliance requirement met: DMHC eFiling requiring confidentiality were properly filed. | | | |
| APL 18-008 | AB72 Delegated Entity Report | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

**Kern Health Systems
2018 DMHC All Plan Letter Index 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 18-009 | Responding to Help Center RHPis | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| APL 18-010 | Plan Compliance with MHPAEA Rules for Financial Requirements and Quantitative Treatment Limitations | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| APL 18-011 | Annual filing of SB 17 prescription drug cost information | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| APL 18-012 | State of emergency in Riverside and Shasta Counties due to the effects of the Cranston and Carr fires. | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| APL 18-013 | Revisions to the Independent Medical Review Form (IMR)/Complaint Form | Compliance | Compliance distributed the All Plan Letter (APL) to Stakeholders. | | | | | | |
| APL 18-014 | States of emergency due to wild fires in ten California counties. | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| APL 18-015 | Filing Requirements for the Medi-Cal Health Homes Program | HHP Compliance | Evidence of Coverage, Enrollee Notices, and Plan developed outreach and education materials. | | | | | | |
| APL 18-016 | Communication between the Help Center and Health Plans Regarding Consumer Complaints | Compliance | Sending and receiving Requests for Health Plan Information and other Health Plan correspondence. | 5/28/2019 | 8/30/2019 | In process: Compliance is in the process of reviewing the APL requirements. | | | |
| APL 18-017 | Large Group Renewal Notice Requirements for SB546 Implementation | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

**Kern Health Systems
2018 DMHC All Plan Letter Index 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 18-018 | Notice for the January 2019 release of the Annual Filing Checklist for HSC Sec. 1367.27 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| APL 18-019 | State of Emergency Due To Fires in Butte, Los Angeles and Ventura Counties | 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
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 18-001 | Voluntary Inpatient Detoxification | Member Services Health Services | Clarification provided regarding voluntary inpatient detoxification. | | | | | | |
| APL 18-002 | 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 |
| APL 18-003 | 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 |
| APL 18-004 | 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. | | | | | | |
| APL 18-005 | 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. | | | |
| APL 18-006 | 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. | | | | | | |
| APL 18-007 | 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
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 18-008</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 | 8/30/2019 | 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 | 8/30/2019 | 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 | 9/15/2019 | In Process: Pending review of possible findings by the Stakeholder. | | | |

**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 |
|----------------------------|---|--|---|----------------------------|---------------------------------|---|---------------------------|------------------------|----------------------------------|
| 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-I, 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. | | | | | | |

**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 |
|----------------------------|--|--|---|----------------------------|---------------------------------|--|---------------------------|------------------------|----------------------------------|
| 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 | 8/30/2019 | 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
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 17-001 | 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 6.01- P, Claims Submission and Reimbursement, 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 6.29-1, Recovery of Claims Overpayments requires minor policy revisions. | | Compliance Requirement Met: Policy 6.29-1, 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 | 8/30/2019 | 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. | | | |

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 17-009 | 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: 5.15-1, 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 | 8/30/2019 | 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. Stakeholders will need to revise Policy 3.75-1, to include current process and procedures. | | Compliance Requirement Not Met: 3.75-1 will need to be revised to include current process and procedures. | |
| 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 (3.774 § 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 |
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| 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: 60.06-1, Third Party Liability, policy revisions are in line with the APL requirements. 60.06-1 was fully implemented on 6/21/2018. | | | |
| | | Key | | | | | | | |
| | | | Compliance - Yes | | | | | | |
| | | | Compliance - No | | | | | | |
| | | | Outcome Pending | | | | | | |
| | | | N/A- Informational/Supersedes | | | | | | |

ATTACHMENT D**State Legislative Summary – August 2019**

| Title | Description | Status |
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| AB 166 (Gabriel) | <p>This bill would require the department to establish, no later than January 1, 2021, a violence intervention pilot program at a minimum of 8 sites, including at least one site in 8 specified counties, and would require the department to consult with identified stakeholders, such as professionals in the community violence intervention field, for purposes of establishing the pilot program. The bill would require the department to provide violence preventive services that are rendered by a qualified violence prevention professional to a Medi-Cal beneficiary who meets identified criteria, including that the beneficiary has received medical treatment for a violent injury. The bill would require the department to approve one or more training and certification programs for violence prevention professionals, and would require an entity that employs or contracts with a qualified violence prevention professional to maintain specified documentation on, and to ensure compliance by, that professional.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB166</p> | <p>6/24/2019 - Read second time and amended. Re-referred to APPR.</p> |
| AB 318 (Chu) | <p>This bill would, commencing January 1, 2020, require the field testing of all beneficiary materials, and informing materials, as defined, that are translated into threshold languages and released by the department and managed care plans, respectively, except as specified. The bill would define “field testing” as a review of translations for accuracy, cultural appropriateness, and readability.</p> <p>The bill would also require the department to establish a readability workgroup to identify at least 10 documents released by the department to Medi-Cal beneficiaries and to designate a readability expert to revise those documents, as specified.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB318</p> | <p>CAHP/LHPC Oppose</p> <p>7/5/2019 - From committee: Do pass and re-refer to Com. on APPR.</p> |

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| <p>AB 526 (Petrie-Norris)</p> | <p>Requires the State Department of Health Care Services, in collaboration with designated entities, to design, promulgate, and implement policies and procedures for an automated enrollment pathway, designating the WIC Program and its local WIC agencies as Express Lane agencies and using WIC eligibility determinations to meet Medi-Cal eligibility requirements. The bill would require the pathway to perform specified functions to streamline Medi-Cal enrollment and maximize health care coverage. The bill would require that benefits for applicants enrolling in the Medi-Cal program using the pathway be provided immediately through accelerated enrollment for children and presumptive eligibility for pregnant women.</p> <p>http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB526</p> | <p>07/01/19 Read second time and amended. Re-referred to Com. on APPR.</p> |
| <p>AB 651 (Grayson)</p> | <p>This bill would require the department to set and maintain, commencing January 1, 2020, supplemental Medi-Cal payments for air ambulance services provided by fixed or rotary wing aircraft, and would require these payments to be the difference between the existing fee-for-service rates and the Medicare Program’s lowest rural base rate in California in effect on January 1, 2020. The bill would provide, commencing January 1, 2020, the amounts a noncontract emergency medical transport provider may collect if the beneficiary received medical assistance other than through enrollment in a Medi-Cal managed care health plan pursuant to a specified federal law would be sum of the supplemental payments and the existing fee-for-service payment schedule amounts.</p> <p>http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB651</p> | <p>7/10/2019 - From committee: Do pass and re-refer to Com. on APPR.</p> |
| <p>AB 678 (Flora)</p> | <p>This bill would prohibit the requirement of prior authorization for podiatric services provided by a doctor of podiatric medicine if a physician and surgeon rendering the same services would not be required to provide prior authorization. The bill would clarify that a doctor of podiatric medicine acting within their scope of practice and providing specified services is subject to the same Medi-Cal billing and services policies as required for a physician and surgeon, including a maximum numerical service limitation in any one calendar month.</p> <p>http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB678</p> | <p>7/8/2019 - Read second time and amended. Re-referred to Com. on APPR. .</p> |

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| <p>AB 744 (Aguiar-Curry)</p> | <p>Requires a contract between a health care service plan and a healthcare provider for the provision of healthcare services to an enrollee for an alternative rate of payment to specify that the plan reimburse a healthcare provider for the diagnosis, consultation, or treatment delivered through telehealth services on the same basis and to the same extent that the health care service plan is responsible for reimbursement for the same service through in-person diagnosis, consultation, or treatment. Specifies that face-to-face contact between a health care provider and a patient is not required under the Medi-Cal program for any health care services provided by store and forward.</p> <p>http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB744</p> | <p>CAHP Oppose</p> <p>7/9/2019 - Read second time and amended. Re-referred to Com. on APPR.</p> |
| <p>AB 848 (Gray)</p> | <p>This bill would add continuous glucose monitors and related supplies required for use with those monitors to the schedule of benefits under the Medi-Cal program for the treatment of diabetes mellitus when medically necessary, subject to utilization controls. The bill would also authorize the department to require the manufacturer of a continuous glucose monitor to enter into a rebate agreement with the department.</p> <p>http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB848</p> | <p>06/24/19 In committee: Referred to APPR. suspense file.</p> |
| <p>AB 1004 (McCarty)</p> | <p>This bill would require, consistent with federal law, that screening services provided as an EPSDT benefit include developmental screening services for individuals zero to 3 years of age, inclusive, and would require Medi-Cal managed care plans to ensure that providers who contract with these plans render those services in conformity with specified standards. The bill would require the department to ensure a Medi-Cal managed care plan's ability and readiness to perform these developmental screening services, and to adjust a Medi-Cal managed care plan's capitation rate. Until July 1, 2023, the bill would require an external quality review organization entity to annually review, survey, and report on managed care plan reporting and compliance with specified developmental screening tools and schedules.</p> <p>http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB1004</p> | <p>7/8/2019 - Read second time and amended. Re-referred to Com. on APPR.</p> |

