



**KERN HEALTH
SYSTEMS**

**FINANCE COMMITTEE
MEETING**

Friday, December 7, 2018

at

8:00 a.m.

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

For more information, call (661) 664-5000

AGENDA

FINANCE COMMITTEE MEETING

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

Friday, December 7, 2018

8:00 A.M.

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

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

COMMITTEE TO RECONVENE

Members: Deats, McGlew, Melendez, Rhoades

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 COMMITTEE 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 COMMITTEE CONCERNING THE ITEM BEFORE ACTION IS TAKEN.

STAFF RECOMMENDATION 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!**

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))
- CA-3) Minutes for KHS Finance Committee meeting on October 5, 2018 -
APPROVE
- 4) Report on Kern Health Systems investment portfolio for the third quarter ending September 30, 2018 (Fiscal Impact: None) –
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 5) Proposed policy with OPTUM for reinsurance to mitigate costs incurred by Kern Health Systems for members with high dollar inpatient admissions from January 1, 2019 through December 31, 2019 in an amount not to exceed \$0.51 per member per month (Fiscal Impact: \$1,521,891 estimated; Budgeted) –
APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 6) Proposed Kern Health Systems 2019 Operating and Capital Budgets (Fiscal Impact: None) –
APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 7) Proposed Budget Request for 2019 Project Consulting Professional Services, from January 1, 2019 through December 31, 2019 (Fiscal Impact: \$5,321,753; Budgeted) –
APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 8) Proposed Information Technology 2019 New Building Purchases, from January 1, 2019 through December 31, 2019 (Fiscal Impact: \$1,665,250; Budgeted) –
APPROVE; REFER TO KHS BOARD OF DIRECTORS

Agenda
Finance Committee Meeting
Kern Health Systems

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- 9) Report on Kern Health Systems financial statements for September 2018 and October 2018 (Fiscal Impact: None) –
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 10) Report on Accounts Payable Vendor Report, Administrative Contracts under \$100,000 budgeted and \$50,000 non-budgeted for September 2018 and October 2018 (Fiscal Impact: None) –
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS

ADJOURN TO FRIDAY, FEBRUARY 8, 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 KHS Finance Committee 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

FINANCE COMMITTEE MEETING

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

Friday, October 5, 2018

8:00 A.M.

COMMITTEE RECONVENED AT 8:00 A.M.

Members present: Deats, McGlew, Melendez, Rhoades

Members absent: Casas

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

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

COMMITTEE ACTION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Committee members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code Section 54954.2(a)(2))
NO ONE HEARD

- CA-3) Minutes for KHS Finance Committee meeting on August 3, 2018 -
APPROVED
Rhoades-McGlew: 4 Ayes; 1 Absent – Casas
- 4) Proposed Agreement with VOYA, to administer services related to the Employer 401(a) and 457(b) Retirement Plans (Fiscal Impact: None) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-McGlew: 4 Ayes; 1 Absent – Casas
- 5) Proposed Agreement with Crayon Software Experts, LLC, to purchase Microsoft Licensing, maintenance and technical support, from January 1, 2019 through December 31, 2021, in an amount not to exceed \$844,495 (Fiscal Impact: \$844,495; Budgeted) -
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-McGlew: 4 Ayes; 1 Absent – Casas
- 6) Proposed Purchasing agreements associated with the new building for technology infrastructure, from October 11, 2018 through December 31, 2018, in an amount not to exceed \$1,500,000 (Fiscal Impact: \$1,500,000; Budgeted) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-McGlew: 4 Ayes; 1 Absent – Casas
- 7) Unusual travel request for Kern Health Systems Director of Government Affairs and Business Development to attend the Project Management Institute’s PMO Symposium in Washington DC, from November 11, 2018 through November 14, 2018, in an amount not to exceed \$4,047 (Fiscal Impact: \$4,047; Budgeted) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-McGlew: 4 Ayes; 1 Absent – Casas
- 8) Unusual travel request for Kern Health Systems Project Management Supervisor to attend the Project Management Institute’s PMO Symposium in Washington DC, from November 10, 2018 through November 14, 2018, in an amount not to exceed \$4,082 (Fiscal Impact: \$4,082; Budgeted) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Rhoades: 4 Ayes; 1 Absent – Casas
- 9) Report on Kern Health Systems financial statements for July 2018 and August 2018 (Fiscal Impact: None) –
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-Melendez: 4 Ayes; 1 Absent – Casas
- 10) Report on Accounts Payable Vendor Report, Administrative Contracts under \$100,000 budgeted and \$50,000 non-budgeted for July 2018 and August 2018 (Fiscal Impact: None) –
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-Melendez: 4 Ayes; 1 Absent – Casas

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Kern Health Systems

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ADJOURN TO FRIDAY, DECEMBER 7, 2018 AT 8:00 A.M.

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

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To: KHS Finance Committee

From: Robert Landis, CFO

Date: December 7, 2018

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, fund capital projects and distribute pass-through monies waiting for additional approvals and/or support to be paid. Additionally, extra liquidity is maintained in the event the State is late with its monthly capitation payment and/or MCO Tax reimbursements.

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; Refer to KHS Board of Directors.

**Kern Health Systems
Investment Portfolio
September 30, 2018**

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 and/or overpayments. 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)	\$ 300,000	0.12%	100%	0.65%	1 Day	None
Morgan Stanley Money Market	(A)	\$ 31,400,000	12.90%	20%	1.99%	1 Day	None
Local Agency Investment Fund (LAIF)	(B)	\$ 59,600,000	24.48%	50%	2.09%	2 Days	None
US T-Bills at Wells Fargo	(1)	\$ 57,900,000	23.78%	100%	1.95%	1 Day	Subject to Interest Rate Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	\$ 20,900,000	8.58%		1.87%	3 Days	Subject to Interest Rate Fluctuations
Sub-Total		\$ 170,100,000	69.86%		1.99%		

Long Term Port Folio (1 - 5 years)

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

UBS Managed Portfolio	(D)	\$ 71,400,000	29.32%		2.90%	3 Days	Subject to Interest Rate and Credit Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	\$ 2,000,000	0.82%		2.67%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total		\$ 73,400,000	30.14%		2.89%		
Total Portfolio		\$ 243,500,000	100.00%		2.27%		

Yield Curve

<u>Yield Curve</u>	<u>A</u>			
	<u>Treasuries</u>	<u>AA Corporate Bonds</u>	<u>Corporate Bonds</u>	<u>CD's</u>
1 year	2.60%	2.65%	2.75%	2.50%
2 year	2.88%	2.90%	3.00%	2.95%
3 year	2.97%	3.00%	3.10%	3.10%
5 year	3.05%	3.25%	3.45%	3.35%

- (A) \$15 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 \$88 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 will be primarily utilized to fund 2019 capital projects, which includes the completion of the new office building.



UBS Client Review

as of September 30, 2018

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

Financial Advisor:
The Cohen Group
661-663-3200

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	

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Executive summary

as of September 30, 2018

Asset allocation review

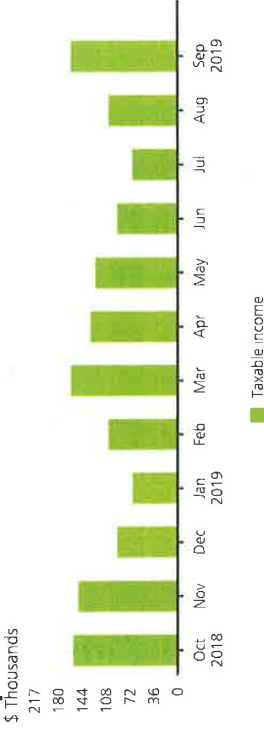
	Value on 09/30/2018 (\$)	% of portfolio
A Cash	122,183.65	0.17
Cash	122,183.65	0.17
B Fixed Income	71,294,675.87	99.83
US	71,294,675.87	99.83
C Equity	0.00	0.00
D Commodities	0.00	0.00
E Non-Traditional	0.00	0.00
F Other	0.00	0.00
Total Portfolio	\$71,416,859.52	100%

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



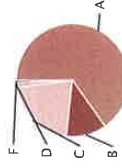
Total taxable income: \$1,452,121.75
Total expected cash flow: \$1,452,121.75
 Cash flows displayed account for known events such as maturities and mandatory puts

Equity sector analysis

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

Credit quality of bond holdings

Effective credit rating	Issues	Value on 09/30/2018 (\$)	% of port.
A Aaa/AAA/AAA	19	46,483,562.21	65.34
B Aa/AA/AA	6	8,284,981.96	11.60
C A/A/A	15	15,058,721.22	20.99
D Baa/BBB/BBB	1	988,423.33	1.39
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	3	479,487.15	0.67
G Not rated	0	0.00	0.00
Total	44	\$71,294,675.87	100%

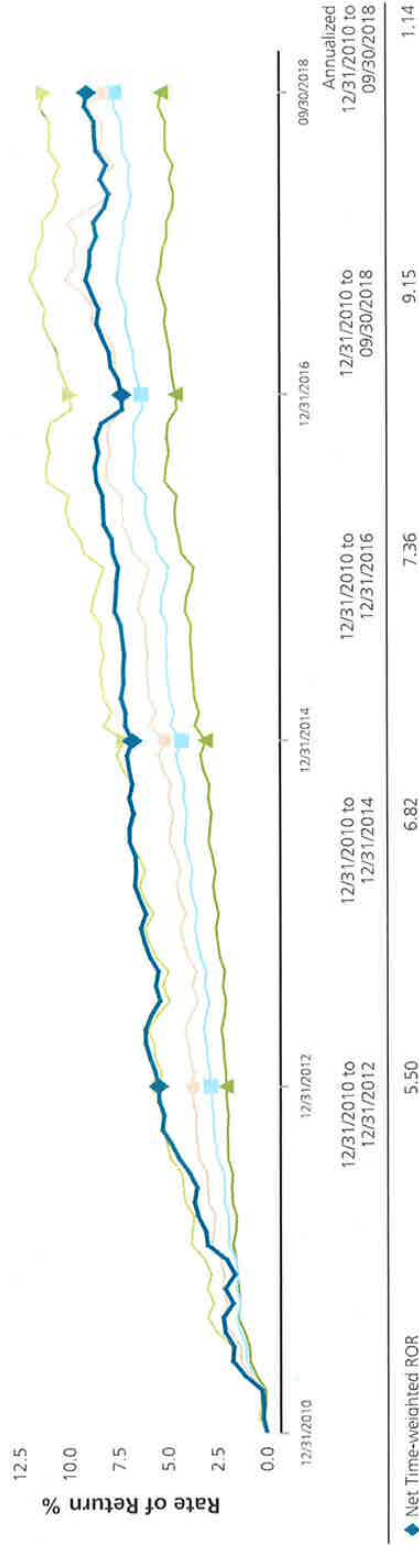




Cumulative performance

as of September 30, 2018

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	5.50	6.82	7.36	9.15	1.14
● Barclays Agg Bond+	3.75	5.16	7.27	8.35	1.04
■ Barclays Govt/Credit 1-3Y	2.88	4.33	6.36	7.71	0.96
▼ Barclays Govt/Credit 1-5Y	5.44	7.25	9.99	11.30	1.39
▲ Barclays US Gov 1-3Y	2.08	3.12	4.60	5.35	0.67

+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: November 12, 2018



Bond summary

as of September 30, 2018

Bond overview

Total quantity	72,297,000
Total market value	\$70,915,554.75
Total accrued interest	\$379,121.12
Total market value plus accrued interest	\$71,294,675.87
Total estimated annual bond interest	\$1,504,153.00
Average coupon	2.11%
Average current yield	2.12%
Average yield to maturity	2.90%
Average yield to worst	2.90%
Average modified duration	2.12
Average effective maturity	2.22

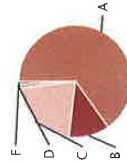
EB 02120 • BOND PORTFOLIO • Portfolio Management Program
 Prepared for Kern Health Systems
 Risk profile Conservative
 Return Objective Current Income

Investment type allocation

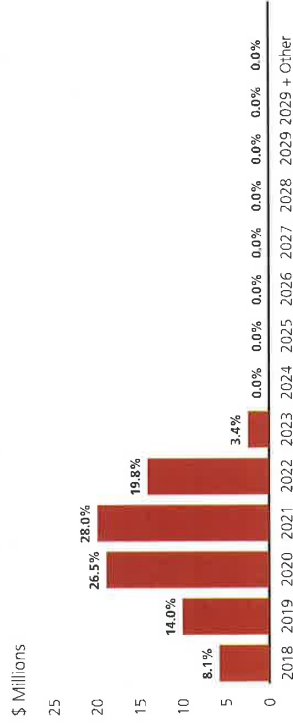
Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
Certificates of deposit	479,487.15	0.00	479,487.15	0.67
Municipals	5,357,044.74	0.00	5,357,044.74	7.51
U.S. corporates	18,974,581.77	0.00	18,974,581.77	26.61
U.S. federal agencies	46,011,710.56	0.00	46,011,710.56	64.54
U.S. treasuries	471,851.65	0.00	471,851.65	0.66
Total	\$71,294,675.87	\$0.00	\$71,294,675.87	100%

Credit quality of bond holdings

Effective credit rating	Issues	Value on 09/30/2018 (\$)	% of port.
A Aaa/AAA/AAA	19	46,483,562.21	65.34
B Aa/AAA	6	8,284,981.96	11.60
C A/A/A	15	15,058,221.22	20.99
D Baa/BBB/BBB	1	988,423.33	1.39
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	3	479,487.15	0.67
G Not rated	0	0.00	0.00
Total	44	\$71,294,675.87	100%



Bond maturity schedule



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

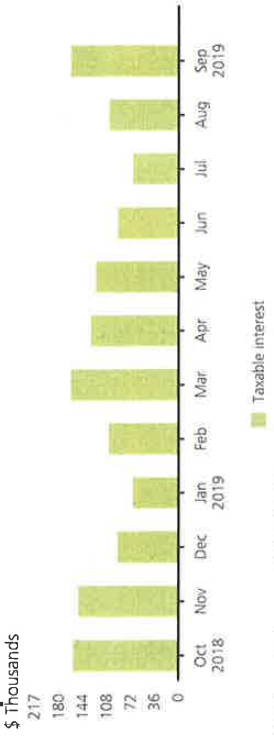
Includes all fixed income securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities
 Report created on: November 12, 2018



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

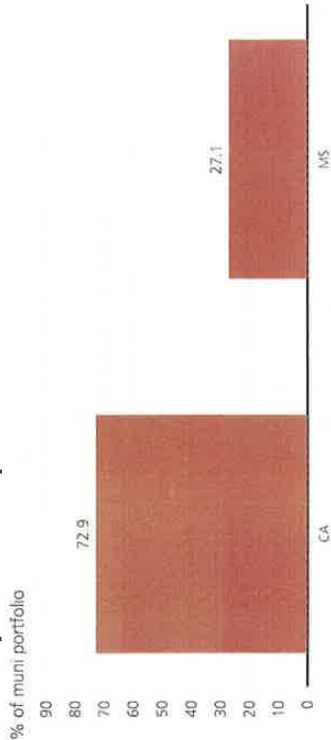
Bond summary - as of September 30, 2018 (continued)

Expected bond cash flow



Total taxable income: \$1,452,121.75
Total expected bond cash flow: \$1,452,121.75
 Cash flows displayed account for known events such as maturities and mandatory puts.

Municipal state exposure



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



Bond holdings

as of September 30, 2018

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 (%)	Yield to Modified duration	Adjusted cost basis (\$)	Unrealized gain/loss (\$)	Mkt. value (\$)	% of bond portfolio maturing
2018	2	5,750,000	104,062.50	1.81%	2.11%	2.11%	0.08	5,754,698.86	-4,516.36	5,791,976.77	8.11%
2019	7	9,979,000	203,607.50	2.04%	2.65%	2.65%	0.63	10,027,799.84	-66,237.29	10,032,538.26	14.05%
2020	13	19,059,000	416,582.50	2.21%	2.93%	2.93%	1.68	19,126,640.65	-319,197.36	18,925,749.17	26.52%
2021	13	20,520,000	380,878.00	1.91%	3.03%	3.03%	2.57	20,579,140.36	-678,114.66	19,961,675.02	28.06%
2022	8	14,489,000	335,272.50	2.39%	3.14%	3.14%	3.62	14,485,215.02	-429,974.31	14,129,709.57	19.82%
2023	1	2,500,000	63,750.00	2.61%	3.15%	3.15%	4.01	2,489,625	-49,525.00	2,453,027.08	3.44%
2024	0	0	0	NA	NA	NA	NA				
2025	0	0	0	NA	NA	NA	NA				
2026	0	0	0	NA	NA	NA	NA				
2027	0	0	0	NA	NA	NA	NA				
2028	0	0	0	NA	NA	NA	NA				
2029	0	0	0	NA	NA	NA	NA				
2030	0	0	0	NA	NA	NA	NA				
2031	0	0	0	NA	NA	NA	NA				
2032	0	0	0	NA	NA	NA	NA				
2033	0	0	0	NA	NA	NA	NA				
2034	0	0	0	NA	NA	NA	NA				
2035	0	0	0	NA	NA	NA	NA				
2036	0	0	0	NA	NA	NA	NA				
2037	0	0	0	NA	NA	NA	NA				
2038	0	0	0	NA	NA	NA	NA				
2039	0	0	0	NA	NA	NA	NA				
2040	0	0	0	NA	NA	NA	NA				
2041	0	0	0	NA	NA	NA	NA				
2042	0	0	0	NA	NA	NA	NA				
2043	0	0	0	NA	NA	NA	NA				
2044	0	0	0	NA	NA	NA	NA				
2045	0	0	0	NA	NA	NA	NA				
2046	0	0	0	NA	NA	NA	NA				
2047	0	0	0	NA	NA	NA	NA				
2047 +	0	0	0	NA	NA	NA	NA				
Other	0	0	0	NA	NA	NA	NA				
Total	44	72,297,000	\$1,504,153.00	2.12%	2.90%	2.90%	2.12	\$72,463,119.73	\$-1,547,564.98	\$71,294,675.87	

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: November 12, 2018



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

Bond holdings - as of September 30, 2018 (continued)

Details of bond holdings

Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) / Modified duration	Adjusted cost basis (\$) Unreal. gr (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
Total Bond Portfolio	72,297,000	2.11%	12/19/2020	NA	\$1,504,153.00	2.90%	\$72,463,119.7	NA	\$70,915,554.75	100%
									\$379,121.12	
									\$71,294,675.87	
Maturing 2018										
FHLB NTS 01.050 % DUE 10/26/18	5,000,000	1.05%	10/26/2018		52,500.00	2.02%	5,000,000.00	99.924	4,996,200.00	7.05%
DTD 072616 FC 10262016					1.05%	2.02%	-3,800.00		22,458.34	
CUSIP: 3130A8RP0										
Initial Purchase Date: 08/02/2016										
MERRILL LYNCH GLOBAL NTS	750,000	6.88%	11/15/2018		51,562.50	2.72%	754,698.86	100.531	753,982.50	1.06%
06.875% 111518 DTD112498					6.84%	2.72%	-716.36		19,335.94	
FC051599										
CUSIP: 590188JN9										
Initial Purchase Date: 10/27/2015										
Original Maturity: 11/15/2018										
Total 2018	5,750,000	1.81%	10/29/2018		\$104,062.50	2.11%	\$5,754,698.86		\$5,750,182.50	8.11%
					1.81%	2.11%	\$-4,516.36		\$41,794.27	
Maturing 2019										
FFCB BOND 01.030 % DUE 04/05/19	5,000,000	1.03%	04/05/2019		51,500.00	2.49%	4,996,250.00	99.251	4,962,550.00	7.00%
DTD 070516 FC 10052016					1.04%	2.49%	-33,700.00		25,034.72	
CUSIP: 3133EGJW6										
Initial Purchase Date: 06/29/2016										
CALIFORNIA ST TAX	2,500,000	2.25%	05/01/2019		56,250.00	2.74%	2,504,160.86	99.716	2,492,900.00	3.52%
BE/R					2.26%	2.74%	-11,260.86		23,281.25	
2.250 050119 DTD 050114 /CA										
CUSIP: 13063CKL3										
Initial Purchase Date: 05/20/2014										
Original Maturity: 05/01/2019										
FNMA NTS 01.125 % DUE 07/26/19	594,000	1.13%	07/26/2019	100.00	6,682.50	2.59%	593,109.00	98.810	586,931.40	0.83%
DTD 072616 FC 01262017					1.14%	2.59%	-6,177.60		1,188.00	
CUSIP: 3135G0M/59										
Initial Purchase Date: 08/02/2016										
Original Maturity: 07/26/2019										

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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 2019										
MORGAN STANLEY 05.625% 09/23/19 DTD09/23/09 FC032310 MW+35BP CUSIP: 61747YCJ2	750,000	5.63%	09/23/2019		42,187.50 5.49%	3.04% 0.95	772,214.86 -3,554.86	102.488	768,660.00 820.31	1.08%
Initial Purchase Date: 08/28/2015 Original Maturity: 09/23/2019 CALIFORNIA ST TAX BE/R 6.200 100119 DTD 10/15/09 /CA CUSIP: 13063A7G3	400,000	6.20%	10/01/2019		24,800.00 6.00%	2.86% 0.95	416,591.37 -3,419.37	103,293	413,172.00 12,331.11	0.58%
Initial Purchase Date: 12/30/2015 Original Maturity: 10/01/2019 FHL/MC MED TERM NTS 00.0000% Aaa/AAA/AA+ DUE 100119 CUSIP: 3128X2SW6	485,000		10/01/2019			2.76% 0.98	474,790.43 -2,938.78	97.289	471,851.65 0.00	0.67%
Initial Purchase Date: 06/03/2015 Original Maturity: 10/01/2019 UNTD TECHNOLOGIES CORP FC051590 DEB 08.875% 11/15/19 DTD 11/13/89 CUSIP: 913017ARO	250,000	8.88%	11/15/2019		22,187.50 8.36%	3.24% 1.05	270,683.32 -5,185.82	106.199	265,497.50 8,320.31	0.37%
Initial Purchase Date: 09/08/2016 Original Maturity: 11/15/2019										
Total 2019	9,979,000	2.17%	05/24/2019		\$203,607.50 2.04%	2.65% 0.63	\$10,027,799.8 \$-66,237.29		\$9,961,562.55 \$70,975.71	14.05%

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 2020										
GOLDMAN SACHS BANK NY US RT 02.0000% MAT 02/04/20 FIXED RATE CD /NY CUSIP: 38148JKC4	100,000	2.00%	02/04/2020		2,000.00 2.02%	2.66% 1.32	99,161.77 -30.77	99.131	99,131.00 312.33	0.14%
Initial Purchase Date: 09/14/2018 Original Maturity: 02/04/2020 BANK OF AMERICA NA NC US RT 02.4500% MAT 02/18/20 FIXED RATE CD /NC CUSIP: 06051VB54	240,000	2.45%	02/18/2020		5,880.00 2.46%	2.67% 1.35	239,664.00 -384.00	99.700	239,280.00 741.04	0.34%
Initial Purchase Date: 09/14/2018 Original Maturity: 02/18/2020										

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	Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call price (\$)	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) / Modified YTW (%) duration	Adjusted cost basis (\$) Unreal. gr/ (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
Maturing 2020												
MORGAN STANLEY BK LT UT RT 02.5000% MAT 02/24/20 FIXED RATE CD 7/UT CUSIP: 611747M5F4 Initial Purchase Date: 09/14/2018 Original Maturity: 02/24/2020	CD	140,000	2.50%	02/24/2020			3,500.00 2.51%	2.68% 2.68%	139,790.00 -131.60	99.756	139,658.40 364.38	0.20%
ABBOTT LABS NTS B/E 02.000% 031520 DTD031015 FC091515 CALL@MMW+10BP CUSIP: 002824AZ3 Initial Purchase Date: 05/12/2016 Original Maturity: 03/15/2020	Baa1/AAA/BBB NR/NR/NR	1,000,000	2.00%	03/15/2020			20,000.00 2.03%	2.87% 2.87%	999,370.00 -11,780.00	98.759	987,590.00 833.33	1.39%
FNMA NTS 01.500 % DUE 032320 DTD 032316 FC 09232016 CUSIP: 313663CC7 Initial Purchase Date: 03/01/2016 Original Maturity: 03/23/2020	Aaa/AAA/AA+ NR/NR/NR	1,750,000	1.50%	03/23/2020	12/23/2018 100.00		26,250.00 1.53%	2.74% 2.74%	1,748,250.00 -29,540.00	98.212	1,718,710.00 510.42	2.42%
NBCUNIVERSAL MEDIA LLC 05.150% 04/30/20 DTD043011 CALL@MMW+25BP CUSIP: 63946BAD2 Initial Purchase Date: 09/08/2016 Original Maturity: 04/30/2020	A3/A-/A- NR/NR/NR	2,000,000	5.15%	04/30/2020			103,000.00 4.99%	3.11% 3.11%	2,113,298.75 -50,718.75	103.129	2,062,580.00 42,916.67	2.91%
QUALCOMM INC NTS B/E 02.250% 052020 DTD052015 FC112015 CUSIP: 747325AD5 Initial Purchase Date: 02/22/2017 Original Maturity: 05/20/2020	A2/NR/A- NR/NR/NR	2,879,000	2.25%	05/20/2020			64,777.50 2.28%	3.07% 3.07%	2,885,791.56 -44,477.67	98.691	2,841,313.89 23,391.88	4.01%
AMERICAN EXPRESS CRD 02.375% 052620 DTD052615 FC112615 CORP NTS CUSIP: 0258M0DT3 Initial Purchase Date: 08/03/2018 Original Maturity: 05/26/2020	A2/A/A- NR/NR/NR	900,000	2.38%	05/26/2020	04/25/2020 100.00		21,375.00 2.40%	3.15% 3.15%	889,414.07 -565.07	98.761	888,849.00 7,362.50	1.25%
CITIBANK NA NTS B/E 02.100% 061220 DTD061217 FC121217 CUSIP: 17325FAE8 Initial Purchase Date: 07/17/2018 Original Maturity: 06/12/2020	A1/A+/A+ NR/NR/NR	550,000	2.10%	06/12/2020	05/12/2020 100.00		11,550.00 2.14%	3.18% 3.18%	539,005.50 1,160.50	98.212	540,166.00 3,465.00	0.76%
FILMCM MED TERM NTS 01.500 % DUE 062920 DTD 062916 FC 12292016 CUSIP: 3134G9LQ8 Initial Purchase Date: 06/03/2016 Original Maturity: 06/29/2020	Aaa/AAA/AA+ NR/NR/NR	3,500,000	1.50%	06/29/2020	09/29/2018 100.00		52,500.00 1.53%	2.80% 2.80%	3,500,000.00 -77,280.00	97.792	3,422,720.00 13,270.83	4.83%

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	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												
FNMA NTS 01.350 % DUE 08/24/20	Aaa/AAA/AA+	3,500,000	1.35%	08/24/2020	11/24/2018	47,250.00	2.78%	1.85	3,498,250.00	97.359	3,407,565.00	4.81%
DTD 08/24/16 FC 02/24/2017	NR/NR/AR				100.00	1.39%	2.78%		-90,685.00		4,725.00	
CUSIP: 313663W92												
Initial Purchase Date: 08/02/2016												
Original Maturity: 08/24/2020												
J.P. MORGAN CHASE & CO	A3/AA-/A-	1,000,000	2.55%	10/29/2020	09/29/2020	25,500.00	3.26%	1.99	994,430.00	98.583	985,830.00	1.39%
02.550% 10/29/20 DTD102915	NR/NR/AR				100.00	2.59%	3.26%		-8,600.00		10,695.83	
FC042916 NTS B/E												
CUSIP: 46625HNX4												
Initial Purchase Date: 11/04/2015												
Original Maturity: 10/29/2020												
VISA INC NTS B/E 02.200% 12/14/20	A1/NR/A+	1,500,000	2.20%	12/14/2020	11/14/2020	33,000.00	3.01%	2.12	1,480,215.00	98.270	1,474,050.00	2.08%
DTD121415 FC061416	NR/NR/AR				100.00	2.24%	3.01%		-6,165.00		9,716.67	
CALL@MMW+10BP												
CUSIP: 92826CAB8												
Initial Purchase Date: 04/05/2018												
Original Maturity: 12/14/2020												
Total 2020		19,059,000	2.20%	06/26/2020		\$416,582.50	2.93%	1.68	\$19,126,640.6		\$18,807,443.29	26.52%
						2.21%	2.93%		\$-319,197.36		\$118,305.88	

	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 2021												
E I DU PONT DE NEMOURS	A3/A/A-	400,000	3.63%	01/15/2021		14,500.00	3.16%	2.17	414,557.92	101.009	404,036.00	0.57%
03.625% 011521 DTD092310	NR/NR/AR					3,59%	3.16%		-10,521.92		3,020.83	
CALL@MMW+158P B/E												
CUSIP: 263534CB3												
Initial Purchase Date: 06/03/2016												
Original Maturity: 01/15/2021												
ANHEUSER BUSCH INBEV FIN	A3/BBB/A-	600,000	2.65%	02/01/2021	01/01/2021	15,900.00	3.30%	2.23	591,840.00	98.548	591,288.00	0.83%
02.650% 020121 DTD012516	NR/NR/AR				100.00	2.69%	3.30%		-552.00		2,605.83	
FC080116 CALL@MMW+20BP												
CUSIP: 035242A15												
Initial Purchase Date: 05/16/2018												
Original Maturity: 02/01/2021												
FFCB BOND 01.470 % DUE 021721	Aaa/AAA/AA+	4,500,000	1.47%	02/17/2021		66,150.00	2.87%	2.31	4,496,625.00	96.803	4,356,135.00	6.14%
DTD 081716 FC 02172017	NR/NR/AR					1,52%	2.87%		-140,490.00		7,901.25	
CUSIP: 3133EGRN7												
Initial Purchase Date: 08/12/2016												
Original Maturity: 02/17/2021												

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Maturing 2021

	Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) / Modified duration	Adjusted cost basis (\$) Unreal. gain (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
FHLMC MED TERM NTS 01.500 % DUE 03/30/21 DTD 09/30/16 FC 03/30/2017	Aaa/AAA/AA+ NR/NR/NR	3,525,000	1.50%	03/30/2021	09/30/2018 100.00	52,875.00 1.55%	2.90% 2.90%	3,524,118.75 -117,171.00	96.651	3,406,947.75 0.00	4.80%
CUSIP: 3134GAEE0 Initial Purchase Date: 09/08/2016 Original Maturity: 03/30/2021											
EI DU PONT DE NEMOURS 04.250% 04/01/21 DTD032511 CALL@MMW+15BP CUSIP: 263534CE7	A3/AA- NR/NR/NR	250,000	4.25%	04/01/2021		10,625.00 4.16%	3.31% 3.31%	264,593.42 -8,985.92	102.243	255,607.50 5,282.99	0.36%
Initial Purchase Date: 09/08/2016 Original Maturity: 04/01/2021											
BURLINGTON NTHN SANTA FE 04.100% 06/01/21 DTD051911 CALL@MMW +15BP CORP NTS CUSIP: 12189LAD3	A3/NR/AA+ NR/NR/NR	1,000,000	4.10%	06/01/2021	03/01/2021 100.00	41,000.00 4.03%	3.45% 3.38%	1,042,659.33 -26,129.33	101.653	1,016,530.00 13,552.78	1.43%
Initial Purchase Date: 02/22/2017 Original Maturity: 06/01/2021											
FNMA NTS 01.530 % DUE 07/28/21 DTD 07/28/16 FC 01/28/2017 CUSIP: 31366G3S97	Aaa/AAA/AA+ NR/NR/NR	3,750,000	1.53%	07/28/2021	10/28/2018 100.00	57,375.00 1.60%	3.22% 3.22%	3,750,000.00 -170,100.00	95.464	3,579,900.00 9,881.25	5.05%
Initial Purchase Date: 08/02/2016 Original Maturity: 07/28/2021											
FHLEB NTS 01.550 % DUE 09/01/21 DTD 09/01/16 FC 03/01/2017 CUSIP: 3130A9B19	Aaa/NR/AA+ NR/NR/NR	500,000	1.55%	09/01/2021		7,750.00 1.61%	2.89% 2.89%	499,375.00 -18,050.00	96.265	481,325.00 624.31	0.68%
Initial Purchase Date: 09/08/2016 Original Maturity: 09/01/2021											
LOS ANG CAL TAX SR A 2.150 09/01/21 DTD 12/21/16 /CA CUSIP: 544351KQ1	Aaa/NR/NR Aaa/NR/NR	1,000,000	2.15%	09/01/2021		21,500.00 2.21%	3.07% 3.07%	994,250.00 -19,780.00	97.447	974,470.00 1,731.94	1.37%
Initial Purchase Date: 12/23/2016 Original Maturity: 09/01/2021											
CISCO SYSTEMS INC B/E 01.850% 09/20/21 DTD09/20/16 FC032017 CALL@MMW+10BP CUSIP: 17275RB10	A1/NR/AA- NR/NR/NR	1,000,000	1.85%	09/20/2021	08/20/2021 100.00	18,500.00 1.92%	3.12% 3.12%	993,660.00 -29,400.00	96.426	964,260.00 513.89	1.36%
Initial Purchase Date: 09/15/2017 Original Maturity: 09/20/2021											
FHLEB BOND 01.520 % DUE 09/23/21 DTD 09/23/16 FC 03/23/2017 CUSIP: 3130A9FB2	Aaa/NR/AA+ NR/NR/NR	2,290,000	1.52%	09/23/2021		34,808.00 1.58%	2.89% 2.89%	2,289,150.00 -88,551.60	96.096	2,200,598.40 676.82	3.10%
Initial Purchase Date: 09/27/2016 Original Maturity: 09/23/2021											

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	Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
Maturing 2021											
FHLB BOND 01.600 % DUE 09/27/21	Aaa/NR/AA+	255,000	1.60%	09/27/2021		4,080.00	2.89%	255,000.00	96.311	245,593.05	0.35%
DTD 09/27/16 FC 032/72017	NR/NR/NR					1,666	2.89%	-9,406.95		34.00	
CUSIP: 3130A9JZ5											
Initial Purchase Date: 09/27/2016											
Original Maturity: 09/27/2021											
MISSISSIPPI ST TAX SR G	Aaa/A/AAA	1,450,000	2.47%	11/01/2021		35,815.00	3.07%	1,463,310.94	98.230	1,424,335.00	2.01%
BE/R/ 2.470 110121 DTD 120815	Aaa/A/AA					2,515	3.07%	-38,975.94		14,823.43	
/MS	NR/NR/NR										
CUSIP: 605581GN1											
Initial Purchase Date: 02/22/2017											
Original Maturity: 11/01/2021											
Total 2021		20,520,000	1.87%	06/08/2021		\$380,878.00	3.03%	\$20,579,140.3		\$19,901,025.70	28.06%
						1,91%	3.03%	\$-678,114.66		\$60,649.32	

	Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
Maturing 2022											
APPLE INC NTS B/E 02.500%	Aaa/NR/AA+	2,000,000	2.50%	02/09/2022	01/09/2022	50,000.00	3.19%	2,003,991.48	97.804	1,956,080.00	2.76%
020922 DTD020917 FC080917	NR/NR/NR				100.00	2,566	3.19%	-47,911.48		7,083.33	
CALL@MWA+10BP											
CUSIP: 037833CM0											
Initial Purchase Date: 02/22/2017											
Original Maturity: 02/09/2022											
FFCB BOND 02.730 % DUE 02/14/22	Aaa/AAA/AA+	900,000	2.73%	02/14/2022	02/14/2019	24,570.00	3.00%	898,200.00	99.146	892,314.00	1.26%
DTD 02/14/18 FC 08142018	NR/NR/NR				100.00	2,755	3.00%	-5,886.00		3,139.50	
CUSIP: 3133EJCG2											
Initial Purchase Date: 02/23/2018											
Original Maturity: 02/14/2022											
PEPSICO INC NTS B/E 02.250%	A1/AA+	1,089,000	2.25%	05/02/2022	04/02/2022	24,502.50	3.19%	1,087,301.16	96.839	1,054,576.71	1.49%
050222 DTD050217 FC110217	NR/NR/NR				100.00	2,325	3.19%	-32,724.45		10,073.25	
CALL@MWA+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	3.47%	1,021,822.38	98.386	983,860.00	1.39%
052022 DTD052015 FC112015	NR/NR/NR					3,055	3.47%	-37,962.38		10,833.33	
CALL@MWA+15BP											
CUSIP: 747525AE3											
Initial Purchase Date: 09/15/2017											
Original Maturity: 05/20/2022											

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	Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) YTW (%)	Modified duration	Adjusted cost basis (\$) Unreal. gr/ (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
Maturing 2022												
FHLB NTS 02.000 % DUE 09/01/22	Aaa/NR/AA+	3,000,000	2.00%	09/01/2022		60,000.00 2.08%	3.10% 3.10%	3.72	2,988,750.00 -109,980.00	95.959	2,878,770.00 4,833.33	4.06%
DTD 09/01/17 FC 03/01/2018	NR/NR/NR											
CUSIP: 3130ACD84												
Initial Purchase Date: 09/26/2017												
Original Maturity: 09/01/2022												
FFCB BOND 02.100 % DUE 09/26/22	Aaa/AAA/AA+	2,000,000	2.10%	09/26/2022		42,000.00 2.18%	3.05% 3.05%	3.79	1,999,000.00 -69,920.00	96.454	1,929,080.00 466.67	2.72%
DTD 09/26/17 FC 03/26/2018	NR/NR/NR											
CUSIP: 3133EHZ4												
Initial Purchase Date: 09/26/2017												
Original Maturity: 09/26/2022												
FFCB BOND 02.160 % DUE 10/11/22	Aaa/AAA/AA+	2,500,000	2.16%	10/11/2022	10/11/2018	54,000.00 2.24%	3.08% 3.08%	3.78	2,495,150.00 -81,950.00	96.528	2,413,200.00 25,350.00	3.40%
DTD 10/11/17 FC 04/11/2018	NR/NR/NR				100.00							
CUSIP: 3133EH58												
Initial Purchase Date: 10/17/2017												
Original Maturity: 10/11/2022												
FHLB BOND 02.510 % DUE 12/29/22	Aaa/NR/AA+	2,000,000	2.51%	12/29/2022	09/29/2018	50,200.00 2.58%	3.18% 3.18%	3.96	1,991,000.00 -43,640.00	97.368	1,947,360.00 12,689.44	2.75%
DTD 12/29/17 FC 06/29/2018	NR/NR/NR				100.00							
CUSIP: 3130AD6W7												
Initial Purchase Date: 01/26/2018												
Original Maturity: 12/29/2022												
Total 2022		14,489,000	2.32%	08/02/2022		\$335,272.50 2.39%	3.14% 3.14%	3.62	\$14,485,215.0 \$-429,974.31		\$14,055,240.71 \$74,468.86	19.82%
Maturing 2023												
FFCB BOND 02.550 % DUE 01/17/23	Aaa/AAA/AA+	2,500,000	2.55%	01/17/2023	01/17/2019	63,750.00 2.61%	3.15% 3.15%	4.01	2,489,625.00 -49,525.00	97.604	2,440,100.00 12,927.08	3.44%
DTD 01/17/18 FC 07/17/2018	NR/NR/NR				100.00							
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 2.61%	3.15% 3.15%	4.01	\$2,489,625.00 \$-49,525.00		\$2,440,100.00 \$12,927.08	3.44%
Total Bond Portfolio												
		72,297,000	2.11%	12/19/2020	NA	\$1,504,153.00 2.12%	2.90% 2.90%	2.12	\$72,463,119.7 \$-1,547,564.98	NA	\$70,915,554.75 \$379,121.12	100%
											\$71,294,675.87	

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



Additional information about your portfolio

as of September 30, 2018

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

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

Performance Start date	Start date to	ITD
Account EB 02120	12/08/2008	09/30/2018
		2.48%

Benchmark composition

Account EB 02120

Benchmark 1

Start - 05/15/2017: 50% Barclays US Gov 1-3Y; 50% Barclays Govt/Credit 1-5Y
05/15/2017 - 05/31/2018: 100% Barclays Agg Bond
05/31/2018 - Current: 100% Barclays Agg Bond



Disclosures applicable to accounts at UBS Financial Services Inc.

