



**KERN HEALTH
SYSTEMS**

**REGULAR MEETING OF THE
BOARD OF DIRECTORS**

Thursday, February 13, 2020

at

8:00 A.M.

At

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

The public is invited.

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

AGENDA

BOARD OF DIRECTORS

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Regular Meeting
Thursday, February 13, 2020

8:00 A.M.

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

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

BOARD TO RECONVENE

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

ADJOURN TO CLOSED SESSION

CLOSED SESSION

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

8:15 A.M.

BOARD TO RECONVENE

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

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

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 3) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))
- CA-4) Minutes for Kern Health Systems Board of Directors regular meeting on December 12, 2019 (Fiscal Impact: None) –
APPROVE
- CA-5) Report on Kern Health Systems investment portfolio for the fourth quarter ending December 31, 2019 (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-6) Report on 2019 annual review of the Kern Health Systems Investment Policy (Fiscal Impact: None) –
RECEIVE AND FILE

-
- CA-7) Report on Kern Health Systems 2019 Department Goals and Objectives (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-8) Report on Kern Health Systems Strategic Plan for fourth quarter ending December 31, 2019 (Fiscal Impact: None) –
RECEIVE AND FILE
- 9) Report on Kern Health Systems 2018 Provider Satisfaction Survey (Fiscal Impact: None) –
RECEIVE AND FILE
- 10) Report on Kern Health Systems Employee Satisfaction & Engagement Survey 2019 (Fiscal Impact: None) –
RECEIVE AND FILE
- 11) Report on Kern Health Systems 2019 Member Survey (Fiscal Impact: None) –
RECEIVE AND FILE
- 12) Report on Kern Health Systems financial statements for November 2019 (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-13) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for November 2019 and IT Technology Consulting Resources for the period ended November 30, 2019 (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-14) Report on 2019 Annual Travel Report (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-15) Report on New Office Building Expenditures (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-16) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- 17) Report on Kern Health Systems Operation Performance and Review of the Kern Health Systems Grievance Report (Fiscal Impact: None) –
RECEIVE AND FILE
- 18) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) –
RECEIVE AND FILE
- 19) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) –
RECEIVE AND FILE

CA-20) Miscellaneous Documents –
RECEIVE AND FILE

A) Minutes for KHS Finance Committee meeting on December 6, 2019

ADJOURN TO APRIL 16, 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 Board of Directors may request assistance at the Kern Health Systems office, 2900 Buck Owens Boulevard, Bakersfield, California 93308 or by calling (661) 664-5000. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.

SUMMARY

BOARD OF DIRECTORS

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Regular Meeting
Thursday, December 12, 2019

8:00 A.M.

BOARD RECONVENED

Directors present: Judd, Stewart, Hinojosa, Hoffmann, Melendez, Patel, Patrick, Rhoades

Directors absent: McGlew, Deats

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

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

BOARD ACTION SHOWN IN CAPS

ADJOURN TO CLOSED SESSION

Rhoades

CLOSED SESSION

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

8:20 A.M.

BOARD RECONVENED AT 8:20 A.M.

REPORT ON ACTIONS TAKEN IN CLOSED SESSION –

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **INITIAL CREDENTIALING NOVEMBER 2019** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR JUDD ABSTAINED FROM VOTING ON BEKAREV, BHANDOHAL, GARN, PALISPIS, RAMZAN; DIRECTOR STEWART ABSTAINED FROM VOTING ON FUENTES, BEACH, JONES; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON KOTWAL; DIRECTOR PATEL ABSTAINED FROM VOTING ON KELLY

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **RECREREDENTIALING NOVEMBER 2019** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREREDENTIALING; DIRECTOR JUDD ABSTAINED FROM VOTING ON CHAO, RIVERA, HUNTER, JARAVATA, LEE, MORO; DIRECTOR STEWART ABSTAINED FROM GOKLANEY, MAALA, SATODIYA, SHANNON, WELCH; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON DIXON, FERRER

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **INITIAL CREDENTIALING DECEMBER 2019** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR JUDD ABSTAINED FROM VOTING ON COLEMAN, FERNANDEZ, MACK, MURRAIN, SIDHU, VAN NESS; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON AYALA-RODRIGUEZ, BLANKS, MARTINEZ DUENAS, MCDERMOTT

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **RECREREDENTIALING DECEMBER 2019** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREREDENTIALING; DIRECTOR JUDD ABSTAINED FROM VOTING ON REAMICO, YANG; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON FONG BALART, ORNELAZ

PUBLIC PRESENTATIONS

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

NO ONE HEARD

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

DIRECTOR PATEL ANNOUNCED THAT DELANO REGIONAL MEDICAL CENTER WAS SOLD TO ADVENTIST HEALTH EFFECTIVE JANUARY 1, 2020 AND, WILL MOVE FORWARD WITH BETTER HEALTH CARE FOR THE COMMUNITY

PUBLIC REQUEST

- 4) Request of Ryan Alsop, Kern County Administrator, representing the County of Kern, to address the Board regarding the adopted changes to the Health Authority and Hospital Authority Ordinances for the creation of an Integrated Healthcare Delivery System – RYAN ALSOP, COUNTY OF KERN, KEN KELLER, DIGNITY HEALTH-BAKERSFIELD MEMORIAL HOSPITAL, HEARD; RECEIVED AND FILED
Rhoades-Hoffmann: 8 Ayes; 2 Absent – McGlew, Deats
- CA-5) Minutes for Kern Health Systems Board of Directors regular meeting on October 10, 2019 (Fiscal Impact: None) – APPROVED
Rhoades-Stewart: 8 Ayes; 2 Absent – McGlew, Deats
- CA-6) Report on Kern Health Systems investment portfolio for the third quarter ending September 30, 2019 (Fiscal Impact: None) – RECEIVED AND FILED
Rhoades-Stewart: 8 Ayes; 2 Absent – McGlew, Deats
- 7) Report on Expansion of New Building brick veneer and remaining Landscaping (Fiscal Impact: \$300,000) – APPROVED
Rhoades-Hoffmann: 8 Ayes; 2 Absent – McGlew, Deats
- 8) Report on Department of Health Care Services CalAIM initiative (Fiscal Impact: None) – RECEIVED AND FILED
Hoffmann-Melendez: 8 Ayes; 2 Absent – McGlew, Deats
- 9) Proposed Amendment No. 10 to Agreement with Douglas A. Hayward, for services as Chief Executive Officer (Fiscal Impact: None) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Hoffmann-Rhoades: 8 Ayes; 2 Absent – McGlew, Deats
- CA-10) Report on Kern Health Systems 2020 Marketing Plan (Fiscal Impact: None) – RECEIVED AND FILED
Rhoades-Stewart: 8 Ayes; 2 Absent – McGlew, Deats

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- CA-11) 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) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Rhoades-Stewart: 8 Ayes; 2 Absent – McGlew, Deats
- 12) Proposed Kern Health Systems 2020 Operating and Capital Budgets (Fiscal Impact: None) – APPROVED
Patel-Stewart: 8 Ayes; 2 Absent – McGlew, Deats
- 13) Proposed Budget Request for 2020 Project Consulting Professional Services, from January 1, 2020 through December 31, 2020 (Fiscal Impact: \$4,236,600; Budgeted) – APPROVED
Patrick-Hinojosa: 8 Ayes; 2 Absent – McGlew, Deats
- 14) Report on Kern Health Systems financial statements for September 2019 and October 2019 (Fiscal Impact: None) – RECEIVED AND FILED
Stewart-Rhoades: 7 Ayes; 3 Absent – McGlew, Deats, Melendez
- NOTE – DIRECTOR MELENDEZ LEFT THE DAIS AT 9:49 A.M.; DURING THE DISCUSSION ON ITEM 14 AND DID NOT RETURN
- CA-15) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for September 2019 and October and IT Technology Consulting Resources for the period ended September 30, 2019 (Fiscal Impact: None) – RECEIVED AND FILED
Rhoades-Stewart: 8 Ayes; 2 Absent – McGlew, Deats
- CA-16) Report on New Office Building Expenditures (Fiscal Impact: None) – RECEIVED AND FILED
Rhoades-Stewart: 8 Ayes; 2 Absent – McGlew, Deats
- CA-17) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Rhoades-Stewart: 8 Ayes; 2 Absent – McGlew, Deats
- 18) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) – RECEIVED AND FILED
Patrick-Patel: 7 Ayes; 3 Absent – McGlew, Deats, Melendez
- 19) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) – RECEIVED AND FILED
Rhoades-Patrick: 7 Ayes; 3 Absent – McGlew, Deats, Melendez

Summary – Board of Directors
Kern Health Systems
Regular Meeting

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CA-20) Miscellaneous Documents –
RECEIVED AND FILED
Rhoades-Stewart: 8 Ayes; 2 Absent – McGlew, Deats

A) Minutes for KHS Finance Committee meeting on October 4, 2019

ADJOURN TO THURSDAY, FEBRUARY 13, 2020
Patrick

/s/ Cindy Stewart, Secretary
Kern Health Systems Board of Directors



To: KHS Board of Directors

From: Robert Landis, CFO

Date: February 13, 2020

Re: Quarterly Review of Kern Health Systems Investment Portfolio

Background

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

- Preservation of principal
- Liquidity
- Yield

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

Short-Term Portfolio (Under 1 year)

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

Long-Term Portfolio (1-5 years)

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

Requested Action

Receive and File.

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

Short Term Portfolio (under 1 year)

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

<u>Description</u>		<u>Dollar Amount</u>	<u>% of Portfolio</u>	<u>Maximum Allowed Per Policy</u>	<u>Approximate Current Yield</u>	<u>Liquidity</u>	<u>Principal Fluctuation</u>
Wells Fargo - Cash	(1)	\$ 2,200,000	1.08%	100%	1.50%	1 Day	None
Morgan Stanley Money Market	(A)	\$ 25,300,000	12.39%	20%	1.45%	1 Day	None
Local Agency Investment Fund (LAIF)	(B)	\$ 64,500,000	31.59%	50%	1.99%	2 Days	None
US T-Bills at Wells Fargo	(1)	\$ 40,000,000	19.59%	100%	1.48%	1 Day	Subject to Interest Rate Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	\$ 4,000,000	1.95%		1.68%	3 Days	Subject to Interest Rate Fluctuations
Sub-Total		\$ 136,000,000	66.60%		1.72%		

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)	\$ 64,800,000	31.73%		1.75%	3 Days	Subject to Interest Rate and Credit Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	\$ 3,400,000	1.67%		2.00%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total		\$ 68,200,000	33.40%		1.76%		
Total Portfolio		\$ 204,200,000	100.00%		1.73%		

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	1.52%	1.70%	1.80%	1.60%
2 year	1.54%	1.70%	1.84%	1.60%
3 year	1.55%	1.72%	1.85%	1.65%
5 year	1.60%	1.83%	2.03%	1.75%

- (A) \$18.5 Billion money market fund managed by Morgan Stanley comprised of high -quality debt securities issued by the US Government.
 - (B) LAIF is part of a \$88.9 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 2020 capital projects.



UBS Client Review

as of December 31, 2019

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

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

Prepared for

Kern Health Systems

Accounts included in this review

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

What's inside

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Portfolio review

as of December 31, 2019

Asset allocation review

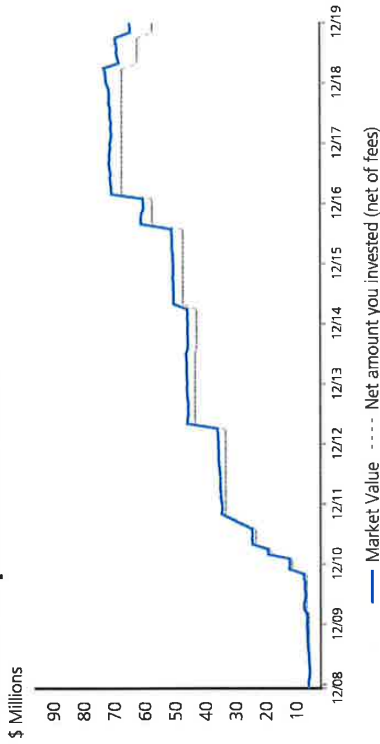
	Value on 12/31/2019 (\$)	% of Portfolio
A Cash	1,781,483.71	2.75
Cash	1,781,483.71	2.75
B Fixed Income	62,992,664.68	97.25
US	62,992,664.68	97.25
C Equity	0.00	0.00
D Commodities	0.00	0.00
E Non-Traditional	0.00	0.00
F Other	0.00	0.00
Total Portfolio	\$64,774,148.39	100%

Balanced mutual funds are allocated in the 'Other' category



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

Sources of portfolio value



Portfolio value and investment results

Performance returns (annualized > 1 year)

	For the period of		2019	
	09/30/2019 to 12/31/2019	09/30/2019 to 12/31/2019	12/31/2018 to 12/31/2019	12/31/2018 to 12/31/2019
Opening value	69,432,333.03	69,432,333.03	72,312,732.45	72,312,732.45
Net deposits/withdrawals	-5,033,274.43	-5,033,274.43	-10,132,680.50	-10,132,680.50
Div./interest income	297,680.25	297,680.25	1,519,927.03	1,519,927.03
Change in accr. interest	12,245.28	12,245.28	-87,250.44	-87,250.44
Change in value	65,164.26	65,164.26	1,161,419.85	1,161,419.85
Closing value	64,774,148.39	64,774,148.39	64,774,148.39	64,774,148.39
Net Time-weighted ROR	0.53	0.53	3.61	3.61

Net deposits and withdrawals include program and account fees.

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.
 Report created on: January 06, 2020

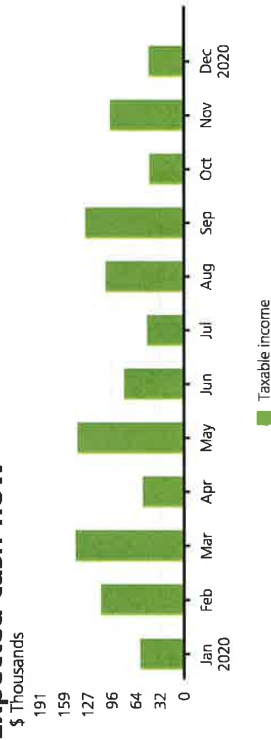
Summary of gains and losses

	Short term (\$)	Long term (\$)	Total (\$)
2018 Realized gains and losses	0.00	1,350.75	1,350.75
Taxable	0.00	1,350.75	1,350.75
Tax-deferred	0.00	0.00	0.00
2019 Year to date	6,267.00	32,265.75	38,532.75
Taxable	6,267.00	32,265.75	38,532.75
Tax-deferred	0.00	0.00	0.00



Portfolio review - as of December 31, 2019 (continued)

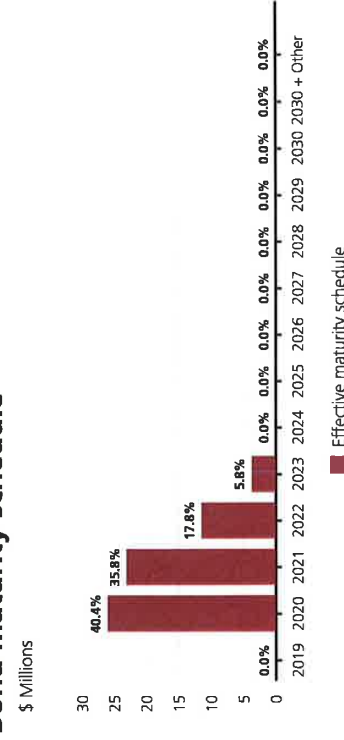
Expected cash flow



Total taxable income: \$1,082,004.50
 Total expected cash flow: \$1,082,004.50
 Cash flows displayed account for known events such as maturities and mandatory puts.

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

Bond maturity schedule



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

Equity sector analysis
 Compared to S&P 500 index

	Value on 12/31/2019 (\$)	Actual (%)	Model (%)	Gap (%)
Communication Services	0.00	0.00	10.08	-10.08
Consumer Discretionary	0.00	0.00	9.76	-9.76
Consumer Staples	0.00	0.00	7.76	-7.76
Energy	0.00	0.00	4.18	-4.18
Financials	0.00	0.00	12.02	-12.02
Health Care	0.00	0.00	13.64	-13.64
Industrials	0.00	0.00	8.85	-8.85
Information Technology	0.00	0.00	22.30	-22.30
Materials	0.00	0.00	1.66	-1.66
Real Estate	0.00	0.00	2.79	-2.79
Utilities	0.00	0.00	3.08	-3.08
Total classified equity	\$0.00			
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: January 06, 2020



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

Portfolio review - as of December 31, 2019 (continued)
 Summary of performance by account

		Performance returns (annualized > 1 year)			
	Performance start date	Value on 12/31/2019 (\$)	% of portfolio	For the period of 09/30/2019 to 12/31/2019	2019 12/31/2018 to 12/31/2019
BOND PORTFOLIO-PMP	Dec 08, 2008	64,774,148.39	100.00%	0.53%	3.61%
Risk profile: Conservative					
Return objective: Current Income					
Total Portfolio	Dec 08, 2008	\$64,774,148.39	100%	0.53%	3.61%
Benchmarks - Annualized time-weighted returns					
Blended Index				For the period of 09/30/2019 to 12/31/2019	2019 12/31/2018 to 12/31/2019
US Treasury Bill - 3 Mos				0.44%	2.21%
Barclays US Agg 1-3Y				0.57%	4.04%
S&P 500				9.07%	31.49%
				For the period of 12/31/2019 to 09/30/2019	2019 12/31/2018 to 12/31/2019
				0.32%	8.87%
				0.44%	2.21%
				0.57%	4.04%
				9.07%	31.49%

Blended Index: 11/04/2019 - Current: 45% Barclays Corp 1-3Y; 55% Barclays Govt/Credit 1-3Y+
 +Additional benchmark information can be found on the benchmark composition page.
Past performance does not guarantee future results and current performance may be lower/higher than past data presented.
 Report created on: January 06, 2020



Asset allocation by account

as of December 31, 2019

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

Cash (\$/%)	Equities (\$/%)				Fixed Income (\$/%)				Commodities (\$/%)	Non-Traditional (\$/%)	Other (\$/%)	Total
	U.S.	Global	International	U.S.	Global	International	U.S.	Global				
1,781,483.71	0.00	0.00	0.00	62,992,664.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$64,774,148.39
2.75	0.00	0.00	0.00	97.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100%

1,781,483.71	0.00	0.00	0.00	62,992,664.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$64,774,148.39
2.75	0.00	0.00	0.00	97.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00%

BOND PORTFOLIO - BSA PMP

Risk profile: Conservative
 Return objective: Current Income

Cash (\$/%)	Equities (\$/%)				Fixed Income (\$/%)				Commodities (\$/%)	Non-Traditional (\$/%)	Other (\$/%)	Total
	U.S.	Global	International	U.S.	Global	International	U.S.	Global				
1,781,483.71	0.00	0.00	0.00	62,992,664.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$64,774,148.39
2.75	0.00	0.00	0.00	97.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100%

Balanced mutual funds are allocated in the 'Other' category



Asset allocation review

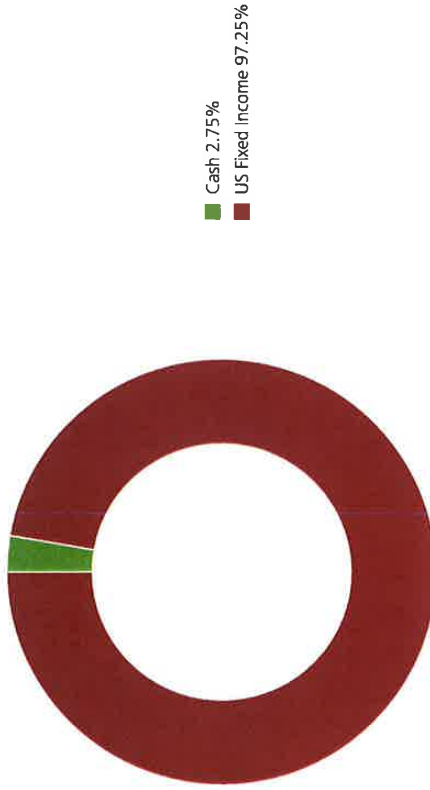
as of December 31, 2019

Summary of asset allocation

	Market value (\$)	% of Portfolio
Cash	1,781,483.71	2.75
Cash	1,781,483.71	2.75
US	1,781,483.71	2.75
Fixed Income	62,992,664.68	97.25
US	62,992,664.68	97.25
US Fixed Income	934,496.05	1.45
Government	32,421,402.71	50.05
Municipals	2,486,915.33	3.84
Corporate IG Credit	27,149,850.59	41.91
Equity	0.00	0.00
Commodities	0.00	0.00
Non-Traditional	0.00	0.00
Other	0.00	0.00
Total Portfolio	\$64,774,148.39	100%

Balanced mutual funds are allocated in the 'Other' category

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



■ Cash 2.75%
 ■ US Fixed Income 97.25%



Bond summary

as of December 31, 2019

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

Bond overview

Total quantity	64,102,000
Total market value	\$64,205,220.16
Total accrued interest	\$284,354.52
Total market value plus accrued interest	\$64,489,574.68
Total estimated annual bond interest	\$1,195,451.50
Average coupon	1.91%
Average current yield	1.86%
Average yield to maturity	1.76%
Average yield to worst	1.75%
Average modified duration	1.25
Average effective maturity	1.39

Investment type allocation

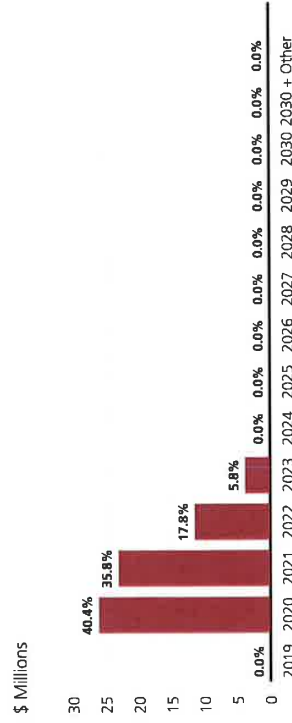
Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
Certificates of deposit	934,496.05	0.00	934,496.05	1.45
Municipals	2,486,915.33	0.00	2,486,915.33	3.86
U.S. corporates	27,149,850.59	0.00	27,149,850.59	42.10
U.S. federal agencies	32,421,402.71	0.00	32,421,402.71	50.27
U.S. treasuries	1,496,910.00	0.00	1,496,910.00	2.32
Total	\$64,489,574.68	\$0.00	\$64,489,574.68	100%

Credit quality of bond holdings

Effective credit rating	Issues	Value on 12/31/2019 (\$)	% of port.
A Aaa/AAA/AAA	13	32,421,402.71	50.29
B Aa/AA/AA	5	7,050,226.17	10.92
C A/A/A	17	22,586,539.75	35.02
D Baa/BBB/BBB	0	0.00	0.00
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	7	934,496.05	1.45
G Not rated	1	1,496,910.00	2.33
Total	43	\$64,489,574.68	100%



Bond maturity schedule



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

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



Bond holdings

as of December 31, 2019

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	0	0			NA	NA	NA				
2020	21	25,978,000	464,701.00	1.79%	1.72%	1.71%	0.47	25,831,140.58	163,795.97	26,093,238.21	40.49%
2021	14	22,965,000	421,093.00	1.83%	1.73%	1.71%	1.40	22,943,338.65	60,318.55	23,114,674.11	35.83%
2022	6	11,389,000	238,452.50	2.08%	1.86%	1.85%	2.09	11,384,452.85	60,523.56	11,510,563.90	17.83%
2023	2	3,770,000	71,205.00	1.89%	1.96%	1.96%	3.23	3,763,954	-2,314.00	3,771,098.46	5.86%
2024	0	0			NA	NA	NA				
2025	0	0			NA	NA	NA				
2026	0	0			NA	NA	NA				
2027	0	0			NA	NA	NA				
2028	0	0			NA	NA	NA				
2029	0	0			NA	NA	NA				
2030	0	0			NA	NA	NA				
2031	0	0			NA	NA	NA				
2032	0	0			NA	NA	NA				
2033	0	0			NA	NA	NA				
2034	0	0			NA	NA	NA				
2035	0	0			NA	NA	NA				
2036	0	0			NA	NA	NA				
2037	0	0			NA	NA	NA				
2038	0	0			NA	NA	NA				
2039	0	0			NA	NA	NA				
2040	0	0			NA	NA	NA				
2041	0	0			NA	NA	NA				
2042	0	0			NA	NA	NA				
2043	0	0			NA	NA	NA				
2044	0	0			NA	NA	NA				
2045	0	0			NA	NA	NA				
2046	0	0			NA	NA	NA				
2047	0	0			NA	NA	NA				
2048	0	0			NA	NA	NA				
2048 +	0	0			NA	NA	NA				
Other	0	0			NA	NA	NA				
Total	43	64,102,000	\$1,195,451.50	1.86%	1.76%	1.75%	1.25	\$63,922,896.08	\$282,324.08	\$64,489,574.68	

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: January 06, 2020



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

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

Details of bond holdings

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) YTW (%)	Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
Total Bond Portfolio		64,102,000	1.91%	05/21/2021					\$282,324.08		\$64,489,574.68	
Maturing 2020												
CATERPILLAR FINL SVCS 02.100%	A3/A/A	850,000	2.10%	01/10/2020		17,850.00	1.96%	0.02	847,195.00	100.003	850,025.50	1.32%
011020 DTD011217 FC071017	NR/NR/R					2.10%	1.96%		2,830.50		8,478.75	
CALL@MW+12.5BP												
GOLDMAN SACHS BANK NY US RT	CD	100,000	2.00%	02/04/2020		2,000.00	1.62%	0.09	99,161.77	100.035	100,035.00	0.16%
02.0000% MAT 02/04/20 FIXED						2.00%	1.62%		873.23		816.44	
RATE CD /NY												
BANK OF AMERICA NA INC US RT	CD	240,000	2.45%	02/18/2020		5,880.00	1.61%	0.13	239,664.00	100.111	240,266.40	0.37%
02.4500% MAT 02/18/20 FIXED						2.45%	1.61%		602.40		2,223.12	
RATE CD /NC												
UNITED STATES TREAS BILL DUE	NR/NR/R	1,500,000		02/20/2020			1.46%	0.14	1,486,073.21	99.794	1,496,910.00	2.33%
02/20/20	NR/NR/R						1.46%		10,836.79		0.00	
MORGAN STANLEY BK UT US RT	CD	140,000	2.50%	02/24/2020		3,500.00	1.61%	0.14	139,790.00	100.132	140,184.80	0.22%
02.5000% MAT 02/24/20 FIXED						2.50%	1.61%		394.80		1,246.58	
RATE CD /UT												
FNMA NTS 01.500 % DUE 032320	Aaa/AAA/AA+	1,750,000	1.50%	03/23/2020		26,250.00	1.61%	0.22	1,748,250.00	99.973	1,749,527.50	2.72%
DTD 032316 FC 09232016	NR/NR/R					1.50%	1.61%		1,277.50		7,145.83	
BK OF AMER CORP NTS B/E	A2/A-/A-	750,000	2.25%	04/21/2020		16,875.00	1.93%	0.30	739,950.00	100.094	750,705.00	1.17%
02.2500% 042120 DTD042115	NR/NR/R					2.25%	1.93%		10,755.00		3,281.25	
FC102115												
QUALCOMM INC NTS B/E 02.250%	A2/NR/A-	2,879,000	2.25%	05/20/2020		64,777.50	1.96%	0.38	2,880,625.91	100.110	2,882,166.90	4.49%
052020 DTD052015 FC112015	NR/NR/R					2.25%	1.96%		1,540.99		7,377.44	
AMERICAN EXPRESS CRD 02.375%	A2/A-/A-	900,000	2.38%	05/26/2020	04/25/2020	21,375.00	2.07%	0.31	889,414.07	100.121	901,089.00	1.40%
052620 DTD052615 FC112615	NR/NR/R				100.00	2.37%	1.99%		11,674.93		2,078.13	
CORP NTS												
CITIBANK NA NTS B/E 02.100%	Aa3/A+/A+	550,000	2.10%	06/12/2020	05/12/2020	11,550.00	1.99%	0.36	539,005.50	100.049	550,269.50	0.86%
061220 DTD061217 FC121217	NR/NR/R				100.00	2.10%	1.96%		11,264.00		609.58	
SYNCHRONY BANK UT US RT	CD	99,000	2.15%	06/19/2020		2,128.50	1.81%	0.46	98,522.82	100.155	99,153.45	0.15%
02.1500% MAT 06/19/20 FIXED						2.15%	1.81%		630.63		69.98	
RATE CD /UT												
FHLMC MED TERM NTS 01.500 %	Aaa/AAA/AA+	3,500,000	1.50%	06/29/2020	03/29/2020	52,500.00	1.47%	0.24	3,500,000.00	100.016	3,500,560.00	5.45%
DUE 062920 DTD 062916 FC	NR/NR/R				100.00	1.50%	1.43%		560.00		291.67	
12292016												

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



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

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

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) YTW (%)	Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
Maturing 2020												
WELLS FARGO BK NA SD US RT	CD	50,000	2.80%	06/29/2020		1,400.00	1.65%	0.49	50,072.30	100.565	50,282.50	0.08%
02.8000% MAT 06/29/20 FIXED						2.78%	1.65%		210.20		7.67	
RATE CD /SD												
INTEL CORP NTS B/E 02.450%	A1/A+/A+	1,750,000	2.45%	07/29/2020		42,875.00	1.78%	0.56	1,734,110.00	100.382	1,756,685.00	2.74%
072920 DTD072915 FC012916	NR/NR/NR					2.44%	1.78%		22,575.00		18,102.78	
CALL@MMW+158P												
AMAZON COM INC NTS B/E	A3/A+/AA-	2,500,000	1.90%	08/21/2020		47,500.00	1.75%	0.62	2,479,925.00	100.091	2,502,275.00	3.90%
01.900% 082120 DTD022118	NR/NR/NR					1.90%	1.75%		22,350.00		17,152.78	
FC082118 CALL@MMW+7.58P												
FNMA NTS 01.350 % DUE 082420	Aaa/AAA/AA+	3,500,000	1.35%	08/24/2020	02/24/2020	47,250.00	1.48%	0.63	3,498,250.00	99.919	3,497,165.00	5.45%
DTD 082416 FC 02242017	NR/NR/NR				100.00	1.35%	1.48%		-1,085.00		16,668.75	
J P MORGAN CHASE & CO	A2/A+/A-	1,000,000	2.55%	10/29/2020	09/29/2020	25,500.00	1.99%	0.73	994,430.00	100.455	1,004,550.00	1.56%
02.550% 102920 DTD102915	NR/NR/NR				100.00	2.54%	1.93%		10,120.00		4,391.67	
FC042916 NTS B/E												
BOEING CO B/E 01.650% 103020	A3/A+/A-	2,000,000	1.65%	10/30/2020	09/30/2020	33,000.00	1.92%	0.82	1,969,800.00	99.781	1,995,620.00	3.11%
DTD102915 FC043016	NR/NR/NR				100.00	1.65%	1.92%		25,820.00		5,500.00	
CALL@MMW+108P												
PNC BK NTS B/E 02.450% 110520	A2/A+/A	320,000	2.45%	11/05/2020	10/05/2020	7,840.00	1.88%	0.74	316,736.00	100.470	321,504.00	0.50%
DTD110315 FC050516	NR/NR/NR				100.00	2.44%	1.82%		4,768.00		1,219.56	
JPMORGAN CHASE BK OH US RT	CD	100,000	1.65%	12/13/2020	06/12/2020	1,650.00	1.66%	0.94	99,950.00	99.992	99,992.00	0.16%
01.6500% MAT 12/13/20 FIXED					100.00	1.65%	1.66%		42.00		81.37	
RATE CD /OH												
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	1.78%	0.85	1,480,215.00	100.398	1,505,970.00	2.35%
DTD121415 FC061416	NR/NR/NR				100.00	2.19%	1.74%		25,755.00		1,558.33	
CALL@MMW+108P												
Total 2020		25,978,000	1.90%	07/10/2020		\$464,701.00	1.72%	0.47	\$25,831,140.5		\$25,994,936.55	40.49%
						1.79%	1.71%		\$163,795.97		\$98,301.66	

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) YTW (%)	Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
Maturing 2021												
WELLS FARGO NATL 8 MV US RT	CD	200,000	1.65%	01/13/2021		3,300.00	1.66%	1.02	199,800.00	99.987	199,974.00	0.31%
01.6500% MAT 01/13/21 FIXED						1.65%	1.66%		174.00		162.74	
RATE CD /MV												
FICB BOND 01.470 % DUE 021721	Aaa/AAA/AA+	4,500,000	1.47%	02/17/2021		66,150.00	1.59%	1.10	4,496,625.00	99.863	4,493,835.00	7.00%
DTD 081716 FC 02172017	NR/NR/NR					1.47%	1.59%		-2,790.00		24,622.50	
FILMC MED TERM NTS 01.500 %	Aaa/AA/AA+	3,525,000	1.50%	03/30/2021	03/30/2020	52,875.00	1.79%	1.22	3,524,118.75	99.648	3,512,592.00	5.47%
DUE 033021 DTD 093016 FC	NR/NR/NR				100.00	1.51%	1.79%		-11,526.75		13,218.75	
03302017												

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: January 06, 2020



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

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

	Effective rating/ Underlying rating (MoV/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) / Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
Maturing 2021											
GENL DYNAMICS CORP NTS 03.000% 05/11/21 DTD051118 FC11118 CALL@MW+10BP	AZ/WDA+ NR/NR/R	1,000,000	3.00%	05/11/2021		30,000.00 2.95%	1.74% 1.74%	994,790.00 22,040.00	101.683	1,016,830.00 4,166.67	1.58%
BURLINGTON NTHN SANTA FE 04.100% 06/01/21 DTD051911 CALL@MW +15BP CORP NTS	A3/NR/A+ NR/NR/R	1,000,000	4.10%	06/01/2021	03/01/2021 100.00	41,000.00 3.99%	2.18% 1.78%	1,022,980.38 3,669.62	102.665	1,026,650.00 3,416.67	1.60%
PFEZER INC NTS B/E 01.950% 060321 DTD060316 FC120316 CALL@MW+10BP	A1/A/A+ NR/NR/R	1,070,000	1.95%	06/03/2021		20,865.00 1.94%	1.62% 1.62%	1,065,645.10 9,330.40	100.465	1,074,975.50 1,622.83	1.67%
FNMA NTS 01.530 % DUE 072821 DTD 072816 FC 01282017	Aaa/AAA/AA+ NR/NR/R	3,750,000	1.53%	07/28/2021	01/28/2020 100.00	57,375.00 1.53%	1.67% 1.67%	3,750,000.00 -8,062.50	99.785	3,741,937.50 24,384.38	5.83%
FHLB NTS 01.550 % DUE 090121 DTD 090116 FC 03012017	Aaa/NR/AA+ NR/NR/R	500,000	1.55%	09/01/2021		7,750.00 1.56%	1.76% 1.76%	499,375.00 -1,080.00	99.659	498,295.00 2,583.33	0.78%
LOS ANG CAL TAX SR A 2.150 090121 DTD 122116 /CA BE/R/	Aa2/NR/R NR/NR/R	1,000,000	2.15%	09/01/2021		21,500.00 2.15%	2.02% 2.02%	994,250.00 7,910.00	100.216	1,002,160.00 7,166.67	1.56%
ORACLE CORP NTS B/E 01.900% 091521 DTD070716 FC031517 CALL@MW+15BP	A1/A/A+ NR/NR/R	1,425,000	1.90%	09/15/2021	08/15/2021 100.00	27,075.00 1.90%	1.77% 1.77%	1,399,934.25 28,058.25	100.210	1,427,992.50 7,972.08	2.22%
CISCO SYSTEMS INC B/E 01.850% 092021 DTD092016 FC032017 CALL@MW+10BP	A1/NR/AA- NR/NR/R	1,000,000	1.85%	09/20/2021	08/20/2021 100.00	18,500.00 1.85%	1.81% 1.81%	993,660.00 7,030.00	100.069	1,000,690.00 5,190.28	1.56%
FHLB BOND 01.520 % DUE 092321 DTD 092316 FC 03232017	Aaa/NR/AA+ NR/NR/R	2,290,000	1.52%	09/23/2021		34,808.00 1.53%	1.74% 1.74%	2,289,150.00 -7,600.10	99.631	2,281,549.90 9,475.51	3.55%
FHLB BOND 01.600 % DUE 092721 DTD 092716 FC 03272017	Aaa/NR/AA+ NR/NR/R	255,000	1.60%	09/27/2021		4,080.00 1.60%	1.70% 1.70%	255,000.00 -443.70	99.826	254,556.30 1,065.33	0.40%
MISSISSIPPI ST TAX SR G BE/R/ 2.470 110121 DTD 120815 AMS	Aa2/AA/AA NR/NR/R	1,450,000	2.47%	11/01/2021		35,815.00 2.43%	1.64% 1.64%	1,458,010.17 13,609.33	101.491	1,471,619.50 5,969.17	2.29%
Total 2021		22,965,000	1.84%	06/18/2021		\$421,093.00 1.83%	1.73% 1.71%	\$22,943,338.6 \$60,318.55		\$23,003,657.20 \$111,016.91	

	Effective rating/ Underlying rating (MoV/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) / Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
Maturing 2022											
APPLE INC NTS B/E 02.500% 020922 DTD020917 FC080917 CALL@MW+10BP	Aa1/NR/AA+ NR/NR/R	2,000,000	2.50%	02/09/2022	01/09/2022 100.00	50,000.00 2.46%	1.77% 1.74%	2,002,539.43 27,640.57	101.509	2,030,180.00 19,722.22	3.16%
PEPSICO INC NTS B/E 02.250% 050222 DTD050217 FC110217 CALL@MW+10BP	A1/A/A+ NR/NR/R	1,089,000	2.25%	05/02/2022	04/02/2022 100.00	24,502.50 2.23%	1.78% 1.76%	1,087,301.16 13,340.25	101.069	1,100,641.41 4,015.69	1.71%

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



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

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

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) YTW (%)	Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
Maturing 2022												
QUALCOMM INC NTS B/E 03.000%	A2/NR/A-	1,000,000	3.00%	05/20/2022		30,000.00	1.91%	2.29	1,014,514.31	102.527	1,025,270.00	1.60%
052022 DTD052015 FC11.2015	NR/NR/R					2.93%	1.91%		10,755.69		3,416.67	
CALL@MMW+15BP												
FHUB NTS 02.000 % DUE 090122	Aaa/NR/AA+	3,000,000	2.00%	09/01/2022		60,000.00	2.08%	2.56	2,988,750.00	99.791	2,993,730.00	4.66%
DTD 090117 FC 03012018	NR/NR/R					2.00%	2.08%		4,980.00		20,000.00	
WALT DISNEY CO NTS B/E 01.650%	A2/A/A	2,300,000	1.65%	09/01/2022		37,950.00	1.74%	2.58	2,290,501.00	99.755	2,294,365.00	3.57%
090122 DTD090619 FC030120	NR/NR/R					1.65%	1.74%		3,864.00		12,122.92	
FNMA NTS 01.800 % DUE 102822	Aaa/AAA/AA+	2,000,000	1.80%	10/28/2022	10/28/2020	36,000.00	1.79%	0.81	2,000,856.95	100.040	2,000,800.00	3.12%
DTD 102819 FC 04282020	NR/NR/R				100.00	1.80%	1.75%		-56.95		6,300.00	
Total 2022		11,389,000	2.10%	07/16/2022		\$238,452.50	1.86%	2.09	\$11,384,462.8		\$11,444,986.41	17.83%
						2.08%	1.85%		\$60,523.56		\$65,577.49	
Maturing 2023												
FFCB BOND 01.890 % DUE 051223	Aaa/AAA/AA+	3,450,000	1.89%	05/12/2023	02/12/2020	65,205.00	1.95%	3.23	3,444,066.00	99.792	3,442,824.00	5.36%
DTD 111219 FC 05122020	NR/NR/R				100.00	1.89%	1.95%		-1,242.00		8,875.13	
FHLMC MED TERM NTS 01.875 %	Aaa/AAA/NR	320,000	1.88%	05/26/2023	05/26/2020	6,000.00	1.99%	3.27	319,888.00	99.630	318,816.00	0.50%
DUE 052623 DTD 112619 FC	NR/NR/R				100.00	1.88%	1.99%		-1,072.00		583.33	
05262020												
Total 2023		3,770,000	1.89%	05/14/2023		\$71,205.00	1.96%	3.23	\$3,763,954.00		\$3,761,640.00	5.86%
						1.89%	1.96%		\$-2,314.00		\$9,458.46	
Total Bond Portfolio												
		64,102,000	1.91%	05/21/2021	NA	\$1,195,451.50	1.76%	1.25	\$63,922,896.0	NA	\$64,205,220.16	100%
						1.86%	1.75%		\$282,324.08		\$284,354.52	
											\$64,489,574.68	

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: January 06, 2020



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

Additional information about your portfolio

as of December 31, 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 - 11/04/2019: 100% Barclays Agg Bond
11/04/2019 - Current: 45% Barclays Corp 1-3Y; 55% Barclays Govt/Credit 1-3Y



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 or after 04/30/2018 as well as all Asset Class and Security level returns.

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

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

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

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

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

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

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

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

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

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

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

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS account statement for important information regarding the 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 US 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 UITs.

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

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

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

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

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

Expected Cash Flow reporting for Puerto Rico Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers 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.

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 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 "0" this denotes assets or liabilities held at other financial institutions. Information about these assets, including valuation, account type and cost basis, is based on the information you provided to us, or provided to us by third party data aggregators or custodians at your direction. We have not verified, and are not responsible for, the accuracy or completeness of this information.



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.

UBS FS All Rights Reserved. Member SIPC.



Wells Fargo Bank, N.A.
 333 SOUTH GRAND AVENUE
 8TH FLOOR
 LOS ANGELES CA 90071
 JONATHAN CHUANG
 1-213-253-6202

Bank Account Statement
Wells Fargo Bank, N.A.

Statement Period
12/01/2019 - 12/31/2019

KERN HEALTH SYSTEMS
 2900 BUCK OWENS BOULEVARD

Account Number
 [REDACTED]

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	40,030,240.02	25,338,694.98	35%
Bonds	41,507,006.97	47,363,647.89	65%
Stocks	0.00	0.00	0%
Total Account Value	\$ 81,537,246.99	\$ 72,702,342.87	100%
Value Change Since Last Statement Period		\$ (8,834,904.12)	
Percent Decrease Since Last Statement Period			11%
Value Last Year-End		\$ 96,963,495.64	
Percent Decrease Since Last Year-End			25%

Income Summary USD

	This Period	Year-To-Date
Interest	\$ 48,106.15	\$ 477,023.40
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	35,117.19	572,621.39
Other	0.00	0.00
Income Total	\$ 83,223.34	\$ 1,049,644.79

Interest Charged USD

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

Money Market Mutual Funds Summary USD

Description	Amount
Opening Balance	\$ 40,030,240.02
Deposits and Other Additions	191,219,247.17
Distributions and Other Subtractions	(205,945,909.40)
Dividends Reinvested	35,117.19
Change in Value	0.00
Closing Balance	\$ 25,338,694.98

Safekeeping

Important Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial Statements: WFS financial statements are available upon request.

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

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

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

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

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

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

KERN HEALTH SYSTEMS

Account Number: ██████████

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

Security ID	Description	Maturity Date	Coupon	Current Par / Original Par	Market Price*	Market Value	Original Par Pledged**	Callable
Bonds USD								
912796WM7	UNITED STATES TREASURY BILL	01/07/20	0.000%	30,000,000.000	99.9810	29,994,300.00		
912796WN5	UNITED STATES TREASURY BILL	01/14/20	0.000%	10,000,000.000	99.9511	9,995,110.00		
94988J5L7	WELLS FARGO BANK NA	01/15/20	2.400%	2,000,000.000	100.0145	2,000,290.94		N
0258MODX4	AMERICAN EXPRESS CREDIT	09/14/20	2.600%	2,000,000.000	100.3682	2,007,363.50		Y
43815HAB3	HAROT 2018-3 A2	12/21/20	2.670%	366,434.180	100.0847	366,744.55		
				2,000,000.000				
17305EGB5	CCCIT 2017-A3 A3	04/07/22	1.920%	3,000,000.000	99.9946	2,999,838.90		N
				47,366,434.180		47,363,647.89	0.00	

*See important information regarding security pricing on Page 2.

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

Daily Account Activity

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
Transaction Activity USD									
12/02/19	12/02/19	Security Receipt	912796WH8	UNITED STATES TREASURY BILL	30,000,000.00	99.9664440	(29,989,933.33)	0.00	(29,989,933.33)
12/04/19	12/04/19	Security Receipt	912796WJ4	UNITED STATES TREASURY BILL	35,000,000.00	99.9465660	(34,981,294.45)	0.00	(34,981,294.45)
12/04/19	12/04/19	Security Receipt	912796WL9	UNITED STATES TREASURY BILL	15,000,000.00	99.8845000	(14,982,675.00)	0.00	(14,982,675.00)
12/09/19	12/09/19	Security Receipt	912796WJ4	UNITED STATES TREASURY BILL	30,000,000.00	99.9671110	(29,990,133.33)	0.00	(29,990,133.33)
12/16/19	12/17/19	Security Receipt	912796WK1	UNITED STATES TREASURY BILL	50,000,000.00	99.9712220	(49,985,611.11)	0.00	(49,985,611.11)
12/23/19	12/24/19	Security Receipt	912796WM7	UNITED STATES TREASURY BILL	30,000,000.00	99.9436110	(29,983,083.33)	0.00	(29,983,083.33)
12/27/19	12/27/19	Security Receipt	912796WN5	UNITED STATES TREASURY BILL	10,000,000.00	99.9275000	(9,992,750.00)	0.00	(9,992,750.00)

Income / Payment Activity USD

12/03/19	12/03/19	Matured	912796WG0	UNITED STATES TREASURY BILL			30,000,000.00		30,000,000.00
12/10/19	12/10/19	Matured	912796WH8	UNITED STATES TREASURY BILL			30,000,000.00		30,000,000.00
12/16/19	12/16/19	Matured	49327M2F0	KEY BANK NA			1,000,000.00		1,000,000.00
12/16/19	12/16/19	Interest	49327M2F0	KEY BANK NA				9,123.29	9,123.29
12/16/19	12/16/19	Interest	49327M2F0	KEY BANK NA				12,500.00	12,500.00
12/16/19	12/16/19	Matured	91324PCG5	UNITEDHEALTH GROUP INC			3,000,000.00		3,000,000.00
12/16/19	12/16/19	Interest	91324PCG5	UNITEDHEALTH GROUP INC				34,500.00	34,500.00
12/17/19	12/17/19	Interest Reversal	49327M2F0	KEY BANK NA				(9,123.29)	(9,123.29)

Safekeeping

Statement Ending: December 31, 2019

KERN HEALTH SYSTEMS
 Account Number: ██████████
Daily Account Activity (Continued)

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
Income / Payment Activity USD									
12/17/19	12/17/19	Matured	912796WJ4	UNITED STATES TREASURY BILL			65,000,000.00		65,000,000.00
12/23/19	12/23/19	Paydown	43815HAB3	HAROT 2018-3 A2			130,712.17		130,712.17
12/23/19	12/23/19	Interest	43815HAB3	HAROT 2018-3 A2				1,106.15	1,106.15
12/24/19	12/24/19	Matured	912796WK1	UNITED STATES TREASURY BILL			50,000,000.00		50,000,000.00
12/31/19	12/31/19	Matured	912796WL9	UNITED STATES TREASURY BILL			15,000,000.00		15,000,000.00

Cash Activity USD

Transaction / Trade Date	Settlement / Eff. Date	Activity	Description	Debit Amount / Disbursements	Credit Amount / Receipts
12/04/19	12/04/19	ACH/DDA Transaction	DESIGNATED DDA	5,000,000.00	
12/04/19	12/04/19	ACH/DDA Transaction	DESIGNATED DDA		64,000,000.00
12/06/19	12/06/19	ACH/DDA Transaction	DESIGNATED DDA	2,000,000.00	
12/10/19	12/10/19	ACH/DDA Transaction	DESIGNATED DDA	7,000,000.00	
12/11/19	12/11/19	ACH/DDA Transaction	DESIGNATED DDA	5,000,000.00	
12/16/19	12/16/19	ACH/DDA Transaction	DESIGNATED DDA	20,000,000.00	
12/17/19	12/17/19	ACH/DDA Transaction	DESIGNATED DDA	4,000,000.00	
12/18/19	12/18/19	ACH/DDA Transaction	DESIGNATED DDA	5,000,000.00	
12/26/19	12/26/19	ACH/DDA Transaction	DESIGNATED DDA	5,000,000.00	
12/26/19	12/26/19	ACH/DDA Transaction	DESIGNATED DDA	7,000,000.00	
12/30/19	12/30/19	ACH/DDA Transaction	DESIGNATED DDA	13,000,000.00	
12/30/19	12/30/19	ACH/DDA Transaction	DESIGNATED DDA		13,000,000.00
12/31/19	12/31/19	ACH/DDA Transaction	DESIGNATED DDA	13,000,000.00	

Money Market Fund Activity

Morgan Stan TreasSvc ██████████	Dividend paid this period	7 day* simple yield	30 day* simple yield
*As of December 31, 2019			
USD	35,117.19	1.450%	1.460%

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	Beginning Balance		1.0000	40,030,240.02		40,030,240.02000
12/02/19	Redemption	(29,989,933.33000)		(29,989,933.33)		10,040,306.69000
12/02/19	Reinvest	35,117.19000			35,117.19	10,075,423.88000
12/03/19	Purchase	30,000,000.00000		30,000,000.00		40,075,423.88000
12/04/19	Purchase	64,000,000.00000		64,000,000.00		104,075,423.88000

Statement Ending: December 31, 2019

KERN HEALTH SYSTEMS
Account Number: [REDACTED]

Money Market Fund Activity (Continued)

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
12/04/19	Redemption	(5,000,000.00000)		(5,000,000.00)		99,075,423.88000
12/04/19	Redemption	(34,981,294.45000)		(34,981,294.45)		64,094,129.43000
12/04/19	Redemption	(14,982,675.00000)		(14,982,675.00)		49,111,454.43000
12/06/19	Redemption	(2,000,000.00000)		(2,000,000.00)		47,111,454.43000
12/09/19	Redemption	(29,990,133.33000)		(29,990,133.33)		17,121,321.10000
12/10/19	Purchase	30,000,000.00000		30,000,000.00		47,121,321.10000
12/10/19	Redemption	(7,000,000.00000)		(7,000,000.00)		40,121,321.10000
12/11/19	Redemption	(5,000,000.00000)		(5,000,000.00)		35,121,321.10000
12/16/19	Purchase	4,047,000.00000		4,047,000.00		39,168,321.10000
12/16/19	Redemption	(20,000,000.00000)		(20,000,000.00)		19,168,321.10000
12/17/19	Purchase	15,023,512.18000		15,023,512.18		34,191,833.28000
12/17/19	Redemption	(4,000,000.00000)		(4,000,000.00)		30,191,833.28000
12/18/19	Redemption	(9,123.29000)		(9,123.29)		30,182,709.99000
12/18/19	Redemption	(5,000,000.00000)		(5,000,000.00)		25,182,709.99000
12/23/19	Purchase	131,818.32000		131,818.32		25,314,528.31000
12/24/19	Purchase	20,016,916.67000		20,016,916.67		45,331,444.98000
12/26/19	Redemption	(5,000,000.00000)		(5,000,000.00)		40,331,444.98000
12/26/19	Redemption	(7,000,000.00000)		(7,000,000.00)		33,331,444.98000
12/27/19	Redemption	(9,992,750.00000)		(9,992,750.00)		23,338,694.98000
12/30/19	Purchase	13,000,000.00000		13,000,000.00		36,338,694.98000
12/30/19	Redemption	(13,000,000.00000)		(13,000,000.00)		23,338,694.98000
12/31/19	Purchase	15,000,000.00000		15,000,000.00		38,338,694.98000
12/31/19	Redemption	(13,000,000.00000)		(13,000,000.00)		25,338,694.98000
	Ending Balance		1.0000	25,338,694.98		25,338,694.98000

Safekeeping

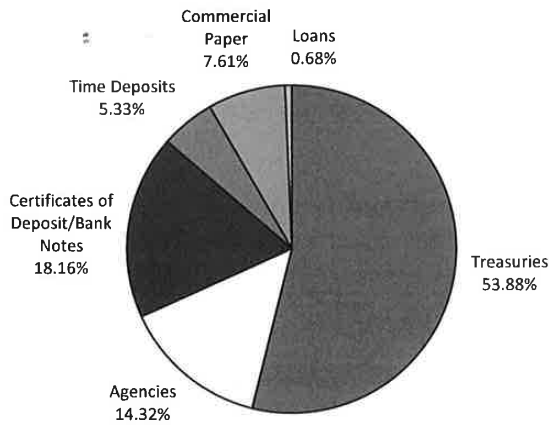


**PMIA/LAIF Performance Report
as of 01/15/2020**



**Pooled Money Investment Account
Portfolio Composition ⁽¹⁾**

12/31/19
\$88.9 billion



Percentages may not total 100% due to rounding

**PMIA Average Monthly
Effective Yields⁽¹⁾**

Dec 2019	2.043
Nov 2019	2.103
Oct 2019	2.190

**LAIF Quarterly Performance
Quarter Ended 12/31/19**

Apportionment Rate ⁽²⁾ :	2.29
Earnings Ratio ⁽²⁾ :	0.0000625008577897
Fair Value Factor ⁽¹⁾ :	1.001770298
Daily ⁽¹⁾ :	2.02%
Quarter to Date ⁽¹⁾ :	2.11%
Average Life ⁽¹⁾ :	226

PMIA Daily Rates⁽¹⁾

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
12/16/19	2.04	2.13	226
12/17/19	2.04	2.13	226
12/18/19	2.04	2.13	227
12/19/19	2.04	2.13	226
12/20/19	2.03	2.12	224
12/21/19	2.03	2.12	224
12/22/19	2.03	2.12	224
12/23/19	2.03	2.12	222
12/24/19	2.03	2.12	225
12/25/19	2.03	2.12	225
12/26/19	2.03	2.12	224
12/27/19	2.03	2.12	227
12/28/19	2.03	2.12	227
12/29/19	2.03	2.12	227
12/30/19	2.03	2.11	224
12/31/19	2.02	2.11	226
01/01/20	2.03	2.03	224
01/02/20	2.00	2.02	231
01/03/20	2.00	2.01	229
01/04/20	2.00	2.01	229
01/05/20	2.00	2.01	229
01/06/20	2.00	2.00	226
01/07/20	1.99	2.00	224
01/08/20	1.99	2.00	224
01/09/20	1.99	2.00	224
01/10/20	1.98	2.00	223
01/11/20	1.98	2.00	223
01/12/20	1.98	2.00	223
01/13/20	1.98	1.99	220
01/14/20	1.97	1.99	221
01/15/20	1.96	1.99	228

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:

- (1) State of California, Office of the Treasurer
- (2) State of California, Office of the Controller



To: KHS Board of Directors
From: Robert Landis, CFO
Date: February 13, 2020
Re: 2019 Annual Review of Kern Health Systems Investment Policy

Background

The KHS Investment Portfolio follows the Board approved Investment Policy (Attachment 1). As part of their annual review, Senior Management is **not recommending any revisions to the Investment Policy at this time**. The Investment Policy stipulates the following order of investment objectives:

KHS utilizes three different investment organizations to invest the cash that is not needed for the immediate needs of the agency (Attachment 2). All investments follow the Board approved investment policy that stipulates the following order of investment objectives:

- Preservation of principal
- Liquidity
- Yield

UBS is a national brokerage firm with a Bakersfield office that administers the KHS Board approved investment policy in a segregated account. Investments are in high quality bonds and FDIC insured certificates of deposit with an average duration of approximately 1.5 years. For the 2019 year UBS investments earned the highest returns.

