



**KERN HEALTH
SYSTEMS**

**REGULAR MEETING OF THE
BOARD OF DIRECTORS**

Thursday, June 16, 2022

at

3:00 P.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, June 16, 2022

3:00 P.M.

All agenda item supporting documentation is available for public review on the Kern Health Systems website: <https://www.kernfamilyhealthcare.com/about-us/governing-board/>
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 on the KHS website.

PLEASE SILENT CELL PHONES AND OTHER ELECTRONIC DEVICES DURING THE MEETING

BOARD TO RECONVENE

Directors: McGlew, Stewart, Deats, Bowers, Flores, Garcia, Hoffmann, Jones, Martinez, Melendez, Nilon, Patel, Patrick, Rhoades, Thygerson, Watson
ROLL CALL:

- 1) Board Resolution to Allow Virtual Board Meeting Participation Pursuant to Government Code Section 54953 (Fiscal Impact: None) - APPROVE

ADJOURN TO CLOSED SESSION

CLOSED SESSION

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

3:15 P.M.

BOARD TO RECONVENE

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

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

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

- 3) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. Also, the Board may take action to direct the staff to place a matter of business on a future agenda. SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THE MEETING FACILITATOR WILL INDICATE WHEN THERE IS 15 SECONDS REMAINING TO YOUR PRESENTATION TIME!

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 4) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))
- CA-5) Minutes for Kern Health Systems Board of Directors regular meeting on April 14, 2022 (Fiscal Impact: None) –
APPROVE
- 6) Report from the Milliman actuary firm regarding capital reserves (Fiscal Impact: None) –
RECEIVE AND FILE

-
- 7) Report by Larry Rhoades, Kern Health Systems Board Member on KHS Future Challenges – (Fiscal Impact: None) –
RECEIVE AND FILE
 - 8) Appreciation recognition of Todd Jones for 2 years of dedicated service as a member of the Kern Health Systems Board of Directors (Fiscal Impact: None) –
RECEIVE AND FILE
 - 9) Appreciation recognition of Larry Rhoades for 11+ years of dedicated service as a member of the Kern Health Systems Board of Directors (Fiscal Impact: None) –
RECEIVE AND FILE
 - 10) Report on the Kern Health Systems Nominating Committee (Fiscal Impact: None) –
APPROVE
 - 11) Reactivation of the Kern Health Systems Compensation Committee and appointment of new committee members (Fiscal Impact: None) –
APPROVE
 - CA-12) Proposed Ratification of Chief Executive Officers Employment Agreement - (Fiscal Impact: None) –
APPROVE
 - CA-13) Report on Kern Health Systems Provider Network Capacity Study (Fiscal Impact: None) –
RECEIVE AND FILE
 - 14) Proposed Kern Health Systems 2023 Corporate Goals (Fiscal Impact: None) –
APPROVE
 - CA-15) Report on Kern Health Systems investment portfolio for the first quarter ending March 31, 2022 (Fiscal Impact: None) –
RECEIVE AND FILE
 - CA-16) Proposed renewal and binding of insurance coverages for crime, excess crime, property, pollution, workers' compensation, fiduciary liability, cyber insurance, managed care errors and omissions, earthquake insurance, flood insurance and deadly weapon response program from July 1, 2022 through June 30, 2023 (Fiscal Impact: \$750,000 Estimated; Budgeted) –
APPROVE
 - CA-17) Proposed Agreement with CollectiveSun, for Prepaid Power Purchase Agreement Financing to receive a 17% rebate on New Carport Solar Panels System, from June 20, 2022, through June 20, 2028 (Fiscal Impact: \$499,165 Savings/Estimated) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

- CA-18) Proposed Agreement with CommGap International Language Services, for In-person Interpreting Services for Kern Health Systems' members, from July 6, 2022, through July 6, 2024 (Fiscal Impact: \$175,000 annually; Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- 19) Report on Kern Health Systems financial statements for February 2022, March 2022 and April 2022 (Fiscal Impact: None) – RECEIVE AND FILE
- CA-20) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for February, 2022, March 2022 and April 2022, IT Technology Consulting Resources for the period ended April 30, 2022, HR Hiring Report for the period ending April 30, 2022 and Major Organ Transplant Report for the period ending April 30, 2022 (Fiscal Impact: None) – RECEIVE AND FILE
- CA-21) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- 22) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) – RECEIVE AND FILE
- 23) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) – RECEIVE AND FILE
- 24) Resolution honoring Doug Hayward, Kern Health Systems Chief Executive Officer upon his retirement from Kern Health Systems (Fiscal Impact: None) – ADOPT RESOLUTION
- CA-25) Miscellaneous Documents – RECEIVE AND FILE
- A) Minutes for Kern Health Systems Finance Committee meeting on April 8, 2022

ADJOURN TO AUGUST 11, 2022 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) 664-5010. 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.



To: KHS Board of Directors

From: Douglas Hayward, CEO

Date: June 16, 2022

Re: AB 361 Remote Meeting Resolution

Background

The Governor's executive order suspending certain requirements of the Brown Act regarding board meetings has expired, but the proclamation of a state of emergency is still in place. The Legislature has amended Govt Code 54953 to include provisions allowing remote meetings during a state of emergency under certain conditions. The attached resolution allows the Board to continue meeting remotely until the state of emergency is lifted and social distancing is no longer recommended or required. If the Board adopts the resolution, it will have to renew the resolution every 30 days.

Recommended Action

The Board adopt the resolution and continue with remote meetings during the month of June 2022 or until the state of emergency is lifted.



RESOLUTION

In the matter of:

**A RESOLUTION OF THE BOARD OF DIRECTORS OF KERN HEALTH SYSTEMS
PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A
STATE OF EMERGENCY, AND AUTHORIZING REMOTE TELECONFERENCE
MEETINGS FOR THE MONTH OF JUNE 2022**

Section I. WHEREAS

- (a) Kern Health Systems is committed to encouraging and preserving public access and participation in meetings of the Board of Directors; and
- (b) Government Code section 54953, as amended by AB 361, makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953, subject to the existence of certain conditions; and
- (c) a required condition is that there is a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing; and
- (d) Governor Newsom declared a State-wide state of emergency due to the Covid-19 pandemic on March 4, 2020, which declaration is still in effect, and state and local health officials continue to recommend social distancing; and
- (e) the Board of Directors does hereby find that the resurgence of the Covid-19 pandemic, particularly through the Delta variant, has caused, and will continue to cause, conditions of peril to the safety of persons that are likely to be beyond the control of services, personnel, equipment, and facilities of Kern Health Systems, and desires to proclaim a local emergency and ratify both the proclamation of state of emergency by the Governor of the State of California and the Kern County Health Department guidance regarding social distancing; and
- (f) based on the above the Board of Directors of Kern Health Systems finds that in-person public meetings of the Board would further increase the risk of exposure to the Covid-19 virus to the residents of the Health Authority, staff, and Directors; and

WHEREAS, as a consequence of the local emergency, the Board of Directors does hereby find that it shall conduct Board meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, in compliance with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, all meetings of Board of Directors will be available to the public for participation and comments through virtual measures, which shall be fully explained on each posted agenda.

Section 2. NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Kern Health Systems hereby finds, determines, declares, orders, and resolves as follows:

1. This Board finds that the facts recited herein are true and further finds that this Board has jurisdiction to consider, approve, and adopt the subject of this Resolution.

2. Proclamation of Local Emergency. The Board hereby proclaims that a local emergency now exists throughout the Health Authority, as set forth above.

3. Ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2021.

4. Remote Teleconference Meetings. The Chief Executive Officer, staff, and Board of Directors are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

5. Effective Date of Resolution. This Resolution shall take effect on December 1, 2021, and shall be effective until the earlier of December 31, 2021, or such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which Kern Health Systems may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

6. Termination of this Resolution. This Resolution will automatically terminate on the day that both the Governor's Declaration of Emergency and any local agency guideline for social distancing are no longer in effect.

The Clerk of the Board of Directors shall forward copies of this Resolution to the following:

Office of Kern County Counsel

Kern Health Systems

I, Sheilah Woods, Clerk of the Board of Directors of Kern Health Systems, hereby certify that the following resolution, on motion of Director _____, seconded by Director _____, was duly and regularly adopted by the Board of Directors of Kern Health Systems at an official meeting thereof on the 16th day of June, 2022, by the following vote and that a copy of the resolution has been delivered to the Chairman of the Board of Directors.

AYES:

NOES:

ABSENT:

Sheilah Woods, Clerk
Board of Directors
Kern Health Systems

SUMMARY

BOARD OF DIRECTORS

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Regular Meeting
Thursday, April 14, 2022

8:00 A.M.

BOARD RECONVENED

Directors: McGlew, Stewart, Deats, Bowers, Flores, Garcia, Hoffmann, Jones, Martinez, Melendez, Nilon, Patel, Patrick, Rhoades, Thygerson, Watson
ROLL CALL: 13 Present; 3 Absent – Bowers, Flores, Rhoades

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

- 1) Board Resolution to Allow Virtual Board Meeting Participation Pursuant to Government Code Section 54953 (Fiscal Impact: None) - APPROVED
Thygerson-Patel: 13 Ayes; 3 Absent – Bowers, Flores, Rhoades

ADJOURN TO CLOSED SESSION
Garcia

CLOSED SESSION

- 2) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) – SEE RESULTS BELOW
- 3) Review and Consideration of Personnel Matter (Government Code Section 54957) - SEE RESULTS BELOW

8:30 A.M.