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

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

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

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

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

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

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

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

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

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

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

Money-weighted returns: Money-weighted return (MWR) is a measure of the rate of return for an asset or portfolio of assets. It is calculated by finding the daily Internal Rate of Return (IRR) for the period and then compounding this return by the number of days in the period being measured. The MWR incorporates the size and timing of cash flows, so it is an effective measure and turns 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 deemed to be reliable. We have not independently verified this information, nor do we make any representations or warranties to the accuracy or completeness of this information.

Benchmark 1 - For Advisory accounts, Benchmark 1 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.

Benchmark 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.

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.



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

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

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

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

Performance Start Date Changes: The Performance Start Date for accounts marked with a 'X' 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

unclassified, it is due to non-availability of data required by Morningstar to assign it a particular style.

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

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

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

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

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

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

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

High Yield: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make 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.



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

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 ULTs.

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

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

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

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

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

Cash Flow: This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These potential cash flows are subject to change due to a variety of reasons, including but not limited to,

contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security's and the consequential impact on its potential cash flows) 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 assurance 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 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 "0*", this denotes assets or liabilities held at other financial institutions. Information about these assets, including valuation, account type and cost basis, is based on the information you provided to us, or provided to us by third party data aggregators or custodians at your direction. We have not verified, and are not responsible for, the accuracy or completeness of this information.

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

Your Financial Advisor:
 THE COHEN GROUP
 Phone: 561-453-3000/300-626-5022

Filtered by: Entry Date 07/01/2018-09/30/2018, Call/Redemption

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
09/12/18	09/12/18	CALL REDEMPTION	INTERCONTINENTAL EXCHANGE 02.500% 101518 DTD100815 7367T2		-300,000.00	REDEMPTION	300,066.00
08/01/18	08/01/18	CALL REDEMPTION	SACRAMENTO CA PENSION OB AGC TAX OID99.264 BE/R	835285	-500,000.00	REDEMPTION	500,000.00
08/01/18	08/01/18	CALL REDEMPTION	PAJARO VLY CAL USD TAX SR B BE/R	661GY3	-300,000.00	REDEMPTION	300,000.00
07/16/18	07/16/18	CALL REDEMPTION	E I DU PONT DE NEMOURS 06.000% 071518 DTD072808	6207A8	-450,000.00	REDEMPTION	450,000.00

Filtered by: Entry Date 07/01/2018-09/30/2018, Bought

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
09/14/18	09/18/18	BOUGHT	GOLDMAN SACHS BANK NY US RT 02.0000% MAT 02/04/20 N31N61		100,000.00	\$99.162	-99,408.35
09/14/18	09/18/18	BOUGHT	BANK OF AMERICA NA NC US RT 02.4500% MAT 02/18/20 ZBEAS-N03K91		240,000.00	\$99.860	-240,211.73
09/14/18	09/18/18	BOUGHT	MORGAN STANLEY BK UT US RT 02.5000% MAT 02/24/20 ZBAHY-N03002		140,000.00	\$99.850	-140,039.32
08/03/18	08/07/18	BOUGHT	AMERICAN EXPRESS CRD 02.375% 052620 DTD052615	659L71	900,000.00	\$98.824	-893,629.70
07/17/18	07/19/18	BOUGHT	CITIBANK NA NTS BVE 02.100% 061220 DTD061217	677J24	550,000.00	\$98.001	-540,192.58

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 **November 9, 2018**, is subject to daily market fluctuation and in some cases may be rounded for convenience.

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

Bank Account Statement
Wells Fargo Bank, N.A.

Statement Period
09/01/2018 - 09/30/2018

KERN HEALTH SYSTEMS
 9700 STOCKDALE HWY
 Account Number
 1AB84780

Account Value Summary USD

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

	Amount Last Statement Period	Amount This Statement Period	% Portfolio
Cash	\$ 0.00	\$ 0.00	0%
Money Market Mutual Funds	27,979,180.28	31,464,157.86	28%
Bonds	71,966,769.89	80,777,092.86	72%
Stocks	0.00	0.00	0%
Total Account Value	\$ 99,967,950.17	\$ 112,241,250.72	100%
Value Change Since Last Statement Period		\$ 12,273,300.55	
Percent Increase Since Last Statement Period			12%
Value Last Year-End		\$ 106,942,632.68	
Percent Increase Since Last Year-End			5%

Income Summary USD

	This Period	Year-To-Date
Interest	\$ 38,620.40	\$ 1,125,465.58
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	46,250.67	349,178.01
Other	0.00	0.00
Income Total	\$ 84,871.07	\$ 1,474,643.59

Interest Charged USD

Description	This Period
Debit Interest For September 2018	0.00
Total Interest Charged	\$ 0.00

Money Market Mutual Funds Summary USD

Description	Amount
Opening Balance	\$ 27,979,180.28
Deposits and Other Additions	117,273,645.52
Distributions and Other Subtractions	(113,834,918.61)
Dividends Reinvested	46,250.67
Change in Value	0.00
Closing Balance	\$ 31,464,157.86

231725 013170 0013 21027 UN42 F3515-40010036 1468 F 9010 2018 120118 P

Safekeeping

Important Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial Statements: WFS financial statements are available upon request.

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

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

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

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

Statement Ending: September 30, 2018

KERN HEALTH SYSTEMS
Account Number: 1AB84780

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								
50000EK45	KOCH INDUSTRIES INC DISCOUNTED COMMERCIAL PAPER	10/04/18	0.000%	3,000,000.000	99.9644	2,998,931.49		
02665WAC5	AMERICAN HONDA FINANCE	10/10/18	2.125%	1,300,000.000	99.9870	1,299,831.00		N
912796NZ8	UNITED STATES TREASURY BILL	10/11/18	0.000%	58,000,000.000	99.9432	57,967,032.80		
795450ZE8	SALLIE MAE BK/SALT LKE INTEREST BEARING CERTIFICATE OF DEPOSIT	10/12/18	1.150%	250,000.000	99.9623	249,905.75		
45826FKF9	INTEL CORPORATION 4(2) DISCOUNTED COMMERCIAL PAPER	10/15/18	0.000%	3,000,000.000	99.8960	2,996,938.59		
69353RET1	PNC BANK NA	11/05/18	1.800%	1,000,000.000	99.9400	999,399.52		Y
48306BM44	KAISER FOUNDATION HOSP DISCOUNTED COMMERCIAL PAPER	12/04/18	0.000%	3,000,000.000	99.5424	2,986,270.59		
24422ESF7	JOHN DEERE CAPITAL CORP	12/13/18	1.950%	2,955,000.000	99.8972	2,951,962.05		N
89236TCU7	TOYOTA MOTOR CREDIT CORP	02/19/19	1.700%	1,000,000.000	99.6592	996,591.78		N
94974BFU9	WELLS FARGO & COMPANY	04/22/19	2.125%	1,621,000.000	99.6829	1,615,859.53		N
13063CKL3	CALIFORNIA ST TXBL-VARIOUS PURPOSE	05/01/19	2.250%	1,310,000.000	99.7160	1,306,279.60		N
94988J5D5	WELLS FARGO BANK NA	05/24/19	1.750%	1,000,000.000	99.3816	993,815.53		N
02665WBE0	AMERICAN HONDA FINANCE	07/12/19	1.200%	1,000,000.000	98.8038	988,038.42		N
58768MAC5	MBALT 2016-B A3	08/15/19	1.350%	428,734.650 1,000,000.000	99.8267	427,991.61		N
43815HAB3	HAROT 2018-3 A2	12/22/20	2.670%	2,000,000.000	99.9122	1,998,244.60		
				80,864,734.650		80,777,092.86	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
09/06/18	09/06/18	Received	912796PZ6	UNITED STATES TREASURY BILL	23,000,000.00		0.00	0.00	0.00

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Safekeeping

KERN HEALTH SYSTEMS
Account Number: 1AB84780

Daily Account Activity (Continued)

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
Transaction Activity USD									
09/13/18	09/13/18	Receive	912796NZ8	UNITED STATES TREASURY BILL	28,000,000.00		0.00	0.00	0.00
09/13/18	09/13/18	Receive	912796NZ8	UNITED STATES TREASURY BILL	20,000,000.00		0.00	0.00	0.00
09/17/18	09/17/18	Security Receipt	45826FKF9	INTEL CORPORATION 4(2)	3,000,000.00		0.00	0.00	0.00
09/19/18	09/19/18	Receive	912796NZ8	UNITED STATES TREASURY BILL	10,000,000.00		0.00	0.00	0.00
09/19/18	09/19/18	Security Receipt	50000EK45	KOCH INDUSTRIES INC DISCOUNTED	3,000,000.00		0.00	0.00	0.00

Income / Payment Activity USD

09/06/18	09/06/18	Matured	912796PY9	UNITED STATES TREASURY BILL			23,000,000.00		23,000,000.00
09/13/18	09/13/18	Matured	912796NV7	UNITED STATES TREASURY BILL			28,000,000.00		28,000,000.00
09/14/18	09/14/18	Matured	94974BGD8	WELLS FARGO & COMPANY			3,070,000.00		3,070,000.00
09/14/18	09/14/18	Interest	94974BGD8	WELLS FARGO & COMPANY				21,462.54	21,462.54
09/17/18	09/17/18	Paydown	58768MAC5	MBALT 2016-B A3		123,429.56			123,429.56
09/17/18	09/17/18	Interest	58768MAC5	MBALT 2016-B A3				621.19	621.19
09/20/18	09/20/18	Matured	912796PZ6	UNITED STATES TREASURY BILL			23,000,000.00		23,000,000.00
09/21/18	09/21/18	Interest	43815HAB3	HAROT 2018-3 A2				3,411.67	3,411.67
09/26/18	09/26/18	Matured	90521APJ1	MUFG UNION BANK NA		1,000,000.00			1,000,000.00
09/26/18	09/26/18	Interest	90521APJ1	MUFG UNION BANK NA				13,125.00	13,125.00

Cash Activity USD

Transaction / Trade Date	Settlement / Eff. Date	Activity	Description	Debit Amount / Disbursements	Credit Amount / Receipts
09/05/18	09/05/18	ACH/DDA Transaction	DESIGNATED DDA	14,000,000.00	
09/06/18	09/06/18	Journal	AUTO SK SETTLEMENT	22,983,631.67	
09/11/18	09/11/18	ACH/DDA Transaction	DESIGNATED DDA	13,900,000.00	
09/13/18	09/13/18	Cash Wire Journal Entry	SAFEKEEPING ADJ	19,970,133.33	
09/13/18	09/13/18	Journal	AUTO SK SETTLEMENT	27,958,404.44	
09/13/18	09/13/18	ACH/DDA Transaction	DESIGNATED DDA		67,000,000.00
09/17/18	09/17/18	Journal	AUTO SK SETTLEMENT	2,995,498.67	
09/18/18	09/18/18	ACH/DDA Transaction	DESIGNATED DDA	12,000,000.00	
09/19/18	09/19/18	Journal	AUTO SK SETTLEMENT	9,988,144.44	
09/19/18	09/19/18	Journal	AUTO SK SETTLEMENT	2,987,512.50	
09/19/18	09/19/18	Journal	AUTO SK SETTLEMENT	15,000,000.00	
09/25/18	09/25/18	ACH/DDA Transaction	DESIGNATED DDA		

Statement Ending: September 30, 2018

KERN HEALTH SYSTEMS
Account Number: 1AB84780

Money Market Fund Activity

Morgan Stan TreasSvc 8314		Dividend earned this period	7 day* simple yield	30 day* simple yield
*As of September 30, 2018				
USD		46,250.67	1.860%	1.820%

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
Beginning Balance			1.0000	27,979,180.28		27,979,180.28
09/05/18	Redemption	(14,000,000.00)		(14,000,000.00)		13,979,180.28
09/06/18	Purchase	23,000,000.00		23,000,000.00		36,979,180.28
09/06/18	Redemption	(22,983,631.67)		(22,983,631.67)		13,995,548.61
09/11/18	Redemption	(13,900,000.00)		(13,900,000.00)		95,548.61
09/13/18	Purchase	41,595.56		41,595.56		137,144.17
09/13/18	Purchase	67,000,000.00		67,000,000.00		67,137,144.17
09/13/18	Redemption	(19,970,133.33)		(19,970,133.33)		47,167,010.84
09/14/18	Purchase	3,091,462.54		3,091,462.54		50,258,473.38
09/17/18	Purchase	124,050.75		124,050.75		50,382,524.13
09/17/18	Redemption	(2,995,496.67)		(2,995,496.67)		47,387,027.46
09/18/18	Redemption	(12,000,000.00)		(12,000,000.00)		35,387,027.46
09/19/18	Redemption	(9,988,144.44)		(9,988,144.44)		25,398,883.02
09/19/18	Redemption	(2,997,512.50)		(2,997,512.50)		22,401,370.52
09/20/18	Purchase	23,000,000.00		23,000,000.00		45,401,370.52
09/21/18	Purchase	3,411.67		3,411.67		45,404,782.19
09/25/18	Redemption	(15,000,000.00)		(15,000,000.00)		30,404,782.19
09/26/18	Purchase	1,013,125.00		1,013,125.00		31,417,907.19
09/28/18	Reinvest	46,250.67			46,250.67	31,464,157.86
Ending Balance			1.0000	31,464,157.86		31,464,157.86

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Safekeeping



To: KHS Finance Committee

From: Robert Landis, CFO

Date: December 7, 2018

Re: Annual Renewal of the Reinsurance Policy

Background

Kern Health Systems (“KHS”) has purchased a reinsurance policy to mitigate the costs of catastrophic cases since the plan’s inception. The KHS population has changed significantly over the last several years with SPD members incurring high medical costs. More recently, management believes that there is an increasing trend in the medical expenses for the longer-term enrolled Expansion members. The overall increase in medical costs has led to higher reinsurance premiums over the years.

Discussion

Over the last 3 years KHS reinsurance recoveries have approximated the reinsurance claim payments. For the policy years 2015, 2016, and 2017 KHS recovered approximately \$5.0 million in reinsurance claims while paying reinsurance premiums of approximately \$5.0 million. **These 3 years represent a 100% ratio of recoveries to expense.**

Based on information through November 1, 2018, KHS has requested approximately \$150,000 in recoveries against approximately \$1.4 million in premiums paid. **This represents an overall cumulative 81% ratio for all periods.** We have until December 31, 2019 to turn in claims for the 2018 policy period. Accordingly, continuing with the reinsurance program is still warranted.

Fiscal Impact

The lowest quote for renewal is with the carrier Optum at a blended rate of \$.59 pmpm with the current deductible of \$250,000 per member and a \$.30 pmpm aggregate deductible for an overall expected reinsurance cost of \$2,655,849.

KHS can lower the Optum premium to a blended rate of \$.51 pmpm and a \$.26 pmpm aggregate deductible by increasing the deductible to \$275,000. This would save approximately \$358,092 of reinsurance costs, but would cost KHS an additional \$25,000 per member that reaches the reinsurance deductible. The savings of \$358,092 would be lost if the members reaching the \$275,000 deductible exceeds 14 ($\$358,092 \text{ savings} / \$25,000 \text{ increase in deductible} = 14.32$ members). Based on utilization data of 14 members in 2017 and 6 members through October 31, 2018, management expects the 2018 utilization to be 14 or fewer members. Accordingly, management recommends increasing the deductible to \$275,000 and lowering the blended rate to \$.51 pmpm and lowering the aggregate deductible to \$.26 pmpm.

The 2019 Budget includes estimated reinsurance premium payments at a blended rate of \$.51 pmpm and reinsurance recoveries at a blended rate of \$.51 pmpm. Estimated fiscal dollar impact is \$1,521,891.

Risk Assessment

Based on the prior program years, the continued expense of the SPD population and the increasing trend in medical expenses for the longer-term enrolled Expansion members, management believes that binding coverage is warranted for 2019 and is recommending the Optum option at a blended rate of \$.51 pmpm and increasing the deductible at \$275,000.

Requested Action

Approve; Refer to KHS Board of Directors.



To: KHS Finance Committee

From: Robert Landis, CFO

Date: December 7, 2018

Re: 2019 Budget

Background

The 2019 Budget supports the KHS Goals and Objectives, 2019 Annual Projects and contributes to the 2018-2021 Strategic Plan Initiatives. The size and scope of the 2019 Goals and Objectives reflect the changing medical complexity and the corresponding required changes in the provider delivery system that began in 2012 with the addition of the Seniors and Persons with Disabilities (SPD) population and continued in 2014-2017 with CBAS, Childless Adults (Affordable Care Act - Expansion) and Children with Autism.

Major projects for 2019 include:

- Relocation of Kern Health Systems Offices to the Northeast Corner of Buck Owens Boulevard and Sillect Avenue
- Expansion of Health Home Sites that include Physical, Mental Health and Social Integration along with a State mandated go-live date of 7/1/19 for existing sites
- Creation of the Diabetic Prevention Program mandated go-live date of 1/1/19.
- Modified provider compensation structures to incorporate value based purchasing arrangements

Several uncertainties impacting our 2019 Budget include:

- Federal atmosphere of reducing/eliminating benefits (including “public charge” to reject immigrants applying for an immigration visa/green card if they plan on using certain forms of public assistance like Medi-Cal in the future) for our existing members along with possible changes to the future rate setting and funding process
- California legislation theme of exploring Single Payer (“Medicare for All”)/Public Option/Universal Coverage
- Increased regulatory oversight and data requests by DHCS and DMHC along with an increasing amount of All Plan Letters that require increased demands on KHS
- Tightening of State budgets along with shifting more risk to health plans
- Increased demand from providers seeking rate increases
- Providing new benefits such as a Diabetes Prevention Program and other services with no historical data similar to what we faced with Non-Emergency Medical Transportation, Palliative Care, and Health Homes
- Unilateral Changes by the State to the Pharmacy Formulary

To: KHS Finance Committee
Re: 2019 Budget
Page 2

- Retroactive revenue recovery associated with non-eligible members occurring from historical discrepancies between DHCS's enrollment files and County welfare eligibility files

The 2019 budget is "realistic" with moderately aggressive assumptions around utilization and medical cost trends. We are projecting that our Revenue increases will offset our rising medical cost trends. Administrative expenses will go up to implement newly mandated benefits. All of this points to a financially challenging year for KHS.

Specifically, key factors (to name a few) impacting the 2019 budget include:

- Projected growth of approximately 5,000 enrollees
- Multi-Government regulatory and organization compliance and performance responsibilities through:
 - DHCS
 - DMHC
 - CMS (Including implementation of certain sections of the Medicaid Managed Care Final Rule)
- Continued Implementation of a New Medical Management Platform which includes dynamic application of evidence based medical criteria and point of service decision making
- Monitoring Non-Emergency Medical Transportation services that include non-covered services such as dental and opioid treatment per DHCS requirements
- Development of Provider Performance Based Alternative reimbursement arrangements
- Palliative Care program implementation
- Member Incentive Program
- Enhancing Medi-Cal Benefits initiative
- Expansion of KHS departmental dashboards for operational metric transparency
- New or expanded provider collaborative programs:
 - Developing Kern Medical Integration Health Care Concept
 - Strengthen collaboration with Kern County Mental Health and GATE team for Substance Use Disorders
 - Prepare for KHS role and responsibility in Whole Person Care Pilot Program with Kern Medical
 - Expanding access for Diabetic Clinic sites at Bakersfield Memorial Hospital, Delano Regional Medical Center and Kern Medical
 - Expanding the Transitional Care Program to additional hospitals with a critical mass of patients with an increase focus on the socio-economic barriers to care
 - Emergency Room Avoidance program expansion with location of KHS based Social Worker in local hospital ER to provide coordination of care with ER discharge instructions
 - Expanding TeleHealth Specialty Care services

To: KHS Finance Committee
 Re: 2019 Budget
 Page 3

- Expanding the Disease Management Programs and instituting a Diabetes Prevention Program
 - Continuing the School based Asthma Program
 - Enhancements to the Medical Management and Quality Improvement Programs
 - Enhancing the Case Management Program, including homelessness outreach and care coordination efforts
 - Expanding on site Inpatient concurrent review program
 - Enhancing HEDIS Tracking and Reporting
 - Continuing with incentives to reward providers who demonstrate improved HEDIS outcomes
 - Expanding Medication Therapy Management program
 - Initiate Peer to Peer evidence based medical reviews utilizing industry leader for risk management
 - Converting selected provider reimbursement arrangements to value based purchasing
 - Care Gradient Analysis using Predictive Modeling tool
 - Demographic Morbidity Impact Study to determine areas of focus
 - KHS Care Delivery Model exploration for transforming care for Primary Care Physicians and Specialists
 - Member Centric Care Project Implementation Plan to continually monitor and measure member satisfaction throughout their continuum of care
 - Outcome Metrics to steer operational decision making
 - Expanding School Based Wellness Program to additional schools
 - Refinement of Opioid Coalition with community partnerships
 - Refinement of the PCP practice profile showing utilization patterns
 - Expand DME home assessments and equipment needs with specialty vendor
- Continued monitoring of:
 - New Core System with an emphasis on Quality and Proficiency
 - New Provider/Member Portal
 - Autism Spectrum Disorder Behavioral Therapy
 - California Children's Services Coordination of Care
 - Vision Services Plan for optometric diabetic screenings
 - Access to PCP and Specialty Care as well as Physician recruitment
 - HEP C medication and "kick payment" program
 - Kaiser Permanente Subcontract
 - Program awareness of Mental Health benefit
 - Hospitalist program
 - Provider Recruitment Grants and results achieved from grants
 - Member focused approach to ensure members' expectations are met
 - Respite Housing and Care Program
 - Inpatient Pulmonary Rehabilitation Program

Attached are the following documents relating to the 2019 Budget:

- 1) Consolidated Operating Budget
- 2) Operating Budget by Aid Category

To: KHS Finance Committee

Re: 2019 Budget

Page 4

- 3) Enrollment Assumptions
- 4) Revenue Assumptions
- 5) Medical Expense Assumptions
- 6) Administrative Expense Assumptions
- 7) Budgeted FTE by Department
- 8) Capital Budget for 2019

Requested Action

Approve; Refer to KHS Board of Directors.

KERN HEALTH SYSTEMS
P & L BY MAJOR CATEGORY OF SERVICE
2019 BUDGET

	2019 BUDGET	EST. ANNUAL	DIFFERENCE	PMPM	EST. PMPM	PMPM
	\$	\$	\$	2019 BUDGET	2018 ANNUAL	DIFFERENCE
				2,984,100	2,947,546	36,554
REVENUE						
Capitation (includes Prop 56)	644,654,241	607,382,338	37,271,903	216.03	206.06	9.97
Maternity Kick	31,987,328	29,566,148	2,421,180	10.72	10.03	0.69
Health Home Kick	5,362,007	-	5,362,007	1.80	-	1.80
HEP C Kick	9,989,267	8,571,565	1,417,702	3.35	2.91	0.44
BHT Kick	7,846,609	5,402,104	2,444,505	2.63	1.83	0.80
Total MCAL Revenue	699,839,453	650,922,155	48,917,298	234.52	220.84	13.69
MCO Tax Revenue	99,655,013	93,801,381	5,853,632	33.40	31.82	1.57
COB Revenue	-	16,916,339	(16,916,339)	-	5.74	(5.74)
Interest	4,728,149	4,248,218	479,930	1.58	1.44	0.14
Reinsurance	1,521,891	600,681	921,210	0.51	0.20	0.31
TOTAL REVENUE	805,744,506	766,488,774	39,255,732	270.01	260.04	9.97
MEDICAL						
Inpatient Hospital	162,686,594	165,679,691	(2,993,097)	54.52	56.21	(1.69)
Outpatient Facility	68,407,970	65,598,612	2,809,357	22.92	22.26	0.67
Health Home Capitation	1,275,000	-	1,275,000	0.43	-	0.43
Emergency Room Facility	55,042,764	54,143,754	899,010	18.45	18.37	0.08
Long-Term Care Facility	9,369,484	9,942,451	(572,967)	3.14	3.37	(0.23)
Primary Physician Services	35,091,327	34,102,164	989,163	11.76	11.57	0.19
Urgent Care	16,494,265	15,599,702	894,563	5.53	5.29	0.23
Physician Specialty	110,535,191	110,680,948	(145,757)	37.04	37.55	(0.51)
BHT	7,846,609	6,090,959	1,755,651	2.63	2.07	0.56
Mental Health	1,942,551	1,382,079	560,472	0.65	0.47	0.18
VSP	3,139,601	2,970,029	169,572	1.05	1.01	0.04
Other Medical Professional	12,483,269	11,458,655	1,024,614	4.18	3.89	0.30
Pharmacy	100,637,470	95,541,510	5,095,959	33.72	32.41	1.31
HEP C	9,989,268	8,255,762	1,733,506	3.35	2.80	0.55
DME	7,202,445	7,100,588	101,858	2.41	2.41	0.00
Pharmacy Rebates	(1,750,000)	(1,584,734)	(165,265)	(0.59)	(0.54)	(0.05)
Home Health and CBAS	3,507,763	3,897,968	(390,205)	1.18	1.32	(0.15)
Other- Ambulance and Non-Emergent Transportation	14,647,116	11,806,152	2,840,965	4.91	4.01	0.90
Other Medical - Enhanced Benefits	749,904	507,241	242,663	0.25	0.17	0.08
Pay for Performance Quality Incentive	5,968,200	5,895,092	73,108	2.00	2.00	-
Provider Incentive Payments (Prop 56)	13,292,700	10,152,088	3,140,612	4.45	3.44	1.01
Reinsurance Premium	1,521,891	1,382,809	139,083	0.51	0.47	0.04
UM/QA Costs (including Utilization & Quality Review)	21,730,481	16,531,858	5,198,623	7.28	5.61	1.67
Total Medical Costs	661,811,864	637,135,377	24,676,487	221.78	216.16	5.62
GROSS PROFIT/(LOSS)	143,932,642	129,353,397	14,579,245	48.23	43.89	4.35
ADMINISTRATIVE	43,907,021	37,250,952	6,656,069	14.71	12.64	2.08
NET PROFIT/(LOSS) BEFORE MCO TAX	100,025,622	92,102,445	7,923,176	33.52	31.25	2.27
MCO TAX EXPENSE	99,655,013	92,756,438	6,898,575	33.40	31.47	1.93
NET PROFIT/(LOSS) AFTER MCO TAX	370,609	(653,993)	1,024,601	0.12	(0.22)	0.35
HEALTH HOME PROGRAM EXPENSE	3,360,000	2,787,235				
NET PROFIT/(LOSS) AFTER GRANT EXPENSE	(2,989,391)	(3,441,228)	(1)(2)			
MEDICAL LOSS RATIO (EXCLUDING MCO TAX)	93.73%	94.71%				
ADMIN RATIO (EXCLUDING GRANT AND MCO TAX)	6.22%	5.54%				

(1) 2018 has been adjusted for approximately \$7 million of prior period adjustments.

(2) 2018 Annual is estimated using YTD August 2018 plus September - December 2018 budget amounts.

**KERN HEALTH SYSTEMS
P & L BY MAJOR CATEGORY OF SERVICE
2019 BUDGET**

	ALL COAS \$	2,984,100	FAMILY & OTHER \$	2,097,600	SPD \$	170,400	EXPANSION \$	716,100
REVENUE								
Capitation	644,654,241	216.03	252,350,108	120.30	138,569,621	813.20	253,734,513	354.33
Maternity Kick	31,987,328	10.72	29,071,091	13.86	-	-	2,916,237	4.07
Health Home Cap	5,362,007	1.80	1,212,815	0.58	1,777,683	10.43	2,371,510	3.31
HEP C Kick	9,989,267	3.35	908,115	0.43	2,542,723	14.92	6,538,430	9.13
BHT Kick	7,846,609	2.65	3,142,827	1.50	4,703,782	27.60	-	-
Total MCAL Revenue	699,839,453	234.52	286,684,956	136.67	147,593,808	866.16	265,560,689	370.84
MCO Tax Revenue	99,655,013	33.40	70,050,050	33.40	5,690,565	33.40	23,914,398	33.40
COB Revenue	4,728,149	1.58	4,728,149	2.25	-	-	-	-
Interest	1,521,891	0.51	1,069,776	0.51	86,904	-	365,211	0.51
Reinsurance								
TOTAL REVENUE	805,744,506	270.01	362,552,931	172.83	153,571,277	900.07	289,840,298	404.75
MEDICAL								
Inpatient Hospital	162,686,594	54.52	60,763,709	28.97	43,183,079	253.42	58,739,805	82.03
Outpatient Facility	68,407,970	22.92	26,523,461	12.64	16,386,515	96.16	25,497,993	35.61
Health Home Capitation	1,275,000	0.43	358,913	0.17	385,813	2.26	530,273	0.74
Emergency Room Facility	55,042,764	18.45	34,030,726	16.22	5,915,109	34.71	15,096,929	21.08
Long-Term Care Facility	9,369,484	3.14	1,632,612	0.78	4,951,940	29.06	2,784,932	3.89
Primary Physician Services	35,091,327	11.76	23,789,023	11.34	2,628,141	15.42	8,674,163	12.11
Urgent Care	16,494,265	5.53	12,420,461	5.92	796,118	4.67	3,277,685	4.58
Physician Specialty	110,535,191	37.04	48,197,469	22.98	19,967,291	117.18	42,370,431	59.17
BHT	7,846,609	2.63	3,142,827	1.50	4,703,782	27.60	-	-
Mental Health	1,942,551	0.65	1,021,989	0.49	574,606	3.37	345,955	0.48
YSP	3,139,601	1.05	2,138,770	1.02	209,768	1.23	791,063	1.10
Other Medical Professional	12,483,269	4.18	4,740,617	2.26	2,547,276	14.95	5,195,376	7.26
Pharmacy	100,637,470	33.72	33,878,183	16.15	25,241,566	148.13	41,517,721	57.98
HEP C	9,989,268	3.35	908,115	0.43	2,542,723	14.92	6,538,430	9.13
DME	7,202,445	2.41	1,964,273	0.94	3,265,203	19.16	1,972,969	2.76
Pharmacy Rebates	(1,750,000)	(0.59)	(143,515)	(0.07)	(563,477)	(3.31)	(1,043,008)	(1.46)
Home Health and CBAS	3,507,763	1.18	1,107,627	0.53	1,609,291	9.44	790,844	1.10
Other- Ambulance and Non-Emergent Transportation	14,647,116	4.91	8,523,712	4.06	2,589,780	15.20	3,533,624	4.93
Other Medical - Enhanced Benefits	749,904	0.25	527,127	0.25	42,822	0.25	179,956	0.25
Pay for Performance Quality Incentive	5,968,200	2.00	4,195,200	2.00	340,800	2.00	1,432,200	2.00
Provider Incentive Payments (Prop 56)	13,292,700	4.45	7,909,284	3.77	1,504,632	8.83	3,878,784	5.42
Reinsurance Premium	1,521,891	0.51	1,069,776	0.51	86,904	0.51	365,211	0.51
UM/QA Costs (including Utilization & Quality Review)	21,730,481	7.28	8,396,999	4.00	4,727,274	27.74	8,606,208	12.02
Total Medical Costs	661,811,864	221.78	287,097,360	136.87	143,636,958	842.94	231,077,545	322.69
GROSS PROFIT/(LOSS)	143,932,642	48.23	75,435,571	35.96	9,734,319	57.13	58,762,753	82.06
ADMINISTRATIVE	43,907,021	14.71	16,966,364	8.09	9,551,583	56.05	17,389,074	24.28
NET PROFIT/(LOSS) BEFORE MCO TAX	100,025,622	33.52	58,469,207	27.87	182,736	1.07	41,373,679	57.78
MCO TAX EXPENSE	99,655,013	33.40	70,050,050	33.40	5,690,565	33.40	23,914,398	33.40
NET PROFIT/(LOSS) AFTER MCO TAX	370,609	0.12	(11,580,843)	(5.52)	(5,507,829)	(32.32)	17,459,281	24.38
MEDICAL LOSS RATIO (EXCLUDING MCO TAX)	93.73%		98.16%		97.26%		86.90%	
ADMIN RATIO (EXCLUDING MCO TAX)	6.22%		5.80%		6.47%		6.54%	

**KERN HEALTH SYSTEMS
BUDGETED MEMBER MONTHS
CY 2019**

	Increased Amt	SEPT 2018 Ferrals	JAN18	FEB18	MAR18	APR18	MAY18	JUN18	JUL18	AUG18	SEP18	OCT18	NOV18	DEC18	CY 2018
MEDI-CAL															
18 & OVER	-	43,888	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	528,000
UNDER 19	400	122,103	123,400	123,800	124,200	124,600	125,000	125,400	125,800	126,200	126,600	127,000	127,400	127,800	1,502,400
SPDS	-	14,158	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	170,400
TOTAL OTHER	-	5,587	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	67,200
-Blind/Disabled Dual	-	3,363	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	40,500
-Aged Dual	-	2,201	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	26,400
-8CCTP	-	23	25	25	25	25	25	25	25	25	25	25	25	25	300
MEDI-CAL EXPANSION	-	59,188	59,200	59,200	59,200	59,200	59,200	59,200	59,200	59,200	59,200	59,200	59,200	59,200	710,400
-Expansion Dual	-	445	450	450	450	450	450	450	450	450	450	450	450	450	5,400
-Expansion Partial Dual	-	21	25	25	25	25	25	25	25	25	25	25	25	25	300
TOTAL MEDI-CAL	400	245,380	246,875	247,275	247,675	248,075	248,475	248,875	249,275	249,675	250,075	250,475	250,875	251,275	2,984,100
Kaiser Membership	-	8,322	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	100,800
TOTAL MEDI-CAL	400	253,712	255,275	255,675	256,075	256,475	256,875	257,275	257,675	258,075	258,475	258,875	259,275	259,675	3,084,900

**KERN HEALTH SYSTEMS
MEDI-CAL
2019 REVENUE BUDGET**

ENROLLMENT	
Family and Other	2,097,600
SPD Members	170,400
MCAL Expansion	716,100
SUBTOTAL MEMBERS	2,984,100
Kaiser	
Total Members - MCAL	2,984,100

REVENUES	PMPM	\$
Title XIX - Medicaid Adult & Child	132.90	278,775,672
Title XIX - Medicaid Seniors & Persons w/Disabilities	857.33	146,089,176
Title XIX - Medicaid Expansion	365.43	261,681,905
SUBTOTAL PREMIUM REVENUE	230.07	686,546,753
Title XIX - Medicaid - MCO TAX	33.40	99,655,013
TOTAL MEDICAID REVENUE	263.46	786,201,766
Interest /Dividends	1.58	4,728,149
Reinsurance Recoveries	0.51	1,521,891
PROP 56	4.45	13,292,700
TOTAL REVENUES	270.01	805,744,506

REVENUE ASSUMPTIONS

- 1) PREMIUM REVENUE IS BASED ON PRELIMINARY RATES PROVIDED BY DHCS (JANUARY-JUNE 2019) ON JUNE 29, 2018. THERE IS NO RATE INFORMATION FOR JULY - DECEMBER 2019. FOR THAT PERIOD ALL CATEGORIES OF AID ARE ASSUMED TO RECEIVE A 4% INCREASE EXCEPT EXPANSION WHICH IS BUDGETED TO HAVE THE SAME RATE FOR THE SECOND HALF OF THE YEAR.
- 2) MATERNITY KICK REVENUE INCLUDED IN PREMIUM REVENUE INCLUDES A MONTHLY DELIVERY ASSUMPTION OF 432 DELIVERIES PER MONTH AND IS BASED ON CY2017 RDT WITH AN ASSUMED 5% INCREASE.
- 3) HEALTH HOME PROGRAM REVENUE IS BUDGETED TO BEGIN JULY 1, 2019 AND IS BASED ON DRAFT RATES PROVIDED 12/5/2017 WITH ESTIMATED PROGRAM MEMBERS OF 2,500.
- 4) HEP C KICK REVENUE INCLUDED IN PREMIUM REVENUE IS BASED ON 660 MEMBER MONTHS OF TREATMENT AT 18/19 NON 340B RATES RECEIVED 4/30/2018 AND ASSUMES AN INCREASE IN UTILIZATION. REVENUE IS BUDGETED TO OFFSET EXPENSE.
- 5) BHT KICK REVENUE INCLUDED IN PREMIUM REVENUE IS BASED ON 3,512 UTILIZER MONTHS OF TREATMENT AT \$3,397 PER MONTH FOR 0-6 YEAR OLDS AND \$2,584 FOR 7-20 YEAR OLDS IN ACCORDANCE WITH 18/19 RATES RECEIVED JULY 27, 2018 .
- 6) INTEREST REVENUE IS BASED ON ACTUAL AS OF AUGUST 31, 2018 ANNUALIZED AND ASSUMES SIMILAR PRINCIPAL BALANCES AVAILABLE FOR INVESTMENT AND CURRENT INTEREST RATES.
- 7) REINSURANCE RECOVERIES ARE ASSUMED AT 100% OF PREMIUM.
- 8) ESTIMATES FOR RETRO RATE ADJUSTMENTS AND PRIOR YEAR REVENUE ARE NOT BUDGETED
- 9) OTHER REVENUE IS IMMATERIAL AND NOT BUDGETED.
- 10) MCO TAX REVENUE IS BASED ON ESTIMATED PMPM RATES OF \$33.40, ASSUMING A 5% INCREASE FOR 19/20 MCO TAX PAYMENTS OVER THE 18/19 MCO TAX PAYMENTS.

