KERN HEALTH SYSTEMS

REGULAR MEETING OF THE BOARD OF DIRECTORS

Thursday, October 10, 2019
at
8:00 A.M.

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

The public is invited.

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

AGENDA

BOARD OF DIRECTORS

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Regular Meeting
Thursday, October 10, 2019

8:00 A.M.

All agenda item supporting documentation is available for public review at Kern Health Systems in the Administration Department, 2900 Buck Owens Boulevard, Bakersfield, 93308 during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday, following the posting of the agenda. Any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location.

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

BOARD TO RECONVENE

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

ADJOURN TO CLOSED SESSION

CLOSED SESSION

1) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) –

8:15 A.M.

BOARD TO RECONVENE

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

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

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

CA-4) Minutes for Kern Health Systems Board of Directors regular meeting on August 15, 2019 (Fiscal Impact: None) –
APPROVE

5) Report on Kern Health Systems newly elected officers to serve 3 year terms as Chairman, Vice Chairman, Secretary and Treasurer (Fiscal Impact: None) –
RECEIVE AND FILE

6) Kern County Board of Supervisors reappointment of Cindy Stewart, Safety Net Care Provider, for term expiring June 30, 2022 and reappointment of Dr. Kimberly Hoffmann, Pharmacist Representative, for term expiring June 30, 2021 (Fiscal Impact: None) –
RECEIVE AND FILE

7) Proposed Amendment No. 9 to Agreement with Douglas A. Hayward, for services as Chief Executive Officer (Fiscal Impact: None) –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA-8) Proposed Agreement with Change Healthcare, to process and submit electronic medical claims from providers and institutions directly to KHS, from October 20, 2019 through October 19, 2022, in an amount not to exceed $0.23 per claim (Fiscal Impact: $315,000 estimated annually; Budgeted) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

CA-9) Proposed Agreement with Health Dialog Services Corporation, to provide 24/7/365 Phone Nurse Triage Services, from November 1, 2019 through October 31, 2022, in an amount not to exceed $0.119 per member per month (Fiscal Impact: $353,000 estimated annually; Budgeted) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

10) Report on Kern Health Systems 2019 Provider Grant Program Awards (Fiscal Impact: None) –
RECEIVE AND FILE

CA-11) Report on Kern Health Systems Strategic Plan for third quarter ending September 30, 2019 (Fiscal Impact: None) –
RECEIVED AND FILED

CA-12) Report on Kern Health Systems 2020 Department Goals and Objectives and 2020 Corporate Projects (Fiscal Impact: None) –
RECEIVE AND FILE

CA-13) Report on Kern Health Systems 2019 QI Program Plan (Fiscal Impact: None) –
APPROVE

14) Report on Kern Health Systems 2019 State Legislative Summary (Fiscal Impact: None) –
RECEIVE AND FILE

CA-15) Report on Kern Health Systems Annual Network Certification CAP (Fiscal Impact: None) -
RECEIVE AND FILE

16) Report on Kern Health Systems financial statements for July 2019 and August 2019 (Fiscal Impact: None) –
RECEIVE AND FILE

CA-17) Report on Accounts Payable Vendor Report, Administrative Contracts between $30,000 and $100,000 for July 2019 and August 2019 and IT Technology Consulting Resources for the period ended June 30, 2019 (Fiscal Impact: None) –
RECEIVE AND FILE

CA-18) Report on New Office Building Expenditures (Fiscal Impact: None) –
RECEIVE AND FILE

CA-19) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

20) Report on Kern Health Systems Operation Performance and Review of the Kern Health Systems Grievance report (Fiscal Impact: None) –
RECEIVE AND FILE

21) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None)
- RECEIVE AND FILE

22) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None)
– RECEIVE AND FILE

CA-23) Miscellaneous Documents –
RECEIVE AND FILE

A. Minutes for KHS Finance Committee meeting on August 9, 2019

ADJOURN TO THURSDAY, DECEMBER 12, 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, 2900 Buck Owens Boulevard, Bakersfield, California 93308 or by calling (661) 664-5000. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.

SUMMARY

BOARD OF DIRECTORS

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

Regular Meeting
Thursday, August 15, 2019

8:00 A.M.

BOARD RECONVENED

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

Directors absent: Hoffmann, Patel, Patrick

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

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

BOARD ACTION SHOWN IN CAPS

ADJOURN TO CLOSED SESSION
McGlew

1) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) – SEE RESULTS BELOW

2) CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representatives: Chief Executive Officer, Douglas A. Hayward, and designated staff - Unrepresented Employees: Kern Health Systems Executive Staff (Government Code Section 54957(b)) – SEE RESULTS BELOW

8:45 A.M.

BOARD RECONVENED AT 8:45 A.M.

REPORT ON ACTIONS TAKEN IN CLOSED SESSION –

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **INITIAL CREDENTIALING AUGUST 2019** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR DEATS ABSTAINED FROM VOTING ON STRAHAN; DIRECTOR MCGLEW ABSTAINED FROM VOTING ON FRIESON; DIRECTOR JUDD ABSTAINED FROM VOTING ON KERN MEDICAL SURGERY CENTER, KOH, ELSHIRE, JONES, LEUNG, PEARLSTEIN, RIZVI, VILLAFLOR; DIRECTOR STEWART ABSTAINED FROM VOTING ON JENNINGS, MOROVICH
Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **RECREDENTIALING AUGUST 2019** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREDENTIALING; DIRECTOR DEATS ABSTAINED FROM VOTING ON AYAD; DIRECTOR MCGLEW ABSTAINED FROM VOTING ON BHAMBI, MALELLARI; DIRECTOR JUDD ABSTAINED FROM VOTING ON CHEN, MOSES, SCHLAERTH, UYAN; DIRECTOR STEWART ABSTAINED FROM VOTING ON DULCICH, JOSHI, PATEL, REED

Item No. 2 concerning a CONFERENCE WITH LABOR NEGOTIATORS – Agency designated representatives: Chief Executive Officer, Douglas A. Hayward, and designated staff - Unrepresented Employees: Kern Health Systems Executive Staff (Government Code Section 54957(b)) – HEARD; NO REPORTABLE ACTION TAKEN

PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

Director Stewart reported that the Delano Omni office held their open house / grand opening on Aug. 14th and all services are now housed in one building

Director Rhodes announced the upcoming Oct. 8th Save the Date for the ribbon cutting.

CA-5) Minutes for Kern Health Systems Board of Directors regular meeting on June 13, 2019 (Fiscal Impact: None) –
APPROVED
Hinojosa-Stewart: 7 Ayes; 3 Absent – Hoffmann, Patel, Patrick

6) Report on Kern Health Systems New Building Progress and Relocation Plan (Fiscal Impact: None) – GREG BYNUM, GREG BYNUM & ASSOCIATES, HEARD;
RECEIVED AND FILED
McGlew-Hinojosa: 7 Ayes; 3 Absent – Hoffmann, Patel, Patrick

7) Report on Kern Health Systems New Building Open House Ceremony (Fiscal Impact: None) –
RECEIVED AND FILED
Hinojosa-Stewart: 7 Ayes; 3 Absent – Hoffmann, Patel, Patrick

CA-8) Proposed selection of Daniells Phillips Vaughan & Bock to perform financial audit services for calendar years 2019-2021 (Fiscal Impact: None) –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN THE ENGAGEMENT LETTER
Hinojosa-Stewart: 7 Ayes; 3 Absent – Hoffmann, Patel, Patrick

CA-9) Report on KHS investment portfolio for the second quarter ending June 30, 2019 (Fiscal Impact: None) –
RECEIVED AND FILED
Hinojosa-Stewart: 7 Ayes; 3 Absent – Hoffmann, Patel, Patrick

10) Report on Kern Health Systems Health Education School Based Awards Program Fiscal Impact: None) –
RECEIVED AND FILED
Hinojosa-McGlew: 7 Ayes; 3 Absent – Hoffmann, Patel, Patrick

CA-11) Report on Kern Health Systems Strategic Plan for second quarter ending June 30, 2019 (Fiscal Impact: None) –
RECEIVED AND FILED
Hinojosa-Stewart: 7 Ayes; 3 Absent – Hoffmann, Patel, Patrick

CA-12) Proposed Agreement with Commercial Cleaning Systems, Inc., for commercial janitorial services for 2900 Buck Owens Blvd., from September 6, 2019 through September 5, 2020 in an amount not to exceed $144,000 (Fiscal Impact: $144,000 annually; Budgeted) –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Hinojosa-Stewart: 7 Ayes; 3 Absent – Hoffmann, Patel, Patrick

CA-13) Proposed Agreement with Coffey Communications, Inc., for the development, printing and mailing of the member newsletter in English and Spanish, from August 27, 2019 through August 27, 2020 in an amount not to exceed $122,255.60 (Fiscal Impact: $122,255.60 annually; Budgeted) –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Hinojosa-Stewart: 7 Ayes; 3 Absent – Hoffmann, Patel, Patrick

14) Report on Kern Health Systems Nominating Committee for the proposed election of officers to serve as Chairman, Vice Chairman, Secretary and Treasurer, effective October 10, 2019 and, to nominate for another term in office, the Safety Net Care Provider Representative and the Pharmacy Representative
ELECTED OFFICERS AND NOMINATED BOARD MEMBERS AS RECOMMENDED BY NOMINATING COMMITTEE

15) Report on Kern Health Systems financial statements for May 2019 and June 2019 (Fiscal Impact: None) –
RECEIVED AND FILED
Melendez-Stewart: 7 Ayes; 3 Absent – Hoffmann, Patel, Patrick

CA-16) Report on Accounts Payable Vendor Report, Administrative Contracts between $30,000 and $100,000 for May 2019 and June and IT Technology Consulting Resources for the period ended April 30, 2019 (Fiscal Impact: None) –
RECEIVED AND FILED
Hinojosa-Stewart: 7 Ayes; 3 Absent – Hoffmann, Patel, Patrick

CA-17) Report on New Office Building Expenditures (Fiscal Impact: None) –
RECEIVED AND FILED
Hinojosa-Stewart: 7 Ayes; 3 Absent – Hoffmann, Patel, Patrick

CA-18) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Hinojosa-Stewart: 7 Ayes; 3 Absent – Hoffmann, Patel, Patrick

19) Report on Kern Health Systems Operation Performance and Review of the Kern Health Systems Grievance report (Fiscal Impact: None) –
RECEIVED AND FILED
Hinojosa-Judd: 7 Ayes; 3 Absent – Hoffmann, Patel, Patrick

DIRECTOR DEATS LEFT THE DAIS AT 9:40 A.M., AND DID NOT RETURN

20) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) –
RECEIVED AND FILED
McGlew-Stewart: 6 Ayes; 4 Absent – Deats, Hoffmann, Patel, Patrick

21) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) –
RECEIVED AND FILED
McGlew-Hinojosa: 6 Ayes; 4 Absent – Deats, Hoffmann, Patel, Patrick

CA-22) Miscellaneous Documents –
RECEIVED AND FILED
Hinojosa-Stewart: 7 Ayes; 3 Absent – Hoffmann, Patel, Patrick

A) Minutes for KHS Finance Committee meeting on June 7, 2019

ADJOURN TO OCTOBER 10, 2019 AT 8:00 A.M.
Hinojosa

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

To: KHS Board of Directors

From: Larry Rhoades, Past Chairman

Date: October 10, 2019

Re: Kern Health Systems Board of Directors - Seating of New Officers / Passing the Gavel

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Background

At its meeting of August 15th, 2019, the KHS Board of Directors approved a new slate of officers to begin their three year term effective October 10th, 2019. The new officers include:

- Timothy McGlew – Chairman
- Russell Judd – Vice Chairman
- Cindy Stewart – Secretary
- Linda Hinojosa – Treasurer

Kern Health Systems would like to express its gratitude to the four officers who served over the past three years. These board members include:

- Chairman – Larry Rhoades
- Vice Chairman – Timothy McGlew
- Secretary – Dr. Kimberly Hoffmann
- Treasurer – Wayne Deats

Requested Action

Receive and File.

To: KHS Board of Directors

From: Timothy McGlew, Chairman

Date: October 10th, 2019

Re: Kern Health Systems Board of Directors – Reappointment of Board Members

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Background

At its meeting of September 17, 2019 the Kern County Board of Supervisors reappointed Cindy Stewart and Dr. Kimberly Hoffmann for another term to serve as Board members of Kern Health Systems. Since Board terms are staggered, ensuring governance continuity, Ms. Stewart will represent Safety Net Care Providers through June 30, 2022 and Dr. Hoffmann will represent Pharmacies through June 30, 2021. The Official Appointment by the Board of Supervisors are attached.

The Board of Directors of Kern Health Systems congratulates Cindy Stewart and Dr. Kimberly Hoffmann on their reappointment and look forward to their continued contribution to Kern Health Systems as members on the Board of Directors.

Requested Action

Receive and File.

BOARD OF SUPERVISORS
COUNTY OF KERN

SUPERVISORS

MICK GLEASON	District 1
ZACK SCRIVNER	District 2
MIKE MAGGARD	District 3
DAVID COUCH	District 4
LETICIA PEREZ	District 5

KATHLEEN KRAUSE
CLERK OF THE BOARD OF SUPERVISORS
Kern County Administrative Center
1115 Truxtun Avenue, 5th Floor
Bakersfield, CA 93301
Telephone (661) 868-3585
TTY (800) 735-2929
www.kerncounty.com

September 17, 2019

Ms. Cindy Stewart
14919 Redwood Pass Drive
Bakersfield, CA 93314

Dear Ms. Stewart:

Congratulations on your reappointment to the Kern Health Systems Board of Directors.

Enclosed is the Official Appointment covering your reappointment as At-large Safety Net Care Provider Member to the Kern Health Systems Board of Directors, for the term expiring June 30, 2022.

Pursuant to State law, you are required to complete a course in ethics training approved by the Fair Political Practices Commission and Attorney General. You must receive the required training every two years. Your Agency's Manager will provide information regarding training opportunities.

On behalf of the Kern County Board of Supervisors, I would like to extend our sincere appreciation for your commitment to serve on the Kern Health Systems Board of Directors. If my office can ever be of any assistance to you, please call on us.

Sincerely,

Kathleen Krause

KATHLEEN KRAUSE
Clerk of the Board

KK/cr
Enclosure

cc: Kern Health Systems
9700 Stockdale Highway
Bakersfield CA 93311

BOARD OF SUPERVISORS
COUNTY OF KERN

SUPERVISORS

MICK GLEASON	District 1
ZACK SCRIVNER	District 2
MIKE MAGGARD	District 3
DAVID COUCH	District 4
LETICIA PEREZ	District 5

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CLERK OF THE BOARD OF SUPERVISORS
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OFFICIAL APPOINTMENT
BOARD OF SUPERVISORS

STATE OF CALIFORNIA)
) ss.
County of Kern)

I, KATHLEEN KRAUSE, Clerk of the Board of Supervisors, County of Kern, State of California, do hereby certify that at a regular session of said Board held in and for said County of Kern, on September 17, 2019, Cindy Stewart was duly reappointed as At-large Safety Net Care Provider Member to the Kern Health Systems Board of Directors for the term expiring June 30, 2022, in and for Kern County, State of California, as appears by the Official Records of said Board in my office.

IN WITNESS WHEREOF, I have hereunto affixed my hand and Seal of the Board of Supervisors of the County of Kern, State of California, on September 17, 2019.

KATHLEEN KRAUSE
Clerk of the Board of Supervisors

BOARD OF SUPERVISORS
COUNTY OF KERN

SUPERVISORS

MICK GLEASON District 1
ZACK SCRIVNER District 2
MIKE MAGGARD District 3
DAVID COUCH District 4
LETICIA PEREZ District 5

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CLERK OF THE BOARD OF SUPERVISORS
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Bakersfield, CA 93301
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TTY (800) 735-2929
www.kerncounty.com

September 17, 2019

Dr. Kimberly Hoffmann
4121 Cabernet Drive
Bakersfield, CA 93306

Dear Dr. Hoffmann:

Congratulations on your reappointment to the Kern Health Systems Board of Directors.

Enclosed is the Official Appointment covering your reappointment as At-large Pharmacist Representative Member to the Kern Health Systems Board of Directors, for the term expiring June 30, 2021.

Pursuant to State law, you are required to complete a course in ethics training approved by the Fair Political Practices Commission and Attorney General. You must receive the required training every two years. Your Agency's Manager will provide information regarding training opportunities.

On behalf of the Kern County Board of Supervisors, I would like to extend our sincere appreciation for your commitment to serve on the Kern Health Systems Board of Directors. If my office can ever be of any assistance to you, please call on us.

Sincerely,

Kathleen Krause

KATHLEEN KRAUSE
Clerk of the Board

KK/cr
Enclosure

cc: Kern Health Systems
9700 Stockdale Highway
Bakersfield CA 93311

BOARD OF SUPERVISORS
COUNTY OF KERN

SUPERVISORS

MICK GLEASON District 1
ZACK SCRIVNER District 2
MIKE MAGGARD District 3
DAVID COUCH District 4
LETICIA PEREZ District 5

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OFFICIAL APPOINTMENT
BOARD OF SUPERVISORS

STATE OF CALIFORNIA)
) ss.
County of Kern)

I, KATHLEEN KRAUSE, Clerk of the Board of Supervisors, County of Kern, State of California, do hereby certify that at a regular session of said Board held in and for said County of Kern, on September 17, 2019, Kimberly Hoffmann was duly reappointed as At-large Pharmacist Representative Member to the Kern Health Systems Board of Directors for the term expiring June 30, 2021, in and for Kern County, State of California, as appears by the Official Records of said Board in my office.

IN WITNESS WHEREOF, I have hereunto affixed my hand and Seal of the Board of Supervisors of the County of Kern, State of California, on September 17, 2019.

Kathleen Krause
KATHLEEN KRAUSE
Clerk of the Board of Supervisors

To: KHS Board of Directors

From: Timothy McGlew, Chairman

Date: October 10, 019

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

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Background

Enclosed is the 2019 amendment to the Chief Executive Officers Employment Agreement. The Amendment includes the Board approved 2019/2020 Performance Goals to be used to assist the Board with the CEO's next annual employment performance review scheduled for August, 2019.

Requested Action

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

AMENDMENT NO.9
TO
AGREEMENT FOR PROFESSIONAL SERVICES
CONTRACT EMPLOYEE
(Kern Health Systems – Douglas A. Hayward)

This Amendment No. 9 to the Agreement for Professional Services ("Amendment") is made and entered into this 10th day of October, 2019, between Kern Health Systems, a county health authority ("KHS"), and Douglas A. Hayward ("Executive").

RECITALS

(a) KHS and Executive have heretofore entered into an Agreement for Professional Services (dated December 1, 2011) ("Agreement"), whereby Executive is employed by KHS to serve as Chief Executive Officer; and

(b) The Board and Executive have developed 2019/2020 performance goals and agree to incorporate them into the Agreement by way of this Amendment, as required by section 17 of the Agreement; and

(c) The parties agree to amend certain terms and conditions of the Agreement as hereinafter set forth; and

(d) The Agreement is amended effective October 10th 2019

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

1. Section 1 Term is hereby deleted in its entirety and superseded by the following: "The term of this Agreement shall commence January 16, 2012 (the Commencement Date) and shall end June 30, 2022 unless earlier terminated pursuant to other provisions of this Agreement herein stated."
   a. The parties agree that any change in compensation shall be determined on or before January15, 2020.

2. Exhibit "C ", attached hereto and incorporated herein by this reference, shall be made part of the Agreement.

3. All capitalized terms used in the Agreement and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.

4. This Amendment shall be governed by and construed in accordance with the laws of the state of California.

5. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

6. Except as provided herein, all other terms, conditions, and covenants of the Agreement and any and all amendments thereto shall remain in full force and effect.

[Signatures follow on next page]

IN WITNESS TO THE FOREGOING, the parties have entered into this Amendment No. 9 as of the day and year first written above.

KERN HEALTH SYSTEMS

By________________________
Tim McGlew, Chairman
Board of Directors

EXECUTIVE

By________________________
Douglas A. Hayward

APPROVED AS TO FORM:

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

EXHIBIT "C"

to

Amendment 9

2019-2020 Performance Goals

Douglas A. Hayward Chief Executive Officer Kern Health Systems

Goal 1– New MCAL Benefits, Restored Benefits and New MCAL Regulations

The State is considering a number of changes to the Medi-Cal (MCAL) program impacting health plans between July, 2019 and June, 2020. Through proposed new legislation or Executive Order, KHS expects one or more of the following changes to the Medi-Cal program over the next twelve months:

- Restoration of optional Medi-Cal benefits such as Podiatry, eyeglasses, and Audiology.
- Addition of new benefits including: Continuous Glucose Monitors, Comprehensive Medication Management, Behavior Health Therapy, Asthma Prevention, Fertility Preservation.
- Additional Regulation over quality of care measures, timely access and encounter data collection and accounting

Deliverables*:

- ***Determine the impact (depth, scope, and duration) of changes to benefits or population coverage categories, or monitoring and reporting requirements on KHS and provider network by 4th Quarter, 2019.***
- ***Establish a project plan for instituting new benefits, coverage expansion, or tracking and reporting requirements by 4th Quarter, 2019.***
- ***Determine the impact to KHS, its policy, procedures, protocols, tracking and reporting by (ongoing over 2020).***
- ***Post implementation, audit each activity to ensure installation and performance meets KHS and government agencies expectations (ongoing over 2020)***

**** Dates may change based on final APL adoption and allowable timeframe for implementation***

Goal 2 – Provider Grant Program to Develop and /or Expand Access to Clinical Services

The current Governor is actively encouraging efforts to improve service access particularly for children. Emphasis is placed on improving children's health through screenings, well child visits and trauma focused services. Additionally, pediatric measures to determine how successful health plans are with achieving results will be expanded to gauge the progress toward meeting the governor's goals. In preparation for this program, Kern Health Systems (KHS) will make available grant funds to encourage network providers to do their part to meet the State's expectation. The new grant program will provide funding for provider recruitment and retention, replacing or adding medical equipment and creating or expanding clinical services targeting at risk populations.

Deliverable:

- ***Develop a Grant Program describing the Programs goals and expectations, grantee qualifications, application guidelines and submission process beginning 3rd Quarter, 2019.***
- ***Require grant submissions from qualified applicants no later than end of the 3rd Quarter, 2019***
- ***Evaluate candidate's proposals, budgets and qualifications for final consideration starting 3rd Quarter, 2019.***
- ***Select successful candidates and award grants starting by 3rd Quarter, 2019.***

Goal 3 Expansion of KHS's Alternative Reimbursement Arrangements (Phase IV)

In 2018 KHS deployed its initial alternative payment arrangement under the Health Home Program. Since HHPs requires more providers for which historically no compensation code exist (case managers, dieticians, social workers, etc.), KHS paid HHP a monthly capitation for each member enrolled to cover their expenses. In 2019, KHS expanded its alternative

reimbursement arrangements to Cardiology services wherein Cardiologist receive episodic compensation encompassing a range of diagnostic tests and treatment. In 2020, KHS will expand specialty care value based purchasing arrangements similar to Cardiology to another appropriate specialty.

Deliverables:

- ***Identify and develop provider specific proposals for another appropriate specialty care practice by 3rd Quarter, 2019***
- ***For selected providers, initiate provider contract revisions to change or enhance compensation arrangements by 4th Quarter, 2019***
- ***Design data tracking and reporting of specialty care to determine achievement of the desired outcome and / or ROI by the 1st Quarter, 2020***
- ***Determine impact to KHS internal operations for 2019 priorities by 1st Quarter, 2020***
- ***Begin monitoring to determine if targeted outcomes are achieved by 2nd Quarter, 2020***

Goal 4 – Expansion of Kern Health System's Health Home Program (Phase III)

Kern Health Systems recognizes several thousand members will benefit from receiving their medical services through a patient centered medical home. To date, Kern Health Systems has established six health homes programs located at various provider sites throughout Kern County. In July, 2019, DHCS required all Medi-Cal Managed Care HHP's similar to KHS's HHP program to demonstrate they meet the qualifications to participate in DHCS's "Health Home Program for Patients with Complex Needs".

Despite launching six provider site based health home programs countywide, there remains significant unmet need in Kern County for these programs. In 2020, KHS will develop a new model called the Distributed Health Home Program (DHHP) whereby eligible PCP physicians with a significant number of HHP qualified members assigned to their practice may become part

of a "decentralized network". The network will be supported with six broad service areas in the effort to achieve the HHP goal to address these medically complex cases:

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

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

In addition to the DHHP rollout, KHS expects CSV to begin their long awaited HHP program. Similar to Omni, CSV will provide two sites (one in Bakersfield) and a second serving a more rural part of the county (4th quarter, 2020).

Deliverable:

- ***Identify PCPs with a significant number of HHP qualified members by 3rd Quarter. 2019.***
- ***Modify the PCP's contract to include role, function and responsibilities as a PCP under the DHHP concept by 4th Quarter, 2019.***
- ***Modify PCP practice setting to meet DHHP requirements beginning 1st Quarter, 2020.***
- ***Conduct PCP and staff training program under the DHHP beginning 1st Quarter, 2020.***
- ***Launch DHHP beginning 2nd Quarter, 2020.***
- ***Launch CSV's first HHP site by 1st Quarter, 2020.***

Goal 5 - Investigate a Network Configuration Arrangement to Treat Member's Medical, Social and Behavioral Need.

Studies show for low income populations, 20% of health outcomes are the direct result of clinical care while 40% (double the number) are tied to social and economic determinants. Yet, few patients treated for medical conditions receive the support services necessary to recover fully or maintain ongoing good health. No system exists linking medical, social and behavioral resources to give patient's access to a continuum of care to address their broader needs. The severity and complexity of care for our membership will continue to change and the medical cost associated with these members will require KHS to continue to identify new ways to coordinate and manage the care of these patients. Providing the right care at the right time augmented with other resources gives members the greatest chance for maintaining good health.

The solution is to partner with other likeminded community organizations to form a network of resources electronically linked. Providers may access the network to locate support services members / patients may use when necessary. Information about the patient and their needs is communicated from the provider or the health plan to the community organization. The communication technology would also allow for direct EMR integration availing network partners of the member's / patients health condition and need from community organization. The technology would be HIPPA, FERPA and FIPS compliant with secured and encrypted data. Members would give informed consent before information is allowed to be shared with the network.

Deliverables:

- ***Determine members' social and behavioral determinants impacting health by 4th Quarter, 2019.***
- ***Identify resources to address members' social and behavioral needs by 1st Quarter, 2020.***
- ***Match community organizations providing services and programs to members' resource requirements to determine if members' needs can be met locally by 1st Quarter, 2020.***

- ***Determine interest among community based organizations to form a community network to provide access to community services addressing social and behavioral determinants of health by 2nd Quarter, 2020.***

- ***Investigate options for organizing, managing and monitoring the connected community network using integrated electronic communications between and among partners to facilitate members' access and to track outcomes by 2nd Quarter, 2020***

Goal 6– Relocation of Kern Health Systems Offices

In 2019 KHS will complete construction and relocation to their new facility. This represents the final annual goal culminating in smooth transfer from our two current locations to our new facility. Major events and tasks involving moving from current locations to our new location include:

- Occupancy Permit granted
- Data Center relocation
- Communications (voice and data) Installation
- Installation of module workstations
- Moving of Offices and Meeting Rooms furniture
- Occupancy of new building

Deliverables:

- ***Expect to receive Certificate of Occupancy for the new building by 3rd Quarter, 2019.***
- ***Data Center installation and functioning by 3rd Quarter, 2019***
- ***Communications (voice and data) Installation by 3rd Quarter, 2019***
- ***Module Workstations installed and functioning by 3rd Quarter, 2019***
- ***Relocation of Office and meeting room furniture by 3rd Quarter, 2019***
- ***Occupancy with staff functioning by end of 3rd Quarter, 2019***

Goal 7 –Engage Members in Their Health Care to Improve Health Outcomes (Phase II)

In 2018/19 KHS conducted its first member engagement pilot program to reduce premature births and improve the mother's chance for a full term delivery. Using member engagement techniques such as health education, patient incentives, transportation should encourage members to seek care to maintain better health. In 2019/20, the member engagement program will be expanded to include members voluntarily enrolling in health homes. Similar to the 2018/19 Pre and Post-Partum member engagement program, KHS designed a program uniquely tied to encouraging members to routinely and consistently seek HHP services and follow their HHP team's prescribed treatment plan. To do this requires KHS to:

- Establish what steps members may take to improve health outcomes.
- Gather information and develop a treatment plan that includes ways for members to do more to maintain optimum health.
- Identify ways to reduce appointment no shows and patient non-compliance through incentives
- Develop performance standards, data tracking system and reporting structure to measure compliance and outcomes.
- Leverage technology (social media) to enhance communication and improve member education.
- Survey participant to gauge satisfaction with member engagement program.

Deliverables:

- ***Identify membership qualifying for participation in the 2019/20 HHP program by 3rd Quarter, 2019***
- ***Design the patient engagement incentive structure and process to achieve desired outcomes by 3rd Quarter, 2019***

- ***Develop tracking instrument and report to measure if incentives reduced appointment no shows and improved patient compliance by 4th Quarter, 2019.***

- ***Determine ways to use technology to improve member communication with the HHP and KHS staff by 2nd Quarter, 2020.***

- ***Conduct a HHP Participant Members Survey to gauge satisfaction with the HHP program and effectiveness of using incentives to achieve the desired results by 2nd Quarter 2020.***

Goal 8 – Medi-Cal Enrollment Expansion to Cover Undocumented Adults

The legislative and regulatory landscape often dictates program requirement changes for Kern Health Systems to implement. These program changes often involve many internal departments and necessitate a high level of coordination to properly implement. Successful completion of these efforts will ensure Kern Health Systems is regulatory compliant while remaining sensitive to our internal and external customers' needs.

In 2019, the California legislature is considering expanding Medi-Cal to cover undocumented Adults. If passed, the new law will cover adults to age 26 for full-scope Medi-Cal benefits regardless of immigration status and as long as they meet all other eligibility requirements. The coverage will impact several thousand individuals in Kern County. KHS will begin to see enrollment starting 2019 and can expect 3500 new enrollees participating under Kern Family Health Care.

Deliverables:

- ***Provide information and support to community based organizations enrolling newly eligible members into full scope Medi-Cal by 1st Quarter, 2020.***

- ***Initiate enrollment of newly eligible Medi-Cal members in 1st Quarter, 2020.***

To: **KHS Board of Directors**

From: Robin Dow-Morales, Director of Claims

Date: **October 10, 2019**

Re: **Renewal of Change Healthcare Contract**

Background

In 2009 Kern Health Systems engaged multiple claims clearinghouses to provide various alternatives for the community to submit electronically. Change Healthcare provides KHS with the 837i and 837p claims transactions, and will include the 835 remittance at $0.23 charge per claim. Electronic data transactions increase the accuracy of the data and eliminate the need for paper processes and storage.

Discussion

KHS currently uses four different clearinghouse vendors: Change Healthcare (has consolidated Emdeon and Relay Health into one vendor), SSI, Office Ally and Cognizant. Change Healthcare provides KHS with approximately 51% of the professional claims that are submitted electronically to the health plan. Change Healthcare does not charge the submitting provider for the transaction rather KHS. The fees are based on a per transaction basis, and the rate will be constant for a three year period.

Financial Impact

Not to exceed $0.23 per claim, per three years.

Requested Action

Approve; Authorize Chief Executive Officer to Sign.

Change Healthcare
October 10, 2019
Robin Dow-Morales
Director of Claims

KERN HEALTH SYSTEMS
kernhealthsystems.com

1

Agenda

- Background
- Scope of services
- Recommendation
- Questions

KERN HEALTH SYSTEMS
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Background

- Over 90% of Claims received are submitted electronically
  - 2,500,000 in 2018.
- Currently, over 50% of those claims are received from Change Healthcare through Emdeon and Relay Health.
- Our 3 year contract is up for renewal.
- Change Healthcare is consolidating both Clearinghouse agreements into one.
- By combining the two Clearinghouse agreements into one, we will be able to utilize a higher tier, thus potentially reducing the cost per claim to $.22.

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Scope of Services

- Accepts claims direct from Providers or 3rd party Clearinghouses and converts to appropriate format and submits to Kern Health Systems.
- Adheres to legislated timeliness guidelines.
- Notifies provider of acceptance or rejection of the claim submission and if rejected, the reason as to why the submission is rejected.

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Recommendation

- Request the Board of Directors to authorize the CEO to approve a three year contract with Change Healthcare in the amount not to exceed $.23 per claims transaction.

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Questions

For additional information, please contact:

Robin Dow-Morales
Director of Claims
661-617-2598

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Proposed Contract over $100,000, October 10, 2019

1. Professional Services contract with Change Healthcare.
   a. Recommended Action

      Approve; Authorize Chief Executive Officer to Sign

   b. Contact

      Robin Dow-Morales Director of Claims

   c. Background

      In 2009 Kern Health Systems engaged multiple claims clearinghouses to provide various alternatives for the community to submit electronically. Change Healthcare provides KHS with the 837i and 837p claims transactions, and will include the 835 remittance at $0.23 charge per claim. Electronic data transactions increase the accuracy of the data and eliminate the need for paper processes and storage.

   d. Discussion

      Change Healthcare provides KHS with approximately 51% of the professional claims that are submitted electronically to the health plan. Change Healthcare does not charge the submitting provider for the transaction rather KHS. The fees are based on a per transaction basis, and the rate will be constant for a three year period.

   e. Fiscal Impact

      Not to exceed $0.23 per claim, per three years.

f. Risk Assessment

The potential risk of not receiving electronic claims would result in a backlog in claims and an increase in staffing budget. Without electronic submission we would need staff to open, prepare and scan the claims, as well as support staff to verify and validate that claims were read correctly in the OCR process. Electronic submission ensures that accurate data was received which helps in the auto-adjudication process. Also, if auto adjudication decreased, there would be a need for more claims examiners to process the claims.

g. Attachments

An Agreement at a Glance form is attached.

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

This agreement is pending legal approval.

☑ Contract
☐ Purchase

KERN HEALTH SYSTEMS

AGREEMENT AT A GLANCE

Department Name: Claims Department Head: Robin Dow-Morales

Contract Vendor: Change Healthcare

Vendor contact Name & e-mail: Gabby Lenzini, gabby@changehealthcare.com

What services will this vendor provide to KHS? Change Healthcare will process and submit electronic medical claims from providers and institutions directly to KHS.

Description of Contract

Type of Agreement: Professional Services

Background: Change Healthcare provides clearinghouse functions for providers and hospitals to submit electronic medical claims. The clearing house works with providers, typically free of charge, and charge KHS a $0.23 per transaction fee to process and deliver the electronic claims.

☒ Establish a new agreement

☐ Amendment

☐ Continuation of an Existing Contract

☐ Replacement

☐ Addendum

Previous Agreement No. _____ or Amendment No. _____

Date Agreement Began 10/21/2009

Brief Explanation Change Healthcare provides KHS with approximately 51% of the professional claims that are submitted electronically to the health plan. Change Healthcare does not charge the submitting provider for the transaction rather KHS. The fees are based on a per transaction basis, and the rate will be constant for three year period.

☐ Retroactive Agreement

Retroactive Date _____

Reason for delay in approval: _____

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

Brief vendor selection justification: _____

☒ Sole source – no competitive process can be performed.

Brief reason for sole source: KHS currently uses four different clearinghouse vendors: Change Healthcare (has consolidated Emdeon and Relay into one vendor), SSI, Office Ally and Cognizant.

☐ Conflict of Interest Form is required for this Contract

☒ HIPAA Business Associate Agreement is required for this Contract

Fiscal Impact

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

Form updated 11/17/15

Budgeted Cost Center 230 GL# 5642

Will this require additional funds? ☒ NO ☐ YES

Maximum cost of this agreement not to exceed: $0.23 per claim per three years

Notes: _____

Contract Terms and Conditions

Effective date: 10/20/2019 Termination date: 10/19/2022

Explain extension provisions, termination conditions and required notice: _____

Approvals

Contract Owner:

Department Head

9/25/19

Date

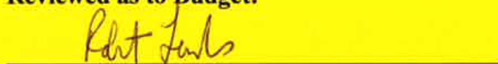
Purchasing:

Director of Procurement and Facilities

9/25/19

Date

Reviewed as to Budget:



Chief Financial Officer or Controller

9/26/19

Date

Recommended by the Executive Committee:

Committee Chairman

9/26/19

Date

Compliance Review:

Director of Compliance and Regulatory Affairs

Date

Legal Review:

Legal Counsel

Date

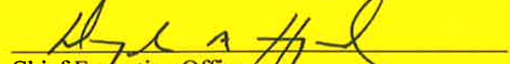
IT Approval:

Chief Information Officer or IT Director

9/25/19

Date

Chief Executive Officer Approval:



Chief Executive Officer

9/27/19

Date

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

KHS Board Chairman

Date

Form updated 11/17/15

To: KHS Board of Directors

From: Deborah Murr, Senior Director of Health Services

Date: October 10, 2019

Re: Renewal of Nurse Advice Line After Hours Triage

Background

In July 2019, Kern Health Systems ("KHS") issued a Request for Proposal ("RFP") to provide Nurse Advice Line After Hours Triage services. KHS selected Health Dialog as the vendor for these services. Health Dialog has provided these same services since 2016 in addition to Member Services outage support, Health Audio Library and Provider availability surveys.

Discussion

Health Dialog provides "real time" 24/7/365 clinical triage for members with health concerns supported by live RN assessment and care direction. KHS is required to be compliant with mandated regulatory standards outlined in the contract with the Department of Health Care Services and the Knox-Keene licensure with the Department of Managed Care. In addition, members have access to a Health Audio Library as another source of health education, in both English and Spanish, related to specific disease processes. The services provided are seamless to the membership as they are an extension of the business hours support offered internally by KHS staff and after hours.

Health Dialog has provided high quality, evidence based clinical management support driven by prescripted algorithms and robust reporting suite to promote transparency, consistency and accuracy for KHS since 2016. Selecting a different vendor would result in additional costs for implementation, report and script development and testing.

Senior Management is recommending a three year agreement with Health Dialog for the continuation of their services to provide Nurse Advice Line After Hours Triage to support KHS membership.

Financial Impact

Health Dialog fees are $0.119 Per Member per Month for the requested services. Estimated cost $353,000 annually over three year contract term.

Requested Action

Approve; Authorize Chief Executive Officer to Sign.

Nurse Advice Line After Hours

October 10, 2019

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

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kernhealthsystems.com

1

Agenda

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

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Background

- Regulatory standards with the Department of Health Care Services and the Knox-Keene licensure with the Department of Managed Care to provide 24/7/365 access to a Nurse Triage service to assist our membership with health and benefit questions
- Health Dialog is the incumbent provider to KHS for these services

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Scope of Services

- Nurse Advice Line Access 24/7/365
  - Real time RN clinical assessment
  - Disposition to appropriate level of care
  - Administrative support
- Audio Library-English/Spanish-self serve
- Provider Satisfaction Survey-quarterly
- Services seamless to membership as extension of the business hours support offered internally by KHS staff

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kernhealthsystems.com

Request for Proposal

- In July 2019, KHS posted an RFP for After Hours Nurse Advice Line services. Health Dialog was selected as the vendor for these services based on experience, price, and current vendor
- KHS received five proposals

Vendor Name	Carenet
Price	.075 PMPM clinical staff=$229,500 .055 PMPM non-clinical staff=$168,300
Total Price	15K implementation fee $412,800
Vendor Name	Health Dialog
Price	$0.119 PMPM
Total Price	$353,000
Exclusions	
Vendor Name	Alicare
Vendor Name	Optum
Vendor Name	Fonomed

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Recommendation

- Request the Board of Directors authorize the CEO to approve a three (3) year contract with Health Dialog, in the amount not to exceed $353,000 per year for After Hours Nurse Advice Triage services.

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Questions

For additional information, please contact:

Deborah Murr, RN, BS-HCM
Senior Director of Health Services
661-664-5141

KERN HEALTH SYSTEMS
kernhealthsystems.com

Proposed administrative contract over $100,000, October 10, 2019.

1. Operational Agreement with Health Dialog.
    a. Recommended Action

       Approve; Authorize Chief Executive Officer to Sign

    b. Contact

       Deborah Murr, Administrative Director of Health Services

    c. Background

       KHS is required to remain in compliance with mandated regulatory requirements outlined in the contract with the Department of Health Care Services and the Knox-Keene licensure with the Department of Managed Care to provide 24/7/365 access to a Nurse Triage service to assist our membership with health and benefit questions. In addition, members have access to a Health Audio Library to provide another source of health education, in both English and Spanish, related to specific disease processes. The services provided are seamless to the membership as they are an extension of the business hours support offered internally by KHS staff and after hours as part of the defined phone tree algorithm.

    d. Discussion

       Nurse Triage RFP was released in early 2019 to outsource this service due to the contract expiration with current vendor Health Dialog in November 2019. Responses were received and reviewed by the clinical management team. Health Dialog quoted lowest bid of $0.119 PMP in addition to being able to support various other functions including Health Coaching for Disease Management (separate contract), Language line support, and detailed reporting.

Health Dialog is able to provide high quality; evidence based clinical medical management support driven by prescripted algorithms to promote consistency and accuracy.

e. Fiscal Impact

Not to exceed $0.119 PMPM (per member per month)

f. Risk Assessment

The services provided allow KHS to remain in compliance with mandated regulatory requirements outlined in the contract with the Department of Health Care Services and the Knox-Keene licensure with the Department of Managed Care.

g. Attachments

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

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

Pending legal review.

☑ Contract
☐ Purchase

KERN HEALTH SYSTEMS

AGREEMENT AT A GLANCE

Department Name: UM Department Head: Deborah Murr RN, BS HCM

Contract Vendor: Health Dialog

Vendor contact Name & e-mail: Jennifer Vogt, VP Client Services/Business Development, jvogt@healthdialog.com

What services will this vendor provide to KHS? 24/7/365 Nurse Triage Services for KHS members.

Description of Contract	
Type of Agreement: Professional Services	Background: KHS is required to be compliant with mandated regulatory standards outlined in the contract with the Department of Health Care Services and the Knox-Keene licensure with the Department of Managed Care to provide 24/7/365 access to a Nurse Triage service to assist our membership with health and benefit questions. In addition, members have access to a Health Audio Library to provide another source of health education, in both English and Spanish, related to specific disease processes. The services provided are seamless to the membership as they are an extension of the business hours support offered internally by KHS staff and after hours as part of the defined phone tree algorithm.
☒ Establish a new agreement ☐ Amendment ☐ Continuation of an Existing Contract ☐ Replacement ☐ Addendum	Previous Agreement No. _____ or Amendment No. _____ Date Agreement Began _____ Brief Explanation: 24/7/365 Nurse Triage Services for KHS members.
☐ Retroactive Agreement Retroactive Date _____	Reason for delay in approval: _____

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

Brief vendor selection justification: RFP was released early 2019 to vendors outsource the Nurse Triage service due to contract expiration with current vendor in November 2019. Responses were received and reviewed by the clinical management team. Health Dialog quoted lowest bid of $0.119 PMP in addition to being able to support various other functions including Language Line support and detailed reporting. Health Coaching for Disease Management (separate contract). Health Dialog has provided high quality; evidence based clinical medical management support driven by prescripted algorithms and robust reporting suite to promote transparency, consistency and accuracy for KHS since 2016.

☐ Sole source –

Form updated 11/28/16

Brief reason for sole source: _____

☐ Conflict of Interest Form is required for this Contract

☐ HIPAA Business Associate Agreement is required for this Contract

Fiscal Impact

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

Budgeted Cost Center 310 GL# 5645

Will this require additional funds? ☒ NO ☐ YES

Maximum cost of this agreement not to exceed: $0.119 PMPM

Notes: Estimated cost of $353,000.00 per year.

Contract Terms and Conditions

Effective date: 11/01/19 Termination date: 10/31/22

Explain extension provisions, termination conditions and required notice: _____

Approvals

Contract Owner:

Department Head

Date

Purchasing:

[signature]

Director of Procurement and Facilities

9/25/19

Date

Reviewed as to Budget:

[signature]

Chief Financial Officer or Controller

9/26/19

Date

Recommended by the Executive Committee:

[signature]

Chief Operating Officer

9/26/19

Date

Compliance Review:

Director of Compliance and Regulatory Affairs

Date

Legal Review:

Legal Counsel

Date

IT Approval:

[signature]

Chief Information Officer or IT Director

9/25/19

Date

Chief Executive Officer Approval:

[signature]

Chief Executive Officer

9/27/19

Date

Form updated 11/28/16

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

KHS Board Chairman

Date

Form updated 11/28/16

KHS Bid Matrix & Decision Detail

Description of Item: 24/7/365 After Hours Nurse Triage/Audio Library/KHS Call Center Support Vendor
9/25/19

Vendor Name	Carenet
Contact	David Dreggors, VP, Business Development
Date of Quote	August 30, 2019
Price	.075 PMPM clinical staff=$229,500 .055 PMPM non-clinical staff=$168,300
Total Purchase Price	15K implementation fee $399,3000
Additional Comments	Infomedia Group, Inc. d/b/a/ Carenet-private held S company Audio Library Live answer non-clinical routed to RN Call back model up to 30+ minutes Require business/tech development/testing of report/scripts
Vendor Name	Health Dialog
Contact	Jennifer Vogt VP Client Svcs/Business Development
Date of Quote	August 27, 2019
Price	$0.119 PMPM
Total Purchase Price	3 year contract No implementation fee $364,140
Additional Comments	Current vendor Rite Aid subsidiary for profit public Audio Library Live RN answer No call back model-live only Reports/scripts valid-no addit. business/tech development
Exclusions	
Vendor Name	Alicare
Vendor Name	Optum
Vendor Name	Fonomed

To: KHS Board of Directors

From: Douglas A. Hayward, Chief Executive Officer

Date: October 10, 2019

Re: Provider Grants

Background

During the June 2019 KHS Board of Director's meeting, the board approved to proceed with the publishing of a Provider Quality Care Grant Program. The term was for a 12 month period starting the 4th quarter of 2019, with a maximum total grant funding pool of $4,000,000. A notice was sent out to the entire KHS provider network and requests were received. A grant review committee thoroughly evaluated all requests and made final funding recommendations.

A presentation to the Board of Directors will the final results will be presented by Emily Duran, Director of Provider Relations.

Requested Action

Receive and File.

KERN HEALTH SYSTEMS

Provider Grant Program

2019-2020

Board of Directors

October 10, 2019

Background

- Kern Health Systems Board approved Provider Quality Care Grant of $4,000,000 on June 13, 2019.
- KHS is committed to maintaining a strong network of quality physicians to accommodate access to quality care programs for our members.

Program Overview

- The objective for the 2019-2020 provider grant funding program is to focus on:
  - Access to Care
  - Service Area Expansion
  - Quality Care Initiatives
  - Special needs populations
  - Expansion in provider hours of operation
  - New PCP or Specialty care clinics
  - Provider Recruitment and retention efforts
  - HEDIS focused Quality Care Initiatives
  - Minor capital projects/medical equipment
  - Home health program for High risk members

Grant Review Process

- Committee
  - The Grant proposals were reviewed by a consolidated management committee of members from Accounting, Chief Executive Officer, Chief Medical Officer, Chief Operating Officer, Utilization Management and the Provider Network Management Department.
- Grant proposals were scored on a scale of 1-5 considering:
  - Type of service expansion
  - Needs of the community
  - Quality care initiatives
  - Budget justification
- Process
  - The management committee met to review each Grant proposal, evaluating the project outlined in the proposal based on KHS Members needs.

Grant Program Funding

- KHS has allocated $4,000,000 in grant funding for this program to be distributed to the following provider categories:
  - Safety Net Providers (SNP) $3,200,000
  - Non-SNP/Community Providers $800,000

Recommendation: Safety Net Providers

Safety Net Providers	Scope of Work	Approved Budget
Clinica Sierra Vista	These grant funds will be used to implement a High Risk Pediatric Patient Care Coordination (HRPC) pilot program for patients between the ages of 0-21 yrs.	$976,756.50
Omni Family Health	The grant funds will be used to improve access through service area expansion and provider retention efforts.	$1,067,026.65
Kern Medical Hospital Authority	The grant funds will be used to enhance and supplement provider recruitment & retention activities. Kern Medical seeks to offer sign-on bonuses, retention incentives, CME incentives and other recruiting activates.	$1,156.216.85
		Total: $3,200,000

Recommendation: Non-Safety Net Providers

Non-Safety Net Providers	Scope of Work	Approved Budget
Sharma Medical Clinic Inc.	Expand access to care at their Delano Clinic by hiring a new provider. Increase HEDIS scores and manage patient care.	$58,120
ACE Eyecare Inc.	Expand access to care, improve quality initiatives, lower long-term health care costs, increase clinic efficiency and improve patient experience.	$20,000
San Michael Pediatrics Inc.	Improve HEDIS by hiring a new medical assistant and purchasing new medical equipment.	$50,000
Polyclinic Medical Center	Expand operational hours to increase access to care, enhance the clinic's electronic system and purchase minor medical equipment.	$120,000

Recommendation: Non-Safety Net Providers

Non-Safety Net Providers	Scope of Work	Approved Budget
Ridgecrest Medical Transportation	Expand services in East Kern County. Hire two additional employees and two new van vehicles to provide transportation services for KHS members.	$101,880
Adventist Health	Program aiming to expand access to care, increase service area, provide quality care and expansion in provider hours. Grant funding will be used for redevelopment/construction and furnishing in California City.	$150,000
Good Samaritan Hospital	Establish Recuperative Care program to assist medical providers in administering high quality post-acute clinical care and facilitate a safe and appropriate transition out of respite care that is driven by quality improvement.	$300,000
		Total: $800,000

Questions

For additional information, please contact:

Emily Duran
Director of Provider Relations
661-664-5000

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Douglas Hayward, Chief Executive Officer

Date: October 10, 2019

Re: Update on KHS Strategic Plan

Background

At the close of each quarter Management updates the Board on KHS' Strategic Plan progress. With the conclusion of Q3 2019 of the 2018-2020 Strategic Plan, staff has included a presentation showing the current status. KHS is currently on track for items that were targeted for completion in the 3rd quarter 2019.

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

Requested Action

Receive and File.

Q3 2019 Strategic Plan Update

October 10, 2019

Background

- In November 2017 a Board and Executive strategy meeting was held to begin shaping the 2018-2020 KHS strategic plan. This was followed by an internal work effort to further define key initiatives, action items, and projects directly supporting the newly defined Strategic Plan. In February 2018 the KHS Board of Directors approved the 2018-2020 Strategic Plan.

- With Q3 2019 coming to an end, management has prepared a status update on the key initiatives currently in progress within the Strategic Plan.

- **Green** = On Track, **White** = Not Started, **Gray** = Completed, **Yellow** = Behind Schedule, **Red** = Incomplete/Canceled

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

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

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

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

KERN HEALTH SYSTEMS

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

Task Name	Start Date	Due Date	% Complete	Assigned To
Prepare for New Benefits / Programs /Coverage Populations/ Regulations				
Prepare for new or modified benefits, expanded coverage, or changes to the tracking and reporting requirements as required by government agencies				**Jeremy McGuire**
Determine the impact of changes to benefits or population coverage categories, or monitoring and reporting requirements on KHS and provider network	1/1/2018	12/31/2020	70.00%	Jeremy McGuire
BHT Expansion	1/1/2018	7/31/2018	100.00%	Deborah Murr
Diabetes Prevention Program	1/1/2018	12/31/2018	100.00%	Deborah Murr
DHCS Sanctions	3/1/2019	6/30/2019	100.00%	Jeremy McGuire
2019 State Budget Items	1/1/2019	7/30/2019	100.00%	Jeremy McGuire
DHCS Rx Carve-Out	1/1/2019	12/31/2020	15.00%	Bruce Wearda
DHCS LTC and Transplant Carve-In	9/1/2019	12/31/2020	2.00%	Deborah Murr
Establish a project plan for instituting new benefits, coverage expansion, or tracking and reporting requirements	1/1/2018	12/31/2020	70.00%	Jeremy McGuire
Palliative Care	1/1/2018	3/31/2018	100.00%	Deborah Murr
Health Homes	1/1/2018	12/31/2019	85.00%	Julie Worthing
Diabetes Prevention Program	11/1/2018	4/26/2019	100.00%	Martha Tasinga
DHCS Sanctions Projects	6/1/2019	6/30/2020	10.00%	Deborah Murr
Determine the impact of Managed Care Final Rule (MCFR) to KHS, its policy, procedures, protocols and tracking and reporting functions.	1/1/2018	12/31/2020	65.00%	Jeremy McGuire
Establish a project plan for adopting MCFR requirements instituting new benefits, coverage expansion, or tracking and reporting requirements	1/1/2018	12/31/2020	70.00%	Jeremy McGuire
Hospital Directed Payments	7/30/2018	10/15/2019	99.00%	Jeremy McGuire
COBA	1/1/2018	2/28/2019	100.00%	Jeremy McGuire
Post implementation, audit each activity to ensure installation and performance meets KHS and government agencies expectations.	1/1/2018	12/31/2020	60.00%	Carl Breining

Goal 3 – Increase Member Engagement in their Health Care

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

Goal 4 – Assure Kern Health Systems' Long Term Viability

Task Name	Start Date	Due Date	% Complete	Assigned To
Assure Kern Health Systems Long Term Viability				
Maintain a Financially viable organization capable of meeting its obligations to its members, providers, and government agencies.				**Robert Landis**
Annually develop an operating budget enabling KHS to achieve its annual goals	6/3/2019	12/12/2019	80.00%	Robert Landis
Annually develop capital budget to support new programs, member growth and benefits	8/1/2019	10/11/2019	40.00%	Robert Landis
Determine Capital Budget And Estimated Depreciation Expense	8/30/2019	10/10/2019	80.00%	
Prepare 2019 Capital Budget	8/30/2019	10/11/2019	80.00%	
Executive Review And Discussion - Executives to Review Capital Budget	10/1/2019	10/11/2019	50.00%	
Draft Capital Presented To Finance Committee	10/14/2019	11/8/2019	0.00%	
Final Capital Presented To Finance Committee - To Schedule in December	11/1/2019	12/6/2019	0.00%	
Final Capital Presented To KHS Board For Approval - To Present in December	12/6/2019	12/12/2019	0.00%	
Retain sufficient reserves to protect KHS from unexpected events to include but not limited to: unforeseen underwriting risks (adverse selection), actuarially unsound rates, un-financed or under financed required benefits, payment delays, future growth	1/1/2019	12/31/2019	80.00%	Robert Landis
Maintain an on-going dialogue with DHCS over reimbursement for any current or proposed, programs, benefits, aid categories or services KHS is required to provide by the State or Federal governments.	1/1/2019	12/31/2019	80.00%	Robert Landis
Relocate KHS offices to its new facility which is convenient to members and able to house all functions in one location.				**Emily Duran**
Issue Notice to Proceed with Phase II to S.C. Anderson	1/1/2018	1/31/2018	100.00%	
Obtain Grading Permits	1/1/2018	2/28/2018	100.00%	
Complete Phase III – Notice Inviting Bids	5/30/2018	1/31/2019	100.00%	
Novate all Contracts to S.C. Anderson	6/1/2017	1/31/2019	100.00%	
Commence Construction	12/1/2017	2/2/2018	100.00%	
Obtain appropriate property / earthquake insurance	1/1/2018	9/30/2018	100.00%	
Monitoring of Owner Controlled Insurance Program	1/1/2019	12/31/2019	95.00%	
Monitor On-Going Construction	1/1/2019	12/31/2019	95.00%	
Monitor Construction Budget	1/1/2019	12/31/2019	95.00%	
Compliance Oversight GC	1/1/2019	12/31/2019	95.00%	
Coordinate Move	9/30/2018	9/15/2019	100.00%	
Occupancy	7/1/2019	9/15/2019	100.00%	

Goal 4 – Assure Kern Health Systems' Long Term Viability

Task Name	Start Date	Due Date	% Complete	Assigned To
Assure Kern Health Systems Long Term Viability				
Continue to consider opportunities to expand KHS business suitable to the mission and business model.				**Jeremy McGuire**
Monitor key regulatory areas of MC Waiver, SUDS, APM/CP3 FQHC payment reform and CCI	1/1/2018	12/31/2020	60.00%	Jeremy McGuire
Monitor Medi-Cal marketplace trends e.g. Continuation of the two-plan model, entrance of new commercial managed care plans and public plan option in the ACA	1/1/2018	12/31/2020	60.00%	Jeremy McGuire
Continue expanding HHP model to additional qualified contracted provider's sites sufficient to meet the requirements as determined by DHCS.	1/1/2018	12/31/2020	85.00%	Jeremy McGuire Julie Worthing
Continue participation in implementation of Whole Person Care	1/1/2018	2/28/2018	100.00%	Emily Duran
Monitor internal capacity and regulatory landscape for initiating: CCI (Duals),MH Expansion (S and P population),SUD, LTC and IHSS	1/1/2018	12/31/2020	60.00%	Jeremy McGuire
Consider future Medicare SNP expansion	1/1/2020	6/30/2020	0.00%	Jeremy McGuire
Ensure achievement of the annual Medical Loss Ratio as determined in KHS's annual operating budget				**Deborah Murr**
Review utilization and cost trends by aid category and medical service category over the past 12 months. Internal Reallocation of resources to address inefficiency or duplication of services in the Provider Network.	1/1/2018	12/31/2020	50.00%	
Review applicable changes in treatment modalities or best practices impacting respective medical service categories.	1/1/2018	12/31/2020	50.00%	
Identify potential medical service areas for impact and determine intervention strategies(s) required to achieve desired results	1/1/2018	12/31/2020	50.00%	
Develop reporting and monitoring system	1/1/2018	12/31/2020	50.00%	

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

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

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

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

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

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

To: KHS Board of Directors

From: Douglas A. Hayward, Chief Executive Officer

Date: October 10, 2019

Re: 2020 Corporate Projects and Department Goals and Objectives

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Background

In the 3rd Quarter of each year, Management develops annual Department Goals and Objectives as well as Projects for the upcoming year. This process aligns the department goals and corporate projects with the KHS Strategic Plan in order for the company to ensure all departments work toward common strategic objectives. Additionally it aids in setting the annual budget and providing metrics on which to measure department performance. The attached presentation provides an overview of the 2020 goals and projects.

Requested Action

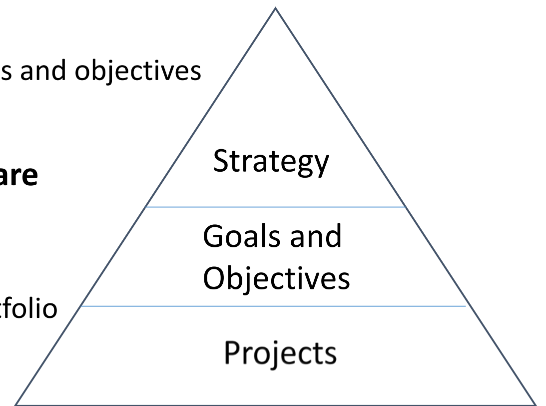
Receive and File.

2020 Corporate Projects and Department Goals and Objectives

October 10, 2019

Overview

- **KHS is in the second year of a 3-year strategic plan with many initiatives in progress**
  - See separate quarterly update on Strategic Plan progress
- **2020 departmental goals and objectives were created to align each department with the strategic plan and to monitor operations**
  - Present an overview of the 2020 departmental goals and objectives
- **These goals and objectives result in projects that are necessary to achieve the desired outcomes**
  - Present a review of the 2020 corporate project portfolio



KERN HEALTH SYSTEMS

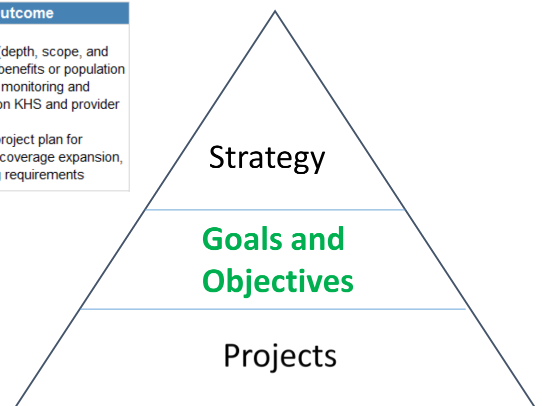
2020 Goals and Objectives Development

➢**2020 departmental goals and objectives were created to align each department with the strategic plan and to monitor operations**

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

Goals and Objectives

Goal	Planned Start Date	Planned Completion Date	Desired Outcome
Prepare for new or modified benefits, expanded coverage, or changes to the tracking and reporting requirements as required by government agencies (DHCS, CMS, DMHC).	1/1/2020	12/31/2020	Determine the impact (depth, scope, and duration) of changes to benefits or population coverage categories, or monitoring and reporting requirements on KHS and provider network If needed, establish a project plan for instituting new benefits, coverage expansion, or tracking and reporting requirements



2020 Goals and Objectives Tracking

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

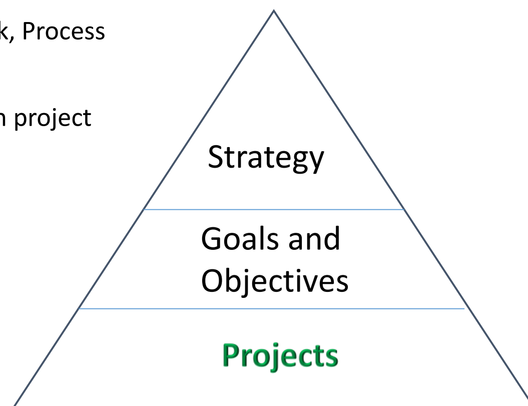
Goals and Objectives Tracking Summary

Department	Goal	Current Completion	Planned Start Date	Actual Start Date	Planned Completion Date	Actual Completion Date	Desired Outcome	Actual Outcome	Current Status

2020 Project Planning Process

➢**2020 Project Planning Process**

- Align portfolio planning timeline with annual budget timeline
- Request project proposals from each department for desired projects
  - Identify business need; Alignment with goals and/or strategy; Benefits; Impacted departments; Costs
- Conduct Business Intelligence assessment
  - Benefits feasibility review
  - Create Project Process Diagrams
- Score project proposals
  - Assign points/ranking based on priority
  - Regulatory, Strategic Goal, Medical Management, Risk, Process
- Create resource plan and duration estimates
  - Estimate resource requirements and timeline for each project
- Executive Committee review and selection
  - Review proposals and select finalists
  - Portfolio optimization
- Create draft 2020 Project Calendar
- 2020 draft project list shared with staff
  - Assists in resource planning and budgeting



KERN HEALTH SYSTEMS

2020 Projects

- **Regulatory – Required to meet obligations set forth by DHCS/DMHC**
  - HEDIS Quality Measures Revisions (carryover from 2019)
  - RDT Reconciliation (carryover from 2019)
  - Business Continuity Plan and Test
  - Health Homes – CSV Sites
  - Health Homes – Distributive Model
  - MCAS Quality Data Submission (formerly HEDIS)

- **Strategic Plan Initiatives – Specific initiatives outlined in the Strategic Plan**
  - Enterprise Data Warehouse
  - Member Engagement – Health Homes

- **Other Projects – Projects that align with goals, address risks, and/or improve processes**
  - CACTUS Upgrade (carryover from 2019)
  - Category of Aid Reconciliation (carryover from 2019)
  - Automated Member Display
  - Connected Community Network/UniteUs
  - Electronic Data Collection for MCAS
  - Medical Management (JIVA) system Upgrade
  - Member Rewards Program Replacement
  - QNXT Upgrade
  - Self-Service Reporting
  - Outsource Specialty UM Review
  - Corporate Texting Solution

Next Steps

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

- Goals and Objectives
  - Monitored internally throughout the year
  - Status of 2019 Goals will be presented to the Board of Directors in Q1 2020

- Projects
  - To be initiated according to the 2020 portfolio calendar (pending budget approval)
  - Quarterly project updates are provided to the Board of Directors as part of the CEO report
  - Monthly portfolio review meetings occur internally

Attachment A

Goals and Objectives Summary

Department	Goal Title
AIS Compliance	
	Audits
	Reporting
	Compliance Awareness
	Disaster Recovery
	Delegation Committee
Business Development	
	Prepare for new or modified benefits, expanded coverage, or changes to the tracking and reporting requirements as required by government agencies (DHCS, CMS, DMHC).
	Operate within budget
	Strategic Plan Monitoring
	Monitor Federal and State Legislative Sessions
	2021 Portfolio Planning
	Oversee Annual Company Projects and Measure Success with Schedule, Resource Planning and Scope Delivery
	Continue to consider opportunities to expand KHS business suitable to the mission and business model.
	Oversee Project Audit and Competency Development Programs
Care Management	
	Decrease the acute admission rate for members completing Case Management program.
	Decrease the acute readmission rate to below 10% for those members successfully completing the Case Management program.
	Decrease the acute admission rate for those members completing the Social Worker Case Management program.
	Increase the number of successful referrals from CM to the HHP for those CM members identified as HHP eligible.
	All SPD members identified as high risk will be enrolled in Case Management.
Claims	
	Increase Auto Adjudication by 2% or to 85% whichever is greater.
	Exceed timeliness goals of 90% within 30 days and 95% within 45 days quarterly and YE.
	Exceed Quality Standards for Claims Processing of 97%
	Utilizing the CAT tool, collaboratively identify with UM and PR, 2 target audits each quarter based on Provider, Specialty or Code.
	Continue to submit Quarterly Claim Q&A for Provider Bulletins based on Claim Submission, Provider Calls, or Dispute trends.
	Work with PR to reduce Paper claims to 5%.