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| <p>AB 1131 (Gloria)</p> | <p>This bill would provide that comprehensive medication management (CMM) services, as defined, are covered under the Medi-Cal program, and would require CMM services to include, among other specified functions, the development of a care plan in collaboration with the beneficiary and the beneficiary’s health care providers to address identified medication therapy problems. The bill would require CMM services to be offered to a beneficiary who is referred by a physician and surgeon as having a medical condition that could benefit from the provision of CMM services and who meets one or more of specified criteria, including being prescribed 8 or more prescription drugs or biologics to treat or prevent 2 or more chronic medical conditions. The bill would require the department to establish reimbursement rates and rate billing codes for CMM services provided by a licensed pharmacist.</p> <p>http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB1131</p> | <p>7/8/2019 - Action From APPR.: To APPR. SUSPENSE FILE.</p> |
| <p>AB 1175 (Wood)</p> | <p>This bill would require the department, as part of its consultation with stakeholders concerning updates to the performance outcomes reports for specialty mental health services, to include components in those reports, including information on language access. The bill would require the department, commencing January 1, 2021, and annually thereafter, to update the performance dashboard to include the Healthcare Effectiveness Data and Information Set measures and Consumer Assessment of Healthcare Providers and Systems measures. The bill would require each county mental health plan and Medi-Cal managed care health plan, commencing January 1, 2021, to track and report specified county-specific information on referrals to other plans and how soon those referred services were rendered. The bill would require the EQRO to report, by specified dates, various information concerning the county mental health plan and the Medi-Cal managed care health plan.</p> <p>This bill would require a county mental health plan and a Medi-Cal managed care health plan to provide continuity of care to a Medi-Cal enrollee who receives either specialty or non-specialty mental health services from a respective plan by ensuring that an enrollee may access all of their mental health services-related care from one provider and through one plan if specified requirements are met, including that the enrollee has an ongoing relationship with that provider. The bill would require the plans to inform enrollees of their rights to avail themselves to continuity of care in the beneficiary handbook.</p> <p>This bill would require a county mental health plan and a Medi-Cal managed care health plan to provide, on a monthly basis, to the respective Medi-Cal managed care health plan and county mental health plan a list that identifies specified information, including the contact information of the patient and provider, relating to the members of the respective plans who are receiving, or have received, any specialty mental health services. The bill would authorize the department to implement, by July 1, 2020,</p> | <p>7/9/2019 - Withdrawn from committee. Re- referred to Com. on APPR.</p> |

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| | <p>these provisions by various means, including plan letters, and to direct county mental health plans and Medi-Cal managed care health plans to exchange the required information.</p> <p>This bill would require the department to require that the MOU include additional components, including care coordination protocols between a county mental health plan and a Medi-Cal managed care health plan. The bill would require the department to annually evaluate the implementation of the MOU and related protocol and policies. The bill would require a county mental health plan and Medi-Cal managed care health plan that are unable to resolve a dispute to timely submit a request for resolution to the department.</p> <p>http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB1175</p> | |
| <p>AB 1494 (Aguiar-Curry)</p> | <p>This bill would provide that neither face-to-face contact nor a patient's physical presence on the premises of an enrolled community clinic, is required for services provided by the clinic to a Medi-Cal beneficiary during or immediately following a proclamation declaring a state of emergency. The bill would require that telehealth services, telephonic services, and other specified services be reimbursable when provided by one of those entities during or immediately following a state of emergency. The bill would require the department, on or before March 1, 2020, to establish a stakeholder process to assist the department in developing guidance for those entities to facilitate reimbursement for the above-described services, and, on or before July 1, 2020, to issue the specified guidance, including certain instructions on the submission of claims for telehealth or telephonic services.</p> <p>http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB1494</p> | <p>7/11/2019 - From committee: Amend, and do pass as amended and re-refer to Com. on APPR.</p> |

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| <p>AB 1642 (Wood)</p> | <p>Directs DHCS to conduct a preventive services outreach and education program. When requesting alternate access standards a plan must include how a beneficiary will access services and requires the plan to report annually on actual arrangements. Requires the plan to assist an enrollee in accessing out-of-network providers or provide transportation to an enrollee to obtain services. Requires DHCS to review alternate access requests for reasonableness. Requires EOC be updated with alternate access info. Requires DHCS to establish capitation rates for Medi-Cal managed care plans that ensure beneficiary access to Medi-Cal covered services. This bill would modify criteria for a finding of noncompliance or for other good cause under those provisions.</p> <p>The bill would expand the types of authorized sanctions and bases for sanctions, would raise the maximum limits of certain sanctions based on the number of violations, and would modify the terms of notice.</p> <p>http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB1642</p> | <p>CAHP/LHPC Oppose Unless Amended</p> <p>7/11/2019 - From committee: Amend, and do pass as amended and re-refer to Com. on APPR.</p> |
| <p>SB 10 (Beall)</p> | <p>This bill would require the State Department of Health Care Services to establish, no later than July 1, 2020, a statewide peer support specialist certification program, as a part of the state’s comprehensive mental health and substance use disorder delivery system and the Medi-Cal program. The bill would require an applicant for the certification as a peer support specialist to meet specified requirements, including successful completion of the curriculum and training requirements.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB10</p> | <p>07/03/19 From committee: Do pass and re-refer to Com. on APPR.</p> |
| <p>SB 29 (Lara)</p> | <p>Would, subject to an appropriation by the Legislature, extend eligibility for full-scope Medi-Cal benefits to individuals who are 65 years of age or older, and who are otherwise eligible for those benefits but for their immigration status. The bill would expand the requirements of the eligibility and enrollment plan, such as ensuring that an individual maintains their primary care provider without disruption to their continuity of care, would require the department to collaborate with the counties and designated public hospitals to maximize federal financial participation, and would require the department to work with designated public hospitals to mitigate financial losses related to the implementation of these requirements.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB29</p> | <p>LHPC Support</p> <p>7/10/2019 - From committee: Do pass and re-refer to Com. on APPR.</p> |

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| <p>SB 66 (Atkins)</p> | <p>This bill would authorize reimbursement for a maximum of 2 visits taking place on the same day at a single location if after the first visit the patient suffers illness or injury requiring additional diagnosis or treatment, or if the patient has a medical visit and a mental health visit or a dental visit, as defined. This bill would also include a licensed acupuncturist within those health care professionals covered under the definition of “visit.”</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB66</p> | <p>LHPC/CAHP Support</p> <p>7/3/2019 - From committee: Do pass and re-refer to Com. on APPR.</p> |
| <p>SB 159 (Wiener)</p> | <p>Would expand the Medi-Cal schedule of benefits to include preexposure prophylaxis and postexposure prophylaxis as pharmacist services. This bill would additionally prohibit plans and insurers from subjecting those drug treatments, including preexposure prophylaxis or postexposure prophylaxis, to prior authorization or step therapy. Would also not allow a health plan or PBM to prohibit an in-network pharmacy provider from dispensing these drugs.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB159</p> | <p>CAHP Concern</p> <p>7/11/2019 - From committee: Do pass as amended and re-refer to Com. on APPR</p> |
| <p>SB 163 (Portantino)</p> | <p>This bill would revise the definition of behavioral health treatment to require the services and treatment programs provided to be based on behavioral, developmental, behavior-based, or other evidence-based models.</p> <p>This bill also would expand the definition of a “qualified autism service professional” to include behavioral service providers who meet specified educational and professional or work experience qualifications. The bill would revise the definition of a “qualified autism service paraprofessional” by deleting the reference to an unlicensed and uncertified individual and by requiring the individual to comply with revised educational and training, or professional, requirements. The bill would also revise the definitions of both a qualified autism service professional and a qualified autism service paraprofessional to include the requirement that these individuals complete a background check.</p> <p>This bill would require the intervention plan designed by the qualified autism service provider, when clinically appropriate, to include parent or caregiver participation that is individualized to the patient and takes into account the ability of the parent or caregiver to participate in therapy sessions and other recommended activities. The bill would specify that the lack of parent or caregiver participation shall not be used to deny or reduce medically necessary services and that the setting, location, or time of treatment not be used as the only reason to deny medically necessary services.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB163</p> | <p>CAHP Oppose</p> <p>6/27/2019 - Read second time and amended. Re-referred to Com. on APPR.</p> |