**KERN HEALTH SYSTEMS
2019 MEDICAL BUDGET
UTILIZATION AND UNIT COST ASSUMPTIONS
(BASED ON PAID CLAIMS COST HISTORY AUGUST, 2018)**

FAMILY & OTHER

	Annualized Increase	
	Utilization	Unit Cost
Inpatient Hospital	-2.50%	3.00%
Outpatient Facility	1.00%	1.00%
Emergency Room	-3.00%	3.00%
Long Term Care	-10.00%	0.00%
Urgent Care	0.00%	0.00%
Physician Primary Care & Urgent Care	1.00%	1.00%
Physician Specialty	-2.00%	2.00%
Other Medical Professional	1.00%	0.00%
Mental Health	0.00%	0.00%
Pharmacy	0.00%	5.00%
Laboratory and Radiology	-2.00%	3.00%
Home and Community Based Services	1.00%	3.00%
Other, Ambulance, and Non-Emergency Medical Transportation	7.00%	9.00%

SENIORS & PERSONS WITH DISABILITIES (SPD)*

	Annualized Increase	
	Utilization	Unit Cost
Inpatient Hospital	-2.00%	3.00%
Outpatient Facility	1.00%	3.00%
Emergency Room	-3.00%	3.00%
Long Term Care	-7.00%	3.00%
Urgent Care	0.00%	0.00%
Physician Primary Care	2.00%	0.00%
Physician Specialty	-2.00%	1.00%
Other Medical Professional	8.00%	1.00%
Mental Health	0.00%	0.00%
Pharmacy	1.00%	5.00%
Laboratory and Radiology	0.00%	3.00%
Home and Community Based Services	1.00%	3.00%
Other, Ambulance, and Non-Emergency Medical Transportation	7.00%	9.00%

EXPANSION

	Annualized Increase	
	Utilization	Unit Cost
Inpatient Hospital	0.00%	3.00%
Outpatient Facility	1.00%	1.00%
Emergency Room	0.00%	3.00%
Long Term Care	-10.00%	3.00%
Urgent Care	0.00%	0.00%
Physician Primary Care	4.00%	2.00%
Physician Specialty	1.00%	3.00%
Other Medical Professional	6.00%	3.00%
Mental Health	0.00%	0.00%
Pharmacy	0.00%	5.00%
Laboratory and Radiology	0.00%	2.00%
Home and Community Based Services	1.00%	3.00%
Other, Ambulance, and Non-Emergency Medical Transportation	7.00%	9.00%

KERN HEALTH SYSTEMS MEDI-CAL ADMINISTRATIVE EXPENSES						
Administrative:	2019 BUDGET		2018 ESTIMATED		DIFFERENCE	
	PMPM	\$	PMPM	\$	PMPM	\$
Compensation	8.71	25,990,652	7.97	23,506,067	0.73	2,484,585
Purchased Services	3.29	9,822,524	2.43	7,177,036	0.86	2,645,488
Supplies	0.36	1,063,037	0.29	858,736	0.06	204,301
Depreciation	1.12	3,327,991	0.77	2,280,234	0.34	1,047,757
Other Administrative Expenses	1.24	3,702,817	1.16	3,428,879	0.08	273,938
Total Administrative Expenses	14.71	\$ 43,907,021	12.64	\$ 37,250,952	2.08	\$ 6,656,069
Member Months		2,984,100		2,947,546		36,554

ASSUMPTIONS

COMPENSATION

COMPENSATION EXPENSE WAS BASED ON STAFFING LEVELS NEEDED FOR THE GRADUAL ENROLLMENT OF 2,984,100 MEMBER MONTHS.

- 1.) COMPENSATION INCLUDES AN INCREASE OF APPROXIMATELY \$700,000 FOR COST OF LIVING SALARY INCREASE ADJUSTMENTS OF 2.5% AND EXPECTED AVERAGE MERIT INCREASE ADJUSTMENTS OF 1.5% FOR ALL DEPARTMENTS.
- 2.) COMPENSATION EXPENSE BUDGETED FOR 2019 INCLUDES AN INCREASE OF APPROXIMATELY \$200,000 FROM ESTIMATED 2018 EXPENSE FOR TEMPORARY STAFF NEEDED TO BACKFILL PLANNED AND UNPLANNED STAFFING SHORTAGES AND ASSIST WITH THE IMPLEMENTATION OF 2019 PROJECTS.
- 3.) A NET TOTAL OF 12 ADMINISTRATIVE POSITIONS ARE REFLECTED IN THE ABOVE FOR 2019 FOR AN ESTIMATED INCREASE OF APPROXIMATELY \$1,100,000 IN ADDITION TO A FULL YEAR OF SALARY AND BENEFITS FOR 2018 ADDED POSITIONS FOR AN INCREASE OF APPROXIMATELY \$300,000.

PURCHASED SERVICES

- 4.) THE 2019 BUDGET INCLUDES AN INCREASE OF OTHER PROFESSIONAL SERVICES OF APPROXIMATELY \$2,000,000 FOR OUTSIDE PROFESSIONAL SERVICES AND CONSULTING SERVICES NEEDED TO COMPLETE 2019 APPROVED PROJECTS, WHICH INCLUDE REGULATORY REQUIRED PROJECTS.
- 5.) THE 2019 BUDGET INCLUDES AN INCREASE OF APPROXIMATELY \$400,000 DUE TO INCREASED ANNUAL SYSTEM LICENSE AND SUPPORT FEES.

SUPPLIES

- 6.) THE 2019 BUDGETED SUPPLIES EXPENSE INCLUDES AN INCREASE OF APPROXIMATELY \$200,000 FOR DISASTER RECOVERY EXPENSE DUE TO ADDITIONAL COSTS RESULTING FROM PROCESS IMPROVEMENTS AND CHANGES FROM THE EXISTING DISASTER RECOVERY MODEL.

DEPRECIATION

- 7.) THE 2019 DEPRECIATION EXPENSE IS EXPECTED TO INCREASE SIGNIFICANTLY DUE TO A FULL YEAR OF EXPENSE FOR CAPITALIZED ASSETS COMPLETED AND PUT INTO PRODUCTION IN 2018, INCLUDING THE DEVELOPMENT OF THE MEMBER AND PROVIDER WEB PORTALS, AND COMPLETION OF CAPITALIZED PROJECTS IN 2019, INCLUDING THE MEDICAL MANAGEMENT SYSTEM PLATFORM AND CONSTRUCTION OF THE NEW BUILDING.

OTHER ADMINISTRATIVE EXPENSES

- 8.) THE 2019 BUDGETED EXPENSE FOR OTHER ADMINISTRATIVE EXPENSES REFLECTS INCREASES IN PROPERTY INSURANCE PREMIUMS, REGULATORY LICENSE FEES, EMPLOYEE TRAINING COSTS, AND EMPLOYEE RECRUITMENT EXPENSE.

KERN HEALTH SYSTEMS
2019 BUDGETED FTE BY DEPARTMENT
EXPECTED MEMBERSHIP

CC DEPARTMENT	DECEMBER 2018	DEPARTMENT ADJUSTMENTS	PROJECTED DECEMBER 2018	JAN 2019	FEB 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	AUGUST 2019	SEPT 2019	OCT 2019	NOV 2019	DEC 2019	TOTAL 2019	TOTAL 2019 FTE ADDITIONS
110 EXECUTIVE	4	-	4	-	-	-	-	-	-	-	-	-	-	-	-	-	4
210 FINANCE	14	-	14	-	-	-	-	-	-	-	-	-	-	-	-	-	14
220 INFORMATION TECHNOLOGY	33	-	33	3	-	-	-	-	-	-	-	-	-	-	-	-	36
231 BUSINESS INTELLIGENCE	16	-	16	-	-	-	-	-	-	-	-	-	-	-	-	-	16
230 CLAIMS	56	-	56	-	-	-	-	-	-	-	-	-	-	-	-	-	56
240 PROJECT MANAGEMENT	9	-	9	-	-	-	-	-	-	-	-	-	-	-	-	-	9
310 UM	87	(24)	63	-	-	-	-	-	-	-	-	-	-	-	-	-	63
314 HEALTH HOME	8	-	8	2	-	-	-	-	-	-	-	-	-	-	-	-	10
315 CASE MANAGEMENT	-	24	24	-	-	-	-	-	-	1	-	-	-	-	-	-	25
311 QI	13	-	13	-	-	-	-	-	-	-	-	-	-	-	-	-	13
312 HEALTH ED	11	-	11	-	-	-	-	-	-	-	-	-	-	-	-	-	11
313 PHARMACY	11	-	11	-	-	-	-	-	-	-	-	-	-	-	-	-	11
616 DISEASE MANAGEMENT	9	-	9	-	-	-	-	-	-	-	-	-	-	-	-	-	9
320 PROVIDER RELATIONS	22	-	22	2	-	-	1	-	-	-	-	-	-	-	-	-	25
330 MEMBER SERVICES	76	1	77	4	-	-	-	-	-	1	-	-	-	-	-	-	82
340 CORPORATE SERVICES	8	(1)	7	-	-	-	-	-	-	-	-	-	-	-	-	-	7
360 COMPLIANCE	6	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-	6
420 MARKETING	5	-	5	-	-	-	-	-	-	-	-	-	-	-	-	-	5
510 HR	11	-	11	-	-	-	1	-	-	-	-	-	-	-	-	-	12
TOTAL	399	-	399	11	0	0	2	0	0	1	1	0	0	0	0	0	414

1 of 4

The KHS CEO met with each department to go over all departmental budgets and staffing requirements. The 2019 Budget has additional staffing requirements of fifteen (15) net new FTEs due to implementing the 2019 projects required to meet the 2019 Strategic Goals and Objectives, continuing growth and complexities in our technology requirements, and the more complex populations that are being assigned to Managed Care Plans in California.

Staffing changes are required for the following departments:

- Information Technology requires three (3) FTEs to keep up with demand for more sophisticated information reporting and performance requirements on Medi-Cal health plans from DHCS, DMHC and NCQAA. One FTE is required in system configuration for JIVA and QNXT in support of the Provider Relations and Claims Departments need for system changes; One FTE is required in management for the Electronic Data Interchange (EDI) team as the regulatory demands for electronic data transactions (i.e. Encounters, Clinical Medical Records, etc.) by DHCS have significantly increased; and One FTE in management for the oversight of several teams as the technical diversity to manage the department as a whole has increased in complexity.
- Health Homes requires two (2) FTEs for the continued growth of the Health Home Program designed for members with chronic conditions. The FTEs will play an integral role as a resource to the Community Based Care Management Entities by providing clinical oversight of the 6 core components of the program to ensure compliance with State requirements, assist with referrals and authorizations and support sites with mandatory trainings. The 2 FTEs are required to fulfill this role for the oversight of all 7 HHP sites. (2 new sites in 2019). KHS is responsible for the delegation oversight of the Health Home Programs and the addition of these FTEs will assist with fulfilling the DHCS requirements.
(Necessary to fulfill DHCS requirements in 2019)
- Case Management requires one (1) FTE in a Medical Director role. This position will be multi-faceted in the support and education of the KHS Provider network in the critical areas of Care Coordination and addressing the Social Determinants of Health and the impact on barriers to care. In support of KHS's 3 year Strategic plan, the Medical Director will play a key role in the transformation of the Primary Care and Specialty delivery care system methodology. Monitoring clinical profiles of KHS network providers will identify individual provider's styles of practice for treatment and services used and the outcomes of care. The profiling communications provided by the Medical Director will provide meaningful information on clinical performances to help improve the quality of the services provided. Additionally, the Medical Director will assist with the promotion of the defined clinical outcome requirements for the Health Homes Programs and provide support both internally and externally to the Pharmacy processes as a fiduciary and eligibility liaison.
(Savings from assuring members receive only medically appropriate, cost-effective care should more than offset the cost for this position).

- Provider Relations requires three (3) new FTEs. Two Provider Relation Representatives are required due to increases in the KHS provider network size with the addition of added Medi-Cal covered services and new provider types such as behavioral health (i.e. ABA, QASP), mental health (i.e. LCSW, BCBA, LMFT), palliative care, Non-Emergency Medical Transportation providers and an overall increase of PCPs, Urgent Care and Specialty Care Providers. In 2017, the top two provider types that experience significant growth were PCPs/Specialist and Urgent Care Centers. There was a 14% increase in PCP and Specialty Care Providers and a 22% increase in Urgent Care facilities alone. The scope of the Provider Relations Representatives has also expanded as KHS is handling several new systems trainings with providers, provider portal implementation, special projects and expanded number of Joint Operation Meetings with our network hospitals.

Additionally, one Credentialing Coordinator is required as a result of All Plan Letter 17-019, which became effective, 01/01/2018. KHS is now required to create and monitor additional requirements for Screening & Enrollment of providers and developing an infrastructure that includes developing Policies and Procedures and workflow processes for the current network and new providers requesting to be contracted, conducting an assessment of the current network to determine their enrollment status with Fee For Service (“FFS”)Medi-Cal (1,600+ providers), assigning Risk Assignment to our current network as “Limited, Moderate or High”, developing a process to screen and enroll those network providers who are not FFS and/or are not eligible to be enrolled in FFS; KHS is now responsible to screen and enroll those network providers in a manner that is substantively equivalent to the DHCS enrollment process, monthly database checks to ensure current network providers remain in good standing in Medicare and Medi-Cal programs, conduct internal screening and enrollment for approximately 150-200 current providers who are not FFS enrolled or eligible for enrollment and to manage the increase in the volume of initial and re-credentialing applications. Provider demographic changes have also increased workload for address location additions, deletions and changes all with a direct impact to maintaining the integrity of the provider data in our credentialing software system as the primary information source and for the purposes of the 274 State file, SB 137 provider directory & web portal display within the required regulatory timeframes.

(Necessary to fulfill DHCS requirements in 2019)

- Member Services requires five (5) FTEs to assist with meeting the growing demand of customer service calls and grievances and appeals due to recent changes to the Grievance and Appeal requirements as set forth under APL 17-006.
(Necessary to fulfill DHCS performance standards and service requirements in 2019).

2017 MEMBER SERVICES NEW POSITIONS		
Count	Position	Justification
1	Supervisor	Additional position needed to reduce the staff to management ratio. Current ratio is at 1 supervisor to 24 staff. Industry standard is 1 supervisor to 12. This position will assist management with monitoring and evaluating agent performance, preparing and analyzing reports, assisting as a subject matter expert on special projects and ensuring agents understand and comply with all call center objectives, performance standards and policies.
2	Grievance Coordinator	Additional staffing needed to comply with APL 17-006. With the implementation of the CMS Mega Rule in July 2017, all dissatisfaction is considered a grievance and accordingly grievances have increased 72%.
1	Member Service Representative	Additional position needed to handle an 11% increase in phone volume and maintain DHCS required phone statistics
1	Senior Ops Analyst/Content Manager	KHS purchased content knowledge management software to centralize standard reference materials pertinent to the day-to-day business needs of the Member Services staff. The solution requires that this position be fully dedicated to creating, editing, posting, analyzing and updating content, and work as the liaison between Member Services and other KHS departments to ensure the information provided by the solution is always current and accurate.

- Human Resources requires 1 FTE in Corporate Training and Development as a second Instructional Designer. With nearly 400 employees, more than 2,500 network providers and 250,000 enrollees, timely, accurate and consistent communication and training is imperative for each constituent group to remain current with KHS policies, procedures and protocols. Designing on-line education and training programs to be used repeatedly ensures KHS achieves this objective. Specifically, programs produced will be used by employees requiring compliance training and work specific procedure changes and updates. For provider's it will be used to orient new office staff to KHS's policies, protocols and patient care information.

(Savings from reduced classroom instruction and onsite provider office based training should offset the cost for this FTE).

**KERN HEALTH SYSTEMS
2019 CAPITAL BUDGET**

ITEM	CORPORATE PROJECTS	QTR	QUANTITY	COST PER ITEM	TOTAL
1	Edifices (Encounters)	1,2,3,4	1	\$ 637,750	\$ 637,750
2	2D Profiling Management (CE)	1,2,3,4	1	\$ 272,372	\$ 272,372
3	Cactus Software Upgrade	1,2,3,4	1	\$ 357,676	\$ 357,676
4	NetworkX Modeler and Pricer - Professional Contracts	1,2,3,4	1	\$ 307,557	\$ 307,557
5	Diabetes Prevention Program (DPP)	1,2,3	1	\$ 120,035	\$ 120,035
6	New Building Occupation	1,2,3	1	\$ 1,766,300	\$ 1,766,300
7	Screen Pop	2,3,4	1	\$ 112,556	\$ 112,556
8	Computer Assisted Translation Tool	3,4	1	\$ 30,000	\$ 30,000
9	Internal Dashboards	1,2,3,4	1	\$ 654,126	\$ 654,126
10	Call Center Knowledge Manage Solution	2,3,4	1	\$ 15,000	\$ 15,000
11	Medical Management	1	1	\$ 305,679	\$ 305,679
12	Member Engagement Program	1,2,3,4	1	\$ 194,402	\$ 194,402
13	Health Homes Site Expansion	1,2,3,4	1	\$ 157,453	\$ 157,453
CORPORATE PROJECTS SUBTOTAL					4,930,906

NEW BUILDING CONSTRUCTION					
ITEM		QTR	QUANTITY	COST PER ITEM	TOTAL
14	New Building Development	1,2,3	1	\$ 22,173,284	\$ 22,173,284
15	New Building Furniture	1,2,3	1	\$ 1,300,000	\$ 1,300,000
NEW BUILDING SUBTOTAL					\$ 23,473,284

OFFICE FURNITURE & EQUIPMENT					
ITEM		QTR	QUANTITY	COST PER ITEM	TOTAL
16	Department Copiers and Printers	1,2,3,4	9	\$ 8,500	\$ 76,500
OFFICE FURNITURE & EQUIPMENT SUBTOTAL					\$ 76,500

TECHNOLOGY					
ITEM		QTR	QUANTITY	COST PER ITEM	TOTAL
17	VDI Desktops	1,2,3	1	\$ 298,750	\$ 298,750
18	Voice System Hardware Refresh	1,2,3	1	\$ 167,000	\$ 167,000
19	Laptop Replacements	1,2,3	50	\$ 2,500	\$ 125,000
TECHNOLOGY SUBTOTAL					\$ 590,750

TOTAL 2019 CAPITAL ITEMS					\$ 29,071,440
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2019 Capital Summary

Corporate Projects

1. *Edifecs (Encounters)*

Kern Health Systems (KHS) is contractually obligated to send medical and pharmacy encounters to the State of California on a monthly basis. These encounters are the fundamental data set that the State utilizes to determine financial reimbursement, member auto assignment, and benefit utilization. The Edifecs (Encounters) project is the creation the new data encounter software for KHS. This new software will preprocess and format encounters to promote high encounter acceptance rates by the State, and allow KHS to process denied encounters for business reprocessing.

(Budgetary Impact: \$637,750.)

2. *2D Profiling Management (Clinical Engagement)*

Kern Health Systems (KHS) will build a Clinical Engagement team to work with provider practice profiles, and providers, to improve consistency in the management of disease processes by all Primary Care Providers (PCP's). This project will create software data dashboards and process workflows to provide the team automation in its PCP oversight. The current process is done manually, is inefficient, and has risk of error during manual input.

(Budgetary Impact: \$272,372.)

3. *Cactus Software Upgrade*

Kern Health Systems (KHS) leverages the Symplr Cactus software to manage the credentialing information for the KHS provider network. The manufacturer requires a software upgrade from "Vintage" CACTUS to the new cloud based CACTUS Provider Management Platform. This integrated end to end provider management platform will increase process efficiencies, reduce lag time of credentialing, and increase provider data accuracy and reporting. The current version of CACTUS will no longer be supported in 2020.

(Budgetary Impact: \$357,676.)

4. *NetworkX Modeler and Pricer – Professional Contracts*

Kern Health Systems (KHS) has purchased the Cognizant NetworkX Modeler and Pricer software and will need to build all of the KHS professional contracts in the new software. This solution integrates into the QNXT core claims processing system and will provide KHS with more flexible payment options in the QNXT system; therefore, promoting more accurate payments and higher auto adjudication.

(Budgetary Impact: \$307,557.)

2019 Capital Summary

5. **Diabetes Prevention Program (DPP)**

The Department of Healthcare Services (DHCS) has published its requirements in AB 97 for health plans to establish a diabetes prevention program (DPP) by January 1, 2019. This project will allow Kern Health Systems (KHS) to build and establish a pilot DPP in accordance with CDC requirements to adhere to the regulatory requirement.

(Budgetary Impact: \$120,035.)

6. **New Building Occupation**

Kern Health Systems (KHS) is constructing a new building on Buck Owens Boulevard and will require various technology procurements and professional services to occupy the facility. The New Building Occupation project, for 2019, will include the procurement and installation of conference room equipment, surveillance system, and the assistive listening devices. Additionally, various professional services to project manage the relocation and physically move equipment and furniture is within the project scope.

(Budgetary Impact: \$1,766,300.)

7. **Screen Pop**

Kern Health Systems (KHS) will build a software solution that will allow Member Services to give phone agents the ability to view a customized set of information about the callers' account. KHS has determined that the caller ID data that enters into the KHS call center matches a member's demographic profile approximately 70% of the time. This caller ID data will be used to dynamically retrieve the members' information for the call agent at the time the caller is connected with this new software to promote efficiency.

(Budgetary Impact: \$112,556.)

8. **Computer Assisted Translation Tool**

The Culture and Linguistics team is searching for a Computer Assisted Translation (CAT) software tool to purchase and installed on three (3) KHS translator computers. This software tool is needed to meet the increased demand in translation requests and improve translation accuracy and efficiency by: identifying translator's effort based on previously translated documents, identifying and suggest terminology and sentences previously translated for similar documents, notifying translators of spelling and grammatical errors grammatical errors, generate an in-house translation glossary based on projects, and maintaining the same document formatting as English version.

(Budgetary Impact: \$30,000.)

2019 Capital Summary

9. Internal Dashboards

Kern Health Systems (KHS) is a data-centric organization that leverages data in its decision-making processes. This project will build four new software data dashboards for internal departments to manage its daily operations. These software dashboards provide various metrics as determined by the department leadership.

(Budgetary Impact: \$654,126.)

10. Call Center Knowledge Management Solution

The Member Services Department is searching for a knowledge base software solution to consolidate and organize the most frequently asked questions and information that members and providers request. This project will involve procuring a software solution from a vendor that can deliver a user friendly desktop knowledge management tool to store said information from all Kern Health Systems (KHS) departments, and will act as an assistant to help Member Services staff deliver accurate and consistent information to our members and providers.

(Budgetary Impact: \$15,000.)

11. Medical Management Carryover

Kern Health Systems (KHS) has been in the process of building a new Medical Management system with the ZeOmega JIVA platform. All Medical Management departments are now utilizing this software to perform their daily operations. This project is the final quarter of the work in order to finalize two important processes for the company. The project entails efforts from both KHS and ZeOmega to create and deploy the Medical Appeals process and Health Education referral functionality for providers.

(Budgetary Impact: \$305,679.)

12. Member Engagement Program

Kern Health Systems (KHS) is seeking to create and develop a program that will address all spectrums of the continuum of care for Plan Members. The initial pilot will focus on members who receive pre and post-natal care to determine ways to increase the number of pregnant members who seek OB/GYN services within their first trimester to promote more positive health outcomes. The results of the research and initial pilot will assist in the development of a formal member engagement program for the company.

(Budgetary Impact: \$194,402.)

2019 Capital Summary

13. Health Homes Site Expansion

This project will implement two (2) additional Health Home Sites with the Clinica Sierra Vista (CSV) provider group. The continued goal for the Health Homes Program is to engage eligible members to participate in a patient center care delivery system for their physical, behavioral, and social needs, and work closely with each member to educate, coordinate, and link them to the appropriate services needed for a member to achieve a positive health outcome.

(Budgetary Impact: \$157,453.)

New Building Construction

14. New Building Development

Kern Health Systems (KHS) is in its last stage of general construction of the new facility on Buck Owens Boulevard. This project is to fund the construction work that is being overseen by SC Anderson to complete the new building.

(Budgetary Impact: \$22,173,284.)

15. New Building Furniture

Kern Health Systems (KHS) will need to procure new furniture in order to outfit the new building with cubicles, offices, common areas, and conference rooms. This project also will include the procurement and installation of the furniture.

(Budgetary Impact: \$1,300,000.)

Office Furniture & Equipment

16. Department Copiers and Printers

Annually, Kern Health Systems (KHS) reviews the printing and copying of its department copiers and multifunctional devices. Copiers and multifunctional devices that have reached their end of life are replaced based on the volume and overall life utilization of the hardware. Additionally, KHS is relocating into a much larger building that will require several new copiers, desktop printers, and multifunctional devices

(Budgetary Impact: \$76,500.)

2019 Capital Summary

Technology

17. VDI Desktops

Kern Health Systems (KHS) is migrating to a Virtual Desktop Infrastructure (VDI) technology for its end users; support a more robust Disaster Recovery (DR) plan; provide a faster remote connectivity environment for teleworkers (hospital based, Medical Directors, etc.); and reduce the overall desktop footprint. This will replace each users end workstation that is using a laptop configuration. The last partial desktop user hardware refresh was completed in 2012.

(Budgetary Impact: \$298,750.)

18. Voice System Hardware Refresh

Kern Health Systems (KHS) has been operating its existing phone system since 2008, and over the years has performed several software updates to maintain the solution. KHS intends to update the voice system software and replace several components of the phone system (i.e. handsets, headsets, etc.).

(Budgetary Impact: \$167,000.)

19. Laptop Replacements

Kern Health Systems (KHS) has minimized the amount of hardware it has replaced in order to do a hardware refresh as part of the new building move strategy. The last partial laptop refresh was completed in 2012. The purchase of new laptops will support the new building move for user hardware replacement.

(Budgetary Impact: \$125,000.)



TO: KHS Finance Committee
FROM: Richard M. Pruitt, CIO
DATE: December 7, 2018
RE: 2019 Professional Services

Background

In 2018, KHS engaged in a variety of complex corporate projects such as CMS Claims COB Payment, State Provider Reporting, Real-Time Member Portal Communication, Claims Auditing, Provider Dashboards, Hospital Directed Payments, and the Medical Management System. The company has been very successful with the 2018 portfolio, and next year, 2019, the project expectations are equally aggressive.

Each year, the technology team augments the department staff, by outsourcing with professional technical consultants, thus avoiding full-time employee hires, to accommodate the resource requirements of the corporate projects. During the organization's annual project and resource planning, the technology department identified the need for twenty-four (24) resources to adequately staff the twenty-one (21) corporate projects.

The attached Power Point outlines the 2019 scheduled Corporate Projects along with the methodology and regiment that KHS uses to define how many resources for each project are needed in order to properly manage the work efforts.

Requested Action

Approve: Authorize the CEO to approve contracts associated with the procurement of Professional Technical Resources for labor needed to complete the 2019 corporate projects with various consulting companies in the amount not to exceed **\$5,321,753** in the 2019 budgeted operating and capital expense.



2019 Project Consulting Professional Services

December 2018

Richard M. Pruitt



Agenda

- General Overview
- Sequence of Events
- Professional Services Vendors
- 2018/2019 Corporate Projects and Planning
- Expenditures
- Benefits of Outsourcing
- Board of Directors Request

General Overview

In 2018, KHS engaged in a variety of complex corporate projects such as CMS Claims COB Payment, State Provider Reporting, Real-Time Member Portal Communication, Claims Auditing, Provider Dashboards, Hospital Directed Payments, and the Medical Management System. The company has been very successful with the 2018 portfolio, and next year, 2019, the project expectations are equally aggressive.

Each year, the technology team augments the department staff, by outsourcing with professional technical consultants, thus avoiding full-time employee hires, to accommodate the resource requirements of the corporate projects. During the organization's annual project and resource planning, the technology department identified the need for twenty-four (24) resources to adequately staff the twenty-one (21) Corporate Projects.

Sequence of Events

- Professional Services Vendors RFP Process Performed (2017)
- Update Rate Sheets (2018) with Vendors
- Annual Corporate/Department Project Approval
- Annual Resource Planning
- Annual Budget Process
- Create recommendation for the Board of Directors.

Professional Services Vendors

COMPANY	PM	DEV	DBA	TA	DA	SYS
Znalytics	\$95	\$95	\$90	\$90	\$90	\$85
SVAM INTL	\$110	\$100	\$93	\$90	\$90	\$90
CEI	\$120	\$105	\$105	\$90	\$95	\$105
Fluidedge	\$120	\$110	\$110	\$110	\$90	\$95

PM	PMI Project Manager	TA	Techcial Analyst
DEV	Application Developer	DA	Data Analytics Developer
DBA	Database Administrator	SYS	Systems Administrator

2018 Corporate Projects

Calendar												
#	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												

2019 Corporate Projects

#	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	Edifices (Encounters)											
2	2D Profiling Management (Clinical Engagement)											
3	CACTUS Software Upgrade											
4	Network Modeler and Pricer - Professional Contracts											
5	Diabetes Prevention Program (DPP)											
6	New Building Occupation											
7	Screen Pop											
8	Computer Assisted Translation Tool											
9	Internal Dashboards											
10	Call Center Knowledge Management Solution											
11	Medical Management Carryover and Enhancements											
12	Member Engagement Program											
13	Health Home Site Expansion											
14	Hospital Directed Payments (HDP) Carryover											
15	Preparation for DHCS HHP Implementation											
16	Orchestrator Job Migration Cont.											
17	DST Health Eligibility Process Modification											
18	MicroSoft Server Upgrades											
19	Telehealth-E-consults/Teledocs											
20	KHS Biztalk Upgrade											
21	ACG Upgrade (John Hopkins Tool)											

2019 Resource Planning

		Resources										
#	Project Name	SM	CONFIG	DEV	OPS	EDI	DBA	DA	BI	TOTAL		
4	Network Modeler and Pricer - Professional	1,038	1,500	-	332	-	500	1,000	40	4,410		
5	Diabetes Prevention Program (DPP)	514	166	-	166	-	500	500	40	1,886		
6	New Building Occupation	1,500	-	-	3,750	-	-	-	-	5,250		
7	Screen Pop	514	40	500	332	-	83	83	40	1,592		
8	Computer Assisted Translation Tool	-	-	-	83	-	-	-	40	123		
9	Internal Dashboards	685	-	-	-	-	2,000	4,000	1,000	7,685		
10	Call Center Knowledge Mgmt Solution	-	-	-	83	-	-	-	40	123		
11	Medical Management Carryover and Enhancements	1,557	1,000	1,000	900	500	1,000	1,000	40	6,997		
12	Member Engagement Program	571	83	-	83	-	166	500	40	1,443		
13	Health Home Site Expansion	343	1,000	-	664	-	1,000	500	40	3,547		
14	Hospital Directed Payments (HDP)	343	166	-	166	1,000	83	-	40	1,798		
15	Preparation for DHCS HHP Implementation	685	1,000	-	332	-	1,000	500	40	3,557		
16	Orchestrator Job Migration Cont.	514	-	664	664	83	750	83	40	2,798		
17	DST Health Eligibility Process Modification	228	-	-	166	332	166	-	40	932		
18	MicroSoft Server Upgrades	343	-	332	500	83	500	83	40	1,881		
19	Telehealth-E-consults/Teledocs	343	83	166	500	500	500	500	40	2,632		
20	KHS Biztalk Upgrade	228	-	166	166	166	166	166	40	1,098		
21	ACG Upgrade (John Hopkins Tool)	171	-	-	166	166	166	166	40	875		
22	MAINTENANCE		12,050	4,100	8,325	3,796	4,650	5,700	7,500	46,121		
Estimated Hours Needed:		11,984	17,088	9,260	18,376	9,292	18,730	18,531	9,260	112,521		
Estimated FTE Need @ 1,900:		6.31	8.99	4.87	9.67	4.89	9.86	9.75	4.87	60		
Total Available FTE:		2.00	5.00	5.00	7.00	3.00	4.00	6.00	5.00	37		
Variance:		4.31	3.99	0.00	2.67	1.89	5.86	3.75	0.00	23		
Request		5	4	0	3	2	6	4	0	24		

Expenditures

YEAR	PROJECTS	RESOURCES	REQUESTED	ACTUAL	VARIANCE
2017	11	15	\$ 3,469,954	\$ 2,682,603	\$ 787,351
2018*	16	18	\$ 3,979,641	\$ 3,971,647	\$ 7,994
2019	21	24	\$ 5,321,753	N/A	N/A

* Variance forecasted based on September actuals

Benefits of Outsourcing

- Staffing Flexibility to Accommodate Temporary Project Load.
- Reduce Long Term Administrative Costs.
- Obtain Resources Not Easily Available Locally.
- Find Skilled Resources Needed for Specific Projects.
- Ensure Projects are Successful Through Adequate Staffing.

Board of Directors Request

- Authorize the CEO to approve contracts associated to procurement of Professional Technical Resources with various consulting companies in the amount not to exceed \$5,321,753 in operating and capital expenses associated for labor needed to complete the 2019 corporate projects.