Corporate Services	
	Continuous support of relocation project
	DIR compliance training and adaptation
	Continuous work with Khoa Nguyen on GPO
	Efficient Facilities Management
	Contracts Management/Staff development
Finance	
	Develop the 2021 operating budget
	Develop the 2021 annual capital budget
	Annual financial audit
	2020 Statutory reporting
	DHCS special data requests
	DHCS 2017/2018 expansion MLR template reconciliation
	Finance dashboard enhancements
	Financial reporting for expanded eligibility
	Financial reporting for expanded benefits
	Regulatory reporting template
	Financial reporting for grant programs
	Stale date check report automation
	Staff training and succession planning
	Financial reporting for HHP benefit
Health Education	
	Improve translation quality and increase in-person trainings on accessing interpreting services for LEP members.
	Improve process for meeting DHCS contratual requirement on standing requests for written material in alternative formats.
	Evaluate success and member satisfaction with the Member Engagement Pregnancy Program.
	Develop a plan-wide member rewards program.
Health Homes	
	Implementing a distributive model within KHS - Corporate Goal #4
	Launch HHP CB-CME with CSV - Corporate Goal #4
	Ensure finacial viablity of HHP through appropriate submission and report of G-Code
	Dashboard Development for HHP metrics, utilization and ROI
Human Resources	
	HR Scorecard
	Organizational Development - Create Career Path for Job Families
	Roll-out New Dayforce Talent Modules
	Improve Talent Aquisition Recruitment Module in Dayforce
	Dayforce 57 Upgrade to include Engagement
	Performance Management Metrics Review
	Pay Band Revisions for COLA

	Evaluate new Safety Program Results
	Learning and Development Strategic Department Alignment
	Rollout all 8 Compliance Courses - KHS CBT's
	Leadership Development Courses
IT	
	24/7 Critical Systems Monitoring Strategy
	Disaster Recovery Migration
	Information Security / Cyber Security
	Self Service Reporting Tool
	Enterprise Data Warehouse
	Corporate Project Support
Marketing	
	Promote programs, activities and events aligned with our mission and goals.
	Manage a community grant program to support outside influencers and community partners who address the needs of KFHC members.
	Consistently monitor member satisfaction and survey outside sources who influence member choice as to their perception of KHS's reputation and image with the public or targeted demographic.
	Generate media campaign to convey message and KFHC language to target population to retain and increase current level of Membership.
	Maintain strong relationships with community partners and continue building new partnerships for the hard-to-reach population.
	Conduct outreach and enrollment activities allowing KHS to connect with its members and the community.
	Promote KFHC benefits and health education programs via KHS social media applications.
	Promote KHS accomplishments and community benefit through coordinated Public Relations efforts.
	Engage Health Homes Program members in their health care to improve health outcomes.
	Effectively inform the KHS Team of pertinient information in one place.
Member Services	
	Average speed of answer
	Percent of calls answered
	Percent of calls abandoned
	Caller hold limit
	Audit score
	Grievances resolved rate
	Member portal adoption rate
	Transportation benefit
	mYQNXT / automated member display (screen pop)

Pharmacy	
	Achieve 24 hour TAT to meet DHCS contract time frame.
	Increase online TAR submission by 10% from 2019 rate.
	Print Formulary Production
	Participate in Complex Case Mgt
	Polypharmacy/MTM/DUR
Provider Relations	
	Develop a permanent Diabetes Prevention Program. Corporate Goal #7
	Develop a community Diabetes Self Management (DSME) Program. Corporate Goal #7
	Develop a community Asthma Management Program. Corporate Goal #7
Quality Improvement	
	Implement Changes to Cotiviti's MCAS Measures Data and Reporting Tool for 2019-2020
	Update Processes, Reports and Tracking for Facility Site Reviews (FSRs) Base on New DHCS Requirements
	New HEDIS/MCAS Software Tool Selection and Implementation
	Ability for KHS to capture EMR data in a format that will allow reporting of outcomes for select MCAS measures.
	QI Department Re-structure to Establish Needed Infrastructure to Support Required QI Program Requirements and Deliverables
Utilization Management	
	Medical Management Platform Upgrade/Enhancements
	E-Services (Telehealth/Econsults/Teledoc)
	Specialty Medical Management solution
	Timeliness of Decisions
	Provider/Member Notification
	Medical Loss Ratio
	Increase Interdepartmental Referrals for Members
	Targeted program for members with COPD
	Connected Community Network SDoH
	Social Determinants of Health Predictive Modeling Tool

To: **KHS Board of Directors**

From: **Martha Tasinga, MD, MPH, MBA, Chief Medical Officer**
Jane Daughenbaugh, Director of Quality Improvement

Date: **October 10, 2019**

Re: **Quality Improvement Program Documents**

Background

All Medi-Cal Managed Care Plan Quality Improvement (QI) Programs are defined by three documents:

- Quality Improvement Program Description
- Quality Improvement Program Evaluation
- Quality Improvement Program Work Plan

These documents are updated annually and presented to the Physician Advisory Committee, QI-UM Committee, and the Board of Directors for review, input and approval. Opportunities identified in the previous year's QI Program Evaluation are considered in development of the following year's QI Program Description and Work Plan.

Discussion

Quality Improvement Program Description (Attachment A)

The QI Program Description provides an overview of KHS's QI Program objectives and program functions. The scope of the program is defined and describes how the program is integrated throughout all departments in the organization. The QI Program Description defines the lines of authority, with the CMO having primary responsibility and reporting up to the CEO and Board of Directors. The program description describes the role of KHS's Board (pg. 4) as well as the CMO and the associated committees (QI-UM Committee, Physician Advisor Committee, Pharmacy & Therapeutics Committee, the Public Policy/Community Advisory Committee and the Grievance Review Team). The structure of each of these committees is also defined.

Quality Improvement Program Evaluation (Attachment B)

The QI Program Evaluation reflects the outcomes for the primary QI program activities. The QI Program Evaluation is performed annually and is a reflection of the outcomes for the primary program objectives and activities. Outcomes may drive changes to the QI Program Description for

the next year. For example, results of the HEDIS/MCAS measures may influence Process Improvement Projects (PIPs) and/or Improvement Plans (IPs). The Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey is administered to members every 2 to 3 years and may also provide input into the following year's QI Work Plan.

Of the metrics all but two of the QI Program **structural targets** were achieved. The two are:

- QI Policies and Procedures were not completed in 2018 but done in 2019.
- Hiring the Director of Quality Improvement in 2018. Due to recruitment difficulties, the Director was hired in 2019.

HEDIS metrics for 2017 were mostly met with the exception being Asthma Medication Ratio. (This was reported to the Board at an earlier Board meeting in 2018 and steps were taken to improve results for this measure for the 2018 measurement year).

Dr. Tasinga will present the 2018 results as part of the CMO presentation.

Quality Improvement Program Work Plan (Attachment C)

The QI Program Work Plan identifies all of the activities that will occur throughout the given year. The activities may be ongoing, recurring, or special projects or improvement plans. Outcomes of the Work Plan are key to the program evaluation.

Requested Action

Approve the 2018 QI Program Evaluation, 2019 QI Program Description, and the 2019 QI Program Work Plan.

Attachment A

KERN HEALTH SYSTEMS

2019

Quality Improvement Program Description

I. **Mission:** In a commitment to the community of Kern County and the members of Kern Health Systems (KHS), the Quality Improvement (QI) Program is designed to objectively monitor, systematically evaluate and effectively improve the health and care of those being served. KHS' Quality Improvement Department manages the Program and oversees activities undertaken by KHS to achieve improved health of the covered population. All contracting providers of KHS will participate in the Quality Improvement (QI) program.

II. **Purpose:** Kern Health Systems (KHS), d.b.a. Kern Family Health Care (KFHC), is the Local Initiative managing the medical and mild to moderate behavioral health care for Medi-Cal enrollees in Kern County. Specialty mental health care and substance use disorder benefits are carved out from KHS' Medi-Cal plan and covered by Kern County Behavioral Health and Recovery Services pursuant to a contract between the County and the State. The Kern County Board of Supervisors established KHS in 1993. The Board of Supervisors appoints a Board of Directors, who serve as the governing body for KHS.

KHS recognizes that a strong QI Program must be the foundation for a successful Managed Care Organization (MCO). In the basic program design and structure, KHS QI systems and processes have been developed and implemented to improve, monitor and evaluate the quality and safety of care and service provided by contracting providers for all aspects of health care delivery consistent with standards and laws.

The KHS Quality Improvement Program Description is a written description of the overall scope and responsibilities of the QI Program. The QI Program actively monitors, evaluates, and takes effective action to address any needed improvements in the quality, appropriateness, safety and outcomes of covered health care services delivered by all contracting providers rendering services to members through the development and maintenance of an interactive health care system that includes the following elements:

1. The development and implementation of a structure for the assessment, measurement and problem resolution of the health and vision needs of members.
2. To provide a process and structure for quality improvement by contracting providers.
3. To provide oversight and direction of processes affecting the quality of covered health care services delivered to members, either directly or indirectly.
4. To ensure that members have access to covered health care in accordance with federal and state regulations, and our contractual obligations with the California Department of Health Care Services (DHCS).
5. To monitor and improve the quality and safety of clinical care for covered services for members.

III. **Goals and Objectives:** KHS has developed and implemented a plan of activities to encompass a progressive health care delivery system working in cooperation with contracting providers, members, community partners and regulatory agencies. An evaluation of program objectives and progress is performed by the QI Department on an annual basis with modifications as directed by the KHS Board of Directors. Specific objectives of the QI Program include:

1. Improving the health status of members by identifying potential areas for improvement in the health care delivery system.

2. Developing, distributing and promoting guidelines for care including preventive health care and disease management through education of members and contracting providers.

3. Developing and promoting health care practice guidelines through maintenance of standards of practice and credentialing and recredentialing. This applies to services rendered by medical, behavioral health and pharmacy providers.

4. Establishing and promoting open communication between KHS and contracting providers in matters of quality improvement and maintaining communication avenues between KHS, members, and contracting providers in an effort to seek solutions to problems that will lead to improved health care delivery systems.

5. Providing monitoring and oversight of delegated activities.

6. Performing tracking and trending on a wide variety of information, including
   - Over and under utilization data,
   - Grievances,
   - Accessibility of health care services,
   - Pharmacy data,
   - Facility and medical record review results to identify patterns that may indicate the need for quality improvement.

7. Promoting awareness and commitment in the health care community toward quality improvement in health care, safety and service. Continuously identifying opportunities for improvement in care processes, organizations or structures that can improve safety and delivery of health care to members. Providing appropriate evaluation of professional services and medical decision making and to identify opportunities for professional performance improvement.

8. Reviewing member concerns regarding quality of care issues that are identified from grievances or from the Public Policy/Community Advisory Committee (PP/CAC).

9. Identifying and meeting external federal and state regulatory requirements for licensure.

10. Continuously monitoring internal processes in an effort to improve and enhance services to members and contracting providers.

11. Performing an annual assessment and evaluation (updating as necessary) of the effectiveness of the QI Program and its activities to determine how well resources have been deployed in the previous year to improve the quality and safety of clinical care and the quality of service provided to members, and presenting results to the QI/UM Committee and Board of Directors.

IV. **Scope:** The KHS QI Program applies to all programs, services, facilities, and individuals that have direct or indirect influence over the delivery of health care to members. This may range from choice of contracting provider to the provision and institutionalization of the commitment to environments that improve clinical quality of care (including behavioral health), promotion of safe clinical practices and enhancement of services to members throughout the organization. The scope of the QI Program includes the following elements:

1. The QI Program is designed to monitor, oversee and implement improvements that influence the delivery, outcome and safety of the health care of members, whether direct or indirect. KHS will not unlawfully discriminate against members based on race, color, national origin, creed, ancestry, religion, language, age, gender, marital status, sexual orientation, health status or disability. KHS will arrange covered services in a culturally and linguistically appropriate manner. The QI Program reflects the population served. The majority of members remain young women and children, or children alone although the gap is decreasing. The main ethnicity of our members is reported as Hispanic.

2. The QI Program monitors the quality and safety of covered health care administered to members through contracting providers. This includes all contracting physicians, hospitals, vision care providers, behavioral health care practitioners, pharmacists and other applicable personnel providing health care to members in inpatient, ambulatory, and home care settings.

3. The QI Program assessment activities encompass all diagnostic and therapeutic activities and outcomes affecting members, including primary care and specialty practitioners, vision providers, behavioral health care providers, pharmaceutical services, preventive services, prenatal care, and family planning services in all applicable care settings, including emergency, inpatient, outpatient and home health.

4. The QI Program evaluates quality of service, including the availability of practitioners, accessibility of services, coordination and continuity of care. Member input is obtained through member participation on the PP/CAC, grievances, and member satisfaction surveys.

5. The QI Program activities are integrated internally across appropriate KHS departments. This occurs through multi-departmental representation on the QI/UM Committee.

6. Mental health care is covered jointly by KHS and Kern County Department of Health. It is arranged and covered, in part, by the Kern County Behavioral

Health and Recovery Services pursuant to a contract between the County and the State.

Quality Improvement Application: the KHS QI program is applied to all procedures, care, services, facilities and individuals with direct or indirect influence over the delivery of health care to members.

Quality Improvement Integration: the QI Program includes quality management and improvement, utilization management, risk management, credentialing, member's rights and responsibilities, preventive health and health education.

V. **Authority**: Lines of authority originate with the Board of Directors and extend to contracting providers. Further details can be found in the KHS organizational chart.

1. **The KHS Board of Directors:** The Board of Directors serves as the governing body for KHS. The Board of Directors assigns the responsibility to lead, direct and monitor the activities of the QI a program to the QI/UM Committee. The QI/UM Committee is responsible for the ongoing development, implementation and evaluation of the QI program. All the activities described in this document are conducted under the auspices of the QI/UM Committee. The KHS Board of Directors are directly involved with the QI process in the following ways:

   a. Approve and support the QI Program direction, evaluate effectiveness and resource allocation. Support takes the form of establishing policies needed to implement the program.
   b. Receive and review periodic summary reports on quality of care and service, and make decisions regarding corrective action when appropriate for their level of intervention.
   c. Receive, review, and make final decisions on issues involving provider credentialing and recredentialing recommendations from the Physician Advisory Committee (PAC).
   d. Receive input from the PP/CAC.
   e. Receive reports representing actions taken and improvements made by the QI/UM Committee, at a minimum on a quarterly basis.
   f. Evaluate and approve the annual QI Program Description.
   g. Evaluate and approve the annual QI Program Work Plan, providing feedback as appropriate.
   h. Evaluate and approve the annual QI Program Evaluation.
   i. Monitor the following activities delegated to the KHS Chief Medical Officer (CMO):

      1) Oversight of the QI Program
      2) Chairperson of the QI/UM Committee
      3) Chairperson of associated subcommittees
      4) Supervision of Health Services staff
      5) Oversight and coordination of continuity of care activities for members
      6) Proactive incorporation of quality outcomes into operational policies and procedures
      7) Oversight of all committee reporting activities so as to link information

The Board of Directors delegates responsibility for monitoring the quality of health care delivered to members to the CMO and the QI/UM Committee with administrative processes and direction for the overall QI Program initiated through the CMO.

2. **Chief Medical Officer:** The CMO reports to the Chief Executive Officer (CEO) and the KHS Board of Directors and, as Chairperson of the QI/UM Committee and Subcommittees, provides direction for internal and external QI Program functions, and supervision of KHS staff including:

   a. Application of the QI Program by KHS staff and contracting providers
   b. Participation in provider quality activities, as necessary
   c. Monitoring and oversight of provider QI programs, activities and processes
   d. Oversight of KHS delegated credentialing and recredentialing activities
   e. Retrospective review of KHS credentialed providers for potential or suspected deficiencies related to quality of care
   f. Final authority and oversight of KHS non-delegated credentialing and recredentialing activities
   g. Monitoring and oversight of any delegated UM activities
   h. Supervision of Health Services staff involved in the QI Program, including: of the Senior Director of Health Services, QI Director, Director of Health Education and Cultural & Linguistics Services, Case Management Director, UM Director, Pharmacy Director, and other related staff
   i. Supervision of all Quality Improvement Activities performed by the QI Department
   j. Monitoring that covered medical and behavioral health care provided meets industry and community standards for acceptable medical care
   k. Actively participating in the functioning of the plan grievance procedures
   l. Resolving grievances related to medical quality of care

   KHS may have designee performing the functions of the CMO when the CMO position is not filled.

3. The Medical Director **(s): The Medical Director** supports the CMO with projects as assigned and serves the role of CMO in the CMO's absence or when the CMO position is not filled. The Medical Director (s) report to the CEO and CMO.

4. **QI/UM Committee (QI/UMC):** The QI/UMC reports to the Board of Directors and retains oversight of the QI Program with direction from the CMO. The QI/UM Committee develops and enforces the quality improvement process with respect to contracting providers, subcommittees and internal KHS functional areas with oversight by the CMO. This committee also performs oversight of UM activities conducted by KHS to maintain quality health care and effective and appropriate control of medical costs through monitoring of medical practice patterns and utilization of services.

5. **Subcommittees:** The following subcommittees, chaired by the CMO, or designee, report to the QI/UMC:

a. **Physician Advisory Committee (PAC):** This committee is composed of contracting PCPs and Specialists and is charged with addressing provider issues.

Performs peer review, addresses quality of care issues and recommends provider discipline and Corrective Action Plans.

Performs credentialing functions for providers who either directly contract with KHS or for those submitted for approval of participation with KHS, including monitoring processes, development of pharmacologic guidelines and other related functions.

Develops clinical practice guidelines for acute, chronic, behavioral health or preventive clinical activities with recommendations for dissemination, promotion and subsequent monitoring. Performs review of new technologies and new applications of existing technologies for consideration as KHS benefits.

6. Other Committees: The following committees, although independent from the QI/UM Committee, submit regular reports to the QI/UMC:

a. Pharmacy and Therapeutics (P&T) Committee: performs ongoing review and modification of the KHS formulary and related processes, oversight of contracting pharmacies, including monitoring processes, development of pharmacologic guidelines and other related functions.

b. Public Policy/Community Advisory Committee (PP/CAC): The PP/CAC reviews and comments on operational issues that could impact member quality of care, including access, cultural and linguistic services and Member Services.

VI. Committee and Subcommittee Responsibilities: Described below are the basic responsibilities of each Committee and Subcommittee. Further details can be found in individual committee policies.

1. **QI/UM Committee (QI/UMC):**

a. **Role** – The QI/UM Committee directs the continuous monitoring of all aspects of covered health care (including Utilization Management) administered to members, with oversight by the CMO or designee. Committee findings and recommendations for policy decisions are reported through the CMO to the Board of Directors on a quarterly basis or more often if indicated.

i. **Objectives** – The QI/UM Committee provides review, oversight and evaluation of delegated and non-delegated QI activities, including: accessibility of health care services and care rendered, continuity and coordination of care, utilization management, credentialing and recredentialing, facility and medical record compliance with established standards, member satisfaction,

quality and safety of services provided, safety of clinical care and adequacy of treatment. Grievance information, peer review and utilization data are used to identify and track problems, and implement corrective actions. The QI/UM Committee monitors member/provider interaction at all levels, throughout the entire range of care, from the member's initial enrollment to final outcome.

Objectives include review, evaluation and monitoring of UM activities, including: quality and timeliness of UM decisions, referrals and pre-authorizations, concurrent and retrospective review; approvals, modifications, and denials, evaluating potential under and over utilization, and the provision of emergency services.

ii. **Program Descriptions**– The QI/UM Committee is responsible for the annual review, update and approval of the QI and UM Program Descriptions, including policies, procedures and activities. The Committee provides direction for development of the annual Work Plans and makes recommendations for improvements to the Board of Directors, as needed.

iii. **Studies** – The review and approval of proposed studies is the responsibility of the QI/UM Committee, with subsequent review of audit results, corrective action and reassessment. A yearly comprehensive plan of studies to be performed is developed by the CMO, Senior Director of Health Services, QI Director, Director of Health Education and Cultural & Linguistics Services, Case Management Director (includes Disease Management) and the QI/UM Committee, including studies that address the health care and demographics of members.

b. **Function -** The following elements define the functions of the QI/UM Committee in monitoring and oversight for quality of care administered to members:

i. Identify methods to increase the quality of health care and service for members
ii. Design and accomplish QI Program objectives, goals and strategies
iii. Recommend policy direction
iv. Review and evaluate results of QI activities at least annually and revise as necessary
v. Institute needed actions and ensure follow-up
vi. Develop and assign responsibility for achieving goals
vii. Monitor quality improvement
viii. Monitor clinical safety
ix. Prioritize quality problems
x. Oversee the identification of trends and patterns of care
xi. Monitor grievances and appeals for quality issues

xii. Develop and monitor Corrective Action Plan (CAP) performance
xiii. Report progress in attaining goals to the Board of Directors
xiv. Assess the direction of health education resources
xv. Ensure incorporation of findings based on member and provider input/issues into KHS policies and procedures
xvi. Provide oversight for the KHS UM Program
xvii. Provide oversight for KHS credentialing
xviii. Provide oversight of the Health Education Department
xix. Assist in the development of clinical practice and preventive care health guidelines

The following elements define the functions of the QI/UM Committee in monitoring and oversight of utilization management related to QI:

i. Develop special studies based on data obtained from UM reports to review areas of concern and to identify utilization and/or quality problems that affect outcomes of care.
ii. Review over and under utilization practices retrospectively utilizing any or all of the following data: bed-day utilization, physician referral patterns, member and provider satisfaction surveys, readmission reports, length of stay and referral and treatment authorizations. Action plans are developed including standards, timelines, interventions and evaluations.
iii. Evaluate results of member and provider satisfaction surveys that relate to satisfaction with the UM process and report results to the QI/UM Committee. Identified sources of dissatisfaction require CAPs and are monitored through the QI/UMC.
iv. Identify potential quality issues and report them to the QI Department for investigation
v.
vi.
vii. Annually review and approve the KHS Health Education program, new and/or revisions to existing policies, and criteria to be utilized in the provision of Health Education services for members.
viii. Identify potential quality issues with subsequent reporting to the QI/UMC.

c. **Structure** – the QI/UMC provides oversight for the QI and UM Programs and is composed of:

i. 1 KHS Chief Medical Officer or designee (Chairperson)
ii. 2 Participating Primary Care Physician
iii. 2 Participating Specialty Physicians
iv. 1 FQHC Provider
v. 1 Pharmacy Provider
vi. 1 Kern County Public Health Officer or Representative
vii. 2 Other Participating Ancillary Representatives
viii. 1 Senior Director of Health Services
ix. 1 Home Health/Hospice Provider
x. 1 DME Provider

xi. 1 QI Director,
xii. 1 Director of Health Education and Cultural & Linguistics Services
xiii. Staff (Committee staff support)

The QI/UM Committee is responsible for periodic assessment and review of subcommittee activities and recommendations for changes, with subsequent reporting to the Board of Directors at least quarterly.

d. **Meetings -** The QI/UM Committee meets at least quarterly but as frequently as necessary to demonstrate follow-up on all findings and required actions. Issues needing immediate assistance that arise prior to the next scheduled meeting are reviewed by the CMO and reported back to the QI/UM Committee, when applicable.

2. Physician Advisory Committee (PAC):

a. **Role –** The PAC serves as advisor to the Board of Directors on health care issues, peer review, provider discipline and credentialing/ recredentialing decisions. This committee is responsible for reviewing provider grievances and/or appeals, provider quality issues, and other peer review matters as directed by the KHS Chief Medical Officer or designee.

The QI/UM Committee has delegated credentialing and recredentialing functions for KHS to the PAC. The PAC is responsible for reviewing individual providers for denial or approval of participation with KHS.

The PAC is charged with the assessment of standards of health care as applied to members and providers; assist with development of indicators for studies; and regularly review guidelines that are promulgated to contracting providers and members. This committee consists of a variety of practitioners in order to represent the appropriate level of knowledge to adequately assess and adopt healthcare standards. The committee obtains an external independent review and opinion when necessary to assist with a decision regarding preventive care guidelines, disease management or coverage of a new technology as a covered benefit for members.

The PAC reviews and comments upon pertinent KHS standards and guidelines with updates, as needed. The PAC evaluates improvements in practice patterns of contracting providers and the development of local care standards. Development of educational programs includes input from the PAC. The PAC reviews and comments on other issues as requested by the Board of Directors.

b. **Function** – the functions of the PAC are as follows:

i. Serve as the committee for clinical quality review of contracting providers.

ii. Evaluate, assess and make decisions regarding contracting provider issues, grievances and clinical quality of care issues referred by the KHS CMO or designee and develop and recommend actions plans as required.
iii. Review provider qualifications, including adverse findings and recommend to the Board of Directors approval or denial of participation with KHS on initial credentialing and every three years in conjunction with recredentialing. Report Board action regarding credentialing/recredentialing to the QI/UM Committee at least quarterly.
iv. Review contracting providers referred by the KHS CMO or designee due to grievance and/or complaint trend review, other quality indicators or other information related to contracting provider quality of care or qualifications.
v. Review, analyze and recommend any changes to the KHS Credentialing and Recredentialing program policies and procedures on an annual basis or as deemed necessary.
vi. Monitor any delegated credentialing/recredentialing process, facility review and outcomes for all providers.
vii. Develop, review and distribute preventive care guidelines for members, including infants, children, adults, elderly and perinatal patients.
viii. Base preventive care and disease management guidelines on scientific evidence or appropriately established authority.
ix. Develop, review and distribute disease management and behavioral health guidelines for selected diagnosis and treatments administered to members.
x. Periodically review and update preventive care and clinical practice guidelines as presented by the CMO.
xi. Review and assess new medical technologies and new applications of existing technologies for potential addition as covered benefits for members.
xii. Assess standards of health care as applied to members and providers, assist with development of indicators for studies and review guidelines that are promulgated to contracting providers.
xiii. Assess industry and technology trends with updates to KHS standards as indicated.

c. **Structure** – the PAC is structured to provide oversight of quality of care concerns, delegated credentialing activities and the overall credentialing program to monitor compliance with KHS requirements. Contracting providers with medically related grievances that cannot be resolved at the administrative level may address problems to the PAC.

Recommendations and activities of the PAC are reported to the QI/UM Committee and Board of Directors on a regular basis. The committee is composed of:

i. KHS Chief Medical Officer (Chairperson)
ii. 2 Family Practice Providers
iii.

iv. 1 Pediatrician
v. 1 Obstetrician/Gynecologist
vi. 1 Eye Specialist
vii. 1 Pain Medicine Provider
viii. 1 Clinical Psychologist
ix.

The PAC consists of a variety of practitioners to represent a broad level of knowledge to adequately assess and adopt healthcare standards.

d. **Meetings** – The PAC meets at least quarterly or more frequently if necessary.

3. Pharmacy and Therapeutics Committee (P&T):

a. **Role** – the P&T Committee monitors the KHS Formulary, oversees medication prescribing practices by contracting providers, assesses usage patterns by members and assists with study design and clinical guidelines development.

b. **Function** – the functions of the P&T Committee are as follows:

i. Objectively appraise, evaluate and select pharmaceutical products for formulary addition or deletion. This is an ongoing process to ensure the optimal use of therapeutic agents. Products are evaluated based on efficacy, safety, ease of use and cost;
ii. Evaluate the clinical use of medications and develop policies for managing drug use and administration;
iii. Monitor for quality issues regarding appropriate drug use for KHS and members. This includes Drug Utilization Review (DUR) and Drug Use Evaluation (DUE) programs;
iv. Provide recommendations regarding protocols and procedures for the use of non-formulary medications;
v. Provide recommendations regarding educational materials and programs about drug products and their use to contracting providers;
vi. Recommend disease state management or treatment guidelines for specific diseases or medical or behavioral health conditions. These guidelines are a recommended series of actions, including drug therapies, concerning specific clinical conditions;
vii. Monitor and assess contracting pharmacy activities as needed through review of audits and pharmacy profiling.

c. **Structure** – The QI/UM Committee has delegated the responsibility of oversight of pharmaceutical activities related to members to the P&T Committee. The committee reports all activities to the QI/UM Committee quarterly or more frequently depending on the severity of the issue. The committee is composed of:

i. 1 KHS Chief Medical Officer (Chairperson)
ii. 1 KHS Director of Pharmacy (Alternate Chairperson)

iii. 1 KHS Board Member/Rx Representative
iv. 1 Retail/Independent Pharmacist
v. 1 Retail/Chain Pharmacist
vi. 1 Specialty Practice Pharmacist
vii. 1 General Practice/Cardiology Provider
viii. 1 Pediatrician
ix. 1 Internist
x. 1 Obstetrician/Gynecologist

d. **Meetings** – The P&T Committee meets quarterly with additional meetings as necessary.

4. Public Policy/Community Advisory Committee (PP/CAC):

a. **Role** – the PP/CAC provides a mechanism for structured input from members regarding how KHS operations impact the delivery of their care. The role of the PP/CAC is to implement and maintain community linkages.

b. **Function** – the functions of the PP/CAC are as follows:

i. Culturally appropriate service or program design.
ii. Priorities for health education and outreach program
iii. Member satisfaction survey results
iv. Findings of health education and cultural and linguistic Group Needs Assessment.
v. Plan marketing materials and campaigns.
vi. Communication of needs for provider network development and assessment.
vii. Community resources and information.
viii. Periodically review the KHS grievance processes;
ix. Review changes in policy or procedure that affects public policy;
x. Advise on educational and operational issues affecting members who speak a primary language other than English;
xi. Advise on cultural and linguistic issues.

c. **Structure** – The PP/CAC is delegated by the Board of Directors to provide input in the development of public policy activities for KHS. The committee makes recommendations and reports findings to the Board of Directors. Appointed members include:

i. 1 Ex-officio Non-Voting Member: KHS Director of Marketing and Member Services (Chairperson)
ii. 5 subscribers/members
iii. 2 Community Representatives
iv. 2 Health Care Practitioners
v. 1 Kern County Public Health Officer or Representative
vi. 1 Director, Kern County Department of Human Services or Representative

d. **Meetings -** The PP/CAC meets at least quarterly with additional meetings as necessary.

5. Grievance Review Team (GRT)

a. **Role** – The GRT provides input towards satisfactory resolution of member grievances and determines any necessary follow-up with Provider Relations, Quality Improvement, Pharmacy and/or Utilization Management.

b. **Function** - functions of the GRT are as follows:

i. Ensure that KHS policies and procedures are applied in a fair and equitable manner.
ii. Hear grievances in a timely manner and recommend action to resolve the grievance as appropriate within the required time-frame.
iii. Review and evaluate KHS practices and procedures that consistently produce dissatisfaction, and recommend, when appropriate, modification to such practices and procedures.

c. **Structure** – Appointed members include:
i. 1 KHS Chief Medical Officer (Chairperson) or designee
ii. 1 KHS Director of Marketing and Member Services
iii. 1 KHS Director of Provider Relations
iv. 1 KHS Chief Operations Officer
v. 1 KHS Grievance Coordinator (Staff)
vi. 1 KHS Director of Compliance and Regulatory Affairs
vii. 1 KHS Quality Improvement Director or designee
viii. 1 KHS Senior Director of Health Services or designee
ix. 1 KHS Pharmacy Director

d. **Meetings** - The GRT meets on a weekly basis.

VII. Personnel: Reporting relationships, qualifications and position responsibilities are defined as follows:

1. **Chief Executive Officer (CEO)** – appointed by the Board of Directors, the CEO has the overall responsibility for KHS management and viability. Responsibilities include: KHS direction, organization and operation; developing strategies for each department including the QI Program; Human Resources direction and position appointments; fiscal efficiency; public relations; governmental and community liaison, and contract approval. The CEO directly supervises the Chief Financial Officer (CFO), Chief Medical Officer, Compliance Department, and the Director of Marketing and Member Services. The PAC reports to the CEO and contributes information regarding provider issues. The CEO interacts with the Chief Medical Officer regarding ongoing QI Program activities, progress towards goals, and identified health care problems or quality issues requiring corrective action.

2. **Chief Medical Officer (CMO)** – The KHS Chief Medical Officer must have a valid license to practice medicine in the State of California, the ability to

effectively function as a member of a team, and excellent written and verbal communication skills. The CMO is responsible to the Board of Directors to provide medical direction for KHS, including professional input and oversight of all medical activities of the QI Program.

The CMO reports to the CEO and communicates directly with the Board of Directors as necessary. The CMO supervises the following Medical Services departments and related staff: Quality Improvement, Utilization Management, Pharmacy, Health Education and Disease Management. The CMO also supervises all QI activities performed by the Quality Improvement Department. The CMO devotes the majority of his time to quality improvement activities. The duties of the position include: providing direction for all medical aspects of KHS, preparation, implementation and oversight of the QI Program, medical services management, resolution of medical disputes and grievances; and medical oversight on provider selection, provider coordination, and peer review. Principal accountabilities include: developing and implementing medical policy for utilization and QI functions, reviewing current medical practices so that that medical protocols and medical personnel of KHS follow rules of conduct, assigned members are provided healthcare services and medical attention at all locations, and medical care rendered by providers meets applicable professional standards for acceptable medical care and quality. These standards should equal or exceed the standards for medical practice developed by KHS and approved by the California Department of Health Care Services (DHCS) or the California Department of Managed Health Care (DMHC).

The CMO is responsible for providing direction to the QI/UM Committee and associated committees including PAC and P&T Committee. As Chairperson of the QI/UM Committee and associated committees, the CMO provides assistance with study development and coordination of the QI Program in all areas to provide continued delivery of quality health care for members. The CMO assists the Director of Provider Relations with provider network development and works with the CFO to ensure that financial considerations do not influence the quality of health care administered to members.

The CMO is also responsible for oversight of the development and ongoing revision of the Provider Policy and Procedure Manual related to health care services. The CMO executes, maintains, and updates a yearly QI Program for KHS and an annual summary of the QI Program activities to be presented to the Board of Directors. Resolution of medical disputes and grievances is also the responsibility of the CMO. The CMO and staff work with the appropriate departments to develop culturally and linguistically appropriate member and provider materials that identify benefits, services, and quality expectations of KHS. The CMO provides continuous assessment of monitoring activities, direction for member, provider education, and coordination of information across all levels of the QI Program and among KHS functional areas and staff.

3. **QI Director** - The Director must possess a valid Registered Nurse (RN) license issued by the State of California and completion of a Master's Degree in Nursing (MSN) or healthcare field from an accredited college or university. A minimum of five years of experience in an health maintenance organization (HMO) and a minimum of 3 years staff and program management experience. The QI Director

has knowledge of managed care systems in a Knox-Keene licensed health plan, applicable standards and laws pertaining to quality improvement programs for the DHCS, NCQA and HEDIS data collection and analysis, study design methods, and appropriate quality tools and applications. The QI Director dedicates 100% of his/her time to the Quality Improvement Department and reports to the Senior Director of Health Services. The QI Director assists the CMO in developing, coordinating and maintaining the QI Program and its related activities to oversee the quality process and monitor for health care improvement. Activities include the ongoing assessment of contracting provider compliance with KHS requirements and standards, including: medical record assessments, accessibility and availability studies, monitoring provider trends and report submissions, and oversight of facility inspections. The QI Director monitors the review and resolution of medically related grievances with the CMO, and evaluates the effectiveness of QI systems.

The QI Director is responsible for the oversight and direction of the KHS Quality Improvement staff.

a. **QI Program Staffing** – the Director oversees a QI Program staff consisting of the following:

i. QI Registered Nurses – The QI nurses possess a valid California Registered Nursing license and three years registered nurse experience in an acute health care setting preferably in emergency, critical and/or general medical-surgical care. The QI nurses assist in the implementation of the QI Program and Work Plan through the quality monitoring process. Staffing will consist of an adequate number of QI nurses with the required qualifications to complete the full spectrum of responsibilities for the QI Program development and implementation. Additionally, the QI nurses teach contracting providers DHCS MMCD standards and KHS policies and procedures to assist them in maintaining compliance.

ii. QI Coordinator – The QI Coordinator is a graduate from a licensed Medical Assistant training institution with 4 years' experience in a provider office setting. The QI Coordinator manages the HEDIS process including but not limited to producing and validating the chase list, producing fax lists, collecting data and reporting essential elements of the HEDIS process.

iii. QI Assistant - The QI Assistant is a graduate from a licensed Medical Assistant training institution with 2 years' experience in a provider office setting. The QI Assistant assists in validating the chase list, produces fax lists, performs follow-up calls to verify receipt, collects data and reports essential elements of the HEDIS process.

iv. QI Senior Support Clerk – The QI Senior Support Clerk has a high school diploma or equivalent; two years' experience in the field of medical care, a typing skill of 45 net wpm, and at least one year data entry experience. Assists in the promotion of QI activities related to monitoring, assessing and improving performance in health care delivery of covered services to members.

v. QI Business Analyst – graduated from an accredited college or university with a Bachelor's degree in Business Administration and two years of paid experience in report generation, analysis and result documentation. Experience may be substituted for education on a year for year basis. Experience preferred in health care industry, desirable in the Medicare or Medicaid environment. Experience in Business Objects Reporting and HEDIS reporting. Assists in running queries and reports using business supplied reporting tools. Analysis of reporting results and data mining of query information is a critical component of this position. Assist in business process improvement and streamlining workflows. This position will be transitioned to an Operations Analyst in 2018

VIII. Program Information – KHS utilizes information provided through the Information Technology (IT), Operations and Provider Relations departments. Information includes claims and UM data, encounter and enrollment data, and grievance and appeal information. The KHS QI Department identifies data sources, develops studies and provides statistical analysis of results.

IX. Work Plan – The annual QI Work Plan is designed to target specific QI activities, projects and tasks to be completed during the coming year and monitoring and investigation of previously identified issues. A focal activity for the Work Plan is the annual evaluation of the QI Program, including accomplishments and impact on members. Evaluation and planning the QI Program is done in conjunction with other departments and organizational leadership. High volume, high risk or problem prone processes are prioritized.

1. The Work Plan is developed by the Supervisor QI, on an annual basis and is presented to the QI/UM Committee and Board of Directors for review and approval. Timelines and responsible parties are designated in the Work Plan.
2. The Work Plan includes the objectives and scope of planned projects or activities that address the quality and safety of clinical care and the quality of service provided to members.
3. After review and approval of quality study results including action plans initiated by the QI/UM Committee, KHS disseminates the study results to applicable providers. This can occur by specific mailings or KHS' Provider bulletins to contracting providers.
4. The activities in the QI Work Plan are annually evaluated for effectiveness.
5. QI Work Plan responsibilities are assigned to appropriate individuals.

X. QI Activities – Covered health care provided to members is evaluated through a variety of activities designed to identify areas for corrective action and assess improvement.

1. **Quality Studies** – Studies are conducted across the spectrum of health care as described below.

   a. **Primary Care Physician (PCP) and Specialist Access Studies** – KHS performs physician access studies per KHS Policy 4.30, Accessibility Standards. Reporting of access compliance activities is the responsibility of the Provider Relations Supervisor and is reported annually.

      i. **PCP and Specialist Appointment Availability** – KHS members must be offered appointments within the following timeframes:

Type of Appointment	Time Standard
Urgent care appointment for services that do not require prior authorization[1]	Within 48 hours of a request
Urgent appointment for services that require prior authorization	Within 96 hours of a request
Non-urgent primary care appointment	Within 10 business days of a request
Non-urgent appointment with a specialist	Within 15 business days of a request
Non-urgent appointments with a physician mental health care provider	Must offer the appointment within 10 business days of request
Non-urgent appointments with a non-physician mental health care provider	Must offer the appointment within 10 business days of request
Non-urgent appointment for ancillary services for the diagnosis or treatment of injury, illness, or other health condition	Within 15 business days of a request
Pediatric CHDP Physicals	Within 2 weeks upon request
First pre-natal OB/GYN visit	The lesser of 10 business days or within 2 weeks upon request

      ii. **PCP After-Hours Access** – KHS contracts with an after-hours triage service to facilitate after-hours member access to care. The Senior Director Health Services reviews monthly reports for timeliness, triage response and availability of contracting providers. Results of the access studies are shared with contracting providers, QI/UM Committee, Board of Directors and DHCS.

2. **HEDIS**– KHS performs annual HEDIS submission in accordance with NCQA specifications. The measures performed each year are determined by accountability sets prescribed by the DHCS, NCQA and Managed Risk Medical Insurance Board (MRMIB), and by specific needs identified by the KHS Medical Director. The HEDIS process is audited by California's EQRO.

   In 2019, DHCS disseminated a new set of measures and guidelines that Medi-Cal Managed Care Plans (MCPs) will be held accountable to meet the minimum performance level (MPL). This new set of measures is called the Managed Care Accountablitity Set (MCAS) and replaces the current External Accountability Set (EAS). The minimum performance level has also changed from the 25th percentile to the 50th percentile. For 2019, the MCAS measures include the following:

Measure #	Measure Name	Admin, Hybrid, Unknown	Denominator	Numerator	Major exclusions	Held to MPL?
1	Plan All-Cause Readmissions	Admin	Expected Readmissions, age 18-64, risk adjusted	Observed Readmissions (risk adjusted)		Y
2	Adolescent Well-Care Visits	Hybrid	Age 12-21	At least one well child visit in the measurement year		Y
3	Adult Body Mass Index Assessment	Hybrid	Age 18-74 with office visit	BMI calculated or plotted once in measurement year or prior year	Pregnancy	Y
4	Antidepressant Medication Management – Acute Phase Treatment	Admin	18 years of age and older, with dx major depression, on antidepressant	Percentage remaining on antidepressant for 12 weeks	Inpatient psych, Outpatient mental health center, ECT, TCMS	Y
5	Antidepressant Medication Management – Continuation Phase Treatment	Admin	19 years of age and older, with dx major depression, on antidepressant	Percentage remaining on antidepressant for 6 months	Inpatient psych, Outpatient mental health center, ECT, TCMS	Y
6	Asthma Medication Ratio**	Admin	Aged 5-64 with persistent asthma	Controller/Total asthma medication 0.5 or greater	COPD, Pulmonary fibrosis, respiratory failure	Y
7	Breast Cancer screening	Admin	Women aged 50-74	Mammogram within 27 months of end of measurement period	LTC/SNF, 66 or older with frailty	Y

Measure #	Measure Name	Admin, Hybrid, Unknown	Denominator	Numerator	Major exclusions	Held to MPL?
8	Cervical Cancer Screening	Hybrid	Women aged 21-64	21-64: cervical cytology within 3 years; 30-64: cervical cytology/high risk HPV every 5 years	Absence of cervix	Y
9	Childhood Immunization Status – Combo 10	Hybrid	Children 2 years of age	24 required vaccines received (10 types of vaccines) by second birthday	Specified medical contraindications to vaccination	Y
10	Chlamydia Screening in Women Ages 16 – 24**	Admin	Women aged 16-24 identified as sexually active	Chlamydia test in the past year	Pregnancy	Y
11	Comprehensive Diabetes Care HbA1c Testing	Hybrid	Age 18-75 with DM type 1 or 5	HbA1c test in the measurement year	GDM only	Y
12	HbA1c Poor Control (>9.0%)	Hybrid	Age 18-75 with DM type 1 or 4	Most recent HbA1c result either absent or >9.0 in measurement year	GDM only	Y
13	Controlling High Blood Pressure <140/90 mm Hg	Hybrid	members 18-85 years of age with Dx HTN	BP <140/90 (both must be below on last BP of year that qualifies	Home BP cuff not electronically connected. Inpatient BP measures	Y
14	Immunizations for Adolescents – Combo 2 (meningococcal, Tdap, HPV)	Hybrid	13 year olds	4 specified shots by 13th birthday	Medical contraindications, hospice	Y

Measure #	Measure Name	Admin, Hybrid, Unknown	Denominator	Numerator	Major exclusions	Held to MPL?
15	Prenatal & Postpartum Care – Timeliness of Prenatal Care	Hybrid	Live births Nov 6 to Nov 6	Start care in 1st trimester		Y
16	Prenatal & Postpartum Care – Postpartum Care	Hybrid	Live births Nov 6 to Nov 5	through 2019: one visit between 2156 days; starting 2020: two visits, one before 21 days, the other 21 to 84 days		Y
17	Weight Assessment & Counseling for Nutrition & Physical Activity for Children & Adolescents: Body Mass Index Assessment for Children/Adolescents	Hybrid	3-17 years old with outpatient visit with PCP or OB/GYN	BMI percentile calculated or plotted once in measurement year		Y
18	Well-Child Visits in the First 15 months of Life – Six or More Well Child Visits	Hybrid	Children who turned 15 months old in year	Number of well-child visits (6 or more is target		Y
19	Well-Child Visits in the 3rd 4th 5th & 6th Years of Life	Hybrid	Children 3-6 years old	One or more well-child visits in past year		Y
20	Ambulatory Care: Emergency Department (ED) Visits	Admin	All Medi-Cal members	Number of ED visits per day per unique member	Mental Health or Chemical Dependency	N

Measure #	Measure Name	Admin, Hybrid, Unknown	Denominator	Numerator	Major exclusions	Held to MPL?
21	Follow-Up Care for Children Prescribed Attention-Deficit/Hyperactivity Disorder (ADHD) Medications – Initiation Phase	Admin	Aged 6-12 years with initial Dx ADHD and prescribed ADHC medication for at least 210 days (5 months)	Visit with prescriber within 30 days	Inpatient mental health or SUD	N
22	Follow-Up Care for Children Prescribed Attention-Deficit/Hyperactivity Disorder (ADHD) Medications – Continuation and Maintenance Phase	Admin	Aged 6-12 years with initial Dx ADHD and prescribed ADHC medication	Two or more visits 30-270 days after starting medications	Inpatient mental health or SUD	N
23	Children & Adolescents' Access to Primary Care Practitioners: 12-24 Months	Admin	Age 12 - 24 months	Children 12 - 24 months who had a visit with a PCP during the measurement year		N
24	Children & Adolescents' Access to Primary Care Practitioners: 25 months - 6 yrs.	Admin	Age 25 months - 6 years	Children 25 months to 6 years age who had a visit with a PCP during the measurement year		N
25	Children & Adolescents' Access to Primary Care Practitioners: 7 - 11 yrs.	Admin	Age 7 - 11 years	Children 7 - 11 years age who had a visit with a PCP during the measuremen		N

Measure #	Measure Name	Admin, Hybrid, Unknown	Denominator	Numerator	Major exclusions	Held to MPL?
				t year		
26	Children & Adolescents' Access to Primary Care Practitioners: 12 - 19 yrs.	Admin	Age 12 - 19 years	Children 12 - 19 years age who had a visit with a PCP during the measuremen t year		N
27	Contraceptive Care age 15-20	Admin (State)	Women aged 15-20 at risk of unplanned pregnancy	1. "Most effective or moderately effective" contraceptiv e method, or 2. LARC provided in the measuremen t year		N
28	Contraceptive Care age 21-44	Admin (State)	Women aged 21-44 at risk of unplanned pregnancy	1. "Most effective or moderately effective" contraceptiv e method, or 2. LARC provided in the measuremen t period		N
29	Contraceptive Care: Postpartum Women Ages 15-20**: • Most or moderately effective contraception – 3	Admin (State)	Women age 15-20 who had a live birth	Contracepti ve Care: Postpartum Women Ages 15-20**: • Most or moderately effective		N

Measure #	Measure Name	Admin, Hybrid, Unknown	Denominator	Numerator	Major exclusions	Held to MPL?
	days			contraception – 3 days		
30	Contraceptive Care: Postpartum Women Ages 15-20**: • LARC – 3 days	Admin (State)	Women age 15-20 who had a live birth	Contraceptive Care: Postpartum Women Ages 15-20**: • LARC – 3 days		N
31	Contraceptive Care: Postpartum Women Ages 21-44**: • Most or moderately effective contraception – 3 days	Admin (State)	Women age 21-44 who had a live birth	Contraceptive Care: Postpartum Women Ages 21-44**: • Most or moderately effective contraception – 3 days		N
32	Contraceptive Care: Postpartum Women Ages 21-44**: • LARC – 3 days	Admin (State)	Women age 21-44 who had a live birth	Contraceptive Care: Postpartum Women Ages 21-44**: • LARC – 3 days		N
33	Developmental Screening	Admin	Children turning 1,2, or 3 in measurement year	96110 billed in the 12 months prior to birthday		N

Measure #	Measure Name	Admin, Hybrid, Unknown	Denominator	Numerator	Major exclusions	Held to MPL?
34	HIV Viral Load Suppression	Admin	18 years and older with medical visit in year with PCP or HIV/ID specialist with dx code of HIV	Viral load in measurement period of less than 200 copies per ml		N
35	Annual Monitoring for Patients on Persistent Medications: ACE inhibitors or ARBs	Admin	Members who received at least 180 days of ACE inhibitors or ARBs during the measurement year	At least one serum potassium and a serum creatinine therapeutic monitoring test in the measurement year.	Members who had an inpatient encounter or nonacute inpatient encounter during the measurement year	N
36	Annual Monitoring for Patients on Persistent Medications: Diuretics	Admin	Members who received at least 180 days of diuretics during the measurement year	At least one serum potassium and a serum creatinine therapeutic monitoring test in the measurement year.		N
37	Concurrent Use of Opioids and Benzodiazepines	Admin	All members over 18 years old	Concurrent use of benzodiazepines and opioids	Cancer, hospice	N
38	Use of Opioids at High Dosage in Persons Without Cancer	Admin	Members aged 18 years and older	Members 18 years and older who received prescriptions for opioids with an average daily dosage greater than or equal to	Members with a cancer diagnosis or in hospice	N

Measure #	Measure Name	Admin, Hybrid, Unknown	Denominator	Numerator	Major exclusions	Held to MPL?
				90 morphine milligram equivalents over a period of 90 days or more.		
39	Screening for Depression and Follow-Up Plan: Age 12 and Older**	EHR	Members aged 12 and older	Percentage of members age 12 years and older screened for depression on the date of the encounter using an age appropriate, standardized depression screening tool, and, if positive, a follow-up plan is documented on the date of the positive screen.	Member has an active diagnosis of depression or bipolar disorder	N
* Stratified by Seniors and Persons with Disabilities (SPD).						
** Measure is part of both the CMS Adult and Child Core Sets. Though MCPs will report the "Total" rate, data will be collected stratified by the child and adult age groups.						
^ MCPs held to the MPL on the total rate only.						
Total Number of Measures = 39 (13 Hybrid + 26 Administrative).						

Further details on KHS HEDIS studies can be found in the HEDIS technical specifications published by NCQA and in KHS internal policies. KHS's 2018 rates can be found in Appendix A.

KHS is contractually required to meet or exceed the DHCS established Minimum Performance Level (MPL) for each required HEDIS measure. For any measure

that does not meet the established MPL, or that is reported as a “No Report” (NR) due to an audit failure, an Improvement Plan (IP) is contractually required to be submitted within 60 days of being notified by DHCS of the measures for which IPs are required. The CAP measures are excluded from Improvement Plans.

3. **Performance Improvement Projects (PIPs)** – KHS is mandated to participate in two (2) PIPs. For 2018-2019, KHS has chosen the following PIP topics:
   - Disparities in Childhood Immunizations: Improving Immunization Compliance Among African American Children
   - Treatment of Low Back Pain: Increasing Appropriate Use of Imaging Studies for Uncomplicated Low Back Pain

   One of the 2019–2021 PIPs will target a health disparity as outlined in DHCS' Health Equity PIP Topic Proposal Form. The second PIP topic will be related to an area in need of improvement related to child and adolescent health. Specific topics for the two PIPs will be submitted by the endo of July of this year for approval by DHCS and based on our latest HEDIS results.

4. In 2016, the CAHPS **Member Satisfaction Survey** – was performed according to NCQA's HEDIS® methodology. The HEDIS® specifications require health plans to utilize the Consumer Assessment of Health Plans (CAHPS®) Survey, and to administer the survey through a third party, NCQA-certified data collection vendor. HSAG will administer the survey in 2019.

   Survey results are shared with DHCS, NCQA, the KHS Board of Directors and QI/UM Committee. Each of the members sampled receive both English and Spanish versions of the survey. There are nine measures in both the Adult Member Satisfaction Survey:

   - Health Plan Rating
   - Health Care Received Rating
   - Specialist Rating
   - Personal Doctor/Nurse rating
   - Customer Service
   - Courteous and Helpful Office Staff
   - How Well Doctors Communicate
   - Getting Care Quickly
   - Getting Needed Care

   The survey includes questions to determine member satisfaction with access to care and quality of care. The survey will include CAHPS questions for the member survey to assess member perception and satisfaction of accessing timely health care under KHS. The survey will also include a question to assess member perception and satisfaction of accessing 24-hour telephone triage service under KHS. KHS informs contracting providers of the survey results.

   CAPs are issued in accordance with *KHS Policy and Procedure #10.10–P: Corrective Action Plans*. All access compliance activities

are reported to the Director of Provider Relations who prepares an activity report and presents all information to the CEO, Chief Medical Officer, Chief Operations Officer and QI/UM Committee.

The Director of Member Services reports at least monthly to the CEO, Chief Medical Officer and Chief Operations Officer. At least quarterly, reports are furnished to the QI/UM Committee.

5. **Prioritization of Identified Issues** – Action is taken on all issues identified to have a direct or indirect impact on the health and clinical safety of members. These issues are reviewed by appropriate Health Services staff, including the Chief Medical Officer, and prioritized according to the severity of impact, in terms of severity and urgency, to the member.

6. **Corrective Actions** –A Corrective Action Plan (CAP) is designed to eliminate deficiencies, implement appropriate actions, and enhance future outcomes.

7. **Quality Indicators** – Ongoing review of indicators is performed to assess progress and determine potential problem areas. Clinical indicators are monitored and revised as necessary by the QI/UM Committee and PAC. Clinical practice guidelines are developed by the P&T Committee and PAC based on scientific evidence. Appropriate medical practitioners are involved in review and adoption of guidelines. The PAC re-evaluates guidelines every two years with updates as needed.

   KHS targets significant chronic conditions and develops educational programs for members and practitioners. Members are informed about available programs through individual letters, member newsletters and through KHS Member Services. Providers are informed of available programs through KHS provider bulletins and the KHS Provider Manual. Tracking reports and provider reports are reviewed and studies performed to assess performance. KHS assesses the quality of covered health care provided to members utilizing quality indicators developed for a series of required studies. Among these indicators are the HEDIS measures developed by NCQA. HEDIS reports are produced annually and have been incorporated into QI assessments and evaluations.

8. **Clinical Practice and Preventive Health Guidelines** – Clinical Practice Guidelines are developed using current published literature, current practice standards and expert opinions. They are directed toward specific medical problems commonly found with members. The PAC reviews and approves all Clinical Practice Guidelines and/or Preventive Health Guidelines prior to presentation to QI/UM Committee. The QI/UM Committee is responsible for adopting and disseminating Clinical Practice Guidelines for acute, chronic and behavioral health care services. Guidelines are reviewed every two years and updated if necessary.

9. **Trended Adverse Event/Sentinel Events** Utilization Management is responsible for coordinating and conducting prospective, concurrent and retrospective utilization review for medical necessity, appropriateness of hospital admission, level of care/continuum of care, and continued in patient stay, as appropriate.

The QI Department reviews all hospital re-admissions that occurred within 30 days of the first hospital discharge to assist in identification and follow-up of potential quality of care issues.

Any incidents that warrant possible further investigation are forwarded from the Utilization Management Department, Member Services Department, or any other KHS Department, to the QI Department for a Quality Review. These include member deaths, delay in service or treatment or other opportunities for improvement.

Grievances that are closed in favor of the member or closed with a quality of care issue identified are forwarded to the QI department for further review and action. At minimum, all cases are tracked and the data provided to the CMO or designee during the provider credentialing/re-credentialing process. Other actions may include request(s) for a plan of correction for issues or concerns identified during review.

a. **Member Safety** – KHS continuously monitors patient safety for members and develops appropriate interventions as follows:

   i. **Drug Utilization Review** – KHS performs drug utilization reviews to provide oversight of prescribed medications. DUR is a structured, ongoing program that evaluates, analyzes, and interprets drug usage against predetermined standards and undertakes actions to elicit improvements and measure the results. The objectives of DUR are to improve the quality of patient care by assuring safe and effective drug use while concurrently managing the total cost of care.

   ii. **Facility Audit and Medical Record Review** – Facility site audits and medical record reviews are performed before a provider is awarded participation privileges and every three years thereafter. As part of the facility review, KHS QI Nurses review for the following potential safety issues:

   - Medication storage practices to ensure that oral and injectable medications, and “like labeled” medications, are stored separately to avoid confusion.
   - The physical environment is safe for all patients, personnel and visitors.
   - Medical equipment is properly maintained.
   - Professional personnel have current licenses and certifications.
   - Infection control procedures are properly followed.
   - Medical record review includes an assessment for patient safety issues and sentinel events.
   - Bloodborne pathogens and regulated wastes are handled according to established laws.

   In 2019, DHCS has distributed draft versions of new Site Review (DHCS Attachment A) and Medical Record Review

(DHCS Attachment B) forms and associated guidelines. It is aniticipated that final versions of the forms and guidelines will be distributed by DHCS in October. KHS will work on implementing the new requirements as direction from DHCS is provided. Implementation includes updating internal processes, securing appropriate tools for automation of documentation and reports, KHS staff education and KHS provider network education.

iii. **Coordination of Care Studies** – KHS performs Coordination of Care Studies to reduce the number of acute inpatient stays that were followed by an acute readmission for any diagnosis within 30 days.

iv. **Grievance Satisfaction Data** – KHS reviews Member grievances and satisfaction study results as methods for identifying patient safety issues.

v. **Interventions** – KHS initiates interventions appropriate to the identified issue. Such interventions are based on evaluation of processes and could include: distribution of safety literature to members, education of contracting providers, streamlining of processes, development of guidelines, and/or promotion of safe practices for members and providers.

10. **Member Information on QI Program Activities** – A description of QI activities are available to members upon request. Members are notified of their availability through the Member Handbook. The KHS QI Program Description and Work Plan are available to contracting providers upon request.

XI. KHS Providers: KHS contracts with physicians and other types of health care providers. Provider Relations conducts a quarterly assessment of the adequacy of contracting providers. All PCPs and specialists must meet KHS credentialing and recredentialing standards. Contracting providers must meet KHS requirements for access and availability. Members may select their PCPs based on cultural needs and preferences. The Provider Directory lists additional languages spoken by PCPs or their office staff.

XII. Annual Evaluation of the KHS Quality Improvement Program: On an annual basis, KHS evaluates the effectiveness and progress of the QI Program and Work Plan, and updates the program as needed. The Chief Medical Officer, with assistance from the QI Director, Pharmacy Director, Director of Health Education and Cultural & Linguistics Services, Director of Marketing, Director of Member Services and Director of Provider Relations, documents a yearly summary of all completed and ongoing QI Program activities with documentation of evidence of improved health care or deficiencies, status of studies initiated, or completed, timelines, methodologies used, and follow-up mechanisms.

The report includes pertinent results from QI Program studies, member access to care surveys, physician credentialing and facility review compliance, member satisfaction surveys, and other significant activities affecting medical and behavioral health care provided to members. The report demonstrates the overall effectiveness of the QI Program. Performance measures are trended over time to determine service, safety and clinical care issues, and then analyzed to verify improvements. The Chief Medical

Officer presents the results to the QI/UM Committee for comment, suggested program adjustments and revision of procedures or guidelines, as necessary. Also included is a Work Plan for the coming year. The Work Plan includes studies, surveys and audits to be performed, compliance submissions, reports to be generated, and quality activities projected for completion.

The yearly QI Program summary and Work Plan are presented to the Board of Directors for assessment of covered health care rendered to members, comments, activities proposed for the coming year, and approval of changes in the QI Program. The Board of Directors is responsible for the direction of the QI Program and actively evaluates the annual plan to determine areas for improvement. Board of Director Comments, actions and responsible parties assigned to changes are documented in the minutes. The status of delegated follow-up activities is presented in subsequent Board meetings. A summary of QI activities and progress toward meeting QI goals is available to members and contracting providers upon request by contacting KHS Member Services.

XIII. Integration of Study Outcomes with KHS Operational Policies and Procedures: KHS assesses study outcomes over time and, as a result of key quality issue identification and problem resolution, develops changes in strategic plans and operational policies and procedures. Study outcomes are assessed and changes may be incorporated into the KHS strategic plan and operational policies and procedures to address those outcomes and incorporate ongoing quality issue solutions into organizational operations.

XIV. Confidentiality: All members, participating staff and guests of the QI/UM Committee and subcommittees are required to sign the Committee Attendance Record, including a statement regarding confidentiality and conflict of interest. All KHS employees are required to sign a confidentiality agreement upon hiring. The confidentiality agreements are maintained in the practitioner or employee files, as appropriate. All peer review records, proceedings, reports and member records are maintained in a confidential manner in accordance with state and federal confidentiality laws.

XV. Members Right to Confidentiality: KHS retains oversight for provider confidentiality procedures. KHS has established and distributed confidentiality standards to contracting providers in the KHS Provider Policy and Procedure Manual. All provider contracts include the provision to safeguard the confidentiality of member medical and behavioral health care records, treatment records, and access to sensitive services in accordance with applicable state and federal laws. As a condition of participation with KHS, all contracting providers must retain signed confidentiality forms for all staff and committee members and provide education regarding policies and procedures for maintaining the confidentiality of members to their practitioners. KHS monitors contracting providers for compliance with KHS confidentiality standards during provider facility and medical records reviews and through the Grievance Process. The QI/UM COMMITTEE reviews practices regarding the collection, use and disclosure of medical information.

XVI. Conflict of Interest: All committee members are required to sign a conflict of interest statement. Committee members cannot vote on matters where they have an interest and must be recuse until the issue has been resolved.

XVII. Provider Participation:

1. **Provider Information** – KHS informs contracting providers through its Provider

bulletins, letters and memorandums, distribution of updates to the Provider Policy and Procedure Manual, and training sessions.

2. **Provider Cooperation** – KHS requires that contracting providers and hospitals cooperate with QI Program studies, audits, monitoring and quality related activities. Requirements for cooperation are included in provider and hospital contract language that describe contractual agreements for access to information.

XVIII. Provider and Hospital Contracts: Participating provider and hospital contracts contain language that designates access for KHS to perform monitoring activities and require compliance with KHS QI Program activities, standards and review system.

1. Provider contracts include provisions for the following:
   a. An agreement to participate in the KHS QI Program including cooperation with monitoring processes, the grievance resolution system, and evaluations necessary to determine compliance with KHS standards.
   b. An agreement to provide access to facilities, equipment, books, and records as necessary for audits or inspection to ascertain compliance with KHS requirements.
   c. Cooperation with the KHS QI Program including access to applicable records and information.
   d. Provisions for open communication between contracting providers and members regarding their medical condition regardless of cost or benefits.
2. Physician contracts include provisions for the following:
   a. An agreement to participate in the KHS QI Program including cooperation with monitoring processes, the grievance resolution system, utilization review, and evaluations necessary to determine compliance with KHS standards.
   b. An agreement to provide access to facilities and records as necessary for audits or inspections to ascertain compliance with KHS requirements.
   c. Cooperation with the KHS QI Program, including access to applicable records and information.
3. Hospital contracts include provisions for the following:
   a. An agreement to participate in the KHS QI Program, including cooperation with monitoring processes, the grievance resolution system, utilization review, and evaluations necessary to determine compliance with KHS standards.
   b. Development of an ongoing QI Program to address the quality of care provided by the hospital including CAPs for identified quality issues.
   c. An agreement to provide access of facilities, equipment, books, and records as necessary for audits or inspection to ascertain compliance with KHS requirements.
   d. Cooperation with the KHS QI Program, including access to applicable records and information.