The **Local Agency Investment Fund (LAIF)** is a public agency that allows smaller public agencies to pool their money and get the economies of scale that larger agencies with large portfolios receive. The California State Treasurer operates LAIF. Because it serves many agencies with short term liquidity needs, investments have an average duration of approximately 7 months.

Wells Fargo is KHS' local bank. This is beneficial since surplus cash can be easily moved to and from the checking accounts. KHS invests directly with the Wells Fargo Securities Fixed Income division in high quality bonds, commercial paper, FDIC insured certificates of deposit and a Money Market Fund.

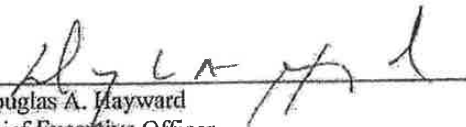
Requested Action

Receive and File.

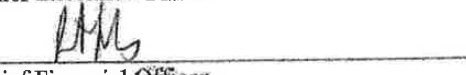


KERN HEALTH SYSTEMS

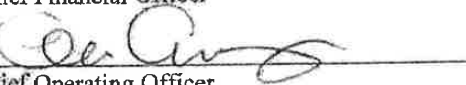
KERN HEALTH SYSTEMS			
POLICY AND PROCEDURES			
SUBJECT: Investment Policy		POLICY #: 80.11-I	
DEPARTMENT: Finance			
Effective Date: 2010-10	Review/Revised Date: 04/20/2015	DMHC	PAC
		DHCS	QI/UM COMMITTEE
		BOD	X FINANCE COMMITTEE


 Douglas A. Hayward
 Chief Executive Officer

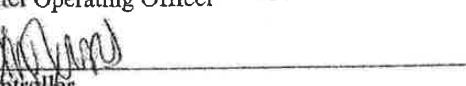
Date 4/20/15


 Chief Financial Officer

Date 4/20/15


 Chief Operating Officer

Date 4/17/15


 Controller

Date 4/17/15

POLICY:

This Annual Investment Policy sets forth the investment guidelines for all Operating Funds and Board-Designated Reserve Funds of Kern Health Systems invested on and after the date of adoption. The objective of this Annual Investment Policy is to ensure Kern Health Systems' funds are prudently invested according to the Board of Director's objectives to preserve capital, provide necessary liquidity and to achieve a market-average rate of return through economic cycles.

Investments may only be made as authorized by this Annual Investment Policy. The Kern Health Systems Annual Investment Policy has been prepared in accordance with sections 53600 et seq. and 53630 et seq. of the California Government Code (the Code) as well as customary standards of prudent investment management. Irrespective of these policy provisions, should the provisions of the Code be or become more restrictive than those contained herein, such provisions will be considered immediately incorporated into the Annual Investment Policy and adhered to.

- A. Safety of Principal -- Safety of principal is the foremost objective of Kern Health Systems. Each investment transaction shall seek to ensure that capital losses are avoided, whether from institutional default, broker-dealer default, or erosion of market value of securities.
- B. Liquidity -- Liquidity is the second most important objective of Kern Health Systems. It is important that each portfolio contain investments for which there is a secondary market and which offer the flexibility to be easily sold at any time with minimal risk of loss of either the principal or interest based upon then prevailing rates.
- C. Total Return -- Kern Health Systems' portfolios shall be designed to attain a market-average rate of return through economic cycles given an acceptable level of risk.

II. OBJECTIVES

Safety of principal is the primary objective of Kern Health Systems. Each investment transaction shall seek to ensure that large capital losses are avoided from securities or broker-dealer default. Kern Health Systems shall seek to ensure that capital losses are minimized from the erosion of market value. Kern Health Systems shall seek to preserve principal by mitigating the two types of risk, credit risk and market risk.

Credit risk, the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in only permitted investments and by diversifying the investment portfolio according to this Annual Investment Policy.

Market risk, the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by matching maturity dates, to the extent possible, with Kern Health Systems' expected cash flow draws. It is explicitly recognized herein, however that, in a diversified portfolio, occasional losses are inevitable and must be considered within the context of the overall investment return.

III. PRUDENCE

Kern Health Systems' Board of Directors or persons authorized to make investment decisions on behalf of Kern Health Systems are trustees and fiduciaries subject to the prudent investor standard. The standard of prudence to be used by investment officials shall be the "prudent person" standard as defined in Code Section 53600.3 and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the Annual Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control developments.

THE PRUDENT PERSON STANDARD: When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of Kern Health Systems, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

IV. ETHICS AND CONFLICTS OF INTEREST

Kern Health Systems' officers and employees involved in the investment process shall refrain from personal and professional business activities that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Kern Health Systems' officers and employees involved in the investment process are not permitted to have any material financial interests in financial institutions, including state or federal credit unions, that conduct business with Kern Health Systems, and they are not permitted to have any personal financial or investment holdings that could be materially related to the performance of Kern Health Systems' investments.

V. DELEGATION OF AUTHORITY

Authority to manage Kern Health Systems' investment program is derived from an order of the Board of Directors. Management responsibility for the investment program is hereby delegated to Kern Health Systems' Chief Financial Officer. No person may engage in an investment transaction except as provided under the terms of this Annual Investment Policy and the procedures established by the Chief Financial Officer.

The Chief Financial Officer shall be responsible for all actions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

A. Financial Benchmarks

Kern Health Systems' portfolios shall be designed to attain a market-average rate of return through economic cycles given an acceptable level of risk. The performance benchmark for each investment portfolio will be based upon the market indices for short-term investments of comparable risk and duration. These performance benchmarks will be agreed to by Kern Health Systems' Chief Financial Officer and the Investment Managers and will be reviewed by the Board of Directors quarterly.

B. Safekeeping

The investments purchased by the Investment Manager shall be held by Custodian Bank acting as the agent of Kern Health Systems under the terms of a custody agreement in compliance with Code Section 53608.

C. Periodic Review of the Annual Investment Policy

The Chief Financial Officer is responsible for providing the Board of Directors with a statement of investment policy, and the Board of Directors is responsible for adopting the Annual Investment Policy and ensuring investments are made in compliance with this Annual Investment Policy. This Annual Investment Policy shall be reviewed annually by the Board of Directors at a public meeting pursuant to Section 53646 (a) of the California Government Code.

The Chief Financial Officer is responsible for directing Kern Health Systems' investment program and for compliance with this policy pursuant to the delegation of authority to invest funds or to sell or exchange securities. The Chief Financial Officer shall make a quarterly report to the Board of Directors in accordance with Code Section 53646(b).

D. Chief Financial Officer's Procedures

The following procedures will be performed by the Chief Financial Officer:

1. The Operating Funds and Board-Designated Reserve Funds targeted average maturities will be established and reviewed periodically.
2. All Investment Managers will be provided a copy of the Annual Investment Policy, which will be appended to an Investment Manager's investment contract. Any investments made by the Investment Manager outside the Annual Investment Policy may subject the Investment Manager to termination for cause.
3. Investment diversification and portfolio performance will be reviewed monthly to ensure that risk levels and returns are reasonable and that investments are diversified in accordance with this policy.
4. The Chief Financial Officer will evaluate candidates for the role of Investment Manager. The candidates will be reviewed and approved by the CEO and the Board of Directors.

E. Duties and Responsibilities of Finance Committee:

The Chief Financial Officer and staff are responsible for the day-to-day management of Kern Health Systems' investment portfolio and the making of specific investments. The Board of Directors is responsible for Kern Health Systems' Annual Investment Policy. The Finance Committee shall not make or direct Kern Health Systems staff to make any particular investment, purchase any particular investment product, or do business with any particular investment companies or brokers. It shall not be the purpose of the Finance Committee to advise on particular investment decisions of Kern Health Systems.

The duties and responsibilities of the Finance Committee shall consist of the following:

1. Annually review Kern Health Systems' Annual Investment Policy before its consideration by the Board of Directors and recommend revisions, as necessary, to the Finance Committee of the Board of Directors.
2. Quarterly review Kern Health Systems' investment portfolio for conformance with Kern Health Systems' Annual Investment Policy diversification and maturity guidelines, and make recommendations to the Finance Committee of the Board of Directors as appropriate.
3. Provide comments to Kern Health Systems' staff regarding potential investments and potential investment strategies.
4. Perform such additional duties and responsibilities as may be required from time to time by specific action and direction of the Board of Directors.

VI. DEFINITIONS

- A. Operating Funds are intended to serve as a money market account for Kern Health Systems to meet daily operating requirements. Deposits to this fund are comprised of State warrants that represent Kern Health Systems' monthly capitation revenues from its State contracts. Disbursements from this fund to Kern Health Systems' operating cash accounts are intended to meet operating expenses, payments to providers and other payments required in day-to-day operations.

VII. PERMITTED INVESTMENTS

Kern Health Systems' policy is to invest only in instruments as permitted by the Code, subject to the limitations of this Annual Investment Policy. Permitted investments are subject to a maximum stated term of five years. The Board of Directors must grant express written authority to make an investment or to establish an investment program of a longer term.

Maturity shall mean the stated final maturity of the security, or the unconditional put option date if the security contains such provision. Term or tenure shall mean the remaining time to maturity when purchased.

Permitted investments shall include:

A. U.S. Treasuries

These investments are direct obligations of the United States of America and securities which are fully and unconditionally guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States of America.

U.S. Government securities include:

1. Treasury Bills: U.S. government Securities issued and traded at a discount.
2. Treasury Notes and Bonds: Interest bearing debt obligations of the U.S. government which guarantees interest and principal payments.
3. Treasury STRIPS: U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book-entry record-keeping system.
4. Treasury Inflation Protected (TIPs) securities: Special Treasury notes or bonds that offer protection from inflation. Coupon payments and underlying principal are automatically increased to compensate for inflation as measured by the consumer price index (CPI).

U. S. Treasury coupon and principal STRIPS as well as TIPs are not considered to be derivatives for the purpose of this Annual Investment Policy and are, therefore, permitted investments pursuant to the Annual Investment Policy.

Maximum term: Five Years

B. Federal Agencies and U.S. Government Sponsored Enterprises

These investments represent obligations, participations, or other instruments of, or issued by, a federal agency or a United States government sponsored enterprise, including those issued by, or fully guaranteed as to principal and interest by, the issuers. These are U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture). Often simply referred to as "Agencies", the following are specifically allowed:

1. Federal Home Loan Banks (FHLB)
2. Federal Home Loan Mortgage Corporation (FHLMC)
3. Federal National Mortgage Association (FNMA)
4. Federal Farm Credit Banks (FFCB)
5. Student Loan Marketing Association (SLMA)
6. Government National Mortgage Association (GNMA)
7. Small Business Administration (SBA)
8. Export-Import Bank of the United States
9. U.S. Maritime Administration
10. Washington Metro Area Transit
11. U.S. Department of Housing & Urban Development
12. Tennessee Valley Authority
13. Federal Agricultural Mortgage Company (FAMC)
14. Temporary Liquidity Guarantee (TLG) Program securities
15. Temporary Corporate Credit Union Liquidity Guarantee Program (TCCULGP) securities

Any Federal Agency and U.S. Government Sponsored Enterprise security not specifically mentioned above is not a permitted investment.

C. State of California and Local Agency Obligations

Registered state warrants, treasury notes or bonds of the State of California and bonds, notes, warrants or other evidences of indebtedness of any local agency of the State, including bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the state or local agency or by a department, board, agency or authority of the State or local agency. Such obligations must be issued by an entity whose general obligation debt is rated P-1 by Moody's and A-1 by Standard & Poor's or equivalent or better for short-term obligations, or A by Moody's or A by Standard & Poor's or better for long-term debt. Public agency bonds issued for private purposes (industrial development bonds) are specifically excluded as allowable investments.

Maximum Term: Five years

D. State and Local Agency Obligations Outside of California

Registered state warrants, treasury notes or bonds of any U.S. State and bonds, notes, warrants or other evidences of indebtedness of any local agency of the State, including bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the state. Such obligations must be issued by an entity whose general obligation debt is rated P-1 by

Moody's and A-1 by Standard & Poor's or equivalent or better for short-term obligations, or A by Moody's or A by Standard & Poor's or better for long-term debt. Public agency bonds issued for private purposes (industrial development bonds) are specifically excluded as allowable investments. Any single investment in a particular State is limited to 5% of portfolio at time of Purchase.

Maximum Term: Five years

Maximum of 20% of the portfolio

E. Bankers Acceptances

Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the bankers acceptance (BA) upon maturity if the drawer does not. Eligible bankers acceptances:

1. Are eligible for purchase by the Federal Reserve System, and are drawn on and accepted by a bank rated F1 or better by Fitch Ratings or are rated A-1 for short-term deposits by Standard & Poor's and P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency.
2. May not exceed the five percent (5%) limit of any one commercial bank and may not exceed the five percent limit for any security of any bank.

Maximum Term: 180 days

F. Commercial Paper

Commercial paper (CP) is unsecured promissory notes issued by companies and government entities at a discount. Commercial paper is negotiable (marketable or transferable), although it is typically held to maturity. The maximum maturity is 270 days, with most CP issued for terms of less than 30 days. Commercial paper must meet the following criteria:

1. Rated P-1 by Moody's and A-1 or better by Standard & Poor's, and
2. Have an A or higher rating for the issuer's debt, other than commercial paper, if any, as provided for by Moody's and Standard & Poor's, and
3. Issued by corporations organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000), and
4. May not represent more than ten percent (10%) of the outstanding commercial paper of the issuing corporation.

Maximum Term: 270 days

G. Negotiable Certificates of Deposit

A negotiable (marketable or transferable) receipt for a time deposit at a bank or other financial institution for a fixed time and interest rate. Negotiable Certificates of Deposit must be issued by a nationally or state-chartered bank or state or federal association or by a state licensed branch of a foreign bank, which have been rated F1 or better by Fitch Ratings, or are rated A-1 for short-term deposits by Standard & Poor's and P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency. Maturities greater than one year and less than five years shall not exceed the FDIC Insurance maximum amount at the time of purchase.

Maximum term: Five years

H. Repurchase Agreements

A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date.

Repurchase agreements collateralized by U. S. Treasuries, GNMMAs, FNMMAs or FHLMCs with any registered broker-dealer subject to the Securities Investors Protection Act or any commercial banks insured by the FDIC so long as at the time of the investment such primary dealer (or its parent) has an uninsured, unsecured and unguaranteed obligation rated P-1 short-term or A-2 long-term or better by Moody's, and A-1 short-term or A long-term or better by Standard & Poor's, provided:

1. A broker-dealer master repurchase agreement signed by the investment manager (acting as "Agent") and approved by Kern Health Systems; and,
2. The securities are held free and clear of any lien by Kern Health Systems' custodian or an independent third party acting as agent ("Agent") for the custodian, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$50 million and the custodian shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for Kern Health Systems' custodian; and,
3. A perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of Kern Health Systems' custodian and Kern Health Systems; and
4. The Agent provides Kern Health Systems' custodian and Kern Health Systems with valuation of the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required one hundred and two percent (102%) collateral percentage is not restored within two business days of such valuation.

Maximum Term: One year

Reverse repurchase agreements are not allowed.

I. Corporate Debt Securities

Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

1. For the purpose of this Annual Investment Policy, corporate securities that are rated A or better by both Moody's and Standard & Poor's, or by one of either of Moody's or Standard & Poor's and with a comparable rating by a nationally recognized rating service on longer term debt, and
2. Are issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States and have total assets in excess of five hundred million dollars (\$500,000,000), and
3. May not represent more than ten percent (10%) of the issue in the case of a specific public offering. This limitation does not apply to debt that is "continuously offered" in a mode similar to commercial paper, i.e. medium term notes ("MTNs"). Under no circumstance can the MTNs or any other corporate security of any one corporate issuer represent more than 5% of the portfolio.

Maximum Term: Five years

J. Money Market Funds

Shares of beneficial interest issued by diversified management companies (commonly called money market funds):

1. Which are rated AAA (or equivalent highest ranking) by two of the three largest nationally recognized rating services, and,
2. Such investment may not represent more than ten percent (10%) of the money market fund's assets.

K. Mortgage or Asset-backed Securities

Pass-through securities are instruments by which the cash flow from the mortgages, receivables or other assets underlying the security is passed-through as principal and interest payments to the investor.

Though these securities may contain a third party guarantee, they are a package of assets being sold by a trust, not a debt obligation of the sponsor. Other types of "backed" debt instruments have assets (such as leases or consumer receivables) pledged to support the debt service.

Any mortgage pass-through security, collateralized mortgage obligations, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond which

1. Are rated AAA (Code AA) by a nationally recognized rating service, and
2. Are issued by an issuer having an A or better rating by a nationally recognized rating service for its long-term debt.

Maximum Term: Operating Funds – Five years

L. Variable and Floating Rate Securities

Variable and floating rate securities are appropriate investments when used to enhance yield and reduce risk. They should have the same stability, liquidity and quality as traditional money market securities. A variable rate security provides for the automatic establishment of a new interest rate on set dates. For the purposes of this Annual Investment Policy, a Variable

Rate Security and Floating Rate Security where the rate of interest is readjusted no less frequently than every 762 calendar days shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest so long as the next readjustment period is within 5 years.

Variable and floating rate securities, which are restricted to investments in permitted Federal Agencies and U.S. Government Sponsored Enterprises securities, Corporate Securities, Mortgage or Asset-backed Securities and Negotiable Certificates of Deposit, must utilize traditional money market reset indices such as U. S. Treasury bills, Federal Funds, commercial paper or LIBOR. Investments in floating rate securities whose reset is calculated using more than one of the above indices are not permitted, i.e. dual index notes.

Maximum Term: Operating Funds – Five Years

M. Local Agency Investment Fund (LAIF)

The Local Agency Investment Fund (LAIF) is a voluntary program created by statute (Section 16429.1 et seq.) as an investment alternative for California's local governments and special districts managed by the State Treasurer. This program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office investment staff at no additional cost to the taxpayer. All securities are purchased under the authority of Government Code Section 16430 and 16480.4. The State Treasurer's Office takes delivery of all securities purchased on a delivery versus payment basis using a third party custodian. All investments are purchased at market and a market valuation is conducted monthly. The investment objective of LAIF mirrors those of KHS' with preservation of capital being the primary objective and liquidity second. Any agency with funds on deposit with LAIF can withdraw those funds within 24 hours' notice.

Maximum Term: Five Years

VIII. POLICIES

A. Securities Lending

Investment securities shall not be lent to an Investment Manager or broker.

B. Leverage

The investment portfolio, or investment portfolios managed by an Investment Manager, cannot be used as collateral to obtain additional investable funds.

C. Other Investments

Any investment not specifically referred to herein will be considered a prohibited investment.

D. Underlying Nature of Investments

Kern Health Systems and its Investment Manager shall not make investments in organizations which have a line of business that is visibly in conflict with the interests of public health (which shall be defined by the Kern Health Systems Board of Directors). Furthermore, Kern Health Systems shall not make investments in organizations with which it has a business relationship through contracting, purchasing or other arrangements.

Kern Health Systems' Board of Directors will provide the Investment Manager with a list of corporations that do not comply with its Annual Investment Policy and shall immediately notify its Investment Manager of any changes.

E. Investment Managers

Outside Investment Managers must certify that they will purchase securities from broker/dealers (other than themselves) or financial institutions in compliance with Code Section 53601.5 and this Annual Investment Policy.

F. Derivatives

Except as expressly permitted by this policy, investments in derivative securities are not allowed.

G. Rating Category

Rating category shall mean with respect to any long-term category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier.

H. Rating Downgrades

Kern Health Systems may from time to time be invested in a security whose rating is downgraded below the quality criteria permitted by this investment policy.

If the rating of any security held as an investment falls below the investment guidelines, the Investment Manager shall notify the Chief Financial Officer or designee within two (2) business days of the downgrade. A decision to retain a downgraded security shall be approved by the Chief Financial Officer or designee within five (5) business days of the downgrade.

I. Maximum Stated Term

Maximum stated term for permitted investments shall be determined based on the settlement date (not the trade date) upon purchase of the security and the stated final maturity of the security, or the unconditional put option date if the security contains such provision.

J. Diversification Guidelines

Diversification limits ensure the portfolio is not unduly concentrated in the securities of one type, industry, or entity, thereby assuring adequate portfolio liquidity should one sector or company experience difficulties.

Kern Health Systems' Investment Manager must review the portfolio it manages to ensure compliance with Kern Health Systems' diversification guidelines on an ongoing basis.

<i>INSTRUMENTS</i>	MAXIMUM % OF PORTFOLIO AT TIME OF PURCHASE
A. U.S. Treasuries (including U.S. Treasury Coupon and principal STRIPS as well as TIPS)	100%
B. Federal Agencies and U.S. Government Sponsored Enterprises	100%
C. State of California and Local Agency Obligations	100%
D. State and Local Agency Obligations Outside of California	20%
E. Bankers Acceptances	40%
F. Commercial Paper	25%
G. Negotiable Certificates of Deposit	30%
H. Repurchase Agreements	100%
I. Corporate Securities	30%

<i>INSTRUMENTS</i>	MAXIMUM % OF PORTFOLIO AT TIME OF PURCHASE
J. Money Market Funds	20%
K. Mortgage and Asset-backed Securities	20%
L. Variable and Floating Rate Securities	30%
M. Local Agency Investment Fund (LAIF)	50%

- a. Issuer/Counterparty Diversification Guidelines – The percentages specified below shall be adhered to on the basis of the entire portfolio:
- i. Any one Federal Agency or Government Sponsored Enterprise 35%
 - ii. Any one repurchase agreement counterparty name
 - If maturity/term is \leq 7 days 50%
 - If maturity/term is $>$ 7 days 25%
- b. Issuer/Counterparty Diversification Guidelines for All Other Securities described in Subsections A-K in VII. Permitted Investments of this Annual Investment Policy. Any one corporation, bank, local agency, or other corporate name for one or more series of securities, and specifically with respect to special purpose vehicles issuers for mortgage and asset-backed securities, the maximum applies to all such securities backed by the same type of assets of the same issuer. 5%

Negotiable Certificates of Deposit with maturities greater than one year and less than five years shall not exceed the FDIC Insurance maximum amount at the time of purchase.

Each Investment Advisor shall adhere to the diversification limits discussed in this section. If one Investment Advisor exceeds the aforementioned diversification limits, the Investment Advisor shall inform the Kern Health Systems Chief Financial Officer and second Investment Advisor (if any) by close of business on the day of the occurrence. Within the parameters authorized by the Government code, the Committee recognizes the practicalities of portfolio management, securities maturing, and changing status, and market volatility, and, as such, will consider breaches in:

- i. The context of the amount in relation to the total portfolio concentration;
- ii. Market and security specific conditions contributing to a breach in policy; and
- iii. The managers' actions to enforce the spirit of the policy and decisions made in the best interest of the portfolio.

REFERENCE:

Revision 2016-01: Minor revision to correct acronym in §VIII Policies, item M. CFO request that policy goes to Board of Directors in February. **Revision 2015-04:** Item "M" Local Agency Investment Fund (LAIF) added to Section VII Permitted Investments as approved by KHS Board of Directors at April 2015 meeting. **Revision 2014-08:** Policy revised by Controller to allow for non-California municipal investments as approved by KHS Board of Directors. **Revision 2010-11:** Policy revised to conform to government code requirements. The Board of Directors approved current policy on October 14, 2010.

**KERN HEALTH SYSTEMS
2019 INVESTMENT ANALYSIS**

Attachment 2

	<u>UBS</u>	<u>LAIF</u>	<u>Wells Fargo Securities</u>
December 31, 2019 Balance	64,774,130	64,477,614	72,702,343
Average Monthly Balance	68,691,160	63,713,720	82,255,139
Total Net Investment Earnings (YTD)*	2,461,138	1,668,608	2,255,431
Percentage	3.58%	2.62%	2.74%

* Includes YTD unrealized gains (losses)



To: KHS Board of Directors

From: Douglas Hayward, CEO

Date: February 13, 2020

Re: Final Report on KHS 2019 Department Level Goals and Objectives

Background

At the close of each calendar year Management summarizes the results of the annual departmental goals and objectives. The attached presentation includes the year-end status report on KHS' 2019 Department Goals and Objectives.

As of the end of 2019 staff has completed 98 (88%) of the departmental goals and objectives. Only 1 goal (1%) is marked as not being achieved/achievable. The remaining 12 (11%) in-progress goals have been rolled into 2020 and are scheduled to be completed. Specific details of the in-progress and incomplete items are laid out in the accompanying presentation.

Requested Action

Receive and file



Final Report on KHS 2019 Department Level Goals and Objectives

February 13, 2020



Background

- Each year department-heads work with executive management to create goals and objectives. These goals are tied to the organization's strategic plan and/or the department's operational performance metrics.
- With 2019 coming to an end, management has prepared a summary status report for the departmental goals and objectives.
- **Green** = Completed on time and desired outcome achieved
- **Yellow** = In progress and desired outcome achievable
- **Red** = Not completed or desired outcome not achieved



2019 Goals and Objectives Summary

- Overall completion rate of 88%. Potentially becomes 99% completion rate when “in-progress” goals are completed.

2019 Goals and Objectives Summary			
Department	Green	Yellow	Red
Member Services	7	1	0
AIS Compliance	6	1	0
Business Development	8	0	0
Claims	6	1	0
Corporate Services	4	0	0
Finance	10	1	0
Case Management	3	0	0
Health Education	6	0	0
Quality Improvement	4	1	0
Utilization Management	5	3	1
Pharmacy	7	0	0
Human Resources	11	2	0
Information Technology	5	0	0
Marketing	10	0	0
Provider Network Management	6	2	0
Total	98	12	1
Percentage	88%	11%	1%



Incomplete Items

- **Member Services Screen Pop** – Implementation of Screen Pop was canceled due to other priority projects. This effort is now scheduled for implementation in 2020.
- **Compliance Process Documentation** – Compliance team completed all but one goal which will be finished in 2020.
- **Claims Testing Team** – Claims promoted 1 employee to tester, one additional tester to be added in 2020.
- **Finance AccPac Upgrade** – An upgrade to the KHS accounting system was started in 2019 and will be completed in 2020.
- **QI Develop Audit Process for HHP Sites** – The audit program ended up being completed under the HHP and Case Management Departments rather than QI.
- **Utilization Management JIVA Implementation** – Most was accomplished in 2019 save a small portion of the project which will carry into early 2020.
- **Utilization Management Physician Profiling** – Core program elements have been established. Finalizing the operational process and documentation in early 2020.
- **Utilization Management E-Consult/Teledoc** – Project was canceled in 2019 to consider external contracting/vendor options.
- **Utilization Management Point-Of-Service Specialty Medical Management** – Project was postponed and is now scheduled for 2020.
- **HR Revise Employee Handbook** – Due to significant changes to CA State Laws effective 1/1/20, requiring last minute document edits resulted in production and distribution to shift to Q1 2020.
- **HR Supervisor Mentor Program** – Program design is nearly completed and will be executed in 2020.
- **Provider Network Management Credentialing Software Update** – Update to the software is underway and testing is occurring. Upgrade will be finalized in 2020.
- **Provider Network Management Provider Portal Enhancements** – Several enhancements were completed in 2019. Updates to the provider scoreboard and a point-of-service authorization pilot are scheduled to complete in early 2020.



To: KHS Board of Directors

From: Douglas Hayward, CEO

Date: February 13, 2020

Re: Update on KHS Strategic Plan

Background

After the close of each quarter Management updates the Board on KHS' Strategic Plan progress. With the conclusion of Q4 2019 of the 2018-2020 Strategic Plan, staff has included a presentation showing the current status. KHS is currently on track for items that were targeted for completion in the 4th quarter 2019.

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

Requested Action

Receive and file.



Q4 2019 Strategic Plan Update

February 13, 2020

Background

- In November 2017 a Board and Executive strategy meeting was held to begin shaping the 2018-2020 KHS strategic plan. This was followed by an internal work effort to further define key initiatives, action items, and projects directly supporting the newly defined Strategic Plan. In February 2018 the KHS Board of Directors approved the 2018-2020 Strategic Plan.
- With Q4 2019 coming to an end, management has prepared a status update on the key initiatives currently in progress within the Strategic Plan.
- **Green** = On Track, **White** = Not Started, **Gray** = Completed, **Yellow** = Behind Schedule, **Red** = Incomplete/Canceled



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

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



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

Task Name	Start Date	Due Date	% Complete	Assigned To
Align Compensation and Network Configuration to improve service quality and value in the health care delivery system				
Develop a provider network configuration strategy designed to achieve optimum health care system performance around the Triple Aim of “Right Care, Right Time, and Right Setting”.				Emily Duran Deborah Murr
Review network configuration to address Physical, Behavioral and Social Determinants	1/1/2018	11/30/2018	100.00%	
Adjust network configuration for changing population need and/or medical complexity	4/1/2018	11/30/2018	100.00%	
Using evidence based medicine as the standard, identify network gaps or limitations	4/1/2018	12/31/2018	100.00%	
Develop delivery system model to address needs at all levels using existing provider network, County Mental Health, County Human Services and Community Based Organizations	4/1/2018	12/31/2018	100.00%	
Develop clinical algorithms for Provider education to promote consistent management of member condition	4/1/2018	7/31/2019	100.00%	Deborah Murr
Establish provider compensation arrangements to support structure and performance goals, monitor expected outcomes	4/1/2018	10/31/2018	100.00%	
Ensure systems in place to communicate and coordinate patient care across the physical and mental health divide.	4/1/2018	11/15/2019	100.00%	Deborah Murr
Determine internal and external (Provider) operational needs to support concept	4/1/2018	11/15/2019	100.00%	Deborah Murr
Determine internal and external capital requirements where necessary to support concept	4/1/2018	11/15/2019	100.00%	Deborah Murr
Implementation	4/1/2018	12/31/2019	100.00%	Deborah Murr



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

Task Name	Start Date	Due Date	% Complete	Assigned To
Prepare for New Benefits / Programs /Coverage Populations/ Regulations				
Prepare for new or modified benefits, expanded coverage, or changes to the tracking and reporting requirements as required by government agencies				Jeremy McGuire
Determine the impact of changes to benefits or population coverage categories, or monitoring and reporting requirements on KHS and provider network	1/1/2018	12/31/2020	75.00%	Jeremy McGuire
BHT Expansion	1/1/2018	7/31/2018	100.00%	Deborah Murr
Diabetes Prevention Program	1/1/2018	12/31/2018	100.00%	Deborah Murr
DHCS Sanctions	3/1/2019	6/30/2019	100.00%	Jeremy McGuire
2019 State Budget Items	1/1/2019	7/30/2019	100.00%	Jeremy McGuire
DHCS Rx Carve-Out	1/1/2019	12/31/2020	50.00%	Bruce Wearda
DHCS LTC and Transplant Carve-In	9/1/2019	12/31/2020	50.00%	Deborah Murr
MHC4A (CalAIM)	11/1/2019	7/30/2020	25.00%	Jeremy McGuire
Establish a project plan for instituting new benefits, coverage expansion, or tracking and reporting requirements	1/1/2018	12/31/2020	75.00%	Jeremy McGuire
Palliative Care	1/1/2018	3/31/2018	100.00%	Deborah Murr
Health Homes	1/1/2018	12/31/2019	100.00%	Julie Worthing
Diabetes Prevention Program	11/1/2018	4/26/2019	100.00%	Martha Tasinga
DHCS Sanctions Projects	6/1/2019	6/30/2020	65.00%	Deborah Murr
Determine the impact of Managed Care Final Rule (MCFR) to KHS, its policy, procedures, protocols and tracking and reporting functions.	1/1/2018	12/31/2020	65.00%	Jeremy McGuire
Establish a project plan for adopting MCFR requirements instituting new benefits, coverage expansion, or tracking and reporting requirements	1/1/2018	12/31/2020	75.00%	Jeremy McGuire
Hospital Directed Payments	7/30/2018	1/31/2020	95.00%	Jeremy McGuire
COBA	1/1/2018	2/28/2019	100.00%	Jeremy McGuire
Post implementation, audit each activity to ensure installation and performance meets KHS and government agencies expectations.	1/1/2018	12/31/2020	65.00%	Carl Breining



Goal 3 – Increase Member Engagement in their Health Care

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



Goal 4 – Assure Kern Health Systems’ Long Term Viability

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



Goal 4 – Assure Kern Health Systems’ Long Term Viability

Task Name	Start Date	Due Date	% Complete	Assigned To
Assure Kern Health Systems Long Term Viability				
Continue to consider opportunities to expand KHS business suitable to the mission and business model.				Jeremy McGuire
Monitor key regulatory areas of MC Waiver, SUDS, APM/CP3 FQHC payment reform and CCI	1/1/2018	12/31/2020	65.00%	Jeremy McGuire
Monitor Medi-Cal marketplace trends e.g. Continuation of the two-plan model, entrance of new commercial managed care plans and public plan option in the ACA	1/1/2018	12/31/2020	65.00%	Jeremy McGuire
Continue expanding HHP model to additional qualified contracted provider’s sites sufficient to meet the requirements as determined by DHCS.	1/1/2018	12/31/2020	85.00%	Jeremy McGuire Julie Worthing
Continue participation in implementation of Whole Person Care	1/1/2018	2/28/2018	100.00%	Emily Duran
Monitor internal capacity and regulatory landscape for initiating: CCI (Duals),MH Expansion (S and P population),SUD, LTC and IHSS	1/1/2018	12/31/2020	65.00%	Jeremy McGuire
Consider future Medicare SNP expansion	1/1/2020	6/30/2020	5.00%	Jeremy McGuire
Ensure achievement of the annual Medical Loss Ratio as determined in KHS’s annual budget				Deborah Murr
Review utilization and cost trends by aid category and medical service category over the past 12 months. Internal Reallocation of resources to address inefficiency or duplication of services in the Provider Network.	1/1/2018	12/31/2020	75.00%	
Review applicable changes in treatment modalities or best practices impacting respective medical service categories.	1/1/2018	12/31/2020	75.00%	
Identify potential medical service areas for impact and determine intervention strategies(s) required to achieve desired results	1/1/2018	12/31/2020	75.00%	
Develop reporting and monitoring system	1/1/2018	12/31/2020	75.00%	



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

Task Name	Start Date	Due Date	% Complete	Assigned To
Optimize the use of technology to improve service to constituency and increase administrative / operations economies of scale.				
Continue to maximize utility of the new UM, CM, DM and QI operating system to integrate medical management responsibilities using a single platform (JIVA).				Deborah Murr
Refine JIVA Phase 1 application components to meet production and performance requirements: UM Workflows, Ops Systems Platform Integration, Data Reporting and Analytics Config, JIVA Training	1/1/2018	3/31/2018	100.00%	
Implement JIVA Phase 2 components: CM/DM/HE/ Appeals, MCG Point of Service (POS), JIVA / QNXT interphase	1/1/2018	3/1/2020	95.00%	
Implement JIVA Phase 3 to integrate HHP and QI Programs	1/1/2018	7/1/2019	100.00%	
Include prospects in annual project planning	1/1/2018	12/31/2020	65.00%	
Develop project budgets along with ROI and/or cost-benefit analysis	1/1/2018	12/31/2020	65.00%	
Continuously monitor and control for operational effectiveness	1/1/2018	12/31/2020	65.00%	
Increase data sharing between and among providers and KHS to reduce health care cost and/or enhance the patient care experience				Richard Pruitt
Identify opportunities for sharing information (e.g. Health Homes Program, telehealth, EDI)	1/1/2018	12/31/2019	100.00%	
Educate applicable providers about the importance of data sharing to reduce health care costs and/or enhance the patient care experience.	1/1/2018	12/31/2019	100.00%	
Develop approaches KHS can implement with providers to achieve a level of data sharing	1/1/2018	12/31/2019	100.00%	
Analyze and evaluate products or methods for effectiveness and compatibility with the health plan and provider community	1/1/2018	12/31/2019	100.00%	
Complete a cost benefit analysis of the data sharing program	1/1/2018	12/31/2018	100.00%	
Present to Board of Directors	1/1/2018	12/31/2018	100.00%	
Create plan for implementation	1/1/2018	12/31/2018	100.00%	
Continuously identify and promote organizational efficiencies and process improvement through Business Process Reengineering (BPR).				Richard Pruitt
Identify and analyze efficiencies and improvement opportunities	1/1/2019	12/31/2019	100.00%	
Perform cost analysis of efficiencies or improvement opportunity	1/1/2019	12/31/2019	100.00%	
Establish projects into annual project and budget planning	1/1/2019	12/31/2019	100.00%	
Align these initiatives with annual departmental goals and objectives	1/1/2019	12/31/2019	100.00%	
Continuously monitor and control for operational effectiveness	1/1/2019	12/31/2019	100.00%	
Create and execute project plans	1/1/2019	12/31/2019	100.00%	



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

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



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

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





To: KHS Board of Directors

From: Emily Duran, Chief Network Administration Officer

Date: February 13, 2020

Re: 2018 Provider Satisfaction Survey

Background

Kern Health Systems (KHS) conducts a retrospective Provider Satisfaction Survey on an annual basis, which allows us to keep pulse on our provider network. It is important for us to hear from our providers on where they feel we have exceeded or met their expectations, as well as what areas we can improve.

For 2018 Calendar Year, KHS scores increased in ALL areas compared to prior year. Our report also indicates that overall satisfaction from providers when compared to competitor or like health plans, is significantly higher.

A summary detailing the 2018 Provider Satisfaction Survey results will be presented at the Board meeting.

Requested Action

Receive and File.



2019 Provider Satisfaction Survey Results

Calendar Year 2018

**Board of Directors
February 13, 2020**



Background & Timeline

- KHS conducts an annual provider satisfaction survey
- The 2019 survey measures CY 2018 KHS performance with network providers
- SPH Analytics (independent survey company) conducts the survey on KHS behalf
- KHS performance is benchmarked to HMO industry performance for similar measures
- Survey was conducted over three (3) waves through Q1/Q2 2019



Survey Panel

- Surveys were sent to all provider types:
 - Primary Care Providers
 - Specialists
 - Behavioral Health
 - Hospitals & Urgent Care Facilities
 - Pharmacies
 - Ancillary Provider Types
- 303 Total Surveys were received
 - 359 Surveys received last year
 - First 50 Provider's Offices Incentivized for Survey Completion
 - Plan attributes slight decrease to potential provider outreach fatigue. In recent years the amount of regulatory outreach to provider offices continues to increase, including: **DMHC** Annual Timely Access Survey, **DHCS** Quarterly Timely Access Survey, **KHS** Timely Quarterly Access Survey, **SB 137** Directory Attestation
- Confidence Level
 - Survey sample at 97% Confidence Level



Report Highlights

Composites/ Attributes	KHS 2017 Rating	KHS 2018 Rating	
Overall Satisfaction	77.0%	86.5%	↑
Other Local Plans	54.4%	59.8%	↑
Compensation	46.8%	51.3%	↑
UM & Quality	45.8%	54.0%	↑
Network/COC	43.2%	50.7%	↑
Pharmacy	24.6%	32.2%	↑
Health Plan Call Center	56.2%	60.0%	↑
Provider Relations	55.6%	64.5%	↑
Recommend to Other MDs	90.5%	93.0%	↑

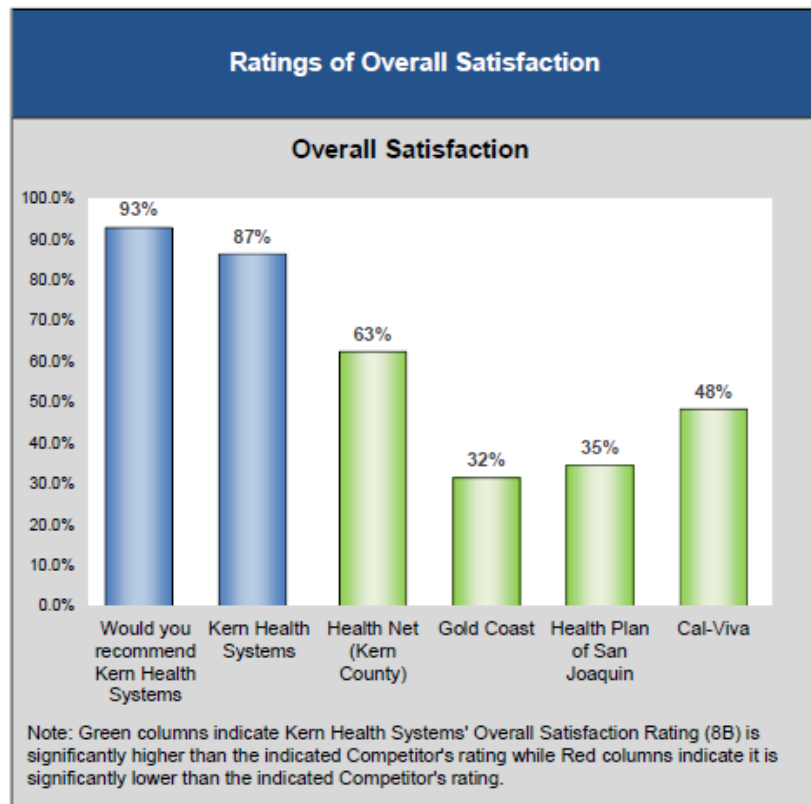


Report Highlights

Composites/ Attributes	KHS 2018 Rating	2018 National Medicaid Summary Scores		75 th Percentile Score
Overall Satisfaction	86.5%	66.6%	Favorable F	Above
Other Local Plans	59.8%	32.9%	F	Above
Compensation	51.3%	28.6%	F	Above
UM & Quality	54.0%	30.5%	F	Above
Network/COC	50.7%	27.9%	F	Above
Pharmacy	32.2%	21.4%	F	Above
Health Plan Call Center	60.0%	35.3%	F	Above
Provider Relations	64.5%	34.6%	F	Above
Recommend to Other MDs	93.0%	83.2%	F	Above

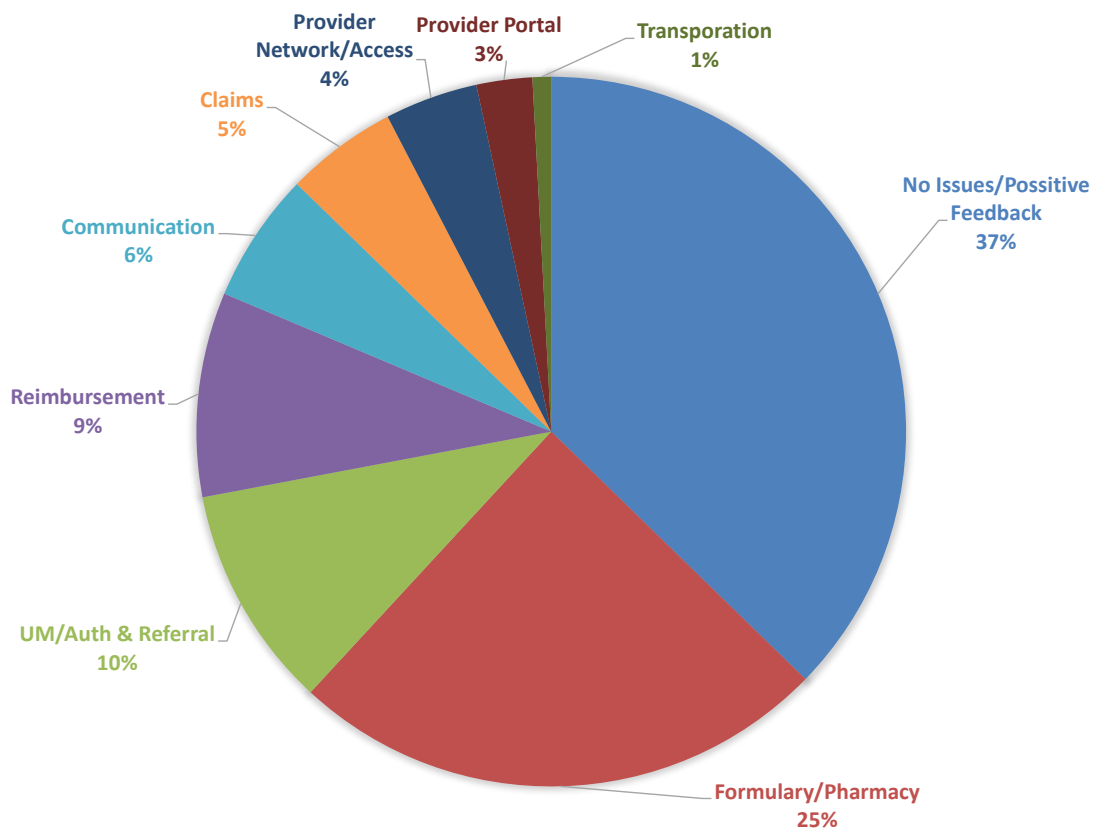


Health Plan Comparison





What Can KHS Do To Improve





Targeted Area of Improvement

Pharmacy/Formulary

Composites and Key Questions	Current		2018		2017		2018 SPH Book of Business Benchmarks**	
	2019		Valid n	Summary Rate*	Valid n	Summary Rate*	Medicaid	Aggregate
	Valid n	Summary Rate*						
Pharmacy		32.2%		24.6%		40.9%	21.4%	21.8%
5A. Consistency of the formulary over time.	221	33.0%	242	27.7%	280	45.7%	21.8%	22.0%
5B. Extent to which formulary reflects current standards of care.	218	35.8%	245	26.9%	285	43.5%	22.6%	23.0%
5C. Variety of branded drugs on the formulary.	210	30.0%	235	20.4%	266	37.6%	20.0%	20.5%
5D. Ease of prescribing your preferred medications within formulary guidelines.	209	32.5%	232	25.4%	268	40.7%	21.8%	22.4%
5E. Availability of comparable drugs to substitute those not included in the formulary.	209	29.7%	237	22.4%	267	37.1%	20.8%	21.1%

Pharmacy Action Plan

- Pharmacy satisfaction increased almost 8%, to 32.2%
- KHS identified Pharmacy as receiving lowest provider satisfaction score
- Pharmacy/Formulary was the highest potential area of improvement mentioned by providers (25%)

Provider Outreach:

- Q2 2019 KHS held a Pharmacy Provider Forum:
 - On-line TAR Submission
 - Reimbursement Aids
 - Claims Submission
 - Regulatory Directives

How We Can Continue to Improve:

- Continue to Engage Local Physicians (Specialist) in Annual Formulary Review (P&T Committee)
- Continue to outreach to providers and pharmacies on formulary

Pharmacy Carve Out Takes Effect 2021



Next Steps

- Continue to work to increase communication with providers with Quarterly Provider Forums
- KHS looking at ways to make changes to survey incentive program to increase provider participation in 2020
- KHS will continue to work with third party vendor (SPH Analytics) to gauge provider satisfaction. Our next survey will tentatively kick-off during Q1 2020.



Questions

For additional information, please contact:

Emily Duran

Chief Network Administration Officer

(661) 664-5000



To: KHS Board of Directors

From: Anita Martin, Chief Human Resources Officer

Date: February 13, 2020

Re: Annual Employee Survey

Background

Kern Health Systems conducted the first Employee Survey in 2015 in accordance with our Three Year Strategic Plan's Sustainability Goal calling for creation of an employee Retention Plan.

As part of this plan, employees are surveyed to:

- Identify factors which influence employee retention with KHS
- Evaluate internal opportunities for enhancing employees work experience with KHS
- Determine year to year unfavorable trends to address root causes in order to change their trajectory.

We have just completed our fifth survey and in general, the survey would continue to be used to assess employee's satisfaction and their engagement with KHS.

A summary of the results (enclosed PPT presentation) will be presented.

Requested Action

Receive and File.