Questions

Please contact:

Richard M. Pruitt

661-664-5078

richard.pruitt@khs-net.com



TO: KHS Finance Committee
FROM: Richard Pruitt, Chief Information Officer
DATE: December 7, 2018
RE: Technology Purchases for the New Building

Background

Kern Health Systems will be relocating in the summer of 2019 to its new facility on Buck Owens Blvd. The relocation of staff to new facilities will require various purchases of equipment and services over the next several months. In order to occupy and relocate staff to the new building there will be additional technology purchases required for user and office equipment.

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

Requested Action

Approve; Authorize the KHS Chief Executive Officer to approve contracts associated with the new building for technology infrastructure in the amount not to exceed **\$1,665,250** in the 2019 budgeted capital and expense.



Technology Purchases for the New Building

December 2018

Richard M. Pruitt



Agenda

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

Overview

Kern Health Systems will be relocating in the summer of 2019 to its new facility on Buck Owens Blvd. The relocation of staff to new facilities will require various purchases of equipment and services over the next several months. In order to occupy and relocate staff to the new building there will be additional technology purchases required for user and office equipment.

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

Process Review

- Delayed Hardware Replacements in 2017 and 2018
- Budgeted for the New Building Infrastructure in 2019 Capital budget
- Defined Requirements
- Conduct RFP/RFQ/Purchase Process
- Internal Contracts Committee Presentation and Approval
- Report Budget Status to the Board of Directors

Procurement

Desktop Configuration
Voice System
Surveillance System
Audio Visual Systems

Procurement

- Desktop Configuration
 - MONITORS / DESKTOP / PERSONAL PRINTERS / BADGES
- Voice System
 - SYSTEM SOFTWARE / HANDSETS
- Surveillance System
 - SOFTWARE / CAMERAS / SECURITY STATION / RECORDING
- Audio Visual Systems (Board Room / Conference Rooms)
 - WHITE BOARDS / PROJECTORS / TELEVISIONS / ASSISTED LISTENING DEVICES

Budget

DESCRIPTION	BUDGET
DESKTOP CONFIGURATION	\$ 610,750
VOICE SYSTEM	\$ 155,000
SURVEILLANCE SYSTEM	\$ 200,000
AUDIO VISUAL SYSTEMS	\$ 699,500
TOTAL:	\$ 1,665,250

Board Request

- Authorize the CEO to approve contracts associated with the new building for technology infrastructure in the amount not to exceed **\$1,665,250** in the 2019 budgeted capital and expense.

Questions

Please contact:

Richard M. Pruitt

661-664-5078

richard.pruitt@khs-net.com



To: KHS Finance Committee

From: Robert Landis, CFO

Date: December 7, 2018

Re: September 2018 Financial Results

The September results reflect a \$462,534 Net Increase in Net Position which is a \$493,507 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$4.2 million favorable variance primarily due to:
 - A) \$1.1 million favorable variance relating to Family and Other primarily due to a higher than expected budgeted rate increase from the State (\$.3 million), higher than expected enrollment (\$.3 million) and accounting for unbudgeted Proposition 56 monies received on at risk basis (\$.5 million) and offset against amounts included in item 2C below.
 - B) \$1.6 million favorable variance relating to Expansion primarily due to a higher than expected budgeted rate increase from the State (\$1.3 million), higher than expected enrollment (\$.2 million), lower than expected Maternity revenue (\$.2 million) and accounting for unbudgeted Proposition 56 monies received on at risk basis (\$.3 million) and offset against amounts included in item 2C below.
 - C) \$.8 million favorable variance relating to SPD primarily due to a higher than expected budgeted rate increase from the State (\$.5 million) and higher than expected enrollment (\$.3 million).
- 2) Total Medical Costs reflect a \$3.2 million unfavorable variance primarily due to:
 - A) \$.6 million unfavorable variance in Physician Services primarily due to higher than expected utilization of Urgent Care and Referral Specialty Services for Family & Other members.
 - B) \$1.0 million unfavorable variance in Outpatient Hospital primarily due to higher than expected utilization.
 - C) \$1.2 million unfavorable variance in Other Medical primarily due to accruing for unbudgeted Proposition 56 expenses on at-risk-basis offset against revenue mention under items 1A-1C above.
 - D) \$.6 million unfavorable variance in IBNR, Incentive, Paid Claims Adjustment primarily due to a recent requirement by CMS instructing DHCS to reinstitute the Expansion Risk Corridor which limits the Expansion Medical Loss Ratio to a range of 85- 95 percent for the period July 2016 – June 2017

The September Medical Loss Ratio is 92.9% which is favorable to the 93.6% budgeted amount. The September Administrative Expense Ratio is 5.3% which is favorable to the 5.9% budgeted amount.

The results for the 9 months ended September 30, 2018 reflects a Net Increase in Net Position of \$4,200,936. This is a \$7,288,120 favorable variance to budget and includes approximately \$6.4 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 94.0% which is slightly favorable to the 94.1% budgeted amount. The year-to-date Administrative Expense Ratio is 5.1% which is favorable to the 5.9% budgeted amount.

**Kern Health Systems
Financial Packet
September 2018**

KHS – Medi-Cal Line of Business

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KHS Group Health Plan – Healthy Families Line of Business

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KHS Administrative Analysis and Other Reporting

Monthly Member Count	Page 15
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KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF SEPTEMBER 30, 2018			
ASSETS	SEPTEMBER 2018	AUGUST 2018	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 91,300,427	\$ 88,977,877	\$ 2,322,550
Short-Term Investments	152,185,597	142,986,596	9,199,001
Premiums Receivable - Net	72,784,058	72,922,577	(138,519)
Interest Receivable	332,400	461,567	(129,167)
Other Receivables	1,259,675	1,731,018	(471,343)
Prepaid Expenses & Other Current Assets	1,429,754	1,662,247	(232,493)
Total Current Assets	\$ 319,291,911	\$ 308,741,882	\$ 10,550,029
RESTRICTED ASSETS	\$ 300,000	\$ 300,000	\$ -
CAPITAL ASSETS - NET OF ACCUM DEP:			
Land	4,876,562	4,876,562	-
Furniture and Equipment	6,440,127	5,943,590	496,537
Automobile - Net	14,274	14,665	(391)
Building and Building Improvements - Net	6,407,265	6,435,121	(27,856)
Capital Projects in Process	23,666,253	21,392,319	2,273,934
Total Capital Assets	\$ 41,404,481	\$ 38,662,257	\$ 2,742,224
LONG TERM ASSETS:			
Officer Life Insurance Receivables	684,615	684,772	(157)
Total Long Term Assets	\$ 684,615	\$ 684,772	\$ (157)
DEFERRED OUTFLOWS OF RESOURCES	\$ 2,890,063	\$ 2,890,063	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 364,571,070	\$ 351,278,974	\$ 13,292,096
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	\$ 27,064	\$ 27,854	(790)
Accrued Salaries and Employee Benefits	2,165,507	2,106,266	59,241
Accrued Other Operating Expenses	1,052,154	1,000,621	51,533
Accrued Taxes and Licenses	24,212,316	16,124,399	8,087,917
Claims Payable (Reported)	16,928,829	18,009,842	(1,081,013)
IBNR - Inpatient Claims	34,265,817	33,855,935	409,882
IBNR - Physician Claims	13,317,881	12,064,245	1,253,636
IBNR - Accrued Other Medical	20,793,782	18,329,156	2,464,626
Risk Pool and Withholds Payable	2,787,564	2,293,640	493,924
Statutory Allowance for Claims Processing Expense	2,324,857	2,324,857	-
Other Liabilities	45,873,297	44,782,691	1,090,606
Total Current Liabilities	\$ 163,749,068	\$ 150,919,506	\$ 12,829,562
NONCURRENT LIABILITIES:			
Net Pension Liability	5,808,296	5,808,296	-
TOTAL NONCURRENT LIABILITIES	\$ 5,808,296	\$ 5,808,296	\$ -
DEFERRED INFLOWS OF RESOURCES	\$ 270,949	\$ 270,949	\$ -
NET POSITION:			
Net Position - Beg. of Year	190,541,821	190,541,821	-
Increase (Decrease) in Net Position - Current Year	4,200,936	3,738,402	462,534
Total Net Position	\$ 194,742,757	\$ 194,280,223	\$ 462,534
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 364,571,070	\$ 351,278,974	\$ 13,292,096

**KERN HEALTH SYSTEMS
MEDI-CAL - ALL COA
STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE MONTH ENDED SEPTEMBER 30, 2018**

CURRENT MONTH MEMBERS			YEAR-TO-DATE MEMBER MONTHS		
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
ENROLLMENT					
166,981	166,500	481	1,495,619	1,484,100	11,519
59,280	58,750	530	533,004	523,350	9,654
14,446	14,050	396	130,369	126,450	3,919
6,255	5,225	1,030	53,966	46,125	7,841
8,291	8,000	291	74,153	71,100	3,053
255,253	252,525	2,728	2,287,111	2,251,125	35,986
REVENUES					
23,083,686	22,027,679	1,056,007	197,874,406	192,045,981	5,828,425
21,704,606	20,083,754	1,620,852	191,158,665	182,301,368	8,857,297
11,987,574	11,164,810	822,764	101,418,909	98,633,829	2,785,080
8,087,918	7,695,494	392,424	70,998,748	68,607,991	2,390,757
328,291	273,067	55,224	3,480,390	2,434,483	1,045,907
-	114,927	(114,927)	139,352	1,024,612	(885,260)
196,954	-	196,954	17,113,293	-	17,113,293
5,175	-	5,175	23,253,088	-	23,253,088
136,661	-	136,661	(374,622)	-	(374,622)
65,530,865	61,359,729	4,171,136	605,062,230	545,048,264	60,013,966
EXPENSES					
Medical Costs:					
13,438,560	12,810,950	(627,610)	122,413,120	114,311,841	(8,101,279)
3,251,122	2,831,448	(419,674)	27,665,835	25,263,500	(2,402,335)
4,531,949	4,175,274	(356,675)	41,919,154	37,244,742	(4,674,412)
12,885,548	13,366,425	480,877	124,947,394	119,384,963	(5,562,431)
116,075	114,927	(1,148)	1,037,555	1,024,612	(12,943)
5,798,828	4,832,745	(966,083)	52,010,532	43,159,127	(8,851,405)
3,605,940	2,418,662	(1,187,278)	29,409,976	21,640,782	(7,769,193)
8,667,417	9,170,714	503,297	81,200,163	81,951,291	751,129
493,924	489,050	(4,874)	4,425,916	4,360,050	(65,866)
6,624	-	(6,624)	20,636,452	-	(20,636,452)
566,662	-	(566,662)	(3,751,417)	-	3,751,417
53,362,649	50,210,195	(3,152,454)	501,914,679	448,340,909	(53,573,770)
GROSS MARGIN					
12,168,216	11,149,534	1,018,682	103,147,551	96,707,355	6,440,196
Administrative:					
2,021,643	1,984,388	(37,256)	17,529,830	17,859,169	329,339
555,317	611,200	55,883	5,293,553	5,534,533	240,980
30,539	101,246	70,707	484,184	911,668	427,484
127,238	133,797	6,559	1,145,122	1,188,011	42,889
315,104	321,048	5,944	2,518,297	2,693,168	174,871
3,049,841	3,151,679	101,838	26,970,986	28,186,549	1,215,563
TOTAL EXPENSES					
56,412,490	53,361,875	(3,050,615)	528,885,665	476,527,458	(52,358,207)
OPERATING INCOME (LOSS) BEFORE TAX					
9,118,375	7,997,855	1,120,520	76,176,565	68,520,806	7,655,759
MCO TAX					
8,087,918	7,695,494	(392,424)	69,953,805	68,607,991	(1,345,814)
OPERATING INCOME (LOSS) NET OF TAX					
1,030,457	302,361	728,096	6,222,760	(87,185)	6,309,944
NONOPERATING REVENUE (EXPENSES)					
-	-	-	-	-	-
(567,923)	(333,334)	(234,589)	(2,021,824)	(3,000,000)	978,176
(567,923)	(333,334)	(234,589)	(2,021,824)	(3,000,000)	978,176
TOTAL NONOPERATING REVENUES (EXPENSES)					
462,534	(30,973)	493,507	4,200,936	(3,087,185)	7,288,120
NET INCREASE (DECREASE) IN NET POSITION					
92.9%	93.6%	0.7%	94.0%	94.1%	0.1%
MEDICAL LOSS RATIO					
5.3%	5.9%	0.6%	5.1%	5.9%	0.9%
ADMINISTRATIVE EXPENSE RATIO					

KHS11/29/2018
Management Use Only

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED SEPTEMBER 30, 2018			YEAR-TO-DATE		
						ACTUAL	BUDGET	VARIANCE
			ENROLLMENT					
166,981	166,500	481	Family Members	1,495,619	1,484,100	11,519		
59,280	58,750	530	Expansion Members	533,004	523,350	9,654		
14,446	14,050	396	SPD Members	130,369	126,450	3,919		
6,255	5,225	1,030	Other Members	53,966	46,125	7,841		
8,291	8,000	291	Kaiser Members	74,153	71,100	3,053		
255,253	252,525	2,728	Total Members - MCAL	2,287,111	2,251,125	35,986		
			REVENUES					
133.25	128.27	4.98	Title XIX - Medicaid - Family and Other	127.70	125.50	2.19		
366.14	341.85	24.29	Title XIX - Medicaid - Expansion Members	358.64	348.34	10.31		
829.82	794.65	35.17	Title XIX - Medicaid - SPD Members	777.94	780.02	(2.09)		
32.75	31.47	1.28	Premium - MCO Tax	32.08	31.47	0.61		
1.33	1.12	0.21	Interest /Dividends	1.57	1.12	0.46		
0.00	0.47	(0.47)	Reinsurance Recoveries	0.06	0.47	(0.41)		
0.80	0.00	0.80	COB/Subrogation Collections	7.73	0.00	7.73		
0.02	0.00	0.02	Rate/Income Adjustments	10.51	0.00	10.51		
0.55	0.00	0.55	Other Income (Expense)	(0.17)	0.00	(0.17)		
265.35	250.93	14.41	TOTAL REVENUES	273.42	250.02	23.40		
			EXPENSES					
			Medical Costs:					
54.42	52.39	(2.02)	Physician Services	55.32	52.44	(2.88)		
13.16	11.58	(1.59)	Other Professional Services	12.50	11.59	(0.91)		
18.35	17.08	(1.28)	Emergency Room	18.94	17.08	(1.86)		
52.18	54.66	2.49	Inpatient	56.46	54.76	(1.70)		
0.47	0.47	(0.00)	Reinsurance Expense	0.47	0.47	0.00		
23.48	19.76	(3.72)	Outpatient Hospital	23.50	19.80	(3.71)		
14.60	9.89	(4.71)	Other Medical	13.29	9.93	(3.36)		
35.10	37.50	2.41	Pharmacy	36.69	37.59	0.90		
2.00	2.00	0.00	Pay for Performance Quality Incentive	2.00	2.00	0.00		
0.03	0.00	(0.03)	Non-Claims Expense Adjustment	9.33	0.00	(9.33)		
2.29	0.00	(2.29)	IBNR, Incentive, Paid Claims Adjustment	(1.70)	0.00	1.70		
216.08	205.34	(10.74)	Total Medical Costs	226.81	205.66	(21.15)		
49.27	45.60	3.67	GROSS MARGIN	46.61	44.36	2.25		
			Administrative:					
8.19	8.12	(0.07)	Compensation	7.92	8.19	0.27		
2.25	2.50	0.25	Purchased Services	2.39	2.54	0.15		
0.12	0.41	0.29	Supplies	0.22	0.42	0.20		
0.52	0.55	0.03	Depreciation	0.52	0.54	0.03		
1.28	1.31	0.04	Other Administrative Expenses	1.14	1.24	0.10		
12.35	12.89	0.54	Total Administrative Expenses	12.19	12.93	0.74		
228.43	218.23	(10.20)	TOTAL EXPENSES	238.99	218.59	(20.41)		
36.92	32.71	4.21	OPERATING INCOME (LOSS) BEFORE TAX	34.42	31.43	2.99		
32.75	31.47	(1.28)	MCO TAX	31.61	31.47	(0.14)		
4.17	1.24	2.94	OPERATING INCOME (LOSS) NET OF TAX	2.81	(0.04)	2.85		
			NONOPERATING REVENUE (EXPENSES)					
0.00	0.00	0.00	Reserve Fund Projects/Community Grants	0.00	0.00	0.00		
2.22	(1.36)	(3.59)	Health Home	0.88	(12.27)	(13.15)		
2.22	(1.36)	(3.59)	TOTAL NONOPERATING REVENUES (EXPENSES)	0.88	(12.27)	(13.15)		
1.87	(0.13)	2.00	NET INCREASE (DECREASE) IN NET POSITION	1.90	(1.42)	3.31		
92.9%	93.6%	0.7%	MEDICAL LOSS RATIO	94.0%	94.1%	0.1%		
5.3%	5.9%	0.6%	ADMINISTRATIVE EXPENSE RATIO	5.1%	5.9%	0.9%		

KERN HEALTH SYSTEMS MEDICAL - Family and Other Title XIX - Medicaid - Expansion Members Title XIX - Medicaid - SPD Members Premium - MCO Tax Interest / Dividends Reinsurance Recoveries COB/Subscription Collections Rate/Income Adjustments Other Income (Expenses) TOTAL REVENUES	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017	DECEMBER 2017	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	AUGUST 2018	SEPTEMBER 2018	13 MONTH TOTAL
	240,564	240,556	239,434	241,567	241,677	243,913	244,941	246,347	247,073	247,317	247,861	246,907	246,962	3,175,079
129,216	122,06	126,92	123,23	123,23	116,91	118,93	123,47	121,12	133,71	126,38	131,77	143,39	133,25	126,99
350,11	352,46	359,17	349,73	349,73	354,64	347,78	351,14	348,64	370,03	353,55	362,19	373,39	366,14	356,91
754,83	748,37	760,39	760,40	760,40	750,41	735,40	755,17	765,50	760,84	759,68	814,12	848,74	829,82	771,91
33,62	30,77	31,86	31,67	31,67	31,95	31,33	31,91	31,91	31,91	31,61	32,63	32,75	32,75	32,05
1,26	1,26	1,12	1,32	1,32	2,02	1,28	1,35	2,07	1,59	1,99	1,20	1,32	1,33	1,47
0,00	0,52	3,27	0,99	0,99	0,00	0,00	0,00	0,00	0,00	0,56	0,00	0,00	0,00	0,40
14,26	13,09	22,24	10,18	10,18	0,00	0,00	41,83	14,22	5,09	4,16	1,88	1,69	0,80	9,91
39,39	0,53	8,89	0,22	6,25	4,47	1,31	4,47	1,86	87,13	(6,79)	(0,46)	0,52	0,22	11,04
(0,27)	0,00	(0,09)	(2,93)	(2,93)	0,47	(0,82)	(1,57)	(1,46)	(0,40)	1,40	0,24	0,06	0,55	(0,41)
306,01	240,82	286,61	256,87	256,87	250,32	245,21	292,85	261,99	354,32	251,76	263,37	276,88	265,35	274,67
EXPENSES														
Medical Costs:														
Physician Services	59,19	53,47	61,01	55,30	54,78	51,71	63,72	58,66	53,89	52,62	53,27	54,82	54,42	55,90
Other Professional Services	11,85	12,14	12,30	11,63	12,30	11,44	12,23	11,82	13,82	12,58	11,96	13,18	13,16	12,38
Emergency Room	19,52	16,61	21,28	16,10	17,67	17,11	21,47	21,50	18,25	19,33	18,50	18,48	18,35	18,77
Inpatient	57,62	56,43	70,23	59,27	56,23	53,55	69,30	58,05	56,39	53,65	56,16	52,73	52,18	57,80
Reinsurance Expense	0,44	0,44	0,44	0,44	0,44	0,48	0,48	0,44	0,47	0,47	0,47	0,47	0,47	0,46
Outpatient Hospital	25,83	24,47	29,87	22,59	21,96	21,08	21,73	25,24	26,66	23,98	22,85	24,49	23,48	24,16
Other Medical	7,83	9,82	7,51	10,28	10,02	7,89	10,52	24,71	37,25	34,64	35,70	38,21	35,10	36,41
Pharmacy	34,21	37,24	36,21	35,38	40,41	35,05	38,25	35,70	37,25	34,64	35,70	38,21	35,10	36,41
Pay for Performance Quality Incentive	2,35	2,35	2,35	2,35	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,11
Non-Claims Expense Adjustment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	84,76	(0,05)	0,00	(1,21)	0,03	6,50
IBNR, Incentive, Paid Claims Adjustment	33,15	1,38	(1,60)	(0,44)	(9,68)	(0,33)	0,07	(4,12)	(7,76)	(4,84)	1,38	7,58	2,29	1,38
Total Medical Costs	251,99	214,36	240,10	212,90	206,17	199,96	239,79	217,99	310,44	207,65	214,62	227,92	216,07	227,72
GROSS MARGIN	53,02	46,36	46,51	43,97	44,15	43,25	58,06	44,01	43,88	44,11	48,75	48,90	49,28	46,95
Administrative:														
Compensation	7,32	7,77	7,93	8,47	8,21	7,62	8,48	6,85	7,76	7,62	8,14	8,44	8,19	7,91
Purchased Services	2,17	2,24	3,98	2,73	2,15	2,24	3,29	2,61	2,58	2,34	1,67	2,41	2,25	2,51
Supplies	0,70	0,87	0,67	(1,36)	0,43	0,11	(0,04)	0,29	0,29	0,28	0,23	0,25	0,12	0,22
Depreciation	0,52	0,53	0,53	0,53	0,53	0,52	0,52	0,49	0,49	0,51	0,51	0,52	0,52	0,52
Other Administrative Expenses	0,83	1,11	1,33	2,85	0,87	0,92	1,39	1,16	1,13	1,11	1,34	1,03	1,28	1,26
Administrative Expense Adjustment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,64
Total Administrative Expenses	11,55	12,52	14,44	21,67	12,19	11,42	15,63	11,44	12,25	11,87	11,90	12,64	12,35	13,06
TOTAL EXPENSES	263,54	226,88	254,54	234,57	218,37	211,37	253,42	229,43	322,69	219,52	226,51	240,56	238,42	240,77
OPERATING INCOME (LOSS) BEFORE TAX	42,47	33,93	32,08	22,30	31,96	31,84	39,43	32,57	31,63	32,24	36,85	36,32	36,93	33,90
MCO TAX	33,50	30,99	31,95	31,68	31,65	30,81	31,23	31,05	30,96	30,64	32,63	32,75	32,75	31,74
OPERATING INCOME (LOSS) NET OF TAX	8,96	2,95	0,13	(9,38)	0,30	1,03	8,20	1,51	0,67	1,60	4,22	3,57	4,18	2,16
TOTAL NONOPERATING REVENUE (EXPENSES)	(0,10)	(2,75)	0,00	(2,59)	(0,08)	(0,57)	(2,51)	(0,56)	0,18	(0,95)	(0,64)	(0,78)	(2,30)	(1,05)
NET INCREASE (DECREASE) IN NET POSITION	8,87	0,19	0,13	(11,97)	0,23	0,46	5,68	0,95	0,84	0,65	3,58	2,79	1,88	1,11
MEDICAL LOSS RATIO	92,5%	93,2%	94,2%	94,4%	94,4%	94,4%	91,9%	94,7%	96,3%	94,3%	93,0%	93,4%	92,9%	93,9%
ADMINISTRATIVE EXPENSE RATIO	4,2%	5,3%	5,7%	9,0%	5,0%	5,4%	5,3%	5,0%	3,8%	5,4%	5,2%	5,2%	5,3%	5,4%

CURRENT MONTH		YEAR-TO-DATE	
ACTUAL	BUDGET	ACTUAL	BUDGET
VARIANCE		VARIANCE	
KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED SEPTEMBER 30, 2018			
REVENUES			
Title XIX - Medicaid - Family & Other			
19,981,878	19,412,853	171,579,153	169,693,255
	569,025		1,885,898
2,218,854	2,211,218	19,134,159	18,771,288
	7,636		362,871
60,541	177,723	601,407	1,583,671
	(117,182)		(982,264)
233,924	135,407	1,748,496	1,206,601
	98,517		541,895
503,414	-	4,006,657	-
	503,414		4,006,657
85,075	90,478	804,534	791,166
	(5,403)		13,368
23,083,686	22,027,679	197,874,406	192,045,981
	1,056,007		5,828,425
Total Title XIX - Medicaid - Family & Other			
Title XIX - Medicaid - Expansion Members			
20,721,480	19,244,390	182,903,744	174,913,007
	1,477,090		7,990,737
199,201	427,591	2,294,811	3,714,805
	(228,390)		(1,419,994)
485,260	381,852	3,521,364	3,401,571
	103,408		119,793
272,430	-	2,166,561	-
	272,430		2,166,561
26,235	29,921	272,185	271,985
	(3,686)		200
21,704,606	20,083,754	191,158,665	182,301,368
	1,620,852		8,857,297
Total Title XIX - Medicaid - Expansion Members			
Title XIX - Medicaid - SPD Members			
11,354,335	10,583,008	96,065,296	93,397,612
	771,327		2,667,684
181,623	320,007	1,819,292	2,880,063
	(138,384)		(1,060,771)
337,000	261,795	2,633,714	2,356,154
	75,205		277,560
114,616	-	900,607	-
	114,616		900,607
11,987,574	11,164,810	101,418,909	98,633,829
	822,764		2,785,080
Total Title XIX - Medicaid - SPD Members			

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED SEPTEMBER 30, 2018				YEAR-TO-DATE		
CURRENT MONTH		VARIANCE		ACTUAL	BUDGET	VARIANCE
ACTUAL	BUDGET	VARIANCE				
3,000,514	2,808,901	(191,613)	Primary Care Physician Services	25,828,127	25,046,438	(781,689)
8,909,332	8,883,030	(26,302)	Referral Specialty Services	83,948,304	79,288,139	(4,660,165)
1,519,714	1,110,019	(409,695)	Urgent Care & After Hours Advise	12,554,789	9,904,665	(2,650,124)
9,000	9,000	-	Hospital Admitting Team	81,900	72,600	(9,300)
13,438,560	12,810,950	(627,610)	TOTAL PHYSICIAN SERVICES	122,413,120	114,311,841	(8,101,279)
			OTHER PROFESSIONAL SERVICES			
246,967	251,476	4,509	Vision Service Capitation	2,207,563	2,242,101	34,538
133,346	175,171	41,825	221 - Business Intelligence	1,257,987	1,576,542	318,555
647,970	683,714	35,744	310 - Health Services - Utilization Management - UM Allocation *	5,899,346	6,064,281	164,935
69,522	89,148	19,626	311 - Health Services - Quality Improvement - UM Allocation *	714,155	802,323	88,168
82,671	89,883	7,212	312 - Health Services - Education - UM Allocation *	704,696	782,967	78,271
77,352	79,191	1,839	313 - Health Services - Pharmacy - UM Allocation *	675,872	712,717	36,845
53,966	50,527	(3,439)	314 - Health Homes - UM Allocation *	426,119	454,743	28,624
42,999	55,701	12,702	616 - Disease Management - UM Allocation *	392,492	501,305	108,813
499,373	439,517	(59,856)	Behavior Health Treatment	4,829,624	3,939,823	(889,802)
321,217	53,988	(267,229)	Mental Health Services	1,486,706	482,077	(1,004,630)
1,075,739	863,132	(212,607)	Other Professional Services	9,071,274	7,704,621	(1,366,653)
3,251,122	2,831,448	(419,674)	TOTAL OTHER PROFESSIONAL SERVICES	27,665,835	25,263,500	(2,402,335)
4,531,949	4,175,274	(356,675)	EMERGENCY ROOM	41,919,154	37,244,742	(4,674,412)
12,885,548	13,366,425	480,877	INPATIENT HOSPITAL	124,947,394	119,384,963	(5,562,431)
116,075	114,927	(1,148)	REINSURANCE EXPENSE PREMIUM	1,037,555	1,024,612	(12,943)
5,798,828	4,832,745	(966,083)	OUTPATIENT HOSPITAL SERVICES	52,010,532	43,159,127	(8,851,405)
			OTHER MEDICAL			
278,480	336,135	57,655	Ambulance	2,939,542	2,997,176	57,634
220,846	358,371	137,525	Home Health Services & CBAS	2,682,358	3,207,495	525,137
203,185	262,929	59,744	Utilization and Quality Review Expenses	1,891,264	2,366,359	475,095
1,142,414	807,669	(334,745)	Long Term/SNF/Hospice	7,847,668	7,229,898	(617,770)
-	122,263	122,263	Enhanced Medical Benefits	16,466	1,090,013	1,073,547
948,004	-	(948,004)	Provider Enhancement Expense	7,554,280	-	(7,554,280)
813,011	531,295	(281,716)	Non-Medical Transportation	6,478,398	4,749,842	(1,728,556)
3,605,940	2,418,662	(1,187,278)	TOTAL OTHER MEDICAL	29,409,976	21,640,782	(7,769,193)
			PHARMACY SERVICES			
7,237,060	7,918,194	681,134	RX - Drugs & OTC	71,019,055	70,743,315	(275,740)
736,518	837,266	110,748	RX - HELP-C	5,625,354	7,488,236	1,862,883
732,321	519,900	(212,421)	Rx - DME	5,749,236	4,654,652	(1,094,584)
(28,482)	(104,646)	(76,164)	RX - Pharmacy Rebates	(1,193,482)	(934,912)	258,570
8,667,417	9,170,714	503,297	TOTAL PHARMACY SERVICES	81,200,163	81,951,291	751,129
493,924	489,050	(4,874)	PAY FOR PERFORMANCE QUALITY INCENTIVE	4,425,916	4,360,050	(65,866)
6,624	-	(6,624)	NON-CLAIMS EXPENSE ADJUSTMENT	20,636,452	-	(20,636,452)
566,662	-	(566,662)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(3,751,417)	-	3,751,417
53,362,649	50,210,195	(3,152,454)	Total Medical Costs	501,914,679	448,340,909	(53,573,770)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED SEPTEMBER 30, 2018				YEAR-TO-DATE		
ACTUAL	CURRENT MONTH BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			PHYSICIAN SERVICES			
12.15	11.49	(0.66)	Primary Care Physician Services	11.67	11.49	(0.18)
36.08	36.33	0.25	Referral Specialty Services	37.93	36.37	(1.56)
6.15	4.54	(1.61)	Urgent Care & After Hours Advise	5.67	4.54	(1.13)
0.04	0.04	0.00	Hospital Admitting Team	0.04	0.03	(0.00)
54.42	52.39	(2.02)	TOTAL PHYSICIAN SERVICES	55.32	52.44	(2.88)
			OTHER PROFESSIONAL SERVICES			
1.00	1.03	0.03	Vision Service Capitation	1.00	1.03	0.03
0.54	0.72	0.18	221 - Business Intelligence	0.57	0.72	0.15
2.62	2.80	0.17	310 - Health Services - Utilization Management - UM Allocation *	2.67	2.78	0.12
0.28	0.36	0.08	311 - Health Services - Quality Improvement - UM Allocation *	0.32	0.37	0.05
0.33	0.37	0.03	312 - Health Services - Education - UM Allocation *	0.32	0.36	0.04
0.31	0.32	0.01	313 - Health Services - Pharmacy - UM Allocation *	0.31	0.33	0.02
0.22	0.21	(0.01)	314 - Health Homes - UM Allocation *	0.19	0.21	0.02
0.17	0.23	0.05	616 - Disease Management - UM Allocation *	0.18	0.23	0.05
2.02	1.80	(0.22)	Behavior Health Treatment	2.18	1.81	(0.38)
1.30	0.22	(1.08)	Mental Health Services	0.67	0.22	(0.45)
4.36	3.53	(0.83)	Other Professional Services	4.10	3.53	(0.56)
13.16	11.58	(1.59)	TOTAL OTHER PROFESSIONAL SERVICES	12.50	11.59	(0.91)
18.35	17.08	(1.28)	EMERGENCY ROOM	18.94	17.08	(1.86)
52.18	54.66	2.49	INPATIENT HOSPITAL	56.46	54.76	(1.70)
0.47	0.47	(0.00)	REINSURANCE EXPENSE PREMIUM	0.47	0.47	0.00
23.48	19.76	(3.72)	OUTPATIENT HOSPITAL SERVICES	23.50	19.80	(3.71)
			OTHER MEDICAL			
1.13	1.37	0.25	Ambulance	1.33	1.37	0.05
0.89	1.47	0.57	Home Health Services & CBAS	1.21	1.47	0.26
0.82	1.08	0.25	Utilization and Quality Review Expenses	0.85	1.09	0.23
4.63	3.30	(1.32)	Long Term/SNF/Hospice	3.55	3.32	(0.23)
0.00	0.50	0.50	Enhanced Medical Benefits	0.01	0.50	0.49
3.84	0.00	(3.84)	Provider Enhancement Expense	3.41	0.00	(3.41)
3.29	2.17	(1.12)	Non-Medical Transportation	2.93	2.18	(0.75)
14.60	9.89	(4.71)	TOTAL OTHER MEDICAL	13.29	9.93	(3.36)
			PHARMACY SERVICES			
29.30	32.38	3.08	RX - Drugs & OTC	32.09	32.45	0.36
2.94	3.42	0.48	RX - HEP-C	2.54	3.43	0.89
2.97	2.13	(0.84)	Rx - DME	2.60	2.14	(0.46)
(0.12)	(0.43)	(0.31)	RX - Pharmacy Rebates	(0.54)	(0.43)	0.11
35.10	37.50	2.41	TOTAL PHARMACY SERVICES	36.69	37.59	0.90
2.00	2.00	0.00	PAY FOR PERFORMANCE QUALITY INCENTIVE	2.00	2.00	0.00
0.03	0.00	-0.03	NON-CLAIMS EXPENSE ADJUSTMENT	9.33	0.00	(9.33)
2.29	0.00	(2.29)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	1.70	0.00	(1.70)
216.08	205.34	(10.74)	Total Medical Costs	226.81	205.66	(21.15)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH SEPTEMBER 30, 2018	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	AUGUST 2018	SEPTEMBER 2018	YEAR TO DATE 2018
PHYSICIAN SERVICES										
Primary Care Physician Services	2,920,677	2,742,958	2,795,669	3,032,803	3,097,782	2,918,671	2,750,342	2,588,711	3,000,514	25,828,127
Referral Specialty Services	9,240,467	8,846,562	10,522,041	9,730,130	8,733,446	8,952,433	9,283,840	9,731,053	8,909,332	83,948,304
Urgent Care & After Hours Advice	1,069,333	1,008,534	2,281,593	1,678,588	1,474,529	1,133,192	1,180,035	1,209,271	1,519,714	12,554,739
Hospital Admitting Team	9,300	8,400	9,300	9,300	9,300	9,300	9,300	9,300	9,300	81,900
TOTAL PHYSICIAN SERVICES	13,239,777	12,606,454	15,608,603	14,450,521	13,315,057	13,013,296	13,202,517	13,538,335	13,438,560	122,413,120
OTHER PROFESSIONAL SERVICES										
Vision Service Capitation	241,567	249,668	251,973	228,790	246,347	247,073	247,317	247,861	246,967	2,207,563
221 - Business Intelligence	-	-	-	-	-	825,183	144,979	154,479	133,346	1,257,987
310 - Health Services - Utilization Management - UM Allocation *	761,074	704,252	799,729	642,963	755,456	241,323	668,754	677,825	647,970	5,899,346
311 - Health Services - Quality Improvement - UM Allocation *	118,821	107,550	123,692	89,337	91,557	22,420	22,420	87,521	69,522	714,155
312 - Health Services - Education - UM Allocation *	76,022	65,961	79,421	70,442	80,056	86,012	79,826	84,285	82,671	704,696
313 - Health Services - Pharmacy - UM Allocation *	96,522	85,975	103,112	80,930	95,489	121,368	76,094	81,766	77,352	675,872
314 - Health Homes - UM Allocation *	44,203	41,266	48,457	41,054	48,687	47,631	52,937	53,966	42,619	426,119
616 - Disease Management - UM Allocation *	56,128	59,793	70,852	54,370	64,544	47,728	43,748	47,786	42,999	392,492
Behavior Health Treatment	488,079	385,879	454,810	490,975	524,803	387,958	133,646	1,464,101	499,373	4,829,654
Mental Health Services	63,645	122,463	96,062	319,743	431,902	290,129	458,142	(616,587)	321,217	1,486,706
Other Professional Services	1,027,749	965,677	968,942	892,942	1,075,750	1,051,105	1,041,504	972,326	1,075,739	9,071,274
TOTAL OTHER PROFESSIONAL SERVICES	2,973,811	2,788,474	2,996,590	2,911,566	3,414,459	3,111,320	2,964,061	3,254,300	3,251,122	27,665,935
EMERGENCY ROOM	4,269,344	4,171,278	5,259,525	5,247,777	4,510,035	4,780,947	4,584,869	4,563,430	4,531,949	41,919,154
INPATIENT HOSPITAL	13,588,711	13,085,324	16,973,565	14,300,202	13,932,093	13,267,422	13,921,068	13,023,461	12,885,546	124,947,594
REINSURANCE EXPENSE PREMIUM	113,536	117,345	118,427	107,531	115,783	116,124	116,240	116,494	116,075	1,037,555
OUTPATIENT HOSPITAL SERVICES	5,307,045	5,138,504	5,322,082	6,217,088	6,587,061	5,930,118	5,602,579	6,047,228	5,798,828	52,010,532
OTHER MEDICAL										
Ambulance	338,351	352,496	350,066	327,106	381,817	257,885	320,988	332,353	278,480	2,939,542
Home Health Services & CBAS	387,076	354,315	265,517	292,019	278,153	334,350	266,062	284,020	220,846	2,683,358
Utilization and Quality Review Expenses	284,192	42,175	226,751	159,266	241,649	243,855	202,768	287,423	203,185	1,891,264
Long Term/SNF/Hospice	999,658	777,025	923,259	686,826	808,413	789,958	828,025	891,490	1,142,414	7,847,668
Enhanced Medical Benefits	-	9,604	-	-	6,862	-	-	-	-	16,166
Provider Enhancement Expense	-	-	-	-	3,585,959	945,276	500,000	1,575,041	948,004	7,554,280
Non-Medical Transportation	413,329	387,049	811,267	730,215	807,951	704,777	939,286	871,513	813,011	6,478,398
TOTAL OTHER MEDICAL	2,422,606	1,923,264	2,576,860	2,195,432	6,102,942	3,282,963	3,057,129	4,241,840	3,605,940	29,409,976
PHARMACY SERVICES										
RX - Drugs & OTC	8,533,080	7,533,478	8,276,129	7,813,536	8,060,735	7,657,236	7,710,676	8,197,125	7,237,060	71,019,055
RX - IIEP-C	729,042	557,006	600,369	500,230	483,336	454,893	734,583	839,377	726,518	5,625,354
Rx - DME	620,941	570,130	608,597	643,269	823,066	618,977	566,882	564,653	732,321	5,749,236
RX - Pharmacy Rebates	(116,000)	(116,000)	(116,000)	(163,400)	(163,400)	(163,400)	(163,400)	(163,400)	(28,482)	(1,193,482)
TOTAL PHARMACY SERVICES	9,767,063	8,544,614	9,369,495	8,793,635	9,202,737	8,567,706	8,848,741	9,437,755	8,667,417	81,200,163
PAY FOR PERFORMANCE QUALITY INCENTIVE	483,354	487,626	489,882	492,694	494,146	494,634	495,722	493,934	493,924	4,425,916
NON-CLAIMS EXPENSE ADJUSTMENT	-	-	-	-	20,941,682	(11,991)	-	(299,363)	6,624	20,636,452
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(2,338,427)	(81,180)	18,265	(1,015,946)	(1,917,277)	(1,197,835)	342,052	1,872,269	566,662	(3,751,417)
Total Medical Costs	49,826,819	48,751,703	58,733,294	53,700,500	76,700,850	51,354,704	53,194,977	56,289,183	53,362,649	501,914,679