XIX. On-Site Medical Records: Member medical records are not kept on site. Paper supporting documents for UM, Grievance and quality review processes are shredded following use.

XX. **Delegation:** KHS delegates quality improvement activities as follows:

1. In collaboration with other Kern County Health Plans – delegation for Site Reviews as describe PL 14-004 and the applicable MOU.
2. Kaiser Permanente – delegation of QI and UM processes with oversight through the QI/UM committee
3. VSP – delegation of QI and UM processes with oversight through the QI/UM committee

XXI. Assessment and Monitoring: To monitor that contracting providers have the capacity and capability to perform required functions, KHS has a pre-contractual and post-contractual assessment and monitoring system. Details of the activities with standards, tools and processes are found in specific policies and include:

Pre-contractual Assessment of Providers – All providers desiring to contract with KHS must, prior to contracting with KHS, complete a document that includes the following sections:

1. Health Care Delivery Systems, including clinical safety, access/waiting, referral tracking, medical records, and health education.
2. Credentialing information.

XXII. Quality and Safety of Clinical Care – KHS evaluates the effect of activities implemented to improve patient safety. Safety measures are monitored by the QI Department in collaboration with other KHS departments, including:

1. **Provider Relations Department** – provider credentialing and recredentialing, using site visits to monitor safe practices and facilities.
2. **Member Services Department –** by analyzing and taking actions on complaint and satisfaction data and information that relates to clinical safety.
3. **UM Department –** in collaboration with the Member Services Department, by implementing systems that include follow-up to ensure care is received in a timely manner.

XXIII. Enforcement/Compliance: The QI Director, is responsible for monitoring and oversight of the QI Program, including enforcement of compliance with KHS standards and required activities. Compliance activities can be found in sections of policies related to the specific monitoring activity. The general process for obtaining compliance when deficiencies are noted, and CAPs are requested, is delineated in policies. Compliance activities not under the oversight of QI are the responsibility of the Compliance Department.

XXIV. Medical Reviews and Audits by Regulatory Agencies - KHS' Director of Compliance & Regulatory Affairs, in collaboration with the Senior Director of Health Services and QI Director manages KHS medical reviews and medical audits by regulatory agencies. Recommendations or sanctions received from regulatory agencies for medical matters are

addressed through the QI Program. CAPs for medical matters are approved and monitored by the QI/UM Committee.

____
KHS Board of Directors (Chair) Date

____
Chief Executive Officer Date

____
Chairman QI/UM COMMITTEE Date

Appendix A

HEDIS 2017
Hybrid Measures

Measure		2017 Rate
CCS	Cervical Cancer Screening	60.34
CIS-3	CIS – Combo 3	65.45
CDC-E	Eye Exam (Retinal) Performed	56.88
CDC-HT	HbA1c Testing	89.13
CDC-H9 *	HbA1c Poor Control (>9.0%)	33.15
CDC-H8	HbA1c Control (<8.0%)	55.43
CDC-N	Medical Attn. for Nephropathy	92.93
CDC-BP	Blood Pressure Control <140/90	65.58
CBP	Controlling High Blood Pressure	54.26
IMA-1	Immunizations for Adolescents	40.63
PPC-Pre	Timeliness of Prenatal Care	81.27
PPC-Pst WCC-N	Postpartum Care Counseling for Nutrition	67.64 70.56
WCC-PA	Counseling for Phys Activity	65.21
W-34	Well-Child Visits	63.99

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

Administrative Measures

Measure		2017 Rate
AAB**	Avoidance of Antibiotic Treatment	31.33
AMR	Asthma Medication Ratio	21.49
BCS	Breast Cancer Screening	56.57
CAP-1224	12-24 Months	89.62
CAP-256	25 Months – 6 Years	80.28
CAP-711	7-11 Years	79.90
CAP-1219	12-19 Years	78.35
DSF	Depression Screening and Follow-Up for Adolescents and Adults	0.00
LBP	Use of Imaging for Low Back Pain	73.33
MPM-ACE	ACE inhibitors or ARBs	89.71
MPM-Diu	Diuretics	90.50

** Rate for this measure is derived by an inverse calculation. The number of required numerators must decrease by the number shown.

Note: For measures shaded in gray, DHCS is not holding MCPs accountable to meet the MPLs for HEDIS 2016 (measurement year 2015).

Kern Health Systems
Quality Improvement Program Evaluation
Reporting Period: January 1, 2018 – December 31, 2018

1. QI ACTIVITIES

According to the California Department of Health Care Services (DHCS) All Plan Letter (APL) 17-014, Quality and Performance Improvement Requirements, all Medi-Cal managed care health plans are contractually required to report an annual performance measurements results, participate in a consumer satisfaction survey when indicated by DHCS and conduct ongoing quality improvement projects (PIPs).

HEALTHCARE EFFECTIVENESS DATA AND INFORMATION SET (HEDIS):

HEDIS 2018 is the latest completed edition of the Healthcare Effectiveness Data and Information Set, a tool used by more than 90 percent of America's health plans to measure performance on important dimensions of care and service. HEDIS has been developed and maintained by the National Committee for Quality Assurance (NCQA), a private, not-for-profit organization dedicated to improving health care quality, since 1990.

All Medi-Cal managed care health plans must submit annual report scores for the required External Accountability Set (EAS) performance measures. DHCS currently requires all contracted health plans to report selected HEDIS measures to comply with the EAS reporting requirement.

The previous calendar year is the standard measurement year for HEDIS data. Therefore, the HEDIS 2018 results shown in this report are based on 2017 data, with a few exceptions, which are noted in the descriptions of the measures. HEDIS 2018 results can be found in Appendix A. APL 17-014 states that for each measure below the established Minimum Performance Level (MPL) or reported as “No Report” (NR), the health plan must submit an Improvement Plan (IP) within 60 days of being notified by DHCS of the measures for which IPs are required. KHS submitted one IP for the AMR, Asthma Medication Ration, measure for HEDIS 2018 and is working on two PIPs that were approved by DHCS in 2017. One is for Increasing Appropriate Use of Imaging Studies for Uncomplicated Low Back Pain and the other is for Improving Immunization Compliance Among African American Children. The AAB measure, Avoidance of Antibiotic Treatment, was higher than the MPL and the AMR measure, Asthma Medication Ratio, continued to fall below the MPL. An Improvement project was submitted to DHCS is underway.

CONSUMER STATISFACTION SURVEYS (CAHPS):

Per MMCD APL 17-014, the Consumer Assessment of Healthcare Providers and Systems (CAHPS) surveys for both adults and children was administered by the EQRO in 2017. DHCS provided the "sample frame" member information for contracted health plans to the EQRO. No CAHPS surveys will be required in 2018. The next survey is scheduled for 2019.

PROCESS IMPROVEMENT PROJECTS (PIPs):

Each PIP runs approximately 18 months. KHS's PIPs for 2018 are Increasing Appropriate Use of Imaging Studies for Uncomplicated Low Back Pain and Improving Immunization Compliance Among African American Children. These PIPs followed the PDSA format formalized into five modules. KHS has submitted all Modules on time.

Increasing Appropriate Use of Imaging Studies for Uncomplicated Low Back Pain (LBP) – In HEDIS 2017, Kern Health System's LBP measure fell below MPL with a rate of 66.25%. Historical data showed a gradual decline in rate over the last 3 years. This PIP is focused on decreasing the number of members who receive imaging studies (plain x-rays, CT scans or MRI's) within 28 days of initial diagnosis of uncomplicated low back pain. Interventions included:

- Introduce the concept of HEDIS and measuring best practice to providers
- Place a poster with LBP guidelines in Urgent Cares exam rooms. Provider can use the poster to educate members requesting an x-ray.
- Develop LBP screening tool to provide a guideline in management of LBP
- Have providers educate members on LBP disease process and treatment management options
- Provider to offer other options for pain control such as warm pack application, physical therapy, yoga, tai chi, and rest.

For the second PIP, Improving Immunization Compliance among African American Children, KHS partnered with a FQHC clinic to identify and remove barriers for getting timely vaccines among the African American population. The intent is to improve health outcomes related to preventable diseases and improve the HEDIS CIS measure. Interventions for this PIP included providing growth charts during the post-partum visit and immunization outreach by KHS QI staff. This PIP is continuing in 2019.

2. FACILITY SITE REVIEWS AND COLLABORATION

Kern Health Systems (KHS) personnel perform a facility site review on all contracted primary care providers. This includes Internal Medicine, General and Family Practice, OB/GYN and Pediatricians in free-standing offices, IPAs or Clinics. OB/GYN not acting as PCPs and Urgent Care Clinics are considered high volume providers and receive site reviews as well.

QI Program Evaluation
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Personnel performing the site review are trained by a DHCS certified Master Trainer nurse on the required criteria for site compliance. All contracting plans within a county have equal responsibility for the coordination and consolidation of provider site reviews. Site review responsibilities are shared equally by all plans within the county. KHS has a Memorandum of Understanding (MOU) with Health Net, and both plans share site review information.

The purpose of conducting site reviews is to ensure that all contracted PCP sites used by plans for delivery of services to plan members have sufficient capacity to: 1) provide appropriate primary health care services; 2) carry out processes that support continuity and coordination of care; 3) maintain patient safety standards and practices; and 4) operate in compliance with all applicable federal, state, and local laws and regulations.

3. MONITORING AND FOCUS REVIEWS

All PCP sites are monitored between each regularly scheduled full scope site review survey. Methods for conducting this review may include site visits, but may also include methodologies other than site visits. Monitoring sites between audits shall include the use of both internal systems and external sources of information. Evaluation of the nine critical elements shall be monitored on all sites between full scope site surveys. The nine critical elements are as follows:

1. Exit doors and aisles are unobstructed and egress (escape) accessible.
2. Airway management equipment, appropriate to practice and populations served are present on site.
3. Only qualified/trained personnel retrieve, prepare or administer medications.
4. Office practice procedures are utilized on-site that provide timely physician review and follow-up of referrals, consultation reports and diagnostic test results.
5. Only lawfully authorized persons dispense drugs to patients.
6. Personal protective equipment (PPE) is readily available for staff use.
7. Needle stick safety precautions are practiced on-site.
8. Blood, other potentially infectious materials (specimens) and regulated wastes (sharps/biohazardous non-sharps) are placed in appropriate leak-proof, labeled containers, for collection, processing, storage, transport or shipping; and
9. Spore testing of autoclave/steam sterilizer is completed (at least monthly), unless otherwise stated in the manufacturers guidelines, with documented results.

The focused review is a “targeted” audit of one or more specific site or medical record review survey areas, and is not substituted for the full scope survey. Focused reviews are used to monitor providers between full scope site review surveys, to investigate problems identified through monitoring activities, or to follow up on corrective actions. The nine critical elements are always reviewed. Additional areas of monitoring may include but are not limited to:

QI Program Evaluation
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- Diabetes Care Monitoring
- Asthma Care Monitoring
- Prenatal Care Monitoring
- Initial Health Assessment (IHA)
- IHEBA aka Staying Healthy Assessment
- California Children's Service (CCS)
- KRC Monitoring
- Referral Process Monitoring
- SBIRT
- Tobacco use
- Other preventive care services

QI PROGRAM OVERVIEW

Goal	Metrics	Target Completion	Action Steps and Monitoring	Results
Oversight of all delegated QI functions for the following services: • Kaiser • VSP	Met	8/31/2019	QI and UM evaluations, programs and work plans for Kaiser and VSP will be presented to the Physician Advisory Committee on August 7, 2019 and to the QI-UM Committee on August 22, 2019	Complete for 2018
QI Policies and Procedures	Not Met	Ongoing	1. QI Policies and Procedures are updated every 3 as well as reviewed periodically in order to comply with any new regulatory requirements. 2. Each policy and procedure is reviewed against the DHCS contract and regulatory requirements and revised as needed to ensure compliance. 3. Revisions to current QI policies and procedures have been taken to the QI/UM committee 4. Delegated credentialing tools provided and policy review done with Provider Relations Department and UM 5. One policy, 2.26-I Hospital Re-admissions - Quality of Care Issues 2015-05, was not updated within 3 years and will be updated in 2019.	Not Complete for 2018
Audits				

QI Program Evaluation
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Goal	Metrics	Target Completion	Action Steps and Monitoring	Results
Site review timeliness audit	Met	12/1/2018	Site Review Timeliness – A quarterly retrospective audit was performed to ensure that Site and Medical Record reviews were done on time. All site reviews and follow-up in this time period were timely.	Complete for 2018
			1.	
Staying Healthy Assessment	Met	12/1/2018	212 positive Staying Healthy Assessments (SHAs) were identified through and HEDIS chart review. These were forwarded to Health Education in collaboration with them.	Complete for 2018
30 day readmission	Met	Ongoing	The QI department continues to look for opportunities for improvement in members who are readmitted within 30 days of discharge. This organization-wide focus has brought the following changes: • Transition of Care program is ongoing, identifying members at risk of readmission and linking them to appropriate services including medication reconciliation and a Discharge Clinic. • Health Homes continues to expand. There are currently 6 number of Community-Based Care Management Entities (CB-CMEs). . •	Complete for 2018
Notifications (Death, General)	Met	Ongoing	The QI department continues to look for opportunities for improvement through the Notification process. All notifications are tracked and trended, and information is shared with the Chief Medical Officer during the re-credentialing process. This process has been digitalized with electronic forms now being sent through work items.	Complete for 2018
Grievances	Met	Ongoing	The QI department continues to look for opportunities for improvement through the Grievance process. Retrospective	Complete for 2018

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Goal	Metrics	Target Completion	Action Steps and Monitoring	Results
			reviews have identified external opportunities for improvement. All quality related grievances are tracked and trended, and information is shared with Chief Medical Officer during the re-credentialing process.	
Resources				
• Director of Quality Improvement	Not Met	2019	Recruitment efforts will be re-started next year.	Not Met for 2018
• QI supervisor	Met	12/1/2018	The department's QI supervisor position was eliminated in the 4th quarter	Complete for 2018
• QI RN II	Met	12/1/2018	The department currently has one RN II position and that is filled by a senior RN who is a Master Trainer for Facility Site Reviews. One RN I position serves as the lead HEDIS RN. •	Complete for 2018
• QI RN I	Met	12/1/2018	The QI department is at full staff. QI RN I = 5 FTEs	Complete for 2018
• QI Coordinator	Met	12/1/2018	This position was budgeted since 2015 to insource HEDIS Medical Record retrieval and has been very successful	Complete for 2018
• QI Assistant	Met	12/1/2019	This position assists with HEDIS Medical Record retrieval and is responsible for the Member Incentive.	Complete for 2018
• Operational Analyst	Met	12/1/2018	This position is responsible for providing an advanced role in the analysis of health care information as it relates to HEDIS and the QI department. This position was transitioned from a QI Business Analyst in 2018.	Complete for 2018
• QI Technician and Trainer	Met	12/1/2018	This position provides reporting support to the QI department and focuses on reporting actionable data, streamlining current processes, developing new processes, and training staff.	Complete for 2018

QI Program Evaluation
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Goal	Metrics	Target Completion	Action Steps and Monitoring	Results
• Senior Support Clerk	Met	12/1/2018	QI has one SSC who support the clerical needs of the department.	Complete for 2018
QI Projects				
QI site automation	Met	12/1/2018	The first phase of QI Site Review automation was completed with Facility Site Review Form Attachments A, B and C available electronically. DHCS and Health Net reporting is automated. Phase 2 included automation of the Corrective Action Plan forms and Focus Review forms and began in w 2018 and will continue in 0219.	Complete for 2018
			•	
Member Education Material	Met	12/31/2018	The HEDIS team, acting on provider request, obtained educational material for providers on the following topics: • HPV • Diet and Exercise for children • Avoidance of antibiotics for acute bronchitis 4,452 educational documents were distributed to 67 provider offices and clinics.	Completed
Member Incentive	Met	12/31/2018	To motivate young members and their families to see their PCP for well-visits, a member incentive was offered for 2 movie tickets for each child who had a well-visit through the end of 2018. 391 letters were sent to parents of children who qualified. 43 parents responded back and received the incentive reward. .	Complete.
Committees				

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Goal	Metrics	Target Completion	Action Steps and Monitoring	Results
Quality Improvement/Utilization Management Committee (QI/UMC)	Met	Quarterly - ongoing	1. Reports to the Board of Directors and retains oversight of the QI Program with direction from the Medical Director. 2. The QI/UMC promulgates the quality improvement process to participating groups and physicians, practitioner/providers, subcommittees, and internal KHS functional areas with oversight by the Chief Medical Officer. 3. Committee also performs oversight of UM activities conducted by KHS to maintain high quality health care and effective and appropriate control of medical costs through monitoring of medical practice patterns and utilization of services. 4. Ten (10) of the eleven (11) positions are filled; four (4) QI/UMC meetings were held in the reporting period with attendance as follows:	Complete for 2018

QI/UM Committee Members	Attended
CMO	4 meetings
Family Practitioner	3 meetings
Family Practitioner	3 meetings
ENT Specialist	4 meetings
2nd Specialist	Open Position
FQHC Provider	4 meetings
Pharmacy Provider	3 meetings
Public Health Department	1 meeting
Home Health/Hospice Provider	2 meetings
DME Provider	4 meetings

QI Program Evaluation
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Goal	Metrics	Target Completion	Action Steps and Monitoring	Results
	Met	12/31/2018	1. Practitioner attendance and participation in the QI/UM Committee or subcommittees is required. 2. The participating practitioners represent a broad spectrum of specialties and participate in clinical QI and UM activities, guideline development, peer review committees and clinically related task forces. 3. The extent of participation must be relevant to the QI activities undertaken by KHS.	Complete for 2018
	Met	12/31/2018	1. Practitioner participation and attendance for this reporting period continue to result in improved communication. 2. Participating practitioners involved in the QI Program serve as a communication representation for the practitioner community. 3. These practitioners provide input and support toward educating participating providers about the principles of QI, and specific quality activities.	Complete for 2018
Physician Advisory Committee (PAC)	Met	12/31/2018	1. Serves as advisor to the Board of Directors on health care issues, peer review, provider discipline, and credentialing/recredentialing decisions. 2. This committee meets on a monthly basis and is responsible for reviewing practitioner/provider grievances and/or appeals, practitioner/provider quality issues, and other peer review matters as directed by the KHS Medical Director. 3. The PAC has a total of eight (8) voting committee positions.	Complete for 2018

QI Program Evaluation
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Goal	Metrics	Target Completion	Action Steps and Monitoring	Results
	Met	12/31/2018	Ten (10) PAC meetings were held during the reporting period with attendance as follows: **Physician Advisory Committee Members** — **Attended** CMO — 10 meetings Pediatrician — 5 meetings Clinical Psychologist — 10 meetings Eye Specialist — 10 meetings OB/GYN Provider — 6 meetings Pain Medicine Provider — 9 meetings Family Practitioner — 9 meetings Family Practitioner — 8 meetings	Complete for 2018
			1.	
Pharmacy and Therapeutics Committee (P&T)	Met	12/31/2018	1. Serves to objectively appraise, evaluate, and select pharmaceutical products for formulary addition or deletion. 2. This is an ongoing process to ensure the optimal use of therapeutic agents. 3. P&T meet quarterly to review products to evaluate efficacy, safety, ease of use and cost. 4. Medications are evaluated on their clinical use and develop policies for managing drug use and administration.	Complete for 2018
	Met	12/31/2018	Four (4) P&T meetings were held during the reporting period with attendance as follows: **Pharmacy & Therapeutics Committee Members** — **Atte**	Complete for 2018

QI Program Evaluation
2018

Goal	Metrics	Target Completion	Action Steps and Monitoring	Results
			CMO: 4 meetings Retail Pharmacy/Independent: 2 meetings Pediatrician: 4 meetings Retail Pharmacy/Chain: 4 meetings Board Member/Rx Representative: 4 meetings Pharmacy/Specialty Practice: Open Position Pharmacy/Geriatric Specialist: 4 meetings Internal Medicine: 2 meetings Cardiologist: 2 meetings General Practice/Geriatrics: Open Position KHS Pharmacy Director/Alternate Chairperson: 4 meetings	
Public Policy/Community Advisory Committee (PP/CAC)	Met	12/31/2018	1. PP/CAC provides a mechanism or structured input from KHS members and community representatives regarding how KHS operations impact the delivery of care. 2. The PP/CAC is supported by the Board of Directors to provide input in the development of public policy activities for KHS. 3. The committee meets every four months and provides recommendations and reports findings to the Board of Directors.	Complete for 2018
	Met	12/31/2018	PP/CAC has twelve (12) committee positions. Eight (8) of the twelve (12) positions were filled; Four (4) PP/CAC meetings were held in the reporting period with attendance as follows: **Public Policy Committee Members / Attended** Chair: 4 KHS Member: 3 KHS Member: 3 KHS Member: 0	Complete for 2018

QI Program Evaluation
2018

Goal	Metrics	Target Completion	Action Steps and Monitoring	Results
			Community Representative — 3 Community Representative — 3 Kern County Department of Public Health — 3 Kern County Department of Human Services — 3	
Regulatory Compliance				
DHCS audit	Met	8/14/2018 – 8/17/2018	DHCS performed their annual managed care plan audit. There were no findings related to QI	Complete for 2018
HEDIS 2017	Partially Met	7/6/2018	On 7/6/2018, all elements of HEDIS 2018 were complete and approved by HSAG and NCQA accepted our submission. We did not meet the Asthma Medication Ratio measure and an Improvement Project was implemented and accepted by DHCS.	Complete for 2018
Improvement Plans (IPs)				
Asthma Medication Ratio	Met	6/30/2019	An interactive voice response program (IVR) was implemented to perform outreach to select members to contact, engage and provide education in support of appropriate use of controller and rescue medications for their asthma. The second intervention was submitted to DHCS and accepted. This IP has been closed	Ongoing
Performance Improvement Projects (PIPs)				
Disparities - CIS	New	7/31/2019	Although KHS met MPL in the CIS measure, we did not meet the state average. In order to improve our rate, this measure was chosen as our Disparities PIP. A high volume provider has agreed to partner with us. Modules 1 and 2 have been submitted.	Ongoing

QI Program Evaluation
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Goal	Metrics	Target Completion	Action Steps and Monitoring	Results
Low Back Pain	New	9/30/2019	KHS did not meet MPL in the LBP measure in HEDIS 2017. In order to improve rates, this measure was chosen as our PIP. A high volume provider has agreed to partner with us. Modules 1 and 2 have been submitted.	Ongoing
Site Reviews				
• Initial	Met	12/31/2018	28 Initial site reviews were completed with Physical Accessibility Review Survey (PARS) (DHCS Attachment C). All subsequent medical record reviews were complete. All CAPS and required follow-up visits were completed and closed.	Completed for 2018
• Full	Met	12/31/2018	74 Full Site and Medical Record reviews were completed. PARS (Attachment C) were reviewed and completed if needed. All CAPS and required follow-up visits were completed and closed.	Completed for 2018
• Focused	Met	12/31/2018	44 Focused (Periodic) reviews were completed. All CAPS and required follow-up visits were completed and closed.	Completed for 2018
• Pending F/U	Met	12/31/2018	There are no pending follow-up visits. All CAPS and required follow-up visits were completed and closed.	Completed for 2018

QI Program Evaluation
2018

Attachment A
2017 Measurement Year and 2018 Report Year
EAS/HEDIS Results

Measure		Current 2018 Rate	2018 MPL	2018 HPL	2017 KHS Rate	Current Vs. 2018 MPL	Current Vs. 2018 HPL	Current Vs. 2017 KHS
CCS	Cervical Cancer Screening	58.39	51.82	70.80	58.39	6.57	-12.41	0.00
CIS-3	CIS – Combo 3	68.86	65.25	79.32	64.96	3.61	-10.46	3.90
CDC-E	Eye Exam (Retinal) Performed	58.94	47.57	68.33	48.19	11.37	-9.39	10.75
CDC-HT	HbA1c Testing	89.60	84.25	92.82	84.49	5.35	-3.22	5.11
CDC-H9 *	HbA1c Poor Control (>9.0%)	30.66	48.57	29.07	39.60	17.91	-1.59	8.94
CDC-H8	HbA1c Control (<8.0%)	58.21	41.94	59.12	51.09	16.27	-0.91	7.12
CDC-N	Medical Attn. for Nephropathy	92.88	88.56	93.27	88.87	4.32	-0.39	4.01
CDC-BP	Blood Pressure Control <140/90	69.89	52.70	75.91	63.87	17.19	-6.02	6.02
CBP	Controlling High Blood Pressure	58.39	47.69	71.69	57.91	10.70	-13.30	0.48
IMA-2	Immunizations for Adolescents (Combo 2)	36.74	15.87	30.39	21.65	20.87	6.35	15.09
PPC-Pre	Timeliness of Prenatal Care	82.48	77.66	91.67	75.43	4.82	-9.19	7.05
PPC-Pst	Postpartum Care	66.67	59.59	73.67	63.50	7.08	-7.00	3.17
WCC-N	Counseling for Nutrition	63.02	58.56	82.53	67.40	4.46	-19.51	-4.38
WCC-PA	Counseling for Phys Activity	57.91	49.06	75.40	61.56	8.85	-17.49	-3.65
W-34	Well-Child Visits	66.67	66.18	82.77	69.83	0.49	-16.10	-3.16

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

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Measure		Current 2018 Rate	2018 MPL	2018 HPL	2017 KHS Rate	Current Vs. 2018 MPL	Current Vs. 2017 HPL	Current Vs. 2017 KHS
AAB**	Avoidance of Antibiotic Treatment	27.63	24.91	39.53	29.47	2.72	-11.90	-1.84
AMR	Asthma Medication Ratio	49.80	55.33	72.38	48.38	-5.53	-22.58	N/A
BCS	Breast Cancer Screening	55.98	52.70	70.29	50.48	3.28	-14.31	N/A
CAP-1224	12-24 Months	89.69	93.27	97.89	89.65	-3.58	-8.20	0.04
CAP-256	25 Months – 6 Years	81.42	84.94	93.16	80.61	-3.52	-11.74	0.81
CAP-711	7-11 Years	80.88	87.58	96.09	81.49	-6.70	-15.21	-0.61
CAP-1219	12-19 Years	78.84	85.65	94.72	80.21	-6.81	-15.88	-1.37
DSF	Depression Screening and Follow-Up for Adolescents and Adults	0.00	N/A	N/A	N/A	N/A	N/A	N/A
LBP**	Use of Imaging for Low Back Pain	71.59	66.23	78.29	66.25	5.36	-6.70	5.34
MPM-ACE	ACE inhibitors or ARBs	90.19	85.93	92.79	88.40	4.26	-2.60	1.79
MPM-Diu	Diuretics	89.79	85.52	92.47	87.61	4.27	-2.68	2.18

** Rate for these measures derived by an inverse calculation. The number of required numerators must decrease by the number shown.

Note: For measures shaded in gray, DHCS is not holding MCPs accountable to meet the MPLs for HEDIS 2019 (measurement year 2018).

KERN HEALTH SYSTEMS
2019 QUALITY IMPROVEMENT WORK PLAN

Attachment C

Kern Health Systems
2019 Quality Improvement Work plan

ACTIVITY	DETAIL/TASK	TARGET DATE	ACCOUNTABILITY	Risk	STATUS
I. QUALITY MANAGEMENT AND IMPROVEMENTS					
A. Annual Review/Approval of QI Program (QIP) Documents					
1. Approval QI Evaluation	Approval of 2019 QI Program Evaluation	8/31/2019	Chief Medical Officer (CMO) / QI Director		QI/UMC Agenda Aug 2019
2. Review/Update and Approval of QI Program Description	Approval of 2019 QI Program Description	8/31/2019	Chief Medical Officer (CMO) / QI Director		QI/UMC Agenda Aug 2019
3. Review/Update and Approval of QI Work Plan	Approval of 2019 QI Work Plan	8/31/2019	Chief Medical Officer (CMO) / QI Director		QI/UMC Agenda Aug 2019
B. Clinical - Focused Studies					
1. State Required					
a. IP - AMR	Regulatory requirement due to HEDIS scores below MPL	6/30/2019	Chief Medical Officer (CMO) / QI Director		Ongoing through June 2019
b. Disparities CIS PIP - Improving Immunization Compliance Among African American Children	18 month quality improvement project led by HSAG	9/30/2019	Chief Medical Officer (CMO) / QI Director		Ongoing through July 2021
c. LBP PIP - Increasing Appropriate Use of Imaging Studies for Uncomplicated Low Back Pain	18 month quality improvement project led by HSAG	7/31/2021	Chief Medical Officer (CMO) / QI Director		Ongoing through July 2021
d. Submit Topics to DHCS for 2019 - 2021 PIPs					
- Health Disparity topic	18 month quality improvement project led by HSAG	9/30/2021	Chief Medical Officer (CMO) / QI Director		Ongoing through September 2021
- Child and Adolescent Health Disparity	18 month quality improvement project led by HSAG	9/30/2021	Chief Medical Officer (CMO) / QI Director		Ongoing through September 2021
C. 2019 HEDIS Monitoring (Medi-cal) / Quality Measurements					
1. The Roadmap	Report to State EQRO Auditor - HSAG	1/31/2019	QI/Claims/PR/IT		Submitted
2. Childhood Immunization Status	Report annually to QI/UM Committee/Board of Directors (BOD)/DHCS	9/30/2019	Chief Medical Officer (CMO) / QI Director		In Progress
3. Well Child Visits 3rd, 4th, 5th, and 6th years of life	Report annually to QI/UM Committee/BOD/DHCS	9/30/2019	Chief Medical Officer (CMO) / QI Director		In Progress
4. Prenatal and Postpartum Care	Report annually to QI/UM Committee/BOD/DHCS	9/30/2019	Chief Medical Officer (CMO) / QI Director		In Progress
5. Comprehensive Diabetes Care	Report annually to QI/UM Committee/BOD/DHCS	9/30/2019	Chief Medical Officer (CMO) / QI Director		In Progress
6. Avoidance of Antibiotic Treatment in Adults with Acute Bronchitis	Report annually to QI/UM Committee/BOD/DHCS	9/30/2019	Chief Medical Officer (CMO) / QI Director		In Progress
7. Annual Monitoring for Patients on Persistent Medications	Report annually to QI/UM Committee/BOD/DHCS	9/30/2019	Chief Medical Officer (CMO) / QI Director		In Progress
8. Cervical Cancer Screening	Report annually to QI/UM Committee/BOD/DHCS	9/30/2019	Chief Medical Officer (CMO) / QI Director		In Progress
9. Children's and Adolescent's Access to PCPs	Report annually to QI/UM Committee/BOD/DHCS	9/30/2019	Chief Medical Officer (CMO) / QI Director		In Progress
10. Ambulatory Care	Report annually to QI/UM Committee/BOD/DHCS	9/30/2019	Chief Medical Officer (CMO) / QI Director		In Progress
11. Immunizations in Adolescents	Report annually to QI/UM Committee/BOD/DHCS	9/30/2019	Chief Medical Officer (CMO) / QI Director		In Progress
12. Use of Imaging Studies for Low Back Pain	Report annually to QI/UM Committee/BOD/DHCS	9/30/2019	Chief Medical Officer (CMO) / QI Director		In Progress
13. Controlling High Blood Pressure	Report annually to QI/UM Committee/BOD/DHCS	9/30/2019	Chief Medical Officer (CMO) / QI Director		In Progress
14. Asthma Medication Ratio	Report annually to QI/UM Committee/BOD/DHCS	9/30/2019	Chief Medical Officer (CMO) / QI Director		In Progress
15. Weight Assessment & Counseling for Nutrition & Physical Activity for Children and Adolescents	Report annually to QI/UM Committee/BOD/DHCS	9/30/2019	Chief Medical Officer (CMO) / QI Director		In Progress
16. All Cause Readmissions	Report annually to QI/UM Committee/BOD/DHCS	9/30/2019	Chief Medical Officer (CMO) / QI Director		In Progress
17. Breast Cancer Screening	Report annually to QI/UM Committee/BOD/DHCS	9/30/2019	Chief Medical Officer (CMO) / QI Director		In Progress
18. Implement New Managed Care Accountability Set (MCAS) measures and minimum performance level for measurement year 2019	New requirements received from DHCS for new measurements that will replace existing EAS measures and a new minimum performance level	11/1/2019	QI Director/ IT Director		In Progress
- Configure HEDIS software for new measures (Cotiviti)	Vendor, Cotiviti, to have all new measure configured, tested and changes approved by NCQA	11/1/2019	QI Director/ IT Director		In Progress
- Configure KHS data and reports for new measures	KHS to modify data receipt, storage and reports to meet new DHCS MCAS specifications	11/1/2019	QI Director/ IT Director		In Progress
- Educate providers on new measures	KHS to educate providers on new requirements for MCAS	11/1/2019	Chief Medical Officer (CMO)/ QI Director/ PR Director		In Progress
- Educate KHS Staff on new measures	KHS to educate internal staff on new requirements for MCAS	11/1/2019	Chief Medical Officer (CMO)/ QI Director		In Progress
D. Other On-going Monitoring					
1. 30 day re-admissions	In annual 2019 QI Plan Evaluation to QI/UMC & BOD	Annually	Chief Medical Officer (CMO) / QI Director		Ongoing 2019
2. Unanticipated Deaths	In annual 2019 QI Plan Evaluation to QI/UMC & BOD	Annually	Chief Medical Officer (CMO) / QI Director		Ongoing 2019
3. Untoward Events/PPC	In annual 2019 QI Plan Evaluation to QI/UMC & BOD	Annually	Chief Medical Officer (CMO) / QI Director		Ongoing 2019
4. Facility Site Reviews (FSR)					
a. Referral Process	Physician Site Monitoring / Quarterly reporting	Quarterly	Chief Medical Officer (CMO) / Senior Director Health Services/ Director QI		Ongoing 2019
b. IHEBA - Staying Healthy Assessment	Physician Site Monitoring / Quarterly reporting	Quarterly	Chief Medical Officer (CMO) / Senior Director Health Services/ Director QI		Ongoing 2019
c. Initial Health Assessment (IHA)	Physician Site Monitoring / Quarterly reporting	Quarterly	Chief Medical Officer (CMO) / Senior Director Health Services/ Director QI		Ongoing 2019
d. Critical elements	Physician Site Monitoring / Quarterly reporting	Quarterly	Chief Medical Officer (CMO) / Senior Director Health Services/ Director QI		Ongoing 2019

KERN HEALTH SYSTEMS
2019 QUALITY IMPROVEMENT WORK PLAN

ACTIVITY	DETAIL/TASK	TARGET DATE	ACCOUNTABILITY	Risk	STATUS
e. Diabetes Care Monitoring	Physician Site Monitoring / Quarterly reporting	Quarterly	Chief Medical Officer (CMO) / Senior Director Health Services/ Director QI		Ongoing 2019
f. Asthma Care Monitoring	Physician Site Monitoring / Quarterly reporting	Quarterly	Chief Medical Officer (CMO) / Senior Director Health Services/ Director QI		Ongoing 2019
g. Maternity Care Monitoring	Physician Site Monitoring / Quarterly reporting	Quarterly	Chief Medical Officer (CMO) / Senior Director Health Services/ Director QI		Ongoing 2019
5. 2020 Facility Site Review - DHCS Form & Process Changes					
a. Implement Form Changes	Identify and implement process for documenting each type of FSR using the new forms finalized by DHCS	Dependent on final delivery of forms and guidelines from DHCS	QI Director / PR Director		Ongoing 2019
b. Implement Reporting Changes	Identify changes to existing FSR reports and new reports needed based on the new, finalized FSR guidelines from DHCS	Dependent on final delivery of forms and guidelines from DHCS	QI Director / PR Director		Ongoing 2019
c. Educate Staff on New Forms & Requirements	Develop and deliver educational information for KHS staff on the changes to the forms and FSR requirements	Dependent on final delivery of forms and guidelines from DHCS	QI Director / PR Director		Ongoing 2019
d. Educate Providers on New Requirements	Develop and deliver educational information for network providers on the new FSR requirements by DHCS	Dependent on final delivery of forms and guidelines from DHCS	QI Director / PR Director		Ongoing 2019
E. Safety of Clinical Care					
1. Autoclave	Credentialing/Recredentialing/As necessary	Facility Site Rev/Focus Review	Chief Medical Officer (CMO) / QI Director		Ongoing 2019
2. Bio-hazardous waste	Credentialing/Recredentialing/As necessary	Facility Site Rev/Focus Review	Chief Medical Officer (CMO) / QI Director		Ongoing 2019
3. Infection Control	Credentialing/Recredentialing/As necessary	Facility Site Rev/Focus Review	Chief Medical Officer (CMO) / QI Director		Ongoing 2019
4. Facility Site Review (FSR) DHS Database	FSR database of completed site reviews	12/1/2019	Chief Medical Officer (CMO) / QI Director		Ongoing 2019
5. Focused Reviews - Critical Elements	Physician Site Monitoring / Quarterly Reporting	Quarterly	Chief Medical Officer (CMO) / QI Director		Ongoing 2019
F. Availability					
1. Primary Care Practitioners					
a. Numeric Standard - *Network Capacity Report*	Measure and Report to DHS	Annually	Director of Provider Relations, Director Compliance		Ongoing 2019
2. Specialty Practitioners					
a. Numeric Standard - *Network Capacity Report*	Measure and Report to DHS	Annually	Director of Provider Relations, Director Compliance		Ongoing 2019
b. Geographic Standard	Measure and Report	Annually	Director of Provider Relations, Director Compliance		Ongoing 2019
G. Access					
1. Primary Care Appointments					
a. Preventive Care Appointments Standard	Measure/Report to QI/UM Committee Quarterly	Annually	Director of Provider Relations, Director Compliance		Ongoing 2019
b. Routine Primary Care Appointments Standard	Measure/Report to QI/UM Committee Quarterly	Annually	Director of Provider Relations, Director Compliance		Ongoing 2019
c. Urgent Care Appointments Standard	Measure/Report to QI/UM Committee Quarterly	Annually	Director of Provider Relations, Director Compliance		Ongoing 2019
e. After-hours Care Standard	Measure/Report to QI/UM Committee Quarterly	Annually	Director of Provider Relations, Director Compliance		Ongoing 2019
2. Telephone access to Member Services					
a. Abandonment rate	Measure/Report to QI/UM Committee Quarterly	Quarterly	Director of Provider Relations, Director Compliance		Ongoing 2019
b. Speed of answer	Measure/Report to QI/UM Committee Quarterly	Quarterly	Director of Provider Relations, Director Compliance		Ongoing 2019
3. Mental Health Appointment	Quarterly MOU Meetings/Grievances	As necessary	Director of UM; Director of CM		Ongoing 2019
a. Life-threatening Emergency Standard (immediate care)	Report as necessary to QI/UM Committee	As necessary	Director of Provider Relations, Director Compliance		Ongoing 2019
b. Non-life-threatening Emergency Standard	Report as necessary to QI/UM Committee	As necessary	Director of Provider Relations, Director Compliance		Ongoing 2019
c. Urgent needs Standard	Report as necessary to QI/UM Committee	As necessary	Director of Provider Relations, Director Compliance		Ongoing 2019
d. Routine office visit Standard (visit within 10 working days)	Report as necessary to QI/UM Committee	As necessary	Director of Provider Relations, Director Compliance		Ongoing 2019
e. Telephone access to screening and triage Standard	Report as necessary to QI/UM Committee	As necessary	Director of Provider Relations, Director Compliance		Ongoing 2019
- Caller reaches non-recorded voice			Director of Provider Relations, Director Compliance		Ongoing 2019
- Abandonment rate			Director of Provider Relations, Director Compliance		Ongoing 2019
H. Encounters, Complaints, Grievances and Appeals Data Analysis	Report aggregate data quarterly to QI/UM Committee	Quarterly	Director of Member Services		Ongoing 2019
I. CAHPS Survey	State administered survey every 5 years - DHCS reduce the frequency but has not done so yet	2021	State Administered/CIO/Chief Medical Officer (CMO) / QI Director		To be done in 2021
1. Results reported to QI/UMC	Report to QI/UMC (date depends on when results received from the State)	2021	State Administered/CIO/Chief Medical Officer (CMO) / QI Director		To be done in 2021
2. Results reported to practitioners and providers	Report to QI/UMC (date depends on when results received from the State)	2021	State Administered/CIO/Chief Medical Officer (CMO) / QI Director		To be done in 2021
J. Continuity of Care Monitoring	Monitored through Grievances, FSR/Peer Review, HEDIS	Ongoing	Chief Medical Officer (CMO) / QI Director		Ongoing
1. Primary Care Practitioner (PCP)	Monitored through Grievances, FSR/Peer Review, HEDIS	Ongoing	Chief Medical Officer (CMO) / QI Director		Ongoing
2. PCP & Mental Health	Monitored through Grievances, Peer Review, HEDIS	Ongoing	Chief Medical Officer (CMO) / QI Director		Ongoing
3. Specialist	Monitored through Grievances, Peer Review, HEDIS	Ongoing	Chief Medical Officer (CMO) / QI Director		Ongoing
K. Delegation of QI Activities	QI/UM delegation to Kaiser and VSP includes ongoing reporting of Grievances, QI Program, Evaluation and Work plan	2Q 2019	QI Director		2Q 2019
L. Annual Review of QI Policies and Procedures	Submit to QI/UMC and DHCS	Annually and as necessary	Chief Medical Officer (CMO) / QI Director/Director Compliance		Ongoing
M. QI/UM Committee					

KERN HEALTH SYSTEMS
2019 QUALITY IMPROVEMENT WORK PLAN

ACTIVITY	DETAIL/TASK	TARGET DATE	ACCOUNTABILITY	Risk	STATUS	
1. Reports and agenda items	Gathered from pertinent departments	Quarterly	Chief Medical Officer (CMO) / Senior Director Health Services/ QI Director		Ongoing	
2. Minutes	Attached to next meetings agenda and sent to BoD	Quarterly	Chief Medical Officer (CMO) / Senior Director Health Services		Ongoing	
3. Form 700 (Statement of Economic Interests)	Send to all committee members yearly	Initial / Yearly December	Chief Medical Officer (CMO) / Senior Director Health Services		Ongoing	
4. PO's and Check Requests	Fill out for each member attending meeting	Quarterly	Chief Medical Officer (CMO) / Senior Director Health Services		Ongoing	
II. UTILIZATION MANAGEMENT - See UM Work Plan						
A. Annual Review/Approval of UM Program Documents	Program Description 2019	8/31/2019	Chief Medical Officer (CMO) / Senior Director Health Services/ QI Director		QI/UMC August 2019 Agenda	
	Evaluation 2018	8/15/2019			QI/UMC August 2019 Agenda	
III. CREDENTIALING AND RECREDENTIALING						
A. Initial Credentialing Site Visit & Medical Record	Upon Credentialing/Quarterly FSR Summary	Ongoing	Chief Medical Officer (CMO) / Senior Director Health Services/ Director QI		Ongoing	
B. Organization Providers Quality Assessment	Data Reviews are received from QI/UM/Compliance/MS for any opportunities form improvement identified. QI Department quality reviews of readmissions withing30 days, member deaths and notifications. See 1F	At least quarterly	Chief Medical Officer (CMO) / Senior Director Health Services/ Director QI		Ongoing	
1. Hospitals	Tracking grievances, Notifications, Deaths and QI issues	Ongoing	Director of Provider Relations		Ongoing	
2. SNF's	Tracking grievances, Notifications, Deaths and QI issues	Ongoing	Director of Provider Relations		Ongoing	
3. Home Health Agencies	Tracking grievances, Notifications, Deaths and QI issues	Ongoing	Director of Provider Relations		Ongoing	
4. Free-Standing Surgery Centers	Tracking grievances, Notifications, Deaths and QI issues	Ongoing	Director of Provider Relations		Ongoing	
5. Impatient MH/SA Facilities	Tracking grievances, Notifications, Deaths and QI issues	Ongoing	Director of Provider Relations		Ongoing	
6. Residential MH/SA Facilities	Tracking grievances, Notifications, Deaths and QI issues	Ongoing	Director of Provider Relations		Ongoing	
7. Ambulatory MH/SA Facilities	Tracking grievances, Notifications, Deaths and QI issues	Ongoing	Director of Provider Relations		Ongoing	
C. Ongoing Monitoring of Sanctions and Complaints	Ongoing; time sensitive; sanctions; grievance process	Ongoing	Director of Provider Relations/Compliance		Ongoing	Why are these greyed out?
D. Credentialing / Recredentialing File Audit	Ongoing KHS/Compliance random audits	Ongoing	Director of Provider Relations		Ongoing	
E. Delegated Credentialing	Delegation will be for hospital based practitioners if hospital is JCI accredited	Annually / as necessary	Director of Provider Relations		Ongoing	
F. Annual Review of Credentialing/Recredentialing Policies and Proc	Ongoing	Annually / as necessary	Director of Provider Relations		Ongoing	
IV. MEMBER RIGHTS AND RESPONSIBILITIES						
A. Statement of Members' Rights and Responsibilities	Review, annually / revise as necessary	Annually / as necessary	Director of Member Services		Ongoing	
B. Distribution of Rights Statement to Members & Practitioners	As necessary	Annually / as necessary	Director of Member Services		2019	
C. Complaints and Appeals	Aggregate/analyze/report to QI/UM Committee Quarterly	Quarterly	Director of Member Services		In progress	
D. Grievance Report (HFP)	Report number and types of benefit grievances for previous calendar year - geographic region, ethnicity, gender and primary language	Quarterly	Director of Member Services		Ongoing	
E. Annual Analysis of Privacy and Confidentiality Policies	Review annually / Revise as needed	Ongoing	Director Compliance		Ongoing	
F. Marketing Information	Focus Groups, Public Policy/Community Advisory Committee	Ongoing	Director of Marketing		Focus groups will be continued in 2019	
G. Delegation of Members' Rights and Responsibilities Activities	Non-delegated. Grievance committee	N/A	Grievance Committee		Ongoing	
H. Annual Review of Member Rights Policies and Procedures	Non-delegated	N/A	Grievance Committee		Ongoing	
VI. MEDICAL RECORDS						
A. Review of Medical Record Documentation Standards	Annually / revise as necessary	2019	Chief Medical Officer (CMO) / Senior Director Health Services/ Director QI		Ongoing	
B. Distribution of Standards to New Providers	Ongoing / as necessary	Ongoing	Director of Provider Relations		Ongoing	
C. Audit of Medical Records Documentation	Refer to Credentialing/Recredentialing	Ongoing	Chief Medical Officer (CMO) / Senior Director Health Services/ Director QI / Director of Provider Relations		Ongoing	
D. Annual Review of Policies and Procedures	Annually and as necessary	Ongoing	Chief Medical Officer (CMO) / QI Director		Ongoing	

To: KHS Board of Directors

From: Douglas Hayward, CEO

Date: October 10, 2019

Re: 2019 Legislative Summary

Background

The 2019 State Legislative session ends on October 13th as this is the deadline for the Governor to sign or veto bills. Throughout the legislative cycle staff has worked with our trade associations providing feedback and monitoring pending bills. Staff tracked 47 bills with potential impact to the plan, and 19 of those have passed the legislature and are awaiting a decision by the Governor.

With the 2019 State Legislative session coming to a close Jeremy McGuire, Director of Government Affairs and Business Development, will provide an overview of the bills and their impact to KHS.

Requested Action

Receive and File.

2019 Legislative Summary

October 10, 2019

Background

- Worked internally and with Trade Associations to monitor, analyze, and advocate on a variety of bills.

- The 2019 State Legislative session ends on 10/13 as this is the deadline for the Governor to sign or veto bills.

- 47 Bills were being monitored. Of those, 19 passed the legislature and are pending a decision by the Governor.

State Budget

- Expands Medi-Cal coverage to undocumented immigrants up to age 26.
- Restores Optional Benefits - Audiology, Incontinence Supplies, Optical, Podiatry, and Speech Therapy
- Extended and expanded the Prop 56 provider supplemental payment program

State Legislation

- Notable Passed Bills –
  - AB 115 – Extends the Manage Care Organization (MCO) tax through 2022.
  - AB 318 – Beginning 1/1/20 certain translated beneficiary materials would be subject to field testing by native speakers.
  - AB 848 – Would add Continuous Glucose Monitors as a covered benefit under Medi-Cal.

KERN HEALTH SYSTEMS

State Legislation

- Notable Passed Bills –
    - AB 1175 – Requires County Mental Health and Medi-Cal Managed Care Plans to share information on members receiving services.
    - AB 1642 – When requesting alternate access standards a plan must include how a beneficiary will access services. Requires the plan to assist an enrollee in accessing out-of-network providers or provide transportation to an enrollee to obtain services. Also includes revised DHCS sanction language.

State Legislation

- Notable Passed Bills –
  - SB 163 – Opens up BHT beyond ABA therapy, lowers existing provider requirements and restricts health plan utilization review tools.
  - SB 503 - Beginning 1/1/22 Plans are to conduct annual medical audits to delegated subcontractors. Beginning 1/1/23 at least 10% of those audits must be unannounced.

KERN HEALTH SYSTEMS

Next Steps

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

To: KHS Board of Directors

From: Douglas A Hayward, CEO

Date: October 10, 2019

Re: 2019 Network Certification Requirements

Background

Med-Cal Managed Care Health Plans must comply with all network adequacy requirements as set forth in 42 Code of Federal Regulations section 438.207, Welfare & Institutions (W&I) code section 14197, the contract with the Department of Health Care Services (DHCS), All Plan Letter (APL) 19-002 and the Centers for Medicare and Medicaid Services State Health Official letter (SHO) #16-006. To show compliance with network adequacy standards, the Plan must meet the Annual Network Certification (ANC) components set forth in APL 19-002: Provider to Member Ratios; Mandatory Provider Types; and Time and Distance Standards.

Discussion

On July 9, 2019 KHS received notification to provide a corrective action plan in response to KHS's 2019 network adequacy evaluation submission to DHCS. DHCS found the Plan to be out of compliance with specialty/geographic area specific time and distance standards.

In response to the received request for a corrective action plan, on August 7th 2019 the Plan provided additional justification for previously submitted alternative access standards and requested the DHCS re-evaluate their original determination. Alternate access standards are granted to health plans that serve areas that include classifications such as Medically Underserved Areas (MUAs), Health Professional Shortage Areas (HPSAs), and rural and sparsely populated geographic areas. (These were the areas DHCS deemed access deficient).

On October 1, 2019, the KHS received notification from DHCS (see enclosed) of their acceptance of our explanation of why the alternative access standard should apply and determined the matter closed.

Requested Action

Receive and File.

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

JENNIFER KENT
DIRECTOR

GAVIN NEWSOM
GOVERNOR

OCT 0 1 2019

Douglas Hayward, CEO
Kern Health Systems
9700 Stockdale Highway
Bakersfield, CA 93311

RE: 2019 ANNUAL NETWORK CERTIFICATION – CORRECTIVE ACTION PLAN CLOSEOUT

Dear Douglas Hayward:

Kern Health Systems had a corrective action plan (CAP) imposed for failure to meet requirements of the 2019 Annual Network Certification (ANC). As required by the mandates of the CAP, the MCP was required to report to DHCS by providing CAP responses.

This letter signifies that the Department of Health Care Services (DHCS) completed an assessment of Kern Health Systems CAP response and determined that all ANC deficiencies have been resolved. The CAP is hereby closed. Refer to Exhibit A for results.

If you have any questions, please contact Bambi Cisneros, Branch Chief at (916) 345-7941 or bambi.cisneros@dhcs.ca.gov.

Sincerely,

Nathan Nau, Chief
Managed Care Quality and Monitoring Division
Department of Health Care Services

Exhibit A: Network Certification CAP Assessment

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

Exhibit A: Network Certification CAP Assessment

Kern Health Systems
Kern County

Overall MCP Results			Pass	
Provider to Member Ratios			**Status**	**Description of Findings**
PCP Ratio (1: 2,000)			Pass	
Total Physician Ratio (1: 1,200)			Pass	
Time and Distance			**Status**	**Description of Findings**
PCP	Adult		Pass	
	Pediatric		Pass	
OB/GYN	Primary Care		AAS Pass	Closed
	Specialty Care		Pass	
Core Specialists	Adult	Cardiology/ Interventional Cardiology	Pass	
		Dermatology	Pass	
		Endocrinology	Pass	
		ENT/ Otolaryngology	AAS Pass	Closed
		Gastroenterology	Pass	
		General Surgery	Pass	
		Hematology	AAS Pass	Closed
		HIV/AIDS Specialists/ Infectious Diseases	AAS Pass	
		Nephrology	Pass	
		Neurology	AAS Pass	Closed
		Oncology	Pass	
		Ophthalmology	AAS Pass	Closed
		Orthopedic Surgery	Pass	
		Physical Medicine and Rehabilitation	AAS Pass	Closed
		Psychiatry	Pass	
		Pulmonology	AAS Pass	Closed
	Pediatric	Cardiology/ Interventional Cardiology	Pass	
		Dermatology	Pass	
		Endocrinology	Pass	
		ENT/ Otolaryngology	AAS Pass	Closed
		Gastroenterology	Pass	
		General Surgery	Pass	
		Hematology	AAS Pass	Closed
		HIV/AIDS Specialists/ Infectious Diseases	AAS Pass	Closed
		Nephrology	AAS Pass	
		Neurology	AAS Pass	Closed
		Oncology	Pass	
		Ophthalmology	AAS Pass	Closed
		Orthopedic Surgery	Pass	
		Physical Medicine and Rehabilitation	AAS Pass	Closed
		Psychiatry	Pass	
		Pulmonology	AAS Pass	Closed
Mental Health Outpatient Services	Adult		Pass	
	Pediatric		Pass	
Facilities	Hospitals		Pass	
	Pharmacies		Pass	
Mandatory Provider Types			**Status**	**Description of Findings**
FQHC	Includes at least one within the contracted service area		Pass	
RHC	Includes at least one within the contracted service area		Pass	
FBC	Includes at least one within the contracted service area		Pass	
IHF	Contract offered to each IHF within the service area		Pass	
Licensed Midwife	Includes at least one within the contracted service area		Pass	
Certified Nurse Midwife	Includes at least one within the contracted service area		Pass	
Alternative Access Standards			**Status**	**Description of Findings**
Alternative Access Standards Requests			AAS Pass	Closed

To: KHS Board of Directors

From: Robert Landis, Chief Financial Officer

Date: October 10, 2019

Re: July 2019 Financial Results

The July results reflect a $637,652 Net Increase in Net Position which is a $40,331 unfavorable variance to the budget. Listed below are the major variances for the month:

1) Total Revenues reflect a $3.5 million favorable variance primarily due to:

   A) $1.1 million favorable variance in Family and Other primarily due to a higher than expected budgeted rate increase from the State.

   B) $.5 million unfavorable variance in Expansion primarily due to a higher than expected budgeted rate decrease from the State ($.8 million) offset by higher than expected enrollment ($.3 million).

   C) $1.7 million favorable variance in SPD primarily due to a higher than expected budgeted rate increase from the State ($.8 million) and higher than expected enrollment ($.9 million).

   D) $1.7 million favorable variance in Proposition 56 Supplemental Revenue due to an unbudgeted increase in tobacco tax revenue funds being allocated for fiscal years 18/19 and 19/20 to additional CPT procedure codes along with an increase in supplemental allowable payable amounts offset against expenses included in 2B below.

   E) $.4 million favorable variance relating to unbudgeted new supplemental revenue relating to Ground Emergency Medical Transportation (GEMT) for fiscal years 18/19 and 19/20 offset against expenses included in 2B below.

   F) $.9 million unfavorable variance in HEP-C Revenue primarily due to lower than expected monthly utilization and the reduction of a prior period accrual.

2) Total Medical Costs reflect a $3.8 million unfavorable variance primarily due to:

   A) $.9 million unfavorable variance in Outpatient Hospital primarily due to higher than expected utilization by Expansion and SPD members.

   B) $2.6 million unfavorable variance in Other Medical primarily due to accruing for estimated Proposition 56 expenses relating to unbudgeted additional CPT procedure codes along with increases in supplemental allowable payable amounts ($2.2 million) offset against revenue included in 1D above. There was also an unfavorable variance in Ambulance and NEMT primarily due to accruing for estimated expenses for supplemental GEMT services ($.7 million) offset against revenue included in 1E above.

The July Medical Loss Ratio is 92.9% which is unfavorable to the 92.3% budgeted amount. The July Administrative Expense Ratio is 5.7% which is favorable to the 6.1% budgeted amount.

The results for the 7 months ended July 31, 2019 reflect a Net Increase in Net Position of $4,455,363. This is a $10,192,468 favorable variance to budget and includes approximately $12.9 million of favorable adjustments from the prior year and a $2.2 million gain from the sale of the Stockdale Building. The year-to-date Medical Loss Ratio is 93.5% which is favorable to the 94.7% budgeted amount. The year-to-date Administrative Expense Ratio is 5.5% which is favorable to the 6.2% budgeted amount.