BOARD RECONVENED

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **INITIAL CREDENTIALING MARCH 2022** 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 STEWART ABSTAINED FROM VOTING ON ADANGAI, KUMAR; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON ANAND, NGO; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON ELIAS, LEICHTER

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **INITIAL CREDENTIALING APRIL 2022** 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 STEWART ABSTAINED FROM VOTING ON AGAR; DIRECTOR PATEL ABSTAINED FROM VOTING ON FRANCO; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON LAZAGA, VILLARREAL

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **RECREREDENTIALING MARCH 2022** 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 STEWART ABSTAINED FROM VOTING ON BOGGS; PANAMA LANE HEALTH CENTER, SHAFTER COMMUNITY HEALTH CENTER; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON AUBURN PHARMACY, BEARE, HARWICK; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON HANDMAN, HILLYER

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **RECREREDENTIALING APRIL 2022** 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 STEWART ABSTAINED FROM VOTING ON LI; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON DEV; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON DANDAMUDI, AGARWAL, DE FREESE, FEIL, GONZALEZ, KIONG, KUNHI, LE, MCCAGUE, MOOSAVI, NALESNIK, SALAMEH, TALAI-SHAHIR

Item No. 2 concerning a Review and Consideration of Personnel Matter (Government Code Section 54957) - HEARD; NO REPORTABLE ACTION TAKEN

NOTE: DIRECTOR MELENDEZ LEFT THE DAIS AT 8:33 AM AND DID NOT RETURN

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

- 4) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. Also, the Board may take action to direct the staff to place a matter of business on a future agenda. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THE MEETING FACILATATOR WILL INDICATE WHEN THERE IS 15 SECONDS REMAINING TO YOUR PRESENTATION TIME!**
NO ONE HEARD

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 5) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))
NO ONE HEARD
- CA-6) Minutes for Kern Health Systems Board of Directors regular meeting on February 10, 2022 (Fiscal Impact: None) –
APPROVED
Patrick-Garcia: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades
- CA-7) Minutes for Kern Health Systems Board of Directors special meeting on March 21, 2022 (Fiscal Impact: None) –
APPROVED
Patrick-Garcia: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades
- CA-8) Minutes for Kern Health Systems Board of Directors special meeting on March 23, 2022 (Fiscal Impact: None) –
APPROVED
Patrick-Garcia: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades
- CA-9) Minutes for Kern Health Systems Board of Directors special meeting on March 30, 2022 (Fiscal Impact: None) –
APPROVED
Patrick-Garcia: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades

- 10) Report by Daniells Phillips Vaughan & Bock on the audited financial statements of Kern Health Systems for the year ending December 31, 2021 (Fiscal Impact: None) – NANCY BELTON, DANIELLS PHILLIPS VAUGHAN & BOCK, HEARD; RECEIVED AND FILED
Deats-Garcia: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades
- 11) Proposed Resolution Waiving the Retired Annuitant 180-day Waiting Period (Fiscal Impact: None) – APPROVED
Patrick-Patel: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades
- 12) Kern Health Systems Nominating Committee Reinstatement (Fiscal Impact: None) – APPROVED; COMMITTEE REINSTATED
Nilon-Martinez: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades
- CA-13) Proposed Agreement with Zipari, Inc, for Technical Support and Maintenance for KHS' Provider and Member Portal, from June 7, 2022, through June 7, 2025, (Fiscal Impact: \$1,986,734; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Patrick-Garcia: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades
- CA-14) Proposed Agreement with Cognizant, for the purchase of the QNXT Claims Workflow, from April 14, 2022, through April 14, 2027 (Fiscal Impact: \$793,758; Budgeted) - APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Patrick-Garcia: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades
- CA-15) Proposed Agreement with SHI, for Cisco Phone System Licensing, from April 22, 2022, through April 22, 2025, (Fiscal Impact: \$188,716 per three years; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Patrick-Garcia: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades
- CA-16) Proposed Agreement with FindHelp, for a Community Supports Services Referral System, from April 18, 2022, through April 18, 2025, (Fiscal Impact: \$255,012; Budgeted) - APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Patrick-Garcia: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades
- CA-17) Proposed Agreement with SS&C Health, Inc., for Pharmacy Billed Medical Supplies from June 1, 2022 to March 30, 2023, (Fiscal Impact: \$300,000 annually estimated; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Patrick-Garcia: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades
- CA-18) Report on Kern Health Systems 2022 Corporate Goals for 1st Quarter (Fiscal Impact: None) – RECEIVED AND FILED
Patrick-Garcia: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades

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- 19) Proposed Agreement with Transforming Local Communities (TLC, Inc.), for designing and implementing a Student Behavioral Health Incentive Program (SBHIP), from April 14, 2022, through December 31, 2022, (Fiscal Impact: \$479,285; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Patrick-Garcia: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades
- 20) Report on 2021 Department of Health Care Services Medical Audit (Fiscal Impact: None) – RECEIVED AND FILED
Thygerson-Watson: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades
- 21) Report on Kern Health Systems financial statements for December 2021 and January 2022 (Fiscal Impact: None) – RECEIVED AND FILED
Thygerson-Watson: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades
- CA-22) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for December 2021 and January 2022, IT Technology Consulting Resources for the period ended December 31, 2021, HR Hiring Report for the period ending February 28, 2022 and Major Organ Transplant Report for the period ending February 28, 2022 (Fiscal Impact: None) – RECEIVED AND FILED
Patrick-Garcia: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades
- CA-23) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Deats-Hoffmann: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades
- 24) Report on Kern Health Systems Operation Performance and Review of the Kern Health Systems Grievance Report (Fiscal Impact: None) – ALAN AVERY, CHIEF OPERATIONS OFFICER REVIEWED THE 1ST QUARTER 2022 GRIEVANCE REPORT WHICH INCLUDED A NEW DETAILED SUMMARY REPORT AND THE DISPOSITION OF THE GRIEVANCES RECEIVED BY THE PLAN DURING THE 1ST QUARTER. MR. AVERY OUTLINED FOR THE BOARD THE PROCESS FOLLOWED BY THE PLAN IN REVIEWING GRIEVANCES. A GRIEVANCE COORDINATOR RESEARCHES THE FACTS OF THE GRIEVANCE, REQUESTS MEDICAL RECORDS IF NEEDED OR INPUT FROM THE PROVIDER. THIS INFORMATION IS FORWARDED TO THE QI DEPARTMENT WHERE A QI RN REVIEWS THE INFORMATION TO DETERMINE IF IT IS A POTENTIAL INAPPROPRIATE CARE GRIEVANCE. IF YES, QI RN SENDS THE GRIEVANCE TO MEDICAL DIRECTOR FOR CONFIRMATION OF QUALITY OF CARE. IF CONFIRMED BY MD, GRIEVANCE IS RETAINED BY QI FOR FURTHER REVIEW AND DISPOSITION. IF NOT, THE GRIEVANCE IS RETURN TO THE GRIEVANCE COORDINATOR FOR REVIEW AND A RECOMMENDATION IS MADE AND PRESENTED TO THE GRIEVANCE COMMITTEE. THE GRIEVANCE COMMITTEE IS COMPRISED OF A MEDICAL DIRECTOR, AND

REPRESENTATIVES FROM UM, QI, CM, PR, COMPLIANCE AND COO. THE COMMITTEE REVIEWS THE FACTS OF THE CASE PRIOR TO THE MEETING, DISCUSSES THE CASE AT THE MEETING AND COMES TO A DECISION. THAT DECISION IS THEN SHARED WITH THE MEMBER OR PROVIDER AND PROVIDED THEIR APPEALS RIGHTS. MEDICAL NECESSITY APPEALS DRAMATICALLY DECREASED DURING THE 1ST QUARTER AS PHARMACY APPEALS PREVIOUSLY WERE A MAJOR COMPONENT OF THESE APPEALS AND THEY HAVE NOW SHIFTED TO THE STATE FOR FOLLOW UP DUE TO PHARMACY BEING CARVED OUT AS OF JANUARY 1ST. POTENTIAL INAPPROPRIATE CARE GRIEVANCES HAVE INCREASED DUE TO ALL GRIEVANCES ARE NOW BEING REVIEWED BY A CLINICALLY TRAINED RN IN QI. THE OTHER CATEGORY THAT SAW A SIGNIFICANT CHANGE WAS QUALITY OF SERVICE GRIEVANCES. THIS TYPE OF GRIEVANCE RELATES MORE TO THE PROFESSIONALISM OF THE PEOPLE AND PLACE THE CARE IS DELIVERED, NOT THE QUALITY OF THE CARE. THIS INCREASE IS ATTRIBUTED TO THE NEW MEMBER INCREASE AND SERVICE AREA EXPANSION INTO RIDGECREST. MR. AVERY REVIEWED THE DETAILS OF THE TOTAL GRIEVANCES FOR THE 1ST QUARTER. 967 GRIEVANCES WERE RECEIVED, WITH 355 GRIEVANCE DECISIONS UPHeld BY THE PLAN, 338 REQUIRE FURTHER REVIEW BY THE QUALITY DEPARTMENT, 125 WERE OVERTURNED AND RULED IN FAVOR OF THE MEMBER AND 149 WERE STILL UNDER REVIEW BY THE GRIEVANCE DEPARTMENT. 55 DECISIONS OVERTURNED AND RULED FOR THE MEMBER AND 33 (14%) GRIEVANCES ARE STILL UNDER REVIEW. MR. AVERY HAD BEEN ASKED IN THE LAST BOARD MEETING TO PROVIDE COMPARISON DATA OF THE PLANS GRIEVANCES COMPARED TO OTHER LHPC HEALTH PLANS ALONG WITH PLAN RELATIVE COMPARATIVE MEMBERSHIP AND ENCOUNTER DATA. DURING THE 1ST QUARTER, KHS EXPERIENCED 8.826 GRIEVANCES PER 10,000 MEMBERS PER MONTH COMPARED TO 3.10 TO 10.120 AVERAGES FOR OTHER LHPC PLANS. DURING THE SAME QUARTER, THE PLAN HAD 326,370 MEMBERS AND PROVIDED 913,452 SERVICES. - RECEIVED AND FILED