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH SEPTEMBER 30, 2018	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	AUGUST 2018	SEPTEMBER 2018	YEAR TO DATE 2018
PHYSICIAN SERVICES										
Primary Care Physician Services	12.09	11.25	11.41	12.31	12.54	11.80	11.02	10.48	12.15	11.67
Referral Specialty Services	38.23	36.28	42.96	39.50	35.35	36.20	37.45	39.40	36.08	37.93
Urgent Care & After Hours Advice	4.42	4.14	9.31	6.81	5.97	4.58	4.76	4.90	6.15	5.67
Hospital Admitting Team	0.04	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
TOTAL PHYSICIAN SERVICES	54.78	51.71	63.72	58.66	53.89	52.62	53.27	54.82	54.42	55.32
OTHER PROFESSIONAL SERVICES										
Vision Service Capitation	1.00	1.02	1.03	0.93	1.00	1.00	1.00	1.00	1.00	1.00
221 - Business Intelligence	0.00	0.00	0.00	0.00	0.00	0.00	0.58	0.63	0.54	0.57
310 - Health Services - Utilization Management - UM Allocation *	3.15	2.89	3.26	2.61	3.06	3.06	2.70	2.74	2.62	2.67
311 - Health Services - Quality Improvement - UM Allocation *	0.49	0.44	0.50	0.36	0.37	0.32	0.09	0.35	0.28	0.32
312 - Health Services - Education - UM Allocation *	0.31	0.27	0.32	0.29	0.32	0.35	0.32	0.34	0.33	0.32
313 - Health Services - Pharmacy - UM Allocation *	0.40	0.35	0.42	0.33	0.39	(0.09)	0.31	0.33	0.31	0.31
314 - Health Homes - UM Allocation *	0.18	0.17	0.20	0.17	0.20	0.19	0.19	0.22	0.22	0.19
616 - Disease Management - UM Allocation *	0.23	0.25	0.29	0.22	0.26	(0.19)	0.18	0.19	0.17	0.18
Behavior Health Treatment	2.02	1.58	1.86	1.99	2.12	1.57	0.54	5.93	2.02	2.18
Mental Health Services	0.26	0.50	0.39	1.30	1.75	1.17	1.85	(2.50)	1.30	0.67
Other Professional Services	4.25	3.96	3.95	3.62	4.35	4.25	4.20	3.94	4.36	4.10
TOTAL OTHER PROFESSIONAL SERVICES	12.30	11.44	12.23	11.82	13.82	12.58	11.96	13.18	13.16	12.50
EMERGENCY ROOM	17.67	17.11	21.47	21.30	18.25	19.33	18.50	18.48	18.35	18.94
INPATIENT HOSPITAL	56.23	53.55	69.30	58.05	56.39	53.65	56.16	52.73	52.18	56.46
REINSURANCE EXPENSE PREMIUM	0.47	0.48	0.48	0.44	0.47	0.47	0.47	0.47	0.47	0.47
OUTPATIENT HOSPITAL SERVICES	21.96	21.08	21.73	25.24	26.66	23.98	22.85	24.49	23.48	23.50
OTHER MEDICAL										
Ambulance	1.40	1.45	1.43	1.33	1.55	1.04	1.30	1.35	1.13	1.33
Home Health Services & CBAS	1.60	1.45	1.08	1.19	1.13	1.35	1.07	1.15	0.89	1.21
Utilization and Quality Review Expenses	1.18	0.17	0.93	0.65	0.98	0.99	0.82	1.16	0.82	0.85
Long Term/SNE/Hospice	4.14	3.19	3.77	2.79	3.27	3.19	3.34	3.61	4.63	3.55
Enhanced Medical Benefits	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provider Enhancement Expense	0.00	0.00	0.00	0.00	14.51	3.82	2.02	6.38	3.84	3.41
Non-Medical Transportation	1.71	1.59	3.31	2.96	3.27	2.85	3.79	3.53	3.29	2.93
TOTAL OTHER MEDICAL	10.02	7.89	10.52	8.91	24.71	13.27	12.33	17.18	14.60	13.29
PHARMACY SERVICES										
RX - Drugs & OTC	35.31	30.90	33.79	31.72	32.62	30.96	31.11	33.19	29.30	32.09
RX - HEP-C	3.02	2.28	2.45	2.03	1.96	1.84	2.96	3.40	2.94	2.54
Rx - DME	2.57	2.34	2.49	2.61	3.33	2.50	2.29	2.29	2.97	2.60
RX - Pharmacy Rebates	(0.48)	(0.48)	(0.47)	(0.66)	(0.66)	(0.66)	(0.66)	(0.66)	(0.12)	(0.54)
TOTAL PHARMACY SERVICES	40.41	35.05	38.25	35.70	37.25	34.64	35.70	38.21	35.10	36.69
PAY FOR PERFORMANCE QUALITY INCENTIVE	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
NON-CLAIMS EXPENSE ADJUSTMENT	0.00	0.00	0.00	0.00	84.76	(0.05)	0.00	(1.21)	0.03	9.33
IBNR INCENTIVE AND PAID CLAIMS ADJUSTMENT	(9.68)	(0.33)	0.07	(4.12)	(7.76)	(4.84)	1.38	7.58	2.29	(1.70)
Total Medical Costs	206.17	199.96	239.79	217.99	310.44	207.65	214.62	227.92	216.08	226.81

		CURRENT MONTH		YEAR-TO-DATE	
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED SEPTEMBER 30, 2018					
316,432	263,760	(52,672)	2,166,698	2,195,435	28,737
159,698	144,769	(14,929)	1,169,558	1,302,908	133,350
378,360	394,578	16,218	3,337,820	3,551,175	213,355
-	3,167	3,167	1,898	28,485	26,587
191,786	319,531	127,745	1,751,446	2,875,733	1,124,287
463,257	450,005	(13,252)	4,139,697	4,059,825	(79,872)
87,107	100,658	13,551	720,771	905,925	185,154
87,215	87,087	(128)	755,403	772,768	17,365
28,412	32,758	4,346	239,366	294,816	55,450
408	553	145	2,231	4,980	2,749
107,154	121,044	13,890	1,036,479	1,059,378	22,899
5,403	2,325	(3,078)	38,321	20,925	(17,396)
18,711	23,972	5,261	169,350	215,752	46,402
207,287	201,520	(5,767)	1,859,225	1,816,293	(42,932)
417,483	511,179	93,696	4,535,319	4,600,563	65,244
276,558	295,315	18,757	2,573,653	2,641,669	68,016
54,523	59,285	4,762	480,158	533,568	53,410
68,039	49,901	(18,138)	410,061	496,997	86,936
50,501	62,897	12,396	404,216	566,061	161,845
131,507	152,372	20,865	1,179,316	1,368,277	188,961
-	(124,999)	(124,999)	-	(1,124,984)	(1,124,984)
3,049,841	3,151,679	101,838	26,970,986	28,186,549	1,215,563

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED SEPTEMBER 30, 2018	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	YEAR TO
	2018	2018	2018	2018	2018	2018	2018	2018	2018	DATE
110 - Executive	249,360	227,269	224,150	218,301	143,752	215,868	332,148	239,418	316,432	2,166,698
210 - Accounting	121,592	122,208	139,362	119,259	106,858	172,387	117,377	110,817	159,698	1,169,558
220 - Management Information Systems (MIS)	432,742	431,903	432,298	272,224	376,551	348,119	281,772	383,851	378,360	3,337,820
221 - Business Intelligence	122,020	134,571	151,816	129,810	151,271	(687,770)	53	127	-	1,898
225 - Infrastructure	126,761	233,198	186,762	250,471	163,797	146,181	164,738	287,752	191,786	1,751,446
230 - Claims	476,893	392,682	482,563	405,196	484,785	423,369	483,567	527,385	463,257	4,139,697
240 - Project Management	83,613	64,943	73,023	71,038	95,057	81,230	85,023	79,737	87,107	720,771
310 - Health Services - Utilization Management	5,036	(156)	768	270	(404)	483,745	95,558	83,371	87,215	755,403
311 - Health Services - Quality Improvement	10	358	329	-	-	102,349	78,633	29,275	28,412	239,366
312 - Health Services - Education	147	(130)	-	190	705	12	388	511	408	2,231
313 - Pharmacy	104,959	104,858	84,757	91,752	99,028	210,335	114,825	118,811	107,154	1,036,479
314 - Health Homes	83	(76)	99	698	(25)	2,930	11,049	18,160	5,403	38,321
616 - Disease Management	-	129	-	-	-	110,553	19,477	20,480	18,711	169,350
320 - Provider Relations	262,401	186,821	205,072	172,555	251,582	191,269	190,507	191,731	207,287	1,859,225
330 - Member Services	406,721	390,353	869,265	527,594	564,101	554,776	382,784	422,242	417,483	4,535,319
340 - Corporate Services	327,904	251,490	222,176	270,949	291,810	309,374	289,935	333,457	276,558	2,573,653
360 - Audit & Investigative Services	55,126	54,243	55,402	47,224	52,331	52,008	54,129	55,172	54,523	480,158
410 - Advertising Media	4,575	21,825	23,427	81,259	78,893	38,290	65,711	28,042	68,039	410,061
420 - Sales/Marketing/Public Relations	50,590	41,234	44,701	55,893	39,311	40,380	40,042	41,564	50,501	404,216
510 - Human Resources	116,481	126,047	143,307	103,305	127,668	139,886	141,279	149,836	131,507	1,179,316
Total Department Expenses	2,947,014	2,783,770	3,339,277	2,817,988	3,027,071	2,935,291	2,948,995	3,121,739	3,049,841	26,970,986

KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF SEPTEMBER 30, 2018			
ASSETS	SEPTEMBER 2018	AUGUST 2018	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,444,449	\$ 1,458,696	(14,247)
Interest Receivable	6,225	2,936	3,289
Prepaid Expenses & Other Current Assets	2,500	3,332	(832)
TOTAL CURRENT ASSETS	\$ 1,453,174	\$ 1,464,964	\$ (11,790)
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	5,000	19,247	(14,247)
Other Liabilities	353,849	353,849	-
TOTAL CURRENT LIABILITIES	\$ 358,849	\$ 373,096	\$ (14,247)
NET POSITION:			
Net Position- Beg. of Year	1,081,027	1,081,027	-
Increase (Decrease) in Net Position - Current Year	13,298	10,841	2,457
Total Net Position	\$ 1,094,325	\$ 1,091,868	\$ 2,457
TOTAL LIABILITIES AND NET POSITION	\$ 1,453,174	\$ 1,464,964	\$ (11,790)

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED SEPTEMBER 30, 2018	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
ENROLLMENT						
-	-	-	Members	-	-	-
REVENUES						
-	-	-	Premium	-	-	-
3,289	-	3,289	Interest	18,130	-	18,130
-	-	-	Other Investment Income	2,668	-	2,668
3,289	-	3,289	TOTAL REVENUES	20,798	-	20,798
EXPENSES						
-	-	-	Medical Costs	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
3,289	-	3,289	GROSS MARGIN	20,798	-	20,798
Administrative						
832	-	(832)	Management Fee Expense and Other Admin Exp	7,500	-	(7,500)
832	-	(832)	Total Administrative Expenses	7,500	-	(7,500)
832	-	(832)	TOTAL EXPENSES	7,500	-	(7,500)
2,457	-	2,457	OPERATING INCOME (LOSS)	13,298	-	13,298
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-
2,457	-	2,457	NET INCREASE (DECREASE) IN NET POSITION	13,298	-	13,298
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%
25%	0%	-25%	ADMINISTRATIVE EXPENSE RATIO	36%	0%	-36%

**KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT**

KERN HEALTH SYSTEMS

**2018 MEMBER
MONTHS**

	JAN'18	FEB'18	MAR'18	APR'18	MAY'18	JUN'18	JUL'18	AUG'18	SEP'18	OCT'18	NOV'18	DEC'18
MEDI-CAL												
ADULT AND FAMILY												
PA - FAMILY	34,790	34,221	34,687	33,840	33,542	33,859	33,475	33,694	34,300			
MIN - FAMILY	0	0	0	0	0	0	0	0	0			
REFUGEE - FAMILY	0	0	0	0	0	0	0	0	0			
FOSTER CARE	707	678	719	731	701	713	729	713	707			
POVERTY-133/200%	1	1	1	1	1	1	1	1	1			
POVERTY-100%	0	0	0	0	0	0	0	0	0			
MI - CHILD	107,133	108,725	109,378	110,181	111,205	110,796	111,208	110,586	109,982			
CHILD-ACA	115	104	120	40	40	43	45	44	41			
FAMILY - UNDER 19	21,195	21,355	21,188	21,708	21,196	21,272	21,636	21,517	21,950			
SUB-TOTAL ADULT & FAMILY	163,941	165,085	166,093	166,501	166,685	166,684	167,094	166,555	166,981	0	0	0

MEDI-CAL EXPANSION	427
LHP Transition Pre-ACA	52
ACA Expansion Adult-Citizen	58,118
ACA Expansion CAL Fresh Adult	5
LHP Transition Pre-ACA	389
SUB-TOTAL MANDATORY	57,744

SDP MEMBERS	1,667
SSI-AGED	191
MIN - AGED	1,457
SSI - BLIND & DIS-ABLED	12,242
MIN - BLIND & DIS-ABLED	259
SUB-TOTAL MANDATORY SPD	14,149

TOTAL MANDATORY	235,834
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OTHER MEMBERS	218
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DUALS	147
PA - FAMILY DUALS	24
PART D SSI-AGED	771
PART D MN - AGED	1,295
PART D SSI - BLIND & DIS-ABLED	2,338
PART D MN - BLIND & DIS-ABLED	1,038
PART D BCCTP-TOBACCO SETTLEMENT	3
PART D MI - ADULT	0
PART D MI - CHILD	346
SUB-TOTAL DUALS	5,815

TOTAL OTHERS	53,966
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TOTAL KAISER	74,153
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TOTAL MEDI-CAL MEMBERS	2,287,111
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	52	52	52	52	28	49	48	47	47			
	57,307	58,118	58,262	59,224	58,660	59,413	59,517	59,152	58,697			
	5	5	6	5	5	5	5	5	5			
	380	389	454	418	539	508	488	474	531			
	57,744	58,564	58,774	59,639	59,232	59,975	60,058	59,678	59,280	0	0	0

	28	26	25	24	24	23	23	23	22			
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	24	14	19	23	-8	19	25	16	15			
	771	776	767	784	805	787	836	798	848			
	1,295	1,364	1,331	1,359	1,390	1,364	1,399	1,439	1,439			
	2,338	2,300	2,314	2,389	2,324	2,463	2,433	2,559	2,525			
	1,038	978	973	980	983	980	991	1,011	1,030			
	3	1	1	0	0	0	0	0	1			
	0	0	0	0	0	0	0	0	0			
	346	385	390	386	414	432	407	374	375			
	5,815	5,818	5,795	5,921	5,908	6,045	6,056	6,157	6,233	0	0	0

	5,843	5,844	5,820	5,945	5,932	6,068	6,079	6,180	6,255	0	0	0
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	7,991	8,160	8,225	8,267	8,307	8,294	8,278	8,340	8,291			
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	249,666	251,973	253,166	254,614	255,380	255,611	256,139	255,307	255,253	0	0	0
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To: KHS Finance Committee

From: Robert Landis, CFO

Date: December 7, 2018

Re: October 2018 Financial Results

The October results reflect a \$963,804 Net Increase in Net Position which is a \$1,219,732 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$4.3 million favorable variance primarily due to:
 - A) \$.9 million favorable variance relating to Family and Other primarily due to a higher than expected budgeted rate increase from the State (\$.3 million), higher than expected enrollment (\$.2 million) and accounting for unbudgeted Proposition 56 monies received on at risk basis (\$.5 million) and offset against amounts included in item 2A below.
 - B) \$1.4 million favorable variance relating to Expansion primarily due to a higher than expected budgeted rate increase from the State (\$1.3 million), higher than expected enrollment (\$.1 million), lower than expected Maternity revenue (\$.2 million) and accounting for unbudgeted Proposition 56 monies received on at risk basis (\$.3 million) and offset against amounts included in item 2A below.
 - C) \$1.0 million favorable variance relating to SPD primarily due to a higher than expected budgeted rate increase from the State (\$.5 million) and higher than expected enrollment (\$.3 million) and accounting for unbudgeted Proposition 56 monies received on at risk basis (\$.1 million) and offset against amounts included in item 2A below.
- 2) Total Medical Costs reflect a \$3.2 million unfavorable variance primarily due to:
 - A) \$1.4 million unfavorable variance in Other Medical primarily due to accruing for unbudgeted Proposition 56 expenses on at-risk-basis offset against revenue mentioned under items 1A-1C above.
 - B) \$1.4 million unfavorable variance in IBNR, Incentive, Paid Claims Adjustment primarily due to a recent requirement by CMS instructing DHCS to reinstitute the Expansion Risk Corridor which limits the Expansion Medical Loss Ratio to a range of 85- 95 percent for the period July 2016 – June 2017

The October Medical Loss Ratio is 92.9% which is favorable to the 93.6% budgeted amount. The October Administrative Expense Ratio is 5.4% which is favorable to the 6.3% budgeted amount.

The results for the 10 months ended October 31, 2018 reflect a Net Increase in Net Position of \$5,164,740. This is a \$8,507,853 favorable variance to budget and includes approximately \$5.1 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 93.9% which is slightly favorable to the 94.0% budgeted amount. The year-to-date Administrative Expense Ratio is 5.1% which is favorable to the 6.0% budgeted amount.

**Kern Health Systems
Financial Packet
October 2018**

KHS – Medi-Cal Line of Business

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KHS Group Health Plan – Healthy Families Line of Business

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

KHS Administrative Analysis and Other Reporting

Monthly Member Count	Page 15
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KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF OCTOBER 31, 2018			
ASSETS	OCTOBER 2018	SEPTEMBER 2018	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 92,926,868	\$ 91,300,427	\$ 1,626,441
Short-Term Investments	112,528,310	152,185,597	(39,657,287)
Premiums Receivable - Net	75,598,704	72,784,058	2,814,646
Interest Receivable	246,587	332,400	(85,813)
Other Receivables	1,493,000	1,259,675	233,325
Prepaid Expenses & Other Current Assets	1,377,478	1,429,754	(52,276)
Total Current Assets	\$ 284,170,947	\$ 319,291,911	\$ (35,120,964)
RESTRICTED ASSETS	\$ 300,000	\$ 300,000	\$ -
CAPITAL ASSETS - NET OF ACCUM DEP:			
Land	4,876,562	4,876,562	-
Furniture and Equipment	6,451,310	6,440,127	11,183
Automobile - Net	13,882	14,274	(392)
Building and Building Improvements - Net	6,379,410	6,407,265	(27,855)
Capital Projects in Process	27,116,469	23,666,253	3,450,216
Total Capital Assets	\$ 44,837,633	\$ 41,404,481	\$ 3,433,152
LONG TERM ASSETS:			
Officer Life Insurance Receivables	684,615	684,615	-
Total Long Term Assets	\$ 684,615	\$ 684,615	\$ -
DEFERRED OUTFLOWS OF RESOURCES	\$ 2,890,063	\$ 2,890,063	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 332,883,258	\$ 364,571,070	\$ (31,687,812)
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	\$ 28,176	\$ 27,064	1,112
Accrued Salaries and Employee Benefits	2,436,613	2,165,507	271,106
Accrued Other Operating Expenses	1,096,055	1,052,154	43,901
Accrued Taxes and Licenses	8,036,340	24,212,316	(16,175,976)
Claims Payable (Reported)	22,279,356	16,928,829	5,350,527
IBNR - Inpatient Claims	36,042,990	34,265,817	1,777,173
IBNR - Physician Claims	11,930,945	13,317,881	(1,386,936)
IBNR - Accrued Other Medical	20,784,497	20,793,782	(9,285)
Risk Pool and Withholds Payable	3,278,096	2,787,564	490,532
Statutory Allowance for Claims Processing Expense	2,324,857	2,324,857	-
Other Liabilities	22,859,527	45,873,297	(23,013,770)
Total Current Liabilities	\$ 131,097,452	\$ 163,749,068	\$ (32,651,616)
NONCURRENT LIABILITIES:			
Net Pension Liability	5,808,296	5,808,296	-
TOTAL NONCURRENT LIABILITIES	\$ 5,808,296	\$ 5,808,296	\$ -
DEFERRED INFLOWS OF RESOURCES	\$ 270,949	\$ 270,949	\$ -
NET POSITION:			
Net Position - Beg. of Year	190,541,821	190,541,821	-
Increase (Decrease) in Net Position - Current Year	5,164,740	4,200,936	963,804
Total Net Position	\$ 195,706,561	\$ 194,742,757	\$ 963,804
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 332,883,258	\$ 364,571,070	\$ (31,687,812)

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED OCTOBER 31, 2018			YEAR-TO-DATE MEMBER MONTHS		
ACTUAL	BUDGET	VARIANCE				ACTUAL	BUDGET	VARIANCE
ENROLLMENT								
165,473	166,900	(1,427)	Family Members			1,661,092	1,651,000	10,092
59,199	58,900	299	Expansion Members			592,203	582,250	9,953
14,472	14,050	422	SPD Members			144,841	140,500	4,341
6,122	5,250	872	Other Members			60,088	51,375	8,713
8,284	8,025	259	Kaiser Members			82,437	79,125	3,312
253,550	253,125	425	Total Members - MCAL			2,540,661	2,504,250	36,411
REVENUES								
23,000,590	22,076,447	924,143	Title XIX - Medicaid - Family and Other			220,874,996	214,122,427	6,752,569
21,501,088	20,134,196	1,366,892	Title XIX - Medicaid - Expansion Members			212,659,753	202,435,564	10,224,189
12,128,124	11,164,810	963,314	Title XIX - Medicaid - SPD Members			113,547,033	109,798,638	3,748,395
8,087,777	7,713,590	374,187	Premium - MCO Tax			79,086,525	76,321,581	2,764,944
331,150	273,709	57,441	Interest/Dividends			3,811,540	2,708,192	1,103,348
-	115,197	(115,197)	Reinsurance Recoveries			139,352	1,139,809	(1,000,457)
325,659	-	325,659	COB/Subrogation Collections			17,438,952	-	17,438,952
212,890	-	212,890	Rate/Income Adjustments			23,465,978	-	23,465,978
142,515	-	142,515	Other Income (Expense)			(232,107)	-	(232,107)
65,729,793	61,477,948	4,251,845	TOTAL REVENUES			670,792,023	606,526,212	64,265,812
EXPENSES								
Medical Costs:								
12,587,105	12,838,359	251,254	Physician Services			135,000,225	127,150,201	(7,850,024)
3,323,654	2,834,346	(489,308)	Other Professional Services			30,989,489	28,097,846	(2,891,642)
4,490,225	4,184,516	(305,709)	Emergency Room			46,409,379	41,429,258	(4,980,121)
13,069,188	13,391,782	322,594	Inpatient			138,016,582	132,776,746	(5,239,837)
116,072	115,197	(875)	Reinsurance Expense			1,153,627	1,139,809	(13,818)
4,785,905	4,842,066	56,161	Outpatient Hospital			56,796,437	48,001,194	(8,795,243)
3,863,995	2,422,195	(1,441,800)	Other Medical			33,273,971	24,062,978	(9,210,993)
9,382,074	9,186,968	(195,106)	Pharmacy			90,582,237	91,138,260	556,023
490,532	490,200	(332)	Pay for Performance Quality Incentive			4,916,448	4,850,250	(66,198)
2,670	-	(2,670)	Non-Claims Expense Adjustment			20,639,122	-	(20,639,122)
1,438,167	-	(1,438,167)	IBNR, Incentive, Paid Claims Adjustment			(2,313,250)	-	2,313,250
53,549,587	50,305,631	(3,243,956)	Total Medical Costs			555,464,266	498,646,540	(56,817,726)
12,180,206	11,172,316	1,007,890	GROSS MARGIN			115,327,757	107,879,671	7,448,085
Administrative:								
2,161,106	1,988,888	(172,219)	Compensation			19,690,936	19,848,056	157,120
465,811	612,449	146,638	Purchased Services			5,759,364	6,146,982	387,618
67,086	101,247	34,161	Supplies			551,270	1,012,916	461,646
127,238	376,184	248,946	Depreciation			1,272,360	1,564,195	291,835
265,994	302,554	36,560	Other Administrative Expenses			2,784,291	2,995,723	211,432
3,087,235	3,381,322	294,087	Total Administrative Expenses			30,058,221	31,567,871	1,509,650
56,636,822	53,686,953	(2,949,869)	TOTAL EXPENSES			585,522,487	530,214,411	(55,308,076)
9,092,971	7,790,994	1,301,977	OPERATING INCOME (LOSS) BEFORE TAX			85,269,536	76,311,801	8,957,735
8,087,777	7,713,590	(374,187)	MCO TAX			78,041,582	76,321,581	(1,720,001)
1,005,194	77,405	927,789	OPERATING INCOME (LOSS) NET OF TAX			7,227,954	(9,780)	7,237,734
NONOPERATING REVENUE (EXPENSES)								
-	-	-	Reserve Fund Projects/Community Grants			-	-	-
(41,390)	(333,333)	291,943	Health Home			(2,063,214)	(3,333,333)	1,270,119
(41,390)	(333,333)	291,943	TOTAL NONOPERATING REVENUES (EXPENSES)			(2,063,214)	(3,333,333)	1,270,119
963,804	(255,928)	1,219,732	NET INCREASE (DECREASE) IN NET POSITION			5,164,740	(3,343,113)	8,507,853
92.9%	93.6%	0.7%	MEDICAL LOSS RATIO			93.9%	94.0%	0.2%
5.4%	6.3%	0.9%	ADMINISTRATIVE EXPENSE RATIO			5.1%	6.0%	0.9%

			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED OCTOBER 31, 2018					
CURRENT MONTH						YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE		
ENROLLMENT								
165,473	166,900	(1,427)	Family Members	1,661,092	1,651,000	10,092		
59,199	58,900	299	Expansion Members	592,203	582,250	9,953		
14,472	14,050	422	SPD Members	144,841	140,500	4,341		
6,122	5,250	872	Other Members	60,088	51,375	8,713		
8,284	8,025	259	Kaiser Members	82,437	79,125	3,312		
253,550	253,125	425	Total Members - MCAL	2,540,661	2,504,250	36,411		
REVENUES								
134.04	128.24	5.80	Title XIX - Medicaid - Family and Other	128.33	125.78	2.55		
363.20	341.84	21.36	Title XIX - Medicaid - Expansion Members	359.10	347.68	11.42		
838.04	794.65	43.39	Title XIX - Medicaid - SPD Members	783.94	781.48	2.46		
32.98	31.47	1.50	Premium - MCO Tax	32.17	31.47	0.70		
1.35	1.12	0.23	Interest /Dividends	1.55	1.12	0.43		
0.00	0.47	(0.47)	Reinsurance Recoveries	0.06	0.47	(0.41)		
1.33	0.00	1.33	COB/Subrogation Collections	7.09	0.00	7.09		
0.87	0.00	0.87	Rate/Income Adjustments	9.55	0.00	9.55		
0.58	0.00	0.58	Other Income (Expense)	(0.09)	0.00	(0.09)		
267.99	250.83	17.17	TOTAL REVENUES	272.88	250.10	22.78		
EXPENSES								
Medical Costs:								
51.32	52.38	1.06	Physician Services	54.92	52.43	(2.49)		
13.55	11.56	(1.99)	Other Professional Services	12.61	11.59	(1.02)		
18.31	17.07	(1.23)	Emergency Room	18.88	17.08	(1.80)		
53.29	54.64	1.35	Inpatient	56.14	54.75	(1.39)		
0.47	0.47	(0.00)	Reinsurance Expense	0.47	0.47	0.00		
19.51	19.76	0.24	Outpatient Hospital	23.10	19.79	(3.31)		
15.75	9.88	(5.87)	Other Medical	13.54	9.92	(3.61)		
38.25	37.48	(0.77)	Pharmacy	36.85	37.58	0.73		
2.00	2.00	0.00	Pay for Performance Quality Incentive	2.00	2.00	0.00		
0.01	0.00	(0.01)	Non-Claims Expense Adjustment	8.40	0.00	(8.40)		
5.86	0.00	(5.86)	IBNR, Incentive, Paid Claims Adjustment	(0.94)	0.00	0.94		
218.33	205.25	(13.09)	Total Medical Costs	225.96	205.62	(20.34)		
49.66	45.58	4.08	GROSS MARGIN	46.92	44.48	2.43		
Administrative:								
8.81	8.11	(0.70)	Compensation	8.01	8.18	0.17		
1.90	2.50	0.60	Purchased Services	2.34	2.53	0.19		
0.27	0.41	0.14	Supplies	0.22	0.42	0.19		
0.52	1.53	1.02	Depreciation	0.52	0.64	0.13		
1.08	1.23	0.15	Other Administrative Expenses	1.13	1.24	0.10		
12.59	13.80	1.21	Total Administrative Expenses	12.23	13.02	0.79		
230.92	219.04	(11.88)	TOTAL EXPENSES	238.19	218.63	(19.56)		
37.07	31.79	5.29	OPERATING INCOME (LOSS) BEFORE TAX	34.69	31.47	3.22		
32.98	31.47	(1.50)	MCO TAX	31.75	31.47	(0.28)		
4.10	0.32	3.78	OPERATING INCOME (LOSS) NET OF TAX	2.94	(0.00)	2.94		
NONOPERATING REVENUE (EXPENSES)								
0.00	0.00	0.00	Reserve Fund Projects/Community Grants	0.00	0.00	0.00		
0.16	(1.36)	(1.52)	Health Home	0.81	(13.60)	(14.41)		
0.16	(1.36)	(1.52)	TOTAL NONOPERATING REVENUES (EXPENSES)	0.81	(13.60)	(14.41)		
3.93	(1.04)	4.97	NET INCREASE (DECREASE) IN NET POSITION	2.10	(1.38)	3.48		
92.9%	93.6%	0.7%	MEDICAL LOSS RATIO	93.9%	94.0%	0.2%		
5.4%	6.3%	0.9%	ADMINISTRATIVE EXPENSE RATIO	5.1%	6.0%	0.9%		