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| <p>SB 207 (Hurtado)</p> | <p>This bill would include asthma preventive services, as defined, as a covered benefit under the Medi-Cal program no later than July 1, 2021, if the Legislature appropriates funds for that purpose. The bill would require the department, in consultation with external stakeholders, approve 2 accrediting bodies with expertise in asthma to review and approve training curricula for asthma preventive services providers, and would require the curricula to be consistent with specified federal and clinically appropriate guidelines. The bill would require a supervising licensed Medi-Cal provider and the Medi-Cal asthma preventive services provider to satisfy specified requirements, including the Medi-Cal asthma preventive services provider's completion of a training program approved by one of the accrediting bodies. The bill would require the department to adopt regulations by July 1, 2023, and to provide semiannual status reports to the Legislature until regulations have been adopted.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB207</p> | <p>7/10/2019 - From committee: Do pass and re-refer to Com. on APPR.</p> |
| <p>SB 260 (Hurtado)</p> | <p>This bill would require a health care service plan providing individual or group healthcare coverage or a health insurer to notify an enrollee, subscriber, policyholder, or certificate holder that the health care service plan or health insurer will provide the individual's contact information to the Exchange if the individual ceases to be enrolled in coverage. The bill would allow an individual to opt out of that transfer of information, and would require a health care service plan or health insurer to transfer the information of an individual who ceased to be enrolled in coverage and who did not opt out to the Exchange beginning January 1, 2021, in a manner prescribed by the Exchange.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB260</p> | <p>CAHP Concern</p> <p>6/26/2019 - From committee: Do pass and re-refer to Com. on APPR.</p> |
| <p>SB 361 (Mitchell)</p> | <p>The bill would require the department to require administering Medi-Cal managed care plans to take specified actions, relating to provider rates, partnerships, and reports, for purposes of adult beneficiaries who have a level of severity in certain conditions based on chronic homelessness, to achieve the goal of 1/3 of program participants being from that population. This bill would require the outreach and engagement to be in person. Removes existing general fund spending restrictions.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB361</p> | <p>CAHP/LHPC Support if Amended</p> <p>7/1/2019 - Read second time and amended. Re-referred to Com. on APPR.</p> |

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| <p>SB 382 (Nielson)</p> | <p>This bill would require a Medi-Cal managed care health plan to ensure that an enrollee who remains in a general acute care hospital continues to receive medically necessary postacute care services at the general acute care hospital if specified requirements are met, including that the Medi-Cal managed care health plan is unable to locate a postacute care facility within the plan’s network, as a result of a state of emergency, for purposes of transferring the enrollee to the postacute care facility. The daily reimbursement for health care provided by the general acute care hospital until the transfer occurs shall be, at a minimum, the acute administrative day rate established by the department.</p> <p>http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200SB382</p> | <p>CAHP Oppose Unless Amended</p> <p>7/11/2019 - Read second time and amended. Re-referred to Com. on APPR.</p> |
| <p>SB 503 (Pan)</p> | <p>Authorizes “good cause” to be based on findings of serious deficiencies that have the potential to endanger patient care and are identified in the specified medical audits, and would conform the civil penalties to federal law.</p> <p>This bill would require a Medi-Cal managed care plan to conduct, commencing January 1 2020, specified audits of its subcontractors, including an annual medical audit of any subcontractor that performs delegated functions involving medical review and decisionmaking. The bill would require a Medi-Cal managed care plan to report to the department the findings and certificate of completion of, and any deficiencies discovered by, the finalized annual medical audit, and to make available the finalized medical audit upon the department’s request. The bill would require the department to post the annual medical report on its internet website, to develop a standardized process for Medi-Cal managed care plan audits that meets specified requirements, including requirements related to corrective action validation, and to provide this guidance to the Medi-Cal managed care plans by means of an all-plan letter.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB503</p> | <p>6/26/2019 - From committee: Do pass and re-refer to Com. on APPR.</p> |
| <p>SB 583 (Jackson)</p> | <p>This bill would expand required coverage for clinical trials under a plan contract or insurance policy to include a clinical trial relating to the prevention, detection, or treatment of a life-threatening disease or condition, as defined, and include a clinical trial funded by, among others, a qualified nongovernmental research entity. The bill would prohibit a plan contract or insurance policy from, among other things, discriminating against an enrollee or insured for participating in an approved clinical trial. The bill would authorize a plan or insurer to require a qualified enrollee or insured to participate in a clinical trial, as specified, and to restrict coverage to an approved clinical trial in this state, unless the clinical trial is not offered or available through a participating provider in this state.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB583</p> | <p>CAHP Oppose</p> <p>6/26/2019 - From committee: Do pass and re-refer to Com. on APPR.</p> |

| | | |
|---------------------------------------|---|---|
| <p>SB 600 (Portantino)</p> | <p>This bill would add to the schedule of benefits standard fertility preservation services when a medically necessary treatment may cause iatrogenic infertility to a beneficiary.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB600</p> | <p>CAHP Oppose</p> <p>7/10/2019 - From committee: Do pass and re-refer to Com. on APPR.</p> |
| <p>SB 746 (Bates)</p> | <p>This bill would require health care service plan contracts and health insurance policies issued, amended, or renewed on or after January 1, 2020, that cover chemotherapy or radiation therapy for the treatment of cancer to also cover anticancer medical devices. The bill would define “anticancer medical device” as a medical device that has been approved for marketing by the federal Food and Drug Administration or is exempt from that approval, is primarily designed to be used outside of a medical facility, and has been prescribed by an authorized provider upon the provider’s determination that the device is medically reasonable and necessary for the treatment of the patient’s cancer.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB746</p> | <p>CAHP Oppose</p> <p>6/26/2019 - June 26 set for first hearing. Placed on APPR. suspense file.</p> |



Governed Reporting System

Kern Health Systems Attachment E

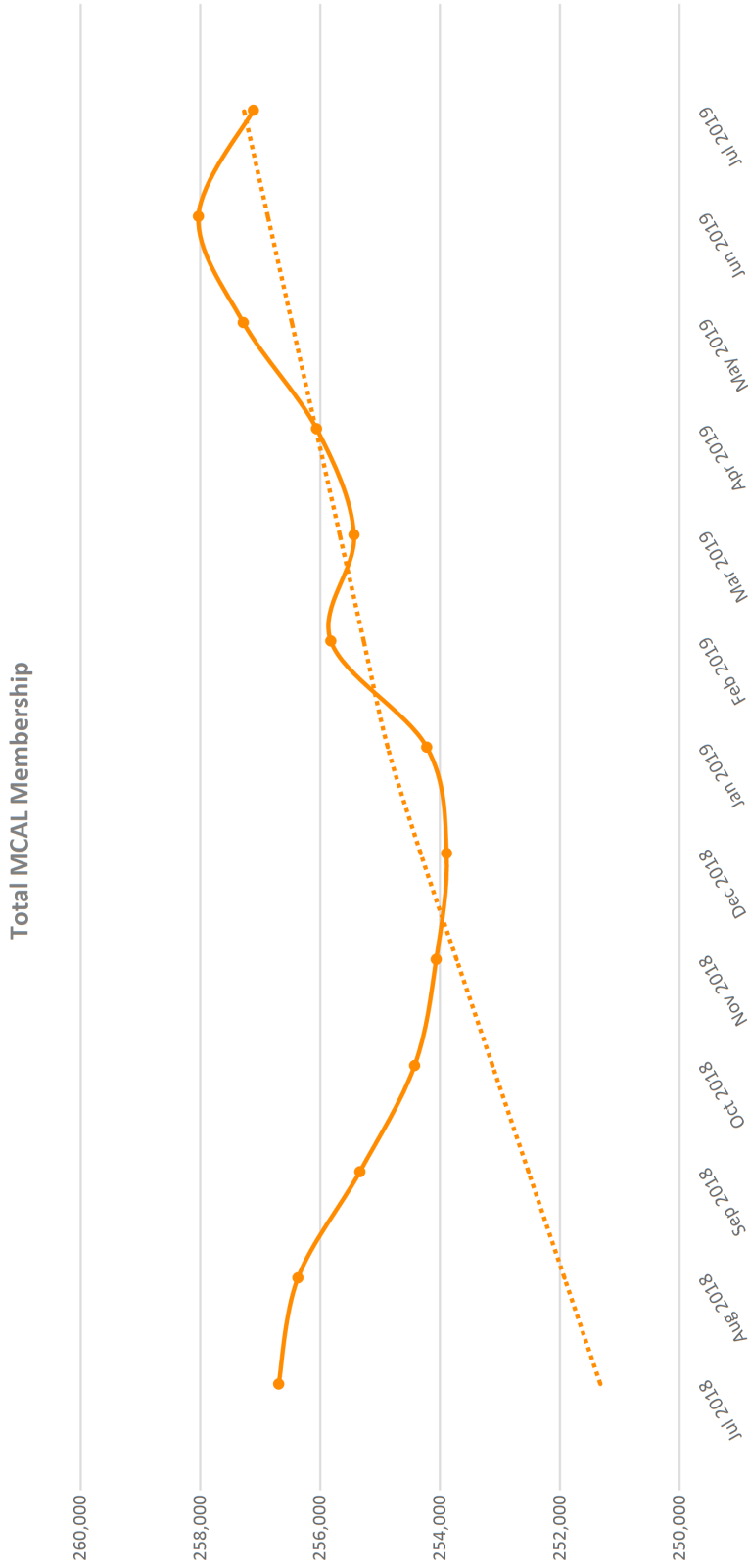
**KHS Dashboard Performance Reports
(Critical Performance Measurements)**



