



**KERN HEALTH  
SYSTEMS**

**FINANCE COMMITTEE  
MEETING**

**Friday, December 6, 2019**

**at**

**8:00 a.m.**

**Kern Health Systems  
2900 Buck Owens Blvd.  
4<sup>th</sup> floor – Kern River Room  
Bakersfield, CA 93308**

**For more information, call (661) 664-5000**



## AGENDA

### FINANCE COMMITTEE MEETING

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

Friday, December 6, 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, CA 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 MEETINGS.**

#### COMMITTEE TO RECONVENE

Members: Deats, McGlew, Melendez, Rhoades

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

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Committee members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code Section 54954.2(a)(2))
- CA-3) Minutes for KHS Finance Committee meeting on October 4, 2019 -  
APPROVE
- 4) Report on Kern Health Systems investment portfolio for the third quarter ending September 30, 2019 (Fiscal Impact: None) –  
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 5) Proposed policy with IOA RE for reinsurance to mitigate costs incurred by Kern Health Systems for members with high dollar inpatient admissions from January 1, 2020 through December 31, 2020 in an amount not to exceed \$0.29 per member per month (Fiscal Impact: \$876,003 estimated; Budgeted) –  
APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 6) Report on New Office Building Expenditures (Fiscal Impact: None) –  
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 7) Proposed Kern Health Systems 2020 Operating and Capital Budgets (Fiscal Impact: None) –  
APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 8) Proposed Budget Request for 2020 Project Consulting Professional Services, from January 1, 2020 through December 31, 2020 (Fiscal Impact: \$4,236,600; Budgeted) –  
APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 9) Report on Kern Health Systems financial statements for September 2019 and October 2019 (Fiscal Impact: None) –  
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS



- 10) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for September 2019 and October 2019 and IT Technology Consulting Resources for the period ended September 30, 2019 (Fiscal Impact: None) –  
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS

ADJOURN TO FRIDAY, FEBRUARY 7, 2020 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

### FINANCE COMMITTEE MEETING

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

Friday, October 4, 2019

8:00 A.M.

#### COMMITTEE RECONVENED

Members present: Deats, McGlew, Melendez

Members absent: Rhoades

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

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

#### COMMITTEE ACTION SHOWN IN CAPS

#### PUBLIC PRESENTATIONS

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

#### COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

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

- CA-3) Minutes for KHS Finance Committee meeting on August 9, 2019 -  
APPROVED  
**Melendez-McGlew: 3 Ayes; 1 Absent - Rhoades**
- 4) 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) –  
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**Melendez-McGlew: 3 Ayes; 1 Absent - Rhoades**
- 5) 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) –  
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**Deats-Melendez: 3 Ayes; 1 Absent - Rhoades**
- 6) Report on New Office Building Expenditures (Fiscal Impact: None) –  
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS  
**McGlew-Melendez: 3 Ayes; 1 Absent - Rhoades**
- 7) Report on Kern Health Systems financial statements for July 2019 and August 2019 (Fiscal Impact: None) –  
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS  
**McGlew-Melendez: 3 Ayes; 1 Absent - Rhoades**
- 8) 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) –  
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS  
**McGlew-Melendez: 3 Ayes; 1 Absent - Rhoades**

ADJOURN TO FRIDAY, DECEMBER 6, 2019 AT 8:00 A.M.

**Deats**



**To: KHS Finance Committee**  
**From: Robert Landis, CFO**  
**Date: December 6, 2019**  
**Re: Quarterly Review of Kern Health Systems Investment Portfolio**

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**Background**

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

- Preservation of principal
- Liquidity
- Yield

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

Short-Term Portfolio (Under 1 year)

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

Long-Term Portfolio (1-5 years)

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

**Requested Action**

Receive and File; Refer to KHS Board of Directors.

**Kern Health Systems  
Investment Portfolio  
September 30, 2019**

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

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

<u>Description</u>		<u>Dollar Amount</u>	<u>% of Portfolio</u>	<u>Maximum Allowed Per Policy</u>	<u>Approximate Current Yield</u>	<u>Liquidity</u>	<u>Principal Fluctuation</u>
Wells Fargo - Cash	(1)	\$ 1,300,000	0.64%	100%	1.50%	1 Day	None
Morgan Stanley Money Market	(A) (1)	\$ 10,000,000	4.91%	20%	1.74%	1 Day	None
Local Agency Investment Fund (LAIF)	(B) (2)	\$ 64,100,000	31.48%	50%	2.28%	2 Days	None
US T-Bills at Wells Fargo	(1)	\$ 50,000,000	24.56%	100%	1.92%	1 Day	Subject to Interest Rate Fluctuations
KHS Managed Portfolio at Wells Fargo	(C) (1)	\$ 5,000,000	2.46%		2.01%	3 Days	Subject to Interest Rate Fluctuations
Sub-Total		\$ 130,400,000	64.05%		2.08%		

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

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

UBS Managed Portfolio	(D)	\$ 69,400,000	34.09%		1.93%	3 Days	Subject to Interest Rate and Credit Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	\$ 3,800,000	1.87%		2.07%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total		\$ 73,200,000	35.95%		1.94%		
<b>Total Portfolio</b>		<b>\$ 203,600,000</b>	<b>100.00%</b>		<b>2.03%</b>		

**Yield Curve**

<u>Yield Curve</u>	A			
	<u>Treasuries</u>	<u>AA Corporate Bonds</u>	<u>Corporate Bonds</u>	<u>CD's</u>
1 year	1.63%	1.83%	1.95%	1.70%
2 year	1.42%	1.58%	1.77%	1.70%
3 year	1.37%	1.59%	1.78%	1.75%
5 year	1.34%	1.77%	1.97%	1.85%

- (A) \$16.3 Billion money market fund managed by Morgan Stanley comprised of high -quality debt securities issued by the US Government.
  - (B) LAIF is part of a \$97.4 Billion Pooled Money Investment Account managed by the State Treasurer of CA. Majority of portfolio is comprised of Treasuries, CD's, Time Deposits and Commercial Paper.
  - (C) High quality diversified portfolio comprising certificate of deposits, commercial paper, corporate bonds and notes and municipal securities.
  - (D) High quality diversified portfolio comprising certificate of deposits, corporate bonds and notes, municipal securities and US Treasury Securities. Includes investments maturing in less than 1 year that will be re-invested for over 1 year at maturity.
- 
- (1) Funds are utilized to pay providers, meet operating expenses, distribute pass-through monies waiting for additional approvals and/or support, amounts owed to the State for MCO Taxes, potential State premium recoupments and for amounts owed under the Expansion Risk Corridor. Extra liquidity is maintained in the event the State is late with its monthly capitation payment.
  - (2) Funds are primarily utilized to fund various Grant Programs and 2019 capital projects.



# UBS Client Review

as of September 30, 2019

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

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

## Prepared for

Kern Health Systems

## Accounts included in this review

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

## What's inside

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# Portfolio review

as of September 30, 2019

## Asset allocation review

	Value on 09/30/2019 (\$)	% of Portfolio
<b>A Cash</b>	<b>5,895,863.89</b>	<b>8.49</b>
Cash	5,895,863.89	8.49
US	5,895,863.89	8.49
<b>B Fixed Income</b>	<b>63,536,469.14</b>	<b>91.51</b>
US	63,536,469.14	91.51
US Fixed Income	1,109,439.30	1.60
Government	33,787,061.97	48.66
Municipals	2,907,775.99	4.19
Corporate IG Credit	25,732,191.88	37.06
<b>C Equity</b>	<b>0.00</b>	<b>0.00</b>
<b>D Commodities</b>	<b>0.00</b>	<b>0.00</b>
<b>E Non-Traditional</b>	<b>0.00</b>	<b>0.00</b>
<b>F Other</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Portfolio</b>	<b>\$69,432,333.03</b>	<b>100%</b>

Balanced mutual funds are allocated in the 'Other' category



## Portfolio value and investment results

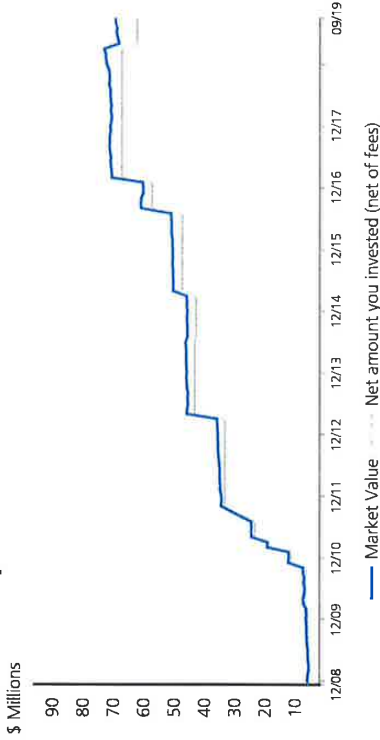
Performance returns (annualized > 1 year)

	For the period of 12/31/2018 to 03/31/2019	For the period of 06/30/2019 to 09/30/2019	For the period of 12/31/2018 to 09/30/2019
<b>Opening value</b>	<b>72,312,732.45</b>	<b>73,198,423.91</b>	<b>69,044,918.18</b>
Net deposits/withdrawals	-33,875.98	-5,034,681.15	-30,848.94
Div./interest income	354,087.80	431,303.74	436,855.24
Change in accr. interest	67,494.99	-35,404.04	-131,586.66
Change in value	497,984.65	485,275.73	112,995.21
<b>Closing value</b>	<b>73,198,423.91</b>	<b>69,044,918.18</b>	<b>69,432,333.03</b>
Net Time-weighted ROR	1.22	1.25	0.56

Net deposits and withdrawals include program and account fees.

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

## Sources of portfolio value



## Summary of gains and losses

	Short term (\$)	Long term (\$)	Total (\$)
<b>2018 Realized gains and losses</b>	<b>0.00</b>	<b>1,350.75</b>	<b>1,350.75</b>
Taxable	0.00	1,350.75	1,350.75
Tax-deferred	0.00	0.00	0.00
<b>2019 Year to date</b>	<b>-21.09</b>	<b>30,024.20</b>	<b>30,003.11</b>
Taxable	-21.09	30,024.20	30,003.11
Tax-deferred	0.00	0.00	0.00

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

Report created on: November 07, 2019

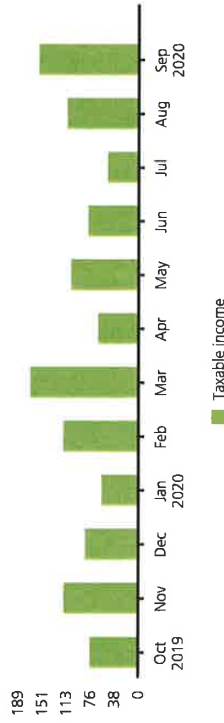




Portfolio review - as of September 30, 2019 (continued)

**Expected cash flow**

\$ Thousands



Total taxable income: \$1,217,443.12

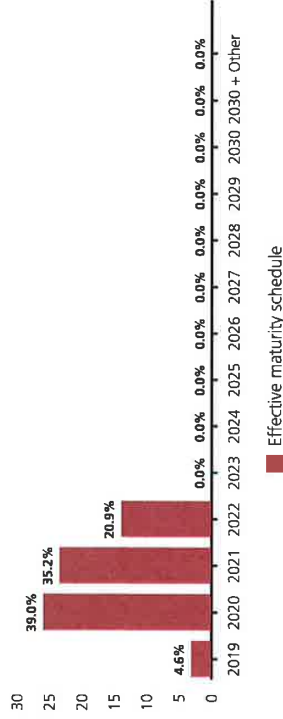
Total expected cash flow: \$1,217,443.12

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

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

**Bond maturity schedule**

\$ Millions



Effective maturity schedule

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

**Equity sector analysis**

Compared to S&P 500 index

	Value on 09/30/2019 (\$)	Actual (%)	Model (%)	Gap (%)
Communication Services	0.00	0.00	10.11	-10.11
Consumer Discretionary	0.00	0.00	9.94	-9.94
Consumer Staples	0.00	0.00	8.00	-8.00
Energy	0.00	0.00	4.24	-4.24
Financials	0.00	0.00	12.43	-12.43
Health Care	0.00	0.00	13.36	-13.36
Industrials	0.00	0.00	9.15	-9.15
Information Technology	0.00	0.00	21.60	-21.60
Materials	0.00	0.00	1.73	-1.73
Real Estate	0.00	0.00	2.97	-2.97
Utilities	0.00	0.00	3.16	-3.16
<b>Total classified equity</b>	<b>\$0.00</b>			
Unclassified Securities	0.00			

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

Report created on: November 07, 2019



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

Portfolio review - as of September 30, 2019 (continued)  
**Summary of performance by account**

Performance start date	Value on 09/30/2019 (\$)	% of portfolio	Performance returns (annualized > 1 year)			
			For the period of 12/31/2018 to 03/31/2019	For the period of 03/31/2019 to 06/30/2019	For the period of 06/30/2019 to 09/30/2019	For the period of 09/30/2019 to 12/31/2018 to 09/30/2019
Dec 08, 2008	69,432,333.03	100.00%	1.22%	1.25%	0.56%	3.06%
<b>Dec 08, 2008</b>	<b>\$69,432,333.03</b>	<b>100%</b>	<b>1.22%</b>	<b>1.25%</b>	<b>0.56%</b>	<b>3.06%</b>
<b>Total Portfolio</b>						
<b>Benchmarks - Annualized time-weighted returns</b>						
Barclays Agg Bond			2.94%	3.08%	2.27%	8.52%
US Treasury Bill - 3 Mos			0.59%	0.62%	0.54%	1.76%
Barclays Corp 1-3Y			1.68%	1.54%	0.93%	4.20%
Barclays Govt/Credit 1-3Y			1.21%	1.48%	0.69%	3.42%
Barclays US Agg 1-3Y			1.22%	1.49%	0.71%	3.45%

EB 02120 BOND PORTFOLIO•PMP•The Cohen Group Fixed Income  
 Risk profile: Conservative  
 Return objective: Current Income

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.  
 Report created on: November 07, 2019



# Asset allocation by account

as of September 30, 2019

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

	Equities (\$/%)				Fixed Income (\$/%)				Total		
	Cash (\$/%)	U.S.	Global	International	U.S.	Global	International	Non-Traditional (\$/%)		Commodities (\$/%)	Other (\$/%)
<b>Total Portfolio</b>	<b>8.49</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>91.51</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>100%</b>
	5,895,863.89	0.00	0.00	0.00	63,536,469.14	0.00	0.00	0.00	0.00	0.00	\$69,432,333.03
	8.49	0.00	0.00	0.00	91.51	0.00	0.00	0.00	0.00	0.00	100.00%

EB 02120 • BOND PORTFOLIO • BSA PMP

Risk profile: Conservative  
 Return objective: Current Income

	Equities (\$/%)				Fixed Income (\$/%)				Total		
	Cash (\$/%)	U.S.	Global	International	U.S.	Global	International	Non-Traditional (\$/%)		Commodities (\$/%)	Other (\$/%)
<b>Total Portfolio</b>	<b>8.49</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>91.51</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>100%</b>
	5,895,863.89	0.00	0.00	0.00	63,536,469.14	0.00	0.00	0.00	0.00	0.00	\$69,432,333.03
	8.49	0.00	0.00	0.00	91.51	0.00	0.00	0.00	0.00	0.00	100.00%

Balanced mutual funds are allocated in the 'Other' category



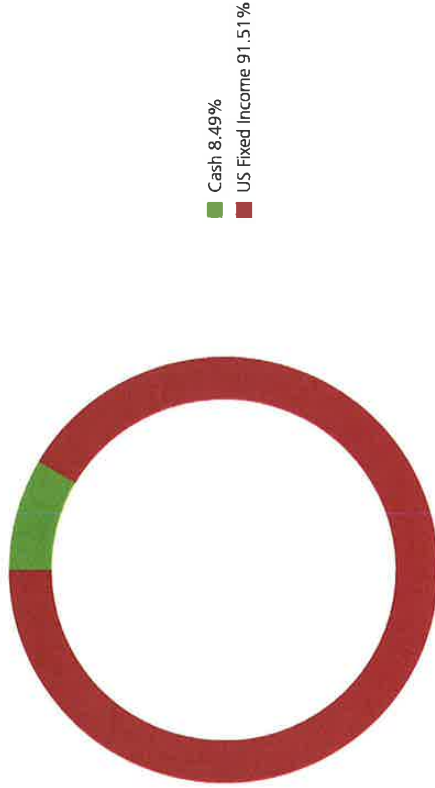
# Asset allocation review

as of September 30, 2019

## Summary of asset allocation

	Market value (\$)	% of Portfolio
<b>Cash</b>	<b>5,895,863.89</b>	<b>8.49</b>
Cash	5,895,863.89	8.49
US	5,895,863.89	8.49
<b>Fixed Income</b>	<b>63,536,469.14</b>	<b>91.51</b>
US	63,536,469.14	91.51
US Fixed Income	1,109,439.30	1.60
Government	33,787,061.97	48.66
Municipals	2,907,775.99	4.19
Corporate IG Credit	25,732,191.88	37.06
<b>Equity</b>	<b>0.00</b>	<b>0.00</b>
<b>Commodities</b>	<b>0.00</b>	<b>0.00</b>
<b>Non-Traditional</b>	<b>0.00</b>	<b>0.00</b>
<b>Other</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Portfolio</b>	<b>\$69,432,333.03</b>	<b>100%</b>

Balanced mutual funds are allocated in the 'Other' category



■ Cash 8.49%  
■ US Fixed Income 91.51%

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



# Bond summary

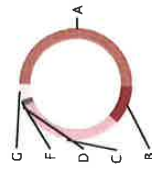
as of September 30, 2019

## Bond overview

Total quantity	66,192,000
Total market value	\$66,250,874.90
Total accrued interest	\$272,109.24
Total market value plus accrued interest	\$66,522,984.14
Total estimated annual bond interest	\$1,262,106.50
Average coupon	2.02%
Average current yield	1.91%
Average yield to maturity	1.93%
Average yield to worst	1.93%
Average modified duration	1.44
Average effective maturity	1.50

## Credit quality of bond holdings

Effective credit rating	Issues	Value on 09/30/2019 (\$)	% of port.
<b>A</b> Aaa/AAA/AAA	14	33,787,061.98	50.89
<b>B</b> Aa/AA/AA	6	7,460,464.88	11.19
<b>C</b> A/A/A	16	20,310,978.85	30.45
<b>D</b> Baa/BBB/BBB	2	868,524.15	1.29
<b>E</b> Non-investment grade	0	0.00	0.00
<b>F</b> Certificate of deposit	7	1,109,439.30	1.67
<b>G</b> Not rated	2	2,986,515.00	4.51
<b>Total</b>	<b>47</b>	<b>\$66,522,984.14</b>	<b>100%</b>

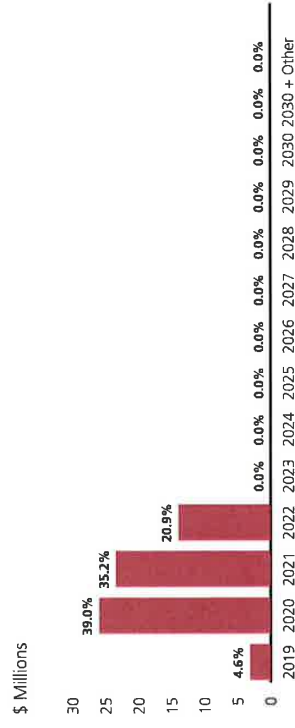


**EB 02120 • BOND PORTFOLIO • Portfolio Management Program**  
 Prepared for **Kern Health Systems**  
 Risk profile: Conservative  
 Return Objective: Current Income

## Investment type allocation

Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
Certificates of deposit	1,109,439.30	0.00	1,109,439.30	1.67
Municipals	2,907,775.99	0.00	2,907,775.99	4.37
U.S. corporates	25,732,191.88	0.00	25,732,191.88	38.68
U.S. federal agencies	34,799,166.98	0.00	34,799,166.98	52.31
U.S. treasuries	1,974,410.00	0.00	1,974,410.00	2.97
<b>Total</b>	<b>\$66,522,984.15</b>	<b>\$0.00</b>	<b>\$66,522,984.15</b>	<b>100%</b>

## Bond maturity schedule



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

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



# Bond holdings

as of September 30, 2019

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

## Summary of bond holdings

Maturity Year	Issues	Quantity	Est. annual income (\$)	Current yield (%)	Yield to maturity (%)	Yield to worst (%)	Modified duration	Adjusted cost basis (\$)	Unrealized gain/loss (\$)	Mkt. value (\$)	% of bond portfolio maturing
2019	6	3,110,000	56,485.00	1.82%	2.30%	2.30%	0.09	3,104,888.03	4,237.82	3,131,633.40	4.69%
2020	20	25,878,000	463,051.00	1.79%	1.92%	1.91%	0.74	25,732,289.94	129,192.13	25,977,380.76	39.04%
2021	14	23,365,000	433,693.00	1.86%	1.84%	1.82%	1.65	23,340,520.54	35,817.86	23,448,176.49	35.28%
2022	7	13,839,000	308,877.50	2.22%	2.04%	2.03%	2.69	13,839,058.59	64,869.99	13,965,793.50	20.99%
2023	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2024	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2025	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2026	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2027	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2028	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2029	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2030	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2031	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2032	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2033	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2034	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2035	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2036	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2037	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2038	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2039	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2040	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2041	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2042	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2043	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2044	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2045	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2046	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2047	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2048	0	0	0	NA	NA	NA	NA	NA	NA	NA	
2048 +	0	0	0	NA	NA	NA	NA	NA	NA	NA	
Other	0	0	0	NA	NA	NA	NA	NA	NA	NA	
<b>Total</b>	<b>47</b>	<b>66,192,000</b>	<b>\$1,262,106.50</b>	<b>1.91%</b>	<b>1.93%</b>	<b>1.93%</b>	<b>1.44</b>	<b>\$66,016,757.10</b>	<b>\$234,117.80</b>	<b>\$66,522,984.14</b>	

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.  
 Report created on: November 07, 2019



**EB 02120 • BOND PORTFOLIO • Portfolio Management Program**  
 Prepared for  
**Kern Health Systems**  
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 Current Income

Bond holdings - as of September 30, 2019 (continued)

**Details of bond holdings**

Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) / Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
	<b>66,192,000</b>	<b>2.02%</b>	<b>04/01/2021</b>	<b>NA</b>	<b>\$1,262,106.50</b> <b>1.91%</b>	<b>1.93%</b> <b>1.93%</b>	<b>\$66,016,757.1</b> <b>\$234,117.80</b>	<b>NA</b>	<b>\$66,250,874.90</b> <b>\$272,109.24</b> <b>\$66,522,984.14</b>	<b>100%</b>

**Total Bond Portfolio**

Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) / Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
<b>Maturing 2019</b>										
CALIFORNIA ST TAX BE/R/	400,000	6.20%	10/01/2019		24,800.00	6.01%	400,045.94	100.000	400,000.00	0.60%
6.200 100119 DTD 101509 /CA Aa3/Aa/R U					6.20%	6.01%	-45.94		12,331.11	
FHLMC MED TERM NTS 00.0000% Aaa/Aaa/AA+	485,000		10/01/2019		484,971.49	0.72%	484,971.49	100.000	485,000.00	0.73%
DUE 100119 N/R/N/R					28.51	0.72%	28.51		0.00	
FHNB NTS 00.0000% DUE 11/07/19 N/R/N/R	1,500,000		11/07/2019		1,493,807.91	1.88%	1,493,807.91	99.807	1,497,105.00	2.26%
UNTD TECHNOLOGIES CORP 08.875% 11/15/19 DTD 11/13/89 Baa1/W/D/BBB+ N/R/N/R	250,000	8.88%	11/15/2019		22,187.50	2.65%	252,400.24	100.764	251,910.00	0.38%
AMERIS BANK GA US RT 01.9500% MAT 12/13/19 FIXED RATE CD /GA CD	240,000	1.95%	12/13/2019		4,680.00	1.91%	239,904.00	100.008	240,019.20	0.36%
DISCOVER BK GREENW DE US RT 02.0500% MAT 12/30/19 FIXED RATE CD /DE CD	235,000	2.05%	12/30/2019		4,817.50	1.88%	233,758.45	100.039	235,091.65	0.35%
					2.05%	1.88%	1,333.20		1,240.67	
	<b>3,110,000</b>	<b>5.03%</b>	<b>11/04/2019</b>		<b>\$56,485.00</b> <b>1.82%</b>	<b>2.30%</b> <b>2.30%</b>	<b>\$3,104,888.03</b> <b>\$4,237.82</b>		<b>\$3,109,125.85</b> <b>\$22,507.55</b>	<b>4.69%</b>

**Total 2019**

Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) / Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
<b>Maturing 2020</b>										
CATERPILLAR FINL SVCS 02.100% 011020 DTD 011217 FC071017 A3/A/A	850,000	2.10%	01/10/2020		17,850.00	2.04%	847,195.00	100.015	850,127.50	1.28%
CALL@MMW+ 12.58P N/R/N/R					2.10%	2.04%	2,932.50		3,966.67	
GOLDMAN SACHS BANK NY US RT 02.0000% MAT 02/04/20 FIXED RATE CD /NY CD	100,000	2.00%	02/04/2020		2,000.00	1.87%	99,161.77	100.043	100,043.00	0.15%
BANK OF AMERICA NA NC US RT 02.4500% MAT 02/18/20 FIXED RATE CD /NC CD	240,000	2.45%	02/18/2020		5,880.00	1.85%	239,664.00	100.227	240,544.80	0.36%
					2.44%	1.85%	880.80		741.04	

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.  
 Report created on: November 07, 2019



Bond holdings - as of September 30, 2019 (continued)

**Maturing 2020**

	Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$/ YTM (%)	YTM (%)	Modified duration	Adjusted cost basis (\$/ Unreal. gr./(\$)	Market price (\$)	Mkt. value (\$/ Accr. interest (\$)	% of bond port.
UNITED STATES TREAS BILLS DUE 02/20/20	NR/NR	1,500,000	0.39	02/20/2020		1,486,073.21	1.79%	0.39	1,486,073.21	99.294	1,489,410.00	2.25%
MORGAN STANLEY BK UT US RT 02.5000% MAT 02/24/20 FIXED RATE CD /UT	NR/NR	140,000	2.50%	02/24/2020		3,336.79	1.79%		3,336.79	100.259	140,362.60	0.21%
FNMA NTS 01.500 % DUE 03/23/20 DTD 03/23/16 FC 09/23/2016	Aaa/AAA/AA+	1,750,000	1.50%	03/23/2020	12/23/2019	26,250.00	1.84%	0.47	1,748,250.00	99.840	1,747,200.00	2.64%
BK OF AMER CORP NTS B/E 02.2500% 04/21/20 DTD042115 FC102115	A2/A+/A-	750,000	2.25%	04/21/2020	100.00	16,875.00	2.06%	0.54	739,950.00	100.107	750,802.50	1.13%
QUALCOMM INC NTS B/E 02.250% 05/20/20 DTD052015 FC112015	A2/NR/A-	2,879,000	2.25%	05/20/2020		64,777.50	2.18%	0.62	2,881,688.07	100.042	2,880,209.18	4.35%
AMERICAN EXPRESS CRD 02.375% 05/26/20 DTD052615 FC112615	NR/NR	900,000	2.38%	05/26/2020	04/25/2020	21,375.00	2.17%	0.56	889,414.07	100.130	901,170.00	1.36%
CITIBANK NA NTS B/E 02.100% 06/12/20 DTD061217 FC121217	Aa3/A+/A+	550,000	2.10%	06/12/2020	05/12/2020	11,550.00	2.05%	0.60	539,005.50	100.032	550,176.00	0.83%
SYNCHRONY BANK UT US RT 02.1500% MAT 06/19/20 FIXED RATE CD /UT	NR/NR	99,000	2.15%	06/19/2020		2,128.50	1.96%	0.70	98,522.82	100.131	99,129.69	0.15%
FHLMC MED TERM NTS 01.500 % DUE 06/29/20 DTD 06/29/16 FC 12/29/2016	Aaa/AAA/AA+	3,500,000	1.50%	06/29/2020	12/29/2019	52,500.00	1.70%	0.73	3,500,000.00	99.849	3,494,715.00	5.27%
WELLS FARGO BK NA SD US RT 02.8000% MAT 06/29/20 FIXED RATE CD /SD	NR/NR	50,000	2.80%	06/29/2020	100.00	1,400.00	1.80%	0.73	50,109.50	100.740	50,370.00	0.08%
INTEL CORP NTS B/E 02.450% 07/29/20 DTD072915 FC012916 CALL@MW+15BP	A1/A+/A+	1,750,000	2.45%	07/29/2020		42,875.00	1.94%	0.81	1,734,110.00	100.414	1,757,245.00	2.65%
AMAZON COM INC NTS B/E 01.900% 08/21/20 DTD082118 FC082118 CALL@MW+7.5BP	A3/A+/A-	2,500,000	1.90%	08/21/2020		47,500.00	1.83%	0.87	2,479,925.00	100.065	2,501,625.00	3.78%
FNMA NTS 01.350 % DUE 08/24/20 DTD 08/24/17 FC 02/24/2017	Aaa/AAA/AA+	3,500,000	1.35%	08/24/2020	11/24/2019	47,250.00	1.74%	0.88	3,498,250.00	99.656	3,487,960.00	5.26%
J P MORGAN CHASE & CO 02.550% 09/29/20 DTD102915 FC042916 NTS B/E	NR/NR	1,000,000	2.55%	09/29/2020	100.00	25,500.00	2.06%	0.98	994,430.00	100.517	1,005,170.00	1.52%
BOEING CO B/E 01.650% 10/30/20 DTD102915 FC043016 CALL@MW+10BP	A2/A+	2,000,000	1.65%	10/30/2020	09/30/2020	33,000.00	2.20%	1.05	1,969,800.00	99.411	1,988,220.00	3.00%

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

Report created on: November 07, 2019





**EB 02120 • BOND PORTFOLIO • Portfolio Management Program**

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

**Bond holdings - as of September 30, 2019 (continued)**

	Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$/ Curr. yield (%)	YTM (%) Modified duration	Adjusted cost basis (\$/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$/ Accr. interest (\$)	% of bond port.
<b>Maturing 2020</b>											
PNC BK NTS B/E 02.450% 110520	AZ/A+/A	320,000	2.45%	11/05/2020	10/05/2020	7,840.00	2.03%	316,736.00	100.449	321,436.80	0.49%
DTD110315 FC050516	NR/NR/NR				100.00	2.44%	2.00%	4,700.80		3,157.78	
VISA INC NTS B/E 02.200% 121420	A3/NR/AA-	1,500,000	2.20%	12/14/2020	11/14/2020	33,000.00	1.89%	1,480,215.00	100.371	1,505,565.00	2.27%
DTD121415 FC061416	NR/NR/NR				100.00	2.19%	1.86%	25,350.00		9,716.67	
CALL@MW+10BP											
<b>Total 2020</b>		<b>25,878,000</b>	<b>1.90%</b>	<b>07/09/2020</b>		<b>\$463,051.00</b>	<b>1.92%</b>	<b>\$25,732,289.9</b>		<b>\$25,861,482.07</b>	<b>39.04%</b>
						<b>1,79%</b>	<b>1.91%</b>	<b>\$129,192.13</b>		<b>\$115,898.69</b>	

**Maturing 2021**

	Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$/ Curr. yield (%)	YTM (%) Modified duration	Adjusted cost basis (\$/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$/ Accr. interest (\$)	% of bond port.
ANHEUSER BUSCH INBEV FIN	Baa1/BBB/A-	600,000	2.65%	02/01/2021	01/01/2021	15,900.00	1.93%	591,840.00	100.948	605,688.00	0.91%
02.650% 020121 DTD012516	NR/NR/NR				100.00	2.63%	1.88%	13,848.00		2,605.83	
FC080116 CALL@MW+20BP											
FFCB BOND 01.470 % DUE 021721	Aaa/AAA/AA+	4,500,000	1.47%	02/17/2021		66,150.00	1.78%	4,496,625.00	99.574	4,480,830.00	6.76%
DTD 081716 FC 02172017	NR/NR/NR					1.48%	1.78%	-15,795.00		7,901.25	
FILMCO MED TERM NTS 01.500 %	Aaa/AAA/AA+	3,525,000	1.50%	03/30/2021	09/30/2019	52,875.00	1.81%	3,524,118.75	99.537	3,508,679.25	5.30%
DUE 033021 DTD 093016 FC	NR/NR/NR				100.00	1.51%	1.81%	-15,439.50		0.00	
03302017											
GENL DYNAMICS CORP NTS	A2/MD/A+	1,000,000	3.00%	05/11/2021		30,000.00	1.89%	994,790.00	101.751	1,017,510.00	1.54%
03.000% 051121 DTD051118	NR/NR/NR					2.95%	1.89%	22,720.00		11,583.33	
FC111118 CALL@MW+10BP											
BURINGTON NTHN SANTA FE	A3/NR/A+	1,000,000	4.10%	06/01/2021	03/01/2021	41,000.00	2.29%	1,027,031.08	102.942	1,029,420.00	1.55%
04.100% 060121 DTD051911	NR/NR/NR				100.00	3.98%	1.99%	2,388.92		13,552.78	
CALL@MW +15BP CORP NTS											
PHZER INC NTS B/E 01.950%	A1/A/AA-	1,070,000	1.95%	06/03/2021		20,865.00	1.87%	1,065,645.10	100.124	1,071,326.80	1.62%
060321 DTD060316 FC120316	NR/NR/NR					1.95%	1.87%	5,681.70		6,781.13	
CALL@MW+10BP											
FNMA NTS 01.530 % DUE 072821	Aaa/AAA/AA+	3,750,000	1.53%	07/28/2021	10/28/2019	57,375.00	1.70%	3,750,000.00	99.697	3,738,637.50	5.64%
DTD 072816 FC 01282017	NR/NR/NR				100.00	1.53%	1.70%	-11,362.50		9,881.25	
FHLB NTS 01.550 % DUE 090121	Aaa/NR/AA+	500,000	1.55%	09/01/2021		7,750.00	1.79%	499,375.00	99.549	497,745.00	0.75%
DTD 090116 FC 03012017	NR/NR/NR					1.56%	1.79%	-1,630.00		624.31	
LOS ANG CAL TAX SR A	BE/R/	1,000,000	2.15%	09/01/2021		21,500.00	1.82%	994,250.00	100.611	1,006,110.00	1.52%
2.150 090121 DTD 122116 /CA	Aa2/NR/NR					2.14%	1.82%	11,860.00		1,731.94	
ORACLE CORP NTS B/E 01.900%	A1/A/A+	1,425,000	1.90%	09/15/2021	08/15/2021	27,075.00	1.96%	1,399,934.25	99.882	1,423,318.50	2.15%
091521 DTD070716 FC031517	NR/NR/NR				100.00	1.90%	1.96%	23,384.25		1,128.13	
CALL@MW+15BP											
CISCO SYSTEMS INC B/E 01.850%	A1/NR/AA-	1,000,000	1.85%	09/20/2021	08/20/2021	18,500.00	1.87%	993,660.00	99.969	999,690.00	1.51%
092021 DTD092016 FC032017	NR/NR/NR				100.00	1.85%	1.87%	6,030.00		513.89	
CALL@MW+10BP											

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Bond holdings - as of September 30, 2019 (continued)

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

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
<b>Maturing 2021</b>											
FHLB BOND 01.520 % DJE 092321	Aaa/NR/AA+	2,290,000	1.52%	09/23/2021		34,808.00	1.96%	2,289,150.00	99.158	2,270,718.20	3.43%
DTD 092316 FC 03232017	NR/NR/NR					1.53%	1.96%	-18,431.80		676.82	
FHLB BOND 01.600 % DJE 092721	Aaa/NR/AA+	255,000	1.60%	09/27/2021		4,080.00	1.82%	255,000.00	99.563	253,885.65	0.38%
DTD 092716 FC 03272017	NR/NR/NR					1.61%	1.82%	-1,114.35		34.00	
MISSISSIPPI ST TAX SR G	Aa2/AA/AA	1,450,000	2.47%	11/01/2021		35,815.00	1.70%	1,459,101.36	101.571	1,472,779.50	2.22%
BE/R/ 2.470 110121 DTD 120815	Aa2/AA/NR					2.43%	1.70%	13,678.14		14,823.43	
<b>Total 2021</b>		<b>23,365,000</b>	<b>1.86%</b>	<b>06/16/2021</b>		<b>\$433,693.00</b>	<b>1.84%</b>	<b>\$23,340,520.5</b>		<b>\$23,376,338.40</b>	<b>35.28%</b>
						<b>1.86%</b>	<b>1.82%</b>	<b>\$35,817.86</b>		<b>\$71,838.09</b>	
<b>Maturing 2022</b>											
APPLE INC NTS B/E 02.500%	Aa1/NR/AA+	2,000,000	2.50%	02/09/2022	01/09/2022	50,000.00	1.84%	2,002,838.49	101.506	2,030,120.00	3.06%
020922 DTD020917 FC080917	NR/NR/NR				100.00	2.46%	1.82%	27,281.51		7,083.33	
CALL@MW+10BP											
PEPSICO INC NTS B/E 02.250%	A1/A/AA+	1,089,000	2.25%	05/02/2022	04/02/2022	24,502.50	1.90%	1,087,301.16	100.872	1,098,496.08	1.66%
050222 DTD050217 FC110217	NR/NR/NR				100.00	2.23%	1.89%	11,194.92		10,073.25	
CALL@MW+10BP											
QUALCOMM INC NTS B/E 03.000%	A2/NR/AA-	1,000,000	3.00%	05/20/2022		30,000.00	2.02%	1,016,018.94	102.512	1,025,120.00	1.55%
052022 DTD052015 FC112015	NR/NR/NR					2.93%	2.02%	9,101.06		10,833.33	
CALL@MW+15BP											
FHLB NTS 02.000 % DJE 090122	Aaa/NR/AA+	3,000,000	2.00%	09/01/2022		60,000.00	2.00%	2,988,750.00	100.003	3,000,090.00	4.53%
DTD 090117 FC 03012018	NR/NR/NR					2.00%	2.00%	11,340.00		4,833.33	
FHLB NTS 02.150 % DJE 090622	Aaa/AA/NR	2,250,000	2.15%	09/06/2022	12/06/2019	48,375.00	2.15%	2,250,000.00	99.999	2,249,977.50	3.40%
DTD 090619 FC 03062020	NR/NR/NR				100.00	2.15%	2.15%	-22.50		3,225.00	
FHCB BOND 02.100 % DJE 092622	Aaa/AAA/AA+	2,000,000	2.10%	09/26/2022		42,000.00	2.10%	1,999,000.00	100.005	2,000,100.00	3.02%
DTD 092617 FC 03262018	NR/NR/NR					2.10%	2.10%	1,100.00		466.67	
FHCB BOND 02.160 % DJE 101122	Aaa/AAA/AA+	2,500,000	2.16%	10/11/2022		54,000.00	2.16%	2,495,150.00	100.001	2,500,025.00	3.77%
DTD 101117 FC 04112018	NR/NR/NR					2.16%	2.16%	4,875.00		25,350.00	
<b>Total 2022</b>		<b>13,839,000</b>	<b>2.23%</b>	<b>07/28/2022</b>		<b>\$308,877.50</b>	<b>2.04%</b>	<b>\$13,839,058.5</b>		<b>\$13,903,928.58</b>	<b>20.99%</b>
						<b>2.22%</b>	<b>2.03%</b>	<b>\$64,869.99</b>		<b>\$61,864.92</b>	
<b>Total Bond Portfolio</b>											
		<b>66,192,000</b>	<b>2.02%</b>	<b>04/01/2021</b>	<b>NA</b>	<b>\$1,262,106.50</b>	<b>1.93%</b>	<b>\$66,016,757.1</b>	<b>NA</b>	<b>\$66,250,874.90</b>	<b>100%</b>
						<b>1.91%</b>	<b>1.93%</b>	<b>\$234,117.80</b>		<b>\$272,109.24</b>	
										<b>\$66,522,984.14</b>	

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.  
 Report created on: November 07, 2019



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

# Additional information about your portfolio

as of September 30, 2019

## Benchmark composition

Account EB 02120

### Blended Index

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PACE Program fees paid from sources other than your PACE account are treated as a contribution. A PACE



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

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

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

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

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

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

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

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

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

reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and will show performance and activity information from the earliest available inception date.