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH OCTOBER 31, 2018															
ENROLLMENT	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017	DECEMBER 2017	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	AUGUST 2018	SEPTEMBER 2018	OCTOBER 2018	13 MONTH TOTAL
MEMBERS - MEDICAL	240,564	240,556	239,434	241,567	241,677	244,813	244,941	246,347	247,073	247,317	247,861	246,967	246,962	245,266	3,175,079
REVENUES															
Title XIX - Medicaid - Family and Other	21,889,455	20,639,049	21,430,630	20,910,809	19,848,982	20,328,489	21,226,405	20,886,377	23,080,439	21,832,796	22,819,237	24,767,995	23,083,686	23,000,590	305,744,939
Title XIX - Medicaid - Expansion Members	20,019,384	20,016,706	20,222,674	20,131,172	20,478,437	20,367,468	20,638,072	20,813,430	21,917,368	21,204,090	21,752,232	22,282,962	21,704,606	21,501,088	293,049,689
Title XIX - Medicaid - SPD Members	10,594,072	10,978,391	10,859,865	11,017,790	10,334,550	10,530,984	10,764,253	10,871,613	11,583,059	11,083,761	11,910,574	12,852,541	11,987,574	12,128,124	156,997,351
Premium - MCO Tax	8,087,180	7,402,479	7,628,229	7,651,659	7,720,467	7,638,903	7,851,000	7,859,452	7,883,583	7,817,901	8,087,918	8,087,606	8,087,918	8,087,777	109,855,972
Interest/Dividends	302,348	303,875	268,899	320,014	489,128	312,296	330,992	509,405	392,144	493,098	298,592	326,444	328,291	331,150	5,066,676
Reinsurance Recoveries	124,814	124,814	781,756	217,296	-	-	-	-	-	139,352	-	-	-	-	1,263,218
COB/Subrogation Collections	3,431,408	3,148,842	5,324,912	2,458,885	-	-	10,245,435	3,803,612	1,257,496	1,077,705	465,065	417,036	196,954	325,659	31,800,989
Rate/Income Adjustments	9,476,726	126,333	2,128,785	54,721	1,511,501	319,159	1,085,189	457,845	21,528,562	(1,680,199)	(113,750)	125,606	5,115	112,890	35,256,543
Other Income (Expense)	(185,865)	378	(20,460)	(708,938)	114,532	(200,000)	(360,933)	(360,661)	(99,712)	345,348	58,667	15,476	136,661	142,815	(1,146,932)
TOTAL REVENUES	73,614,708	62,741,067	68,625,290	62,051,308	60,497,598	59,297,299	71,730,403	64,541,073	87,542,939	62,263,852	65,278,335	68,379,666	65,530,865	65,729,793	937,824,397
EXPENSES															
Medical Costs:															
Physician Services	14,239,482	12,862,009	14,607,980	13,358,821	13,239,777	12,606,454	15,608,603	14,450,521	13,315,057	13,013,296	13,202,517	13,538,335	13,438,560	12,587,105	190,069,117
Other Professional Services	2,851,866	2,970,876	3,065,669	2,810,522	2,973,811	2,788,474	2,996,590	2,911,566	3,414,591	3,111,320	2,964,061	3,254,300	3,251,122	3,323,654	42,638,422
Emergency Room	4,696,197	3,995,827	5,095,039	3,888,819	4,269,344	4,171,278	5,259,525	5,247,777	4,510,035	4,780,947	4,584,869	4,564,430	4,531,949	4,490,225	64,085,261
Inpatient	13,862,008	13,575,603	16,815,315	14,316,486	13,588,711	13,055,234	16,973,565	14,300,202	13,932,093	13,267,422	13,921,068	13,023,461	12,885,548	13,069,188	196,588,854
Reinsurance Expense	105,370	105,848	105,845	105,351	113,536	118,427	118,427	107,531	115,783	116,240	116,240	116,494	116,075	116,072	1,575,991
Outpatient Hospital	6,213,267	5,886,144	7,151,522	5,457,541	5,307,045	5,138,504	5,322,082	6,317,088	6,587,061	5,930,118	5,662,228	5,798,828	4,785,905	4,785,905	81,504,911
Other Medical	1,883,596	2,362,997	1,791,103	2,482,691	2,422,606	1,923,264	2,576,860	2,195,432	6,103,942	3,282,963	3,057,129	4,241,840	3,605,940	3,863,995	41,800,357
Pharmacy	8,228,934	8,988,658	8,669,446	8,546,330	9,767,063	8,544,014	9,369,495	8,793,635	9,203,737	8,567,706	8,848,441	9,437,755	8,665,417	9,382,074	124,985,062
Pay for Performance/Quality Incentive	565,325	565,307	562,670	567,692	483,354	487,626	489,382	492,694	494,146	494,634	495,722	493,934	493,934	490,532	7,177,432
Non-Claims Expense Adjustment	-	-	-	-	-	-	-	-	20,941,682	(11,991)	-	(292,863)	6,624	2,670	20,639,122
IBNR, Incentive, Paid Claims Adjustment	7,973,649	332,212	(384,239)	(105,403)	(2,338,427)	(81,180)	18,265	(1,015,946)	(1,917,277)	(1,197,835)	342,052	1,872,269	566,662	1,438,167	5,504,969
Total Medical Costs	60,619,644	51,565,938	57,488,350	51,428,840	49,826,819	48,751,703	58,733,294	53,700,500	76,700,850	51,354,704	53,194,977	56,289,183	53,362,649	53,549,587	776,567,038
GROSS MARGIN	12,995,064	11,175,129	11,136,940	10,622,469	10,670,779	10,545,596	12,997,109	10,840,573	10,842,089	10,909,148	12,083,558	12,090,483	12,168,216	12,180,206	161,257,358
Administrative:															
Compensation	1,762,043	1,869,031	1,897,938	2,047,251	1,983,731	1,857,459	2,076,645	1,687,623	1,916,952	1,884,568	2,017,219	2,083,690	2,021,643	2,161,106	27,267,199
Purchased Services	522,883	539,809	954,528	519,892	545,740	804,716	642,623	636,968	636,968	578,949	415,147	594,201	555,317	465,811	8,434,280
Supplies	168,244	208,982	160,257	(329,638)	104,203	27,993	72,492	72,492	71,465	68,507	57,005	61,411	30,539	67,086	759,115
Depreciation	125,881	126,396	127,744	127,464	127,578	127,464	130,267	130,267	122,140	127,238	127,238	127,238	127,238	127,238	1,779,845
Other Administrative Expenses	200,081	267,832	317,828	688,273	210,466	225,000	339,883	384,983	279,546	275,729	332,386	255,200	315,104	265,994	4,258,305
Administrative Expense Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,042,235
Total Administrative Expenses	2,779,132	3,012,050	3,456,395	5,235,280	2,947,014	2,783,770	3,339,277	2,817,988	3,027,071	2,935,291	2,948,995	3,121,739	3,049,841	3,087,235	44,540,979
TOTAL EXPENSES	63,398,776	54,577,988	60,944,645	56,664,120	52,773,833	51,535,473	62,072,571	56,518,488	79,727,921	54,289,995	56,143,972	59,410,922	56,412,490	56,636,822	821,108,017
OPERATING INCOME (LOSS) BEFORE TAX	10,215,932	8,163,079	7,680,645	5,387,188	7,237,065	7,701,826	9,657,832	8,023,585	7,815,018	7,973,857	9,134,563	8,908,444	9,113,375	9,092,971	116,716,380
MCO TAX	8,059,738	7,484,395	7,650,173	7,652,173	7,650,254	7,510,749	7,650,254	7,650,254	7,650,254	7,578,828	8,087,918	8,087,607	8,087,918	8,087,918	108,858,059
OPERATING INCOME (LOSS) NET OF TAX	2,156,194	708,684	304,472	(2,264,983)	73,511	251,077	2,007,809	373,331	164,764	395,029	1,046,645	881,137	1,030,457	1,005,194	7,858,321
TOTAL NONOPERATING REVENUE (EXPENSES)	(23,175)	(662,708)	-	(625,436)	(18,785)	(140,027)	(615,233)	(138,970)	43,857	(233,737)	(158,805)	(191,701)	(567,923)	(41,390)	(3,374,533)
NET INCREASE (DECREASE) IN NET POSITION	2,133,019	45,976	30,472	(2,890,419)	54,726	111,050	1,392,076	233,361	208,621	161,292	887,840	689,436	462,534	963,804	4,483,788
MEDICAL LOSS RATIO	92.5%	93.2%	94.2%	94.5%	94.4%	94.4%	91.9%	91.7%	93.4%	94.3%	93.0%	93.4%	92.9%	92.9%	93.8%
ADMINISTRATIVE EXPENSE RATIO	4.2%	5.4%	5.7%	6.6%	5.2%	5.4%	5.2%	5.0%	3.8%	5.4%	5.2%	5.2%	5.3%	5.3%	5.4%

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH OCTOBER 31, 2018	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017	DECEMBER 2017	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	AUGUST 2018	SEPTEMBER 2018	OCTOBER 2018	13 MONTH TOTAL
	240,564	240,556	239,434	241,507	241,677	243,813	244,941	246,347	247,073	247,317	247,861	246,967	246,962	245,266	3,470,345
ENROLLMENT															
REVENUES															
Title XIX - Medicaid - Family and Other	129.26	122.06	126.92	123.23	116.91	118.93	123.47	121.12	133.71	126.38	131.77	143.39	133.25	134.04	1,371.18
Title XIX - Medicaid - Expansion Members	350.11	352.46	359.17	349.73	354.64	347.78	351.14	348.64	370.03	353.55	362.19	373.39	366.14	363.20	3,841.45
Title XIX - Medicaid - SPD Members	754.83	748.37	760.39	769.40	730.41	735.40	755.17	765.50	760.84	759.68	814.12	848.74	829.82	838.04	8,344.59
Premium - MCO Tax	33.63	30.77	31.86	31.67	31.93	31.33	31.91	31.90	31.91	32.63	32.63	32.75	32.75	32.75	34.60
Interest /Dividends	1.26	1.16	1.12	1.32	2.02	1.28	1.35	2.07	1.59	1.99	1.20	1.00	1.33	1.35	1.58
Reinsurance Recoveries	0.00	0.52	3.27	0.90	0.00	0.00	0.00	0.00	0.00	0.56	0.00	0.00	0.00	0.00	0.40
COB/Subscriber Collections	14.26	13.09	22.24	10.18	0.00	0.00	41.83	14.22	5.09	4.16	1.88	1.69	0.80	1.33	10.02
Rate/Income Adjustments	39.39	0.53	8.89	0.22	(6.79)	1.31	4.47	1.86	87.13	(6.79)	(0.46)	0.52	0.02	0.87	11.10
Other Income (Expense)	(0.77)	0.00	(1.86)	(2.93)	0.47	(0.82)	(1.57)	(1.46)	(0.40)	0.24	0.24	0.06	(0.40)	0.58	(0.30)
TOTAL REVENUES	306.01	260.82	286.61	256.87	250.32	243.21	292.85	261.99	354.32	251.76	263.37	276.88	265.35	267.99	2,953.77
EXPENSES															
Medical Costs:															
Physician Services	59.19	53.47	61.01	55.30	54.78	51.71	63.72	58.66	53.89	59.62	53.27	54.82	54.42	51.32	59.86
Other Professional Services	11.85	12.14	12.80	11.63	12.30	11.44	12.23	11.82	13.82	12.58	11.96	13.18	13.16	13.55	13.43
Emergency Room	19.52	16.61	21.28	16.10	17.67	17.11	21.47	18.35	18.25	19.33	18.50	18.48	18.35	18.31	20.18
Inpatient	57.62	56.43	70.23	59.27	56.23	53.55	69.30	58.05	56.39	53.65	56.16	52.73	52.18	53.29	61.92
Reinsurance Expense	0.44	0.44	0.44	0.44	0.47	0.48	0.48	0.44	0.47	0.47	0.47	0.47	0.47	0.47	0.50
Outpatient Hospital	25.83	24.67	29.87	22.59	21.96	21.08	21.73	25.24	26.66	23.98	22.85	24.49	23.48	19.51	25.67
Other Hospital	7.83	9.52	7.51	10.28	10.02	7.89	10.52	8.91	24.71	13.27	12.33	17.18	14.60	15.75	13.17
Pharmacy	34.21	37.24	36.21	35.38	40.41	35.05	36.25	35.70	37.25	34.64	35.70	38.21	35.10	35.25	39.36
Pay for Performance Quality Incentive	2.35	2.35	2.35	2.35	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.26
Non-Claims Expense Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	84.76	(0.05)	0.00	(1.21)	0.03	0.01	6.50
IBNR, Incentive, Paid Claims Adjustment	33.15	1.38	(1.60)	(0.44)	(9.68)	(0.33)	0.07	(4.12)	(7.76)	(4.84)	1.38	7.58	2.29	5.86	1.73
Total Medical Costs	251.99	214.36	240.10	212.90	206.17	199.96	239.79	217.99	310.44	207.65	214.62	227.92	216.07	216.83	244.38
GROSS MARGIN	54.02	46.46	46.51	43.97	44.15	43.25	53.06	44.01	43.88	44.11	48.75	48.96	49.28	51.16	50.79
Administrative:															
Compensation	7.32	7.77	7.93	8.47	8.21	7.62	8.48	6.85	7.76	7.62	8.14	8.44	8.19	8.81	8.59
Purchased Services	2.17	2.24	3.98	2.73	2.15	2.24	3.29	2.61	2.58	2.34	1.67	2.41	2.25	1.90	2.66
Supplies	0.70	0.87	0.67	(1.30)	0.43	0.11	(0.04)	0.29	0.29	0.28	0.23	0.25	0.12	0.27	0.24
Depreciation	0.52	0.53	0.53	0.53	0.53	0.52	0.52	0.53	0.49	0.51	0.51	0.52	0.52	0.52	0.56
Other Administrative Expenses	0.83	1.11	1.33	2.85	0.87	1.39	1.39	1.16	1.13	1.11	1.34	1.03	1.28	1.08	1.34
Administrative Expense Adjustment	0.00	0.00	0.00	8.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.64
Total Administrative Expenses	11.55	12.52	14.44	11.67	12.19	11.42	13.63	11.44	12.25	11.87	11.90	12.64	12.35	12.50	14.03
TOTAL EXPENSES	263.54	226.88	254.54	234.57	218.37	213.37	253.42	219.43	322.69	219.52	226.51	240.56	228.42	229.33	2,586.61
OPERATING INCOME (LOSS) BEFORE TAX	42.47	33.93	32.08	22.30	31.96	31.84	39.43	32.57	31.63	32.24	36.85	36.32	36.93	38.66	36.76
MCO TAX	33.50	30.99	31.95	31.68	31.68	30.81	31.23	31.05	30.96	30.64	31.63	32.75	32.75	32.98	34.29
OPERATING INCOME (LOSS) NET OF TAX	8.96	2.95	0.13	(9.38)	0.30	1.03	8.20	1.51	0.67	1.60	4.22	3.57	4.18	5.69	2.48
TOTAL NONOPERATING REVENUE (EXPENSES)	(0.10)	(2.75)	0.00	(2.59)	(0.08)	(0.57)	(2.51)	(0.56)	0.18	(0.25)	(0.64)	(0.78)	(2.30)	(0.17)	(1.06)
NET INCREASE (DECREASE) IN NET POSITION	8.87	0.19	0.13	(11.97)	0.23	0.46	5.68	0.95	0.84	0.65	3.58	2.79	1.88	5.52	1.41
MEDICAL LOSS RATIO	92.5%	93.2%	94.2%	94.5%	94.4%	94.4%	91.9%	94.7%	96.3%	94.3%	93.0%	93.4%	92.9%	92.3%	93.8%
ADMINISTRATIVE EXPENSE RATIO	4.2%	5.4%	5.7%	9.6%	5.6%	5.4%	5.2%	5.0%	3.8%	5.4%	5.2%	5.2%	5.3%	5.3%	5.4%

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED OCTOBER 31, 2018				YEAR-TO-DATE	
ACTUAL	CURRENT MONTH BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
R E V E N U E S					
Title XIX - Medicaid - Family & Other					
19,935,187	19,460,637	474,550	191,514,340	189,153,892	2,360,448
2,224,089	2,211,218	12,871	21,358,248	20,982,506	375,742
15,135	178,163	(163,028)	616,542	1,761,834	(1,145,292)
239,382	135,742	103,640	1,987,878	1,342,343	645,535
504,429	-	504,429	4,511,086	-	4,511,086
82,368	90,687	(8,319)	886,902	881,853	5,049
23,000,590	22,076,447	924,143	220,874,996	214,122,428	6,752,568
Title XIX - Medicaid - Expansion Members					
20,672,474	19,293,780	1,378,694	203,576,218	194,206,787	9,369,431
217,410	427,591	(210,181)	2,512,221	4,142,396	(1,630,175)
314,760	382,827	(68,067)	3,836,124	3,784,398	51,726
270,245	-	270,245	2,436,806	-	2,436,806
26,199	29,998	(3,799)	298,384	301,983	(3,599)
21,501,088	20,134,196	1,366,892	212,659,753	202,435,564	10,224,189
Title XIX - Medicaid - SPD Members					
11,386,177	10,583,008	803,169	107,451,473	103,980,620	3,470,853
230,121	320,007	(89,886)	2,049,413	3,200,070	(1,150,657)
397,595	261,795	135,800	3,031,309	2,617,949	413,360
114,231	-	114,231	1,014,838	-	1,014,838
12,128,124	11,164,810	963,314	113,547,033	109,798,639	3,748,394

CURRENT MONTH		YEAR-TO-DATE	
ACTUAL	BUDGET	ACTUAL	BUDGET
VARIANCE		VARIANCE	
KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED OCTOBER 31, 2018			
PHYSICIAN SERVICES			
2,612,960	2,815,392	28,441,087	27,861,830
8,539,217	8,901,339	92,487,521	88,189,478
1,425,628	1,112,327	13,980,417	11,025,992
9,300	9,300	91,200	72,900
12,587,105	12,838,359	135,000,225	127,150,201
TOTAL PHYSICIAN SERVICES			
OTHER PROFESSIONAL SERVICES			
246,962	252,064	2,454,525	2,494,166
150,200	175,171	1,408,187	1,751,714
723,862	683,714	6,623,208	6,747,994
87,748	89,147	801,903	891,470
91,376	89,883	796,072	872,850
75,757	79,191	751,629	791,909
58,534	50,527	484,653	505,270
47,380	55,701	439,872	557,005
1,235,629	439,957	6,065,253	4,379,780
(317,897)	54,094	1,168,809	536,171
924,103	864,897	9,995,377	8,569,518
3,323,654	2,834,346	30,989,489	28,097,846
4,490,225	4,184,516	46,409,379	41,429,258
13,069,188	13,391,782	138,016,582	132,776,746
116,072	115,197	1,153,627	1,139,809
4,785,905	4,842,066	56,796,437	48,001,194
TOTAL OTHER PROFESSIONAL SERVICES			
EMERGENCY ROOM			
INPATIENT HOSPITAL			
REINSURANCE EXPENSE PREMIUM			
OUTPATIENT HOSPITAL SERVICES			
OTHER MEDICAL			
330,444	336,914	3,269,986	3,334,090
235,341	358,866	2,917,699	3,566,361
234,815	262,930	2,126,079	2,629,289
1,218,127	808,756	9,065,795	8,038,654
-	122,550	16,466	1,212,563
944,853	-	8,499,133	-
900,415	532,179	7,378,813	5,282,021
3,863,995	2,422,195	33,273,971	24,062,978
TOTAL OTHER MEDICAL			
PHARMACY SERVICES			
8,360,970	7,932,651	79,380,025	78,675,966
564,928	838,577	6,190,282	8,326,813
522,910	520,579	6,272,146	5,175,231
(66,734)	(104,838)	(1,260,216)	(1,039,749)
9,382,074	9,186,968	90,582,237	91,138,260
490,532	490,200	4,916,448	4,850,250
2,670	-	20,639,122	-
1,438,167	-	(2,313,250)	-
53,549,587	50,305,631	555,464,266	498,646,540
Total Medical Costs			

* Medical costs per DMHC regulations

	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	AUGUST 2018	SEPTEMBER 2018	OCTOBER 2018	YEAR TO DATE 2018
KERN HEALTH SYSTEMS											
MEDICAL											
SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH OCTOBER 31, 2018											
PHYSICIAN SERVICES											
Primary Care Physician Services	2,920,677	2,742,958	2,795,669	3,032,803	3,097,782	2,918,671	2,730,342	2,588,711	3,000,514	2,612,960	28,441,087
Referral Specialty Services	9,240,467	8,846,562	10,522,041	9,730,130	8,932,446	8,232,840	9,282,840	9,231,053	8,209,332	8,539,217	92,487,521
Urgent Care & After Hours Advice	1,069,333	1,008,534	2,281,593	1,678,888	1,474,529	1,133,192	1,180,035	1,209,271	1,519,714	1,425,628	13,980,417
Hospital Admitting Team	9,300	8,400	9,300	9,000	9,300	9,000	9,300	9,300	9,000	9,300	91,200
TOTAL PHYSICIAN SERVICES	13,239,777	12,606,454	15,608,603	14,450,521	13,151,057	13,013,296	13,202,517	13,538,335	13,438,560	12,587,105	135,000,225
OTHER PROFESSIONAL SERVICES											
Vision Services Capitation	241,567	249,668	251,973	228,790	245,347	247,073	247,317	247,861	246,967	246,962	2,454,524
221 - Business Intelligence	-	-	-	-	-	835,183	144,979	154,479	133,346	150,200	1,408,187
310 - Health Services - Utilization Management - UM Allocation *	761,074	704,252	799,739	682,963	755,456	241,232	668,754	677,835	647,970	722,862	6,633,208
311 - Health Services - Quality Improvement - UM Allocation *	118,821	107,550	125,692	89,357	91,557	3,715	22,420	87,527	89,522	87,748	801,903
312 - Health Services - Education - UM Allocation *	76,022	65,961	79,421	70,442	80,556	86,012	79,826	84,285	82,671	91,376	796,072
313 - Health Services - Pharmacy - UM Allocation *	96,572	85,975	103,112	80,930	95,489	121,368	76,994	77,352	77,552	75,162	751,629
314 - Health Homes - UM Allocation *	44,203	41,266	48,457	41,054	48,687	47,918	47,631	52,937	53,966	58,534	484,653
616 - Disease Management - UM Allocation *	56,128	59,793	70,852	54,370	64,544	47,728	43,748	47,786	42,999	47,380	439,872
Behavior Health Treatment	488,079	385,879	454,810	490,975	524,803	387,958	133,646	1,464,101	499,373	1,335,629	6,065,253
Mental Health Services	63,645	172,453	96,062	319,743	431,902	290,129	458,142	(616,587)	321,217	(317,897)	1,168,809
Other Professional Services	1,027,749	965,677	968,482	892,942	1,075,500	1,051,105	1,041,504	972,326	1,075,739	924,103	9,995,377
TOTAL OTHER PROFESSIONAL SERVICES	2,973,811	2,788,474	2,996,590	2,911,566	3,414,590	3,111,320	2,964,061	3,254,300	3,251,122	3,323,654	30,989,489
EMERGENCY ROOM	4,269,344	4,171,278	5,259,525	5,247,777	4,510,035	4,780,947	4,584,969	4,503,430	4,531,949	4,490,225	46,409,379
INPATIENT HOSPITAL	13,588,711	13,055,324	16,973,565	14,300,202	13,932,093	13,267,422	13,921,068	13,023,461	12,885,548	13,069,188	138,016,582
REINSURANCE EXPENSE PREMIUM	113,536	117,345	118,427	107,531	115,783	116,124	116,240	116,494	116,075	116,072	1,153,627
OUTPATIENT HOSPITAL SERVICES	5,307,045	5,138,504	5,322,082	6,217,088	6,587,061	5,930,118	5,662,578	6,047,228	5,798,828	4,785,905	56,796,437
OTHER MEDICAL											
Ambulance	338,351	352,496	350,066	327,106	381,817	257,885	320,988	332,353	278,480	330,444	3,269,286
Home Health Services & CBAS	387,076	354,315	265,517	292,019	278,153	334,350	266,062	284,020	220,846	235,341	2,917,659
Utilization and Quality Review Expenses	284,192	424,175	246,491	159,266	241,649	243,855	202,668	287,473	203,185	234,815	2,126,079
Long Term/SNF/Hospice	999,658	777,625	923,259	686,826	808,413	789,958	828,025	891,490	1,142,414	1,218,127	9,065,795
Enhanced Medical Benefits	-	9,604	-	-	6,862	-	-	-	-	-	16,466
Provider Enhancement Expense	-	-	-	-	3,585,959	945,276	500,000	1,575,041	948,004	944,853	8,499,133
Non-Medical Transportation	413,329	387,049	811,267	730,215	807,951	704,777	939,286	871,513	813,011	900,415	7,378,813
TOTAL OTHER MEDICAL	2,422,606	1,923,264	2,576,860	2,195,432	6,103,942	3,832,963	3,057,129	4,241,840	3,605,940	3,863,995	33,273,771
PHARMACY SERVICES											
RX - Drugs & OTC	8,533,080	7,533,478	8,276,129	7,813,536	8,060,735	7,657,236	7,710,676	8,197,125	7,237,060	8,360,970	79,380,025
RX - HEP-C	729,042	557,006	600,369	500,230	483,336	454,893	734,583	839,377	736,518	564,928	6,190,282
Rx - DME	620,941	570,130	608,997	643,269	823,066	618,977	566,382	564,653	732,321	522,910	6,272,146
RX - Pharmacy Rebates	(116,000)	(116,000)	(116,000)	(163,400)	(163,400)	(163,400)	(163,400)	(163,400)	(28,483)	(66,734)	(1,260,216)
TOTAL PHARMACY SERVICES	9,767,063	8,544,614	9,369,495	8,793,635	9,203,737	8,567,706	8,848,741	9,437,755	8,667,417	9,382,074	90,582,237
PAY FOR PERFORMANCE QUALITY INCENTIVE	483,354	487,626	489,882	492,694	494,146	494,634	495,722	493,934	493,924	490,537	4,916,448
NON-CLAIMS EXPENSE ADJUSTMENT	-	-	-	-	20,941,682	(11,991)	-	(299,863)	6,624	2,670	20,639,122
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(2,338,427)	(81,180)	18,265	(1,015,946)	(1,917,835)	(1,197,835)	342,052	1,872,269	566,662	1,438,167	(2,313,250)
Total Medical Costs	49,826,819	48,751,703	58,733,294	53,700,500	76,700,850	51,354,704	53,194,977	56,289,183	53,362,649	53,549,587	555,464,266

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH OCTOBER 31, 2018												JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	AUGUST 2018	SEPTEMBER 2018	OCTOBER 2018	YEAR TO DATE 2018	
PHYSICIAN SERVICES												12.09	11.25	11.41	12.31	12.54	11.80	11.02	10.48	12.15	10.65	11.57	
Primary Care Physician Services												38.23	36.28	42.96	39.50	35.35	36.20	37.45	39.40	36.08	34.82	37.62	
Referral Specialty Services												4.42	4.14	9.31	6.81	5.97	4.58	4.76	4.90	6.15	5.81	5.69	
Urgent Care & After Hours Advice												0.04	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	
Hospital Admitting Team												54.78	51.71	63.72	58.66	53.89	52.62	53.27	54.82	54.42	51.32	54.92	
TOTAL PHYSICIAN SERVICES												1.00	1.02	1.03	0.93	1.00	1.00	1.00	1.00	1.00	1.01	1.00	
OTHER PROFESSIONAL SERVICES												0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Vision Service Capitation												3.15	2.89	3.26	2.61	3.06	2.98	2.70	2.74	2.62	2.95	2.69	
221 - Business Intelligence												0.49	0.44	0.50	0.36	0.37	0.02	0.09	0.35	0.28	0.36	0.33	
310 - Health Services - Utilization Management - UM Allocation *												0.31	0.27	0.32	0.29	0.32	0.35	0.32	0.34	0.33	0.37	0.32	
311 - Health Services - Quality Improvement - UM Allocation *												0.40	0.35	0.42	0.33	0.39	(0.09)	0.31	0.33	0.31	0.31	0.31	
312 - Health Services - Education - UM Allocation *												0.18	0.17	0.20	0.17	0.20	0.19	0.19	0.21	0.22	0.24	0.20	
313 - Health Services - Pharmacy - UM Allocation *												0.23	0.25	0.29	0.22	0.26	(0.19)	0.18	0.19	0.17	0.19	0.18	
314 - Health Homes - UM Allocation *												2.02	1.58	1.86	1.99	2.12	1.57	0.54	5.93	2.02	5.04	2.47	
616 - Disease Management - UM Allocation *												0.26	0.50	0.39	1.30	1.75	1.17	1.85	(2.50)	1.30	(1.50)	0.48	
Behavior Health Treatment												4.25	3.96	3.95	3.62	4.35	4.25	4.20	3.94	4.36	3.77	4.07	
Mental Health Services												12.30	11.44	12.23	11.82	13.82	12.58	11.96	13.18	13.16	13.55	12.61	
Other Professional Services												17.67	17.11	21.47	21.30	18.25	19.33	18.50	18.48	18.35	18.31	18.88	
TOTAL OTHER PROFESSIONAL SERVICES												56.23	53.55	69.30	58.05	56.39	53.65	56.16	52.73	52.18	53.29	56.14	
EMERGENCY ROOM												0.47	0.48	0.48	0.44	0.44	0.47	0.47	0.47	0.47	0.47	0.47	
INPATIENT HOSPITAL												21.96	21.08	21.73	25.24	26.66	23.98	22.85	24.49	23.48	19.51	23.10	
REINSURANCE EXPENSE PREMIUM																							
OUTPATIENT HOSPITAL SERVICES																							
OTHER MEDICAL												1.40	1.45	1.43	1.33	1.55	1.04	1.30	1.35	1.13	1.35	1.33	
Ambulance												1.60	1.45	1.08	1.19	1.13	1.35	1.07	1.15	0.89	0.96	1.19	
Home Health Services & CBAS												1.18	0.17	0.93	0.65	0.98	0.99	0.82	1.16	0.82	0.96	0.86	
Utilization and Quality Review Expenses												4.14	3.19	3.77	2.79	3.27	3.19	3.34	3.61	4.63	4.97	3.69	
Long Term/SNF/Hospice												0.00	0.04	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.01	
Enhanced Medical Benefits												0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Provider Enhancement Expense												1.71	1.59	3.31	2.96	3.27	3.82	2.02	6.38	3.84	3.85	3.46	
Non-Medical Transportation												10.02	7.89	10.52	8.91	24.71	13.27	12.33	17.18	14.60	15.75	13.54	
TOTAL OTHER MEDICAL																							
PHARMACY SERVICES												35.31	30.90	33.79	31.72	32.62	30.96	31.11	33.19	29.30	34.09	32.29	
RX - Drugs & OTC												3.02	2.28	2.45	2.03	1.96	1.84	2.96	3.40	2.94	2.30	2.52	
RX - HEP-C												2.57	2.34	2.49	2.61	3.33	2.50	2.29	2.29	2.97	2.13	2.55	
RX - DME												(0.48)	(0.48)	(0.47)	(0.66)	(0.66)	(0.66)	(0.66)	(0.66)	(0.12)	(0.27)	(0.51)	
RX - Pharmacy Rebates												40.41	35.05	38.25	35.70	37.25	34.64	35.70	38.21	35.10	38.25	36.85	
TOTAL PHARMACY SERVICES												2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	
PAY FOR PERFORMANCE QUALITY INCENTIVE												0.00	0.00	0.00	0.00	84.76	(0.05)	0.00	(1.21)	0.03	0.01	8.40	
NON-CLAIMS EXPENSE ADJUSTMENT												(9.68)	(0.33)	0.07	(4.12)	(7.76)	(4.84)	1.38	7.58	2.29	5.86	(0.94)	
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT												206.17	199.96	239.79	217.99	310.44	207.65	214.62	277.92	216.08	218.33	225.96	
Total Medical Costs																							

		CURRENT MONTH		YEAR-TO-DATE		
ACTUAL	BUDGET	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED OCTOBER 31, 2018						
208,658	253,735		45,077	2,375,356	2,449,171	73,815
123,815	144,770		20,955	1,293,373	1,447,678	154,305
385,866	394,578		8,712	3,723,686	3,945,753	222,067
61	3,168		3,107	1,959	31,652	29,693
135,139	319,531		184,392	1,886,585	3,195,264	1,308,679
532,865	452,005		(80,860)	4,672,562	4,511,830	(160,732)
162,503	100,658		(61,845)	883,274	1,006,583	123,309
80,604	87,087		6,483	836,007	859,855	23,848
29,284	32,757		3,473	268,650	327,573	58,923
9,104	553		(8,551)	11,335	5,533	(5,802)
121,278	116,044		(5,234)	1,157,757	1,175,421	17,664
1,097	2,325		1,228	39,418	23,250	(16,168)
20,306	23,972		3,666	189,656	239,725	50,069
218,090	202,395		(15,695)	2,077,315	2,018,688	(58,627)
423,287	511,179		87,892	4,958,606	5,111,742	153,136
286,202	537,702		251,500	2,859,855	3,179,371	319,516
93,724	59,285		(34,439)	573,882	592,853	18,971
37,008	49,901		12,893	447,069	546,898	99,829
74,893	62,897		(11,996)	479,109	628,958	149,849
143,451	151,777		8,326	1,322,767	1,520,054	197,287
-	(124,999)		(124,999)	-	(1,249,983)	(1,249,983)
3,087,235	3,381,322		294,087	30,058,221	31,567,871	1,509,650

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED OCTOBER 31, 2018	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	AUGUST 2018	SEPTEMBER 2018	OCTOBER 2018	YEAR TO DATE 2018
110 - Executive	249,360	227,269	224,150	218,301	143,752	215,868	332,148	239,418	316,432	208,658	2,375,356
210 - Accounting	121,592	122,208	139,362	119,259	106,858	172,387	117,377	110,817	159,698	123,815	1,293,373
220 - Management Information Systems (MIS)	432,742	431,903	432,298	272,224	376,551	348,119	281,772	383,851	378,360	385,866	3,723,686
221 - Business Intelligence	122,020	134,571	151,816	129,810	151,271	(687,770)	53	127	-	61	1,959
225 - Infrastructure	126,761	233,198	186,762	250,471	163,797	146,181	164,738	287,752	191,786	135,139	1,886,585
230 - Claims	476,893	392,682	482,563	405,196	484,785	423,369	483,567	527,385	463,257	532,865	4,672,562
240 - Project Management	83,613	64,943	73,023	71,038	95,057	81,230	85,023	79,737	87,107	162,503	883,274
310 - Health Services - Utilization Management	5,036	(1,566)	768	270	(404)	483,745	95,558	83,371	87,215	80,604	836,007
311 - Health Services - Quality Improvement	10	358	329	-	-	102,349	78,633	29,275	28,412	29,284	268,650
312 - Health Services - Education	147	(1,130)	-	190	705	12	388	511	408	9,104	11,335
313 - Pharmacy	104,959	104,858	84,757	91,752	99,028	210,335	114,825	118,811	107,154	121,278	1,157,757
314 - Health Homes	83	(76)	99	698	(25)	2,930	11,049	18,160	5,403	1,097	39,418
616 - Disease Management	-	129	-	-	-	110,553	19,477	20,480	18,711	20,306	189,656
320 - Provider Relations	262,401	186,821	205,072	172,555	251,582	191,269	190,507	191,731	207,287	218,090	2,077,315
330 - Member Services	406,721	390,353	869,265	527,594	564,101	554,776	382,784	422,242	417,483	423,287	4,958,606
340 - Corporate Services	327,904	251,490	222,176	270,949	291,810	309,374	289,935	333,457	276,558	286,202	2,859,855
360 - Audit & Investigative Services	55,126	54,243	55,402	47,224	52,331	52,008	54,129	55,172	54,523	93,724	573,882
410 - Advertising Media	4,575	21,825	23,427	81,259	78,893	38,290	65,711	28,042	68,039	37,008	447,069
420 - Sales/Marketing/Public Relations	50,590	41,234	44,701	55,893	39,311	40,380	40,042	41,564	50,501	74,893	479,109
510 - Human Resources	116,481	126,047	143,307	103,305	127,668	139,886	141,279	149,836	131,507	143,451	1,322,767
Total Department Expenses	2,947,014	2,783,770	3,339,277	2,817,988	3,027,071	2,935,291	2,948,995	3,121,739	3,049,841	3,087,235	30,058,221

KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF OCTOBER 31, 2018			
ASSETS	OCTOBER 2018	SEPTEMBER 2018	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,452,138	\$ 1,444,449	7,689
Interest Receivable	1,036	6,225	(5,189)
Prepaid Expenses & Other Current Assets	1,667	2,500	(833)
TOTAL CURRENT ASSETS	\$ 1,454,841	\$ 1,453,174	\$ 1,667
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	5,000	5,000	-
Other Liabilities	353,849	353,849	-
TOTAL CURRENT LIABILITIES	\$ 358,849	\$ 358,849	\$ -
NET POSITION:			
Net Position- Beg. of Year	1,081,027	1,081,027	-
Increase (Decrease) in Net Position - Current Year	14,965	13,298	1,667
Total Net Position	\$ 1,095,992	\$ 1,094,325	\$ 1,667
TOTAL LIABILITIES AND NET POSITION	\$ 1,454,841	\$ 1,453,174	\$ 1,667

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED OCTOBER 31, 2018	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
ENROLLMENT						
-	-	-	Members	-	-	-
REVENUES						
-	-	-	Premium	-	-	-
2,500	-	2,500	Interest	20,630	-	20,630
-	-	-	Other Investment Income	2,668	-	2,668
2,500	-	2,500	TOTAL REVENUES	23,298	-	23,298
EXPENSES						
-	-	-	Medical Costs	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
2,500	-	2,500	GROSS MARGIN	23,298	-	23,298
Administrative						
833	-	(833)	Management Fee Expense and Other Admin Exp	8,333	-	(8,333)
833	-	(833)	Total Administrative Expenses	8,333	-	(8,333)
833	-	(833)	TOTAL EXPENSES	8,333	-	(8,333)
1,667	-	1,667	OPERATING INCOME (LOSS)	14,965	-	14,965
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-
1,667	-	1,667	NET INCREASE (DECREASE) IN NET POSITION	14,965	-	14,965
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%
33%	0%	-33%	ADMINISTRATIVE EXPENSE RATIO	36%	0%	-36%

**KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT**

KERN HEALTH SYSTEMS

	JAN'18	FEB'18	MAR'18	APR'18	MAY'18	JUN'18	JUL'18	AUG'18	SEP'18	OCT'18	NOV'18	DEC'18
2018 MEMBER MONTHS												
MEDICAL												
ADULT AND FAMILY												
PA - FAMILY	34,790	34,221	34,687	33,840	33,542	33,859	33,475	33,694	34,300	33,768		
MN - FAMILY	0	0	0	0	0	0	0	0	0	0		
REFUGEE - FAMILY	0	0	0	0	0	0	0	0	0	0		
FOSTER CARE	707	678	719	731	701	713	729	713	707	699		
POVERTY-133/200%	1	1	1	1	1	1	1	1	1	1		
POVERTY-100%	0	0	0	0	0	0	0	0	0	0		
MI - CHILD	107,133	108,725	109,378	110,181	111,205	110,796	111,208	110,566	109,982	109,015		
CHILD-ACA	115	104	120	40	40	43	45	44	41	40		
FAMILY - UNDER 19	21,195	21,355	21,188	21,708	21,196	21,272	21,636	21,517	21,950	21,949		
SUB-TOTAL ADULT & FAMILY	163,941	165,085	166,093	166,501	166,685	166,684	167,094	166,555	166,981	165,473	0	0

MEDI-CAL EXPANSION												
LHP Transition Pre-ACA	52	52	52	52	28	49	48	47	47	47	6	
ACA Expansion Adult-Citizen	57,307	58,178	58,262	59,224	58,660	59,473	59,577	59,152	58,697	58,700		
ACA Expansion CAL Fresh Adult	5	5	6	5	5	5	5	5	5	5		
LHP Transition Pre-ACA	380	389	454	418	539	508	488	474	531	488		
SUB-TOTAL MANDATORY	57,744	58,564	58,774	59,699	59,232	59,975	60,058	59,678	59,280	59,199	0	0