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



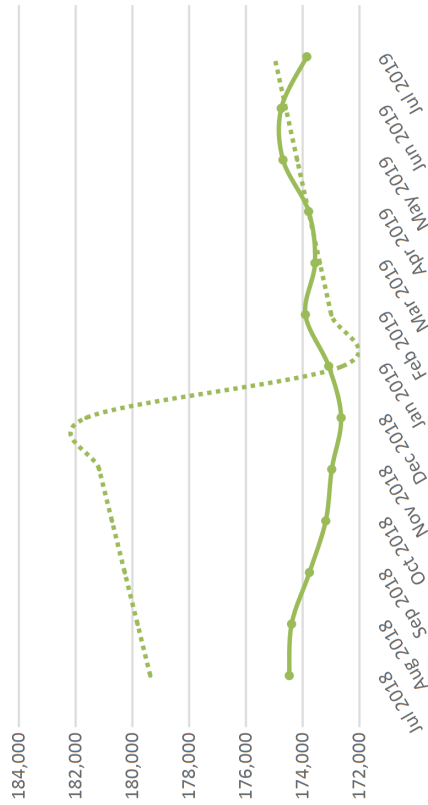


Governed Reporting System

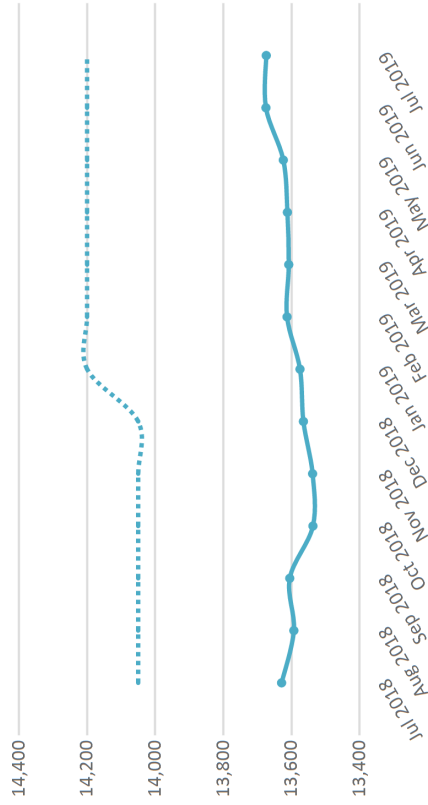
Membership

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

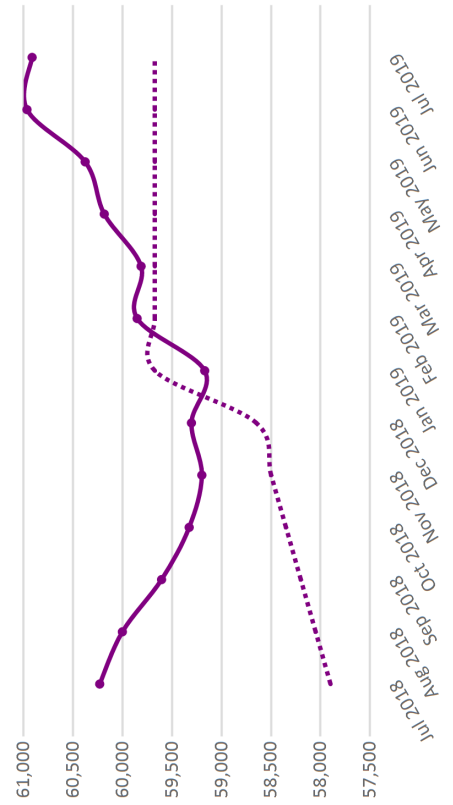
MCAL Family/Other Membership



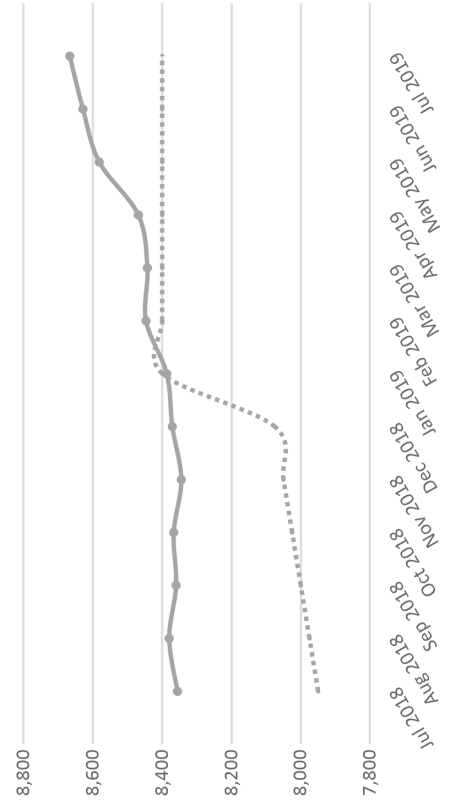
MCAL SPD Membership



MCAL Expansion Membership



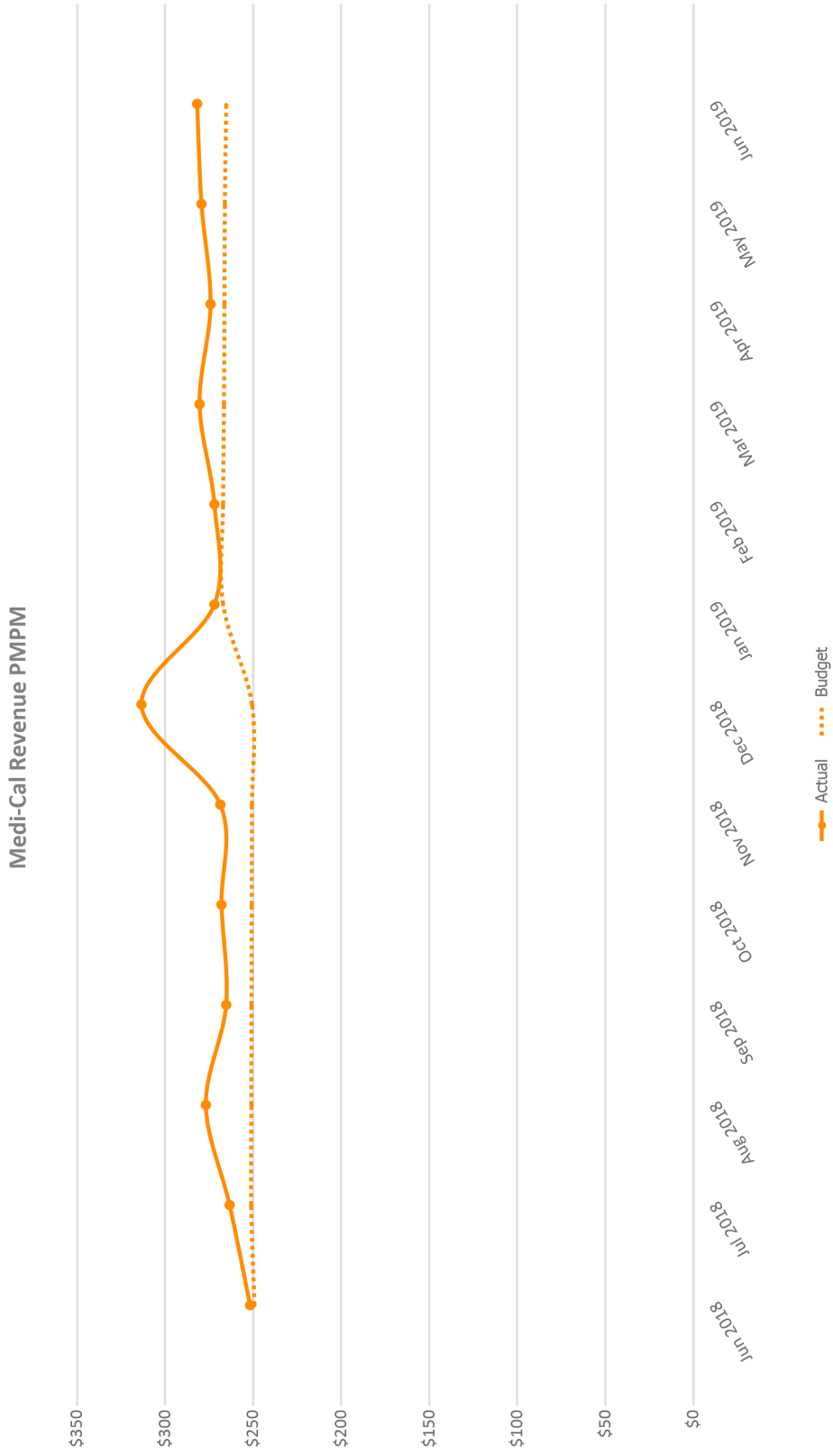
KP Membership





Governed Reporting System

Revenue





Governed Reporting System

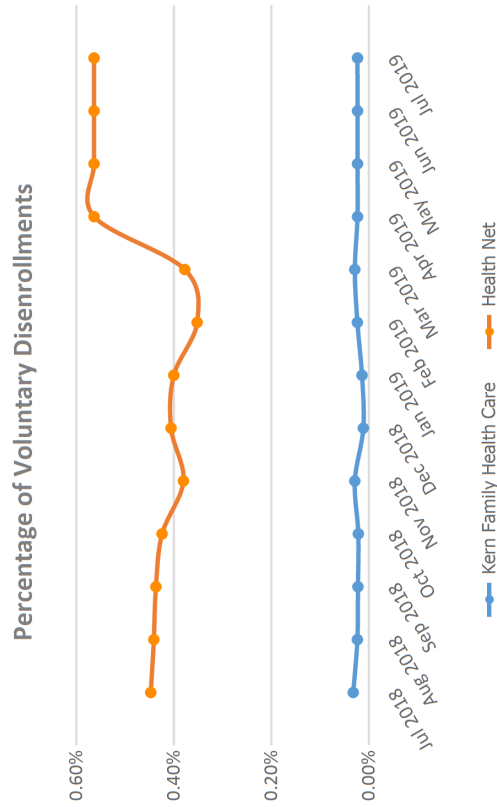
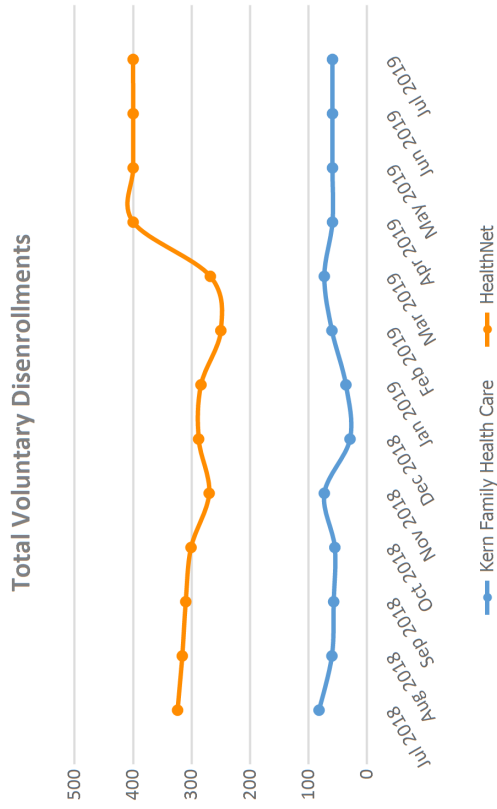
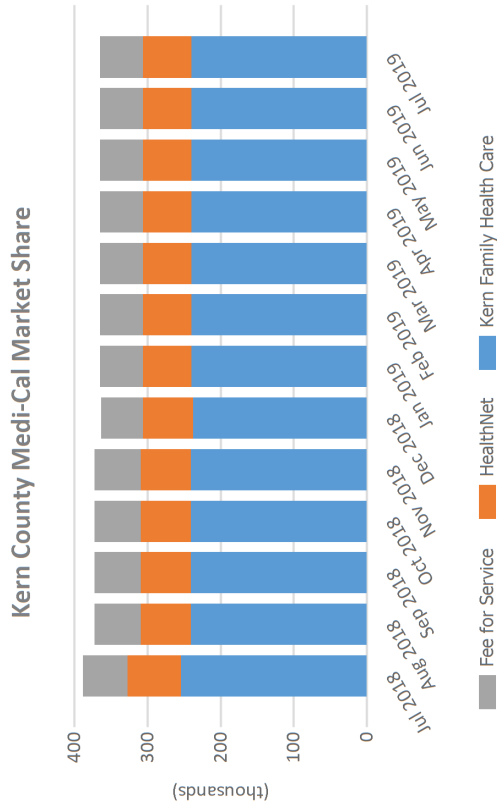
Kern Health Systems