The change in Performance Start Date may be the result of a performance gap due to a zero-balance that prevents the calculation of continuous returns from the inception of the account. The Performance Start Date may also change if an account has failed one of our performance data integrity tests. In such instances, the account will be labeled as 'Review Required' and performance prior to that failure will be restricted. Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details regarding your new Performance Start Date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This information is supplied by Morningstar, Inc. on a



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

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

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

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

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

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

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

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

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

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

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

your financial advisor or representative and do not make any investment decision based on this report.

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

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

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

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

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

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

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

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

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

**Cash Flow:** This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue

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

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

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

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

**Gain/Loss:** The gain/loss information may include calculations based upon non-UBS FS cost basis

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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**Kern Health Systems  
Account Number: EBXXX20**

Filtered by: Entry Date: 07/01/2019-09/30/2019, Call/Redemption

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
09/30/19	09/30/19	CALL REDEMPTION	FHLB BOND 02.510 % DUE 122922	FA46D5	-2,000,000.00	REDEMPTION	2,000,000.00
09/23/19	09/23/19	CALL REDEMPTION	MORGAN STANLEY 05.625% 092319 DTD092309	646K70	-750,000.00	REDEMPTION	750,000.00
09/03/19	09/03/19	CALL REDEMPTION	NBCUNIVERSAL MEDIA LLC 05.150% 043020 DTD043011	808B77	-2,000,000.00	REDEMPTION	2,039,920.00
08/19/19	08/19/19	CALL REDEMPTION	FCB BOND 02.550 % DUE 011723	FA5AZ6	-2,500,000.00	REDEMPTION	2,500,000.00
07/26/19	07/26/19	CALL REDEMPTION	FNMA NTS 01.125 % DUE 072619	F06S78	-594,000.00	REDEMPTION	594,000.00

Filtered by: Entry Date: 07/01/2019-09/30/2019, Bought

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
09/09/19	09/10/19	BOUGHT	FHLMC NTS 02.150 % DUE 090622	FD4V01	2,250,000.00	\$100.00	-2,250,537.50
08/21/19	08/23/19	BOUGHT	AMERIS BANK GA US RT 01.9500% MAT 12/13/19	ZBGKT-N30RV6	240,000.00	\$99.96	-240,032.22
08/21/19	08/22/19	BOUGHT	FHLB NTS 00.0000% DUE 110719	FD1430	1,500,000.00	\$99.587	-1,493,807.91
08/20/19	08/22/19	BOUGHT	UNITED STATES TREAS BILL DUE 02/20/20	FD28Q6	1,500,000.00	\$99.072	-1,486,073.21

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

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

The information is based upon the market value of your account(s) as of the close of business on **September 30, 2019**, is subject to daily market fluctuation and in some cases may be rounded for convenience.

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

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

Your Financial Advisor:  
THE UBS GROUP  
Phone: 661-463-3200/800-625-8022





Wells Fargo Bank, N.A.  
707 WILSHIRE BOULEVARD  
LOS ANGELES CA 90017

JONATHAN CHUANG  
1-213-614-2206

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

**Statement Period**  
**09/01/2019 - 09/30/2019**

KERN HEALTH SYSTEMS  
2900 BUCK OWENS BOULEVARD

**Account Number**  
1AB84780

**Account Value Summary USD**

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

	Amount Last Statement Period	Amount This Statement Period	% Portfolio
Cash	\$ 0.00	\$ 0.00	0%
Money Market Mutual Funds	28,053,282.23	10,024,371.24	15%
Bonds	44,913,083.14	58,770,396.21	85%
Stocks	0.00	0.00	0%
<b>Total Account Value</b>	<b>\$ 72,966,365.37</b>	<b>\$ 68,794,767.45</b>	<b>100%</b>

**Value Change Since Last Statement Period** \$ (4,171,597.92)  
**Percent Decrease Since Last Statement Period** 6%  
**Value Last Year-End** \$ 96,963,495.64  
**Percent Decrease Since Last Year-End** 29%

**Income Summary USD**

	This Period	Year-To-Date
Interest	\$ 41,682.71	\$ 396,957.35
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	44,698.33	443,895.53
Other	0.00	0.00
<b>Income Total</b>	<b>\$ 86,381.04</b>	<b>\$ 840,852.88</b>

**Interest Charged USD**

Description	This Period
Debit Interest For September 2019	0.00
<b>Total Interest Charged</b>	<b>\$ 0.00</b>

**Money Market Mutual Funds Summary USD**

Description	Amount
<b>Opening Balance</b>	<b>\$ 28,053,282.23</b>
Deposits and Other Additions	239,151,838.47
Distributions and Other Subtractions	(257,225,447.79)
Dividends Reinvested	44,698.33
Change in Value	0.00
<b>Closing Balance</b>	<b>\$ 10,024,371.24</b>

Safekeeping

## Important Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Customers may also report complaints, inaccuracies or discrepancies by calling 1-800-645-3751 option 5. International callers should call 1-677-856-8878. To further protect their rights, including rights under the Securities Investor Protection Act, customers should also re-confirm in writing to the above address any oral communications with WFS relating to the inaccuracies or discrepancies.

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

Statement Ending: September 30, 2019

KERN HEALTH SYSTEMS  
Account Number: 1AB84780

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

Security ID	Description	Maturity Date	Coupon	Current Par / Original Par	Market Price*	Market Value	Original Par Pledged**	Callable
<b>Bonds USD</b>								
912796VX4	UNITED STATES TREASURY BILL	10/01/19	0.000%	30,000,000.000	100.0000	30,000,000.00		
912796VY2	UNITED STATES TREASURY BILL	10/08/19	0.000%	20,000,000.000	99.9660	19,993,200.00		
48306BXAB	KAISER FOUNDATION HOSP DISCOUNTED COMMERCIAL PAPER	10/10/19	0.000%	4,000,000.000	99.9336	3,997,342.24		
49327M2F0	KEY BANK NA	12/15/19	2.500%	1,000,000.000	100.0546	1,000,546.35		N
43815HAB3	HAROT 2018-3 A2	12/21/20	2.670%	780,268.160	100.1308	781,288.52		
17305EGB5	CCCIT 2017-A3 A3	04/07/22	1.920%	3,000,000.000	99.9340	2,998,019.10		N
				58,780,268.160		58,770,396.21	0.00	

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

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

**Daily Account Activity**

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
<b>Transaction Activity USD</b>									
09/05/19	09/05/19	Security Receipt	29101BWJ7	EMERSON ELECTRIC CO 4(2)	3,000,000.00	99.9277780	(2,997,533.33)	0.00	(2,997,533.33)
09/05/19	09/05/19	Security Receipt	48306BXA8	KAISER FOUNDATION HOSP	4,000,000.00	99.8055560	(3,992,222.24)	0.00	(3,992,222.24)
09/05/19	09/05/19	Security Receipt	6541E1WK1	NIKE INC 4(2) DISCOUNTED	3,000,000.00	99.9226110	(2,997,678.33)	0.00	(2,997,678.33)
09/06/19	09/06/19	Security Receipt	912796VY2	UNITED STATES TREASURY BILL	20,000,000.00	99.8257780	(19,965,155.56)	0.00	(19,965,155.56)
09/06/19	09/06/19	Security Receipt	912796XK0	US TREASURY BILL	8,000,000.00	99.9452780	(7,995,622.22)	0.00	(7,995,622.22)
09/06/19	09/06/19	Security Receipt	912796XK0	US TREASURY BILL	50,000,000.00	99.9452780	(49,972,638.89)	0.00	(49,972,638.89)
09/09/19	09/09/19	Security Receipt	912796VW6	UNITED STATES TREASURY BILL	20,000,000.00	99.9193750	(19,983,875.00)	0.00	(19,983,875.00)
09/09/19	09/10/19	Security Receipt	30229BWBQ6	EXXON MOBIL CORP DISCOUNTED	5,000,000.00	99.9222220	(4,996,111.11)	0.00	(4,996,111.11)
09/06/19	09/10/19	Security Receipt	375556BR3	GILEAD SCIENCES INC	4,283,000.00	99.9940000	(4,282,743.02)	(37,416.76)	(4,320,159.78)
09/12/19	09/12/19	Security Receipt	912796SK6	UNITED STATES TREASURY BILL	30,000,000.00	99.9257220	(29,977,716.67)	0.00	(29,977,716.67)
09/23/19	09/23/19	Security Receipt	912796VX4	UNITED STATES TREASURY BILL	30,000,000.00	99.9594440	(29,987,833.33)	0.00	(29,987,833.33)
09/25/19	09/25/19	Security Receipt	313384MJ5	FED HOME LN DISCOUNT NT	30,000,000.00	99.9755560	(29,992,666.67)	0.00	(29,992,666.67)

**Income / Payment Activity USD**

09/10/19	09/10/19	Matured	313384LN7	FED HOME LN DISCOUNT NT			20,000,000.00		20,000,000.00
09/10/19	09/10/19	Matured	912796VU0	UNITED STATES TREASURY BILL			20,000,000.00		20,000,000.00

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Safekeeping

Statement Ending: September 30, 2019

**KERN HEALTH SYSTEMS**  
Account Number: 1AB84780

**Daily Account Activity (Continued)**

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
<b>Income / Payment Activity USD</b>									
09/16/19	09/16/19	Matured	912796XK0	US TREASURY BILL			58,000,000.00		58,000,000.00
09/18/19	09/18/19	Matured	29101BWJ7	EMERSON ELECTRIC CO 4(2)			3,000,000.00		3,000,000.00
09/19/19	09/19/19	Matured	6541E1WK1	NIKE INC 4(2) DISCOUNTED			3,000,000.00		3,000,000.00
09/20/19	09/20/19	Matured	375558BR3	GILEAD SCIENCES INC			4,283,000.00		4,283,000.00
09/20/19	09/20/19	Interest	375558BR3	GILEAD SCIENCES INC				39,617.75	39,617.75
09/23/19	09/23/19	Paydown	43815HAB3	HAROT 2018-3 A2			147,804.43		147,804.43
09/23/19	09/23/19	Interest	43815HAB3	HAROT 2018-3 A2				2,064.96	2,064.96
09/24/19	09/24/19	Matured	30229BWQ6	EXXON MOBIL CORP DISCOUNTED			5,000,000.00		5,000,000.00
09/24/19	09/24/19	Matured	912796VW6	UNITED STATES TREASURY BILL			20,000,000.00		20,000,000.00
09/26/19	09/26/19	Matured	912796SK6	UNITED STATES TREASURY BILL			30,000,000.00		30,000,000.00
09/30/19	09/30/19	Matured	313384MJ5	FED HOME LN DISCOUNT NT			30,000,000.00		30,000,000.00

**Cash Activity USD**

Transaction / Trade Date	Settlement / Eff. Date	Activity	Description	Debit Amount / Disbursements	Credit Amount / Receipts
09/04/19	09/04/19	ACH/DDA Transaction	DESIGNATED DDA	15,000,000.00	
09/05/19	09/05/19	ACH/DDA Transaction	DESIGNATED DDA	1,000,000.00	
09/06/19	09/06/19	ACH/DDA Transaction	DESIGNATED DDA		49,972,638.89
09/06/19	09/06/19	ACH/DDA Transaction	DESIGNATED DDA		19,965,155.56
09/06/19	09/06/19	ACH/DDA Transaction	DESIGNATED DDA		47,000,000.00
09/06/19	09/06/19	ACH/DDA Transaction	DESIGNATED DDA		7,995,622.22
09/10/19	09/10/19	ACH/DDA Transaction	DESIGNATED DDA	20,000,000.00	
09/11/19	09/11/19	ACH/DDA Transaction	DESIGNATED DDA	6,000,000.00	
09/18/19	09/18/19	ACH/DDA Transaction	DESIGNATED DDA	13,800,000.00	
09/19/19	09/19/19	ACH/DDA Transaction	DESIGNATED DDA	1,000,000.00	
09/24/19	09/24/19	ACH/DDA Transaction	DESIGNATED DDA	6,000,000.00	
09/24/19	09/24/19	ACH/DDA Transaction	DESIGNATED DDA	3,500,000.00	
09/25/19	09/25/19	ACH/DDA Transaction	DESIGNATED DDA	6,000,000.00	
09/27/19	09/27/19	ACH/DDA Transaction	DESIGNATED DDA	2,000,000.00	
09/30/19	09/30/19	ACH/DDA Transaction	DESIGNATED DDA	55,000,000.00	

**Money Market Fund Activity**

Morgan Stan TreasSvc 8314	Dividend paid this period	7 day* simple yield	30 day* simple yield
*As of September 30, 2019			
USD	44,698.33	1.770%	1.900%

KERN HEALTH SYSTEMS  
Account Number: 1AB84780

**Money Market Fund Activity (Continued)**

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	<b>Beginning Balance</b>		<b>1.0000</b>	<b>28,053,282.23</b>		<b>28,053,282.23000</b>
09/03/19	Reinvest	44,698.33000			44,698.33	28,097,980.56000
09/04/19	Redemption	(15,000,000.00000)		(15,000,000.00)		13,097,980.56000
09/05/19	Redemption	(1,000,000.00000)		(1,000,000.00)		12,097,980.56000
09/05/19	Redemption	(9,987,733.90000)		(9,987,733.90)		2,110,246.66000
09/06/19	Purchase	47,000,000.00000		47,000,000.00		49,110,246.66000
09/06/19	Purchase	7,995,622.22000		7,995,622.22		57,105,868.88000
09/06/19	Redemption	(7,995,622.22000)		(7,995,622.22)		49,110,246.66000
09/09/19	Redemption	(19,983,875.00000)		(19,983,875.00)		29,126,371.66000
09/10/19	Purchase	30,683,729.11000		30,683,729.11		59,810,100.77000
09/10/19	Redemption	(20,000,000.00000)		(20,000,000.00)		39,810,100.77000
09/11/19	Redemption	(6,000,000.00000)		(6,000,000.00)		33,810,100.77000
09/12/19	Redemption	(29,977,716.67000)		(29,977,716.67)		3,832,384.10000
09/16/19	Purchase	58,000,000.00000		58,000,000.00		61,832,384.10000
09/16/19	Purchase	3,000,000.00000		3,000,000.00		64,832,384.10000
09/18/19	Redemption	(13,800,000.00000)		(13,800,000.00)		51,032,384.10000
09/19/19	Purchase	3,000,000.00000		3,000,000.00		54,032,384.10000
09/19/19	Redemption	(1,000,000.00000)		(1,000,000.00)		53,032,384.10000
09/20/19	Purchase	4,322,617.75000		4,322,617.75		57,355,001.85000
09/23/19	Purchase	149,869.39000		149,869.39		57,504,871.24000
09/23/19	Redemption	(29,987,833.33000)		(29,987,833.33)		27,517,037.91000
09/24/19	Purchase	25,000,000.00000		25,000,000.00		52,517,037.91000
09/24/19	Redemption	(3,500,000.00000)		(3,500,000.00)		49,017,037.91000
09/24/19	Redemption	(6,000,000.00000)		(6,000,000.00)		43,017,037.91000
09/25/19	Redemption	(6,000,000.00000)		(6,000,000.00)		37,017,037.91000
09/25/19	Redemption	(29,992,666.67000)		(29,992,666.67)		7,024,371.24000
09/26/19	Purchase	30,000,000.00000		30,000,000.00		37,024,371.24000
09/27/19	Redemption	(2,000,000.00000)		(2,000,000.00)		35,024,371.24000
09/30/19	Purchase	30,000,000.00000		30,000,000.00		65,024,371.24000
09/30/19	Redemption	(55,000,000.00000)		(55,000,000.00)		10,024,371.24000
	<b>Ending Balance</b>		<b>1.0000</b>	<b>10,024,371.24</b>		<b>10,024,371.24000</b>

2023/08/10 10:28:09 AM '13 22:02 UNK 2962559-00013.FEE /688-0010 03894 11:01:19 P

Safekeeping



**CALIFORNIA STATE TREASURER  
FIONA MA, CPA**



**PMIA Performance Report**

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
09/16/19	2.28	2.35	182
09/17/19	2.27	2.35	188
09/18/19	2.27	2.35	187
09/19/19	2.27	2.35	186
09/20/19	2.26	2.35	185
09/21/19	2.26	2.34	185
09/22/19	2.26	2.34	185
09/23/19	2.26	2.34	186
09/24/19	2.26	2.34	185
09/25/19	2.25	2.34	184
09/26/19	2.25	2.34	186
09/27/19	2.25	2.34	187
09/28/19	2.25	2.34	187
09/29/19	2.25	2.34	187
09/30/19	2.25	2.34	185
10/01/19	2.22	2.22	200
10/02/19	2.22	2.22	200
10/03/19	2.21	2.22	198
10/04/19	2.21	2.22	198
10/05/19	2.21	2.21	198
10/06/19	2.21	2.21	198
10/07/19	2.21	2.21	197
10/08/19	2.21	2.21	197
10/09/19	2.21	2.21	196
10/10/19	2.20	2.21	199
10/11/19	2.20	2.21	200
10/12/19	2.20	2.21	200
10/13/19	2.20	2.21	200
10/14/19	2.20	2.21	197
10/15/19	2.20	2.21	198
10/16/19	2.19	2.21	197

\*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

**LAIF Performance Report**

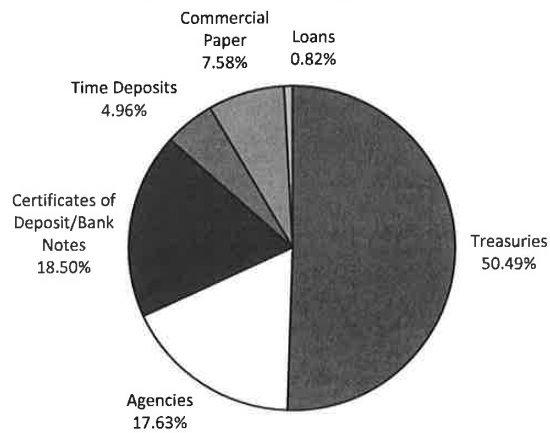
Quarter Ending 09/30/19

Apportionment Rate: 2.45  
 Earnings Ratio: .00006701807521016  
 Fair Value Factor: 1.001642817  
 Daily: 2.25%  
 Quarter to Date: 2.34%  
 Average Life: 185

**PMIA Average Monthly Effective Yields**

Sep 2019 2.280  
 Aug 2019 2.341  
 July 2019 2.379

**Pooled Money Investment Account  
Portfolio Composition  
09/30/19  
\$97.4 billion**



Percentages may not total 100% due to rounding

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

Based on data available as of 10/16/2019



**To: KHS Finance Committee**

**From: Robert Landis, CFO**

**Date: December 6, 2019**

**Re: Annual Renewal of the Reinsurance Policy**

---

**Background**

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

**Discussion**

Over the last 3 years KHS reinsurance recoveries have approximated the reinsurance claim payments. For the policy years 2016, 2017, and 2018 KHS recovered approximately \$4.5 million in reinsurance claims while paying reinsurance premiums of approximately \$4.6 million. **These 3 years represent a 98% ratio of recoveries to expense.**

Based on information through November 1, 2019, KHS has requested approximately \$120,000 in recoveries against approximately \$1.5 million in premiums paid. **This represents an overall cumulative 74% ratio for all periods.** We have until December 31, 2020 to turn in claims for the 2019 policy period. Accordingly, continuing with the reinsurance program is still warranted.

The current 2019 Reinsurance Policy is with Optum and has a deductible of \$275,000, a blended rate of \$.51 pmpm and an aggregate deductible of \$.26 pmpm with an estimated total exposure of \$2,295,000.

**Fiscal Impact**

The lowest quote for renewal is with the carrier IOA Re at a blended rate of \$.33 per member with the current deductible of \$275,000 per member and a \$.31 pmpm aggregate deductible for an overall expected reinsurance cost of \$1,916,000. IOA Re was the reinsurance carrier for 2016 and was replaced by Optum for subsequent years.

KHS can lower the IOA Re premium to a blended rate of \$.29 pmpm and a \$.27 pmpm aggregate deductible by increasing the deductible to \$300,000. This would save approximately \$239,487 of reinsurance costs, but would cost KHS an additional \$25,000 per member that reaches the reinsurance deductible. The savings of \$239,487 would be lost if the members reaching the \$300,000 deductible exceeds 9 (\$239,487 savings/\$25,000 increase in deductible = 9.58 members). Based on utilization data of 9 members in 2018 and 2 members through October 31, 2019, management expects the 2020 utilization to be 9 or fewer members. Accordingly, management recommends increasing the deductible to \$300,000 and lowering the blended rate to \$.29 pmpm and lowering the aggregate deductible to \$.27 pmpm.

The 2020 Budget includes estimated reinsurance premium payments at a blended rate of \$.29 pmpm and reinsurance recoveries at a blended rate of \$.29 pmpm. Estimated fiscal dollar impact is \$876,003.

**Risk Assessment**

Based on the prior program years, the continued expense of the SPD population and the increasing trend in medical expenses for the longer-term enrolled Expansion members, management believes that binding coverage is warranted for 2020 and is recommending the IOA RE option at a blended rate of \$.29 pmpm and increasing the deductible to \$300,000.

**Requested Action**

Approve; Refer to KHS Board of Directors.





**To: KHS Finance Committee**

**From: Robert Landis, CFO**

**Date: December 6, 2019**

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

---

**Background**

At the February 14<sup>th</sup>, 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 \$30,241,123.19 for the work to be performed by the KHS contractor SC Anderson, Inc. Work completed less retainage as of 9/30/19 is \$28,706,783.22. The balance of work to be completed including retainage amounts owed is \$1,534,339.97.

Included in the attachment is an itemized description of amounts complete and paid through September 30, 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.



### Application and Certificate for Payment

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

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

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

**VIA ARCHITECT:**

**APPLICATION NO:** 01170843-00020  
**PERIOD TO:** 9/30/2019  
**CONTRACT FOR:**  
**CONTRACT DATE:**  
**PROJECT NOS:** 01.17084.3

**Distribution to:**  
 OWNER   
 ARCHITECT   
 CONTRACTOR   
 FIELD   
 OTHER

### 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 ..... \$ 2,418,540.19
3. CONTRACT SUM TO DATE (Line 1 + 2) ..... \$ 30,241,123.19
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) ..... \$ 30,217,666.73

5. RETAINAGE:
  - a. 5 % of Completed Work  
 (Columns D + E on G703) ..... \$ 1,510,883.51
  - b. \_\_\_\_\_ % of Stored Material  
 (Column F on G703) ..... \$ \_\_\_\_\_

Total Retainage (Lines 5a + 5b, or Total in Column I of G703) ..... \$ 1,510,883.51

6. TOTAL EARNED LESS RETAINAGE ..... \$ 28,706,783.22  
 (Line 4 minus Line 5 Total)
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT ..... \$ 28,283,584.19  
 (Line 6 from prior Certificate)

8. CURRENT PAYMENT DUE ..... \$ 423,199.03
9. BALANCE TO FINISH, INCLUDING RETAINAGE  
 (Line 3 minus Line 6) ..... \$ 1,534,339.97

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$ 2,298,913.02	\$ (8,110.77)
Total approved this month	\$ 127,737.94	\$
<b>TOTAL</b>	<b>\$ 2,426,650.96</b>	<b>\$ (8,110.77)</b>
NET CHANGES by Change Order	\$	2,418,540.19

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

**CONTRACTOR:** SC Anderson, Inc. **Date:** 10/25/19

By: \_\_\_\_\_  
 State of: California  
 County of: Kern  
 Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_

Notary Public: \_\_\_\_\_  
 My commission expires: \_\_\_\_\_  
*See Attached*

### ARCHITECT'S CERTIFICATE FOR PAYMENT

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

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

**ARCHITECT:** \_\_\_\_\_  
 By: \_\_\_\_\_  
 Date: \_\_\_\_\_

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

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REQUEST FOR PAYMENT DETAIL

Project: 01.17084.3 / KERN HEALTH SYSTEMS Invoice: 3702501758 Draw: 01170843-00020 Period Ending Date: 9/30/2019

Item ID	Description	Total Contract Amount	Previously Completed Work	Work Completed This Period	Presently Stored Materials	Completed And Stored To Date	% Comp	Balance To Finish	Retainage Balance
015723	SWPPP	43,555.00	33,410.96	10,144.04		43,555.00	100.00		2,177.74
017423	FINAL CLEAN	39,200.00		39,200.00		39,200.00	100.00		1,960.00
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	25,715.96			25,715.96	83.28	5,164.04	1,285.80
024199	DEMOLITION	42,022.00	42,022.00			42,022.00	100.00		2,101.11
031113	CONCRETE	2,106,700.00	2,106,700.00			2,106,700.00	100.00		105,335.00
042099	MASONRY	49,600.00	49,600.00			49,600.00	100.00		2,480.00
051223	STRUCTURAL STEEL	2,971,400.00	2,971,400.00			2,971,400.00	100.00		148,570.01
057099	SHEET METAL/DECORATIVE PA	549,550.00	549,550.00			549,550.00	100.00		27,477.50
062023	DOORS-FRAMES-HARDWARE-L	45,166.00	45,166.00			45,166.00	100.00		2,258.30
062099	FINISHROUGH CARPENTRY	21,417.00	21,417.00			21,417.00	100.00		1,070.86
064023	ARCHITECTURAL WOODWORK	249,580.00	249,580.00			249,580.00	100.00		12,479.02
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	7,500.00		394,466.00	100.00		19,723.30
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	40,208.00			49,027.00	100.00		2,451.35
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			30,450.00	100.00		1,522.50
084199	STOREFRONT GLASS & GLAZI	1,479,900.00	1,479,900.00			1,479,900.00	100.00		73,995.00
092216	METAL STUDS & DRYWALL	6,076,322.00	6,076,322.00			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	708,000.00	5,000.00		713,000.00	100.00		35,650.00
096599	FLOOR COVERINGS	955,511.00	955,511.00			955,511.00	100.00		47,775.55
099199	PAINTING	119,300.00	117,300.00	2,000.00		119,300.00	100.00		5,965.00
101499	SIGNAGE	18,850.00		18,850.00		18,850.00	100.00		942.50
102113	TOILET COMPARTMENTS/ACCE	139,800.00	139,800.00			139,800.00	100.00		6,990.00
104413	FIRE EXTINGUISHER CABINET'S	6,858.00	6,858.00			6,858.00	100.00		342.90
107599	FLAG POLE	6,959.00	6,959.00			6,959.00	100.00		347.95
122499	WINDOW COVERINGS	89,600.00	85,000.00	4,600.00		89,600.00	100.00		4,480.00
129313	BIKE RACKS	3,530.00	3,530.00			3,530.00	100.00		176.50

REQUEST FOR PAYMENT DETAIL

Project: 01.17084.3 / KERN HEALTH SYSTEMS Invoice: 3702501758 Draw: 01170843-00020 Period Ending Date: 9/30/2019

Item ID	Description	Total Contract Amount	Previously Completed Work	Work Completed This Period	Presently Stored Materials	Completed And Stored To Date	% Comp	Balance To Finish	Retainage Balance
142099	ELEVATOR	388,290.00	382,146.38	6,143.62		388,290.00	100.00		19,414.50
211313	FIRE SPRINKLERS	333,217.00	333,217.00			333,217.00	100.00		16,660.86
229999	PLUMBING	909,000.00	909,000.00			909,000.00	100.00		45,450.00
239999	HVAC	2,704,454.00	2,703,454.00			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	315,255.00	105,085.00		420,340.00	100.00		21,017.00
323119	DECORATIVE FENCING	238,844.00	238,367.00	477.00		238,844.00	100.00		11,942.21
328499	LANDSCAPING AND IRRIGATION	397,000.00	382,083.34	12,783.33		394,866.67	99.46	2,133.33	19,743.34
331099	GENERAL 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	1,034,510.00			1,034,510.00	100.00		51,725.53
9999C01	CHANGE ORDER #01	22,812.00	22,812.00			22,812.00	100.00		1,140.60
9999C02	CHANGE ORDER #02	33,603.17	33,603.17			33,603.17	100.00		1,680.16
9999C03	CHANGE ORDER #03	235,713.11	220,795.16	14,917.95		235,713.11	100.00		11,785.66
9999C04	CHANGE ORDER #04	94,186.15	94,186.15			94,186.15	100.00		4,709.31
9999C05	CHANGE ORDER #05	92,450.11	92,450.11			92,450.11	100.00		4,622.51
9999C07	CHANGE ORDER #07	34,478.69	34,478.69			34,478.69	100.00		1,723.94
9999C08	CHANGE ORDER #08	38,854.55	38,854.55			38,854.55	100.00		1,942.73
9999C09	CHANGE ORDER #09	130,521.90	130,521.90			130,521.90	100.00		6,526.10
9999C10	CHANGE ORDER #10	138,058.56	138,058.56			138,058.56	100.00		6,902.93
9999C11	CHANGE ORDER #11	51,825.00	51,825.00			51,825.00	100.00		2,591.25
9999C12	CHANGE ORDER #12	-8,110.77	-8,110.77			-8,110.77	100.00		-405.53
9999C13	CHANGE ORDER #13	86,445.84	86,445.84	86,445.84		86,445.84	100.00		4,322.29
9999C14	CHANGE ORDER #14	725,263.76	725,263.76			725,263.76	100.00		36,263.19
9999C15	CHANGE ORDER #15	304,625.63	304,625.63			304,625.63	100.00		15,231.28
9999C16	CHANGE ORDER #16	26,640.57	26,640.57			26,640.57	100.00		1,332.03
9999C17	CHANGE ORDER #17	27,193.99	27,193.99			27,193.99	100.00		1,359.70
9999C18	CHANGE ORDER #18	21,067.35	21,067.35			21,067.35	100.00		1,053.37
9999C19	CHANGE ORDER #19	46,063.02	46,063.02			46,063.02	100.00		2,303.15
9999C20	CHANGE ORDER #20	40,660.00	40,660.00			40,660.00	100.00		2,033.00
9999C21	CHANGE ORDER #21	51,053.97	45,656.29			45,656.29	89.43	5,397.68	2,282.81
9999C22	CHANGE ORDER #22	97,395.65	91,865.07			91,865.07	94.32	5,530.58	4,593.25

REQUEST FOR PAYMENT DETAIL

Project: 01.17084.3 / KERN HEALTH SYSTEMS Invoice: 3702501758 Draw: 01170843-00020 Period Ending Date: 9/30/2019

Item ID	Description	Total Contract Amount	Previously Completed Work	Work Completed This Period	Presently Stored Materials	Completed And Stored To Date	% Comp	Balance To Finish	Retainage Balance
9999CO23	CHANGE ORDER #23	37,295.46		33,699.40		33,699.40	90.36	3,596.06	1,684.97
9999CO24	CHANGE ORDER #24	90,442.48		89,807.48		89,807.48	99.30	635.00	4,490.37

<b>Totals</b>		30,241,123.19	29,772,194.07	445,472.66		30,217,666.73	99.92	23,456.46	1,510,883.51
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**To: KHS Finance Committee**

**From: Robert Landis, CFO**

**Date: December 6, 2019**

**Re: 2020 Budget**

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**Background**

The 2020 Budget supports the KHS Goals and Objectives, 2020 Annual Projects and contributes to the 2018-2021 Strategic Plan Initiatives. The size and scope of the 2020 Goals and Objectives reflect the changing medical complexity and the corresponding required changes in the provider delivery system that began in 2012 with the addition of the Seniors and Persons with Disabilities (SPD) population and continued in 2014-2017 with CBAS, Childless Adults (Affordable Care Act - Expansion) and Children with Autism.

This year there are several uncertainties impacting our 2020 Budget including:

- Increased regulatory oversight over quality of care measures, timely access and encounter data collection, along with numerous data requests by DHCS and DMHC along with an increasing amount of All Plan Letters that require increased demands on KHS.
- Increase in administrative oversight for Supplemental Payment methodologies such as Hospital Directed Payments, Proposition 56, GEMT, and HYDE along with other types of Supplemental Payment add-ons.
- Shifting more risk to health plans such as the Long Term Care Benefit and expanding the types of transplants that will be covered by health plans.
- Increased demand from providers seeking rate increases.
- Restoration of optional Medi-Cal benefits such as Podiatry, adult eyeglasses and Audiology.
- New benefits including:
  - Long Term Care (LTC), including but not limited to; skilled nursing facilities, subacute facilities, pediatric subacute facilities, and intermediate care facilities, set to be carved into KHS benefits beginning January 1, 2021.
  - Transplants, including but not limited to major organs, set to be carved into KHS benefits beginning January 1, 2021.
  - Continuous Glucose Monitors and Comprehensive Behavior Health Therapy.
- Unilateral Change by the State beginning January 1, 2021 to move the administration of the Pharmacy Benefit to the State.
- The CMS Interoperability Rule will require KHS to provide more data exchange of clinical information between the clinician and member.
- A redesign of the Business Continuity and Disaster Recovery Plans to accommodate the new building are required.

To: KHS Finance Committee  
Re: 2020 Budget  
Page 2

Specifically, key factors impacting the 2020 budget include:

- Projected growth of approximately 5,000 enrollees
- Multi-Government regulatory and organization compliance and performance responsibilities through:
  - DHCS
  - DMHC
  - CMS (Including implementation of certain sections of the Medicaid Managed Care Final Rule)
- Expansion of Health Home Program sites and integration of Physical, Mental Health and Social Determinants
- Continued Implementation of a New Medical Management Platform which includes dynamic application of evidence based medical criteria and point of service decision making
- Newly defined Managed Care Accountability Set (MCAS)-formerly HEDIS-measuring quality of preventative care benchmarks
- Redevelop Provider Pay for Performance Program to reflect new MCAS measures
- Monitoring the continuing increasing demand for Non-Emergency Medical Transportation services that include non-covered services such as carved out services, dental and opioid treatment per DHCS requirements
- Development of Provider Performance Based Alternative reimbursement arrangements
- Member Incentive Program
- Enhancing Medi-Cal Benefits initiative
- Expansion of KHS departmental dashboards for operational metric transparency
- Medi-Cal Enrollment Expansion to Cover Undocumented Adults
- New or expanded provider collaborative programs:
  - Provider Grant Program to Develop and/or Expand access to clinical services
  - Expansion of specialty care value based purchasing arrangements
  - Development of a 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”
  - Investigate a Network Configuration Arrangement to Treat Member’s Medical, Social and Behavioral Needs
  - Developing Kern Medical Integration Health Care Concept
  - Strengthen collaboration with Kern County Mental Health and GATE team for Substance Use Disorders
  - Prepare for KHS role and responsibility in Whole Person Care Pilot Program with Kern Medical
  - Expanding access for Diabetic Clinic care at Kern Medical and with other community partners
  - Expanding the Transitional Care Program to additional hospitals with a critical mass of patients with an increase focus on the socio-economic barriers to care
  - Expanding Telehealth Specialty Care services



To: KHS Finance Committee  
 Re: 2020 Budget  
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- Expanding the Disease Management Programs and expanding the Diabetes Prevention Program
- Implementation of COPD Early Intervention Program
- Continuing the School based Asthma Program with expansion to other community partners
- Palliative care providers collaboration with KHS Case Management team participation with Interdisciplinary Care Team meetings
- Enhancements to the Medical Management and Quality Improvement Programs
- Enhancing the Case Management Program, including homelessness outreach and care coordination efforts
- Pregnancy outreach and member engagement program to foster early pre- and postpartum care
- Investment in the Connected Community Network Unite Us platform for coordination of social determinants of health services across Kern County
- Continuance of onsite Inpatient concurrent review program
- Enhancing HEDIS or MCAS Tracking and Reporting
- Continuing with incentives to reward providers who demonstrate improved HEDIS outcomes
- Expanding Medication Therapy Management program
- Continuing with Peer to Peer evidence based medical reviews utilizing industry leader for risk management
- Converting selected provider reimbursement arrangements to value based purchasing
- Care Gradient Analysis using Predictive Modeling tool
- Demographic Morbidity Impact Study to determine areas of focus
- KHS Care Delivery Model exploration for transforming care for Primary Care Physicians and Specialists
- Automation of Facility Site Reviews with industry standard data collection and reporting tool
- Member Centric Care Project Implementation Plan to continually monitor and measure member satisfaction throughout their continuum of care
- Outcome Metrics to steer operational decision making
- Expanding School Based Wellness Program to additional schools
- Refinement of Opioid Coalition with community partnerships
- Refinement of the PCP practice profile showing utilization patterns
- Expand DME home assessments and equipment needs with specialty vendor
- Fraud, Waste, Abuse oversight expansion to foster ongoing quality improvement
- Continued monitoring of:
  - Core Claims System with an emphasis on Quality and Proficiency
  - Update the Enterprise Data Warehouse (EDW) from the current twelve year old system to include more self-service ability
  - Continue to focus on system Information Security (InfoSec) to safeguard Personal Healthcare Information (PHI)
  - New Provider/Member Portal
  - Medical Management Platform enhancements to improve functionality and efficiency

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- Autism Spectrum Disorder Behavioral Health Therapy (BHT) including Behavioral Interventional Services (BIS) without Autism diagnosis
- California Children's Services Coordination of Care
- Vision Services Plan for optometric diabetic screenings
- Access to PCP and Specialty Care as well as Physician recruitment
- Hep C medication and "kick payment" program
- Kaiser Permanente Subcontract
- Program awareness of Mental Health benefit
- Hospitalist program
- Provider Recruitment Grants and results achieved from grants
- Member focused approach to ensure members' expectations are met
- Respite and Recuperative Care Program
- Housing Case Management supportive services
- Inpatient Pulmonary Rehabilitation Program

Attached are the following documents relating to the 2020 Budget:

- 1) Consolidated Operating Budget
- 2) Operating Budget by Aid Category
- 3) Enrollment Assumptions
- 4) Revenue Assumptions
- 5) Medical Expense Assumptions
- 6) Administrative Expense Assumptions
- 7) Budgeted FTE by Department
- 8) Capital Budget for 2020

**Requested Action**

Approve; Refer to KHS Board of Directors

**KERN HEALTH SYSTEMS  
P & L BY MAJOR CATEGORY OF SERVICE  
2020 BUDGET**

	2020 BUDGET	EST. ANNUAL 2019	DIFFERENCE	PMPM 2020 BUDGET	EST. PMPM 2019 ANNUAL	PMPM DIFFERENCE
	\$	\$	\$	3,020,700	2,985,812	34,888
<b>REVENUE</b>						
Capitation (excludes Prop 56 & GEMT)	680,105,443	656,611,202	23,494,241	225.15	219.91	5.24
Maternity Kick	31,076,304	30,062,514	1,013,790	10.29	10.07	0.22
Health Home Kick	15,017,927	5,866,441	9,151,486	4.97	1.96	3.01
HEP C Kick	5,649,091	5,713,889	(64,798)	1.87	1.91	(0.04)
BHT Kick	17,025,420	9,857,790	7,167,630	5.64	3.30	2.33
Prop 56	32,781,482	30,055,142	2,726,340	10.85	10.07	0.79
GEMT	5,209,317	4,738,678	470,639	1.72	1.59	0.14
Total MCAL Revenue	786,864,984	742,905,656	43,959,328	260.49	248.81	11.68
Add-Ons (Directed Provider Payments)	133,083,820	-	133,083,820	44.06	-	44.06
MCO Tax Revenue	120,828,000	118,193,430	2,634,570	40.00	39.59	0.41
Interest	4,800,000	5,965,121	(1,165,121)	1.59	2.00	(0.41)
Reinsurance	876,003	990,050	(114,047)	0.29	0.33	(0.04)
<b>TOTAL REVENUE</b>	<b>1,046,452,808</b>	<b>868,054,257</b>	<b>178,398,551</b>	<b>346.43</b>	<b>290.73</b>	<b>55.70</b>
<b>MEDICAL</b>						
Inpatient Hospital	162,271,155	161,109,762	1,161,393	53.72	53.96	(0.24)
Outpatient Facility	78,700,252	75,246,462	3,453,790	26.05	25.20	0.85
Emergency Room Facility	61,951,060	58,742,927	3,208,133	20.51	19.67	0.83
Long-Term Care Facility	11,275,540	11,710,754	(435,214)	3.73	3.92	(0.19)
Primary Physician Services	34,497,932	34,460,529	37,403	11.42	11.54	(0.12)
Health Home Capitation	4,514,610	4,399,831	114,779	1.49	1.47	0.02
Urgent Care	17,243,679	18,463,487	(1,219,808)	5.71	6.18	(0.48)
Physician Specialty	121,039,398	116,796,093	4,243,305	40.07	39.12	0.95
BHT	17,025,420	12,623,997	4,401,423	5.64	4.23	1.41
Mental Health	2,050,521	1,791,605	258,916	0.68	0.60	0.08
Vision	3,251,683	2,997,617	254,066	1.08	1.00	0.07
Other Medical Professional	13,882,937	13,304,441	578,496	4.60	4.46	0.14
Pharmacy	104,500,319	100,088,544	4,411,775	34.59	33.52	1.07
HEP C	5,649,091	5,947,739	(298,648)	1.87	1.99	(0.12)
DME	8,280,917	8,061,671	219,246	2.74	2.70	0.04
Pharmacy Rebates	(1,750,000)	(1,780,348)	30,348	(0.58)	(0.60)	0.02
Home Health and CBAS	4,676,179	4,574,959	101,220	1.55	1.53	0.02
Other- Ambulance and Non-Emergent Transportation	18,575,529	17,776,505	799,024	6.15	5.95	0.20
Pay for Performance Quality Incentive	6,041,400	5,969,952	71,448	2.00	2.00	0.00
HHP Risk Pool/Incentive	1,294,322	-	1,294,322	0.43	-	0.43
Provider Incentive Payments (Prop 56 & GEMT)	37,990,799	33,877,615	4,113,184	12.58	11.35	1.23
Add-Ons Directed Provider Payments	133,083,820	-	133,083,820	44.06	-	44.06
Reinsurance Premium	876,003	1,528,785	(652,782)	0.29	0.51	(0.22)
UM/QA Costs (including Utilization & Quality Review)	25,432,232	18,130,028	7,302,204	8.42	6.07	2.35
<b>Total Medical Costs</b>	<b>872,354,797</b>	<b>705,822,955</b>	<b>166,531,842</b>	<b>288.79</b>	<b>236.39</b>	<b>52.40</b>
<b>GROSS PROFIT/(LOSS)</b>	<b>174,098,011</b>	<b>162,231,302</b>	<b>11,866,708</b>	<b>57.63</b>	<b>54.33</b>	<b>3.30</b>
<b>ADMINISTRATIVE</b>	<b>52,006,675</b>	<b>43,305,524</b>	<b>8,701,151</b>	<b>17.22</b>	<b>14.50</b>	<b>2.71</b>
<b>NET PROFIT/(LOSS) BEFORE MCO TAX</b>	<b>122,091,336</b>	<b>118,925,778</b>	<b>3,165,557</b>	<b>40.42</b>	<b>39.83</b>	<b>0.59</b>
<b>MCO TAX EXPENSE</b>	<b>120,828,000</b>	<b>117,975,299</b>	<b>2,852,701</b>	<b>40.00</b>	<b>39.51</b>	<b>0.49</b>
<b>NET PROFIT/(LOSS) AFTER MCO TAX</b>	<b>1,263,336</b>	<b>950,479</b>	<b>312,856</b>	<b>0.42</b>	<b>0.32</b>	<b>0.10</b>
<b>HEALTH HOME PROGRAM GRANTS</b>	<b>6,093,109</b>	<b>2,974,194</b>				
<b>PROVIDER RECRUITMENT AND RETENTION GRANTS</b>	<b>4,000,000</b>	<b>-</b>				
<b>NET PROFIT/(LOSS) AFTER GRANT EXPENSE</b>	<b>(8,829,774)</b>	<b>(2,023,715)</b> (1) (2)				
<b>MEDICAL LOSS RATIO (EXCLUDING MCO TAX, GRANTS AND DIRECTED PAYMENTS)</b>	93.28%	94.13%				
<b>ADMIN RATIO (EXCLUDING MCO TAX, GRANTS AND DIRECTED PAYMENTS)</b>	6.56%	5.78%				

(1) 2019 has been adjusted for approximately \$13 million of favorable prior period adjustments plus \$2.2 million for the sale of 9700 Stockdale.