Thygerson-Watson: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades

25) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) – RECEIVED AND FILED
Deats-Martinez: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades

26) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) – RECEIVED AND FILED
Patrick-Garcia: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades

CA-27) Miscellaneous Documents – RECEIVED AND FILED
Patrick-Garcia: 12 Ayes; 4 – Absent – Bowers, Flores, Melendez, Rhoades

A) Minutes for Kern Health Systems Finance Committee meeting on February 4, 2022

ADJOURN TO THURSDAY, JUNE 16, 2022 AT 8:00 A.M.

Deats

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



To: KHS Board of Directors

From: Robert Landis, CFO

Date: June 16, 2022

Re: Annual Review of Tangible Net Equity Policy

Background

The Kern Health Systems (“KHS”) Tangible Net Equity (“TNE”) Policy (Attachment 1) was approved by the KHS Board of Directors at the August 12, 2021 Board Meeting. The current initial Minimum TNE of 500%-600% was established as the initial target range. This target range includes allowance for foreseeable new business opportunities and organic growth along with anticipated infrastructure expenditures.

Discussion

The Finance Committee has requested that management work with Milliman to provide an annual update on the 5-year proforma financial statements for the purposes of determining prospective capital reserve requirements. Please see the power-point presentation (Attachment 2) addressing the Finance Committee’s request which will be presented by Aaron Gates, Consulting Actuary with Milliman. Mr. Gates’ bio is included at the end of the presentation (Attachment 3).

Requested Action

Maintain the Minimum TNE Target Ratio of 500%-600%. This will ensure KHS’s long-term financial solvency and the ability to provide uninterrupted services to our members, continue to provide timely payments to our providers and to participate in additional programs required by DHCS.

Receive and File.



| KERN HEALTH SYSTEMS | | | | | |
|-------------------------------------|------------------------------------|------|---|-------------------|---|
| POLICY AND PROCEDURES | | | | | |
| SUBJECT: Tangible Net Equity Policy | | | | POLICY #: 8.65-1 | |
| DEPARTMENT: Finance | | | | | |
| Effective Date: 8/12/2021 | Review/Revised Date: 11/16/2021 | DMHC | | PAC | |
| | | DHCS | | QI/UM COMMITTEE | |
| | | BOD | X | FINANCE COMMITTEE | X |

| Reviewer | Date | Comment/Signature |
|-----------------|------------|-------------------------------------|
| Doug Hayward | 11/16/21 | <i>[Signature]</i> Robert Landis |
| Robert Landis | 11/5/21 | Robert Landis |
| Alan Avery | 11/2/21 | Alan Avery |
| Veronica Barker | 10/18/2021 | Veronica Barker |

POLICY:

This policy establishes guidelines and procedures to set Tangible Net Equity (TNE) ranges to ensure Kern Health Systems ("KHS") long-term financial solvency, the ability to provide uninterrupted services to its members, continue to provide timely payments to its providers and to participate in additional programs required by DHCS pursuant to the authorization of the KHS Board of Directors ("Board") on August 12, 2021.

PURPOSE:

Maintaining appropriate levels of reserves is a fiscal responsibility of KHS and is a legal requirement pursuant to KHS' licensure pursuant to the Knox-Keene Health Care Service Plan Act of 1975, as amended. The TNE required by Knox-Keene is a minimum required amount and is not considered by the DMHC as an appropriate or sufficient reserve amount.

DEFINITIONS:

| TNE | Tangible Net Equity |
|----------------------|--|
| Required Minimum TNE | A specific calculation for Knox-Keene licensed Health Plans set by DMHC and calculated as part of the regulatory quarterly and annual reporting process. |
| Target TNE | The percentage range applied to minimum TNE set by KHS' Board of Directors |

PROCEDURES:

- A) The Minimum TNE target range will be established by the Board. The current initial target range of 500% - 600% of required minimum TNE was approved by the Board at the KHS' Board of Directors Meeting on August 12, 2021. The additional range includes allowance for foreseeable new business opportunities and organic growth in the Minimum TNE calculation.
- B) As part of the Annual Budget, Management will present to the Board the current annual TNE performance and an updated estimate of future TNE requirements.
- C) Following the year-end audit, Management will update the 3-5-year proforma presented at the August 12, 2021 Board Meeting for determining prospective capital reserve requirements. Using this approach, the Finance Committee and Board can compare the target range of 500% - 600% and confirm or modify assumptions used for future TNE target range estimates.

ⁱ **Revision 2021-08:** Policy created by KHS Controller to establish guidelines and procedures to set Tangible Net Equity. Per Controller, the KHS Board shared input on this policy.

Attachment 2

Kern Health Systems

Five-Year Pro Forma Analysis Kern Health System Finance Committee

Aaron Gates, FSA, MAAA
JUNE 2022



This document has been prepared subject to the terms and conditions of the Consulting Services Agreement between Kern Health Systems and Milliman, Inc. The information contained in this document is intended for the internal use of Kern Health Systems and is only to be relied upon by your organization. No portion may be provided to any other party without Milliman, Inc.'s prior consent.

Agenda

- Recap / Background
- Summary
- Pro Forma
- Key Assumptions
- Recommendation
- Caveats and Limitations



Recap

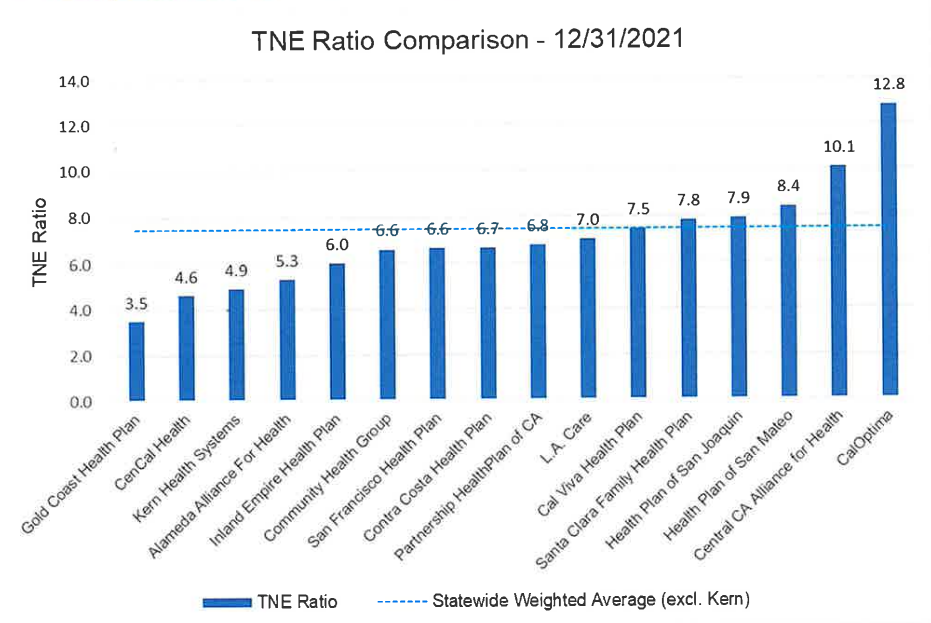
- Milliman presented to the Finance Committee and Board of Directors in early June 2021 on recommended capital reserve levels
- Recommendation was to hold 500-600% of minimum TNE, but target the “future-state”
 - With all of the changes that CalAIM is implementing, today’s reserves may be inadequate for future Medi-Cal programs.
- The Finance Committee and Board of Directors requested that management work with Milliman to provide an annual update on the five-year proforma financial statements for the purpose of determining prospective capital reserve requirements. For this year, the projection has been extended through 2027
- The enclosed projections are based on the KHS 2022 revised budget, current enrollment projections, and other DHCS and CMS information