Performance Reports
Operations Metrics



Governed Reporting System

Enrollment - Market Share

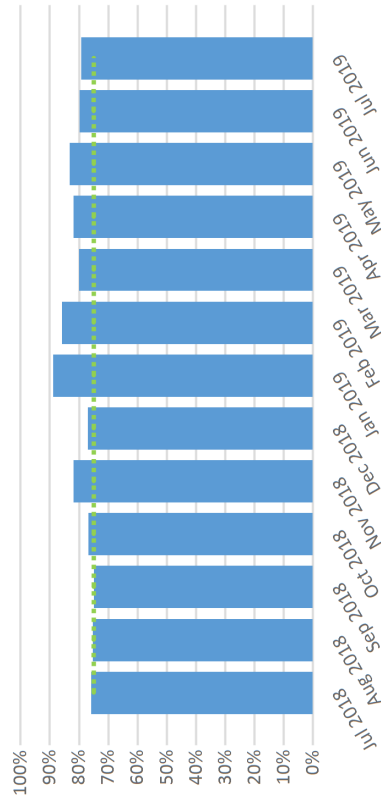




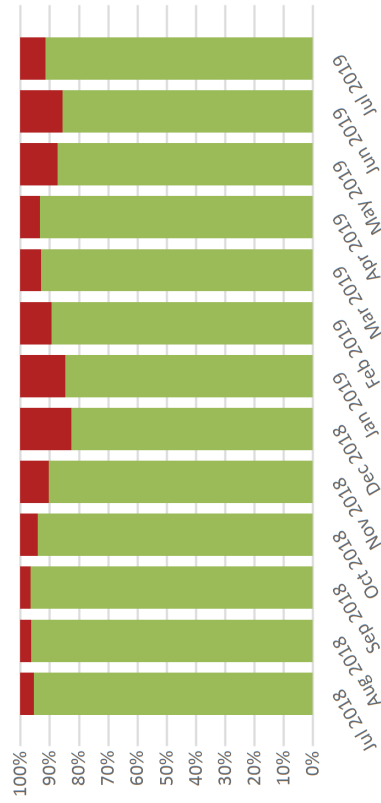
Governed Reporting System

Claims Efficiency and Quality

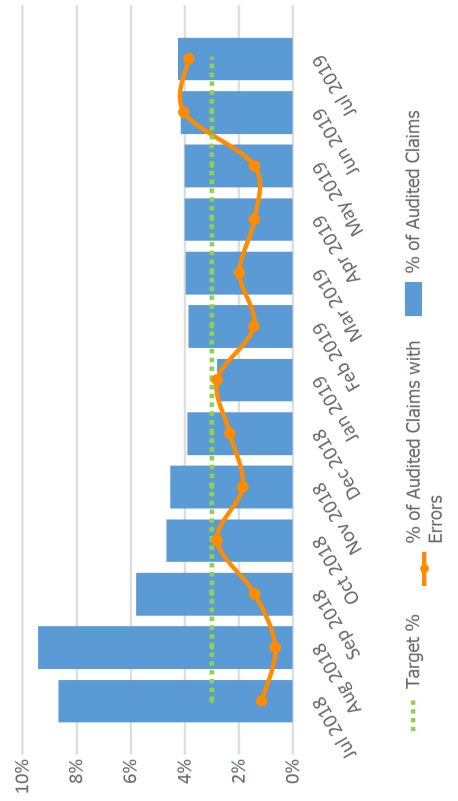
Claims Auto-Adjudication Rates



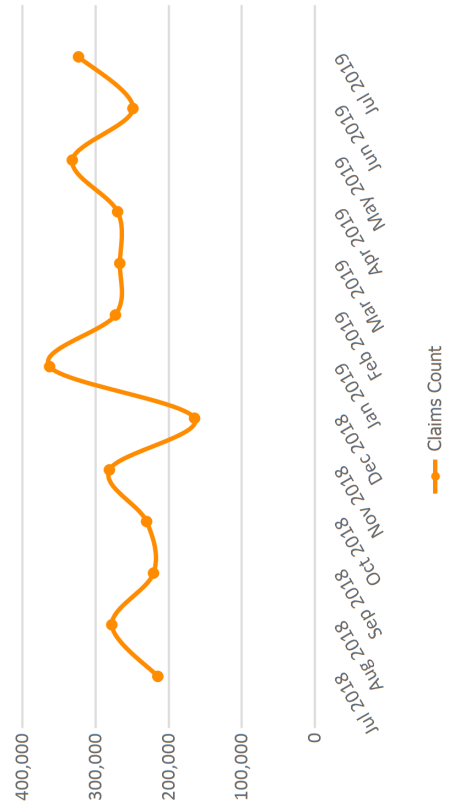
Claims Turnaround Days