(2) 2019 Annual is estimated using August Financials to complete the year, 2019 Budget, and other adjustments due to timing differences and other updated current information

**KERN HEALTH SYSTEMS  
P & L BY MAJOR CATEGORY OF SERVICE  
2020 BUDGET**

	ALL COAS	FAMILY & OTHER	SPD	EXPANSION
	\$	\$	\$	\$
<b>REVENUE</b>	<b>3,020,700</b>	<b>2,110,860</b>	<b>176,760</b>	<b>733,080</b>
Capitation	680,103,443	126,85	157,783,046	892,64
Maternity Kick	31,076,304	10,29	28,506,035	13,50
Health Home Cap	15,017,927	1,79	4,999,615	28,28
HEP C Kick	5,649,091	1,87	1,129,818	6,39
BHT Kick	7,025,420	5,64	9,826,166	55,59
Prop 56	32,781,482	10,85	3,390,257	19,18
GEMT	5,209,317	1,72	1,486,552	8,41
Total MCOAL Revenue	786,864,984	260,49	330,503,420	1,010,50
Add-Ons (Directed Provider Payments)	133,083,820	44,06	178,615,454	129,54
MCO Tax Revenue	120,828,000	40,00	22,897,490	40,00
Interest	4,800,000	1,59	7,070,400	40,00
Reinsurance	876,003	0,29	203,861	1,16
<b>TOTAL REVENUE</b>	<b>1,046,452,808</b>	<b>346,43</b>	<b>2,087,892,205</b>	<b>1,181,20</b>
<b>MEDICAL</b>	<b>1,046,452,808</b>	<b>346,43</b>	<b>465,147,078</b>	<b>220,36</b>
Inpatient Hospital	162,271,155	53,72	67,319,556	31,89
Outpatient Facility	78,700,252	26,05	28,054,061	13,29
Health Home Capitation	4,314,610	1,49	1,135,823	0,54
Emergency Room Facility	61,951,060	20,51	38,274,534	18,13
Long-Term Care Facility	11,275,540	3,73	2,210,085	1,00
Primary Physician Services	34,497,932	11,42	23,210,487	11,00
Urgent Care	17,243,679	5,71	12,797,166	6,06
Physician Specialty	121,039,398	40,07	53,048,646	25,13
BHT	17,025,420	5,64	7,199,254	3,41
Mental Health	2,050,521	0,68	617,178	0,29
VSP	3,251,683	1,08	1,365,445	0,65
Other Medical Professional	13,882,957	4,60	5,388,398	2,55
Pharmacy	104,500,319	34,59	34,177,703	16,19
HEP C	5,649,091	1,87	878,748	0,42
DME	8,280,917	2,74	2,640,440	1,25
Pharmacy Rebates	(1,750,000)	(0,58)	(1,43,515)	(0,07)
Home Health and CBAS	4,676,179	1,55	1,423,293	0,67
Other- Ambulance and Non-Emergent Transportation	18,575,529	6,15	8,012,012	3,80
Pay-for Performance Quality Incentive	6,041,400	2,00	4,221,720	2,00
HHP Risk Pool/Incentive	1,294,522	0,43	325,636	0,15
Provider Incentive Payments (Prop 56)	37,990,799	12,58	22,571,500	10,60
Directed Provider Payments	133,083,820	44,06	45,044,841	21,34
Reinsurance Premium	876,003	0,29	364,417	0,17
UM/QA Costs (including Utilization & Quality Review)	25,432,232	8,42	10,462,247	4,96
<b>Total Medical Costs</b>	<b>872,354,997</b>	<b>288,79</b>	<b>370,306,697</b>	<b>175,43</b>
<b>GROSS PROFIT/(LOSS)</b>	<b>174,098,011</b>	<b>57,63</b>	<b>94,840,381</b>	<b>44,93</b>
<b>ADMINISTRATIVE</b>	<b>52,006,675</b>	<b>17,22</b>	<b>21,398,677</b>	<b>10,14</b>
<b>NET PROFIT/(LOSS) BEFORE MCO TAX</b>	<b>122,091,336</b>	<b>40,42</b>	<b>73,441,705</b>	<b>34,79</b>
<b>MCO TAX EXPENSE</b>	<b>120,828,000</b>	<b>40,00</b>	<b>84,434,400</b>	<b>40,00</b>
<b>NET PROFIT/(LOSS) AFTER MCO TAX</b>	<b>1,263,336</b>	<b>0,42</b>	<b>(10,992,695)</b>	<b>(5,21)</b>
<b>MEDICAL LOSS RATIO (EXCLUDING MCO TAX)</b>	<b>93.28%</b>		<b>96.90%</b>	
<b>ADMIN RATIO (EXCLUDING MCO TAX)</b>	<b>6.56%</b>		<b>6.37%</b>	
			<b>5,709,358</b>	<b>32,30</b>
			<b>90,06%</b>	
			<b>6.75%</b>	
			<b>305,725</b>	<b>0,42</b>
			<b>1,116</b>	
			<b>203,861</b>	<b>1,16</b>
			<b>1,181,20</b>	
			<b>372,516,525</b>	<b>508,15</b>
			<b>55,875,827</b>	<b>76,22</b>
			<b>32,838,310</b>	<b>44,79</b>
			<b>1,975,829</b>	<b>2,56</b>
			<b>16,638,984</b>	<b>22,70</b>
			<b>8,588,341</b>	<b>3,90</b>
			<b>3,417,759</b>	<b>11,72</b>
			<b>46,451,139</b>	<b>4,66</b>
			<b>-</b>	<b>63,37</b>
			<b>517,679</b>	<b>0,71</b>
			<b>1,135,616</b>	<b>1,55</b>
			<b>5,818,500</b>	<b>7,94</b>
			<b>43,805,174</b>	<b>59,75</b>
			<b>3,640,525</b>	<b>4,97</b>
			<b>1,943,969</b>	<b>2,65</b>
			<b>(1,043,008)</b>	<b>(1,42)</b>
			<b>941,915</b>	<b>1,28</b>
			<b>5,531,959</b>	<b>7,55</b>
			<b>1,466,160</b>	<b>2,00</b>
			<b>537,793</b>	<b>0,73</b>
			<b>10,742,490</b>	<b>14,65</b>
			<b>65,141,489</b>	<b>88,86</b>
			<b>305,725</b>	<b>0,42</b>
			<b>9,068,385</b>	<b>12,37</b>
			<b>318,104,191</b>	<b>433,93</b>
			<b>54,412,334</b>	<b>74,22</b>
			<b>18,542,461</b>	<b>25,29</b>
			<b>35,869,873</b>	<b>48,93</b>
			<b>29,323,200</b>	<b>40,00</b>
			<b>6,546,673</b>	<b>8,93</b>
			<b>90,98%</b>	
			<b>6,67%</b>	

**KERN HEALTH SYSTEMS  
BUDGETED MEMBER MONTHS  
CY 2020**

	JAN'20	FEB'20	MAR'20	APR'20	MAY'20	JUN'20	JUL'20	AUG'20	SEP'20	OCT'20	NOV'20	DEC'20	CY 2020
<b>MEDI-CAL</b>	<i>INCREASED Amt</i>												
<b>19 &amp; OVER</b>	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	525,600
<b>UNDER 19</b>	123,700	124,100	124,500	124,900	125,300	125,700	126,100	126,500	126,900	127,300	127,700	128,100	1,510,800
<b>SPDS</b>	14,730	14,730	14,730	14,730	14,730	14,730	14,730	14,730	14,730	14,730	14,730	14,730	176,760
<b>TOTAL OTHER</b>	6,205	6,205	6,205	6,205	6,205	6,205	6,205	6,205	6,205	6,205	6,205	6,205	74,460
-Blind/Disabled Dual	3,580	3,580	3,580	3,580	3,580	3,580	3,580	3,580	3,580	3,580	3,580	3,580	42,960
-Aged Dual	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	31,200
-BCCTP	25	25	25	25	25	25	25	25	25	25	25	25	300
<b>MEDI-CAL EXPANSION</b>	60,680	60,680	60,680	60,680	60,680	60,680	60,680	60,680	60,680	60,680	60,680	60,680	728,160
-Expansion Dual	390	390	390	390	390	390	390	390	390	390	390	390	4,680
-Expansion Partial Dual	20	20	20	20	20	20	20	20	20	20	20	20	240
<b>TOTAL MEDI-CAL</b>	249,525	249,925	250,325	250,725	251,125	251,525	251,925	252,325	252,725	253,125	253,525	253,925	3,020,700
<b>Kaiser Membership</b>	8,660	8,660	8,660	8,660	8,660	8,660	8,660	8,660	8,660	8,660	8,660	8,660	103,920
<b>TOTAL COMBINED</b>	258,185	258,585	258,985	259,385	259,785	260,185	260,585	260,985	261,385	261,785	262,185	262,585	3,124,620

**KERN HEALTH SYSTEMS  
MEDI-CAL  
2020 REVENUE BUDGET**

E N R O L L M E N T	
Family and Other	2,110,860
SPD Members	176,760
MCAL Expansion	733,080
<b>SUBTOTAL MEMBERS</b>	<b>3,020,700</b>
Kaiser	
<b>Total Members - MCAL</b>	<b>3,020,700</b>

R E V E N U E S		P M P M	\$
Title XIX - Medicaid Adult & Child		156.57	330,503,420
Title XIX - Medicaid Seniors & Persons w/Disabilities		1,010.50	178,615,454
Title XIX - Medicaid Expansion		378.88	277,746,111
SUBTOTAL PREMIUM REVENUE	(1-7)	260.49	786,864,984
DIRECTED PAYMENT REVENUE	(8)	44.06	133,083,820
Title XIX - Medicaid - MCO TAX	(11)	40.00	120,828,000
<b>TOTAL MEDICAID REVENUE</b>		<b>344.55</b>	<b>1,040,776,805</b>
Interest/Dividends	(9)	1.59	4,800,000
Reinsurance Recoveries	(10)	0.29	876,003
<b>TOTAL REVENUES</b>		<b>346.43</b>	<b>1,046,452,808</b>

REVENUE ASSUMPTIONS

- 1) PREMIUM REVENUE IS BASED ON PRELIMINARY RATES PROVIDED BY DHCS (JANUARY-DECEMBER) ON SEPTEMBER 13, 2019.
- 2) MATERNITY KICK REVENUE INCLUDED IN PREMIUM REVENUE INCLUDES A MONTHLY DELIVERY ASSUMPTION OF 400 DELIVERIES PER MONTH AND IS BASED ON ASSUMED NEW BORN IN MEMBERSHIP INCREASE.
- 3) HEALTH HOME PROGRAM REVENUE INCLUDED IN PREMIUM REVENUE IS BASED ON PRELIMINARY RATES RECEIVED ON JUNE 25, 2019 FOR THE JANUARY - JUNE 2020 PERIOD AND THE JULY-DECEMBER 2020 PERIOD. TOTAL MEMBER MONTHS FOR 2020 IS ASSUMED AT 31,691 NON-DUAL AND 4,345 DUAL MEMBER MONTHS.
- 4) HEP C KICK REVENUE INCLUDED IN PREMIUM REVENUE IS BASED ON 540 MEMBER MONTHS OF TREATMENT AT 19/20 NON 340B RATES RECEIVED 6/25/2019 AND ASSUMES A DECREASE IN UTILIZATION FROM 2019. REVENUE IS BUDGETED TO OFFSET EXPENSE.
- 5) BHT KICK REVENUE INCLUDED IN PREMIUM REVENUE IS BASED ON 5,172 UTILIZER MONTHS OF TREATMENT AT \$3,857 PER MONTH FOR 0-6 YEAR OLDS AND \$2,765 FOR 7-20 YEAR OLDS IN ACCORDANCE WITH 19/20 RATES RECEIVED ON JUNE 13, 2019. REVENUE AND EXPENSE ARE ASSUMED TO BE BUDGET NEUTRAL.
- 6) PROP 56 ADD-ON REVENUE IS BUDGETED WITH 18/19 RATES AS A PLACEHOLDER. REVENUE AND EXPENSE ARE ASSUMED TO BE BUDGET NEUTRAL.
- 7) GEMT ADD-ON REVENUE IS BUDGETED WITH 18/19 RATES AS A PLACEHOLDER. REVENUE AND EXPENSE ARE ASSUMED TO BE BUDGET NEUTRAL.
- 8) DIRECTED PAYMENT ADD-ON REVENUE INCLUDING PHDP, EPP, AND QIP IS BUDGETED WITH 18/19 RATES AS A PLACEHOLDER. REVENUE AND EXPENSE ARE ASSUMED TO BE BUDGET NEUTRAL.
- 9) INTEREST REVENUE IS BASED ON ACTUAL INVESTMENT REVENUE AND ASSUMES SIMILAR PRINCIPAL BALANCES AVAILABLE FOR INVESTMENT AND CURRENT INTEREST RATES. POTENTIAL UNKNOWN GAINS OR LOSSES ARE NOT INCLUDED.
- 10) REINSURANCE RECOVERIES ARE ASSUMED AT 100% OF PREMIUM.
- 11) MCO TAX REVENUE IS BASED ON ESTIMATED PMPM RATES OF \$40.00 IS AN ESTIMATE RECEIVED FROM CAHP MCO TAX WORKGROUP.

**KERN HEALTH SYSTEMS  
2020 MEDICAL BUDGET  
UTILIZATION AND UNIT COST ASSUMPTIONS  
(BASED ON PAID CLAIMS COST HISTORY AUGUST, 2019)**

**FAMILY & OTHER**

	Annualized Increase	
	Unit Cost	Utilization
Inpatient Hospital	3.00%	2.00%
Outpatient Facility	2.00%	1.00%
Emergency Room	3.00%	1.00%
Long Term Care	3.00%	3.00%
Urgent Care	-8.00%	3.00%
Physician Primary Care & Urgent Care	1.00%	1.00%
Physician Specialty	1.00%	1.00%
Other Medical Professional	1.00%	3.00%
Mental Health	1.00%	3.00%
Pharmacy	4.00%	1.00%
Laboratory and Radiology	1.00%	1.00%
Home and Community Based Services	3.00%	5.00%
Other, Ambulance, and Non-Emergency Medical Transportation	5.00%	5.00%

**SENIORS & PERSONS WITH DISABILITIES (SPD)**

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

**EXPANSION**

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

Note: Percentage increases are rounded to the nearest whole percentage.

**2020 ADMINISTRATIVE BUDGET ASSUMPTIONS**

KERN HEALTH SYSTEMS MEDI-CAL ADMINISTRATIVE EXPENSES	2020 BUDGET		2019 ESTIMATED		DIFFERENCE	
	PMPM	\$	PMPM	\$	PMPM	\$
<b>Administrative:</b>						
Compensation	10.61	32,037,317	9.05	27,007,261	1.56	5,030,056
Purchased Services	3.42	10,334,297	2.92	8,711,249	0.50	1,623,048
Supplies	0.47	1,430,519	0.32	966,612	0.15	463,907
Depreciation	1.33	4,002,500	0.87	2,588,682	0.46	1,413,818
Other Administrative Expenses	1.39	4,202,042	1.35	4,031,720	0.04	170,322
<b>Total Administrative Expenses</b>	<b>17.22</b>	<b>\$ 52,006,675</b>	<b>14.50</b>	<b>\$ 43,305,524</b>	<b>2.71</b>	<b>\$ 8,701,151</b>
<b>Member Months</b>		<b>3,020,700</b>		<b>2,985,812</b>		<b>34,888</b>

COMPENSATION

COMPENSATION EXPENSE WAS BASED ON STAFFING LEVELS NEEDED FOR THE GRADUAL ENROLLMENT OF 3,020,700 MEMBER MONTHS.

- 1.) THE 2020 BUDGETED COMPENSATION AMOUNT INCLUDES AN INCREASE OF APPROXIMATELY \$1,400,000 FOR EXPECTED SALARY INCREASES INCLUDING PROMOTIONS, COST OF LIVING INCREASES AND AVERAGE MERIT INCREASE ADJUSTMENTS OF 4.0% FOR EMPLOYEES THAT WORKED A FULL YEAR IN 2019.
- 2.) THE 2020 EXPENSE INCLUDES AN INCREASE OF APPROXIMATELY \$400,000 OVER 2019 FOR A FULL YEAR OF SALARY EXPENSE FOR NEW POSITIONS ADDED DURING 2019.
- 3.) THERE ARE 10 NEW ADMINISTRATIVE POSITIONS INCLUDED IN 2020 FOR AN ESTIMATED INCREASE OF APPROXIMATELY \$900,000 IN ANNUAL SALARY EXPENSE.
- 4.) THE 2020 EXPENSE INCLUDES AN INCREASE OF APPROXIMATELY \$1,000,000 FROM ESTIMATED 2019 EXPENSE DUE TO HIGHER THAN EXPECTED VACANCIES AND TURNOVER EXPERIENCED IN 2019.
- 5.) THE 2020 EXPENSE INCLUDES AN INCREASE OF APPROXIMATELY \$1,200,000 FROM ESTIMATED 2019 EXPENSE DUE TO ESTIMATED INCREASES IN PAYROLL TAXES AND BENEFIT RATES, INCLUDING CALPERS AND EMPLOYER RETIREMENT CONTRIBUTIONS.

PURCHASED SERVICES

- 6.) THE 2020 BUDGET INCLUDES AN EXPECTED INCREASE OF APPROXIMATELY \$1,600,000 FOR ANNUAL SYSTEM LICENSE EXPENSE PRIMARILY DUE TO THE MEDICAL MANAGEMENT PLATFORM AND THE ENHANCED APR/DRG CLAIMS GROUPER SOFTWARE BEING FULLY IMPLEMENTED. IN 2019 LICENSE AND MAINTENANCE EXPENSES ASSOCIATED WITH THE MEDICAL MANAGEMENT PLATFORM WERE CAPITALIZED AS PART OF THE COMPLETION OF THE FINAL PHASE. IN 2019 MOST OF THE EXPENSES RELATED TO THE ANNUAL LICENSE OF THE GROUPER WERE ALSO CAPITALIZED.

SUPPLIES

- 7.) THE 2020 BUDGET INCLUDES AN INCREASE OF APPROXIMATELY \$500,000 OVER THE PROJECTED 2019 SPEND FOR SUCH SUPPLIES AS LETTERHEAD, ENVELOPES, OFFICE EQUIPMENT PURCHASES, AND SUPPLIES RELATED TO MEMBER MAILINGS INCLUDING POSTAGE.

DEPRECIATION

- 8.) THE 2020 DEPRECIATION EXPENSE IS EXPECTED TO INCREASE DUE TO A FULL YEAR OF EXPENSE FOR CAPITALIZED ASSETS COMPLETED AND PUT INTO PRODUCTION IN 2019, INCLUDING THE CONSTRUCTION OF THE NEW BUILDING.

OTHER ADMINISTRATIVE EXPENSES

- 9.) THE 2020 BUDGETED EXPENSE FOR OTHER ADMINISTRATIVE EXPENSES REFLECTS INCREASES IN PROPERTY INSURANCE PREMIUMS, REGULATORY LICENSE FEES, EMPLOYEE TRAINING COSTS, AND EMPLOYEE RECRUITMENT EXPENSE.

ATTACHMENT 6



KERN HEALTH SYSTEMS

2020 BUDGETED FTE BY DEPARTMENT

EXPECTED MEMBERSHIP		249,525	249,925	250,325	250,725	251,125	251,525	251,925	252,325	252,725	253,125	253,525	253,925	3,020,700	TOTAL 2020 FTE ADDITIONS
CC DEPARTMENT	PROJECTED DECEMBER 2019	JAN 2020	FEB 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPT 2020	OCT 2020	NOV 2020	DEC 2020	TOTAL 2020	
110 EXECUTIVE	5	1	-	-	-	-	-	-	-	-	-	-	-	6	1
210 FINANCE	15	-	-	-	-	-	-	-	-	-	-	-	-	15	-
220 INFORMATION TECHNOLOGY	17	2	-	-	-	-	-	-	-	-	-	-	-	19	2
221 BUSINESS INTELLIGENCE	17	-	-	-	-	-	-	-	-	-	-	-	-	17	-
222 MIS DEVELOPMENT	17	-	-	-	-	-	-	-	-	-	-	-	-	17	-
230 CLAIMS	57	2	-	-	-	-	-	-	-	-	-	-	-	59	2
240 PROJECT MANAGEMENT	9	-	-	-	-	-	-	-	-	-	-	-	-	9	-
310 UM	61	-	-	-	1	-	-	-	-	-	-	-	-	62	1
314 HEALTH HOME	10	8	-	2	-	-	-	-	-	-	-	-	-	20	10
315 CASE MANAGEMENT	25	-	-	-	-	-	-	-	-	-	-	-	-	25	-
311 QI	14	4	-	-	-	-	-	-	-	-	-	-	-	18	4
312 HEALTH ED	11	1	-	-	-	-	-	-	-	-	-	-	-	12	1
313 PHARMACY	11	-	-	-	-	-	-	-	-	-	-	-	-	11	-
616 DISEASE MANAGEMENT	9	-	-	-	-	-	-	-	-	-	-	-	-	9	-
320 PROVIDER NETWORK MANAGEMENT	25	3	-	-	-	-	-	-	-	-	-	-	-	28	3
330 MEMBER SERVICES/ENGAGEMENT	82	1	-	-	-	-	-	-	-	-	-	-	-	83	1
340 CORPORATE SERVICES	7	1	-	-	-	-	-	-	-	-	-	-	-	8	1
360 COMPLIANCE	6	-	-	-	-	-	-	-	-	-	-	-	-	6	-
420 MARKETING	5	-	-	-	-	-	-	-	-	-	-	-	-	5	-
510 HR	13	-	-	-	-	-	-	-	-	-	-	-	-	13	-
<b>TOTAL</b>	<b>416</b>	<b>23</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>442</b>	<b>26</b>

The KHS CEO met with each department to go over all departmental budgets and staffing requirements. The 2020 Budget has additional staffing requirements of twenty-six (26) net new FTEs due to implementing the 2020 projects required to meet the 2020 Strategic Goals and Objectives, continuing growth and complexities in our technology requirements, and the more complex populations that are being assigned to Managed Care Plans in California.

Staffing changes are required for the following departments:

- Executive Department requires 1 FTE to broaden its service capacity to accommodate new aid categories, specialty care populations (e.g. HHP, Palliative Care, CBAS) and expanded benefits (e.g. Autism, Mental Health and Transportation). This trend will continue over the next three years leaving KHS with an even bigger footprint in the MediCal Program. Long Term Care and Organ Transplants will be provided by KHS beginning 2021. A new waiver program called CalAIM will start in 2021 representing the most ambitious reform of MediCal since the Affordable Care Act in 2014. This new waiver includes 8 core initiatives with immediate demands and implications for KHS impacting enrollment, quality, population health management, enhanced coverage to dual eligible (MA and MC) members and MCAL rate reform. For KHS's part, changes will involve every aspect of the health plan (human resources, technology and business processing and reporting) warranting a significant investment in preparation and launch. Currently the Government Relations and Strategic Development role is being performed by the Project Management Director. Given the size and scope of activity soon to be undertaken, KHS will need to separate the Government Relations and Strategic Development role so that we may adequately prepare for this onslaught of new responsibilities. Beginning 2020, a new position will be created separating Government Relations and Strategic Development from Project Management. Reporting to the Chief Executive Officer, this new position is responsible for government affairs, working with Management in advocacy efforts with State and National legislators and coordinating with Trade Associations and other stakeholders on policy or regulation that impacts KHS. Also, this position will manage the planning, development, and work with internal KHS teams on implementation of new business opportunities.
- Information Technology requires 2 FTEs to keep up with demand for more sophisticated information reporting and performance requirements on Medi-Cal health plans from DHCS, DMHC and NCQAA. One FTE is required in Network Administration to support the robust KHS Network and the Call Center needs for system changes; One FTE is required in helpdesk to assist with the volume increase due to new systems and end user support.
- Claims Department requires 2 FTEs to implement necessary activities and responsibilities to meet the demand of growing DHCS Encounter Standards. DHCS expanded standards for Encounter submissions which must be met in 2020 to receive credit for the encounters in our Rate Development Template submissions and to avoid sanctions and penalties. This function is a new responsibility for the Claims Department.  
**(Necessary to fulfill DHCS performance standards and service requirements in 2020)**

2 of 5

Attachment 7

- Utilization Management requires 1 FTE to meet the increased demand for review of claims and for claim disputes for medical necessity. This FTE would complete the clinical review of member appeals as part of the grievance and appeal process which averages 50 cases per month. Additionally, the FTE would be utilized for medical necessity auditing when needed for utilization appropriateness.
- Health Homes requires 10 new FTEs for budget year 2020. According to the DHCS regulations and KHS' ongoing efforts to expand the health homes program services, there is a need to increase member enrollment for this program as well as clinic sites. For this year, we are planning on implementing 3-5 community provider HHP sites. The Health homes program will need 1 Supervisor to manage an additional 9 full time staff that will be stationed out at community provider offices. This will require more intense supervision of staff. The program currently does not have a supervisor that can accommodate the responsibility of an additional 9 staff.

The Health Homes Program will require 5 Advocates that will be Certified Medical Assistants that will be located at each Health Homes Program site to distribute and track all member incentives, oversee the completion of Health Action Plan, monitor daily activity ensuring claims submission, daily review of internal reports from KHS to make sure appropriate staff members are aware of a member's status (Inpatient, Discharged, ER, UC) and various other duties. The HHP Advocate will play a key role in member engagement and maximize participation in the program. The Health Homes Program will also need 4 Care Coordinators that will be responsible for the HHP services for the Distributive Model Health Home Programs. The care coordination member ratio outlined by the State's Health Home Program requires a 1:60 ratio. The Care Coordinators will start with a slightly higher ratio and will be responsible for the clinical and social services coordination at provider offices identified for an HHP site. They will also assist with outreach, enrollment, member incentives and G-Code encounters.

**(Necessary to fulfill DHCS requirements in 2020)**

- Quality Improvement requires 4 FTEs. Three are Nursing Facility Site Reviewers and one is in a Manager Role. DHCS has changed the Facility Site Review (FSR) audit and process. The changes they have made will take 2 ½ - 3 times longer than the current process. This has been validated internally by trying the new tool and discussions with other health plans. The changes have been initiated by DHCS and will be fully in place by July 1, 2020. The implementation by DHCS is progressive and will continue to increase between now and the full implementation date. Currently, we have 4 nurses doing FSRs. We are implementing a software program that will provide some automation of the audit process and reduce the need for additional new FTEs by approximately 1/3. Adding 3 more nurses will put us at 7 RN FTEs for FSRs. We will evaluate if more nurses are needed as the new audit tools, requirements and processes are implemented. Currently the only layer of management in QI is the Director who is doing all management duties from supervisor level to Director. In order to support the development of a high functioning team and a department that is able to complete work required for submission to DHCS, the addition of a manager is required. In lieu of adding a supervisor, we will leverage two existing nurses to serve in lead roles.

**(Necessary to fulfill DHCS requirements in 2020)**

- Health Education requires 1 FTE to expand KHS' cultural and linguistic program efforts to meet the interpreting and translation service needs of a growing and diverse membership. Requests for written translations have increased by 30% and requests for in-person interpreter services have increased by 27%. This position will allow KHS to continue meeting the cultural and linguistic needs of its membership as contractually required by DHCS and strengthen its presence within the KHS provider network through onsite trainings on cultural competency and effective communication with Limited English Proficient members.

**(Necessary to fulfill DHCS requirements in 2020)**

- Provider Network Management requires 3 new FTEs. One Contract Manager, one Community Resources Specialist, and one Provider Relations Representative - Projects. The Contract Manager will provide assistance in the overall provider contracting process. Since 2019, there are several new pass-through funding sources that will need to be incorporated into the overall provider compensation structure for par and non-par providers. Pass-through funding sources include: Intergovernmental Transfer (IGT), Proposition 56, GEMT, HYDE, potential Prop56 conversion into Alternative Payment Methodologies (APM), Pay for Performance (P4P), and Hospital Directed Payments (HDP) and will be responsible for reporting on the fiscal impact during contract negotiations. This is a crucial item prior to utilizing reports for analytics that will have an impact on a decision. The Contracts Manger will attend meetings to become familiar with the back end operations of a contract and assist with provider claims communication, as well as assist with restructuring a contract term.

The Community Resources Specialist will work closely with the Community Resources Manager to assist in the development and implementation of the new Community Resources Program (CRP), a collaborative with community resource leaders, public agencies, social services employees, local government agencies, providers, and staff to provide available community resources to KHS members. The Community Resources Specialist will conduct program analysis, identify community resources needed to compliment case management efforts provided by KHS, coordinate technical resources needed for CRP, create and maintain program tracking reports, assist in the preparation of business plans, MOU's, and financial projections.

The Provider Relations Representative – Special Projects will be responsible for assisting the PR Manger with the assigned corporate projects, currently estimated at 3 FTEs for 2020. Over the last several years, the personnel resource demand for PNM has increased to the point that 1.0 FTE is required for the assigned corporate projects work. We will utilize a temp as back up to cover the remaining FTE resource demand.

- Member Services requires 1 FTE to assist with meeting the growing demand of the DHCS regulated NEMT/NMT transportation benefit. This position will primarily focus on the overall day-to-day operations, processes and coordination of the benefit between Member Services and our contracted transportation vendor. Responsibilities would include reporting, Fraud Waste and Abuse prevention, cost control, and innovative ways to improve ride-share availability in rural communities of our membership network.  
**(Necessary to fulfill DHCS performance standards and service requirements in 2020).**
- Corporate Services requires 1 FTE to assist with the management and maintenance of all new facilities systems that support the new building. This position will also be responsible for tracking and ensuring that KHS remains in compliance with the Department of Industrial Relations (DIR) and the California Uniform Public Construction Cost Accounting Act (CUPCAA).

**KERN HEALTH SYSTEMS  
2020 CAPITAL BUDGET**

ITEM	CORPORATE PROJECTS	QTR	QUANTITY	COST PER ITEM	TOTAL	NOTES
1	Interoperability and Patient Access Rule	1,2,3,4	1	\$ 1,500,000	\$ 1,500,000	
2	Enterprise Data Warehouse	1,2,3,4	1	\$ 1,252,740	\$ 1,252,740	
3	Specialty Medical Management System	1,2,3,4	1	\$ 594,800	\$ 594,800	
4	Business Continuity and Disaster Recovery System	1,2,3,4	1	\$ 591,200	\$ 591,200	
5	Health Homes Distributive Model	1,2,3,4	1	\$ 387,900	\$ 387,900	
6	Electronic Medical Record (EMR) Data Collection	1,2,3	1	\$ 350,000	\$ 350,000	
7	Self Service Reporting Software	1,2,3,4	1	\$ 272,450	\$ 272,450	
8	Texting Software	1,2,3	1	\$ 133,850	\$ 133,850	
9	Connected Community Software	1,2,3	1	\$ 130,000	\$ 130,000	
10	Managed Care Accountability Set (MCAS) Software	3,4	1	\$ 75,000	\$ 75,000	
11	Credentialing Software	1,2	1	\$ 50,000	\$ 50,000	
12	Automated Member Display Software	1,2	1	\$ 25,000	\$ 25,000	
<b>CORPORATE PROJECTS SUBTOTAL</b>					<b>5,362,940</b>	
<hr/>						
	<b>OFFICE FURNITURE &amp; EQUIPMENT</b>	<b>QTR</b>	<b>QUANTITY</b>	<b>COST PER ITEM</b>	<b>TOTAL</b>	
13	Building Equipment and Furniture	1,2,3,3	1	\$ 343,000	\$ 343,000	
14	Cubicle Sound Masking System	1,2,3,4	2	\$ 25,000	\$ 50,000	
15	Learning and Development Media Room Equipment	1,2,3	1	\$ 22,865	\$ 22,865	
16	Copiers and Printers	1,2,3,4	2	\$ 8,500	\$ 17,000	
<b>OFFICE FURNITURE &amp; EQUIPMENT SUBTOTAL</b>					<b>\$ 432,865</b>	
<hr/>						
	<b>TECHNOLOGY</b>	<b>QTR</b>	<b>QUANTITY</b>	<b>COST PER ITEM</b>	<b>TOTAL</b>	
17	Server Hardware	1,2,3,4	1	\$ 230,000	\$ 230,000	
18	Intrusion Detection/Protection Software	1,2,3,4	1	\$ 75,000	\$ 75,000	
19	Cell Phone Signal Enhancement System	1,2	8	\$ 6,500	\$ 52,000	
20	Network Hardware	1,2,3,4	2	\$ 25,000	\$ 50,000	
21	Laptop Hardware	1,2,3,4	20	\$ 2,500	\$ 50,000	
22	Human Resources Document Management Software	1,2,3,4	1	\$ 50,000	\$ 50,000	
<b>TECHNOLOGY SUBTOTAL</b>					<b>\$ 507,000</b>	
<hr/>						
<b>TOTAL 2020 CAPITAL ITEMS</b>			<b>\$</b>	<b>6,302,805</b>		

## 2020 Capital Summary

### Corporate Projects

#### **1. Interoperability and Patient Access Rule**

U.S. Department of Health and Human Services (HHS) proposed new rules to support seamless and secure access, exchange, and use of electronic health information. The rules are designed to increase choice and competition while fostering innovation that promotes patient access to and control over their health information. The proposed Office of National Coordinator rule would require that patient electronic access to this electronic health information (EHI) be made available at no cost. CMS' proposed changes to the healthcare delivery system would increase the seamless flow of health information, reduce burden on patients and providers, and foster innovation by unleashing data for researchers and innovators. KHS will need to build or buy technical infrastructure and services to accommodate the new rule.

(Budgetary Impact: \$1,500,000.)

#### **2. Enterprise Data Warehouse**

The Enterprise Data Warehouse (EDW) is the centralized repository that KHS uses to aggregate its various data feeds (i.e. Lab, Claim, Rx, Social Determinants, Immunization, etc.). The current data repository is over ten years old and will need to be modernized to continue to support the analytics and reporting of KHS. KHS leverages the EDW for almost every analytic and software application in the company. This data repository is responsible for all regulatory reporting and encounter data that is delivered to DHCS.

(Budgetary Impact: \$1,252,740.)

#### **3. Specialty Medical Management System**

KHS Medical Management is reviewing Specialty Services Management solution(s) that appropriately contains cost, offers access to the right care in the right setting, and effectively addresses member needs. Areas of focus include:

- a. Radiology-routine/advanced
- b. Cardiology-routine/advanced/invasive/implants
- c. Prosthetics
- d. Interventional pain
- e. Medical Oncology

This project will procure a delegated medical management system from a third party that will allow for integration with the KHS Provider Portal (HealthX) and the Medical Management System (JIVA) to process referrals of the stated focus areas. The outcome of the project is expected to reduce the review of specialty authorizations by 20%.

(Budgetary Impact: \$594,800.)

## 2020 Capital Summary

### **4. Business Continuity and Disaster Recovery System**

KHS maintains a Disaster Recovery (DR) plan in the event a significant disruption to the operations or computer system processing occurs for an unexpected period of time. Over the last year, KHS has replaced its backup procedures from the Fresno co-location facility to the Microsoft Azure Cloud. These fundamental changes require that KHS update its Disaster Recovery policy and procedures in order to ensure the continuous safeguard of KHS information systems and Personal Healthcare Information (PHI).

(Budgetary Impact: \$591,200.)

### **5. Health Homes Distributive Model**

Kern Family Health Systems (KFHS) went live in July 1, 2019 with the DHCS State mandated Health Home Program (HHP) in compliance with all DHCS Program requirements. KFHS will develop and implement a Distributive Health Home model within KFHS to serve eligible members identified in community PCP offices. These members will stay with their PCP and receive the enhanced services offered through the HHP via the Health Plan. This will require that KHS create new policy and procedures to support a modified HHP model compared to the existing program. As a result, the existing systems will need to be modified to accommodate the distributed model changes and support the overall program. Lastly, there will be new reporting and analytic requirements that will be created to manage the Health Home distributive model.