Kern Health Systems
Financial Packet
July 2019

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KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF JULY 31, 2019			
ASSETS	JULY 2019	JUNE 2019	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	$ 89,221,149	$ 87,420,157	$ 1,800,992
Short-Term Investments	117,087,860	141,187,654	(24,099,794)
Premiums Receivable - Net	81,320,907	78,480,529	2,840,378
Interest Receivable	271,605	413,290	(141,685)
Other Receivables	1,540,418	1,360,226	180,192
Prepaid Expenses & Other Current Assets	2,543,674	1,982,886	560,788
Total Current Assets	$ 291,985,613	$ 310,844,742	$ (18,859,129)
RESTRICTED ASSETS	$ 300,000	$ 300,000	$ -
CAPITAL ASSETS - NET OF ACCUM DEPRE:			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	10,642,463	10,681,457	(38,994)
Automobiles - Net	30,063	30,825	(762)
Building and Building Improvements - Net	-	-	-
Building Project in Progress	32,483,646	30,451,660	2,031,986
Capital Projects in Progress	15,597,897	15,146,985	450,912
Total Capital Assets	$ 62,844,775	$ 60,401,633	$ 2,443,142
LONG TERM ASSETS:			
Officer Life Insurance Receivables	703,894	703,894	-
Total Long Term Assets	$ 703,894	$ 703,894	$ -
DEFERRED OUTFLOWS OF RESOURCES	$ 2,657,573	$ 2,657,573	$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 358,491,855	$ 374,907,842	$ (16,415,987)
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	$ 43,523	$ 69,463	(25,940)
Accrued Salaries and Employee Benefits	2,563,005	3,035,824	(472,819)
Accrued Other Operating Expenses	3,226,189	2,982,880	243,309
Accrued Taxes and Licenses	7,999,403	24,211,945	(16,212,542)
Claims Payable (Reported)	14,437,670	17,946,299	(3,508,629)
IBNR - Inpatient Claims	24,172,097	25,575,556	(1,403,459)
IBNR - Physician Claims	14,559,960	13,968,762	591,198
IBNR - Accrued Other Medical	20,800,904	21,748,840	(947,936)
Risk Pool and Withholds Payable	3,476,496	2,977,736	498,760
Statutory Allowance for Claims Processing Expense	2,326,151	2,326,151	-
Other Liabilities	52,945,656	48,385,937	4,559,719
Total Current Liabilities	$ 146,551,054	$ 163,229,393	$ (16,678,339)
NONCURRENT LIABILITIES:			
Net Pension Liability	5,490,163	5,865,463	(375,300)
TOTAL NONCURRENT LIABILITIES	$ 5,490,163	$ 5,865,463	$ (375,300)
DEFERRED INFLOWS OF RESOURCES	$ 364,304	$ 364,304	$ -
NET POSITION:			
Net Position - Beg. of Year	201,630,971	201,630,971	-
Increase (Decrease) in Net Position - Current Year	4,455,363	3,817,711	637,652
Total Net Position	$ 206,086,334	$ 205,448,682	$ 637,652
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 358,491,855	$ 374,907,842	$ (16,415,987)

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED JULY 31, 2019	YEAR-TO-DATE MEMBER MONTHS		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			ENROLLMENT			
167,389	169,400	(2,011)	Family Members	1,168,871	1,177,400	(8,529)
60,528	59,675	853	Expansion Members	419,991	417,725	2,266
15,264	14,200	1,064	SPD Members	104,100	99,400	4,700
6,199	5,600	599	Other Members	44,684	39,200	5,484
8,668	8,400	268	Kaiser Members	59,353	58,800	553
258,048	257,275	773	Total Members - MCAL	1,796,999	1,792,525	4,474
			REVENUES			
26,916,818	24,402,042	2,514,776	Title XIX - Medicaid - Family and Other	172,916,152	164,200,123	8,716,028
21,829,172	22,329,139	(499,967)	Title XIX - Medicaid - Expansion Members	159,631,926	153,914,994	5,716,932
14,355,421	12,671,587	1,683,834	Title XIX - Medicaid - SPD Members	89,501,253	84,235,875	5,265,378
8,128,512	8,311,263	(182,751)	Premium - MCO Tax	56,606,005	57,898,324	(1,292,319)
334,330	394,329	(59,999)	Investment Earnings	4,156,306	2,746,995	1,409,311
-	126,926	(126,926)	Reinsurance Recoveries	-	884,200	(884,200)
132,080	-	132,080	Rate/Income Adjustments	7,243,997	-	7,243,997
20,019	-	20,019	Other Income (Expense)	142,689	-	142,689
71,716,351	68,235,287	3,481,065	TOTAL REVENUES	490,198,327	463,880,511	26,317,816
			EXPENSES			
			Medical Costs:			
13,912,712	13,518,113	(394,599)	Physician Services	99,694,057	94,288,778	(5,405,279)
3,849,695	3,500,437	(349,258)	Other Professional Services	26,431,874	24,259,629	(2,172,245)
5,181,359	4,590,142	(591,217)	Emergency Room	34,516,890	31,994,713	(2,522,177)
13,332,634	13,563,010	230,376	Inpatient	92,168,148	94,697,735	2,529,587
126,658	126,926	268	Reinsurance Expense	882,505	884,200	1,695
6,609,411	5,703,193	(906,218)	Outpatient Hospital	43,640,910	39,816,136	(3,824,774)
6,715,805	4,123,709	(2,592,096)	Other Medical	45,266,464	27,514,113	(17,752,351)
9,183,446	9,676,756	493,310	Pharmacy	64,962,520	67,590,694	2,628,174
498,760	497,750	(1,010)	Pay for Performance Quality Incentive	3,475,292	3,467,450	(7,842)
-	-	-	Expansion Risk Corridor	-	-	-
19,252	-	(19,252)	Non-Claims Expense Adjustment	968,544	-	(968,544)
(350,851)	-	350,851	IBNR, Incentive, Paid Claims Adjustment	(6,657,313)	-	6,657,313
59,078,881	55,300,036	(3,778,845)	Total Medical Costs	405,349,891	384,513,449	(20,836,442)
12,637,470	12,935,250	(297,780)	GROSS MARGIN	84,848,436	79,367,062	5,481,374
			Administrative:			
2,297,855	2,196,299	(101,556)	Compensation	15,178,404	15,116,874	(61,530)
805,910	785,648	(20,262)	Purchased Services	4,896,457	5,496,092	599,635
47,853	112,376	64,523	Supplies	504,914	784,534	279,620
151,640	254,963	103,323	Depreciation	1,260,421	1,610,741	350,320
338,545	316,718	(21,827)	Other Administrative Expenses	2,054,637	2,237,602	182,965
	-	-	Administrative Expense Adjustment	-	-	-
3,641,803	3,666,004	24,201	Total Administrative Expenses	23,894,833	25,245,843	1,351,010
62,720,684	58,966,040	(3,754,644)	TOTAL EXPENSES	429,244,724	409,759,292	(19,485,432)
8,995,667	9,269,247	(273,579)	OPERATING INCOME (LOSS) BEFORE TAX	60,953,603	54,121,219	6,832,384
8,051,211	8,311,263	260,052	MCO TAX	56,578,919	57,898,324	1,319,405
944,456	957,983	(13,527)	OPERATING INCOME (LOSS) NET OF TAX	4,374,684	(3,777,105)	8,151,789
			NONOPERATING REVENUE (EXPENSE)			
-	-	-	Gain on Sale of Building	2,205,329	-	2,205,329
-	-	-	Reserve Fund Projects/Community Grants	(780,000)	-	(780,000)
(306,804)	(280,000)	(26,804)	Health Home	(1,344,650)	(1,960,000)	615,350
(306,804)	(280,000)	(26,804)	TOTAL NONOPERATING REVENUE (EXPENSE)	80,679	(1,960,000)	2,040,679
637,652	677,983	(40,331)	NET INCREASE (DECREASE) IN NET POSITION	4,455,363	(5,737,105)	10,192,468
92.9%	92.3%	-0.6%	MEDICAL LOSS RATIO	93.5%	94.7%	1.2%
5.7%	6.1%	0.4%	ADMINISTRATIVE EXPENSE RATIO	5.5%	6.2%	0.7%

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED JULY 31, 2019	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			ENROLLMENT			
167,389	169,400	(2,011)	Family Members	1,168,871	1,177,400	(8,529)
60,528	59,675	853	Expansion Members	419,991	417,725	2,266
15,264	14,200	1,064	SPD Members	104,100	99,400	4,700
6,199	5,600	599	Other Members	44,684	39,200	5,484
8,668	8,400	268	Kaiser Members	59,353	58,800	553
258,048	257,275	773	Total Members - MCAL	1,796,999	1,792,525	4,474
			REVENUES			
155.06	139.44	15.62	Title XIX - Medicaid - Family and Other	142.49	134.97	7.52
360.65	374.18	(13.53)	Title XIX - Medicaid - Expansion Members	380.08	368.46	11.62
940.48	892.37	48.11	Title XIX - Medicaid - SPD Members	859.76	847.44	12.32
32.59	33.40	(0.80)	Premium - MCO Tax	32.58	33.40	(0.82)
1.34	1.58	(0.24)	Investment Earnings	2.39	1.58	0.81
0.00	0.51	(0.51)	Reinsurance Recoveries	0.00	0.51	(0.51)
0.00	0.00	0.00	COB/Subrogation Collections	0.00	0.00	0.00
0.53	0.00	0.53	Rate/Income Adjustments	4.17	0.00	4.17
0.08	0.00	0.08	Other Income (Expense)	0.08	0.00	0.08
287.58	274.17	13.40	TOTAL REVENUES	282.10	267.56	14.54
			EXPENSES			
			Medical Costs:			
55.79	54.32	(1.47)	Physician Services	57.37	54.39	(2.99)
15.44	14.07	(1.37)	Other Professional Services	15.21	13.99	(1.22)
20.78	18.44	(2.33)	Emergency Room	19.86	18.45	(1.41)
53.46	54.50	1.03	Inpatient	53.04	54.62	1.58
0.51	0.51	0.00	Reinsurance Expense	0.51	0.51	0.00
26.50	22.92	(3.59)	Outpatient Hospital	25.11	22.97	(2.15)
26.93	16.57	(10.36)	Other Medical	26.05	15.87	(10.18)
36.83	38.88	2.06	Pharmacy	37.39	38.99	1.60
2.00	2.00	0.00	Pay for Performance Quality Incentive	2.00	2.00	0.00
0.00	0.00	0.00	Expansion Risk Corridor	0.00	0.00	0.00
0.08	0.00	(0.08)	Non-Claims Expense Adjustment	0.56	0.00	(0.56)
(1.41)	0.00	1.41	IBNR, Incentive, Paid Claims Adjustment	(3.83)	0.00	3.83
236.90	222.20	(14.70)	Total Medical Costs	233.28	221.78	(11.49)
50.68	51.97	(1.30)	GROSS MARGIN	48.83	45.78	3.05
			Administrative:			
9.21	8.82	(0.39)	Compensation	8.74	8.72	(0.02)
3.23	3.16	(0.07)	Purchased Services	2.82	3.17	0.35
0.19	0.45	0.26	Supplies	0.29	0.45	0.16
0.61	1.02	0.42	Depreciation	0.73	0.93	0.20
1.36	1.27	(0.08)	Other Administrative Expenses	1.18	1.29	0.11
0.00	0.00	0.00	Administrative Expense Adjustment	0.00	0.00	0.00
14.60	14.73	0.13	Total Administrative Expenses	13.75	14.56	0.81
251.51	236.93	(14.58)	TOTAL EXPENSES	247.03	236.35	(10.68)
36.07	37.24	(1.17)	OPERATING INCOME (LOSS) BEFORE TAX	35.08	31.22	3.86
32.28	33.40	1.11	MCO TAX	32.56	33.40	0.83
3.79	3.85	(0.06)	OPERATING INCOME (LOSS) NET OF TAX	2.52	(2.18)	4.70
			NONOPERATING REVENUE (EXPENSE)			
0.00	0.00	0.00	Gain on Sale of Building	1.27	0.00	1.27
0.00	0.00	0.00	Reserve Fund Projects/Community Grants	(0.45)	0.00	(0.45)
(1.23)	(1.13)	(0.11)	Health Home	(0.77)	(1.13)	0.36
(1.23)	(1.13)	(0.11)	TOTAL NONOPERATING REVENUE (EXPENSE)	0.05	(1.13)	1.18
2.56	2.72	(0.17)	NET INCREASE (DECREASE) IN NET POSITION	2.56	(3.31)	5.87
92.9%	92.3%	-0.6%	MEDICAL LOSS RATIO	93.5%	94.7%	1.2%
5.7%	6.1%	0.4%	ADMINISTRATIVE EXPENSE RATIO	5.5%	6.2%	0.7%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH JULY 31, 2019	JULY 2018	AUGUST 2018	SEPTEMBER 2018	OCTOBER 2018	NOVEMBER 2018	DECEMBER 2018	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	13 MONTH TOTAL
ENROLLMENT														
Members - MCAL	247,861	246,967	246,962	245,266	245,522	244,683	245,830	247,101	247,836	248,254	248,349	250,896	249,380	3,214,907
REVENUES														
Title XIX - Medicaid - Family and Other	22,819,237	24,767,995	23,083,686	23,000,590	23,501,422	30,919,748	23,126,334	24,192,447	24,487,252	24,003,598	24,444,272	25,745,431	26,916,818	321,008,830
Title XIX - Medicaid - Expansion Members	21,752,232	22,282,962	21,704,606	21,501,088	21,231,529	24,465,934	21,975,726	23,396,309	22,894,496	23,046,615	23,133,193	23,356,415	21,829,172	292,570,277
Title XIX - Medicaid - SPD Members	11,910,574	12,352,541	11,987,574	12,128,124	12,551,376	13,341,766	11,970,651	12,067,762	12,439,467	12,488,048	13,147,466	13,032,438	14,355,421	163,773,208
Premium - MCO Tax	8,087,918	8,087,606	8,087,918	8,087,777	8,087,716	7,658,846	8,006,206	8,047,808	8,071,581	8,084,949	8,092,541	8,174,408	8,128,512	104,703,786
Investment Earnings	252,175	341,662	454,671	473,586	360,950	917,687	420,661	422,736	929,211	619,483	361,666	1,068,219	334,330	6,957,037
Reinsurance Recoveries	-	-	-	-	(139,352)	267,973	-	-	-	-	-	-	0	128,621
COB/Subrogation Collections	465,065	417,036	196,954	325,659	110,446	59,980	-	-	-	-	-	-	0	1,575,140
Rate/Income Adjustments	(113,750)	129,606	5,175	212,890	251,712	(5,850)	1,364,372	5,819,936	626,404	(173,473)	178,336	(703,658)	132,080	7,723,780
Other Income (Expense)	105,084	258	10,281	79	139	121,301	3,822	56	56,526	1,314	20,444	40,508	20,019	379,831
TOTAL REVENUES	65,278,535	68,379,666	65,530,865	65,729,793	65,955,938	77,747,385	66,867,772	73,947,054	69,504,937	68,070,534	69,377,918	70,713,761	71,716,351	898,820,509
EXPENSES														
Medical Costs:														
Physician Services	13,202,517	13,538,335	13,438,560	12,587,105	13,509,654	11,452,439	13,212,798	13,768,201	15,391,612	15,885,936	14,054,383	13,468,415	13,912,712	177,422,667
Other Professional Services	2,964,061	3,254,300	3,251,122	3,323,654	4,150,323	3,375,679	3,414,621	3,447,281	3,652,683	3,718,600	3,960,952	4,388,042	3,849,695	46,751,013
Emergency Room	4,584,869	4,563,430	4,531,949	4,490,225	4,169,595	3,601,196	4,459,099	4,710,529	4,835,728	5,525,268	5,106,796	4,698,111	5,181,359	60,458,154
Inpatient	13,921,068	13,023,461	12,885,548	13,069,188	9,158,011	2,692,667	12,961,386	12,906,122	13,546,028	12,850,017	12,181,510	14,390,451	13,332,634	156,918,091
Reinsurance Expense	116,240	116,494	116,075	116,072	115,275	115,395	125,136	125,026	126,021	126,397	126,609	126,658	126,658	1,578,056
Outpatient Hospital	5,662,578	6,047,228	5,798,828	4,785,905	5,131,143	4,278,893	5,414,223	6,037,448	6,885,177	6,373,571	6,408,304	5,912,776	6,609,411	75,345,485
Other Medical	3,057,129	4,241,840	3,605,940	3,863,995	4,451,124	15,028,871	5,564,320	6,854,723	6,448,536	6,141,817	7,183,716	6,357,547	6,715,805	79,515,363
Pharmacy	8,848,741	9,437,755	8,667,417	9,382,074	8,798,273	8,615,541	9,612,700	9,033,300	9,671,212	9,293,776	9,659,273	8,508,813	9,183,446	118,712,321
Pay for Performance Quality Incentive	495,722	493,934	493,924	490,532	491,044	444,467	491,660	494,202	495,672	496,508	496,698	501,792	498,760	6,384,915
Expansion Risk Corridor	-	-	-	-	-	10,500,000	-	-	-	-	-	-	-	10,500,000
Non-Claims Expense Adjustment	-	(299,863)	6,624	2,670	(535)	-	197,435	367,246	324,378	(736,017)	39,610	756,640	19,252	677,440
IBNR, Incentive, Paid Claims Adjustment	342,052	1,872,269	566,662	1,438,167	4,196,430	482,510	(659,783)	4,381,620	(3,810,327)	(3,425,856)	(2,087,231)	(704,885)	(350,851)	2,240,777
Total Medical Costs	53,194,977	56,289,183	53,362,649	53,549,587	54,170,337	60,587,658	54,793,595	62,125,698	57,566,720	56,250,017	57,130,620	58,404,360	59,078,881	736,504,282
GROSS MARGIN	12,083,558	12,090,483	12,168,216	12,180,206	11,785,601	17,159,727	12,074,177	11,821,356	11,938,217	11,820,517	12,247,298	12,309,401	12,637,470	162,316,227
Administrative:														
Compensation	2,017,219	2,083,690	2,021,643	2,161,106	2,025,307	1,990,200	2,219,647	1,953,045	2,094,504	2,121,314	2,336,685	2,155,354	2,297,855	27,477,569
Purchased Services	415,147	594,201	555,317	465,811	616,200	628,945	534,139	538,593	901,569	783,945	882,833	449,468	805,910	8,172,078
Supplies	57,005	61,411	30,539	67,086	36,154	104,230	115,623	78,778	93,764	93,770	15,577	59,549	47,853	861,339
Depreciation	127,238	127,237	127,238	127,238	127,238	131,127	179,516	179,517	211,201	179,515	179,516	179,516	151,640	2,027,737
Other Administrative Expenses	332,386	255,200	315,104	265,994	221,013	303,506	326,629	188,631	246,439	302,417	239,380	412,596	338,545	3,747,840
Administrative Expense Adjustment	-	-	-	-	-	383,013	-	-	-	-	-	-	-	383,013
Total Administrative Expenses	2,948,995	3,121,739	3,049,841	3,087,235	3,025,912	3,541,021	3,375,554	2,938,564	3,547,477	3,480,961	3,653,991	3,256,483	3,641,803	42,669,576
TOTAL EXPENSES	56,143,972	59,410,922	56,412,490	56,636,822	57,196,249	64,128,679	58,169,149	65,064,262	61,114,197	59,730,978	60,784,611	61,660,843	62,720,684	779,173,858
OPERATING INCOME (LOSS) BEFORE TAX	9,134,563	8,968,744	9,118,375	9,092,971	8,759,689	13,618,706	8,698,623	8,882,792	8,390,740	8,339,556	8,593,307	9,052,918	8,995,667	119,646,651
MCO TAX	8,087,918	8,087,607	8,087,918	8,087,777	8,087,716	8,087,687	8,088,119	8,087,918	8,087,918	8,087,918	8,087,918	8,087,917	8,051,211	105,105,542
OPERATING INCOME (LOSS) NET OF TAX	1,046,645	881,137	1,030,457	1,005,194	671,973	5,531,019	610,504	794,874	302,822	251,638	505,389	965,001	944,456	14,541,109
TOTAL NONOPERATING REVENUE (EXPENSE)	(158,805)	(191,701)	(567,923)	(41,390)	(223,595)	(54,987)	(116,870)	(104,330)	(133,960)	(191,455)	(359,160)	1,293,258	(306,804)	(1,157,722)
NET INCREASE (DECREASE) IN NET POSITION	887,840	689,436	462,534	963,804	448,378	5,476,032	493,634	690,544	168,862	60,183	146,229	2,258,259	637,652	13,383,387
MEDICAL LOSS RATIO	93.0%	93.4%	92.9%	92.9%	93.6%	86.4%	93.1%	94.3%	93.7%	93.8%	93.2%	93.4%	92.9%	92.7%
ADMINISTRATIVE EXPENSE RATIO	5.2%	5.2%	5.3%	5.4%	5.2%	5.1%	5.7%	4.5%	5.8%	5.8%	6.0%	5.2%	5.7%	5.4%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH JULY 31, 2019	JULY 2018	AUGUST 2018	SEPTEMBER 2018	OCTOBER 2018	NOVEMBER 2018	DECEMBER 2018	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	13 MONTH TOTAL
ENROLLMENT														
Members - MCAL	247,861	246,967	246,962	245,266	245,522	244,683	245,830	247,101	247,836	248,254	248,349	250,896	249,380	3,214,907
REVENUES														
Title XIX - Medicaid - Family and Other	131.77	143.39	133.25	134.04	136.65	180.80	134.36	140.03	141.35	138.32	140.92	147.25	155.06	142.84
Title XIX - Medicaid - Expansion Members	362.19	373.39	366.14	363.20	361.19	413.07	371.66	391.12	383.67	384.32	386.02	383.23	360.65	376.92
Title XIX - Medicaid - SPD Members	814.12	848.74	829.82	838.04	850.42	924.01	820.75	831.51	839.09	846.53	878.96	862.90	940.48	855.66
Premium - MCO Tax	32.63	32.75	32.75	32.98	32.94	31.30	32.57	32.57	32.57	32.57	32.59	32.58	32.59	32.57
Investment Earnings	1.02	1.38	1.84	1.93	1.47	3.75	1.71	1.71	3.75	2.50	1.46	4.26	1.34	2.16
Reinsurance Recoveries	0.00	0.00	0.00	0.00	(0.57)	1.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04
COB/Subrogation Collections	1.88	1.69	0.80	1.33	0.45	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.49
Rate/Income Adjustments	(0.46)	0.52	0.02	0.87	1.03	(0.02)	5.55	23.55	2.53	(0.70)	0.72	(2.80)	0.53	2.40
Other Income (Expense)	0.42	0.00	0.04	0.00	0.00	0.50	0.02	0.00	0.23	0.01	0.08	0.16	0.08	0.12
TOTAL REVENUES	263.37	276.88	265.35	267.99	268.64	317.75	272.01	299.26	280.45	274.20	279.36	281.84	287.58	279.58
EXPENSES														
Medical Costs:														
Physician Services	53.27	54.82	54.42	51.32	55.02	46.81	53.75	55.72	62.10	63.99	56.59	53.68	55.79	55.19
Other Professional Services	11.96	13.18	13.16	13.55	16.90	13.80	13.89	13.95	14.74	14.98	15.95	17.49	15.44	14.54
Emergency Room	18.50	18.48	18.35	18.31	16.98	14.72	18.14	19.06	19.51	22.26	20.56	18.73	20.78	18.81
Inpatient	56.16	52.73	52.18	53.29	37.30	11.00	52.72	52.23	54.66	51.76	49.05	57.36	53.46	48.81
Reinsurance Expense	0.47	0.47	0.47	0.47	0.47	0.47	0.51	0.51	0.51	0.51	0.51	0.50	0.51	0.49
Outpatient Hospital	22.85	24.49	23.48	19.51	20.90	17.49	22.02	24.43	27.78	25.67	25.80	23.57	26.50	23.44
Other Medical	12.33	17.18	14.60	15.75	18.13	61.42	22.63	27.74	26.02	24.74	28.93	25.34	26.93	24.73
Pharmacy	35.70	38.21	35.10	38.25	35.83	35.21	39.10	36.56	39.02	37.44	38.89	33.91	36.83	36.93
Pay for Performance Quality Incentive	2.00	2.00	2.00	2.00	2.00	1.82	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.99
Expansion Risk Corridor	0.00	0.00	0.00	0.00	0.00	42.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.27
Non-Claims Expense Adjustment	0.00	(1.21)	0.03	0.01	(0.00)	0.00	0.80	1.49	1.31	(2.96)	0.16	3.02	0.08	0.21
IBNR, Incentive, Paid Claims Adjustment	1.38	7.58	2.29	5.86	17.09	1.97	(2.68)	17.73	(15.37)	(13.80)	(8.40)	(2.81)	(1.41)	0.70
Total Medical Costs	214.62	227.92	216.08	218.33	220.63	247.62	222.89	251.42	232.28	226.58	230.04	232.78	236.90	229.09
GROSS MARGIN	48.75	48.96	49.27	49.66	48.00	70.13	49.12	47.84	48.17	47.61	49.31	49.06	50.68	50.49
Administrative:														
Compensation	8.14	8.44	8.19	8.81	8.25	8.13	9.03	7.90	8.45	8.54	9.41	8.59	9.21	8.55
Purchased Services	1.67	2.41	2.25	1.90	2.51	2.57	2.17	2.18	3.64	3.16	3.55	1.79	3.23	2.54
Supplies	0.23	0.25	0.12	0.27	0.15	0.43	0.47	0.32	0.38	0.38	0.06	0.24	0.19	0.27
Depreciation	0.51	0.52	0.52	0.52	0.52	0.54	0.73	0.73	0.85	0.72	0.72	0.72	0.61	0.63
Other Administrative Expenses	1.34	1.03	1.28	1.08	0.90	1.24	1.33	0.76	0.99	1.22	0.96	1.64	1.36	1.17
Administrative Expense Adjustment	0.00	0.00	0.00	0.00	0.00	1.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.12
Total Administrative Expenses	11.90	12.64	12.35	12.59	12.32	14.47	13.73	11.89	14.31	14.02	14.71	12.98	14.60	13.27
TOTAL EXPENSES	226.51	240.56	228.43	230.92	232.96	262.09	236.62	263.31	246.59	240.60	244.75	245.76	251.51	242.36
OPERATING INCOME (LOSS) BEFORE TAX	36.85	36.32	36.92	37.07	35.68	55.66	35.38	35.95	33.86	33.59	34.60	36.08	36.07	37.22
MCO TAX	32.63	32.75	32.75	32.98	32.94	33.05	32.90	32.73	32.63	32.58	32.57	32.24	32.28	32.69
OPERATING INCOME (LOSS) NET OF TAX	4.22	3.57	4.17	4.10	2.74	22.60	2.48	3.22	1.22	1.01	2.03	3.85	3.79	4.52
TOTAL NONOPERATING REVENUE (EXPENSE)	(0.64)	(0.78)	(2.30)	(0.17)	(0.91)	(0.22)	(0.48)	(0.42)	(0.54)	(0.77)	(1.45)	5.15	(1.23)	(0.36)
NET INCREASE (DECREASE) IN NET POSITION	3.58	2.79	1.87	3.93	1.83	22.38	2.01	2.79	0.68	0.24	0.59	9.00	2.56	4.16
MEDICAL LOSS RATIO	93.0%	93.4%	92.9%	92.9%	93.6%	86.4%	93.1%	94.3%	93.7%	93.8%	93.2%	93.4%	92.9%	92.7%
ADMINISTRATIVE EXPENSE RATIO	5.2%	5.2%	5.3%	5.4%	5.2%	5.1%	5.7%	4.5%	5.8%	5.8%	6.0%	5.2%	5.7%	5.4%

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF REVENUES - ALL COA
FOR THE MONTH ENDED JULY 31, 2019

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE	REVENUES	ACTUAL	BUDGET	VARIANCE
			Title XIX - Medicaid - Family & Other			
21,811,923	20,699,504	1,112,419	Premium - Medi-Cal	140,287,514	139,535,078	752,436
2,646,364	2,422,591	223,773	Premium - Maternity Kick	15,533,809	16,958,137	(1,424,328)
(50,096)	75,763	(125,859)	Premium - Hep C Kick	706,866	526,704	180,162
426,048	262,202	163,846	Premium - BHT Kick	2,446,928	1,822,828	624,100
94,490	200,987	(106,497)	Premium - Health Home Kick	94,490	200,987	(106,497)
1,749,472	659,815	1,089,657	Premium - Provider Enhancement	12,184,687	4,588,969	7,595,718
153,683	-	153,683	Premium - Ground Emergency Medical Transportation	1,070,659	-	1,070,659
84,934	81,180	3,754	Other	591,199	567,420	23,779
26,916,818	24,402,042	2,514,776	Total Title XIX - Medicaid - Family & Other	172,916,152	164,200,123	8,716,029
			Title XIX - Medicaid - Expansion Members			
20,251,625	20,797,311	(545,686)	Premium - Medi-Cal	147,790,205	145,563,704	2,226,502
464,618	243,020	221,598	Premium - Maternity Kick	2,222,720	1,701,140	521,580
9,396	544,869	(535,473)	Premium - Hep C Kick	2,813,940	3,814,083	(1,000,143)
167,639	395,252	(227,613)	Premium - Health Home Kick	167,639	395,252	(227,613)
755,346	323,232	432,114	Premium - Provider Enhancement	5,383,544	2,262,624	3,120,920
154,262	-	154,262	Premium - Ground Emergency Medical Transportation	1,068,139	-	1,068,139
26,286	25,456	830	Other	185,739	178,192	7,547
21,829,172	22,329,139	(499,967)	Total Title XIX - Medicaid - Expansion Members	159,631,926	153,914,994	5,716,932
			Title XIX - Medicaid - SPD Members			
13,378,661	11,646,045	1,732,616	Premium - Medi-Cal	82,126,453	78,834,761	3,291,692
(44,313)	211,894	(256,207)	Premium - Hep C Kick	879,635	1,483,258	(603,623)
462,688	391,982	70,706	Premium - BHT Kick	3,496,417	2,743,874	752,543
135,982	296,280	(160,298)	Premium - Health Home Kick	135,982	296,280	(160,298)
293,646	125,386	168,260	Premium - Provider Enhancement	1,990,136	877,702	1,112,434
128,757	-	128,757	Premium - Ground Emergency Medical Transportation	872,630	-	872,630
14,355,421	12,671,587	1,683,834	Total Title XIX - Medicaid - SPD Members	89,501,253	84,235,875	5,265,378

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA
FOR THE MONTH ENDED JULY 31, 2019

CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	CURRENT MONTH VARIANCE		YEAR-TO-DATE ACTUAL	YEAR-TO-DATE BUDGET	YEAR-TO-DATE VARIANCE
			PHYSICIAN SERVICES			
2,781,460	2,926,545	145,085	Primary Care Physician Services	20,035,204	20,390,553	355,349
10,169,879	9,215,861	(954,018)	Referral Specialty Services	68,797,837	64,318,020	(4,479,817)
952,073	1,366,406	414,333	Urgent Care & After Hours Advise	10,797,416	9,516,605	(1,280,811)
9,300	9,300	-	Hospital Admitting Team	63,600	63,600	-
13,912,712	13,518,113	(394,599)	TOTAL PHYSICIAN SERVICES	99,694,057	94,288,778	(5,405,279)
			OTHER PROFESSIONAL SERVICES			
248,349	261,837	13,488	Vision Service Capitation	1,730,402	1,824,297	93,895
175,084	183,437	8,353	221 - Business Intelligence	1,157,769	1,284,059	126,290
499,835	537,736	37,901	310 - Health Services - Utilization Management - UM Allocation *	3,495,307	3,764,149	268,842
94,087	101,420	7,333	311 - Health Services - Quality Improvement - UM Allocation *	559,758	709,942	150,184
96,891	101,142	4,251	312 - Health Services - Education - UM Allocation *	636,917	644,040	7,123
81,527	87,826	6,299	313 - Health Services - Pharmacy - UM Allocation *	567,360	614,785	47,425
69,152	85,846	16,694	314 - Health Homes - UM Allocation *	369,474	600,918	231,444
213,229	228,318	15,089	315 - Case Management - UM Allocation *	1,324,504	1,462,982	138,478
56,930	55,990	(940)	616 - Disease Management - UM Allocation *	371,374	391,927	20,553
1,071,604	654,184	(417,420)	Behavior Health Treatment	7,364,642	4,566,701	(2,797,941)
129,222	161,977	32,755	Mental Health Services	1,088,610	1,129,744	41,134
1,113,785	1,040,724	(73,061)	Other Professional Services	7,765,757	7,266,087	(499,670)
3,849,695	3,500,437	(349,258)	TOTAL OTHER PROFESSIONAL SERVICES	26,431,874	24,259,629	(2,172,245)
5,181,359	4,590,142	(591,217)	EMERGENCY ROOM	34,516,890	31,994,713	(2,522,177)
13,332,634	13,563,010	230,376	INPATIENT HOSPITAL	92,168,148	94,697,735	2,529,587
126,658	126,926	268	REINSURANCE EXPENSE PREMIUM	882,505	884,200	1,695
6,609,411	5,703,193	(906,218)	OUTPATIENT HOSPITAL SERVICES	43,640,910	39,816,136	(3,824,774)
			OTHER MEDICAL			
1,912,516	1,221,406	(691,110)	Ambulance and NEMT	13,465,056	8,515,706	(4,949,350)
463,230	292,419	(170,811)	Home Health Services & CBAS	2,662,964	2,042,499	(620,465)
297,114	445,757	148,643	Utilization and Quality Review Expenses	1,562,235	3,120,298	1,558,063
594,397	780,946	186,549	Long Term/SNF/Hospice	6,422,149	5,460,084	(962,065)
-	62,542	62,542	Enhanced Medical Benefits	-	435,685	435,685
3,314,758	1,108,479	(2,206,279)	Provider Enhancement Expense	21,020,270	7,727,681	(13,292,589)
133,790	212,160	78,370	Home Health Capitated Medical Expense	133,790	212,160	78,370
6,715,805	4,123,709	(2,592,096)	TOTAL OTHER MEDICAL	45,266,464	27,514,113	(17,752,351)
			PHARMACY SERVICES			
8,300,890	8,389,686	88,796	RX - Drugs & OTC	57,728,164	58,592,134	863,970
298,729	832,526	533,797	RX - HEP-C	3,563,062	5,824,042	2,260,980
718,827	600,391	(118,436)	Rx - DME	4,776,642	4,194,871	(581,771)
(135,000)	(145,847)	(10,847)	RX - Pharmacy Rebates	(1,105,348)	(1,020,354)	84,994
9,183,446	9,676,756	493,310	TOTAL PHARMACY SERVICES	64,962,520	67,590,694	2,628,174
498,760	497,750	(1,010)	PAY FOR PERFORMANCE QUALITY INCENTIVE	3,475,292	3,467,450	(7,842)
-	-	-	EXPANSION RISK CORRIDOR	-	-	-
19,252	-	(19,252)	NON-CLAIMS EXPENSE ADJUSTMENT	968,544	-	(968,544)
(350,851)	-	350,851	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(6,657,313)	-	6,657,313
59,078,881	55,300,036	(3,778,845)	Total Medical Costs	405,349,891	384,513,449	(20,836,442)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM
FOR THE MONTH ENDED JULY 31, 2019

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			PHYSICIAN SERVICES			
11.15	11.76	0.61	Primary Care Physician Services	11.53	11.76	0.23
40.78	37.03	(3.75)	Referral Specialty Services	39.59	37.10	(2.49)
3.82	5.49	1.67	Urgent Care & After Hours Advise	6.21	5.49	(0.72)
0.04	0.04	0.00	Hospital Admitting Team	0.04	0.04	0.00
55.79	54.32	(1.47)	TOTAL PHYSICIAN SERVICES	57.37	54.39	(2.99)
			OTHER PROFESSIONAL SERVICES			
1.00	1.05	0.06	Vision Service Capitation	1.00	1.05	0.06
0.70	0.74	0.03	221 - Business Intelligence	0.67	0.74	0.07
2.00	2.16	0.16	310 - Health Services - Utilization Management - UM Allocation *	2.01	2.17	0.16
0.38	0.41	0.03	311 - Health Services - Quality Improvement - UM Allocation *	0.32	0.41	0.09
0.39	0.41	0.02	312 - Health Services - Education - UM Allocation *	0.37	0.37	0.00
0.33	0.35	0.03	313 - Health Services - Pharmacy - UM Allocation *	0.33	0.35	0.03
0.28	0.34	0.07	314 - Health Homes - UM Allocation *	0.21	0.35	0.13
0.86	0.92	0.06	315 - Case Management - UM Allocation *	0.76	0.84	0.08
0.23	0.22	(0.00)	616 - Disease Management - UM Allocation *	0.21	0.23	0.01
4.30	2.63	(1.67)	Behavior Health Treatment	4.24	2.63	(1.60)
0.52	0.65	0.13	Mental Health Services	0.63	0.65	0.03
4.47	4.18	(0.28)	Other Professional Services	4.47	4.19	(0.28)
15.44	14.07	(1.37)	TOTAL OTHER PROFESSIONAL SERVICES	15.21	13.99	(1.22)
20.78	18.44	(2.33)	EMERGENCY ROOM	19.86	18.45	(1.41)
53.46	54.50	1.03	INPATIENT HOSPITAL	53.04	54.62	1.58
0.51	0.51	0.00	REINSURANCE EXPENSE PREMIUM	0.51	0.51	0.00
26.50	22.92	(3.59)	OUTPATIENT HOSPITAL SERVICES	25.11	22.97	(2.15)
			OTHER MEDICAL			
7.67	4.91	(2.76)	Ambulance and NEMT	7.75	4.91	(2.84)
1.86	1.17	(0.68)	Home Health Services & CBAS	1.53	1.18	(0.35)
1.19	1.79	0.60	Utilization and Quality Review Expenses	0.90	1.80	0.90
2.38	3.14	0.75	Long Term/SNF/Hospice	3.70	3.15	(0.55)
0.00	0.25	0.25	Enhanced Medical Benefits	0.00	0.25	0.25
13.29	4.45	(8.84)	Provider Enhancement Expense	12.10	4.46	(7.64)
0.54	0.85	0.32	Home Health Capitated Medical Expense	0.08	0.12	0.05
26.93	16.57	(10.36)	TOTAL OTHER MEDICAL	26.05	15.87	(10.18)
			PHARMACY SERVICES			
33.29	33.71	0.42	RX - Drugs & OTC	33.22	33.80	0.57
1.20	3.35	2.15	RX - HEP-C	2.05	3.36	1.31
2.88	2.41	(0.47)	Rx - DME	2.75	2.42	(0.33)
(0.54)	(0.59)	(0.04)	RX - Pharmacy Rebates	(0.64)	(0.59)	0.05
36.83	38.88	2.06	TOTAL PHARMACY SERVICES	37.39	38.99	1.60
2.00	2.00	0.00	PAY FOR PERFORMANCE QUALITY INCENTIVE	2.00	2.00	0.00
0.00	0.00	0.00	EXPANSION RISK CORRIDOR	0.00	0.00	0.00
0.08	0.00	(0.08)	NON-CLAIMS EXPENSE ADJUSTMENT	0.56	0.00	(0.56)
(1.41)	0.00	1.41	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(3.83)	0.00	3.83
236.90	222.20	(14.70)	Total Medical Costs	233.28	221.78	(11.49)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH JULY 31, 2019	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	YEAR TO DATE 2019
PHYSICIAN SERVICES								
Primary Care Physician Services	2,852,332	3,204,444	2,641,133	2,878,106	3,132,132	2,545,597	2,781,460	20,035,204
Referral Specialty Services	9,061,015	8,891,359	10,768,936	10,831,475	9,485,042	9,590,131	10,169,879	68,797,837
Urgent Care & After Hours Advise	1,290,151	1,663,998	1,972,243	2,167,355	1,427,909	1,323,687	952,073	10,797,416
Hospital Admitting Team	9,300	8,400	9,300	9,000	9,300	9,000	9,300	63,600
TOTAL PHYSICIAN SERVICES	13,212,798	13,768,201	15,391,612	15,885,936	14,054,383	13,468,415	13,912,712	99,694,057
OTHER PROFESSIONAL SERVICES								
Vision Service Capitation	245,365	245,148	247,101	247,836	248,254	248,349	248,349	1,730,402
221 - Business Intelligence	164,801	159,928	165,714	159,920	179,129	153,193	175,084	1,157,769
310 - Health Services - Utilization Management - UM Allocation *	510,943	470,395	478,085	515,555	554,978	465,516	499,835	3,495,307
311 - Health Services - Quality Improvement - UM Allocation *	80,526	67,588	68,819	76,184	91,692	80,862	94,087	559,758
312 - Health Services - Education - UM Allocation *	93,216	78,571	86,664	88,902	99,085	93,588	96,891	636,917
313 - Health Services - Pharmacy - UM Allocation *	82,748	75,645	78,387	78,499	90,596	79,958	81,527	567,360
314 - Health Homes - UM Allocation *	49,343	44,522	48,105	49,071	60,500	48,781	69,152	369,474
315 - Case Management - UM Allocation *	190,992	177,760	187,111	180,813	202,905	171,694	213,229	1,324,504
616 - Disease Management - UM Allocation *	54,419	48,934	50,373	52,495	58,437	49,786	56,930	371,374
Behavior Health Treatment	638,864	831,512	952,302	950,988	1,250,610	1,668,762	1,071,604	7,364,642
Mental Health Services	212,968	183,744	127,778	168,412	89,339	177,147	129,222	1,088,610
Other Professional Services	1,090,436	1,063,534	1,162,244	1,149,925	1,035,427	1,150,406	1,113,785	7,765,757
TOTAL OTHER PROFESSIONAL SERVICES	3,414,621	3,447,281	3,652,683	3,718,600	3,960,952	4,388,042	3,849,695	26,431,874
EMERGENCY ROOM	4,459,099	4,710,529	4,835,728	5,525,268	5,106,796	4,698,111	5,181,359	34,516,890
INPATIENT HOSPITAL	12,961,386	12,906,122	13,546,028	12,850,017	12,181,510	14,390,451	13,332,634	92,168,148
REINSURANCE EXPENSE PREMIUM	125,136	125,026	126,021	126,397	126,609	126,658	126,658	882,505
OUTPATIENT HOSPITAL SERVICES	5,414,223	6,037,448	6,885,177	6,373,571	6,408,304	5,912,776	6,609,411	43,640,910
OTHER MEDICAL								
Ambulance and NEMT	1,146,157	2,536,809	1,948,589	1,685,378	2,206,229	2,029,378	1,912,516	13,465,056
Home Health Services & CBAS	495,461	155,156	325,629	357,818	542,991	322,679	463,230	2,662,964
Utilization and Quality Review Expenses	248,953	93,464	298,591	235,324	165,956	222,833	297,114	1,562,235
Long Term/SNF/Hospice	944,616	1,180,282	999,537	904,186	1,043,600	755,531	594,397	6,422,149
Enhanced Medical Benefits	-	-	-	-	-	-	-	-
Provider Enhancement Expense	2,729,133	2,889,012	2,876,190	2,959,111	3,224,940	3,027,126	3,314,758	21,020,270
Home Health Capitated Medical Expense	-	-	-	-	-	-	133,790	133,790
TOTAL OTHER MEDICAL	5,564,320	6,854,723	6,448,536	6,141,817	7,183,716	6,357,547	6,715,805	45,266,464
PHARMACY SERVICES								
RX - Drugs & OTC	8,596,061	7,864,951	8,712,771	8,110,525	8,527,200	7,615,766	8,300,890	57,728,164
RX - HEP-C	542,465	579,505	435,632	674,227	604,476	428,028	298,729	3,563,062
Rx - DME	647,574	722,044	706,209	649,024	732,945	600,019	718,827	4,776,642
RX - Pharmacy Rebates	(173,400)	(133,200)	(183,400)	(140,000)	(205,348)	(135,000)	(135,000)	(1,105,348)
TOTAL PHARMACY SERVICES	9,612,700	9,033,300	9,671,212	9,293,776	9,659,273	8,508,813	9,183,446	64,962,520
PAY FOR PERFORMANCE QUALITY INCENTIVE	491,660	494,202	495,672	496,508	496,698	501,792	498,760	3,475,292
EXPANSION RISK CORRIDOR	-	-	-	-	-	-	-	-
NON-CLAIMS EXPENSE ADJUSTMENT	197,435	367,246	324,378	(736,017)	39,610	756,640	19,252	968,544
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(659,783)	4,381,620	(3,810,327)	(3,425,856)	(2,087,231)	(704,885)	(350,851)	(6,657,313)
Total Medical Costs	54,793,595	62,125,698	57,566,720	56,250,017	57,130,620	58,404,360	59,078,881	405,349,891

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH JULY 31, 2019	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	YEAR TO DATE 2019
PHYSICIAN SERVICES								
Primary Care Physician Services	11.60	12.97	10.66	11.59	12.61	10.15	11.15	11.53
Referral Specialty Services	36.86	35.98	43.45	43.63	38.19	38.22	40.78	39.59
Urgent Care & After Hours Advise	5.25	6.73	7.96	8.73	5.75	5.28	3.82	6.21
Hospital Admitting Team	0.04	0.03	0.04	0.04	0.04	0.04	0.04	0.04
TOTAL PHYSICIAN SERVICES	53.75	55.72	62.10	63.99	56.59	53.68	55.79	57.37
OTHER PROFESSIONAL SERVICES								
Vision Service Capitation	1.00	0.99	1.00	1.00	1.00	0.99	1.00	1.00
221 - Business Intelligence	0.67	0.65	0.67	0.64	0.72	0.61	0.70	0.67
310 - Health Services - Utilization Management - UM Allocation *	2.08	1.90	1.93	2.08	2.23	1.86	2.00	2.01
311 - Health Services - Quality Improvement - UM Allocation *	0.33	0.27	0.28	0.31	0.37	0.32	0.38	0.32
312 - Health Services - Education - UM Allocation *	0.38	0.32	0.35	0.36	0.40	0.37	0.39	0.37
313 - Health Services - Pharmacy - UM Allocation *	0.34	0.31	0.32	0.32	0.36	0.32	0.33	0.33
314 - Health Homes - UM Allocation *	0.20	0.18	0.19	0.20	0.24	0.19	0.28	0.21
315 - Case Management - UM Allocation *	0.78	0.72	0.75	0.73	0.82	0.68	0.86	0.76
616 - Disease Management - UM Allocation *	0.22	0.20	0.20	0.21	0.24	0.20	0.23	0.21
Behavior Health Treatment	2.60	3.37	3.84	3.83	5.04	6.65	4.30	4.24
Mental Health Services	0.87	0.74	0.52	0.68	0.36	0.71	0.52	0.63
Other Professional Services	4.44	4.30	4.69	4.63	4.17	4.59	4.47	4.47
TOTAL OTHER PROFESSIONAL SERVICES	13.89	13.95	14.74	14.98	15.95	17.49	15.44	15.21
EMERGENCY ROOM	18.14	19.06	19.51	22.26	20.56	18.73	20.78	19.86
INPATIENT HOSPITAL	52.72	52.23	54.66	51.76	49.05	57.36	53.46	53.04
REINSURANCE EXPENSE PREMIUM	0.51	0.51	0.51	0.51	0.51	0.50	0.51	0.51
OUTPATIENT HOSPITAL SERVICES	22.02	24.43	27.78	25.67	25.80	23.57	26.50	25.11
OTHER MEDICAL								
Ambulance and NEMT	4.66	10.27	7.86	6.79	8.88	8.09	7.67	7.75
Home Health Services & CBAS	2.02	0.63	1.31	1.44	2.19	1.29	1.86	1.53
Utilization and Quality Review Expenses	1.01	0.38	1.20	0.95	0.67	0.89	1.19	0.90
Long Term/SNF/Hospice	3.84	4.78	4.03	3.64	4.20	3.01	2.38	3.70
Enhanced Medical Benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provider Enhancement Expense	11.10	11.69	11.61	11.92	12.99	12.07	13.29	12.10
Home Health Capitated Medical Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.54	0.08
TOTAL OTHER MEDICAL	22.63	27.74	26.02	24.74	28.93	25.34	26.93	26.05
PHARMACY SERVICES								
RX - Drugs & OTC	34.97	31.83	35.16	32.67	34.34	30.35	33.29	33.22
RX - HEP-C	2.21	2.35	1.76	2.72	2.43	1.71	1.20	2.05
Rx - DME	2.63	2.92	2.85	2.61	2.95	2.39	2.88	2.75
RX - Pharmacy Rebates	(0.71)	(0.54)	(0.74)	(0.56)	(0.83)	(0.54)	(0.54)	(0.64)
TOTAL PHARMACY SERVICES	39.10	36.56	39.02	37.44	38.89	33.91	36.83	37.39
PAY FOR PERFORMANCE QUALITY INCENTIVE	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
EXPANSION RISK CORRIDOR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NON-CLAIMS EXPENSE ADJUSTMENT	0.80	1.49	1.31	(2.96)	0.16	3.02	0.08	0.56
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(2.68)	17.73	(15.37)	(13.80)	(8.40)	(2.81)	(1.41)	(3.83)
Total Medical Costs	222.89	251.42	232.28	226.58	230.04	232.78	236.90	233.28

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

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
306,695	258,314	(48,381)	110 - Executive	1,739,974	1,808,192	68,218
155,423	158,992	3,569	210 - Accounting	1,030,903	1,112,943	82,040
560,302	617,732	57,430	220 - Management Information Systems	3,744,418	4,324,122	579,704
30,894	18,734	(12,160)	221 - Business Intelligence	145,747	131,138	(14,610)
238,149	338,857	100,708	225 - Infrastructure	1,727,245	2,371,989	644,744
474,925	478,841	3,916	230 - Claims	3,536,039	3,341,201	(194,838)
118,697	109,760	(8,937)	240 - Project Management	653,429	768,317	114,888
90,324	96,311	5,987	310 - Health Services - Utilization Management	619,484	674,178	54,694
30,312	33,427	3,115	311 - Health Services - Quality Improvement	179,568	232,942	53,374
28	525	497	312 - Health Services - Education	787	1,900	1,113
217,824	119,382	(98,442)	313- Pharmacy	909,154	863,871	(45,283)
228	500	272	314 - Health Homes	(152)	3,500	3,652
13,670	14,574	904	315 - Case Management	84,880	93,532	8,652
21,057	20,738	(319)	616 - Disease Management	137,976	145,163	7,187
223,120	247,979	24,859	320 - Provider Network Management	1,533,785	1,715,606	181,821
447,582	538,561	90,979	330 - Member Services	3,137,321	3,567,348	430,027
428,213	426,472	(1,741)	340 - Corporate Services	2,598,926	2,811,304	212,378
50,075	62,743	12,668	360 - Audit & Investigative Services	368,809	439,201	70,392
23,752	64,500	40,748	410 - Advertising Media	327,444	451,492	124,048
44,029	64,750	20,721	420 - Sales/Marketing/Public Relations	318,556	453,250	134,694
166,504	197,193	30,689	510 - Human Resourses	1,100,540	1,354,813	254,273
-	(202,880)	(202,880)	Budgeted Administrative Vacancy and Timing Factor	-	(1,420,160)	(1,420,160)
3,641,803	3,666,004	24,201	Total Administrative Expenses	23,894,833	25,245,843	1,351,010

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED JULY 31, 2019	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	YEAR TO DATE 2019
110 - Executive	298,677	186,923	234,566	285,108	195,373	232,632	306,695	1,739,974
210 - Accounting	149,967	127,374	139,032	134,888	155,814	168,405	155,423	1,030,903
220 - Management Information Systems (MIS)	401,536	495,303	640,543	523,161	645,579	477,994	560,302	3,744,418
221 - Business Intelligence	205	10,000	50,100	20,600	22,857	11,091	30,894	145,747
225 - Infrastructure	255,998	238,858	247,310	245,403	301,083	200,444	238,149	1,727,245
230 - Claims	510,558	444,621	505,751	502,157	539,033	558,994	474,925	3,536,039
240 - Project Management	85,314	84,072	96,834	89,192	86,052	93,268	118,697	653,429
310 - Health Services - Utilization Management	86,447	91,228	95,142	84,999	92,899	78,445	90,324	619,484
311 - Health Services - Quality Improvement	25,633	21,530	22,707	23,865	28,960	26,561	30,312	179,568
312 - Health Services - Education	23	612	(5)	15,883	(15,754)	-	28	787
313- Pharmacy	127,668	124,298	159,313	125,311	127,589	27,151	217,824	909,154
314 - Health Homes	556	(556)	(398)	-	18	-	228	(152)
315 - Case Management	12,191	11,347	11,943	11,541	13,230	10,958	13,670	84,880
616 - Disease Management	20,405	18,247	18,631	19,416	21,808	18,412	21,057	137,976
320 - Provider Network Management	267,760	126,987	223,524	244,955	235,564	211,875	223,120	1,533,785
330 - Member Services	470,954	389,538	441,753	485,966	477,021	424,507	447,582	3,137,321
340 - Corporate Services	319,181	347,539	396,534	356,340	364,405	386,714	428,213	2,598,926
360 - Audit & Investigative Services	57,536	55,624	51,626	53,495	53,208	47,245	50,075	368,809
410 - Advertising Media	24,987	11,283	34,440	62,712	108,984	61,286	23,752	327,444
420 - Sales/Marketing/Public Relations	48,311	41,979	43,514	48,369	48,141	44,213	44,029	318,556
510 - Human Resourses	211,647	111,757	134,617	147,600	152,127	176,288	166,504	1,100,540
Total Department Expenses	3,375,554	2,938,564	3,547,477	3,480,961	3,653,991	3,256,483	3,641,803	23,894,833

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

ASSETS	JULY 2019		JUNE 2019		INC(DEC)	
CURRENT ASSETS:						
Cash and Cash Equivalents	$	1,459,716	$	1,459,716		-
Interest Receivable		11,884		8,824		3,060
TOTAL CURRENT ASSETS	$	1,471,600	$	1,468,540	$	3,060
LIABILITIES AND NET POSITION						
CURRENT LIABILITIES:						
Accounts Payable		834		-		834
Other Liabilities		353,849		353,849		-
TOTAL CURRENT LIABILITIES	$	354,683	$	353,849	$	834
NET POSITION:						
Net Position- Beg. of Year		1,100,538		1,100,538		-
Increase (Decrease) in Net Position - Current Year		16,379		14,153		2,226
Total Net Position	$	1,116,917	$	1,114,691	$	2,226
TOTAL LIABILITIES AND NET POSITION	$	1,471,600	$	1,468,540	$	3,060

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE	FOR THE MONTH ENDED JULY 31, 2019	ACTUAL	BUDGET	VARIANCE
			ENROLLMENT			
-	-	-	Members	-	-	-
			REVENUES			
-	-	-	Premium	-	-	-
3,060	-	3,060	Interest	20,863	-	20,863
-	-	-	Other Investment Income	1,350	-	1,350
3,060	-	3,060	TOTAL REVENUES	22,213	-	22,213
			EXPENSES			
			Medical Costs			
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
3,060	-	3,060	GROSS MARGIN	22,213	-	22,213
			Administrative			
834	-	(834)	Management Fee Expense and Other Admin Exp	5,834	-	(5,834)
834	-	(834)	Total Administrative Expenses	5,834	-	(5,834)
834	-	(834)	TOTAL EXPENSES	5,834	-	(5,834)
2,226	-	2,226	OPERATING INCOME (LOSS)	16,379	-	16,379
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-
2,226	-	2,226	NET INCREASE (DECREASE) IN NET POSITION	16,379	-	16,379
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%
27%	0%	-27%	ADMINISTRATIVE EXPENSE RATIO	26%	0%	-26%

KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT

KERN HEALTH SYSTEMS

MEDI-CAL	2019 MEMBER MONTHS	JAN'19	FEB'19	MAR'19	APR'19	MAY'19	JUN'19	JUL'19	AUG'19	SEP'19	OCT'19	NOV'19	DEC'19
ADULT AND FAMILY													
PA - FAMILY	135,502	34,526	33,921	33,871	33,184	0	0	0					
REFUGEE - FAMILY	1	0	0	0	1	0	0	0					
FOSTER CARE	2,907	720	699	712	776	0	0	0					
POVERTY-133/200%	4	1	1	1	1	0	0	0					
MI - CHILD	438,898	108,363	109,594	110,076	110,865	0	0	0					
CHILD-ACA	109	41	40	13	15	0	0	0					
FAMILY - UNDER 19	88,630	22,145	22,131	22,194	22,160	0	0	0					
ADULT	131,992	0	0	0	0	43,788	44,339	43,865					
CHILD	369,926	0	0	0	0	123,066	123,784	123,076					
SUB-TOTAL ADULT & FAMILY	1,167,969	165,796	166,386	166,867	167,002	166,854	168,123	166,941	0	0	0	0	0
MEDI-CAL EXPANSION													
LIHP Transition Pre-ACA	15	5	5	5	0	0	0	0					
ACA Expansion Adult-Citizen	416,930	58,680	59,344	59,219	59,554	59,527	60,505	60,101					
ACA Expansion CAL Fresh Adult	13	4	4	3	2	0	0	0					
ACA Expansion Duals	3,033	440	465	446	412	401	442	427					
SUB-TOTAL MANDATORY	419,991	59,129	59,818	59,673	59,968	59,928	60,947	60,528	0	0	0	0	0
SDP MEMBERS													
SSI -AGED	758	182	197	181	198	0	0	0					
MN - AGED	6,500	1,621	1,623	1,623	1,633	0	0	0					
SSI - BLIND & DIS-ABLED	49,606	12,333	12,191	12,680	12,402	0	0	0					
MN - BLIND & DIS-ABLED	1,911	449	502	441	519	0	0	0					
SPD (AGED AND DISABLED)	45,325	0	0	0	0	14,958	15,103	15,264					
SUB-TOTAL MANDATORY SPD	104,100	14,585	14,513	14,925	14,752	14,958	15,103	15,264	0	0	0	0	0
TOTAL MANDATORY	1,692,060	239,510	240,717	241,465	241,722	241,740	244,173	242,733	0	0	0	0	0
OTHER MEMBERS													
BCCTP-TOBACCO SETTLEMENT	158	23	25	22	22	22	22	22					
DUALS													
PA - FAMILY DUALS	102	18	30	24	30	0	0	0					
PART D SSI -AGED	3,342	838	821	832	851	0	0	0					
PART D MN - AGED	6,302	1,510	1,559	1,564	1,669	0	0	0					
PART D SSI - BLIND & DIS-ABLED	9,973	2,471	2,490	2,531	2,481	0	0	0					
PART D MN - BLIND & DIS-ABLED	4,176	1,082	1,049	1,003	1,042	0	0	0					
PART D BCCTP-TOBACCO SETTLEMENT	8	1	1	1	2	1	1	1					
PART D MI - CHILD	1,615	377	409	394	435	0	0	0					
PARTIAL DUALS - FAMILY	1,336	0	0	0	0	435	453	448					
SPD FULL DUALS	18,574	0	0	0	0	6,151	6,247	6,176					
SUB-TOTAL DUALS	45,428	6,297	6,359	6,349	6,510	6,587	6,701	6,625	0	0	0	0	0
TOTAL OTHERS	45,586	6,320	6,384	6,371	6,532	6,609	6,723	6,647	0	0	0	0	0
TOTAL KAISER	59,353	8,329	8,385	8,394	8,411	8,557	8,609	8,668					
TOTAL MEDI-CAL MEMBERS	1,796,999	254,159	255,486	256,230	256,665	256,906	259,505	258,048	0	0	0	0	0

To: KHS Board of Directors

From: Robert Landis, Chief Financial Officer

Date: October 10, 2019

Re: August 2019 Financial Results

The August results reflect a $1,824,786 Net Increase in Net Position which is a $1,266,845 favorable variance to the budget. Listed below are the major variances for the month:

1) Total Revenues reflect a $9.8 million favorable variance primarily due to:

   A) $2.3 million favorable variance in Family and Other primarily due to a higher than expected budgeted rate increase from the State.

   B) $.5 million favorable variance in Expansion primarily due to higher than expected enrollment.

   C) $2.0 million favorable variance in SPD primarily due to a higher than expected budgeted rate increase from the State ($1.1 million) and higher than expected enrollment ($.9 million).

   D) $1.0 million favorable variance in Proposition 56 Supplemental Revenue due to an unbudgeted increase in tobacco tax revenue funds being allocated for fiscal years 18/19 and 19/20 to additional CPT procedure codes along with an increase in supplemental allowable payable amounts offset against expenses included in 2C below.

   E) $.3 million favorable variance relating to unbudgeted new supplemental revenue relating to Ground Emergency Medical Transportation (GEMT) for fiscal years 18/19 and 19/20 offset against expenses included in 2C below.

   F) $4.0 million favorable variance in Premium-MCO Tax primarily due to the State increasing the MCO Tax Rate from $33.40 pmpm to $40.00 pmpm effective July 1, 2019 offset against expenses included in Item 3 below.

2) Total Medical Costs reflect a $5.0 million unfavorable variance primarily due to:

   A) $1.7 million unfavorable variance in Inpatient primarily due to higher than expected utilization by Expansion and Family & Other members.

   B) $.8 million unfavorable variance in Outpatient Hospital primarily due to higher than expected utilization by Expansion and SPD members.

C) $2.3 million unfavorable variance in Other Medical primarily due to accruing for estimated Proposition 56 expenses relating to unbudgeted additional CPT procedure codes along with increases in supplemental allowable payable amounts ($1.5 million) offset against revenue included in 1D above. There was also an unfavorable variance in Ambulance and NEMT primarily due to accruing for estimated expenses for supplemental GEMT services ($.4 million) offset against revenue included in 1E above.

3) $4 .0 million unfavorable variance in MCO Tax primarily due to the State increasing the MCO Tax Rate from $33.40 pmpm to $40.00 pmpm effective July 1, 2019 offset against revenue included in Item 1F above.

The August Medical Loss Ratio is 91.7% which is favorable to the 92.3% budgeted amount. The August Administrative Expense Ratio is 5.4% which is favorable to the 6.3% budgeted amount.

The results for the 8 months ended August 31, 2019 reflect a Net Increase in Net Position of $6,280,149. This is a $11,459,314 favorable variance to budget and includes approximately $13.0 million of favorable adjustments from the prior year and a $2.2 million gain from the sale of the Stockdale Building. The year-to-date Medical Loss Ratio is 93.2% which is favorable to the 94.4% budgeted amount. The year-to-date Administrative Expense Ratio is 5.5% which is favorable to the 6.2% budgeted amount.