KERN HEALTH SYSTEMS

Employee Satisfaction & Engagement Survey 2019

**Anita Martin
Chief Human Resources Officer
February 13, 2020**

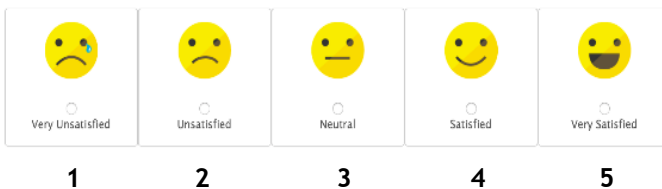
Conducting the Survey

- ▶ EXECUTIVE SUMMARY
- ▶ 5 Key Reasons to Conduct Employee Satisfaction and Engagement Surveys
 - 1.) Measure employee satisfaction and engagement
 - 2.) Surveys facilitate ongoing communication
 - 3.) Ability to develop an actionable plan for areas of opportunity
 - 4.) Provide data for organizational planning and development
 - 5.) Benchmark year-over-year results
- ▶ KHS will continue the process of annually surveying our employees to gauge their level of satisfaction and commitment to the organization and report our results to the Board of Directors.

The Survey

SCORING:

- ▶ 16 areas represented the survey with 2 - 8 questions in each area;
- ▶ Responses scored on a scale of 1 to 5. The scale is as follows:



- ▶ **Participation:** 91% (362 employees responded out of 397 active employees (does not include 10 employees on excused LOA)
- ▶ The target performance satisfaction level of 80% (8 of 10) employees is considered a high standard among similar work settings where 70%-75% employee satisfaction is still deemed to be a positive, constructive and supportive work environment

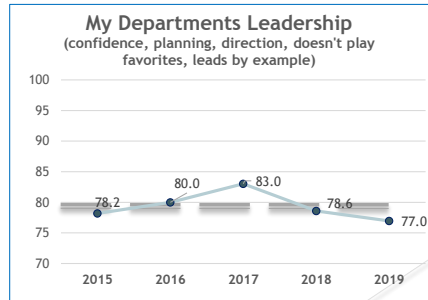
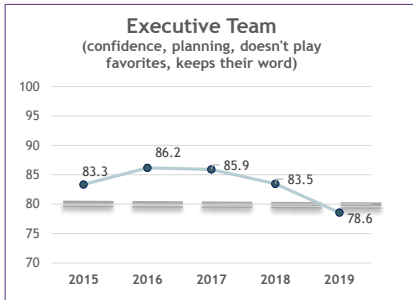
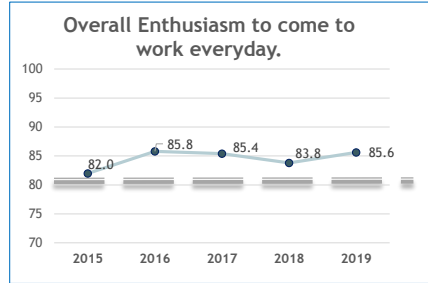
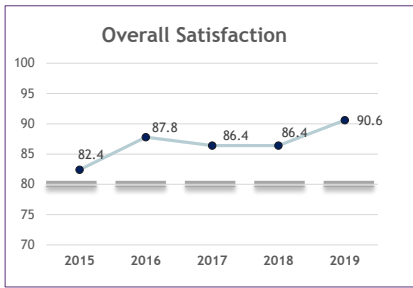
Last Year's Action Items

- ▶ Report EE Satisfaction Survey results to Directors and staff and develop an action plan for scores below 80% (4.0 on last year's scale)
- ▶ Continue with new Employee of the Month and VIP Program
- ▶ Role-out new Ceridian Dayforce LMS with LinkedIn Learning
- ▶ Role-out new Employee Performance Management Program inclusive of Goals for all employees
- ▶ All departments to conduct team building activities

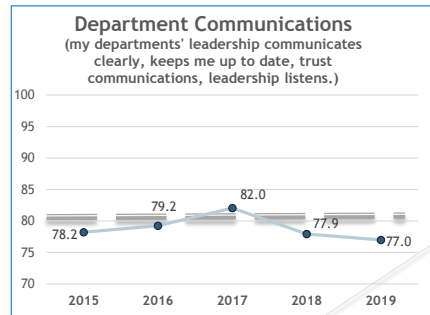
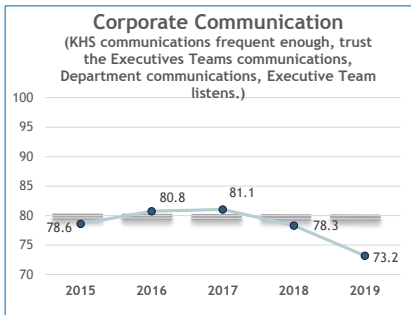
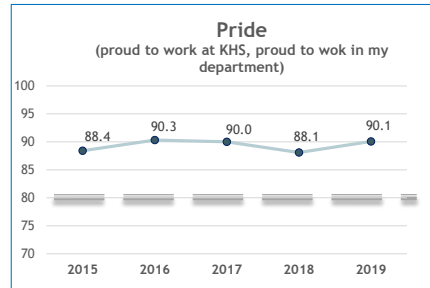
Results:

- ▶ All Action Items were complete resulting in improvement in areas such as;
 - Career Development
 - Employees' understanding their role at KHS
 - Employees' relationship with their supervisor
 - Employees' one-on-ones with their supervisor
 - Pride to work at KHS
 - Overall satisfaction and enthusiasm to come to work everyday

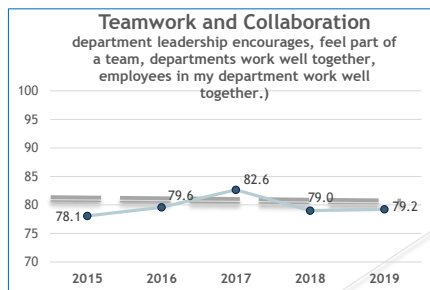
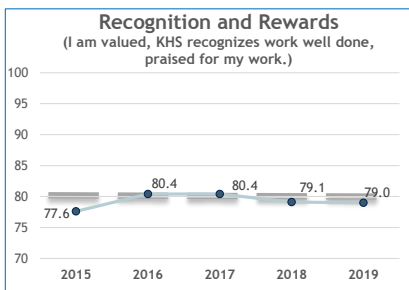
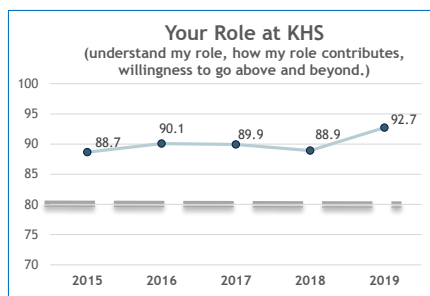
The Survey Responses 2015 - 2019



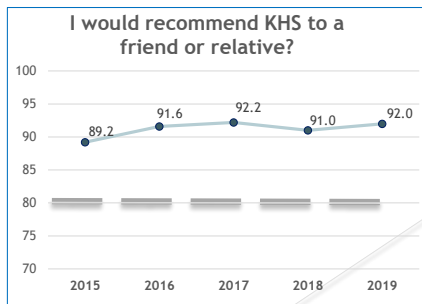
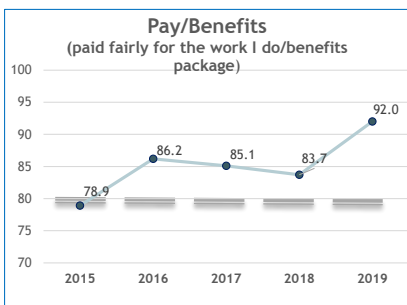
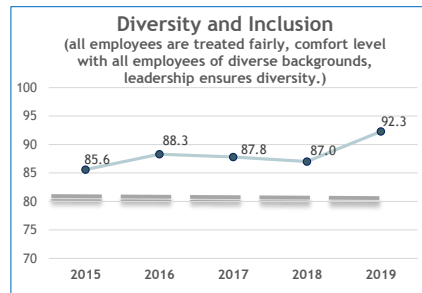
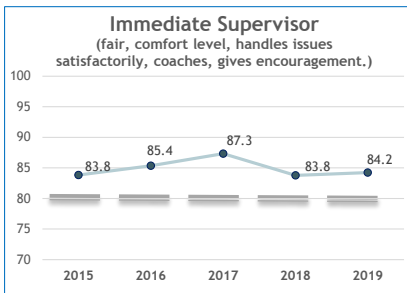
The Survey Responses 2015 - 2019 (cont.)



The Survey Responses 2015 - 2019 (cont.)



The Survey Responses 2015 - 2019 (cont.)



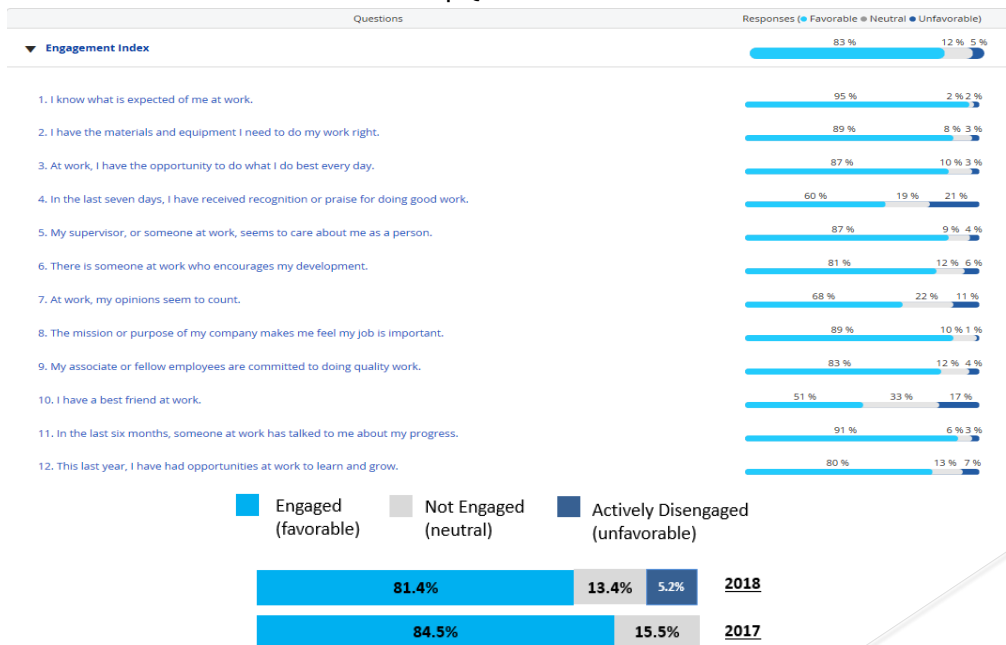
Employee Satisfaction and Employee Engagement

Why measure both? What's the difference?

- **Employee satisfaction** is the state of a worker enjoying their job – but not necessarily being engaged with it. Imagine the employee who gets to show up to work early and leave late without contributing much or breaking a sweat.
- **Employee engagement** is something that occurs when workers are committed to helping their companies achieve all of their goals. Engaged employees are motivated to show up to work every day and do everything within their power to help their companies succeed.



Employee Engagement 2019 Gallup Q12



Summary of the 2019 Employee Satisfaction and Engagement Survey

At 83% in overall Engagement - KHS has good employee engagement

Strengths

- Growth in our Learning and Development Department
- EOM/VIP Recognition Program - Executive Lunch
- Continue to promote from within and encourage professional growth
- Continue to survey employees annually
- Continue to grow and promote the new KHS Wellness Program

Opportunities

- Communications throughout the organization
 - Top down - CEO Town Halls - March and November
 - Directors partner and collaborate with Execs for Inter-department communication opportunities
 - Recognition - Feedback to employees on performance, praise for job well done (during one-on-ones)
- Leadership - Lead by example
- Listen to our employees

Next Steps

1. Report 2019 Employee Satisfaction and Engagement Survey department results to Directors and task them with an Action Plan for areas with a score below 80%
 - Present in March to the Executive Officers Team
2. Report results of the 2019 Department Surveys and Department Action Plan to each department and improvements based on 2018 Action Plan
3. Continue with new Employee of the Month Recognition Program which was started in December 2018
4. Roll-out the new Ceridian Dayforce Development Plans/Succession Planning
5. Continue year two of the new Performance Management Program inclusive of Goals for all employees
 1. Continue with Supervisor/Employee one-on-one's monthly
 2. Incorporate inter-department goals in the Performance Management Program
6. All Departments to continue quarterly team building activities



Thank you!

Anita Martin
Chief Human Resources Officer
anita.martin@khs-net.com
(661) 664-5020



To: KHS Board of Directors

From: Alan Avery, COO

Date: February 13, 2020

Re: 2019 Member Satisfaction Survey

Background

Kern Health Systems (KHS), in partnership with participating providers, is committed to meeting the expectations of our members as they interact with the health plan and when receiving health care services through our provider network. Annually, KHS conducts a Member Satisfaction Survey to measure and evaluate how well we are meeting members' expectations.

As we continue to develop and implement the goals and objectives of the KHS Strategic Plan, our annual Member Satisfaction Survey remains an important tool in this effort. For the past 4 years, KHS has engaged SPH Analytics to conduct our Member Satisfaction Survey. SPH Analytics is a CMS and NCQA approved Medicaid, Medicare & Commercial Health Plan survey vendor with a large footprint in California. SPH Analytics utilizes scores from various benchmarks to provide comparative and trending data for the results from member responses to the 59 questions provided on the survey.

The 2019 Member Satisfaction Survey results show that overall, 81% of our members are satisfied with KHS compared to the industry benchmark of 77% (scoring above the 75th percentile). As we look to the future we will endeavor to continue on the member centric path encouraging the use of the Member Portal and self-service tools available there and by listening to the voice of our members through the results of the annual Member Satisfaction Survey.

Requested Action

Receive and File.



2019 Member Satisfaction Survey





Overview

- The Kern Family Health Care (KFHC) Member Satisfaction Survey (MSS) is conducted annually by SPH Analytics, a CMS and NCQA certified HEDIS® Survey vendor, to measure member satisfaction with KFHC, their providers and provider access
- This is the first year KHS utilized the CAHPS® 5.0H Medicaid Adult Member Satisfaction Simulation Survey which will assist our efforts to achieve objectives needed for NCQA accreditation
- The 2019 KFHC MSS results were measured in comparison to NCQA Quality Compass® All Plans 2018 and SPHA book of business benchmarks
- An analysis of the results and recommendations for improvement were also provided by SPHA





Respondent Demographics

- The Member Satisfaction Survey was conducted from May to August of 2019
 - A sampling of 4000 KFHC eligible member households was selected
 - 898 surveys were completed (21.3% response rate)
 - 395 by mail
 - 503 by phone
- **Gender**
 - 71% Female
 - 29% Male
- **Age**
 - 18-34: 34%
 - 45-54: 19%
 - 35-44: 17%
 - 55 or older: 30%
- **Language**
 - 66% English
 - 34% Spanish
- **Ethnicity**
 - 68% Hispanic/Latino
 - 32% Not Hispanic/Latino



Term Descriptions

- **Summary Rates** represent the most favorable response percentages (“Yes”, “Usually”, “Always”, rates 8-10 and 9-10 on a rating scale of 0 to 10)
- **Percentile Ranking** is the approximate percentile rankings in relation to the benchmarks
- **2019 SPH Analytics MAS Book of Business Benchmark** is the mean summary rate from the Medicaid adult plans that contracted with SPHA to administer the 2019 CAHPS 5.0H survey and submitted data to NCQA (64 plan-specific samples).
- **2018 Quality Compass® All Plans Benchmark** is the mean summary rate from the Medicaid adult plans that submitted data to NCQA in 2018 (169 plan-specific samples).



Summary Rate Scores

RATING MEASURES Scale = 0 - 10	2019 Kern HS		2019 SPH ANALYTICS CAHPS MAS BENCHMARK		2018 QUALITY COMPASS® MAS ALL PLANS BENCHMARK	
	SRS		SRS	PERCENTILE RANK	SRS	PERCENTILE RANK
8-10 Rating of Health Plan	81.3%		77.8%	74th	77.0%	83rd
8-10 Rating of Health Care	75.5%		75.3%	50th	74.6%	58th
8-10 Rating of Personal Doctor	82.1%		81.9%	53rd	81.4%	52nd
8-10 Rating of Specialist	81.1%		82.4%	33rd	82.1%	36th

KEY TAKEAWAY

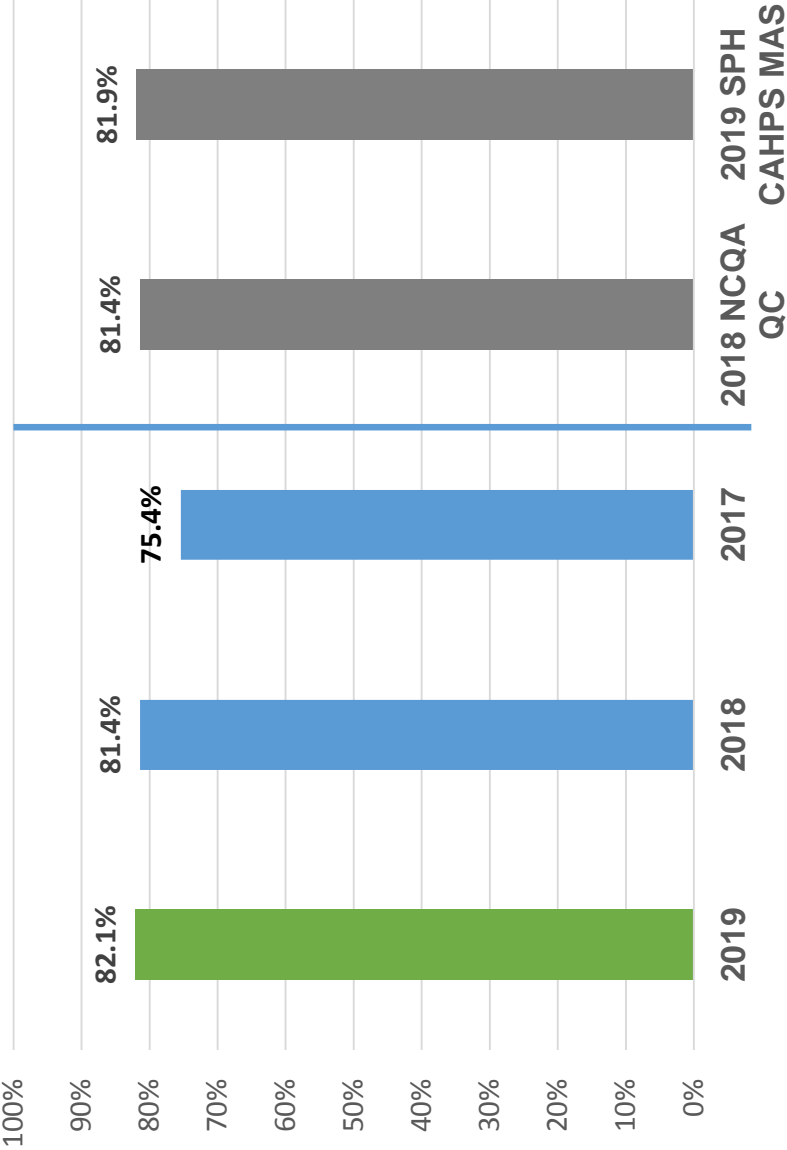
Rating of Health Plan is scored above the 75th percentile in SRS.

Significance Testing

Green – Current year score significantly higher when compared to trend or benchmark score.



Rating of Personal Doctor



KEY TAKEAWAYS

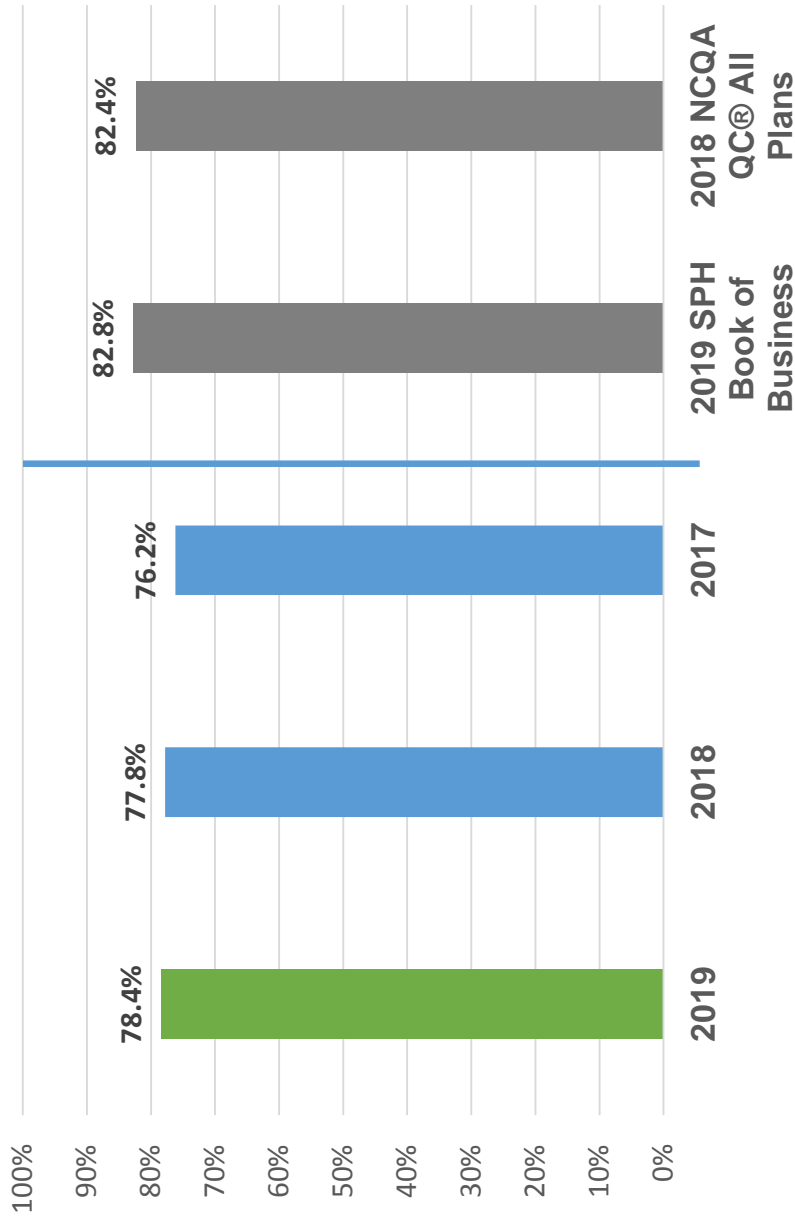
Trend Data:
 2019 Rating of Doctor is stable with prior year and significantly higher than what was reported in 2017

Benchmark Data:
 2019 Rating of Doctor is comparable to overall average reported for both benchmarks.

(*) Trend Data = 2019 CAPHS MAS Simulation Survey vs. 2018/2017 Kern Custom Member Satisfaction Survey Results.
 Benchmark Data = 2018 NCQA Quality Compass (QC) CAHPS Medicaid Adult Survey (MAS) Results (n=169)
 And 2019 SPH Analytics CAHPS MAS Results (n=64)



Getting Needed Care



KEY TAKEAWAY

Trend Data:

Comparing survey results overtime shows **Getting Needed Care** has improved somewhat.

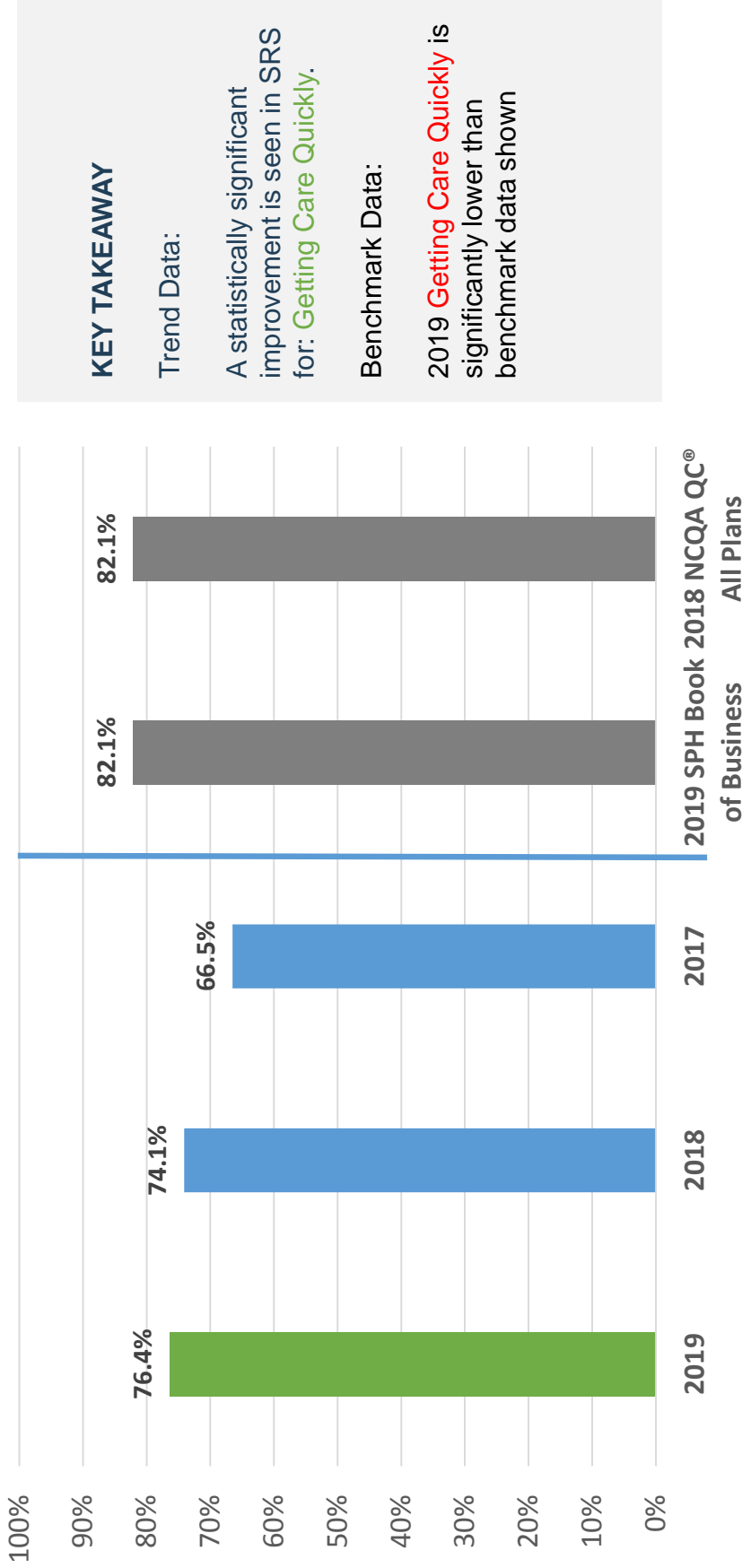
Benchmark Data:

2019 **Getting Needed Care** is lower than benchmark data shown.

(*) Trend Data = 2019 CAHPS MAS Simulation Survey vs. 2018/2017 Kern Custom Member Satisfaction Survey Results.
 Benchmark Data = 2018 NCCQA Quality Compass (QC) CAHPS Medicaid Adult Survey (MAS) Results (n=169)
 And 2019 SPH Analytics CAHPS MAS Results (n=64)



Getting Care Quickly



(*) Trend Data = 2019 CAHPS MAS Simulation Survey vs. 2018/2017 Kern Custom Member Satisfaction Survey Results.
 Benchmark Data = 2018 NCQA Quality Compass (QC) CAHPS Medicaid Adult Survey (MAS) Results (n=169)
 And 2019 SPH Analytics CAHPS MAS Results (n=64)



Performance Improvement

- SPHA recommendations to improve Key Drivers:
 - Getting Care Quickly
 - Continue to monitor provider access
 - Explore/expand alternative telehealth
 - Explore open access scheduling opportunities
 - Educate and promote member reference tools
 - Coordination of Care
 - Encourage providers to remind members to bring records from other providers and their medications
 - Develop outreach messaging to promote and improve provider to provider communication
 - Health Promotion and Education
 - Promote member and provider online tools and resources for staying healthy
 - Outreach messages to members of health benefit information (smoking cessation, aspirin use, flu shots, etc.)

Next Steps

- Continue to discover opportunities for expansion of provider network
- Discover opportunities for alternative care through technology
- Educate and engage members to encourage member action for health status improvement
- Continue working with SPHA to provide benchmark data specific to California health plans



To: KHS Board of Directors

From: Robert Landis, CFO

Date: February 13, 2020

Re: November 2019 Financial Results

The November results reflect a \$698,218 Net Increase in Net Position which is a \$165,941 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$19.8 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) \$2.1 million favorable variance in SPD primarily due to a higher than expected budgeted rate increase from the State (\$1.0 million) and higher than expected enrollment (\$1.1 million).
 - C) \$11.8 million favorable variance in Proposition 56 Supplemental Revenue due to an unbudgeted increase in tobacco tax revenue funds being allocated for fiscal years 19/20 to additional CPT procedure codes along with an increase in supplemental allowable payable amounts. Variance also includes a higher than expected rate increase from existing Prop 56 programs along with new additional Proposition 56 Supplemental Programs such as Family Planning Services and a Value Based Payment Program that became effective from the State on 7/1/19 offset against expenses included in 2D below.
 - D) \$.6 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 2D below.
 - E) \$3.2 million favorable variance in Premium-MCO Tax primarily due to the State increasing the MCO Tax Rate from \$33.40 pmpm to \$40.46 pmpm effective July 1, 2019 offset against expenses included in Item 3 below.
- 2) Total Medical Costs reflect a \$15.0 million unfavorable variance primarily due to:
 - A) \$.8 million unfavorable variance in Physician Services primarily due to higher than expected utilization of Referral Specialty Services for SPD and Expansion members.
 - B) \$.6 million unfavorable variance in Emergency Room primarily due to higher than expected utilization.

- C) \$1.0 million unfavorable variance in Inpatient primarily due to higher than expected utilization by SPD and Expansion members.

- D) \$12.5 million unfavorable variance in Other Medical primarily due to accruing for estimated Proposition 56 expenses relating to unbudgeted additional CPT procedure codes along with increases in supplemental allowable payable amounts. Variance also includes accruing for new additional Proposition 56 Supplemental Programs such as Family Planning Services and a Value Based Payment Program that became effective from the State on 7/1/19 (\$11.4 million) offset against revenue included in 1C above and accruing for estimated unbudgeted expenses for supplemental GEMT services (\$.6 million) offset against revenue included in 1D above.

3) \$3.9 million unfavorable variance in MCO Tax primarily due to the State increasing the MCO Tax Rate from \$33.40 pmpm to \$40.46 pmpm effective July 1, 2019 offset against revenue included in Item 1E above.

The November Medical Loss Ratio is 92.1% which is favorable to the 92.4% budgeted amount. The November Administrative Expense Ratio is 5.0% which is favorable to the 6.2% budgeted amount.

The results for the 11 months ended November 30, 2019 reflect a Net Increase in Net Position of \$10,072,815. This is a \$13,577,448 favorable variance to budget and includes approximately \$13.1 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 92.7% which is favorable to the 93.8% budgeted amount. The year-to-date Administrative Expense Ratio is 5.6% which is favorable to the 6.2% budgeted amount.

**Kern Health Systems
Financial Packet
November 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 NOVEMBER 30, 2019			
ASSETS	NOVEMBER 2019	OCTOBER 2019	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 86,985,892	\$ 96,500,536	\$ (9,514,644)
Short-Term Investments	105,994,536	92,173,538	13,820,998
Premiums Receivable - Net	157,429,497	132,023,412	25,406,085
Interest Receivable	467,768	236,338	231,430
Other Receivables	1,667,833	1,837,079	(169,246)
Prepaid Expenses & Other Current Assets	1,291,258	1,491,895	(200,637)
Total Current Assets	\$ 353,836,784	\$ 324,262,798	\$ 29,573,986
RESTRICTED ASSETS	\$ 300,000	\$ 300,000	\$ -
CAPITAL ASSETS - NET OF ACCUM DEPRES:			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	10,117,371	10,459,360	(341,989)
Automobiles - Net	26,951	27,729	(778)
Building and Building Improvements - Net	37,824,849	37,882,166	(57,317)
Capital Projects in Progress	17,190,814	16,129,134	1,061,680
Total Capital Assets	\$ 69,250,691	\$ 68,589,095	\$ 661,596
LONG TERM ASSETS:			
Officer Life Insurance Receivables	703,552	703,552	-
Total Long Term Assets	\$ 703,552	\$ 703,552	\$ -
DEFERRED OUTFLOWS OF RESOURCES	\$ 2,657,573	\$ 2,657,573	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 426,748,600	\$ 396,513,018	\$ 30,235,582
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	\$ 49,001	\$ 25,080	23,921
Accrued Salaries and Employee Benefits	3,278,894	3,167,450	111,444
Accrued Other Operating Expenses	4,264,589	3,902,468	362,121
Accrued Taxes and Licenses	52,784,142	40,501,140	12,283,002
Claims Payable (Reported)	14,797,591	16,605,127	(1,807,536)
IBNR - Inpatient Claims	26,950,170	25,999,856	950,314
IBNR - Physician Claims	14,938,539	13,035,317	1,903,222
IBNR - Accrued Other Medical	21,520,281	18,579,735	2,940,546
Risk Pool and Withholds Payable	3,277,369	3,557,879	(280,510)
Statutory Allowance for Claims Processing Expense	2,326,151	2,326,151	-
Other Liabilities	65,003,620	51,952,780	13,050,840
Total Current Liabilities	\$ 209,190,347	\$ 179,652,983	\$ 29,537,364
NONCURRENT LIABILITIES:			
Net Pension Liability	5,490,163	5,490,163	-
TOTAL NONCURRENT LIABILITIES	\$ 5,490,163	\$ 5,490,163	\$ -
DEFERRED INFLOWS OF RESOURCES	\$ 364,304	\$ 364,304	\$ -
NET POSITION:			
Net Position - Beg. of Year	201,630,971	201,630,971	-
Increase (Decrease) in Net Position - Current Year	10,072,815	9,374,597	698,218
Total Net Position	\$ 211,703,786	\$ 211,005,568	\$ 698,218
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 426,748,600	\$ 396,513,018	\$ 30,235,582

			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED NOVEMBER 30, 2019					
CURRENT MONTH MEMBERS						YEAR-TO-DATE MEMBER MONTHS		
ACTUAL	BUDGET	VARIANCE				ACTUAL	BUDGET	VARIANCE
ENROLLMENT								
167,433	171,000	(3,567)	Family Members			1,839,035	1,859,000	(19,965)
60,855	59,675	1,180	Expansion Members			664,162	656,425	7,737
15,525	14,200	1,325	SPD Members			165,649	156,200	9,449
6,646	5,600	1,046	Other Members			71,041	61,600	9,441
8,989	8,400	589	Kaiser Members			94,869	92,400	2,469
259,448	258,875	573	Total Members - MCAL			2,834,756	2,825,625	9,131
REVENUES								
34,656,206	24,528,608	10,127,598	Title XIX - Medicaid - Family and Other			289,791,832	262,124,707	27,667,125
25,545,000	22,329,139	3,215,861	Title XIX - Medicaid - Expansion Members			253,952,519	243,231,550	10,720,969
16,141,207	12,671,587	3,469,620	Title XIX - Medicaid - SPD Members			151,427,016	134,922,222	16,504,794
11,609,045	8,364,696	3,244,349	Premium - MCO Tax			100,777,299	91,276,959	9,500,340
265,233	396,864	(131,631)	Investment Earnings And Other Income			5,994,116	4,330,650	1,663,466
-	127,742	(127,742)	Reinsurance Recoveries			-	1,393,945	(1,393,945)
-	-	-	Rate Adjustments - Hospital Directed Payments			62,733,334	-	62,733,334
(3,664)	-	(3,664)	Rate/Income Adjustments			7,991,998	-	7,991,998
88,213,027	68,418,636	19,794,391	TOTAL REVENUES			872,668,113	737,280,032	135,388,082
EXPENSES								
Medical Costs:								
14,396,081	13,582,497	(813,584)	Physician Services			153,365,704	148,522,190	(4,843,514)
3,596,983	3,508,863	(88,120)	Other Professional Services			42,200,514	38,282,444	(3,918,070)
5,227,569	4,616,100	(611,469)	Emergency Room			54,658,807	50,420,175	(4,238,632)
14,657,214	13,609,359	(1,047,855)	Inpatient			152,579,385	149,065,647	(3,513,738)
129,075	127,742	(1,333)	Reinsurance Expense			1,394,354	1,393,945	(409)
6,141,173	5,723,425	(417,748)	Outpatient Hospital			68,564,867	62,679,487	(5,885,380)
16,655,345	4,139,284	(12,516,061)	Other Medical			81,763,944	44,047,889	(37,716,055)
9,282,817	9,704,679	421,862	Pharmacy			102,562,974	106,367,524	3,804,550
500,918	500,950	32	Pay for Performance Quality Incentive			5,479,772	5,466,450	(13,322)
-	-	-	Hospital Directed Payment Adjustment			62,605,426	-	(62,605,426)
(18,762)	-	18,762	Non-Claims Expense Adjustment			966,909	-	(966,909)
(40,346)	-	40,346	IBNR, Incentive, Paid Claims Adjustment			(6,100,277)	-	6,100,277
70,528,067	55,512,898	(15,015,169)	Total Medical Costs			720,042,379	606,245,752	(113,796,627)
17,684,960	12,905,738	4,779,222	GROSS MARGIN			152,625,734	131,034,280	21,591,454
Administrative:								
2,403,604	2,194,661	(208,943)	Compensation			24,690,092	23,892,795	(797,297)
805,047	793,278	(11,769)	Purchased Services			7,975,630	8,645,574	669,944
58,830	111,776	52,946	Supplies			892,827	1,237,193	344,366
280,129	341,650	61,521	Depreciation			2,199,069	2,986,341	787,272
270,201	287,401	17,200	Other Administrative Expenses			3,857,709	3,420,052	(437,657)
-	-	-	Administrative Expense Adjustment			-	-	-
3,817,811	3,728,766	(89,045)	Total Administrative Expenses			39,615,327	40,181,954	566,627
74,345,878	59,241,664	(15,104,214)	TOTAL EXPENSES			759,657,706	646,427,705	(113,230,001)
13,867,149	9,176,973	4,690,176	OPERATING INCOME (LOSS) BEFORE TAX			113,010,407	90,852,326	22,158,081
12,283,003	8,364,696	(3,918,307)	MCO TAX			101,363,659	91,276,959	(10,086,700)
1,584,146	812,277	771,869	OPERATING INCOME (LOSS) NET OF TAX			11,646,748	(424,633)	12,071,381
NONOPERATING REVENUE (EXPENSE)								
-	-	-	Gain on Sale of Building			2,205,329	-	2,205,329
-	-	-	Reserve Fund Projects/Community Grants			(790,000)	-	(790,000)
(885,928)	(280,000)	(605,928)	Health Home			(2,989,262)	(3,080,000)	90,738
(885,928)	(280,000)	(605,928)	TOTAL NONOPERATING REVENUE (EXPENSE)			(1,573,933)	(3,080,000)	1,506,067
698,218	532,277	165,941	NET INCREASE (DECREASE) IN NET POSITION			10,072,815	(3,504,633)	13,577,448
92.1%	92.4%	0.4%	MEDICAL LOSS RATIO			92.7%	93.8%	1.1%
5.0%	6.2%	1.2%	ADMINISTRATIVE EXPENSE RATIO			5.6%	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 NOVEMBER 30, 2019			YEAR-TO-DATE		
ENROLLMENT								
167,433	171,000	(3,567)	Family Members	1,839,035	1,859,000	(19,965)		
60,855	59,675	1,180	Expansion Members	664,162	656,425	7,737		
15,525	14,200	1,325	SPD Members	165,649	156,200	9,449		
6,646	5,600	1,046	Other Members	71,041	61,600	9,441		
8,989	8,400	589	Kaiser Members	94,869	92,400	2,469		
259,448	258,875	573	Total Members - MCAL	2,834,756	2,825,625	9,131		
REVENUES								
199.08	138.89	60.19	Title XIX - Medicaid - Family and Other	151.72	136.48	15.24		
419.77	374.18	45.59	Title XIX - Medicaid - Expansion Members	382.37	370.54	11.83		
1,039.69	892.37	147.33	Title XIX - Medicaid - SPD Members	914.14	863.78	50.37		
46.35	33.40	12.96	Premium - MCO Tax	36.78	33.40	3.39		
1.06	1.58	(0.53)	Investment Earnings And Other Income	2.19	1.58	0.60		
0.00	0.51	(0.51)	Reinsurance Recoveries	0.00	0.51	(0.51)		
0.00	0.00	0.00	Rate Adjustments - Hospital Directed Payments	22.90	0.00	22.90		
(0.01)	0.00	(0.01)	Rate/Income Adjustments	2.92	0.00	2.92		
352.21	273.16	79.05	TOTAL REVENUES	318.51	269.75	48.76		
EXPENSES								
Medical Costs:								
57.48	54.23	(3.25)	Physician Services	55.98	54.34	(1.64)		
14.36	14.01	(0.35)	Other Professional Services	15.40	14.01	(1.40)		
20.87	18.43	(2.44)	Emergency Room	19.95	18.45	(1.50)		
58.52	54.33	(4.19)	Inpatient	55.69	54.54	(1.15)		
0.52	0.51	(0.01)	Reinsurance Expense	0.51	0.51	0.00		
24.52	22.85	(1.67)	Outpatient Hospital	25.02	22.93	(2.09)		
66.50	16.53	(49.97)	Other Medical	29.84	16.12	(13.73)		
37.06	38.75	1.68	Pharmacy	37.43	38.92	1.48		
2.00	2.00	0.00	Pay for Performance Quality Incentive	2.00	2.00	0.00		
0.00	0.00	0.00	Hospital Directed Payment Adjustment	22.85	0.00	(22.85)		
(0.07)	0.00	0.07	Non-Claims Expense Adjustment	0.35	0.00	(0.35)		
(0.16)	0.00	0.16	IBNR, Incentive, Paid Claims Adjustment	(2.23)	0.00	2.23		
281.60	221.63	(59.96)	Total Medical Costs	262.80	221.81	(40.99)		
70.61	51.53	19.09	GROSS MARGIN	55.71	47.94	7.76		
Administrative:								
9.60	8.76	(0.83)	Compensation	9.01	8.74	(0.27)		
3.21	3.17	(0.05)	Purchased Services	2.91	3.16	0.25		
0.23	0.45	0.21	Supplies	0.33	0.45	0.13		
1.12	1.36	0.25	Depreciation	0.80	1.09	0.29		
1.08	1.15	0.07	Other Administrative Expenses	1.41	1.25	(0.16)		
0.00	0.00	0.00	Administrative Expense Adjustment	0.00	0.00	0.00		
15.24	14.89	(0.36)	Total Administrative Expenses	14.46	14.70	0.24		
296.84	236.52	(60.32)	TOTAL EXPENSES	277.26	236.51	(40.75)		
55.37	36.64	18.73	OPERATING INCOME (LOSS) BEFORE TAX	41.25	33.24	8.01		
49.04	33.40	(15.65)	MCO TAX	37.00	33.40	(3.60)		
6.32	3.24	3.08	OPERATING INCOME (LOSS) NET OF TAX	4.25	(0.16)	4.41		
NONOPERATING REVENUE (EXPENSE)								
0.00	0.00	0.00	Gain on Sale of Building	0.80	0.00	0.80		
0.00	0.00	0.00	Reserve Fund Projects/Community Grants	(0.29)	0.00	(0.29)		
(3.54)	(1.12)	(2.42)	Health Home	(1.09)	(1.13)	0.04		
(3.54)	(1.12)	(2.42)	TOTAL NONOPERATING REVENUE (EXPENSE)	(0.57)	(1.13)	0.55		
2.79	2.13	0.66	NET INCREASE (DECREASE) IN NET POSITION	3.68	(1.28)	4.96		
92.1%	92.4%	0.4%	MEDICAL LOSS RATIO	92.7%	93.8%	1.1%		
5.0%	6.2%	1.2%	ADMINISTRATIVE EXPENSE RATIO	5.6%	6.2%	0.6%		

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH NOVEMBER 30, 2019												
INFORMATION												
MEMBERS - MICAL	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
REVENUES												
Title XIX - Medicaid - Family and Other	23,501,422	30,919,748	23,126,334	24,192,447	24,487,252	24,003,598	24,444,272	25,745,431	26,916,818	27,380,366	27,444,092	27,395,016
Title XIX - Medicaid - Expansion Members	21,501,088	24,465,934	21,975,726	23,396,309	22,894,496	23,046,615	23,133,193	23,356,415	21,829,172	22,748,791	23,117,928	22,908,874
Title XIX - Medicaid - SPD Members	12,128,124	12,551,376	13,341,766	12,067,762	12,439,467	13,032,438	13,147,466	13,032,438	14,355,421	15,059,382	15,759,913	16,141,207
Premium - MICO Tax	8,087,777	7,658,846	8,006,206	8,047,808	8,071,581	8,084,949	8,092,541	8,174,408	8,128,512	12,317,485	10,182,096	11,601,045
Investment Earnings and Other Income	473,665	361,089	1,638,988	424,483	422,792	985,737	620,797	382,110	1,108,727	382,033	708,869	338,986
Reinsurance Recoveries	-	(139,352)	267,973	-	-	-	-	-	-	-	-	265,233
Rate Adjustments - Hospital Directed Payments	325,659	110,446	59,980	-	-	-	-	-	-	-	-	-
Rate/Income Adjustments	212,890	351,712	(5,850)	1,364,372	5,819,956	626,404	(173,473)	178,336	(703,658)	132,080	329,476	103,418
TOTAL REVENUES	65,729,793	65,955,938	77,747,385	66,867,772	73,947,054	69,504,937	68,070,534	69,377,918	70,713,761	71,716,351	78,123,412	76,784,228
EXPENSES												
Medical Costs:												
Physician Services	12,587,105	13,509,654	11,452,439	13,212,798	13,768,201	15,391,612	15,885,936	14,054,383	13,912,712	13,516,282	12,473,244	13,286,040
Other Professional Services	3,323,654	4,150,333	3,375,679	3,414,621	3,447,281	3,652,683	3,718,600	3,960,952	4,388,042	3,775,027	3,913,361	4,483,269
Emergency Room	4,490,225	4,169,595	3,601,196	4,450,099	4,710,529	4,835,728	5,106,796	5,181,359	4,698,111	4,645,061	4,697,451	5,571,836
Inpatient	13,069,188	9,158,011	2,692,167	12,961,386	12,906,122	13,546,028	12,850,017	12,181,510	14,390,451	15,338,634	15,564,329	14,951,334
Insurance Expense	116,072	115,275	115,395	125,136	126,021	126,397	126,658	126,658	126,658	126,296	126,296	129,275
Outpatient Hospital	4,785,905	5,131,143	4,278,893	5,414,223	6,037,448	6,885,177	6,408,304	5,912,716	6,609,411	6,533,398	6,130,800	6,138,586
Other Medical	3,863,995	4,451,124	15,028,871	5,564,320	6,854,723	6,448,536	6,141,817	7,183,716	6,357,547	6,715,805	7,570,084	8,832,361
Pharmacy	9,388,074	8,798,273	8,015,541	9,612,700	9,033,300	9,271,212	9,293,776	9,639,273	8,508,813	9,183,446	9,336,978	9,834,755
Pay for Performance Quality Incentive	490,532	491,044	444,467	491,660	494,202	495,672	496,698	501,792	498,760	498,932	502,552	502,078
Expansion Risk Corridor	-	10,300,000	-	-	-	-	-	-	-	-	-	-
Hospital Directed Payment Adjustment	3,670	(535)	197,435	367,246	324,378	(736,017)	39,610	756,640	19,252	11,717	11,329	(5,919)
Non-Claims Expense Adjustment	1,438,167	4,196,430	482,510	(659,783)	4,381,620	(3,810,327)	(3,428,856)	(2,087,231)	(704,885)	202,480	374,161	20,741
IBNR, Incentive, Paid Claims Adjustment	53,549,587	54,170,337	60,587,658	54,793,595	62,125,698	57,566,720	56,250,017	57,130,620	58,404,360	60,317,281	123,114,931	60,732,209
TOTAL MEDICAL COSTS	12,180,206	11,785,601	17,159,727	12,074,777	11,938,217	11,821,356	11,927,398	12,309,401	12,637,470	17,806,131	16,234,188	16,055,019
Administrative:												
Compensation	2,161,106	2,025,307	1,990,200	2,319,647	2,121,314	2,336,685	2,094,504	2,155,354	2,297,855	2,354,325	2,343,633	2,510,126
Purchased Services	465,811	616,200	628,945	534,139	538,593	901,569	783,945	882,833	449,468	805,910	605,801	831,542
Supplies	67,086	36,154	104,230	115,623	78,778	93,764	93,770	15,577	59,549	47,853	49,290	76,514
Depreciation	127,238	127,238	131,127	179,516	179,516	211,201	179,516	179,516	179,516	151,640	151,655	355,208
Other Administrative Expenses	265,994	221,013	303,506	336,629	188,631	246,439	302,417	239,380	338,545	489,494	523,591	519,786
Administrative Expense Adjustment	-	-	383,013	-	-	-	-	-	-	-	-	-
Total Administrative Expenses	3,087,235	3,025,912	3,541,021	3,375,854	2,938,564	3,547,477	3,480,861	3,653,991	3,256,483	3,641,803	3,932,177	4,419,941
TOTAL EXPENSES	56,646,822	57,196,249	64,128,679	61,114,197	65,064,762	61,114,197	59,730,978	60,784,611	61,660,843	62,720,684	63,867,846	127,047,108
OPERATING INCOME (LOSS) BEFORE TAX	9,082,971	8,759,689	13,618,706	8,098,623	8,882,792	8,390,740	8,339,556	8,593,307	8,052,918	8,995,667	14,285,566	12,306,911
MICO TAX	8,087,777	8,087,716	8,087,687	8,088,119	8,087,918	8,087,918	8,087,918	8,087,918	8,051,211	12,279,276	10,165,243	10,057,218
OPERATING INCOME (LOSS) NET OF TAX	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
TOTAL NONOPERATING REVENUE (EXPENSE)	(41,300)	(224,595)	(54,987)	(116,870)	(104,330)	(133,960)	(191,455)	(359,160)	1,293,258	(306,804)	(151,504)	(380,600)
NET INCREASE (DECREASE) IN NET POSITION	963,894	448,378	5,476,032	493,634	690,544	168,862	60,183	146,229	2,258,259	637,652	1,824,786	1,756,162
MEDICAL LOSS RATIO	92.1%	93.0%	86.4%	93.1%	94.3%	93.7%	93.8%	93.2%	92.9%	91.7%	91.1%	91.8%
ADMINISTRATIVE EXPENSE RATIO	5.4%	5.2%	5.1%	5.7%	4.5%	5.8%	6.0%	5.7%	5.7%	5.9%	6.6%	5.0%