(Budgetary Impact: \$387,900.)

### **6. Electronic Medical Record (EMR) Data Collection**

DHCS has established a new Managed Care Accountability Set (MCAS) or measures for Medi-Cal Managed Care Plans (MCPs). In addition to more measures, plan results for the measures will be compared to the minimum performance level (MPL) of the 50th percentile with Corrective Action Plans (CAPS) and financial sanctions being imposed for any measures not meeting the MPLs. Also of note, is that DHCS is strongly encouraging MCPs to move toward electronic data collection for validation of MCAS measures versus manual record reviews. KHS' ability to capture and report data demonstrating compliance with the MCAS measures will improve our overall performance. This proposal is to obtain and systematically leverage the Electronic Medical Record (EMR) data to use for the MCAS software. Electronically capturing data from the electronic medical record is needed to reduce staffing resources for manual medical record review to gather validation evidence of compliance for the MCAS measures.

(Budgetary Impact: \$350,000.)

### **7. Self-Service Reporting Software**

KHS will be replacing the self-service reporting tool that will allow employees to generate analytics or reports on demand. Self-service reporting will increase the end users experience in retrieving routine requests without having to wait for the technical staff. The software that KHS purchased in 2007 is at end of life and will require significant upgrades and redesign. The centralized Business Intelligence unit is responsible for the self-service reporting tool, and will publish a Request for Proposal (RFP) to replace the existing system.

(Budgetary Impact: \$272,450.)



## 2020 Capital Summary

### **8. Texting Software**

Data from a May 10, 2019 analysis shows that, of members who were asked if they would like text messages from the health plan, 67% answered yes to texting. The texting project will help KHS achieve better health outcomes for our members by increasing engagement and improving communication through meaningful, personalized and interactive dialog. Additionally, when surveyed, members responded that their second most preferred method of communication from the health plan is text messaging.

(Budgetary Impact: \$133,850.)

### **9. Connected Community Software**

KHS was approached by the United Way and Dignity to collaboratively fund a new software solution that will provide a referral workflow to Community Based Organizations (CBO's). The software solution is provided by Unite Us (<https://www.uniteus.com/>) and will allow KHS to integrate its JIVA Medical Management system to review and manage the various social determinants that members require. This will create linkages amongst clinical providers and local community organizations that provide services vital to underserved populations. Its aim is to build a robust digital infrastructure connecting clinics, hospitals, community service organizations and other relevant partners to efficiently communicate and coordinate care, provide access to comprehensive resources, refer people to eligible programs, and track outcomes. It is a dynamic network of community partners collectively addressing the social determinants of health and ultimately linking anyone who needs help to appropriate community resources.

(Budgetary Impact: \$130,000.)

### **10. Managed Care Accountability Set (MCAS) Software**

DHCS has established a new Managed Care Accountability Set (MCAS) or measures for Medi-Cal Managed Care Plans (MCPs). The results measure KHS' performance against the measures. Effective in 2019, the MCAS measures have been expanded significantly. This project will work with key KHS stakeholders to purchase the MCAS software (aka HEDIS) for the computation of the new MCAS measures for the contractual submission to the DHCS.

(Budgetary Impact: \$75,000.)

### **11. Credentialing Software**

KHS uses the Symplr credentialing software to manage the plan's provider network. The software has two new modules that will be installed and configured to increase productivity during the credentialing process. This project will provide the support to define and build the new processes within the software for the Provider Management department.

(Budgetary Impact: \$50,000.)

## 2020 Capital Summary

### **12. Automated Member Display Software**

KHS will integrate its Cisco Call Center software with the Cognizant QNXT core system to identify members as they call customer service based on the inbound dialing phone number. This will allow Member Services to immediately identify the member and provide customer service, after confirmation of the member's identity, without having to ask the member for their personal information.

(Budgetary Impact: \$25,000.)

## **Office Furniture**

### **13. Building Equipment and Furniture**

The new Buck Owens facility is significantly larger than the previous facilities and will require new furniture and equipment for conference rooms, new cubicles, offices, and other common areas. KHS will procure new equipment and furniture over the 2020 budget year to accommodate employee growth and to complete the existing space.

(Budgetary Impact: \$343,000.)

### **14. Cubicle Sound Masking System**

The new facility has many large open areas that have created various noise challenges related to phone calls and conversations. There is technology that will assist in the masking of these types of sounds to eliminate the noise distractions for employees. This project will procure a white noise technology and install it at the new KHS building.

(Budgetary Impact: \$50,000.)

### **15. Learning and Development Media Room Equipment**

The Corporate Learning and Development team creates various professional presentations to train and educate staff and providers. These presentations and electronic materials require audio and video work that is developed in a media room that allows for the audio recording of staff to provide a professional sound in the work. Examples of work product created in the media room are the following: online provider portal training; employee monthly safety content; annual staff training.

(Budgetary Impact: \$22,865.)

### **16. Copiers and Printers**

Annually, KHS reviews the large copier and printing devices in the organization for utilization, output, and normal wear and tear. This expenditure will allow for replacement of two copiers to ensure that the copier and printers are well maintained and serviceable for staff to utilize.

(Budgetary Impact: \$17,000.)

## 2020 Capital Summary

### Technology

#### **17. Server Hardware**

Annually, KHS procures server and storage equipment to replace existing hardware based on the life cycle and the cost to support. The server hardware will support both retirement of existing equipment and provide growth for the KHS infrastructure. This project will procure additional disk and server space for the 2020 calendar year.

(Budgetary Impact: \$230,000.)

#### **18. Intrusion Detection/Protection Software**

KHS is responsible for safeguarding the Personal Healthcare Information (PHI) of its constituents. There are various security techniques to ensure that unauthorized access has occurred within a data network, and the Intrusion Detection/Projection (IDS/IPS) Software is an industry standard solution. This project will create an RFP for a IDS/IPS solution to be implemented within KHS.

(Budgetary Impact: \$75,000.)

#### **19. Cell Phone Signal Enhancement System**

The new building has very poor cellular phone service, and there is technology that increases the cellular signal in large buildings. Verizon and AT&T provide hardware that can be installed within KHS to improve the cell phone signal for employees. This project will procure, install, and configure this equipment for the new facility.

(Budgetary Impact: \$52,000.)

#### **20. Network Hardware**

The KHS data network that supports KHS computers and servers requires two new modules to support the increased speed that KHS has designed with the new building. This project will procure the new network hardware and install it in the new building infrastructure.

(Budgetary Impact: \$50,000.)

#### **21. Laptop Hardware**

KHS will replace twenty laptops in 2020 that are no longer supported by the manufacturer.

(Budgetary Impact: \$50,000.)

#### **22. Human Resources Document Management Software**

The KHS HR department will procure a software solution that will allow the Human Resources department to isolate its employee documents in an alternative technology solution to eliminate any unauthorized access. This solution will provide Human Resources an offsite location to manage employee documents.

(Budgetary Impact: \$50,000.)





**TO:** KHS Finance Committee  
**FROM:** Richard M. Pruitt, CIO  
**DATE:** December 6, 2019  
**RE:** 2020 Professional Services

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**Background**

In 2019, KHS engaged in a variety of complex corporate projects such as State Encounters, Clinical Engagement, Network Modeling, New Building Occupation, Health Homes, and Hospital Directed Payments. The company has been very successful with the 2019 portfolio, and next year, 2020, the project expectations are very complex.

Each year, the technology team augments the department staff, by outsourcing with professional technical consultants, thus avoiding full-time employee hires, to accommodate the resource requirements of the corporate projects. During the organization's annual project and resource planning, the technology department identified the need for eighteen (18) resources to adequately staff the twenty (20) corporate projects.

The attached Power Point outlines the 2020 scheduled Corporate Projects along with the methodology and regiment that KHS uses to define how many resources for each project are needed in order to properly manage the work efforts.

**Requested Action**

Approve; Authorize the Chief Executive Officer to approve contracts associated with the procurement of Professional Technical Resources for labor needed to complete the 2020 corporate projects with various consulting companies in the amount not to exceed **\$4,236,600** in the 2020 budgeted operating and capital expense.



2020 Project Consulting  
Professional Services  
December 2019

Richard M. Pruitt

## Agenda

- General Overview
- Sequence of Events
- Professional Services Vendors
- 2019/2020 Corporate Projects and Planning
- Expenditures
- Benefits of Outsourcing
- Board of Directors Request

## General Overview

In 2019, KHS engaged in a variety of complex corporate projects such as State Encounters, Clinical Engagement, Network Modeling, New Building Occupation, Health Homes, and Hospital Directed Payments. The company has been very successful with the 2019 portfolio, and next year, 2020, the project expectations are very complex.

Each year, the technology team augments the department staff, by outsourcing with professional technical consultants, thus avoiding full-time employee hires, to accommodate the resource requirements of the corporate projects. During the organization's annual project and resource planning, the technology department identified the need for eighteen (18) resources to adequately staff the twenty (20) Corporate Projects.



## Sequence of Events

- Professional Services Vendors RFP Process Performed (2017)
- Update Rate Sheets (2020) with Vendors
- Annual Corporate/Department Project Approval
- Annual Resource Planning
- Annual Budget Process
- Create recommendation for the Board of Directors.

## Professional Services Vendors

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

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

## 2019 Corporate Projects

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

## 2020 Corporate Projects

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	HEDIS Quality Measures Revisions											
2	RDT Reconciliation											
3	Category of Aid Reconciliation											
4	CACTUS Upgrade											
5	Self Service Reporting											
6	Business Continuity Plan for New Facility and Test											
7	HHP 2020 - Distributive Model											
8	Enterprise Data Warehouse											
9	Specialty Med Mgmt											
10	Texting Solution											
11	Medical Management System Upgrade (and CWQI)											
12	MCAS Data Submission and Auditing Project Management (previously HEDIS)											
13	HHP 2020 - CSV Health Homes											
14	Member Engagement - HHP											
15	QNXT 5.6R4 Upgrade with Networx and CES KB Update											
16	Standard Supplemental Data Collection											
17	Connected Community Network/United Way Platform											
18	Member Rewards Replacement Program											
19	Automated Member Display											

# 2020 Resource Planning

#	Project Name	RESOURCES									
		SM	BIA	DA	Config	OPS	DEV	EDI	DBA	ADM	Total
1	HEDIS Quality Measures Revisions	40	30	60					60		278
2	RDT Reconciliation	40	30	30				30	30		270
3	CACTUS Upgrade	120	30	350		150	150	60	60		1,690
4	Category of Aid Reconciliation	40	30				60	60	60		360
5	Automated Member Display	130	76	76	46	144	272		106		1,466
6	Business Continuity and Disaster Recovery System	250	82	112	142	1,102	262	262	262		4,058
7	Connected Community Software	190	79	259	139	79	147	98	559		2,782
8	Connected Community Software	250	382	1,102	262	262	502	262	5,088		10,222
9	New Health Homes	130	76	106	496	256	106	46	262		2,182
10	Health Homes Distributive Model	250	82	202	496	256	202	216	262		3,550
11	MCAS Data Submission and Auditing Project Mgmt	130	76	736		256			106		1,854
12	Medical Management System Upgrade (and CWQI)	190	79	139	619	537	259	79	519		4,005
13	Member Engagement	130	76	136	256	46	262		262		1,784
14	Member Rewards Replacement Program	80	78	58		58	58		64		1,188
15	QNXT 5.6R4 Upgrade with Networx and CES KB Update	90	74	314	314	254	254	194	268		2,290
16	Self-Service Reporting Software	250	742	1,462	102	142		102	82		4,730
17	Specialty Medical Management System	250	82	202	742	502	426	82	262		4,132
18	Electronic Medical Record (EMR) Data Collection	190	79	499	379	139		379	758		3,039
19	Texting Software	190	79	379	259	139	139		259		2,368
20	Maintenance	2,080	9,300	2,400	7,000	7,200	4,100	3,900	3,600	4,000	43,580
	<b>Estimated Hours Needed:</b>	<b>5,020</b>	<b>11,562</b>	<b>8,622</b>	<b>11,252</b>	<b>11,522</b>	<b>7,199</b>	<b>5,770</b>	<b>12,929</b>	<b>4,000</b>	<b>95,828</b>
	<b>Estimated FTE Need:</b>	<b>3.5</b>	<b>8.0</b>	<b>6.0</b>	<b>7.8</b>	<b>8.0</b>	<b>5.0</b>	<b>4.0</b>	<b>9.0</b>	<b>2.0</b>	<b>53.3</b>
	<b>Available Resources:</b>	<b>0.0</b>	<b>8.0</b>	<b>5.0</b>	<b>5.0</b>	<b>6.0</b>	<b>5.0</b>	<b>3.0</b>	<b>4.0</b>	<b>0.0</b>	<b>36.0</b>
	<b>Variance:</b>	<b>3.5</b>	<b>0.0</b>	<b>1.0</b>	<b>2.8</b>	<b>2.0</b>	<b>0.0</b>	<b>1.0</b>	<b>5.0</b>	<b>2.0</b>	<b>17.3</b>
	<b>Variance:</b>	<b>3.5</b>	<b>0.0</b>	<b>1.0</b>	<b>2.8</b>	<b>2.0</b>	<b>0.0</b>	<b>1.0</b>	<b>5.0</b>	<b>2.0</b>	<b>17.3</b>
	<b>Request:</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>2</b>	<b>18.0</b>



## Expenditures

YEAR	PROJECTS	RESOURCES	REQUESTED	ACTUAL	VARIANCE
2018	16	18	\$3,979,641	\$3,971,647	\$7,994
2019*	21	24	\$5,321,753	\$4,806,716	\$515,037
2020	20	18	\$4,236,600	N/A	N/A

\* Variance forecasted based on September Actuals

## Benefits of Outsourcing

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

## Board of Directors Request

- Authorize the CEO to approve contracts associated to procurement of Professional Technical Resources with various consulting companies in the amount not to exceed \$4,236,600 in operating and capital expenses associated for labor needed to complete the 2020 corporate projects.



## Questions

Please contact:

Richard M. Pruitt

661-664-5078

[richard.pruitt@khs-net.com](mailto:richard.pruitt@khs-net.com)





**To: KHS Finance Committee**  
**From: Robert Landis, CFO**  
**Date: December 6, 2019**  
**Re: September 2019 Financial Results**

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The September results reflect a \$1,756,162 Net Increase in Net Position which is a \$1,171,367 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$8.4 million favorable variance primarily due to:
  - A) \$1.6 million favorable variance in Family and Other primarily due to a higher than expected budgeted rate increase from the State.
  - B) \$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).
  - C) \$1.6 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 2E below.
  - D) \$.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 2E below.
  - E) \$.2 million favorable variance relating to higher than expected BHT Revenue offset against expenses included in 2B below.
  - F) \$1.8 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 \$5.1 million unfavorable variance primarily due to:
  - A) \$1.1 million favorable variance in Physician Services primarily due to realizing Urgent Care contract rate reductions that took place during the 2<sup>nd</sup> Quarter of this year.
  - B) \$.4 million unfavorable variance in Other Professional Services primarily due to higher than expected utilization of BHT services for SPD and Family & Other members offset against amounts included in 1E above.

- C) \$2.0 million unfavorable variance in Inpatient primarily due to higher than expected utilization.
- D) \$.4 million unfavorable variance in Outpatient Hospital primarily due to higher than expected utilization by Expansion members.
- E) \$3.4 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 (\$1.8 million) offset against revenue included in 1C above. There was also an unfavorable variance in Ambulance and NEMT (\$.7 million) and Long Term/SNF/Hospice Services (\$.6 million) primarily due to higher than expected utilization, and accruing for estimated unbudgeted expenses for supplemental GEMT services (\$.4 million) offset against revenue included in 1D above.

3) \$1.8 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 September Medical Loss Ratio is 90.9% which is favorable to the 92.4% budgeted amount. The September Administrative Expense Ratio is 5.9% which is favorable to the 6.2% budgeted amount.

The results for the 9 months ended September 30, 2019 reflect a Net Increase in Net Position of \$8,036,311. This is a \$12,630,680 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 93.0% which is favorable to the 94.2% 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  
September 2019**

**KHS – Medi-Cal Line of Business**

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

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

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

**KHS Administrative Analysis and Other Reporting**

Monthly Member Count	Page 15
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KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF SEPTEMBER 30, 2019			
ASSETS	SEPTEMBER 2019	AUGUST 2019	INC(DEC)
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 75,362,159	\$ 92,496,905	\$ (17,134,746)
Short-Term Investments	128,202,517	114,072,333	14,130,184
Premiums Receivable - Net	114,117,026	98,498,142	15,618,884
Interest Receivable	395,834	526,573	(130,739)
Other Receivables	1,541,422	1,705,503	(164,081)
Prepaid Expenses & Other Current Assets	2,026,505	2,341,363	(314,858)
<b>Total Current Assets</b>	<b>\$ 321,645,463</b>	<b>\$ 309,640,819</b>	<b>\$ 12,004,644</b>
<b>RESTRICTED ASSETS</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ -</b>
<b>CAPITAL ASSETS - NET OF ACCUM DEPRES:</b>			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	10,992,625	10,517,941	474,684
Automobiles - Net	28,507	29,285	(778)
Building Project	35,049,823	33,952,322	1,097,501
Capital Projects in Progress	15,910,798	15,855,859	54,939
<b>Total Capital Assets</b>	<b>\$ 66,072,459</b>	<b>\$ 64,446,113</b>	<b>\$ 1,626,346</b>
<b>LONG TERM ASSETS:</b>			
Officer Life Insurance Receivables	703,552	703,894	(342)
<b>Total Long Term Assets</b>	<b>\$ 703,552</b>	<b>\$ 703,894</b>	<b>\$ (342)</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 2,657,573</b>	<b>\$ 2,657,573</b>	<b>\$ -</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 391,379,047</b>	<b>\$ 377,748,399</b>	<b>\$ 13,630,648</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts Payable	\$ 24,280	\$ 46,976	(22,696)
Accrued Salaries and Employee Benefits	2,879,035	2,725,608	153,427
Accrued Other Operating Expenses	4,248,604	3,057,486	1,191,118
Accrued Taxes and Licenses	30,443,922	20,278,678	10,165,244
Claims Payable (Reported)	19,853,635	18,592,366	1,261,269
IBNR - Inpatient Claims	25,900,436	26,576,342	(675,906)
IBNR - Physician Claims	14,545,298	12,901,249	1,644,049
IBNR - Accrued Other Medical	21,585,683	22,524,096	(938,413)
Risk Pool and Withholds Payable	3,053,926	3,403,320	(349,394)
Statutory Allowance for Claims Processing Expense	2,326,151	2,326,151	-
Other Liabilities	50,996,328	51,550,540	(554,212)
<b>Total Current Liabilities</b>	<b>\$ 175,857,298</b>	<b>\$ 163,982,812</b>	<b>\$ 11,874,486</b>
<b>NONCURRENT LIABILITIES:</b>			
Net Pension Liability	5,490,163	5,490,163	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 5,490,163</b>	<b>\$ 5,490,163</b>	<b>\$ -</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 364,304</b>	<b>\$ 364,304</b>	<b>\$ -</b>
<b>NET POSITION:</b>			
Net Position - Beg. of Year	201,630,971	201,630,971	-
Increase (Decrease) in Net Position - Current Year	8,036,311	6,280,149	1,756,162
<b>Total Net Position</b>	<b>\$ 209,667,282</b>	<b>\$ 207,911,120</b>	<b>\$ 1,756,162</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 391,379,047</b>	<b>\$ 377,748,399</b>	<b>\$ 13,630,648</b>

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED SEPTEMBER 30, 2019			YEAR-TO-DATE MEMBER MONTHS		
						ACTUAL	BUDGET	VARIANCE
<b>ENROLLMENT</b>								
168,104	170,200	(2,096)	Family Members	1,504,052	1,517,400	(13,348)		
61,283	59,675	1,608	Expansion Members	541,952	537,075	4,877		
15,300	14,200	1,100	SPD Members	134,670	127,800	6,870		
6,590	5,600	990	Other Members	57,715	50,400	7,315		
8,858	8,400	458	Kaiser Members	76,969	75,600	1,369		
260,135	258,075	2,060	Total Members - MCAL	2,315,358	2,308,275	7,083		
<b>REVENUES</b>								
27,444,092	24,465,325	2,978,767	Title XIX - Medicaid - Family and Other	227,740,610	213,099,132	14,641,478		
23,117,928	22,329,139	788,789	Title XIX - Medicaid - Expansion Members	205,498,645	198,573,272	6,925,373		
15,059,382	12,671,587	2,387,795	Title XIX - Medicaid - SPD Members	119,525,896	109,579,048	9,946,848		
10,182,096	8,337,980	1,844,116	Premium - MCO Tax	79,105,586	74,560,925	4,544,661		
688,870	395,597	293,273	Investment Earnings	5,206,939	3,537,555	1,669,384		
-	127,334	(127,334)	Reinsurance Recoveries	-	1,138,664	(1,138,664)		
231,326	-	231,326	Rate/Income Adjustments	7,804,799	-	7,804,799		
19,999	-	19,999	Other Income (Expense)	182,958	-	182,958		
76,743,693	68,326,961	8,416,732	TOTAL REVENUES	645,065,432	600,488,597	44,576,836		
<b>EXPENSES</b>								
Medical Costs:								
12,473,244	13,550,305	1,077,061	Physician Services	125,683,583	121,373,293	(4,310,290)		
3,913,361	3,504,651	(408,710)	Other Professional Services	34,120,262	31,266,824	(2,853,438)		
4,697,451	4,603,121	(94,330)	Emergency Room	43,859,402	41,194,465	(2,664,937)		
15,564,329	13,586,184	(1,978,145)	Inpatient	122,970,837	121,858,517	(1,112,320)		
126,290	127,334	1,044	Reinsurance Expense	1,138,051	1,138,664	613		
6,130,800	5,713,309	(417,491)	Outpatient Hospital	56,295,108	51,237,696	(5,057,412)		
7,570,084	4,131,499	(3,438,585)	Other Medical	59,276,338	35,773,213	(23,503,125)		
9,145,904	9,690,717	544,813	Pharmacy	83,445,402	86,965,147	3,519,745		
502,552	499,350	(3,202)	Pay for Performance Quality Incentive	4,476,776	4,465,350	(11,426)		
-	-	-	Expansion Risk Corridor	-	-	-		
11,329	-	(11,329)	Non-Claims Expense Adjustment	991,590	-	(991,590)		
374,161	-	(374,161)	IBNR, Incentive, Paid Claims Adjustment	(6,080,672)	-	6,080,672		
60,509,505	55,406,470	(5,103,035)	Total Medical Costs	526,176,677	495,273,169	(30,903,508)		
16,234,188	12,920,491	3,313,697	GROSS MARGIN	118,888,755	105,215,427	13,673,328		
Administrative:								
2,343,633	2,193,179	(150,454)	Compensation	19,776,362	19,506,353	(270,009)		
836,783	785,278	(51,505)	Purchased Services	6,339,041	7,066,644	727,603		
76,514	116,785	40,271	Supplies	630,718	1,013,115	382,397		
151,656	339,650	187,994	Depreciation	1,563,732	2,303,041	739,309		
523,591	282,825	(240,766)	Other Administrative Expenses	3,067,722	2,839,719	(228,003)		
-	-	-	Administrative Expense Adjustment	-	-	-		
3,932,177	3,717,717	(214,460)	Total Administrative Expenses	31,377,575	32,728,871	1,351,296		
64,441,682	59,124,187	(5,317,495)	TOTAL EXPENSES	557,554,252	528,002,041	(29,552,211)		
12,302,011	9,202,775	3,099,236	OPERATING INCOME (LOSS) BEFORE TAX	87,511,180	72,486,556	15,024,624		
10,165,243	8,337,980	(1,827,263)	MCO TAX	79,023,438	74,560,925	(4,462,513)		
2,136,768	864,795	1,271,973	OPERATING INCOME (LOSS) NET OF TAX	8,487,742	(2,074,369)	10,562,111		
<b>NONOPERATING REVENUE (EXPENSE)</b>								
-	-	-	Gain on Sale of Building	2,205,329	-	2,205,329		
(10,000)	-	(10,000)	Reserve Fund Projects/Community Grants	(790,000)	-	(790,000)		
(370,606)	(280,000)	(90,606)	Health Home	(1,866,760)	(2,520,000)	653,240		
(380,606)	(280,000)	(100,606)	TOTAL NONOPERATING REVENUE (EXPENSE)	(451,431)	(2,520,000)	2,068,569		
1,756,162	584,795	1,171,367	NET INCREASE (DECREASE) IN NET POSITION	8,036,311	(4,594,369)	12,630,680		
90.9%	92.4%	1.5%	MEDICAL LOSS RATIO	93.0%	94.2%	1.2%		
5.9%	6.2%	0.3%	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 SEPTEMBER 30, 2019			YEAR-TO-DATE		
			ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
<b>ENROLLMENT</b>								
168,104	170,200	(2,096)	Family Members	1,504,052	1,517,400	(13,348)		
61,283	59,675	1,608	Expansion Members	541,952	537,075	4,877		
15,300	14,200	1,100	SPD Members	134,670	127,800	6,870		
6,590	5,600	990	Other Members	57,715	50,400	7,315		
8,858	8,400	458	Kaiser Members	76,969	75,600	1,369		
260,135	258,075	2,060	<b>Total Members - MCAL</b>	<b>2,315,358</b>	<b>2,308,275</b>	<b>7,083</b>		
<b>REVENUES</b>								
157.10	139.17	17.93	Title XIX - Medicaid - Family and Other	145.82	135.92	9.90		
377.23	374.18	3.05	Title XIX - Medicaid - Expansion Members	379.18	369.73	9.45		
984.27	892.37	91.91	Title XIX - Medicaid - SPD Members	887.55	857.43	30.12		
40.52	33.40	7.13	Premium - MCO Tax	35.34	33.40	1.95		
2.74	1.58	1.16	Investment Earnings	2.33	1.58	0.74		
0.00	0.51	(0.51)	Reinsurance Recoveries	0.00	0.51	(0.51)		
0.92	0.00	0.92	Rate/Income Adjustments	3.49	0.00	3.49		
0.08	0.00	0.08	Other Income (Expense)	0.08	0.00	0.08		
305.41	273.66	31.75	<b>TOTAL REVENUES</b>	<b>288.18</b>	<b>268.95</b>	<b>19.23</b>		
<b>EXPENSES</b>								
<b>Medical Costs:</b>								
49.64	54.27	4.63	Physician Services	56.15	54.36	(1.79)		
15.57	14.04	(1.54)	Other Professional Services	15.24	14.00	(1.24)		
18.69	18.44	(0.26)	Emergency Room	19.59	18.45	(1.14)		
61.94	54.42	(7.53)	Inpatient	54.94	54.58	(0.36)		
0.50	0.51	0.01	Reinsurance Expense	0.51	0.51	0.00		
24.40	22.88	(1.52)	Outpatient Hospital	25.15	22.95	(2.20)		
30.13	16.55	(13.58)	Other Medical	26.48	16.02	(10.46)		
36.40	38.81	2.42	Pharmacy	37.28	38.95	1.67		
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	0.44	0.00	(0.44)		
1.49	0.00	(1.49)	IBNR, Incentive, Paid Claims Adjustment	(2.72)	0.00	2.72		
240.81	221.91	(18.89)	<b>Total Medical Costs</b>	<b>235.07</b>	<b>221.83</b>	<b>(13.24)</b>		
64.61	51.75	12.86	<b>GROSS MARGIN</b>	<b>53.11</b>	<b>47.13</b>	<b>5.99</b>		
<b>Administrative:</b>								
9.33	8.78	(0.54)	Compensation	8.84	8.74	(0.10)		
3.33	3.15	(0.18)	Purchased Services	2.83	3.17	0.33		
0.30	0.47	0.16	Supplies	0.28	0.45	0.17		
0.60	1.36	0.76	Depreciation	0.70	1.03	0.33		
2.08	1.13	(0.95)	Other Administrative Expenses	1.37	1.27	(0.10)		
0.00	0.00	0.00	Administrative Expense Adjustment	0.00	0.00	0.00		
15.65	14.89	(0.76)	<b>Total Administrative Expenses</b>	<b>14.02</b>	<b>14.66</b>	<b>0.64</b>		
256.46	236.80	(19.65)	<b>TOTAL EXPENSES</b>	<b>249.09</b>	<b>236.49</b>	<b>(12.60)</b>		
48.96	36.86	12.10	<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>39.10</b>	<b>32.47</b>	<b>6.63</b>		
40.45	33.40	(7.06)	<b>MCO TAX</b>	<b>35.30</b>	<b>33.40</b>	<b>(1.91)</b>		
8.50	3.46	5.04	<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>3.79</b>	<b>(0.93)</b>	<b>4.72</b>		
<b>NONOPERATING REVENUE (EXPENSE)</b>								
0.00	0.00	0.00	Gain on Sale of Building	0.99	0.00	0.99		
(0.04)	0.00	(0.04)	Reserve Fund Projects/Community Grants	(0.35)	0.00	(0.35)		
(1.47)	(1.12)	(0.35)	Health Home	(0.83)	(1.13)	0.29		
(1.51)	(1.12)	(0.39)	<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(0.20)</b>	<b>(1.13)</b>	<b>0.93</b>		
6.99	2.34	4.65	<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>3.59</b>	<b>(2.06)</b>	<b>5.65</b>		
90.9%	92.4%	1.5%	<b>MEDICAL LOSS RATIO</b>	<b>93.0%</b>	<b>94.2%</b>	<b>1.2%</b>		
5.9%	6.2%	0.3%	<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>5.5%</b>	<b>6.2%</b>	<b>0.7%</b>		



KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH SEPTEMBER 30, 2019														
E N R O L L M E N T														
M e m b e r s - M C A L														
R E V E N U E S														
	SEPTEMBER 2018	OCTOBER 2018	NOVEMBER 2018	DECEMBER 2018	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	AUGUST 2019	SEPTEMBER 2019	13 MONTH TOTAL
23,083,686	23,000,590	23,501,422	30,919,748	24,468,830	24,583,830	24,710,101	24,788,336	24,825,349	24,834,349	25,089,896	24,938,380	24,946,466	25,127,277	3,220,822
21,704,606	21,501,088	21,231,529	24,465,934	21,975,726	23,926,309	24,192,447	24,487,252	24,003,598	24,444,272	25,745,431	26,916,818	27,380,366	27,444,092	338,246,056
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	13,147,466	13,832,438	14,355,421	14,965,261	15,059,382	294,401,802
8,087,918	8,087,777	8,087,716	7,658,846	8,016,206	8,047,808	8,071,581	8,084,949	8,092,541	8,174,408	8,128,512	12,317,485	10,182,096	11,027,843	
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	688,870	7,413,833	
196,954	325,659	110,446	59,980	-	-	-	-	-	-	-	-	-	-	128,621
5,125	212,890	251,712	(5,850)	1,364,372	5,819,936	636,404	(173,473)	178,336	(703,658)	132,080	329,476	231,326	8,268,726	
10,281	79	139	121,391	3,822	56	56,526	1,314	20,444	40,508	20,019	20,270	19,999	314,758	
65,830,865	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	78,123,412	76,743,693	920,029,413		
E X P E N S E S														
Medical Costs:														
13,438,560	12,887,105	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	12,473,244	12,473,244	176,671,341
3,251,122	3,323,654	4,150,323	3,375,679	3,414,621	3,447,281	3,632,683	3,718,600	3,969,952	4,388,042	3,849,695	3,775,027	3,913,361	4,821,040	
4,531,949	4,490,225	4,169,595	3,601,196	4,459,099	4,710,529	4,835,728	5,575,468	5,106,796	4,698,111	5,181,359	4,645,061	4,697,451	6,052,367	
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	13,332,654	15,238,360	15,564,329	16,077,625	
1,160,758	1,170,072	1,152,725	1,155,995	1,251,336	1,254,026	1,264,021	1,264,997	1,264,997	1,264,997	1,264,997	1,264,997	1,264,997	1,264,997	
5,798,828	4,785,905	5,131,423	4,278,893	5,414,223	6,037,448	6,885,177	6,373,571	6,408,304	5,912,776	6,609,411	6,524,398	6,130,800	76,289,877	
3,605,940	3,863,995	4,451,124	15,028,871	5,564,320	6,484,536	6,141,817	7,183,716	7,183,716	6,439,790	6,750,084	862,362,268	18,908,707		
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	9,145,904	118,908,707	
493,924	490,532	491,044	444,467	491,660	494,202	495,672	496,508	496,508	501,792	498,760	498,932	502,552	6,396,743	
6,624	2,670	(535)	-	197,435	367,246	324,378	(736,017)	39,610	756,640	19,252	11,717	11,329	1,000,349	
566,662	1,438,167	4,196,430	482,510	(659,783)	481,620	(3,810,377)	(3,425,856)	(2,087,231)	(704,885)	(350,851)	202,480	374,161	603,097	
53,362,649	53,549,587	54,170,337	60,587,658	54,725,698	62,125,698	57,566,720	56,250,017	57,130,620	58,404,260	59,078,881	60,317,281	60,509,505	747,846,908	
12,168,216	12,180,206	11,785,601	17,159,727	12,074,177	11,821,356	11,938,217	11,920,517	12,247,298	12,309,401	12,637,470	17,806,131	16,334,188	172,182,505	
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	2,343,633	27,974,618	
558,317	465,811	616,200	628,945	534,139	538,593	901,569	783,945	882,833	449,468	805,910	605,801	836,783	8,605,314	
30,539	67,086	36,154	104,230	115,623	78,778	93,764	93,770	15,577	59,549	47,853	49,290	76,514	868,727	
127,238	127,238	127,238	131,127	179,516	179,517	211,201	179,515	179,516	179,516	151,640	151,655	151,655	2,076,573	
315,104	265,994	221,013	303,506	326,629	188,631	246,439	302,417	239,380	412,596	338,545	489,494	523,591	4,173,339	
3,049,841	3,087,235	3,025,912	3,541,021	3,375,554	2,938,564	3,547,477	3,480,961	3,665,991	3,256,483	3,641,803	3,550,565	3,932,177	44,081,584	
56,412,490	56,636,822	57,196,249	64,128,679	58,169,149	65,064,282	61,114,197	59,730,978	60,784,611	61,660,843	63,730,684	63,867,846	64,441,682	791,928,492	
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	12,302,011	128,100,921	
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	8,087,918	8,051,211	12,279,276	10,165,243	111,274,536	
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	2,136,768	16,726,385	
(867,923)	(41,390)	(223,595)	(54,987)	(116,870)	(104,330)	(133,960)	(191,455)	(359,160)	(1,293,258)	(306,804)	(151,504)	(380,606)	(1,339,326)	
462,534	96,804	448,378	5,476,032	493,634	690,544	168,862	60,183	146,239	2,258,259	637,652	1,824,786	1,756,162	15,387,059	
92.9%	92.9%	93.6%	86.4%	93.1%	94.3%	93.7%	93.8%	93.2%	93.4%	92.9%	91.7%	90.9%	92.4%	
5.3%	5.4%	5.2%	5.1%	5.7%	4.5%	5.8%	5.8%	6.0%	5.2%	5.7%	5.4%	5.9%	5.4%	
ADMINISTRATIVE EXPENSE RATIO														

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH SEPTEMBER 30, 2019	SEPTEMBER 2018	OCTOBER 2018	NOVEMBER 2018	DECEMBER 2018	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	AUGUST 2019	SEPTEMBER 2019	13 MONTH TOTAL
	<b>ENROLLMENT</b>	246,962	245,266	245,522	244,683	245,830	247,101	247,836	248,254	248,349	250,896	249,380	249,466	251,277
<b>REVENUES</b>														
Title XIV - Medicaid - Family and Other	133.25	134.04	136.65	180.80	134.36	140.03	141.35	138.32	140.92	147.25	155.06	157.80	157.10	145.91
Title XIV - Medicaid - Expansion Members	366.14	363.20	361.19	413.07	371.66	391.12	383.67	384.52	386.02	383.23	360.65	374.91	377.23	378.19
Title XIV - Medicaid - SPD Members	829.82	838.04	850.42	924.01	820.75	831.51	839.09	846.53	878.96	862.90	940.48	980.04	984.27	879.39
Premium - MCO Tax	32.75	32.98	32.94	31.30	32.57	32.57	32.57	32.57	32.57	32.57	32.57	32.57	32.57	34.47
Investment Earnings	1.84	1.93	1.47	1.47	1.71	1.71	3.75	2.50	1.46	4.26	1.34	1.45	2.74	2.30
Reinsurance Recoveries	0.00	0.00	0.00	1.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04
CORP/Subrogation Collections	0.80	0.00	0.45	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate/Income Adjustments	0.02	0.87	1.03	(0.02)	5.55	23.55	(2.80)	(0.70)	0.72	(2.80)	0.53	1.32	0.92	2.57
Other Income (Expenses)	0.04	0.00	0.00	0.50	0.02	0.00	0.23	0.01	0.08	0.16	0.08	0.08	0.08	0.10
<b>TOTAL REVENUES</b>	265.35	267.99	268.64	317.75	272.01	299.26	280.45	274.20	279.36	281.84	287.58	313.16	305.41	285.65
<b>EXPENSES</b>														
<b>Medical Costs:</b>														
Physician Services	54.42	51.32	55.02	46.81	53.75	55.72	62.10	63.99	56.59	53.68	55.79	54.18	49.64	54.85
Other Professional Services	13.16	13.55	16.90	13.80	13.89	13.95	14.74	14.98	15.95	17.49	15.44	15.13	15.57	14.97
Emergency Room	18.35	18.31	16.98	14.72	18.14	19.06	19.51	22.26	20.56	18.73	20.78	18.62	18.69	18.83
Inpatient	52.18	53.29	37.30	11.00	52.72	52.23	54.66	51.76	49.05	57.36	53.46	61.08	61.94	49.92
Reinsurance Expense	0.47	0.47	0.47	0.47	0.51	0.51	0.51	0.51	0.51	0.50	0.51	0.52	0.50	0.50
Outpatient Hospital	23.48	19.51	20.90	17.69	22.02	24.43	21.78	25.67	25.80	23.57	26.50	26.15	24.40	23.69
Other Medical	14.60	15.75	18.13	61.42	22.63	27.74	26.02	24.74	28.93	25.34	26.93	25.81	30.13	26.77
Pharmacy	35.10	38.25	35.83	35.21	39.10	36.56	39.02	37.44	38.89	35.91	36.83	37.43	36.40	36.92
Pay for Performance Quality Incentive	2.00	2.00	2.00	1.82	2.00	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	42.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.26
Non-Claims Expense Adjustment	0.03	0.01	(0.00)	0.00	0.80	1.49	1.31	(2.96)	0.16	3.02	0.08	0.05	0.05	0.31
IBNR, Incentive, Paid Claims Adjustment	2.29	5.86	17.09	1.97	(2.68)	17.73	(15.37)	(13.80)	(8.40)	(2.81)	(1.41)	0.81	1.49	0.19
<b>Total Medical Costs</b>	216.08	218.33	220.63	247.62	222.89	251.42	232.28	226.58	230.04	232.78	236.90	241.79	240.81	232.19
<b>GROSS MARGIN</b>	49.27	49.66	48.00	70.13	49.12	47.84	48.17	47.61	49.31	49.06	50.68	71.38	64.61	53.46
<b>Administrative:</b>														
Compassion	8.19	8.81	8.25	8.13	9.03	7.90	8.45	8.54	9.41	8.59	9.21	9.04	9.33	8.69
Purchased Services	2.25	1.90	2.51	2.57	2.17	2.18	3.64	3.16	3.55	1.79	3.23	2.43	3.33	2.67
Supplies	0.12	0.27	0.15	0.43	0.47	0.32	0.38	0.38	0.06	0.24	0.19	0.20	0.30	0.27
Depreciation	0.52	0.52	0.52	0.54	0.73	0.73	0.85	0.72	0.72	0.72	0.61	0.61	0.60	0.64
Other Administrative Expenses	1.28	1.08	0.90	1.24	1.33	0.76	0.99	1.22	0.96	1.64	1.36	1.96	2.08	1.30
Administrative Expense Adjustment	0.00	0.00	0.00	1.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.12
Total Administrative Expenses	12.35	12.59	12.32	14.47	13.73	11.89	14.31	14.02	14.71	12.98	14.60	14.23	15.65	13.69
<b>TOTAL EXPENSES</b>	228.43	230.92	232.96	262.09	236.62	263.31	246.59	240.60	244.75	245.76	251.51	256.02	256.46	245.88
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	36.92	37.07	35.68	55.66	35.38	35.95	33.86	33.59	34.60	36.08	36.07	57.14	48.96	39.77
<b>MCO TAX</b>	32.75	32.98	32.94	33.05	32.90	32.73	32.63	32.58	32.57	32.24	32.28	49.22	40.45	34.58
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	4.17	4.10	2.74	22.60	2.48	3.22	1.22	1.01	2.03	3.85	3.79	7.92	8.50	5.19
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	(2.30)	(0.17)	(0.91)	(0.22)	(0.48)	(0.42)	(0.54)	(0.77)	(1.45)	5.15	(1.23)	(0.61)	(1.51)	(0.42)
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	1.87	3.93	1.83	22.38	2.01	2.79	0.68	0.24	0.59	9.00	2.56	7.31	6.99	4.73
<b>MEDICAL LOSS RATIO</b>	92.9%	92.9%	93.6%	86.4%	93.1%	94.3%	93.4%	93.8%	93.2%	93.4%	91.7%	91.7%	90.9%	92.4%
<b>ADMINISTRATIVE EXPENSE RATIO</b>	5.3%	5.4%	5.2%	5.1%	5.7%	4.5%	5.8%	5.3%	6.0%	5.2%	5.7%	5.4%	5.9%	5.4%