Kern Health Systems
Financial Packet
August 2019

KHS – Medi-Cal Line of Business

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Statement of Revenue, Expenses, and Changes in Net Position - PMPM Page 3

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KHS Group Health Plan – Healthy Families Line of Business

Comparative Statement of Net Position Page 13

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KHS Administrative Analysis and Other Reporting

Monthly Member Count Page 15

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF AUGUST 31, 2019			
ASSETS	**AUGUST 2019**	**JULY 2019**	**INC(DEC)**
CURRENT ASSETS:			
Cash and Cash Equivalents	$ 92,496,905	$ 89,221,149	$ 3,275,756
Short-Term Investments	114,072,333	117,087,860	(3,015,527)
Premiums Receivable - Net	98,498,142	81,320,907	17,177,235
Interest Receivable	526,573	271,605	254,968
Other Receivables	1,705,503	1,540,418	165,085
Prepaid Expenses & Other Current Assets	2,341,363	2,543,674	(202,311)
Total Current Assets	$ 309,640,819	$ 291,985,613	$ 17,655,206
RESTRICTED ASSETS	$ 300,000	$ 300,000	$ -
CAPITAL ASSETS - NET OF ACCUM DEPRE:			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	10,517,941	10,642,463	(124,522)
Automobiles - Net	29,285	30,063	(778)
Building and Building Improvements - Net	-	-	-
Building Project in Progress	33,952,322	32,483,646	1,468,676
Capital Projects in Progress	15,855,859	15,597,897	257,962
Total Capital Assets	$ 64,446,113	$ 62,844,775	$ 1,601,338
LONG TERM ASSETS:			
Officer Life Insurance Receivables	703,894	703,894	-
Total Long Term Assets	$ 703,894	$ 703,894	$ -
DEFERRED OUTFLOWS OF RESOURCES	$ 2,657,573	$ 2,657,573	$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 377,748,399	$ 358,491,855	$ 19,256,544
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	$ 46,976	$ 43,523	3,453
Accrued Salaries and Employee Benefits	2,725,608	2,563,005	162,603
Accrued Other Operating Expenses	3,057,486	3,226,189	(168,703)
Accrued Taxes and Licenses	20,278,678	7,999,403	12,279,275
Claims Payable (Reported)	18,592,366	14,437,670	4,154,696
IBNR - Inpatient Claims	26,576,342	24,172,097	2,404,245
IBNR - Physician Claims	12,901,249	14,559,960	(1,658,711)
IBNR - Accrued Other Medical	22,524,096	20,800,904	1,723,192
Risk Pool and Withholds Payable	3,403,320	3,476,496	(73,176)
Statutory Allowance for Claims Processing Expense	2,326,151	2,326,151	-
Other Liabilities	51,550,540	52,945,656	(1,395,116)
Total Current Liabilities	$ 163,982,812	$ 146,551,054	$ 17,431,758
NONCURRENT LIABILITIES:			
Net Pension Liability	5,490,163	5,490,163	-
TOTAL NONCURRENT LIABILITIES	$ 5,490,163	$ 5,490,163	$ -
DEFERRED INFLOWS OF RESOURCES	$ 364,304	$ 364,304	$ -
NET POSITION:			
Net Position - Beg. of Year	201,630,971	201,630,971	-
Increase (Decrease) in Net Position - Current Year	6,280,149	4,455,363	1,824,786
Total Net Position	$ 207,911,120	$ 206,086,334	$ 1,824,786
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 377,748,399	$ 358,491,855	$ 19,256,544

KHS9/26/2019
Management Use Only

KERN HEALTH SYSTEMS
MEDI-CAL - ALL COA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
FOR THE MONTH ENDED AUGUST 31, 2019

CURRENT MONTH MEMBERS				YEAR-TO-DATE MEMBER MONTHS		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			ENROLLMENT			
167,077	169,800	(2,723)	Family Members	1,335,948	1,347,200	(11,252)
60,678	59,675	1,003	Expansion Members	480,669	477,400	3,269
15,270	14,200	1,070	SPD Members	119,370	113,600	5,770
6,441	5,600	841	Other Members	51,125	44,800	6,325
8,758	8,400	358	Kaiser Members	68,111	67,200	911
258,224	257,675	549	Total Members - MCAL	2,055,223	2,050,200	5,023
			REVENUES			
27,380,366	24,433,684	2,946,682	Title XIX - Medicaid - Family and Other	200,296,518	188,633,807	11,662,711
22,748,791	22,329,139	419,652	Title XIX - Medicaid - Expansion Members	182,380,717	176,244,133	6,136,584
14,965,261	12,671,587	2,293,674	Title XIX - Medicaid - SPD Members	104,466,514	96,907,462	7,559,052
12,317,485	8,324,622	3,992,863	Premium - MCO Tax	68,923,490	66,222,945	2,700,545
361,763	394,963	(33,200)	Investment Earnings	4,518,069	3,141,959	1,376,110
-	127,130	(127,130)	Reinsurance Recoveries	-	1,011,330	(1,011,330)
329,476	-	329,476	Rate/Income Adjustments	7,573,473	-	7,573,473
20,270	-	20,270	Other Income (Expense)	162,959	-	162,959
78,123,412	68,281,124	9,842,288	TOTAL REVENUES	568,321,739	532,161,635	36,160,104
			EXPENSES			
			Medical Costs:			
13,516,282	13,534,209	17,927	Physician Services	113,210,339	107,822,988	(5,387,351)
3,775,027	3,502,543	(272,484)	Other Professional Services	30,206,901	27,762,173	(2,444,728)
4,645,061	4,596,631	(48,430)	Emergency Room	39,161,951	36,591,345	(2,570,606)
15,238,360	13,574,597	(1,663,763)	Inpatient	107,406,508	108,272,333	865,825
129,256	127,130	(2,126)	Reinsurance Expense	1,011,761	1,011,330	(431)
6,523,398	5,708,251	(815,147)	Outpatient Hospital	50,164,308	45,524,387	(4,639,921)
6,439,790	4,127,602	(2,312,188)	Other Medical	51,706,254	31,641,715	(20,064,539)
9,336,978	9,683,736	346,758	Pharmacy	74,299,498	77,274,430	2,974,932
498,932	498,550	(382)	Pay for Performance Quality Incentive	3,974,224	3,966,000	(8,224)
-	-	-	Expansion Risk Corridor	-	-	-
11,717	-	(11,717)	Non-Claims Expense Adjustment	980,261	-	(980,261)
202,480	-	(202,480)	IBNR, Incentive, Paid Claims Adjustment	(6,454,833)	-	6,454,833
60,317,281	55,353,250	(4,964,031)	Total Medical Costs	465,667,172	439,866,699	(25,800,473)
17,806,131	12,927,874	4,878,257	GROSS MARGIN	102,654,567	92,294,936	10,359,632
			Administrative:			
2,254,325	2,196,299	(58,026)	Compensation	17,432,729	17,313,174	(119,555)
605,801	785,274	179,473	Purchased Services	5,502,258	6,281,366	779,108
49,290	111,796	62,506	Supplies	554,204	896,330	342,126
151,655	352,650	200,995	Depreciation	1,412,076	1,963,391	551,315
489,494	319,293	(170,201)	Other Administrative Expenses	2,544,131	2,556,894	12,763
-	-	-	Administrative Expense Adjustment	-	-	-
3,550,565	3,765,312	214,747	Total Administrative Expenses	27,445,398	29,011,155	1,565,757
63,867,846	59,118,562	(4,749,284)	TOTAL EXPENSES	493,112,570	468,877,854	(24,234,716)
14,255,566	9,162,562	5,093,004	OPERATING INCOME (LOSS) BEFORE TAX	75,209,169	63,283,781	11,925,388
12,279,276	8,324,622	(3,954,654)	MCO TAX	68,858,195	66,222,945	(2,635,250)
1,976,290	837,941	1,138,349	OPERATING INCOME (LOSS) NET OF TAX	6,350,974	(2,939,164)	9,290,139
			NONOPERATING REVENUE (EXPENSE)			
-	-	-	Gain on Sale of Building	2,205,329	-	2,205,329
-	-	-	Reserve Fund Projects/Community Grants	(780,000)	-	(780,000)
(151,504)	(280,000)	128,496	Health Home	(1,496,154)	(2,240,000)	743,846
(151,504)	(280,000)	128,496	TOTAL NONOPERATING REVENUE (EXPENSE)	(70,825)	(2,240,000)	2,169,175
1,824,786	557,941	1,266,845	NET INCREASE (DECREASE) IN NET POSITION	6,280,149	(5,179,164)	11,459,314
91.7%	92.3%	0.7%	MEDICAL LOSS RATIO	93.2%	94.4%	1.2%
5.4%	6.3%	0.9%	ADMINISTRATIVE EXPENSE RATIO	5.5%	6.2%	0.7%

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED AUGUST 31, 2019	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			ENROLLMENT			
167,077	169,800	(2,723)	Family Members	1,335,948	1,347,200	(11,252)
60,678	59,675	1,003	Expansion Members	480,669	477,400	3,269
15,270	14,200	1,070	SPD Members	119,370	113,600	5,770
6,441	5,600	841	Other Members	51,125	44,800	6,325
8,758	8,400	358	Kaiser Members	68,111	67,200	911
258,224	257,675	549	Total Members - MCAL	2,055,223	2,050,200	5,023
			REVENUES			
157.80	139.30	18.49	Title XIX - Medicaid - Family and Other	144.40	135.51	8.89
374.91	374.18	0.73	Title XIX - Medicaid - Expansion Members	379.43	369.17	10.26
980.04	892.37	87.68	Title XIX - Medicaid - SPD Members	875.15	853.06	22.09
49.38	33.40	15.98	Premium - MCO Tax	34.69	33.40	1.29
1.45	1.58	(0.13)	Investment Earnings	2.27	1.58	0.69
0.00	0.51	(0.51)	Reinsurance Recoveries	0.00	0.51	(0.51)
0.00	0.00	0.00	COB/Subrogation Collections	0.00	0.00	0.00
1.32	0.00	1.32	Rate/Income Adjustments	3.81	0.00	3.81
0.08	0.00	0.08	Other Income (Expense)	0.08	0.00	0.08
313.16	273.92	39.24	TOTAL REVENUES	286.00	268.36	17.64
			EXPENSES			
			Medical Costs:			
54.18	54.29	0.11	Physician Services	56.97	54.37	(2.60)
15.13	14.05	(1.08)	Other Professional Services	15.20	14.00	(1.20)
18.62	18.44	(0.18)	Emergency Room	19.71	18.45	(1.26)
61.08	54.46	(6.63)	Inpatient	54.05	54.60	0.55
0.52	0.51	(0.01)	Reinsurance Expense	0.51	0.51	0.00
26.15	22.90	(3.25)	Outpatient Hospital	25.24	22.96	(2.29)
25.81	16.56	(9.26)	Other Medical	26.02	15.96	(10.06)
37.43	38.85	1.42	Pharmacy	37.39	38.97	1.58
2.00	2.00	0.00	Pay for Performance Quality Incentive	2.00	2.00	0.00
0.00	0.00	0.00	Expansion Risk Corridor	0.00	0.00	0.00
0.05	0.00	(0.05)	Non-Claims Expense Adjustment	0.49	0.00	(0.49)
0.81	0.00	(0.81)	IBNR, Incentive, Paid Claims Adjustment	(3.25)	0.00	3.25
241.79	222.06	(19.73)	Total Medical Costs	234.34	221.82	(12.52)
71.38	51.86	19.52	GROSS MARGIN	51.66	46.54	5.12
			Administrative:			
9.04	8.81	(0.23)	Compensation	8.77	8.73	(0.04)
2.43	3.15	0.72	Purchased Services	2.77	3.17	0.40
0.20	0.45	0.25	Supplies	0.28	0.45	0.17
0.61	1.41	0.81	Depreciation	0.71	0.99	0.28
1.96	1.28	(0.68)	Other Administrative Expenses	1.28	1.29	0.01
0.00	0.00	0.00	Administrative Expense Adjustment	0.00	0.00	0.00
14.23	15.11	0.87	Total Administrative Expenses	13.81	14.63	0.82
256.02	237.16	(18.86)	TOTAL EXPENSES	248.16	236.45	(11.71)
57.14	36.76	20.39	OPERATING INCOME (LOSS) BEFORE TAX	37.85	31.91	5.94
49.22	33.40	(15.83)	MCO TAX	34.65	33.40	(1.26)
7.92	3.36	4.56	OPERATING INCOME (LOSS) NET OF TAX	3.20	(1.48)	4.68
			NONOPERATING REVENUE (EXPENSE)			
0.00	0.00	0.00	Gain on Sale of Building	1.11	0.00	1.11
0.00	0.00	0.00	Reserve Fund Projects/Community Grants	(0.39)	0.00	(0.39)
(0.61)	(1.12)	0.52	Health Home	(0.75)	(1.13)	0.38
(0.61)	(1.12)	0.52	TOTAL NONOPERATING REVENUE (EXPENSE)	(0.04)	(1.13)	1.09
7.31	2.24	5.08	NET INCREASE (DECREASE) IN NET POSITION	3.16	(2.61)	5.77
91.7%	92.3%	0.7%	MEDICAL LOSS RATIO	93.2%	94.4%	1.2%
5.4%	6.3%	0.9%	ADMINISTRATIVE EXPENSE RATIO	5.5%	6.2%	0.7%

KHS9/26/2019
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KERN HEALTH SYSTEMS
MEDI-CAL
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS
THROUGH AUGUST 31, 2019

	AUGUST 2018	SEPTEMBER 2018	OCTOBER 2018	NOVEMBER 2018	DECEMBER 2018	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	AUGUST 2019	13 MONTH TOTAL
ENROLLMENT														
Members - MCAL	246,967	246,962	245,266	245,522	244,683	245,830	247,101	247,836	248,254	248,349	250,896	249,380	249,466	3,216,512
REVENUES														
Title XIX - Medicaid - Family and Other	24,767,995	23,083,686	23,000,590	23,501,422	30,919,748	23,126,334	24,192,447	24,487,252	24,003,598	24,444,272	25,745,431	26,916,818	27,380,366	325,569,959
Title XIX - Medicaid - Expansion Members	22,282,962	21,704,606	21,501,088	21,231,529	24,465,934	21,975,726	23,396,309	22,894,496	23,046,615	23,133,193	23,356,415	21,829,172	22,748,791	293,566,836
Title XIX - Medicaid - SPD Members	12,352,541	11,987,574	12,128,124	12,551,376	13,341,766	11,970,651	12,067,762	12,439,467	12,488,048	13,147,466	13,032,438	14,355,421	14,965,261	166,827,895
Premium - MCO Tax	8,087,606	8,087,918	8,087,777	8,087,716	7,658,846	8,006,206	8,047,808	8,071,581	8,084,949	8,092,541	8,174,408	8,128,512	12,317,485	108,933,353
Investment Earnings	341,662	454,671	473,586	360,950	917,687	420,661	422,736	929,211	619,483	361,666	1,068,219	334,330	361,763	7,066,625
Reinsurance Recoveries	-	-	-	(139,352)	267,973	-	-	-	-	-	-	-	-	128,621
COB/Subrogation Collections	417,036	196,954	325,659	110,446	59,980	-	-	-	-	-	-	-	-	1,110,075
Rate/Income Adjustments	129,606	5,175	212,890	251,712	(5,850)	1,364,372	5,819,936	626,404	(173,473)	178,336	(703,658)	132,080	329,476	8,167,006
Other Income (Expense)	258	10,281	79	139	121,301	3,822	56	56,526	1,314	20,444	40,508	20,019	20,270	295,017
TOTAL REVENUES	68,379,666	65,530,865	65,729,793	65,955,938	77,747,385	66,867,772	73,947,054	69,504,937	68,070,534	69,377,918	70,713,761	71,716,351	78,123,412	911,665,386
EXPENSES														
Medical Costs:														
Physician Services	13,538,335	13,438,560	12,587,105	13,509,654	11,452,439	13,212,798	13,768,201	15,391,612	15,885,936	14,054,383	13,468,415	13,912,712	13,516,282	177,736,432
Other Professional Services	3,254,300	3,251,122	3,323,654	4,150,323	3,375,679	3,414,621	3,447,281	3,652,683	3,718,600	3,960,952	4,388,042	3,849,695	3,775,027	47,561,979
Emergency Room	4,563,430	4,531,949	4,490,225	4,169,595	3,601,196	4,459,099	4,710,529	4,835,728	5,525,268	5,106,796	4,698,111	5,181,359	4,645,061	60,518,346
Inpatient	13,023,461	12,885,548	13,069,188	9,158,011	2,692,667	12,961,386	12,906,122	13,546,028	12,850,017	12,181,510	14,390,451	13,332,634	15,238,360	158,235,383
Reinsurance Expense	116,494	116,075	116,072	115,275	115,395	125,136	125,026	126,021	126,397	126,609	126,658	126,658	129,256	1,591,072
Outpatient Hospital	6,047,228	5,798,828	4,785,905	5,131,143	4,278,893	5,414,223	6,037,448	6,885,177	6,373,571	6,408,304	5,912,776	6,609,411	6,523,398	76,206,305
Other Medical	4,241,840	3,605,940	3,863,995	4,451,124	15,028,871	5,564,320	6,854,723	6,448,536	6,141,817	7,183,716	6,357,547	6,715,805	6,439,790	82,898,024
Pharmacy	9,437,755	8,667,417	9,382,074	8,798,273	8,615,541	9,612,700	9,033,300	9,671,212	9,293,776	9,659,273	8,508,813	9,183,446	9,336,978	119,200,558
Pay for Performance Quality Incentive	493,934	493,924	490,532	491,044	444,467	491,660	494,202	495,672	496,508	496,698	501,792	498,760	498,932	6,388,125
Expansion Risk Corridor	-	-	-	-	10,500,000	-	-	-	-	-	-	-	-	10,500,000
Non-Claims Expense Adjustment	(299,863)	6,624	2,670	(535)	-	197,435	367,246	324,378	(736,017)	39,610	756,640	19,252	11,717	689,157
IBNR, Incentive, Paid Claims Adjustment	1,872,269	566,662	1,438,167	4,196,430	482,510	(659,783)	4,381,620	(3,810,327)	(3,425,856)	(2,087,231)	(704,885)	(350,851)	202,480	2,101,205
Total Medical Costs	56,289,183	53,362,649	53,549,587	54,170,337	60,587,658	54,793,595	62,125,698	57,566,720	56,250,017	57,130,620	58,404,360	59,078,881	60,317,281	743,626,586
GROSS MARGIN	12,090,483	12,168,216	12,180,206	11,785,601	17,159,727	12,074,177	11,821,356	11,938,217	11,820,517	12,247,298	12,309,401	12,637,470	17,806,131	168,038,800
Administrative:														
Compensation	2,083,690	2,021,643	2,161,106	2,025,307	1,990,200	2,219,647	1,953,045	2,094,504	2,121,314	2,336,685	2,155,354	2,297,855	2,254,325	27,714,675
Purchased Services	594,201	555,317	465,811	616,200	628,945	534,139	538,593	901,569	783,945	882,833	449,468	805,910	605,801	8,362,732
Supplies	61,411	30,539	67,086	36,154	104,230	115,623	78,778	93,764	93,770	15,577	59,549	47,853	49,290	853,624
Depreciation	127,237	127,238	127,238	127,238	131,127	179,516	179,517	211,201	179,515	179,516	179,516	151,640	151,655	2,052,154
Other Administrative Expenses	255,200	315,104	265,994	221,013	303,506	326,629	188,631	246,439	302,417	239,380	412,596	338,545	489,494	3,904,948
Administrative Expense Adjustment	-	-	-	-	383,013	-	-	-	-	-	-	-	-	383,013
Total Administrative Expenses	3,121,739	3,049,841	3,087,235	3,025,912	3,541,021	3,375,554	2,938,564	3,547,477	3,480,961	3,653,991	3,256,483	3,641,803	3,550,565	43,271,146
TOTAL EXPENSES	59,410,922	56,412,490	56,636,822	57,196,249	64,128,679	58,169,149	65,064,262	61,114,197	59,730,978	60,784,611	61,660,843	62,720,684	63,867,846	786,897,732
OPERATING INCOME (LOSS) BEFORE TAX	8,968,744	9,118,375	9,092,971	8,759,689	13,618,706	8,698,623	8,882,792	8,390,740	8,339,556	8,593,307	9,052,918	8,995,667	14,255,566	124,767,654
MCO TAX	8,087,607	8,087,918	8,087,777	8,087,716	8,087,687	8,088,119	8,087,918	8,087,918	8,087,918	8,087,918	8,087,917	8,051,211	12,279,276	109,296,900
OPERATING INCOME (LOSS) NET OF TAX	881,137	1,030,457	1,005,194	671,973	5,531,019	610,504	794,874	302,822	251,638	505,389	965,001	944,456	1,976,290	15,470,754
TOTAL NONOPERATING REVENUE (EXPENSE)	(191,701)	(567,923)	(41,390)	(223,595)	(54,987)	(116,870)	(104,330)	(133,960)	(191,455)	(359,160)	1,293,258	(306,804)	(151,504)	(1,150,421)
NET INCREASE (DECREASE) IN NET POSITION	689,436	462,534	963,804	448,378	5,476,032	493,634	690,544	168,862	60,183	146,229	2,258,259	637,652	1,824,786	14,320,333
MEDICAL LOSS RATIO	93.4%	92.9%	92.9%	93.6%	86.4%	93.1%	94.3%	93.7%	93.8%	93.2%	93.4%	92.9%	91.7%	92.6%
ADMINISTRATIVE EXPENSE RATIO	5.2%	5.3%	5.4%	5.2%	5.1%	5.7%	4.5%	5.8%	5.8%	6.0%	5.2%	5.7%	5.4%	5.4%

KERN HEALTH SYSTEMS
MEDI-CAL
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM
ROLLING 13 MONTHS
THROUGH AUGUST 31, 2019

	AUGUST 2018	SEPTEMBER 2018	OCTOBER 2018	NOVEMBER 2018	DECEMBER 2018	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	AUGUST 2019	13 MONTH TOTAL
ENROLLMENT														
Members - MCAL	246,967	246,962	245,266	245,522	244,683	245,830	247,101	247,836	248,254	248,349	250,896	249,380	249,466	3,216,512
REVENUES														
Title XIX - Medicaid - Family and Other	143.39	133.25	134.04	136.65	180.80	134.36	140.03	141.35	138.32	140.92	147.25	155.06	157.80	144.85
Title XIX - Medicaid - Expansion Members	373.39	366.14	363.20	361.19	413.07	371.66	391.12	383.67	384.32	386.02	383.23	360.65	374.91	377.90
Title XIX - Medicaid - SPD Members	848.74	829.82	838.04	850.42	924.01	820.75	831.51	839.09	846.53	878.96	862.90	940.48	980.04	868.71
Premium - MCO Tax	32.75	32.75	32.98	32.94	31.30	32.57	32.57	32.57	32.57	32.59	32.58	32.59	49.38	33.87
Investment Earnings	1.38	1.84	1.93	1.47	3.75	1.71	1.71	3.75	2.50	1.46	4.26	1.34	1.45	2.20
Reinsurance Recoveries	0.00	0.00	0.00	(0.57)	1.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04
COB/Subrogation Collections	1.69	0.80	1.33	0.45	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.35
Rate/Income Adjustments	0.52	0.02	0.87	1.03	(0.02)	5.55	23.55	2.53	(0.70)	0.72	(2.80)	0.53	1.32	2.54
Other Income (Expense)	0.00	0.04	0.00	0.00	0.50	0.02	0.00	0.23	0.01	0.08	0.16	0.08	0.08	0.09
TOTAL REVENUES	276.88	265.35	267.99	268.64	317.75	272.01	299.26	280.45	274.20	279.36	281.84	287.58	313.16	283.43
EXPENSES														
Medical Costs:														
Physician Services	54.82	54.42	51.32	55.02	46.81	53.75	55.72	62.10	63.99	56.59	53.68	55.79	54.18	55.26
Other Professional Services	13.18	13.16	13.55	16.90	13.80	13.89	13.95	14.74	14.98	15.95	17.49	15.44	15.13	14.79
Emergency Room	18.48	18.35	18.31	16.98	14.72	18.14	19.06	19.51	22.26	20.56	18.73	20.78	18.62	18.81
Inpatient	52.73	52.18	53.29	37.30	11.00	52.72	52.23	54.66	51.76	49.05	57.36	53.46	61.08	49.19
Reinsurance Expense	0.47	0.47	0.47	0.47	0.47	0.51	0.51	0.51	0.51	0.51	0.50	0.51	0.52	0.49
Outpatient Hospital	24.49	23.48	19.51	20.90	17.49	22.02	24.43	27.78	25.67	25.80	23.57	26.50	26.15	23.69
Other Medical	17.18	14.60	15.75	18.13	61.42	22.63	27.74	26.02	24.74	28.93	25.34	26.93	25.81	25.77
Pharmacy	38.21	35.10	38.25	35.83	35.21	39.10	36.56	39.02	37.44	38.89	33.91	36.83	37.43	37.06
Pay for Performance Quality Incentive	2.00	2.00	2.00	2.00	1.82	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.99
Expansion Risk Corridor	0.00	0.00	0.00	0.00	42.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.26
Non-Claims Expense Adjustment	(1.21)	0.03	0.01	(0.00)	0.00	0.80	1.49	1.31	(2.96)	0.16	3.02	0.08	0.05	0.21
IBNR, Incentive, Paid Claims Adjustment	7.58	2.29	5.86	17.09	1.97	(2.68)	17.73	(15.37)	(13.80)	(8.40)	(2.81)	(1.41)	0.81	0.65
Total Medical Costs	227.92	216.08	218.33	220.63	247.62	222.89	251.42	232.28	226.58	230.04	232.78	236.90	241.79	231.19
GROSS MARGIN	48.96	49.27	49.66	48.00	70.13	49.12	47.84	48.17	47.61	49.31	49.06	50.68	71.38	52.24
Administrative:														
Compensation	8.44	8.19	8.81	8.25	8.13	9.03	7.90	8.45	8.54	9.41	8.59	9.21	9.04	8.62
Purchased Services	2.41	2.25	1.90	2.51	2.57	2.17	2.18	3.64	3.16	3.55	1.79	3.23	2.43	2.60
Supplies	0.25	0.12	0.27	0.15	0.43	0.47	0.32	0.38	0.38	0.06	0.24	0.19	0.20	0.27
Depreciation	0.52	0.52	0.52	0.52	0.54	0.73	0.73	0.85	0.72	0.72	0.72	0.61	0.61	0.64
Other Administrative Expenses	1.03	1.28	1.08	0.90	1.24	1.33	0.76	0.99	1.22	0.96	1.64	1.36	1.96	1.21
Administrative Expense Adjustment	0.00	0.00	0.00	0.00	1.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.12
Total Administrative Expenses	12.64	12.35	12.59	12.32	14.47	13.73	11.89	14.31	14.02	14.71	12.98	14.60	14.23	13.45
TOTAL EXPENSES	240.56	228.43	230.92	232.96	262.09	236.62	263.31	246.59	240.60	244.75	245.76	251.51	256.02	244.64
OPERATING INCOME (LOSS) BEFORE TAX	36.32	36.92	37.07	35.68	55.66	35.38	35.95	33.86	33.59	34.60	36.08	36.07	57.14	38.79
MCO TAX	32.75	32.75	32.98	32.94	33.05	32.90	32.73	32.63	32.58	32.57	32.24	32.28	49.22	33.98
OPERATING INCOME (LOSS) NET OF TAX	3.57	4.17	4.10	2.74	22.60	2.48	3.22	1.22	1.01	2.03	3.85	3.79	7.92	4.81
TOTAL NONOPERATING REVENUE (EXPENSE)	(0.78)	(2.30)	(0.17)	(0.91)	(0.22)	(0.48)	(0.42)	(0.54)	(0.77)	(1.45)	5.15	(1.23)	(0.61)	(0.36)
NET INCREASE (DECREASE) IN NET POSITION	2.79	1.87	3.93	1.83	22.38	2.01	2.79	0.68	0.24	0.59	9.00	2.56	7.31	4.45
MEDICAL LOSS RATIO	93.4%	92.9%	92.9%	93.6%	86.4%	93.1%	94.3%	93.7%	93.8%	93.2%	93.4%	92.9%	91.7%	92.6%
ADMINISTRATIVE EXPENSE RATIO	5.2%	5.3%	5.4%	5.2%	5.1%	5.7%	4.5%	5.8%	5.8%	6.0%	5.2%	5.7%	5.4%	5.4%

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF REVENUES - ALL COA
FOR THE MONTH ENDED AUGUST 31, 2019

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			REVENUES			
			Title XIX - Medicaid - Family & Other			
23,053,833	20,728,458	2,325,375	Premium - Medi-Cal	163,341,347	160,263,536	3,077,811
2,342,948	2,422,591	(79,643)	Premium - Maternity Kick	17,876,757	19,380,728	(1,503,971)
7,994	75,936	(67,942)	Premium - Hep C Kick	714,860	602,640	112,220
314,103	262,801	51,302	Premium - BHT Kick	2,761,031	2,085,629	675,402
209,479	201,447	8,032	Premium - Health Home Kick	303,969	402,434	(98,465)
1,255,305	661,231	594,074	Premium - Provider Enhancement	13,439,992	5,250,200	8,189,792
111,686	-	111,686	Premium - Ground Emergency Medical Transportation	1,182,345	-	1,182,345
85,018	81,220	3,798	Other	676,217	648,640	27,577
27,380,366	24,433,684	2,946,682	Total Title XIX - Medicaid - Family & Other	200,296,518	188,633,807	11,662,711
			Title XIX - Medicaid - Expansion Members			
21,283,833	20,797,311	486,523	Premium - Medi-Cal	169,074,038	166,361,015	2,713,024
118,249	243,020	(124,771)	Premium - Maternity Kick	2,340,969	1,944,160	396,809
149,305	544,869	(395,564)	Premium - Hep C Kick	2,963,245	4,358,952	(1,395,707)
471,793	395,252	76,541	Premium - Health Home Kick	639,432	790,504	(151,072)
580,806	323,232	257,574	Premium - Provider Enhancement	5,964,350	2,585,856	3,378,494
118,480	-	118,480	Premium - Ground Emergency Medical Transportation	1,186,619	-	1,186,619
26,325	25,456	869	Other	212,064	203,648	8,416
22,748,791	22,329,139	419,652	Total Title XIX - Medicaid - Expansion Members	182,380,717	176,244,135	6,136,582
			Title XIX - Medicaid - SPD Members			
13,647,463	11,646,045	2,001,418	Premium - Medi-Cal	95,773,916	90,480,806	5,293,110
58,090	211,894	(153,804)	Premium - Hep C Kick	937,725	1,695,152	(757,427)
468,786	391,982	76,804	Premium - BHT Kick	3,965,203	3,135,856	829,347
412,394	296,280	116,114	Premium - Health Home Kick	548,376	592,560	(44,184)
263,244	125,386	137,858	Premium - Provider Enhancement	2,253,380	1,003,088	1,250,292
115,284	-	115,284	Premium - Ground Emergency Medical Transportation	987,914	-	987,914
14,965,261	12,671,587	2,293,674	Total Title XIX - Medicaid - SPD Members	104,466,514	96,907,462	7,559,052

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA
FOR THE MONTH ENDED AUGUST 31, 2019

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			PHYSICIAN SERVICES			
2,938,482	2,931,082	(7,400)	Primary Care Physician Services	22,973,686	23,321,635	347,949
9,066,225	9,225,052	158,827	Referral Specialty Services	77,864,062	73,543,072	(4,320,990)
1,511,575	1,368,775	(142,800)	Urgent Care & After Hours Advise	12,308,991	10,885,380	(1,423,611)
-	9,300	9,300	Hospital Admitting Team	63,600	72,900	9,300
13,516,282	13,534,209	17,927	TOTAL PHYSICIAN SERVICES	113,210,339	107,822,988	(5,387,351)
			OTHER PROFESSIONAL SERVICES			
253,443	262,245	8,802	Vision Service Capitation	1,983,845	2,086,542	102,697
170,878	183,437	12,559	221 - Business Intelligence	1,328,647	1,467,496	138,849
490,578	537,736	47,158	310 - Health Services - Utilization Management - UM Allocation *	3,985,885	4,301,884	315,999
79,277	101,420	22,143	311 - Health Services - Quality Improvement - UM Allocation *	639,035	811,362	172,327
92,854	101,142	8,288	312 - Health Services - Education - UM Allocation *	729,771	745,182	15,411
79,555	87,826	8,271	313 - Health Services - Pharmacy - UM Allocation *	646,915	702,611	55,696
69,974	85,846	15,872	314 - Health Homes - UM Allocation *	439,448	686,764	247,316
223,417	228,318	4,901	315 - Case Management - UM Allocation *	1,547,921	1,691,301	143,380
54,032	55,990	1,958	616 - Disease Management - UM Allocation *	425,406	447,916	22,510
1,051,356	654,783	(396,573)	Behavior Health Treatment	8,415,998	5,221,484	(3,194,514)
105,793	162,172	56,379	Mental Health Services	1,194,403	1,291,916	97,513
1,103,870	1,041,628	(62,242)	Other Professional Services	8,869,627	8,307,715	(561,912)
3,775,027	3,502,543	(272,484)	TOTAL OTHER PROFESSIONAL SERVICES	30,206,901	27,762,173	(2,444,728)
4,645,061	4,596,631	(48,430)	EMERGENCY ROOM	39,161,951	36,591,345	(2,570,606)
15,238,360	13,574,597	(1,663,763)	INPATIENT HOSPITAL	107,406,508	108,272,333	865,825
129,256	127,130	(2,126)	REINSURANCE EXPENSE PREMIUM	1,011,761	1,011,330	(431)
6,523,398	5,708,251	(815,147)	OUTPATIENT HOSPITAL SERVICES	50,164,308	45,524,387	(4,639,921)
			OTHER MEDICAL			
1,411,959	1,223,031	(188,928)	Ambulance and NEMT	11,851,003	9,738,737	(2,112,266)
382,399	292,630	(89,769)	Home Health Services & CBAS	3,045,363	2,335,129	(710,234)
251,393	445,757	194,364	Utilization and Quality Review Expenses	1,813,628	3,566,055	1,752,427
1,385,020	781,257	(603,763)	Long Term/SNF/Hospice	7,807,169	6,241,342	(1,565,827)
-	62,643	62,643	Enhanced Medical Benefits	-	498,328	498,328
2,571,469	1,109,987	(1,461,482)	Provider Enhancement Expense - Prop. 56	23,591,739	8,837,668	(14,754,071)
449,490	-	(449,490)	Provider Enhancement Expense - GEMT	3,475,502	-	(3,475,502)
(11,940)	212,296	224,236	Home Health Capitated Medical Expense	121,850	424,456	302,606
6,439,790	4,127,602	(2,312,188)	TOTAL OTHER MEDICAL	51,706,254	31,641,715	(20,064,539)
			PHARMACY SERVICES			
8,472,076	8,396,146	(75,930)	RX - Drugs & OTC	66,200,240	66,988,281	788,041
402,097	832,699	430,602	RX - HEP-C	3,965,159	6,656,741	2,691,582
597,805	600,766	2,961	Rx - DME	5,374,447	4,795,637	(578,810)
(135,000)	(145,874)	(10,874)	RX - Pharmacy Rebates	(1,240,348)	(1,166,228)	74,120
9,336,978	9,683,736	346,758	TOTAL PHARMACY SERVICES	74,299,498	77,274,430	2,974,932
498,932	498,550	(382)	PAY FOR PERFORMANCE QUALITY INCENTIVE	3,974,224	3,966,000	(8,224)
-	-	-	EXPANSION RISK CORRIDOR	-	-	-
11,717	-	(11,717)	NON-CLAIMS EXPENSE ADJUSTMENT	980,261	-	(980,261)
202,480	-	(202,480)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(6,454,833)	-	6,454,833
60,317,281	55,353,250	(4,964,031)	Total Medical Costs	465,667,172	439,866,699	(25,800,473)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM
FOR THE MONTH ENDED AUGUST 31, 2019

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			PHYSICIAN SERVICES			
11.78	11.76	(0.02)	Primary Care Physician Services	11.56	11.76	0.20
36.34	37.01	0.67	Referral Specialty Services	39.18	37.09	(2.10)
6.06	5.49	(0.57)	Urgent Care & After Hours Advise	6.19	5.49	(0.71)
0.00	0.04	0.04	Hospital Admitting Team	0.03	0.04	0.00
54.18	54.29	0.11	TOTAL PHYSICIAN SERVICES	56.97	54.37	(2.60)
			OTHER PROFESSIONAL SERVICES			
1.02	1.05	0.04	Vision Service Capitation	1.00	1.05	0.05
0.68	0.74	0.05	221 - Business Intelligence	0.67	0.74	0.07
1.97	2.16	0.19	310 - Health Services - Utilization Management - UM Allocation *	2.01	2.17	0.16
0.32	0.41	0.09	311 - Health Services - Quality Improvement - UM Allocation *	0.32	0.41	0.09
0.37	0.41	0.03	312 - Health Services - Education - UM Allocation *	0.37	0.38	0.01
0.32	0.35	0.03	313 - Health Services - Pharmacy - UM Allocation *	0.33	0.35	0.03
0.28	0.34	0.06	314 - Health Homes - UM Allocation *	0.22	0.35	0.13
0.90	0.92	0.02	315 - Case Management - UM Allocation *	0.78	0.85	0.07
0.22	0.22	0.01	616 - Disease Management - UM Allocation *	0.21	0.23	0.01
4.21	2.63	(1.59)	Behavior Health Treatment	4.24	2.63	(1.60)
0.42	0.65	0.23	Mental Health Services	0.60	0.65	0.05
4.42	4.18	(0.25)	Other Professional Services	4.46	4.19	(0.27)
15.13	14.05	(1.08)	TOTAL OTHER PROFESSIONAL SERVICES	15.20	14.00	(1.20)
18.62	18.44	(0.18)	EMERGENCY ROOM	19.71	18.45	(1.26)
61.08	54.46	(6.63)	INPATIENT HOSPITAL	54.05	54.60	0.55
0.52	0.51	(0.01)	REINSURANCE EXPENSE PREMIUM	0.51	0.51	0.00
26.15	22.90	(3.25)	OUTPATIENT HOSPITAL SERVICES	25.24	22.96	(2.29)
			OTHER MEDICAL			
5.66	4.91	(0.75)	Ambulance and NEMT	5.96	4.91	(1.05)
1.53	1.17	(0.36)	Home Health Services & CBAS	1.53	1.18	(0.35)
1.01	1.79	0.78	Utilization and Quality Review Expenses	0.91	1.80	0.89
5.55	3.13	(2.42)	Long Term/SNF/Hospice	3.93	3.15	(0.78)
0.00	0.25	0.25	Enhanced Medical Benefits	0.00	0.25	0.25
10.31	4.45	(5.86)	Provider Enhancement Expense	11.87	4.46	(7.42)
(0.05)	0.85	0.90	Home Health Capitated Medical Expense	0.06	0.21	0.15
24.01	16.56	(7.45)	TOTAL OTHER MEDICAL	24.27	15.96	(8.32)
			PHARMACY SERVICES			
33.96	33.68	(0.28)	RX - Drugs & OTC	33.31	33.78	0.47
1.61	3.34	1.73	RX - HEP-C	2.00	3.36	1.36
2.40	2.41	0.01	Rx - DME	2.70	2.42	(0.29)
(0.54)	(0.59)	(0.04)	RX - Pharmacy Rebates	(0.62)	(0.59)	0.04
37.43	38.85	1.42	TOTAL PHARMACY SERVICES	37.39	38.97	1.58
2.00	2.00	0.00	PAY FOR PERFORMANCE QUALITY INCENTIVE	2.00	2.00	0.00
0.00	0.00	0.00	EXPANSION RISK CORRIDOR	0.00	0.00	0.00
0.05	0.00	(0.05)	NON-CLAIMS EXPENSE ADJUSTMENT	0.49	0.00	(0.49)
0.81	0.00	(0.81)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(3.25)	0.00	3.25
241.79	222.06	(19.73)	Total Medical Costs	234.34	221.82	(12.52)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH AUGUST 31, 2019	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	AUGUST 2019	YEAR TO DATE 2019
PHYSICIAN SERVICES									
Primary Care Physician Services	2,852,332	3,204,444	2,641,133	2,878,106	3,132,132	2,545,597	2,781,460	2,938,482	22,973,686
Referral Specialty Services	9,061,015	8,891,359	10,768,936	10,831,475	9,485,042	9,590,131	10,169,879	9,066,225	77,864,062
Urgent Care & After Hours Advise	1,290,151	1,663,998	1,972,243	2,167,355	1,427,909	1,323,687	952,073	1,511,575	12,308,991
Hospital Admitting Team	9,300	8,400	9,300	9,000	9,300	9,000	9,300	-	63,600
TOTAL PHYSICIAN SERVICES	13,212,798	13,768,201	15,391,612	15,885,936	14,054,383	13,468,415	13,912,712	13,516,282	113,210,339
OTHER PROFESSIONAL SERVICES									
Vision Service Capitation	245,365	245,148	247,101	247,836	248,254	248,349	248,349	253,443	1,983,845
221 - Business Intelligence	164,801	159,928	165,714	159,920	179,129	153,193	175,084	170,878	1,328,647
310 - Health Services - Utilization Management - UM Allocation *	510,943	470,395	478,085	515,555	554,978	465,516	499,835	490,578	3,985,885
311 - Health Services - Quality Improvement - UM Allocation *	80,526	67,588	68,819	76,184	91,692	80,862	94,087	79,277	639,035
312 - Health Services - Education - UM Allocation *	93,216	78,571	86,664	88,902	99,085	93,588	96,891	92,854	729,771
313 - Health Services - Pharmacy - UM Allocation *	82,748	75,645	78,387	78,499	90,596	79,958	81,527	79,555	646,915
314 - Health Homes - UM Allocation *	49,343	44,522	48,105	49,071	60,500	48,781	69,152	69,974	439,448
315 - Case Management - UM Allocation *	190,992	177,760	187,111	180,813	202,905	171,694	213,229	223,417	1,547,921
616 - Disease Management - UM Allocation *	54,419	48,934	50,373	52,495	58,437	49,786	56,930	54,032	425,406
Behavior Health Treatment	638,864	831,512	952,302	950,988	1,250,610	1,668,762	1,071,604	1,051,356	8,415,998
Mental Health Services	212,968	183,744	127,778	168,412	89,339	177,147	129,222	105,793	1,194,403
Other Professional Services	1,090,436	1,063,534	1,162,244	1,149,925	1,035,427	1,150,406	1,113,785	1,103,870	8,869,627
TOTAL OTHER PROFESSIONAL SERVICES	3,414,621	3,447,281	3,652,683	3,718,600	3,960,952	4,388,042	3,849,695	3,775,027	30,206,901
EMERGENCY ROOM	4,459,099	4,710,529	4,835,728	5,525,268	5,106,796	4,698,111	5,181,359	4,645,061	39,161,951
INPATIENT HOSPITAL	12,961,386	12,906,122	13,546,028	12,850,017	12,181,510	14,390,451	13,332,634	15,238,360	107,406,508
REINSURANCE EXPENSE PREMIUM	125,136	125,026	126,021	126,397	126,609	126,658	126,658	129,256	1,011,761
OUTPATIENT HOSPITAL SERVICES	5,414,223	6,037,448	6,885,177	6,373,571	6,408,304	5,912,776	6,609,411	6,523,398	50,164,308
OTHER MEDICAL									
Ambulance and NEMT	1,146,157	2,536,809	1,948,589	1,685,378	2,206,229	(475,625)	1,391,507	1,411,959	11,851,003
Home Health Services & CBAS	495,461	155,156	325,629	357,818	542,991	322,679	463,230	382,399	3,045,363
Utilization and Quality Review Expenses	248,953	93,464	298,591	235,324	165,956	222,833	297,114	251,393	1,813,628
Long Term/SNF/Hospice	944,616	1,180,282	999,537	904,186	1,043,600	755,531	594,397	1,385,020	7,807,169
Enhanced Medical Benefits	-	-	-	-	-	-	-	-	-
Provider Enhancement Expense - Prop. 56	2,729,133	2,889,012	2,876,190	2,959,111	3,224,940	3,027,126	3,314,758	2,571,469	23,591,739
Provider Enhancement Expense - GEMT	-	-	-	-	-	2,505,003	521,009	449,490	3,475,502
Home Health Capitated Medical Expense	-	-	-	-	-	-	133,790	(11,940)	121,850
TOTAL OTHER MEDICAL	5,564,320	6,854,723	6,448,536	6,141,817	7,183,716	6,357,547	6,715,805	6,439,790	51,706,254
PHARMACY SERVICES									
RX - Drugs & OTC	8,596,061	7,864,951	8,712,771	8,110,525	8,527,200	7,615,766	8,300,890	8,472,076	66,200,240
RX - HEP-C	542,465	579,505	435,632	674,227	604,476	428,028	298,729	402,097	3,965,159
Rx - DME	647,574	722,044	706,209	649,024	732,945	600,019	718,827	597,805	5,374,447
RX - Pharmacy Rebates	(173,400)	(133,200)	(183,400)	(140,000)	(205,348)	(135,000)	(135,000)	(135,000)	(1,240,348)
TOTAL PHARMACY SERVICES	9,612,700	9,033,300	9,671,212	9,293,776	9,659,273	8,508,813	9,183,446	9,336,978	74,299,498
PAY FOR PERFORMANCE QUALITY INCENTIVE	491,660	494,202	495,672	496,508	496,698	501,792	498,760	498,932	3,974,224
EXPANSION RISK CORRIDOR	-	-	-	-	-	-	-	-	-
NON-CLAIMS EXPENSE ADJUSTMENT	197,435	367,246	324,378	(736,017)	39,610	756,640	19,252	11,717	980,261
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(659,783)	4,381,620	(3,810,327)	(3,425,856)	(2,087,231)	(704,885)	(350,851)	202,480	(6,454,833)
Total Medical Costs	54,793,595	62,125,698	57,566,720	56,250,017	57,130,620	58,404,360	59,078,881	60,317,281	465,667,172

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH AUGUST 31, 2019	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	AUGUST 2019	YEAR TO DATE 2019
PHYSICIAN SERVICES									
Primary Care Physician Services	11.60	12.97	10.66	11.59	12.61	10.15	11.15	11.78	11.56
Referral Specialty Services	36.86	35.98	43.45	43.63	38.19	38.22	40.78	36.34	39.18
Urgent Care & After Hours Advise	5.25	6.73	7.96	8.73	5.75	5.28	3.82	6.06	6.19
Hospital Admitting Team	0.04	0.03	0.04	0.04	0.04	0.04	0.04	0.00	0.03
TOTAL PHYSICIAN SERVICES	53.75	55.72	62.10	63.99	56.59	53.68	55.79	54.18	56.97
OTHER PROFESSIONAL SERVICES									
Vision Service Capitation	1.00	0.99	1.00	1.00	1.00	0.99	1.00	1.02	1.00
221 - Business Intelligence	0.67	0.65	0.67	0.64	0.72	0.61	0.70	0.68	0.67
310 - Health Services - Utilization Management - UM Allocation *	2.08	1.90	1.93	2.08	2.23	1.86	2.00	1.97	2.01
311 - Health Services - Quality Improvement - UM Allocation *	0.33	0.27	0.28	0.31	0.37	0.32	0.38	0.32	0.32
312 - Health Services - Education - UM Allocation *	0.38	0.32	0.35	0.36	0.40	0.37	0.39	0.37	0.37
313 - Health Services - Pharmacy - UM Allocation *	0.34	0.31	0.32	0.32	0.36	0.32	0.33	0.32	0.33
314 - Health Homes - UM Allocation *	0.20	0.18	0.19	0.20	0.24	0.19	0.28	0.28	0.22
315 - Case Management - UM Allocation *	0.78	0.72	0.75	0.73	0.82	0.68	0.86	0.90	0.78
616 - Disease Management - UM Allocation *	0.22	0.20	0.20	0.21	0.24	0.20	0.23	0.22	0.21
Behavior Health Treatment	2.60	3.37	3.84	3.83	5.04	6.65	4.30	4.21	4.24
Mental Health Services	0.87	0.74	0.52	0.68	0.36	0.71	0.52	0.42	0.60
Other Professional Services	4.44	4.30	4.69	4.63	4.17	4.59	4.47	4.42	4.46
TOTAL OTHER PROFESSIONAL SERVICES	13.89	13.95	14.74	14.98	15.95	17.49	15.44	15.13	15.20
EMERGENCY ROOM	18.14	19.06	19.51	22.26	20.56	18.73	20.78	18.62	19.71
INPATIENT HOSPITAL	52.72	52.23	54.66	51.76	49.05	57.36	53.46	61.08	54.05
REINSURANCE EXPENSE PREMIUM	0.51	0.51	0.51	0.51	0.51	0.50	0.51	0.52	0.51
OUTPATIENT HOSPITAL SERVICES	22.02	24.43	27.78	25.67	25.80	23.57	26.50	26.15	25.24
OTHER MEDICAL									
Ambulance and NEMT	4.66	10.27	7.86	6.79	8.88	(1.90)	5.58	5.66	5.96
Home Health Services & CBAS	2.02	0.63	1.31	1.44	2.19	1.29	1.86	1.53	1.53
Utilization and Quality Review Expenses	1.01	0.38	1.20	0.95	0.67	0.89	1.19	1.01	0.91
Long Term/SNF/Hospice	3.84	4.78	4.03	3.64	4.20	3.01	2.38	5.55	3.93
Enhanced Medical Benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provider Enhancement Expense - Prop. 56	11.10	11.69	11.61	11.92	12.99	12.07	13.29	10.31	11.87
Provider Enhancement Expense - GEMT	0.00	0.00	0.00	0.00	0.00	9.98	2.09	1.80	1.75
Home Health Capitated Medical Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.54	(0.05)	0.06
TOTAL OTHER MEDICAL	22.63	27.74	26.02	24.74	28.93	25.34	26.93	25.81	26.02
PHARMACY SERVICES									
RX - Drugs & OTC	34.97	31.83	35.16	32.67	34.34	30.35	33.29	33.96	33.31
RX - HEP-C	2.21	2.35	1.76	2.72	2.43	1.71	1.20	1.61	2.00
Rx - DME	2.63	2.92	2.85	2.61	2.95	2.39	2.88	2.40	2.70
RX - Pharmacy Rebates	(0.71)	(0.54)	(0.74)	(0.56)	(0.83)	(0.54)	(0.54)	(0.54)	(0.62)
TOTAL PHARMACY SERVICES	39.10	36.56	39.02	37.44	38.89	33.91	36.83	37.43	37.39
PAY FOR PERFORMANCE QUALITY INCENTIVE	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
EXPANSION RISK CORRIDOR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NON-CLAIMS EXPENSE ADJUSTMENT	0.80	1.49	1.31	(2.96)	0.16	3.02	0.08	0.05	0.49
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(2.68)	17.73	(15.37)	(13.80)	(8.40)	(2.81)	(1.41)	0.81	(3.25)
Total Medical Costs	222.89	251.42	232.28	226.58	230.04	232.78	236.90	241.79	234.34

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

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
277,744	258,314	(19,430)	110 - Executive	2,017,718	2,066,505	48,787
156,051	158,992	2,941	210 - Accounting	1,186,954	1,271,935	84,981
493,454	617,732	124,278	220 - Management Information Systems	4,237,872	4,941,855	703,983
20,178	18,734	(1,444)	221 - Business Intelligence	165,925	149,872	(16,053)
142,044	338,858	196,814	225 - Infrastructure	1,869,289	2,710,847	841,558
521,346	480,056	(41,290)	230 - Claims	4,057,385	3,821,257	(236,128)
94,904	109,760	14,856	240 - Project Management	748,333	878,076	129,743
92,549	96,311	3,762	310 - Health Services - Utilization Management	712,033	770,489	58,456
25,507	33,052	7,545	311 - Health Services - Quality Improvement	205,075	265,995	60,920
361	125	(236)	312 - Health Services - Education	1,148	2,025	877
137,352	123,682	(13,670)	313- Pharmacy	1,046,506	987,553	(58,953)
168	500	332	314 - Health Homes	16	4,000	3,984
14,260	14,574	314	315 - Case Management	99,140	108,105	8,965
19,984	20,738	754	616 - Disease Management	157,960	165,901	7,941
221,422	247,979	26,557	320 - Provider Network Management	1,755,207	1,963,585	208,378
443,020	538,561	95,541	330 - Member Services	3,580,341	4,105,908	525,567
522,449	524,159	1,710	340 - Corporate Services	3,121,375	3,335,463	214,088
49,354	62,743	13,389	360 - Audit & Investigative Services	418,163	501,944	83,781
33,490	64,500	31,010	410 - Advertising Media	360,934	515,992	155,058
68,783	64,750	(4,033)	420 - Sales/Marketing/Public Relations	387,339	518,000	130,661
216,145	197,193	(18,952)	510 - Human Resourses	1,316,685	1,552,007	235,322
-	(206,000)	(206,000)	Budgeted Administrative Vacancy and Timing Factor	-	(1,626,160)	(1,626,160)
3,550,565	3,765,312	214,747	Total Administrative Expenses	27,445,398	29,011,154	1,565,756

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED AUGUST 31, 2019	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	AUGUST 2019	YEAR TO DATE 2019
110 - Executive	298,677	186,923	234,566	285,108	195,373	232,632	306,695	277,744	2,017,718
210 - Accounting	149,967	127,374	139,032	134,888	155,814	168,405	155,423	156,051	1,186,954
220 - Management Information Systems (MIS)	401,536	495,303	640,543	523,161	645,579	477,994	560,302	493,454	4,237,872
221 - Business Intelligence	205	10,000	50,100	20,600	22,857	11,091	30,894	20,178	165,925
225 - Infrastructure	255,998	238,858	247,310	245,403	301,083	200,444	238,149	142,044	1,869,289
230 - Claims	510,558	444,621	505,751	502,157	539,033	558,994	474,925	521,346	4,057,385
240 - Project Management	85,314	84,072	96,834	89,192	86,052	93,268	118,697	94,904	748,333
310 - Health Services - Utilization Management	86,447	91,228	95,142	84,999	92,899	78,445	90,324	92,549	712,033
311 - Health Services - Quality Improvement	25,633	21,530	22,707	23,865	28,960	26,561	30,312	25,507	205,075
312 - Health Services - Education	23	612	(5)	15,883	(15,754)	-	28	361	1,148
313- Pharmacy	127,668	124,298	159,313	125,311	127,589	27,151	217,824	137,352	1,046,506
314 - Health Homes	556	(556)	(398)	-	18	-	228	168	16
315 - Case Management	12,191	11,347	11,943	11,541	13,230	10,958	13,670	14,260	99,140
616 - Disease Management	20,405	18,247	18,631	19,416	21,808	18,412	21,057	19,984	157,960
320 - Provider Network Management	267,760	126,987	223,524	244,955	235,564	211,875	223,120	221,422	1,755,207
330 - Member Services	470,954	389,538	441,753	485,966	477,021	424,507	447,582	443,020	3,580,341
340 - Corporate Services	319,181	347,539	396,534	356,340	364,405	386,714	428,213	522,449	3,121,375
360 - Audit & Investigative Services	57,536	55,624	51,626	53,495	53,208	47,245	50,075	49,354	418,163
410 - Advertising Media	24,987	11,283	34,440	62,712	108,984	61,286	23,752	33,490	360,934
420 - Sales/Marketing/Public Relations	48,311	41,979	43,514	48,369	48,141	44,213	44,029	68,783	387,339
510 - Human Resourses	211,647	111,757	134,617	147,600	152,127	176,288	166,504	216,145	1,316,685
Total Department Expenses	3,375,554	2,938,564	3,547,477	3,480,961	3,653,991	3,256,483	3,641,803	3,550,565	27,445,398

KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF AUGUST 31, 2019			
ASSETS	AUGUST 2019	JULY 2019	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	$ 1,459,716	$ 1,459,716	-
Interest Receivable	14,944	11,884	3,060
Prepaid Expenses & Other Current Assets	8,333	-	8,333
TOTAL CURRENT ASSETS	$ 1,482,993	$ 1,471,600	$ 11,393
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	10,000	834	9,166
Other Liabilities	353,849	353,849	-
TOTAL CURRENT LIABILITIES	$ 363,849	$ 354,683	$ 9,166
NET POSITION:			
Net Position- Beg. of Year	1,100,538	1,100,538	-
Increase (Decrease) in Net Position - Current Year	18,606	16,379	2,227
Total Net Position	$ 1,119,144	$ 1,116,917	$ 2,227
TOTAL LIABILITIES AND NET POSITION	$ 1,482,993	$ 1,471,600	$ 11,393

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED AUGUST 31, 2019	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			ENROLLMENT			
-	-	-	Members	-	-	-
			REVENUES			
-	-	-	Premium	-	-	-
3,060	-	3,060	Interest	23,923	-	23,923
-	-	-	Other Investment Income	1,350	-	1,350
3,060	-	3,060	TOTAL REVENUES	25,273	-	25,273
			EXPENSES			
			Medical Costs			
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
3,060	-	3,060	GROSS MARGIN	25,273	-	25,273
			Administrative			
833	-	(833)	Management Fee Expense and Other Admin Exp	6,667	-	(6,667)
833	-	(833)	Total Administrative Expenses	6,667	-	(6,667)
833	-	(833)	TOTAL EXPENSES	6,667	-	(6,667)
2,227	-	2,227	OPERATING INCOME (LOSS)	18,606	-	18,606
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-
2,227	-	2,227	NET INCREASE (DECREASE) IN NET POSITION	18,606	-	18,606
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%
0%	0%	0%	ADMINISTRATIVE EXPENSE RATIO	26%	0%	-26%

KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT

KERN HEALTH SYSTEMS

MEDI-CAL	2019 MEMBER MONTHS	JAN'19	FEB'19	MAR'19	APR'19	MAY'19	JUN'19	JUL'19	AUG'19	SEP'19	OCT'19	NOV'19	DEC'19
ADULT AND FAMILY													
PA - FAMILY	135,502	34,526	33,921	33,871	33,184	0	0	0	0				
REFUGEE - FAMILY	1	0	0	0	1	0	0	0	0				
FOSTER CARE	2,907	720	699	712	776	0	0	0	0				
POVERTY-133/200%	4	1	1	1	1	0	0	0	0				
MI - CHILD	438,898	108,363	109,594	110,076	110,865	0	0	0	0				
CHILD-ACA	109	41	40	13	15	0	0	0	0				
FAMILY - UNDER 19	88,630	22,145	22,131	22,194	22,160	0	0	0	0				
ADULT	175,881	0	0	0	0	43,788	44,339	43,865	43,889				
CHILD	492,666	0	0	0	0	123,066	123,784	123,076	122,740				
SUB-TOTAL ADULT & FAMILY	1,334,598	165,796	166,386	166,867	167,002	166,854	168,123	166,941	166,629	0	0	0	0
MEDI-CAL EXPANSION													
LIHP Transition Pre-ACA	15	5	5	5	0	0	0	0	0				
ACA Expansion Adult-Citizen	477,212	58,680	59,344	59,219	59,554	59,527	60,505	60,101	60,282				
ACA Expansion CAL Fresh Adult	13	4	4	3	2	0	0	0	0				
ACA Expansion Duals	3,429	440	465	446	412	401	442	427	396				
SUB-TOTAL MANDATORY	480,669	59,129	59,818	59,673	59,968	59,928	60,947	60,528	60,678	0	0	0	0
SDP MEMBERS													
SSI -AGED	758	182	197	181	198	0	0	0	0				
MN - AGED	6,500	1,621	1,623	1,623	1,633	0	0	0	0				
SSI - BLIND & DIS-ABLED	49,606	12,333	12,191	12,680	12,402	0	0	0	0				
MN - BLIND & DIS-ABLED	1,911	449	502	441	519	0	0	0	0				
SPD (AGED AND DISABLED)	60,595	0	0	0	0	14,958	15,103	15,264	15,270				
SUB-TOTAL MANDATORY SPD	119,370	14,585	14,513	14,925	14,752	14,958	15,103	15,264	15,270	0	0	0	0
TOTAL MANDATORY	1,934,637	239,510	240,717	241,465	241,722	241,740	244,173	242,733	242,577	0	0	0	0
OTHER MEMBERS													
BCCTP-TOBACCO SETTLEMENT	179	23	25	22	22	22	22	22	21				
DUALS													
PA - FAMILY DUALS	102	18	30	24	30	0	0	0	0				
PART D SSI -AGED	3,342	838	821	832	851	0	0	0	0				
PART D MN - AGED	6,302	1,510	1,559	1,564	1,669	0	0	0	0				
PART D SSI - BLIND & DIS-ABLED	9,973	2,471	2,490	2,531	2,481	0	0	0	0				
PART D MN - BLIND & DIS-ABLED	4,176	1,082	1,049	1,003	1,042	0	0	0	0				
PART D BCCTP-TOBACCO SETTLEMENT	9	1	1	1	2	1	1	1	1				
PART D MI - CHILD	1,615	377	409	394	435	0	0	0	0				
PARTIAL DUALS - FAMILY	1,784	0	0	0	0	435	453	448	448				
SPD FULL DUALS	24,993	0	0	0	0	6,151	6,247	6,176	6,419				
SUB-TOTAL DUALS	52,296	6,297	6,359	6,349	6,510	6,587	6,701	6,625	6,868	0	0	0	0
TOTAL OTHERS	52,475	6,320	6,384	6,371	6,532	6,609	6,723	6,647	6,889	0	0	0	0
TOTAL KAISER	68,111	8,329	8,385	8,394	8,411	8,557	8,609	8,668	8,758				
TOTAL MEDI-CAL MEMBERS	2,055,223	254,159	255,486	256,230	256,665	256,906	259,505	258,048	258,224	0	0	0	0

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Vendor No.	Vendor Name	Current Month	Year-to- Date	Description	Department
T4290	S.C. ANDERSON, INC.	1,619,484.91	12,202,128.45	NEW BUILDING CONSTRUCTION SERVICES	CAPITAL PROJECT - NEW BUILDING
T1045	KAISER FOUNDATION HEALTH	425,149.62	2,965,352.57	EMPLOYEE HEALTH BENEFITS	VARIOUS
T2686	ALLIANT INSURANCE SERVICES INC ****	421,258.92	421,258.92	ANNUAL INSURANCE POLICIES FOR 2019/2020	ADMINISTRATION
T4391	OMNI FAMILY HEALTH	346,370.46	642,842.01	HEALTH HOME GRANTS	COMMUNITY GRANTS
T3130	OPTUMINSIGHT, INC.	330,719.00	871,927.00	EASYGROUP IMPLEMENTATION AND LICENSE FEES (5/1/19 - 4/30/20)	CAPITAL PROJECT IN PROGRESS/MIS
T1845	DEPARTMENT OF MANAGED HEALTH CARE****	276,724.74	276,724.74	2019-2020 MHC ANNUAL ASSESSMENT - 1 OF 2 PAYMENTS	ADMINISTRATION
T4350	COMPUTER ENTERPRISE INC.	250,963.33	1,700,100.24	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS/ MIS
T2726	DST PHARMACY SOLUTIONS, INC.	213,642.45	739,802.17	PHARMACY AND CLAIMS PROCESSING	PHARMACY
T4165	SHI INTERNATIONAL CO.	127,229.26	455,795.76	STORAGE MAINTENANCE/ HARDWARE	VARIOUS
T1408	DELL MARKETING L.P.	98,432.58	306,399.01	COMPUTER EQUIPMENT - THIN CLIENTS	CAPITAL PROJECT IN PROCESS
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	97,753.76	831,097.23	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT IN PROCESS
T1960	LOCAL HEALTH PLANS OF CA. INC****	97,651.69	97,651.69	2019/2020 FLAT YEARLY ASSESSMENT	ADMINISTRATION
T5116	CHRYSTAL INVESTMENTS, LLC****	90,370.80	90,370.80	LEASE AGREEMENT STOCKDALE BLDG - JUNE (PRORATED) & JULY	CORPORATE SERVICE
T4237	FLUIDEDGE CONSULTING, INC.	77,440.00	1,106,150.87	PROFESSIONAL SERVICES / CONSULTING SERVICES	VARIOUS
T4982	NGC US, LLC	75,000.00	371,003.58	PREFUND HEALTH HOMES INCENTIVE	HEALTH HOMES
T5013	ELIZA CORPORATION	59,510.00	112,852.00	HEALTH SERVICES MEMBER OUTREACH PILOT AGREEMENT	HEALTH EDUCATION
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	56,276.70	338,565.47	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T4193	TECHNOSOCIALWORK.COM DBA STRIA	47,236.70	263,127.23	OCR SERVICES	CLAIMS
T4546	LEVEL 3 COMMUNICATIONS, LLC	40,807.52	180,597.53	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	PROVIDER RELATIONS
T4582	HEALTHX, INC.	40,376.00	264,992.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	HEALTH EDUCATION
T4696	ZNALYTICS, LLC	39,600.00	340,630.00	PROFESSIONAL SERVICES	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T4308	TRUXTUN PLACE PARTNERS	30,205.64	211,075.41	TRUXTUN - RENT & UTILITIES	CORPORATE SERVICES
T5107	CITRIX SYSTEMS, INC.****	27,489.14	27,489.14	SOFTWARE SUPPORT	MIS
T1272	COFFEY COMMUNICATIONS INC.	25,402.58	138,300.86	MEMBER NEWSLETTER/ WEBSITE IMPLEMENTATION	HEALTH EDUCATION/MIS INFRASTRUCTURE

July AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to- Date	Description	Department
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	25,220.00	44,850.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T1861	CEREDIAN BENEFITS SERVICES	25,216.00	117,956.20	DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS	VARIOUS
T5100	QUANTUMPM, INC.****	23,640.52	23,640.52	CONSULTING SERVICES	PROJECT MANAGEMENT
T1189	APPLE ONE, INC.	20,320.06	239,527.59	TEMPORARY HELP - MIS ; MS; CS	VARIOUS
T4460	PAYSPAN, INC	19,055.40	128,661.73	ELECTRONIC CLAIMS/PAYMENTS	ACCOUNTING
T3011	OFFICE ALLY, INC.	19,021.00	154,237.00	EDI CLAIM PROCESSING	CLAIMS
T5005	CRAYON SOFTWARE EXPERTS LLC	16,648.00	288,981.82	ANNUAL MICROSOFT ENTERPRISE AGREEMENT	MIS INFRASTRUCTURE
T4396	KAISER FOUNDATION HEALTH-DHMO	15,576.33	136,099.58	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4967	ADMINISTRATIVE SOLUTIONS, INC.	13,927.04	119,317.60	EMPLOYEE PAID VOLUNTARY INSURANCE/FSA CARD DEPOSIT	PAYROLL DEDUCTION
T5064	QUEST DIAGNOSTICS CLINICAL LABORATORIES, INC.****	13,425.00	15,250.00	PROFESSIONAL SERVICES (LAB AGREEMENT)	MIS
T2787	SAGE SOFTWARE, INC****	12,993.75	12,993.75	2019-2020 ANNUAL LICENSE	ACCOUNTING
T5078	SJS BUILDING MAINTENANCE & SUPPLIES	11,670.00	42,632.62	JANITORIAL SERVICES	CORPORATE SERVICES
T4218	ROGER W. BROWN****	11,500.00	11,500.00	ON-SITE TRAINING	MIS
T3449	CDW GOVERNMENT	11,411.69	540,500.96	FORTINET FORTGATE FIREWALL APPLIANCES, LICENSES, AND SUPPORT	CAPITAL PROJECT - NEW BUILDING OCCUPATION
T1005	COLONIAL LIFE & ACCIDENT	11,373.44	81,110.66	EMPLOYEE PREMIUM	VARIOUS
T4182	THE LAMAR COMPANIES	10,750.00	30,160.48	PRODUCTION FEE FOR ADS ON BUSES	MARKETING
T5065	CHAMP'S SECURITY PATROL SERVICES INC.	10,260.00	43,440.00	ONSITE SECURITY	CORPORATE SERVICES
T4961	AEROTEK SCIENTIFIC, LLC	10,199.82	42,698.52	ONSITE SECURITY	CORPORATE SERVICES
		5,197,303.85			
	TOTAL VENDORS OVER $10,000	5,197,303.85			
	TOTAL VENDORS UNDER $10,000	290,289.32			
	TOTAL VENDOR EXPENSES- JULY	$5,487,593.17			

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

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Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to- Date	Description	Department
T4290	S.C. ANDERSON, INC.	12,202,128.45	NEW BUILDING CONSTRUCTION SERVICES	CAPITAL PROJECT - NEW BUILDING
T1045	KAISER FOUNDATION HEALTH	2,965,352.57	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	1,700,100.24	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS/ MIS
T4237	FLUIDEDGE CONSULTING, INC.	1,106,150.87	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING AND CORPORATE PROJECTS	VARIOUS
T3130	OPTUMINSIGHT, INC.	871,927.00	CES DIRECT LICENSE - 12/18- 12/19 ANNUAL FEE / OUTSOURCED ANALYSIS	CAPITAL PROJECT IN PROGRESS/PROVIDER RELATIONS
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	831,097.23	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT - NEW BUILDING
T4699	ZeOMEGA, INC.	798,544.87	2019 ANNUAL LICENSE AND MAINTENANCE / PROFESSIONAL SERVICES - MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT- CASE MANAGEMENT/DISEASE MANAGEMENT
T2726	DST PHARMACY SOLUTIONS, INC.	739,802.17	PHARMACY AND CLAIMS PROCESSING	PHARMACY
T1001	KERN MEDICAL CENTER	705,918.51	HEALTH HOME GRANTS	COMMUNITY GRANTS
T4391	OMNI FAMILY HEALTH	642,842.01	HEALTH HOME GRANTS	COMMUNITY GRANTS
T2704	MCG HEALTH LLC	623,873.90	SOFTWARE LICENSE - HEALTH CARE MANAGEMENT 6/5/19- 6/4/20	UTILIZATION MANAGEMENT
T3449	CDW GOVERNMENT	540,500.96	FORTINET FORTGATE FIREWALL APPLIANCES, LICENSES, AND SUPPORT	CAPITAL PROJECT - NEW BUILDING OCCUPATION
T4165	SHI INTERNATIONAL CO.	455,795.76	SERVERS FOR PRIMARY APPLICATIONS AND MAINTENANCE SUPPORT/ STORAGE MAINTENANCE/ HARDWARE	CAPITAL PROJECT - NEW BUILDING OCCUPATION/ VARIOUS
T4483	INFUSION AND CLINICAL SERVICES, INC.	454,371.40	HEALTH HOME GRANTS	COMMUNITY GRANTS
T2686	ALLIANT INSURANCE SERVICES INC.****	421,258.92	ANNUAL INSURANCE POLICIES FOR 2019/2020	ADMINISTRATION
T5015	SENTINEL ENGINEERING	412,813.48	JUNIPER NETWORKS HARDWARE, SOFTWARE, LICENSING AND SUPPORT FOR 1 YEAR FOR NEW BUILDING	CAPITAL PROJECT - NEW BUILDING OCCUPATION
T4982	NGC US, LLC	371,003.58	PREFUND HEALTH HOMES INCENTIVE	HEALTH HOMES

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Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to- Date	Description	Department
T4696	ZNALYTICS, LLC	340,630.00	PROFESSIONAL SERVICES	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	338,565.47	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	314,981.86	PROFESSIONAL SERVICES - NETWORKX MODELER AND PRICER	CAPITAL PROJECT
T1408	DELL MARKETING L.P.	306,399.01	SOFTWARE LICENSE/ COMPUTER EQUIPMENT - THIN CLIENTS	MIS
T5005	CRAYON SOFTWARE EXPERTS LLC	288,981.82	ANNUAL MICROSOFT ENTERPRISE AGREEMENT	MIS INFRASTRUCTURE
T2167	PG&E	277,810.36	ANNUAL TRUE-UP FOR 2018 USAGE/UTILITIES	CORPORATE SERVICES
T1845	DEPARTMENT OF MANAGED HEALTH CARE****	276,724.74	2019-2020 DMHC ANNUAL ASSESSMENT - 1 OF 2 PAYMENTS	ADMINISTRATION
T4582	HEALTHX, INC.	264,992.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS
T4193	TECHNOSOCIALWORK.COM DBA STRIA	263,127.23	OCR SERVICES	CLAIMS
T1189	APPLE ON, INC.	239,527.59	TEMPORARY HELP - MIS ; MS; CS	VARIOUS
T5026	TEL-TEC SECURITY SYSTEMS	236,146.31	INSTALLATION OF NEW BUIDLING SECURITY SYSTEM	CAPITAL PROJECT - NEW BUILDING
T4308	TRUXTUN PLACE PARTNERS	211,075.41	TRUXTUN - RENT & UTILITIES	CORPORATE SERVICES
T4959	BERKSHIRE HATHWAY HOMESTATE COMPANIES	189,551.00	WORKERS COMPENSATION INSURANCE PREMIUM	VARIOUS
T4546	LEVEL 3 COMMUNICATIONS, LLC	180,597.53	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	PROVIDER RELATIONS
T3011	OFFICE ALLY, INC.	154,237.00	EDI CLAIM PROCESSING	CLAIMS
T1272	COFFEY COMMUNICATIONS INC.	138,300.86	MEMBER NEWSLETTER/ WEBSITE IMPLEMENTATION	HEALTH EDUCATION/ MIS INFRASTRUCTURE
T4396	KAISER FOUNDATION HEALTH-DHMO	136,099.58	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4460	PAYSPAN, INC	128,661.73	ELECTRONIC CLAIMS/PAYMENTS	ACCOUNTING
T4967	ADMINISTRATIVE SOLUTIONS, INC.	119,317.60	EMPLOYEE PAID VOLUNTARY INSURANCE/FSA CARD DEPOSIT	PAYROLL DEDUCTION

July AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to- Date	Description	Department
T1861	CEREDIAN BENEFITS SERVICES	117,956.20	MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS	HUMAN RESOURCES
T5013	ELIZA CORPORATION	112,852.00	HEALTH SERVICES MEMBER OUTREACH PILOT AGREEMENT	HEALTH EDUCATION
T4792	KP LLC	107,568.01	PRINTING AND SHIPPING OF PROVIDER DIRECTORIES	PROVIDER RELATIONS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	100,982.90	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T1960	LOCAL HEALTH PLANS OF CA. INC****	97,651.69	2019/2020 FLAT YEARLY ASSESSMENT	ADMINISTRATION
T3469	CPACINC.COM INC	94,328.34	VMWARE/VEEAM LICENSING W/ SUPPORT & MAINTENANCE FOR NEW BUILDING	MIS INFRASTRUCTURE
T5116	CHRYSTAL INVESTMENTS, LLC****	90,370.80	LEASE AGREEMENT STOCKDALE BLDG - JUNE (PRORATED) & JULY	CORPORATE SERVICE
T2584	UNITED STATES POSTAL SVC.-HASLER	90,000.00	POSTAGE-METERED	VARIOUS
T1071	CLINICA SIERRA VISTA	89,888.00	EMERGENCY ROOM DIVERSION GRANT	COMMUNITY GRANTS
T2918	STINSON'S	86,646.77	OFFICE SUPPLIES	VARIOUS
T1005	COLONIAL LIFE & ACCIDENT	81,110.66	EMPLOYEE PREMIUM	VARIOUS
T4654	DELAWIE	75,448.80	PROFESSIONAL SERVICES	CAPITAL PROJECT - NEW BUILDING
T4902	CHANGE HEALTHCARE LLC	74,075.19	EDI CLAIMS, CLAIM CHECK	CLAIMS / MIS
T4686	CENTRIC HEALTH	69,518.58	TRANSITION OF CARE CLINIC FUNDING - JUNE 2018-NOVEMBER 2018	UTILIZATION MANAGEMENT
T4963	LINKEDIN CORPORATION	68,500.00	ONLINE JOB POSTINGS/CANDIDATE SEARCH CAPABILITIES	HUMAN RESOURCES
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	2019 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T4514	AJ KLEIN INC T. DENATALE, B.GOLDNER	58,953.98	LEGAL SERVICES	ADMINISTRATION
T2413	TREK IMAGING INC	55,552.59	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS

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Vendor No.	Vendor Name	Year-to- Date	Description	Department
T4785	COMMGAP	55,067.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T4563	SPH ANALYTICS	54,158.80	PROVIDER AND MEMBER SATISFACTION SURVEYS	MEMBER SERVICES/ PROVIDER RELATIONS
T4909	GEM PHYSICIANS MEDICAL GROUP, INC.	54,003.59	HEALTH HOME GRANTS	COMMUNITY GRANTS
T4733	UNITED STAFFING ASSOCIATES	52,394.77	TEMPORARY HELP	VARIOUS
T4991	FANELLIPM	51,760.00	RELOCATION MANAGEMENT	PROJECT MANAGEMENT
T5025	SHANNON M DEAN	50,000.00	COMPENSATION DISTRIBUTION	ADMINISTRATION
T5024	GALLAGHER BENEFIT SERVICES INC	49,500.00	REVIEW CURRENT PBM RFP QUESTIONNAIRE AND ADD ANY MODIFICATIONS	UTILIZATION MANAGEMENT
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	49,000.00	FINANCIAL REPORTING SERVICES	ADMINISTRATION
T2707	ACT 1 PERSONNEL SERVICES, INC.	47,878.96	TEMPORARY HELP - MIS ; MS; CS	VARIOUS
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	44,850.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T1128	HALL LETTER SHOP INC.	43,533.02	NEW MEMBER PACKETS / MEMBERSHIP CARDS	MEMBER SERVICES
T5065	CHAMP'S SECURITY PATROL SERVICES INC	43,440.00	ONSITE SECURITY	CORPORATE SERVICES
T4537	BURKE, WILLIAMS & SORENSEN, LLP	42,707.12	LEGAL SERVICES	ADMINISTRATION
T4961	AEROTEK SCIENTIFIC, LLC	42,698.52	TEMPORARY EMPLOYEE SERVICES	VARIOUS
T5078	SJS BUILDING MAINTENANCE & SUPPLIES	42,632.62	JANITORIAL SERVICES	CORPORATE SERVICES
T4873	L5 HEALTHCARE SOLUTIONS, INC.	42,179.00	LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL	MIS
T3084	KERN COUNTY-COUNTY COUNSEL	40,594.30	LEGAL FEES	ADMINISTRATIVE
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	38,700.00	COMMUNITY SPONSORSHIP	ADMINISTRATION
T4452	WELLS FARGO	37,496.31	EXECUTIVE, MISC CORPORATE SERVICES, PROVIDER RELATIONS, MISC TRAVEL EXPENSES	VARIOUS
T4698	INFINITY COMMUNICATIONS & CONSULTING, INC.	36,998.25	TECHNICAL BUILDING ARCHITECTURAL CONSULTING PHASE II	CAPITAL PROJECT - NEW BUILDING
T4657	DAPONDE SZABO ROWE PC	36,796.00	CONSULTING SERVICES TO REVIEW CONTRACTS	PROVIDER RELATIONS
T4294	J. SERVICES JANITORIAL	36,345.00	JANITORIAL SERVICES	CORPORATE SERVICES

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Vendor No.	Vendor Name	Year-to- Date	Description	Department
T2232	DLT SOLUTIONS, LLC	35,949.76	SQL SERVER MAINTENANCE CONTRACT	MIS INFRASTRUCTURE
T4503	VISION SERVICE PLAN	34,925.30	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4265	SIERRA SCHOOL EQUIPMENT COMPANY	33,938.90	CHAIRS - REPLACEMENT OF BROKEN ONES & PURCHASE	CORPORATE SERVICES
T1183	MILLIMAN USA	31,833.50	ACTUARIAL SERVICES, RDT, RATE SUPPORT, VALUE-BASED PURCHASING ANALYSIS, OTHER CONSULTING SERVICES	ADMINISTRATION
T4583	SOILS ENGINEERING INC	31,570.00	SOIL SAMPLING OBSERVATION -OIL DIRT DISCOVERY/REMEDIATION	CAPITAL PROJECT - NEW BUILDING
T1180	LANGUAGE LINE SERVICES, INC	30,862.95	INTERPRETATION SERVICES	MEMBER SERVICES
T2446	AT&T MOBILITY	30,833.51	CELLULAR PHONE / INTERNET	MIS
T4561	SRI & SHARMA, LLC	30,625.00	MONTHLY PARKING RENTAL	CORPORATE SERVICES
T3986	JACQUELYN S JANS	30,417.00	PROFESSIONAL SERVICES - MARKETING AND PR SERVICES	ADMINISTRATION/ MARKETING
T4182	THE LAMARS COMPANIES	30,160.48	PRODUCTION FEE FOR ADS ON BUSES	MARKETING
T4433	MICRO-DYN MEDICAL SYSTEMS, INC	28,835.00	ANNUAL LICENSE- APR-DRG GROUPER SOFTWARE SOLUTION TO PROCESS CLAIMS PAYMENT	MIS
T4739	SECURITAS SECURITY SERVICES USA, INC	28,579.49	SECURITY SERVICES	CORPORATE SERVICES
T5077	SDL, INC	27,851.25	COMPUTER ASSISTED TRANSLATION TOOL	HEALTH EDUCATION
T5107	CITRIX SYSTEMS, INC. ****	27,489.14	SOFTWARE SUPPORT	MIS
T4683	CLAUDIA M. BACA	26,305.65	PROJECT MANAGEMENT CONSULTING SERVICES	PROJECT MANAGEMENT
T5028	QUANTUM CONSULTING GROUP LLC	26,175.00	CONSULTING SERVICES	HEALTH HOMES
T4501	ALLIED UNIVERSAL SECURITY SERVICES	25,472.00	ONSITE SECURITY	CORPORATE SERVICES
T5080	COURTNEY HILEMAN	25,000.00	COMPENSATION DISTRIBUTION	ADMINISTRATION
T3378	CARRIER CORPORATION	24,971.93	SERVICE AGREEMENT	CORPORATE SERVICE
T2969	AMERICAN BUSINESS MACHINES INC	24,586.66	COPIER/SCANNER SUPPORT AND MAINTENANCE	MIS INFRASTRUCTURE

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Vendor No.	Vendor Name	Year-to- Date	Description	Department
T4228	THE SSI GROUP, LLC	24,013.60	EDI CLAIM PROCESSING	CLAIMS
T1650	UNIVISION TELEVISION GROUP	24,004.00	TELEVISION ADVERTISEMENT WITH THE GOAL OF MEMBER RETENTION	MARKETING
T2961	SOLUTION BENCH, LLC	23,665.54	M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE
T5100	QUANTUMPM, INC.****	23,640.52	CONSULTING SERVICES	PROJECT MANAGEMENT
T2441	LAURA J. BREZINSKI	22,800.00	MARKETING MATERIALS	MARKETING
T2941	KERN PRINT SERVICES, INC.	22,333.30	MEMBER DIRECT MAILINGS AND LETTERHEAD AND ENVELOPES	HEALTH EDUCATION/ MEMBER SERVICES
T2933	SIERRA PRINTERS, INC	22,158.16	PRINTING OFMEMBER EDUCATION MATERIAL / PROVIDER DIRECTORY /BUSINESS CARDS	VARIOUS
T4216	NEXSTAR BROADCASTING INC	20,867.75	MEDIA - ADVERTISEMENTS	MARKETING
T3990	SPARKLETTS, INC	19,479.09	BOTTLED WATER SERVICE	VARIOUS
T4544	BARNES WEALTH MANAGEMENT GROUP	18,375.00	RETIREMENT PLAN CONSULTANTS	ADMINISTRATION
T4694	KELLY SERVICES, INC.	18,234.84	TEMPORARY EMPLOYEE SERVICES	VARIOUS
T1022	UNUM LIFE INSURANCE CO	17,799.20	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T4183	LAMAR ADVERTISING OF BAKERSFIELD	17,250.00	BILLBOARD ADVERSTISING	MEDIA & ADVERTISING
T4933	HOLLY J. CULHANE DBA PROFESSIONAL ADMINISTRATIVE	16,369.12	PROFESSIONAL ADMINISTRATIVE SERVICES	ADMINISTRATION
T1694	KERN COUNTY FAIR****	16,044.00	EMPLOYEE SERVICE RECOGNITION EVENT	CORPORATE SERVICES
T1347	ADVANCED DATA STORAGE	15,812.10	SHREDDING SERVICE / STORAGE	CORPORATE SERVICES
T4674	STOCKDALE PLAZA OWNERS ASSOCIATION INC	15,750.00	LEASE AGREEMENT PARKING SPACE -STOCKDALE HWAY	CORPORATE SERVICES
T5064	QUEST DIAGNOSTICS CLINICAL LABORATORIES, INC.****	15,250.00	PROFESSIONAL SERVICES - DEVELOP DATA FEED SUPPORTING (EDIFEC)	MIS
T4417	KAISER FOUNDATION HEALTH PLAN	15,100.08	EMPLOYEE HEALTH BENEFITS	VARIOUS

July AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to- Date	Description	Department
T4960	ZELIS CLAIMS INTEGRITY, LLC****	15,133.34	POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS
T2965	VITAL SIGNS OF BAKERSFIELD	15,000.50	NEW BUILDING SIGNAGE	CAPITAL PROJECT - NEW BUILDING
T5030	KHOA NGUYEN DBA KN CONSULTING LLC	15,000.00	PROFESSIONAL SERVICES	CORPORATE SERVICE
T4760	CAMERON CHANG	14,125.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4195	SCRIPPS MEDIA, INC. DBA KERO-TV	13,838.25	MEDIA - TELEVISON ADVERTISEMENTS	MARKETING
T1503	PETROLEUM CLUB OF BAKERSFIELD	13,102.99	HEDIS PROVIDER RECOGNITION DINNER/PHARMACY FORUM	VARIOUS
T2787	SAGE SOFTWARE, INC****	12,993.75	2019-20 ANNUAL LICENSE	ACCOUNTING
T4389	EXACT STAFF, INC.	12,989.20	TEMPORARY HELP	MEMBER SERVICES
T4731	LOGMEIN USA, INC.	12,842.00	INTERNET SERVICES	MIS
T2790	KERN COUNTY DEPARTMENT OF PUBLIC HEALTH	12,809.00	COMMUNITY ACTIVITIES	MARKETING
T4400	OPTUM360 LLC	12,801.00	ENCODER PRO LICENSE	CLAIMS/ UTILIZATION MANAGEMENT/PROVIDER RELATIONS
T5081	KO LEGAL, INC.	12,500.00	LEGAL SERVICES	ADMINISTRATION
T4981	JOHN MILLER	12,310.59	PHYSICIAN MALPRACTICE INSURANCE POLICY	HUMAN RESOURCES
T2938	SAP AMERICA, INC	12,308.32	BUSINESS PROJECT ANNUAL MAINTENANCE	MIS INFRASTRUCTURE
T4218	ROGER W. BROWN****	11,500.00	ON-SITE TRAINING	MIS
T4784	AXIOM COMMISSIONING GROUP INC	11,314.45	PROFESSIONAL SERVICES	CAPITAL PROJECT - NEW BUILDING
T4230	COFFEE BREAK SERVICE, INC.****	10,714.48	COFFEE SUPPLIES -STOCKDALE & TRUXTUN	CORPORATE SERVICE
T3475	CALIFORNIA STATE CONTROLLER'S OFFICE	10,695.12	2014 UNCLAIMED PROPERTY	ACCOUNTING
T2869	COMMUNITY ACTION PARTNERSHIP OF KERN	10,500.00	COMMUNITY GRANT	MARKETING
T4708	HEALTH MANAGEMENT ASSOCIATES INC	10,500.00	CONSULTING SERVICES	ADMINISTRATION
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	10,100.00	PLAN ASSESSMENT-TIMELY ACCESS INITIATIVE- RAND PROPOSAL	ADMINISTRATION

July AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to- Date	Description	Department
T5071	WEST SIDE FAMILY HEALTH CARE	10,000.00	PROVIDER RECRUITMENT & RETENTION GRANT	COMMUNITY GRANTS
T5012	KERN MEDICAL CENTER FOUNDATION	10,000.00	VALLEY FEVER INSTITUTE DONATION	MARKETING
		34,016,754.10		
	TOTAL VENDORS OVER $10,000	34,016,754.10		
	TOTAL VENDORS UNDER $10,000	759,221.32		
	TOTAL VENDOR EXPENSES- JULY	$34,775,975.42		

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

August AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to- Date	Description	Department
T4290	S.C. ANDERSON, INC.	936,770.05	13,138,898.50	NEW BUILDING CONSTRUCTION SERVICES	CAPITAL PROJECT - NEW BUILDING
T1045	KAISER FOUNDATION HEALTH	423,539.70	3,388,892.27	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4353	TWE SOLUTIONS, INC.****	288,015.27	288,015.27	BACKUP BATTERY SYSTEM TO RUN DATA CENTER	MIS
T4237	FLUIDEDGE CONSULTING, INC.	259,046.67	1,365,197.54	CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING/ ALCHEMY ANNUAL LICENSE AND MAINTENANCE	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	221,552.11	1,921,652.35	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS/ MIS
T5116	CHRYSTAL INVESTMENTS, LLC	139,032.00	229,402.80	LEASE AGREEMENT STOCKDALE BLDG - AUGUST AND SEPTEMBER	CORPORATE SERVICE
T4391	OMNI FAMILY HEALTH	100,506.43	743,348.44	HEALTH HOME GRANTS	COMMUNITY GRANTS
T2726	DST PHARMACY SOLUTIONS, INC.	92,502.68	832,304.85	PHARMACY AND CLAIMS PROCESSING	PHARMACY
T4699	ZeOMEGA, INC.	77,864.03	876,408.90	2019 ANNUAL LICENSE AND MAINTENANCE / PROFESSIONAL SERVICES - MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT- CASE MANAGEMENT/DISEASE MANAGEMENT
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	56,384.60	394,950.07	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	56,342.40	887,439.63	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT IN PROCESS
T4483	INFUSION AND CLINICAL SERVICES, INC.	50,997.65	505,369.05	HEALTH HOME GRANTS	COMMUNITY GRANTS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	48,041.33	363,023.19	PROFESSIONAL SERVICES - NETWORKX MODELER AND PRICER	CAPITAL PROJECT
T4696	ZNALYTICS, LLC	46,080.00	386,710.00	PROFESSIONAL SERVICES	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T1189	APPLE ONE INC,	45,172.42	284,700.01	TEMPORARY HELP - MIS ; MS; CS	VARIOUS
T4582	HEALTHX, INC.	40,376.00	305,368.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	HEALTH EDUCATION
T4193	TECHNOSOCIALWORK.COM DBA STRIA	39,645.36	302,772.59	OCR SERVICES	CLAIMS
T4308	TRUXTUN PLACE PARTNERS	37,850.72	248,926.13	TRUXTUN - RENT & UTILITIES	CORPORATE SERVICES
T2584	UNITED STATES POSTAL SVC.-HASLER	30,000.00	120,000.00	POSTAGE-METERED	VARIOUS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	28,719.63	129,702.53	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T2135	BAKERSFIELD CITY SCHOOL DISTRICT****	26,205.00	28,705.00	SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T4554	THE KEN BLANCHARD COMPANIES****	24,891.00	24,891.00	SITUATIONAL LEADERSHIP TRAINING & MATERIALS - MANAGER TRAINING COURSE	HUMAN RESOURCES

August AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to- Date	Description	Department
T2961	SOLUTION BENCH, LLC	24,873.27	48,538.81	SOFTWARE LICENSES AND SUPPORT - M-FILES & SCANFINITY	MIS INFRASTRUCTURE
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	22,100.00	66,950.00	PROFESSIONAL SERVICES - NETWORKX MODELER AND PRICER	UTILIZATION MANAGEMENT
T4460	PAYSPAN, INC	22,088.95	150,750.68	ELECTRONIC CLAIMS/ PAYMENTS	ACCOUNTING
T3011	OFFICE ALLY, INC.	21,760.75	175,997.75	EDI CLAIM PROCESSING	CLAIMS
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	20,755.15	94,830.34	EDI CLAIMS, CLAIM CHECK	CLAIMS / MIS
T5030	KHOA NGUYEN DBA KN CONSULTING LLC	20,000.00	35,000.00	CONSULTING SERVICES FOR GROUP PLAN PURCHASING PROJECT	CORPORATE SERVICE
T4733	UNITED STAFFING ASSOCIATES	18,870.99	71,265.76	TEMPORARY HELP	VARIOUS
T4546	LEVEL 3 COMMUNICATIONS, LLC	18,330.56	198,928.09	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	PROVIDER RELATIONS
T4605	KERNVILLE UNION SCHOOL DISTRICT****	17,500.00	19,500.00	SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T4962	LIBERTY DATA, INC.****	17,100.00	17,100.00	PROFESSIONAL SERVICES - PROVIDER TAX ID VERIFICATION	MIS
T4961	AEROTEK SCIENTIFIC, LLC	16,836.41	59,534.93	ONSITE SECURITY	CORPORATE SERVICES
T4396	KAISER FOUNDATION HEALTH-DHMO	16,239.16	152,338.74	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4785	COMMGAP	15,935.00	71,002.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T4654	DELAWIE	15,532.58	90,981.38	PROFESSIONAL SERVICES	CAPITAL PROJECT - NEW BUILDING
T4016	FIRST DATABANK, INC****	15,515.00	15,515.00	PROFESSIONAL SERVICES- PROVIDES NATIONAL DRUG CODE NDC DATABASE WITH GENERIC CODE NUMBERS	MIS
T1861	CEREDIAN BENEFITS SERVICES	12,878.85	130,835.05	MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES	VARIOUS
T1180	LANGUAGE LINE SERVICES INC.	12,566.39	43,429.34	INTERPRETATION SERVICES	MEMBER SERVICES
T1408	DELL MARKETING L.P.	12,211.70	318,610.71	COMPUTER EQUIPMENT	MIS
T2918	STINSON'S	12,175.51	98,822.28	OFFICE SUPPLIES	VARIOUS
T4781	EDRINGTON HEALTH CONSULTING, LLC****	12,062.50	20,012.50	CONSULTING SERVICES FOR AB 85 DATA FUNDING REVIEW	ADMINISTRATION
T5078	SJS BUILDING MAINTENANCE & SUPPLIES	12,020.00	54,652.62	JANITORIAL SERVICES	CORPORATE SERVICES
T4165	SHI INTERNATIONAL CO.	11,823.42	467,619.18	STORAGE MAINTENANCE/ HARDWARE	VARIOUS
T1005	COLONIAL LIFE & ACCIDENT	11,391.92	92,502.58	EMPLOYEE PREMIUM	VARIOUS
T4968	ZIPRECRUITER, INC.****	10,790.98	10,790.98	ANNUAL SUBSCRIPTION	HUMAN RESOURCES
T1845	DEPARTMENT OF MANAGED HEALTH CARE	10,000.00	286,724.74	2019-2020 DMHC ANNUAL ASSESSMENT - GHP	ADMINISTRATION

August AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to- Date	Description	Department
		3,470,894.14			
	TOTAL VENDORS OVER $10,000	3,470,894.14			
	TOTAL VENDORS UNDER $10,000	294,041.33			
	TOTAL VENDOR EXPENSES- AUGUST	$3,764,935.47			

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

August AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to- Date	Description	Department
T4290	S.C. ANDERSON, INC.	13,138,898.50	NEW BUILDING CONSTRUCTION SERVICES	CAPITAL PROJECT - NEW BUILDING
T1045	KAISER FOUNDATION HEALTH	3,388,892.27	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	1,921,652.35	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS/ MIS
T4237	FLUIDEDGE CONSULTING, INC.	1,365,197.54	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING AND CORPORATE PROJECTS	VARIOUS
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	887,439.63	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT - NEW BUILDING
T4699	ZeOMEGA, INC.	876,408.90	2019 ANNUAL LICENSE AND MAINTENANCE / PROFESSIONAL SERVICES - MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT- CASE MANAGEMENT/DISEASE MANAGEMENT
T3130	OPTUMINSIGHT, INC.	871,927.00	CES DIRECT LICENSE - 12/18- 12/19 ANNUAL FEE / OUTSOURCED ANALYSIS	CAPITAL PROJECT IN PROGRESS/PROVIDER RELATIONS
T2726	DST PHARMACY SOLUTIONS, INC.	832,304.85	PHARMACY AND CLAIMS PROCESSING	PHARMACY
T4391	OMNI FAMILY HEALTH	743,348.44	HEALTH HOME GRANTS	COMMUNITY GRANTS
T1001	KERN MEDICAL CENTER	705,918.51	HEALTH HOME GRANTS	COMMUNITY GRANTS
T2704	MCG HEALTH LLC	623,873.90	SOFTWARE LICENSE - HEALTH CARE MANAGEMENT 6/5/19- 6/4/20	UTILIZATION MANAGEMENT
T4483	INFUSION AND CLINICAL SERVICES, INC.	505,369.05	HEALTH HOME GRANTS	COMMUNITY GRANTS
T3449	CDW GOVERNMENT	542,076.45	FORTINET FORTGATE FIREWALL APPLIANCES, LICENSES, AND SUPPORT	CAPITAL PROJECT - NEW BUILDING OCCUPATION
T4165	SHI INTERNATIONAL CO.	467,619.18	SERVERS FOR PRIMARY APPLICATIONS AND MAINTENANCE SUPPORT/ STORAGE MAINTENANCE/ HARDWARE	CAPITAL PROJECT - NEW BUILDING OCCUPATION/ VARIOUS
T2686	ALLIANT INSURANCE SERVICES INC.	426,915.38	ANNUAL INSURANCE POLICIES FOR 2019/2020	ADMINISTRATION
T5015	SENTINEL ENGINEERING	412,813.48	JUNIPER NETWORKS HARDWARE, SOFTWARE, LICENSING AND SUPPORT FOR 1 YEAR FOR NEW BUILDING	CAPITAL PROJECT - NEW BUILDING OCCUPATION
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	394,950.07	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS

August AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to- Date	Description	Department
T4696	ZNALYTICS, LLC	386,710.00	PROFESSIONAL SERVICES	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T4982	NGC US, LLC	371,003.58	PREFUND HEALTH HOMES INCENTIVE	HEALTH HOMES
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	363,023.19	PROFESSIONAL SERVICES - NETWORKX MODELER AND PRICER	CAPITAL PROJECT
T1408	DELL MARKETING L.P.	318,610.71	SOFTWARE LICENSE	MIS
T4582	HEALTHX, INC.	305,368.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS
T4193	TECHNOSOCIALWORK.COM DBA STRIA	302,772.59	OCR SERVICES	CLAIMS
T5005	CRAYON SOFTWARE EXPERTS LLC	288,981.82	ANNUAL MICROSOFT ENTERPRISE AGREEMENT	MIS INFRASTRUCTURE
T4353	TWE SOLUTIONS, INC.****	288,015.27	PROVIDES UPS BATTERY BACKUP SYSTEM TO RUN DATA CENTER IN NEW BUILDING	MIS
T1845	DEPARTMENT OF MANAGED HEALTH CARE	286,724.74	2019-2020 DMHC ANNUAL ASSESSMENT - 1 OF 2 PAYMENTS	ADMINISTRATION
T1189	APPLE ONE INC,	284,700.01	TEMPORARY HELP - MIS ; MS; CS	VARIOUS
T2167	PG&E	284,251.54	ANNUAL TRUE-UP FOR 2018 USAGE/UTILITIES	CORPORATE SERVICES
T4308	TRUXTUN PLACE PARTNERS	248,926.13	TRUXTUN - RENT & UTILITIES	CORPORATE SERVICES
T5026	TEL-TEC SECURITY SYSTEMS	236,146.31	INSTALLATION OF BURGLAR PHASE- SECURITY SYSTEM	CAPITAL PROJECT - NEW BUILDING
T5116	CHRYSTAL INVESTMENTS, LLC	229,402.80	LEASE AGREEMENT STOCKDALE BLDG - JUNE (9DAYS) & JULY	CORPORATE SERVICE
T4546	LEVEL 3 COMMUNICATIONS, LLC	198,928.09	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	PROVIDER RELATIONS
T4959	BERKSHIRE HATHWAY HOMESTATE COMPANIES	189,551.00	WORKERS COMPENSATION INSURANCE PREMIUM	VARIOUS
T3011	OFFICE ALLY, INC.	175,997.75	EDI CLAIM PROCESSING	CLAIMS
T4396	KAISER FOUNDATION HEALTH-DHMO	152,338.74	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4460	PAYSPAN, INC	150,750.68	ELECTRONIC CLAIMS/PAYMENTS	ACCOUNTING

August AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to- Date	Description	Department
T1272	COFFEY COMMUNICATIONS INC.	138,300.86	MEMBER NEWSLETTER/ WEBSITE IMPLEMENTATION	HEALTH EDUCATION/ MIS INFRASTRUCTURE
T1861	CEREDIAN BENEFITS SERVICES	130,835.05	MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS	HUMAN RESOURCES
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	129,702.53	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4967	ADMINISTRATIVE SOLUTIONS, INC.	126,231.12	EMPLOYEE PAID VOLUNTARY INSURANCE/FSA CARD DEPOSIT	PAYROLL DEDUCTION
T2584	UNITED STATES POSTAL SVC.-HASLER	120,000.00	POSTAGE-METERED	VARIOUS
T5013	ELIZA CORPORATION	112,852.00	HEALTH SERVICES MEMBER OUTREACH PILOT AGREEMENT	HEALTH EDUCATION
T4792	KP LLC	108,168.01	PRINTING AND SHIPPING OF PROVIDER DIRECTORIES	PROVIDER RELATIONS
T2918	STINSON'S	98,822.28	OFFICE SUPPLIES	VARIOUS
T1960	LOCAL HEALTH PLANS OF CA. INC	97,651.69	2019/2020 FLAT YEARLY ASSESSMENT	ADMINISTRATION
T4902	CHANGE HEALTHCARE LLC	94,830.34	EDI CLAIMS, CLAIM CHECK	CLAIMS / MIS
T3469	CPACINC.COM INC	94,328.34	VMWARE/VEEAM LICENSING W/ SUPPORT & MAINTENANCE FOR NEW BUILDING	MIS INFRASTRUCTURE
T1005	COLONIAL LIFE & ACCIDENT	92,502.58	EMPLOYEE PREMIUM	VARIOUS
T4654	DELAWIE	90,981.38	PROFESSIONAL SERVICES	CAPITAL PROJECT - NEW BUILDING
T1071	CLINICA SIERRA VISTA	89,888.00	EMERGENCY ROOM DIVERSION GRANT	COMMUNITY GRANTS
T4733	UNITED STAFFING ASSOCIATES	71,265.76	TEMPORARY HELP	VARIOUS
T4785	COMMGAP	71,002.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T4686	CENTRIC HEALTH	69,518.58	TRANSITION OF CARE CLINIC FUNDING - JUNE 2018-NOVEMBER 2018	UTILIZATION MANAGEMENT
T4963	LINKEDIN CORPORATION	68,500.00	ONLINE JOB POSTINGS/CANDIDATE SEARCH CAPABILITIES	HUMAN RESOURCES
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	66,950.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	2019 ANNUAL DUES ASSESSMENT	ADMINISTRATION

August AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to- Date	Description	Department
T4961	AEROTEK SCIENTIFIC, LLC	59,534.93	TEMPORARY EMPLOYEE SERVICES	VARIOUS
T4514	AJ KLEIN INC T. DENATALE, B.GOLDNER	59,403.48	LEGAL SERVICES	ADMINISTRATION
T4991	FANELLIPM	58,230.00	RELOCATION MANAGEMENT	PROJECT MANAGEMENT
T2413	TREK IMAGING INC	56,199.78	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T5078	SJS BUILDING MAINTENANCE & SUPPLIES	54,652.62	JANITORIAL SERVICES	CORPORATE SERVICES
T4563	SPH ANALYTICS	54,158.80	PROVIDER AND MEMBER SATISFACTION SURVEYS	MEMBER SERVICES/ PROVIDER RELATIONS
T4909	GEM PHYSICIANS MEDICAL GROUP, INC.	54,003.59	HEALTH HOME GRANTS	COMMUNITY GRANTS
T5065	CHAMP'S SECURITY PATROL SERVICES INC	53,280.00	ONSITE SECURITY	CORPORATE SERVICES
T5025	SHANNON M DEAN	50,000.00	COMPENSATION DISTRIBUTION	ADMINISTRATION
T5024	GALLAGHER BENEFIT SERVICES INC	49,500.00	REVIEW CURRENT PBM RFP QUESTIONNAIRE AND ADD ANY MODIFICATIONS	UTILIZATION MANAGEMENT
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	49,000.00	FINANCIAL REPORTING SERVICES	ADMINISTRATION
T1128	HALL LETTER SHOP INC.	48,739.28	NEW MEMBER PACKETS / MEMBERSHIP CARDS	MEMBER SERVICES
T2961	SOLUTION BENCH, LLC	48,538.81	M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE
T2707	ACT 1 PERSONNEL SERVICES, INC.	47,878.96	TEMPORARY HELP - MIS ; MS; CS	VARIOUS
T3084	KERN COUNTY-COUNTY COUNSEL	43,960.30	LEGAL FEES	ADMINISTRATIVE
T1180	LANGUAGE LINE SERVICES, INC	43,429.34	INTERPRETATION SERVICES	MEMBER SERVICES
T4537	BURKE, WILLIAMS & SORENSEN, LLP	42,707.12	LEGAL SERVICES	ADMINISTRATION
T4873	L5 HEALTHCARE SOLUTIONS, INC.	42,179.00	LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL	MIS
T4503	VISION SERVICE PLAN	39,878.85	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4657	DAPONDE SZABO ROWE PC	39,758.50	CONSULTING SERVICES TO REVIEW CONTRACTS	PROVIDER RELATIONS
T4698	INFINITY COMMUNICATIONS & CONSULTING, INC.	39,456.50	TECHNICAL BUILDING ARCHITECTURAL CONSULTING PHASE II	CAPITAL PROJECT - NEW BUILDING

August AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to- Date	Description	Department
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	38,700.00	COMMUNITY SPONSORSHIP	ADMINISTRATION
T4182	THE LAMAR COMPANIES	36,910.48	PRODUCTION FEE FOR ADS ON BUSES	MARKETING
T2446	AT&T MOBILITY	35,299.04	CELLULAR PHONE / INTERNET	MIS
T4561	SRI & SHARMA, LLC	35,000.00	MONTHLY PARKING RENTAL	CORPORATE SERVICES
T4452	WELLS FARGO	37,496.31	EXECUTIVE, MISC CORPORATE SERVICES, PROVIDER RELATIONS, MISC TRAVEL EXPENSES	VARIOUS
T4294	J. SERVICES JANITORIAL	36,345.00	JANITORIAL SERVICES	CORPORATE SERVICES
T2232	DLT SOLUTIONS, LLC	35,949.76	SQL SERVER MAINTENANCE CONTRACT	MIS INFRASTRUCTURE
T5030	KHOA NGUYEN DBA KN CONSULTING LLC	35,000.00	CONSULTING SERVICES FOR GROUP PLAN PURCHASING PROJECT	CORPORATE SERVICE
T3986	JACQUELYN S JANS	34,792.00	PROFESSIONAL SERVICES MARKETING AND PR SERVICES	ADMINISTRATION/ MARKETING
T4739	SECURITAS SECURITY SERVICES USA, INC	34,447.49	SECURITY SERVICES	CORPORATE SERVICES
T4583	SOILS ENGINEERING INC	34,380.00	SOIL SAMPLING OBSERVATION -OIL DIRT DISCOVERY/REMEDIATION	CAPITAL PROJECT - NEW BUILDING
T4265	SIERRA SCHOOL EQUIPMENT COMPANY	33,938.90	CHAIRS - REPLACEMENT OF BROKEN ONES & PURCHASE	CORPORATE SERVICES
T4683	CLAUDIA M. BACA	31,844.59	PROJECT MANAGEMENT CONSULTING SERVICES	PROJECT MANAGEMENT
T1183	MILLIMAN USA	31,833.50	ACTUARIAL SERVICES, RDT, RATE SUPPORT, VALUE-BASED PURCHASING ANALYSIS, OTHER CONSULTING SERVICES	ADMINISTRATION
T3378	CARRIER CORPORATION	29,918.44	SERVICE AGREEMENT	CORPORATE SERVICE
T2933	SIERRA PRINTERS, INC	29,226.27	PRINTING OFMEMBER EDUCATION MATERIAL / PROVIDER DIRECTORY /BUSINESS CARDS	VARIOUS
T2441	LAURA J. BREZINSKI	29,400.00	MARKETING MATERIALS	MARKETING
T4501	ALLIED UNIVERSAL SECURITY SERVICES	28,935.68	ONSITE SECURITY	CORPORATE SERVICES
T4433	MICRO-DYN MEDICAL SYSTEMS, INC	28,835.00	ANNUAL LICENSE- APR-DRG GROUPER SOFTWARE SOLUTION TO PROCESS CLAIMS PAYMENT	MIS

August AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to- Date	Description	Department
T2135	BAKERSFIELD CITY SCHOOL DISTRICT	28,705.00	SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T5077	SDL, INC	27,851.25	COMPUTER ASSISTED TRANSLATION TOOL	HEALTH EDUCATION
T4228	THE SSI GROUP, LLC	27,609.40	EDI CLAIM PROCESSING	CLAIMS
T5107	CITRIX SYSTEMS, INC.	27,489.14	SOFTWARE SUPPORT	MIS
T5028	QUANTUM CONSULTING GROUP LLC	26,175.00	CONSULTING SERVICES	HEALTH HOMES
T2969	AMERICAN BUSINESS MACHINES INC	25,713.89	COPIER/SCANNER SUPPORT AND MAINTENANCE	MIS INFRASTRUCTURE
T5080	COURTNEY HILEMAN	25,000.00	COMPENSATION DISTRIBUTION	ADMINISTRATION
T4554	THE KEN BLANCHARD COMPANIES****	24,891.00	SITUATIONAL LEADERSHIP 11 TRAINING MATERIALS & MANAGER TRAINING COURSE	HUMAN RESOURCES
T1650	UNIVISION TELEVISION GROUP	24,599.00	TELEVISION ADVERTISEMENT WITH THE GOAL OF MEMBER RETENTION	MARKETING
T3990	SPARKLETTS, INC	24,116.08	BOTTLED WATER SERVICE	VARIOUS
T5100	QUANTUMPM, INC.	23,640.52	CONSULTING SERVICES	PROJECT MANAGEMENT
T4216	NEXSTAR BROADCASTING INC	22,652.75	MEDIA - ADVERTISEMENTS	MARKETING
T2941	KERN PRINT SERVICES, INC.	22,646.56	MEMBER DIRECT MAILINGS AND LETTERHEAD AND ENVELOPES	HEALTH EDUCATION/ MEMBER SERVICES
T1347	ADVANCED DATA STORAGE	21,376.10	SHREDDING SERVICE / STORAGE	CORPORATE SERVICES
T1022	UNUM LIFE INSURANCE CO	21,069.20	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T4781	EDRINGTON HEALTH CONSULTING, LLC****	20,012.50	CONSULTING SERVICES AB85 DATA FUNDING REVIEW	ADMINISTRATION
T4605	KERNVILLE UNION SCHOOL DISTRICT****	19,500.00	SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T4544	BARNES WEALTH MANAGEMENT GROUP	18,375.00	RETIREMENT PLAN CONSULTANTS	ADMINISTRATION
T4694	KELLY SERVICES, INC.	18,234.84	TEMPORARY EMPLOYEE SERVICES	VARIOUS
T4674	STOCKDALE PLAZA OWNERS ASSOCIATION INC	18,000.00	LEASE AGREEMENT PARKING SPACE -STOCKDALE HWAY	CORPORATE SERVICES

August AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to- Date	Description	Department
T4933	HOLLY J. CULHANE DBA PROFESSIONAL ADMINISTRATIVE	17,269.12	PROFESSIONAL ADMINISTRATIVE SERVICES	ADMINISTRATION
T4183	LAMAR ADVERTISING OF BAKERSFIELD	17,250.00	BILLBOARD ADVERSTISING	MEDIA & ADVERTISING
T4962	LIBERTY DATA, INC.****	17,100.00	PROFESSIONAL SERVICES - PROVIDER TAX ID VERIFICATION	MIS
T4960	ZELIS CLAIMS INTEGRITY, LLC	16,826.40	POST EDITING SYSTEMS FOR CLAIMS PREOCESSING	CLAIMS
T1503	PETROLEUM CLUB OF BAKERSFIELD	16,810.84	HEDIS PROVIDER RECOGNITION DINNER/PHARMACY FORUM	VARIOUS
T1694	KERN COUNTY FAIR	16,044.00	EMPLOYEE SERVICE RECOGNITION EVENT	CORPORATE SERVICES
T4016	FIRST DATABANK, INC****	15,515.00	PROFESSIONAL SERVICES- PROVIDES NATIONAL DRUG CODE NDC DATABASE WITH GENERIC CODE NUMBERS	MIS
T4417	KAISER FOUNDATION HEALTH PLAN	15,100.08	EMPLOYEE HEALTH BENEFITS	VARIOUS
T5064	QUEST DIAGNOSTICS CLINICAL LABORATORIES, INC.	15,250.00	PROFESSIONAL SERVICES - DEVELOP DATA FEED SUPPORTING (EDIFEC)	MIS
T2965	VITAL SIGNS OF BAKERSFIELD	15,000.50	NEW BUILDING SIGNAGE	CAPITAL PROJECT - NEW BUILDING
T4731	LOGMEIN USA, INC.	14,571.00	INTERNET SERVICES	MIS
T4760	CAMERON CHANG	14,125.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4195	SCRIPPS MEDIA, INC. DBA KERO-TV	13,838.25	MEDIA - TELEVISON ADVERTISEMENTS	MARKETING
T4400	OPTUM360 LLC	13,069.77	ENCODER PRO LICENSE	CLAIMS/ UTILIZATION MANAGEMENT/PROVIDER RELATIONS
T2787	SAGE SOFTWARE, INC	12,993.75	2019-20 ANNUAL LICENSE	ACCOUNTING
T4389	EXACT STAFF, INC.	12,989.20	TEMPORARY HELP	MEMBER SERVICES
T2790	KERN COUNTY DEPARTMENT OF PUBLIC HEALTH	12,809.00	COMMUNITY ACTIVITIES	MARKETING
T5081	KO LEGAL, INC.	12,500.00	LEGAL SERVICES	ADMINISTRATION
T4574	SSI SOLUTIONS INC.****	12,480.00	ONSITE TRAINING (10) KHS EMPLOYEES -(CAPM) CERTIFIED ASSOCIATE IN PROJECT MANAGEMENT	PROJECT MANAGEMENT

August AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Year-to- Date	Description	Department
T4981	JOHN MILLER	12,310.59	PHYSICIAN MALPRACTICE INSURANCE POLICY	HUMAN RESOURCES
T2938	SAP AMERICA, INC	12,308.32	BUSINESS PROJECT ANNUAL MAINTENANCE	MIS INFRASTRUCTURE
T4230	COFFEE BREAK SERVICE, INC.	11,747.54	COFFEE SUPPLIES -STOCKDALE & TRUXTUN	CORPORATE SERVICE
T5056	TRACI POWELL****	11,668.50	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4218	ROGER W. BROWN	11,500.00	ON-SITE TRAINING	MIS
T4784	AXIOM COMMISSIONING GROUP INC	11,314.45	PROFESSIONAL SERVICES	CAPITAL PROJECT - NEW BUILDING
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	10,850.00	PLAN ASSESSMENT-TIMELY ACCESS INITIATIVE- RAND PROPOSAL	ADMINISTRATION
T4968	ZIPRECRUITER, INC.****	10,790.98	ANNUAL SUBSCRIPTION	HUMAN RESOURCES
T3475	CALIFORNIA STATE CONTROLLER'S OFFICE	10,695.12	2014 UNCLAIMED PROPERTY	ACCOUNTING
T2407	KAISER FOUNDATION HEALTH****	10,579.88	COBRA INSURANCE	PAYROLL DEDUCTION
T2869	COMMUNITY ACTION PARTNERSHIP OF KERN	10,500.00	COMMUNITY GRANT	MARKETING
T4708	HEALTH MANAGEMENT ASSOCIATES INC	10,500.00	CONSULTING SERVICES	ADMINISTRATION
T4523	BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA****	10,307.28	EMPLOYEE PREMIUM	ADMINISTRATION
T5071	WEST SIDE FAMILY HEALTH CARE	10,000.00	PROVIDER RECRUITMENT & RETENTION GRANT	COMMUNITY GRANTS
T5012	KERN MEDICAL CENTER FOUNDATION	10,000.00	VALLEY FEVER INSTITUTE DONATION	MARKETING
		37,692,153.59		
	TOTAL VENDORS OVER $10,000	37,692,153.59		
	TOTAL VENDORS UNDER $10,000	848,757.30		
	TOTAL VENDOR EXPENSES- AUGUST	$38,540,910.89		

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

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
January							
J. Services	$ 62,160.00	Yes	CS	Alonso Hurtado	Janitorial Services for Stockdale and Truxtunt	1/1/2019	12/31/2019
Jacquelyn S. Jans	$ 52,500.00	Yes	MRK	Louie Iturriria	Marketing and Corporate Image Consultant	1/1/2019	12/31/2019
CPAC, Inc.	$ 49,350.00	Yes	IT	Richard Pruitt	6 VMware & 6 Veeam licensing with support & maint	1/29/2019	1/28/2024
Poppyrock Design	$ 39,600.00	Yes	MRK	Louie Iturriria	Graphic Design of member, provider and marketing	1/1/2019	12/31/2019
ZeOmega	$ 72,000.00	Yes	UM	Deborah Murr	Quote#792-Dedicatedimplementation manager for 3 months	1/1/2019	3/31/2019
ZeOmega	$ 33,000.00	Yes	UM	Deborah Murr	Quote#827-Inclusion HHP site outreach rules & NOA language into JIVA MMP	1/29/2019	12/31/2019
CenturyLink	$ 61,000.00	Yes	IT	Richard Pruitt	1G-3G connection for Buck Owens building	1/1/2019	12/31/2019
Quantum Consulting Group	$ 31,000.00	Yes	HHP	Julie Worthing	Beverly Gibbs consulting services for HHP	1/3/2019	12/31/2019
LinkedIn	$ 52,000.00	Yes	HR	Anita Martin	Online training to manage learners	1/1/2019	1/1/2020
DLT	$ 33,514.12	Yes	IT	Richard Pruitt	66 Spotlight SQL licenses w/ support co-termed	1/18/2019	1/31/2020
February							
LifeSigns	$ 45,000.00	Yes	HE	Isabel Silba	ASL interpreting services for members	2/28/2019	2/27/2020
March							
KP	$ 46,569.60	Yes	PR	Louie Iturriria	Printing and shipping of Provider Directories	3/8/2019	4/30/2019
CPAC, Inc.	$ 38,199.52	Yes	IT	Richard Pruitt	IDF w/support and maitenance for new facility	3/8/2019	3/7/2025
April							
Univision	$ 35,802.00	Yes	MRK	Louie Iturriria	Spanish TV Advertisements	4/1/2019	11/30/2019
SJS Building Maintenance	$ 81,550.00	Yes	CS	Alonso Hurtado	Professional janitorial services	4/15/2019	10/31/2019
Cognizant	$ 59,692.86	Yes	IT	Richard Pruitt	Professional services for NetworX pricer, PCR#1	4/15/2019	5/17/2019
ZeOmega	$ 72,000.00	Yes	UM	Deborah Murr	Quote#854, Implementation Manager resource	4/1/2019	6/30/2019
Nexstar	$ 41,990.00	Yes	MRK	Louie Iturriria	English & Spanish TV commercials	4/1/2019	11/30/2019
Scripps	$ 35,995.00	Yes	MRK	Louie Iturriria	Airing English & Spanish TV commercials	4/1/2019	11/30/2019
Lamar Transit	$ 37,910.48	Yes	PR	Louie Iturriria	GET Bus Advertisement	4/15/2019	11/24/2019
Eliza Corporation	$ 57,000.00	Yes	HE	Michael Pitts	HRA project for outreach of SPD members	4/26/2019	4/25/2020
May							
SHI	$ 41,328.97	Yes	IT	Richard Pruitt	Cisco linceses co-termed	5/23/2019	5/22/2020
American Buisness Machine	$ 47,735.00	Yes	IT	Richard Pruitt	4 Multi-functional printers for UM, MRKT, MS	5/23/2019	9/30/2019
SHI	$ 86,258.14	Yes	IT	Richard Pruitt	Cisco phones for new BLDG	5/23/2019	5/23/2022
June							
Milliman, Inc	$ 50,000.00	Yes	ACCT	Robin Plumb	Auctorial services-Amendment#1	6/1/2019	6/1/2020
Language Line	$ 70,000.00	Yes	HE	Isabel Silva	Interpreting services for members	6/15/2019	6/14/2020
SHI	$ 34,412.00	Yes	IT	Richard Pruitt	Four (4) new VMware & Veeam licenses for new building	6/21/2019	6/20/2024
July							
Commgap	$65,000.00	Yes	HE	Isabel Silva	Interpreting services for members	7/6/2019	7/5/2020
Pacific West Sound	$39,881.47	Yes	IT	Richard Pruitt	Assisted Listening System (ALS) for new building	7/1/2019	6/30/2020
Mercer	$95,000.00	Yes	HR	Anita Martin	Compensation and benefit study	7/29/2019	7/28/2020
August							
CPAC, Inc.	$85,003.31	Yes	IT	Richard Pruitt	45 Dell laptops for KHS employees w/four year support	8/13/2019	8/12/2023
Excel Relocation Systems	$94,000.00	Yes	CS	Alonso Hurtado	Relocation Move Services for new building	8/5/2019	9/30/2019

2019 TECHNOLOGY CONSULTING RESOURCES																		
ITEM	PROJECT	CAP/EXP	BUDGET	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YTD TOTAL	REMAINING BALANCE
#	Project Name																
1	*COBA*	EXP	$18,500	$18,500												$18,500	$0
2	*QI Site*	CAP	$9,300	$3,600	$3,600			$0	$0							$7,200	$2,100
3	*Mfiles*	CAP	$34,860	$15,960	$760	$0	$0									$16,720	$18,140
4	*Health Home Program Expansion*	CAP	$137,673	$19,320	$45,400	$26,460										$91,180	$46,493
5	*Medical Management*	CAP	$361,700	$55,560	$64,920	$72,230	$75,005	$77,370	$28,800							$373,885	($12,185)
6	*Diabetes Prevention Program (DPP)*	CAP	$280,403	$19,980	$20,520	$21,600	$0									$62,100	$218,303
7	*Hospital Directed Payments (HDP)*	EXP	$28,305	$16,490	$680	$0	$0	$0	$0							$17,170	$11,135
8	*Corporate Website Support*	EXP	$52,290		$0	$0	$0	$0	$16,800							$16,800	$35,490
9	*New Building Move*	CAP	$531,300	$47,626	$44,936	$46,321	$52,842	$88,286	$89,789							$369,799	$161,501
10	*2019 HHP State Alignment*	CAP	$240,000			$0	$16,720	$15,960	$36,648							$69,328	$170,673
11	*Internal Dashboards (4)*	CAP	$628,363	$32,640	$43,320	$47,880	$48,720	$42,720	$42,000							$257,280	$371,083
12	*Member Engagement - Pre and Post Natal*	CAP	$72,961			$5,250	$0	$0	$0							$5,250	$67,711
13	*Computer Assisted Translation Tool*	CAP	$19,915			$0	$0	$0	$0							$0	$19,915
14	*Telehealth-E-consults/Teledocs*	EXP	$69,581			$5,250	$0	$0	$0							$5,250	$64,331
15	*CES Upgrade*	EXP	$33,000			$0	$0	$0	$0							$0	$33,000
16	*Orchestrator Job Migration Cont.*	EXP	$103,950			$0	$0	$0	$0							$0	$103,950
17	*2D Profiling Internal Management (CE)*	CAP	$300,930				$0	$10,117	$17,120							$27,237	$273,693
18	*APM/Networx Modeler and Pricer - Professional*	CAP	$281,781	$24,480	$29,458	$29,278	$28,800	$50,586	$37,476							$200,077	$81,704
19	*MicroSoft Server Upgrades*	EXP	$58,800			$0	$0	$0	$0							$0	$58,800
20	*Call Center Knowledge Management Solution*	CAP	$8,715													$0	$8,715
21	*CACTUS Upgrade*	CAP	$227,188													$0	$227,188
22	*KHS Biztalk*	EXP	$11,200													$0	$11,200
23	*SPD/HRA*	EXP	$85,225													$0	$85,225
24	*HEDIS Quality Measures Revisions*	EXP	$75,328													$0	$75,328
25	*RDT Reconciliation*	EXP	$24,150													$0	$24,150
26	*Staff Augmentation*	EXP	$1,445,983	$149,513	$169,494	$199,870	$223,768	$151,186	$104,198							$998,029	$447,954
	Totals:	**Totals**	**$5,141,401**	**$403,669**	**$423,087**	**$454,139**	**$445,855**	**$436,226**	**$372,830**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$2,535,805**	**$2,605,596**

To: **KHS Board of Directors**

From: **Robert Landis, Chief Financial Officer**

Date: **October 10, 2019**

Re: **Report on New Office Building Expenditures**

Background

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

Discussion

The attached document has a total building contract amount of $30,113,385.25 for the work to be performed by the KHS contractor SC Anderson, Inc. Work completed less retainage as of 7/31/19 is $27,388,931.96. The balance of work to be completed including retainage amounts owed is $2,724,453.29.

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

Requested Action

Receive and file for informational purposes only.

AIA® Document G702™ – 1992

Application and Certificate for Payment

APPROVED FOR PAYMENT
BY: [signature] 8/22/19

APPROVED FOR PAYMENT
BY: [signature]

TO OWNER: KERN HEALTH SYSTEMS 9700 STOCKDALE HIGHWAY BAKERSFIELD, CA 93311	PROJECT: KERN HEALTH SYSTEMS 2900 BUCK OWENS BLVD BAKERSFIELD, CA 93308	APPLICATION NO: 01170843-00018 PERIOD TO: 7/31/2019 CONTRACT FOR: CONTRACT DATE: PROJECT NOS: 01.17084.3 / /	Distribution to: OWNER ☐ ARCHITECT ☐ CONTRACTOR ☐ FIELD ☐ OTHER ☐
FROM CONTRACTOR: SC ANDERSON, INC. 2160 Mars Court Bakersfield, CA 93308	VIA ARCHITECT:		

CONTRACTOR'S APPLICATION FOR PAYMENT

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

1. ORIGINAL CONTRACT SUM .... $ 27,822,583.00
2. NET CHANGE BY CHANGE ORDERS .... $ 2,290,802.25
3. CONTRACT SUM TO DATE *(Line 1 ± 2)* .... $ 30,113,385.25
4. TOTAL COMPLETED & STORED TO DATE *(Column G on G703)* .... $ 28,830,454.88
5. RETAINAGE:
   a. 5 % of Completed Work *(Columns D + E on G703)* $ 1,441,522.92
   b. ___ % of Stored Material *(Column F on G703)* $ ______

   Total Retainage *(Lines 5a + 5b, or Total in Column I of G703)* .... $ 1,441,522.92
6. TOTAL EARNED LESS RETAINAGE .... $ 27,388,931.96
   (Line 4 minus Line 5 Total)
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT .... $ 26,436,423.10
   (Line 6 from prior Certificate)
8. CURRENT PAYMENT DUE .... $ 952,508.86
9. BALANCE TO FINISH, INCLUDING RETAINAGE
   (Line 3 minus Line 6) $ 2,724,453.29

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	$ 2,201,517.37	$ (8,110.77)
Total approved this month	$ 97,395.65	$
TOTAL	$ 2,298,913.02	$ (8,110.77)
NET CHANGES by Change Order	$ 2,290,802.25	

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

CONTRACTOR: S.C. Anderson, Inc.
By: [signature] Date: 8/29/19
State of: California
County of: Kern
Subscribed and sworn to before me this ____ day of ____ See Attached
Notary Public:
My commission expires:

ARCHITECT'S CERTIFICATE FOR PAYMENT

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

AMOUNT CERTIFIED .... $ 952,508.86

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

ARCHITECT:
By: [signature] Date: 8/23/19

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

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

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REQUEST FOR PAYMENT DETAIL

Project: 01.17084.3 / KERN HEALTH SYSTEMS Invoice: 3702501656 Draw: 01170843-00018 Period Ending Date: 7/31/2019

Item ID	Description	Total Contract Amount	Previously Completed Work	Work Completed This Period	Presently Stored Materials	Completed And Stored To Date	% Comp	Balance To Finish	Retainage Balance
015723	SWPPP	43,555.00	30,646.36	1,878.60		32,524.96	74.68	11,030.04	1,626.24
017423	FINAL CLEAN	39,200.00						39,200.00	
017833	PAYMENT AND PERFORMANCE	143,280.00	143,280.00			143,280.00	100.00		7,164.00
017837	GENERAL LIABILITY INSURANC	55,864.00	55,864.00			55,864.00	100.00		2,793.20
022113	SITE SURVEY	30,880.00	22,268.96	1,557.00		23,825.96	77.16	7,054.04	1,191.30
024199	DEMOLITION	42,022.00	35,718.70	6,303.30		42,022.00	100.00		2,101.11
031113	CONCRETE	2,106,700.00	1,948,350.00	158,350.00		2,106,700.00	100.00		105,335.00
042099	MASONRY	49,600.00	4,960.00	44,640.00		49,600.00	100.00		2,480.00
051223	STRUCTURAL STEEL	2,971,400.00	2,940,500.00	30,900.00		2,971,400.00	100.00		148,570.01
057099	SHEET METAL/DECORATIVE PA	549,550.00	531,827.00			531,827.00	96.77	17,723.00	26,591.35
062023	DOORS-FRAMES-HARDWARE-L	45,166.00	40,850.00	3,000.00		43,850.00	97.09	1,316.00	2,192.50
062099	FINISH/ROUGH CARPENTRY	21,417.00	12,718.10			12,718.10	59.38	8,698.90	635.91
064023	ARCHITECTURAL WOODWORK	249,580.00	215,178.00	21,464.00		236,642.00	94.82	12,938.00	11,832.12
066116	SOLID SURFACE TOPS	170,559.00	170,559.00			170,559.00	100.00		8,527.95
072099	THERMAL INSULATION	94,550.00	94,550.00			94,550.00	100.00		4,727.50
075399	PVC ROOFING	394,466.00	386,966.00			386,966.00	98.10	7,500.00	19,348.30
077200	ROOF HATCH AND LADDER	4,443.00	4,443.00			4,443.00	100.00		222.15
077236	SMOKE CONTAINMENT CURTAI	49,027.00	33,448.00	6,760.00		40,208.00	82.01	8,819.00	2,010.40
081113	DOORS-FRAMES-HARDWARE	167,022.00	167,022.00			167,022.00	100.00		8,351.10
083323	OVERHEAD COILING DOOR	8,674.00	8,674.00			8,674.00	100.00		433.70
083513	FOLDING PARTITION	30,450.00						30,450.00	
084199	STOREFRONT GLASS & GLAZIN	1,479,900.00	1,474,986.00	4,914.00		1,479,900.00	100.00		73,995.00
092216	METAL STUDS & DRYWALL	6,076,322.00	6,046,322.00	30,000.00		6,076,322.00	100.00		303,816.10
093013	CERAMIC TILE	265,258.00	265,258.00			265,258.00	100.00		13,262.90
095199	ACOUSTICAL CEILINGS	713,000.00	619,000.00	89,000.00		708,000.00	99.30	5,000.00	35,400.00
096599	FLOOR COVERINGS	955,511.00	470,348.95			470,348.95	49.22	485,162.05	23,517.45
099199	PAINTING	119,300.00	106,720.00	8,955.00		115,675.00	96.96	3,625.00	5,783.75
101499	SIGNAGE	18,850.00						18,850.00	
102113	TOILET COMPARTMENTS/ACCE	139,800.00	125,397.00	12,411.00		137,808.00	98.58	1,992.00	6,890.40
104413	FIRE EXTINGUISHER CABINETS	6,858.00						6,858.00	
107599	FLAG POLE	6,959.00						6,959.00	
122499	WINDOW COVERINGS	89,600.00		85,000.00		85,000.00	94.87	4,600.00	4,250.00
129313	BIKE RACKS	3,530.00						3,530.00	

REQUEST FOR PAYMENT DETAIL

Project: 01.17084.3 / KERN HEALTH SYSTEMS Invoice: 3702501656 Draw: 01170843-00018 Period Ending Date 7/31/2019

Item ID	Description	Total Contract Amount	Previously Completed Work	Work Completed This Period	Presently Stored Materials	Completed And Stored To Date	% Comp	Balance To Finish	Retainage Balance
142099	ELEVATOR	388,290.00	299,634.75			299,634.75	77.17	88,655.25	14,981.74
211313	FIRE SPRINKLERS	333,217.00	327,967.00	2,875.00		330,842.00	99.29	2,375.00	16,542.11
229999	PLUMBING	909,000.00	876,250.00	14,250.00		890,500.00	97.96	18,500.00	44,525.00
239999	HVAC	2,704,454.00	2,653,727.00	49,727.00		2,703,454.00	99.96	1,000.00	135,172.71
269999	ELECTRICAL & FIRE ALARM	3,000,000.00	3,000,000.00			3,000,000.00	100.00		150,000.02
312213	EARTHWORK	410,435.00	410,435.23			410,435.23	100.00	-0.23	20,521.77
321216	ASPHALT PAVING	420,340.00	166,699.38	148,555.62		315,255.00	75.00	105,085.00	15,762.75
323119	DECORATIVE FENCING	238,844.00	170,125.50	68,241.50		238,367.00	99.80	477.00	11,918.36
328499	LANDSCAPING AND IRRIGATIOI	397,000.00	196,800.00	102,850.00		299,650.00	75.48	97,350.00	14,982.50
331099	SITE UTILITIES	121,000.00	121,000.00			121,000.00	100.00		6,050.00
999998	GENERAL REQUIREMENTS	723,200.00	723,200.00			723,200.00	100.00		36,160.01
999999	CM/GC FEES	1,034,510.00	951,749.20	41,380.40		993,129.60	96.00	41,380.40	49,656.51
9999CO01	CHANGE ORDER #01	22,812.00	22,812.00			22,812.00	100.00		1,140.60
9999CO02	CHANGE ORDER #02	33,603.17	33,603.17			33,603.17	100.00		1,680.16
9999CO03	CHANGE ORDER #03	235,713.11	220,295.16	500.00		220,795.16	93.67	14,917.95	11,039.76
9999CO04	CHANGE ORDER #04	94,186.15	77,916.02	16,270.13		94,186.15	100.00		4,709.31
9999CO05	CHANGE ORDER #05	92,450.11	92,450.11			92,450.11	100.00		4,622.51
9999CO07	CHANGE ORDER #07	34,478.69	26,676.92	7,801.77		34,478.69	100.00		1,723.94
9999CO08	CHANGE ORDER #08	38,854.55	38,854.55			38,854.55	100.00		1,942.73
9999CO09	CHANGE ORDER #09	130,521.90	91,806.10			91,806.10	70.34	38,715.80	4,590.31
9999CO10	CHANGE ORDER #10	138,058.56	138,058.56			138,058.56	100.00		6,902.93
9999CO11	CHANGE ORDER #11	51,825.00	51,825.00			51,825.00	100.00		2,591.25
9999CO12	CHANGE ORDER #12	-8,110.77	-8,110.77			-8,110.77	100.00		-405.53
9999CO13	CHANGE ORDER #13	86,445.84						86,445.84	
9999CO14	CHANGE ORDER #14	725,263.76	725,263.76			725,263.76	100.00		36,263.19
9999CO15	CHANGE ORDER #15	304,625.63	304,625.63			304,625.63	100.00		15,231.28
9999CO16	CHANGE ORDER #16	26,640.57	25,549.37	1,091.20		26,640.57	100.00		1,332.03
9999CO17	CHANGE ORDER #17	27,193.99	27,193.99			27,193.99	100.00		1,359.70
9999CO18	CHANGE ORDER #18	21,067.35	21,067.35			21,067.35	100.00		1,053.37
9999CO19	CHANGE ORDER #19	46,063.02	43,823.91	2,239.11		46,063.02	100.00		2,303.15
9999CO20	CHANGE ORDER #20	40,660.00	40,660.00			40,660.00	100.00		2,033.00
9999CO21	CHANGE ORDER #21	51,053.97		44,274.29		44,274.29	86.72	6,779.68	2,213.71
9999CO22	CHANGE ORDER #22	97,395.65		-2,548.00		-2,548.00	2.62	99,943.65	-127.40

REQUEST FOR PAYMENT DETAIL

Project: 01.17084.3 / KERN HEALTH SYSTEMS Invoice: 3702501656 Draw: 01170843-00018 Period Ending Date: 7/31/2019

Item ID	Description	Total Contract Amount	Previously Completed Work	Work Completed This Period	Presently Stored Materials	Completed And Stored To Date	% Comp	Balance To Finish	Retainage Balance
Totals		30,113,385.25	27,827,813.96	1,002,640.92		28,830,454.88	95.74	1,282,930.37	1,441,522.92

KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
NEW VENDOR CONTRACTS
OCTOBER 10, 2019

Legal Name DBA Name	Specialty	Address	Comments	Contract Effective Date
PAC 09/04/2019				
Jasmine Nyree Centers	ABA	6800 District Blvd. Bakersfield CA 93313	Existing credentialed providers	10/1/2019
Joseph Moza, MD, Inc.	General Surgery	901 Olive Drive Bakersfield CA 93308	Existing credentialed provider	10/1/2019
THV Enterprises Inc.	CBAS	3025 Fairfax Road Bakersfield CA 93306		10/1/2019
Lancaster Pharmacy Inc	Pharmacy	1841 West Avenue I Ste 107 Lancaster CA 93534		10/1/2019
PAC 10/02/2019				
Ararat Hospice Care, Inc	Hospice	1601 New Stine Rd. Ste. 185 Bakersfield CA 93309		11/1/2019
CTON Corporation dba: C-TON Laboratory	Laboratory	2920 H Street Ste. 129 Bakersfield CA 93301		11/1/2019
Delano PostAcute Care LLC dba: Delano PostAcute Care	SNF	729 Browning Rd Delano CA 93215		11/1/2019
Respiratory Technologies, Inc. dba: RespirTech	DME (Assistive Device)	5905 Nathan Lane North Ste 200 Plymouth MN 66442	HFCC Only (High Frequency Chest Compresssion)	11/1/2019

10/2/2019

KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
TERMED CONTRACTS
October 10, 2019

Legal Name DBA	Specialty	Address	Comments	Effective Date
Allied Medical Transport	Transportation	10002 Tungsten Street Bakersfield CA	Provider has not been servicing our members for a while now due to rates. They have never enrolled in Medi-Cal as required.	9/16/2019
El Dorado Community Service Center dba: Bakersfield Medical & Mental Health Services	PCP	1010 1/2 S Union Avenue Bakersfield CA	PCP Termed with KHS and there have been no replacement and no claims submission for over 1-year	9/1/2019
Americare/Acoustic Imaging Center	Mobile Radiology	5301 Office Park Drive Ste. 305 Bakersfield CA	Non-response to requirements to become Medi-Cal FFS enrolled.	9/19/2019
CML Laboratories dba: U.S. Reference Laboratory	Laboratory	15375 Barranca Parkway Ste. F-101 Irvine CA 92618	Non-response to recredentialing and requirements to become Medi-Cal FFS enrolled.	9/30/2019

TO: KHS Board of Directors

FROM: Alan Avery, Chief Operating Officer

DATE: October 10, 2019

RE: 3rd Quarter 2019 Operations Report

Claims

The Claims Department is back on track meeting all key performance metrics during the 3rd Quarter. The key metric that we have struggled to meet during the past three quarters was the regulatory requirement to process 90% of the claims within thirty days. We have implemented changes with the configuration and processing of CMS COBA claims and are back to exceeding the benchmark. We are confident these change will ensure we continue to remain compliant.