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH NOVEMBER 30, 2019															
	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	NOVEMBER 2019	13 MONTH TOTAL
EXPENSES															
Members - MICAL	345,266	245,522	244,683	245,830	247,101	247,836	248,254	248,349	250,896	249,380	249,466	251,277	251,039	250,459	3,475,358
REVENUES															
Title XIX - Medicaid - Family and Other	134.04	136.65	180.80	134.36	140.03	141.35	138.32	140.92	147.25	155.06	157.80	157.10	157.23	199.08	162.98
Title XIX - Medicaid - Expansion Members	363.20	361.19	413.07	371.66	391.12	383.67	384.32	386.02	383.23	360.65	374.91	377.23	373.38	419.77	410.59
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	984.77	1,019.80	1,039.60	972.29
Premium - MCO Tax	32.98	32.94	31.30	32.57	32.57	32.57	32.57	32.59	32.58	32.59	49.38	40.52	40.08	46.35	35.66
Investment Earnings And Other Income	1.93	1.47	4.35	1.73	1.71	3.98	2.50	1.54	4.42	2.26	1.53	2.82	1.35	1.06	1.04
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	0.00	0.00
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	0.00	0.00
Rate Adjustments - Hospital Directed Payments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate/Income Adjustments	0.87	1.03	(0.02)	5.55	23.55	2.53	(0.70)	0.72	(2.80)	0.00	0.00	249.66	0.00	0.00	18.05
TOTAL REVENUES	2,071.99	2,684.64	3,171.75	2,721.01	2,991.26	2,880.45	2,741.20	2,792.36	2,811.84	2,871.58	3,131.16	3,053.87	3,053.87	3,521.21	3,111.36
EXPENSES															
Medical Costs:															
Physician Services	51.32	55.02	46.81	53.75	55.72	62.10	63.99	56.59	53.68	55.79	54.18	49.64	52.92	57.48	54.93
Other Professional Services	13.55	16.90	13.80	13.89	13.95	14.74	14.98	15.95	17.49	15.44	15.13	15.57	17.86	14.36	15.36
Emergency Room	18.31	16.98	14.72	18.14	19.06	19.51	22.26	20.56	18.73	20.78	18.02	18.69	22.20	20.87	19.26
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	58.52	51.07
Reinsurance Expense	0.47	0.47	0.47	0.51	0.51	0.51	0.51	0.51	0.50	0.50	0.52	0.50	0.51	0.52	0.50
Outpatient Hospital	19.51	20.90	17.49	22.02	24.43	27.78	25.67	25.80	23.57	26.50	26.15	24.40	24.41	24.52	23.81
Other Medical	15.75	18.13	61.42	22.63	27.74	26.02	24.74	28.93	25.34	26.93	25.81	30.13	23.23	66.50	30.24
Pharmacy	38.25	35.83	35.21	39.10	36.56	39.02	37.44	38.89	33.91	36.83	37.43	36.40	39.18	37.06	37.22
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	2.00	1.99
Expansion Risk Corridor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hospital Directed Payment Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-Claims Expense Adjustment	0.01	(0.00)	0.00	0.80	1.49	1.31	(2.96)	0.16	3.02	0.08	0.05	0.02	(0.02)	0.00	18.01
IBNR, Incentive, Paid Claims Adjustment	5.86	17.09	1.97	(2.68)	17.73	(15.37)	(13.80)	(8.40)	(2.81)	(1.41)	0.81	1.49	0.08	(0.16)	0.00
Total Medical Costs	218.33	220.63	247.62	222.89	251.42	232.28	226.58	230.04	232.76	236.90	241.79	249.96	241.92	281.60	255.61
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	70.61	55.75
Administrative:															
Compensation	8.81	8.25	8.13	9.03	7.90	8.45	8.54	9.41	8.59	9.21	9.04	9.33	10.00	9.60	8.88
Purchased Services	1.90	2.51	2.57	2.17	2.18	3.64	3.16	3.55	1.79	3.23	2.43	3.33	3.31	3.21	2.79
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	0.20	0.32
Depreciation	1.08	0.90	1.24	1.33	0.73	0.85	0.72	0.72	0.61	0.61	0.61	0.60	1.41	1.12	0.74
Other Administrative Expenses	0.00	0.00	1.57	0.00	0.00	0.00	1.22	0.96	1.64	1.36	1.96	2.08	2.07	1.08	1.34
Total Administrative Expenses	12.59	12.32	14.37	13.73	11.89	14.31	14.02	14.71	12.98	14.60	14.23	15.65	17.61	15.24	14.18
TOTAL EXPENSES	230.92	232.96	262.09	236.62	263.31	246.59	240.60	244.75	245.76	251.51	256.02	250.61	259.53	296.84	269.79
OPERATING INCOME (LOSS) BEFORE TAX	37.07	35.68	55.66	35.38	35.95	33.86	33.59	34.60	36.08	36.07	57.14	48.96	46.34	55.37	41.57
NET INCOME	32.98	32.94	33.05	32.90	32.73	32.63	32.58	32.57	32.24	32.28	49.22	40.45	40.06	49.04	36.15
OPERATING INCOME (LOSS) NET OF TAX	4.10	2.74	22.60	2.48	3.22	1.22	1.01	2.03	3.85	3.79	7.92	8.50	6.27	6.32	5.13
TOTAL NONOPERATING REVENUE (EXPENSE)	(0.17)	(0.91)	(0.22)	(0.48)	(0.42)	(0.54)	(0.77)	(1.45)	5.15	(1.23)	(0.61)	(1.51)	(0.94)	(3.54)	(0.54)
NET INCREASE (DECREASE) IN NET POSITION	3.93	1.83	22.38	2.01	2.79	0.68	0.24	0.59	9.00	2.56	7.31	6.99	5.33	2.79	4.88
MEDICAL LOSS RATIO	92.9%	93.6%	86.4%	93.1%	94.3%	93.7%	93.8%	93.2%	93.4%	92.9%	91.7%	91.1%	91.0%	92.1%	92.3%
ADMINISTRATIVE EXPENSE RATIO	5.4%	5.2%	5.1%	5.7%	4.5%	5.8%	5.8%	6.0%	5.2%	5.7%	5.4%	5.9%	6.0%	5.0%	5.5%

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED NOVEMBER 30, 2019				YEAR-TO-DATE		
CURRENT MONTH		REVENUES		ACTUAL	BUDGET	VARIANCE
ACTUAL	BUDGET	VARIANCE				
22,431,413	20,815,318	1,616,095	Title XIX - Medicaid - Family & Other	230,476,989	222,622,630	7,854,359
2,800,410	2,422,591	377,819	Premium - Medi-Cal	25,419,114	26,648,501	(1,229,387)
31,384	76,456	(45,072)	Premium - Maternity Kick	861,318	831,487	29,831
346,311	264,599	81,712	Premium - Hep C Kick	4,050,856	2,877,629	1,173,227
201,183	202,825	(1,642)	Premium - BHT Kick	989,431	1,009,531	(20,100)
8,558,814	665,479	7,893,335	Premium - Health Home Kick	25,381,492	7,242,389	18,139,103
201,795	-	201,795	Premium - Provider Enhancement	1,681,601	-	1,681,601
84,896	81,340	3,556	Premium - Ground Emergency Medical Transportation	931,031	892,540	38,491
34,656,206	24,528,608	10,127,598	Other	289,791,832	262,124,707	27,667,125
			Total Title XIX - Medicaid - Family & Other			
			Title XIX - Medicaid - Expansion Members			
21,060,147	20,797,311	262,837	Premium - Medi-Cal	232,003,425	228,752,947	3,250,479
261,108	243,020	18,088	Premium - Maternity Kick	3,069,383	2,673,218	396,165
335,867	544,869	(209,002)	Premium - Hep C Kick	4,199,887	5,993,559	(1,793,672)
400,876	395,252	5,624	Premium - Health Home Kick	1,987,339	1,976,260	11,079
3,242,807	323,232	2,919,575	Premium - Provider Enhancement	10,692,988	3,555,552	7,137,436
217,604	-	217,604	Premium - Ground Emergency Medical Transportation	1,707,593	-	1,707,593
26,591	25,456	1,135	Other	291,904	280,016	11,888
25,545,000	22,329,139	3,215,861	Total Title XIX - Medicaid - Expansion Members	253,952,519	243,231,551	10,720,968
			Title XIX - Medicaid - SPD Members			
13,788,101	11,646,045	2,142,056	Premium - Medi-Cal	136,922,650	125,418,940	11,503,710
166,275	211,894	(45,619)	Premium - Hep C Kick	1,406,272	2,330,834	(924,562)
532,159	391,982	140,177	Premium - BHT Kick	5,948,349	4,311,802	1,636,547
379,523	296,280	83,243	Premium - Health Home Kick	1,787,514	1,481,400	306,114
1,080,980	125,386	955,594	Premium - Provider Enhancement	3,922,345	1,379,246	2,543,099
194,169	-	194,169	Premium - Ground Emergency Medical Transportation	1,439,886	-	1,439,886
16,141,207	12,671,587	3,469,620	Total Title XIX - Medicaid - SPD Members	151,427,016	134,922,222	16,504,794

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED NOVEMBER 30, 2019				ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
CURRENT MONTH		YEAR-TO-DATE							
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL
2,833,631	2,944,691	121,060	31,165,859	32,142,100	976,241	31,165,859	32,142,100	976,241	31,165,859
10,111,558	9,252,625	(858,933)	106,615,900	101,273,375	(5,342,525)	106,615,900	101,273,375	(5,342,525)	106,615,900
1,451,892	1,376,180	(75,712)	15,483,745	15,015,816	(467,929)	15,483,745	15,015,816	(467,929)	15,483,745
9,000	9,000	-	100,200	90,900	(9,300)	100,200	90,900	(9,300)	100,200
14,396,081	13,582,497	(813,584)	153,365,704	148,522,190	(4,843,514)	153,365,704	148,522,190	(4,843,514)	153,365,704
PHYSICIAN SERVICES									
252,847	263,469	10,622	2,734,108	2,875,725	141,617	2,734,108	2,875,725	141,617	2,734,108
186,308	183,437	(2,871)	1,883,228	2,017,807	134,579	1,883,228	2,017,807	134,579	1,883,228
491,723	537,736	46,013	5,524,397	5,915,093	390,696	5,524,397	5,915,093	390,696	5,524,397
86,867	101,420	14,553	922,657	1,115,622	192,965	922,657	1,115,622	192,965	922,657
107,139	101,142	(5,997)	1,043,429	1,048,608	5,179	1,043,429	1,048,608	5,179	1,043,429
79,024	87,826	8,802	887,647	966,090	78,443	887,647	966,090	78,443	887,647
72,454	85,846	13,392	656,878	944,302	287,424	656,878	944,302	287,424	656,878
233,057	228,318	(4,739)	2,275,219	2,376,256	101,037	2,275,219	2,376,256	101,037	2,275,219
54,984	55,990	1,006	594,236	615,887	21,651	594,236	615,887	21,651	594,236
907,059	656,581	(250,478)	11,678,696	7,189,429	(4,489,267)	11,678,696	7,189,429	(4,489,267)	11,678,696
210,868	162,756	(48,112)	1,662,368	1,779,600	117,232	1,662,368	1,779,600	117,232	1,662,368
914,653	1,044,340	129,687	12,357,651	11,438,024	(899,627)	12,357,651	11,438,024	(899,627)	12,357,651
3,596,983	3,508,863	(88,120)	42,200,514	38,282,444	(3,918,070)	42,200,514	38,282,444	(3,918,070)	42,200,514
5,227,569	4,616,100	(611,469)	54,658,807	50,420,175	(4,238,632)	54,658,807	50,420,175	(4,238,632)	54,658,807
14,657,214	13,609,359	(1,047,855)	152,579,385	149,065,647	(3,513,738)	152,579,385	149,065,647	(3,513,738)	152,579,385
129,075	127,742	(1,333)	1,394,354	1,393,945	(409)	1,394,354	1,393,945	(409)	1,394,354
6,141,173	5,723,425	(417,748)	68,564,867	62,679,487	(5,885,380)	68,564,867	62,679,487	(5,885,380)	68,564,867
OTHER MEDICAL									
1,597,095	1,227,907	(369,188)	16,542,152	13,417,583	(3,124,569)	16,542,152	13,417,583	(3,124,569)	16,542,152
394,162	293,264	(100,898)	4,148,670	3,214,288	(934,382)	4,148,670	3,214,288	(934,382)	4,148,670
214,869	445,761	230,892	2,660,123	4,903,337	2,243,214	2,660,123	4,903,337	2,243,214	2,660,123
1,179,144	782,191	(396,953)	10,888,859	8,586,982	(2,301,877)	10,888,859	8,586,982	(2,301,877)	10,888,859
-	62,944	62,944	-	686,859	686,859	-	686,859	686,859	-
12,505,937	1,114,512	(11,391,425)	41,810,728	12,176,680	(29,634,048)	41,810,728	12,176,680	(29,634,048)	41,810,728
625,673	-	(625,673)	4,988,722	-	(4,988,722)	4,988,722	-	(4,988,722)	4,988,722
138,465	212,704	74,239	724,690	1,062,160	337,470	724,690	1,062,160	337,470	724,690
16,655,345	4,139,284	(12,516,061)	81,763,944	44,047,889	(37,716,055)	81,763,944	44,047,889	(37,716,055)	81,763,944
PHARMACY SERVICES									
7,752,120	8,415,527	663,407	90,939,790	92,215,482	1,275,692	90,939,790	92,215,482	1,275,692	90,939,790
430,671	833,218	402,547	5,417,556	9,155,876	3,738,320	5,417,556	9,155,876	3,738,320	5,417,556
665,026	601,889	(63,137)	7,280,976	6,600,181	(680,795)	7,280,976	6,600,181	(680,795)	7,280,976
435,000	(145,956)	(580,956)	(1,075,348)	(1,604,016)	(528,668)	(1,075,348)	(1,604,016)	(528,668)	(1,075,348)
2,882,817	9,704,679	421,862	102,562,974	106,367,524	3,804,550	102,562,974	106,367,524	3,804,550	102,562,974
500,918	500,950	32	5,479,772	5,466,450	(13,322)	5,479,772	5,466,450	(13,322)	5,479,772
-	-	-	62,605,426	-	(62,605,426)	62,605,426	-	(62,605,426)	62,605,426
(18,762)	-	18,762	966,909	-	(966,909)	966,909	-	(966,909)	966,909
(40,346)	-	40,346	(6,100,277)	-	6,100,277	(6,100,277)	-	6,100,277	(6,100,277)
70,528,067	55,512,898	(15,015,169)	720,042,379	606,245,752	(113,796,627)	720,042,379	606,245,752	(113,796,627)	720,042,379

* Medical costs per DMHC regulations

CURRENT MONTH			YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED NOVEMBER 30, 2019					
PHYSICIAN SERVICES					
11.27	11.76	0.48	11.37	11.76	0.38
40.37	36.94	(3.43)	38.91	37.05	(1.86)
5.80	5.49	(0.30)	5.65	5.49	(0.16)
0.04	0.04	(0.00)	0.04	0.03	(0.00)
57.48	54.23	(3.25)	55.98	54.34	(1.64)
OTHER PROFESSIONAL SERVICES					
1.01	1.05	0.04	1.00	1.05	0.05
0.74	0.73	(0.01)	0.69	0.74	0.05
1.96	2.15	0.18	2.02	2.16	0.15
0.35	0.40	0.06	0.34	0.41	0.07
0.43	0.40	(0.02)	0.38	0.38	0.00
0.32	0.35	0.04	0.32	0.35	0.03
0.29	0.34	0.05	0.24	0.35	0.11
0.93	0.91	(0.02)	0.83	0.87	0.04
0.22	0.22	0.00	0.22	0.23	0.01
3.62	2.62	(1.00)	4.26	2.63	(1.63)
0.84	0.65	(0.19)	0.61	0.65	0.04
3.65	4.17	0.52	4.50	4.18	(0.32)
14.36	14.01	(0.35)	15.40	14.01	(1.40)
20.87	18.43	(2.44)	19.95	18.45	(1.50)
58.52	54.33	(4.19)	55.69	54.54	(1.15)
0.52	0.51	(0.01)	0.51	0.51	0.00
24.52	22.85	(1.67)	25.02	22.93	(2.09)
OTHER MEDICAL					
6.38	4.90	(1.47)	6.04	4.91	(1.13)
1.57	1.17	(0.40)	1.51	1.18	(0.34)
0.86	1.78	0.92	0.97	1.79	0.82
4.71	3.12	(1.59)	3.97	3.14	(0.83)
0.00	0.25	0.25	0.00	0.25	0.25
49.93	4.45	(45.48)	15.26	4.46	(10.80)
0.55	0.85	0.30	0.26	0.39	0.12
64.00	16.53	(47.48)	28.02	16.12	(11.91)
PHARMACY SERVICES					
30.95	33.60	2.65	33.19	33.74	0.55
1.72	3.33	1.61	1.98	3.35	1.37
2.66	2.40	(0.25)	2.66	2.41	(0.24)
1.74	(0.58)	(2.32)	(0.39)	(0.59)	(0.19)
37.06	38.75	1.68	37.43	38.92	1.48
2.00	2.00	0.00	2.00	2.00	0.00
0.00	0.00	0.00	22.85	0.00	(22.85)
(0.07)	0.00	0.07	0.35	0.00	(0.35)
(0.16)	0.00	0.16	(2.23)	0.00	(2.23)
281.60	221.63	(59.96)	262.80	221.81	(40.99)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH NOVEMBER 30, 2019	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	AUGUST 2019	SEPTEMBER 2019	OCTOBER 2019	NOVEMBER 2019	YEAR TO DATE 2019
PHYSICIAN SERVICES	2,852,432	3,204,444	2,641,133	2,878,106	3,132,132	2,545,597	2,781,460	2,938,482	2,722,289	2,646,253	2,833,631	31,165,809
Primary Care Physician Services	9,061,015	8,891,359	10,688,936	10,831,475	9,485,042	9,590,131	10,169,879	9,066,225	9,301,608	9,338,672	10,111,558	106,615,900
Referral Specialty Services	1,290,151	1,665,998	1,972,243	2,167,355	1,427,909	1,323,687	952,073	1,511,875	1,431,047	1,291,815	1,451,892	15,483,745
Urgent Care & After Hours Advice	9,300	8,400	9,300	9,000	9,300	9,000	9,300	-	18,300	9,000	9,000	100,200
Hospital Admitting Team	13,212,798	13,168,201	15,391,612	15,885,936	14,054,383	13,468,415	13,912,712	13,816,282	12,473,244	13,286,040	14,396,081	153,165,704
TOTAL PHYSICIAN SERVICES	245,465	245,148	247,101	247,846	248,344	248,149	248,149	251,443	247,850	249,466	252,847	2,734,108
OTHER PROFESSIONAL SERVICES	164,801	150,920	165,714	159,310	170,130	151,031	175,832	170,718	181,756	184,517	186,308	1,883,278
221 - Business Intelligence	510,943	470,395	478,085	515,558	554,978	465,142	493,832	499,578	481,223	506,839	491,223	5,354,397
310 - Health Services - Utilization Management - UM Allocation *	80,526	67,488	68,819	76,154	91,492	88,967	89,897	92,867	92,867	110,853	86,867	862,867
311 - Health Services - Quality Improvement - QI Allocation *	93,316	78,571	89,664	88,023	99,085	91,588	97,891	92,867	92,867	107,452	107,139	1,024,429
312 - Health Services - Education - ED Allocation *	82,448	75,645	78,387	78,409	90,506	87,567	89,527	92,867	92,867	93,560	79,024	881,847
313 - Health Services - Pharmacy - Pharmacy Allocation *	49,443	44,523	48,105	49,071	60,500	48,181	60,151	60,926	78,148	81,560	72,024	868,878
314 - Health Homes - UM Allocation *	190,992	177,760	187,111	188,813	202,905	171,044	213,130	232,974	243,468	251,521	231,652	2,752,210
315 - Case Management - UM Allocation *	54,919	48,924	50,173	52,405	58,417	49,786	56,530	59,714	73,420	81,524	73,684	844,826
616 - Disease Management - UM Allocation *	638,964	831,812	952,302	950,988	1,250,610	1,668,163	1,076,346	1,051,846	1,165,152	1,436,306	907,659	11,676,608
Behavior Health Treatment	212,968	183,744	177,778	168,112	80,319	177,117	179,122	165,709	96,305	60,702	101,665	669,468
Mental Health Services	1,090,616	1,063,534	1,163,244	1,149,925	1,035,427	1,150,406	1,113,785	1,103,870	1,165,507	1,381,864	914,653	12,331,661
Other Professional Services	3,414,631	3,447,281	3,652,683	3,718,600	3,960,452	4,388,042	3,849,695	3,775,072	3,913,361	4,483,269	3,856,983	42,200,514
TOTAL OTHER PROFESSIONAL SERVICES	4,459,099	4,710,529	4,835,738	5,525,268	5,106,796	4,698,111	5,181,359	4,645,061	4,697,451	5,571,836	5,227,569	54,658,807
EMERGENCY ROOM	12,961,386	12,906,122	13,546,028	12,850,017	12,481,510	14,390,451	13,332,634	15,248,300	15,564,329	14,951,334	14,657,214	152,579,385
REINSURANCE EXPENSE PREMIUM	125,136	125,026	126,021	126,397	126,609	126,658	126,658	129,256	126,290	127,228	129,075	1,394,354
OUTPATIENT HOSPITAL SERVICES	5,414,223	6,037,448	6,885,177	6,373,571	6,408,304	5,912,776	6,609,411	6,523,398	6,130,800	6,128,586	6,141,173	68,564,867
OTHER MEDICAL	1,146,157	2,536,809	1,948,589	1,685,378	2,206,229	(475,025)	1,391,507	1,411,959	1,936,979	1,157,075	1,597,095	16,542,152
Ambulance and NEWT	495,461	155,156	325,629	351,818	342,991	326,679	463,200	382,599	290,848	418,297	394,162	4,148,670
Home Health Services & CBAS	248,953	93,464	238,951	235,324	165,956	222,833	297,114	251,393	286,439	214,869	2,660,123	2,660,123
Utilization and Quality Review Expenses	944,616	1,180,282	999,557	904,186	1,043,600	755,531	594,397	1,385,020	1,401,277	501,269	1,179,144	10,888,859
Long Term/SNF/Respite	-	-	-	-	-	-	-	-	-	-	-	-
Enhanced Medical Benefits	-	-	-	-	-	-	-	-	-	-	-	-
Provider Enhancement Expense - Pron. 56	2,729,133	2,889,012	2,876,190	2,955,111	3,224,940	3,027,126	3,114,758	2,571,469	2,893,119	2,819,933	12,505,937	41,810,728
Provider Enhancement Expense - GEWT	-	-	-	-	-	2,505,003	521,009	449,490	446,419	441,128	625,673	4,988,722
Home Health Expatriated Medical Expense	-	-	-	-	-	-	133,790	(11,940)	256,255	208,120	138,465	724,690
TOTAL OTHER MEDICAL	5,564,320	6,854,723	6,448,536	6,141,817	7,183,716	6,357,547	6,715,805	6,439,790	7,570,084	5,832,261	16,655,345	81,763,944
PHARMACY SERVICES	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	8,852,774	7,752,120	90,938,790
RX - Drugs & OTC	542,465	579,505	435,632	674,227	604,476	438,028	298,729	402,097	479,317	542,409	430,671	5,417,556
RX - HEP-C	647,574	712,044	706,209	649,024	732,945	600,019	718,827	597,805	696,932	544,571	665,026	7,380,976
RX - DMIE	(173,400)	(133,200)	(183,400)	(140,000)	(205,348)	(135,000)	(135,000)	(135,000)	(135,000)	(134,999)	435,000	(1,075,348)
TOTAL PHARMACY SERVICES	9,612,700	9,033,300	9,671,212	9,293,776	9,659,273	8,508,813	9,183,446	9,336,978	9,145,904	9,834,755	9,282,817	102,562,974
PAY FOR PERFORMANCE QUALITY INCENTIVE	491,660	494,203	495,672	496,508	496,698	501,792	498,760	498,932	502,552	502,078	500,918	5,479,772
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	-	-	-	-	-	-	-	-	-	-	-	-
NON-CLAIMS EXPENSE ADJUSTMENT	197,435	367,246	324,378	(736,017)	39,610	756,640	19,252	11,717	11,329	(5,919)	(18,762)	966,909
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(659,783)	4,381,620	(3,810,321)	(3,425,856)	(2,087,231)	(704,885)	(350,851)	202,480	374,161	20,741	(440,346)	(6,100,277)
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	123,114,931	60,732,209	70,528,067	720,042,379

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS BY MONTH - PWPM THROUGH NOVEMBER 30, 2019	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	AUGUST 2019	SEPTEMBER 2019	OCTOBER 2019	NOVEMBER 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	11.27	11.37
Referral Specialty Services	36.86	35.98	43.45	43.63	38.19	38.22	40.78	36.34	37.02	37.20	40.37	38.91
Urgent Care & After Hours Advice	5.25	6.73	7.96	8.73	5.75	5.28	3.82	6.06	1.72	5.15	5.80	5.65
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	0.04
TOTAL PHYSICIAN SERVICES	53.75	55.72	62.10	63.99	56.59	53.68	55.79	54.18	49.64	52.92	57.48	55.98
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	1.01	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	0.74	0.69
310 - Health Services - Utilization Management - UM Allocation *	2.08	1.90	1.93	2.08	2.33	1.86	2.00	1.97	1.92	2.25	1.96	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	0.35	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	0.43	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	0.32
314 - Health Services - UM Allocation *	0.20	0.18	0.19	0.20	0.24	0.19	0.28	0.28	0.29	0.29	0.29	0.24
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	0.93	0.83
616 - Disease Management - UM Allocation *	0.22	0.20	0.20	0.21	0.24	0.20	0.23	0.22	0.22	0.22	0.22	0.22
Behavior Health Treatment	2.60	3.37	3.84	3.83	5.04	6.65	4.30	4.21	4.40	4.98	3.62	4.26
Mental Health Services	0.87	0.74	0.82	0.68	0.36	0.71	0.52	0.42	0.38	0.64	0.84	0.61
Other Professional Services	4.44	4.30	4.69	4.63	4.17	4.59	4.47	4.42	4.64	5.53	3.65	4.50
TOTAL OTHER PROFESSIONAL SERVICES	13.89	13.95	14.74	14.98	15.95	17.49	15.44	15.13	15.57	17.86	14.36	15.40
EMERGENCY ROOM	18.14	19.06	19.51	22.26	20.56	18.73	20.78	18.62	18.69	22.20	20.87	19.95
INPATIENT HOSPITAL	52.72	52.23	54.66	51.76	49.05	57.36	53.46	61.08	61.94	59.56	58.52	55.69
REINSURANCE EXPENSE PREMIUM	0.51	0.51	0.51	0.51	0.51	0.50	0.51	0.52	0.50	0.51	0.52	0.51
OUTPATIENT HOSPITAL SERVICES	22.02	24.43	27.78	25.67	25.80	23.57	26.50	26.15	24.40	24.41	24.52	25.02
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	6.38	6.04
Home Health Services & CBAS	2.02	0.63	1.31	1.44	2.19	1.29	1.86	1.53	1.16	1.67	1.57	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	0.86	0.97
Long Term/SNF/Hospice	3.84	4.78	4.03	3.64	4.20	3.01	2.38	5.55	5.58	2.00	4.71	3.97
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	0.00
Provider Enhancement Expense - Pregt. 56	11.10	11.69	11.61	11.92	12.99	12.07	13.29	10.31	11.51	11.23	49.93	15.20
Provider Enhancement Expense - GEMT	0.00	0.00	0.00	0.00	0.00	9.98	2.09	1.80	1.78	1.76	2.50	1.82
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	0.55	0.26
TOTAL OTHER MEDICAL	22.63	27.74	26.02	24.74	28.93	25.34	26.93	25.81	30.13	23.23	66.50	29.84
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	30.95	33.19
RX - HEP-C	2.21	2.35	1.76	2.72	2.43	1.71	1.20	1.61	1.91	2.16	1.72	1.98
Rx - DME	2.63	2.92	2.85	2.61	2.95	2.39	2.88	2.40	2.77	2.17	2.66	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)	1.74	(0.39)
TOTAL PHARMACY SERVICES	39.10	36.56	39.02	37.44	38.89	33.91	36.83	37.43	36.40	39.18	37.06	37.43
PAY FOR PERFORMANCE QUALITY INCENTIVE												
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
NON-CLAIMS EXPENSE ADJUSTMENT												
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	0.80	1.49	1.31	(2.96)	0.16	3.02	0.08	0.05	0.05	(0.02)	(0.07)	0.35
	(2.68)	17.73	(15.37)	(13.80)	(8.40)	(2.81)	(1.41)	0.81	1.49	0.08	(0.16)	(2.23)
Total Medical Costs	222.89	251.42	232.28	226.58	230.04	232.78	236.90	241.79	489.96	241.93	281.60	262.80

CURRENT MONTH		YEAR-TO-DATE	
ACTUAL	BUDGET	ACTUAL	BUDGET
VARIANCE		VARIANCE	
299,243	258,313	2,844,664	2,841,444
	(40,930)		(3,220)
146,972	158,993	1,647,823	1,748,913
	12,021		101,090
621,106	617,732	6,091,773	6,795,052
	(3,374)		703,279
20,928	18,734	223,108	206,074
	(2,194)		(17,034)
342,534	338,858	2,838,931	3,727,421
	(3,676)		888,490
511,254	479,044	5,601,606	5,254,475
	(32,210)		(347,131)
74,402	109,760	1,044,363	1,207,355
	35,358		162,992
104,019	96,311	1,036,209	1,059,423
	(7,708)		23,214
27,533	33,152	300,461	370,852
	5,619		70,391
-	-	1,995	2,525
	-		530
137,118	127,682	1,470,630	1,359,598
	(9,436)		(111,032)
236	500	2,236	5,500
	264		3,264
14,875	14,574	146,951	151,826
	(301)		4,875
20,760	20,738	222,772	228,115
	(22)		5,343
243,022	247,979	2,494,593	2,707,522
	4,957		212,929
495,011	540,167	5,036,294	5,724,806
	45,156		688,512
415,452	480,159	4,835,967	4,773,940
	64,707		(62,027)
71,794	62,743	764,296	690,173
	(9,051)		(74,123)
43,453	64,502	568,326	709,498
	21,049		141,172
45,947	64,751	575,786	712,253
	18,804		136,467
182,152	197,194	1,866,543	2,143,590
	15,042		277,047
-	(203,120)	-	(2,238,400)
	(203,120)		(2,238,400)
3,817,811	3,728,766	39,615,327	40,181,954
	(89,045)		566,627

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT
FOR THE MONTH ENDED NOVEMBER 30, 2019

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED NOVEMBER 30, 2019	YEAR TO DATE											
	JANUARY 2019	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	AUGUST 2019	SEPTEMBER 2019	OCTOBER 2019	NOVEMBER 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	299,243	2,844,664
210 - Accounting	149,967	127,374	139,032	134,888	155,814	168,405	155,423	156,051	151,448	162,449	146,972	1,647,823
220 - Management Information Systems (MIS)	401,536	493,303	640,543	523,161	645,579	477,994	560,302	493,454	703,176	529,619	621,106	6,091,773
221 - Business Intelligence	205	10,000	50,100	20,600	22,857	11,091	30,894	20,178	9,000	27,255	20,928	223,108
225 - Infrastructure	255,998	238,858	247,310	245,403	301,083	200,444	238,149	142,044	321,221	305,887	342,534	2,838,931
230 - Claims	510,558	444,621	505,751	502,157	539,033	558,994	474,925	521,346	474,916	558,051	511,254	5,601,606
240 - Project Management	85,314	84,072	96,834	89,192	86,052	93,268	118,697	94,904	118,090	103,538	74,402	1,044,363
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	104,019	1,036,209
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	27,533	300,461
312 - Health Services - Education	23	612	(5)	15,883	(15,754)	-	28	361	(361)	1,208	-	1,995
313 - Pharmacy	127,668	124,298	150,313	125,311	127,589	27,151	217,824	137,352	135,165	151,841	137,118	1,470,630
314 - Health Homes	556	(556)	(398)	-	18	-	228	168	-	1,984	236	2,236
315 - Case Management	12,191	11,347	11,943	11,541	13,230	10,958	13,670	14,260	15,493	17,443	14,875	146,951
616 - Disease Management	20,405	18,247	18,631	19,416	21,808	18,412	21,057	19,984	21,049	23,003	20,760	222,772
320 - Provider Network Management	267,760	126,987	223,524	244,955	235,564	211,875	223,120	221,422	215,134	281,230	243,022	2,494,593
330 - Member Services	470,954	389,538	441,753	485,966	477,021	424,507	447,582	443,020	446,721	514,221	495,011	5,036,294
340 - Corporate Services	319,181	347,539	396,534	356,340	364,405	386,714	428,213	522,449	615,663	683,477	415,452	4,835,967
360 - Audit & Investigative Services	57,536	55,624	51,626	53,495	53,208	47,245	50,075	49,354	56,306	218,033	71,794	764,296
410 - Advertising Media	24,987	11,283	34,440	62,712	108,984	61,286	23,752	33,490	77,629	86,310	43,453	568,326
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	45,947	575,786
510 - Human Resources	211,647	111,757	134,617	147,600	152,127	176,288	166,504	216,145	167,515	200,191	182,152	1,866,543
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	3,817,811	39,615,327

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

ASSETS	NOVEMBER 2019	OCTOBER 2019	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,477,851	\$ 1,477,851	-
Interest Receivable	5,940	2,970	2,970
Prepaid Expenses & Other Current Assets	5,834	6,667	(833)
TOTAL CURRENT ASSETS	\$ 1,489,625	\$ 1,487,488	\$ 2,137
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts Payable	269,453	269,453	-
Other Liabilities	94,396	94,396	-
TOTAL CURRENT LIABILITIES	\$ 363,849	\$ 363,849	\$ -
NET POSITION:			
Net Position- Beg. of Year	1,100,538	1,100,538	-
Increase (Decrease) in Net Position - Current Year	25,238	23,101	2,137
Total Net Position	\$ 1,125,776	\$ 1,123,639	\$ 2,137
TOTAL LIABILITIES AND NET POSITION	\$ 1,489,625	\$ 1,487,488	\$ 2,137

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED NOVEMBER 30, 2019			YEAR-TO-DATE		
ENROLLMENT								
-	-	-	Members	-	-	-	-	-
REVENUES								
-	-	-	Premium	-	-	-	-	-
2,970	-	2,970	Interest	33,054	-	33,054	-	33,054
-	-	-	Other Investment Income	1,350	-	1,350	-	1,350
2,970	-	2,970	TOTAL REVENUES	34,404	-	34,404	-	34,404
EXPENSES								
-	-	-	Medical Costs	-	-	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-	-	-
-	-	-	Total Medical Costs	-	-	-	-	-
2,970	-	2,970	GROSS MARGIN	34,404	-	34,404	-	34,404
Administrative								
833	-	(833)	Management Fee Expense and Other Admin Exp	9,166	-	(9,166)	-	(9,166)
833	-	(833)	Total Administrative Expenses	9,166	-	(9,166)	-	(9,166)
833	-	(833)	TOTAL EXPENSES	9,166	-	(9,166)	-	(9,166)
2,137	-	2,137	OPERATING INCOME (LOSS)	25,238	-	25,238	-	25,238
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-	-	-
2,137	-	2,137	NET INCREASE (DECREASE) IN NET POSITION	25,238	-	25,238	-	25,238
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%	0%	0%
0%	0%	0%	ADMINISTRATIVE EXPENSE RATIO	27%	0%	-27%	0%	-27%

**KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT**

KERN HEALTH SYSTEMS

2019 MEMBER MONTHS
MEDI-CAL

ADULT AND FAMILY

	JAN'19	FEB'19	MAR'19	APR'19	MAY'19	JUN'19	JUL'19	AUG'19	SEP'19	OCT'19	NOV'19	DEC'19
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	110,078	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	43,768	44,339	43,865	43,889	43,994	43,761	43,815	43,815
CHILD	0	0	0	0	123,066	123,784	123,076	122,740	123,590	123,349	123,165	123,165
SUB-TOTAL ADULT & FAMILY	165,796	166,386	166,887	167,002	166,854	168,123	166,941	166,829	167,584	167,110	166,980	0

MEDI-CAL EXPANSION

	JAN'19	FEB'19	MAR'19	APR'19	MAY'19	JUN'19	JUL'19	AUG'19	SEP'19	OCT'19	NOV'19	DEC'19
LHP Transition Pre-ACA	5	5	5	0	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	61,097	60,618	60,618
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	264	237	237
SUB-TOTAL MANDATORY	59,129	59,818	59,673	59,968	59,928	60,947	60,528	60,678	61,283	61,355	60,855	0

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 & DISABLED	12,333	12,191	12,680	12,402	0	0	0	0	0	0	0	0
MIN - BLIND & DISABLED	449	502	441	519	0	0	0	0	0	0	0	0
SPD (AGED AND DISABLED)	0	0	0	0	14,956	15,103	15,264	15,270	15,300	15,454	15,525	15,525
SUB-TOTAL MANDATORY SPD	14,585	14,573	14,925	14,752	14,958	15,103	15,264	15,270	15,300	15,454	15,525	0
TOTAL MANDATORY	239,510	240,777	241,465	241,722	241,740	244,173	242,733	242,577	244,167	243,919	243,360	0

OTHER MEMBERS

BCCTP-TOBACCO SETTLEMENT	23	25	22	22	22	22	22	21	24	23	23	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 & DISABLED	2,471	2,490	2,531	2,481	0	0	0	0	0	0	0	0
PART D MN - BLIND & DISABLED	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	437	452	452
SPD FULL DUALS	0	0	0	0	6,151	6,247	6,176	6,419	6,565	6,656	6,622	6,622
SUB-TOTAL DUALS	6,297	6,359	6,349	6,510	6,587	6,701	6,625	6,868	7,086	7,097	7,076	0
TOTAL OTHERS	6,320	6,384	6,371	6,532	6,609	6,723	6,647	6,889	7,110	7,120	7,089	0

TOTAL KAISER

	8,329	8,385	8,394	8,411	8,557	8,609	8,668	8,758	8,858	8,911	8,989	
TOTAL MEDI-CAL MEMBERS	254,159	255,486	256,230	256,665	256,906	259,505	258,048	256,224	260,135	259,950	259,448	0



NOVEMBER AP Vendor Report - YTD
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	4,683,871.04	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	2,831,755.30	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.	1,747,912.80	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING AND CORPORATE PROJECTS	VARIOUS
T4699	ZeOMEGA, INC.	1,244,828.30	2019 ANNUAL LICENSE AND MAINTENANCE/PROFESSIONAL SERVICES - MEDICAL MANAGEMENT PLATFORM	CAPITAL PROJECT- CASE MANAGEMENT/DISEASE MANAGEMENT
T2726	DST PHARMACY SOLUTIONS, INC.	1,197,686.48	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	GES DIRECT LICENSE - 12/18- 12/19 ANNUAL FEE / OUTSOURCED ANALYSIS	CAPITAL PROJECT IN PROGRESS/PROVIDER RELATIONS
T2918	STINSONS	649,525.61	OFFICE SUPPLIES & FURNITURE	VARIOUS
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	633,220.76	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T2704	MCG HEALTH LLC	623,873.90	ANNUAL SOFTWARE LICENSE - HEALTH CARE MANAGEMENT	UTILIZATION MANAGEMENT
T4483	INFUSION AND CLINICAL SERVICES, INC.	593,531.22	HEALTH HOME GRANTS	COMMUNITY GRANTS
T3449	CDW GOVERNMENT	580,106.32	FORTINET FORTGATE FIREWALL APPLIANCES, LICENSES, AND SUPPORT	CAPITAL PROJECT - NEW BUILDING OCCUPATION
T2167	PG&E	579,390.65	ANNUAL TRUE-UP FOR 2018 USAGE/UTILITIES	CORPORATE SERVICES
T4982	NGC US, LLC	573,502.57	HEALTH HOMES INCENTIVE, MEMBER SERVICES SATISFACTION SURVEY INCENTIVES, HEALTH EDUCATION INCENTIVES	VARIOUS
T4165	SHI INTERNATIONAL CO.	564,547.32	MAINTENANCE SUPPORT/ STORAGE MAINTENANCE/ HARDWARE	VARIOUS
T4696	ZNALYTICS, LLC	483,910.00	PROFESSIONAL SERVICES	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT



NOVEMBER AP Vendor Report - YTD
Amounts over \$10,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2686	ALLIANT INSURANCE SERVICES INC.	477,362.46	2019/2020 INSURANCE RENEWALS	ADMINISTRATION
T4582	HEALTHX, INC.	465,696.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
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
T4193	TECHNOSOCIALWORK.COM DBA STRIA	396,358.53	OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	395,870.44	PROFESSIONAL SERVICES	VARIOUS
T1189	APPLE ONE INC. EMPLOYMENT SERVICES	367,647.87	TEMPORARY HELP	VARIOUS
T1071	CLINICA SIERRA VISTA	358,849.18	EMERGENCY ROOM DIVERSION GRANT	COMMUNITY GRANT
T4308	TRUXTUN PLACE PARTNERS	316,354.98	TRUXTUN - RENT & UTILITIES	CORPORATE SERVICES
T5026	TEL-TEC SECURITY SYSTEMS	295,749.11	INSTALLATION OF BURGLAR PHASE- SECURITY SYSTEM	CAPITAL PROJECT - NEW BUILDING
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
T4265	SIERRA SCHOOL EQUIPMENT COMPANY	272,001.71	NEW BUILDING FURNITURE-BOARD ROOM & BREAKROOM	CAPITAL PROJECT - NEW BUILDING
T4546	LEVEL 3 COMMUNICATIONS, LLC	257,001.49	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T3011	OFFICE ALLY, INC.	240,289.75	EDI CLAIM PROCESSING	CLAIMS
T1272	COFFEY COMMUNICATIONS INC.	235,072.52	MEMBER NEWSLETTER/ WEBSITE IMPLEMENTATION	HEALTH EDUCATION/ MIS INFRASTRUCTURE
T5116	CHRYSTAL INVESTMENTS, LLC	229,402.80	LEASE AGREEMENT STOCKDALE BLDG	CORPORATE SERVICE
T4460	PAYSPAN, INC	215,495.54	ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T4396	KAISER FOUNDATION HEALTH-DHMO	209,574.23	EMPLOYEE HEALTH BENEFITS	VARIOUS



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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4959	BERKSHIRE HATHWAY HOMESTATE COMPANIES	206,758.00	WORKERS COMPENSATION INSURANCE PREMIUM	VARIOUS
T4695	EDIFECs, INC.	192,439.25	ANNUAL TSM MAINTENANCE	MIS INFRASTRUCTURE
T2584	UNITED STATES POSTAL SVC.-HASLER	180,000.00	POSTAGE-METERED	VARIOUS
T1861	CERIDIAN HCM, INC.	177,506.28	MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS	HUMAN RESOURCES
T4967	ADMINISTRATIVE SOLUTIONS, INC.	176,230.62	EMPLOYEE PAID VOLUNTARY INSURANCE/FSFA CARD DEPOSIT	PAYROLL DEDUCTION
T4792	KP LLC	160,567.82	PRINTING AND SHIPPING OF PROVIDER DIRECTORIES	PROVIDER RELATIONS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	159,730.62	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4331	COTIVITI, INC****	144,650.88	PROVIDES DATA AND ABSTRACTION PLATFORM FOR HEDIS SUBMISSION, INTERVENTIONS & P4P CAPTURE	QUALITY IMPROVEMENT
T4733	UNITED STAFFING ASSOCIATES	140,653.99	TEMPORARY HELP	VARIOUS
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESS	127,936.10	EMPLOYEE PREMIUM	VARIOUS
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	124,410.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T5109	RAND EMPLOYMENT SOLUTIONS	118,032.15	TEMPORARY HELP	VARIOUS
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	116,894.59	EDI CLAIM PROCESSING	CLAIMS /MIS
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
T4785	COMMIGAP	107,780.00	INTERPRETATION SERVICES	HEALTH EDUCATION
T1960	LOCAL HEALTH PLANS OF CA, INC	97,782.68	2019/2020 FLAT YEARLY ASSESSMENT AND PMPY ANNUAL DUES	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
T2969	AMERICAN BUSINESS MACHINES INC	88,139.20	HARDWARE AND MAINTENANCE	CORPORATE SERVICES
T4961	AEROTEK SCIENTIFIC, LLC	87,685.72	TEMPORARY EMPLOYEE SERVICES	VARIOUS



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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4991	FANELLIPM	80,335.00	PROFESIONAL SERVICES-RELOCATION MANAGEMENT	PROJECT MANAGEMENT
T5145	CCS ENGINEERING FRESNO INC.,	78,566.98	JANITORIAL SERVICES & PRESSURE WASHING SVCS.	CORPORATE SERVICES
T5065	CHAMP'S SECURITY PATROL SERVICES INC.	76,140.00	TEMPORARY ONSITE SECURITY	CORPORATE SERVICES
T4657	DAPONDE SIMPSON ROWE PC	75,638.00	CONSULTING SERVICES	PROVIDER RELATIONS
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
T2413	TREK IMAGING INC	68,075.86	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T4182	THE LAMAR COMPANIES	67,070.96	OUTDOOR ADVERTISEMENT-BILLBOARDS	ADVERTISING
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
T2446	AT&T MOBILITY	64,323.21	CELLULAR PHONE / INTERNET	MIS
T1128	HALL LETTER SHOP, INC.	62,200.34	NEW MEMBER LETTER/ENVELOPES, MEMBER HANDBOOKS, CLINICAL CARE MANUAL FOR HH, NEW MEMBER PKT.	VARIOUS
T2458	HEALTHCARE FINANCIAL, INC.	62,000.00	PROFESSIONAL SERVICES	ADMINISTRATION
T4514	A.J. KLEIN, INC. T. DENATALE, B. GOLDNER	61,283.48	LEGAL SERVICES	ADMINISTRATION
T4503	VISION SERVICE PLAN	60,026.64	EMPLOYEE HEALTH BENEFITS	VARIOUS
T2933	SIERRA PRINTERS, INC.	56,615.13	PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS	VARIOUS
T3084	KERN COUNTY-COUNTY COUNSEL	55,724.30	LEGAL FEES	ADMINISTRATION
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



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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2941	KERN PRINT SERVICES INC.	52,474.66	OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD	VARIOUS
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
T4501	ALLIED UNIVERSAL SECURITY	48,899.03	ONSITE SECURITY	CORPORATE SERVICES
T2961	SOLUTION BENCH, LLC	48,538.81	M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE
T3986	JACQUELYN S. JANS	47,917.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
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
T4607	AGILITY RECOVERY SOLUTIONS INC.	44,002.40	PREPAID ANNUAL PROFESSIONAL SERVICES	COMPLIANCE
T4561	SRI & SHARMA, LLC	43,750.00	PARKING RENTAL	CORPORATE SERVICES
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
T2965	VITAL SIGNS OF BAKERSFIELD	40,232.29	MONUMENT SIGN & INSTALLATION	CAPITAL PROJECT - NEW BUILDING
T1183	MILLIMAN USA	39,423.25	CY2018/2019 RDT & IBNP CONSULTING - ACTUARIAL	ADMINISTRATION
T2135	BAKERSFIELD CITY SCHOOL DISTRICT	38,455.00	SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T4228	THE SSI GROUP, LLC.	38,156.40	EDI CLAIM PROCESSING	CLAIMS
T5111	ENTISYS 360	37,900.76	CONSULTING SERVICES	MIS INFRASTRUCTURE
T4452	WELLS FARGO 3500 2469	37,496.31	CREDIT CARD-TRAINING REGISTRATION, LODGING EXPENSES, AND MISCELLANEOUS PURCHASES	VARIOUS
T2441	LAURA J. BREZINSKI	37,319.15	MARKETING MATERIALS	MARKETING



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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T3378	CARRIER CORPORATION	36,853.44	BUILDING MAINTENANCE	CORPORATE SERVICE
T1650	UNIVISION TELEVISION GROUP	36,533.00	ADVERTISEMENT - TELEVISION	MARKETING
T4284	J. SERVICES JANITORIAL	36,345.00	JANITORIAL SERVICES	CORPORATE SERVICES
T2232	DLT SOLUTIONS, LLC	35,949.76	SQL SERVER MAINTENANCE	MIS INFRASTRUCTURE
T4583	SOILS ENGINEERING, INC.	35,280.00	SOIL SAMPLING OBSERVATION-OIL DIRT DISCOVERY/REMEDIATION	CAPITAL PROJECT - NEW BUILDING
T5030	KHOA NGUYEN DBA KN CONSULTING LLC	35,000.00	CONSULTING SERVICES	CORPORATE SERVICE
T4216	NEXSTAR BROADCASTING INC	34,395.50	ADVERTISEMENT - MEDIA	MARKETING
T4960	ZELIS CLAIMS INTEGRITY, LLC	33,508.66	POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS
T4683	CLAUDIA M. BACA	31,844.59	PROJECT MANAGEMENT CONSULTING SERVICES	PROJECT MANAGEMENT
T1022	UNUM LIFE INSURANCE CO.	31,286.32	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T4389	EXACT STAFF, INC.	30,896.51	TEMPORARY HELP	MEMBER SERVICES
T5132	TIME WARNER CABLE LLC	30,538.95	INTERNET SERVICES	MIS INFRASTRUCTURE
T4955	DOGHOUSE GRILL LLC	29,946.15	2019 KHS COMPANY EVENT	MARKETING
T4781	EDRINGTON HEALTH CONSULTING, LLC	29,662.50	CONSULTING SERVICES - AB85, ,RDT SUPPORT, DHCS RATE ANALYSIS	ADMINISTRATION
T4433	MICRO-DYN MEDICAL SYSTEMS, INC.	28,635.00	ANNUAL LICENSE- APR-DRG GROUPER SOFTWARE SOLUTION TO PROCESS CLAIMS PAYMENT	MIS INFRASTRUCTURE
T1347	ADVANCED DATA STORAGE	28,594.38	OFF SITE STORAGE SERVICES	CORPORATE SERVICES
T5077	SDL, INC	27,851.25	COMPUTER ASSISTED TRANSLATION TOOL	HEALTH EDUCATION
T4195	SCRIPPS MEDIA, INC. DBA KERO-TV	27,515.25	ADVERTISEMENT - TELEVISION	MARKETING
T5107	CITRIX SYSTEMS, INC.	27,489.14	SOFTWARE SUPPORT	MIS INFRASTRUCTURE
T3990	SPARKLETTS INC.	27,201.70	BOTTLED WATER SERVICE	VARIOUS
T5028	QUANTUM CONSULTING GROUP LLC	26,175.00	CONSULTING SERVICES	HEALTH HOMES
T2955	DELTA ELECTRIC INC.	26,050.00	BUILDING MAINTENANCE	CORPORATE SERVICES



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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5080	COURTNEY HILEMAN	25,000.00	COMPENSATION DISTRIBUTION	ADMINISTRATION
T4554	THE KEN BLANCHARD COMPANIES	24,891.00	TRAINING MATERIALS & MANAGER TRAINING COURSE	HUMAN RESOURCES
T4544	BARNES WEALTH MANAGEMENT GROUP	24,500.00	RETIREMENT PLAN CONSULTANTS	ADMINISTRATION
T2831	CREATIVE FINANCIAL STAFFING	24,007.14	TEMPORARY HELP	FINANCE
T5100	QUANTUMP, INC.	23,640.52	CONSULTING SERVICES	PROJECT MANAGEMENT
T3001	MERCER****	23,500.00	CONSULTING SERVICES	HUMAN RESOURCES
T5130	BUILDING ELECTRONIC CONTROLS, INC.****	22,972.10	ELECTRONIC SERVICES	CORPORATE SERVICES
T4932	SPECTRUM REACH (MEDIA)	22,531.19	ADVERTISEMENT - TELEVISION	MARKETING
T4674	STOCKDALE PLAZA OWNERS ASSOCIATION INC.	22,500.00	PARKING SPACE RENTAL	CORPORATE SERVICES
T4768	HEALTHCARE SUPPORT STAFFING, INC.****	22,483.26	DIRECT HIRE SERVICES	HUMAN RESOURCES
T4731	LOGMEIN USA, INC.	22,444.00	INTERNET SERVICES	MIS INFRASTRUCTURE
T4694	KELLY SERVICES, INC.	21,983.25	TEMPORARY HELP	VARIOUS
T5056	TRACI POWELL	20,746.42	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T5185	HOUSING AUTHORITY COUNTY OF KERN	20,100.00	CASE MANAGEMENT GRANT	UTILIZATION MANAGEMENT
T4708	HEALTH MANAGEMENT ASSOCIATES, INC.	19,678.07	CONSULTING SERVICES	ADMINISTRATION
T4585	DELANO UNION SCHOOL DISTRICT	19,500.00	SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T4605	KERNVILLE UNION SCHOOL DISTRICT	19,500.00	SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T3133	KENNETH JAMES TAYLOR	18,843.75	CONSULTING SERVICES	CAPITAL PROJECT
T4933	HOLLY J. CULHANE DBA PROFESSIONAL ADMINISTRATI	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