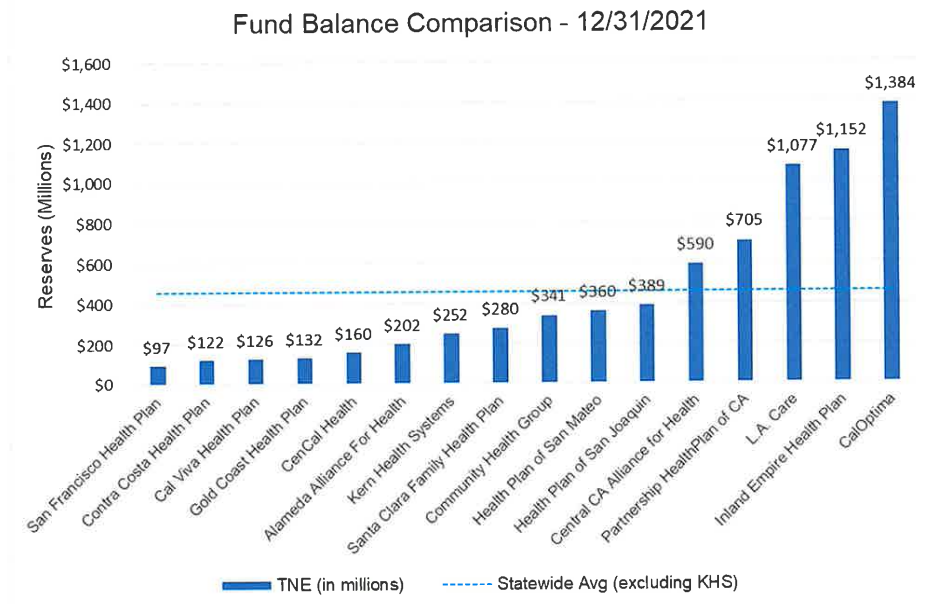
Background - Why Hold Capital Reserves?

- Capital reserves are funds or other assets that are held to provide financial stability
 - Assets = Liabilities + Capital Reserves; capital reserves are the excess of Assets over Liabilities
- Absorb volatility due to unpredictability and uncertainty of healthcare cost levels
- Support stability during periods of insufficient or delayed revenue
- Maintain ability to make investments in new programs and technology
- Holding a minimum level of capital reserves is a legal requirement
 - Tangible Net Equity (TNE)
 - Requirement to hold minimum TNE, or DMHC can take control of health plan
 - TNE requirement based upon % of non-capitated claims
 - 8% of the first \$150 million in claims, and 4% of claims in excess of \$150 million
 - Below 200% of TNE, the plan is placed on DMHC's "watch list" and can require monthly reporting and increased scrutiny
 - Below 130% of TNE, the plan is considered to be in financial jeopardy and DMHC can take control of plan

TNE Ratio Comparison - 12/31/2021



Fund Balance Comparison - 12/31/2021



Summary

CalAIM should greatly increase Kern Health Systems' membership and Medi-Cal benefit offerings, including long-term care coverage and a Medicare Advantage Dual Eligible Special Needs Plan (D-SNP), which will increase future capital reserve requirements

| Year | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---------|---------|---------|---------|----------|----------|
| Avg Members | 310,300 | 314,400 | 309,700 | 309,700 | 313,000 | 313,000 |
| <i>Current TNE Calculation (\$ shown in millions)</i> | | | | | | |
| 500% TNE | \$247.3 | \$263.7 | \$276.4 | \$283.1 | \$305.0 | \$314.1 |
| Projected Capital | \$254.7 | \$261.3 | \$268.4 | \$275.6 | \$269.4 | \$266.6 |
| Difference | \$7.5 | (\$2.5) | (\$8.0) | (\$7.6) | (\$35.5) | (\$47.5) |
| Capital as % of TNE | 515% | 495% | 485% | 487% | 442% | 424% |
| Prior Year ProForma | 485% | 443% | 417% | 408% | 299% | N/A |

Assumptions changes from prior year ProForma include:

- Better than expected 2021 operating results had a favorable impact on future capital reserves
- Updated rates and trends for 2023-2027 projection
- Redetermination – lower membership and capital requirement for 2023-2027
- Updated D-SNP membership and margin projection – lower membership and capital requirement for 2026-2027



Background – Other Considerations

- The projected estimates are not predictions of the future. Actual results will only match projected results if the underlying assumptions are realized. The analysis relies on multiple simplifying assumptions and does not address every potential point of variance. Examples of outcomes that were beyond our control include, but are not limited to:
 - California’s success at implementing the CalAIM initiative and enrolling the targeted non-managed care populations
 - KHS’s success at implementing new programs, including managing LTC, D-SNPs
 - The economy and the impact on current and future Medi-Cal enrollment
 - The global pandemic, future waves of variants, and the societal response (including potential new shut-downs, impact of pent-up demand, and future impact of past closures on healthcare)
- This presentation is intended to support discussions on future capital reserve levels and strategies and is not complete without oral comment. The results should not be used for other purposes.

Pro Forma Exhibit

- Please display “KHS 2023-27 Pro Forma Exhibit.pdf”



Key Assumptions – Membership

- KHS (non-Kaiser) membership projection based on DHCS data
 - 400 / month newborns
 - 2023: 19,700 members due to mandatory enrollment of Dual Eligibles
 - Projection brings in 1/12 per month
 - Includes 1,100 Long Term Care members
 - 2023: Net membership reduction of approximately 2,500 members per month primarily due to the resumption of redeterminations for the period January 1, 2023 – December 31, 2023
 - 2026: 3,300 new members from D-SNP (starting January 1, 2026)
 - Assumes 1,900 “age-ins” from Kern Medi-Cal population, 1,100 new members from Kern County duals previously in FFS Medicare (5%) and 300 new members from Kern County duals previously in another MA plan (2.5%)
 - Members in an existing D-SNP may remain in that plan if MCO has a contract with the state. Today, there are approximately 11,400 Kern County Medi-Cal Dual Eligibles in an existing MA plan.
 - No other increases or decreases assumed



Key Assumptions – Revenue

- Medi-Cal gain margin in capitation rates assumed to be 2.0%
- Projected non-medical expense (administration) assumes consistent expense as a percent of revenue
- New populations
 - 2023 Dual Eligible Medi-Cal capitation split between SPD Dual and LTC
 - LTC: \$8,000/month for nursing home patient (1,100 members)
 - 2026 Medicare Dual Special Needs Plan (D-SNP) CMS capitation estimated at ~\$1,800
 - Includes Part C (medical) and Part D (pharmacy) benefits
 - Rates reflect Kern County 2023 Medicare Part C payment rate, 1.10 risk score, average Part D cost estimate



Key Assumptions – Benefits / Claims

- Projected claims based on a combination of projected 2022 claims and expenses supporting 2022 DHCS capitation rates and emerging trends
 - Medical trend = 3.3%, Maternity trend = 3.6%
 - Prescription Drug benefit removed effective January 2022
 - Organ transplant and Enhanced Care Management (ECM) cost based on DHCS rates
 - CalAIM incentive payments based on KHS budget, phased out by the end of 2024

D-SNP Considerations

- Medi-Cal plans could take at least 3-4 years to break even on D-SNP business
 - **Modeled 20% loss for 2026 and 15% loss for 2027**
- Fixed administrative costs spread over small initial take-up
 - Start-ups can struggle to gain significant membership in early years
 - Transition rules allow existing MA members to stay in their plans, or on FFS Medicare
- Significant operational challenges associated with new LOB
 - MA risk adjustment and star ratings are significant drivers of profitability
 - Many plans will be challenged to implement the operational infrastructure to succeed with risk adjustment and star ratings in the early years

Recommendation

- In order to withstand elevated claim levels and prepare for required capital increases due to business growth, we recommend that KHS target a range of 500 - 600% TNE
- We recommend that the capital target be based upon “future-state” business profile rather than historical business profile
- If KHS expects new business from the Duals Program and other new CalAIM initiatives, then the capital reserve target should take into account the required capital of this business

Caveats and Limitations

This analysis was prepared for the internal use of Kern Health Systems. This analysis is subject to the terms and conditions of the Consulting Services Agreement between Kern Health Systems and Milliman effective September 11, 2018, amended June 1, 2021.

In preparation of our analysis, we relied upon the accuracy of data or information provided to us. We have not audited this information, although we have reviewed it for reasonableness. If the underlying data or information is inaccurate or incomplete, the results of our review may likewise be inaccurate or incomplete.

Results presented here represent best estimates of future experience. Actual experience will vary from our estimates for many reasons, potentially including differences in population health status, reimbursement levels, delivery systems, random variation, or other factors. It is important that actual experience be monitored and adjustments made, as appropriate.

Milliman makes no representations or warranties regarding the contents of this analysis to third parties. Likewise, third parties are instructed that they are to place no reliance upon this analysis prepared for Kern Health System by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this report must rely upon their own experts in drawing conclusions about the capitation rates, cost projections, and other assumptions.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. I am a member of the American Academy of Actuaries, and I meet the qualification standards for performing the analyses in this report."