CURRENT MONTH			YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
<b>KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED SEPTEMBER 30, 2019</b>					
<b>REVENUES</b>					
Title XIX - Medicaid - Family & Other					
22,390,719	20,757,411	1,633,308	185,732,066	181,020,947	4,711,119
2,448,359	2,422,591	25,768	20,325,116	21,803,319	(1,478,203)
73,229	76,109	(2,880)	788,089	678,749	109,340
336,028	263,401	72,627	3,097,059	2,349,030	748,029
267,153	201,906	65,247	571,122	604,340	(33,218)
1,694,200	662,647	1,031,553	15,134,192	5,912,847	9,221,345
149,048	-	149,048	1,331,393	-	1,331,393
85,356	81,260	4,096	761,573	729,900	31,673
27,444,092	24,465,325	2,978,767	227,740,610	213,099,132	14,641,478
Total Title XIX - Medicaid - Family & Other					
Title XIX - Medicaid - Expansion Members					
20,924,332	20,797,311	127,022	189,998,370	187,158,325	2,840,046
338,187	243,020	95,167	2,679,156	2,187,179	491,977
434,143	544,869	(110,726)	3,397,388	4,903,821	(1,506,433)
500,751	395,252	105,499	1,140,183	1,185,756	(45,573)
742,355	323,232	419,123	6,706,705	2,909,088	3,797,617
151,578	-	151,578	1,338,197	-	1,338,197
26,582	25,456	1,126	238,646	229,104	9,542
23,117,928	22,329,139	788,789	205,498,645	198,573,272	6,925,373
Total Title XIX - Medicaid - Expansion Members					
Title XIX - Medicaid - SPD Members					
13,603,640	11,646,045	1,957,595	109,377,556	102,126,850	7,250,706
104,613	211,894	(107,281)	1,042,338	1,907,046	(864,708)
496,918	391,982	104,936	4,462,121	3,527,838	934,283
433,513	296,280	137,233	981,889	888,840	93,049
292,466	125,386	167,080	2,545,846	1,128,474	1,417,372
128,232	-	128,232	1,116,146	-	1,116,146
15,059,382	12,671,587	2,387,795	119,525,896	109,579,048	9,946,848
Total Title XIX - Medicaid - SPD Members					

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED SEPTEMBER 30, 2019				YEAR-TO-DATE	
ACTUAL	CURRENT MONTH BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
2,722,289	2,935,618	213,329	25,095,975	26,257,254	561,279
9,301,608	9,234,243	(67,365)	87,165,670	82,777,315	(4,388,355)
431,047	1,371,443	940,396	12,740,038	12,256,824	(483,214)
18,300	9,000	(9,300)	81,900	81,900	-
12,473,244	13,550,305	1,077,061	125,683,583	121,373,293	(4,310,290)
PHYSICIAN SERVICES					
247,950	262,653	14,703	2,231,795	2,349,195	117,400
183,756	183,437	(319)	1,512,403	1,650,933	138,530
481,950	537,736	55,786	4,467,835	4,839,620	371,785
85,902	101,420	15,518	724,937	912,782	187,845
99,067	101,142	2,075	828,838	846,324	17,486
78,148	87,826	9,678	725,063	790,438	65,375
71,645	85,846	14,201	511,093	772,610	261,517
242,720	228,318	(14,402)	1,790,641	1,919,619	128,978
54,968	55,990	1,022	480,374	503,907	23,533
1,105,353	655,382	(449,971)	9,521,351	5,876,866	(3,644,485)
96,395	162,366	65,971	1,290,798	1,454,282	163,484
1,165,507	1,042,532	(122,975)	10,035,134	9,350,248	(684,886)
3,913,361	3,504,651	(408,710)	34,120,262	31,266,824	(2,853,438)
4,697,451	4,603,121	(94,330)	43,859,402	41,194,465	(2,664,937)
15,564,329	13,586,184	(1,978,145)	122,970,837	121,858,517	(1,112,320)
126,290	127,334	1,044	1,138,051	1,138,664	613
6,130,800	5,713,309	(417,491)	56,295,108	51,237,696	(5,057,412)
OUTPATIENT HOSPITAL SERVICES					
OTHER MEDICAL					
1,936,979	1,224,657	(712,322)	13,787,982	10,963,394	(2,824,588)
290,848	292,842	1,994	3,336,211	2,627,971	(708,240)
345,187	445,761	100,574	2,158,815	4,011,815	1,853,000
1,401,277	781,569	(619,708)	9,208,446	7,022,910	(2,185,536)
-	62,743	62,743	-	561,071	561,071
2,893,119	1,111,496	(1,781,623)	26,484,858	9,949,164	(16,535,694)
446,419	-	(446,419)	3,921,921	-	(3,921,921)
256,255	212,432	(43,823)	378,105	636,888	258,783
7,570,084	4,131,499	(3,438,585)	59,276,338	35,773,213	(23,503,125)
PHARMACY SERVICES					
8,104,656	8,402,607	297,951	74,304,896	75,390,887	1,085,991
479,317	832,872	353,555	4,444,476	7,489,613	3,045,137
696,932	601,140	(95,792)	6,071,379	5,396,777	(674,602)
(135,001)	(145,902)	(10,901)	(1,375,349)	(1,312,130)	63,219
9,145,904	9,690,717	544,813	83,445,402	86,965,147	3,519,745
502,552	499,350	(3,202)	4,476,776	4,465,350	(11,426)
-	-	-	-	-	-
11,329	-	(11,329)	991,590	-	(991,590)
374,161	-	(374,161)	(6,080,672)	-	6,080,672
60,509,505	55,406,470	(5,103,035)	526,176,677	495,273,169	(30,903,508)

\* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED SEPTEMBER 30, 2019				CURRENT MONTH		YEAR-TO-DATE	
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE	
10.83	11.76	0.92	PHYSICIAN SERVICES	11.48	11.76	0.28	
37.02	36.99	(0.03)	Primary Care Physician Services	38.94	37.08	(1.87)	
1.72	5.49	3.78	Referral Specialty Services	5.69	5.49	(0.20)	
0.07	0.04	(0.04)	Urgent Care & After Hours Advice	0.04	0.04	0.00	
49.64	54.27	4.63	Hospital Admitting Team	56.15	54.36	(1.79)	
			TOTAL PHYSICIAN SERVICES				
0.99	1.05	0.07	OTHER PROFESSIONAL SERVICES	1.00	1.05	0.06	
0.73	0.73	0.00	Vision Service Capitation	0.68	0.74	0.06	
1.92	2.15	0.24	221 - Business Intelligence	2.00	2.17	0.17	
0.34	0.41	0.06	310 - Health Services - Utilization Management - UM Allocation *	0.32	0.41	0.08	
0.39	0.41	0.01	311 - Health Services - Quality Improvement - UM Allocation *	0.37	0.38	0.01	
0.31	0.35	0.04	312 - Health Services - Education - UM Allocation *	0.32	0.35	0.03	
0.29	0.34	0.06	313 - Health Services - Pharmacy - UM Allocation *	0.23	0.35	0.12	
0.22	0.22	0.01	314 - Health Homes - UM Allocation *	0.80	0.86	0.06	
4.40	2.62	(1.77)	315 - Case Management - UM Allocation *	0.21	0.23	0.01	
0.38	0.65	0.27	616 - Disease Management - UM Allocation *	4.25	2.63	(1.62)	
4.64	4.18	(0.46)	Behavior Health Treatment	0.58	0.65	0.07	
15.57	14.04	(1.54)	Mental Health Services	4.48	4.19	(0.30)	
18.69	18.44	(0.26)	Other Professional Services	15.24	14.00	(1.24)	
61.94	54.42	(7.53)	TOTAL OTHER PROFESSIONAL SERVICES	19.59	18.45	(1.14)	
0.50	0.51	0.01	EMERGENCY ROOM	54.94	54.58	(0.36)	
24.40	22.88	(1.52)	INPATIENT HOSPITAL	0.51	0.51	0.00	
			REINSURANCE EXPENSE PREMIUM	25.15	22.95	(2.20)	
			OUTPATIENT HOSPITAL SERVICES				
			OTHER MEDICAL				
7.71	4.91	(2.80)	Ambulance and NEMT	6.16	4.91	(1.25)	
1.16	1.17	0.02	Home Health Services & CBAS	1.49	1.18	(0.31)	
1.37	1.79	0.41	Utilization and Quality Review Expenses	0.96	1.80	0.83	
5.58	3.13	(2.45)	Long Term/SNF/Hospice	4.11	3.15	(0.97)	
0.00	0.25	0.25	Enhanced Medical Benefits	0.00	0.25	0.25	
11.51	4.45	(7.06)	Provider Enhancement Expense	11.83	4.46	(7.38)	
1.02	0.85	(0.17)	Home Health Capitated Medical Expense	0.17	0.29	0.12	
28.35	16.55	(11.80)	TOTAL OTHER MEDICAL	24.73	16.02	(8.71)	
			PHARMACY SERVICES				
32.25	33.65	1.40	RX - Drugs & OTC	33.20	33.77	0.57	
1.91	3.34	1.43	RX - HEP-C	1.99	3.35	1.37	
2.77	2.41	(0.37)	Rx - DME	2.71	2.42	(0.30)	
(0.54)	(0.58)	(0.05)	RX - Pharmacy Rebates	(0.61)	(0.59)	0.03	
36.40	38.81	2.42	TOTAL PHARMACY SERVICES	37.28	38.95	1.67	
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	0.44	0.00	(0.44)	
1.49	0.00	(1.49)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(2.72)	0.00	2.72	
240.81	221.91	(18.89)	Total Medical Costs	235.07	221.83	(13.24)	

\* Medical costs per DMHIC regulations

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH SEPTEMBER 30, 2019										
	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	AUGUST 2019	SEPTEMBER 2019	YEAR TO DATE 2019
<b>PHYSICIAN SERVICES</b>										
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	2,722,289	25,695,975
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	9,301,608	87,165,670
Urgent Care & After Hours Advise	1,290,151	1,663,998	1,972,243	2,167,355	1,427,909	1,333,687	952,073	1,511,875	431,447	12,740,038
Hospital Admitting Team	9,300	8,400	9,300	9,000	9,300	9,000	9,300	-	18,300	81,900
<b>TOTAL PHYSICIAN SERVICES</b>	<b>13,212,798</b>	<b>13,768,201</b>	<b>15,391,612</b>	<b>15,885,936</b>	<b>14,054,383</b>	<b>13,468,415</b>	<b>13,912,712</b>	<b>13,516,282</b>	<b>12,473,244</b>	<b>125,683,583</b>
<b>OTHER PROFESSIONAL SERVICES</b>										
Vision Service Capitation	245,365	247,101	247,101	247,836	248,254	248,349	248,349	253,443	247,950	2,231,795
221 - Business Intelligence	164,801	159,928	165,714	159,920	179,129	153,193	170,878	175,084	183,756	1,512,403
310 - Health Services - Utilization Management - UM Allocation *	510,943	470,395	478,085	515,555	554,978	465,516	499,835	490,578	481,950	4,467,835
311 - Health Services - Quality Improvement - UM Allocation *	80,526	67,588	68,819	76,184	67,588	80,862	94,087	79,277	85,902	724,937
312 - Health Services - Education - UM Allocation *	93,216	78,571	86,664	88,902	99,085	93,588	96,891	92,854	99,067	828,838
313 - Health Services - Pharmacy - UM Allocation *	82,748	75,645	78,499	78,499	90,596	79,558	81,527	79,555	78,148	725,063
314 - Health Services - Pharmacy - UM Allocation *	49,343	44,522	48,105	49,071	60,500	48,781	69,152	69,974	71,645	511,093
315 - Case Management - UM Allocation *	190,992	177,760	187,111	180,813	202,905	171,694	213,229	223,417	242,720	1,790,641
616 - Disease Management - UM Allocation *	54,419	48,934	50,373	52,495	58,437	49,786	56,930	54,032	54,968	480,374
Behavior Health Treatment	638,864	831,512	952,302	4,835,728	1,250,610	1,668,762	1,071,604	1,051,356	1,105,353	9,521,351
Mental Health Services	212,968	183,744	127,778	168,412	89,339	177,147	129,222	105,793	96,395	1,220,798
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	1,165,507	10,035,134
<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>3,414,621</b>	<b>3,447,281</b>	<b>3,652,683</b>	<b>3,718,600</b>	<b>3,960,952</b>	<b>4,388,042</b>	<b>3,849,695</b>	<b>3,775,027</b>	<b>3,913,361</b>	<b>34,120,262</b>
<b>EMERGENCY ROOM</b>	<b>4,459,099</b>	<b>4,710,529</b>	<b>4,835,728</b>	<b>5,525,268</b>	<b>5,106,796</b>	<b>4,698,111</b>	<b>5,181,359</b>	<b>4,645,061</b>	<b>4,697,451</b>	<b>43,859,402</b>
<b>INPATIENT HOSPITAL</b>	<b>12,961,386</b>	<b>12,906,122</b>	<b>13,546,028</b>	<b>12,850,017</b>	<b>12,181,510</b>	<b>14,390,451</b>	<b>13,332,634</b>	<b>15,238,360</b>	<b>15,564,329</b>	<b>122,970,837</b>
<b>REINSURANCE EXPENSE PREMIUM</b>	<b>125,136</b>	<b>125,026</b>	<b>126,021</b>	<b>126,397</b>	<b>126,609</b>	<b>126,658</b>	<b>126,658</b>	<b>129,256</b>	<b>126,290</b>	<b>1,138,051</b>
<b>OUTPATIENT HOSPITAL SERVICES</b>	<b>5,414,223</b>	<b>6,037,448</b>	<b>6,885,177</b>	<b>6,373,571</b>	<b>6,408,304</b>	<b>5,912,776</b>	<b>6,609,411</b>	<b>6,523,398</b>	<b>6,130,800</b>	<b>56,295,108</b>
<b>OTHER MEDICAL</b>										
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	1,936,979	13,787,982
Home Health Services & CBAS	495,461	1,551,156	325,629	357,818	542,991	322,679	463,230	382,399	290,848	3,336,211
Utilization and Quality Review Expenses	248,953	93,464	298,591	235,324	165,956	222,833	297,114	251,393	345,187	2,158,815
Long Term/SNF/Hospice	944,616	1,180,282	999,537	904,186	1,043,600	755,531	594,297	1,385,020	1,401,277	9,208,446
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	2,893,119	26,484,858
Provider Enhancement Expense - GEMT	-	-	-	-	-	2,505,003	521,009	449,490	446,419	3,921,921
Home Health Capitated Medical Expense	-	-	-	-	-	-	133,790	(11,940)	256,255	378,105
<b>TOTAL OTHER MEDICAL</b>	<b>5,564,320</b>	<b>6,854,723</b>	<b>6,448,536</b>	<b>6,141,817</b>	<b>7,183,716</b>	<b>6,357,547</b>	<b>6,715,805</b>	<b>6,439,790</b>	<b>7,570,084</b>	<b>59,276,338</b>
<b>PHARMACY SERVICES</b>										
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	8,104,656	74,304,896
RX - HEP-C	542,465	579,505	435,632	674,227	604,476	428,028	298,729	402,097	479,317	4,444,476
RX - DMIE	647,574	722,044	706,209	649,024	732,945	600,019	718,827	597,805	696,932	6,071,379
RX - Pharmacy Rebates	(173,400)	(133,200)	(183,400)	(140,000)	(205,348)	(135,000)	(135,000)	(135,000)	(135,000)	(1,375,349)
<b>TOTAL PHARMACY SERVICES</b>	<b>9,612,700</b>	<b>9,053,300</b>	<b>9,671,212</b>	<b>9,293,776</b>	<b>9,659,273</b>	<b>8,508,813</b>	<b>9,183,446</b>	<b>9,336,978</b>	<b>9,145,904</b>	<b>83,445,402</b>
<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	<b>491,660</b>	<b>494,202</b>	<b>495,672</b>	<b>496,508</b>	<b>496,698</b>	<b>501,792</b>	<b>498,760</b>	<b>498,932</b>	<b>502,552</b>	<b>4,476,776</b>
<b>EXPANSION RISK CORRIDOR</b>	-	-	-	-	-	-	-	-	-	-
<b>NON-CLAIMS EXPENSE ADJUSTMENT</b>	<b>197,435</b>	<b>367,246</b>	<b>324,378</b>	<b>(736,017)</b>	<b>39,610</b>	<b>756,640</b>	<b>19,252</b>	<b>11,717</b>	<b>11,329</b>	<b>991,590</b>
<b>IBNR INCENTIVE AND PAID CLAIMS ADJUSTMENT</b>	<b>(659,783)</b>	<b>4,381,620</b>	<b>(3,810,327)</b>	<b>(3,425,856)</b>	<b>(2,087,231)</b>	<b>(704,885)</b>	<b>(550,851)</b>	<b>202,480</b>	<b>374,161</b>	<b>(6,080,672)</b>
<b>Total Medical Costs</b>	<b>54,793,595</b>	<b>62,125,698</b>	<b>57,566,720</b>	<b>56,250,017</b>	<b>57,130,620</b>	<b>58,404,360</b>	<b>59,078,881</b>	<b>60,317,281</b>	<b>60,509,505</b>	<b>526,176,677</b>

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH SEPTEMBER 30, 2019												JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	AUGUST 2019	SEPTEMBER 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	10.83	11.48	
Referral Specialty Services												36.86	35.98	43.63	43.63	38.19	38.22	40.78	36.34	37.02	38.94	
Urgent Care & After Hours Advise												5.25	6.73	7.96	8.73	5.75	5.28	3.82	6.06	1.72	5.69	
Hospital Admitting Team												0.04	0.03	0.04	0.04	0.04	0.04	0.04	0.00	0.07	0.04	
TOTAL PHYSICIAN SERVICES												53.75	55.72	62.10	63.99	56.59	53.68	55.79	54.18	49.64	56.15	
OTHER PROFESSIONAL SERVICES																						
Vision Service Capitation												1.00	0.99	1.00	1.00	1.00	0.99	1.00	1.02	0.99	1.00	
221 - Business Intelligence												0.67	0.65	0.67	0.64	0.72	0.61	0.70	0.68	0.73	0.68	
310 - Health Services - Utilization Management - UM Allocation *												2.08	1.90	1.93	2.08	2.23	1.86	2.00	1.97	1.92	2.00	
311 - Health Services - Quality Improvement - UM Allocation *												0.33	0.27	0.28	0.31	0.37	0.32	0.38	0.32	0.34	0.32	
312 - Health Services - Education - UM Allocation *												0.38	0.32	0.35	0.36	0.40	0.37	0.39	0.37	0.39	0.37	
313 - Health Services - Pharmacy - UM Allocation *												0.34	0.31	0.32	0.32	0.36	0.32	0.33	0.32	0.31	0.32	
314 - Health Homes - UM Allocation *												0.20	0.18	0.19	0.20	0.24	0.19	0.28	0.28	0.29	0.23	
315 - Case Management - UM Allocation *												0.78	0.72	0.75	0.73	0.82	0.68	0.86	0.90	0.97	0.80	
616 - Disease Management - UM Allocation *												0.22	0.20	0.20	0.21	0.24	0.20	0.23	0.22	0.22	0.21	
Behavior Health Treatment												2.60	3.37	3.84	3.83	5.04	6.65	4.30	4.21	4.40	4.25	
Mental Health Services												0.87	0.74	0.52	0.68	0.36	0.71	0.52	0.42	0.38	0.58	
Other Professional Services												4.44	4.30	4.69	4.63	4.17	4.59	4.47	4.42	4.64	4.48	
TOTAL OTHER PROFESSIONAL SERVICES												13.89	13.95	14.74	14.98	15.95	17.49	15.44	15.13	15.57	15.24	
EMERGENCY ROOM												18.14	19.06	19.51	22.26	20.56	18.73	20.78	18.62	18.69	19.59	
INPATIENT HOSPITAL												52.72	52.23	54.66	51.76	49.05	57.36	53.46	61.08	61.94	54.94	
REINSURANCE EXPENSE PREMIUM												0.51	0.51	0.51	0.51	0.51	0.50	0.51	0.52	0.50	0.51	
OUTPATIENT HOSPITAL SERVICES												22.02	24.43	27.78	25.67	25.80	23.57	26.50	26.15	24.40	25.15	
OTHER MEDICAL																						
Ambulance and NEMT												4.66	10.27	7.86	6.79	8.88	(1.90)	5.58	5.66	7.71	6.16	
Home Health Services & CBAS												2.02	0.63	1.31	1.44	2.19	1.29	1.86	1.53	1.16	1.49	
Utilization and Quality Review Expenses												1.01	0.38	1.20	0.95	0.67	0.89	1.19	1.01	1.37	0.96	
Long Term/SNF/Hospice												3.84	4.78	4.03	3.64	4.20	3.01	2.38	5.55	5.58	4.11	
Enhanced Medical Benefits												0.00	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	11.51	11.83	
Provider Enhancement Expense - GEMT												0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Home Health Capitated Medical Expense												0.00	0.00	0.00	0.00	0.00	0.00	0.54	(0.05)	1.02	0.17	
TOTAL OTHER MEDICAL												22.63	27.74	26.02	24.74	28.93	25.34	26.93	25.81	30.13	26.48	
PHARMACY SERVICES																						
RX - Drugs & OTC												34.97	31.83	35.16	32.67	34.34	30.35	33.29	33.96	32.25	33.20	
RX - HEP-C												2.21	2.35	1.76	2.72	2.43	1.71	1.20	1.61	1.91	1.99	
Rx - DME												2.63	2.92	2.85	2.61	2.95	2.39	2.88	2.40	2.77	2.71	
RX - Pharmacy Rebates												(0.71)	(0.54)	(0.74)	(0.56)	(0.83)	(0.54)	(0.54)	(0.54)	(0.54)	(0.61)	
TOTAL PHARMACY SERVICES												39.10	36.56	39.02	37.44	38.89	33.91	36.83	37.43	36.40	37.28	
PAY FOR PERFORMANCE QUALITY INCENTIVE												2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	
EXPANSION RISK CORRIDOR												0.00	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	0.05	0.44	
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT												(2.68)	17.73	(15.37)	(13.80)	(8.40)	(2.81)	(1.41)	0.81	1.49	(2.72)	
Total Medical Costs												222.89	251.42	232.28	226.58	230.04	232.78	236.90	241.79	240.81	235.07	

CURRENT MONTH		YEAR-TO-DATE			
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
<b>KERN HEALTH SYSTEMS</b> <b>MEDI-CAL</b> <b>SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT</b> <b>FOR THE MONTH ENDED SEPTEMBER 30, 2019</b>					
224,614	258,313	33,699	2,242,332	2,324,818	82,486
151,448	158,992	7,544	1,338,402	1,430,927	92,525
703,176	617,732	(85,444)	4,941,048	5,559,587	618,539
9,000	18,734	9,734	174,925	168,606	(6,319)
321,221	338,858	17,637	2,190,510	3,049,705	859,195
474,916	477,778	2,862	4,532,301	4,299,035	(233,266)
118,090	109,760	(8,330)	866,423	987,836	121,413
99,340	96,311	(3,029)	811,373	866,801	55,428
28,184	38,152	9,968	233,259	304,147	70,888
(361)	-	361	787	2,025	1,238
135,165	119,382	(15,783)	1,181,671	1,106,934	(74,737)
-	500	500	16	4,500	4,484
15,493	14,574	(919)	114,633	122,679	8,046
21,049	20,738	(311)	179,009	186,639	7,630
215,134	247,979	32,845	1,970,341	2,211,564	241,223
446,721	538,565	91,844	4,027,062	4,644,473	617,411
615,663	478,159	(137,504)	3,737,038	3,813,622	76,584
56,306	62,743	6,437	474,469	564,687	90,218
77,629	64,502	(13,127)	438,563	580,494	141,931
51,874	64,751	12,877	439,213	582,751	143,538
167,515	197,194	29,679	1,484,200	1,749,201	265,001
-	(206,000)	(206,000)	-	(1,832,160)	(1,832,160)
3,932,177	3,717,717	(214,460)	31,377,575	32,728,871	1,351,296



KERN HEALTH SYSTEMS MEDI-CAL		JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	AUGUST 2019	SEPTEMBER 2019	YEAR TO DATE 2019
SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED SEPTEMBER 30, 2019											
110 - Executive		298,677	186,923	234,566	285,108	195,373	232,632	306,695	277,744	224,614	2,242,332
210 - Accounting		149,967	127,374	139,032	134,888	155,814	168,405	155,423	156,051	151,448	1,338,402
220 - Management Information Systems (MIS)		401,536	495,303	640,543	523,161	645,579	477,994	560,302	493,454	703,176	4,941,048
221 - Business Intelligence	205		10,000	50,100	20,600	22,857	11,091	30,894	20,178	9,000	174,925
225 - Infrastructure	255,998		238,858	247,310	245,403	301,083	200,444	238,149	142,044	321,221	2,190,510
230 - Claims	510,558		444,621	505,751	502,157	539,033	558,994	474,925	521,346	474,916	4,532,301
240 - Project Management	85,314		84,072	96,834	89,192	86,052	93,268	118,697	94,904	118,090	866,423
310 - Health Services - Utilization Management	86,447		91,228	95,142	84,999	92,899	78,445	90,324	92,549	99,340	811,373
311 - Health Services - Quality Improvement	25,633		21,530	22,707	23,865	28,960	26,561	30,312	25,507	28,184	233,259
312 - Health Services - Education	23		612	(5)	15,883	(15,754)	-	28	361	(361)	787
313 - Pharmacy	127,668		124,298	159,313	125,311	127,589	27,151	217,824	137,352	135,165	1,181,671
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	15,493	114,633
616 - Disease Management	20,405		18,247	18,631	19,416	21,808	18,412	21,057	19,984	21,049	179,009
320 - Provider Network Management	267,760		126,987	223,524	244,955	235,564	211,875	223,120	221,422	215,134	1,970,341
330 - Member Services	470,954		389,538	441,753	485,966	477,021	424,507	447,582	443,020	446,721	4,027,062
340 - Corporate Services	319,181		347,539	396,534	356,340	364,405	386,714	428,213	522,449	615,663	3,737,038
360 - Audit & Investigative Services	57,536		55,624	51,626	53,495	53,208	47,245	50,075	49,354	56,306	474,469
410 - Advertising Media	24,987		11,283	34,440	62,712	108,984	61,286	23,752	33,490	77,629	438,563
420 - Sales/Marketing/Public Relations	48,311		41,979	43,514	48,369	48,141	44,213	44,029	68,783	51,874	439,213
510 - Human Resources	211,647		111,757	134,617	147,600	152,127	176,288	166,504	216,145	167,515	1,484,200
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	3,932,177	31,377,575

**KERN HEALTH SYSTEMS  
GROUP HEALTH PLAN - HFAM  
BALANCE SHEET STATEMENT  
AS OF SEPTEMBER 30, 2019**

ASSETS	SEPTEMBER 2019	AUGUST 2019	INC(DEC)
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,468,921	\$ 1,459,716	9,205
Interest Receivable	8,549	14,944	(6,395)
Prepaid Expenses & Other Current Assets	7,500	8,333	(833)
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 1,484,970</b>	<b>\$ 1,482,993</b>	<b>\$ 1,977</b>

<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts Payable	269,453	10,000	259,453
Other Liabilities	94,396	353,849	(259,453)
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 363,849</b>	<b>\$ 363,849</b>	<b>\$ -</b>

<b>NET POSITION:</b>			
Net Position- Beg. of Year	1,100,538	1,100,538	-
Increase (Decrease) in Net Position - Current Year	20,583	18,606	1,977
<b>Total Net Position</b>	<b>\$ 1,121,121</b>	<b>\$ 1,119,144</b>	<b>\$ 1,977</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 1,484,970</b>	<b>\$ 1,482,993</b>	<b>\$ 1,977</b>

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED SEPTEMBER 30, 2019			YEAR-TO-DATE		
<b>ENROLLMENT</b>								
-	-	-	Members	-	-	-	-	-
<b>REVENUES</b>								
-	-	-	Premium	-	-	-	-	-
2,810	-	2,810	Interest	26,733	-	26,733	-	-
-	-	-	Other Investment Income	1,350	-	1,350	-	-
2,810	-	2,810	<b>TOTAL REVENUES</b>	28,083	-	28,083	-	-
<b>EXPENSES</b>								
-	-	-	Medical Costs	-	-	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-	-	-
-	-	-	Total Medical Costs	-	-	-	-	-
2,810	-	2,810	<b>GROSS MARGIN</b>	28,083	-	28,083	-	-
<b>Administrative</b>								
833	-	(833)	Management Fee Expense and Other Admin Exp	7,500	-	(7,500)	-	-
833	-	(833)	Total Administrative Expenses	7,500	-	(7,500)	-	-
833	-	(833)	<b>TOTAL EXPENSES</b>	7,500	-	(7,500)	-	-
1,977	-	1,977	<b>OPERATING INCOME (LOSS)</b>	20,583	-	20,583	-	-
-	-	-	<b>TOTAL NONOPERATING REVENUE (EXPENSES)</b>	-	-	-	-	-
1,977	-	1,977	<b>NET INCREASE (DECREASE) IN NET POSITION</b>	20,583	-	20,583	-	-
0%	0%	0%	<b>MEDICAL LOSS RATIO</b>	0%	0%	0%	-	-
0%	0%	0%	<b>ADMINISTRATIVE EXPENSE RATIO</b>	27%	0%	-27%	-	-

**KERN HEALTH SYSTEMS  
MONTHLY MEMBERS COUNT**

**KERN HEALTH SYSTEMS**

**2019 MEMBER MONTHS**

	JAN'19	FEB'19	MAR'19	APR'19	MAY'19	JUN'19	JUL'19	AUG'19	SEP'19	OCT'19	NOV'19	DEC'19
<b>ADULT AND FAMILY</b>												
PA - FAMILY	34,526	33,921	33,871	33,184	0	0	0	0	0	0	0	0
REFUGEE - FAMILY	0	0	0	1	0	0	0	0	0	0	0	0
FOSTER CARE	720	699	712	776	0	0	0	0	0	0	0	0
POVERTY-133/200%	1	1	1	1	0	0	0	0	0	0	0	0
MI - CHILD	108,363	109,594	110,076	110,865	0	0	0	0	0	0	0	0
CHILD-ACA	41	40	13	15	0	0	0	0	0	0	0	0
FAMILY - UNDER 19	22,145	22,131	22,194	22,160	0	0	0	0	0	0	0	0
ADULT	0	0	0	0	43,788	44,339	43,865	43,869	43,869	43,869	43,869	43,869
CHILD	0	0	0	0	123,066	123,784	123,076	122,740	123,590	122,740	123,590	123,590
<b>SUB-TOTAL ADULT &amp; FAMILY</b>	<b>165,796</b>	<b>166,386</b>	<b>166,867</b>	<b>167,002</b>	<b>166,854</b>	<b>168,123</b>	<b>166,941</b>	<b>166,629</b>	<b>167,584</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>MEDICAL EXPANSION</b>												
LIHP Transition Pre-ACA	5	5	5	5	0	0	0	0	0	0	0	0
ACA Expansion Adult-Citizen	58,680	59,344	59,219	59,554	59,527	60,505	60,101	60,282	60,969	60,969	60,969	60,969
ACA Expansion CAL Fresh Adult	4	4	3	2	0	0	0	0	0	0	0	0
ACA Expansion Duals	440	465	446	412	401	442	427	396	314	0	0	0
<b>SUB-TOTAL MANDATORY</b>	<b>59,129</b>	<b>59,818</b>	<b>59,673</b>	<b>59,968</b>	<b>59,928</b>	<b>60,947</b>	<b>60,528</b>	<b>60,678</b>	<b>61,283</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>SDP MEMBERS</b>												
SSI-AGED	182	197	181	198	0	0	0	0	0	0	0	0
MIN - AGED	1,621	1,623	1,623	1,633	0	0	0	0	0	0	0	0
SSI - BLIND & DIS-ABLED	12,333	12,191	12,680	12,402	0	0	0	0	0	0	0	0
MIN - BLIND & DIS-ABLED	449	502	441	519	0	0	0	0	0	0	0	0
SPD (AGED AND DISABLED)	0	0	0	0	14,958	15,103	15,264	15,270	15,300	0	0	0
<b>SUB-TOTAL MANDATORY SPD</b>	<b>14,585</b>	<b>14,813</b>	<b>14,825</b>	<b>14,752</b>	<b>14,958</b>	<b>15,103</b>	<b>15,264</b>	<b>15,270</b>	<b>15,300</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>TOTAL MANDATORY</b>	<b>239,510</b>	<b>240,717</b>	<b>241,465</b>	<b>241,722</b>	<b>241,740</b>	<b>244,173</b>	<b>242,733</b>	<b>242,577</b>	<b>244,167</b>	<b>0</b>	<b>0</b>	<b>0</b>
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<b>OTHER MEMBERS</b>												
BCCTP-TOBACCO SETTLEMENT	23	25	22	22	22	22	22	21	24			

<b>DUALS</b>												
PA - FAMILY DUALS	18	30	24	30	0	0	0	0	0	0	0	0
PART D SSI-AGED	838	821	832	851	0	0	0	0	0	0	0	0
PART D MN - AGED	1,510	1,559	1,564	1,669	0	0	0	0	0	0	0	0
PART D SSI - BLIND & DIS-ABLED	2,471	2,480	2,531	2,481	0	0	0	0	0	0	0	0
PART D MN - BLIND & DIS-ABLED	1,082	1,049	1,003	1,042	0	0	0	0	0	0	0	0
PART D BCCTP-TOBACCO SETTLEMENT	1	1	1	2	1	1	1	1	1	1	1	1
PART D MI - CHILD	377	409	394	435	0	0	0	0	0	0	0	0
PARTIAL DUALS - FAMILY	0	0	0	0	435	453	448	448	520	0	0	0
SPD FULL DUALS	0	0	0	0	6,151	6,247	6,176	6,419	6,565	0	0	0
<b>SUB-TOTAL DUALS</b>	<b>6,297</b>	<b>6,359</b>	<b>6,349</b>	<b>6,510</b>	<b>6,587</b>	<b>6,701</b>	<b>6,625</b>	<b>6,868</b>	<b>7,086</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>TOTAL OTHERS</b>	<b>6,320</b>	<b>6,384</b>	<b>6,371</b>	<b>6,532</b>	<b>6,609</b>	<b>6,723</b>	<b>6,647</b>	<b>6,889</b>	<b>7,110</b>	<b>0</b>	<b>0</b>	<b>0</b>
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<b>TOTAL KAISER</b>	<b>8,329</b>	<b>8,385</b>	<b>8,394</b>	<b>8,411</b>	<b>8,557</b>	<b>8,609</b>	<b>8,668</b>	<b>8,758</b>	<b>8,858</b>			
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<b>TOTAL MEDICAL MEMBERS</b>	<b>254,159</b>	<b>255,486</b>	<b>256,230</b>	<b>256,665</b>	<b>256,906</b>	<b>259,506</b>	<b>258,048</b>	<b>256,224</b>	<b>260,135</b>	<b>0</b>	<b>0</b>	<b>0</b>
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**To: KHS Finance Committee**  
**From: Robert Landis, CFO**  
**Date: December 6, 2019**  
**Re: October 2019 Financial Results**

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The October results reflect a \$1,338,286 Net Increase in Net Position which is a \$780,827 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$8.4 million favorable variance primarily due to:
  - A) \$1.5 million favorable variance in Family and Other primarily due to a higher than expected budgeted rate increase from the State.
  - B) \$2.1 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 (\$1.0 million).
  - C) \$1.6 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 2D below.
  - D) \$.9 million favorable variance relating to higher than expected BHT Revenue offset against expenses included in 2A below.
  - E) \$1.7 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 \$5.3 million unfavorable variance primarily due to:
  - A) \$1.0 million unfavorable variance in Other Professional Services primarily due to higher than expected utilization of BHT services for SPD members offset against amounts included in 1D above.
  - B) \$1.0 million unfavorable variance in Emergency primarily due to higher than expected utilization by Expansion and Family and Other members.
  - C) \$1.4 million unfavorable variance in Inpatient primarily due to higher than expected utilization.

D) \$1.7 million unfavorable variance in Other Medical primarily due to accruing for estimated Proposition 56 expenses relating to unbudgeted additional CPT procedure codes along with increases in supplemental allowable payable amounts offset against revenue included in 1C above.

3) \$1.7 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 1E above.

The October Medical Loss Ratio is 91.0% which is favorable to the 92.4% budgeted amount. The October Administrative Expense Ratio is 6.6% which is unfavorable to the 6.2% budgeted amount.

The results for the 10 months ended October 31, 2019 reflect a Net Increase in Net Position of \$9,374,597. This is a \$13,411,506 favorable variance to budget and includes approximately \$13.2 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 92.8% which is favorable to the 94.0% budgeted amount. The year-to-date Administrative Expense Ratio is 5.7% which is favorable to the 6.2% budgeted amount.