SDP MEMBERS												
SSI-AGED	191	182	174	186	186	195	188	193	192	192	205	
MN - AGED	1,457	1,414	1,533	1,483	1,544	1,551	1,534	1,587	1,534	1,541		
SSI - BLIND & DIS-ABLED	12,242	12,366	12,213	12,177	12,373	12,386	12,288	12,281	12,272	12,229		
MN - BLIND & DIS-ABLED	259	358	334	356	1,121	458	606	493	448	497		
SUB-TOTAL MANDATORY SPD	14,149	14,320	14,254	14,202	15,224	14,590	14,630	14,554	14,446	14,472	0	0
TOTAL MANDATORY	235,834	237,969	239,121	240,402	241,141	241,249	241,782	240,787	240,707	239,144	0	0

OTHER MEMBERS												
BCCTP-TOBACCO SETTLEMENT	28	26	25	24	24	23	23	23	22	21		

DUALS												
PA - FAMILY DUALS	24	14	19	23	-8	19	25	16	15	23		
PART D SSI - AGED	771	776	767	784	805	787	836	798	848	830		
PART D MN - AGED	1,295	1,364	1,331	1,359	1,390	1,364	1,364	1,399	1,439	1,434		
PART D SSI - BLIND & DIS-ABLED	2,338	2,300	2,314	2,389	2,324	2,453	2,433	2,559	2,525	2,399		
PART D MN - BLIND & DIS-ABLED	1,038	978	973	980	983	980	991	1,011	1,030	1,035		
PART D BCCTP-TOBACCO SETTLEMENT	3	1	1	0	0	0	0	0	0	1		
PART D MI - ADULT	0	0	0	0	0	0	0	0	0	0		
PART D MI - CHILD	346	385	390	386	414	432	407	374	375	378		
SUB-TOTAL DUALS	5,815	5,878	5,795	5,921	5,908	6,045	6,056	6,157	6,233	6,101	0	0

TOTAL OTHERS	5,843	5,844	5,820	5,945	5,932	6,068	6,079	6,180	6,255	6,122	0	0
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TOTAL KAISER	7,991	8,160	8,225	8,267	8,307	8,294	8,278	8,340	8,291	8,284		
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TOTAL MEDICAL MEMBERS	249,668	251,973	253,166	254,614	255,380	255,611	256,139	255,307	255,253	253,550	0	0
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KERN·HEALTH SYSTEMS

September AP Vendor Report
Amounts over \$10,000

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4290	S C ANDERSON, INC	1,315,136.52	6,386,583.81	PRE-CONSTRUCTION SERVICES	CAPITAL PROJECT NEW BUILDING
T3448	CDW GOVERNMENT	560,560.81	592,133.82	BACKUP AND RECOVERY SOLUTION FOR DISASTER RECOVERY & BUSINESS CONTINUITY PLAN FOR NEW BUILDING	MIS INFRASTRUCTURE
T14722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	551,346.25	656,569.90	2018 SERVICES, BASIC 101, ONXT CORE SOLUTIONS	MIS INFRASTRUCTURE
T1045	KAISER FOUNDATION HEALTH	414,828.15	3,573,643.01	EMPLOYEE HEALTH BENEFITS	VARIOUS
T1001	KERN MEDICAL CENTER	273,336.71	520,191.22	KW GROW CLINIC REIMBURSEMENT	COMMUNITY GRANTS
T4237	FLUIDEDGE CONSULTING, INC.	170,727.51	1,612,041.49	CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING/ALCHEMY ANNUAL LICENSE AND MAINTENANCE	VARIOUS
T2726	DST PHARMACY SOLUTIONS, INC.	97,075.90	847,995.25	PHARMACY AND CLAIMS PROCESSING	PHARMACY
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	79,225.94	361,207.10	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT-NEW BUILDING
T4699	Z6OMEGA, INC.	74,116.01	1,531,450.30	PROFESSIONAL SERVICES MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T2488	THE LINCOLN NATIONAL LIFE INSURANCE***	55,426.74	55,426.74	2018/19 VOLUNTARY LIFE AD&D, DENTAL INSURANCE	VARIOUS
T4696	ZNALYTICS, LLC	44,000.00	559,283.24	PROFESSIONAL SERVICES	CAPITAL PROJECT IN PROGRESS
T4308	TRUXTUN PLACE PARTNERS	36,244.58	274,413.54	TRUXTUN- LEASE & UTILITIES	CORPORATE SERVICES
T4582	HEALTHX, INC.	39,200.00	390,700.00	IMPLEMENTATION FEE- MEMBER ENHANCEMENT PROVIDER AND MEMBER PORTAL	CAPITAL PROJECT - MEMBER & PROVIDER PORTAL
T4193	TECHNOSOCIALWORK.COM DBA STRIA	36,474.15	302,639.49	OCR SERVICES	CLAIMS
T2707	ACT 1 PERSONNEL SERVICES, INC.	29,890.32	208,553.51	TEMPORARY HELP - MIS -2 ; MS -2 ; CS - 1;	VARIOUS
T4460	PAYSPAN, INC	28,797.93	139,259.96	2018 ELECTRONIC CLAIMS FOR HEALTHCARE PAYERS & PROVIDERS W/PRINT & MAIL SERVICES , W/ EFT PAYMENTS	CLAIMS
T1272	COFFEY COMMUNICATIONS INC.	25,815.73	135,205.56	SUMMER 2018 ISSUE OF FAMILY HEALTH	HEALTH EDUCATION
T2961	SOLUTION BENCH, LLC	25,353.74	83,212.32	2018 ANNUAL SUPPORT RENEWAL FOR M-FILES	MIS INFRASTRUCTURE
T3076	SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY***	24,023.21	24,023.21	2017-18 ANNUAL WORKERS' COMPENSATION RECONCILIATION	VARIOUS



September AP Vendor Report
Amounts over \$10,000

Vendor Vendor Name	Current Month	Year-to-Date	Description	Department
T4992 C/JM/AUTOMOTIVE GROUP, INC. DBA BAKERSFIELD CHRYSLER JEEP	23,228.65	23,228.65	2018 DODGE CARAVAN	CORPORATE SERVICES
T4546 LEVEL 3 COMMUNICATIONS, LLC	23,028.73	184,179.92	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T3011 OFFICE ALLY, INC.	19,555.75	154,715.25	2018 EDI CLAIM PROCESSING	CLAIMS
T4396 KAISER FOUNDATION HEALTH-DHMO	19,106.60	143,528.01	2018 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4350 COMPUTER ENTERPRISE INC.	18,477.83	1,390,970.62	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T4962 LIBERTY DATA, INC.**	17,100.00	17,100.00	VERIFICATION SERVICE OF PROVIDER TAX IDS	MIS
T1183 MILLIMAN USA	16,630.75	176,988.13	RDT & 2018 RATE SUPPORT ANALYSIS, PHARMACY BUDGET IN RATES, ACA EXPANSION MLR TEMPLATE	ADMINISTRATION
T4801 ZEAL STAFFING LLC, DBA Z STAFFING	15,219.01	76,353.55	TEMPORARY LABOR	VARIOUS
T4563 SOILS ENGINEERING, INC.	15,105.00	65,549.45	SOIL SAMPLING OBSERVATION -OIL DIRT DISCOVERY/REMEDIATION	CAPITAL PROJECT-NEW BUILDING
T4538 CHANGE HEALTHCARE SOLUTIONS, LLC	15,081.08	130,700.29	2018 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T3001 MERCER**	15,000.00	15,000.00	PROFESSIONAL CONSULTING SERVICES	ADMINISTRATION
T4982 NGC US, LLC**	15,000.00	15,000.00	HEALTH HOMES INCENTIVE	HEALTH HOME
T4478 AMERICAN FIDELITY ASSURANCE COMPANY	14,636.32	127,884.21	EMPLOYEE PREMIUMS FLEX	HEALTH SAVINGS
T3469 CPACINC.COM INC***	13,840.78	13,840.78	SOLARWINDS DATABASE PERFORMANCE ANALYZER PER SQL SERVER, MYSQL, ORACLE-ANNUAL MAINTENANCE RENEWAL	MIS INFRASTRUCTURE
T4657 DAPONDE SZABO ROWE PC	12,278.50	24,475.00	PROFESSIONAL SERVICES - REGARDING KHS REGULATORY	ADMINISTRATION
T4563 SPH ANALYTICS	11,207.60	41,669.25	MEMBER SATISFACTION SURVEY	MEMBER SERVICES /PROVIDER RELATIONS
T4902 CHANGE HEALTHCARE, LLC	11,134.41	265,688.50	EDI CLAIMS, CLAIM CHECK	CLAIMS / MIS
T4945 SHERRIE L. CREGGETT	10,750.00	32,591.36	2018 CONSULTING SERVICES HHP OUTREACH PROGRAM DEVELOPMENT	HEALTH HOME
T1661 CERIDIAN HCM, INC.	10,522.81	98,964.59	DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS	HUMAN RESOURCES

KERN·HEALTH SYSTEMS

September AP Vendor Report
Amounts over \$10,000

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T2918	STINSONS	10,254.37	74,179.79	OFFICE SUPPLIES	VARIOUS
T4476	KERN PARTNERSHIP FOR CHILDREN AND FAMILIES**	10,000.00	12,000.00	2018 KERN PARTNERSHIP FOR CHILDREN & FAMILIES - GALA SPONSORSHIP	MARKETING
		<u>\$ 4,200,738.39</u>			
	TOTAL VENDORS OVER \$10,000	4,200,738.39			
	TOTAL VENDORS UNDER \$10,000	300,178.31			
	TOTAL VENDOR EXPENSES- September	<u>\$ 4,500,916.70</u>			

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



September AP Vendor Report
Amount over \$10,000

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4290	S C ANDERSON, INC	6,386,563.81	PRE-CONSTRUCTION SERVICES	CAPITAL PROJECT NEW BUILDING
T1045	KAISER FOUNDATION HEALTH	3,573,643.01	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4738	AMERICAN LOGISTICS COMPANY, LLC	2,557,002.46	DEC 2017-JUNE 2018, MEDICAL/NON MEDICAL TRANSPORTATION MEMBER BENEFIT	MEMBER SERVICES
T4237	FLUIDEDGE CONSULTING, INC.	1,612,041.49	NOV. - DEC. 2017 ; JAN - AUG 2018 .CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING/ ALOHEMY ANNUAL LICENSE AND MAINTENANCE	VARIOUS
T4699	Z6OMEGA, INC.	1,531,450.30	PROFESSIONAL SERVICES MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T4350	COMPUTER ENTERPRISE INC.	1,390,970.62	JAN - AUG. 2018 PROFESSIONAL SERVICES / NOV. - DEC. 2017 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T1071	CLINICA SIERRA VISTA	1,175,120.44	2018 MEDICAL RESPITE PROGRAM / PROVIDER RECRUITMENT AND RETENTION GRANT	HEALTH SERVICES - UM / COMMUNITY GRANTS
T4391	OMNI FAMILY HEALTH	915,448.80	SEPT-DEC. 2017 , MAY 2018 HOME HEALTH GRANT / CONSTRUCTION	COMMUNITY GRANTS
T2726	DST PHARMACY SOLUTIONS, INC.	847,995.25	PHARMACY AND CLAIMS PROCESSING - JANUARY - AUG 2018	PHARMACY
T2686	ALLIANT INSURANCE SERVICES INC.	683,496.48	EARTH MOVEMENT INSURANCE-NEW BUILDING; WORKERS COMPENSATION; CRIME PROPERTY & LIABILITY; EXCESS LIABILITY; FIDUCIARY LIABILITY; EXCESS CYBER; MANAGED CARE ERRORS AND OMISSION, EARTHQUAKE & FLOOD INSURANCE 2018-19	CAPITAL PROJECT IN PROGRESS /INSURANCE
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	656,569.90	2018 SERVICES, BASIC 101, QNXT CORE SOLUTIONS	MIS INFRASTRUCTURE
T3130	OPTUMINSIGHT, INC.	655,445.00	CES DIRECT LICENSE - 12/17 - 12/18, ANNUAL FEE / OUTSOURCED ANALYSIS	CAPITAL PROJECT IN PROGRESS/PROVIDER RELATIONS
T2704	MCG HEALTH LLC	599,840.68	SOFTWARE LICENSE - HEALTH CARE MANAGEMENT 6/5/18- 6/4/19	UTILIZATION MANAGEMENT
T3449	CDW GOVERNMENT	592,133.82	BACKUP AND RECOVERY SOLUTION FOR DISASTER RECOVERY & BUSINESS CONTINUITY PLAN FOR NEW BUILDING; HARDWARE AND LICENSES	MIS INFRASTRUCTURE
T4696	ZNALYTICS, LLC	559,283.24	JAN - JULY, 2018 PROFESSIONAL SERVICES	CAPITAL PROJECT IN PROGRESS
T2167	PG&E	546,460.77	NEW BUILDING UNDERGROUND UTILITIES/ANNUAL TRUE-UP FOR 2017 USAGE/UTILITIES	CAPITAL PROJECT IN PROGRESS - NEW BUILDING/ CORPORATE SERVICES
T1001	KERN MEDICAL CENTER	520,191.22	KM GROW CLINIC REIMBURSEMENT	COMMUNITY GRANTS



September AP Vendor Report
Amount over \$10,000

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T3460	THE GUARDIAN LIFE INSURANCE CO.	489,497.88	2018/19 VOLUNTARY LIFE AD&D, DENTAL INSURANCE	VARIOUS
T1408	DELL MARKETING L.P.	484,089.70	HARDWARE- 6- LATITUDE E5480, 1 DELL SMART PRINTER, 6510, 20 OPTIPLEX 3050/DESKTOP'S SOFTWARE LICENSE SUBSCRIPTION/SUPPORT BATTERY REPLACEMENTS	MIS INFRASTRUCTURE
T4582	HEALTHX, INC.	390,700.00	IMPLEMENTATION FEE- MEMBER ENHANCEMENT PROVIDER AND MEMBER PORTAL	CAPITAL PROJECT - MEMBER & PROVIDER PORTAL
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	361,207.10	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT-NEW BUILDING
T2392	CITY OF BAKERSFIELD	353,620.87	BUILDING PERMIT FEES	CAPITAL PROJECT - NEW BUILDING/
T4685	NATIONAL GIFT CARD CORP	336,311.40	MEMBER INCENTIVES	HOME HEALTH/HEALTH EDUCATION
T4193	TECHSOCIALWORK.COM DBA STRIA	302,639.49	2018 OCR SERVICES	CLAIMS
T4308	TRUXTUN PLACE PARTNERS	274,413.54	TRUXTUN- 2018 LEASE & UTILITIES	CORPORATE SERVICES
T4902	CHANGE HEALTHCARE LLC	285,688.50	EDI CLAIMS, CLAIM CHECK	CLAIMS /MIS
T4695	EDIFICS, INC.	247,782.02	JAN - JULY, 2018 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T1645	DEPARTMENT OF MANAGED HEALTH CARE	247,162.24	2018-2019 (1ST SEMESTER) MHC ANNUAL ASSESSMENT	ADMINISTRATION
T2707	ACT 1 PERSONNEL SERVICES, INC.	208,553.51	TEMPORARY HELP - MIS -2 ; MS-2 ; CS - 1;	VARIOUS
T2413	TREK IMAGING INC	200,981.30	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T4546	LEVEL 3 COMMUNICATIONS, LLC	184,179.92	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T1183	MILLUMAN USA	176,938.13	NOV-DEC 2017 ACTUARIAL SERVICES, CY2016 RDT, 2018 RATE SUPPORT, VALUE-BASED PURCHASING ANALYSIS, OTHER CONSULTING SERVICES	ADMINISTRATION
T3011	OFFICE ALLY, INC.	154,715.25	2018 EDI CLAIM PROCESSING	CLAIMS
T4396	KAISER FOUNDATION HEALTH-DHMO	143,528.01	2018 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4460	PAYSPAN, INC	139,259.96	2018 ELECTRONIC CLAIMS/PAYMENTS	CLAIMS
T1272	COFFEY COMMUNICATIONS INC.	135,205.56	NEWSLETTER PUBLICATION/MAILING	VARIOUS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	130,700.29	2018 EDI CLAIM PROCESSING (EMDEON)	CLAIMS



September AP Vendor Report
Amount over \$10,000

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2564	UNITED STATES POSTAL SVC.-HASLER	130,000.00	POSTAGE-METERED	VARIOUS
T4478	AMERICAN FIDELITY ASSURANCE COMPANY	127,884.21	EMPLOYEE PREMIUMS FLEX	HEALTH SAVINGS
T4165	SHI INTERNATIONAL CO.	125,415.63	STORAGE MAINTENANCE/ HARDWARE	CAPITAL PROJECT IN PROCESS
T2469	DST HEALTH SOLUTIONS, INC.	116,800.00	2018 MHC SOFTWARE - LICENSE FEE, MAINTENANCE, AND SUPPORT & ADJUSTED CLINICAL GROUP SYSTEM	MIS INFRASTRUCTURE
T4452	WELLS FARGO	107,376.64	EXECUTIVE, MISC CORPORATE SERVICES, PROVIDER RELATIONS, MISC TRAVEL EXPENSES	VARIOUS
T1861	CEREDIAN BENEFITS SERVICES	98,964.59	DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS	HUMAN RESOURCES
T1960	LOCAL HEALTH PLANS OF CA INC	97,377.08	2018/2019 FLAT YEARLY ASSESSMENT	ADMINISTRATION
T4467	MEDISOFTRX, LLC.	95,985.18	2018 PROFESSIONAL SERVICES-HOME HEALTH PROJECT	CAPITAL PROJECT IN PROCESS
T4654	DELAWIE	92,881.95	2018 PROFESSIONAL SERVICES	CAPITAL PROJECT ARCHITECTURAL
T2933	SIERRA PRINTERS, INC.	92,043.16	MEMBER EDUCATION MATERIAL / PROVIDER DIRECTORY	VARIOUS
T2961	SOLUTION BENCH, LLC	83,212.32	M-FILES LICENSES & MAINTENANCE	MIS INFRASTRUCTURE
T2287	CALIFORNIA WATER SERVICE	77,257.22	UTILITIES - NEW BUILDING SERVICES / WATER SERVICES	CAPITAL PROJECT-NEW BUILDING / WATER
T4801	ZEAL STAFFING LLC DBA Z STAFFING	76,353.55	TEMPORARY LABOR	VARIOUS
T2918	STINSON S	74,179.79	OFFICE SUPPLIES	VARIOUS
T4792	KP LLC	73,078.59	DRUG FORMULARY	PHARMACY
T4421	JON SLAGLE	72,122.40	ADVERTISING CAMPAIGN - 75%	MARKETING
T4294	PAOLA DELGADO DBA J SERVICES JANITORIAL	70,169.00	JANITORIAL SERVICES	CORPORATE SERVICES
T1785	AT&T	66,942.71	NEW BUILDING UNDERGROUND UTILITIES TELEPHONE SERVICE	CAPITAL PROJECT IN PROGRESS / MIS
T4785	COMMGAP	66,872.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T4873	L5 HEALTHCARE SOLUTIONS, INC.	66,000.00	ONE TIME LICENSE FEE/IMPLEMENTATION/ANNUAL MAINTENANCE & SUPPORT FEES-ALCHEMY	CAPITAL PROJECT IN PROGRESS
T4583	SOILS ENGINEERING INC	65,549.45	SOIL SAMPLING OBSERVATION-OIL DIRT DISCOVERY/REMEDIATION	CAPITAL PROJECT-NEW BUILDING



September AP Vendor Report
Amount over \$10,000

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	2018 ACAP DUES	ADMINISTRATION
T1597	BAKERSFIELD MEMORIAL HOSP	64,186.85	DEC., 2017 BMH GROW CLINIC	COMMUNITY GRANTS
T1644	BRIGHT HOUSE NETWORK	62,733.43	UNDERGROUND UTILITIES FOR NEW BUILDING INTERNET FOR STOCKDALE LOCATION	CAPITAL PROJECT - NEW BUILDING / MIS
T4699	SUMEET BHINDER, MD INC	60,167.13	PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T3077	VMWARE, INC	59,544.72	VSPHERE 5 ENTERPRISE RENEWAL	MIS
T2488	THE LINCOLN NATIONAL LIFE INSURANCE****	55,426.74	2018 VOLUNTARY LIFE AD&D, DENTAL INSURANCE	VARIOUS
T4884	GAINES SOLUTIONS, INC.	55,000.00	ANNUAL HOSTING FEE AND CONSULTING SERVICES - PROVIDER DATA VALIDATION CONSULTANT	PROVIDER RELATIONS
T4433	MICRO-DYN MEDICAL SYSTEMS INC	53,880.00	ANNUAL LICENSE	MIS
T2837	TOYS/BABIES R US	51,981.42	WELL CHILD & PREGNANCY INCENTIVE PROGRAM	HEALTH EDUCATION
T4415	DANIELLS, PHILLIPS, VAUGHN & BOCK	49,175.00	FINANCIAL REPORTING SERVICES	ADMINISTRATIVE
T4039	KERN RURAL WELLNESS CENTERS, INC	45,647.13	PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T4345	ASHOK PARMAR	44,254.04	NOV.2017 PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T4603	ECFIRST.COM	42,986.29	PROFESSIONAL SERVICES -INFORMATION SYSTEM HIPAA SECURITY	CAPITAL PROJECT IN PROCESS
T2446	AT&T MOBILITY	41,941.97	CELLULAR PHONE / INTERNET	MIS
T4563	SPH ANALYTICS	41,669.25	MEMBER SATISFACTION SURVEY	MEMBER SERVICES /PROVIDER RELATIONS
T1128	HALL LETTER SHOP INC.	41,521.39	NEW MEMBER PACKETS / MEMBERSHIP CARDS	MEMBER SERVICES
T1180	LANGUAGE LINE SERVICES, INC	40,672.06	INTERPRETATION SERVICES	MEMBER SERVICES
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	40,621.00	COMMUNITY SPONSORSHIP	ADMINISTRATION
T4653	FORMS ON FIRE INC	40,288.25	FORMS ON FIRE-SITE REVIEW AUTOMATION PROJECT-FORM DESIGN FOR 5 FORMS	CAPITAL PROJECT IN PROCESS
T4561	SRI & SHARMA, LLC	39,375.00	PARKING RENTAL	CORPORATE SERVICES
T2969	AMERICAN BUSINESS MACHINES INC	38,849.80	CANON IMAGE FORMULA DR-X10C II SCANNER, WITH ANNUAL MAINTENANCE CONTRACT	MIS - INFRASTRUCTURE



September AP Vendor Report
Amount over \$10,000

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	38,609.00	2018 ANNUAL DUES ASSESSMENT CAHP SEMINAR FEES	ADMINISTRATION
T1957	MERCY FOUNDATION-BAKERSFIELD	38,500.00	DAVINCI CAMPAIGN SPONSORSHIP	ADMINISTRATION
T4537	BURKE, WILLIAMS & SORENSEN, LLP	38,244.51	OCT-DEC 2017, 2018 LEGAL SERVICES (NEW BUILDING) -	CAPITAL PROJECT-NEW BUILDING
T4733	UNITED STAFFING ASSOCIATES	38,071.93	TEMPORARY LABOR	VARIOUS
T4876	CIRESON, LLC	37,921.50	BUSINESS MANAGEMENT SOLUTIONS, LICENSES, SOFTWARE, 3 YR MAINTENANCE & SUPPORT, CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS
T3986	JACQUELYN S JANS	37,116.00	PROFESSIONAL SERVICES MARKETING AND PR SERVICES	ADMINISTRATION/MARKETING
T4168	RELAYHEALTH	36,164.52	2018 -EDI CLAIM PROCESSING	CLAIMS
T4767	VALLEY ANESTHESIA ASSOCIATES, INC	36,016.42	OCT 17 PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T4739	SECURITAS SECURITY SERVICES USA INC	35,199.36	SECURITY SERVICES	CORPORATE
T4909	GEM PHYSICIANS MEDICAL GROUP, INC	35,179.95	DEC 17 HEALTH HOME GRANT	COMMUNITY GRANTS
T3084	KERN COUNTY - COUNTY COUNSEL	34,206.60	LEGAL FEES	ADMINISTRATIVE
T4183	LAMAR ADVERTISING OF BAKERSFIELD	34,150.00	BILLBOARD ADVERTISING	MEDIA & ADVERTISING
T4945	SHERRIA CREGGETT	32,591.36	2018 CONSULTING SERVICES IHP OUTREACH PROGRAM DEVELOPMENT	HEALTH HOME
T2941	KERN PRINT SERVICES INC	31,233.70	ENVELOPES AND LETTERHEAD WELL CHILD INCENTIVE VOUCHERS	CORPORATE SERVICES, HEALTH EDUCATION
T4216	NEXSTAR BROADCASTING INC	30,530.00	MEDIA - ADVERTISEMENTS	MARKETING
T2441	LAURA BREZINSKI	30,105.00	MARKETING MATERIALS	MARKETING
T4501	ALLIED UNIVERSAL SECURITY SERVICES	29,548.00	ONSITE SECURITY	CORPORATE SERVICES
T4514	AJ KLEIN INC T. DENATALE, B.GOLDNER	27,911.50	LEGAL SERVICES	ADMINISTRATION
T1189	APPLE ONE INC	27,317.36	TEMPORARY LABOR	VARIOUS
T4228	THE SSI GROUP, LLC	26,857.60	EDI CLAIMS	CLAIMS
T2232	DLT SOLUTIONS, LLC	26,537.76	SOL SERVER MAINTENANCE CONTRACT	MIS INFRASTRUCTURE



September AP Vendor Report
Amount over \$10,000

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1022	UNUM LIFE INSURANCE CO	26,155.60	EMPLOYEE PREMIUMS LONG TERM CARE	VARIOUS
T4390	SOLARWINDS WORLDWIDE, LLC	26,000.00	SOFTWARE LICENSES - 2018	MIS
T4708	HEALTH MANAGEMENT ASSOCIATES INC	25,046.25	CONSULTING SERVICES-2018 PROJ KHS TIMELY ACCESS REPORT	ADMINISTRATION
T3990	SPARKLETT'S, INC	24,479.36	BOTTLED WATER SERVICE	VARIOUS
T4657	DAPONDE SZABO ROWE PC	24,475.00	CONSULTING SERVICES TO REVIEW CONTRACTS	PROVIDER RELATIONS
T3076	SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY****	24,023.21	2017-2018 ANNUAL WORKERS COMPENSATION	VARIOUS
T4906	EVERLASTING HEALTHCARE	23,760.00	PROVIDER REIMBURSEMENT FOR CLAIMS PAID	CLAIMS
T4967	ADMINISTRATIVE SOLUTIONS, INC	23,318.34	EMPLOYEE PAID VOLUNTARY INSURANCE/FSA CARD DEPOSIT	PAYROLL DEDUCTION
T4992	CJM AUTOMOTIVE GROUP, INC. DBA BAKERSFIELD CHRYSLER ,	23,228.65	2018 DODGE CARAVAN	CORPORATE SERVICE
T1347	ADVANCED DATA STORAGE	23,181.70	SHREDDING SERVICE / STORAGE	CORPORATE SERVICES
T4182	THE LAMAR COMPANIES	21,629.00	PRODUCTION FEE FOR ADS ON BUSES	MARKETING
T4497	SKILLSOFT CORPORATION	20,836.93	ANNUAL LICENSE FEE- ON LINE TRAINING & DESKTOP VIDEOS	HUMAN RESOURCE
T4674	STOCKDALE PLAZA OWNERS ASSOCIATION INC	20,250.00	LEASE AGREEMENT PARKING SPACE -STOCKDALE HWAY	CORPORATE SERVICES
T4587	MCINTOSH & ASSOCIATE	19,475.01	PROFESSIONAL SERVICES ENGINEERING NEW BUILDING	CAPITAL PROJECT - NEW BUILDING
T4883	MARTHA TASINGA	18,913.94	TEMPORARY HOUSING EXPENSE/REIMBURSEMENT	HUMAN RESOURCES
T2921	DOUBLETREE HOTEL	17,805.69	HEDIS DINNER TO ACKNOWLEDGE PROVIDERS- FOOD-AUDIO VISUAL FEES & MISCELLANEOUS FEES	QUALITY IMPROVEMENT
T4585	DELANO UNION SCHOOL DISTRICT	18,000.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T4747	SYED ALAM, M.D. INC.	17,500.00	2016/17 PROVIDER RECRUITMENT AND RETENTION GRANTS	COMMUNITY GRANTS
T4605	KERVILLE UNION SCHOOL DISTRICT	17,500.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T4611	LAMONT SCHOOL DISTRICT	17,500.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T4798	KERN HIGH SCHOOL DISTRICT	17,500.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION



September AP Vendor Report
Amount over \$10,000

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4802	KERN COUNTY SUPERINTENDENT OF SCHOOLS	17,500.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T4962	LIBERTY DATA, INC.***	17,100.00	SERVICE TO AUTOMATICALLY VERIFY NON PAR PROVIDER TAX IDS TO PREVENT FRAUD OR POTENTIAL PENALTIES FROM IRS.	MIS
T4963	LINKEDIN CORPORATION	16,500.00	ONLINE JOB POSTINGS/CANDIDATE SEARCH CAPABILITIES	HUMAN RESOURCE
T2790	KERN COUNTY DEPARTMENT OF PUBLIC HEALTH	16,459.00	SPONSORSHIPS	COMMUNITY ACTIVITIES
T4417	KAISER FOUNDATION HEALTH PLAN	16,296.87	2018 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4195	SCRIPPS MEDIA, INC DBA KERO-TV	16,046.25	MEDIA - TELEVISION ADVERTISEMENTS	MARKETING
T4925	VMEDU, INC	16,000.00	PMP ON-SITE TRAINING (JUNE 11-14, 2018)	PROJECT MANAGEMENT
T4198	LAW OFFICES OF CARL SHUSTERMAN	15,620.00	LEGAL SERVICES	ADMINISTRATION
T4016	FIRST DATABANK, INC.	15,135.00	ANNUAL LICENSE- SOFTWARE- NATIONAL DRUG CODE DATABASE WITH GENERIC CODE NUMBER	MIS
T3001	MERCER***	15,000.00	PROFESSIONAL CONSULTING SERVICES	ADMINISTRATION
T4982	NGC US, LLC***	15,000.00	PREFUND HEALTH HOMES INCENTIVE	HEALTH HOME
T1650	UNIVISION TELEVISION GROUP***	14,535.00	COMMERCIAL MEDIA - TV ADS	MARKETING
T4384	PINNACLE PRIMARY CARE, INC.	14,049.16	2016/17 PROVIDER RECRUITMENT AND RETENTION GRANTS	COMMUNITY GRANTS
T2955	DELTA ELECTRIC INC	13,991.00	PROPOSAL FOR RELOCATION OF 2ND CCTV CAMERA & SEALING OF ELEVEN AT STOCKDALE	CORPORATE SERVICES
T3469	CPACINC.COM INC***	13,840.78	SOLARWINDS DATABASE PERFORMANCE ANALYZER PER SOL SERVER, MYSQL, ORACLE-ANNUAL MAINTENANCE RENEWAL	MIS INFRASTRUCTURE
T1032	THE BAKERSFIELD CALIFORNIAN	13,627.66	EMPLOYMENT AD	HUMAN RESOURCE
T2840	ATALASOFT, INC.	13,596.00	2018 SOFTWARE SUPPORT & MAINTENANCE FOR DOTIMAGE	MIS INFRASTRUCTURE
T4698	INFINITY COMMUNICATIONS & CONSULTING, INC.	13,500.00	TECHNICAL BUILDING ARCHITECTURAL CONSULTING PHASE I	CAPITAL PROJECT-NEW BUILDING
T4731	LOGMEIN USA INC	13,491.00	GoToMEETINGS CORPORATE SERVICES / GoTo WEBINAR SERVICE	MIS



September AP Vendor Report
Amount over \$10,000

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T3475	CALIFORNIA STATE CONTROLLER'S OFFICE	13,349.03	SUBMITTED 2013 UNCLAIMED PROPERTY	ACCOUNTING
T4230	COFFEE BREAK SERVICE INC	12,982.82	COFFEE SUPPLIES - STOCKDALE & TRUXTUN	CORPORATE SERVICE
T2407	KAISER FOUNDATION HEALTH****	12,879.10	INSURANCE PREMIUM	PAYROLL DEDUCTION
T4425	PRO RESTORATION SERVICES INC	12,859.75	RESTORATION - STRUCTURAL REPAIR, WATER EXTRACTION AND REMEDIATION	CORPORATE SERVICES
T3065	CAREERBUILDER, LLC	12,750.00	JOB POSTINGS & ADVERTISEMENT	HUMAN RESOURCE
T4760	CAMERON CHANG	12,750.00	MAY-DEC. 2017 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4297	PRAGMATIC WORKS SOFTWARE	12,500.80	3 YEAR RENEWAL MAINTENANCE WORKBENCH PRO UPGRADE	MIS
T2787	SAGE SOFTWARE	12,474.00	PROFESSIONAL SERVICES	ACCOUNTING
T2938	SAP AMERICA, INC	12,308.32	BUSINESS OBJECT ANNUAL MAINTENANCE	MIS - SOFTWARE SUPPORT
T4544	BARNES WEALTH MANAGEMENT GROUP	12,250.00	RETIREMENT PLAN CONSULTANTS	ADMINISTRATION
T4476	KERN PARTNERSHIP FOR CHILDREN AND FAMILIES****	12,000.00	2018 KERN PARTNERSHIP FOR CHILDREN & FAMILIES - GALA SPONSORSHIP	MARKETING
T4683	CLAUDIA M. BACA	11,875.00	CONSULTING SERVICES	PROJECT MANAGEMENT
T4239	COAST TO COAST COMPUTER PRODUCTS	11,870.69	COMPUTER PRODUCTS	CORPORATE SERVICES
T4786	LOST HILLS UNION SCHOOL DISTRICT	11,550.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T3378	CARRIER CORPORATION	11,090.51	SERVICE AGREEMENT	CORPORATE SERVICE
T4594	MEDVERSANT TECHNOLOGIES LLC	11,000.00	MONTHLY MONITORING FEES	PROVIDER RELATIONS
T4968	ZIPRECRUITER, INS	10,790.99	ONLINE JOB POSTINGS/CANDIDATE SEARCH CAPABILITIES	HUMAN RESOURCE
T4935	RKL LLP	10,651.37	SAGE LICENSE RENEWAL & 3 ADDITIONAL USERS	ACCOUNTING
T4523	BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA****	10,519.22	INSURANCE BENEFITS	ADMINISTRATION
T4707	SHAFTER PEDIATRICS	10,144.82	2016/17 PROVIDER RECRUITMENT AND RETENTION GRANTS; SPRING HEALTH FAIR SPONSORSHIP	COMMUNITY GRANTS
T3502	VIRTUAL GRIFFITI, INC	10,041.54	SOFTWARE LICENSE - 2018	MIS



September AP Vendor Report
Amount over \$10,000

Vendor No.	Vendor Name	Description	Year-to-Date	Department
T4936	SEEPPOINT, LLC	PURCHASE AND MAINTENANCE - VANTAGEPOINT KIOSK SYSTEM	10,026.89	MIS
			\$ 34,600,762.52	
	TOTAL VENDORS OVER \$10,000		34,600,762.52	
	TOTAL VENDORS UNDER \$10,000		822,668.98	
	TOTAL VENDOR EXPENSES- September		\$ 35,423,431.50	

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

KERN HEALTH SYSTEMS

October AP Vendor Report
Amount over \$10,000

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4290	S C ANDERSON, INC	2,838,804.13	9,225,387.94	PRE-CONSTRUCTION SERVICES	CAPITAL PROJECT NEW BUILDING
T1045	KAISER FOUNDATION HEALTH	415,029.64	3,988,672.65	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4689	ZeOMEGA, INC.	200,102.42	1,731,552.72	PROFESSIONAL SERVICES MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T4695	EDIFICS, INC.	182,055.83	429,837.85	2018 ANNUAL TSM OF TRANSACTION MANAGEMENT XES, XEM, & 5SB	CAPITAL PROJECT IN PROGRESS
T4350	COMPUTER ENTERPRISE INC.	164,561.48	1,555,532.10	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T4237	FLUIDEDGE CONSULTING, INC.	132,454.35	1,744,495.84	CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING/ ALCHEMY ANNUAL LICENSE AND MAINTENANCE	VARIOUS
T2726	DST PHARMACY SOLUTIONS, INC.	90,677.46	938,672.71	PHARMACY AND CLAIMS PROCESSING	PHARMACY
T4165	SHI INTERNATIONAL CO.	86,880.50	212,296.13	350 CITRIX XENDESKTOP LICENSES (VDI)	CAPITAL PROJECT IN PROGRESS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	86,755.99	743,325.89	2018 SERVICES, BASIC 101, QNXT CORE SOLUTIONS	MIS INFRASTRUCTURE
T4982	NGC US, LLC	73,340.00	88,340.00	PREFUND HEALTH HOMES INCENTIVE	HEALTH HOME
T4909	GEM PHYSICIANS MEDICAL GROUP, INC.	52,932.18	88,112.13	MARCH 2018 HEALTH HOME GRANT	HEALTH HOME GRANTS
T1183	MILLIMAN USA	51,702.50	228,640.63	RDT & 2018 RATE SUPPORT ANALYSIS, PHARMACY BUDGET IN RATES, ACA EXPANSION MLR TEMPLATE	ADMINISTRATION
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	46,165.46	101,592.20	2018 VOLUNTARY LIFE AD&D, DENTAL INSURANCE.	VARIOUS
T4193	TECHSOCIALWORK.COM DBA STRIA	38,802.88	341,442.37	OCR SERVICES	CLAIMS
T4607	AGILITY RECOVERY SOLUTIONS INC. ****	36,288.00	36,288.00	2018 ANNUAL RENEWAL	ASIS
T4696	ZNALYTICS, LLC	34,440.00	593,723.24	PROFESSIONAL SERVICES	CAPITAL PROJECT IN PROGRESS
T4308	TRUXTUN PLACE PARTNERS	30,837.04	305,250.58	TRUXTUN- LEASE & UTILITIES	CORPORATE SERVICES