Claims Audit Percentage and Accuracy



Claims Processed

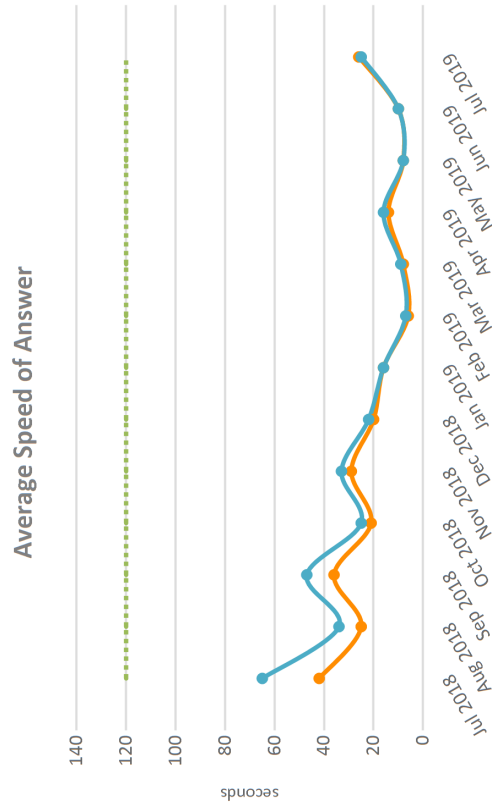
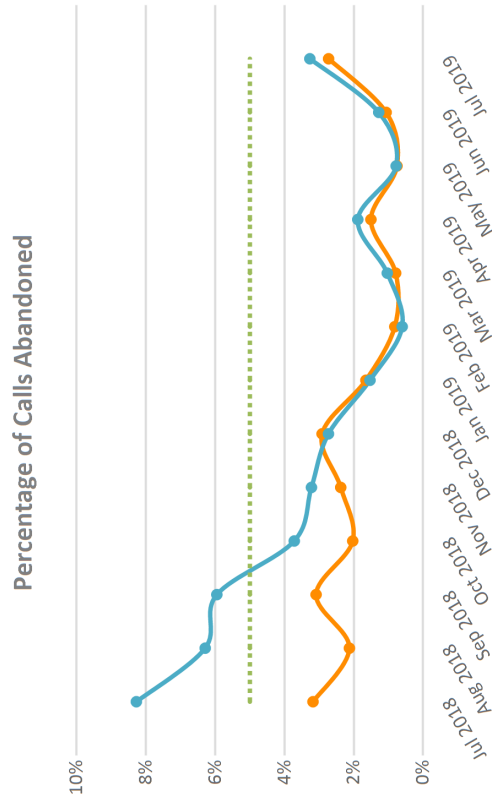
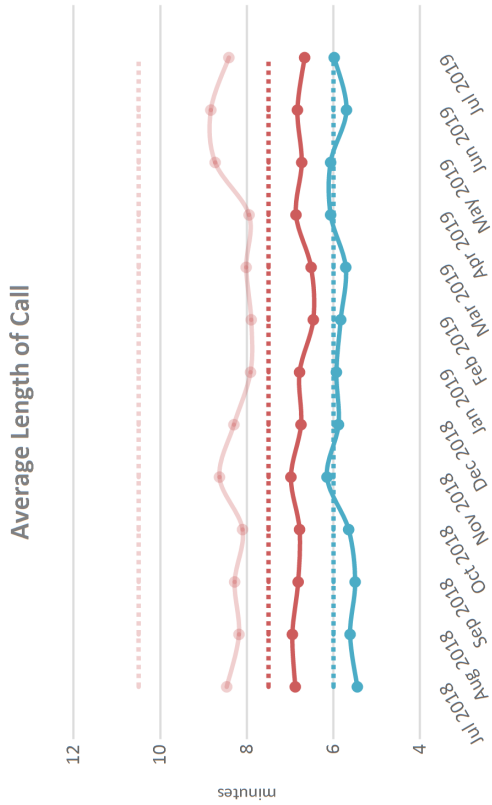
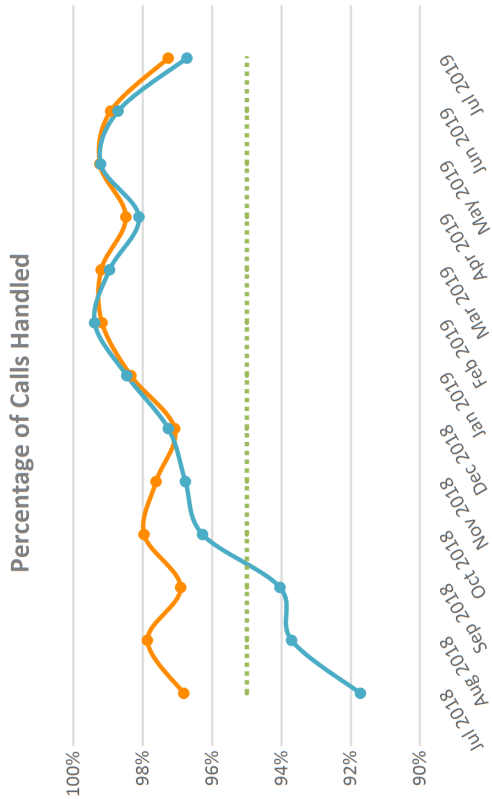




Governed Reporting System

Member Services

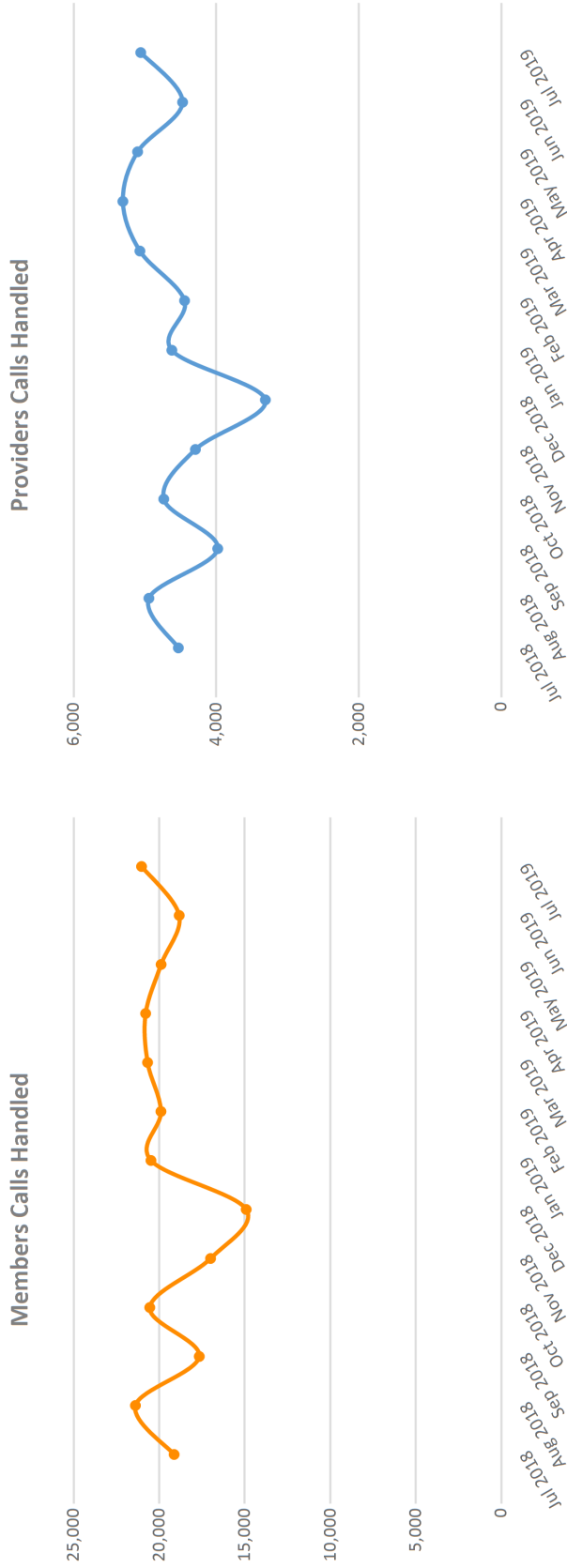
—●— Members - English
—●— Members - Spanish
—●— Providers
- - - Target