**Kern Health Systems  
Financial Packet  
October 2019**

**KHS – Medi-Cal Line of Business**

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

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

**KHS Administrative Analysis and Other Reporting**

Monthly Member Count	Page 15
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KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF OCTOBER 31, 2019			
ASSETS	OCTOBER 2019	SEPTEMBER 2019	INC(DEC)
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 96,500,536	\$ 75,362,159	\$ 21,138,377
Short-Term Investments	92,173,538	128,202,517	(36,028,979)
Premiums Receivable - Net	132,023,412	114,117,026	17,906,386
Interest Receivable	236,338	395,834	(159,496)
Other Receivables	1,837,079	1,541,422	295,657
Prepaid Expenses & Other Current Assets	1,491,895	2,026,505	(534,610)
<b>Total Current Assets</b>	<b>\$ 324,262,798</b>	<b>\$ 321,645,463</b>	<b>\$ 2,617,335</b>
<b>RESTRICTED ASSETS</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ -</b>
<b>CAPITAL ASSETS - NET OF ACCUM DEPREE:</b>			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	10,459,360	10,992,625	(533,265)
Automobiles - Net	27,729	28,507	(778)
Building and Building Improvements - Net	37,882,166	35,049,823	2,832,343
Capital Projects in Progress	16,129,134	15,910,798	218,336
<b>Total Capital Assets</b>	<b>\$ 68,589,095</b>	<b>\$ 66,072,459</b>	<b>\$ 2,516,636</b>
<b>LONG TERM ASSETS:</b>			
Officer Life Insurance Receivables	703,552	703,552	-
<b>Total Long Term Assets</b>	<b>\$ 703,552</b>	<b>\$ 703,552</b>	<b>\$ -</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 2,657,573</b>	<b>\$ 2,657,573</b>	<b>\$ -</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 396,513,018</b>	<b>\$ 391,379,047</b>	<b>\$ 5,133,971</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts Payable	\$ 25,080	\$ 24,280	800
Accrued Salaries and Employee Benefits	3,167,450	2,879,035	288,415
Accrued Other Operating Expenses	3,902,468	4,248,604	(346,136)
Accrued Taxes and Licenses	40,501,140	30,443,922	10,057,218
Claims Payable (Reported)	16,605,127	19,853,635	(3,248,508)
IBNR - Inpatient Claims	25,999,856	25,900,436	99,420
IBNR - Physician Claims	13,035,317	14,545,298	(1,509,981)
IBNR - Accrued Other Medical	18,579,735	21,585,683	(3,005,948)
Risk Pool and Withholds Payable	3,557,879	3,053,926	503,953
Statutory Allowance for Claims Processing Expense	2,326,151	2,326,151	-
Other Liabilities	51,952,780	50,996,328	956,452
<b>Total Current Liabilities</b>	<b>\$ 179,652,983</b>	<b>\$ 175,857,298</b>	<b>\$ 3,795,685</b>
<b>NONCURRENT LIABILITIES:</b>			
Net Pension Liability	5,490,163	5,490,163	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 5,490,163</b>	<b>\$ 5,490,163</b>	<b>\$ -</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 364,304</b>	<b>\$ 364,304</b>	<b>\$ -</b>
<b>NET POSITION:</b>			
Net Position - Beg. of Year	201,630,971	201,630,971	-
Increase (Decrease) in Net Position - Current Year	9,374,597	8,036,311	1,338,286
<b>Total Net Position</b>	<b>\$ 211,005,568</b>	<b>\$ 209,667,282</b>	<b>\$ 1,338,286</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 396,513,018</b>	<b>\$ 391,379,047</b>	<b>\$ 5,133,971</b>



CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED OCTOBER 31, 2019			YEAR-TO-DATE MEMBER MONTHS		
						ACTUAL	BUDGET	VARIANCE
<b>ENROLLMENT</b>								
167,550	170,600	(3,050)	Family Members	1,671,602	1,688,000	(16,398)		
61,355	59,675	1,680	Expansion Members	603,307	596,750	6,557		
15,454	14,200	1,254	SPD Members	150,124	142,000	8,124		
6,680	5,600	1,080	Other Members	64,395	56,000	8,395		
8,911	8,400	511	Kaiser Members	85,880	84,000	1,880		
259,950	258,475	1,475	Total Members - MCAL	2,575,308	2,566,750	8,558		
<b>REVENUES</b>								
27,395,016	24,496,967	2,898,049	Title XIX - Medicaid - Family and Other	255,135,626	237,596,099	17,539,527		
22,908,874	22,329,139	579,735	Title XIX - Medicaid - Expansion Members	228,407,519	220,902,411	7,505,108		
15,759,913	12,671,587	3,088,326	Title XIX - Medicaid - SPD Members	135,285,809	122,250,635	13,035,174		
10,062,668	8,351,338	1,711,330	Premium - MCO Tax	89,168,254	82,912,263	6,255,991		
319,267	396,231	(76,964)	Investment Earnings	5,526,206	3,933,786	1,592,420		
-	127,538	(127,538)	Reinsurance Recoveries	-	1,266,203	(1,266,203)		
318,771	-	318,771	Rate/Income Adjustments	8,123,570	-	8,123,570		
19,719	-	19,719	Other Income (Expense)	202,677	-	202,677		
76,784,228	68,372,799	8,411,429	TOTAL REVENUES	721,849,660	668,861,395	52,988,265		
<b>EXPENSES</b>								
Medical Costs:								
13,286,040	13,566,401	280,361	Physician Services	138,969,623	134,939,694	(4,029,929)		
4,483,269	3,506,757	(976,512)	Other Professional Services	38,603,531	34,773,581	(3,829,950)		
5,571,836	4,609,610	(962,226)	Emergency Room	49,431,238	45,804,075	(3,627,163)		
14,951,334	13,597,772	(1,353,562)	Inpatient	137,922,171	135,456,289	(2,465,882)		
127,228	127,538	310	Reinsurance Expense	1,265,279	1,266,203	924		
6,128,586	5,718,367	(410,219)	Outpatient Hospital	62,423,694	56,956,063	(5,467,631)		
5,832,261	4,135,391	(1,696,870)	Other Medical	65,108,599	39,908,605	(25,199,994)		
9,834,755	9,697,698	(137,057)	Pharmacy	93,280,157	96,662,845	3,382,688		
502,078	500,150	(1,928)	Pay for Performance Quality Incentive	4,978,854	4,965,500	(13,354)		
-	-	-	Expansion Risk Corridor	-	-	-		
(5,919)	-	5,919	Non-Claims Expense Adjustment	985,671	-	(985,671)		
20,741	-	(20,741)	IBNR, Incentive, Paid Claims Adjustment	(6,059,931)	-	6,059,931		
60,732,209	55,459,684	(5,272,525)	Total Medical Costs	586,908,886	550,732,853	(36,176,033)		
16,052,019	12,913,115	3,138,904	GROSS MARGIN	134,940,774	118,128,542	16,812,232		
Administrative:								
2,510,126	2,191,781	(318,345)	Compensation	22,286,488	21,698,134	(588,354)		
831,542	785,653	(45,889)	Purchased Services	7,170,583	7,852,296	681,713		
203,279	112,301	(90,978)	Supplies	833,997	1,125,416	291,419		
355,208	341,650	(13,558)	Depreciation	1,918,940	2,644,691	725,751		
519,786	292,933	(226,853)	Other Administrative Expenses	3,587,508	3,132,651	(454,857)		
-	-	-	Administrative Expense Adjustment	-	-	-		
4,419,941	3,724,318	(695,623)	Total Administrative Expenses	35,797,516	36,453,188	655,673		
65,152,150	59,184,002	(5,968,148)	TOTAL EXPENSES	622,706,402	587,186,042	(35,520,360)		
11,632,078	9,188,797	2,443,281	OPERATING INCOME (LOSS) BEFORE TAX	99,143,258	81,675,354	17,467,905		
10,057,218	8,351,338	(1,705,880)	MCO TAX	89,080,656	82,912,263	(6,168,393)		
1,574,860	837,459	737,401	OPERATING INCOME (LOSS) NET OF TAX	10,062,602	(1,236,909)	11,299,511		
<b>NONOPERATING REVENUE (EXPENSE)</b>								
-	-	-	Gain on Sale of Building	2,205,329	-	2,205,329		
-	-	-	Reserve Fund Projects/Community Grants	(790,000)	-	(790,000)		
(236,574)	(280,000)	43,426	Health Home	(2,103,334)	(2,800,000)	696,666		
(236,574)	(280,000)	43,426	TOTAL NONOPERATING REVENUE (EXPENSE)	(688,005)	(2,800,000)	2,111,995		
1,338,286	557,459	780,827	NET INCREASE (DECREASE) IN NET POSITION	9,374,597	(4,036,909)	13,411,506		
91.0%	92.4%	1.4%	MEDICAL LOSS RATIO	92.8%	94.0%	1.2%		
6.6%	6.2%	-0.4%	ADMINISTRATIVE EXPENSE RATIO	5.7%	6.2%	0.6%		

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED OCTOBER 31, 2019	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
<b>ENROLLMENT</b>						
167,550	170,600	(3,050)	Family Members	1,671,602	1,688,000	(16,398)
61,355	59,675	1,680	Expansion Members	603,307	596,750	6,557
15,454	14,200	1,254	SPD Members	150,124	142,000	8,124
6,680	5,600	1,080	Other Members	64,395	56,000	8,395
8,911	8,400	511	Kaiser Members	85,880	84,000	1,880
259,950	258,475	1,475	Total Members - MCAL	2,575,308	2,566,750	8,558
<b>REVENUES</b>						
157.23	139.03	18.21	Title XIX - Medicaid - Family and Other	146.97	136.24	10.73
373.38	374.18	(0.80)	Title XIX - Medicaid - Expansion Members	378.59	370.18	8.42
1,019.80	892.37	127.43	Title XIX - Medicaid - SPD Members	901.16	860.92	40.24
40.08	33.40	6.69	Premium - MCO Tax	35.82	33.40	2.42
1.27	1.58	(0.31)	Investment Earnings	2.22	1.58	0.64
0.00	0.51	(0.51)	Reinsurance Recoveries	0.00	0.51	(0.51)
1.27	0.00	1.27	Rate/Income Adjustments	3.26	0.00	3.26
0.08	0.00	0.08	Other Income (Expense)	0.08	0.00	0.08
305.87	273.41	32.46	TOTAL REVENUES	289.97	269.40	20.56
<b>EXPENSES</b>						
Medical Costs:						
52.92	54.25	1.33	Physician Services	55.82	54.35	(1.47)
17.86	14.02	(3.84)	Other Professional Services	15.51	14.01	(1.50)
22.20	18.43	(3.76)	Emergency Room	19.86	18.45	(1.41)
59.56	54.37	(5.18)	Inpatient	55.40	54.56	(0.84)
0.51	0.51	0.00	Reinsurance Expense	0.51	0.51	0.00
24.41	22.87	(1.55)	Outpatient Hospital	25.08	22.94	(2.13)
23.23	16.54	(6.70)	Other Medical	26.15	16.07	(10.08)
39.18	38.78	(0.40)	Pharmacy	37.47	38.93	1.46
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
(0.02)	0.00	0.02	Non-Claims Expense Adjustment	0.40	0.00	(0.40)
0.08	0.00	(0.08)	IBNR, Incentive, Paid Claims Adjustment	(2.43)	0.00	2.43
241.92	221.77	(20.15)	Total Medical Costs	235.76	221.82	(13.94)
63.94	51.64	12.31	GROSS MARGIN	54.21	47.58	6.63
Administrative:						
10.00	8.76	(1.23)	Compensation	8.95	8.74	(0.21)
3.31	3.14	(0.17)	Purchased Services	2.88	3.16	0.28
0.81	0.45	(0.36)	Supplies	0.34	0.45	0.12
1.41	1.37	(0.05)	Depreciation	0.77	1.07	0.29
2.07	1.17	(0.90)	Other Administrative Expenses	1.44	1.26	(0.18)
0.00	0.00	0.00	Administrative Expense Adjustment	0.00	0.00	0.00
17.61	14.89	(2.71)	Total Administrative Expenses	14.38	14.68	0.30
259.53	236.67	(22.86)	TOTAL EXPENSES	250.14	236.51	(13.63)
46.34	36.74	9.59	OPERATING INCOME (LOSS) BEFORE TAX	39.83	32.90	6.93
40.06	33.40	(6.67)	MCO TAX	35.78	33.40	(2.39)
6.27	3.35	2.92	OPERATING INCOME (LOSS) NET OF TAX	4.04	(0.50)	4.54
<b>NONOPERATING REVENUE (EXPENSE)</b>						
0.00	0.00	0.00	Gain on Sale of Building	0.89	0.00	0.89
0.00	0.00	0.00	Reserve Fund Projects/Community Grants	(0.32)	0.00	(0.32)
(0.94)	(1.12)	0.18	Health Home	(0.84)	(1.13)	0.28
(0.94)	(1.12)	0.18	TOTAL NONOPERATING REVENUE (EXPENSE)	(0.28)	(1.13)	0.85
5.33	2.23	3.10	NET INCREASE (DECREASE) IN NET POSITION	3.77	(1.63)	5.39
91.0%	92.4%	1.4%	MEDICAL LOSS RATIO	92.8%	94.0%	1.2%
6.6%	6.2%	-0.4%	ADMINISTRATIVE EXPENSE RATIO	5.7%	6.2%	0.6%



KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH OCTOBER 31, 2019														
E N R O L L M E N T														
	OCTOBER 2018	NOVEMBER 2018	DECEMBER 2018	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	AUGUST 2019	SEPTEMBER 2019	OCTOBER 2019	13 MONTH TOTAL
Members-MCAL	245,266	245,572	244,683	245,830	247,101	247,886	248,254	248,349	250,896	249,380	249,466	251,277	251,039	3,224,899
R E V E N U E S														
Title XIX - Medicaid - Family and Other	134.04	136.65	180.80	134.36	140.03	141.35	136.32	140.92	147.25	155.06	157.80	157.10	157.23	147.76
Title XIX - Medicaid - Expansion Members	363.20	361.19	411.07	371.66	391.12	383.67	384.32	386.02	383.23	360.65	374.91	377.23	373.38	378.73
Title XIX - Medicaid - SPD Members	838.04	850.42	924.01	820.75	831.51	839.09	846.53	878.96	862.90	940.48	980.04	984.27	1,019.80	894.29
Premium - MCO Tax	32.98	32.94	31.50	32.57	32.57	32.57	32.57	32.57	32.57	32.57	32.57	32.57	32.57	35.04
Investment Earnings	1.93	1.47	3.75	1.71	1.71	3.75	2.50	1.46	4.26	1.34	1.45	2.74	1.27	2.26
Reinsurance Recoveries	0.00	(0.57)	1.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04
COB/Subrogation Collections	1.33	0.45	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.15
Rate/Income Adjustments	0.87	1.03	(0.02)	5.55	23.55	2.53	(0.70)	0.72	(2.80)	0.53	1.32	0.92	1.27	2.66
Other Income (Expense)	0.00	0.00	0.50	0.02	0.00	0.23	0.01	0.08	0.16	0.08	0.08	0.08	0.08	0.10
<b>TOTAL REVENUES</b>	<b>267.99</b>	<b>268.64</b>	<b>317.75</b>	<b>272.01</b>	<b>299.26</b>	<b>280.45</b>	<b>274.20</b>	<b>279.36</b>	<b>281.84</b>	<b>287.58</b>	<b>313.16</b>	<b>305.41</b>	<b>305.87</b>	<b>288.78</b>
E X P E N S E S														
Medical Costs:														
Physician Services	51.22	55.02	46.81	53.75	55.72	62.10	63.99	56.59	53.68	55.79	54.18	49.64	52.92	54.74
Other Professional Services	13.55	16.90	15.80	15.89	15.95	14.74	14.98	15.95	17.49	15.44	15.13	15.57	17.86	15.33
Emergency Room	18.31	16.98	14.72	18.14	19.06	19.51	22.26	20.56	18.73	20.78	18.62	18.69	22.20	19.13
Inpatient	53.29	37.30	11.00	52.72	52.23	54.66	51.76	49.05	57.36	53.46	61.08	61.94	59.56	50.50
Reinsurance Expense	0.47	0.47	0.47	0.51	0.51	0.51	0.51	0.51	0.50	0.51	0.52	0.50	0.51	0.50
Outpatient Hospital	19.51	20.90	17.49	22.02	24.43	22.78	25.67	25.80	23.57	26.50	26.15	24.40	23.41	23.76
Other Medical	15.75	18.13	61.42	22.62	27.74	26.02	24.74	28.93	25.34	26.93	25.81	30.13	23.23	27.43
Pharmacy	38.25	35.63	35.21	39.10	36.56	39.02	37.44	38.89	33.91	36.83	37.43	36.40	39.18	37.23
Pay for Performance Quality Incentive	2.00	2.00	1.82	2.00	2.00	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	42.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.26
Non-Claims Expense Adjustment	0.01	(0.00)	0.00	0.80	1.49	1.31	(2.96)	0.16	3.02	0.08	0.08	0.05	(0.02)	0.31
IBNR, Incentive, Paid Claims Adjustment	5.86	17.09	1.97	(2.68)	17.73	(13.80)	(13.80)	(8.40)	(2.81)	(1.41)	0.81	1.49	0.08	0.02
Total Medical Costs	218.33	220.63	247.62	222.89	251.42	232.28	226.58	230.04	232.78	236.90	241.79	240.81	241.92	234.18
GROSS MARGIN	49.66	48.00	70.13	49.12	47.84	48.17	47.61	49.31	49.06	50.68	71.38	64.61	63.94	54.60
Administrative:														
Compensation	8.81	8.25	8.13	9.05	7.90	8.45	8.54	9.41	8.59	9.21	9.04	9.33	10.00	8.83
Purchased Services	1.90	2.51	2.57	2.17	2.18	3.64	3.16	3.55	1.79	3.23	2.43	3.31	3.31	2.75
Supplies	0.27	0.15	0.43	0.47	0.32	0.38	0.38	0.06	0.24	0.19	0.20	0.30	0.81	0.32
Depreciation	0.52	0.52	0.54	0.73	0.73	0.85	0.72	0.72	0.72	0.61	0.61	0.60	1.41	0.71
Other Administrative Expenses	1.08	0.90	1.24	1.33	0.76	0.99	1.22	0.96	1.64	1.36	1.96	2.08	2.07	1.36
Administrative Expense Adjustment	0.00	0.00	1.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.12
Total Administrative Expenses	12.59	12.32	14.47	13.73	11.89	14.31	14.02	14.71	12.98	14.60	14.23	15.65	17.61	14.09
<b>TOTAL EXPENSES</b>	<b>230.92</b>	<b>232.96</b>	<b>262.09</b>	<b>236.62</b>	<b>263.31</b>	<b>246.59</b>	<b>240.60</b>	<b>244.75</b>	<b>245.76</b>	<b>251.51</b>	<b>256.02</b>	<b>256.46</b>	<b>259.53</b>	<b>248.21</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>37.07</b>	<b>35.68</b>	<b>55.66</b>	<b>35.38</b>	<b>35.85</b>	<b>33.86</b>	<b>33.59</b>	<b>34.60</b>	<b>36.08</b>	<b>36.07</b>	<b>57.14</b>	<b>48.96</b>	<b>46.34</b>	<b>40.50</b>
<b>MCO TAX</b>	<b>32.98</b>	<b>32.94</b>	<b>33.05</b>	<b>32.90</b>	<b>32.73</b>	<b>32.63</b>	<b>32.58</b>	<b>32.57</b>	<b>32.24</b>	<b>32.28</b>	<b>49.22</b>	<b>40.45</b>	<b>40.06</b>	<b>33.03</b>
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>4.10</b>	<b>2.74</b>	<b>22.60</b>	<b>2.48</b>	<b>3.22</b>	<b>1.22</b>	<b>1.01</b>	<b>2.03</b>	<b>3.85</b>	<b>3.79</b>	<b>7.92</b>	<b>8.50</b>	<b>6.27</b>	<b>8.47</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(0.17)</b>	<b>(0.91)</b>	<b>(0.22)</b>	<b>(0.48)</b>	<b>(0.42)</b>	<b>(0.54)</b>	<b>(0.77)</b>	<b>(1.45)</b>	<b>5.15</b>	<b>(1.23)</b>	<b>(0.61)</b>	<b>(0.94)</b>	<b>(0.94)</b>	<b>(0.31)</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>3.93</b>	<b>1.83</b>	<b>22.38</b>	<b>2.01</b>	<b>2.79</b>	<b>0.68</b>	<b>0.24</b>	<b>0.59</b>	<b>9.00</b>	<b>2.56</b>	<b>7.31</b>	<b>6.99</b>	<b>5.33</b>	<b>8.16</b>
<b>MEDICAL LOSS RATIO</b>	<b>92.9%</b>	<b>93.6%</b>	<b>86.4%</b>	<b>93.1%</b>	<b>94.3%</b>	<b>93.8%</b>	<b>93.8%</b>	<b>93.2%</b>	<b>93.4%</b>	<b>92.9%</b>	<b>91.7%</b>	<b>90.9%</b>	<b>91.0%</b>	<b>92.3%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>5.4%</b>	<b>5.2%</b>	<b>5.1%</b>	<b>5.7%</b>	<b>4.5%</b>	<b>5.8%</b>	<b>5.8%</b>	<b>6.0%</b>	<b>5.2%</b>	<b>5.7%</b>	<b>5.4%</b>	<b>5.9%</b>	<b>6.6%</b>	<b>5.6%</b>

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED OCTOBER 31, 2019				YEAR-TO-DATE		
CURRENT MONTH		VARIANCE		ACTUAL	BUDGET	VARIANCE
ACTUAL	BUDGET					
REVENUES						
Title XIX - Medicaid - Family & Other						
22,313,510	20,786,365	1,527,145		208,045,576	201,807,312	6,238,264
2,293,588	2,422,591	(129,003)		22,618,704	24,225,910	(1,607,206)
41,845	76,282	(34,437)		829,934	755,031	74,903
607,486	264,000	343,486		3,704,545	2,613,030	1,091,515
217,126	202,366	14,760		788,248	806,706	(18,458)
1,688,486	664,063	1,024,423		16,822,678	6,576,910	10,245,768
148,413	-	148,413		1,479,806	-	1,479,806
84,562	81,300	3,262		846,135	811,200	34,935
27,395,016	24,496,967	2,898,049		255,135,626	237,596,099	17,539,527
Title XIX - Medicaid - Expansion Members						
20,944,908	20,797,311	147,598		210,943,278	207,955,636	2,987,643
129,119	243,020	(113,901)		2,808,275	2,430,198	378,077
466,632	544,869	(78,237)		3,864,020	5,448,690	(1,584,670)
446,280	395,252	51,028		1,586,463	1,581,008	5,455
743,476	323,232	420,244		7,450,181	3,232,320	4,217,861
151,792	-	151,792		1,489,989	-	1,489,989
26,667	25,456	1,211		265,313	254,560	10,753
22,908,874	22,329,139	579,735		228,407,519	220,902,411	7,505,108
Title XIX - Medicaid - SPD Members						
13,756,993	11,646,045	2,110,948		123,134,549	113,772,895	9,361,654
197,659	211,894	(14,235)		1,239,997	2,118,940	(878,943)
954,069	391,982	562,087		5,416,190	3,919,820	1,496,370
426,102	296,280	129,822		1,407,991	1,185,120	222,871
295,519	125,386	170,133		2,841,365	1,253,860	1,587,505
129,571	-	129,571		1,245,717	-	1,245,717
15,759,913	12,671,587	3,088,326		135,285,809	122,250,635	13,035,174



CURRENT MONTH			YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
<b>KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED OCTOBER 31, 2019</b>					
<b>PHYSICIAN SERVICES</b>					
10.54	11.76	1.22	11.39	11.76	0.38
37.20	36.96	(0.24)	38.77	37.06	(1.70)
5.15	5.49	0.35	5.64	5.49	(0.15)
0.04	0.04	0.00	0.04	0.04	0.00
52.92	54.25	1.33	55.82	54.35	(1.47)
<b>OTHER PROFESSIONAL SERVICES</b>					
0.99	1.05	0.06	1.00	1.05	0.06
0.74	0.73	(0.00)	0.68	0.74	0.06
2.25	2.15	(0.10)	2.02	2.17	0.14
0.44	0.41	(0.04)	0.34	0.41	0.07
0.43	0.40	(0.02)	0.38	0.38	0.01
0.33	0.35	0.02	0.32	0.35	0.03
0.29	0.34	0.05	0.23	0.35	0.11
1.00	0.91	(0.09)	0.82	0.87	0.04
4.98	2.62	(2.36)	4.33	2.63	(1.70)
0.64	0.65	0.01	0.58	0.65	0.07
5.53	4.17	(1.36)	4.59	4.19	(0.40)
17.86	14.02	(3.84)	15.51	14.01	(1.50)
22.20	18.43	(3.76)	19.86	18.45	(1.41)
59.50	54.37	(5.18)	55.40	54.56	(0.84)
0.51	0.51	0.00	0.51	0.51	0.00
24.41	22.87	(1.55)	25.08	22.94	(2.13)
<b>OTHER MEDICAL</b>					
4.61	4.90	0.29	6.00	4.91	(1.09)
1.67	1.17	(0.49)	1.51	1.18	(0.33)
1.14	1.78	0.64	0.98	1.80	0.81
2.00	3.13	1.13	3.90	3.14	(0.76)
0.00	0.25	0.25	0.00	0.25	0.25
11.23	4.45	(6.78)	11.77	4.46	(7.32)
0.83	0.85	0.02	0.24	0.34	0.11
21.48	16.54	(4.94)	24.40	16.07	(8.33)
<b>PHARMACY SERVICES</b>					
35.38	33.63	(1.76)	33.42	33.75	0.34
2.16	3.33	1.17	2.00	3.35	1.35
2.17	2.41	0.24	2.66	2.42	(0.24)
(0.54)	(0.58)	(0.05)	(0.61)	(0.59)	0.02
39.18	38.78	(0.40)	37.47	38.93	1.46
2.00	2.00	0.00	2.00	2.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
-0.02	0.00	0.02	0.40	0.00	(0.40)
0.08	0.00	(0.08)	(2.43)	0.00	(2.43)
241.92	221.77	(20.15)	235.76	221.82	(13.94)

\* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH OCTOBER 31, 2019		JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	AUGUST 2019	SEPTEMBER 2019	OCTOBER 2019	YEAR TO DATE 2019
<b>PHYSICIAN SERVICES</b>												
Primary Care Physician Services	2,852,332	3,204,444	3,132,132	2,641,133	2,878,106	3,132,132	2,545,597	2,781,460	2,938,482	2,722,289	2,646,253	28,342,238
Referral Specialty Services	9,061,015	8,891,359	10,768,936	10,831,475	10,169,879	9,590,131	9,086,225	9,301,608	9,066,225	9,301,608	9,318,672	96,504,342
Urgent Care & After Hours Advice	1,290,451	1,663,908	1,972,243	2,167,355	1,427,989	1,323,287	952,073	952,073	1,511,575	483,000	1,291,815	14,031,853
Hospital Admitting Team	9,300	9,300	9,300	9,300	9,300	9,300	9,300	9,300	9,300	9,300	9,300	91,200
<b>TOTAL PHYSICIAN SERVICES</b>	<b>13,212,798</b>	<b>13,768,201</b>	<b>15,393,612</b>	<b>15,895,936</b>	<b>15,895,936</b>	<b>14,054,383</b>	<b>13,468,415</b>	<b>13,912,121</b>	<b>13,516,282</b>	<b>12,473,244</b>	<b>13,286,040</b>	<b>138,969,623</b>
<b>OTHER PROFESSIONAL SERVICES</b>												
Vision Service Capitation	245,365	245,365	247,101	247,101	247,836	248,254	248,349	248,349	253,443	247,950	249,466	2,481,361
221 - Business Intelligence	164,801	159,228	165,714	165,714	175,084	175,084	175,084	175,084	170,878	183,756	184,517	1,696,920
310 - Health Services - Utilization Management - UM Allocation *	510,943	470,925	478,085	478,085	515,655	554,978	465,193	499,835	490,578	481,950	564,839	5,032,574
311 - Health Services - Quality Improvement - UM Allocation *	80,526	67,588	68,819	68,819	80,862	91,692	80,862	94,087	79,277	85,902	110,853	835,700
312 - Health Services - Education - UM Allocation *	83,216	78,571	85,664	88,002	96,881	99,858	96,881	92,854	92,854	99,067	107,452	936,290
313 - Health Services - Pharmacy - UM Allocation *	32,748	75,645	78,387	78,387	78,699	90,596	79,953	81,527	79,555	78,148	83,560	808,623
314 - Health Services - Home Health - UM Allocation *	49,343	44,822	48,105	48,105	49,071	60,500	48,781	49,152	69,974	71,645	73,351	584,424
315 - Case Management - UM Allocation *	190,992	177,660	187,111	180,813	180,813	202,905	171,694	212,329	223,417	242,720	251,521	2,021,662
616 - Disease Management - UM Allocation *	54,419	48,934	50,373	52,495	49,786	56,930	54,032	54,968	54,032	54,968	58,878	539,252
Behavior Health Treatment	638,864	831,512	952,302	950,988	1,271,778	1,250,610	1,668,762	1,071,604	1,051,356	1,105,353	1,250,286	10,771,637
Mental Health Services	212,968	183,744	127,778	168,412	177,147	89,339	177,147	129,222	105,793	96,395	160,702	1,451,500
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	1,165,507	1,387,864	1,142,998	11,432,998
<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>3,414,621</b>	<b>3,447,281</b>	<b>3,652,683</b>	<b>3,718,600</b>	<b>3,718,600</b>	<b>3,960,952</b>	<b>4,388,042</b>	<b>3,849,695</b>	<b>3,775,027</b>	<b>3,913,361</b>	<b>4,483,269</b>	<b>38,603,531</b>
EMERGENCY ROOM	4,459,099	4,770,529	4,835,728	5,225,268	4,835,728	5,106,796	4,698,111	5,181,359	4,645,061	4,697,451	5,571,836	49,431,238
INPATIENT HOSPITAL	12,961,386	12,906,122	13,546,028	12,850,017	12,850,017	12,811,510	14,390,451	13,332,634	15,238,360	15,564,329	14,951,334	137,922,171
REINSURANCE EXPENSE PREMIUM	125,136	125,026	126,021	126,397	126,397	126,658	126,658	126,658	129,256	126,290	127,228	1,265,279
OUTPATIENT HOSPITAL SERVICES	5,414,223	6,037,448	6,885,177	6,373,571	6,373,571	6,408,304	5,912,776	6,609,411	6,523,398	6,130,800	6,128,586	62,423,694
<b>OTHER MEDICAL</b>												
Ambulance and NEMT	1,146,157	2,536,809	1,948,589	1,685,378	2,206,229	2,206,229	475,625	1,391,507	1,411,959	1,936,979	1,157,075	14,945,057
Home Health Services & CRAS	495,461	1,551,156	325,629	357,818	322,679	322,679	463,230	382,399	382,399	290,848	418,297	3,754,508
Utilization and Quality Review Expenses	248,953	93,464	298,591	235,324	165,956	222,833	297,114	251,933	345,187	286,439	2,445,254	9,709,715
Long Term/SNF/Hospice	944,616	1,180,382	999,537	904,186	1,043,600	755,531	594,397	1,385,020	1,401,277	501,269	501,269	9,709,715
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	3,027,126	2,571,469	2,893,119	2,819,933	29,304,791	
Provider Enhancement Expense - GEMT	-	-	-	-	-	-	2,505,003	521,009	449,490	446,419	441,128	4,363,049
Home Health Capitated Medical Expense	-	-	-	-	-	-	-	133,790	(11,940)	256,255	208,120	586,225
<b>TOTAL OTHER MEDICAL</b>	<b>5,564,320</b>	<b>6,854,723</b>	<b>6,448,536</b>	<b>6,141,817</b>	<b>7,183,716</b>	<b>6,357,547</b>	<b>6,715,905</b>	<b>6,439,790</b>	<b>6,439,790</b>	<b>7,570,084</b>	<b>5,832,261</b>	<b>65,108,509</b>
<b>PHARMACY SERVICES</b>												
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	8,104,656	8,882,774	8,318,670	83,187,670
RX - HEP-C	542,465	579,505	435,632	674,227	604,476	428,028	298,729	402,097	479,317	542,409	4,986,885	4,986,885
RX - DMIE	647,574	722,044	706,209	649,024	734,945	600,019	718,827	597,805	696,932	544,571	6,615,950	6,615,950
RX - Pharmacy Rebates	(173,400)	(133,200)	(183,400)	(140,000)	(205,348)	(135,000)	(135,000)	(135,000)	(135,000)	(134,999)	(134,999)	(1,510,348)
<b>TOTAL PHARMACY SERVICES</b>	<b>9,612,700</b>	<b>9,033,300</b>	<b>9,671,212</b>	<b>9,293,776</b>	<b>9,659,273</b>	<b>8,508,813</b>	<b>9,183,446</b>	<b>9,336,978</b>	<b>9,145,904</b>	<b>9,834,755</b>	<b>9,834,755</b>	<b>93,280,157</b>
PAY FOR PERFORMANCE/QUALITY INCENTIVE	491,660	494,202	495,672	496,508	496,698	501,792	498,760	498,932	502,552	502,078	502,078	4,978,854
EXPANSION RISK CORRIDOR	-	-	-	-	-	-	-	-	-	-	-	-
NON-CLAIMS EXPENSE ADJUSTMENT	197,435	367,246	324,378	(736,017)	39,610	756,640	19,252	11,717	11,329	(5,919)	(5,919)	985,671
IBNR INCENTIVE AND PAID CLAIMS ADJUSTMENT	(659,783)	(4,581,620)	(3,810,327)	(3,425,856)	(2,087,231)	(704,885)	(350,851)	202,480	374,161	26,741	26,741	(6,059,931)
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	60,317,281	60,509,505	60,732,209	586,908,886



KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH OCTOBER 31, 2019	YEAR TO DATE											
	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	AUGUST 2019	SEPTEMBER 2019	OCTOBER 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	10.83	10.54	11.59	
Referral Specialty Services	36.86	35.98	43.45	43.63	38.19	38.22	40.78	36.34	37.02	37.20	38.77	
Urgent Care & After Hours Advise	5.25	5.25	7.96	8.73	5.75	5.28	3.82	6.06	1.72	5.15	5.64	
Hospital Admitting Team	0.04	0.03	0.04	0.04	0.04	0.04	0.04	0.00	0.07	0.04	0.04	
<b>TOTAL PHYSICIAN SERVICES</b>	<b>53.75</b>	<b>55.72</b>	<b>62.10</b>	<b>63.99</b>	<b>56.59</b>	<b>53.68</b>	<b>55.79</b>	<b>54.18</b>	<b>49.64</b>	<b>52.92</b>	<b>55.82</b>	
OTHER PROFESSIONAL SERVICES												
Vision Service Capitation	1.00	0.99	1.00	1.00	1.00	0.99	1.00	1.02	0.99	0.99	1.00	
221 - Business Intelligence	0.67	0.65	0.67	0.64	0.72	0.61	0.70	0.68	0.73	0.74	0.68	
310 - Health Services - Utilization Management - UM Allocation *	2.08	1.90	1.93	2.08	2.23	1.86	2.00	1.97	1.92	2.25	2.02	
311 - Health Services - Quality Improvement - UM Allocation *	0.33	0.27	0.28	0.31	0.37	0.32	0.38	0.32	0.34	0.44	0.34	
312 - Health Services - Education - UM Allocation *	0.38	0.32	0.35	0.36	0.40	0.37	0.39	0.37	0.39	0.43	0.38	
313 - Health Services - Pharmacy - UM Allocation *	0.34	0.31	0.32	0.32	0.36	0.32	0.33	0.32	0.31	0.33	0.32	
314 - Health Homes - UM Allocation *	0.18	0.18	0.19	0.20	0.24	0.19	0.28	0.28	0.29	0.29	0.23	
315 - Case Management - UM Allocation *	0.78	0.72	0.75	0.73	0.82	0.68	0.86	0.90	0.97	1.00	0.82	
616 - Disease Management - UM Allocation *	2.22	2.20	2.20	2.21	2.24	2.24	2.22	2.22	2.22	2.23	2.22	
Behavior Health Treatment	2.60	3.37	3.84	3.83	5.04	6.65	4.30	4.21	4.40	4.98	4.33	
Mental Health Services	0.87	0.74	0.52	0.68	0.36	0.71	0.52	0.42	0.38	0.64	0.58	
Other Professional Services	4.44	4.30	4.69	4.63	4.17	4.59	4.47	4.64	4.42	5.53	4.59	
<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>13.89</b>	<b>13.95</b>	<b>14.74</b>	<b>14.98</b>	<b>15.95</b>	<b>17.49</b>	<b>15.44</b>	<b>15.13</b>	<b>15.57</b>	<b>17.86</b>	<b>15.51</b>	
EMERGENCY ROOM	18.14	19.06	19.51	22.26	20.56	18.73	20.78	18.62	18.69	22.20	19.86	
INPATIENT HOSPITAL	52.72	52.23	54.66	51.76	49.05	57.36	53.46	61.08	61.94	59.56	55.40	
REINSURANCE EXPENSE PREMIUM	0.51	0.51	0.51	0.51	0.51	0.50	0.51	0.52	0.50	0.51	0.51	
OUTPATIENT HOSPITAL SERVICES	22.02	24.43	27.78	25.67	25.80	23.57	26.50	26.15	24.40	24.41	25.08	
OTHER MEDICAL												
Ambulance and NEMT	4.66	10.27	7.86	6.79	8.88	(1.90)	5.58	5.66	7.71	4.61	6.00	
Home Health Services & CBAS	2.02	0.63	1.31	1.44	2.19	1.29	1.86	1.53	1.16	1.67	1.51	
Utilization and Quality Review Expenses	1.01	0.38	1.20	0.95	0.67	0.89	1.19	1.01	1.37	1.14	0.98	
Long Term/SNF/Hospice	3.84	4.78	4.03	3.64	4.20	3.01	2.38	5.55	5.58	2.00	3.90	
Enhanced Medical Benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Provider Enhancement Expense - Prop. 56	11.10	11.69	11.61	11.92	12.99	12.07	13.29	10.31	11.51	11.23	11.77	
Provider Enhancement Expense - GEMT	0.00	0.00	0.00	0.00	0.00	0.98	2.09	1.80	1.78	1.76	1.74	
Home Health Capitated Medical Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.54	(0.05)	1.02	0.83	0.24	
<b>TOTAL OTHER MEDICAL</b>	<b>22.63</b>	<b>27.74</b>	<b>26.02</b>	<b>24.74</b>	<b>28.93</b>	<b>25.34</b>	<b>26.93</b>	<b>25.81</b>	<b>30.13</b>	<b>23.23</b>	<b>26.15</b>	
PHARMACY SERVICES												
RX - Drugs & OTC	34.97	31.83	35.16	32.67	34.34	30.35	33.29	33.96	32.25	35.38	33.42	
RX - HEP-C	2.21	2.35	1.76	2.72	2.43	1.71	1.20	1.61	1.91	2.16	2.00	
RX - DME	2.63	2.92	2.85	2.61	2.95	2.39	2.88	2.40	2.77	2.17	2.66	
RX - Pharmacy Rebates	(0.71)	(0.54)	(0.74)	(0.56)	(0.83)	(0.54)	(0.54)	(0.54)	(0.54)	(0.54)	(0.61)	
<b>TOTAL PHARMACY SERVICES</b>	<b>39.10</b>	<b>36.56</b>	<b>39.02</b>	<b>37.44</b>	<b>38.89</b>	<b>33.91</b>	<b>36.83</b>	<b>37.43</b>	<b>36.40</b>	<b>39.18</b>	<b>37.47</b>	
PAY FOR PERFORMANCE QUALITY INCENTIVE	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	
EXPANSION RISK CORRIDOR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
NON-CLAIMS EXPENSE ADJUSTMENT	0.80	1.49	1.31	(2.96)	0.16	3.02	0.08	0.05	0.05	(0.02)	0.40	
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(2.68)	17.73	(15.37)	(13.80)	(8.40)	(2.81)	(1.41)	0.81	1.49	0.08	(2.43)	
Total Medical Costs	222.89	251.42	232.28	226.58	230.04	232.78	236.90	241.79	240.81	241.92	235.76	

		KERN HEALTH SYSTEMS MEDICAL			
		SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED OCTOBER 31, 2019			
ACTUAL	CURRENT MONTH		YEAR-TO-DATE		VARIANCE
	BUDGET	VARIANCE	ACTUAL	BUDGET	
303,089	258,313	(44,776)	2,545,421	2,583,131	37,710
162,449	158,993	(3,456)	1,500,851	1,589,920	89,069
529,619	617,732	88,113	5,470,667	6,177,319	706,652
27,255	18,734	(8,521)	202,180	187,340	(14,840)
305,887	338,858	32,971	2,496,397	3,388,563	892,166
558,051	476,396	(81,655)	5,090,352	4,775,431	(314,921)
103,538	109,760	6,222	969,961	1,097,595	127,634
120,817	96,311	(24,506)	932,190	963,112	30,922
39,669	33,552	(6,117)	272,928	337,699	64,771
1,208	500	(708)	1,995	2,525	530
151,841	124,982	(26,859)	1,333,512	1,231,916	(101,596)
1,984	500	(1,484)	2,000	5,000	3,000
17,443	14,574	(2,869)	132,076	137,252	5,176
23,003	20,738	(2,265)	202,012	207,377	5,365
281,230	247,979	(33,251)	2,251,571	2,459,543	207,972
514,221	540,167	25,946	4,541,283	5,184,640	643,357
683,477	480,159	(203,318)	4,420,515	4,293,781	(126,734)
218,033	62,743	(155,290)	692,502	627,430	(65,072)
86,310	64,502	(21,808)	524,873	644,996	120,123
90,626	64,751	(25,875)	529,839	647,502	117,663
200,191	197,194	(2,997)	1,684,391	1,946,396	262,004
-	(203,120)	(203,120)	-	(2,035,280)	(2,035,280)
4,419,941	3,724,318	(695,623)	35,797,516	36,453,188	655,672