Also, notable is the electronic claims submission metric. During the quarter, 93% of claims were received electronically. This was a result of Claims and Provider Network Management working together to continually encourage providers to submit claims electronically. This improves claims turnaround and claims accuracy while decreasing the need for manual processing.

Auto adjudication continues to occur at a high rate. 81% of qualified submissions were auto adjudicated vs. our goal of 75%. Even though this is a remarkable achievement, Claims continues to work with Configuration, I.T. and Provider Network Management to continue to increase this rate.

Member Services

The Member Services Department received 81,107 incoming phone calls during the quarter, an increase of over 7% from the previous quarter. This continues to reflect an overall higher daily call volume which began in July 2018 and continued throughout 2018 and 2019. Despite this increase staff maintained an extremely low abandonment rate of 2.6 % (well below industry standard of 5%).

The top five reasons for calling Member Services remain the same-(1) New Member questions (2) PCP changes, (3) Demographic updates/changes (4) ID Card replacement requests and (5) authorization referral status. All of the top five reasons for incoming calls could be handled via the Member Portal, therefore, we continue to encourage members to sign onto the portal and use the self-service tools. During the 3rd quarter, Member Services received 3625 new member portal account enrollments, for a total of 18,544 member accounts. This equates to 7½ % of our members with online accounts compared to industry target of 4%.

Provider Network Management (Name Changed from Provider Relations)

The KHS Primary Care network did not change significantly during the quarter. Our specialty provider network rose slightly by 1.1%. Appointment availability decreased slightly and continues to meet regulatory standards @ 3.7 days for PCP visits and 5.7 days for specialists.

Human Resources

At the end of the 3rd quarter we had 397 employees compared to a budget of 412. Employee turnover is 11.36% annualized, with 31% of that turnover occurring in Member services, 28% in Utilization Management and 16% in Case Management.

Grievance Report

I have made a change in the Grievance Report this quarter. I have added the Exempt Grievances along with the Formal Grievances that are addressed during the quarter by the Grievance Department. Exempt Grievances are primarily service related grievances that can easily be resolved the same day without significant research or follow up. The department tracks and trends these by provider and the results are reviewed by the Physicians Advisory Committee as part of the recredentialing process. In the past I have only reported the Formal Grievances as required by DHCS requirements. However, I decided to start sharing both the Formal and Exempt Grievances with the Board on a quarterly basis to provide a better picture of member grievances being handled by the Department.

Overall, the Health Plan's grievances in the 3rd quarter continued at the same pace as the last two quarters of 2019. The number of grievances in each of the categories has remained fairly consistent with previous quarters except for the quality of care category. The breakdown of the grievances upheld or overturned did not follow our 2018/19 trends of 75% upholding decision vs 25% overturning original decision. The 3rd quarter grievance results were favorable to the member with 47% of the grievances being overturned in favor of the member, and 53% of the decisions upheld.

Transportation Update

Transportation activity during the 3rd quarter increased by 15% over the one way rides scheduled during the 2nd Quarter. Transit pass distribution increased by 37% but still down from previous quarters. The ride share sub-contractor has moved from LYFT to UBER which has increased overall availability throughout the service area. Uber ridership increased by 20% during the quarter which doubled the percentage increase from the 2nd quarter. However, despite double digit increases in ridership, bottom line ALC expense only increased by 4% which indicates members are using the most cost effective means of transportation: public transit and member reimbursement and ride share.

Requested Action

Receive and File.

2019 3rd Quarter Operational Report

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3rd Quarter Claims Department Indicators

Activity	Goal	3rd Quarter	Status	2nd Quarter	1ST Quarter	4th Quarter	3rd Quarter
Claims Received		**788,199**		764,979	793,629	699,635	703,484
Electronic	85%	**93%**		92%	92%	90%	89%
Paper	15%	**7%**		8%	8%	10%	11%
Claims Processed Within 30 days	90%	**92%**		89%	86%	87%	96%
Claims Processed within 45 days	95%	**98%**		96%	95%	98%	99%
Claims Processed within 90 days	99%	**99%**		99%	95%	99%	99%
Claims Inventory-Under 30 days	96%	**95%**		96%	93%	87%	99%
31-45 days	<3%	**4%**		3%	6%	11%	1%
Over 45 days	<1%	**1%**		1%	1%	2%	1%
Auto Adjudication	75%	**81%**		81%	80%	82%	74%
Audited Claims with Errors	<3%	**2%**		2%	2%	2%	1%
Claims Disputes	<5%	**1%**		1%	1%	1%	1%

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Member Service Indicators

Activity	Goal	3rd Quarter	Status	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter
Incoming Calls		81,107		75,201	74,885	82,112	74,252
Abandonment Rate	<5%	2.6%		1.2%	1.1%	2.5%	3.62%
Avg Answer Speed	<2:00	:28		:12	:12	:29	:42
Average Talk Time	<8:00	7:00		7:05	6:47	7:00	6:54
Top Reasons for Member Calls	Trend	**New Member** **PCP Change** **Demographic** **ID Cards** **Referrals**			Same	Same	Same
Outbound Calls	Trend	97,172		96,819	92,470	81,083	89,536
# of Walk Ins	Trend	381		372	520	608	601
Member Portal Accounts-Q/Total	4%	3625 18,544 (7.47%)		3424 14,905	1872 11,481	1568 9615	8061

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Provider Network Indicators

Activity	Goal	3rd Quarter	Status	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter
# of PCPs	Maintain	0%		1.03%	3.2%	.55%	.55%
# of Specialists	>1% growth	1.1%		.31%	1.46%	3.86%	1.91%
% Provider Terminations	<5% term	.94%		1.4%	.68%	1.6%	1.18%
Termination Reasons		71%-Left Group 14%-Term 5%-Retired 5%-Resigned 5%-Practice sold		65%-left group 15% term 8% site closed 8%-Retired 8%-practice sold	67%-left group 13%-term 13%site closed 7% resigned	89%-left group 11%-other	77%-Left group 8%-Site Closed 8%-Resigned 8%-Practice sold
Appointment Survey	Average wait time						
PCP	< 10 days	3.7 Days		4.4 Days	3.13 Days	6.4 Days	5.06 Days
Specialty	< 15 days	5.7 Days		11.5 Days	8.64 Days	7.6 Days	6.80 Days

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Human Resources Indicators

Activity	Budget	3rd Quarter	Status	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter
Staffing Count	412	**397**		391	387	383	384
Employee Turnover	12%	**11.36%**		10.77%	10.36%	10.76%	7.83%
Turnover Reasons	Voluntary Involuntary Deceased Retired	**81%** **19%** **0%** **0%**		86% 14% 0% 0%	80% 20% 0% 0%	78% 9.75% 2.5% 9.75%	83.34% 10.00% 3.33% 3.33%

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Grievance Report

Category	Q3 2019	Status	Issue	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Access to Care	34		Appointment Availability	32	41	32	59
Coverage Dispute	3		Authorizations and Pharmacy	9	14	12	21
Medical Necessity	214		Questioning denial of service	244	228	240	267
Other Issues	16		Miscellaneous	13	9	10	7
Quality of Care	65		Questioning services provided. All cases forwarded to Quality Dept.	26	29	22	30
Quality of Service	0		Questioning the professionalism, courtesy and attitude of the office staff. All cases forwarded to PR Department	1	6	3	2
Total Grievances	332			325	327	319	386
Exempt**	1515		Exempt Grievances-	1321	1216	1082	1598
Total Grievances** (Formal & Exempt)	1847			1646	1543	1401	1598

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**New Category-Exempt Grievances

Additional Insights-Formal Grievance Detail

Issue	3rd Quarter Grievances	Upheld Plan Decision	Overturned Ruled for Member	Still Under Review
Access to Care	30	17	5	8
Coverage Dispute	3	0	0	3
Specialist Access	4	2	2	0
Medical Necessity	214	125	48	41
Other Issues	16	11	3	2
Quality of Care	65	22	18	25
Quality of Service	0	0	0	0
Total	332	177	76	79

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Transportation Update

Operational Statistics	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
ALC Calls	**157,239**	123,448	113,417	98,474	84,958	60,283	31,752
One Way Rides Scheduled	**148,731**	129,084	119,091	107,514	94,358	81,594	66,517
NMT	**113,649**	95,526	86,786	73,055	60,683	45,832	33,459
Bus Passes Distributed	**3678**	2679	3,565	2,875	5,809	4,813	5,383
Lyft Rides Delivered	**109,971**	91,847	83,221	70,180	54,874	41,019	28,076
Lyft No Shows	**6738**	6,006	5,411	4,835	3,702	3,008	3,826
NEMT	**35,082**	33,558	32,305	34,459	33,675	35,762	33,058
Van Rides Scheduled	**34,442**	33,028	31,749	33,970	33,214	35,283	32,662
Gurney Rides Scheduled	**640**	530	556	489	461	479	396
Member Reimbursement	**1419**	1,878	1,038	975	712	164	47
ALC Admin Expense	**$782,202**	$750,070	$715,594	$656,604	$558,799	$522,945	$432,323

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To: KHS Board of Directors

From: Martha Tasinga, MD, MPH, MBA, Chief Medical Officer

Date: October 10, 2019

Re: CMO Board Report

Medical Cost and Utilization Trend Analyses: (Attachment A)

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

The utilization and cost of physician services by the SPDs continue to trend higher than budget. The Overall (all aid categories) PMPM cost is stable and trending down and the cost per visit has leveled off as well.

We continue to implement new population based programs for 2019 to address in appropriate utilization such as Urgent Care for medical conditions which should be treated by the member's PCP. If we are successful with redirecting care to more appropriate settings, we would continue to see a downward trend in PMPM cost for SPDs which will bring overall PMPM cost in line with budget.

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

Pervasive developmental disorders (Autism) is the 4th diagnosis for the SPDs. With the new changes in BHT requirements this would become a very high expense diagnosis for the health plan. Hypertension and diabetes and complications of these diseases, are second to professional encounters for general examinations without complaints as top 10 reasons for utilization of professional services. We are focusing our disease management efforts on our members with Hypertension and Diabetes. These two diagnosis together have severe adverse effects on kidneys.

KHS also has a Diabetes Prevention Program with a goal of preventing or delaying the progression to Diabetes for members who are currently pre-diabetic.

Pharmacy

The monthly cost and utilization per enrollee for all aid categories is at or below budget through August 2019. We continue to analyze utilization patterns and cost of utilization to identify ways to better manage this benefit. Some of our programs will initially increase use of appropriate medications but in long-term reduce the use of high cost acute care services. We continue to work with the Pharmacy and Therapeutic Committee to identify less expensive bioequivalent formulations of expensive medications. When they become available in the market, we will add them to our formulary.

Inpatient Services

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

We are continuing to focus on better management of chronic condition in compliance with evidenced based guidelines and we believe this is having a positive impact on acute hospital utilization. The top 9 Inpatient diagnosis for the family Aid code members are related to pregnancy and delivery. The top inpatient admission diagnosis for SPD and the Expansion populations is Sepsis. This is driven by the national focus on early identification and management of sepsis and changes to the definition of "sepsis".

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

Obstetrics Metrics:

The C/Section rate is 13 % in July 2019 which is lower than 16 % in June 2019 and continues to be below State average for low risk, first birth deliveries. For the month of July 2019 most of our Deliveries occurred at BMH with KMC a close second. **(Attachment C).**

Hospital Outpatient

Plan wide, hospital outpatient utilization and cost are stable. However, SPD trends show a higher than expected cost. We are doing analytics to identify the key drivers of hospital outpatient utilization. We are also evaluating the availability of free standing facilities that provide the same services as Hospital outpatient but at a lower cost such as surgery centers, infusion centers, imaging etc. We continue to work with our Hospitalist team to ensure appropriate use of the Observation level of care. If we are successful in this effort we could see an increase in this category because hospital observation level of care is considered an out Patient Hospital service.

Emergency Room (ER)

The PMPM cost and number of ER visits is below budget for all but the Family and SPD Aide categories. We continue to explore the use of technology such as Telemedicine to improve access to primary care services in less costly locations such as office and home. The most frequent diagnosis for the ER for all groups is Urinary Tract Infection at 1.08 visits per 1000 with headache running close second.

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

HEDIS 2019 Final Report (Attachment E)

The Healthcare Effectiveness Data and Information Set (HEDIS) is a tool used by more than 90 percent of America's health plans to measure performance on important dimensions of care and service. The purpose of this report shows our final performance for HEDIS 2019; for 2018 reporting year. These are the numbers that are publicly posted by the State.

I am happy to inform the Board of Directors that KHS met MPL for all but two of the 21 measures HEDIS measures. These include:

Asthma Measure (AMR)

The current Standards of practice require that patients with persistent asthma should be on rescue and controller medications at a ratio of 2 to1. This measure looks at the percentage of patients who have persistent asthma, have 1 controller medication for every 2 rescue medications filled. This is not the first-time we have not met MPL for this Measure. We have decided to take a step back and do a root cause analysis of this measure. So far we have identified some definitions that if not interpreted correctly could have had a negative impact on our rates. We have also see that some of the NDCs for most commonly use medication for asthma in our network is not included in the list of 19 medications provided by NCQA. We have sent questions to NCQA to get more specific clarification on the issues identified. Aside from clarifying with NCQA which medications qualify for consideration here, we developed and implemented new intervention strategies that we believe will show significant improvement in this measure. Two such remedies are:

- We are working on a collaboration pilot project with a local pharmacy. When our members go to the pharmacy to pick-up rescue medication, we are asking the pharmacist to call the physician and recommend a controller if the patient is filling a second rescue medication. If the pilot project shows some improvement we intend to work with many more of our contracted pharmacies.*
- We are reviewing our P4P program to make sure we are incentivizing enough to make the provider reach out to members with asthma and make sure they are on appropriate

medications. Our provider can look up their profile on the KHS provider portal and get a list of members who have different gaps in care including those who are not on the recommended ratio of asthma medications. We will be reaching out to these members, their providers, having pharmacist call PCPs, visiting PCP offices and giving the list of their members. We are partnering with the FQHCs in this push, considering that almost 50% of these members are in the FQHCs.

Well Child visits in the First 15 Months of Life

The second measure where we failed to meet the MPL was "Well Child visits in the First 15 Months of Life". The measure looks at children who turned 15 months to see if they have had 6 well-child visits with a primary care physician. We are doing a root cause analysis of this measure and developing strategies that would be implemented in collaboration with our Pediatricians to improve access to primary care for our children and adolescents which is a focus for the new measures in the Managed Care Accountability Set (MCAS)

*We have submitted this plan to the State and the feedback we have gotten is that this is a very innovative way of looking at this measures and State has asks us to keep them informed as we progress with the pilot.

Attachment A

Governed Reporting System

Kern Health Systems

KHS Medical Management Performance Dashboard (Critical Performance Measurements)

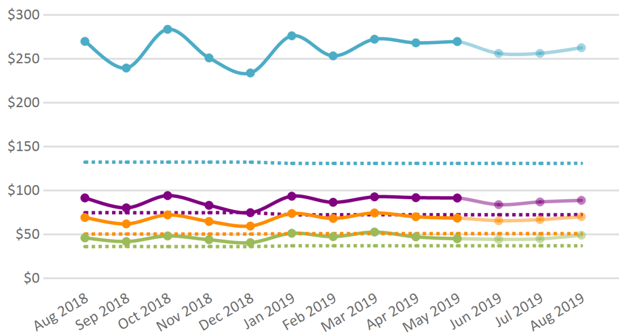
Governed Reporting System

Physician Services

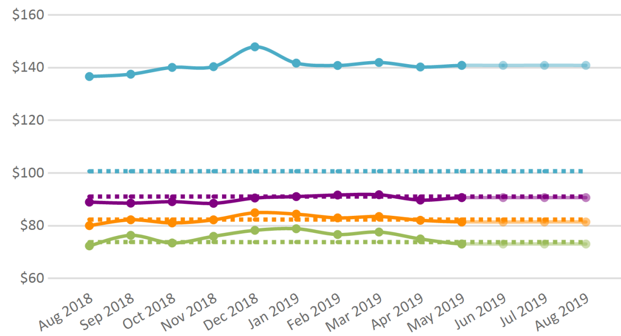
(Includes: Primary Care Physician Services, Referral Specialty Services, Other Professional Services and Urgent Care)

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

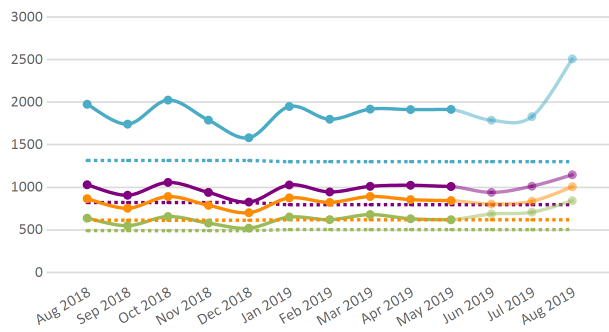
Professional Services Incurred by Aid Group PMPM



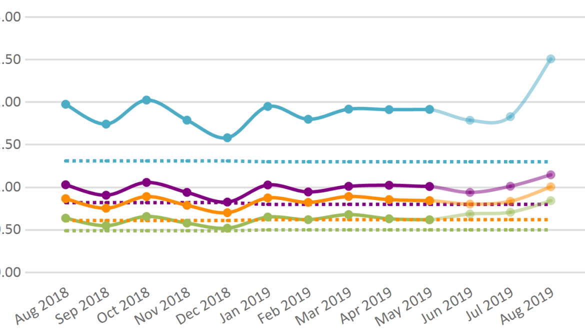
Cost per Professional Service Visit by Aid Group



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



Professional Service Visits per Member per Month by Aid Group



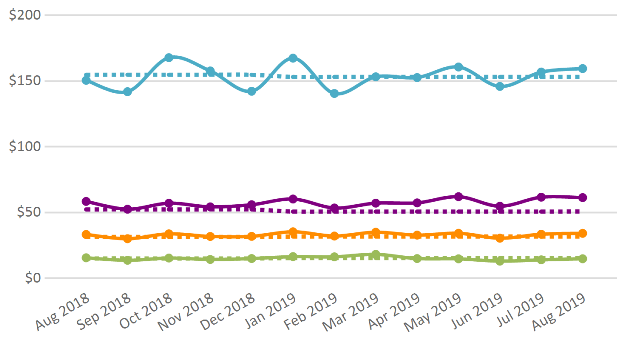
Governed Reporting System

Pharmacy

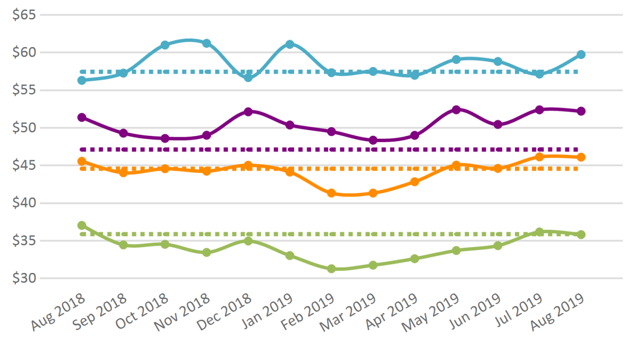
(Includes: Claims paid by PBM)

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

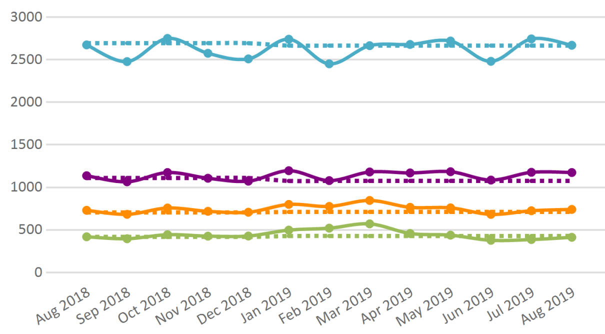
Pharmacy Services Incurred by Aid Group PMPM



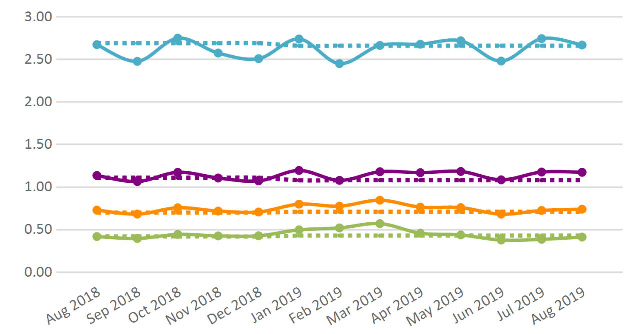
Cost per Script by Aid Group



Incurred Scripts per 1,000 per Month by Aid Group



Pharmacy Services Incurred per Member per Month by Aid Group



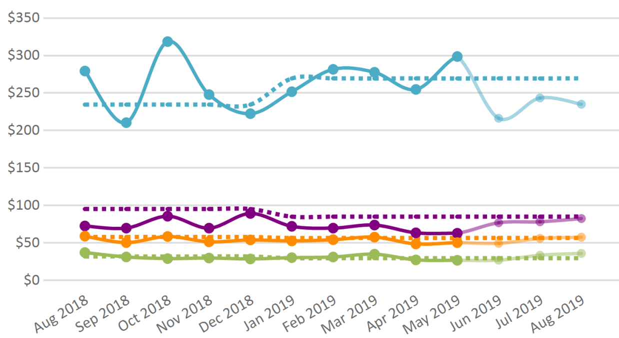
Governed Reporting System

Inpatient

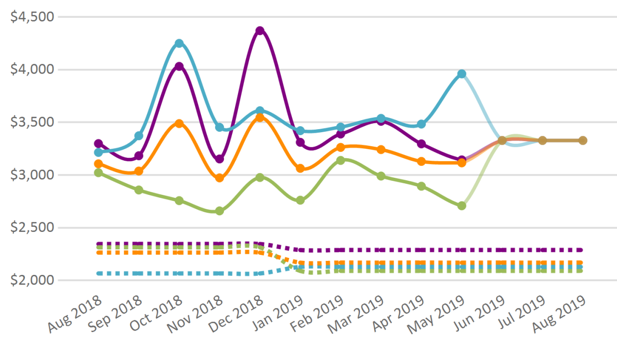
(Includes: Inpatient Hospital Claims)

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

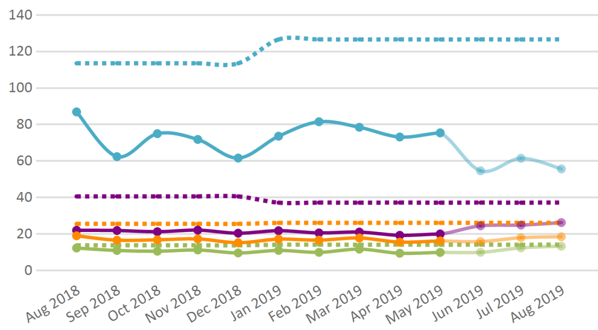
Inpatient Services Incurred by Aid Group PMPM



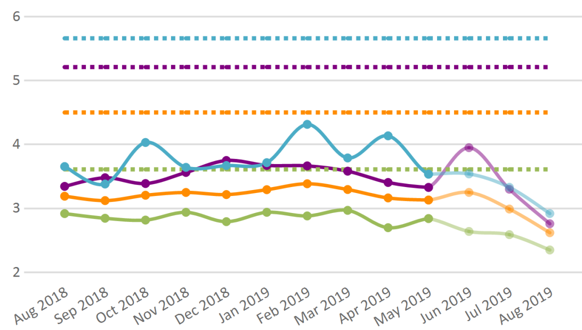
Cost Per Bed Day by Aid Group



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



Average Length of Stay in Days by Aid Group



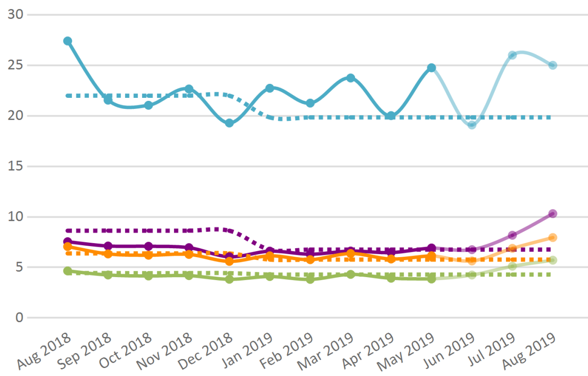
Governed Reporting System

Inpatient

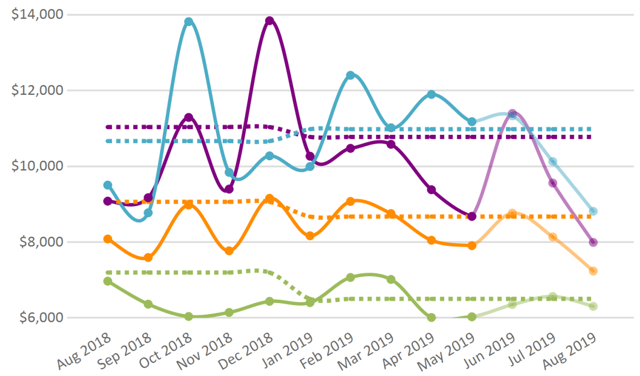
(Includes: Inpatient Hospital Claims)

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

Incurred Admits per 1,000 per Month by Aid Group



Cost per Admit by Aid Group



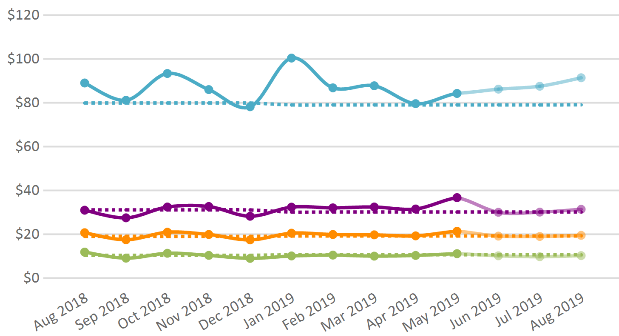
Governed Reporting System

Outpatient Hospital

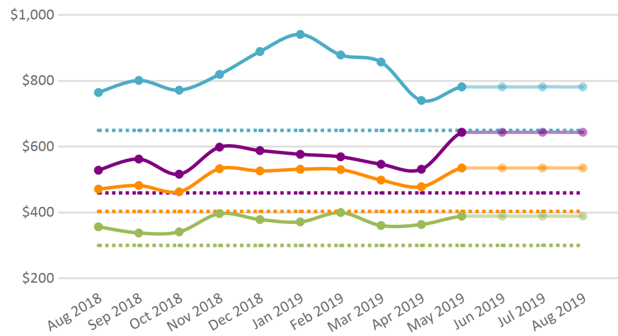
(Includes: Outpatient Diagnostic, Outpatient Surgery, Outpatient Observation, and Outpatient Other)

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

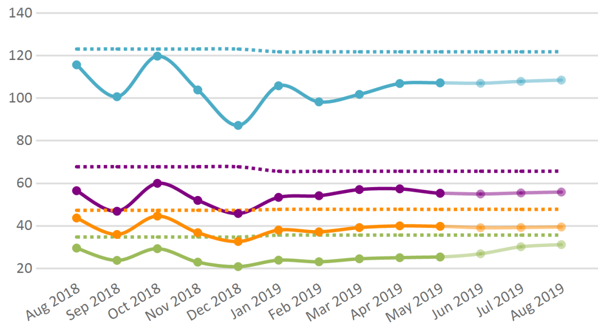
Outpatient Services Incurred by Aid Group PMPM



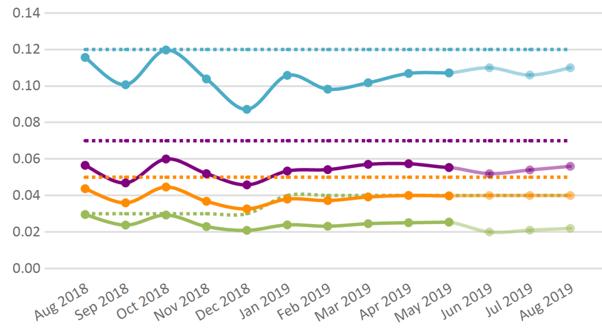
Cost Per Outpatient Visit by Aid Group



Outpatient Visits per 1,000 per Month by Aid Group



Outpatient Visits per Member per Month by Aid Group

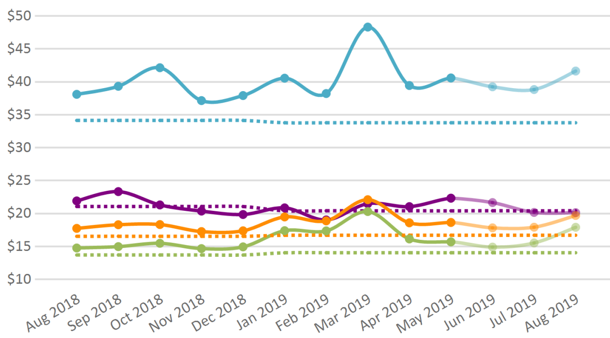


Governed Reporting System

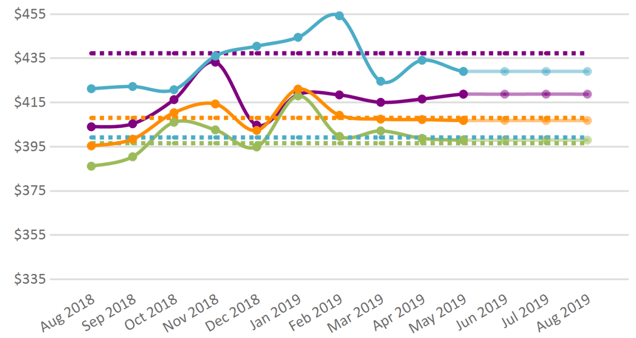
Emergency Room

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

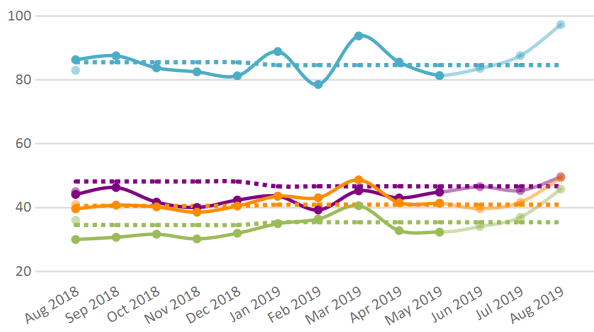
ER Services Incurred by Aid Group PMPM



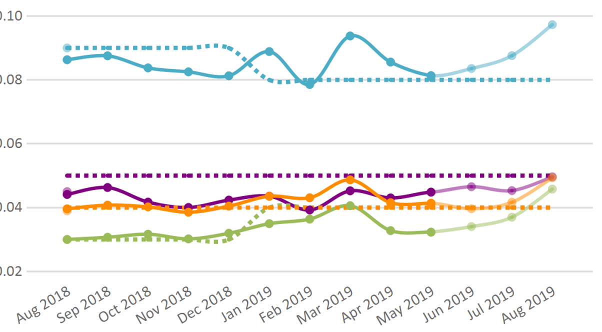
Cost Per ER Visit by Aid Group



ER Visits per 1,000 per Month by Aid Group



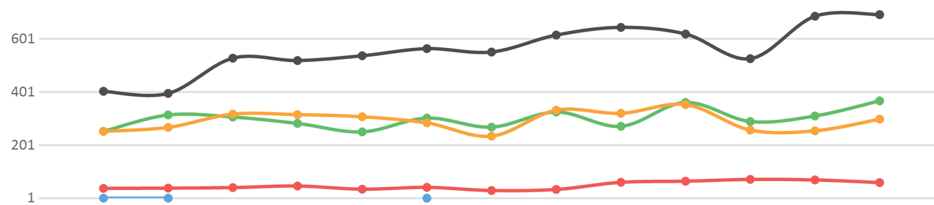
ER Visits per Member per Month by Aid Group



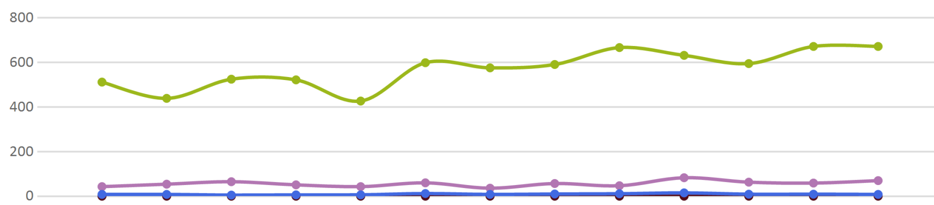
Attachment B

Governed Reporting System

Inpatient Admits by Hospital



	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19
BAKERSFIELD MEMORIAL	404	396	529	520	538	565	552	616	645	620	527	687	693
MERCY HOSPITAL	253	315	307	283	251	303	269	326	272	362	290	311	368
KERN MEDICAL	253	268	318	316	308	285	235	333	321	354	258	255	299
GOOD SAMARITAN HOSPITAL	38	39	41	47	35	42	30	34	61	65	72	70	60
SAN JOAQUIN COMMUNITY	1	1				1							

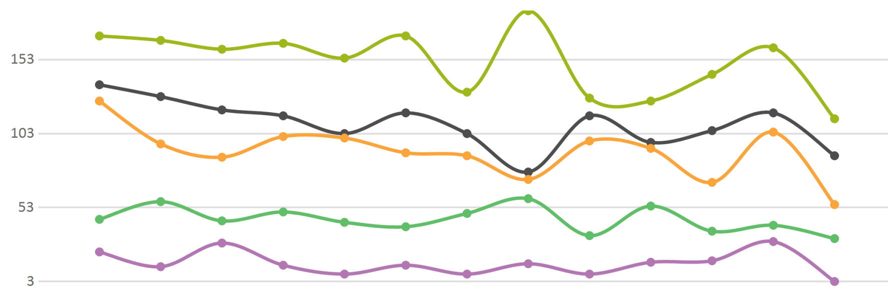


	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19
OUT OF AREA	512	439	525	522	427	599	576	591	667	632	595	672	672
DELANO REGIONAL HOSPITAL	43	54	65	51	43	60	36	57	47	83	63	59	70
BAKERSFIELD HEART HOSP	45	64	67	52	41	50	50	34	45	37	43	46	60
KERN VLY HLTHCRE HOSP	8	8	5	6	6	12	8	10	11	15	9	9	8

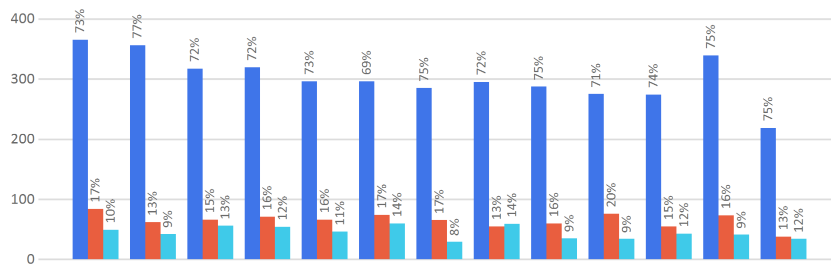
Attachment C

Governed Reporting System

Obstetrics Metrics



	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19
BAKERSFIELD MEMORIAL	136	128	119	115	103	117	103	77	115	97	105	117	88
KERN MEDICAL	125	96	87	101	100	90	88	72	98	93	70	104	55
MERCY HOSPITAL	45	57	44	50	43	40	49	59	34	54	37	41	32
OTHER	169	166	160	164	154	169	131	186	127	125	143	161	113
DELANO REGIONAL HOSPITAL	23	13	29	14	8	14	8	15	8	16	17	30	3

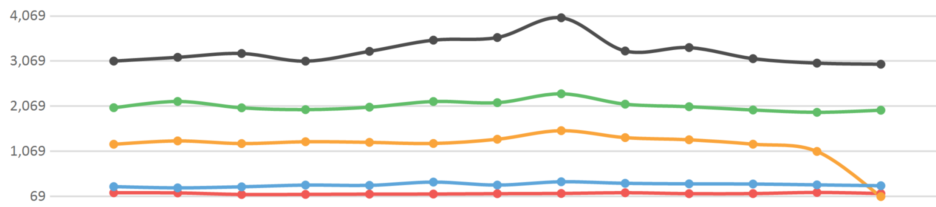


	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19
VAGINAL DELIVERY	365	356	317	319	296	296	285	295	287	275	274	339	219
C-SECTION DELIVERY	84	62	66	71	66	74	65	55	60	76	55	73	38
PREVIOUS C-SECTION DELIVERY	49	42	56	54	46	60	29	59	35	34	43	41	34

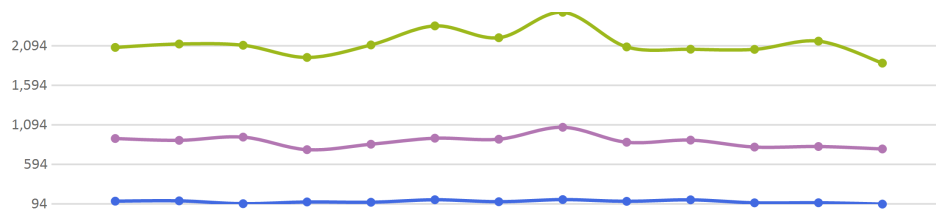
Attachment D

Governed Reporting System

Emergency Visits by Hospital



	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19
BAKERSFIELD MEMORIAL	3,070	3,154	3,238	3,069	3,286	3,534	3,592	4,030	3,294	3,370	3,124	3,025	3,001
MERCY HOSPITAL	2,038	2,176	2,035	1,995	2,049	2,175	2,149	2,345	2,116	2,060	1,987	1,935	1,982
KERN MEDICAL	1,228	1,302	1,243	1,284	1,270	1,245	1,339	1,529	1,375	1,327	1,229	1,069	69
SAN JOAQUIN COMMUNITY	289	262	285	324	317	390	324	397	362	351	347	328	309
BAKERSFIELD HEART HOSP	153	150	115	117	123	125	133	138	154	133	135	160	136



	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19
OUT OF AREA	2,075	2,118	2,102	1,948	2,106	2,347	2,197	2,519	2,081	2,052	2,050	2,154	1,876
DELANO REGIONAL HOSPITAL	923	900	941	782	851	927	914	1,065	876	903	815	822	791
KERN VLY HLTHCRE HOSP	131	135	99	121	117	149	124	151	129	148	110	111	94

Attachment E

Governed Reporting System

Kern Health Systems

HEDIS Trending Dashboard
September 2019

KERN HEALTH SYSTEMS

Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

Hybrid Measures

Measure	Current	Prior Year	% Point Change
CCS	43.40%	44.44%	-1.04%
CDC - Eye Exam	30.45%	25.96%	4.49%
CDC - Hba1c Test	75.12%	73.96%	1.16%
CDC - Nephropathy	84.36%	83.16%	1.20%
CIS - Combo 3	27.37%	28.44%	-1.07%
IMA - Combo 2	28.75%	29.31%	-0.56%
PPC - Prenatal	67.45%	65.02%	2.43%
PPC - Postpartum	60.84%	55.86%	4.98%
W34	53.05%	52.86%	0.19%

Administrative Measures

Measure	Current	Prior Year	% Point Change
AAB	47.68%	55.61%	-7.93%
AMR	54.74%	23.16%	31.58%
BCS	47.20%	45.24%	1.96%
LBP	71.23%	73.03%	-1.80%
MPM - Ace Inhibitors	82.75%	83.22%	-0.47%
MPM - Diuretics	81.96%	82.31%	-0.34%

Governed Reporting System

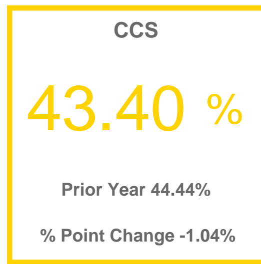
Hybrid Measures

Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

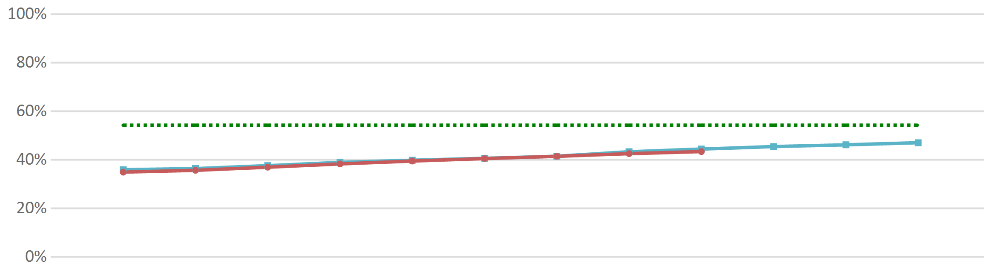
Cervical Cancer Screening (CCS)

Y



21,544 Numerator

49,645 Denominator



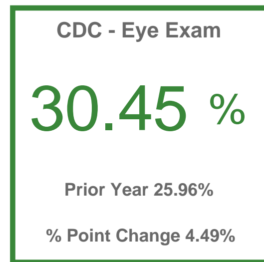
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	35.93%	36.41%	37.61%	38.95%	39.83%	40.63%	41.48%	43.34%	44.44%	45.46%	46.18%	47.04%
2019	34.93%	35.69%	36.96%	38.31%	39.50%	40.52%	41.45%	42.55%	43.40%			
MPL	54.26%	54.26%	54.26%	54.26%	54.26%	54.26%	54.26%	54.26%	54.26%	54.26%	54.26%	54.26%

Governed Reporting System

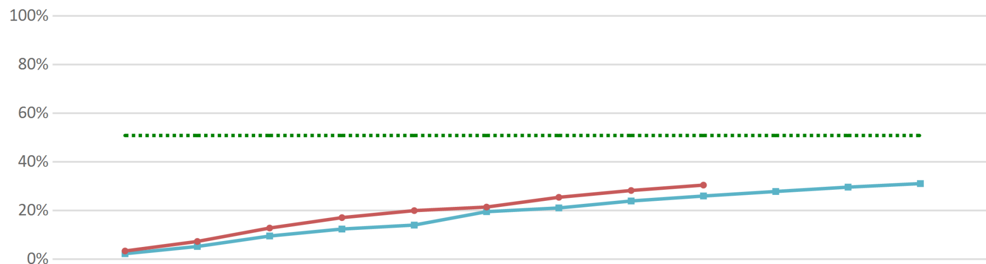
HEDIS Trending Year-Over-Year Comparison

Comprehensive Diabetes Care (CDC - EYE EXAM)

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



3,540	Numerator
11,624	Denominator



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	2.25%	5.22%	9.51%	12.39%	14.02%	19.52%	21.06%	23.92%	25.96%	27.83%	29.62%	31.07%
2019	3.36%	7.29%	12.80%	17.08%	19.96%	21.43%	25.44%	28.23%	30.45%			
MPL	50.85%	50.85%	50.85%	50.85%	50.85%	50.85%	50.85%	50.85%	50.85%	50.85%	50.85%	50.85%

Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

Comprehensive Diabetes Care (CDC - HBA1C TEST)

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

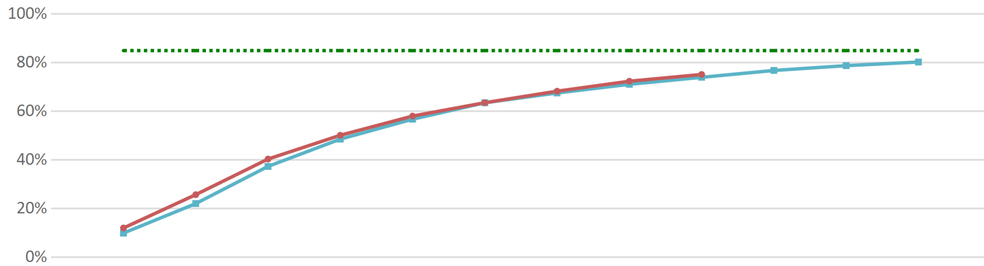
CDC - Hba1c Test

75.12 %

Prior Year 73.96%

% Point Change 1.16%

8,732	Numerator
11,624	Denominator



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	9.90%	22.02%	37.31%	48.54%	56.72%	63.50%	67.51%	71.08%	73.96%	76.78%	78.75%	80.24%
2019	12.00%	25.70%	40.34%	50.13%	58.01%	63.51%	68.25%	72.35%	75.12%			
MPL	84.93%	84.93%	84.93%	84.93%	84.93%	84.93%	84.93%	84.93%	84.93%	84.93%	84.93%	84.93%

Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

Comprehensive Diabetes Care (CDC - NEPHROPATHY)

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

CDC - Nephropathy

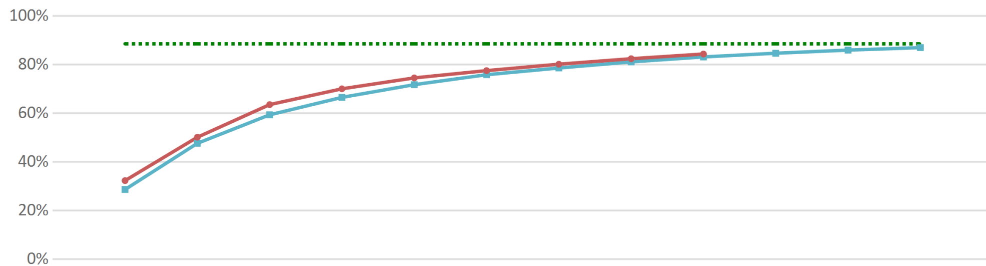
84.36 %

Prior Year 83.16%

% Point Change 1.20%

9,806 Numerator

11,624 Denominator



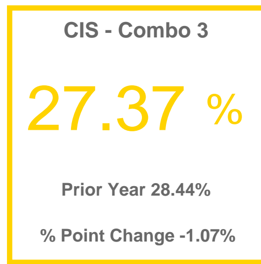
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	28.64%	47.64%	59.35%	66.53%	71.75%	75.84%	78.61%	81.13%	83.16%	84.68%	85.97%	86.99%
2019	32.30%	50.13%	63.55%	70.05%	74.54%	77.52%	80.16%	82.43%	84.36%			
MPL	88.56%	88.56%	88.56%	88.56%	88.56%	88.56%	88.56%	88.56%	88.56%	88.56%	88.56%	88.56%

Governed Reporting System

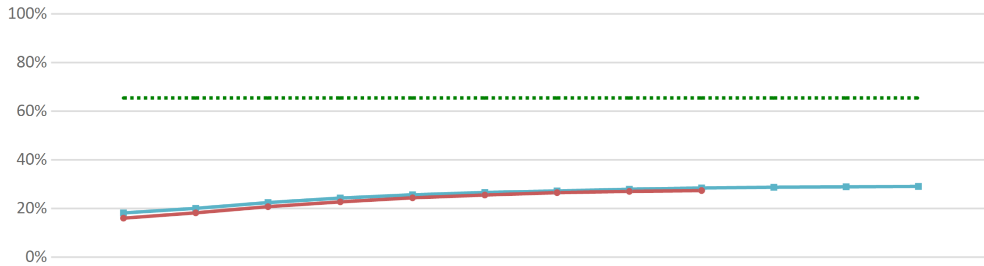
HEDIS Trending Year-Over-Year Comparison

Childhood Immunization Status (CIS - COMBO 3)

Y



1,718	Numerator
6,277	Denominator



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	18.18%	20.07%	22.45%	24.31%	25.64%	26.59%	27.22%	27.93%	28.44%	28.76%	28.92%	29.10%
2019	16.03%	18.22%	20.76%	22.73%	24.40%	25.55%	26.53%	27.04%	27.37%			
MPL	65.45%	65.45%	65.45%	65.45%	65.45%	65.45%	65.45%	65.45%	65.45%	65.45%	65.45%	65.45%

Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

Immunizations for Adolescents (IMA - COMBO 2)

Y

IMA - Combo 2

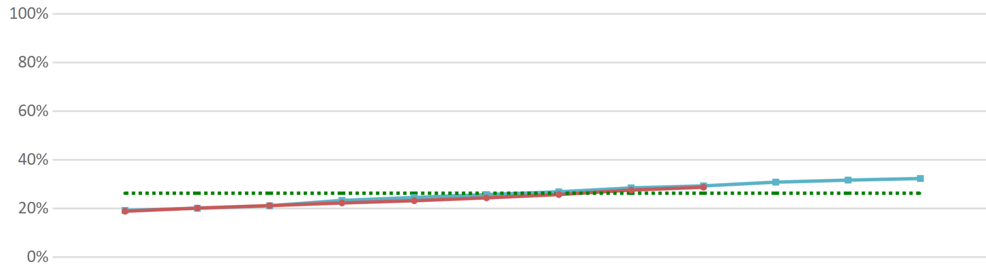
28.75 %

Prior Year 29.31%

% Point Change -0.56%

1,928 Numerator

6,706 Denominator



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	19.25%	20.10%	21.13%	23.35%	24.53%	25.74%	26.87%	28.46%	29.31%	30.84%	31.67%	32.34%
2019	18.88%	20.18%	21.20%	22.29%	23.21%	24.39%	25.74%	27.59%	28.75%			
MPL	26.28%	26.28%	26.28%	26.28%	26.28%	26.28%	26.28%	26.28%	26.28%	26.28%	26.28%	26.28%

Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

Prenatal and Postpartum Care (PPC - PRENATAL)

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

PPC - Prenatal

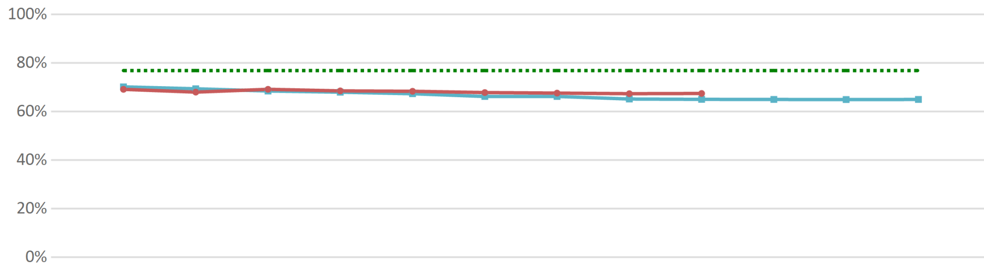
67.45 %

Prior Year 65.02%

% Point Change 2.43%

2,451 Numerator

3,634 Denominator



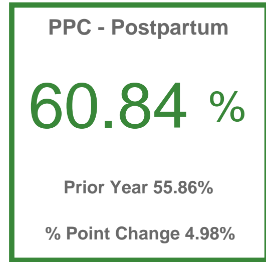
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	70.16%	69.38%	68.47%	67.97%	67.33%	66.20%	66.21%	65.16%	65.02%	64.98%	64.92%	64.98%
2019	69.14%	68.00%	69.16%	68.51%	68.34%	67.82%	67.60%	67.36%	67.45%			
MPL	76.89%	76.89%	76.89%	76.89%	76.89%	76.89%	76.89%	76.89%	76.89%	76.89%	76.89%	76.89%

Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

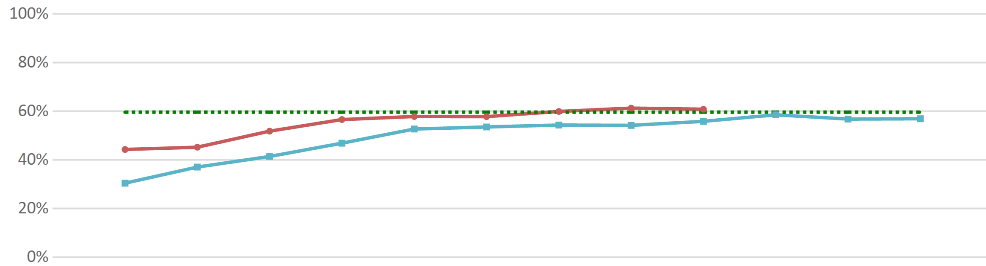
Prenatal and Postpartum Care (PPC - POSTPARTUM)

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



2,211 Numerator

3,634 Denominator



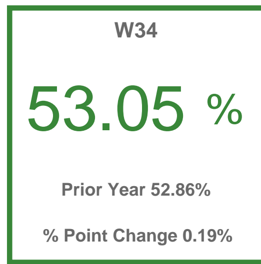
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	30.42%	37.04%	41.40%	46.87%	52.69%	53.53%	54.34%	54.20%	55.86%	58.53%	56.79%	56.93%
2019	44.29%	45.21%	51.82%	56.59%	57.83%	57.80%	59.92%	61.29%	60.84%			
MPL	59.61%	59.61%	59.61%	59.61%	59.61%	59.61%	59.61%	59.61%	59.61%	59.61%	59.61%	59.61%

Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

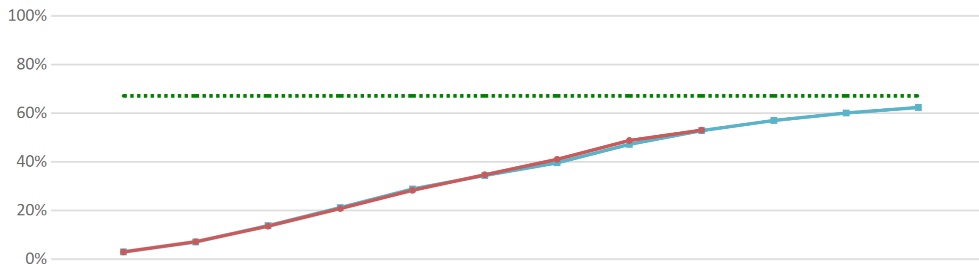
Well-Child Visits in the Third, Fourth, Fifth and Sixth Years of Life (W34)

Y



14,147 Numerator

26,665 Denominator



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	3.00%	7.08%	13.77%	21.20%	28.85%	34.41%	39.58%	47.20%	52.86%	57.03%	60.11%	62.37%
2019	2.97%	7.19%	13.56%	20.81%	28.31%	34.70%	41.05%	48.80%	53.05%			
MPL	67.15%	67.15%	67.15%	67.15%	67.15%	67.15%	67.15%	67.15%	67.15%	67.15%	67.15%	67.15%

Governed Reporting System

Administrative Measures

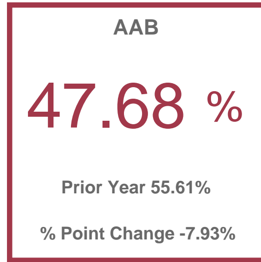
13

Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

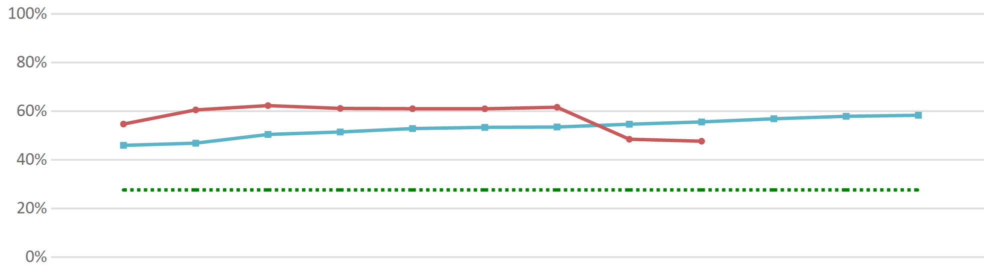
Avoidance of Antibiotic Treatment in Adults With Acute Bronchitis (AAB)

Y



946 Numerator

1,984 Denominator



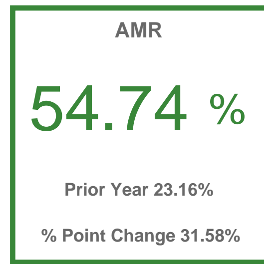
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	45.97%	46.88%	50.45%	51.48%	52.88%	53.37%	53.52%	54.66%	55.61%	56.91%	57.92%	58.35%
2019	54.73%	60.56%	62.32%	61.17%	61.05%	61.02%	61.65%	48.49%	47.68%			
MPL	27.63%	27.63%	27.63%	27.63%	27.63%	27.63%	27.63%	27.63%	27.63%	27.63%	27.63%	27.63%

Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

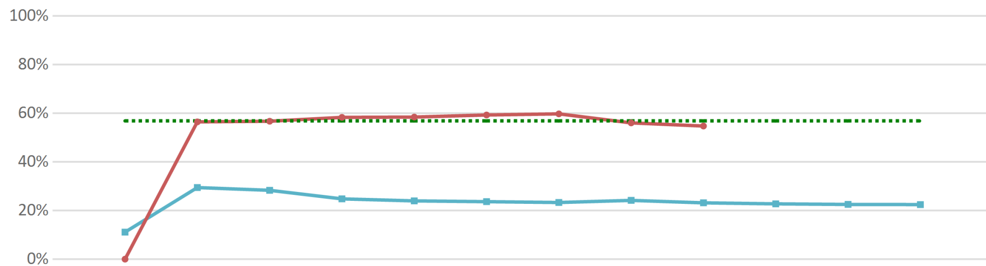
Asthma Medication Ratio (AMR)

Y



404 Numerator

738 Denominator



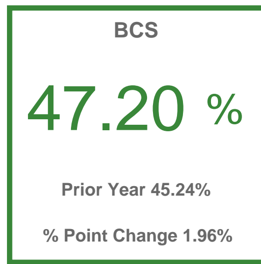
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	11.11%	29.44%	28.31%	24.79%	23.96%	23.64%	23.30%	24.16%	23.16%	22.74%	22.50%	22.44%
2019	0.00%	56.45%	56.72%	58.31%	58.43%	59.29%	59.74%	56.04%	54.74%			
MPL	56.85%	56.85%	56.85%	56.85%	56.85%	56.85%	56.85%	56.85%	56.85%	56.85%	56.85%	56.85%

Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

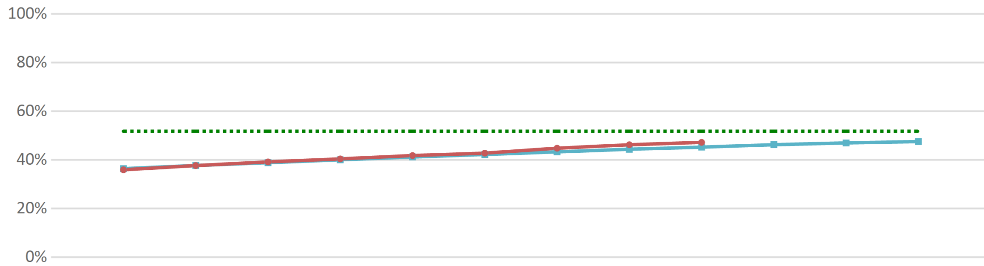
Breast Cancer Screening (BCS)

Y



6,161 Numerator

13,053 Denominator



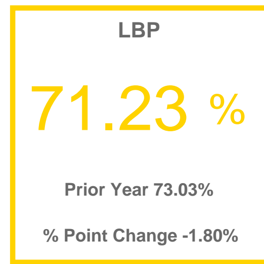
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	36.39%	37.69%	38.84%	40.04%	41.19%	42.21%	43.29%	44.38%	45.24%	46.24%	46.97%	47.54%
2019	35.92%	37.66%	39.17%	40.41%	41.78%	42.77%	44.80%	46.22%	47.20%			
MPL	51.78%	51.78%	51.78%	51.78%	51.78%	51.78%	51.78%	51.78%	51.78%	51.78%	51.78%	51.78%

Governed Reporting System

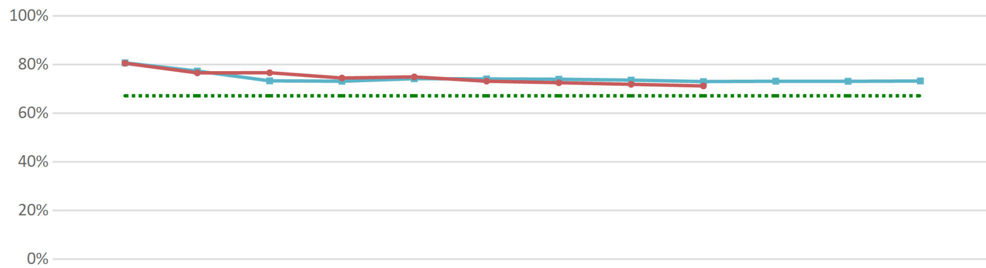
HEDIS Trending Year-Over-Year Comparison

Use of Imaging Studies for Low Back Pain (LBP)

Y



1,629	Numerator
2,287	Denominator



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	80.71%	77.34%	73.33%	73.17%	74.21%	74.11%	73.99%	73.62%	73.03%	73.17%	73.13%	73.25%
2019	80.57%	76.60%	76.65%	74.49%	74.96%	73.18%	72.55%	71.90%	71.23%			
MPL	67.19%	67.19%	67.19%	67.19%	67.19%	67.19%	67.19%	67.19%	67.19%	67.19%	67.19%	67.19%

Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

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

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

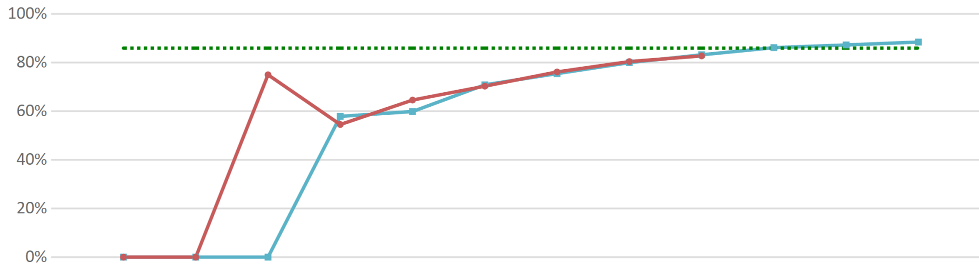
MPM - Ace Inhibitors

82.75 %

Prior Year 83.22%

% Point Change -0.47%

4,984	Numerator
6,023	Denominator



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	0.00%	0.00%	0.00%	57.89%	59.89%	70.87%	75.48%	79.99%	83.22%	86.16%	87.26%	88.46%
2019	0.00%	0.00%	75.00%	54.55%	64.60%	70.31%	76.17%	80.43%	82.75%			
MPL	85.97%	85.97%	85.97%	85.97%	85.97%	85.97%	85.97%	85.97%	85.97%	85.97%	85.97%	85.97%

Governed Reporting System

HEDIS Trending Year-Over-Year Comparison

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

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

MPM - Diuretics

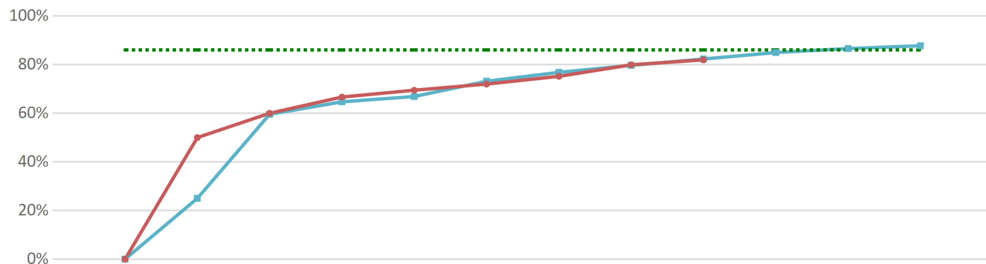
81.96 %

Prior Year 82.31%

% Point Change -0.34%

2,522 Numerator

3,077 Denominator



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	0.00%	25.00%	59.57%	64.71%	66.88%	73.17%	76.82%	79.70%	82.31%	84.97%	86.59%	87.75%
2019	0.00%	50.00%	60.00%	66.67%	69.48%	72.00%	75.18%	79.92%	81.96%			
MPL	86.06%	86.06%	86.06%	86.06%	86.06%	86.06%	86.06%	86.06%	86.06%	86.06%	86.06%	86.06%

KERN HEALTH SYSTEMS
CHIEF EXECUTIVE OFFICER'S REPORT
For October 10th, 2019
BOARD OF DIRECTORS MEETING

REGULATORY AND COMPLIANCE ACTIVITIES

Regulatory and Compliance Monthly Activities Report

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

Regulatory Compliance Audit Program

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

In this submission, the Compliance Department is including the 2018 Attachment B as a few reviews were ultimately completed in January 2019. Similarly, the 2017 Attachment C is being included as a couple of audits concluded in January 2019.