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Vendor No.	Vendor Name	Year-to-Date	Description	Department
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
T4230	COFFEE BREAK SERVICE, INC.	16,502.27	MISC. SUPPLIES-COFFEE, CREAMER, WATER	CORPORATE SERVICES
T1694	KERN COUNTY FAIR	16,384.00	2019 KHS COMPANY EVENT	MARKETING
T4934	APPLE INC.	16,300.68	COMPANY IPHONES FOR MANAGERS & 2019 EMPLOYEE ANNIVERSARY AWARDS	MIS INFRASTRUCTURE/HR
T5064	QUEST DIAGNOSTICS CLINICAL LABORATORIES, INC.	15,875.00	PROFESSIONAL SERVICES - DEVELOP DATA FEED SUPPORTING KERN'S HL7-24 DATA SPECIFICATIONS (EDIFEC)	MIS INFRASTRUCTURE
T4016	FIRST DATABANK, INC	15,515.00	PROFESSIONAL SERVICES- PROVIDES NATIONAL DRUG CODE NDC DATABASE WITH GENERIC CODE NUMBERS	MIS INFRASTRUCTURE
T2724	BLACK STONE ASPHALT CONSTRUCTION, INC	15,120.00	BUILDING MAINTENANCE	CORPORATE SERVICE
T1097	NCQA	15,105.00	HEALTHCARE EFFECTIVENESS DATA & INFORMATION SET (HEDIS MEASURE INDICATORS)	UTILIZATION MANAGEMENT/QI
T5155	A-C ELECTRIC COMPANY	14,772.89	BUILDING MAINTENANCE	CORPORATE SERVICES
T4523	BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA	14,233.58	EMPLOYEE PREMIUM	ADMINISTRATION
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
T2790	KERN COUNTY DEPT 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
T5052	JOSHUA HOSCH	12,322.02	TRAINING - NETWORKX PROJECT	MIS



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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4981	JOHN MILLER	12,310.59	PHYSICIAN MALPRACTICE INSURANCE POLICY	HUMAN RESOURCES
T2938	SAP AMERICA, INC	12,308.32	BUSINESS PROJECT ANNUAL MAINTENANCE	MIS INFRASTRUCTURE
T4239	COAST TO COAST COMPUTER PRODUCTS	12,291.02	COMPUTER PRODUCTS & SUPPLIES	CORPORATE SERVICES
T1644	BRIGHT HOUSE NETWORK	12,128.08	PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
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
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
T5193	SOUND CONTROL COMPANY****	11,192.93	ACCOUSTICAL WORK - BOB	CORPORATE SERVICES
T4227	FREESTYLE EVENTS SERVICES INC	11,065.00	GRAND OPENING SERVICES - 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
T1996	SEQUOIA SANDWICH CO	10,983.23	NON-TRAVEL MEALS - LUNCH MEETINGS	VARIOUS
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
T4983	LEGALSHIELD****	10,602.45	EMPLOYEE PAID VOLUNTARY COVERAGE	PAYROLL DEDUCTION
T2869	COMMUNITY ACTION PARTNERSHIP OF KERN	10,500.00	COMMUNITY GRANT	MARKETING
T1976	LUIGI'S	10,202.64	CATERING - GRAND OPENING NEW BUILDING	MARKETING
T2505	DERREL'S MINI STORAGE, INC.	10,078.10	OFF SITE STORAGE	CORPORATE SERVICES
T2287	CALIFORNIA WATER SERVICE	10,026.59	UTILITIES	CORPORATE SERVICES



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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T3087	PROJECT MANAGEMENT INSTITUTE, INC	10,018.00	TRAINING REGISTRATION, SYMPOSIUM	PROJECT MANAGEMENT OFFICE
T5012	KERN MEDICAL CENTER FOUNDATION	10,000.00	VALLEY FEVER INSTITUTE DONATION	MARKETING
T5071	WEST SIDE FAMILY HEALTH CARE	10,000.00	PROVIDER RECRUITMENT & RETENTION GRANT	COMMUNITY GRANTS
		<u>50,342,402.39</u>		
	TOTAL VENDORS OVER \$10,000	50,342,402.39		
	TOTAL VENDORS UNDER \$10,000	1,083,911.25		
	TOTAL VENDOR EXPENSES- NOVEMBER	<u>51,426,313.64</u>		

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



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Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH	439,420.58	4,683,871.04	NOVEMBER EMPLOYEE HEALTH BENEFITS	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	265,592.47	2,831,755.30	AUG., SEPT., & OCT., PROFESSIONAL SERVICES	CAPITAL PROJECT IN PROCESS/MIS
T2167	PG&E	247,510.25	579,390.65	STOCKDALE FINAL USAGE/UTILITIES - BUCK OWENS NEW BUILDING SEPT/OCT USAGE	CORPORATE SERVICES
T4237	FLUIDEDGE CONSULTING, INC.	155,180.30	1,747,912.80	OCT. CONSULTING SERVICES	VARIOUS
T4331	COTIVITI, INC***	144,650.88	144,650.88	QUALITY INTELLIGENCE ANNUAL LICENSE FEE	QUALITY IMPROVEMENT
T2726	DST PHARMACY SOLUTIONS, INC.	129,654.37	1,197,686.48	OCTOBER PHARMACY AND CLAIMS PROCESSING	PHARMACY
T1071	CLINICA SIERRA VISTA	94,396.10	358,849.18	JUN. 19 - AUG. 19 EMERGENCY ROOM DIVERSION GRANT	COMMUNITY GRANT
T4483	INFUSION AND CLINICAL SERVICES, INC.	88,162.17	593,531.22	MAY & JUN. HEALTH HOME GRANTS	COMMUNITY GRANTS
T4165	SHI INTERNATIONAL CO.	67,146.71	564,547.32	ANNUAL NIMBLE & FORCEPOINT LICENSE RENEWAL	MIS INFRASTRUCTURE
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	61,184.89	633,220.76	NOV. VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T4982	NGC US, LLC	45,692.64	573,502.57	PREFUND HEALTH EDUCATION INCENTIVES	VARIOUS
T5109	RAND EMPLOYMENT SOLUTIONS	45,405.32	118,032.15	OCT. TEMPORARY HELP - (11) MIS ; (4) MS; (1) UM (1) CLAIMS	VARIOUS
T3011	OFFICE ALLY, INC.	40,786.25	240,289.75	SEPT. & OCT. EDI CLAIM PROCESSING	CLAIMS
T4582	HEALTHX, INC.	40,376.00	465,696.00	NOV. MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T1272	COFFEY COMMUNICATIONS INC.	38,559.66	235,072.52	FALL 2019 MEMBER NEWSLETTER/ WEBSITE	HEALTH EDUCATION/MIS



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Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4193	STRIA LLC	31,169.53	396,358.53	OCT. OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T2584	UNITED STATES POSTAL SVC.-HASLER	30,000.00	180,000.00	POSTAGE-METERED	VARIOUS
T5026	TEL-TEC SECURITY SYSTEMS	28,066.04	295,749.11	INSTALLATION OF BURGLAR PHASE- SECURITY SYSTEM	CAPITAL PROJECT - NEW BUILDING
T2458	HEALTHCARE FINANCIAL, INC.	28,000.00	62,000.00	AUG. & SEPT. PROFESSIONAL SERVICES	ADMINISTRATION
T1189	APPLE ONE INC, EMPLOYMENT SERVICES	27,400.78	367,647.87	OCT. & NOV. TEMPORARY HELP - (4) MIS, (2) MS, (1) HE.	VARIOUS
T4733	UNITED STAFFING ASSOCIATES	24,768.98	140,653.99	OCT. & NOV. TEMPORARY HELP (2) MS, (1) MARKETING, (1) CORP. SVCS.	VARIOUS
T4546	LEVEL 3 COMMUNICATIONS, LLC	23,915.70	257,001.49	SEPT. DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T5145	CCS ENGINEERING FRESNO INC.,	23,783.36	78,566.98	OCT. & NOV. JANITORIAL SERVICES & PRESSURE WASHING SVCS.	CORPORATE SERVICES
T4768	HEALTHCARE SUPPORT STAFFING, INC.****	22,483.26	22,483.26	DIRECT HIRE SERVICES - CM MSW SUPERVISOR	HUMAN RESOURCES
T5130	BUILDING ELECTRONIC CONTROLS, INC.****	21,272.10	22,972.10	BUILDING MAINTENANCE & ANNUAL MONITORING	CORPORATE SERVICES
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	19,370.00	124,410.00	OCT. PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4460	PAYSPAN, INC	19,073.54	215,495.54	OCT. EXTERNAL CLAIMS PAYMENT PROCESSING & PPD REIMB CARD	FINANCE
T3001	MERCER****	17,000.00	23,500.00	SEPT. CONSULTING SERVICES	HUMAN RESOURCES
T4265	SIERRA SCHOOL EQUIPMENT COMPANY	15,919.25	272,001.71	NEW BUILDING FURNITURE-18 BOARD ROOM CHAIRS	CORPORATE SERVICES



NOVEMBER AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T5132	TIME WARNER CABLE LLC****	15,667.08	30,538.95	OCT. & NOV. INTERNET SERVICES	MIS INFRASTRUCTURE
T4696	ZNALYTICS, LLC	15,120.00	483,910.00	OCT. PROFESSIONAL SERVICES	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T2941	KERN PRINT SERVICES INC.	14,152.76	52,474.66	MEMBER DIRECT MAILINGS AND LETTERHEAD AND ENVELOPES, COMPLIANCE GUIDE	VARIOUS
T4396	KAISER FOUNDATION HEALTH-DHMO	13,749.43	209,574.23	NOV. EMPLOYEE HEALTH BENEFITS	VARIOUS
T1861	CERIDIAN HCM, INC.	12,853.20	177,506.28	NOVEMBER DAYFORCE HUMAN CAPITAL	HUMAN RESOURCES
T2969	AMERICAN BUSINESS MACHINES INC	12,601.09	88,139.20	OCT. & NOV. HARDWARE AND MAINTENANCE	CORPORATE SERVICES
T4785	COMMIGAP	12,370.00	107,780.00	OCT. INTERPRETATION SERVICES	HEALTH EDUCATION
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	12,147.12	127,936.10	NOV. EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	11,726.04	395,870.44	SEPT. & OCT. HPA & MAINTENANCE	VARIOUS
T5193	SOUND CONTROL COMPANY****	11,192.93	11,192.93	BUILDING MAINTENANCE	CORPORATE SERVICES
		<u>2,367,520.78</u>			
	TOTAL VENDORS OVER \$10,000	2,367,520.78			
	TOTAL VENDORS UNDER \$10,000	260,950.99			
	TOTAL VENDOR EXPENSES- NOVEMBER	<u>2,628,471.77</u>			

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

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
January							
J. Services	\$ 62,160.00	Yes	CS	Alonso Hurtado	Janitorial Services for Stockdale and Truxton	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 & maintenance	1/29/2019	1/28/2024
Poppoock Design	\$ 39,600.00	Yes	MRK	Louie Iurriria	Graphic Design of member, provider and marketing	1/1/2019	12/31/2019
ZeOmega	\$ 72,000.00	Yes	UM	Deborah Murr	Quote#792-Dedicated implementation manager for 3 months	1/1/2019	3/31/2019
ZeOmega	\$ 33,000.00	Yes	UM	Deborah Murr	Quote#827-Inclusion HHP site outreach rules & NOA language into JIVA MMP	1/29/2019	12/31/2019
CenturyLink	\$ 61,000.00	Yes	IT	Richard Pruitt	IG-3G connection for Buek Owens building	1/1/2019	12/31/2019
Quantum Consulting Group	\$ 31,000.00	Yes	HHP	Julie Worthing	Beverly Gibbs consulting services for HHP	1/3/2019	12/31/2019
Linkedin	\$ 52,000.00	Yes	HR	Anita Martin	Online training to manage learners	1/1/2019	1/1/2020
DLT	\$ 33,514.12	Yes	IT	Richard Pruitt	66 Spotlight SQL licenses w/ support co-termed	1/18/2019	1/31/2020
February							
LifeSigns	\$ 45,000.00	Yes	HE	Isabel Silva	ASL interpreting services for members	2/28/2019	2/27/2020
March							
KP	\$ 46,569.60	Yes	PR	Louie Iurriria	Printing and shipping of Provider Directories	3/8/2019	4/30/2019
CPAC, Inc.	\$ 38,199.52	Yes	IT	Richard Pruitt	IDF w/support and maintenance for new facility	3/8/2019	3/7/2025
April							
Univision	\$ 35,802.00	Yes	MRK	Louie Iurriria	Spanish TV Advertisements	4/1/2019	11/30/2019
SIS Building Maintenance	\$ 81,550.00	Yes	CS	Alonso Hurtado	Professional janitorial services	4/15/2019	10/31/2019
Cognizant	\$ 59,692.86	Yes	IT	Richard Pruitt	Professional services for NetworkX pricer, PCR#1	4/15/2019	5/17/2019
ZeOmega	\$ 72,000.00	Yes	UM	Deborah Murr	Quote#854, Implementation Manager resource	4/1/2019	6/30/2019
Nexstar	\$ 41,990.00	Yes	MRK	Louie Iurriria	English & Spanish TV commercials	4/1/2019	11/30/2019
Scripps	\$ 35,995.00	Yes	MRK	Louie Iurriria	Airing English & Spanish TV commercials	4/1/2019	11/30/2019
Lamar Transit	\$ 37,910.48	Yes	PR	Louie Iurriria	GET Bus Advertisement	4/15/2019	11/24/2019
Eliza Corporation	\$ 57,000.00	Yes	HE	Michael Pitts	HRA project for outreach of SPD members	4/26/2019	4/25/2020
May							
SHI	\$ 41,328.97	Yes	IT	Richard Pruitt	Cisco licenses co-termed	5/23/2019	5/22/2020
American Business Machine	\$ 47,735.00	Yes	IT	Richard Pruitt	4 Multi-functional printers for UM, MRKT, MS	5/23/2019	9/30/2019
SHI	\$ 86,238.14	Yes	IT	Richard Pruitt	Cisco phones for new BLDG	5/23/2019	5/23/2022
June							
Milliman, Inc	\$ 50,000.00	Yes	ACCT	Robin Plumb	Auctional services-Amendment#1	6/1/2019	6/1/2020
Language Line	\$ 70,000.00	Yes	HE	Isabel Silva	Interpreting services for members	6/15/2019	6/14/2020
SHI	\$ 34,412.00	Yes	IT	Richard Pruitt	Four (4) new VMware & Veeam licenses for new building	6/21/2019	6/20/2024
July							
Connagap	\$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 benefits study	7/29/2019	7/28/2020
August							
CPAC, Inc.	\$85,005.31	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
September							
Integrated Healthcare Associa	\$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
October							
Agility	\$41,252.40	Yes	MS	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
November							
Adobe, Inc.	\$36,000.00	Yes	MS	Nate Scott	Knowledge Management & Performance Support Solution (Robo help)	11/27/2019	11/26/2022
December							
VOX	\$99,787.80	Yes	IT	Richard Pruitt	Workforce management license renewal qtr70	12/2/2019	12/1/2022
Sentinel	\$57,295.04	Yes	IT	Richard Pruitt	Juniper Network switches maintenance & support co-termed	12/13/2019	6/30/2021
Sentinel	\$74,963.34	Yes	IT	Richard Pruitt	Juniper Optics	12/16/2019	12/15/2020
Dell	\$58,243.97	Yes	IT	Richard Pruitt	19 Custom Precision laptops for employees	12/17/2019	12/16/2023

2019 TECHNOLOGY CONSULTING RESOURCES																	
ITEM #	PROJECT	CAP/EXP	BUDGET	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YTD TOTAL	REMAINING BALANCE
	Project Name																
1	COBA	EXP	\$18,500	\$18,500												\$18,500	\$0
2	QI Site	CAP	\$9,300	\$3,600	\$3,600											\$7,200	\$2,100
3	Miflex	CAP	\$34,860	\$15,860	\$760	\$0										\$18,140	\$18,140
4	Health Home Program Expansion	CAP	\$137,673	\$19,320	\$45,400	\$26,460										\$91,183	\$46,993
5	Medical Management	CAP	\$851,700	\$55,560	\$69,920	\$72,230	\$75,005	\$77,370	\$28,800	\$19,950	\$21,600	\$35,505	\$7,560			\$455,900	(\$36,900)
6	Diabetes Prevention Program (DPP)	CAP	\$280,403	\$19,980	\$20,520	\$21,600	\$0									\$62,100	\$218,903
7	Hospital Directed Payments (HDP)	EXP	\$28,305	\$16,490	\$680	\$0										\$8,535	\$2,550
8	Corporate Website Support	EXP	\$52,290	\$0	\$0	\$0	\$0	\$0	\$16,800	\$0	\$0	\$0				\$16,800	\$35,490
9	New Building Move	CAP	\$611,800	\$47,626	\$44,936	\$46,321	\$52,842	\$88,286	\$89,789	\$75,860	\$71,050	\$78,960	\$25,156	\$26,513		\$647,338	(\$35,338)
10	2019 HHP State Alignment	CAP	\$240,000	\$0	\$0	\$16,720	\$15,960	\$36,648	\$29,478	\$15,960	\$42,860	\$16,340	\$42,860	\$37,525		\$211,490	\$28,510
11	Internal Dashboards (4)	CAP	\$628,363	\$32,640	\$43,320	\$47,880	\$48,720	\$42,720	\$42,000	\$48,720	\$77,952	\$49,200	\$38,328	\$29,640		\$501,120	\$127,243
12	Member Engagement - Pre and Post Notal	CAP	\$72,961			\$5,250	\$0	\$0	\$0	\$0	\$0					\$5,250	\$67,711
13	Computer Assisted Translation Tool	CAP	\$19,915			\$0	\$0	\$0	\$0	\$0						\$0	\$19,915
14	Telehealth-Consulting/Referrals	EXP	\$59,581			\$5,250	\$0	\$0	\$0	\$0						\$5,250	\$54,331
15	GES Upgrade	EXP	\$33,000			\$0	\$0	\$0	\$0	\$0			\$30,000			\$3,000	\$30,000
16	Orchestrator Job Migration Cont.	EXP	\$103,950			\$0	\$0	\$0	\$0	\$18,480	\$18,060	\$16,170	\$43,680	\$7,560		\$103,950	\$0
17	2D Profiling Internal Management (CE)	CAP	\$300,930			\$0	\$0	\$0	\$10,117	\$15,280	\$19,200	\$19,200	\$27,080	\$11,520		\$114,517	\$186,413
18	APM/Network Modeler and Prier - Professional	CAP	\$281,781	\$24,480	\$29,458	\$29,278	\$28,800	\$50,586	\$37,476	\$28,512	\$17,430	\$14,331	\$0	\$0		\$260,350	\$21,431
19	Microsoft Server Upgrades	EXP	\$8,800			\$0	\$0	\$0	\$0	\$8,400	\$6,400					\$16,800	\$42,000
20	Call Center Knowledge Management Solution	CAP	\$8,715			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$8,715	\$0
21	CACTUS Upgrade	CAP	\$227,188			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$227,188
22	KHS Black	EXP	\$11,200			\$0	\$0	\$0	\$0	\$0	\$1,120	\$10,080				\$11,200	\$0
23	SD/ABA	EXP	\$85,225			\$0	\$0	\$0	\$0	\$0	\$2,415	\$0	\$0	\$8,085		\$10,500	\$74,725
24	HRIS Quality Measures Revisions	EXP	\$75,325			\$18,480	\$14,280	\$0	\$15,130	\$0	\$0	\$0	\$0	\$0		\$47,890	\$27,435
25	RDT Reconciliation	EXP	\$24,150			\$18,480	\$13,861	\$0	\$13,861	\$0	\$0	\$0	\$0	\$0		\$15,861	\$8,310
26	Staff Augmentation	EXP	\$1,545,834	\$109,494	\$109,494	\$199,870	\$223,768	\$151,186	\$104,198	\$131,861	\$137,276	\$130,728	\$144,972	\$79,579		\$1,620,445	(\$74,611)
Totals:			\$5,321,752	\$403,669	\$423,087	\$454,139	\$445,855	\$436,226	\$372,830	\$410,860	\$403,623	\$369,019	\$368,886	\$210,501	\$0	\$4,298,695	\$1,023,057



To: KHS Board of Directors
From: Robert Landis, CFO
Date: February 13, 2020
Re: 2019 Annual Report for Travel

Background

Kern Health Systems Employee Travel and Expense Reimbursement Policy requires an annual report (attached) to be submitted to the KHS Board of Directors.

Discussion

KHS encourages employees to attend conferences and seminars to:

1. Obtain updated information on key issues that they are concerned about.
2. Interact with other health plans that may be experiencing similar issues and problems and to solve those issues together.
3. Have issues addressed on a specific topic by recognized experts who are up to date with the latest developments in the field.
4. Evaluate the latest technologies that can potentially help make KHS more efficient.
5. Learn about facts and statistics that will help employees better understand the changing dynamics in the healthcare industry.

Examples of KHS travel include attending meetings with State regulators such as DHCS & DMHC, attending trade association conferences, participating on vendor advisory boards and professional education and training seminars.

During 2019 \$30,864 was spent on regulatory or trade association travel, \$38,888 was spent on professional development and training travel, \$45,716 was spent on conference attendance travel and \$16,979 in Other travel primarily relating to an out of area employee's travel to Bakersfield for onsite configuration to implement additional auto adjudication enhancements and to reduce the manual pricing of claims. The total travel expenses incurred for 2019 was \$132,447 which was approximately \$7,600 more than the prior year. The majority of this increase relates to the aforementioned onsite configuration requirements that resulted in a reduction in manual pricing of claims and an increase in the adjudication of claims.

Requested Action

Receive and File.



EMPLOYEE TITLE	CONFERENCE/TITLE	REGULATORY OR TRADE ASSOC. (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (O)	IN COUNTY (In), OUT OF COUNTY (Out), OR OUT OF STATE (OS)	LOCATION	START DATE	END DATE	FARE & LODGING	MEALS	TOTAL AMOUNT SPENT
1 Chief Executive Officer	Local Health Plans of California: January Board Meeting & Strategic Retreat	R	Out	Napa, CA	1/9/2019	1/11/2019	1,404.69	181.50	1,586.19
2 Chief Executive Officer	California Department of Health Care Services Meeting	R	Out	Sacramento, CA	1/30/2019	2/1/2019	931.38	165.00	1,096.38
3 Chief Executive Officer	California Association of Health Plan 2019 Seminar Series: Encounter Data in the Medi-Cal Program	P	Out	Burbank, CA	2/26/2019	2/27/2019	398.49	66.00	464.49
4 Chief Operating Officer	California Association of Health Plans: 2019 Seminar Series: Encounter Data in the Medi-Cal Program	P	Out	Burbank, CA	2/26/2019	2/27/2019	352.84	49.50	402.34
5 Chief Executive Officer	Spring Medicare/MLTSS, Board & Marketplace Meeting	R	Out	San Francisco, CA	3/10/2019	3/14/2019	1,801.62	228.00	2,029.62
6 Chief Operating Officer	Local Health Plans of California: Quarterly COO Meeting	R	Out	Scotts Valley, CA	3/21/2019	3/22/2019	295.22	76.25	371.47
7 Chief Executive Officer	Local Health Plans of California: All Plan CEO Meeting	R	Out	Sacramento, CA	3/26/2019	3/27/2019	405.96	-	405.96
8 Chief Operating Officer	Inland Empire Health Plan: Lean Conference Expo	C	Out	Rancho Cucamonga, CA	4/11/2019	4/12/2019	397.00	61.00	458.00
9 Chief Financial Officer	Local Health Plans of California: CFO Meeting	R	Out	Rancho Cucamonga, CA	5/16/2019	5/17/2019	336.72	45.75	382.47
10 Chief Executive Officer	Local Health Plans of California: May Board Meeting	R	Out	Sacramento, CA	5/19/2019	5/20/2019	235.91	99.00	334.91
11 Chief Executive Officer	California Association of Health Plans: Social Determinants of Health	P	Out	Burbank, CA	5/28/2019	5/29/2019	477.96	49.50	527.46
12 Chief Executive Officer	Association for Community Affiliated Plans: CEO Summit 2019	R	OS	Washington, DC	6/14/2019	6/21/2019	1,724.69	209.00	1,933.69
13 Chief Financial Officer	Meeting & Local Health Plans of California: CFO Meeting	R	Out	Sacramento, CA	6/19/2019	6/20/2019	302.13	82.50	384.63
14 Chief Operating Officer	Local Health Plans of California: COO Quarterly Meeting	R	Out	Orange, CA	6/20/2019	6/21/2019	381.94	82.50	464.44
15 Chief Executive Officer	Department of Health Care Services: Pharmacy Carve Out Meeting	R	Out	Sacramento, CA	7/23/2019	7/24/2019	258.22	82.50	340.72
16 Chief Executive Officer	Local Health Plans of California: August Board Meeting	R	Out	Sacramento, CA	8/18/2019	8/19/2019	704.20	99.00	803.20
17 Chief Executive Officer	Connect19-11th Annual Health Plan Consumer Experience & Retention Track	C	OS	Boston, MA	9/19/2019	9/24/2019	568.75	-	568.75
18 Chief Operating Officer	Local Health Plans of California: Quarterly COO Meeting	R	Out	Fairfield, CA	10/3/2019	10/4/2019	469.69	68.75	538.44
19 Chief Operating Officer	California Association of Health Plans: 34th Annual Conference	C	Out	Palm Desert, CA	10/20/2019	10/23/2019	1,228.36	129.36	1,357.72
20 Chief Executive Officer	California Association of Health Plans: 34th Annual Conference	C	Out	Palm Desert, CA	10/20/2019	10/23/2019	1,426.87	162.36	1,589.23

KERN • HEALTH SYSTEMS

EMPLOYEE TITLE	CONFERENCE TITLE	REGULATORY OR TRADE ASSOC. (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (O)	IN COUNTY (In), OUT OF COUNTY (Out), OR OUT OF STATE (OS)	LOCATION	START DATE	END DATE	FARE & LODGING	MEALS	TOTAL AMOUNT SPENT
21 KHS Board of Director	California Association of Health Plans: 34th Annual Conference	C	Out	Palm Desert, CA	10/20/2019	10/23/2019	957.38	82.50	1,039.88
22 Chief Financial Officer	California Association of Health Plans: 34th Annual Conference	C	Out	Palm Desert, CA	10/20/2019	10/23/2019	1,003.14	82.50	1,085.64
23 Chief Operating Officer	Association for Community Affiliated Plans: 2019 Fall Chief, Board and CMO/Quality Meetings	R	OS	Providence, RI	11/1/2019	11/6/2019	1,713.29	152.50	1,865.79
24 Chief Executive Officer	Association for Community Affiliated Plans: 2019 Fall Chief, Board and CMO/Quality Meetings	R	OS	Providence, RI	11/4/2019	11/9/2019	1,667.95	115.06	1,783.01
25 Chief Executive Officer	Inland Empire Health Plan Mission Conference	C	Out	Rancho Cucamonga, CA	11/13/2019	11/15/2019	376.45	106.75	483.20
26 Chief Executive Officer	Local Health Plans of California: Quarterly All Plan CEO Meeting	R	Out	Sacramento, CA	12/17/2019	12/18/2019	6.00	115.50	121.50
27 Chief Financial Officer	Local Health Plans of California: Quarterly All Plan CFO Meeting	R	Out	Sacramento, CA	12/18/2019	12/18/2019	50.92	66.00	116.92
28 Specialist Bilingual	Local Health Plans of California Course: Medical Managed Care 101	P	Out	Sacramento, CA	2/10/19	2/11/2019	242.63	-	242.63
29 Member Services Supervisor	Local Health Plans of California Course: Medical Managed Care 101	P	Out	Sacramento, CA	2/10/19	2/11/2019	316.81	82.50	399.31
30 Database Management Supervisor	Local Health Plans of California Course: Medical Managed Care 101	P	Out	Sacramento, CA	2/10/19	2/11/2019	242.63	82.50	325.13
31 Medical Director	Local Health Plans of California Course: Medical Managed Care 101	P	Out	Sacramento, CA	2/10/19	2/11/2019	568.59	99.00	667.59
32 Sr. Project Manager	Local Health Plans of California Course: Medical Managed Care 101	P	Out	Sacramento, CA	2/10/19	2/11/2019	563.90	82.50	646.40
Executive Total							21,812.33	3,004.78	24,817.11
33 Accounting Supervisor	Milliman Healthcare Training Seminar	P	OS	Fort Lauderdale, FL	10/12/2019	10/17/2019	1,171.13	255.42	1,426.55
34 Accounting Supervisor	Milliman Healthcare Training Seminar	P	OS	Fort Lauderdale, FL	10/12/2019	10/17/2019	1,299.42	255.42	1,554.84
Various: Assistant Controller (1), Accounting Manager (1), Accounting Supervisor (1)	Local Health Plans of California Course: Medi-Cal Managed Care Finance 201: Inside the Rate-Setting Process	P	Out	Orange, CA	12/3/2019	12/3/2019	25.01	-	25.01
Finance Total							2,495.56	510.84	3,006.40



EMPLOYEE TITLE	CONFERENCE TITLE	REGULATORY OR TRADE ASSOC. (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (O)	IN COUNTY (In), OUT OF COUNTY (Out), OR STATE (OS)	LOCATION	START DATE	END DATE	FARE & LODGING	MEALS	TOTAL AMOUNT SPENT
Director of Technical Operations	Annual QNXT User Group Board Meeting	P	OS	Las Vegas, NV	1/20/2019	1/24/2019	1,588.41	244.00	1,832.41
Configuration Analyst IV - Remote	Configuration- KHS Onsite Meetings	O	In	Bakersfield, CA	2/3/2019	2/8/2019	1,291.08	555.45	1,846.53
Chief Information Officer	Local Health Plans of California: 2019 1st Quarter CIO Onsite Meeting	R	Out	San Jose, CA	2/21/2019	2/22/2019	747.58	115.50	863.08
Configuration Analyst IV	Configuration- KHS Onsite Meetings with Remote Employee	O	In	Bakersfield, CA	3/3/2019	3/8/2019	1,304.99	305.00	1,609.99
Configuration Analyst IV - Remote	Configuration- KHS Onsite Meetings	O	In	Bakersfield, CA	3/17/2019	3/22/2019	1,713.81	320.25	2,034.06
Database Administrator IV	Microsoft Cloud Immersion Experience	P	Out	Irvine, CA	3/21/2019	3/21/2019	176.32	46.86	223.18
Various: Senior Network Systems Administrator IV (1), Database Administrator IV (2)	Rubrik Hands-on Technical Training Lab	P	Out	Los Angeles, CA	4/5/2019	4/5/2019	-	41.58	41.58
Director of Development	California Association of Health Plans: Improving Health Care Using Technology	P	Out	Burbank, CA	4/18/2019	4/18/2019	-	46.86	46.86
Chief Information Officer	LHPCIO- Inland Empire Health Plan Regional Health Technology Summit	P	Out	Rancho Cucamonga, CA	5/15/2019	5/16/2019	144.51	30.50	175.01
Director of Development	LHPCIO- Inland Empire Health Plan Regional Health Technology Summit	P	Out	Rancho Cucamonga, CA	5/15/2019	5/16/2019	187.31	30.50	217.81
Director of Technical Operations	2019 Cognizant Healthcare Conference	C	OS	New Orleans, LA	5/18/2019	5/23/2019	1,573.38	443.75	2,017.13
Configuration Analyst IV - Remote	Configuration- KHS Onsite Meetings	O	In	Bakersfield, CA	6/4/2019	6/8/2019	1,083.07	259.25	1,342.32
Director of Development	Local Health Plans of California: Medi-Cal Managed Care Finance 101	P	Out	Rancho Cucamonga, CA	6/16/2019	6/17/2019	394.54	91.50	486.04
Configuration Analyst IV	Configuration- KHS Onsite Meetings with Remote Employee	O	In	Bakersfield, CA	7/21/2019	7/29/2019	1,660.26	289.75	1,950.01
Systems Administrator II	Disaster Recovery Site Closure	O	Out	Fresno, CA	8/15/2019	8/16/2019	121.64	66.00	187.64
Help Desk Analyst II	Disaster Recovery Site Closure	O	Out	Fresno, CA	8/15/2019	8/16/2019	155.79	66.00	221.79
Configuration Analyst IV	2019 Cognizant Fall Customer Conference	C	OS	Chicago, IL	9/15/2019	9/18/2019	1,489.30	186.96	1,676.26
Configuration Analyst IV	Configuration- KHS Onsite Meetings with Remote Employee	O	In	Bakersfield, CA	9/22/2019	9/27/2019	2,108.27	427.00	2,535.27
Chief Information Officer	California Association of Health Plans: 34th Annual Conference	C	Out	Palm Desert, CA	10/20/2019	10/23/2019	612.07		612.07
Configuration Analyst IV - Remote	Configuration- KHS Onsite Meetings	O	In	Bakersfield, CA	10/20/2019	10/25/2019	1,786.30	320.25	2,106.55



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56 Database Administrator IV Database Development Supervisor	PASS Summit 2019	C	OS	Seattle, WA	11/5/2019	11/8/2019	293.60	240.92	534.52
57 Configuration Analyst IV - Remote	PASS Summit 2019	C	OS	Seattle, WA	11/5/2019	11/8/2019	293.60	240.92	534.52
58 System Configuration Supervisor - Remote	Configuration- KHS Onsite Meetings	O	In	Bakersfield, CA	12/8/2019	12/12/2019	1,145.57	370.25	1,465.82
59	KHS Onsite Meeting- New Employee Training	O	In	Bakersfield, CA	12/9/2019	12/15/2019	1,267.09	411.75	1,678.84
MIS Total									
60 Business Intelligence Supervisor	2019 Johns Hopkins ACG System Spring Training Conference	C	Out	Indian Wells, CA	4/28/19	4/30/2019	412.16	66.00	478.16
61 Business Intelligence Analyst II	2019 Johns Hopkins ACG System Spring Training Conference	C	Out	Indian Wells, CA	4/28/19	4/30/2019	690.56	66.00	756.56
62 Director of Business Intelligence Data Analytics and Reporting	California Association of Health Plans: Improving Health Care Using Technology	P	Out	Burbank, CA	4/18/2019	4/18/2019	65.13	46.86	111.99
63 Supervisor	Open Data Science Conference	C	Out	Burlingame, CA	10/28/19	11/1/2019	1,187.35	297.00	1,484.35
64 Supervisor	Medi-Cal Managed Care Finance 201: Inside the Rate-Setting Process	P	Out	Orange, CA	12/2/2019	12/2/2019	8.33	-	8.33
Business Intelligence Total									
65 Director of Claims	Local Health Plans of California: Claims Meeting	R	Out	San Jose, CA	1/24/2019	1/25/2019	439.23	66.00	505.23
66 Deputy Director of Claims	2019 Cognizant Healthcare Conference	C	OS	New Orleans, LA	5/19/2019	5/23/2019	1,606.28	248.50	1,854.78
67 Director of Claims Improvement Program Manager	Local Health Plans of California: Quarterly Claim Director Meeting	R	Out	Alameda, CA	7/18/2019	7/19/2019	306.24	66.00	372.24
68	2019 Cognizant Fall Customer Conference	C	OS	Chicago, IL	9/15/2019	9/18/2019	1,627.64	247.00	1,874.64
69 Deputy Director of Claims	2019 Cognizant Fall Customer Conference	C	OS	Chicago, IL	9/15/2019	9/18/2019	1,705.53	247.00	1,952.53
Claims Total									
								874.50	6,559.42



EMPLOYEE TITLE	CONFERENCE/TITLE	REGULATORY OR TRADE ASSOC. (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (O)	IN COUNTY (In), OUT OF COUNTY (Out), OR STATE (OS)	LOCATION	START DATE	END DATE	FARE & LODGING	MEALS	TOTAL AMOUNT SPENT
Director Government Affairs and Business Development	California Association of Health Plans: 7th State Program Committee Meeting	R	Out	Sacramento, CA	2/6/2019	2/7/2019	722.21	82.50	804.71
Director Government Affairs and Business Development	Local Health Plans of California: 2019 Legislative & Agency Staff Briefing	R	Out	Sacramento, CA	2/25/2019	2/26/2019	779.64	82.50	862.14
Director Government Affairs and Business Development	Association for Community Affiliated Plans: Spring Board Meeting	R	Out	San Francisco, CA	3/12/19	3/13/2019	721.44	76.00	797.44
Director Government Affairs and Business Development	California Association of Health Plans: State Program Committee Meeting	R	Out	Rancho Cucamonga, CA	4/26/2019	4/26/2019	174.00	12.81	186.81
Director Government Affairs and Business Development	Association for Community Affiliated Plans: Legislative Fly-in Board Meeting	R	OS	Washington, DC	6/18/2019	6/21/2019	1,502.16	171.00	1,673.16
75 Senior Project Manager	Local Health Plans of California: Medi-Cal Managed Care Finance 101	P	Out	Rancho Cucamonga, CA	6/16/2019	6/17/2019	338.19	76.25	414.44
76 Project Manager II	Local Health Plans of California: Media-Cal Managed Care Finance 101	P	Out	Rancho Cucamonga, CA	7/16/2019	7/17/2019	307.31	76.25	383.56
Director Government Affairs and Business Development	State Programs Committee (SPC)	P	Out	San Francisco, CA	7/6/2019	8/7/2019	708.00	95.00	803.00
Director Government Affairs and Business Development	Department of Health Care Services: All Plan CEO Meeting	R	Out	Sacramento, CA	9/3/2019	9/4/2019	514.84	82.50	597.34
79 Project Management Supervisor	Project Management Institute: Global Conference 2019	C	OS	Philadelphia, PA	10/4/2019	10/8/2019	2,083.41	206.18	2,289.59
80 Project Manager II	Project Management Institute: Global Conference 2019	C	OS	Philadelphia, PA	10/4/2019	10/8/2019	2,191.84	206.18	2,398.02
81 Project Manager II	Project Management Institute: Global Conference 2019	C	OS	Philadelphia, PA	10/4/2019	10/8/2019	1,702.71	206.18	1,908.89
82 Project Management Supervisor	Local Health Plans of California: PMO Subcommittee in Person Meeting	R	Out	Scotts Valley, CA	10/14/2019	10/15/2019	432.13	76.25	508.38
Director Government Affairs and Business Development	Local Health Plans of California: PMO Subcommittee in Person Meeting	R	Out	Scotts Valley, CA	10/14/2019	10/15/2019	432.13	76.25	508.38
Director Government Affairs and Business Development	California Association of Health Plans: 34th Annual Conference	C	Out	Palm Desert, CA	10/20/2019	10/23/2019	1,172.68	112.86	1,285.54
Director Government Affairs and Business Development	Project Management Institute: Symposium Gaylord Rockies Resort and Convention Center	P	OS	Denver, CO	11/3/2019	11/6/2019	1,389.88		1,389.88
86 Project Management Supervisor	Project Management Institute: Symposium Gaylord Rockies Resort and Convention Center	P	OS	Denver, CO	11/3/2019	11/6/2019	735.49	240.92	976.41
Director Government Affairs and Business Development	Association for Community Affiliated Plans Meeting	R	OS	Providence, RI	11/4/2019	11/6/2019	1,285.35	91.50	1,376.85
Project Management Total							17,193.41	1,971.13	19,164.54

KERN HEALTH SYSTEMS

EMPLOYEE TITLE	CONFERENCE TITLE	REGULATORY OR TRADE ASSOC. (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (O)	IN COUNTY (In), OUT OF COUNTY (Out), OR OUT OF STATE (OS)	LOCATION	START DATE	END DATE	FARE & LODGING	MEALS	TOTAL AMOUNT SPENT
88 Senior Director of Health Services	California Association of Health Plans: Social Determinants of Health	P	Out	Burbank, CA	5/29/2019	5/29/2019	134.00	33.00	167.00
89 Medical Director - Remote	Department of Managed Healthcare- Department of Health Care Services Audit at KHS	R	In	Bakersfield, CA	8/5/2019	8/14/2019	310.88	518.50	829.38
90 Chief Medical Officer	Rise West Silver Leadership Conference	C	Out	Coronado, CA	9/8/2019	9/11/2019	1,272.76	248.50	1,521.26
91 Medical Director Remote	Continuing MedEd (CME)- Professional License Maintenance	P	Out	Monterrey, CA	9/19/2019	9/22/2019	1,934.58	304.00	2,238.58
92 Medical Director, Case Management	Managed Care Quality & Monitoring Division Medical Directors Meeting & Department of Health Care Services Quality Conference	C	Out	Sacramento, CA	10/28/2019	10/31/2019	880.77	162.36	1,043.13
Health Services - UM Total									
4,532.99 1,266.36 5,799.35									
93 Quality Improvement Nurse	Local Health Plans of California: Medi-Cal Managed Care Quality Improvement	P	Out	Orange, CA	5/5/2019	5/6/2019	132.23	82.50	214.73
94 Director of Quality Improvement	Local Health Plans of California: Medi-Cal Managed Care Quality Improvement	P	Out	Orange, CA	5/5/2019	5/6/2019	-	82.50	82.50
95 Director of Quality Improvement	County Organized Health Systems Quarterly Meeting	R	Out	Fairfield, CA	6/9/2019	6/10/2019	336.60	68.75	405.35
Various: HEDIS RN (1), Quality Improvement Nurse II (1), Quality Improvement Nurse (1), Quality Improvement Nurse 96 (2)	Inter-Rater Reliability Workshop: Requirement for Site Review Re-Certification Conference	C	Out	Orange, CA	9/25/2019	9/27/2019	1,148.82	660.00	1,808.82
97 Director of Quality Improvement	HealthCare Quality Congress	P	OS	Dallas, TX	10/1/2019	10/4/2019	1,106.17	209.22	1,315.39
98 Director of Quality Improvement	County Organized Health Systems/Two plan MCP Health Services Meeting	R	Out	Santa Cruz, CA	10/6/2019	10/4/2019	474.26	91.50	565.76
99 Director of Quality Improvement	Local Health Plans of California: Quality Group	R	Out	Orange, CA	10/23/2019	10/24/2019	296.53	99.00	395.53
100 Director of Quality Improvement	California Department of Health Care Services: Health Equity Conference	C	Out	Sacramento, CA	10/29/2019	10/30/2019	940.19	82.50	1,022.69
Health Services - QM/QI Total									
4,434.80 1,375.97 5,810.77									



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101. Administrative & Support Supervisor	Health Education & Cultural & Linguistics Work-Group Meeting	P	Out	Sacramento, CA	2/6/2019	2/7/2019	589.82	148.50	738.32
102. Administrative & Support Supervisor	California Healthcare Interpreting Association (CHIA) Conference	C	Out	Sacramento, CA	3/7/2019	3/9/2019	708.66	148.50	857.16
103. Member Health Educator	Coalition Partner's Training	P	Out	Pacific Grove, CA	3/8/2019	3/10/2019		76.00	76.00
104. Member Health Educator	Health Literacy Conference	C	Out	Costa Mesa, CA	4/30/2019	5/3/2019	723.66	198.00	921.66
105. Senior Member Health Educator	Department of Health Care Services: Managed Care Quality & Monitoring Division	P	Out	Sacramento, CA	5/1/2019	5/2/2019	453.77	82.50	536.27
106. Director of Health Education	Local Health Plans of California: Medi-Cal Managed Care Quality Improvement	P	Out	Orange, CA	5/5/2019	5/6/2019	132.23	82.50	214.73
107. Senior Member Health Educator	2019 Community Action to Fight Asthma: Asthma Summit	P	Out	Sacramento, CA	5/6/2019	5/8/2019	547.05	132.00	679.05
108. Member Health Educator	Central Valley Hispanic/Latino Adult Leadership Summit	P	Out	Fresno, CA	5/30/2019	6/1/2019	230.72	132.00	362.72
109. Director of Health Education	10th Biennial Childhood Obesity Conference	C	Out	Anaheim, CA	7/14/2019	7/18/2019	1,159.84	264.00	1,423.84
110. Member Health Educator	10th Biennial Childhood Obesity Conference	C	Out	Anaheim, CA	7/15/2019	7/18/2019	650.40	214.50	864.90
111. Director of Health Education	Medi-Cal Managed Care Division Health Education & Cultural & Linguistics Workgroup	P	Out	Sacramento, CA	7/31/2019	8/2/2019	330.60	132.00	462.60
112. Senior Member Health Educator	The Valley Air Pollution Health Effects Research Symposium	C	Out	Fish Camp, CA	11/6/2019	11/8/2019	193.72	129.96	323.68
Health Services - Health Ed Total									
113. Director of Pharmacy	Medicaid Managed Care: Pharmacy & Clinical Roundtable	P	Out	Rancho Cucamonga, CA	2/19/2019	2/20/2019	294.91	91.50	386.41
114. Director of Pharmacy	National Pharmacy Convention	P	OS	Seattle, WA	3/21/2019	3/26/2019	2,020.82	456.00	2,476.82
115. Director of Pharmacy	Department of Health Care Services: RX Director Semi-Annual Meeting	R	Out	Sacramento, CA	4/17/2019	4/18/2019	643.24	80.00	723.24
116. Director of Pharmacy	Department of Health Care Services: DUR meeting, "Best Practices"	R	Out	Sacramento, CA	5/20/2019	5/21/2019	638.78	99.00	737.78
117. Director of Pharmacy	Department of Health Care Services: RX Director Meeting	R	Out	Sacramento, CA	11/12/2019	11/13/2019	814.14	99.00	913.14
Health Services - Pharmacy Total							4,411.89	825.50	5,237.39



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118 Manager of Case Management	California Association of Health Plans: Social Determinants of Health	P	Out	Burbank, CA	5/29/2019	5/29/2019	231.65	46.80	278.45
119 Manager of Case Management	Integrated Case Management Training Program	P	OS	Las Vegas, NV	6/7/2019	6/10/2019	923.46	198.25	1,121.71
120 Director of Case Management & Disease Management	Case Management Society of America 29th Annual Conference & Expo.	C	OS	Las Vegas, NV	6/10/2019	6/14/2019	1,205.37	289.75	1,495.12
121 Manager of Case Management	Local Health Plans of California: Local Health Plan Strategies, Experiences & Insights	R	Out	Sacramento, CA	7/7/2019	7/8/2019	701.24	165.00	866.24
122 Social Worker MSW Supervisor	7th Annual Trauma Conference	C	Out	Santa Cruz, CA	10/3/2019	10/4/2019	602.78	91.50	694.28
123 Director of Case Management & Disease Management	County Organized Health Systems/Two plan MCP Health Services Meeting	R	Out	Sacramento, CA	10/6/2019	10/7/2019	191.22	91.50	282.72
124 Manager of Case Management	mPluse Mobile Activate 2019	C	Out	Marina del Rey, CA	10/9/2019	10/10/2019	454.52	66.00	520.52
125 Manager of Case Management	Institute for High Quality Care-Addressing The Social Needs of Patients	P	Out	Los Angeles, CA	10/15/2019	10/15/2019	131.08	46.86	177.94
126 Director of Case Management & Disease Management	Medi-Cal Managed Care Finance 201: Inside the Rate-Setting Process	P	Out	Orange, CA	12/2/2019	12/3/2019	162.40	46.86	209.26
Health Services - Case Management Total									
127 Provider Relations Contracting Manager	14th National Value-Based Payment & Pay for Performance Summit	P	Out	Los Angeles, CA	2/24/2019	2/27/2019	909.50	214.50	1,124.00
128 Provider Relations Contracting Manager	14th National Value-Based Payment & Pay for Performance Summit	P	Out	Los Angeles, CA	2/24/2019	2/27/2019	656.01	214.50	870.51
129 Credentialing Coordinator	CAMSS Credentialing Specialist (CPCS) Certification Workshop Spring 2019	P	Out	Whittier, CA	4/27/2019	4/27/2019	-	46.86	46.86
130 Credentialing Coordinator	CAMSS Credentialing Specialist (CPCS) Certification Workshop Spring 2019	P	Out	Whittier, CA	4/27/2019	4/27/2019	156.60	46.86	203.46
131 Provider Relations Manager	RISE National Women's Leadership Summit for Healthcare	P	Out	San Diego, CA	4/30/2019	4/30/2019	304.20	159.75	463.95
132 Credentialing Supervisor	CAMSS Annual Educational Conference	C	Out	Los Angeles, CA	5/22/2019	5/25/2019	717.22	148.50	865.72
133 Provider Relations Contracting Manager	Whole Person Care Conference	C	Out	Sacramento, CA	9/9/2019	9/10/2019	535.34	99.00	634.34
134 Director of Provider Relations	Local Health Plans of California Provider Relations Workgroup	P	Out	Fairfield, CA	10/28/2019	10/28/2019	433.00	-	433.00
135 Provider Relations Contracting Manager	Local Health Plans of California Provider Relations Workgroup	P	Out	Fairfield, CA	10/28/2019	10/28/2019	540.20	-	540.20
136 Provider Relations Representative II	Local Health Plan of California Medi-Cal Managed Care Finance 201: Inside The Rate-Setting Process	P	Out	West Orange, CA	12/3/2019	12/3/2019	8.33	-	8.33
Provider Relations Total							4,260.40	929.97	5,190.37



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137 Member Services Supervisor	Local Health Plans of California: Medi-Cal Managed Care Quality Improvement	P	Out	Orange, CA	5/5/2019	5/6/2019	132.23	82.50	214.73
138 Member Services Supervisor	Local Health Plans of California: Medi-Cal Managed Care Finance 101	P	Out	Rancho Cucamonga, CA	6/16/2019	6/17/2019	314.27	61.00	375.27
139 Director of Member Services	Member Service Directors Onsite Meeting	R	Out	Rancho Cucamonga, CA	7/17/2019	7/18/2019	181.25	76.25	257.50
140 Director of Member Services	Member Service Directors Onsite Meeting	R	Out	Orange, CA	9/18/19	9/19/2019	301.59	66.00	367.59
141 Member Services Manager	Managed Care Finance 201: Inside the Rate-Setting Process	P	Out	Orange, CA	12/3/2019	12/3/2019	8.33	46.86	55.19
Member Services Total							937.67	332.61	1,270.28
Director of Procurement & Facilities		P	Out	Phoenix, AZ	11/6/2019	11/19/2019	943.54	154.00	1,097.54
Corporate Services Total							943.54	154.00	1,097.54
143 Compliance Program Manager	Regional Compliance & Ethics Conference	C	Out	Costa Mesa, CA	1/25/2019	1/25/2019	212.32	46.86	259.18
144 Compliance Auditor	Regional Compliance & Ethics Conference	C	Out	Costa Mesa, CA	1/25/2019	1/25/2019	196.96	46.86	243.82
145 Director of Compliance & Regulatory Affairs	Health Care Compliance Association Managed Care Compliance Conference	C	Out	Lake Buena Vista, CA	1/26/2019	1/29/2019	8.00	-	8.00
146 Compliance Auditor	Certified Health Insurance Portability and Accountability Act Professional Academy	P	Out	San Jose, CA	3/11/2019	3/12/2019	597.94	132.00	729.94
147 Compliance Program Manager	Health Care Compliance Association Compliance Academy	P	Out	San Diego, CA	4/14/2019	4/18/2019	250.20	266.25	516.45
148 Director of Compliance & Regulatory Affairs	Health Care Compliance Association Orange County Regional	P	Out	Garden Grove, CA	6/13/2019	6/14/2019	388.16	46.86	435.02
149 Compliance Auditor	Healthcare Basic Compliance Academy	P	Out	Anaheim, CA	9/29/2019	10/3/2019	1,166.53	239.58	1,406.11
AIS Total							2,820.11	778.41	3,598.52
150 Marketing & Public Affairs Rep		C	Out	San Diego, CA	8/27/2019	8/30/2019	768.86	106.50	875.36
Marketing Total							768.86	106.50	875.36



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151 Director of Human Resources	Ceridian HCM Summit	P	Out	Los Angeles, CA	4/16/2019	4/17/2019	127.60	49.50	177.10	
152 Director of Human Resources	Local Health Plans of California: HR Director Meeting	R	Out	Santa Barbara, CA	4/18/19	4/19/2019	753.14	152.00	905.14	
153 Instructional Designer	2019 Learning Synergies Conference	C	Out	Los Angeles, CA	4/24/19	4/26/2019	506.76	181.50	688.26	
Corporate Training & Development Manager	2019 Learning Synergies Conference	C	Out	Los Angeles, CA	4/24/19	4/26/2019	731.33	181.50	912.83	
155 Director of Human Resources	Ceridian CHRO Executive Summit	P	Out	Ojai Valley, CA	5/29/2019	5/30/2019	436.39	49.50	485.89	
Corporate Training & Development Manager	Dayforce User Group Conference	C	Out	Fountain Valley, CA	7/17/2019	7/17/2019	174.00	66.00	240.00	
156 Senior Human Resource Analyst	2019 CALPERS Systems Training	P	Out	Fresno, CA	9/24/2019	9/25/2019	253.94	99.00	352.94	
157 Payroll Administrator	2019 CALPERS Systems Training	P	Out	Fresno, CA	9/24/2019	9/25/2019	253.94	99.00	352.94	
Corporate Training & Development Manager	Ceridian Insight Forum 2019	P	OS	Las Vegas, NV	10/21/2019	10/24/2019	1,024.40	274.50	1,298.90	
159 Director of Human Resources	Ceridian Insight Forum 2019	P	OS	Las Vegas, NV	10/21/2019	10/24/2019	449.44	274.50	723.94	
					Human Resources Total		4,710.94	1,427.00	6,137.94	
161 Disease Management Supervisor	Certified Diabetes Educator (CDE) Certification/ Review Class	P	Out	San Diego, CA	9/3/19	9/7/2019	1,167.15	278.32	1,445.47	
162 Disease Management RNII	American Diabetes Association: Diabetes is Primary Conference	C	Out	Los Angeles, CA	10/18/2019	10/18/2019	157.54	46.86	204.40	
163 Disease Management RNII	American Diabetes Association: Diabetes is Primary Conference	C	Out	Los Angeles, CA	10/18/2019	10/18/2019	-	46.86	46.86	
					Disease Management Total		1,324.69	372.04	1,696.73	
							Fare & Lodging	Meals		
Sub-Totals							110,158.32	22,289.25	Grand Total	132,447.57
					Regulatory or Trade Associations		Professional Development	Conferences	Other	Total
Sub-Totals by Travel Type					30,864.47	38,888.47	45,715.81	16,978.82	132,447.57	



To: KHS Board of Directors

From: Robert Landis, CFO

Date: February 13, 2020

Re: Report on New Office Building Expenditures

Background

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

Discussion

The attached document has a total building contract amount of \$30,374,143.10 for the work to be performed by the KHS contractor SC Anderson, Inc. Work completed less retainage as of 12/31/19 is \$28,855,435.77. The balance of work to be completed including retainage amounts owed is \$1,518,707.33.