Thank you

Aaron Gates, FSA, MAAA
aaron.gates@milliman.com

Exhibit 1
Kern Health System
Five-Year Pro Forma Projection - CalAIM Initiatives
(all dollar amounts shown in Millions)

| | Current State | | | | | Future State | | | | |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--|--|--|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | | | |
| Calendar Year | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | | | |
| Member Months | 3,468,398 | 3,723,000 | 3,772,711 | 3,716,078 | 3,716,078 | 3,755,678 | 3,755,678 | | | |
| Revenue | | | | | | | | | | |
| Medi-Cal Benefits | \$966.9 | \$963.1 | \$1,039.3 | \$1,100.6 | \$1,129.2 | \$1,237.4 | \$1,278.4 | | | |
| Hospital Directed Payments | 243.7 | 200.6 | 207.3 | 214.1 | 221.2 | 228.5 | 236.0 | | | |
| Other Pass Through Payments (MCO Tax) | 119.6 | 124.7 | 134.5 | 142.5 | 146.2 | 160.2 | 165.5 | | | |
| Other Revenue (Interest) | (\$0.1) | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 | 1.1 | | | |
| Subtotal | \$1,330.2 | \$1,289.5 | \$1,382.1 | \$1,458.2 | \$1,497.6 | \$1,627.2 | \$1,681.0 | | | |
| Expenses | | | | | | | | | | |
| Medi-Cal Benefits | \$885.1 | \$885.6 | \$961.4 | \$1,017.9 | \$1,044.4 | \$1,146.3 | \$1,184.3 | | | |
| Hospital Directed Payments | 248.5 | 200.6 | 207.3 | 214.1 | 221.2 | 228.5 | 236.0 | | | |
| Other Pass Through Payments (MCO Tax) | 112.8 | 124.7 | 134.5 | 142.5 | 146.2 | 160.2 | 165.5 | | | |
| Subtotal | \$1,246.4 | \$1,210.9 | \$1,303.2 | \$1,374.4 | \$1,411.8 | \$1,534.9 | \$1,585.8 | | | |
| Non-Medical Expenses | \$65.5 | \$67.1 | \$72.4 | \$76.6 | \$78.6 | \$98.3 | \$98.1 | | | |
| Net Profit - Before Grants | \$28.3 | \$11.4 | \$6.5 | \$7.1 | \$7.2 | (\$6.1) | (\$2.9) | | | |
| Medical Loss Ratio (non pass-through) | 91.5% | 91.9% | 92.4% | 92.4% | 92.4% | 92.6% | 92.6% | | | |
| Admin Ratio (non pass-through) | 5.7% | 7.0% | 7.0% | 7.0% | 7.0% | 7.9% | 7.7% | | | |
| Capital Reserve | | | | | | | | | | |
| Minimum TNE | \$51.3 | \$49.5 | \$52.7 | \$55.3 | \$56.6 | \$61.0 | \$62.8 | | | |
| 500% TNE | \$256.7 | \$247.3 | \$263.7 | \$276.4 | \$283.1 | \$305.0 | \$314.1 | | | |
| Capital Reserve (CR) | \$248.3 | \$254.7 | \$261.3 | \$268.4 | \$275.6 | \$269.4 | \$266.6 | | | |
| CR as % of TNE | 484% | 515% | 495% | 485% | 487% | 442% | 424% | | | |
| Difference from 500% of TNE | (\$8.4) | \$7.5 | (\$2.5) | (\$8.0) | (\$7.6) | (\$35.5) | (\$47.5) | | | |

Key Assumptions

Base Data
 Source data includes KHS 2022 budget and CY2022 DHCS capitation rates.

Enrollment Projections

2023 assumes approximately 1,640/month Dual Eligibles which includes 93/month Long-Term Care residents.
 2026 assumes 3,300 Dual Eligibles under Medicare Advantage Dual Special Needs Plan (D-SNP). Assumes 1.2% of existing enrollees age in to medicare and select Kern, and 5% of FFS medicare enrollees + 2.5% other MA plan enrollees switch to Kern D-SNP. "Member Months" may duplicate Dual Eligibles since we count 1 month in Category of Aid "Duals" and 1 month for D-SNP.
 2023 assumes a net reduction of 2,500 members due to redetermination.

Revenue and Claim Projections

- Projected trends: Medical = 3.3%/year, Maternity = 3.6%/year
 - Non-medical expenses (administrative) assumes 2021 admin as a percent of revenue, and slightly lower for D-SNP.
 -2022 includes a \$10 million favorable adjustment from the original budget based on favorable adjustments to 2021.

Capital Reserves

Minimum Tangible Net Equity (TNE) defined as 8% of first \$150M in claims plus 4% of additional claims.
 500% TNE target assumption based on Milliman's June 10, 2021 KHS Board presentation which recommended 500%-600% of TNE for capital reserve.

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Results presented here represent best estimates of future experience. Actual experience will vary from our estimates for many reasons, potentially including differences in population health status, reimbursement levels, delivery systems, random variation, or other factors. It is important that actual experience be monitored and adjustments made, as appropriate.

In preparation of our analysis, we relied upon the accuracy of data or information provided to us. We have not audited this information, although we have reviewed it for reasonableness. If the underlying data or information is inaccurate or incomplete, the results of our review may likewise be inaccurate or incomplete.

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**Aaron Gates, FSA, MAAA
Consulting Actuary, Milliman Inc.**

Attachment 3

Aaron is a Consulting Actuary with Milliman's Seattle health practice. He joined the firm in 2011 and has over 10 years of experience providing actuarial support and consulting services to a variety of organizations, including managed Medicaid organizations, commercial carriers, Medicare Advantage plans, and public employee benefits organizations.

Aaron has long-term experience with Medicaid managed care plan support across more than a dozen states, with a more recent focus in California. Examples of his experience include risk adjustment and capitation arrangements, reserving, capital adequacy analysis, RFP bid and response support, and feasibility studies for new markets.

Aaron also has a wide range of experience supporting other lines of business, including financial projections for public employee benefit programs, pricing development for ACA exchange products, and bid development for Medicare Advantage plans.

No written material was provided in advance.
Board Member Rhoades to do a verbal presentation on the
subject matter addressed under agenda item 7.



To: KHS Board of Directors

From: Tim McGlew, Chairman

Date: June 16, 2022

Re: Service Recognition on KHS Board of Directors

Background

Todd Jones served 2 years as a member of the Kern Health Systems Board of Directors.

During Member Jones' tenure Kern Health Systems governing body had to adopt to the COVID 19 Pandemic by providing Board members a virtual meeting alternative to onsite participation. Despite its challenges, Todd remained committed to his duty and contributed to Board deliberation during a time of profound change to the organization. Such changes were as diverse as:

- KHS needing to adopt to a remote work setting for employees
- Initiation of CalAIM representing the greatest change in Medi-Cal since the Affordable Care Act of 2014
- Substantial member growth to where today KHS provides health care benefits to a third of Kern County's residents
- Health care delivery system transformation where care is customized to treat each patient's unique condition and circumstance

On behalf of the Kern Health Systems Board of Directors, thank you for your two years of service. As a representative of the business community, you brought a unique perspective to the Board deliberation process.

Recognition

The Board of Directors will recognize Board Member Jones' contribution with a service recognition award to commemorate his service on the Board.



To: KHS Board of Directors

From: Tim McGlew, Chairman

Date: June 16th, 2022

Re: Service Recognition on KHS Board of Directors

Background

Larry Rhoades served 11 years as a member of the Kern Health Systems Board of Directors.

During his tenure, Larry served as Board Chairman from 2016 to 2019 and Board Vice Chairman from 2013 to 2016. In addition, he was a member of four Board Committees including the Compensation Committee, Nominating Committee, Building Committee and the Finance Committee.

Larry's unique perspective on the role of public service was invaluable in helping the Board navigate the many challenges facing Kern Health Systems during his years of service. Among other things, Larry was instrumental in promoting, developing and building our new facility.

As Chairman, he represented Kern Health Systems well; always advocating for the organization's mission and purpose in the many meetings he attended with County government, health care providers and with the larger Kern County community. Larry's contribution and insight will be missed.

On behalf of the Kern Health Systems Board of Directors, please know how much we appreciated Member Rhoades participation and input on Kern Health Systems Board of Directors over the years.

Recognition

The Board of Directors will recognize Board Member Rhoades contribution with a service recognition award to commemorate his service on the Board.



To: KHS Board of Directors

From: Tim McGlew, Chairman

Date: June 16th, 2022

Re: Nominating Committee Recommendation for Board Officers of Kern Health Systems

Background

At its meeting of April 14th, 2022, the Board of Directors appointed Barbara Patrick, Wayne Deats, Alex Garcia, Kim Hoffmann and Tim McGlew to serve as Kern Health Systems Nominating Committee. Dr. Hoffmann withdrew from the Nominating Committee due to scheduling conflicts.

The Committee was given the charge to recommend a slate of officers to fill the positions of Chairman, Vice Chairman, Treasurer and Secretary for consideration by the Board at its June 16th Board Meeting.

The newly selected Chairman and Secretary will be formally seated at the Board of Directors meeting in October. Since the Vice Chairman is currently vacant, the selected candidate will assume the role immediately. Since Mr. Deats will be stepping down as Treasurer and Chairman of the Finance Committee, the selected candidate for Treasurer will assume this role, along with the role of Chairman of the Finance Committee effective following the conclusion of today's Board meeting.