October AP Vendor Report
Amount over \$10,000

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T3449	CDW GOVERNMENT	29,672.93	621,806.75	BACKUP AND RECOVERY SOLUTION FOR DISASTER RECOVERY & BUSINESS CONTINUITY PLAN FOR NEW BUILDING; HARDWARE AND LICENSES	MIS INFRASTRUCTURE
T4583	SOILS ENGINEERING, INC.	28,405.44	93,954.89	SOIL SAMPLING OBSERVATION-OIL DIRT DISCOVERY/REMEDIATION	CAPITAL PROJECT-NEW BUILDING
T2707	ACT 1 PERSONNEL SERVICES, INC.	27,228.95	235,782.46	TEMPORARY HELP - MIS -2 ; MS -2 ; CS - 1;	VARIOUS
T1408	DELL MARKETING L.P.	25,541.58	489,631.28	5 Latitude 5490 W/DOCKING STATIONS	MIS INFRASTRUCTURE
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	23,673.72	133,098.80	2018 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4654	DELAWIE	22,180.24	115,062.19	SEPT 2018 ARCHITECTURAL SERVICES	CAPITAL PROJECT ARCHITECTURAL
T4396	KAISER FOUNDATION HEALTH-DHIMO	21,767.50	165,295.51	2018 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4546	LEVEL 3 COMMUNICATIONS, LLC	21,067.44	205,247.36	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T4977	HE T4 SOLUTIONS, LLC***	18,073.88	18,073.88	OCTOBER 2018 TRAVEL EXPENSES - PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T2413	TREK IMAGING INC	18,064.63	219,045.93	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T3011	OFFICE ALLY, INC.	16,862.75	171,578.00	2018 EDI CLAIM PROCESSING	CLAIMS
T4801	ZEAL STAFFING LLC, DBA Z STAFFING	15,898.49	92,252.04	TEMPORARY LABOR	VARIOUS
T4967	ADMINISTRATIVE SOLUTIONS, INC.	14,731.20	38,049.54	EMPLOYEE PAID VOLUNTARY INSURANCE/FSA CARD DEPOSIT	PAYROLL DEDUCTION
T4460	PAYSPAN, INC	14,184.73	153,444.69	2018 ELECTRONIC CLAIMS FOR HEALTHCARE PAYERS & PROVIDERS W/PRINT & MAIL SERVICES , W/EFT PAYMENTS	CLAIMS
T2562	CACTUS SOFTWARE LLC***	14,000.00	14,000.00	2018 API LICENSE AGREEMENT RENEWAL	MIS INFRASTRUCTURE
T4902	CHANGE HEALTHCARE, LLC	13,532.92	289,362.22	EDI CLAIMS, CLAIM CHECK	CLAIMS / MIS
T1742	CHANNING L. BETE CO., INC	12,988.50	13,777.39	HEDIS (ENG/SPN) NUTRITION BOOKLETS	QUALITY IMPROVEMENT

KERN HEALTH SYSTEMS

October AP Vendor Report
Amount over \$10,000

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1005	COLONIAL LIFE & ACCIDENT****	1,881.08	1,881.08	SEPTEMBER 2018 EMPLOYEE PREMIUM	PAYROLL DEDUCTION
	TOTAL VENDORS OVER \$10,000	4,911,585.84			
	TOTAL VENDORS UNDER \$10,000	264,796.66			
	TOTAL VENDOR EXPENSES- October	5,176,382.50			

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



October AP Vendor Report
Amount over \$10,000

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4290	S C ANDERSON, INC	9,225,387.94	PRE-CONSTRUCTION SERVICES	CAPITAL PROJECT NEW BUILDING
T1045	KAISER FOUNDATION HEALTH	3,988,672.65	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4738	AMERICAN LOGISTICS COMPANY, LLC	2,557,002.46	DEC 2017-JUNE 2018 MEDICAL/NON MEDICAL TRANSPORTATION MEMBER BENEFIT	MEMBER SERVICES
T4237	FLUIDEDGE CONSULTING, INC.	1,744,495.84	NOV. - DEC. 2017 ; JAN. - AUG 2018, CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING/ALCHEMY ANNUAL LICENSE AND MAINTENANCE	VARIOUS
T4699	ZeOMEGA, INC.	1,731,552.72	PROFESSIONAL SERVICES MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T4350	COMPUTER ENTERPRISE INC.	1,565,532.10	JAN - AUG. 2018 PROFESSIONAL SERVICES / NOV. - DEC. 2017 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T1071	CLINICA SIERRA VISTA	1,175,120.44	2018 MEDICAL RESPITE PROGRAM / PROVIDER RECRUITMENT AND RETENTION GRANT	HEALTH SERVICES - UM / COMMUNITY GRANTS
T2726	DST PHARMACY SOLUTIONS, INC.	938,672.71	PHARMACY AND CLAIMS PROCESSING - JANUARY - AUG 2018	PHARMACY
T4391	OMNI FAMILY HEALTH	915,448.80	SEPT- DEC. 2017, MAY 2018 HOME HEALTH GRANT / CONSTRUCTION	COMMUNITY GRANTS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	743,325.89	2018 SERVICES, BASIC 101, QNXT CORE SOLUTIONS	MIS INFRASTRUCTURE
T2686	ALLIANT INSURANCE SERVICES INC.	684,313.67	EARTH MOVEMENT INSURANCE-NEW BUILDING; WORKER'S COMPENSATION; CRIME ; PROPERTY & LIABILITY; EXCESS LIABILITY; FIDUCIARY LIABILITY; EXCESS CYBER; MANAGED CARE ERRORS AND OMISSION; EARTHQUAKE & FLOOD INSURANCE 2018-19	CAPITAL PROJECT IN PROGRESS / INSURANCE
T3130	OPTUMINSIGHT, INC.	655,445.00	CES DIRECT LICENSE - 12/17 - 12/18 ANNUAL FEE / OUTSOURCED ANALYSIS	CAPITAL PROJECT IN PROGRESS/PROVIDER RELATIONS



October AP Vendor Report
Amount over \$10,000

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T3449	CDW GOVERNMENT	621,806.75	BACKUP AND RECOVERY SOLUTION FOR DISASTER RECOVERY & BUSINESS CONTINUITY PLAN FOR NEW BUILDING; HARDWARE AND LICENSES	MIS INFRASTRUCTURE
T2704	MCG HEALTH LLC	599,840.68	SOFTWARE LICENSE - HEALTH CARE MANAGEMENT 6/5/18-6/4/19	UTILIZATION MANAGEMENT
T4696	ZNALYTICS, LLC	593,723.24	JAN - JULY 2018 PROFESSIONAL SERVICES	CAPITAL PROJECT IN PROGRESS
T2167	PG&E	546,460.77	NEW BUILDING UNDERGROUND UTILITIES/ANNUAL TRUE-UP FOR 2017 USAGE/UTILITIES	CAPITAL PROJECT IN PROGRESS - NEW BUILDING/ CORPORATE SERVICES
T1001	KERN MEDICAL CENTER	520,191.22	KM GROW CLINIC REIMBURSEMENT	COMMUNITY GRANTS
T1408	DELL MARKETING LP.	489,631.28	HARDWARE- 6- LATTITUDE E5480, 1 DELL SMART PRINTER, 6510, 20 OPTIPLEX 3050 DESKTOPS SOFTWARE LICENSE SUBSCRIPTION/SUPPORT BATTERY REPLACEMENTS	MIS INFRASTRUCTURE
T3460	THE GUARDIAN LIFE INSURANCE CO.	469,497.68	2018 VOLUNTARY LIFE AD&D, DENTAL INSURANCE.	VARIOUS
T4695	EDIFECs, INC.	429,837.85	JAN - JULY 2018 CONSULTING SERVICES	CAPITAL PROJECT IN PROGRESS
T4582	HEALTHX, INC.	390,700.00	IMPLEMENTATION FEE- MEMBER ENHANCEMENT PROVIDER AND MEMBER PORTAL	CAPITAL PROJECT - MEMBER & PROVIDER PORTAL
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	361,207.10	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT-NEW BUILDING
T2292	CITY OF BAKERSFIELD	354,129.91	BUILDING PERMIT FEES	CAPITAL PROJECT - NEW BUILDING/
T4193	TECHNOSOCIALWORK.COM DBA STRIA	341,442.37	2018 OCR SERVICES	CLAIMS
T4685	NATIONAL GIFT CARD CORP	336,311.40	MEMBER INCENTIVES	HOME HEALTH/HEALTH EDUCATION
T4308	TRUXTUN PLACE PARTNERS	305,250.58	TRUXTUN- 2018 LEASE & UTILITIES	CORPORATE SERVICES



October AP Vendor Report
Amount over \$10,000

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4902	CHANGE HEALTHCARE LLC	289,362.22	EDI CLAIMS, CLAIM CHECK	CLAIMS / MIS
T1845	DEPARTMENT OF MANAGED HEALTH CARE	247,162.24	2018-2019 (1ST SEMESTER) MHC ANNUAL ASSESSMENT	ADMINISTRATION
T2707	ACT 1 PERSONNEL SERVICES, INC.	235,782.46	TEMPORARY HELP - MIS -2 ; MS -2 ; CS - 1;	VARIOUS
T1183	MILLIMAN USA	228,640.63	NOV- DEC 2017 ACTUARIAL SERVICES, CY2016 RDT, 2018 RATE SUPPORT, VALUE-BASED PURCHASING ANALYSIS, OTHER CONSULTING SERVICES	ADMINISTRATION
T2413	TREK IMAGING INC	219,045.93	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T4165	SHI INTERNATIONAL CO.	212,296.13	STORAGE MAINTENANCE/ HARDWARE	CAPITAL PROJECT IN PROCESS
T4546	LEVEL 3 COMMUNICATIONS, LLC	205,247.36	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T3011	OFFICE ALLY, INC.	171,578.00	2018 EDI CLAIM PROCESSING	CLAIMS
T4396	KAISER FOUNDATION HEALTH-DHMO	165,295.51	2018 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4460	PAYSPAN, INC	153,444.69	2018 ELECTRONIC CLAIMS/PAYMENTS	CLAIMS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	144,233.21	2018 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T1272	COFFEY COMMUNICATIONS INC.	135,205.56	NEWSLETTER PUBLICATION/MAILING	VARIOUS
T2584	UNITED STATES POSTAL SVC.-HASLER	130,000.00	POSTAGE-METERED	VARIOUS
T4478	AMERICAN FIDELITY ASSURANCE COMPANY	127,884.21	EMPLOYEE PREMIUMS FLEX	HEALTH SAVINGS
T4452	WELLS FARGO	119,285.09	EXECUTIVE, MISC CORPORATE SERVICES, PROVIDER RELATIONS, MISC TRAVEL EXPENSES	VARIOUS
T2469	DST HEALTH SOLUTIONS, INC.	116,800.00	2018 MHC SOFTWARE- LICENSE FEE, MAINTENANCE, AND SUPPORT & ADJUSTED CLINICAL GROUP SYSTEM	MIS INFRASTRUCTURE



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Amount over \$10,000

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4654	DELAWIE	115,062.19	2018 PROFESSIONAL SERVICES	CAPITAL PROJECT ARCHITECTURAL
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	101,592.20	2018 VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T1861	CEREDIAN BENEFITS SERVICES	99,414.59	DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS	HUMAN RESOURCES
T1960	LOCAL HEALTH PLANS OF CA INC	97,377.08	2018/2019 FLAT YEARLY ASSESSMENT	ADMINISTRATION
T4467	MEDISOFTX, LLC.	95,985.18	2018 PROFESSIONAL SERVICES-HOME HEALTH PROJECT	CAPITAL PROJECT IN PROGRESS
T4583	SOILS ENGINEERING INC	93,954.89	SOIL SAMPLING OBSERVATION -OIL DIRT DISCOVERY/REMEDIATION	CAPITAL PROJECT-NEW BUILDING
T2933	SIERRA PRINTERS, INC.	92,338.74	MEMBER EDUCATION MATERIAL / PROVIDER DIRECTORY	VARIOUS
T4801	ZEAL STAFFING LLC DBA Z STAFFING	92,252.04	TEMPORARY LABOR	VARIOUS
T2961	SOLUTION BENCH, LLC	89,212.32	M-FILES LICENSES & MAINTENANCE	MIS INFRASTRUCTURE
T4882	NGC US, LLC	88,340.00	PREFUND HEALTH HOMES INCENTIVE	HEALTH HOME
T4909	GEM PHYSICIANS MEDICAL GROUP, INC	88,112.13	DEC 17 HEALTH HOME GRANT	COMMUNITY GRANTS
T2287	CALIFORNIA WATER SERVICE	77,842.66	UTILITIES - NEW BUILDING SERVICES / WATER SERVICES	CAPITAL PROJECT-NEW BUILDING / WATER
T4294	PAOLA DELGADO DBA J SERVICES JANITORIAL	77,679.00	JANITORIAL SERVICES	CORPORATE SERVICES
T2918	STINSON'S	74,179.79	OFFICE SUPPLIES	VARIOUS
T4792	KP LLC	73,678.59	DRUG FORMULARY	PHARMACY
T4421	JON SLAGLE	72,122.40	ADVERTISING CAMPAIGN - 75%	MARKETING
T4785	COMMIGAP	71,972.50	INTERPRETATION SERVICES	HEALTH EDUCATION



October AP Vendor Report
Amount over \$10,000

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1785	AT&T	66,942.71	NEW BUILDING UNDERGROUND UTILITIES TELEPHONE SERVICE	CAPITAL PROJECT IN PROGRESS / MIS
T4873	L5 HEALTHCARE SOLUTIONS, INC.	66,000.00	ONE TIME LICENSE FEE/IMPLEMENTATION/ANNUAL MAINTENANCE & SUPPORT FEES-ALCHEMY	CAPITAL PROJECT IN PROGRESS
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	2018 ACAP DUES	ADMINISTRATION
T1597	BAKERSFIELD MEMORIAL HOSP	64,186.85	DEC. 2017 BMH GROW CLINIC	COMMUNITY GRANTS
T1644	BRIGHT HOUSE NETWORK	62,872.72	UNDERGROUND UTILITIES FOR NEW BUILDING INTERNET FOR STOCKDALE LOCATION	CAPITAL PROJECT - NEW BUILDING / MIS
T4899	SUMEET BHINDER, MD INC	60,167.13	PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T4884	GAINES SOLUTIONS, INC.	60,000.00	ANNUAL HOSTING FEE AND CONSULTING SERVICES - PROVIDER DATA VALIDATION CONSULTANT	PROVIDER RELATIONS
T3077	VMWARE, INC	59,544.72	VSPHERE 5 ENTERPRISE RENEWAL	MIS
T4433	MICRO-DYN MEDICAL SYSTEMS INC	53,880.00	ANNUAL LICENSE	MIS
T2837	TOYS/BABIES R US	51,981.42	WELL CHILD & PREGNANCY INCENTIVE PROGRAM	HEALTH EDUCATION
T4415	DANIELLS, PHILLIPS, VAUGHN & BOCK	49,175.00	FINANCIAL REPORTING SERVICES	ADMINISTRATIVE
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	49,121.00	COMMUNITY SPONSORSHIP	ADMINISTRATION
T1128	HALL LETTER SHOP INC.	46,534.01	NEW MEMBER PACKETS / MEMBERSHIP CARDS	MEMBER SERVICES
T2446	AT&T MOBILITY	46,470.62	CELLULAR PHONE / INTERNET	MIS
T4563	SPH ANALYTICS	45,986.00	MEMBER SATISFACTION SURVEY	MEMBER SERVICES / PROVIDER RELATIONS
T4039	KERN RURAL WELLNESS CENTERS, INC	45,647.13	PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T4653	FORMS ON FIRE INC	45,288.25	FORMS ON FIRE-SITE REVIEW AUTOMATION PROJECT-FORM DESIGN FOR 5 FORMS	CAPITAL PROJECT IN PROGRESS

KERN·HEALTH SYSTEMS

October AP Vendor Report
Amount over \$10,000

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1180	LANGUAGE LINE SERVICES, INC	44,917.49	INTERPRETATION SERVICES	MEMBER SERVICES
T4345	ASHOK PARMAR	44,254.04	NOV 2017 PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T4561	SRI & SHARMA, LLC	43,750.00	PARKING RENTAL	CORPORATE SERVICES
T4603	ECFIRST.COM	42,986.29	PROFESSIONAL SERVICES - INFORMATION SYSTEM HIPAA SECURITY	CAPITAL PROJECT IN PROCESS
T2969	AMERICAN BUSINESS MACHINES INC	42,494.80	CANON IMAGE FORMULA DR-X10C II SCANNER, WITH ANNUAL MAINTENANCE CONTRACT	MIS - INFRASTRUCTURE
T4733	UNITED STAFFING ASSOCIATES	41,947.93	TEMPORARY LABOR	VARIOUS
T3986	JACQUELYN S JANS	41,283.00	PROFESSIONAL SERVICES MARKETING AND PR SERVICES	ADMINISTRATION/MARKETING
T4183	LAMAR ADVERTISING OF BAKERSFIELD	41,275.00	BILLBOARD ADVERTISING	MEDIA & ADVERTISING
T4537	BURKE, WILLIAMS & SORENSEN, LLP	39,432.51	OCT- DEC 2017, 2018 LEGAL SERVICES (NEW BUILDING)	CAPITAL PROJECT-NEW BUILDING
T4739	SECURITAS SECURITY SERVICES USA INC	38,828.16	SECURITY SERVICES	CORPORATE
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	38,609.00	2018 ANNUAL DUES ASSESSMENT CAHP SEMINAR FEES	ADMINISTRATION
T1957	MERCY FOUNDATION-BAKERSFIELD	38,500.00	DAVINCI CAMPAIGN SPONSORSHIP	ADMINISTRATION
T4967	ADMINISTRATIVE SOLUTIONS, INC	38,049.54	EMPLOYEE PAID VOLUNTARY INSURANCE/FSA CARD DEPOSIT	PAYROLL DEDUCTION
T4876	CIRESON, LLC	38,034.00	BUSINESS MANAGEMENT SOLUTIONS, LICENSES; SOFTWARE ;3 YR MAINTENANCE & SUPPORT, CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS
T3084	KERN COUNTY - COUNTY COUNSEL	38,021.40	LEGAL FEES	ADMINISTRATIVE
T4945	SHERRIA CREGGETT	37,641.36	2018 CONSULTING SERVICES HHP OUTREACH PROGRAM DEVELOPMENT	HEALTH HOME



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Amount over \$10,000

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4607	AGILITY RECOVERY SOLUTIONS INC. ****	36,288.00	PROVIDES DISASTER RECOVERY & BUSINESS CONTINUITY	AIS
T4168	RELAYHEALTH	36,164.52	2018 - EDI CLAIM PROCESSING	CLAIMS
T4767	VALLEY ANESTHESIA ASSOCIATES, INC	36,016.42	OCT 17 PROVIDER RECRUITMENT AND RETENTION GRANT	COMMUNITY GRANTS
T4501	ALLIED UNIVERSAL SECURITY SERVICES	35,626.75	ONSITE SECURITY	CORPORATE SERVICES
T4216	NEXSTAR BROADCASTING INC	34,855.00	MEDIA - ADVERTISEMENTS	MARKETING
T2941	KERN PRINT SERVICES INC	32,161.41	ENVELOPES AND LETTERHEAD, WELL CHILD INCENTIVE VOUCHERS	CORPORATE SERVICES, HEALTH EDUCATION
T4657	DAPONDE SZABO ROWE PC	31,302.50	CONSULTING SERVICES TO REVIEW CONTRACTS	PROVIDER RELATIONS
T2441	LAURA BREZINSKI	30,105.00	MARKETING MATERIALS	MARKETING
T4514	AJ KLEIN INC T. DENATALE, B. GOLDNER	29,836.50	LEGAL SERVICES	ADMINISTRATION
T4228	THE SSI GROUP, LLC	29,740.80	EDI CLAIMS	CLAIMS
T1022	UNUM LIFE INSURANCE CO	28,988.80	EMPLOYEE PREMIUMS LONG TERM CARE	VARIOUS
T1189	APPLE ONE INC	27,317.36	TEMPORARY LABOR	VARIOUS
T3990	SPARKLETTS, INC	27,206.43	BOTTLED WATER SERVICE	VARIOUS
T2232	DLT SOLUTIONS, LLC	26,537.76	SQL SERVER MAINTENANCE CONTRACT	MIS INFRASTRUCTURE
T4390	SOLARWINDS WORLDWIDE, LLC	26,000.00	SOFTWARE LICENSES - 2018	MIS
T4182	THE LAMAR COMPANIES	25,629.00	PRODUCTION FEE FOR ADS ON BUSES	MARKETING
T4708	HEALTH MANAGEMENT ASSOCIATES INC	25,046.25	CONSULTING SERVICES -2018 PROJ KHS TIMELY ACCESS REPORT	ADMINISTRATION
T4195	SCRIPPS MEDIA , INC DBA KERO-TV	24,824.00	MEDIA - TELEVISION ADVERTISEMENTS	MARKETING



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Amount over \$10,000

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T3076	SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY	24,023.21	2017-2018 ANNUAL WORKERS' COMPENSATION	VARIOUS
T4906	EVERLASTING HEALTHCARE	23,760.00	REIMBURSEMENT PROVIDER FOR CLAIMS PAID UNDER INCORRECT PROVIDER BANK ACCOUNT RETURNED BY EL MONTE MED CK 1024	CLAIMS
T4992	CJM AUTOMOTIVE GROUP, INC. DBA BAKERSFIELD CHRYSLER JEEP	23,228.65	2018 DODGE CARAVAN	CORPORATE SERVICE
T1347	ADVANCED DATA STORAGE	23,181.70	SHREDDING SERVICE / STORAGE	CORPORATE SERVICES
T4674	STOCKDALE PLAZA OWNERS ASSOCIATION INC	22,500.00	LEASE AGREEMENT PARKING SPACE - STOCKDALE HWAY	CORPORATE SERVICES
T4497	SKILLSOFT CORPORATION	20,836.93	ANNUAL LICENSE FEE- ON LINE TRAINING & DESKTOP VIDEOS	HUMAN RESOURCE
T4198	LAW OFFICES OF CARL SHUSTERMAN	20,180.00	LEGAL SERVICES	ADMINISTRATION
T4587	MCINTOSH & ASSOCIATE	19,475.01	PROFESSIONAL SERVICES ENGINEERING NEW BUILDING	CAPITAL PROJECT - NEW BUILDING
T1650	UNIVISION TELEVISION GROUP	19,380.00	TELEVISION ADVERTISEMENT WITH THE GOAL OF MEMBER RETENTION	MARKETING
T4883	MARTHA TASINGA	18,913.94	TEMPORARY HOUSING EXPENSE/REIMBURSEMENT	HUMAN RESOURCES
T4731	LOGMEIN USA INC	18,312.00	GoToMEETINGS CORPORATE SERVICES / GoTo WEBINAR SERVICE	MIS
T4417	KAISER FOUNDATION HEALTH PLAN	18,184.38	2018 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4977	HE T4 SOLUTIONS, LLC ***	18,073.88	PROFESSIONAL CONSULTANTS BASED ON TIME AND MATERIAL BASIS	MIS
T4585	DELANO UNION SCHOOL DISTRICT	18,000.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T2921	DOUBLETREE HOTEL	17,805.69	HEDIS DINNER TO ACKNOWLEDGE PROVIDERS- FOOD-AUDIO VISUAL FEES & MISCELLANEOUES FEES	QUALITY IMPROVEMENT
T4747	SYED ALAM, M.D. INC.	17,500.00	2016/17 PROVIDER RECRUITMENT AND RETENTION GRANTS	COMMUNITY GRANTS



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Amount over \$10,000

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4605	KERNVILLE UNION SCHOOL DISTRICT	17,500.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T4611	LAMONT SCHOOL DISTRICT	17,500.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T4798	KERN HIGH SCHOOL DISTRICT	17,500.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T4802	KERN COUNTY SUPERINTENDENT OF SCHOOLS	17,500.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T4962	LIBERTY DATA, INC.	17,100.00	SERVICE TO AUTOMATICALLY VERIFY NON PAR PROVIDER TAX IDS TO PREVENT FRAUD OR POTENTIAL PENALTIES FROM IRS.	MIS
T4963	LINKEDIN CORPORATION	16,500.00	ONLINE JOB POSTINGS/CANDIDATE SEARCH CAPABILITIES	HUMAN RESOURCE
T2790	KERN COUNTY DEPARTMENT OF PUBLIC HEALTH	16,459.00	SPONSORSHIPS	COMMUNITY ACTIVITIES
T4698	INFINITY COMMUNICATIONS & CONSULTING, INC.	16,000.00	TECHNICAL BUILDING ARCHITECTURAL CONSULTING PHASE I	CAPITAL PROJECT-NEW BUILDING
T4925	VMEDU, INC	16,000.00	PMP ON-SITE TRAINING (JUNE 11-14,2018)	PROJECT MANAGEMENT
T4016	FIRST DATABANK, INC.	15,135.00	ANNUAL LICENSE- SOFTWARE- NATIONAL DRUG CODE DATABASE WITH GENERIC CODE NUMBER	MIS
T3001	MERCER	15,000.00	PROFESSIONAL CONSULTING SERVICES	ADMINISTRATION
T1032	THE BAKERSFIELD CALIFORNIAN	14,833.81	EMPLOYMENT ADS	HUMAN RESOURCE
T4230	COFFEE BREAK SERVICE INC	14,451.43	COFFEE SUPPLIES -STOCKDALE & TRUXTUN	CORPORATE SERVICE
T4603	VISION SERVICE PLAN	14,412.71	2018 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4384	PINNACLE PRIMARY CARE, INC.	14,049.16	2016/17 PROVIDER RECRUITMENT AND RETENTION GRANTS	COMMUNITY GRANTS
T2562	CACTUS SOFTWARE LLC ***	14,000.00	2018 API LICENSE AGREEMENT RENEWAL	MIS INFRASTRUCTURE

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Amount over \$10,000

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2955	DELTA ELECTRIC INC	13,991.00	PROPOSAL FOR RELOCATION OF 2ND CCTV CAMERA & SEALING OF ELEVEN AT STOCKDALE	CORPORATE SERVICES
T2407	KAISER FOUNDATION HEALTH	13,914.09	INSURANCE PREMIUM	PAYROLL DEDUCTION
T3469	CPACINC.COM INC	13,840.78	SOLARWINDS DATABASE PERFORMANCE ANALYZER PER SQL SERVER, MYSQL, ORACLE-ANNUAL MAINTENANCE RENEWAL	MIS INFRASTRUCTURE
T1742	CHANNING L. BETE CO., INC	13,777.39	HEDIS (ENG/SPN) NUTRITION BOOKLETS	QUALITY IMPROVEMENT
T2840	ATALASOFT, INC.	13,596.00	2018 SOFTWARE SUPPORT & MAINTENANCE FOR DOTIMAGE	MIS INFRASTRUCTURE
T3475	CALIFORNIA STATE CONTROLLER'S OFFICE	13,349.03	SUBMITTED 2013 UNCLAIMED PROPERTY	ACCOUNTING
T4425	PRO RESTORATION SERVICES INC	12,859.75	RESTORATION - STRUCTURAL REPAIR, WATER EXTRACTION AND REMEDIATION	CORPORATE SERVICES
T3065	CAREERBUILDER. LLC	12,750.00	JOB POSTINGS & ADVERTISEMENT	HUMAN RESOURCE
T4760	CAMERON CHANG	12,750.00	MAY-DEC. 2017 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4297	PRAGMATIC WORKS SOFTWARE	12,500.80	3 YEAR RENEWAL MAINTENANCE WORKBENCH PRO UPGRADE	MIS
T2787	SAGE SOFTWARE	12,474.00	PROFESSIONAL SERVICES	ACCOUNTING
T4932	CHARTER COMMUNICATIONS HOLDINGS,LLC DBA SPECTRUM REACH	12,387.30	TELEVISION ADVERTISEMENT WITH GOAL OF MEMBER RETENTION	MARKETING
T2938	SAP AMERICA, INC	12,308.32	BUSINESS OBJECT ANNUAL MAINTENANCE	MIS - SOFTWARE SUPPORT
T4544	BARNES WEALTH MANAGEMENT GROUP	12,250.00	RETIREMENT PLAN CONSULTANTS	ADMINISTRATION
T4476	KERN PARTNERSHIP FOR CHILDREN AND FAMILIES	12,000.00	2018 KERN PARTNERHIP FOR CHILDREN & FAMILIES - GALA SPONSORSHIP	MARKETING
T1005	COLONIAL LIFE & ACCIDENT****	11,881.08	EMPLOYEE BENEFIT PREMIUMS	PAYROLL DEDUCTION



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Amount over \$10,000

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4683	CLAUDIA M. BACA	11,875.00	CONSULTING SERVICES	PROJECT MANAGEMENT
T4239	COAST TO COAST COMPUTER PRODUCTS	11,870.69	COMPUTER PRODUCTS	CORPORATE SERVICES
T4523	BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA****	11,746.70	EXECUTIVES INSURANCE BENEFITS	ADMINISTRATION
T4786	LOST HILLS UNION SCHOOL DISTRICT	11,550.00	SCHOOL WELLNESS GRANT FUNDS	HEALTH EDUCATION
T1152	MICHAEL K. BROWN LANDSCAPE INC.	11,392.33	BUILDING MAINTENANCE	CORPORATE SERVICES
T3465	JMP BUSINESS SYSTEMS INC	11,174.18	HASLER BULK MAILER PROFESSIONAL SOFTWARE MACHINE	CORPORATE SERVICES
T3378	CARRIER CORPORATION	11,090.51	SERVICE AGREEMENT	CORPORATE SERVICE
T4594	MEDVERSANT TECHNOLOGIES LLC	11,000.00	MONTHLY MONITORING FEES	PROVIDER RELATIONS
T4968	ZIPRECRUITER, INS	10,790.99	ONLINE JOB POSTINGS/CANDIDATE SEARCH CAPABILITIES	HUMAN RESOURCE
T4935	RKL LLP	10,651.37	SAGE LICENSE RENEWAL & 3 ADDITIONAL USERS	ACCOUNTING
T1263	THE GAS COMPANY	10,149.81	UTILITIES	CORPORATE SERVICES
T4707	SHAFTER PEDIATRICS	10,144.82	2016/17 PROVIDER RECRUITMENT AND RETENTION GRANTS; SPRING HEALTH FAIR SPONSORSHIP	COMMUNITY GRANTS
T1996	SEQUOIA SANDWICH CO	10,087.83	MEETING FOOD EXPENSES	VARIOUS
T4961	ALLEGIS GROUP HOLDINGS, INC.	10,050.91	TEMPORARY EMPLOYEE SERVICES	UTILIZATION MANAGEMENT
T3502	VIRTUAL GRIFFITI, INC	10,041.54	SOFTWARE LICENSE - 2018	MIS

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4936	SEEPPOINT, LLC	10,026.89	PURCHASE AND MAINTENANCE - VANTAGEPOINT KIOSK SYSTEM	MIS
		<u>\$ 39,767,398.78</u>		
	TOTAL VENDORS OVER \$10,000	39,767,398.78		
	TOTAL VENDORS UNDER \$10,000	832,415.22		
	TOTAL VENDOR EXPENSES- October	<u>\$ 40,599,814.00</u>		

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

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
January							
Jacquelyn Jans	\$50,004.00	Yes	MRK	Louie Iurriaria	Marketing and corporate image consulting	1/1/2018	12/31/2018
Poppyrock	\$36,000.00	Yes	MRK	Louie Iurriaria	Graphic design services	1/1/2018	12/31/2018
Medisoft, Rx	\$84,680.00	Yes	IT	Richard Pruitt	Software solutions for HHP	1/1/2018	6/30/2018
J Services	\$90,120.00	Yes	CS	Alonso Hurtado	Janitorial services	1/1/2018	12/31/2018
February							
Gainie Solutions, Inc.	\$80,000.00	Yes	PR	Emily Duran	Provider directory data verification for SB 137	2/9/2018	2/8/2019
Century Link/Level 3	\$68,059.08	Yes	IT	Richard Pruitt	Internet services in Fresno for DR site	2/9/2018	2/19/2019
March							
Lifesigns, Inc.	\$45,000.00	Yes	HE	Isabel Silva	Face-to-face ASL interpreting services	3/2/2018	3/1/2019
Cognizant	\$49,300.00	Yes	IT	Richard Pruitt	True-up Amendment for QNXT licenses	3/23/2018	12/31/2018
April							
Micro-Dyn	\$53,880.00	Yes	IT	Richard Pruitt	APR-DRG Groupware Software licenses	4/15/2018	4/15/2019
SPH Analytics	\$45,286.00	Yes	MS/PR	Nate Scott/Emily Duran	Custom member & provider satisfaction survey	4/10/2018	4/9/2019
ZeOmega	\$33,450.00	Yes	UM	Deborah Murr	Appeals Implementation (Quote#483)	4/10/2018	12/31/2018
ZeOmega	\$78,300.00	Yes	UM	Deborah Murr	Auto Authorization Implementation (Quote#484)	4/10/2018	12/31/2018
Deel	\$99,549.41	Yes	MIS	Richard Pruitt	Citrix Licenses with support and NetScaler with support	4/10/2018	4/10/2021
May							
Milliman, Inc	\$49,000.00	Yes	ACCT	Robin Plumb	RDT & discussion guide support	5/9/2018	5/9/2019
ZeOmega	\$31,500.00	Yes	UM	Deborah Murr	Consulting services	5/30/2018	12/31/2018
Language Line Services	\$70,000.00	Yes	MS	Nate Scott	Interpreter services for members	5/29/2018	5/28/2018
June							
Stria, LLC	\$84,000.00	Yes	CLM	Robin Dow-Morales	OCR services for paper medical claims	6/1/2018	8/31/2018
Nexstar Broadcasting	\$53,850.00	Yes	MKT	Louie Iurriaria	English & Spanish TV advertisements	6/12/2018	12/31/2018
Scripps-KERO	\$39,995.00	Yes	MKT	Louie Iurriaria	English & Spanish TV advertisements	6/12/2018	12/31/2018
Univision	\$33,915.00	Yes	MKT	Louie Iurriaria	Spanish TV advertisements	6/12/2018	12/31/2018
Commgap	\$65,000.00	Yes	HE	Isabel Silva	Interpreter services for members	7/6/2018	7/5/2019
July							
ZeOmega	\$85,505.70	Yes	UM	Deborah Murr	Quote#560, JIVA HHP DGA support & implementation	7/23/2018	12/31/2018
ZeOmega	\$41,252.75	Yes	UM	Deborah Murr	Quote#453, JIVA QI DGA support & implementation	7/23/2018	12/31/2018
August							
ZeOmega	\$74,831.61	Yes	UM	Deborah Murr	Quote#622, UM Enhancement & Functionality improvement	8/9/2018	12/31/2018
ZeOmega	\$43,423.80	Yes	UM	Deborah Murr	Quote#666, Appeals enhancement	8/28/2018	12/31/2018
ZeOmega	\$78,131.73	Yes	UM	Deborah Murr	Quote#623, PR Enhancement & Functionality improvement	8/9/2018	12/31/2018
Daniells Phillips Vaughan	\$49,000.00	Yes	ACCT	Robin Plumb	Auditing Services	8/14/2018	8/14/2019
September							
DME Consulting	\$95,000.00	Yes	UM	Deborah Murr	Medical necessity assessment	9/25/2018	9/24/2019
Milliman, Inc	\$40,000.00	Yes	ACCT	Robin Plumb	Rate Analysis	9/11/2018	9/10/2019
October							
Med Exec Solutions	\$49,950.00	Yes	HR	Anita Martin	QI Director Job Search	10/30/2018	10/30/2019
FluidEdge	\$75,411.00	Yes	IT	Richard Pruitt	EDW Data Integration SOW	10/15/2018	12/31/2018