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

Requested Action

Receive and file; for informational purposes only.

AIA® Document G702™ - 1992

Application and Certificate for Payment

TO OWNER: KERN HEALTH SYSTEMS PROJECT: KERN HEALTH SYSTEMS APPLICATION NO: 01170843-00023
 9700 STOCKDALE HIGHWAY 2900 BUCK OWENS BLVD PERIOD TO: 12/31/2019
 BAKERSFIELD, CA 93311 BAKERSFIELD, CA 93308
FROM CONTRACTOR: S.C. Anderson, Inc. VIA ARCHITECT: CONTRACT FOR: ARCHITECT
 PO Box 20489 CONTRACT DATE: 01.17.0843 CONTRACTOR
 Bakersfield, CA 93390 PROJECT NOS: 01.170843 FIELD
 OTHER

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

CONTRACTOR: S.C. Anderson, Inc.
 By: *[Signature]* Date: 12/30/19
 State of: CALIFORNIA

County of: KERN
 Subscribed and sworn to before me this _____ day of *See Attached*
 Notary Public: _____
 My commission expires: _____

ARCHITECT'S CERTIFICATE FOR PAYMENT

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

AMOUNT CERTIFIED \$ 37,035.41
 (Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT: *[Signature]* Date: 1/3/2020
 By: _____
 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.

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 \$ 2,551,560.10
3. CONTRACT SUM TO DATE (Line 1 + 2) \$ 30,374,143.10
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 30,374,143.10

5. RETAINAGE:
 - a. _____ % of Completed Work \$ 1,518,707.33
 (Column D + E on G703)
 - b. _____ % of Stored Material \$ _____
 (Column F on G703)

Total Retainage (Lines 5a + 5b, or Total in Column I of G703) \$ 1,518,707.33

6. TOTAL EARNED LESS RETAINAGE \$ 28,855,435.77
 (Line 4 minus Line 5 Total)

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT \$ 28,818,400.36
 (Line 6 from prior Certificate)

8. CURRENT PAYMENT DUE \$ 37,035.41

9. BALANCE TO FINISH, INCLUDING RETAINAGE \$ 1,518,707.33
 (Line 3 minus Line 6)

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$ 2,545,119.95	\$ -8,110.77
Total approved this month	\$ 14,550.92	\$
TOTAL	\$ 2,559,670.87	\$ -8,110.77
NET CHANGES by Change Order	\$	\$ 2,551,560.10

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REQUEST FOR PAYMENT DETAIL

Project: 01.17084.3 / KERN HEALTH SYSTEMS Invoice: 3702501831 Draw: 01170843-00023 Period Ending Date: 12/31/2019

Item ID	Description	Total Contract Amount	Previously Completed Work	Work Completed This Period	Presently Stored Materials	Completed And Stored To Date	% Comp	Balance To Finish	Retainage Balance
015723	SWPPP	43,555.00	43,555.00			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	30,880.00			30,880.00	100.00		1,544.00
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	FINISH/ROUGH 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
068116	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	394,465.00	394,465.00			394,465.00	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 CURTAIN	49,027.00	49,027.00			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	9,674.00	9,674.00			9,674.00	100.00		433.70
083513	FOLDING PARTITION	30,450.00	30,450.00			30,450.00	100.00		1,522.50
064199	STOREFRONT GLASS & GLAZIN	1,479,900.00	1,479,900.00			1,479,900.00	100.00		73,985.00
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	713,000.00			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	119,300.00			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;	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	89,600.00			89,600.00	100.00		4,480.00
125313	BIKE RACKS	3,530.00	3,530.00			3,530.00	100.00		176.50

REQUEST FOR PAYMENT DETAIL

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	388,290.00			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	1,000.00		2,704,454.00	100.00		135,222.71
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	-0.23		410,435.00	100.00		20,521.76
321216	ASPHALT PAVING	420,340.00	420,340.00			420,340.00	100.00		21,017.00
323119	DECORATIVE FENCING	238,844.00	238,844.00			238,844.00	100.00		11,942.21
328499	LANDSCAPING AND IRRIGATION	397,000.00	397,000.00			397,000.00	100.00		19,850.01
331099	SITE UTILITIES	121,000.00	121,000.00			121,000.00	100.00		6,050.00
999998	GENERAL REQUIREMENTS	723,200.00	723,200.00			723,200.00	100.00		36,160.01
999999	CM/CC FEES	1,034,510.00	1,034,510.00			1,034,510.00	100.00		51,725.53
9999CO01	CHANGE ORDER #01	22,812.00	22,812.00			22,812.00	100.00		1,140.60
9999CO02	CHANGE ORDER #02	33,603.17	33,603.17			33,603.17	100.00		1,680.16
9999CO03	CHANGE ORDER #03	235,713.11	235,713.11			235,713.11	100.00		11,785.66
9999CO04	CHANGE ORDER #04	94,186.15	94,186.15			94,186.15	100.00		4,709.31
9999CO05	CHANGE ORDER #05	92,450.11	92,450.11			92,450.11	100.00		4,622.51
9999CO07	CHANGE ORDER #07	34,478.69	34,478.69			34,478.69	100.00		1,723.94
9999CO08	CHANGE ORDER #08	38,854.55	38,854.55			38,854.55	100.00		1,942.73
9999CO09	CHANGE ORDER #09	130,521.90	130,521.90			130,521.90	100.00		6,526.10
9999CO10	CHANGE ORDER #10	138,058.56	138,058.56			138,058.56	100.00		6,902.93
9999CO11	CHANGE ORDER #11	51,825.00	51,825.00			51,825.00	100.00		2,591.25
9999CO12	CHANGE ORDER #12	-8,110.77	-8,110.77			-8,110.77	100.00		-405.63
9999CO13	CHANGE ORDER #13	86,445.84	86,445.84			86,445.84	100.00		4,322.29
9999CO14	CHANGE ORDER #14	725,263.76	725,263.76			725,263.76	100.00		36,263.19
9999CO15	CHANGE ORDER #15	304,625.63	304,625.63			304,625.63	100.00		15,231.28
9999CO16	CHANGE ORDER #16	26,640.57	26,640.57			26,640.57	100.00		1,332.03
9999CO17	CHANGE ORDER #17	27,193.99	27,193.99			27,193.99	100.00		1,359.70
9999CO18	CHANGE ORDER #18	21,067.35	21,067.35			21,067.35	100.00		1,053.37
9999CO19	CHANGE ORDER #19	46,063.02	46,063.02			46,063.02	100.00		2,303.15
9999CO20	CHANGE ORDER #20	40,680.00	40,680.00			40,680.00	100.00		2,033.00
9999CO21	CHANGE ORDER #21	51,053.97	51,053.97			51,053.97	100.00		2,552.69
9999CO22	CHANGE ORDER #22	97,395.65	97,395.65	5,530.58		97,395.65	100.00		4,869.78

REQUEST FOR PAYMENT DETAIL

Project: 01.17084.3 / KERN HEALTH SYSTEMS Invoice: 3702501831 Draw: 01170643-00023 Period Ending Date: 12/31/2019

Item ID	Description	Total Contract Amount	Previously Completed Work	Work Completed This Period	Presently Stored Materials	Completed And Stored To Date	% Comp	Balance To Finish	Retainage Balance
9999CO23	CHANGE ORDER #23	37,295.46	36,571.80	723.66		37,295.46	100.00		1,864.77
9999CO24	CHANGE ORDER #24	90,442.48	90,442.48			90,442.48	100.00		4,522.12
9999CO25	CHANGE ORDER #25	97,779.39	87,875.47	9,803.92		97,779.39	100.00		4,888.97
9999CO26	CHANGE ORDER #26	20,689.60	13,313.80	7,375.80		20,689.60	100.00		1,034.48
9999CO27	CHANGE ORDER #27	14,550.92		14,550.92		14,550.92	100.00		727.55
Totals		30,374,143.10	30,335,158.45	38,984.65		30,374,143.10	100.00		1,518,707.33

**KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
NEW VENDOR CONTRACTS
February 13, 2020**

Legal Name DBA	Specialty	Address	Comments	Contract Effective Date
PAC 02/05/2020				
Tesa Kurin LM	Licensed Midwife	1505 West Avenue J Ste. 203 Lancaster CA 93534		3/1/2020
Michael G Oefelein MD Inc	Urology	3838 San Dimas St Ste. B-231 Bakersfield CA 93301	Provider is already credentialed. Contract Update TIN	3/1/2020
Right Healthcare, Inc.	DME	5640 District Blvd Ste 111 Bakersfield CA 93313		3/1/2020

**KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
TERMED CONTRACTS
February 13, 2020**

Legal Name DBA	Specialty	Address	Comments	Effective Date
Advanced Molecular Diagnostics, LLC	Lab	535 E. Crescent Avenue Montvale NJ 07645	Contractual due to no response to recredentialing & Medi-cal enrollment	9/19/2019
Arthur Park, MD	OB/GYN	9730 Brimhall Road Ste. 1 Bakersfield CA	Contractual due to no hospital privileges	12/6/2019
Family Pharmacy	Pharmacy	530 Kern Street Bakersfield CA	Business Closed	12/3/2019
Hemant Dhingra, M.D. The Nephrology Group, Inc.	Nephrology	3933 Coffee Road Ste. B Bakersfield CA	Resigned	11/7/2019
JJ Trinity Compounding Pharmacy	Pharmacy	27141 Hidaway Ave #201 Bakersfield CA	Business Closed	12/14/2019
New Leaf Pharmacy Inc	Pharmacy	4433 Ming Avenue Bakersfield CA	Business Closed	11/18/2019
On Call Anesthesia LLC	Anesthesia	901 Olive Drive Bakersfield CA	Business Closed	12/31/2019
The Women's Care Center Cary Shakespeare & Armi Walker	OB/GYN	3838 San Dimas St B-231 Bakersfield CA	Business Closed	12/9/2019



TO: KHS Board of Directors

FROM: Alan Avery, COO

DATE: February 13, 2020

RE: 4th Quarter 2019 Operations Report

Claims

The total incoming claims volume was slightly less in the 4th Quarter than previous quarters with 785,806 claims being received from providers. However, even with this slight decrease, the claims volume continues to increase annually as we received over 3.1 million claims during 2019, compared to 2.9 million in 2018 and 2.4 million claims in 2017. The Claims Management and Provider Network Management Teams continue to work with providers who continue to bill paper claims, offering training and hardware resources to encourage electronic billing submission. Those efforts are continuing to pay off with only 7% of the claims being submitted on paper. I am pleased to report that claims is meeting all regulatory payment requirements for the quarter as well as for the year. Lastly, our auto adjudication continues to occur at an increasing rate. As of the 4th quarter, 82% of qualified claims submissions were auto adjudicated vs. our goal of 75%. We continue to work with Configuration, I.T. and Provider Network Management to increase this rate along with improving our overall quality and efficiency.

Member Services

Incoming phone calls into the Member Services Department remained fairly steady throughout the 4th quarter. We are receiving on average 148 more calls per business day in 2019 compared to 2018. In spite of this increased phone volume, the staff was able to maintain the abandonment rate of 3.2 % well below industry standard of 5%. The top five reasons for members calling Member Services continues to remain the same-(1) New Member questions (2) PCP changes, (3) Demographic updates/changes (4) ID Card replacement requests and (5) authorization referral status. All of these top five reasons for incoming calls could easily be handled via the Member Portal, therefore, we continue to encourage members to sign onto the portal and use the self-service tools. During the 4th quarter, Member Services received 2864 new member portal account enrollments, for a total of 21,480 member accounts. This equates to 8.7% of our members with online accounts compared to industry target of 4%. We also experienced a slight increase in the number of members visiting the office in person to address their questions.

Provider Relations

Changes to the KHS Primary Care network remained flat during the 4th quarter with minimal (4.4%) growth of the specialty provider network. Provider terminations were slightly greater than previous quarters—primarily with physicians either leaving a group or the office closing. Appointment availability continues to meet regulatory standards @ 3.1 days for PCP visits or 5.33 days for specialists.

In January, the California Department of Managed Health Care released its Timely Access Report. The report summarized 2018 provider appointment availability data submitted by all health plans (Commercial, Medicare and Medi-Cal Plans) and validated by external vendors. Standards are established by the State and each health plan is ranked on how they perform to each standard. Access measures are set for Primary Care, Specialty Care, and non-physician mental health and ancillary services for both urgent and non-urgent appointments. Kern Health Systems was ranked #1 in measuring service access for members. KHS was number one with 89% compliance in the percentage of all surveyed providers who had appointments available within the urgent and non-urgent wait time standard. For non-urgent appointments only, KHS was number one with 94% of providers surveyed showing appointment availability. For urgent appointments only, KHS was number one with 83% of providers surveyed showing appointment availability.

Human Resources

At the end of the 4th Quarter KHS had 406 employees compared to a budget of 416. Employee turnover in 2019 was extremely positive with only 8.90%, with the major contributors to that turnover being Utilization Management and Members Services at 28% each. The majority of the turnover continues to be in the voluntary category, primarily employees relocating out of the area. Human Resources staff successfully completed the year end W-2 reporting along with the annual employee satisfaction survey. Satisfaction Survey results will be shared at a future Board meeting.

Grievance Report

Due to the holiday season, the total reported grievances for the quarter were less than the previous quarter. As a reminder, in the 3rd Quarter a change was made in the recording of Health Plan grievances. A new category was added to the Grievance report with Exempt Grievances being separated out as a unique category. Exempt Grievances are primarily service related grievances that can easily be resolved the same day without significant research or follow up. The Grievance Department tracks and trends these by provider and results are reviewed by the Physicians Advisory Committee as part of the re-credentialing process. During the 4th Quarter, another change was implemented for exempt grievances that have been identified by the grievance coordinator with a possible Quality of Care issue. These are now being referred to the Quality Department for further review. The percent of grievances overturned and ruled in favor of the member changed significantly this quarter primarily as a result of the Quality of Care grievance change. Past trends reflected 60% grievance decisions were upheld and 40% were overturned. In the 4th Quarter, 40% grievance decisions were upheld and 60% were overturned. We will continue to monitor this trend and work with the Quality Department to determine if the grievance coordinators are accessing quality issues appropriately.

Transportation Update

Transportation activity during the 4th quarter decreased in all areas—calls, transit passes, ride share and medical vans. On the other hand, personal member ride requests increased. We are unsure if these decreases were attributed to the extended holiday season or if ridership has finally reached a plateau. We have opened up discussions with the local GET Bus management team to explore expanding their current On Demand Transit pilot in Southwest Bakersfield to the other three sections of town. This pilot is attempting to compete with the Uber and Lyft rideshare products. It is a curb-to-curb ride share service using wheelchair accessible vans with flexible on-call scheduling. This should provide our member with increased rider capacity within the Bakersfield service area.

Requested Action

Receive and File.



KERN HEALTH SYSTEMS

2019 4th Quarter Operational Report

4th Quarter Claims Department Indicators

Activity	Goal	4 th Quarter	Status	3 rd Quarter	2 nd Quarter	1 st Quarter
Claims Received		785,806		788,199	764,979	793,629
Electronic	85%	93%		93%	92%	92%
Paper	15%	7%		7%	8%	8%
Claims Processed Within 30 days	90%	93%		92%	89%	86%
Claims Processed within 45 days	95%	95%		98%	96%	95%
Claims Processed within 90 days	99%	99%		99%	99%	95%
Claims Inventory-Under 30 days	96%	97%		95%	96%	93%
31-45 days	<3%	2%		4%	3%	6%
Over 45 days	<1%	1%		1%	1%	1%
Auto Adjudication	75%	82%		81%	81%	80%
Audited Claims with Errors	<3%	2%		2%	2%	2%
Claims Disputes	<5%	1%		1%	1%	1%

Member Service Indicators

Activity	Goal	4 th Quarter	Status	3 rd Quarter	2 nd Quarter	1 st Quarter	4 th Quarter
Incoming Calls		74,441		81,107	75,201	74,885	82,112
Abandonment Rate	<5%	3.2%		2.6%	1.2%	1.1%	2.5%
Avg Answer Speed	<2:00	:34		:28	:12	:12	:29
Average Talk Time	<8:00	7:24		7:00	7:05	6:47	7:00
Top Reasons for Member Calls	Trend	1. New Member 2. PCP Change 3. Demographic 4. Referrals 5. ID Card		Same	Same	Same	Same
Outbound Calls	Trend	97,467		97,172	96,819	92,470	81,083
# of Walk Ins	Trend	436		381	372	520	608
Member Portal Accounts-Q/Total	4%	2864 (Q4) 21,480 (8.7%)		3625 18,544	3424 14,905	1872 11,481	1568 9615

Provider Network Indicators

Activity	Goal	4 th Quarter	Status	3 rd Quarter	2 nd Quarter	1 st Quarter	4 th Quarter
# of PCPs	Maintain	0%		0%	1.03%	3.2%	.55%
# of Specialists	>1% growth	4.4%		1.1%	.31%	1.46%	3.86%
% Provider Terminations	<5% term	2.23%		.94%	1.4%	.68%	1.6%
Termination Reasons		43%-Left Group 40%-Site Closed 8%-term 3%-Resigned 2%-Death 2%-Practice Sold 2%-Retirement		71%-Left Group 14%-Term 5%-Retired 5%-Resigned 5%-Practice sold	65%-left group 15% term 8% site closed 8%-Retired 8%-practice sold	67%-left group 13%-term 13%site closed 7% resigned	89%-left group 11%-other
Appointment Survey	Average wait time						
PCP	< 10 days	3.14 Days		3.7 Days	4.4 Days	3.13 Days	6.4 Days
Specialty	< 15 days	5.33 Days		5.7 Days	11.5 Days	8.64 Days	7.6 Days

Kern Health Systems Ranked #1 in All Categories Measuring Service Access

- In January 2020, the California Department of Managed Health Care (DMHC) released its Timely Access Report for Measurement Year 2018 provider appointment availability.
- **Kern Health Systems ranked 1st in the State in all 6 categories measuring service access**
- 1st in the percentage (89%) of all surveyed providers who had appointments available within the wait time standards for urgent and non urgent.
- 1st in the appointment available for non urgent appointments only, with 94% of providers surveyed showing appointment availability.
- 1st for urgent appointments only, with 83% of providers surveyed showing appointment availability.



Human Resources Indicators

Activity	Budget	4 th Quarter	Status	3 rd Quarter	2 nd Quarter	1 st Quarter	4 th Quarter
Staffing Count	412	406		397	391	387	383
Employee Turnover	12%	8.90%		11.36%	10.77%	10.36%	10.76%
Turnover Reasons	Voluntary Involuntary Deceased Retired	82.9% 17.1% 0% 0%		81% 19% 0% 0%	86% 14% 0% 0%	80% 20% 0% 0%	78% 9.75% 2.5% 9.75%

Grievance Report

Category	Q4 2019	Status	Issue	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Access to Care	56		Appointment Availability	34	32	41	32
Coverage Dispute	0		Authorizations and Pharmacy	3	9	14	12
Medical Necessity	187		Questioning denial of service	214	244	228	240
Other Issues	14		Miscellaneous	16	13	9	10
Quality of Care	323		Questioning services provided. All cases forwarded to Quality Dept.	65	26	29	22
Quality of Service	0		Questioning the professionalism, courtesy and attitude of the office staff. All cases forwarded to PR Department	0	1	6	3
Total Grievances	580			332	325	327	319
Exempt**	1140		Exempt Grievances-	1515	1321	1216	1082
Total Grievances** (Formal & Exempt)	1720			1847	1646	1543	1401

**New Category-Exempt Grievances

Additional Insights-Formal Grievance Detail

Issue	4 th Quarter Grievances	Upheld Plan Decision	Overtured Ruled for Member	Still Under Review
Access to Care	31	22	7	2
Coverage Dispute	0	0	0	0
Specialist Access	25	10	14	1
Medical Necessity	187	128	48	11
Other Issues	14	13	1	0
Quality of Care	323	54	269	0
Quality of Service	0	0	0	0
Total	580	227	339	14

Transportation Update

Operational Statistics	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
ALC Calls	134,982	157,239	123,448	113,417	98,474	84,958	60,283	31,752
One Way Rides Scheduled	135,394	148,731	129,084	119,091	107,514	94,358	81,594	66,517
NMT	100,840	113,649	95,526	86,786	73,055	60,683	45,832	33,459
Bus Passes Distributed	2,575	3,678	2,679	3,565	2,875	5,809	4,813	5,383
Ride Share Rides	97,422	109,971	91,847	83,221	70,180	54,874	41,019	28,076
No Shows	6,292	6,738	6,006	5,411	4,835	3,702	3,008	3,826
NEMT	34,554	35,082	33,558	32,305	34,459	33,675	35,762	33,058
Van Rides Scheduled	33,958	34,442	33,028	31,749	33,970	33,214	35,283	32,662
Gurney Rides Scheduled	596	640	530	556	489	461	479	396
Member Reimbursement	1,762	1,419	1,878	1,038	975	712	164	47
ALC Admin Expense	\$775,838	\$812,661	\$750,070	\$715,594	\$656,604	\$558,799	\$522,945	\$432,323



To: KHS Board of Directors
From: Martha Tasinga M.D, MPH, MBA, Chief Medical Officer
Date: February 13, 2020
RE: CMO BOARD REPORT

Medical Cost and Utilization Trend Analyses: (Attachment A)

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

The utilization and cost of physician services remained stable from September 2019 through December 2019 and at budget for all aides codes except SPDs. The number of visits per thousand enrollees for SPDs continues to increase but the cost per visit is stable. This suggests that the members continue to use less costly physician services. The high utilization of less costly professional services is expected in patients with multiple chronic conditions who require regular and frequent monitoring. This is a good trend because we believe it will lead to stabilizing the patient's medical condition and contributing to lower hospitalization (see inpatient slide). The Overall (all aid categories) PMPM cost is stable, even though it remains higher than expected for all aid categories. Similar to SPD's, inpatient utilization remains below expectation illustrating the impact seeing your physician early and often has on reducing hospitalization.

In 2020 our focus is going to be on identification and management of specific populations. We will also be looking at the social determinants and how they affect compliance with different treatment recommendations and develop specific interventions to address them. We are also exploring ways to take care to the members instead of waiting for them to come to us. The characteristics of the SPD populations put these members at a high risk for compliance with treatment plans and delay in seeking care. We are hopeful that the new approaches to population management will improve care for all our members with multiple chronic medical, social and behavioral conditions and eventually reduce the total cost of care.

For outpatient visits, general exam was the number one reason for the visits for the Family/Other Aide code. Chronic kidney disease, diabetes and hypertension are the top 3 diagnosis in the expansion and SPD Aide codes. These 3 diagnosis go hand in hand and patients with all three are on the short list of population management in 2020.

Pharmacy

There is a spike in pharmacy for all aid categories is at or below budget for December 2019. We will be able to evaluate the effect for the flu season this year when we complete analysis of the January 2019 pharmacy data. Despite EO1, we continue to analyze utilization patterns and cost of utilization to identify ways to better manage this benefit. Some of our programs will initially increase use of appropriate medications but in long-term reduce to use of high cost services such as acute care. We will continue to work with the Pharmacy and Therapeutic Committee in 2020 to identify less expensive bioequivalent formulations of expensive medications when available.

Inpatient Services

The overall PMPM, cost per bed-day, bed-days incurred and average length of stay in the acute hospital for ALL aide codes remains close to budget. While hospital days per 1000 members enrolled remains below expectation, cost per bed is higher. This is not unusual with lengths of stay dropping contributing to fewer bed days. Treatment which drive's cost occurs in fewer days impacting the cost per day performance.

KHS Case Managers continue to focus complex case management efforts on our members who are at risk of hospitalization in 6 months. We discovered that when Case Management doesn't occur for these patients, 80% will be admitted to the hospital. Our studies show when these patients are managed correctly, there is a 20% reduction in admissions vs patients not being case managed. Our challenge to locating qualified case managers to absorb the demand for this service.

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

The C/Section rate for November of 2019 is 12 % which continues to be below State average for low-risk, first birth deliveries which is running around 23% (**Attachment C**). The drop in the Obstetrics Metrics for current month's performance comes from claims lagging between delivery date and claim received date. Since previous month's performance which represent periods where 100% of claims associated with births have been received show little to no significant difference in the ratio of vaginal vs. C/ Section deliveries, the 12% performance for November is not likely to materially change following receiving all claims for November deliveries.

Hospital Outpatient

Hospital outpatient utilization and cost has been stable and below Budget for all Aide codes since August of 2019. In 2020, we will continue to focus on appropriate management of chronic conditions by primary care and reduce the numbers of Provider Preventable Admissions (PPA)

Emergency Room (ER)

The PMPM cost and number of ER visits for most of 2019 had been at or below budget for all but the SPD Aide code. The most frequent diagnosis for physician services in ER for all aide codes in December, 2019 was upper respiratory infections. This is expected because of the flu season. The second most frequent diagnosis for the ER for all Aide codes is urinary tract disorders. There is a spike in ER utilization in the MCAL Expansion category. We will be doing a root cause analysis to see if there is anything we can do the reverse the curve. Most of the ER visits are occurring at BMH with Mercy hospital a close second (**Attachment D**).

Managed Care Accountability Set (MCAS)

This is a **set** of performances measures that DHCS selects for annual reporting by Medi-Cal **managed care health** plans (MCPs). The new Managed Care Accountability Set (MCAS) prescribes a set of 39 quality measures, with 19 measures subject to a 50% Minimum Performance Level (MPL) benchmark. Just like with HEDIS, each measurement count requires a patient encounter specific to service(s), that when performed, will indicate the measurement was met for that patient. All KHS members identified as having the medical condition associated with the measurement represent the denominator. When members receive service(s), it is recorded as “compliant” becoming part of the numerator. The level of achievement is shown as the percentage (%) of members receiving the required (service(s)). The minimum target performance percentage (MPL) is established by DHCS each year and they might also add or remove required measures every year. As a result of these changes, Medi-Cal health plans and providers are under increased pressure to coordinate their quality programming and metrics.

In response to these requirements, KHS has revised the Provider P4P to be aligned with the new MCAS measures and requirements. KHS is also evaluation different ways to outreach the members and encourage them to visit their PCPs and get the services. So far as we look at the 2019 measuring year and soon starting the record abstraction process, we are meeting 50th percentile in 3 measures (immunizations for adolescents combo 2, post-partum care asthma Medication Ratio). We are hopeful that by the time we complete the medical records abstractions we will be at MPL for more measures.

We are also actively developing and implementing interventions to make sure we can get most of the measures to the 50th percentile before the anchor date for 2020 measuring year. Since these new measures and methods for capturing performance data necessitated changes that impact our Board presentation, no MCAS report is included here but will be a part of future Board reports as in the past.

Requested Action

Receive and File.



Governed Reporting System

Attachment A

Kern Health Systems

KHS Medical Management Performance Dashboard (Critical Performance Measurements)



Governed Reporting System

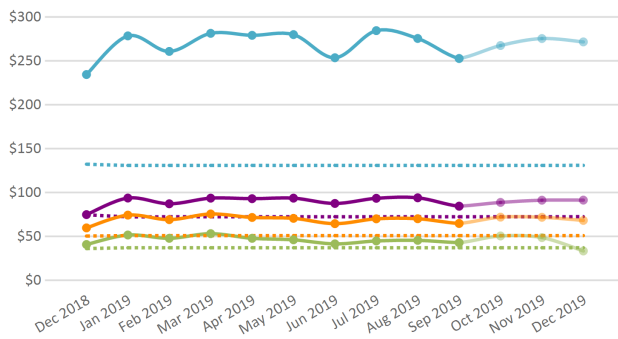


Physician Services

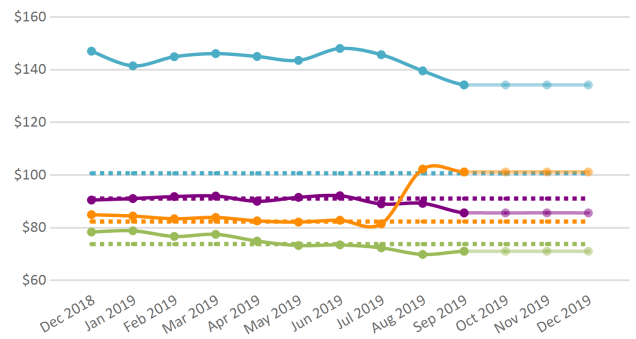
(Includes: Primary Care Physician Services, Referral Specialty Services, Other Professional Services and Urgent Care)

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

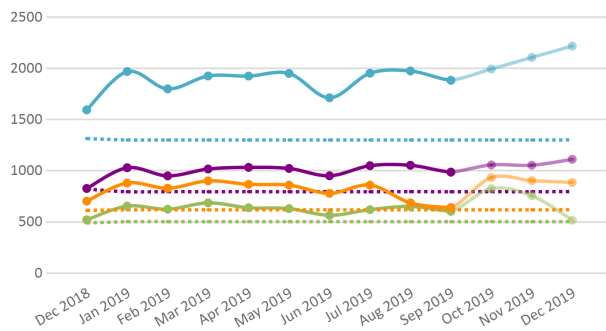
Professional Services Incurred by Aid Group PMPM



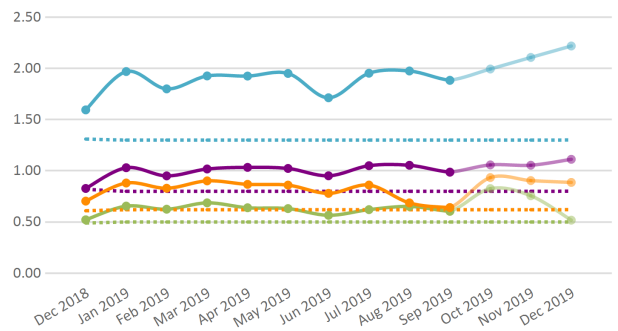
Cost per Professional Service Visit by Aid Group



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



Professional Service Visits per Member per Month by Aid Group





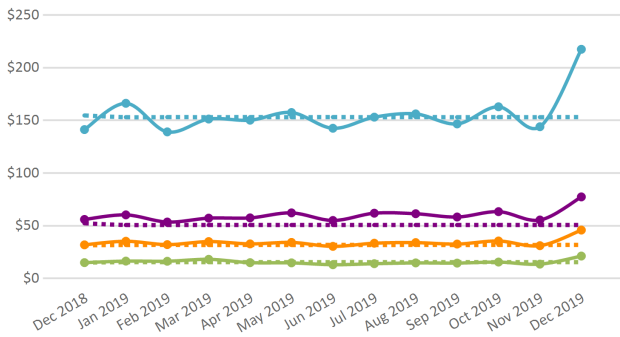
Governed Reporting System

Pharmacy

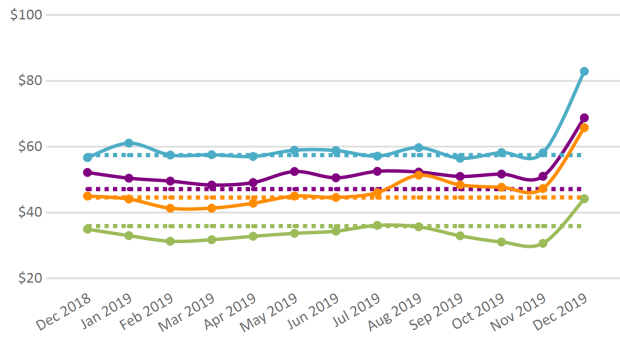
(Includes: Claims paid by PBM)

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

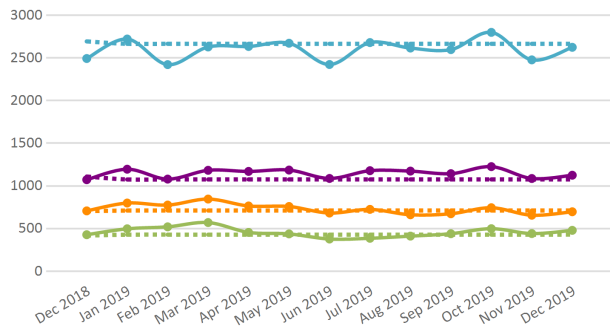
Pharmacy Services Incurred by Aid Group PMPM



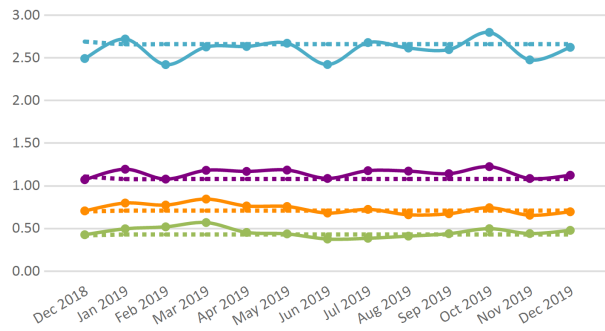
Cost per Script by Aid Group



Incurred Scripts per 1,000 per Month by Aid Group



Pharmacy Services Incurred per Member per Month by Aid Group





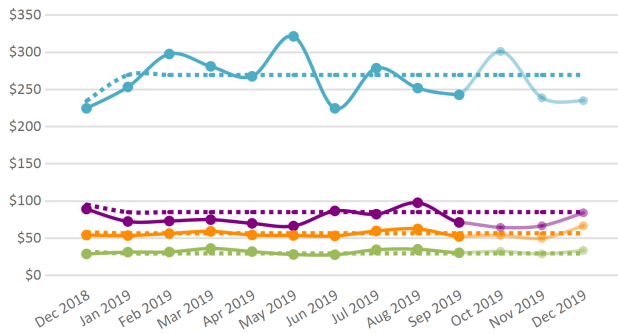
Governed Reporting System

Inpatient

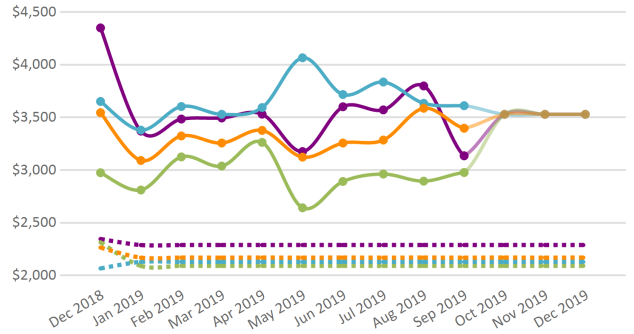
(Includes: Inpatient Hospital Claims)

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

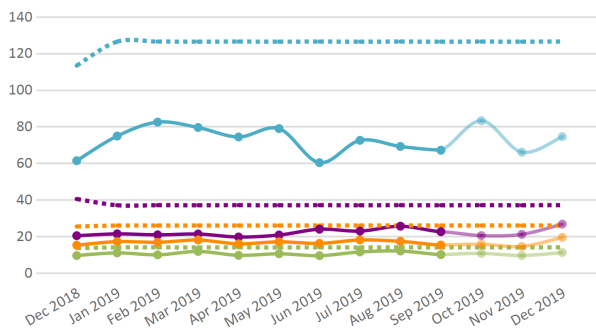
Inpatient Services Incurred by Aid Group PMPM



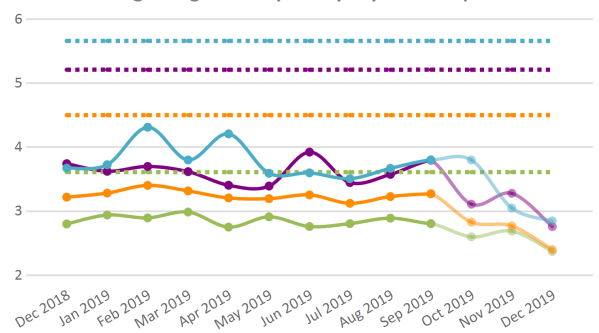
Cost Per Bed Day by Aid Group



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



Average Length of Stay in Days by Aid Group





Governed Reporting System

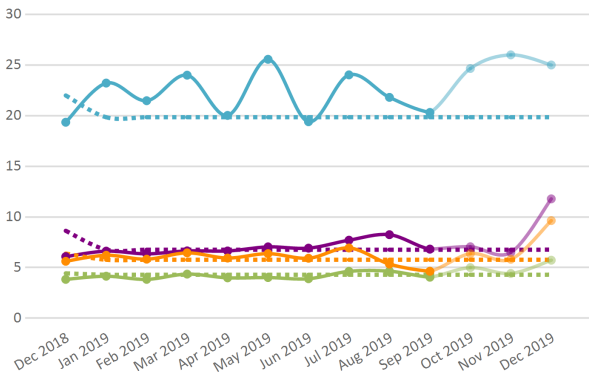


Inpatient

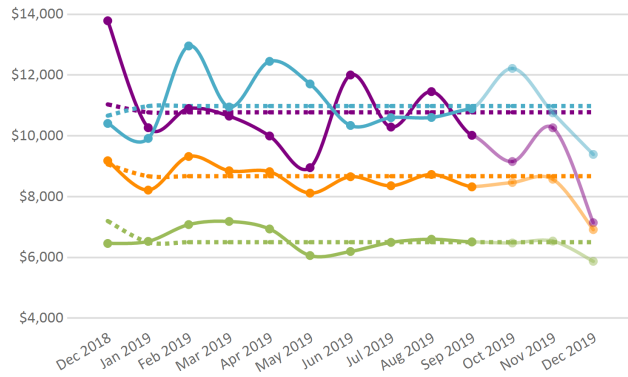
(Includes: Inpatient Hospital Claims)

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

Incurring Admits per 1,000 per Month by Aid Group



Cost per Admit by Aid Group





Governed Reporting System

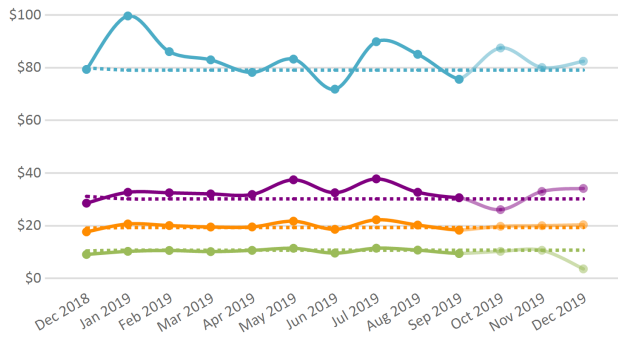


Outpatient Hospital

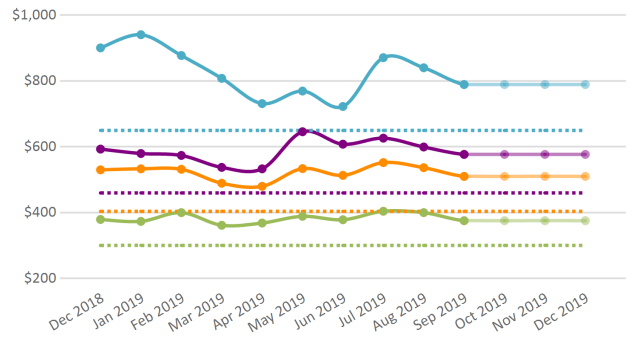
(Includes: Outpatient Diagnostic, Outpatient Surgery, Outpatient Observation, and Outpatient Other)

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

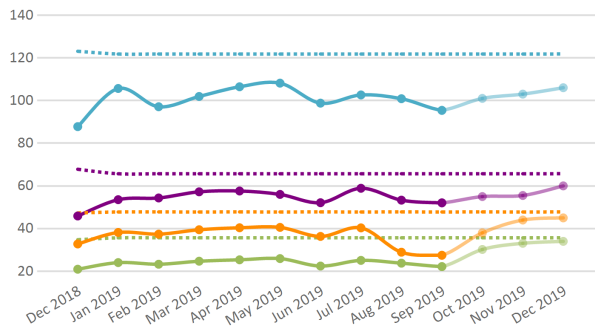
Outpatient Services Incurred by Aid Group PMPM



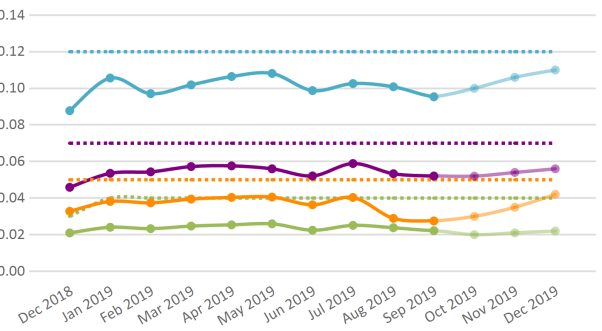
Cost Per Outpatient Visit by Aid Group



Outpatient Visits per 1,000 per Month by Aid Group



Outpatient Visits per Member per Month by Aid Group





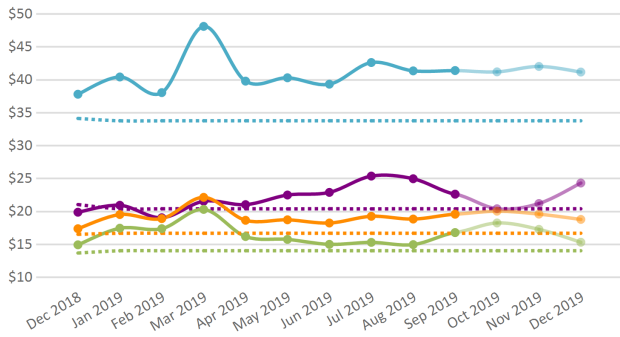
Governed Reporting System



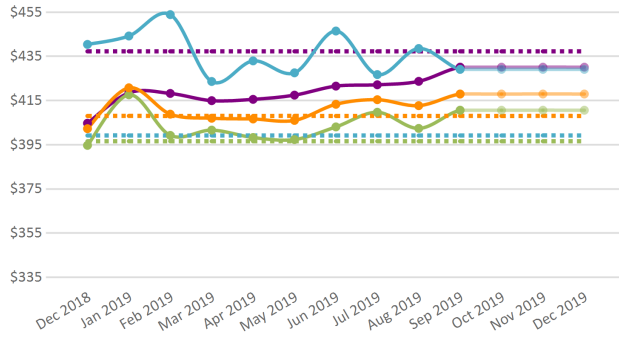
Emergency Room

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

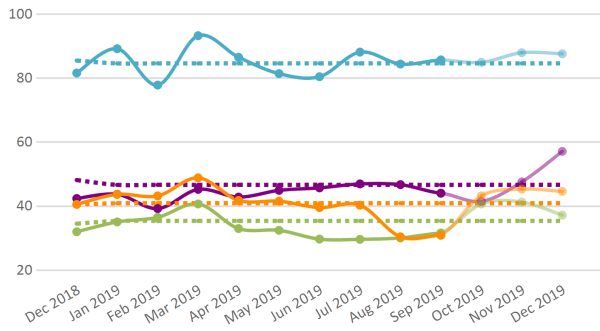
ER Services Incurred by Aid Group PMPM



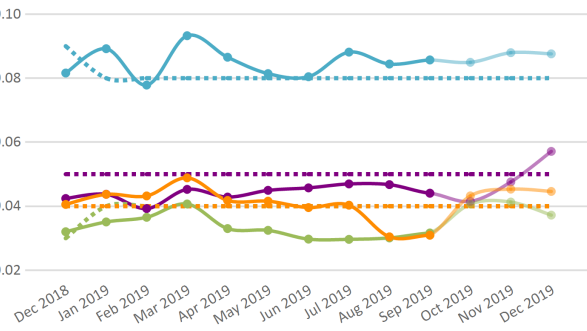
Cost Per ER Visit by Aid Group



ER Visits per 1,000 per Month by Aid Group



ER Visits per Member per Month by Aid Group

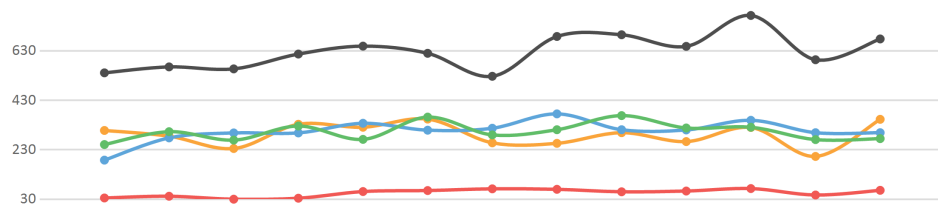




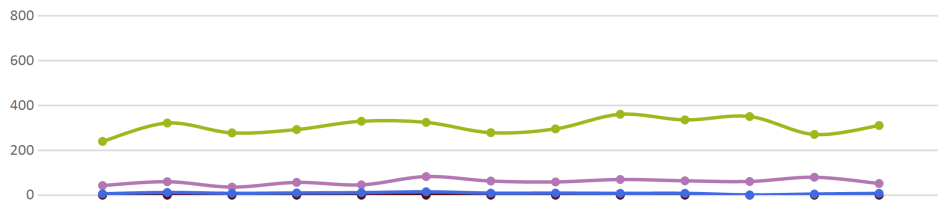
Attachment B

Governed Reporting System

Inpatient Admits by Hospital



	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
BAKERSFIELD MEMORIAL	541	565	557	617	649	620	527	688	695	648	773	594	678
MERCY HOSPITAL	251	303	269	326	272	362	290	311	368	318	321	271	275
ADVENTIST HEALTH	188	278	298	298	337	309	317	375	311	310	349	299	299
KERN MEDICAL	308	285	235	333	321	354	258	256	299	263	320	203	353
GOOD SAMARITAN HOSPITAL	35	42	30	34	61	65	72	70	60	63	73	47	66

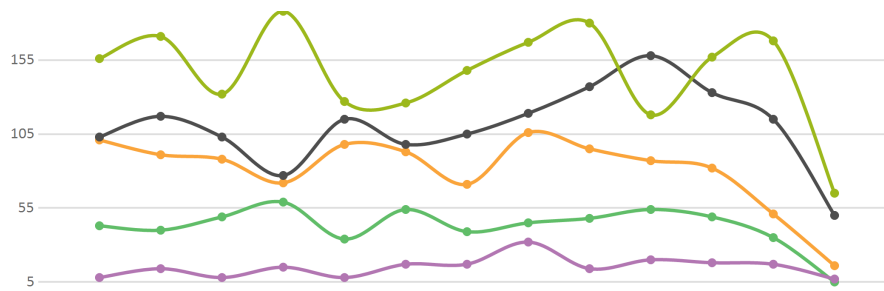


	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
OUT OF AREA	240	322	278	293	330	325	279	296	361	336	351	271	311
DELANO REGIONAL HOSPITAL	43	60	36	57	46	83	63	59	70	64	61	80	52
BAKERSFIELD HEART HOSP	41	50	50	34	45	37	43	46	60	59	50	61	50
KERN VLY HLTHCRE HOSP	6	12	8	10	11	15	9	9	8	8	1	5	8

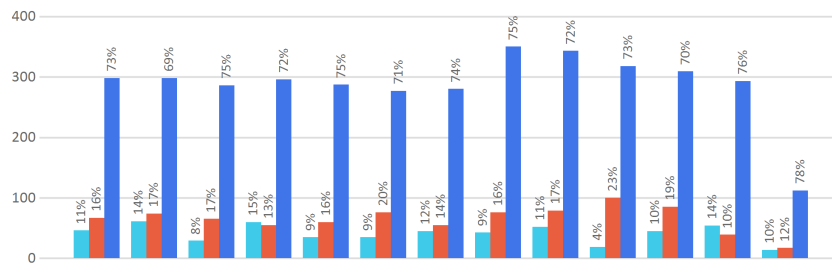


Governed Reporting System

Obstetrics Metrics



	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
BAKERSFIELD MEMORIAL	103	117	103	77	115	98	105	119	137	158	133	115	50
KERN MEDICAL	101	91	88	72	98	93	71	106	95	87	82	51	16
OTHER	156	171	132	188	127	126	148	167	180	118	157	168	65
MERCY HOSPITAL	43	40	49	59	34	54	39	45	48	54	49	35	5
DELANO REGIONAL HOSPITAL	8	14	8	15	8	17	17	32	14	20	18	17	7

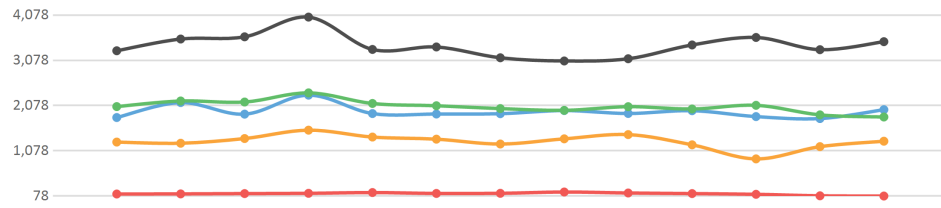


	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
VAGINAL DELIVERY	298	298	286	296	287	277	280	350	343	318	309	293	112
C-SECTION DELIVERY	67	74	65	55	60	76	55	76	79	100	85	39	17
PREVIOUS C-SECTION DELIVERY	46	61	29	60	35	35	45	43	52	19	45	54	14

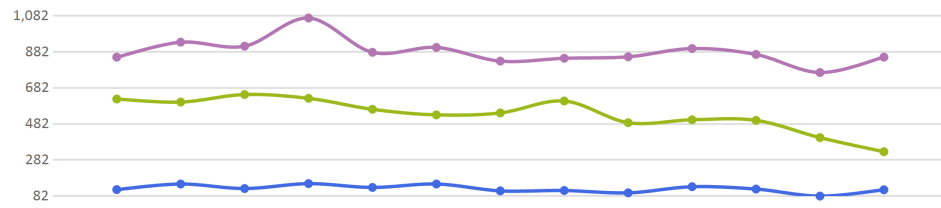


Governed Reporting System

Emergency Visits by Hospital



	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
BAKERSFIELD MEMORIAL	3,289	3,548	3,597	4,033	3,318	3,373	3,134	3,063	3,113	3,417	3,583	3,313	3,490
MERCY HOSPITAL	2,055	2,179	2,156	2,358	2,124	2,074	2,011	1,972	2,053	2,002	2,083	1,872	1,825
ADVENTIST HEALTH	1,813	2,144	1,888	2,308	1,901	1,891	1,898	1,967	1,903	1,964	1,834	1,790	1,987
KERN MEDICAL	1,271	1,245	1,349	1,534	1,382	1,335	1,228	1,342	1,436	1,210	899	1,170	1,290
BAKERSFIELD HEART HOSP	123	125	132	138	155	135	138	167	145	132	116	83	78



	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
DELANO REGIONAL HOSPITAL	852	935	913	1,069	879	906	830	846	854	900	867	767	852
OUT OF AREA	620	603	645	624	563	532	543	609	489	505	502	406	328
KERN VLY HLTHCRE HOSP	118	149	124	151	130	149	111	113	100	134	121	82	117

KERN HEALTH SYSTEMS
CHIEF EXECUTIVE OFFICER'S REPORT
February 13th, 2020
BOARD OF DIRECTORS MEETING

REGULATORY AND COMPLIANCE ACTIVITIES

Regulatory and Compliance Monthly Activities Report

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

Regulatory Compliance Audit Program

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

Where audits were done, all but one APLs or PLs were identified as being in compliance. Several audits remain open or yet to begin (White). These items will carry over to future reports as new information on the audit of each item becomes available. The only item in (Red) pertains to APL 18-010 involving Prop 56 Directive Payments to qualified providers. This program provides additional payment for specific CPT codes. Our Compliance Auditor is awaiting additional feedback from various stakeholders before completing the audit ensuring the policy is being followed consistent with DHCS expectation.