The Nominating Committee met May 18th. Following its deliberation, the Committee established a slate of candidates to serve as officers of the Kern Health Systems Board for a term of three years, consistent with the Kern Health Systems Bylaws. These individuals include:

- Board Chairman – Kristen Beall Watson Ed.D.
- Board Vice Chairman – Scott Thygerson
- Board Treasurer – Elsa Martinez
- Board Secretary – Vijaykumar Patel M.D.

Requested Action

Consider for appointment the slate of candidates recommended by the Nominating Committee to serve as Officers of the Kern Health Systems Board of Directors effective upon the position's vacancy.



To: KHS Board of Directors

From: Tim McGlew, Chairman

Date: June 16th, 2022

Re: Reactivating the Kern Health Systems Compensation Committee

Background

The current Kern Health Systems (KHS) Compensation Committee will be down to one member from four with the Committee losing members to Board resignations over the past few years. The remaining member being myself.

In 2016, The Board adopted the KHS Retention Plan to retain and optimize KHS's greatest asset – its employees. The Retention Plan was a deliverable from KHS's 2015-2017 Three-Year Strategic Plan that included a goal of “employment sustainability”.

Among other things, the Retention Plan calls for a periodic assessment (3 to 5 years) of KHS's compensation structure to determine whether KHS's compensation and benefits are competitive with industry and local markets for similar positions. A plan wide compensation study was undertaken in 2016 by Mercer, a division of Marsh McLennan, a nationally known compensation consultant familiar with our industry.

Earlier this year, Mercer was engaged again to undertake a new compensation study. Mercer's approach was to use a representative sample of KHS positions across all levels and departments and where appropriate, compare to relevant external positions in the HMO or other relevant industries to determine whether current compensation was competitive and fair given their findings. Mercer completed their analysis and are now prepared to review their findings with the Compensation Committee who intern, will make their recommendation regarding changes, if any, to the Board of Directors in August. Mercer will be invited to attend the August Board meeting to answer questions from the Board and/or add input to the Compensation Committee's recommendations.

Since the Compensation Committee will need to add members before its initial meeting with Mercer, four volunteers are requested to join the Compensation Committee. Following reconstituting the Compensation Committee with new members, Management will survey Committee members for available dates for their initial meeting with Mercer. At the first meeting, Mercer will present their findings and recommendations. In addition, the Committee will review KHS's current Compensation Policy which has not been updated since 2012.

Requested Action

The Board is asked to approve appointment of four new members to the KHS Compensation Committee.



To: KHS Board of Directors

From: Tim McGlew, Chairman

Date: June 16th, 2022

Re: Emily Duran's Employment Agreement

Background

At its meeting of April 14th, 2022, the Board established the employment agreement negotiating parameters the Chair would follow in discussions with the new Kern Health Systems CEO, Emily Duran. Since the Board would not reconvene until the next scheduled Board meeting on June 16th the Chair was instructed to complete negotiations authorizing the Chairman to sign the employment agreement with the Emily.

Because the contract terms of the employment agreement, were substantially similar to the current CEO's employment agreement, the current CEO agreement served as the template, subject to Counsel's legal review and updated to reflect Emily's compensation arrangement and standard benefits available to all employees.

Requested Action

The Chair requests ratification of Emily Duran's Employment Agreement for a term of three years beginning April 18, 2022.

**AGREEMENT FOR PROFESSIONAL SERVICES
CONTRACT EMPLOYEE**

This Agreement for Professional Services (“Agreement”) is made and entered into this April 15, 2022, between Kern Health Systems, a county health authority (“KHS”), and Emily Duran (“Executive”).

**I.
RECITALS**

(a) Welfare and Institutions Code section 14087.38 authorizes KHS to contract for services required to meet its obligations; and

(b) KHS desires to secure the services of Executive to serve as Chief Executive Officer of KHS, and Executive desires to accept such employment on the terms and conditions set forth in this Agreement; and

(c) Executive has the requisite education, knowledge and experience to serve as Chief Executive Officer; and

NOW, THEREFORE, in consideration of the material advantages accruing to the two parties and the mutual covenants contained herein and incorporating by this reference the foregoing recitals, and intending to be legally and ethically bound hereby, KHS and Executive agree with each other as follows:

**II.
TERMS AND CONDITIONS**

1. **Term.** The term (the “Term”) of this Agreement shall commence on April 18, 2022 (the “Commencement Date”) and shall end on April 17, 2025, unless earlier terminated pursuant to other provisions of this Agreement as herein stated.

2. **Employment Status.**

2.1 **Appointment.** KHS hereby appoints and employs Executive as its Chief Executive Officer, and Executive accepts such appointment and employment, effective with the Commencement Date.

2.2 **Devotion to KHS Business.** Executive shall devote productive time, ability and attention to the business of KHS during the Term of this Agreement. Executive shall not engage in any other business duties or pursuits or render any services of a business, commercial or professional nature for compensation. This Agreement shall not be interpreted to prohibit Executive from making personal investments or conducting private business affairs if Executive complies with all conflict-of-interest laws applicable to public officials.

3. **Duties.** Executive shall render full-time professional services to KHS in the capacity of Chief Executive Officer. Executive shall always, and to the best of her ability, perform all duties that may be required of her by virtue of her position as Chief Executive Officer. A description of the position including key responsibilities is set forth in Exhibit “A,” attached hereto and incorporated herein by this reference.

4. **Compensation Package.**

4.1 **Annual Compensation.** Executive shall work full time, which is a minimum of 40 hours per week, and will be compensated with cash and other value as described below.

4.1.1 **Compensation Methodology.** KHS shall pay Executive in accordance with the current Kern Health Systems, Chief Executive Officer Pay Band.

4.1.2 **Base Salary.** KHS shall pay Executive a base salary of \$ 425,000 annually.

4.1.3 **Performance-based Review; Salary Adjustment.** Executive shall be subject to an annual performance review based on achievement of Board approved reasonable and achievable goals to be included herein by amendment each year to this Agreement . Salary increases are subject to satisfactory completion of Executive’s annual goals which shall be described in Executive’s annual employee performance review. For payroll administration, the effective date of any merit increase shall be the first day of the payroll period in which Executive is eligible for such increase. Any adjustment in base salary shall be in writing and signed by both parties through a formal amendment to this Agreement.

4.1.4 **Semi Monthly Payment.** Executive shall be paid semimonthly on the same schedule as regular KHS semimonthly paid employees. The exact date of said biweekly payments shall be at the sole discretion of KHS. All payments made by KHS to Executive under this subparagraph shall be subject to all applicable federal and state taxes and withholding requirements.

4.2 **Severance Payment.** Executive shall be entitled to receive certain severance benefits as described below if Executive experiences a termination of employment for any reason other than for cause (an “Involuntary Termination”), as defined in section 28 herein.

4.2.1 **Severance Benefit.** If Executive experiences an Involuntary Termination then KHS will continue paying Executive her base salary as of the effective date of termination, for a period of Twelve (12) months in accordance with KHS’s standard payroll procedures; however, if the unexpired term of this Agreement is less than six (6) months from the effective date of termination the maximum severance benefit payable to Executive shall be an amount equal to Executive’s monthly base salary multiplied by the number of months left on the unexpired term. The severance payments will begin on the first payroll date occurring within 10 days of the effective date of termination and remain

in effect regardless of whether Executive seeks, accepts, or undertakes other employment during this twelve (12) month period. All payments made by KHS to Executive under this subparagraph shall be subject to all applicable federal and state taxes and withholding requirements.

4.2.2 Health Plan Benefits Executive is subject to an Involuntary Termination, and if Executive timely elects to continue her health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act (“COBRA”) following Involuntary Termination, then KHS will pay the monthly premium under COBRA for Executive and her eligible dependents for the same duration of time as specified in subparagraph 4.2.1 or until Executive finds other employment, whichever occurs first.

4.2.3 Release.

(a) If Executive accepts any of the severance benefits or payments described in paragraph 4.2 herein, Executive will, on behalf of herself and her assigns, heirs, legal representatives and agents, release and forever discharge KHS and each of its agents, board members, officers, directors, employees, and authorized representatives and each of them separately and collectively (separately and collectively, the “Releasees”) from any and all claims, liens, demands, actions, causes of action, suits, debts, contracts, promises, obligations, damages, liabilities, losses, costs and expenses of any nature whatsoever, known or unknown, in law or in equity, anticipated or unanticipated, conditional or contingent (collectively, “Actions and Liabilities”), which Executive now owns or holds, or at any time heretofore owned or held, or which Executive hereafter can, shall or may own or hold against any of the Releasees, which in each case arise out of or relate to Executive’s employment by KHS, the termination of Executive’s employment, any status, term or condition of such employment, Executive’s service to KHS as Chief Executive Officer or any physical or mental harm or distress from such employment or service or from termination of such employment or service, including without limitation, (i) any and all claims under California statutory or decisional law pertaining to wrongful discharge, retaliation, breach of contract, breach of public policy, misrepresentation, fraud or defamation; (ii) any and all claims under the California Fair Employment and Housing Act, the California Labor Code, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Fair Labor Standards Act and the Americans with Disabilities Act; (iii) claims arising under any federal, state or local statute, regulation, or ordinance prohibiting discrimination on the basis of race, color, creed, religion, religious creed, sex, marital status, sexual orientation, gender, veterans status, genetic characteristics, pregnancy, childbirth or related medical condition, national origin, age, ancestry, citizenship status, mental or physical disability or handicap, medical condition, AIDS or related medical condition, arrest record, or other basis of discrimination; (iv) any and all claims for costs, expenses or attorneys’ fees; and (v) any claims to rehire rights; provided, however, that claims for vested benefits and claims for workers’ compensation and unemployment insurance benefits are not waived.