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED OCTOBER 31, 2019	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	AUGUST 2019	SEPTEMBER 2019	OCTOBER 2019	YEAR TO DATE 2019
110 - Executive	298,677	186,923	234,566	285,108	195,373	232,632	306,695	277,744	224,614	303,089	2,545,421
210 - Accounting	149,967	127,374	139,032	134,888	155,814	168,405	155,423	156,051	151,448	162,449	1,500,851
220 - Management Information Systems (MIS)	401,536	495,303	640,543	523,161	645,579	477,994	560,302	493,454	703,176	529,619	5,470,667
221 - Business Intelligence	205	10,000	50,100	20,600	22,857	11,091	30,894	20,178	9,000	27,255	202,180
225 - Infrastructure	255,998	238,858	247,310	245,403	301,083	200,444	238,149	142,044	321,221	305,887	2,496,397
230 - Claims	510,558	444,621	505,751	502,157	539,033	558,994	474,925	521,346	474,916	558,051	5,090,352
240 - Project Management	85,314	84,072	96,834	89,192	86,052	93,268	118,697	94,904	118,090	103,538	969,961
310 - Health Services - Utilization Management	86,447	91,228	95,142	84,999	92,899	78,445	90,324	92,549	99,340	120,817	932,190
311 - Health Services - Quality Improvement	25,633	21,530	22,707	23,865	28,960	26,561	30,312	25,507	28,184	39,669	272,928
312 - Health Services - Education	23	612	(5)	15,883	(15,754)	-	28	361	(361)	1,208	1,995
313 - Pharmacy	127,668	124,298	159,313	125,311	127,589	27,151	217,824	137,352	135,165	151,841	1,333,512
314 - Health Homes	556	(556)	(398)	-	18	-	228	168	-	1,984	2,000
315 - Case Management	12,191	11,347	11,943	11,541	13,230	10,958	13,670	14,260	15,493	17,443	132,076
616 - Disease Management	20,405	18,247	18,631	19,416	21,808	18,412	21,057	19,984	21,049	23,003	202,012
320 - Provider Network Management	267,760	126,987	223,524	244,955	235,564	211,875	223,120	221,422	215,134	281,230	2,251,571
330 - Member Services	470,954	389,538	441,753	485,966	477,021	424,507	447,582	443,020	446,721	514,221	4,541,283
340 - Corporate Services	319,181	347,539	396,534	356,340	364,405	386,714	428,213	522,449	615,663	683,477	4,420,515
360 - Audit & Investigative Services	57,536	55,624	51,626	53,495	53,208	47,245	50,075	49,354	56,306	218,033	692,502
410 - Advertising Media	24,987	11,283	34,440	62,712	108,984	61,286	23,752	33,490	77,629	86,310	524,873
420 - Sales/Marketing/Public Relations	48,311	41,979	43,514	48,369	48,141	44,213	44,029	68,783	51,874	90,626	529,839
510 - Human Resources	211,647	111,757	134,617	147,600	152,127	176,288	166,504	216,145	167,515	200,191	1,684,391
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	3,932,177	4,419,941	35,797,516

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

<b>ASSETS</b>	<b>OCTOBER 2019</b>	<b>SEPTEMBER 2019</b>	<b>INC(DEC)</b>
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,477,851	\$ 1,468,921	8,930
Interest Receivable	2,970	8,549	(5,579)
Prepaid Expenses & Other Current Assets	6,667	7,500	(833)
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 1,487,488</b>	<b>\$ 1,484,970</b>	<b>\$ 2,518</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts Payable	269,453	269,453	-
Other Liabilities	94,396	94,396	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 363,849</b>	<b>\$ 363,849</b>	<b>\$ -</b>
<b>NET POSITION:</b>			
Net Position- Beg. of Year	1,100,538	1,100,538	-
Increase (Decrease) in Net Position - Current Year	23,101	20,583	2,518
Total Net Position	\$ 1,123,639	\$ 1,121,121	\$ 2,518
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 1,487,488</b>	<b>\$ 1,484,970</b>	<b>\$ 2,518</b>

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED OCTOBER 31, 2019			YEAR-TO-DATE		
<b>ENROLLMENT</b>								
-	-	-	Members	-	-	-	-	-
<b>REVENUES</b>								
-	-	-	Premium	-	-	-	-	-
3,351	-	3,351	Interest	30,084	-	30,084	30,084	-
-	-	-	Other Investment Income	1,350	-	1,350	1,350	-
3,351	-	3,351	TOTAL REVENUES	31,434	-	31,434	31,434	-
<b>EXPENSES</b>								
-	-	-	Medical Costs	-	-	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-	-	-
-	-	-	Total Medical Costs	-	-	-	-	-
3,351	-	3,351	GROSS MARGIN	31,434	-	31,434	31,434	-
<b>Administrative</b>								
833	-	(833)	Management Fee Expense and Other Admin Exp	8,333	-	(8,333)	8,333	(8,333)
833	-	(833)	Total Administrative Expenses	8,333	-	(8,333)	8,333	(8,333)
833	-	(833)	TOTAL EXPENSES	8,333	-	(8,333)	8,333	(8,333)
2,518	-	2,518	OPERATING INCOME (LOSS)	23,101	-	23,101	23,101	-
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-	-	-
2,518	-	2,518	NET INCREASE (DECREASE) IN NET POSITION	23,101	-	23,101	23,101	-
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%	0%	0%
0%	0%	0%	ADMINISTRATIVE EXPENSE RATIO	27%	0%	-27%	27%	-27%

**KERN HEALTH SYSTEMS  
MONTHLY MEMBERS COUNT**

**KERN HEALTH SYSTEMS**

**2019 MEMBER MONTHS**

	JAN'19	FEB'19	MAR'19	APR'19	MAY'19	JUN'19	JUL'19	AUG'19	SEP'19	OCT'19	NOV'19	DEC'19
<b>ADULT AND FAMILY</b>												
PA - FAMILY	34,526	33,921	33,871	33,184	0	0	0	0	0	0	0	0
REFUGEE - FAMILY	0	0	0	1	0	0	0	0	0	0	0	0
FOSTER CARE	720	699	712	776	0	0	0	0	0	0	0	0
POVERTY-133/200%	1	1	1	1	0	0	0	0	0	0	0	0
MI - CHILD	108,363	109,944	110,076	110,865	0	0	0	0	0	0	0	0
CHILD-ACA	41	40	13	15	0	0	0	0	0	0	0	0
FAMILY - UNDER 19	22,145	22,131	22,194	22,160	0	0	0	0	0	0	0	0
ADULT	0	0	0	0	43,788	44,339	43,865	43,889	43,994	43,761		
CHILD	0	0	0	0	123,066	123,784	123,076	122,740	123,590	123,349		
<b>SUB-TOTAL ADULT &amp; FAMILY</b>	<b>165,796</b>	<b>166,386</b>	<b>166,867</b>	<b>167,002</b>	<b>166,854</b>	<b>168,123</b>	<b>166,941</b>	<b>166,629</b>	<b>167,584</b>	<b>167,110</b>	<b>0</b>	<b>0</b>

**MEDICAL EXPANSION**

LIHP Transition Pre-ACA	5	5	5	5	0	0	0	0	0	0	0	0
ACA Expansion Adult-Citizen	58,680	59,344	59,219	59,554	59,527	60,505	60,101	60,282	60,969	61,091		
ACA Expansion CAL Fresh Adult	4	4	3	2	0	0	0	0	0	0		
ACA Expansion Duals	440	465	446	412	401	442	427	396	314	264		
<b>SUB-TOTAL MANDATORY</b>	<b>59,129</b>	<b>59,818</b>	<b>59,673</b>	<b>59,966</b>	<b>59,928</b>	<b>60,947</b>	<b>60,528</b>	<b>60,678</b>	<b>61,283</b>	<b>61,355</b>	<b>0</b>	<b>0</b>

**SDP MEMBERS**

SSI-AGED	182	197	181	198	0	0	0	0	0	0	0	0
MIN - AGED	1,621	1,623	1,623	1,633	0	0	0	0	0	0	0	0
SSI - BLIND & DIS-ABLED	12,333	12,191	12,680	12,402	0	0	0	0	0	0	0	0
MIN - BLIND & DIS-ABLED	449	502	441	519	0	0	0	0	0	0	0	0
SPD (AGED AND DISABLED)	0	0	0	0	14,958	15,103	15,264	15,270	15,300	15,454		
<b>SUB-TOTAL MANDATORY SPD</b>	<b>14,585</b>	<b>14,513</b>	<b>14,925</b>	<b>14,752</b>	<b>14,958</b>	<b>15,103</b>	<b>15,264</b>	<b>15,270</b>	<b>15,300</b>	<b>15,454</b>	<b>0</b>	<b>0</b>

**TOTAL MANDATORY**

	239,510	240,717	241,465	241,722	241,740	244,173	242,733	242,577	244,167	243,919	0	0
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**OTHER MEMBERS**

BCCTP-TOBACCO SETTLEMENT	23	25	22	22	22	22	22	21	24	23		
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**DUALS**

PA - FAMILY DUALS	18	30	24	30	0	0	0	0	0	0	0	0
PART D SSI-AGED	838	821	832	851	0	0	0	0	0	0	0	0
PART D MN - AGED	1,510	1,559	1,564	1,669	0	0	0	0	0	0	0	0
PART D SSI - BLIND & DIS-ABLED	2,471	2,490	2,531	2,481	0	0	0	0	0	0	0	0
PART D MN - BLIND & DIS-ABLED	1,082	1,049	1,003	1,042	0	0	0	0	0	0	0	0
PART D BCCTP-TOBACCO SETTLEMENT	1	1	1	2	1	1	1	1	1	1		
PART D MI - CHILD	377	409	394	435	0	0	0	0	0	0	3	
PARTIAL DUALS - FAMILY	0	0	0	0	435	453	448	448	520	437		
SPD FULL DUALS	0	0	0	0	6,151	6,247	6,176	6,419	6,565	6,656		
<b>SUB-TOTAL DUALS</b>	<b>6,297</b>	<b>6,359</b>	<b>6,349</b>	<b>6,510</b>	<b>6,587</b>	<b>6,701</b>	<b>6,625</b>	<b>6,868</b>	<b>7,086</b>	<b>7,097</b>	<b>0</b>	<b>0</b>

**TOTAL OTHERS**

	6,320	6,384	6,371	6,532	6,609	6,723	6,647	6,889	7,110	7,120	0	0
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**TOTAL KAISER**

	8,329	8,385	8,394	8,411	8,557	8,609	8,668	8,758	8,858	8,911		
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**TOTAL MEDICAL MEMBERS**

	254,159	255,486	256,230	256,665	256,906	259,505	258,048	258,224	260,135	259,950	0	0
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SEPTEMBER AP Vendor Report  
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4290	S.C. ANDERSON, INC.	952,508.86	14,091,407.36	JULY CONSTRUCTION SERVICES - NEW BUILDING	CAPITAL PROJECT - NEW BUILDING
T1045	KAISER FOUNDATION HEALTH	424,249.69	3,813,141.96	SEPTEMBER EMPLOYEE HEALTH BENEFITS	VARIOUS
T1071	CLINICA SIERRA VISTA	174,565.08	264,453.08	DEC.2018- MAY 2019 EMERGENCY ROOM DIVERSION GRANT	COMMUNITY GRANT
T4265	SIERRA SCHOOL EQUIPMENT COMPANY	119,896.62	153,835.52	NEW BUILDING FURNITURE BOARD ROOM & EMPLOYEE LOUNGE	CORPORATE SERVICES
T2726	DST PHARMACY SOLUTIONS, INC.	116,962.38	949,267.23	AUGUST PHARMACY AND CLAIMS PROCESSING	PHARMACY
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	116,679.21	511,629.28	AUG. & SEPT. VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T4982	NGC US, LLC	98,010.99	469,014.57	PREFUND HEALTH HOMES & HEALTH ED INCENTIVES	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	71,345.00	1,436,542.54	AUGUST CONSULTING SERVICES TO UPDATE STANDARD BUSINESS REPORTING	VARIOUS
T4466	SMOOTH MOVE USA	60,834.00	60,834.00	AUG. & SEPT. MOVING EXPENSES	CORPORATE SERVICES
T2969	AMERICAN BUSINESS MACHINES INC	46,624.22	72,538.11	4-NEW COPIERS & SEPT. SUPPORT AND MAINTENANCE	MIS INFRASTRUCTURE
T2562	CACTUS SOFTWARE LLC	45,825.00	45,825.00	ANNUAL SOFTWARE UPGRADE RENEWAL OF LICENSE	CAPITAL PROJECT IN PROCESS
T4582	HEALTHX, INC.	40,376.00	384,944.00	SEPTEMBER - MONTHLY PORTAL SUBSCRIPTION FEES	MIS INFRASTRUCTURE
T2918	STINSONS	35,101.27	133,923.55	NAME PLATES FOR CUBICLES AT NEW BUILDING	CAPITAL PROJECT - NEW BUILDING



SEPTEMBER AP Vendor Report  
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T2458	HEALTHCARE FINANCIAL, INC.	30,000.00	34,000.00	JULY PROFESSIONAL SERVICES	ADMINISTRATION
T4546	LEVEL 3 COMMUNICATIONS, LLC	29,911.56	228,839.85	SEPT. DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T5026	TEL-TEC SECURITY SYSTEMS	28,726.63	264,872.94	INSTALLATION OF BURGLAR SECURITY SYSTEM - PHASE I	CAPITAL PROJECT - NEW BUILDING
T4350	COMPUTER ENTERPRISE INC.	28,224.04	2,245,688.60	JUL. & AUG. CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS/ MIS
T5111	ENTISYS 360	27,902.40	37,900.76	ANNUAL FEE FOR PROFESSIONAL SERVICES/CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS/ MIS
T4308	TRUXTUN PLACE PARTNERS	26,523.00	304,376.74	SEPTEMBER TRUXTUN- LEASE & UTILITIES	CORPORATE SERVICES
T1189	APPLE ONE INC.	25,283.83	309,883.84	AUG. & SEPT. TEMPORARY HELP - (4) MIS, (2) MS, (1) CS, (1) HE.	VARIOUS
T2965	VITAL SIGNS OF BAKERSFIELD	23,917.24	38,917.74	MONUMENT SIGN & INSTALLATION	CAPITAL PROJECT - NEW BUILDING
T3011	OFFICE ALLY, INC.	23,505.75	199,503.50	AUG. EDI CLAIM PROCESSING	CLAIMS
T4967	ADMINISTRATIVE SOLUTIONS, INC.	23,451.16	149,682.28	AUG. & SEPT. EMPLOYEE PAID VOLUNTARY INSURANCE/FSA CARD DEPOSIT	VARIOUS
T4460	PAYSPAN, INC	22,015.88	177,582.28	AUG. EXTERNAL CLAIMS PAYMENT PROCESSING	FINANCE
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	20,670.00	87,620.00	AUG. PROFESSIONAL SERVICES - NETWORKX MODELER AND PRICER	UTILIZATION MANAGEMENT
T4733	UNITED STAFFING ASSOCIATES	19,895.47	93,903.24	TEMPORARY HELP (2) MS	MEMBER SERVICES
T4165	SHI INTERNATIONAL CO.	19,285.25	486,904.43	ANNUAL SOLARWIND MAINTENANCE & SEPT. CONSULTING FEES	VARIOUS





SEPTEMBER AP Vendor Report  
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1861	CEREDIAN BENEFITS SERVICES	18,079.75	148,914.80	TRAINING WORKSHOP & JULY DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T5128	STANDARD SCHOOL DISTRICT****	18,000.00	18,000.00	1ST PAYMENT - 50% SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T4585	DELANO UNION SCHOOL DISTRICT	17,500.00	19,500.00	1ST PAYMENT - 50% SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T4802	KERN COUNTY SUPERINTENDENT OF SCHOOLS****	17,500.00	17,500.00	1ST PAYMENT - 50% SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T4991	FANELLIPM	17,000.00	75,230.00	AUG. PROFESSIONAL SERVICES-RELOCATION MANAGEMENT	PROJECT MANAGEMENT
T4538	CHANGE HEALTHCARE TECHNOLOGIES, LLC	15,673.91	94,830.34	AUGUST EDI CLAIMS PROCESSING	CLAIMS
T4193	TECHNOSOCIALWORK.COM DBA STRIA	15,223.30	334,638.10	AUG. OCR SERVICES	CLAIMS
T4961	AEROTEK SCIENTIFIC, LLC	14,562.90	75,475.17	AUG. -ONSITE SECURITY	CORPORATE SERVICES
T5078	SJS BUILDING MAINTENANCE & SUPPLIES	11,670.00	66,322.62	AUG. JANITORIAL SERVICES	CORPORATE SERVICES
T1005	COLONIAL LIFE & ACCIDENT	11,359.38	103,861.96	AUG - EMPLOYEE PAID VOLUNTARY INSURANCE	PAYROLL DEDUCTION
T4563	SPH ANALYTICS	11,041.20	65,200.00	2019 CAHPS SIMULATION SURVEY	MEMBER SERVICES
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	10,986.96	374,010.15	AUG. PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T5137	FSO HEALTHY DATA SYSTEMS.COM****	10,500.00	10,500.00	IMPLEMENTATION & LICENSING OF SOFTWARE TOOL FOR DHCS- FSR	QUALITY IMPROVEMENT



SEPTEMBER AP Vendor Report  
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4396	KAISER FOUNDATION HEALTH-DHMO	10,156.88	183,374.53	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4476	KERN PARTNERSHIP FOR CHILDREN ANI	10,000.00	12,000.00	SPONSORSHIP OF GATSBY GALA - COMMUNITY ACTIVITIES	MARKETING
	TOTAL VENDORS OVER \$10,000	<u>2,861,744.81</u>			
	TOTAL VENDORS UNDER \$10,000	245,741.91			
	TOTAL VENDOR EXPENSES- SEPT.	<u>3,107,486.72</u>			

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



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4290	S.C. ANDERSON, INC.	14,091,407.36	NEW BUILDING CONSTRUCTION SERVICES	CAPITAL PROJECT - NEW BUILDING
T1045	KAISER FOUNDATION HEALTH	3,813,141.96	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	2,245,688.60	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS/ MIS
T4237	FLUIDEDGE CONSULTING, INC.	1,436,542.54	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING AND CORPORATE PROJECTS	VARIOUS
T4699	ZsOMEGA, INC.	1,229,442.74	2019 ANNUAL LICENSE AND MAINTENANCE / PROFESSIONAL SERVICES - MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT- CASE MANAGEMENT/DISEASE MANAGEMENT
T2726	DST PHARMACY SOLUTIONS, INC.	949,267.23	PHARMACY AND CLAIMS PROCESSING	PHARMACY
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	887,439.63	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT - NEW BUILDING
T3130	OPTUMINSIGHT, INC.	871,927.00	2018/2019 CES DIRECT LICENSE - ANNUAL FEE / OUTSOURCED ANALYSIS	VARIOUS
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	ANNUAL SOFTWARE LICENSE - HEALTH CARE MANAGEMENT	UTILIZATION MANAGEMENT
T3449	CDW GOVERNMENT	549,963.47	FORTINET FORTGATE FIREWALL APPLIANCES, LICENSES, AND SUPPORT	CAPITAL PROJECT - NEW BUILDING OCCUPATION
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	511,629.28	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T4483	INFUSION AND CLINICAL SERVICES, INC.	505,369.05	HEALTH HOME GRANTS	COMMUNITY GRANTS



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4165	SHI INTERNATIONAL CO.	486,904.43	MAINTENANCE SUPPORT/ STORAGE MAINTENANCE/ HARDWARE	VARIOUS
T4982	NGC US, LLC	469,014.57	PREFUND HEALTH HOMES INCENTIVE, MEMBER SERVICES SATISFACTION SURVEY INCENTIVES, HEALTH EDUCATION INCENTIVES	VARIOUS
T2686	ALLIANT INSURANCE SERVICES INC.	426,915.38	2019/2020 INSURANCE RENEWALS	VARIOUS
T4696	ZNALYTICS, LLC	423,430.00	CONSULTING SERVICES	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T5015	SENTINEL ENGINEERING	412,813.48	HARDWARE, SOFTWARE, LICENSING AND SUPPORT FOR 1 YEAR FOR NEW BUILDING	CAPITAL PROJECT - NEW BUILDING OCCUPATION
T4582	HEALTHX, INC.	384,944.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	374,010.15	PROFESSIONAL SERVICES	VARIOUS
T4193	TECHNOSOCIALWORK.COM DBA STRIA	334,638.10	OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T1408	DELL MARKETING LP.	318,726.31	SOFTWARE LICENSE & MIS EQUIPMENT	MIS INFRASTRUCTURE
T1189	APPLE ONE INC,	309,983.84	TEMPORARY HELP	VARIOUS
T4308	TRUXTUN PLACE PARTNERS	304,376.74	TRUXTUN - RENT & UTILITIES	CORPORATE SERVICES
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 INFRASTRUCTURE
T1845	DEPARTMENT OF MANAGED HEALTH CARE	286,724.74	MCAL/HFAM ANNUAL ASSESSMENT FEES -- 1 INSTALLMENT OF 2	ADMINISTRATION
T2167	PG&E	284,251.54	ANNUAL TRUE-UP FOR 2018 USAGE/UTILITIES	CORPORATE SERVICES



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5026	TEL-TEC SECURITY SYSTEMS	264,872.94	INSTALLATION OF BURGLAR PHASE- SECURITY SYSTEM	CAPITAL PROJECT - NEW BUILDING
T1071	CLINICA SIERRA VISTA****	264,453.08	EMERGENCY ROOM DIVERSION GRANT	COMMUNITY GRANT
T5116	CHRYSTAL INVESTMENTS, LLC	229,402.80	LEASE AGREEMENT STOCKDALE BLDG	CORPORATE SERVICE
T4546	LEVEL 3 COMMUNICATIONS, LLC	228,839.85	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T3011	OFFICE ALLY, INC.	199,503.50	EDI CLAIM PROCESSING	CLAIMS
T1272	COFFEY COMMUNICATIONS INC.	196,512.86	MEMBER NEWSLETTER/ WEBSITE IMPLEMENTATION	VARIOUS
T4959	BERKSHIRE HATHWAY HOMESTATE COMPANIES	189,551.00	WORKERS COMPENSATION INSURANCE PREMIUM	VARIOUS
T4396	KAISER FOUNDATION HEALTH-DHMO	183,374.53	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4460	PAYSPAN, INC	177,582.28	EXTERNAL CLAIMS PAYMENT PROCESSING	FINANCE
T4792	KP LLC	157,102.82	PRINTING AND SHIPPING OF PROVIDER DIRECTORIES	PROVIDER RELATIONS
T4285	SIERRA SCHOOL EQUIPMENT COMPANY****	153,835.52	NEW BUILDING FURNITURE-BOARD ROOM & BREAKROOM	CORPORATE SERVICES
T4967	ADMINISTRATIVE SOLUTIONS, INC.	149,682.28	EMPLOYEE PAID VOLUNTARY INSURANCE/FSA CARD DEPOSIT	PAYROLL DEDUCTION
T1861	CEREDIAN BENEFITS SERVICES	148,914.80	MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION, TRAINING, & AMENDMENTS	HUMAN RESOURCES
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	145,376.44	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T2918	STINSON'S	133,923.55	OFFICE SUPPLIES	VARIOUS



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2584	UNITED STATES POSTAL SVC.-HASLER	120,000.00	POSTAGE-METERED	VARIOUS
T5013	ELIZA CORPORATION	112,852.00	HEALTH SERVICES MEMBER OUTREACH PILOT	HEALTH EDUCATION
T1005	COLONIAL LIFE & ACCIDENT	103,861.96	EMPLOYEE PAID VOLUNTARY INSURANCE	PAYROLL DEDUCTION
T3469	CPACINC.COM INC	97,705.74	VMWARE/VEEAM LICENSING W/ SUPPORT, MAINTENANCE FOR NEW BUILDING	MIS INFRASTRUCTURE
T1960	LOCAL HEALTH PLANS OF CA, INC	97,651.69	2019/2020 FLAT YEARLY ASSESSMENT	ADMINISTRATION
T4902	CHANGE HEALTHCARE LLC	94,830.34	EDI CLAIM PROCESSING	CLAIMS / MIS
T4733	UNITED STAFFING ASSOCIATES	93,903.24	TEMPORARY HELP	VARIOUS
T4654	DELAWIE	90,981.38	ARCHITECTURE SERVICES	CAPITAL PROJECT-NEW BUILDING
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	87,620.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4961	AEROTEK SCIENTIFIC, LLC	75,475.17	TEMPORARY ONSITE SECURITY	CORPORATE SERVICES
T4991	FANELLIPM	75,230.00	PROFESSIONAL SERVICES-RELOCATION MANAGEMENT	PROJECT MANAGEMENT
T4785	COMMGAP	74,682.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T2969	AMERICAN BUSINESS MACHINES INC	72,538.11	HARDWARE AND MAINTENANCE	CORPORATE SERVICES
T4686	CENTRIC HEALTH	69,518.58	TRANSITION OF CARE CLINIC FUNDING	UTILIZATION MANAGEMENT
T4963	LINKEDIN CORPORATION	68,500.00	ONLINE JOB POSTINGS/RECRUITMENT	HUMAN RESOURCES
T5078	SJS BUILDING MAINTENANCE & SUPPLIES	66,322.62	JANITORIAL SERVICES	CORPORATE SERVICES
T4563	SPH ANALYTICS	65,200.00	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	2019 ANNUAL DUES ASSESSMENT	ADMINISTRATION



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4698	INFINITY COMMUNICATIONS & CONSULTING, INC.	64,616.50	TECHNICAL BUILDING ARCHITECTURAL CONSULTING PHASE II	CAPITAL PROJECT - NEW BUILDING
T4514	AJ KLEIN INC T. DENATALE, B.GOLDNER	61,283.48	LEGAL SERVICES	ADMINISTRATION
T4466	SMOOTH MOVE USA****	60,834.00	FURNITURE RELOCATION TO NEW BUILDING	CORPORATE SERVICES
T2413	TREK IMAGING INC	59,813.81	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T5065	CHAMP'S SECURITY PATROL SERVICES INC	58,200.00	ONSITE SECURITY	CORPORATE SERVICES
T4909	GEM PHYSICIANS MEDICAL GROUP, INC.	54,003.59	HEALTH HOME GRANTS	COMMUNITY GRANTS
T4182	THE LAMAR COMPANIES	53,570.96	OUTDOOR ADVERTISEMENT-BILLBOARDS	ADVERTISING
T1128	HALL LETTER SHOP INC.	52,794.36	NEW MEMBER LETTER ENVELOPES, MEMBER HANDBOOKS, CLINICAL CARE MANUAL FOR HH, NEW MEMBER PKT.	VARIOUS
T5025	SHANNON M DEAN	50,000.00	COMPENSATION DISTRIBUTION	ADMINISTRATION
T4503	VISION SERVICE PLAN	49,828.16	EMPLOYEE HEALTH BENEFITS	VARIOUS
T5024	GALLAGHER BENEFIT SERVICES INC	49,500.00	PBM RFP CONSULTING	UTILIZATION MANAGEMENT
T1180	LANGUAGE LINE SERVICES, INC	49,442.14	INTERPRETATION SERVICES	MEMBER SERVICES
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	49,000.00	2018 AUDIT FEES	ADMINISTRATION
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	VARIOUS
T4657	DAPONDE SZABO ROWE PC	46,702.50	CONSULTING SERVICES	PROVIDER RELATIONS



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2562	CACTUS SOFTWARE LLC****	45,825.00	CACTUS SOFTWARE UPGRADE	MIS INFRASTRUCTURE
T3084	KERN COUNTY-COUNTY COUNSEL	45,320.30	LEGAL FEES	ADMINISTRATIVE
T4561	SRI & SHARMA, LLC	43,750.00	PARKING RENTAL	CORPORATE 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 INFRASTRUCTURE
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	41,200.00	COMMUNITY SPONSORSHIP	ADMINISTRATION
T2446	AT&T MOBILITY	39,855.49	CELLULAR PHONE / INTERNET	MIS INFRASTRUCTURE
T1183	MILLIMAN USA	39,423.25	CY2018/2019 RDT & IBNP CONSULTING - ACTUARIAL	ADMINISTRATION
T3986	JACQUELYN S JANS	39,167.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T2965	VITAL SIGNS OF BAKERSFIELD****	38,917.74	MONUMENT SIGN & INSTALLATION	CAPITAL PROJECT - NEW BUILDING
T2135	BAKERSFIELD CITY SCHOOL DISTRICT	38,455.00	SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T4739	SECURITAS SECURITY SERVICES USA, INC	38,200.57	SECURITY SERVICES	CORPORATE SERVICES
T5111	ENTISYS 360****	37,900.76	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS/ MIS
T4452	WELLS FARGO	37,496.31	CREDIT CARD-TRAINING REGISTRATION, LODGING EXPENSES, AND MISCELLANEOUS PURCHASES	VARIOUS
T3378	CARRIER CORPORATION	36,853.44	BUILDING MAINTENANCE	CORPORATE SERVICE
T4294	J. SERVICES JANITORIAL	36,345.00	JANITORIAL SERVICES	CORPORATE SERVICES
T2232	DLT SOLUTIONS, LLC	35,949.76	SQL SERVER MAINTENANCE	MIS INFRASTRUCTURE





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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5030	KHOA NGUYEN DBA KN CONSULTING LLC	35,000.00	CONSULTING SERVICES	CORPORATE SERVICE
T4583	SOILS ENGINEERING INC	34,380.00	SOIL SAMPLING OBSERVATION -OIL DIRT DISCOVERY/REMEDIATION	CAPITAL PROJECT - NEW BUILDING
T4501	ALLIED UNIVERSAL SECURITY SERVICES	34,082.00	ONSITE SECURITY	CORPORATE SERVICES
T2458	HEALTHCARE FINANCIAL, INC.****	34,000.00	PROFESSIONAL SERVICES	ADMINISTRATION
T2441	LAURA J. BREZINSKI	32,700.00	MARKETING MATERIALS	MARKETING
T4683	CLAUDIA M. BACA	31,844.59	PROJECT MANAGEMENT CONSULTING SERVICES	PROJECT MANAGEMENT
T4228	THE SSI GROUP, LLC	30,852.40	EDI CLAIM PROCESSING	CLAIMS
T1650	UNIVISION TELEVISION GROUP	30,566.00	ADVERTISEMENT - TELEVISION	ADVERTISEMENT
T2933	SIERRA PRINTERS, INC	29,521.85	MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS	VARIOUS
T4433	MICRO-DYN MEDICAL SYSTEMS, INC	28,835.00	ANNUAL LICENSE- APR-DRG GROUPER SOFTWARE SOLUTION	MIS INFRASTRUCTURE
T4216	NEXSTAR BROADCASTING INC	28,602.75	ADVERTISEMENT - MEDIA	ADVERTISEMENT
T5077	SDL, INC	27,851.25	COMPUTER ASSISTED TRANSLATION TOOL	HEALTH EDUCATION
T5107	CITRIX SYSTEMS, INC.	27,489.14	SOFTWARE SUPPORT	MIS INFRASTRUCTURE
T5028	QUANTUM CONSULTING GROUP LLC	26,175.00	CONSULTING SERVICES	HEALTH HOMES
T5080	COURTNEY HILEMAN	25,000.00	COMPENSATION DISTRIBUTION	ADMINISTRATION
T4554	THE KEN BLANCHARD COMPANIES	24,891.00	TRAINING MATERIALS & MANAGER TRAINING COURSE	HUMAN RESOURCES
T1022	UNUM LIFE INSURANCE CO	24,392.80	EMPLOYEE LONG TERM AND LIFE INSURANCE	PAYROLL DEDUCTION



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T3990	SPARKLETTS, INC	24,116.08	BOTTLED WATER SERVICE	VARIOUS
T5100	QUANTUMPM, INC.	23,640.52	CONSULTING SERVICES	PROJECT MANAGEMENT
T2941	KERN PRINT SERVICES, INC.	23,352.44	OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD	VARIOUS
T4674	STOCKDALE PLAZA OWNERS ASSOCIATION INC	22,500.00	PARKING SPACE RENTAL	CORPORATE SERVICES
T4694	KELLY SERVICES, INC.	21,983.25	TEMPORARY HELP	VARIOUS
T4960	ZELIS CLAIMS INTEGRITY, LLC	21,820.13	POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS
T1347	ADVANCED DATA STORAGE	21,376.10	OFF SITE STORAGE SERVICES	CORPORATE SERVICES
T4781	EDRINGTON HEALTH CONSULTING, LLC	20,012.50	CONSULTING SERVICES - AB85	ADMINISTRATION
T4605	KERVILLE UNION SCHOOL DISTRICT	19,500.00	SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T4585	DELANO UNION SCHOOL DISTRICT****	19,500.00	SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T4544	BARNES WEALTH MANAGEMENT GROUP	18,375.00	RETIREMENT PLAN CONSULTANT	ADMINISTRATION
T4195	SCRIPPS MEDIA, INC. DBA KERO-TV	18,456.25	ADVERTISEMENT - TELEVISION	ADVERTISEMNT
T4933	HOLLY J. CULHANE DBA PROFESSIONAL ADMINISTRATIVE	18,089.54	PROFESSIONAL ADMINISTRATIVE SERVICES	ADMINISTRATION
T5128	STANDARD SCHOOL DISTRICT****	18,000.00	SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T4417	KAISER FOUNDATION HEALTH PLAN	17,616.76	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4802	KERN COUNTY SUPERINTENDENT OF SCHOOLS****	17,500.00	SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T4183	LAMAR ADVERTISING OF BAKERSFIELD	17,250.00	ADVERTISING - BILLBOARD	ADVERTISING



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4962	LIBERTY DATA, INC.	17,100.00	PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T1503	PETROLEUM CLUB OF BAKERSFIELD	16,810.84	PHARMACY/PROVIDER RECOGNITION EVENTS	VARIOUS
T1694	KERN COUNTY FAIR	16,394.00	2019 KHS COMPANY EVENT	MARKETING
T2831	CREATIVE FINANCIAL STAFFING***	16,340.55	TEMPORARY HELP	FINANCE
T4731	LOGMEIN USA, INC.	15,894.00	INTERNET SERVICES	MIS INFRASTRUCTURE
T4016	FIRST DATABANK, INC	15,515.00	PROFESSIONAL SERVICES- PROVIDES NATIONAL DRUG CODE NDC DATABASE WITH GENERIC CODE NUMBERS	MIS INFRASTRUCTURE
T3133	KENNETH JAMES TAYLOR***	15,468.75	CONSULTING SERVICES	CAPITAL PROJECT
T4389	EXACT STAFF, INC.	15,413.36	TEMPORARY HELP	MEMBER SERVICES
T5064	QUEST DIAGNOSTICS CLINICAL LABORATORIES, INC.	15,250.00	PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T4932	SPECTRUM REACH (MEDIA)	14,793.70	ADVERTISEMENT - TELEVISION	ADVERTISEMENT
T4760	CAMERON CHANG	14,125.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4400	OPTUM360 LLC	13,338.54	ENCODER PRO LICENSE	VARIOUS
T2724	BLACK STONE ASPHALT CONSTRUCTION, INC***	13,320.00	BUILDING MAINTENANCE	CORPORATE SERVICE
T2787	SAGE SOFTWARE, INC	12,993.75	2019-20 ANNUAL LICENSE	FINANCE
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 - (CAPM) CERTIFIED ASSOCIATE IN PROJECT MANAGEMENT	PROJECT MANAGEMENT



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4230	COFFEE BREAK SERVICE, INC.	12,419.54	MISC. SUPPLIES-COFFEE, CREAMER, WATER	CORPORATE SERVICE
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
T2407	KAISER FOUNDATION HEALTH	12,157.69	COBRA INSURANCE	PAYROLL DEDUCTION
T4476	KERN PARTNERSHIP FOR CHILDREN AND FAMILIES****	12,000.00	COMMUNITY ACTIVITIES	MARKETING
T5132	TIME WARNER CABLE LLC****	11,923.87	INTERNET SERVICES	MIS INFRASTRUCTURE
T5056	TRACI POWELL	11,668.50	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4523	BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA	11,601.02	EMPLOYEE PREMIUM	ADMINISTRATION
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	11,600.00	PLAN ASSESSMENT & ANNUAL CONFERENCE REGISTRATION	ADMINISTRATION
T4708	HEALTH MANAGEMENT ASSOCIATES INC	11,562.50	CONSULTING SERVICES	ADMINISTRATION
T4218	AGILE CROSSING	11,500.00	ON-SITE CERTIFIED SCRUM MASTER TRAINING & IMPROVE APPLICATION OF AGILE METHODOLOGY	VARIOUS
T4784	AXIOM COMMISSIONING GROUP INC	11,314.45	PROFESSIONAL SERVICES	CAPITAL PROJECT - NEW BUILDING
T1644	BRIGHT HOUSE NETWORK	10,936.08	INTERNET SERVICES	MIS INFRASTRUCTURE
T4968	ZIPRECRUITER, INC.	10,790.98	ANNUAL SUBSCRIPTION - PRO TEAM PLAN 10 JOBS	HUMAN RESOURCES
T3475	CALIFORNIA STATE CONTROLLER'S OFFICE	10,695.12	2014 UNCLAIMED PROPERTY	FINANCE
T2869	COMMUNITY ACTION PARTNERSHIP OF KERN	10,500.00	COMMUNITY GRANT	MARKETING

# KERN HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5137	FSO HEALTHY DATA SYSTEMS.COM****	10,500.00	IMPLEMENTATION & LICENSING OF SOFTWARE TOOL FOR DHCS- FSR	QUALITY IMPROVEMENT
T5109	RAND EMPLOYMENT SOLUTIONS****	10,102.57	TEMPORARY HELP	VARIOUS
T5071	WEST SIDE FAMILY HEALTH CARE	10,000.00	PROVIDER RECRUITMENT & RETENTION GRANT	COMMUNITY GRANTS
T5012	KERN MEDICAL-CENTER FOUNDATION	10,000.00	VALLEY FEVER INSTITUTE DONATION	MARKETING
		<u>41,774,754.54</u>		
	TOTAL VENDORS OVER \$10,000	41,774,754.54		
	TOTAL VENDORS UNDER \$10,000	898,136.32		
	TOTAL VENDOR EXPENSES- SEPT.	<u>42,672,890.86</u>		

Note:

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

# KERN HEALTH SYSTEMS

**OCTOBER AP Vendor Report**  
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1001	KERN MEDICAL CENTER	1,043,948.18	1,749,866.69	NOV.2018- JUN. 2019 HEALTH HOME GRANTS	COMMUNITY GRANTS
T4290	S.C. ANDERSON, INC.	894,652.23	14,986,059.59	AUGUST CONSTRUCTION SERVICES	CAPITAL PROJECT - NEW BUILDING
T2918	STINSON'S	508,678.39	642,601.94	AUG. & SEPT. OFFICE SUPPLIES & CUBICLES FOR NEW BUILDING; (3) FURNITURE SETS FOR INTERVIEW ROOMS, & (4) OFFICE FURNITURE SETS FOR MANAGERS/DIRECTORS	VARIOUS
T5119	PACIFIC WEST SOUND PROFESSIONAL AUDIO & DESIGN INC.****	433,957.05	433,957.05	FURNITURE FOR BOARD ROOM, CONFERENCE ROOMS, TRAINING ROOM	CAPITAL PROJECT - NEW BUILDING
T1045	KAISER FOUNDATION HEALTH	431,308.50	4,244,450.46	OCTOBER EMPLOYEE HEALTH BENEFITS	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	320,474.23	2,566,162.83	JUL., AUG., & SEPT. PROFESSIONAL SERVICES	CAPITAL PROJECT IN PROCESS/ MIS
T4391	OMNI FAMILY HEALTH	237,834.66	981,183.10	JUL. & AUG. HEALTH HOME GRANTS & SPONSORSHIP	VARIOUS
T4695	EDIFICS, INC.*****	191,158.62	192,439.25	ANNUAL TSM MAINTENANCE	MIS INFRASTRUCTURE
T4237	FLUIDEDGE CONSULTING, INC.	156,189.96	1,592,732.50	AUG. & SEPT. CONSULTING SERVICES	VARIOUS
T1408	DELL MARKETING L.P.	134,038.34	452,764.65	EQUIPMENT-(45) LATITUDE 5400, (1) OPTIPLX 7070, (60) PERFORMANCE DOCK	VARIOUS
T2726	DST PHARMACY SOLUTIONS, INC.	118,764.88	1,068,032.11	SEPTEMBER PHARMACY AND CLAIMS PROCESSING	PHARMACY
T4265	SIERRA SCHOOL EQUIPMENT COMPANY	102,246.94	256,082.46	FURNITURE-EXEC CONFERENCE ROOM, CEO OFFICE, & LOBBY	CAPITAL PROJECT - NEW BUILDING
T5109	RAND EMPLOYMENT SOLUTIONS	62,524.26	72,626.83	SEPT. TEMPORARY HELP - (11) MIS ; (4) MS; (1) UM (1) CLAIMS	VARIOUS
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	60,406.59	572,035.87	OCTOBER VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS



OCTOBER AP Vendor Report  
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4982	NGC US, LLC	58,795.36	527,809.93	PREFUND HEALTH HOMES INCENTIVE & HEALTH ED INCENTIVES	VARIOUS
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	58,376.62	945,816.25	JUL. & AUG. DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT - NEW BUILDING
T5145	CCS ENGINEERING FRESNO INC.,***	54,783.62	54,783.62	AUG. & SEPT. JANITORIAL SERVICES & PRESSURE WASHING SVCS.	CORPORATE SERVICES
T2686	ALLIANT INSURANCE SERVICES INC.	50,447.08	477,362.46	2019/2020 INSURANCE RENEWAL- PROPERTY & LIABILITY, EARTHQUAKE, FLOOD INSURANCE	ADMINISTRATION
T4466	SMOOTH MOVE USA	49,163.80	109,997.80	SEPT. MOVING/RELOCATION EXPENSES	CORPORATE SERVICES
T2167	PG&E	47,628.86	331,880.40	AUG./SEPT. USAGE/UTILITIES	CORPORATE SERVICES
T4696	ZNALYTICS, LLC	45,360.00	468,790.00	AUG. & SEPT. PROFESSIONAL SERVICES	VARIOUS
T4607	AGILITY RECOVERY SOLUTIONS INC.	41,252.40	44,002.40	PREPAID ANNUAL PROFESSIONAL SERVICES	COMPLIANCE
T4582	HEALTHX, INC.	40,376.00	425,320.00	OCT. MEMBER PROVIDER AND MEMBER PORTAL MAINTENANCE	MIS INFRASTRUCTURE
T4193	STRIA LLC	30,550.90	365,189.00	SEPT. OCR SERVICES	CLAIMS
T1189	APPLE ONE INC, EMPLOYMENT SERVICES	30,263.25	340,247.09	AUG., SEPT., & OCT., TEMPORARY HELP - (4) MIS, (2) MS, (1) CS, (1) HE.	PAYROLL DEDUCTION
T2584	UNITED STATES POSTAL SVC.-HASLER	30,000.00	150,000.00	POSTAGE-METERED	VARIOUS
T4955	DOGHOUSE GRILL LLC***	29,946.15	29,946.15	2019 KHS COMPANY EVENT	MARKETING
T5015	SENTINEL ENGINEERING	29,531.25	442,344.73	AUG., & SEPT. PROFESSIONAL SERVICES	VARIOUS
T3449	CDW GOVERNMENT	27,813.61	577,777.08	FORTINET FORTGATE FIREWALL APPLIANCES, LICENSES, AND SUPPORT	CAPITAL PROJECT - NEW BUILDING OCCUPATION



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Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T2933	SIERRA PRINTERS, INC.	25,214.45	54,736.30	PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS	VARIOUS
T2955	DELTA ELECTRIC INC.	24,840.00	26,050.00	BUILDING MAINTENANCE	CORPORATE SERVICES
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	22,064.25	116,894.59	AUG. & SEPT. EDI CLAIMS PROCESSING	CLAIMS
T4733	UNITED STAFFING ASSOCIATES	21,981.77	115,885.01	SEPT. TEMPORARY HELP (2) MS, (1) MARKETING, (1) CORP. SVCS.	VARIOUS
T4657	DAPONDE SIMPSON ROWE PC	21,729.00	68,431.50	MAY & AUG. LEGAL FEES	PROVIDER RELATIONS
T4785	COMMIGAP	20,727.50	95,410.00	AUG. & SEPT. INTERPRETATION SERVICES	HEALTH EDUCATION
T5185	HOUSING AUTHORITY COUNTY OF KERN****	20,100.00	20,100.00	JUN., JUL., & AUG. CASE MANAGEMENT GRANT	UTILIZATION MANAGEMENT
T4460	PAYSPAN, INC	18,839.72	196,422.00	SEPT. EXTERNAL CLAIMS PAYMENT PROCESSING	FINANCE
T4967	ADMINISTRATIVE SOLUTIONS, INC.	18,342.78	168,025.06	OCT. EMPLOYEE PAID VOLUNTARY INSURANCE/FSA CARD DEPOSIT	PAYROLL DEDUCTION
T2446	AT&T MOBILITY	18,217.78	58,073.27	JUL/AUG.CELLULAR PHONE /INTERNET & CELL PHONES AND HOT SPOTS	MIS INFRASTRUCTURE
T5065	CHAMP'S SECURITY PATROL SERVICES INC.***	17,940.00	76,140.00	AUG. & SEPT. ONSITE SECURITY	CORPORATE SERVICES
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	17,420.00	105,040.00	SEPT. PROFESSIONAL-SERVICES	UTILIZATION MANAGEMENT
T4959	BERKSHIRE HATHWAY HOMESTATE COMPANIES	17,207.00	206,758.00	WORKERS COMPENSATION INSURANCE PREMIUM-ADJ	VARIOUS
T1861	CERIDIAN HCM, INC.	15,738.28	164,653.08	AUGUST DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T2941	KERN PRINT SERVICES INC.	14,969.46	38,321.90	MEMBER DIRECT MAILINGS AND LETTERHEAD AND ENVELOPES	VARIOUS





OCTOBER AP Vendor Report  
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T5155	A-C ELECTRIC COMPANY****	14,772.89	14,772.89	BUILDING MAINTENANCE	CORPORATE SERVICES
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	14,354.18	159,730.62	SEPT. EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4699	ZeOMEGA, INC.	14,250.00	1,243,692.74	AUG. & SEPT. PROFESSIONAL SERVICES - MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT- CASE MANAGEMENT/DISEASE MANAGEMENT
T4396	KAISER FOUNDATION HEALTH-DHMO	12,450.27	195,824.80	OCT. EMPLOYEE HEALTH BENEFITS	VARIOUS
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	11,927.02	115,788.98	OCT. EMPLOYEE PREMIUM	VARIOUS
T4277	RANDY WIGGINGS PAINTING****	10,950.00	10,950.00	BUILDING MAINTENANCE-STOCKDALE	CORPORATE SERVICES
T4165	SHI INTERNATIONAL CO.	10,496.18	497,400.61	CISCO LICENSE FOR CONFERENCE PHONES, (13) 9.7 IPad Wi-Fi 32GB, (7) TELSTRAL LICENSES	MIS INFRASTRUCTURE
T1976	LUIGI'S****	10,202.64	10,202.64	CATERING - GRAND OPENING NEW BUILDING	MARKETING
T4501	ALLIED UNIVERSAL SECURITY	10,186.43	44,268.43	SEPT. ONSITE SECURITY	CORPORATE SERVICES
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	10,134.25	384,144.40	SEPT. PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
		<u>5,735,527.58</u>			
	TOTAL VENDORS OVER \$10,000	5,735,527.58			
	TOTAL VENDORS UNDER \$10,000	389,423.43			
	TOTAL VENDOR EXPENSES- SEPTEMBER	<u>6,124,951.01</u>			

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



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Amounts over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4290	S.C. ANDERSON, INC.	14,986,059.59	NEW BUILDING CONSTRUCTION SERVICES	CAPITAL PROJECT - NEW BUILDING
T1045	KAISER FOUNDATION HEALTH	4,244,450.46	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	2,566,162.83	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT IN PROCESS/MIS
T1001	KERN MEDICAL CENTER	1,749,866.69	HEALTH HOME GRANTS	COMMUNITY GRANTS
T4237	FLUIDEDGE CONSULTING, INC.	1,592,732.50	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING AND CORPORATE PROJECTS	VARIOUS
T4699	ZeOMEGA, INC.	1,243,692.74	2019 ANNUAL LICENSE AND MAINTENANCE/PROFESSIONAL SERVICES - MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT- CASE MANAGEMENT/DISEASE MANAGEMENT
T2726	DST PHARMACY SOLUTIONS, INC.	1,068,032.11	PHARMACY AND CLAIMS PROCESSING	PHARMACY
T4391	OMNI FAMILY HEALTH	981,183.10	HEALTH HOME GRANTS	COMMUNITY GRANTS
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	945,816.25	NEW BUILDING DEVELOPMENT OVERHEAD FEES	CAPITAL PROJECT - NEW BUILDING
T3130	OPTUMINSIGHT, INC.	871,927.00	CES DIRECT LICENSE - 12/18- 12/19 ANNUAL FEE / OUTSOURCED ANALYSIS	CAPITAL PROJECT IN PROGRESS/PROVIDER RELATIONS
T2918	STINSON'S	642,601.94	OFFICE SUPPLIES & FURNITURE	VARIOUS
T2704	MCG HEALTH LLC	623,873.90	ANNUAL SOFTWARE LICENSE - HEALTH CARE MANAGEMENT	UTILIZATION MANAGEMENT
T3449	CDW GOVERNMENT	577,777.08	FORTINET FORTGATE FIREWALL APPLIANCES, LICENSES, AND SUPPORT	CAPITAL PROJECT - NEW BUILDING OCCUPATION



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	572,035.87	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T4982	NGC US, LLC	527,809.93	PREFUND HEALTH HOMES INCENTIVE, MEMBER SERVICES SATISFACTION SURVEY INCENTIVES, HEALTH EDUCATION INCENTIVES	VARIOUS
T4483	INFUSION AND CLINICAL SERVICES, INC.	505,389.05	HEALTH HOME GRANTS	COMMUNITY GRANTS
T4165	SHI INTERNATIONAL CO.	497,400.61	MAINTENANCE SUPPORT/ STORAGE MAINTENANCE/ HARDWARE	VARIOUS
T2686	ALLIANT INSURANCE SERVICES INC.	477,382.46	2019/2020 INSURANCE RENEWALS	ASMINISTRATION
T4696	ZNALYTICS, LLC	468,790.00	PROFESSIONAL SERVICES	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T1408	DELL MARKETING L.P.	452,764.65	SOFTWARE LICENSE & MIS EQUIPMENT	MIS INFRASTRUCTURE
T5015	SENTINEL ENGINEERING	442,344.73	HARDWARE, SOFTWARE, LICENSING AND SUPPORT FOR 1 YEAR FOR NEW BUILDING	CAPITAL PROJECT - NEW BUILDING OCCUPATION
T5119	PACIFIC WEST SOUND PROFESSIONAL AUDIO & DESIGN INC.***	433,957.05	NEW BUILDING FURNITURE	CAPITAL PROJECT - NEW BUILDING
T4582	HEALTHX, INC.	425,320.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	384,144.40	PROFESSIONAL SERVICES	VARIOUS
T4193	TECHNOSOCIALWORK.COM DBA STRIA	365,189.00	OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T1189	APPLE ONE INC.	340,247.09	TEMPORARY HELP	VARIOUS



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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2167	PG&E	331,880.40	ANNUAL TRUE-UP FOR 2018 USAGE/UTILITIES	CORPORATE SERVICES
T4308	TRUXTUN PLACE PARTNERS	311,445.56	TRUXTUN - RENT & UTILITIES	CORPORATE SERVICES
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 INFRASTRUCTURE
T1845	DEPARTMENT OF MANAGED HEALTH CARE	286,724.74	MCAL/HFAM ANNUAL ASSESSMENT FEES - 1 INSTALLMENT OF 2	ADMINISTRATION
T5026	TEL-TEC SECURITY SYSTEMS	267,683.07	INSTALLATION OF BURGLAR PHASE- SECURITY SYSTEM	CAPITAL PROJECT - NEW BUILDING
T1071	CLINICA SIERRA VISTA	264,453.08	EMERGENCY ROOM DIVERSION GRANT	COMMUNITY GRANT
T4265	SIERRA SCHOOL EQUIPMENT COMPANY	256,082.46	NEW BUILDING FURNITURE-BOARD ROOM & BREAKROOM	CAPITAL PROJECT - NEW BUILDING
T4546	LEVEL 3 COMMUNICATIONS, LLC	233,085.79	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T5116	CHRYSTAL INVESTMENTS, LLC	229,402.80	LEASE AGREEMENT STOCKDALE BLDG	CORPORATE SERVICE
T4959	BERKSHIRE HATHWAY HOMESTATE COMPANIES	206,758.00	WORKERS COMPENSATION INSURANCE PREMIUM	VARIOUS
T3011	OFFICE ALLY, INC.	199,503.50	EDI CLAIM PROCESSING	CLAIMS
T1272	COFFEY COMMUNICATIONS INC.	196,512.86	MEMBER NEWSLETTER/WEBSITE IMPLEMENTATION	HEALTH EDUCATION/MIS INFRASTRUCTURE
T4460	PAYSPAN, INC	196,422.00	ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T4396	KAISER FOUNDATION HEALTH-DHMO	195,824.80	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4695	EDIFECs, INC.***	192,439.25	ANNUAL TSM MAINTENANCE	MIS INFRASTRUCTURE



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Amounts over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4967	ADMINISTRATIVE SOLUTIONS, INC.	168,025.06	EMPLOYEE PAID VOLUNTARY INSURANCE/FSA CARD DEPOSIT	PAYROLL DEDUCTION
T1861	CEREDIAN BENEFITS SERVICES	164,653.08	MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS	HUMAN RESOURCES
T4792	KP LLC	159,967.82	PRINTING AND SHIPPING OF PROVIDER DIRECTORIES	PROVIDER RELATIONS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	159,730.62	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T2584	UNITED STATES POSTAL SVC.-HASLER	150,000.00	POSTAGE-METERED	VARIOUS
T4902	CHANGE HEALTHCARE LLC	116,894.59	EDI CLAIM PROCESSING	CLAIMS / MIS
T4733	UNITED STAFFING ASSOCIATES	115,885.01	TEMPORARY HELP	VARIOUS
T1005	COLONIAL LIFE & ACCIDENT	115,788.98	EMPLOYEE PREMIUM	VARIOUS
T5013	ELIZA CORPORATION	112,862.00	HEALTH SERVICES MEMBER OUTREACH PILOT	HEALTH EDUCATION
T4466	SMOOTH MOVE USA	109,997.80	FURNITURE RELOCATION TO NEW BUILDING	CORPORATE SERVICES
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	105,040.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T1960	LOCAL HEALTH PLANS OF CA, INC	97,782.68	2019/2020 FLAT YEARLY ASSESSMENT	ADMINISTRATION
T3469	CPACINC.COM INC	97,705.74	VMWARE/VEEAM LICENSING W/ SUPPORT & MAINTENANCE FOR NEW BUILDING	MIS INFRASTRUCTURE
T4654	DELAWIE	96,058.03	ARCHITECTURE SERVICES	CAPITAL PROJECT-NEW BUILDING
T4785	COMMINGAP	95,410.00	INTERPRETATION SERVICES	HEALTH EDUCATION
T4961	AEROTEK SCIENTIFIC, LLC	82,568.89	TEMPORARY EMPLOYEE SERVICES	VARIOUS



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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5065	CHAMP'S SECURITY PATROL SERVICES INC	76,140.00	TEMPORARY ONSITE SECURITY	CORPORATE SERVICES
T2969	AMERICAN BUSINESS MACHINES INC	75,538.11	HARDWARE AND MAINTENANCE	CORPORATE SERVICES
T4991	FANELLIPM	75,230.00	PROFESIONAL SERVICES-RELOCATION MANAGEMENT	PROJECT MANAGEMENT
T5109	RAND EMPLOYMENT SOLUTIONS	72,626.83	TEMPORARY HELP	VARIOUS
T4698	INFINITY COMMUNICATIONS & CONSULTING, INC.	72,442.50	TECHNICAL BUILDING ARCHITECTURAL CONSULTING PHASE II	CAPITAL PROJECT - NEW BUILDING
T4686	CENTRIC HEALTH	69,518.58	TRANSITION OF CARE CLINIC FUNDING	UTILIZATION MANAGEMENT
T5078	SJS BUILDING MAINTENANCE & SUPPLIES	69,316.62	JANITORIAL SERVICES	CORPORATE SERVICES
T4963	LINKEDIN CORPORATION	68,500.00	ONLINE JOB POSTINGS/RECRUITMENT	HUMAN RESOURCES
T4657	DAPONDE SZABO ROWE PC	68,431.50	CONSULTING SERVICES	PROVIDER RELATIONS
T2413	TREK IMAGING INC	67,422.64	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T4563	SPH ANALYTICS	65,200.00	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	2019 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T4514	AJ KLEIN INC T. DENATALE, B.GOLDNER	61,263.48	LEGAL SERVICES	ADMINISTRATION



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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4182	THE LAMAR COMPANIES	60,320.96	OUTDOOR ADVERTISEMENT-BILLBOARDS	ADVERTISING
T2446	AT&T MOBILITY	58,073.27	CELLULAR PHONE / INTERNET	MIS
T1128	HALL LETTER SHOP INC.	57,636.34	NEW MEMBER LETTER/ENVELOPES, MEMBER HANDBOOKS, CLINICAL CARE MANUAL FOR HH, NEW MEMBER PKT.	VARIOUS
T4503	VISION SERVICE PLAN	54,893.38	EMPLOYEE HEALTH BENEFITS	VARIOUS
T5145	CCS ENGINEERING FRESNO INC.,****	54,783.62	JANITORIAL SERVICES & PRESSURE WASHING SVCS.	CORPORATE SERVICES
T2933	SIERRA PRINTERS, INC	54,736.30	PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS	VARIOUS
T4909	GEM PHYSICIANS MEDICAL GROUP, INC.	54,003.59	HEALTH HOME GRANTS	COMMUNITY GRANTS
T1180	LANGUAGE LINE SERVICES, INC	53,927.99	INTERPRETATION SERVICES	MEMBER SERVICES
T3084	KERN COUNTY-COUNTY COUNSEL	52,324.30	LEGAL FEES	ADMINISTRATION
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	50,195.00	2018 AUDIT FEES	ADMINISTRATION
T5025	SHANNON M DEAN	50,000.00	COMPENSATION DISTRIBUTION	ADMINISTRATION
T5024	GALLAGHER BENEFIT SERVICES INC	49,500.00	PBM RFP CONSULTING	UTILIZATION MANAGEMENT
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	VARIOUS
T2562	CACTUS SOFTWARE LLC	45,825.00	SOFTWARE UPGRADE RENEWAL OF LICENSE	MIS INFRASTRUCTURE
T4537	BURKE, WILLIAMS & SORENSEN, LLP	44,324.12	LEGAL SERVICES	ADMINISTRATION



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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4501	ALLIED UNIVERSAL SECURITY SERVICES	44,268.43	ONSITE SECURITY	CORPORATE SERVICES
T4607	AGILITY RECOVERY SOLUTIONS INC.***	44,002.40	PREPAID ANNUAL PROFESSIONAL SERVICES	COMPLIANCE
T4561	SRI & SHARMA, LLC	43,750.00	PARKING RENTAL	CORPORATE SERVICES
T3986	JACQUELYN S JANS	43,542.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T4739	SECURITAS SECURITY SERVICES USA, INC	42,357.07	SECURITY SERVICES	CORPORATE SERVICES
T4873	L5 HEALTHCARE SOLUTIONS, INC.	42,179.00	LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL	MIS INFRASTRUCTURE
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	41,200.00	COMMUNITY SPONSORSHIP	ADMINISTRATION
T1183	MILLIMAN USA	39,423.25	CY2018/2019 RDT & IBNP CONSULTING - ACTUARIAL	ADMINISTRATION
T2965	VITAL SIGNS OF BAKERSFIELD	38,917.74	MONUMENT SIGN & INSTALLATION	CAPITAL PROJECT - NEW BUILDING
T2135	BAKERSFIELD CITY SCHOOL DISTRICT	38,455.00	SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T2941	KERN PRINT SERVICES, INC.	38,321.90	OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD	VARIOUS
T5111	ENTISYS 360	37,900.76	CONSULTING SERVICES	MIS INFRASTRUCTURE
T4452	WELLS FARGO	37,496.31	CREDIT CARD-TRAINING REGISTRATION, LODGING EXPENSES, AND MISCELLANEOUS PURCHASES	VARIOUS
T3378	CARRIER CORPORATION	36,853.44	BUILDING MAINTENANCE	CORPORATE SERVICE
T1650	UNIVISION TELEVISION GROUP	36,533.00	ADVERTISEMENT - TELEVISION	ADVERTISEMENT
T4294	J. SERVICES JANITORIAL	36,345.00	JANITORIAL SERVICES	CORPORATE SERVICES
T2232	DLT SOLUTIONS, LLC	35,949.76	SQL SERVER MAINTENANCE	MIS INFRASTRUCTURE





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Vendor No.	Vendor Name	Year-to- Date	Description	Department
T5030	KHOA NGUYEN DBA KN CONSULTING LLC	35,000.00	CONSULTING SERVICES	CORPORATE SERVICE
T4228	THE SSI GROUP, LLC	34,647.40	EDI CLAIM PROCESSING	CLAIMS
T4216	NEXSTAR BROADCASTING INC	34,395.50	ADVERTISEMENT - MEDIA	ADVERTISEMENT
T4583	SOILS ENGINEERING INC	34,380.00	SOIL SAMPLING OBSERVATION -OIL DIRT DISCOVERY/REMEDIATION	CAPITAL PROJECT - NEW BUILDING
T2441	LAURA J. BREZINSKI	34,019.15	MARKETING MATERIALS	MARKETING
T2458	HEALTHCARE FINANCIAL, INC.	34,000.00	PROFESSIONAL SERVICES	ADMINISTRATION
T4683	CLAUDIA M. BACA	31,844.59	PROJECT MANAGEMENT CONSULTING SERVICES	PROJECT MANAGEMENT
T4955	DOGHOUSE GRILL LLC***	29,946.15	2019 KHS COMPANY EVENT	MARKETING
T4433	MICRO-DYN MEDICAL SYSTEMS, INC	28,835.00	ANNUAL LICENSE- APR-DRG GROUPEP SOFTWARE SOLUTION TO PROCESS CLAIMS PAYMENT	MIS INFRASTRUCTURE
T5077	SDL, INC	27,851.25	COMPUTER ASSISTED TRANSLATION TOOL	HEALTH EDUCATION
T1022	UNUM LIFE INSURANCE CO	27,758.00	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T5107	CITRIX SYSTEMS, INC.	27,489.14	SOFTWARE SUPPORT	MIS INFRASTRUCTURE
T4781	EDRINGTON HEALTH CONSULTING, LLC	27,462.50	CONSULTING SERVICES - AB85	ADMINISTRATION
T3990	SPARKLETT'S, INC	26,705.37	BOTTLED WATER SERVICE	VARIOUS
T5100	QUANTUMP, INC.	26,175.00	CONSULTING SERVICES	PROJECT MANAGEMENT
T2955	DELTA ELECTRIC INC.***	26,050.00	BUILDING MAINTENANCE	CORPORATE SERVICES
T4960	ZELIS CLAIMS INTEGRITY, LLC	25,659.12	POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS



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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1347	ADVANCED DATA STORAGE	25,277.58	OFF SITE STORAGE SERVICES	CORPORATE SERVICES
T5080	COURTNEY HILEMAN	25,000.00	COMPENSATION DISTRIBUTION	ADMINISTRATION
T4554	THE KEN BLANCHARD COMPANIES	24,891.00	TRAINING MATERIALS & MANAGER TRAINING COURSE	HUMAN RESOURCES
T5028	QUANTUM CONSULTING GROUP LLC	23,640.52	CONSULTING SERVICES	HEALTH HOMES
T4195	SCRIPPS MEDIA, INC. DBA KERO-TV	23,350.25	ADVERTISEMENT - TELEVISION	MARKETING
T4389	EXACT STAFF, INC.	22,678.51	TEMPORARY HELP	MEMBER SERVICES
T4674	STOCKDALE PLAZA OWNERS ASSOCIATION INC	22,500.00	PARKING SPACE RENTAL	CORPORATE SERVICES
T2831	CREATIVE FINANCIAL STAFFING	22,047.75	TEMPORARY HELP	FINANCE
T4694	KELLY SERVICES, INC.	21,983.25	TEMPORARY HELP	VARIOUS
T5056	TRACI POWELL	20,566.39	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T5185	HOUSING AUTHORITY COUNTY OF KERN	20,100.00	CASE MANAGEMENT GRANT	UTILIZATION MANAGEMENT
T4605	KERNVILLE UNION SCHOOL DISTRICT	19,500.00	SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T4585	DELANO UNION SCHOOL DISTRICT	19,500.00	SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T3133	KENNETH JAMES TAYLOR	18,843.75	CONSULTING SERVICES	CAPITAL PROJECT
T4932	SPECTRUM REACH (MEDIA)	18,764.44	ADVERTISEMENT - TELEVISION	ADVERTISEMENT
T4544	BARNES WEALTH MANAGEMENT GROUP	18,375.00	RETIREMENT PLAN CONSULTANTS	ADMINISTRATION



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4933	HOLLY J. CULHANE DBA PROFESSIONAL ADMINISTRATIVE	18,089.54	PROFESSIONAL ADMINISTRATIVE SERVICES	ADMINISTRATION
T5128	STANDARD SCHOOL DISTRICT	18,000.00	SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T4731	LOGMEIN USA, INC.	17,623.00	INTERNET SERVICES	MIS INFRASTRUCTURE
T4417	KAISER FOUNDATION HEALTH PLAN	17,616.76	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4802	KERN COUNTY SUPERINTENDENT OF SCHOOLS	17,500.00	SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T4183	LAMAR ADVERTISING OF BAKERSFIELD	17,250.00	ADVERTISING - BILLBOARD	ADVERTISING
T4962	LIBERTY DATA, INC.	17,100.00	PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T1503	PETROLEUM CLUB OF BAKERSFIELD	16,810.84	PHARMACY/PROVIDER RECOGNITION EVENTS	VARIOUS
T1694	KERN COUNTY FAIR	16,394.00	2019 KHS COMPANY EVENT	MARKETING
T4934	APPLE INC. ****	16,300.68	IPHONES FOR MANAGERS & 2019 EMPLOYEE ANNIVERSARY AWARDS	MIS INFRASTRUCTURE/HR
T4016	FIRST DATABANK, INC	15,515.00	PROFESSIONAL SERVICES- PROVIDES NATIONAL DRUG CODE NDC DATABASE WITH GENERIC CODE NUMBERS	MIS INFRASTRUCTURE
T5064	QUEST DIAGNOSTICS CLINICAL LABORATORIES, INC.	15,250.00	PROFESSIONAL SERVICES - DEVELOP DATA FEED SUPPORTIN KERN'S HL7-24 DATA SPECIFICATIONS (EDIFEC)	MIS INFRASTRUCTURE
T2724	BLACK STONE ASPHALT CONSTRUCTION	15,120.00	BUILDING MAINTENANCE	CORPORATE SERVICE
T5132	TIME WARNER CABLE LLC	14,871.87	INTERNET SERVICES	MIS INFRASTRUCTURE



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5155	A-C ELECTRIC COMPANY****	14,772.89	BUILDING MAINTENANCE	CORPORATE SERVICES
T4230	COFFEE BREAK SERVICE, INC.****	14,687.93	MISC. SUPPLIES-COFFEE, CREAMER, WATER	CORPORATE SERVICES
T1097	NCQA****	14,195.00	HEALTHCARE EFFECTIVENESS DATA & INFORMATION SET (HEDIS MEASURE INDICATORS)	UTILIZATION MANAGEMENT/QI
T4760	CAMERON CHANG	14,125.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4400	OPTUM360 LLC	13,338.54	ENCODER PRO LICENSE	VARIOUS
T2787	SAGE SOFTWARE, INC	12,993.75	2019-20 ANNUAL LICENSE	FINANCE
T4523	BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA	12,894.76	EMPLOYEE PREMIUM	ADMINISTRATION
T2790	KERN COUNTY DEPARTMENT OF PUBLIC HEALTH	12,809.00	COMMUNITY ACTIVITIES	MARKETING
T2407	KAISER FOUNDATION HEALTH	12,721.19	COBRA INSURANCE	PAYROLL DEDUCTION
T5081	KO LEGAL, INC.	12,500.00	LEGAL SERVICES	ADMINISTRATION
T4574	SSI SOLUTIONS INC.	12,480.00	ONSITE TRAINING - (CAPM) CERTIFIED ASSOCIATE IN PROJECT MANAGEMENT	PROJECT MANAGEMENT
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
T1644	BRIGHT HOUSE NETWORK	12,128.08	PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T4239	COAST TO COAST COMPUTER PRODUCTS****	12,033.41	COMPUTER PRODUCTS & SUPPLIES	CORPORATE SERVICES



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4476	KERN PARTNERSHIP FOR CHILDREN AND FAMILIES	12,000.00	COMMUNITY ACTIVITIES	MARKETING
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	11,600.00	PLAN ASSESSMENT & ANNUAL CONFERENCE REGISTRATION	ADMINISTRATION
T4708	HEALTH MANAGEMENT ASSOCIATES INC	11,562.50	CONSULTING SERVICES	ADMINISTRATION
T4218	AGILE CROSSING	11,500.00	ON-SITE CERTIFIED SCRUM MASTER TRAINING & IMPROVE APPLICATION OF AGILE METHODOLOGY	VARIOUS
T5052	JOSHUA HOSCH****	11,461.62	TRAINING - NETWORK PROJECT	MIS
T4784	AXIOM COMMISSIONING GROUP INC	11,314.45	PROFESSIONAL SERVICES	CAPITAL PROJECT - NEW BUILDING
T4227	FREESTYLE EVENTS SERVICES INC****	11,065.00	SERVICES GRAND OPENING BOB BLDG	MARKETING
T3052	CARNICERIA RANCHO GRANDE****	11,012.40	CATERING SERVICES EMPLOYEE EVENTS	VARIOUS
T5137	FSO HEALTHY DATA SYSTEMS.COM	11,000.00	IMPLEMENTATION & LICENSING OF SOFTWARE TOOL FOR DHCS- FSR	QUALITY IMPROVEMENT
T4277	RANDY WIGGINGS PAINTING****	10,950.00	BUILDING MAINTENANCE-STOCKDALE	CORPORATE SERVICES
T4968	ZIPRECRUITER, INC.	10,790.98	ANNUAL SUBSCRIPTION - PRO TEAM PLAN 10 JOBS	HUMAN RESOURCES
T3475	CALIFORNIA STATE CONTROLLER'S OFFICE	10,695.12	2014 UNCLAIMED PROPERTY	FINANCE
T1996	SEQUOIA SANDWICH CO****	10,687.20	NON-TRAVEL MEALS - LUNCH MEETINGS	VARIOUS
T2869	COMMUNITY ACTION PARTNERSHIP OF KERN	10,500.00	COMMUNITY GRANT	MARKETING
T1976	LUIGI'S****	10,202.64	CATERING - GRAND OPENING NEW BUILDING	MARKETING



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2505	DERREL'S MINI STORAGE, INC.****	10,078.10	OFF SITE STORAGE	CORPORATE SERVICES
T2287	CALIFORNIA WATER SERVICE****	10,026.59	UTILITIES	CORPORATE SERVICES
T3087	PROJECT MANAGEMENT INSTITUTE, INC****	10,018.00	TRAINING REGISTRATION, SYMPOSIUM	PROJECT MANAGEMENT OFFICE
T5071	WEST SIDE FAMILY HEALTH CARE****	10,000.00	PROVIDER RECRUITMENT & RETENTION GRANT	COMMUNITY GRANTS
T5012	KERN MEDICAL CENTER FOUNDATION****	10,000.00	VALLEY FEVER INSTITUTE DONATION	MARKETING
		<u>47,807,045.05</u>		
	TOTAL VENDORS OVER \$10,000	47,807,045.05		
	TOTAL VENDORS UNDER \$10,000	990,796.82		
	TOTAL VENDOR EXPENSES- OCTOBER	<u>48,797,841.87</u>		

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

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
<b>January</b>							
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 Iurriria	Marketing and Corporate Image Consultant	1/1/2019	12/31/2019
CPAC, Inc.	\$ 49,350.00	Yes	IT	Richard Pruitt	6 VMware & 6 Veeam licensing with support & maint	1/29/2019	1/28/2024
Poppyrock Design	\$ 39,600.00	Yes	MRK	Louie Iurriria	Graphic Design of member, provider and marketing	1/1/2019	12/31/2019
ZeOmega	\$ 72,000.00	Yes	UM	Deborah Murr	Quote#792-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
<b>February</b>							
LifeSigns	\$ 45,000.00	Yes	HE	Isabel Silba	ASL interpreting services for members	2/28/2019	2/27/2020
<b>March</b>							
RP	\$ 46,569.60	Yes	PR	Louie Iurriria	Printing and shipping of Provider Directories	3/8/2019	4/30/2019
CPAC, Inc.	\$ 38,199.52	Yes	IT	Richard Pruitt	IDF w/support and maintenance for new facility	3/8/2019	3/7/2025
<b>April</b>							
Univision	\$ 35,802.00	Yes	MRK	Louie Iurriria	Spanish TV Advertisements	4/1/2019	11/30/2019
SJS Building Maintenance	\$ 81,550.00	Yes	CS	Alonso Hurtado	Professional janitorial services	4/15/2019	10/31/2019
Cognizant	\$ 59,692.86	Yes	IT	Richard Pruitt	Professional services for NetworX pricer, PCR#1	4/15/2019	5/17/2019
ZeOmega	\$ 72,000.00	Yes	UM	Deborah Murr	Quote#854, Implementation Manager resource	4/1/2019	6/30/2019
Nexstar	\$ 41,990.00	Yes	MRK	Louie Iurriria	English & Spanish TV commercials	4/1/2019	11/30/2019
Scripps	\$ 35,995.00	Yes	MRK	Louie Iurriria	Airing English & Spanish TV commercials	4/1/2019	11/30/2019
Lamar Transit	\$ 37,910.48	Yes	PR	Louie Iurriria	GET Bus Advertisement	4/15/2019	11/24/2019
Eliza Corporation	\$ 57,000.00	Yes	HE	Michael Pitts	HRA project for outreach of SPD members	4/26/2019	4/25/2020
<b>May</b>							
SHI	\$ 41,328.97	Yes	IT	Richard Pruitt	Cisco lincases 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
<b>June</b>							
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
<b>July</b>							
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
<b>August</b>							
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
<b>September</b>							
Intergrated Healthcare Associ	\$69,000.00	Yes	PR	Emily Duran	Provider directory data verification	9/25/2019	9/24/2021
DME Consulting	\$99,600.00	Yes	UM	Deborah Murr	Member necessity evaluation	9/25/2019	9/24/2020
<b>October</b>							
Agility	\$41,252.40	Yes	AIS	Carl Breining	Disaster recovery and business continuity	10/3/2019	10/2/2020
SHI	\$42,695.55	Yes	IT	Richard Pruitt	Nimble technical support and maintenance renewal co-termed	10/30/2019	12/22/2020
ABM	\$81,730.00	Yes	IT	Richard Pruitt	Printers and copy machine support and maintenance	10/1/2019	9/30/2021

2019 TECHNOLOGY CONSULTING RESOURCES																	
ITEM #	PROJECT	CAP/EXP	BUDGET	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YTD TOTAL	REMAINING BALANCE
1	COBA	EXP	\$18,500	\$18,500												\$18,500	\$0
2	QI Site	CAP	\$9,300	\$3,600	\$3,600			\$0	\$0							\$7,200	\$2,100
3	Mfiles	CAP	\$34,860	\$15,960	\$760	\$0	\$0									\$16,720	\$18,140
4	Health	CAP	\$137,673	\$19,320	\$45,400	\$26,460										\$91,180	\$46,493
5	Medical	CAP	\$361,700	\$55,560	\$64,920	\$72,230	\$75,005	\$77,370	\$28,800	\$19,950	\$21,600	\$35,505				\$450,940	(\$89,240)
6	Diabetes	CAP	\$280,403	\$19,980	\$20,520	\$21,600	\$0									\$62,100	\$218,303
7	Hospital	EXP	\$28,305	\$16,490	\$680	\$0	\$0	\$0	\$0	\$0	\$0	\$8,585				\$25,755	\$2,550
8	Corporat	EXP	\$52,290		\$0	\$0	\$0	\$0	\$16,800	\$0	\$0					\$16,800	\$35,490
9	New	CAP	\$611,800	\$47,626	\$44,936	\$46,321	\$52,842	\$88,286	\$89,789	\$75,860	\$71,050	\$78,960				\$595,669	\$16,131
10	2019 HHP	CAP	\$240,000		\$0	\$16,720	\$15,960	\$36,648	\$29,478	\$15,960	\$16,340					\$131,105	\$108,895
11	Internal	CAP	\$628,363	\$32,640	\$43,320	\$47,880	\$48,720	\$42,720	\$42,000	\$48,720	\$77,952	\$49,200				\$433,152	\$195,211
12	Member	CAP	\$72,961		\$5,250	\$0	\$0	\$0	\$0	\$0						\$5,250	\$67,711
13	Computer	CAP	\$19,915		\$0	\$0	\$0	\$0	\$0							\$0	\$19,915
14	Telehealt	EXP	\$69,581		\$5,250	\$0	\$0	\$0	\$0							\$5,250	\$64,331
15	CES	EXP	\$33,000		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$33,000
16	Orchestra	EXP	\$103,950		\$0	\$0	\$0	\$0	\$18,480	\$18,060	\$16,170					\$52,710	\$51,240
17	2D	CAP	\$300,930		\$0	\$0	\$10,117	\$17,120	\$15,280	\$19,200	\$19,200					\$80,917	\$220,013
18	APM/Net	CAP	\$281,781	\$24,480	\$29,458	\$29,278	\$28,800	\$50,586	\$37,476	\$28,512	\$17,430	\$14,331				\$260,350	\$21,431
19	MicroSoft	EXP	\$58,800		\$0	\$0	\$0	\$0	\$0	\$8,400	\$8,400					\$16,800	\$42,000
20	Call	CAP	\$8,715		\$0	\$0	\$0	\$0	\$0	\$0	\$0					\$0	\$8,715
21	CACTUS	CAP	\$227,188		\$0	\$0	\$0	\$0	\$0	\$0	\$0					\$0	\$227,188
22	KHS	EXP	\$11,200		\$0	\$0	\$0	\$0	\$0	\$0	\$0					\$0	\$11,200
23	SPD/HRA	EXP	\$85,225		\$0	\$0	\$0	\$0	\$0	\$2,415	\$0					\$2,415	\$82,810
24	HEDIS	EXP	\$75,328		\$0	\$0	\$0	\$0	\$18,480	\$14,280	\$0					\$32,760	\$42,568
25	ROD	EXP	\$24,150		\$0	\$0	\$0	\$0	\$15,840	\$0	\$0					\$15,840	\$8,310
26	Staff	EXP	\$1,445,983	\$149,513	\$169,494	\$199,870	\$223,768	\$151,186	\$104,198	\$131,861	\$137,276	\$130,728				\$1,397,894	\$48,089
Totals:			\$5,221,901	\$403,669	\$423,087	\$454,139	\$445,855	\$436,226	\$372,830	\$410,860	\$403,623	\$369,019	\$0	\$0	\$0	\$3,719,308	\$1,502,593