Governed Reporting System

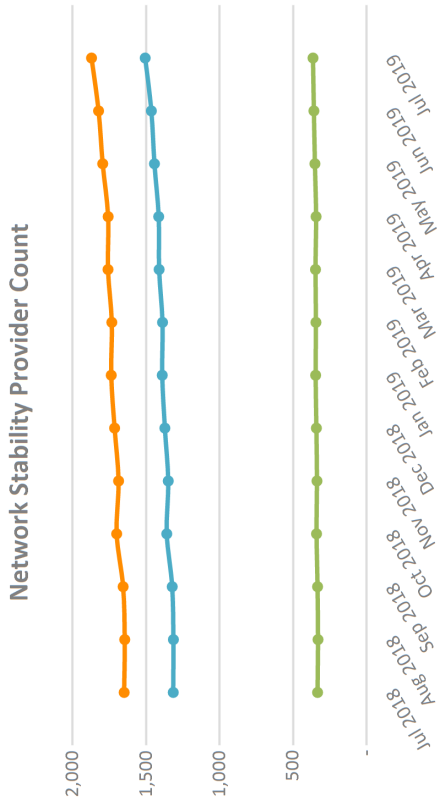
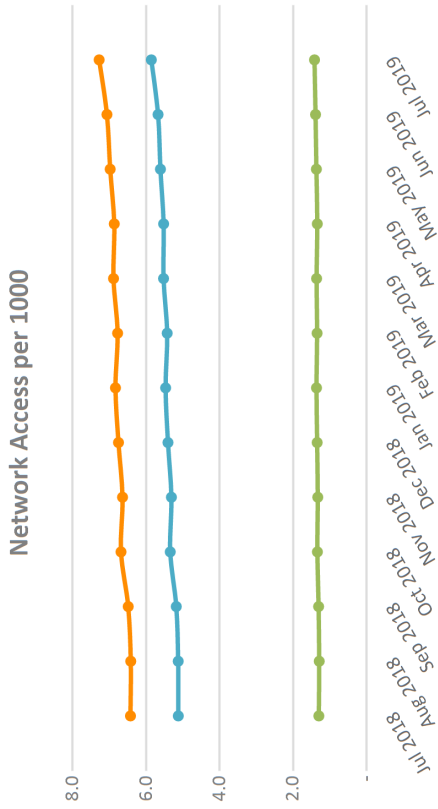
Member Services Calls Handled



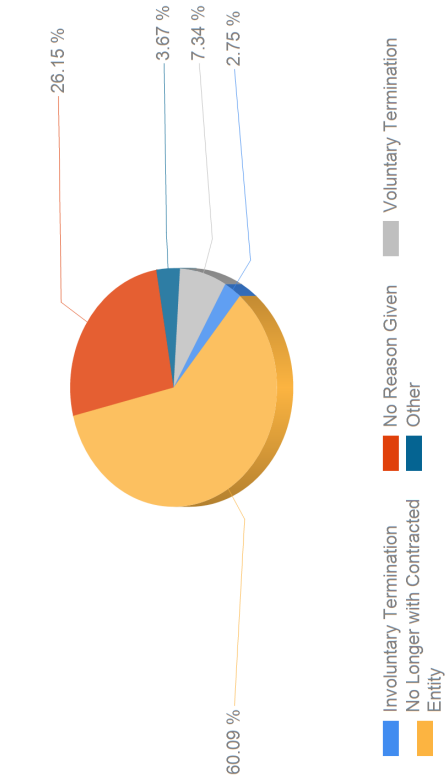


Governed Reporting System

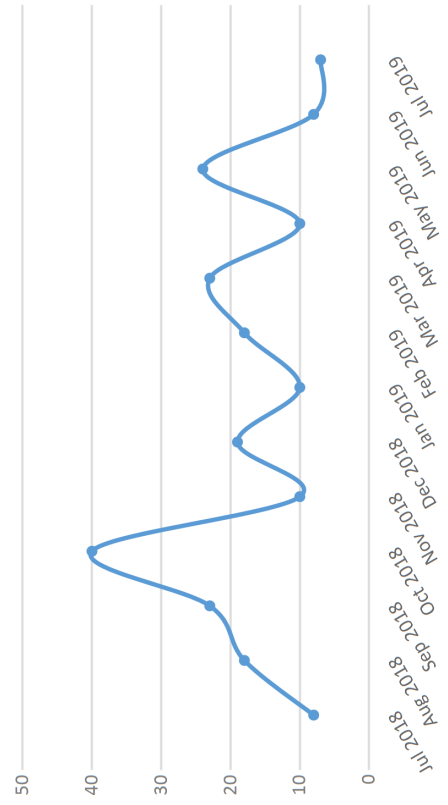
Provider Network and Terminations




Provider Terminations by Reason



Provider Terminations



Attachment F

|  KERN HEALTH SYSTEMS MANAGED CARE STAFFING RATIOS - June 30, 2019 2nd Quarter End | | KERN HEALTH SYSTEMS | |
|--|---|---|--|
| SEGMENTED CATEGORY: | | <i>MediCal</i> <i>Actual</i> 255,750 <i>Not for Profit</i> | June 2019 <i>Budgeted Membership</i> 259,880 |
| ENROLLMENT TYPE | | 391 | 412 |
| MEMBERSHIP SIZE | | | |
| CORPORATE STATUS | | | |
| FULL TIME EMPLOYEE COUNT (FTE) | | | |
| RATIO | | | 1 FTE/Members |
| EXECUTIVE | | | |
| | Executive Dept. Total FTE | 4 | 4 |
| | Executive Dept. RATIO FTEs/MEMBERS | 63,938 | 64,970 |
| ACCOUNTING | | | |
| | Accounting Dept. Total FTE | 14 | 14 |
| | Accounting Dept. RATIO FTEs/Members | 18,268 | 18,563 |
| IT | | | |
| | IT Dept. Total FTE | 33 | 36 |
| | MIS Dept. RATIO FTEs/MEMBERS | 7,750 | 7,219 |
| BI | | | |
| | BI Dept. Total FTE | 15 | 16 |
| | BI Dept. RATIO FTEs/MEMBERS | 17,050 | 16,243 |
| CLAIMS | | | |
| | Claims Dept. Total FTE | 56 | 56 |
| | Claims Dept. RATIO FTEs/MEMBERS | 4,567 | 4,641 |
| PROJECT MANAGEMENT | | | |
| | Project Management Dept. Total FTE | 9 | 9 |
| | Project Management Dept. RATIO FTEs/MEMBERS | 28,417 | 28,876 |
| UTILIZATION MANAGEMENT | | | |
| | UM Mgmt. Dept. Total FTE | 58 | 62 |
| | UM Dept. RATIO FTEs/MEMBERS | 4,409 | 4,192 |
| CASE MANAGEMENT | | | |
| | Case Mgmt. Dept. Total FTE | 22 | 25 |
| | Case Mgt. Dept. RATIO FTEs/MEMBERS | 11,625 | 10,395 |
| HEALTH HOMES | | | |
| | Health Homes Dept. Total FTE | 8 | 10 |
| | Health Homes Dept. RATIO FTEs/MEMBERS | 31,969 | 25,988 |
| QI | | | |
| | QI Dept. Total FTE | 13 | 13 |
| | QI Dept. RATIO FTEs/MEMBERS | 19,673 | 19,991 |
| HEALTH ED | | | |
| | Health Ed Dept. Total FTE | 11 | 11 |
| | Health Ed. RATIO FTEs/MEMBERS | 23,250 | 23,625 |
| PHARMACY | | | |
| | Pharmacy Dept. Total FTE | 11 | 11 |
| | Pharmacy Dept. RATIO FTEs/MEMBERS | 23,250 | 23,625 |
| DISEASE MANAGEMENT | | | |
| | Disease Management Dept. Total FTE | 9 | 9 |
| | Disease Management Dept. RATIO FTEs/MEMBERS | 28,417 | 28,876 |
| PROVIDER NETWORK MANAGEMENT | | | |
| | Provider Relations Dept. Total FTE | 25 | 25 |
| | Provider Relations Dept. RATIO FTEs/MEMBERS | 10,230 | 10,395 |
| MEMBER SERVICES | | | |
| | Member Services Dept. Total FTE | 74 | 81 |
| | Member Services Dept. RATIO FTEs/MEMBERS | 3,456 | 3,208 |
| CORPORATE SERVICES | | | |
| | Corporate Services Dept. Total FTE | 7 | 7 |
| | Corporate Services Dept. RATIO FTEs/MEMBERS | 36,536 | 37,126 |
| COMPLIANCE | | | |
| | Compliance Dept. Total FTE | 6 | 6 |
| | Compliance Dept. RATIO FTEs/MEMBERS | 42,625 | 43,313 |
| MARKETING | | | |
| | Marketing Dept. Total FTE | 4 | 5 |
| | Marketing Dept. RATIO FTEs/MEMBERS | 63,938 | 51,976 |
| HUMAN RESOURCES | | | |
| | HR Dept. Total FTE | 12 | 12 |
| | HR Dept. RATIO FTEs/MEMBERS | 21,313 | 21,657 |
| ORGANIZATIONAL VIEW | | | |
| | Org. View Total FTE | 391 | 412 |
| | Org. View RATIO FTEs/MEMBERS | 654 | 631 |