(b) Nothing in the preceding subparagraph 4.2.3(a) shall operate to release, relieve, waive, relinquish, or discharge KHS from any obligation it may have to indemnify Executive pursuant to sections 825 et seq. of the California Government Code.

4.2.4 Waiver. Executive expressly understands and agrees that the releases contained in subparagraph 4.2.3(a) fully and finally release and forever resolve the matters released and discharged in such subparagraph, including those which may be unknown, unanticipated and/or unsuspected, and upon the advice of legal counsel, hereby expressly waives all benefits under section 1542 of the California Civil Code, as well as under any other statutes or common law principles of similar effect, to the extent that such benefits may contravene the provisions of subparagraph 4.2.3(a). Executive acknowledges that he has read and understands section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HER MUST HAVE MATERIALLY AFFECTED HER SETTLEMENT WITH THE DEBTOR.

5. Benefits Package. Described below is a list of current benefits Executive is eligible to receive from KHS. Executive must work at least 30 hours per week to be eligible for benefits.

5.1 Retirement.

5.1.1 CalPERS. Executive shall be eligible to participate in the California Public Employees Retirement System (“CalPERS”) the same as all eligible KHS employees. Executive shall be responsible for contributing 100% of any employee contribution through payroll deduction on a pre-tax basis.

5.1.2 Profit Sharing Plan. Executive shall be eligible to participate in the KHS-sponsored 401(a) retirement plan the same as all eligible KHS employees. Executive shall be subject to all terms and conditions of the plan document and section 401(a) of the Internal Revenue Code, as amended from time to time. KHS shall contribute up to 6% of Executive’s annual salary.

5.2 Health Care Coverage. Executive shall receive the same health benefits (including medical, prescription and vision coverage) as all eligible KHS employees. The employee share of cost will depend on the selected benefit. Executive is eligible for coverage on the first day of the first full calendar month following 30 days from hire date.

5.3 Dental Coverage. Executive shall receive the same dental benefits as all eligible KHS employees. KHS shall be responsible for 100% of the monthly premium. The employee

share of cost will depend on the selected benefit. Executive is eligible for coverage the first day of the first full calendar month following 90 days of continuous employment.

5.4 Paid Time Off. Executive shall accrue paid time off (“PTO”) in accordance with KHS policy, as amended from time to time. PTO will accrue from the Commencement Date and may be taken at any time thereafter. Executive shall receive payment for her PTO balance upon termination or expiration of this Agreement calculated at Executive’s current compensation rate. All payments made by KHS to Executive under this paragraph shall be subject to all applicable federal and state taxes and withholding requirements.

5.5 Extended Illness Bank. Executive shall accrue paid time off in an extended illness bank that may be used for illness or injury in accordance with KHS policy, as amended from time to time. Executive shall not be paid for accrued and unused sick leave upon termination or expiration of this Agreement.

5.6 Holidays. Executive shall be entitled to all paid holidays authorized as official holidays for KHS employees.

5.7 Jury Duty; Court Witness. Executive shall be entitled to time off when legally required pursuant to a duly served subpoena or other legal process to serve on a jury or to appear as a witness in civil action or proceeding, including an administrative proceeding, involving an event or transaction perceived or investigated during Executive’s official duties, in accordance with KHS policies in effect at the time. Such time off shall include any actual and necessary travel time from the regular place of employment to the court or hearing place designated in the jury summons, subpoena or other legal process. Executive shall be ineligible to receive juror fees if receiving her regular compensation while on jury duty. Executive shall advise jury services’ staff of her status as a public employee and that she is receiving her regular compensation. Any fees or sums collected by Executive for serving a court on her own time, such as vacation or on an unscheduled workday, are retained by Executive, as is mileage reimbursement.

5.8 Leaves of Absence. Executive may take leaves of absence in accordance with KHS policies in effect at the time the leave is taken.

5.9 Group Life Insurance. Executive shall receive the same group life insurance benefit as all eligible KHS employees. Executive is eligible to receive the life insurance benefit on the first day of the first full calendar month following 90 days of continuous employment. Executive will be responsible for any year-end tax consequence that may result from receipt of this benefit.

5.10 Voluntary Life Insurance; AD&D. Executive shall be eligible to purchase life insurance and accidental death and dismemberment coverage through payroll deduction on a post-tax basis for Executive and her eligible dependents. This is a voluntary benefit that is paid by Executive if Executive elects to participate in the plan(s).

5.11 Long-term Care. KHS shall provide Executive with long-term care coverage provider. Executive shall be eligible to purchase long-term care coverage for her spouse through payroll deduction on a post-tax basis. Spousal coverage is a voluntary benefit that is paid by Executive if Executive elects to participate in the plan.

5.12 Disability Insurance. KHS shall provide Executive with Short Term Disability and Long-Term Disability insurance coverage. Executive is eligible for Short Term Disability and Long-Term Disability insurance coverage on the first day of the first full calendar month following 90 days of continuous employment.

5.13 Supplemental Insurance. Executive shall be eligible to purchase supplemental insurance coverage through payroll deduction on a pre- and/or post-tax basis, depending on the terms of the individual policy. This is a voluntary benefit that is paid by Executive if Executive elects to participate in the plan. Executive is eligible to purchase supplemental insurance coverage on the first day of the first full calendar month following 90 days of continuous employment.

5.14 Deferred Compensation. Executive shall be eligible to participate in the KHS Deferred Compensation Plan through payroll deduction on a pre-tax basis. Executive shall be subject to all terms and conditions of the plan document and section 457 of the Internal Revenue Code, as amended from time to time. This is a voluntary benefit that is paid by Executive if Executive elects to participate in the plan.

5.15 Attendance at Meetings. Executive shall be permitted to be absent from KHS during normal working days to attend professional meetings and to attend to such outside professional duties in the managed care field as may be mutually agreed upon between Executive and the Chief Executive Officer. Attendance at such approved meetings and accomplishment of approved professional duties shall be fully compensated service time and will not be considered PTO.

5.16 Expense Reimbursement. KHS shall reimburse Executive for all approved and necessary business expenditures in accordance with KHS policy, as amended from time to time.

5.17 Dues. KHS agrees to pay dues to professional associations and societies of which Executive is a member in accordance with KHS policy, as amended from time to time.

5.18 Discount Programs. Executive shall be eligible to participate in any KHS-sponsored employee discount programs.

5.19 Direct Deposit. Executive may have her pay checks deposited in her checking account in accordance with KHS policy, as amended from time to time.

5.20 Car Allowance. Executive shall receive a monthly car allowance of six hundred dollars (\$600) per month.

6. **Assignment.** Executive shall not assign or transfer this Agreement or her obligations hereunder, or any part thereof. Executive shall not assign any money due or which becomes due to Executive under this Agreement without the prior written approval of KHS.
7. **Assistance in Litigation.** Upon request, Executive shall support and assist KHS as a consultant or expert witness in litigation to which KHS is a party.
8. **Authority to Bind KHS.** It is understood that Executive, in her performance of any and all duties under this Agreement, has no authority to bind KHS to any agreements or undertakings beyond what is authorized in KHS policy unless authorized by the Board.
9. **Captions.** The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.
10. **Choice of Law/Venue.** This Agreement shall be construed and enforced under and in accordance with the laws of the state of California, with venue of any action relating to this Agreement in the county of Kern, state of California.
11. **Compliance with Law.** Executive shall observe and comply with all applicable Kern county, state and federal laws, ordinances, rules and regulations now in effect or hereafter enacted, each of which is hereby made a part hereof and incorporated herein by reference.
12. **Confidentiality.** Executive shall maintain confidentiality with respect to information that she receives in the course of her employment and not use or permit the use of or disclose any such information in connection with any activity or business to any person, firm or corporation whatsoever, unless such disclosure is required in response to a validly issued subpoena or other process of law or as required by California Government Code sections 6250 et seq. Upon completion of this Agreement, the provisions of this paragraph shall continue to survive.
13. **Conflict of Interest.** Executive covenants that she has no interest and that she will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law or that would otherwise conflict in any manner or degree with the performance of her services hereunder. It is understood and agreed that if such a financial interest does exist at the inception of this Agreement KHS may terminate this Agreement immediately by giving written notice thereof. Executive shall complete and file a "Statement of Economic Interest" with KHS disclosing Executive's financial interests as required by the Political Reform Act of 1974 (Gov. Code, §§ 81000 et seq.), as amended, and the KHS Conflict of Interest Code.
14. **Consent.** Wherever in this Agreement the consent or approval of one party is required to an act of the other party, such consent or approval shall not be unreasonably withheld or delayed.
15. **Construction.** To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that if any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired,

or invalidated thereby. The parties acknowledge that they have each contributed to the making of this Agreement and that in the event of a dispute over the interpretation of this Agreement the language of the Agreement will not be construed against one party in favor of the other. The parties acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.