PROGRAM DEVELOPMENT UPDATES

RX Carve-Out

DHCS has been moving forward on the Governor's Executive order to Carve-Out Pharmacy services from Managed Care Plans effective 1/1/21. In November DHCS selected Magellan Health as the vendor to administer the statewide benefit. This selection was appealed; however, the appeal was overturned and Magellan Health will administer the statewide Rx program. Staff and our trade associations continue to advocate with legislators, the Governor's office, and DHCS to ensure proper planning is conducted prior to the transition. Internal strategizing and operational preparations have begun.

Kern Health Systems
Board of Directors Meeting
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Medi-Cal Healthier California For All (formerly CalAIM)

Medi-Cal Healthier California For All is a multi-year initiative by DHCS to implement policy changes with the objective of: 1) Reducing variation and complexity across the delivery system; 2) Identifying and managing member risk and need through population health management strategies; and 3) Improving quality outcomes and drive delivery system transformation through value-based initiatives and payment reform.

DHCS workgroups are discussing population health management, NCQA accreditation, enhanced care-management and in-lieu of services, behavioral health, and pilots to integrate physical, behavioral, and oral health. Additionally, the “Medi-Cal Healthier California For All” proposal is likely to include changes to the Health Homes Program effective in 2021. DHCS is holding a meeting with Plans in early February to discuss these proposed changes. KHS’ Chief Medical Officer is included on the workgroup discussing NCQA accreditation. Our trade associations are included in all workgroups, and internal staff is providing feedback on the various proposals. The workgroup process will continue through February and DHCS will be finalizing their proposals over the 2nd quarter. Leading up to DHCS’s submission to the Federal government (CMS) for their approval this summer, will be a series of meetings held with KM through a jointly represented work group. The outcome will be the creation of a work plan enabling, where suitable, for KM to continue to operate programs and services that now will be transitioned though KHS and not directly with KM. The work plan is being requested of all health plans and public hospitals for all counties statewide where this may apply and there is a capability and desire shown by the hospitals to continue to administer applicable programs and services.

Concurrently the State legislative and budget process will include further guidance over the first half of 2020. Internal strategizing and operational preparations have begun, with a focus on those items proposed to begin 1/1/21. Included under Attachment D is a summarizing of the major proposed initiatives.

Long Term Care and Transplants Carve-In

In the Fall of 2019 DHCS notified Health Plans of their intent to add Long Term Care and Organ Transplants Services as Medi-Cal benefits under the Medi-Cal Managed Care Health Plan’s responsibility effective 1/1/21. This will include care provided at Skilled Nursing Facilities, Subacute Facilities, and Intermediate Care Facilities, as well as coverage for transplant services.

Kern Health Systems
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Staff is analyzing internal impacts as a result of this upcoming change. In late January, Health Plans convened in Sacramento to discuss implementation strategies and best practices in managing this upcoming benefit. KHS staff and DHCS will continue to work together on operational implementation.

LEGISLATIVE SUMMARY UPDATE

Federal Update

Congress failed to come to agreement on legislation related to Surprise Billing or Pharmacy Drug costs in the 2019 year-end spending package. At this time these bills would have minimal direct impact to KHS, but staff continue to monitor the ongoing negotiations of these policies. It is anticipated that a May healthcare funding package could provide a vehicle for these policies to move forward.

Staff continue to monitor nearly a dozen CMS proposed administrative rules. Several draft rules have completed the comment process and are awaiting finalization by CMS. A couple of the recently finalized rules have been put on hold due to legal interventions. The recent draft Medicaid Fiscal Accountability regulation would significantly impact California Medi-Cal financing. Several discussions have occurred between Health Plans, the State, and the broader provider community. A variety of stakeholders will be giving CMS feedback over the next several weeks.

State Legislative Session

The State Legislature reconvened on January 6th. The last day for new bills to be introduced is February 21st. Included under Attachment E are a list of bills being tracked in this session. It is anticipated many more bills will be added as the legislative session proceeds.

Governor Newsom unveiled the January proposed State Budget on January 10th. Local Health Plans of California (LHPC) released a summary memo outlining the key provisions included (see Attachment F). The proposed budget includes funding for many of the initiatives KHS has been tracking including the Rx Carve-Out and Medi-Cal Healthier California For All. A revised budget will be released in May before being finalized by late June. Between now and then KHS staff will continue to monitor and provide feedback.

Kern Health Systems
 Board of Directors Meeting
 CEO Report – February, 2020
 Page 4 of 8

KHS FEBRUARY 2020 ENROLLMENT:

Medi-Cal Enrollment

As of February 1, 2020, Medi-Cal enrollment is 173,924 which represents an increase of 0.01% from January enrollment.

Seniors and Persons with Disabilities (SPDs)

As of February 1, 2020, SPD enrollment is 14,015, which represents a decrease of 0.1% from January enrollment.

Expanded Eligible Enrollment

As of February 1, 2020, Expansion enrollment is 60,505 which represents an increase of 0.3% from January enrollment.

Kaiser Permanente (KP)

As of February 1, 2020, Kaiser enrollment is 9,038 which represents an increase of 0.5% from January enrollment.

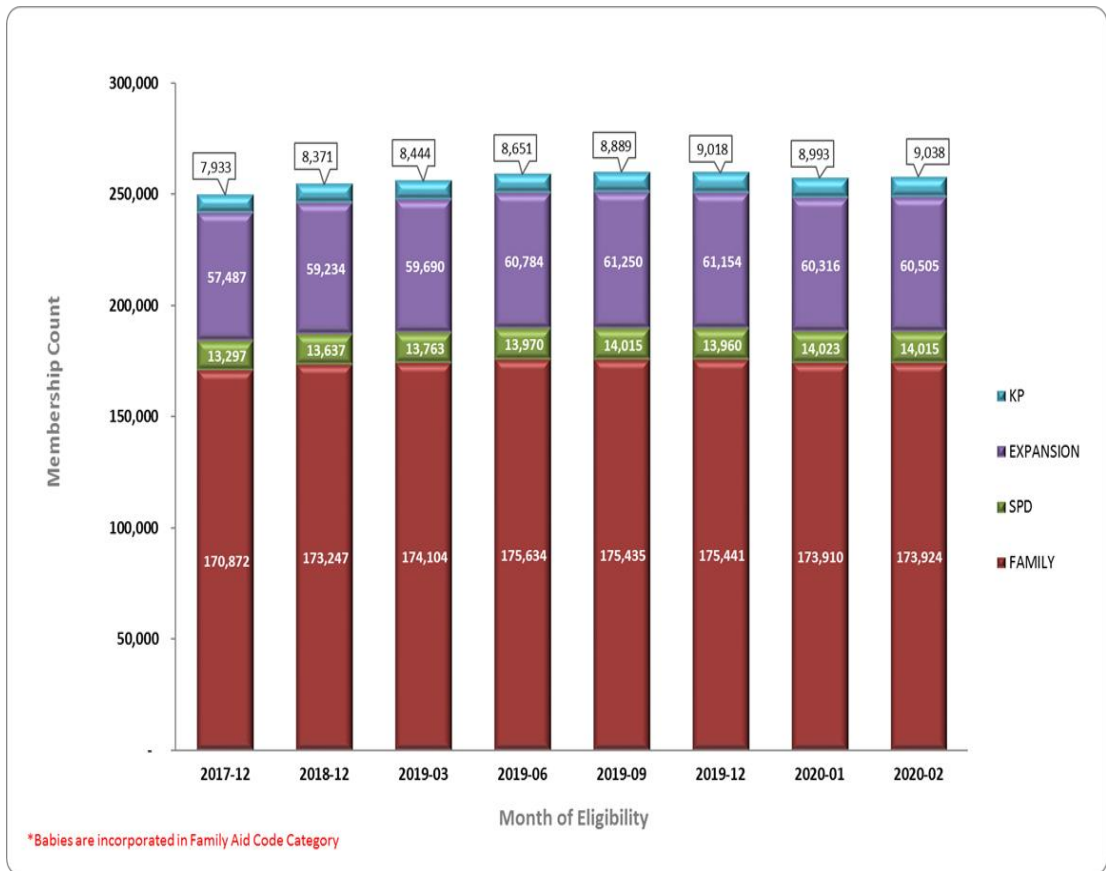
Total KHS Medi-Cal Managed Care Enrollment

As of February 1, 2020, total Medi-Cal enrollment is 257,482 which represents an increase of 0.1% from January enrollment.

Membership as of Month of Eligibility	FAMILY	SPD	EXPANSION	KP	BABIES	Monthly/Member Months Total
2017-12	170,425	13,297	57,487	7,933	447	249,589
2018-12	172,770	13,637	59,234	8,371	477	254,489
2019-03	173,705	13,763	59,690	8,444	399	256,001
2019-06	175,218	13,970	60,784	8,651	416	259,039
2019-09	174,931	14,015	61,250	8,889	504	259,589
2019-12	175,022	13,960	61,154	9,018	419	259,573
2020-01	173,500	14,023	60,316	8,993	410	257,242
2020-02	173,549	14,015	60,505	9,038	375	257,482

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 CEO Report – February, 2020
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Note: Kern County Department of Human Services (DHS) was contacted regarding the enrollment decrease since December 2019. Medi-Cal health plans statewide experienced similar decreases. DHS indicated in January they began a new automated discontinuance process when Medi-Cal beneficiaries do not complete the Annual Eligibility Redetermination process. In the past, beneficiaries were manually discontinued and the County had to focus on backlog work. This automated process will lead to more timely discontinuance and allow them to focus on the future. This will “settle out” over time and should eliminate the up and down performance experienced each year when DHS catches up on their redetermination process.



Kern Health Systems
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KHS ADMINISTRATIVE INITIATIVES

Provider Relations:

The annual “Pay for Performance 2020” launch dinner with providers was well attended. This year the P4P program focused on two new approaches around incentives for performance relating to changes to the program necessary to accommodate DHCS requirements. The changes involve the way providers receive credit for services qualifying for the supplemental payment while recognizing newly added performance measures to the program. For 2020 the more elaborate MCAS program (formally HEDIS) will include additional patient service measures along with a higher performance goal requirement (50% instead of 25% of qualifying patients must receive the service). To encourage physicians to reach out to patients identified needing service under each measure, KHS will pay more each time a % threshold is met e.g. 10%, 20%, etc. The new threshold value for each service performed is paid on each preceding encounter when reaching the new threshold. Thus physician’s compensation per measure increases as more of their qualifying patients receive the appropriate service under that measurement. As with HEDIS, plan-wide performance will be shared with the Board throughout the year as part of the CMO report.

Provider Portal Utilization

Encouraging provider office staff to conduct inquiries, track claims, review reports and submit information using the Provider Portal results in faster response times for providers. Below is the utilization summary for the most recent three months of data.

	November 2019	December 2019	January 2020
Total HealthX User Accounts	3,765	3,900	<i>TBD</i>
Total HealthX User Accounts	234	383	<i>TBD</i>
Page Views	625,781	680,859	701,281
Unique Page Views	243,291	280,080	270,169
Avg. Time of Page	3:23	3:13	3:16

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Marketing/Public Relations

Community Sponsorships:

KHS will share sponsorship in the following events in February and March:

- KHS donated \$2,000 to United Way of Kern County (fiscal agent) for the Homeless Connect Resource Fairs. City, county, faith based groups, non-profits and community organizations are collaborating to provide direct health & social services to homeless individuals and high-risk residents. Events throughout Kern Country are planned to connect homeless individuals to resources and services.
- KHS donated \$1,250 to the Garden Pathways “Heart of the Country” event at Buck Owens’ Crystal Palace on February 6th.
- KHS donated \$5,000 to the Kern County Superintendent of Schools (KCSOS) to sponsor the Drugs Trends & Effective Strategies Symposium on February 7th. Our donation enabled the KCSOS to book Tony Hoffman as the keynote speaker. He will share his story from addiction to the 2016 Olympics.
- KHS donated \$2,500 to the Links for Life “Love Links!” luncheon at Buck Owens’ Crystal Palace on February 13th.
- KHS donated \$500 to the Lamont Chamber of Commerce 2020 Installation Dinner on February 27th.
- KHS donated \$2,500 to the 2020 RecycleMania event (free document and electronics destruction) organized by the Better Business Bureau Central California & Inland Empire Counties & the Bakersfield Police Department at California State University Bakersfield on February 29th. Proceeds collected will benefit Explorer Post 521.
- KHS donated \$2,500 to the American Heart Association “2020 Go Red for Women Luncheon” at the Marriott Convention Center on March 6th.
- KHS donated \$3,000 to the United Way of Kern County “A Chocolate Affair” event at the Westchester Events Hall on March 7th.
- KHS donated \$1,000 to The Wildlands Conservancy - Wind Wolves Preserve “7th Annual Spring Nature Festival” on March 21st and 22nd.
- KHS donated \$2,500 to the Kern County Cancer Fund’s 7th Annual “Campout Against Cancer” on March 27th and 28th. KHS employees are also raising funds to support this event benefitting Kern County cancer patients.
- KHS donated \$1,000 to Steward’s “Bakersfield Amazing Race” on March 28th.

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Community Events:

In February and March, KHS will participate in:

- 2/21 Homeless Connect Resource Fair @ The Need Center in Taft
- 3/6 Homeless Connect Resource Fair @ Lamont Park
- 3/11 Shafter Community Wellness Fair @ Shafter Youth Center
- 3/12 Kinder Roundup @ Pioneer School in Delano
- 3/19 Homeless Outreach Days @ Bakersfield Homeless Center
- 3/19 Apple Core Project Resource Fair @ David Nelson Park in East Bakersfield
- 3/26 Homeless Connect Resource Fair @ Dream Center in Bakersfield
- 3/27 Stuff the Bus Food Drive & Resource Fair @ Valley Plaza parking lot in Bakersfield

Employee Newsletters:

The Employee Newsletters can be seen by going to the following links:

January 2020 - <https://us20.campaign-archive.com/?u=f1b2565c17b55547feeb94aeb&id=6e26014961>

February 2020 - <https://us20.campaign-archive.com/?u=f1b2565c17b55547feeb94aeb&id=54dcc00730>

ADMINISTRATIVE PERFORMANCE REPORTS

Dashboard Presentation

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



Attachment A

Board of Directors Meeting

February 13, 2020

STATE

Department of Health Care Services (DHCS)

All Plan Letters (APL)

DHCS issued six (6) APL during the months of December and January to provide guidance for Managed Care Plans (MCP) – all six (6) APLs apply to KHS and are on track for appropriate implementation as required by the APL.

APL 19-015: Proposition 56 Directed Payments for Physician Services (Supersedes APL 19-006)

The purpose of this All Plan Letter (APL) is to provide Medi-Cal managed care health plans (MCPs) with guidance on directed payments, funded by the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56), for the provision of specified physician services.

Issued: 12/24/2019

Implementation Date: 07/01/2019

Action Item: Timely payments to providers and reporting to DHCS (45 days after end of each calendar quarter)

APL 19-016: Proposition 56 Directed Payments for Developmental Screening Services

The purpose of this All Plan Letter (APL) is to provide Medi-Cal managed care health plans (MCPs) with guidance on directed payments, funded by the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56), for the provision of standardized developmental screening services for children.

Issued: 12/25/2019

Implementation Date: 01/01/2020

Action Item: Timely payments to providers and reporting to DHCS (45 days after end of each calendar quarter, starting with quarter ending 06/30/2020)

APL 19-017: Quality and Performance Improvement Requirements

Supersedes APL 17-014

The purpose of this All Plan Letter (APL) is to notify all Medi-Cal managed care health plans (MCPs), including MCPs delivering services to members with specialized health care needs under the Population-Specific Health Plan (PSP) model, of changes to the Quality and Performance Improvement Program and requirements.

Issued: 12/26/2019

Action Items: Compliance with requirements

APL 19-018: Proposition 56 Directed Payments for Adverse Childhood Experiences Screening Services

The purpose of this All Plan Letter (APL) is to provide Medi-Cal managed care health plans (MCPs) with guidance on directed payments, funded by the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56), for the provision of standardized Adverse Childhood Experiences (ACEs) screening services for adults (through 64 years of age) and children.

Issued: 12/26/2019

Implementation: 01/01/2020

Action Items: Timely payments to providers and reporting to DHCS (45 days after end of each calendar quarter, starting with quarter ending 06/30/2020)

APL 20-001: 2020-2021 Medi-Cal Managed Care Health Plan Meds/834 Cutoff and Processing Schedule

The purpose of this All Plan Letter (APL) is to provide Medi-Cal managed care health plans (MCPs) with the 2020-2021 Medi-Cal Eligibility Data System (MEDS)/834 cutoff and processing schedule.

Issued: 01/03/2020

APL 20-002: Non-Contract Ground Emergency Medical Transport Payment Obligations

The purpose of this All Plan Letter (APL) is to provide Medi-Cal managed care health plans (MCPs) with pertinent information concerning enhanced reimbursement obligations for Fee-For-Service (FFS) ground emergency medical transport (GEMT) services reported using Current Procedural Terminology (CPT) codes A0429, A0427, A0433, A0434, and A0225. These payment standards impact MCP reimbursement of out-of-network GEMT services, as required by Title 42 of the United States Code (USC) section 1396u-2(b)(2)(D), commonly referred to as "Rogers Rates."

Issued: 02/05/2020 (dated 01/31/2020)

Implementation: 07/01/2019

Action Items: Timely payment to providers

Department of Managed Health Care (DMHC)

All Plan Letters (APL)

The DMHC issued five (5) APLs during the months of December and January to provide guidance to health care service plans – two (2) of the APLs do not apply to KHS Medi-Cal business; three (3) are on track for appropriate implementation as required by the APL.

APL 19-023: Standard Prescription Drug Formulary Template

The Department of Managed Health Care (the DMHC or Department) issues this All Plan Letter (APL) to provide guidance regarding recently adopted regulations outlining minimum standards and requirements for health care service plan prescription drug formularies subject to Health and Safety Code section 1367.205.

Issued: 12/04/2019

Implementation: 10/01/2019

Action Items: E-1 filing by 01/24/2020 (complete); comply with the Formulary Regulation standard template and other requirements effective April 1, 2020

APL 19 – 024: Association Health Plans

This All Plan Letter (APL) reminds health plans, solicitors, brokers and others that in California, group coverage may not be sold to individual subscribers directly or “indirectly through any arrangement.”¹ Likewise, large group coverage may not be sold to small employers through multiemployer welfare arrangements (MEWAs),² association health plans (AHPs),³ voluntary employees’ beneficiary associations (VEBAs)⁴ or any similar arrangements (collectively “associations”)

Issued: 12/09/2019

Not applicable to KHS Medi-Cal Managed Care

APL 20-001: Newly Enacted Statutes Impacting Health Plans

This All Plan Letter (APL) outlines newly enacted statutory requirements for health care service plans (plans) regulated by the Department of Managed Health Care (DMHC). In this APL, the Office of Plan Licensing (OPL) identifies and discusses fourteen bills enacted this session that may require plans to update EOCs, disclosure forms, provider contracts and/or other plan documents. Plans must review relevant plan documents to ensure those documents comply with newly enacted legislation. The DMHC expects plans to comply with all applicable statutes upon the statutes’ effective dates.

Issued: 01/15/2020

Action Items: Compliance with regulations

APL 20-002: Enrollment Data Reporting

The Department of Managed Health Care (DMHC) issues this All Plan Letter (APL) to inform health care service plans (Plans) of the requirements of Senate Bill (SB) 129 (Pan, Ch. 241, Stats. 2019). 1 Health and Safety Code section 1348.95, as amended by SB 129, requires Plans to file enrollment data by product type with the DMHC for: Individual and small group products sold inside and outside the California Health Benefit Exchange; Large groups; Administrative

services-only business lines; Any other business lines; and Multiple employer welfare arrangements (MEWAs) as of December 31 of the prior year. This letter provides guidance regarding the SB 129 annual enrollment reporting filing requirements.

Issued: 01/21/2020

APL 20-003: Provider Directory Annual Filings 2020

Section 1367.27, subdivision (m), requires health plans to submit provider directory policies and procedures to the Department annually. Attached are the Department's Provider Directory Checklist – Annual Filing and the Model E-1 Exhibit for Section 1376.27 compliance filings. The Department provides this checklist as a reference tool for health plans when completing the annual filings required by California Health & Safety Code section 1367.27. The checklist is also available for download from the Department's eFiling web portal.

Issued: 01/24/2020

Action Items: E-1, J-14, E II-6 Filings by 04/15/2020

Additional Regulatory Requirements:

In addition to the issuance of the above-mentioned APLs, the following regulatory requirements were issued during the months of December and January:

Annual Network Certification Policy Changes

Effective July 1, 2021, Medi-Cal managed care health plans (MCPs) will be responsible for certifying subcontracted networks. This document previews the general policy guidance related to how MCPs will certify subcontracted networks and the submission requirements. The goal of the policy change is to ensure that MCPs that delegate their responsibility to provide Medi-Cal covered health care services to subcontracted networks meet Network adequacy requirements. MCPs must demonstrate through their Network certification submission to Department of Health Care Services (DHCS) that all MCP members have access to Networks that are compliant with state and federal Network adequacy requirements.

Issued: 12/03/2019

Implementation: 07/01/2021

Action Items: Plan of Action submission by 03/16/2020

Managed Care Data Improvement Project

As part of DHCS' ongoing effort to improve Medi-Cal data quality, MCQMD has launched the Managed Care Program Data Improvement Project (MCPDIP) which will transform the manner in which key data sets are reported to, and managed by, the Department. Most data sets included in this project are reported to DHCS today using Excel templates—member grievances and appeals, continuity of care, and out of network access requests. In addition, this project will implement a new data set which identifies the Primary Care Providers assigned to each plan member.

Implementation: 07/01/2020

Action Items: development of new data file; testing end of first quarter 2020

COMPLIANCE

All Plan & Policy Letter Reviews

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

Summary of Potential Fraud Investigations for 2019

KHS coordinates and communicates information and evidence of potential fraud to appropriate state and federal officials. The Compliance Department maintains communications with state and federal agencies and cooperates with all of their related requests. Information gathered during an investigation is forwarded to the appropriate State and federal agencies as needed.

Health Plan Member:

The Compliance Department received a total of five (5) reports of alleged fraud, waste, or abuse by KHS Medi-Cal members in 2019; and three (3) additional reports related to potential member ineligibility for Medi-Cal benefits. The Compliance Department substantiated that two (2) of the cases involved possible fraud, waste, or abuse. These, along with the three (3) potential eligibility concerns, were reported to the Medi-Cal Program Integrity Unit of the California Department of Health Care Services for investigation. The Plan does not know the outcome of the Department's investigation pertaining to these cases.

Health Plan Contracting Provider:

There were three (3) cases of possible fraud, waste, abuse involving participating providers that were reported to the Compliance Department for investigation in 2019. Two (2) cases were deemed by the Compliance Department as reportable to the State Medi-Cal Program Integrity Unit. The Plan does not know the outcome of the Department's investigation pertaining to these two cases.

Summary of Potential Protected Health Information Disclosures for 2019

KHS is dedicated to ensuring the privacy and security of the PHI and PI that may be created, received, maintained, transmitted, used or disclosed in relation to our members. As such, KHS strictly complies with the standards and requirements of Health Insurance Portability and Accountability Act (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH).

In 2019, Compliance investigated and reported a total of 23 individual potential concerns to DHCS. In all cases closed, DHCS determined the cases to be "non-breach" due to the corrective action and mitigation steps taken by KHS and the level of risk involved in each potential case.

Reporting to Government Agencies for December and January:

December 2019

Report Name/Item	Status
BHT-CDE Monthly	On time
MER Monthly	On time
NMT-NEMT Monthly	On time
Call Center Report	On time
Provider Calls Monthly	On time

January 2020

Report Name/Item	Status
AB 85 Adult Expansion Default Assignment	On time
AB 1455 Claims Settlement (DMHC)	On time
Annual Anti-Fraud Report (DMHC)	On time
Arbitration Decision (DMHC)	On time
CBAS Quarter 4, 2019	On time
CBAS Waiver	On time
Dental Anesthesia Quarter 4, 2019	On time
Grievance Report Quarter 4, 2019 (DMHC)	On time
Marketing Plan	On time
MER Monthly	On time
NMT-NEMT Monthly	On time
Provider Calls	On time
Provider Network Reports	On time
Q4 Monitoring Report (QMRT)	On time
QI/UM Committee Minutes	On time

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
<u>APL 19-001</u>	Health Plan Webinars	Compliance IT	Notification of pending webinars regarding the collection of health plan data to be uploaded into the Health Plan Profile.	1/11/2019	No action required	
<u>APL 19-002</u>	Newly Enacted Statutes Impacting Health Plans	Health Services Pharmacy Compliance	The APL outlines several newly enacted statutory legislative requirements for health Plans. KHS response to the DMHC is due by March 1, 2019, unless otherwise noted. KHS Health Services and Pharmacy Departments could be impacted.	1/11/2019	Plan provided required response to DMHC.	
<u>APL 19-003</u>	Guidance Regarding Provider Directory Annual Findings	Compliance Provider Relations	Provides guidance and instructions to Plans regarding the Annual Filing of the Provider Directory.	1/14/2019	Documents sent to Provider Relations for review.	
<u>APL 19-004</u>	Telehealth/Teledentistry Sample Questions	Compliance Provider Relations	Provides general information and guidance regarding the review of telehealth and tele dentistry contracts, services, and benefits by DMHC and the Office of Plan Licensing.	1/23/2019	Stakeholders completed the questionnaire.	
<u>APL 19-005</u>	Plan Year 2020 QHP and QDP Filing Requirements	N/A	N/A	1/24/2019	N/A	N/A

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
<u>APL 19-006</u>	Clinical Quality Improvement	Compliance Quality Improvement	The APL includes a survey that collects information pertaining to Antibiotic Stewardship, Asthma Care, Diabetes Care, Opioid Stewardship, and Smoking Cessation.	5/3/2019	Completed on 4/6/2019	
<u>APL 19-007</u>	Filing requirements under Assembly Bill 2941	Compliance	Provides action requirements for Plans to follow after a declaration of emergency by the Governor that displaces or has the immediate potential to displace enrollees.	3/4/2019	KHS acknowledged the APL	
<u>APL 19-008</u>	Timely Access Compliance Reports MY 2019	Provider Relations Compliance	Provides MY 2019 requirements for Plans that conduct a (DMHC) mandatory Provider Appointment Availability Survey (PAAS)	3/15/2019	Completed on 5/9/19	
<u>APL 19-009</u>	2019 Annual Assessments	Finance Compliance	Provides Plans with direction for filing the Report of Plan Enrollment	5/14/2019	Completed on 5/15/19	
<u>APL19-010</u>	Introduction of a new Independent Review Organization.	N/A	N/A	4/4/2019	N/A	N/A
<u>APL19-011</u>	QIF Plan Regulatory Requirements	Executives Compliance	The APL reviews the upcoming changes to the treatment of QIF Plans.	6/3/2019	Completed on 6/26/19	
<u>APL19-012</u>	AB 72 Policy and Procedures	N/A	N/A	6/4/2019	N/A	N/A
<u>APL19-013</u>	Block Transfer Enrollee Transfer Notices	N/A	N/A	6/13/2019	N/A	N/A

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
<u>APL19-014</u>	Guidance Regarding General Licensure Regulation	N/A	N/A	6/14/2019	N/A	N/A
<u>APL19-015</u>	Governor's Declarations of Emergency Kern and San Bernardino Counties - Ridgecrest Earthquakes	Executives Compliance	Within 48 hours of a declaration of emergency by the Governor that displaces or has the immediate potential to displace enrollees, each plan operating in the county(is) included in the declarations must file a notice with the DMHC.	7/9/2019	The Plan filed a notice with the DMHC on July 18, 2019.	
<u>APL19-016</u>	Amendment to the Risk Bearing Organization Regulations	N/A	N/A	9/6/219	N/A	N/A
<u>APL19-017</u>	Requirements Pursuant to AB 315 Pharmacy Benefit Management	Pharmacy Compliance	Specifically, this APL addresses the new requirements including required Plan disclosures, PBM registration, and other PBM requirements. Plans are asked to disseminate this APL to contracted PBMs.	10/14/2019	The Pharmacy Department has sent the APL to the Plan's PBM. Compliance is meeting with Pharmacy on 10/21/19. 11/08/2019: E-Filing completed; confirmed with DHCS no PBM filing needed due to contractual relationship. Complete	
<u>APL19-018</u>	State of Emergency in Los Angeles and Riverside counties due to the effects of several fires.	N/A	N/A	9/6/219	This does not apply to Kern Medi-Cal Service Area	N/A

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
<u>APL19-019</u>	Requirements Pursuant to SB 546 (Leno, 2015): Large Group Renewal Notice Requirements	N/A	N/A	9/6/220	This does not apply to Kern Medi-Cal Business	N/A
<u>APL19-020</u>	Guidance for Regulations Regarding Cancellations, Rescissions and Nonrenewals	N/A	N/A		This does not apply to Kern Medi-Cal Business	N/A
<u>APL19-021</u>	State of Emergency in Los Angeles and Sonoma counties due to the effects of several fires.	N/A	N/A	10/25/2019	This does not apply to Kern Medi-Cal Service Area	N/A
<u>APL19-022</u>	Governor's Proclamation of a Statewide State of Emergency Due to Extreme Fire Weather Conditions	Provider Relations Pharmacy Member Services Compliance	Member Services TARs/Pharmacy	10/28/2019	10/29/2019 - Plan filed Exhibit E-1 and J-17 outlining actions taken Completed	
<u>APL19-023</u>	Standard Prescription Drug Formulary Template	Pharmacy Marketing Compliance	KHS Formulary Standards	12/11/2019	* Meeting with Stakeholders scheduled for 12/11/19 * E-1 Filing submitted 01/24/2020; requesting slight variation to required template * Follow-up meeting scheduled for 02/06/2020 * Currently on track for 04/01/2020 due date for Formulary Template	
<u>APL19-024</u>	Association Health Plans	N/A	N/A	10/25/2019	This does not apply to KHS	N/A

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
		KEY				
			Compliance - YES			
			Compliance - NO			
			Outcome Pending			
			N/A - Informational Document			

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
<u>APL19-001</u>	Medi-Cal Managed Care Health Plan Guidance on Network Provider Status	Provider Relations Compliance	The APL relates to Network Provider standardized contracting requirements, including KHS Network Provider and Subcontractor agreements, provider directory reporting, network adequacy certification, and directed payments.	5/25/2019	KHS Boilerplates were approved by DHCS and DMHC. The contracts were implemented and effective July 2019.	
<u>APL19-002</u>	Network Certification Requirements	Provider Relations Compliance	The APL provides guidance to KHS about reporting requirements for the Annual Network Certification process. The APL also outlines network adequacy standards the Plan will follow.	9/26/2019	The APL has been reviewed with Provider Relations. The updated P&P requires review and signatures.	
<u>APL19-003</u>	Providing information Materials to Medi-Cal Beneficiaries in an Electronic Format	Member Services Provider Relations Pharmacy Compliance	The APL provides Medi-Cal managed care health plans with clarification and guidance regarding the provision of the Provider Directory, Formulary, and Member Handbook to Medi-Cal members in an electronic format.	9/26/2019	Stakeholders are working to implement the requirements of the APL. Monthly status meetings are scheduled. Final letter approved; moving forward with 03/01/2020 implementation	
<u>APL19-004</u>	Provider Credentialing/Recredentialing and Screening/Enrollment	Provider Relations Compliance	The purpose of the APL is to inform Medi-Cal managed care health plans of their responsibilities related to the screening and enrollment of all network providers. APL 19-004 supersedes APL17-019.	10/9/2019	Closing meeting October 2019.	

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

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

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
<u>APL19-009</u>	Telehealth Services Policy	Provider Relations Health Services IT Compliance	The purpose of the APL is to provide clarification to Plans on DHCS policy on Medi-Cal services offered through a telehealth modality as outlined in the Medi-Cal Provider Manual	9/24/2019	Stakeholders reviewed the APL and declined to update P&Ps at this time.	
<u>APL19-010</u>	Requirements for Coverage of Early and Periodic Screening Diagnostic and Treatment Services for Medi-Cal members Under the Age of 21.	Health Services Member Services Provider Relations Compliance	The APL clarifies the responsibilities of Medi-Cal MCPs to provide Early and Periodic Screening, Diagnostic, and Treatment services to eligible members under the age of 21.	9/26/2019	Stakeholders have updated P&P 3.13-P and it has been sent to the State for review. 12/03/2019 - Approval from State Received; validating impacts related to new APL 19-014 on this policy	
<u>APL19-011</u>	Health Education and Cultural and Linguistic Population Needs Assessment	Health Services Compliance	The purpose of the APL is to update and clarify the Health Education and Cultural and Linguistic (C&L) Population Needs Assessment (PNA) contract requirements for Plans.	9/30/2019	P&P 2.11-I updated by Stakeholders. Awaiting confirmation from DHCS regarding Group Needs Assessment timeline. No due date specified. 11/25/2019 - Received clarification on timeline; PNA reports due 06/30/2020; will schedule follow up meeting with Stakeholders	

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
<u>APL19-012</u>	Federal Drug Utilization Review Requirements Designed to Reduce Opioid Related Fraud, Misuse, and Abuse.	Pharmacy Health Services Compliance	The purpose of the APL is to inform Plans of their responsibilities related to the implementation of new federal Medicaid Drug Utilization Review (DUR) requirements.	10/3/2019	Confirmed Compliance with 10/01/2019 Implementation Date with Pharmacy Dept. Due date extended to 4/1/2020 for Policies; Working on P&P with Stakeholders.	
<u>APL19-013</u>	Proposition 56 Hyde Reimbursement requirements for specified services	Claims Member Services Finance Compliance	The purpose of this APL is to provide Plans with information on required payments funded by the Prop 56 for the provision of specified state-supported medical pregnancy termination services.	10/17/2019	check Runs ongoing; closed	
<u>APL19-014</u>	Responsibilities for Behavioral Health Treatment Coverage for Members Under the Age of 21	Health Services	The purpose of this All Plan Letter (APL) is to provide guidance to Medi-Cal managed care health plans (MCPs) about the provision of medically necessary Behavioral Health Treatment (BHT) services for <u>members under the Early and</u>	12/3/2019	Small Stakeholder Meeting held to review policy updates needed P & P has been updated and submitted to DHCS for approval 02/05/202	
<u>APL19-015</u>	Proposition 56 Directed Payments for Physician Services	Claims Member Services Finance Compliance	The purpose of this APL is to provide Plans with information on directed payments for certain services funded by Prop 56 for SFY 2019 and beyond	12/30/2019	APL has been implemented	

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Review Date	Status/Comment	Compliance Status
<u>APL19-016</u>	Proposition 56 Directed Payments for Developmental Screening Services	Claims Member Services Finance Compliance Health Services	The purpose of the APL is to provide the requirements for MCPs, either directly or through their delegated entities and Subcontractors, to make directed payments to eligible Network Providers of \$59.59 for each qualifying developmental screening service	2/3/2020	Stakeholders building reports for payment.	
<u>APL19-017</u>	Quality and Performance Improvement Requirements	Quality Improvement Health Services Compliance IT	The APL provides Plans with changes to requirements to the Quality and Performance Improvement Program.	1/8/2020	Small Stakeholder Meeting scheduled	
<u>APL19-018</u>	Proposition 56 Directed Payments for Adverse Childhood Experiences Screening Services	Claims Member Services Finance Compliance Health Services	The purpose of this APL is to provide Plan's with guidance on directed payments for the provision of standardized Adverse Childhood Experiences (ACEs) screening services for adults (through 64 years of age) and children.	2/3/2020	Stakeholders building reports for payment.	
		KEY				
			Compliance - YES			
			Compliance - NO			
			Outcome Pending			
			N/A - informational document			

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL 18-001	Newly Enacted Statutes Impacting Health Plan License Files	Compliance Member Services	Identifies requirements for EOC'S, Disclosure Forms, Provider Contracts.	11/8/2019	TBD	assessment of approach to review APL completed; validated filings occurred timely			
APL 18-002	Timely Access Compliance Report MY 2018	Compliance Provider Relations	Accurate filing of the Timely Access Compliance Report for MY 2018.	1/16/2019	5/7/2019	Compliance Requirement Met: 4.30-P §4.1.1 is in alignment with the APL requirements. The Plan filed an Exhibit I-13 for 4.30-P, §4.1.1.			
APL 18-003	Plan Year 2019 QHP/QDP Filing Requirements	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
APL 18-004	Unified Billing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
APL 18-005	Administrative Services Agreement (ASA) Checklist	Compliance Procurement and Facilities	Amended Administrative Services Agreement Updates.	3/26/2019	2/14/2020	In Process: Compliance Dept. is working on a process improvement plan to meet APL requirements of timely and proper ASA Submission.			
APL 18-006	Annual Assessment	Compliance Finance	Reporting of the Plans Enrollment and Utilization.	1/28/2019	3/22/2019	Compliance Requirement Met: The Plan timely and accurately filed all required elements of the APL.			
APL 18-007	Confidentiality of Information Submitted to Office of Plan Licensing	Compliance	Guidance for submitting requests for Confidentiality.	4/10/2019	5/24/2019	Compliance Requirement Met: DMHC eFiling requiring confidentiality was properly filed.			
APL 18-008	AB72 Delegated Entity Report	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL 18-009	Responding to Help Center RHPis	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
APL 18-010	Plan Compliance with MHPAEA Rules for Financial Requirements and Quantitative Treatment Limitations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
APL 18-011	Annual filing of SB 17 prescription drug cost information	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
APL 18-012	State of emergency in Riverside and Shasta Counties due to the effects of the Cranston and Carr fires.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
APL 18-013	Revisions to the Independent Medical Review Form (IMR)/Complaint Form	Compliance	Compliance distributed the All Plan Letter (APL) to Stakeholders.	10/15/2019	11/15/2019	Upon review of APL and required actions, confirmed compliance with APL; updates in process for policy as enhancement			
APL 18-014	States of emergency due to wild fires in ten California counties.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
APL 18-015	Filing Requirements for the Medi-Cal Health Homes Program	HHP Compliance	Evidence of Coverage, Enrollee Notices, and Plan developed outreach and education materials.	1/3/2020	1/31/2020	Confirmed appropriate filings completed timely			
APL 18-016	Communication between the Help Center and Health Plans Regarding Consumer Complaints	Compliance	Sending and receiving Requests for Health Plan Information and other Health Plan correspondence.	5/28/2019	11/12/2019	Compliance Requirement Met: W-11 filed timely.			
APL 18-017	Large Group Renewal Notice Requirements for SB546 Implementation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL 18-018	Notice for the January 2019 release of the Annual Filing Checklist for HSC Sec. 1367.27	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
APL 18-019	State of Emergency Due To Fires in Butte, Los Angeles and Ventura Counties	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		KEY							
			Compliance - YES						
			Compliance - NO						
			Outcome Pending						
			N/A - Informational Document						

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL 18-001	Voluntary Inpatient Detoxification	Member Services Health Services	Clarification provided regarding voluntary inpatient detoxification.	10/9/2019	12/16/2019	In Process: 3.10-P was revised to meet APL requirements. Requested additional deliverables from Stakeholder.		Compliance Requirement Met: 3.10-P, has been revised to meet APL requirements. UM Dept. is in the process of implementing a tracking mechanism for referral to and from the county plan.	
APL 18-002	2018-2019 Medi-Cal Managed Care Health Plan MEDS/834 Cutoff and Processing Schedule	N/A	Provides KHS IT Department with the 2018-2019 Eligibility Data Systems (MEDS)/834 cutoff and processing schedule.	N/A	N/A	N/A	N/A	N/A	N/A
APL 18-003	Administrative and Financial Sanctions	NA	Provides clarification regarding the imposition of administrative and financial sanctions.	N/A	N/A	N/A	N/A	N/A	N/A
APL 18-004	Immunization Requirements	Health Services Member Services Provider Relations	MCPs must ensure timely provision of immunizations to members in accordance with the most recent schedule and recommendations.	1/3/2020	2/29/2020	Conducting policy review to verify compliance with APL requirements.			
APL 18-005	Network Certification Requirements	Provider Relations Compliance	Guidance provided to MCPs regarding new Annual Network Certification, reporting requirements, and associated network adequacy standards.	9/16/2019	9/27/2019	Compliance Requirement Met: DHCS certified KHS as compliant with it's 2018 Annual Network Certification. APL 18-005 is superseded by APL 19-002:Network Certification Requirements.			

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
<u>APL 18-006</u>	Responsibilities for Behavioral Health Treatment Coverage for Members Under the Age of 21	Health Services Member Services Provider Relations	Guidance provided regarding the provision of medically necessary Behavioral Health Treatment services to eligible Medi-Cal members under 21 years.	8/14/2019	2/15/2020	Compliance Requirement Not Met: 3.72-P is in alignment with the APL requirements. Continuity of Care process and procedures are documented in 3.72-I, §5.0, the Plan should follow the processes identified in the policy. Plan must implement COC Letter for KHS Members.			
<u>APL 18-007</u>	Requirements for Coverage of Early and Periodic Screening, Diagnostic, and Treatment for Medi-Cal Members Under the Age of 21	Health Services Member Services Provider Relations	Clarifies the responsibilities of MCPs to provide Early and Periodic Screening, Diagnostic, and Treatment services to eligible members under the age of 21.	1/18/2019	4/1/2019	Requirement Not Met: Policy and Procedures 3.13-P, EPSDT Services and Targeted Case Management, requires minor revisions. Policies and Procedures 3.03-P, 3.05-I, and 3.16-P require review and implementation.		Compliance Requirement Met: Revised Policies and Procedures revisions for 3.03-P, 3.05-I, 3.13-P, and 3.16-P have been implemented.	
<u>APL 18-008</u> REVISED	Continuity of Care for Medi-Cal members Who Transition into Medi-Cal Managed Care (REVISED)	Health Services Member Services Provider Relations	Clarifies continuity of care requirements for Medi-Cal members who transition into Medi-Cal managed care.	5/15/2019	11/30/2019	Compliance Requirement Not Met: Policy and Procedure 3.40-I, Continuity of Care (COC) for New Members requires minor revisions. The Plan does not inform KHS Members 30 days prior to the ending of the (COC) period as required by the APL.		Current Status: Revised Policy and Procedure 3.40-I, COC for New Members has been implemented. The Utilization Management Dept. will implement updated COC letter upon approval from DHCS. Approval received 01/29/2020	

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL 18-009	Memorandum of Understanding Requirements for Medi-Cal Managed Care Health Plans and Regional Centers.	Health Services Member Services Provider Relations	Clarifies the responsibilities of Medi-Cal managed care health plans when entering into a Memorandum of Understanding (MOU) with a Regional Center to cover all members receiving Behavioral Health Treatment services, regardless of diagnosis.	3/25/2019	4/8/2019	Compliance Requirement Met: The Plan's MOU with Kern Regional Center (KRC) was implemented on July 19, 2018.			
APL 18-010	Proposition 56 Directed Payment Expenditures for Specified Services for State Fiscal year 2017-18	Claims Provider Relations Finance IT	Identifies the requirements for MCPs to make direct payments for certain services funded through Proposition 56 for FY 2017-18.	9/9/2019	11/30/2019	In Process: Compliance Requirements Not Met: Findings and Recommendations Reviewed with Stakeholders; awaiting several action items to complete to close Audit: * Recovery of overpayments to several RHCs * Updated Provider Grievance Process * Improved timeliness of payments			
APL 18-011	California Children's Services Whole Child Model Program	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
APL 18-012	All Med-Cal Managed Care Health Plans Participating in Health Homes Program	HHP Health Services Member Services IT	Provides guidance for the provision of Health Homes Program (HHP) services, and the development and operation of the HHP, to Medi-Cal managed care health plans	N/A	N/A	N/A	N/A	N/A	N/A
APL 18-013	Hepatitis C Virus Treatment Policy Update	Health Services Pharmacy	Provides updates to the DHCS hepatitis C policy that was previously released in July 2015.	2/20/2019	10/21/2019	Compliance Requirement Met: KHS Policy and Procedure 3.22-P is in line with the APL requirements.			

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

APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL 18-014	Alcohol Misuse: Screening and Behavioral Counseling Interventions in Primary Care	Health Services Provider Relations	Clarifies primary care requirements to provide Alcohol Misuse Screening and Behavioral Counseling interventions to members 18 years and older.	1/18/2019	10/7/2019	Compliance Requirement Not Met: The Policy provided by the delegated entity does not provide the most current APL requirements.		Current Status: The Plan received a revised Policy by the delegated entity with the most current APL requirements.	
APL 18-015	Memorandum of Understanding requirements for Medi-Cal Managed Care Plans	Health Services Provider Relations	Describes the responsibilities of Medi-Cal Managed Care Plans for amending or replacing MOUs with county Mental Health Plans for coordination of Medi-Cal mental health services.	9/16/2019	10/4/2019	In Process: Compliance will review Kern Behavioral Health and Recovery Services (Kern BHRS) MOU, KHS Policy 3.14-P, Recovery Services, DHCS Contract Language, and Title 9 Medi-Cal Specialty Mental Health Services against the APL requirements.		Current Status: Policy 3.014 is circulating for management signatures. Retrospective was reviewed by Director and Consultant and has been completed.	
APL 18-016	Readability and Suitability of Written Health Education Materials	Health Education Member Services Compliance	The APL provides updated requirements for reviewing and approving written health education materials for Plan Members.	1/29/2019	2/25/2019	Compliance Requirement Met: 2.30-1, Health Services-Quality Improvement is in alignment with the APL requirements.			
APL 18-017	Blood Lead Screening of Young Children	Health Services Provider Relations Member Services	The APL clarifies blood lead screening and reporting requirements for Medi-Cal managed care health plans .	1/16/2019	4/23/2019	Compliance Requirement Not Met: 3.13-P, is in line with the APL requirements. On 4/10/19, Provider Relations released a Provider Bulletin as a reminder of the APL requirements for all Providers. The Plan is currently pending applicable Policy and Procedures from Kaiser Foundation Health Plan (KFHP).		Current Status: The Plan continues to reach out to the Delegate Entity for Policy and Procedures.	

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2018 DHCS All Plan Letters and Status Updates
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APL Number	Description	Impacted Department(s)	Impacted Functions	Plan Compliance Start Date	Plan Compliance Completion Date	Initial Status/Comment	Initial Compliance Status	Current Status/Comment	Current Compliance Review Status
APL 18-018	Diabetes Prevention Program	Health Services Disease Management Provider Relations Member Services	The APL provides guidance on the implementation of the Diabetes Prevention Program.	10/10/2019	2/5/2020	In Process: Policy is in alignment with APL Requirements, and KHS uses CDC approved materials. Currently reviewing eight 8 samples to confirm compliance.			
APL 18-019	Family Planning Services Policy for Self-Administered Hormonal Contraceptives	Pharmacy Health Services Claims Member Services Provider Relations	Clarifies DCHS' requirements for coverage of self-administered hormonal contraceptive supplies for family planning.	11/18/2019	2/7/2020	In Process: Additional research being conducted related to denied claims and overturns in sample and system configuration			
APL 18-020	Palliative Care	Health Services Provider Relations Member Services Health Homes	Updates the obligations of MCPs to provide palliative care to their beneficiaries.	TBD	TBD	Currently being evaluated for impact related to carryover into 2020			
APL 18-021	2019-2020 Medical Managed Care Health Plan MEDS/834 Cutoff and Processing Schedule	N/A	Provides KHS IT Department with the 2019-2020 Eligibility Data Systems (MEDS)/834 cutoff and processing schedule.	N/A	N/A	N/A	N/A	N/A	N/A
APL 18-022	Access Requirements for Freestanding Birth Centers and Provision of Midwife Services	Health Services Provider Relations Member Services	Clarifies the Plan's responsibilities to provide Members with access to freestanding Birthing Centers and services by Midwives.	1/30/2019	10/10/2019	Compliance Requirement Met: Policy 3.24-P, Pregnancy and Maternity Care is in alignment with the APL requirements.			
APL 18-023	California Children's Services Whole Child Model Program (supersedes APL 18-011)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		KEY							
			Compliance - YES						
			Compliance - NO						
			Outcome Pending						
			N/A - informational document						

Attachment D**Medi-Cal Healthier California For All****Proposed Initiatives Update**

Title	Description	Status
Long Term Care and Transplants Carve-In	Effective January 1, 2021, the Department of Health Care Services (DHCS) will be carving in Long Term Care (LTC) including but not limited to skilled nursing facilities, subacute facilities, pediatric subacute facilities, and intermediate care facilities and coverage of transplants to all Medi-Cal managed care health plan (MCP) model types	LHPC meeting 1/27/20, DHCS meeting 2/24/20. Internal project proposal being submitted and analyzed.
Population Health Management	<p>By January 2021, Plans must develop and maintain PHM programs compliant with NCQA and DHCS requirements and file with DHCS.</p> <p>Utilize robust data analytics to identify and stratify low, medium and high-risk populations and have defined actions and programs to address needs.</p> <p>Perform initial and ongoing risk assessments, reassessments using assessment tool.</p> <p>Integrate PHM into Health Plan functions for coordination of services across the spectrum.</p>	DHCS workgroups continuing through February. Pending final proposal, may require KHS modification of policy/procedure in addition to completion of NCQA Model of Care.
Enhanced Care Management	<p>Proposes to establish enhanced care management benefit by 1/1/21 to provide a whole-person approach to care that addresses the clinical and non-clinical needs of high-need Medi-Cal beneficiaries.</p> <p>Collaborative and interdisciplinary approach to providing intensive and comprehensive care management services to individuals.</p> <p>Would replace the current Whole Person Care and Health Homes Programs.</p> <p>Specific NCQA elements required.</p>	DHCS workgroups continuing through February. Draft transition plan documents have been shared. DHCS meeting scheduled for 2/10/20. Future discussions needed to determine transition plan for HHP and WPC.