Kern Health Systems Human Resources

Kern Health Systems 2019 Project Summary – Q2



Attachment G

Open Projects

| Project Title | Start Date | End Date | Percent Complete | Project Objectives |
|---|------------|----------|------------------------------------|---|
| Medical Management System Enhancements | 3/2018 | 8/2019 | 90% | Implement enhancements to the JIVA product to improve the user experience for Health Services and providers. |
| Medical Management System Conversion - Phase II/III | 1/2018 | 11/2019 | Phase II - 100% Phase III - 80% | Migrate Health Education, Case Management, Disease Management, Quality Improvement, Health Homes Program and Appeals departments from custom workflows to the Jiva Medical Management platform. |
| Hospital Directed Payments | 8/2018 | 9/2019 | 90% | Project added to allow KHS to accurately pass through hospital directed payments from DHCS based on accepted encounter data by KHS and DHCS. |
| New Building Occupation | 10/2018 | 9/2019 | 90% | To ensure a seamless relocation to Buck Owens building without any unscheduled downtime of KHS Operations. |
| HHP State Alignment | 1/2019 | 12/2019 | 65% | Implement DHCS aligned Health Homes Program by regulatory deadlines. |
| Internal Dashboards 2019 | 1/2019 | 12/2019 | 50% | Create additional internal KHS departmental dashboards with key performance indicators to encourage performance improvement and help provide levels of internal controls. |
| Corporate Website Support | 2/2019 | 8/2019 | 85% | Engage Coffey Communications to redesign and support the corporate website to improve the maintenance process. |
| Claims Editing Software (CES) Upgrade | 2/2019 | 10/2019 | 60% | Upgrade the CES system and Knowledgebase in order to bring the system/edits up to date with current Medi-Cal guidelines. |
| Microsoft Server Upgrades | 03/2019 | 08/2019 | 80% | Upgrade 49 servers to current versions to ensure all applications continue to be supported and remain secured. |
| Enterprise Logging | 03/2019 | 11/2019 | 40% | Create a dashboard to monitor all IT jobs and provide visibility to impacted functions within each operational area. |
| SPD HRA Completion | 4/2019 | 11/2019 | 60% | Engage vendor to assist KHS with reaching out to SPD members annually for HRA completion in compliance with state mandate. |
| Clinical Engagement Internal Management | 04/2019 | 12/2019 | 20% | Establish education and training program to illustrate how PCP's may improve their performance to achieve the "Triple Aim" objective. |
| Networx Modeler and Pricer – Professional | 05/2019 | 12/2019 | 20% | Procure and Implement NetworX system to migrate provider contract pricing, improve auto adjudication, and automatic claims pricing. |
| HEDIS/MCAS Quality Measures Revisions | 06/2019 | 03/2020 | 10% | Update HEDIS software to ensure data collection and reporting for all updated HEDIS/MCAS measures. Project added as a result of DHCS changes. |
| RDT/Encounter Reconciliation | 06/2019 | 03/2020 | 10% | Create reconciliation process to ensure accuracy with RDT report and Encounter data on state stoplight report. Project added as a result of DHCS changes. |

Kern Health Systems 2019 Project Summary – Q2



| | | | | |
|---|---------|---------|----|--|
| Call Center Knowledge Management Solution | 07/2019 | 12/2019 | 5% | Procure and implement a knowledge management solution that will reduce internal Member Services representatives' requests for assistance. |
| Pay for Performance Program Update | 07/2019 | 03/2020 | 5% | Update Pay for Performance Program to ensure compliance with new DHCS regulations and support performance of revised HEDIS/MCAS measures. Project added as a result of DHCS changes. |
| CACTUS Upgrade | 07/2019 | 6/2020 | 5% | Procure and implement an update to the CACTUS credentialing platform to ensure continued product support. |
| KHS BizTalk Upgrade | 09/2019 | 11/2019 | 0% | BizTalk system upgrade required to ensure continued product support. |
| Category of Aid Reconciliation | 09/2019 | 03/2020 | 0% | Update membership processing to ensure persistent reconciliation of Category of Aid with RDT and benchmark and encounters for COA service type. Project added as a result of DHCS changes. |

Completed Projects

| Project Title | Start Date | End Date | Realized Benefit |
|---|------------|----------|--|
| Alternative Payment Methodology Phase II | 1/2018 | 5/2019 | Implemented alternative payment methods that will contribute to cost savings, better patient outcomes, and shared risk through collaboration. Migrated 16 contracts to Networx pricing tool reducing manual pricing by 64% and increasing auto-adjudication by 14%. |
| Claims Audit Tool | 4/2018 | 2/2019 | Implemented new auditing tool and reduced preventable errors and overpayments by 18%. |
| Coordination of Benefits for Dual-Eligible Members (COBA/OHC) | 1/2018 | 2/2019 | Complied with DHCS regulatory requirements by working with CMS to exchange Coordination of Benefits information for dual-eligible members and to incorporate additional OHC data. |
| Diabetes Prevention Program | 11/2018 | 4/2019 | Created CDC approved curriculum and began offering DHCS required Diabetes Prevention Program by the regulatory deadlines. |
| Document Repository Migration | 1/2017 | 4/2019 | Migrated KHS digital document repository from a product that is no longer supported. Implemented and integrated new digital document repository. |
| External Dashboards | 2/2018 | 9/2018 | Redesigned the Provider Practice dashboard. Provider adoption is expected to increase by 5%. Results to be measured with 2019 Clinical Engagement project. |
| Health Home Program (HHP) Expansion | 1/2018 | 3/2019 | Launched 2 new Health Home Program Sites. Prepared a 3 rd site to be launched with 2019 HHP project. |
| Internal Dashboards 2018 | 1/2018 | 3/2019 | Created 3 additional internal KHS departmental dashboards with at least 4 key performance indicators to encourage performance improvement and help provide levels of internal controls. |
| Medi-Cal Redetermination | TBD | TBD | Work with Kern County DHCS to increase the current Annual Eligibility Redetermination. – <i>Project cancelled.</i> |
| Member Engagement – Pre and Post Natal Utilization | 3/2019 | 7/2019 | Created a pilot Member Engagement Program to encourage members to seek pre/post-natal care which results in improved health outcomes. Created pilot parameters that can be replicated to development additional member engagement programs. – To be measured 2022 Q2 |

Kern Health Systems 2019 Project Summary – Q2



| | | | |
|------------------------------------|---------|--------|--|
| QI Site Review Automation Phase II | 4/2018 | 6/2019 | Automate remaining site review forms to reduce site review time by 1 hour per review. – <i>Project cancelled due to numerous state changes to site review fields and format.</i> |
| QNXT Upgrade Q4 | 11/2018 | 2/2019 | Installed QNXT upgrade and CA specific enhancements to stay within contract guidelines. |
| Telehealth-E-Consults/ Teledocs | 2/2019 | 7/2019 | Contract with a Telehealth provider to increase member access to urgent primary care services and reduce ER/UC utilization. – <i>Project cancelled.</i> |
| Translation Tool | 2/2019 | 5/2019 | Procured and installed computer assisted translation tool to reduce translation errors. |
| Zelis Claims Review Process | 8/2018 | 6/2019 | Project added to implement the Zelis claims review process which will detect and prevent overpayments. – To be measured 2019 Q4 |

SUMMARY

FINANCE COMMITTEE MEETING

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

Friday, June 7, 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

SUMMARYFinance Committee Meeting
Kern Health SystemsPage 2
6/7/2019

-
- CA-3) Minutes for KHS Finance Committee meeting on April 5, 2019 -
APPROVED
McGlew-Melendez: 3 Ayes; 1 Absent – Rhoades
- 4) Report on KHS investment portfolio for the first quarter ending March 31, 2019
(Fiscal Impact: None) – IRA COHEN, UBS FINANCIAL SERVICES, INC., HEARD;
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: 3 Ayes; 1 Absent – Rhoades
- 5) Proposed renewal and binding of employee benefit plans for medical, vision, dental,
life insurance, short-term and long-term disability, and long-term care effective
September 1, 2019 (Fiscal Impact: \$5,920,000 Estimated; Budgeted) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: 3 Ayes; 1 Absent – Rhoades
- 6) 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:
\$660,000 Estimated; Budgeted) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Melendez-McGlew: 3 Ayes; 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) 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) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Melendez-McGlew: 3 Ayes; 1 Absent – Rhoades
- 9) 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) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Melendez-McGlew: 3 Ayes; 1 Absent – Rhoades
- 10) 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) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Melendez-McGlew: 3 Ayes; 1 Absent – Rhoades

SUMMARY
Finance Committee Meeting
Kern Health Systems

Page 3
6/7/2019

- 11) Report on Kern Health Systems financial statements for February 2019, March 2019 and April 2019 (Fiscal Impact: None) –
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Melendez-McGlew: 3 Ayes; 1 Absent – Rhoades

- 12) 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) –
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: 3 Ayes; 1 Absent – Rhoades

ADJOURN TO FRIDAY, AUGUST 9, 2019 AT 8:00 A.M.