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

PROGRAM DEVELOPMENT ACTIVITIES

RX Carve-Out

DHCS has been moving forward on the Governor's Executive order to Carve-Out Pharmacy services from Managed Care Plans effective 1/1/21. Legislators included language in the State Budget which requires DHCS to convene a Stakeholder Workgroup to provide input into the transition and requires DHCS to submit a fiscal plan to the legislature. Health Plans and other interested parties participated in two stakeholder meetings to-date. Additionally, in October DHCS is convening a workgroup with Health Plans to start discussing pertinent transition items. DHCS is reviewing RFP responses from Pharmacy Benefit Managers and intends to award a contract in November. Staff and our trade associations continue to advocate with legislators, the Governor's office, and DHCS to ensure proper planning is conducted prior to the transition.

CalAIM

California Advancing and Innovating Medi-Cal (CalAIM) is a multi-year initiative by DHCS to implement policy changes with the objective of: 1) Reducing variation and complexity across the delivery system; 2) Identifying and managing member risk and need through population health management strategies; and 3) Improving quality outcomes and drive delivery system transformation through value-based initiatives and payment reform. DHCS has released information on workgroups forming to discuss population health management, NCQA accreditation, enhanced care-management and in-lieu of services, behavioral health, and pilots to integrate physical, behavioral, and oral health. KHS staff submitted applications for inclusion on the workgroups. Additionally, our trade associations will be included in all workgroups. It is anticipated that at least some of these items will be included in the upcoming 2021 waiver renewal. These discussions are in the preliminary stages and staff will continue to monitor.

Long Term Care and Transplants Carve-In

In early September DHCS notified Health Plans of their intent to include Long Term Care and Transplants services in the Managed Care delivery system effective 1/1/21. This will include care provided at Skilled Nursing Facilities, Subacute Facilities, and Intermediate Care Facilities, as well as coverage for transplants. Staff has started to analyze internal impacts as a result of this upcoming change. Our trade associations are also working to set up collaborative discussions with Health Plans who already cover these services. DHCS will be providing more information in the future.

LEGISLATIVE SUMMARY UPDATE

Federal Update

In terms of legislation, there is some bipartisan agreement to address the high cost of prescription drugs and/or eliminate “surprise” medical bills. Specific policy hasn’t yet reached the floor of either chamber, but is being monitored. For drug pricing there are proposals that would allow government negotiation of drugs prices, set drugs prices according to what other countries pay, cap drug price increases at the rate of inflation, and cap out-of-pocket costs in Medicare. Any policies will still need to garner agreement between the Administration, a majority Republican Senate, and a majority Democratic House. Additionally, the House Impeachment Inquiry could derail progress on the passing of these bills.

Department of Homeland Security (DHS) published a final rule that changes federal requirements for denying immigrant admission into the country or a change in immigrant status due to their likelihood of becoming a “public charge”. The final rule would newly consider use of non-cash

public benefits in the public charge determination including: Medicaid, SNAP/food stamps, and certain housing benefits. Industry experts are concerned that this rule will have a “chilling effect” that will result in fewer eligible beneficiaries receiving Medicaid and other public benefits they are entitled to. The final rule is scheduled to take effect October 15, however, legal challenges to the rule have been filed in federal court. Other proposed policy/rule changes including modifying poverty level calculations, pricing transparency, and updating the “Mega-Reg” are awaiting further guidance. These items are being tracked by KHS staff in coordination with our Trade Associations. In early July an appeals court heard arguments regarding a lower court’s ruling to overturn the Affordable Care Act. The appeals court ruling is anticipated by Q4 2019, but may be appealed further to the Supreme Court. It goes without saying that a court ruling to ultimately overturn the ACA would have profound impacts on the national healthcare landscape. In particular for KHS, the Medicaid Expansion membership would be in jeopardy of losing coverage. The timing of the Supreme Court potentially taking the case would also align with the 2020 Presidential Election cycle. Staff continue to monitor the progress of these proceedings.

State Legislative Session

A separate presentation has been prepared to review the 2019 State Legislative session.

OCTOBER 2019 ENROLLMENT

Medi-Cal Enrollment

As of October 1, 2019, Medi-Cal enrollment is 173,734 which represents a decrease of 0.4% from September enrollment.

Seniors and Persons with Disabilities (SPDs)

As of October 1, 2019, SPD enrollment is 13,846, which represents an increase of 0.4% when compared to September enrollment.

Expanded Eligible Enrollment

As of October 1, 2019, Expansion enrollment is 61,679, which represents an increase of 0.6% from September enrollment.

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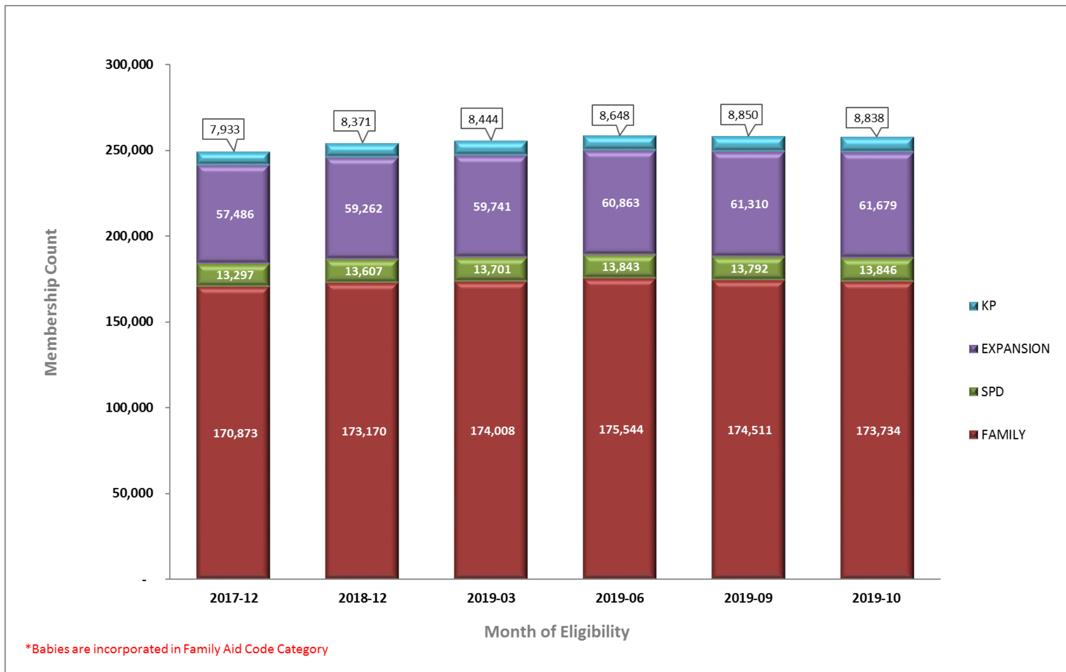
Kaiser Permanente (KP)

As of October 1, 2019, Kaiser enrollment is 8,838, which represents a decrease of 0.1% from September enrollment.

Total KHS Medi-Cal Managed Care Enrollment

As of October 1, 2019, total Medi-Cal enrollment is 258,097, which represents a decrease of 0.1% from September enrollment.

Membership as of Month of Eligibility	FAMILY	SPD	EXPANSION	KP	BABIES	Monthly/ Member Months Total
2017-12	170,426	13,297	57,486	7,933	447	249,589
2018-12	172,694	13,607	59,262	8,371	476	254,410
2019-03	173,610	13,701	59,741	8,444	398	255,894
2019-06	175,129	13,843	60,863	8,648	415	258,898
2019-09	174,026	13,792	61,310	8,850	485	258,463
2019-10	173,298	13,846	61,679	8,838	436	258,097



KHS ADMINISTRATIVE INITIATIVES

Provider Contracting Activity

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

- Kern Behavioral & Recovery Services
- Hullander and Mozingo, GP, pain management
- B&D Hospice Services, hospice
- Kern Medical Surgery Center, LLC, ambulatory surgery center
- Autism Learning Partners, LLC, BHT
- Unity First Hospice Care, Inc, hospice
- Gregory A. Stainer, MD, FACS, A Prof Medical Corp, ophthalmology

Contract related inquiries by type

Provider Relations receives inquiries from time to time from physicians or facilities regarding matters pertaining to their agreement with KHS or situational questions involving interaction between providers and the health plan. For August, Provider Relations received 445 inquiries. Open items to be addressed by type include:

KHS	count	% of total
Skilled Nursing Facility	16	12%
Workflow	10	8%
Ambulatory Surgery Center	6	5%
Hospital	6	5%
Prop 56	6	5%
Home Health Agency	5	4%

P4P 2019	5	4%
Pharmacy	5	4%
ABA, BHT	3	2%
Audit	3	2%
DME: general	3	2%
Grant: Health Home Program	3	2%
Laboratory	3	2%
NEMT transportation	3	2%

Marketing/Public Relations Update

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

- KHS donated $2,500 to the Boys & Girls Club of Kern County to sponsor their Farm to Table (aux) event on October 4th at Highgate at Seven Oaks.
- KHS donated $3,000 to Links for Life to sponsor their Lace'n It Up Walk on October 5th at River Walk Park. In addition to our sponsorship, KHS employees raised over $16,000 for Links for Life.
- KHS donated $1,000 to the Friends of Mercy Foundation to support the 2019 Kern County Binational Health Week Task Force and their Opening Ceremony on October 11th.
- KHS donated $10,000 to the Kern Partnership for Children and Families "Gatsby Gala" that will take place on October 12th at Seven Oaks Country Club.
- KHS donated $1,000 to the National Alliance on Mental Illness (NAMI) Kern County to sponsor their 2019 NAMI Walk that will take place on October 12th at River Walk Park.
- KHS donated $1,000 to the Southeast Neighborhood Partnership "Good Neighbor Festival" that will take place on October 12th at Dr. Martin Luther King Jr. Park.

- KHS donated $12,600 to the Kern County Public Health Services Department to offer two free Flu shot clinics in October. The first clinic will take place on October 13th at the Kern County Fairgrounds Swap Meet offering 800 Influenza vaccines. The second clinic will take place on October 18th at the Kern County Fairgrounds Swap Meet, in conjunction with Binational Health Week, offering 600 Influenza vaccines.
- KHS donated $1,000 to the Alzheimer's Association to sponsor the 2019 Walk to End Alzheimer's on October 19th at River Walk Park.
- KHS donated $1,000 to the American Cancer Society to sponsor their Valley of Hope Gala on October 19th and Making Strides Against Breast Cancer event on October 26th at CSUB.
- KHS donated $1,000 to Hoffman Hospice to sponsor their Walk to Remember on October 26th.
- KHS donated $1,000 to CSF Medical Nonprofit Foundation to sponsor their "Saving Lives Oscar Gala" on November 16th at Seven Oaks Country Club.

In October and November KHS will participate in:

- 10/1 Employee Luncheon @ Grapery Cold Storage in Shafter
- 10/11 Pop-up Homeless Connect @ Self Help in Bakersfield
- 10/17 Homeless Consumer & Service Provider Day @ St. Vincent de Paul in Bakersfield
- 10/23 1st Annual Health & Resource Fair @ Transform Innovel Solutions LLC in Delano
- 10/25 Pop-up Homeless Connect @ Blessing Corner in Bakersfield
- 10/28 Harvest Festival Resource Fair @ Shafter Youth Center
- 11/1 Fall Resource Fair @ Bakersfield Adult School
- 11/26 World Aids Day @ Self Help Credit Union in Bakersfield

Employee Newsletters

The September employee newsletter can be seen by going to the link below:

https://us20.campaign-archive.com/?u=f1b2565c17b55547feeb94aeb&id=8e60854e1f

ADMINISTRATIVE PERFORMANCE REPORTS

Dashboard Presentation

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

Attachment A

Board of Directors Meeting

October 10, 2019

STATE

Department of Health Care Services (DHCS)

All Plan Letters (APL)

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

All Plan Letters (APL)

APL 19-009 – The purpose of this APL is to provide clarification to MCPs on the DHCS policy on Medi-Cal services offered through a telehealth modality as outlined in the Medi-Cal Provider Manual. This includes clarification on the services that are covered and the expectations related to documentation for the telehealth modality.

APL 19-010 – This APL clarifies the responsibilities of MCPs to provide Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services to eligible members under the age of 21. This policy applies to all members under the age of 21 enrolled in MCPs. This guidance is intended to reinforce existing state and federal laws and regulations regarding the provision of Medi-Cal services, including EPSDT, and does not represent any change in policy.

APL 19-011 – The purpose of this APL is to update and clarify the Health Education and Cultural and Linguistic (C&L) Population Needs Assessment (PNA) contract requirements for Medi-Cal MCPs. The MCP contracts with the DHCS refer to the PNA as the group needs assessment or GNA.

Department of Manage Health Care (DMHC)

All Plan Letters (APL)

The DMHC issued one (1) APLs during the months of August and September to provide guidance to health care service plans.

APL 19-016 - The DMHC issues this APL to notify health care service plans (health plans) about recent amendments to the Risk-Bearing Organization (RBO) regulations. The amendments clarify RBO reporting standards and requirements to ensure organizations comply with the financial solvency standards.

COMPLIANCE

Centers for Medicare and Medicaid Services (CMS)

KHS received notice (a letter) from CMS regarding their intent to audit the California Medicaid Managed Care Medical Loss Ratio on April 1, 2019. The reporting periods under review include: January 1, 2014 to June 30, 2015, and July 1, 2015 to June 30, 2016.

Update: As of September 30, 2019 KHS has not received any additional correspondence relating to this matter.

DHCS Medical Audit –2019

DHCS Audit Team conducted their annual DHCS Medical Audit for the period between August 1, 2018 and July 31, 2019 covering six categories: Utilization Management, Case Management, Access and Availability, Member Rights, Quality System and Delegation, and Administration and Organization Capacity.

Update: The close meeting is scheduled for October 9th during which any findings will be discussed and the draft audit report will be shared. The final audit report will be shared with the Board at a future date.

DHCS Rate Development Template (RDT) Audit

KHS received a notice from DHCS of their intent to audit 2017 RDT data. A new request for information was sent to the Plan in August.

Update: KHS has submitted all the requested information and is waiting for follow-up questions from DHCS/Mercer.

DMHC Routine Medical Survey of Kern Health Systems - 2019

The Director of Compliance and Regulatory Affairs received an entrance letter from the Department regarding a routine medical survey. The purpose was to assess the overall performance of the Plan in providing health care benefits and meeting the health care needs of enrollees.

Update: The DMHC audit team completed their work and no additional documentation has been requested from the Plan. The Department has not provided a date certain for the sharing of the draft report with the Plan. The final audit report will be shared with the Board at a future date.

Reporting to government agencies following page

August 2019

Report Name/Item	Status
BHT-CDE Monthly	On time
Claims Payment & Disputes (DMHC) Quarterly	On time
Grievance & Appeals Quarterly	On time
MER Monthly	On time
Mental Health Quarterly	On time
NMT-NEMT Monthly	On time
Out-of-Network Quarterly	On time
Palliative Care Quarterly	On time
Prop 56 Report Quarterly	On time
Provider Calls Monthly	On time
Financial Reports Quarterly	On time

September 2019

Report Name/Item	Status
BHT-CDE Monthly	On time
MER Monthly	On time
NMT-NEMT Monthly	On time

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

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

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
APL 19-005	Plan Year 2020 QHP and QDP Filing Requirements	N/A	N/A	1/24/2019	N/A	N/A
APL 19-006	Clinical Quality Improvement	Compliance Quality Improvement	The APL includes a survey that collects information pertaining to Antibiotic Stewardship, Asthma Care, Diabetes Care, Opioid Stewardship, and Smoking Cessation.	5/3/2019	Completed on 4/6/2019	
APL 19-007	Filing requirements under Assembly Bill 2941	Compliance	Provides action requirements for Plans to follow after a declaration of emergency by the Governor that displaces or has the immediate potential to displace enrollees.	3/4/2019	KHS acknowledges the APL	
APL 19-008	Timely Access Compliance Reports MY 2019	Provider Relations Compliance	Provides MY 2019 requirements for Plan that conduct a (DMHC) mandatory Provider Appointment Availability Survey (PAAS)	3/15/2019	Completed on 5/9/19	
APL 19-009	2019 Annual Assessments	Finance Compliance	Provides Plans with direction for filing the Report of Plan Enrollment	5/14/2019	Completed on 5/15/19	
APL19-010	Introduction of a new Independent Review Organization.	N/A	N/A	4/4/2019	N/A	N/A

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
APL19-011	QIF Plan Regulatory Requirements	Executives Compliance	The APL reviews the upcoming changes to the treatment of QIF Plans.	6/3/2019	Completed on 6/26/19	
APL19-012	AB 72 Policy and Procedures	N/A	N/A	1/24/2019	N/A	N/A
APL19-013	Block Transfer Enrollee Transfer Notices	N/A	N/A	1/25/2019	N/A	N/A
APL19-014	Guidance Regarding General Licensure Regulation	N/A	N/A	1/26/2019	N/A	N/A
APL19-015	Governor's Declarations of Emergency Kern and San Bernardino Counties - Ridgecrest Earthquakes	Executives Compliance	Within 48 hours of a declaration of emergency by the Governor that displaces or has the immediate potential to displace enrollees, each plan operating in the county(is) included in the declarations must file a notice with the DMHC	7/9/2019	The Plan filed a notice with the DMHC on July 18, 2019.	

KEY	
	Compliance - YES
	Compliance - NO
	Outcome Pending
	N/A - Informational Document

3

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
APL19-001	Medi-Cal Managed Care Health Plan Guidance on Network Provider Status	Provider Relations Compliance	The APL relates to Network Provider standardized contracting requirements, including KHS Network Provider and Subcontractor agreements, provider directory reporting, network adequacy certification, and directed payments.	5/25/2019	KHS Boilerplates were approved by DHCS and DMHC. The contracts were implemented and effective July 2019.	
APL19-002	Network Certification Requirements	Provider Relations Compliance	The APL provides guidance to KHS about reporting requirements for the Annual Network Certification process. The APL also outlines network adequacy standards the Plan will follow.	7/8/2019	The APL has been reviewed with Provider Relations. Stakeholders are updating P&Ps. Anticipated completion date is scheduled for September 2019.	
APL19-003	Providing information Materials to Medi-Cal Beneficiaries in an Electronic Format	Member Services Provider Relations Pharmacy Compliance	The APL provides Medi-Cal managed care health plans with clarification and guidance regarding the provision of the Provider Directory, Formulary, and Member Handbook to Medi-Cal members in an electronic format.	6/3/2019	Stakeholders are working to implement the APL. A vendor will be used to assist in implementation. Follow-up meeting scheduled for 8/19.	
APL19-004	Provider Credentialing/Recredentialing and Screening/Enrollment	Provider Relations Compliance	The purpose of the APL is to inform Medi-Cal managed care health plans of their responsibilities related to the screening and enrollment of all network providers. Itis an update to APL17-019.	6/29/2019	Closing meeting scheduled for September 2019. FAQ released in 6/19 and reviewed by Stakeholders.	

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
APL19-005	FQHC and RHC Financial Incentives and Pay for Performance Payment Policy	Provider Relations Finance Health Services Compliance	The purpose of this APL is to provide clarification and guidance to Medi-Cal managed care health plans on the policy requirements for financial incentive payments to FQHCs and RHCs.	6/12/2019	Stakeholders were sent the APL. PMO will oversee implementation.	
APL19-006	Proposition 56 Physician Directed payments for Specified Services for State Fiscal Years 2017-2018 & 2018-2019	Provider Relations Claims Finance IT Compliance	The purpose of this APL is to provide Plans with information on directed payments for certain services funded by Prop 56 for State Fiscal Year (SFY) 2017-18 and SFY 2018-19.	7/15/2019	Stakeholders have implemented the APL.	
APL19-007	Non-contract Ground Emergency Transport Payment Obligations for State Fiscal 2018-2019	Provider Relations Claims Finance IT Compliance	The purpose of this APL is to provide Plans with information regarding increased reimbursement for Fee-For-Service ground emergency medical transport (GEMT).	7/12/2019	KHS Stakeholders reviewed the APL and it will be incorporated into biweekly Prop 56 Payment meetings.	
APL19-008	Rate Changes for Emergency and Post-Stabilization Services Provided by Out-of-Network Border Hospitals under DRG Payment Methodology.	Claims Finance IT Compliance	Provides guidance on changes in the DRG payment methodology used to establish reimbursement rates paid to out-of-network border hospitals.	7/18/2019	Stakeholders have reviewed the APL and will monitor updates with Border Hospitals.	

KEY	
(green)	Compliance - YES
(red)	Compliance - NO
(white)	Outcome Pending
(gray)	N/A - informational document

2

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

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

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

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

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL 18-018	Notice for the January 2019 release of the Annual Filing Checklist for HSC Sec. 1367.27	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
APL 18-019	State of Emergency Due To Fires in Butte, Los Angeles and Ventura Counties	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

KEY	
(green)	Compliance - YES
(red)	Compliance - NO
(white)	Outcome Pending
(gray)	N/A - Informational Document

3

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

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

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL 18-008 REVISED	Continuity of Care for Medi-Cal members Who Transition into Medi-Cal Managed Care (REVISED)	Health Services Member Services Provider Relations	Clarifies continuity of care requirements for Medi-Cal members who transition into Medi-Cal managed care.	5/15/2019	8/30/2019	In Process: Comparison Matrix of APL requirements and Policy is complete. Meeting with Stakeholders in Process.			
APL 18-010	Proposition 56 Directed Payment Expenditures for Specified Services for State Fiscal year 2017-18	Claims Provider Relations Finance IT	Identifies the requirements for MCPs to make direct payments for certain services funded through Proposition 56 for FY 2017-18.						
APL 18-011	California Children's Services Whole Child Model Program	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
APL 18-012	All Med-Cal Managed Care Health Plans Participating in Health Homes Program	HHP Health Services Member Services IT	Provides guidance for the provision of Health Homes Program (HHP) services, and the development and operation of the HHP, to Medi-Cal managed care health plans	N/A	N/A	N/A	N/A	N/A	N/A
APL 18-013	Hepatitis C Virus Treatment Policy Update	Health Services Pharmacy	Updates DHCS hepatitis C policy that was previously released in July 2015.	2/20/2019	8/30/2019	In Process: Policy 3.22-P, Referral and Authorization Process was revised to reference APL. Pharmacy HCV Approval Criteria was updated to reflect the APL requirements. Pending response from Provider Relations regarding delegates.			
APL 18-014	Alcohol Misuse: Screening and Behavioral Counseling Interventions in Primary Care	Health Services Provider Relations	Clarifies primary care requirement to provide Alcohol Misuse Screening and Behavioral Counseling interventions to members 18 years and older.	1/18/2019	9/15/2019	In Process: Pending review of possible findings by the Stakeholder.			

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

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

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL 18-021	2019-2020 Medical Managed Care Health Plan MEDS/834 Cutoff and Processing Schedule	N/A	Provides KHS IT Department with the 2019-2020 Eligibility Data Systems (MEDS)/834 cutoff and processing schedule.	N/A	N/A	N/A	N/A	N/A	N/A
APL 18-022	Access Requirements for Freestanding Birth Centers and Provision of Midwife Services	Health Services Provider Relations Member Services	Clarifies the Plan's responsibilities to provide Members with access to freestanding Birthing Centers and services by Midwives.	1/30/2019	8/30/2019	The Plan is compliant with the APL requirements. Currently there are no FBC/Midwifery Service Providers in-network. The Plan reports network status of these mandatory provider types to DHCS. Pending response from Provider Relations regarding delegates.			
APL 18-023	California Children's Services Whole Child Model Program (supersedes APL 18-011)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

KEY	
(green)	Compliance - YES
(red)	Compliance - NO
(white)	Outcome Pending
(gray)	N/A - informational document

4

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL 17-001	2017-2018 Medi-Cal Managed Care Health Plan Meds/834 Cutoff And Processing Schedule	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
APL 17-002	Health Education and Cultural and Linguistic Group Needs Assessment (Supersedes PL 10-012)	Health Education	Annual GNA Survey	5/25/2018	7/31/2018	Compliance Requirement Not Met: Policy 2.11- I, Group Needs Assessment, requires minor policy revisions.		Compliance Requirement Met: The Plan revised 2.11-I, Group Needs Assessment.	
APL 17-003	Treatment of Recoveries Made by the Managed Care Health Plan of Overpayments to Providers	Claims	Recovery of overpayments	4/19/2018	6/15/2018	Compliance Requirement Not Met: Policy 6.01- P, Claims Submission and Reimbursement, was updated with the required revisions. Policy 6.29-I, Recovery of Claims Overpayments requires minor policy revisions.		Compliance Requirement Met: Policy 6.29-I, Recovery of Claims Overpayments was updated to reference Policy 6.01- P, Claims Submission and Reimbursement.	
APL 17-004	Subcontractual Relationships and Delegation	Corporate Services Utilization Management Quality Improvement Provider Relations Information Technology	New and existing Subcontracting and Delegation Requirements.	8/9/2018	8/30/2019	Compliance Requirement Not Met: The Plan's Legal Counsel is revising the Professional Service Agreement (PSA) to incorporate applicable APL requirements. Policy revisions are recommended for 14.55-I, Delegated Oversight Monitoring.			
APL 17-005	Certification of Document and Data Submissions	Claims Health Services Provider Relations Accounting Member Services Compliance Executive Information Systems	Timely submission of accurate data, documents, and reporting to DHCS	8/7/2018	8/28/2018	Compliance Requirement Met: 14.57-I, is in alignment with the APL requirements. The Plan and the Delegated entities comply with the requirements related to certification of data, information, and documentation.			
APL 17-006	Grievance and Appeal Requirements and Revised Notice Templates and "Your Rights" Attachments (Supersedes All Plan Letters 04-006 and 05-005 and Policy Letter 09-006)	Health Services Member Services Provider Relations Compliance	Grievance and Appeals Processes	6/1/2018	10/1/2018	Compliance Requirement Not Met: The quarterly Grievance Report to DHCS excluded the Exempt Grievances.		Compliance Requirement Met: The Plan integrated the Exempt Grievances into the quarterly DHCS Grievance Report and resubmitted Q3'17, Q4'17, Q1'18, and Q2'18.	
APL 17-007	Continuity of Care for New Enrollees Transitioned to Managed Care After Requesting a Medical Exemption and Implementation of Monthly Medical Exemption Review Denial Reporting (Supersedes All Plan Letter 15-001)	Health Services Provider Relations IT Member Services	Continuity of Care for New Members	5/4/2018	6/12/2018	Compliance Requirement Not Met: The Plan failed to retain a copy of the Notification of the Medical Exemption Request (MER) sent to the Member.		Compliance Requirement Met: Effective 5/25/18 the Plan implemented a process that requires MSRs to save a copy of the MER that is sent to the Member.	
APL 17-008	Requirement to Participate in the Medi-Cal Drug Utilization Review Program	Health Services Pharmacy	Requirements to Participate in the Medi-Cal Drug Utilization Review Program	7/2/2018	8/31/2018	Compliance Requirement Met: 13.04-I, Formulary Process and Drug Utilization Review, is in alignment with the APL requirements.			

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

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

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL 17-018	Medi-Cal Managed Care Health Plan Responsibilities for Outpatient Mental Health Services (Supersedes APL 13-021)	Health Services Provider Relations Member Services	Explains the contractual responsibilities of MCPs for the provision of medically necessary outpatient mental health services and the regulatory requirements for the Medicaid Mental Health Parity Final Rule.	11/28/2018	12/19/2018	Compliance Requirement Met:3.14-P, is in alignment with the APL requirements.			
APL 17-019	Provider Credentialing / Recredentialing and Screening / Enrollment (Supersedes APL 16-012)	Provider Relations Quality Improvement	Updates to the Plan's requirements related to screening, enrollment, credentialing, and Recredentialing of Providers.	N/A	N/A	The State extended the deadline to implement the APL requirements. The Plan meets current requirements.	N/A	N/A	N/A
APL 17-020	American Indian Health Programs	Accounting Claims Configuration Provider Relations Member Services	Outlines reimbursement rates for the American Indian Health Programs, resulting in potential changes in contract and payments.	5/14/2018	6/22/2018	Compliance Requirement Met: 6.31-P American Indian Programs, is in line with the APL requirements. 6.31-P was approved by KHS Management and fully implemented on 4/2/2018.			
APL 17-021	Workers' Compensation – Notice of Change to Workers' Compensation Recovery Program; Reporting and Other Requirements (Supersedes APL 04-004)	Claims Finance Compliance	Outlines DHCS Workers' Compensation Recovery Program requirements and KHS engagement in the recovery process.	5/7/2018	7/5/2018	Compliance Requirement Met: 60.06-I, Third Party Liability, policy revisions are in line with the APL requirements. 60.06-I was fully implemented on 6/21/2018.			

Key	
(green)	Compliance - Yes
(red)	Compliance - No
(white)	Outcome Pending
(gray)	N/A-Informational/Supersedes

3

Governed Reporting System

Kern Health Systems
Attachment D

KHS Dashboard Performance Reports
(Critical Performance Measurements)

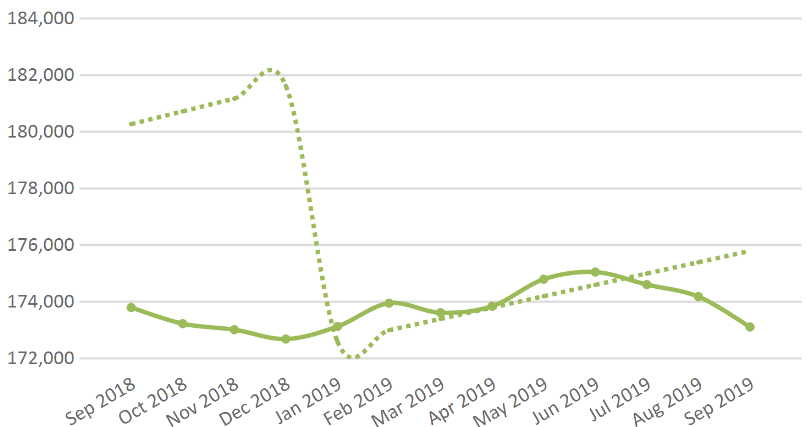
Governed Reporting System

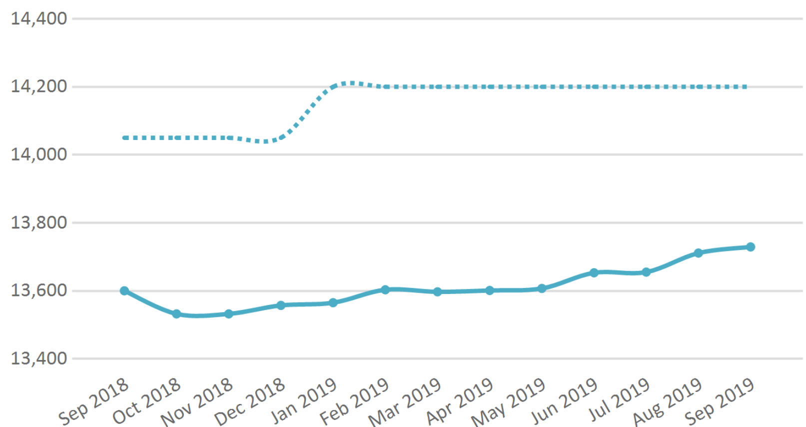
Membership

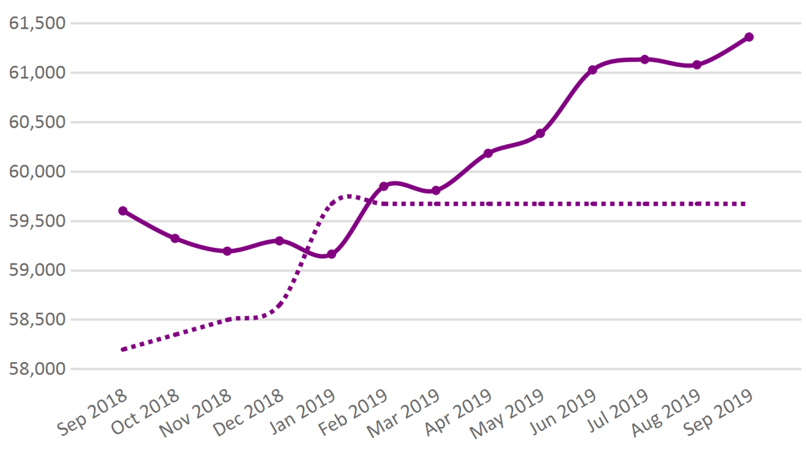
Governed Reporting System

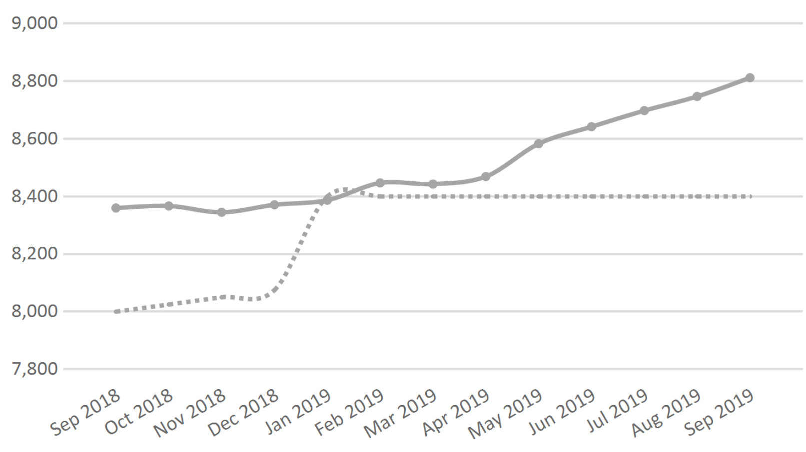
Membership

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









Governed Reporting System

Revenue

Medi-Cal Revenue PMPM

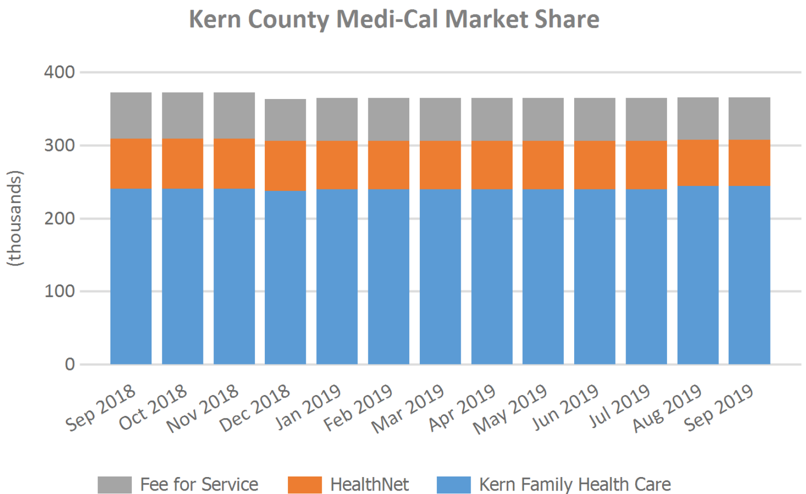
Governed Reporting System

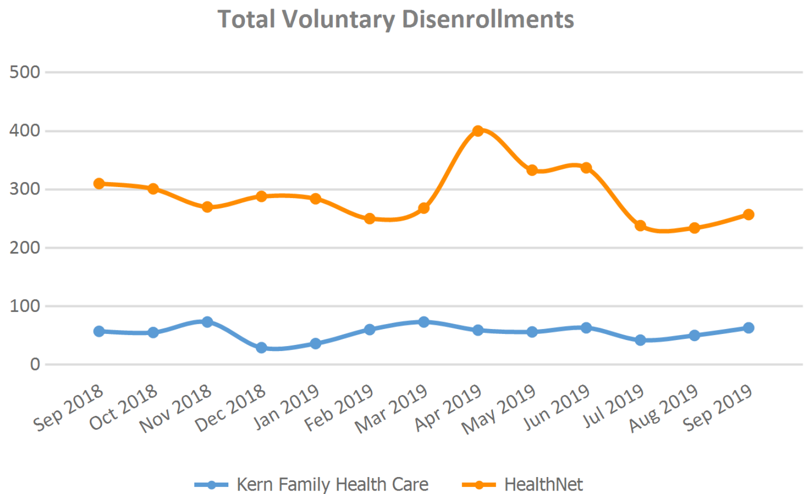
Kern Health Systems

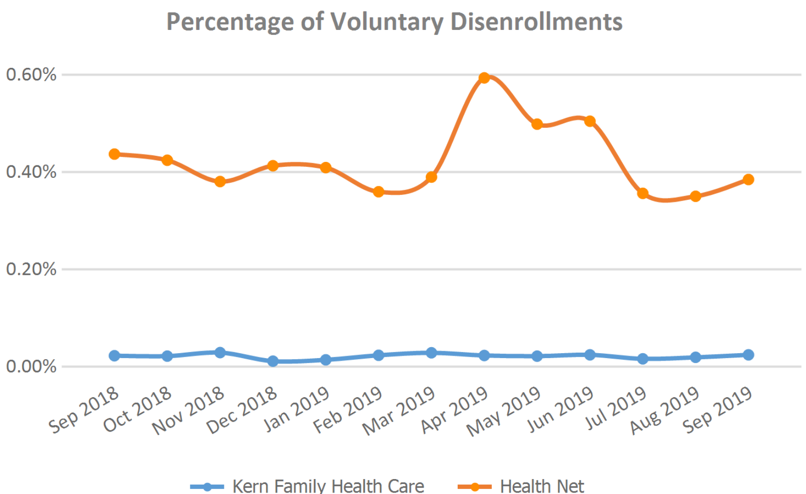
Performance Reports
Operations Metrics

Governed Reporting System

Enrollment - Market Share

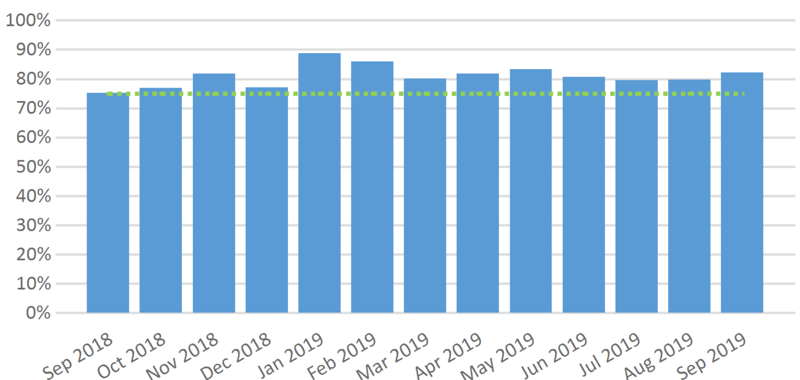


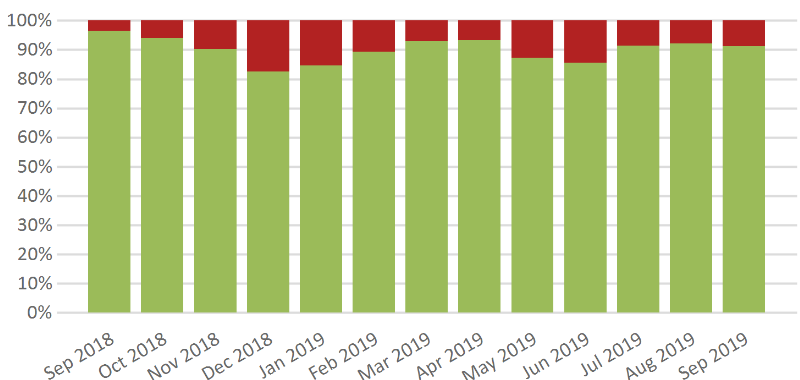


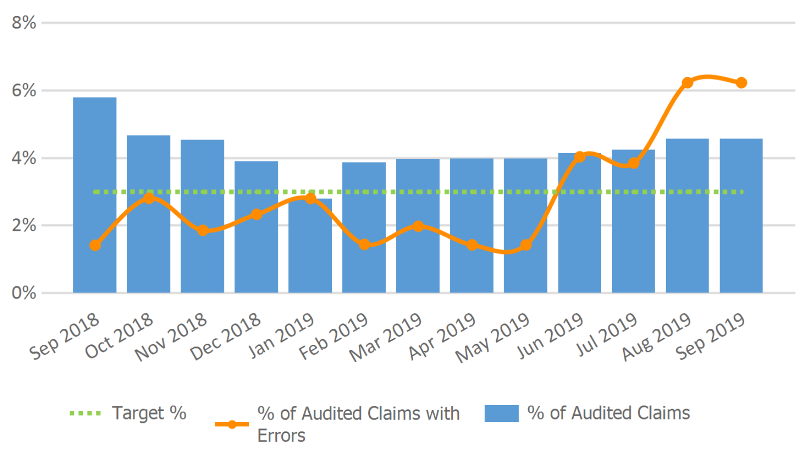


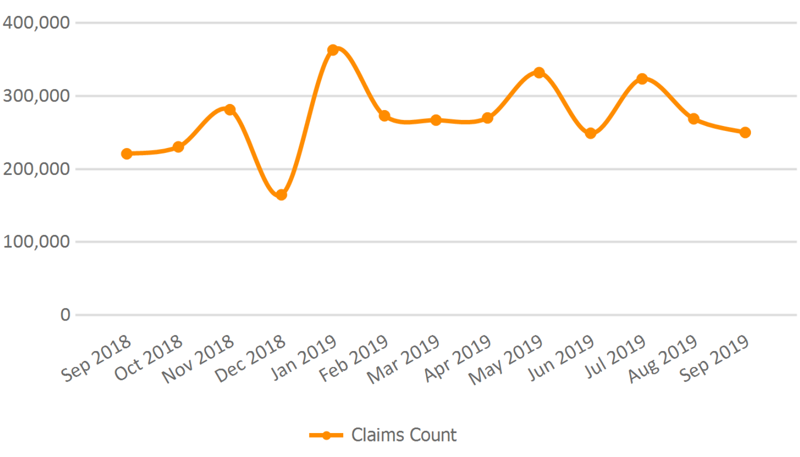
Governed Reporting System

Claims Efficiency and Quality





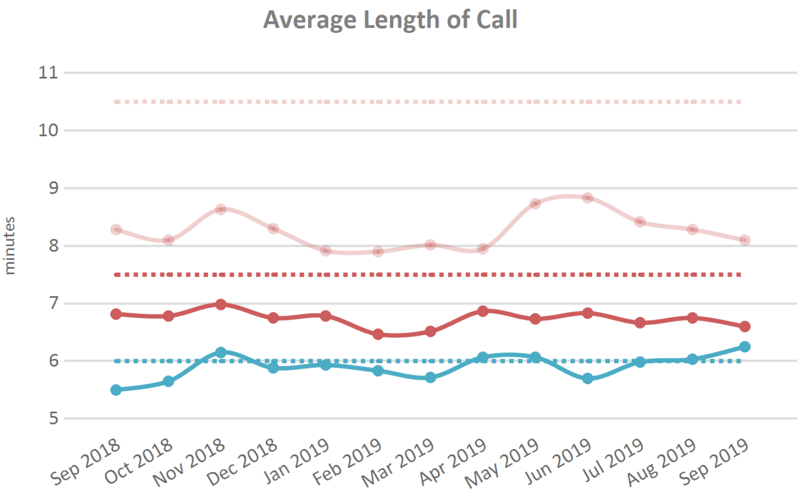


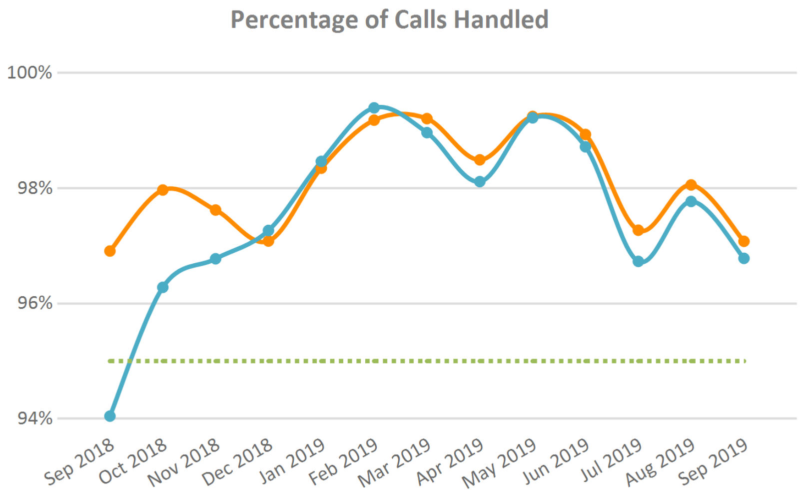


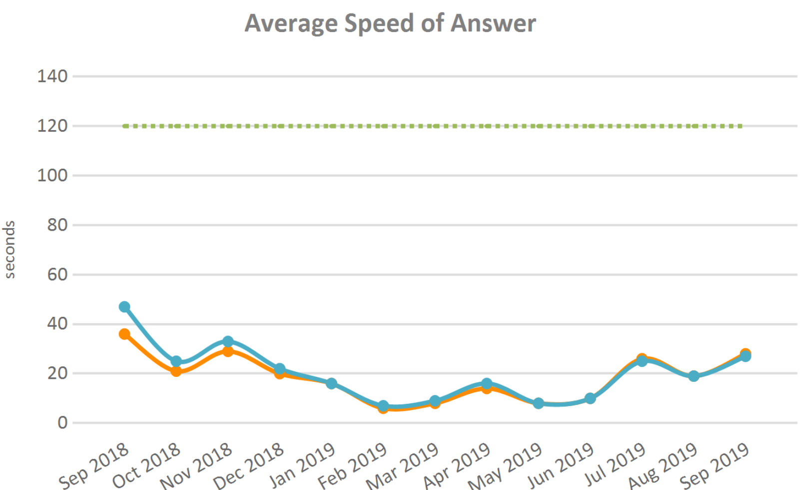
Governed Reporting System

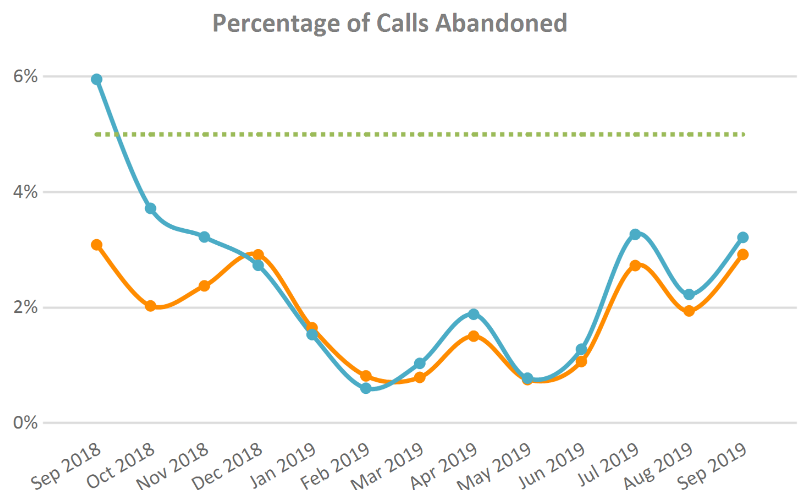
Member Services

Members · Providers · Target · Members - English · Members - Spanish



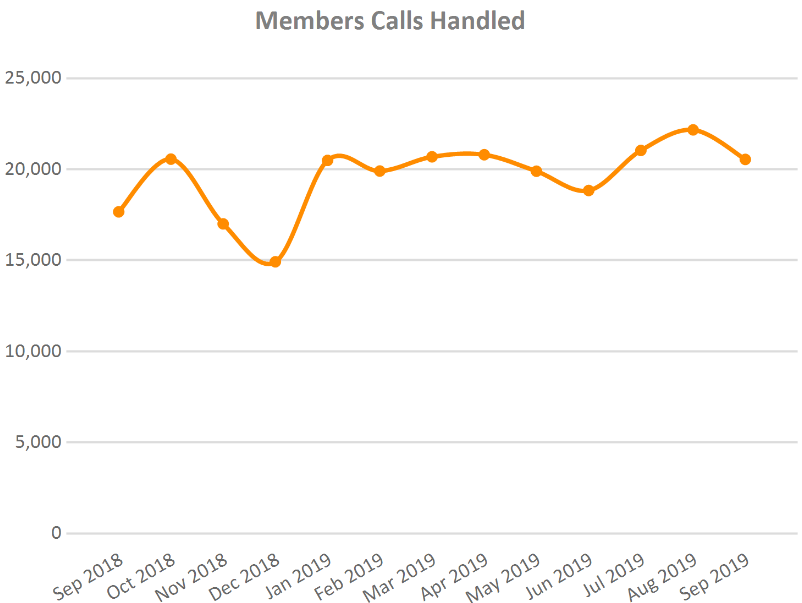


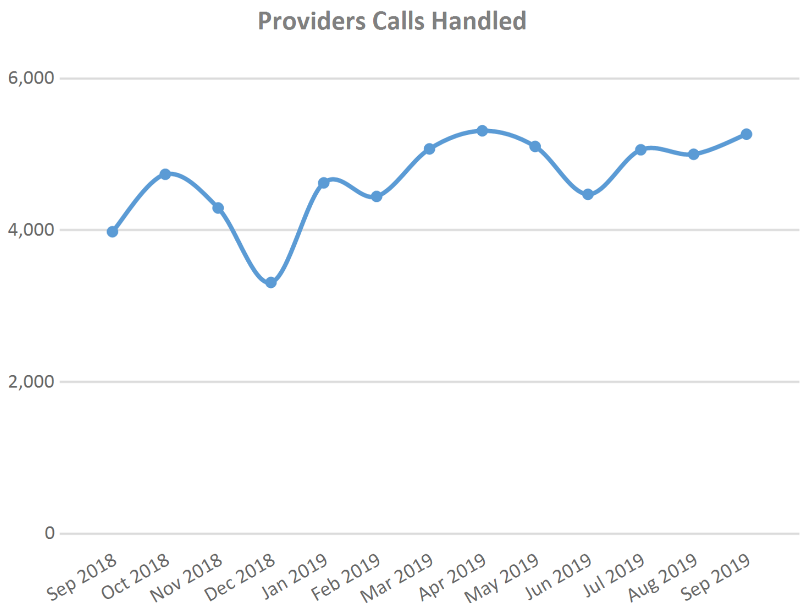




Governed Reporting System

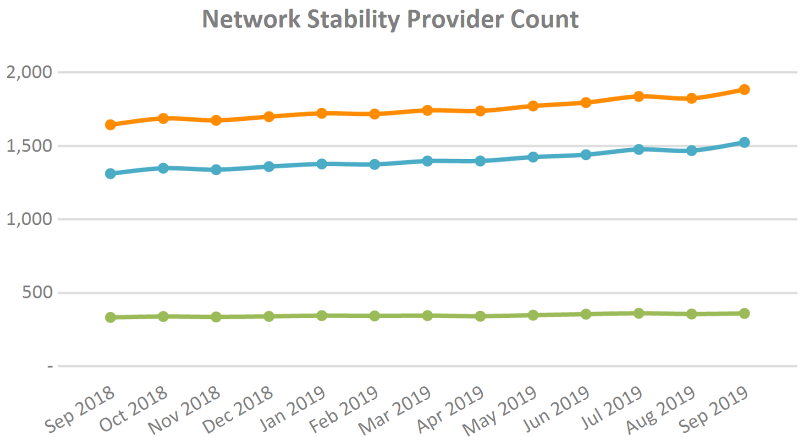
Member Services Calls Handled

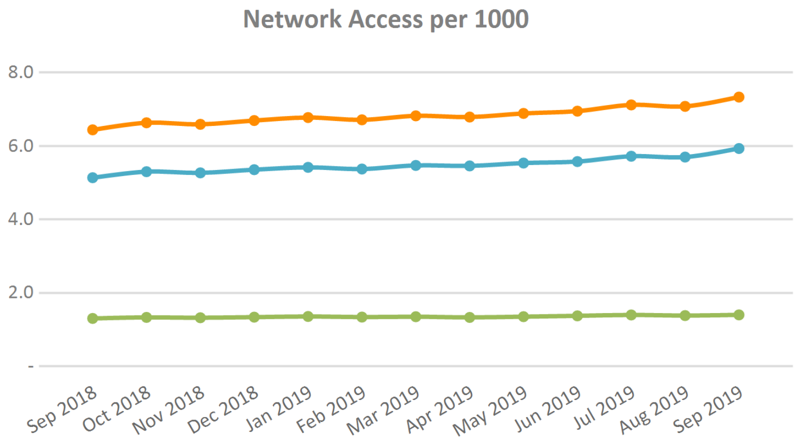


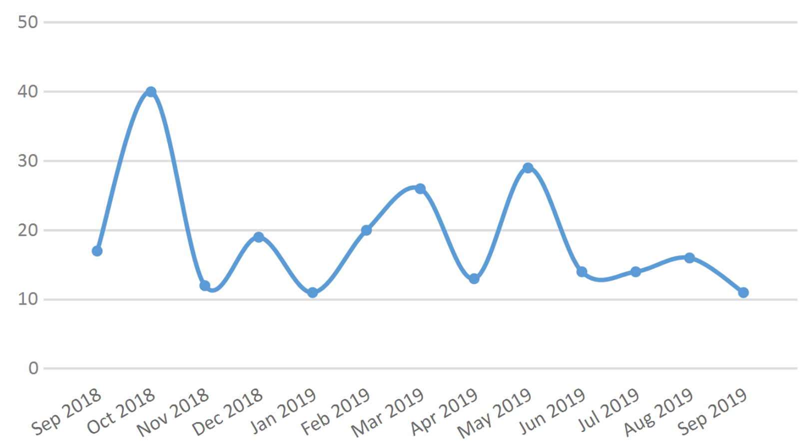


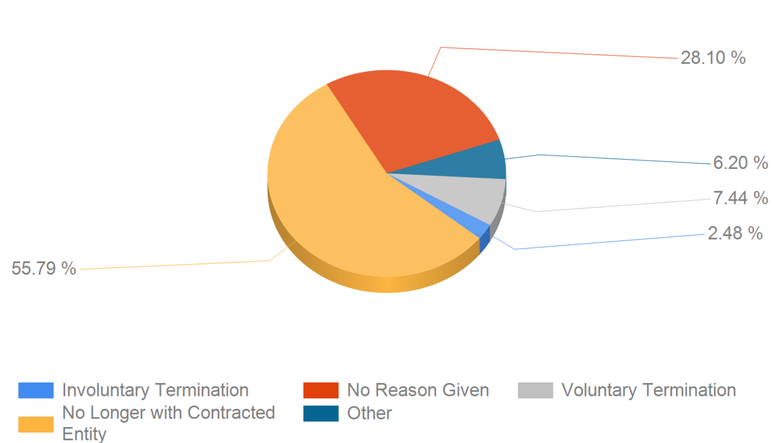
Governed Reporting System

Provider Network and Terminations









Kern Health Systems
2019 Project Summary – Q3
Attachment E

Open Projects

Project Title	Start Date	End Date	Percent Complete	Project Objectives
Medical Management System Conversion - Phase II/III	1/2018	11/2019	Phase II - 100% Phase III - 95%	Migrate Health Education, Case Management, Disease Management, Quality Improvement, Health Homes Program and Appeals departments from custom workflows to the Jiva Medical Management platform.
Hospital Directed Payments	8/2018	9/2019	99%	Project added to allow KHS to accurately pass through hospital directed payments from DHCS based on accepted encounter data by KHS and DHCS.
HHP State Alignment	1/2019	12/2019	75%	Implement DHCS aligned Health Homes Program by regulatory deadlines.
Internal Dashboards 2019	1/2019	12/2019	75%	Create additional internal KHS departmental dashboards with key performance indicators to encourage performance improvement and help provide levels of internal controls.
Claims Editing Software (CES) Upgrade	2/2019	11/2019	85%	Upgrade the CES system and Knowledgebase in order to bring the system/edits up to date with current Medi-Cal guidelines.
Enterprise Logging	03/2019	11/2019	60%	Create a dashboard to monitor all IT jobs and provide visibility to impacted functions within each operational area.
SPD HRA Completion	4/2019	11/2019	90%	Engage vendor to assist KHS with reaching out to SPD members annually for HRA completion in compliance with state mandate.
Clinical Engagement Internal Management	04/2019	12/2019	60%	Establish education and training program to illustrate how PCP's may improve their performance to achieve the "Triple Aim" objective.
Networx Modeler and Pricer – Professional	05/2019	12/2019	60%	Procure and Implement NetworX system to migrate provider contract pricing, improve auto adjudication, and automatic claims pricing.
HEDIS/MCAS Quality Measures Revisions	06/2019	02/2020	70%	Update HEDIS software to ensure data collection and reporting for all updated HEDIS/MCAS measures. Project added as a result of DHCS changes.
RDT/Encounter Reconciliation	06/2019	02/2020	60%	Create reconciliation process to ensure accuracy with RDT report and Encounter data on state stoplight report. Project added as a result of DHCS changes.
Call Center Knowledge Management Solution	07/2019	12/2019	20%	Procure and implement a knowledge management solution that will reduce internal Member Services representatives' requests for assistance.
Pay for Performance Program Update	07/2019	01/2020	40%	Update Pay for Performance Program to ensure compliance with new DHCS regulations and support performance of revised HEDIS/MCAS measures. Project added as a result of DHCS changes.
CACTUS Upgrade	07/2019	6/2020	10%	Procure and implement an update to the CACTUS credentialing platform to ensure continued product support.
KHS BizTalk Upgrade	09/2019	12/2019	5%	BizTalk system upgrade required to ensure continued product support.

Kern Health Systems
2019 Project Summary – Q3
Attachment E

Category of Aid Reconciliation	09/2019	02/2020	5%	Update membership processing to ensure persistent reconciliation of Category of Aid with RDT and benchmark and encounters for COA service type. Project added as a result of DHCS changes.

Closed Projects

Project Title	Start Date	End Date	Realized Benefit
Alternative Payment Methodology Phase II	1/2018	5/2019	Implemented alternative payment methods that will contribute to cost savings, better patient outcomes, and shared risk through collaboration. Migrated 16 contracts to Networx pricing tool reducing manual pricing by 64% and increasing auto-adjudication by 14%.
Claims Audit Tool	4/2018	2/2019	Implemented new auditing tool and reduced preventable errors and overpayments by 18%.
Coordination of Benefits for Dual-Eligible Members (COBA/OHC)	1/2018	2/2019	Complied with DHCS regulatory requirements by working with CMS to exchange Coordination of Benefits information for dual-eligible members and to incorporate additional OHC data.
Corporate Website Support	2/2019	8/2019	New Corporate Website launched 9/4 and has reduced internal processing time for website updates from 2 weeks to 2 days. The new design by Coffey Communications has streamlined menus and simplified navigation which improves the overall user experience. It has also provided flexibility for growth.
Diabetes Prevention Program	11/2018	4/2019	Created CDC approved curriculum and began offering DHCS required Diabetes Prevention Program by the regulatory deadlines.
Document Repository Migration	1/2017	4/2019	Migrated KHS digital document repository from a product that is no longer supported. Implemented and integrated new digital document repository.
External Dashboards	2/2018	9/2018	Redesigned the Provider Practice dashboard. Provider adoption is expected to increase by 5%. Results to be measured with 2019 Clinical Engagement project.
Health Home Program (HHP) Expansion	1/2018	3/2019	Launched 2 new Health Home Program Sites. Prepared a 3rd site to be launched with 2019 HHP project.
Internal Dashboards 2018	1/2018	3/2019	Created 3 additional internal KHS departmental dashboards with at least 4 key performance indicators to encourage performance improvement and help provide levels of internal controls.
Medical Management System Enhancements	3/2018	8/2019	Implemented enhancements to the JIVA product to improve the user experience for Health Services and providers.
Medi-Cal Redetermination	TBD	TBD	Work with Kern County DHCS to increase the current Annual Eligibility Redetermination. – *Project cancelled.*
Member Engagement – Pre and Post Natal Utilization	3/2019	7/2019	Created a pilot Member Engagement Program to encourage members to seek pre/post-natal care which results in improved health outcomes. Created pilot parameters that can be replicated to development additional member engagement programs.
Microsoft Server Upgrades	03/2019	08/2019	All impacted servers have been upgraded to the current versions which will ensure all applications continue to be supported and remain secured.
New Building Occupation	10/2018	9/2019	KHS successfully relocated to the Buck Owens building without any unscheduled downtime of KHS Operations.

Kern Health Systems
2019 Project Summary – Q3
Attachment E

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

SUMMARY

FINANCE COMMITTEE MEETING

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

Friday, August 9, 2019

8:00 A.M.

COMMITTEE RECONVENED

Members present: Deats, McGlew, Melendez, Rhoades

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

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

COMMITTEE ACTION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

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

CA-3) Minutes for KHS Finance Committee meeting on June 7, 2019 – APPROVED
Rhoades-Melendez: All Ayes

4) Presentations by Brown Armstrong and Daniells Phillips Vaughan & Bock, to perform financial audit services for the next 3-5 calendar years beginning with calendar year 2019 (Fiscal Impact: None) – NANCY BELTON AND SHANNON WEBSTER, DANIELLS PHILLIPS VAUGHAN & BOCK, HEARD; ROSALVA FLORES, BROOKE BAIRD AND ERIX H. XIN, BROWN ARMSTRONG, HEARD; RECOMMENDED DANIELLS PHILLIPS VAUGHAN & BOCK ACCOUNTING FIRM TO PROVIDE FINANCIAL AUDIT SERVICES FOR 3 YEARS; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-McGlew: All Ayes

5) Report on KHS investment portfolio for the second quarter ending June 30, 2019 (Fiscal Impact: None) – CHRISTOPHER MCGEHEE, UBS FINANCIAL SERVICES, INC., HEARD; RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-McGlew: All Ayes

6) Report on New Office Building Expenditures (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-Melendez: All Ayes

7) Proposed Agreement with Commercial Cleaning Systems, Inc., for commercial janitorial services for 2900 Buck Owens Blvd., from September 6, 2019 through September 5, 2020 in an amount not to exceed $144,000 (Fiscal Impact: $144,000 annually; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-McGlew: All Ayes

8) Proposed Agreement with Coffey Communications, Inc., for the development, printing and mailing of the member newsletter in English and Spanish, from August 27, 2019 through August 27, 2020 in an amount not to exceed $122,255.60 (Fiscal Impact: $122,255.60 annually; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Rhoades: All Ayes

NOTE – DIRECTOR MELENDEZ LEFT THE DAIS AT 9:26 A.M., AND DID NOT RETURN.

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

10) Report on Accounts Payable Vendor Report, Administrative Contracts between $30,000 and $100,000 for May 2019 and June 2019 and IT Technology Consulting Resources for the period ended April 30, 2019 (Fiscal Impact: None) – RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
McGlew-Rhoades: 3 Ayes; 1 Absent - Melendez

ADJOURN TO FRIDAY, OCTOBER 4, 2019 AT 8:00 A.M.
Deats