	<p>July 2020 transition plan deadline.</p>	
<p>In Lieu Of Services</p>	<p>By 1/1/21 would offer flexible services provided as a substitute, or to avoid, other services such as a hospital or skilled nursing facility admission or a discharge delay.</p> <p>Menu of services Plans may elect to offer includes: housing transition and sustaining services, recuperative care, respite, home and community based wrap around services.</p> <p>July 2020 transition plan deadline.</p>	<p>DHCS workgroups continuing through February. Draft transition plan documents have been shared. DHCS meeting scheduled for 2/10/20. Future discussions needed to determine transition plan for HHP and WPC.</p>
<p>NCQA Accreditation</p>	<p>Would require all Medi-Cal managed care plans to be National Committee for Quality Assurance (NCQA) accredited by 2025.</p> <p>Very specific and substantial requirements laid out by NCQA in order to earn accreditation.</p> <p>DHCS would use NCQA findings to certify or deem that Medi-Cal managed care plans meet certain State and federal Medicaid requirements.</p>	<p>NCQA workgroup meeting 1/21/20. Pending final proposal, would require significant lead time and internal preparation.</p>

<p>Dual Eligible Special Needs Plans (D-SNPs)</p>	<p>By 1/1/23 would require Medi-Cal managed care plans to operate Medicare Dual-Special Needs Plans (D-SNP), in order to offer dual eligible members the ability to have coordinated managed care plans for both their Medi-Cal and Medicare benefits.</p> <p>Would create a new KHS line of business (Medicare Advantage) with a new regulator (CMS).</p> <p>Separate requirements around NCQA accreditation and Knox Keene Licensure.</p> <p>Organization-wide process development requirements.</p>	<p>DHCS meeting scheduled for 2/24/20. Other broad workgroup discussions ongoing through February. Internal impact analysis underway.</p>
<p>Annual Open Enrollment</p>	<p>Beginning 11/1/21 DHCS would Institute annual open enrollment for Medi-Cal managed care.</p> <p>Enrollees would generally only be allowed to change their managed care plan during the Annual Health Plan Open Enrollment period (11/1-12/15).</p> <p>Includes an exemption process that will allow members to change Plans mid-year.</p>	<p>Workgroup discussions questioned the need and viability of the proposal. DHCS is anticipated to not move forward with this proposal.</p>

Attachment E**Legislative/Policy Summary – February 2020**

Title	Description	Status
AB 648 (Nazarian)	<p>This bill would prohibit health care service plans and insurers from sharing any personal information or data collected through a wellness program, and would prohibit health care service plans or insurers from taking any adverse action, if the action of the health care service plans or insurers is in response to a matter related to a wellness program, such as an individual's election to not participate in a wellness program. The bill would establish and impose upon health care service plans and insurers various requirements related to a wellness programs, such as requiring a health care service plan or insurer to provide an individual information concerning its policies and practices pertaining to wellness programs, as specified.</p> <p>http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB648</p>	<p>CAHP Oppose (2019)</p> <p>1/23/2020 - Action From APPR. SUSPENSE FILE: Do pass as amended.</p>
AB 890 (Wood)	<p>Authorizes a nurse practitioner to practice without the supervision of a physician and surgeon if the nurse practitioner meets specified requirements. Authorizes the nurse practitioner to perform specified functions including ordering and interpreting diagnostic procedures, certifying disability, and prescribing, administering, dispensing, and administering controlled substances.</p> <p>http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB890</p>	<p>1/23/2020 - Action From APPR. SUSPENSE FILE: Do pass as amended.</p>
AB 910 (Wood)	<p>Would require a county mental health plan and Medi-Cal managed care plan that are unable to resolve a dispute to submit a request for resolution to the State Department of Health Care Services. The bill would require the department to issue a written decision to the plans within 30 calendar days from receipt of the request by either the county mental health plan or the Medi-Cal plan. The bill would also prohibit the dispute from delaying the provision of medically necessary services, as specified.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB910</p>	<p>1/23/2020 - Action From APPR. Do - Pass to CONSENT CALENDAR.</p>
AB 1904 (Boerner)	<p>Would require a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2021, to provide coverage for pelvic floor physical therapy after pregnancy.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB1904</p>	<p>1/17/2020 - Referred to Com. on HEALTH.</p>

SB 29 (Lara)	Expands Medi-Cal to all, regardless of immigration status if they meet the income requirements. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB29	LHPC Support (2019) 1/3/2020 - Read second time. Ordered to third reading.
SB 803 (Beall)	This bill would state the intent of the Legislature to create a peer support specialist certification program administered by the Department of Consumer Affairs. Would require the state to develop a new licensing program for mental health and substance abuse workers who can use their personal experiences to help patients access treatment. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB803	1/15/2020 - Referred to Com. on HEALTH.
SB 852 (Pan D)	Would state the intent of the Legislature to introduce legislation to require the State of California to manufacture generic prescription drugs for the purposes of controlling prescription drug costs. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB852	1/22/2020 - Referred to Com. on RLS.



LHPC
Local Health Plans *of California*

Attachment F

To: Board of Directors & Staff
From: Linnea Koopmans, Director of Government Affairs
Subject: Highlights from Governor's Proposed Budget for 2020-21
Date: January 10, 2020

This memo includes highlights of Governor Newsom's Proposed Budget for 2020-21 from the Department of Finance [Budget Summary](#) and the [Department of Health Care Services \("DHCS"\) Budget Highlights](#). LHPC will continue to review and analyze Budget proposals impacting local plans and provide additional information to members as it becomes available. Please contact Linnea Koopmans at lkoopmans@lhpc.org with any questions.

State Budget Overview

The proposals in the Governor's Budget signal yet another year of fiscal health for California, with substantial investments in education, health, housing, emergency preparedness, and other Administration priorities. In his Budget briefing, Governor Newsom emphasized the historic period of economic growth in our state, now at 126 months and counting, with an unemployment rate of 3.9%. However, the Administration anticipates that revenue growth will slow over the forecast period, thus limiting new ongoing spending commitments.

The following highlights provide a snapshot of California's overall State Budget:

- *Total Budget*: \$222.2 billion (\$153.1 billion General Fund ("GF"))
 - Total budget growth: 2.3% increase from 2019-20 Budget
- *Projected surplus*: \$5.6 billion
- *Rainy Day Fund*: \$18 billion in 2021, growing to \$19.4 billion over forecast period

Overarching Health Priorities

The proposed Budget sets forth the Administration's primary healthcare priorities, including:

- 1) Addressing health care costs
- 2) Strengthening California's existing public option
- 3) Lowering prescription drug costs
- 4) Making progress towards universal coverage

Health Care Costs & Affordability

The Governor proposes addressing health care costs by establishing a statewide Office of Health Care Affordability which will be responsible with strategies to reduce costs and increase

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transparency. Specifics regarding this proposal will be provided in spring 2020 (Budget Summary, p. 26).

Public Option

The Governor’s ambitious health care priorities include specific mention of California’s local plans. The Budget notes that the Administration plans to leverage California’s public Medi-Cal managed care plans (“MCPs”) and Covered California to “build an even more robust public option in California” (Budget Summary, p. 26).

Prescription Drugs

The Budget significantly expands on the Governor’s priority to address the rising cost of prescription drugs. The Medi-Cal proposals, including the Medi-Cal Pharmacy Carve-Out, are detailed in the following section. Other pharmacy proposals include:

- *Golden State Drug Pricing Schedule*: The Budget proposes the development of a single cross-sector market for drug pricing in California, including Medi-Cal, CalPERS, Covered California, private insurers, and others. More details about the proposal will be forthcoming in spring 2020 (Budget Summary, p. 28).
- *Generic Contracting Program*: The Governor proposes to establish a California generic drug label, wherein the state will directly contract with drug manufacturers to manufacture generic drugs. More details on this proposal are forthcoming in spring 2020 (Budget Summary, p. 28).
- *Expand bulk purchasing*: The Budget proposes to build on Governor’s Executive Order on pharmacy from January 2019, indicating that the Department of General Services will increase partnerships with local purchasers of pharmacy to leverage the newly formed purchasing program (Budget Summary, p 27).

Universal Coverage

The Governor continues to expand coverage to California’s uninsured residents. The Administration proposes to expand Medi-Cal coverage to undocumented adults over the age of 65. More details on the budget estimate are included in the following section.

Significant Medi-Cal Budget Items

Overall Medi-Cal Budget

- *Total Budget*: \$107.4 billion (\$26.4 billion GF)
 - Assumes a caseload increase of 0.4% from 2019-20 to 2020-21
- *Total projected enrollment*: 12.9 million Californians (Budget Summary, p. 32)

MCO Tax

While the Governor expressed the Administration’s confidence that CMS will approve California’s MCO tax waiver request, the proposed 2020-21 Budget does not include revenues from the tax. However, the forecast period assumes revenues will begin to accrue in 2021-22 (Budget Summary, p. 3).

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Medi-Cal Healthier California for All (formerly CalAIM)

The Budget proposes \$695 million in 2020-21 for implementation of the Medi-Cal Healthier California for All proposals. Funding will primarily support the implementation of enhanced care management and MCP incentive payments to implement in lieu of services (“ILOS”). The funds allocated to infrastructure will phase out beginning in 2023-24. Specific components are outlined below (Budget Summary, p. 33; DHCS Budget Highlights, p. 4).

- *Total funding*: \$695 million (\$348 million GF) for January 1, 2021-June 30, 2021 growing to \$1.4 billion total funds in 2021-22 and 2022-23
 - *Enhanced care management*: \$224 million (\$112.5 million GF)
 - *MCP incentive payments to infrastructure for ILOS*: \$300 million total funds
 - *Funding existing ILOS currently being provided in WPC*: \$57.5 million total funds
 - *Dental Transformation Initiative*: \$112.5 million (\$56.3 million GF)
- *Out-year funding*: \$790 million (\$395 million GF) beginning in 2023-24 as incentive payments for ILOS infrastructure are phased out

Pharmacy Carve-Out, “Medi-Cal Rx”

The Budget includes a revised estimate of the savings attributed to the Medi-Cal pharmacy carve-out which has an effective date of January 1, 2021. Additionally, it proposes funding for community health centers to mitigate the loss of 340B funding under the pharmacy carve-out (Budget Summary, p. 35; DHCS Budget Highlights, p. 5).

- *Pharmacy carve-out projected savings*: \$178.3 million (\$69.5 million GF)
- *Supplemental Payment Pool for Non-Hospital 340B Clinics*: \$52.5 million (\$26.3 million GF) for January-June 2021, \$105 million (\$52.5 million GF) ongoing

Additionally, the Budget proposes two statutory changes in FFS related to the pharmacy carve-out:

- Eliminate the six-prescription limit
- Eliminate co-pays for pharmacy services

Other Medi-Cal Pharmacy Proposals

The proposed Budget includes two additional Medi-Cal pharmacy proposals, including:

- *Medi-Cal Best Price*: Expands DHCS authority to consider best prices internationally when negotiating state supplemental rebates in Medi-Cal.
- *Rebates for Non-Medi-Cal Drug Purchases*: Authorizes DHCS to seek federal approval to receive rebates for populations outside the Medi-Cal program. The target populations have not yet been identified by the Administration.
- *Drug Rebate Fund Reserve*: The 2019 Budget Act authorized the Medi-Cal Drug Rebate Fund Reserve to alleviate GF impact related to rebate volatility. The 2020-21 Budget allocates \$181 million to this reserve.

Medi-Cal Expansion

As noted above, the Budget proposes to expand full-scope Medi-Cal coverage to adults age 65 years and older regardless of immigration status. The estimate assumes that this population has been receiving emergency Medi-Cal (Budget Summary, p. 34; DHCS Budget Highlights, p. 5).

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- *Implementation date:* No sooner than January 1, 2021
- *Funding:* \$80.5 million (\$64.2 million GF), including IHSS
- *Estimated caseload:* 27,000 undocumented individuals in the first year
- *Ongoing cost estimate:* \$350 million (\$320 million GF) in 2022-23 onward

Proposition 56

The Budget proposes to delay the suspension of Proposition 56 supplemental payments by 18 months, until July 1, 2023 (Budget Summary, p. 3).

Behavioral Health

- *Behavioral Health Quality Improvement Program:* \$45.1 million GF in 2020-21 and \$42 million in 2021-22 for county mental health plans and substance use disorder systems to prepare for changes proposed by Medi-Cal Healthier California for All, including data-sharing capability for care coordination, performance measurement, and payment reform.
- *Medication Assisted Treatment Benefit Changes:* \$876,000 to add all FDA approved drugs to treat opioid addiction, including buprenorphine and buprenorphine-naloxone combination.
- *Drug Medi-Cal Organized Delivery System:* \$426 million (\$62.6 million GF) to support the ongoing implementation of the Drug Medi-Cal Organized Delivery System waiver.

Other Health Proposals

Non-Medi-Cal Behavioral Health Proposals

- *Behavioral Health Task Force:* Proposes the establishment of a Behavioral Health Task Force including state departments, counties, consumers, health plans, providers, and other stakeholders to be convened by Health and Human Services Agency. The Task Force will review policies and programs with the goal of improving quality of care and system transformation (Budget Summary, p. 30).
- *Behavioral health parity enforcement:* The Budget proposes stronger enforcement of federal parity laws and other health plan requirements as it pertains to accessing mental health and substance use disorder treatment, including timely access, network adequacy, benefit design, and plan policies (Budget Summary, pp. 30-1).
- *Mental Health Services Act (“MHSA”) reform:* Proposed changes to the MHSA may include treatment of substance use disorders, enhancing the Act’s focus on individuals experiencing homelessness, the criminal justice population, and early intervention for youth (Budget Summary, p. 31).

Non-Medi-Cal Hearing Aids

The Budget proposes \$10 million General Fund for coverage of hearing aids for children under 18 years whose household incomes are at or below 600% FPL, to be implemented no sooner than January 1, 2021 (Budget Summary, p. 35; DHCS Budget Highlights, p. 7).

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Adverse Childhood Experiences (“ACEs”) Training

The Administration proposes \$10 million GF for the development a cross-sector ACEs training program. The training will be accredited by the Office of the Surgeon General and will be accompanied by a statewide ACEs public awareness campaign (Budget Summary, p. 65).

Data Advancement

Proposes the consolidation of the Office of Innovation, the Office of the Patient Advocate, and the Office of the Health Information Integrity into the Center for Data Insights within Health and Human Services Agency. The Center will leverage data to improve program delivery and system transformation (Budget Summary, p. 30).

Vaping Tax

The Budget proposes a vaping tax effective January 1, 2021 of \$2 for each 40 milligrams of nicotine in the product. This will be in addition to the existing tobacco tax, Proposition 56, and is expected to generate \$32 million in 2020-21. The tax revenues will support administration and enforcement of the tax as well as youth prevention and healthcare workforce programs (Budget Summary, p. 28).

Human Services

In-Home Supportive Services (IHSS)

- *Total funding:* The Budget proposes \$14.9 billion (\$5.2 billion GF) for IHSS in 2020-21 with an estimated average monthly caseload of 586,000
- *IHSS for Undocumented Older Adults:* \$5.9 million GF in 2020-21, growing to \$119.5 million GF in 2021-22 for IHSS costs associated with Medi-Cal expansion to undocumented older adults (Budget Summary, p. 38)

Food Banks

The Budget proposes \$20 million one-time GF for Emergency Food Assistance Program providers and food banks for food assistance to mitigate the loss of CalFresh due to a change in federal rules (Budget Summary, p. 36).

Homelessness

The Budget proposes \$750 million as an initial investment in the formation of the California Access to Housing and Services Fund. The Fund will support development of affordable housing, rental subsidies, and stabilizing board and care (Budget Summary, p. 11).



Governed Reporting System

Kern Health Systems Attachment G

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

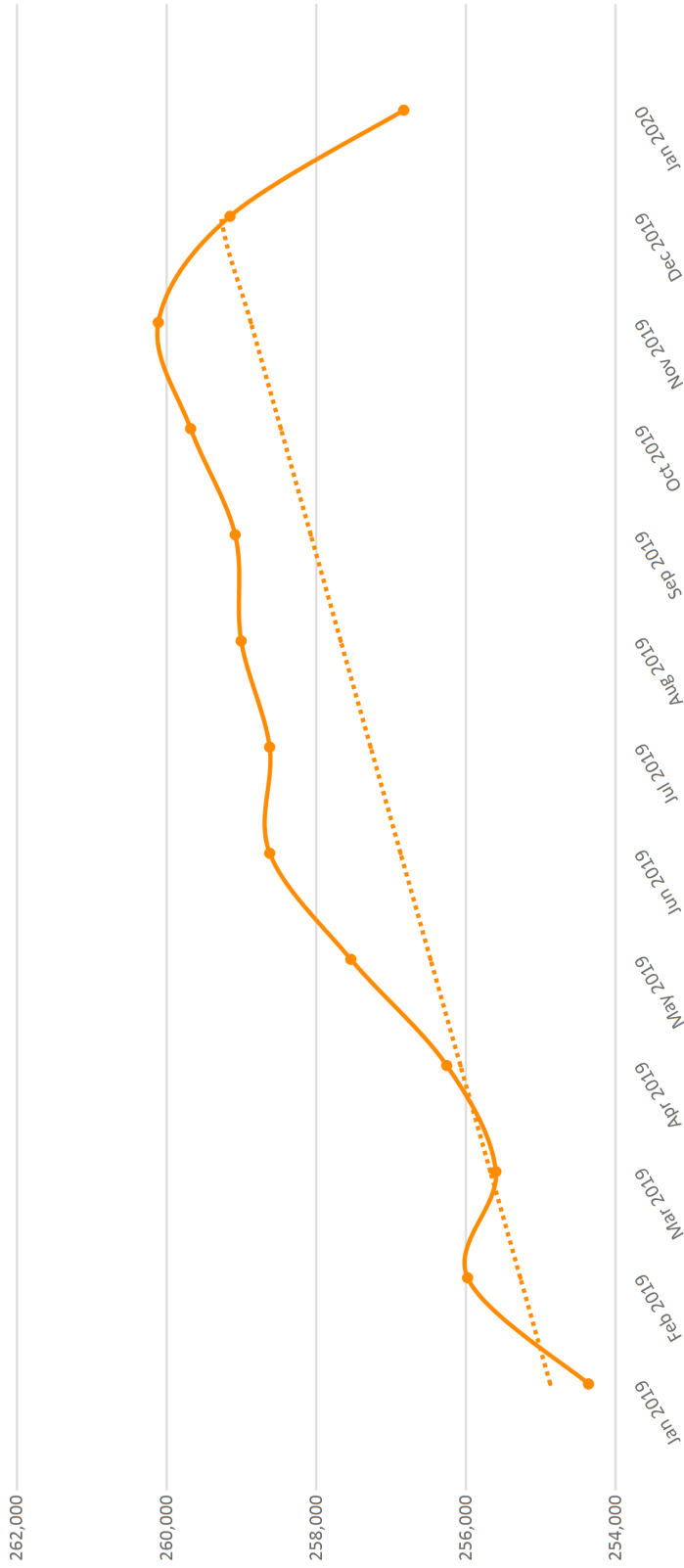


Governed Reporting System

Membership

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

Total MCAL Membership



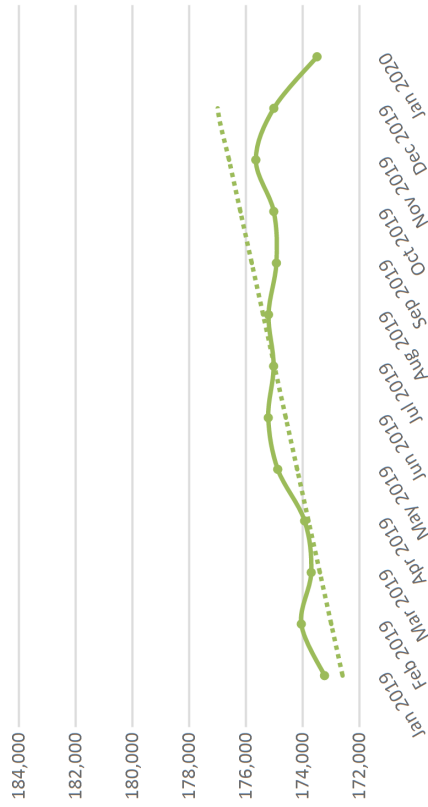


Governed Reporting System

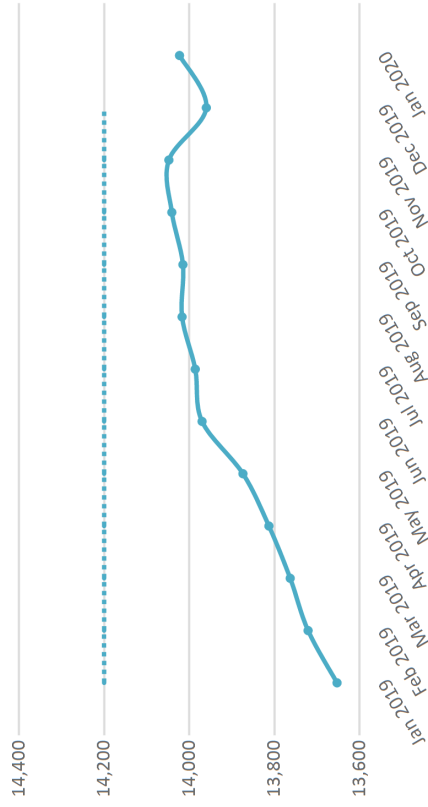
Membership

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

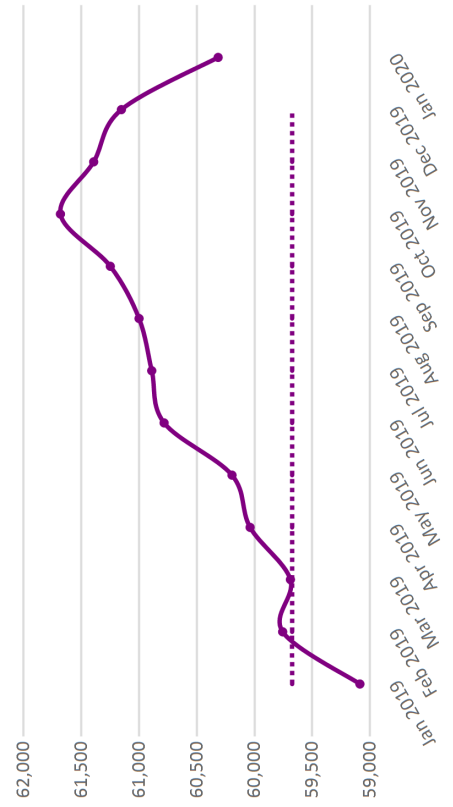
MCAL Family/Other Membership



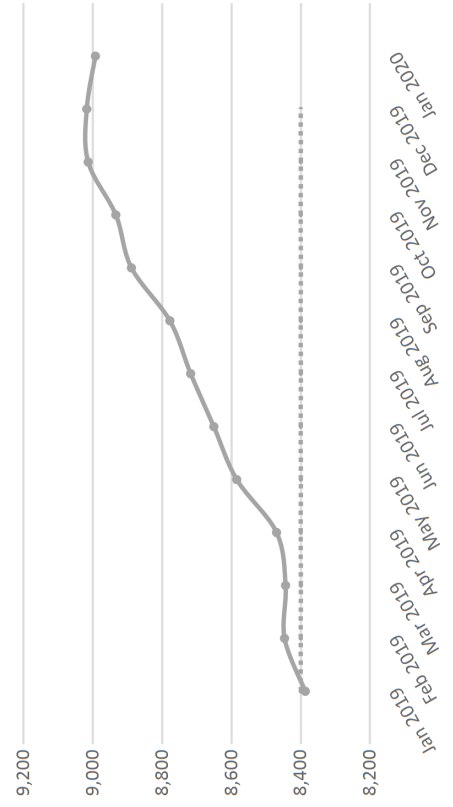
MCAL SPD Membership



MCAL Expansion Membership



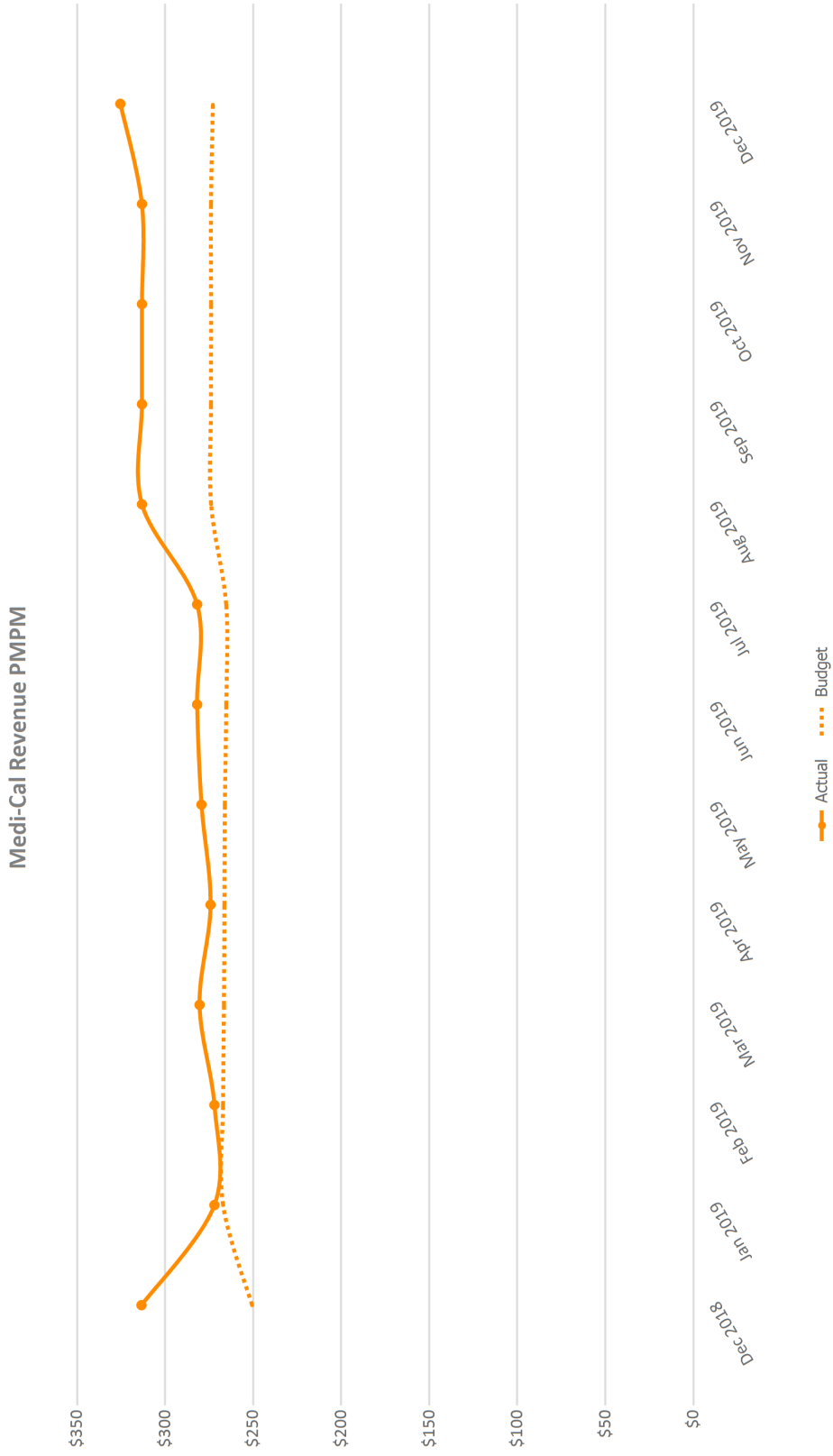
KP Membership





Governed Reporting System

Revenue





Governed Reporting System

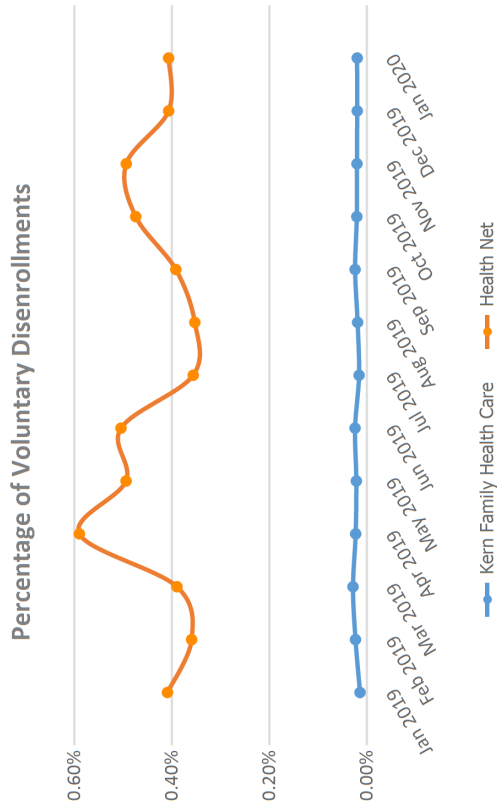
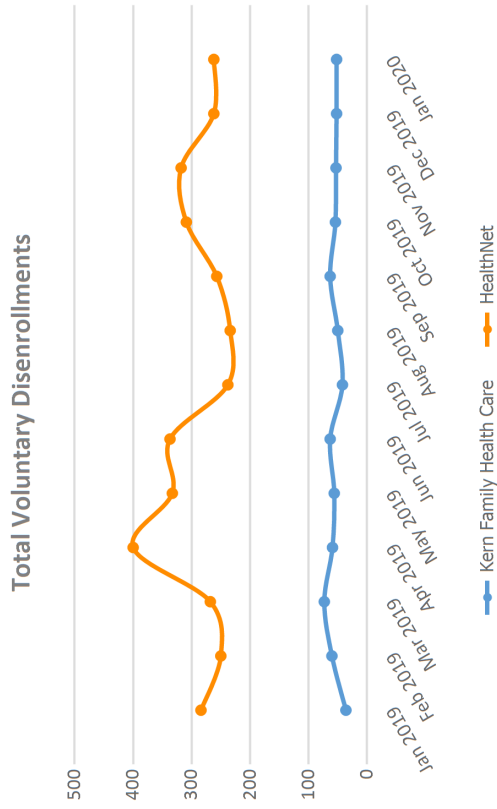
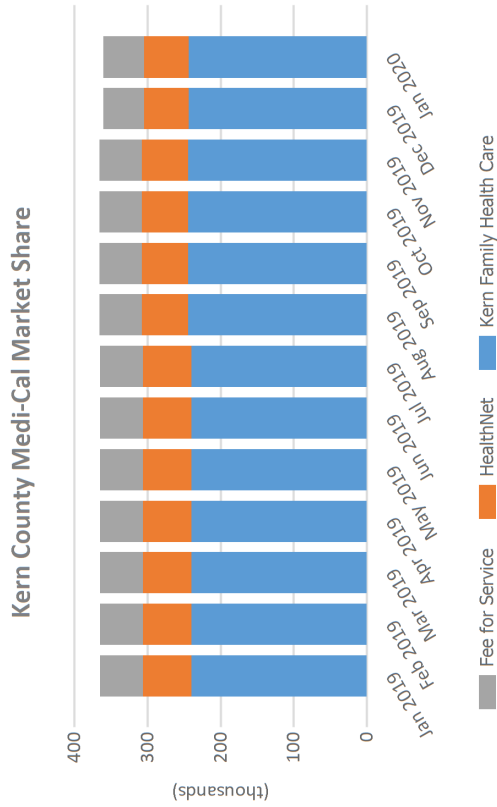
Kern Health Systems

Performance Reports
Operations Metrics



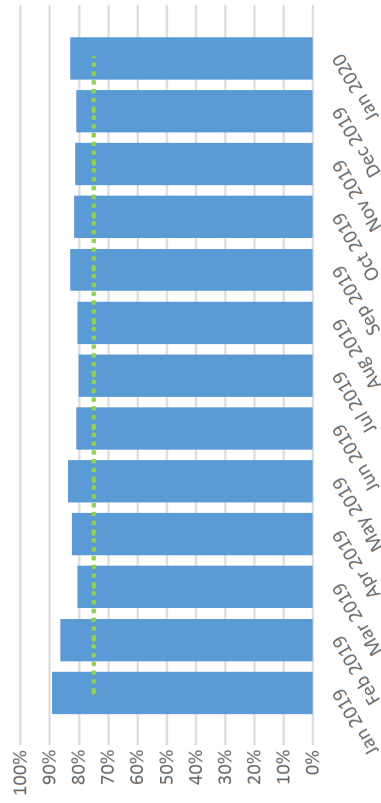
Governed Reporting System

Enrollment - Market Share

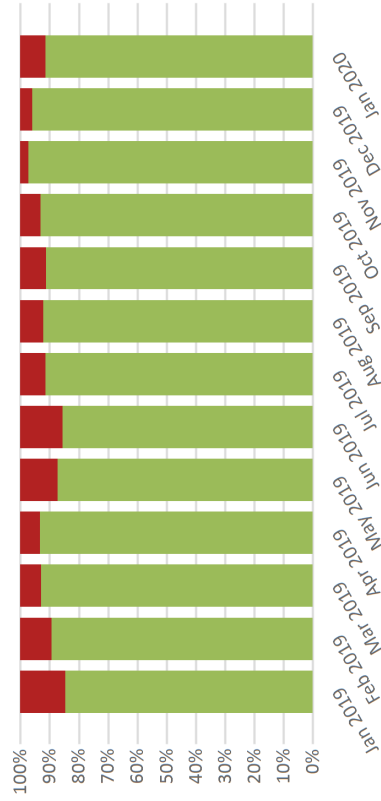


Claims Efficiency and Quality

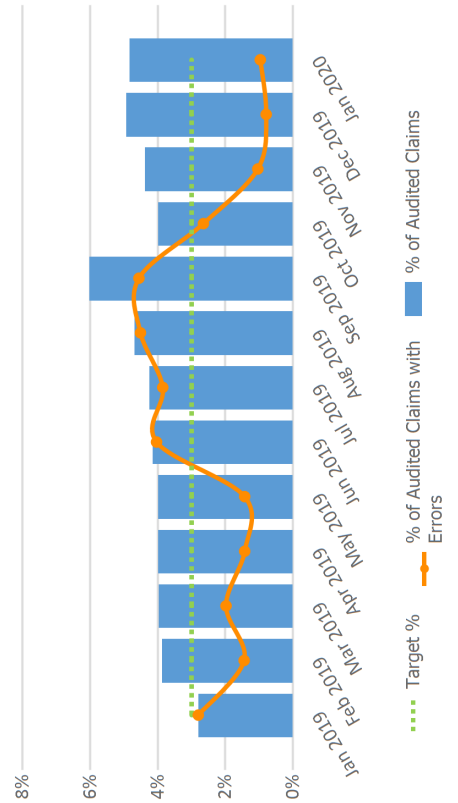
Claims Auto-Adjudication Rates



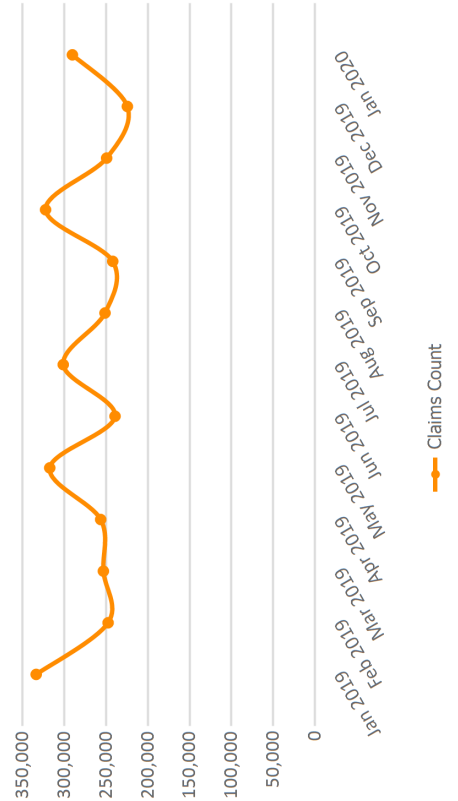
Claims Turnaround Days



Claims Audit Percentage and Accuracy



Claims Processed

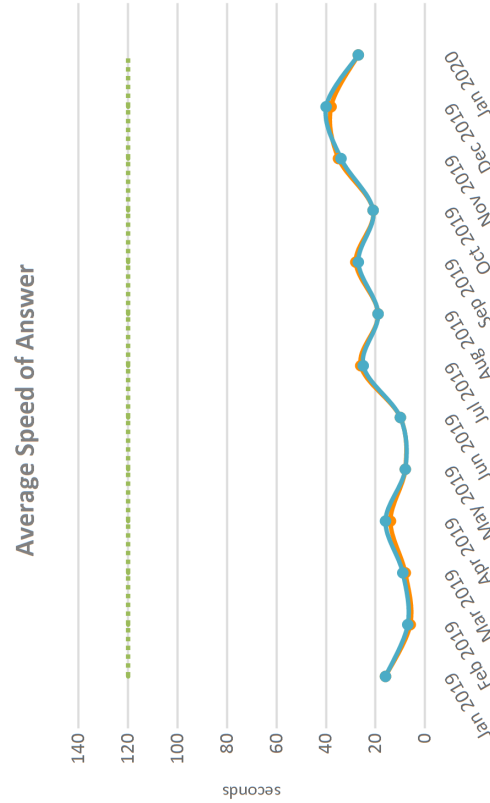
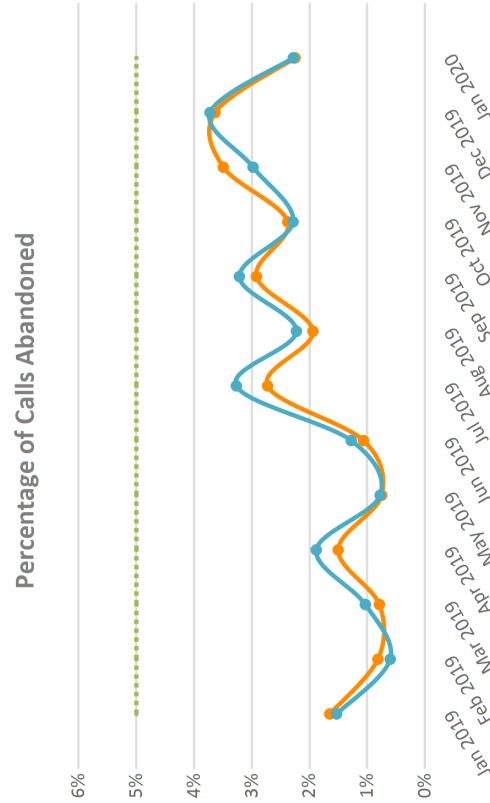
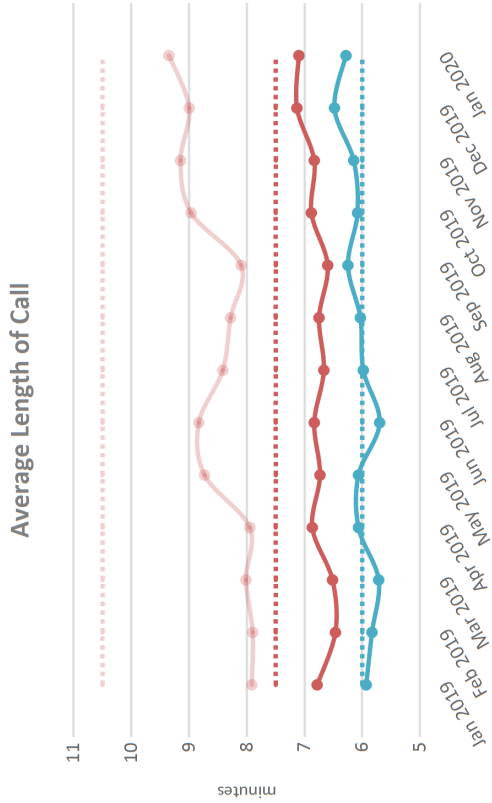
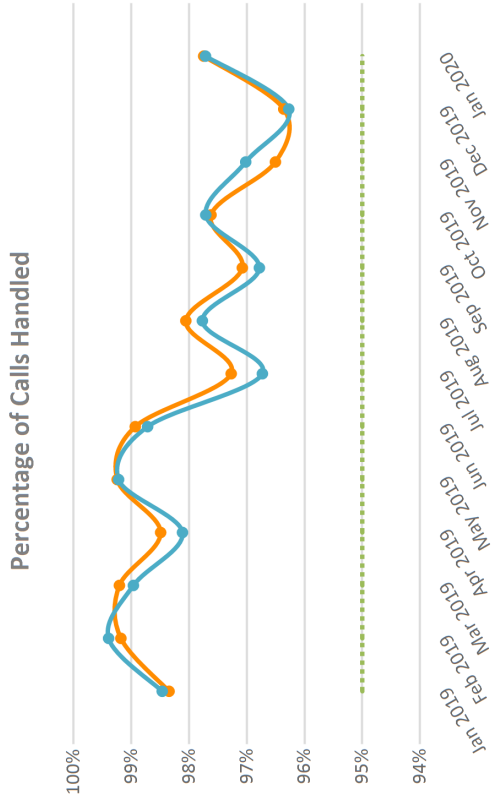




Governed Reporting System

Member Services

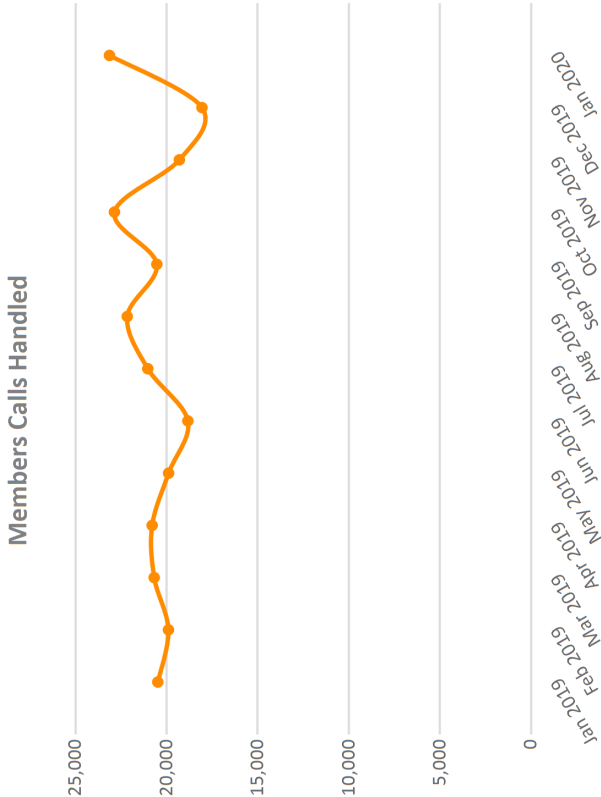
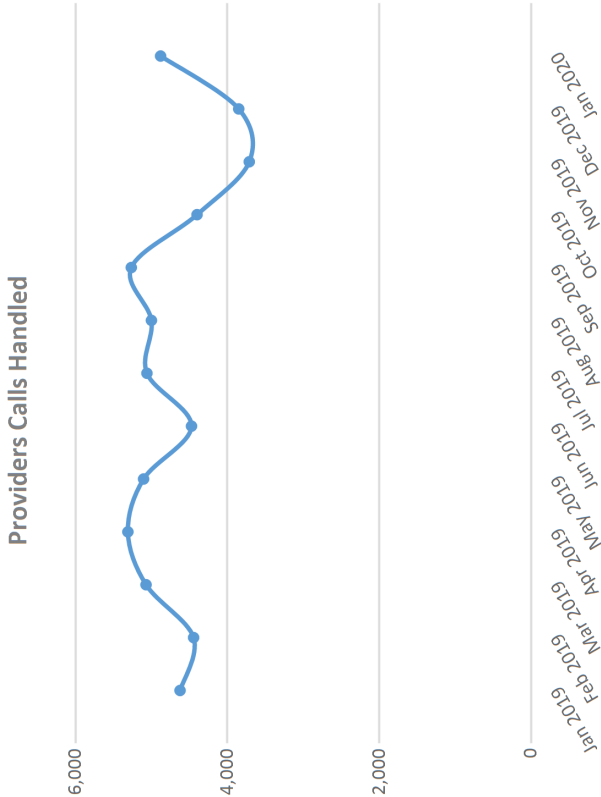
—●— Members - English
 —●— Providers
 - - - Target
 - - - Members - Spanish





Governed Reporting System

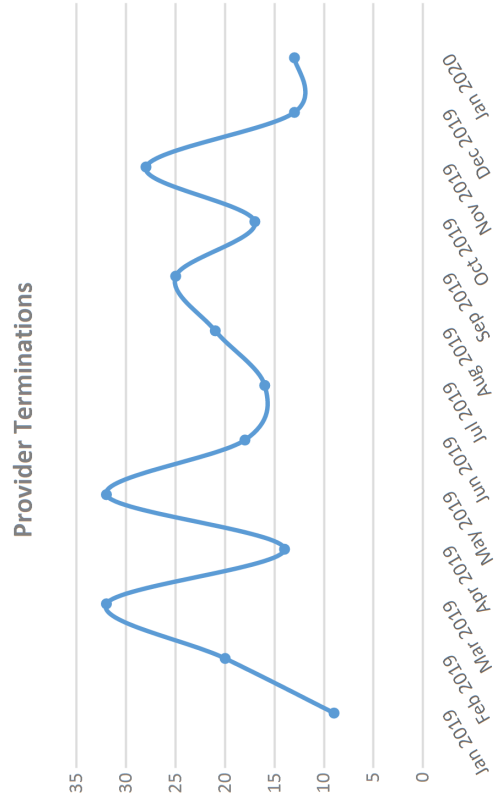
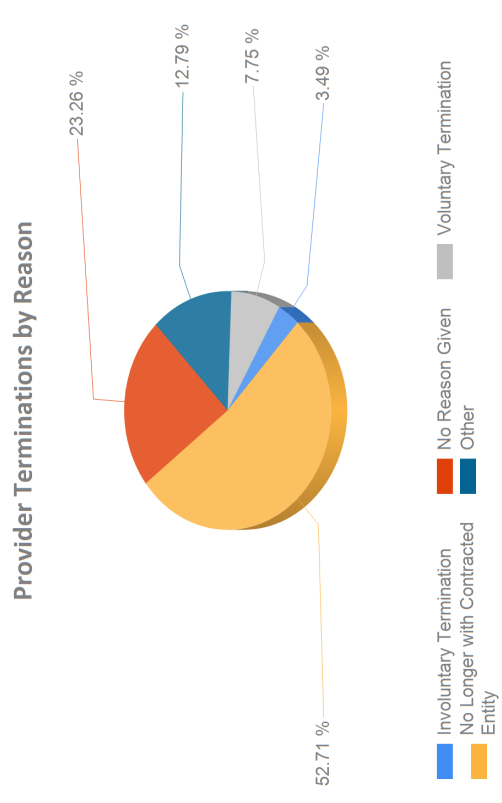
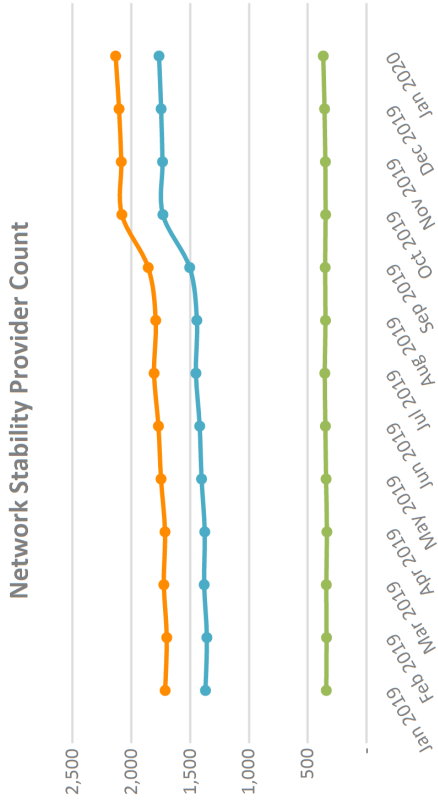
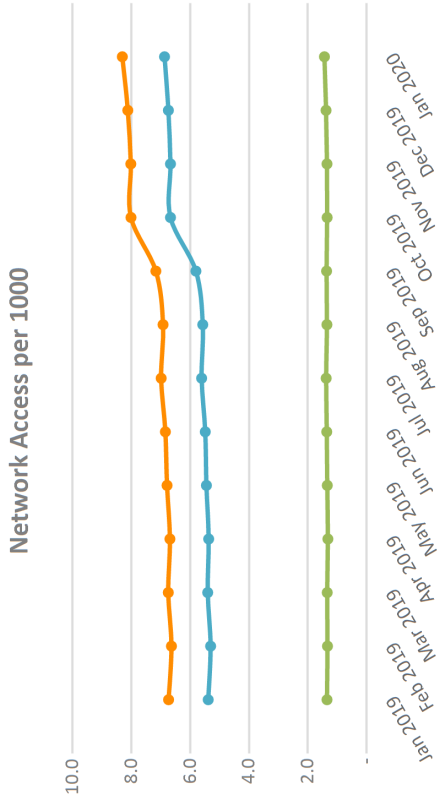
Member Services Calls Handled





Governed Reporting System

Provider Network and Terminations



SUMMARY

FINANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Friday, December 6, 2019

8:00 A.M.

COMMITTEE RECONVENED

Members present: Deats, Hinojosa, Melendez, Rhoades

Members absent: McGlew

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 October 4, 2019 -
APPROVED
Rhoades-Melendez: 4 Ayes; 1 Absent – McGlew
- 4) Report on Kern Health Systems investment portfolio for the third quarter ending September 30, 2019 (Fiscal Impact: None) –
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-Melendez: 4 Ayes; 1 Absent – McGlew
- 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) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-Melendez: 4 Ayes; 1 Absent – McGlew
- 6) Report on New Office Building Expenditures (Fiscal Impact: None) –
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-Melendez: 4 Ayes; 1 Absent – McGlew
- 7) Proposed Kern Health Systems 2020 Operating and Capital Budgets (Fiscal Impact: None) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Melendez-Deats: 4 Ayes; 1 Absent – McGlew
- 8) Proposed Budget Request for 2020 Project Consulting Professional Services, from January 1, 2020 through December 31, 2020 (Fiscal Impact: \$4,236,600; Budgeted) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-Melendez: 4 Ayes; 1 Absent – McGlew
- 9) Report on Kern Health Systems financial statements for September 2019 and October 2019 (Fiscal Impact: None) –
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-Melendez: 4 Ayes; 1 Absent – McGlew

Summary
Finance Committee Meeting
Kern Health Systems

Page 3
12/6/2019

- 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) –
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-Melendez: 4 Ayes; 1 Absent – McGlew

ADJOURN TO FRIDAY, FEBRUARY 7, 2020 AT 8:00 A.M.

Deats