16. **Counterparts.** This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

17. **Dispute Resolution.** In the event of any dispute involving the enforcement or interpretation of this Agreement or any of the rights or obligations arising hereunder, the parties shall first attempt to resolve their differences by mediation before a mediator of their mutual selection. If the parties are, after mutual good faith efforts, unable to resolve their differences by mediation, the dispute shall be submitted for trial before a privately compensated temporary judge appointed by the Kern County Superior Court pursuant to Article VI, section 21 of the California Constitution and Rules 3.810 through 3.830 of the California Rules of Court. All costs of any dispute resolution procedure shall be borne equally by the parties.

18. **Enforcement of Remedies.** No right or remedy herein conferred on or reserved to KHS is exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing by law or in equity or by statute or otherwise and may be enforced concurrently or from time to time.

19. **Indemnification.** KHS shall defend and indemnify Executive for duties performed as Chief Executive Officer to the same extent as would be afforded to a regular full-time KHS employee. Said duty of defense and indemnity shall not apply to intentional or willful misconduct, gross negligence, dereliction or criminal misconduct on the part of Executive, and further shall not extend to any conduct, actions or activities which do not arise directly from the performance of this Agreement.

20. **Modifications of Agreement.** This Agreement may be modified in writing only, signed by the parties in interest at the time of the modification.

21. **Nondiscrimination.** The parties mutually agree to abide by all laws, federal, state and local, and by all policies of KHS respecting discrimination. The parties shall not discriminate on the basis of race, color, religion, sex, national origin, age, marital status or sexual orientation, ancestry, physical or mental disability, medical conditions, political affiliation, veteran's status, citizenship or marital or domestic partnership status or on the basis of a perception that an individual is associated with a person who has, or is perceived to have, any of these characteristics.

22. **Non-solicitation.** During the Term of this Agreement and for a period of 12 months following the termination or expiration thereof, Executive shall not directly or indirectly through her own efforts, or otherwise, employ, solicit to employ, or otherwise contract with, or in any

way retain the services of any employee or former employee of KHS, if such individual has provided professional or support services to KHS at any time during the Term of this Agreement, without the express written consent of KHS. Executive will not interfere with the relationship of KHS and any of its employees and Executive will not attempt to divert from KHS any business in which KHS has been actively engaged during her employment.

23. **Non-waiver.** No covenant or condition of this Agreement can be waived except by the written consent of KHS. Forbearance or indulgence by KHS in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by Executive. KHS shall be entitled to invoke any remedy available to KHS under this Agreement or by law or in equity despite said forbearance or indulgence.

24. **Notices.** Notices to be given by one party to the other under this Agreement shall be given in writing by personal delivery, by certified mail, return receipt requested, or express delivery service at the addresses specified below. Notices delivered personally shall be deemed received upon receipt; mailed or expressed notices shall be deemed received four (4) days after deposit. A party may change the address to which notice is to be given by giving notice as provided above.

To Executive:

Emily Duran
[REDACTED]
Bakersfield, California 93312

To KHS:

Kern Health Systems
2900 Buck Owens Blvd.
Bakersfield, California 93308
Attn.: Chairman, Board of Directors

25. **Signature Authority.** Each party represents that they have full power and authority to enter into and perform this Agreement, and the person or persons signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement. The execution and delivery by the parties of this Agreement and compliance with the terms hereof do not and will not (i) conflict with or result in a breach of the terms, conditions or provisions of any agreement, order or other instrument to which Executive or KHS is a party or subject to, (ii) constitute a default or event of default under any agreement, order or other instrument to which Executive or KHS is a party or subject to, (iii) result in a violation of any agreement, order or other instrument to which Executive or KHS is a party or subject to, or (iv) require any authorization, consent, approval or other action by or notice to any court, third party or governmental authority.

26. **Sole Agreement.** This Agreement contains the entire agreement between the parties relating to the services, rights, obligations and covenants contained herein and assumed by the parties respectively. No inducements, representations or promises have been made, other than those recited in this Agreement. No oral promise, modification, change or inducement shall be effective or given any force or effect.

27. **Successors in Interest.** The provisions of this Agreement and obligations arising hereunder shall extend to and be binding upon and inure to the benefit of the assigns and successors of each of the parties hereto.

28. **Termination.**

28.1 **Involuntary Termination.** For purposes of this Agreement, “Involuntary Termination” shall mean that one of the following events occurs: (i) KHS terminates the employment of Executive for any reason other than cause; (ii) there is a material change in the duties or authority of Executive; or (iii) there is a sale, merger, or closure of KHS.

28.1.1 **Board Discretion.** The Board may, in its sole discretion and without cause, terminate the duties of Executive as Chief Executive Officer. Such action shall become effective upon written notice to Executive or at such later time as may be specified in said notice.

28.1.2 **Change in Duties.** The Board may, in its sole discretion, change the duties or authority of Executive so it can reasonably be found that Executive is no longer performing as Chief Executive Officer. Executive shall have the right, within 90 days of such event, in her complete discretion, to terminate this Agreement by giving the Board 120 days’ prior written notice of her decision to terminate.

28.1.3 **Sale, Merger or Closure.** If KHS is sold, merged or closed, Executive may, in her sole discretion, terminate her employment or be retained as Chief Executive Officer for KHS or its successor. Any election to terminate employment under this subparagraph must be made prior to the sale, merger or closure, as applicable. If Executive continues to be employed as Chief Executive Officer at KHS or its successor organization, all of the terms and conditions of this Agreement shall remain in effect. KHS agrees that neither it nor any successor in interest shall enter into any agreement that would negate or contradict the provisions of this Agreement.

28.2 **Effect of Involuntary Termination.**

28.2.1 **CEO Discretion.** Upon such termination, all rights, duties and obligation of both parties shall cease except that KHS shall continue to pay Executive in accordance with paragraph 4.2 herein (the “Severance Period”). During the Severance Period, Executive shall not be required to perform any duties for KHS or come to KHS.

28.2.1 **Change in Duties.** If Executive elects to terminate employment due to a change in duties or authority, upon such termination, all rights, duties and obligation of both parties shall cease except that KHS shall continue to pay Executive in accordance with paragraph 4.2 herein. During the Severance Period, Executive shall not be required to perform any duties for KHS or come to KHS.

28.2.3 **Sale, Merger or Closure.** If Executive elects to terminate employment due to a sale, merger or closure of KHS, upon such termination, all rights, duties and

obligation of both parties shall cease except that KHS shall continue to pay Executive in accordance with paragraph 4.2 herein. During the Severance Period, Executive shall not be required to perform any duties for KHS or come to KHS.

28.3 Voluntary Termination. Executive may in her sole discretion terminate this Agreement for any other reason than as stated in subparagraph 28.1.1 by giving the Board not less than 120 days' prior written notice of her decision to terminate. In the event of termination by Executive, all rights, duties and obligations of both parties under this Agreement shall cease as of the effective date of the termination, and Executive shall not be entitled to any of the severance benefits described in paragraph 4.2 herein.

28.4 Termination for Cause. Notwithstanding the foregoing, KHS shall have the right to terminate this Agreement effective immediately after giving written notice to Executive for any of the following reasons: (i) the death of Executive or the disability or incapacitation of Executive, which means Executive is unable to perform the essential functions of Chief Executive Officer (ii) the unwillingness of Executive to perform all, or substantially all, of the duties of Chief Executive Officer, which failure persists for five (5) business days after written notice to Executive (excluding authorized absences); (iii) failure or neglect of Executive to properly and timely perform the duties of Chief Executive Officer as set forth in this Agreement; (iv) Executive engages in acts which confer an improper personal benefit upon Executive; (v) attempts on the part of Executive to secure personally any profit in connection with any transaction entered into on behalf of KHS; (vi) violation by Executive of any federal, state, or local laws or regulations to which KHS is subject; (vii) insubordination of Executive or disloyalty by Executive, including without limitation, aiding a KHS competitor; (viii) failure of Executive to cooperate fully in any KHS investigation; (ix) an unauthorized use or disclosure of confidential or proprietary information by Executive which causes material harm to KHS; (x) negligence or misconduct in the performance of a duty by Executive, including failure to follow the reasonable directions of the Board of Directors; (xi) commission of any unlawful or intentional act by Executive which would be detrimental to the reputation, character or standing of KHS; (xii) conviction of Executive of a felony offense or crime, or plea of "guilty" or "no contest" to a felony offense; (xiii) commission of a material act involving moral turpitude, fraud, dishonesty, embezzlement, misappropriation or financial dishonesty by Executive against KHS; (xiv) the issuance of a final order of any governmental agency or court that has competent jurisdiction over the parties, which order requires the termination of this Agreement; or (xv) the loss or threatened loss of KHS's ability to participate in any federal or state health care program, due to the actions of Executive.

28.5 Effect of Termination for Cause. In the event of termination of this Agreement for cause, Executive will not be entitled to any of the severance benefits described in paragraph 4.2 herein and KHS will have no further obligation to pay for any services rendered or expenses incurred by Executive after the effective date of the termination. Executive shall be entitled to receive compensation for services satisfactorily rendered, calculated on a prorated basis up to the effective date of termination.

28.6 Effect of Termination Generally.

28.6.1 Vacate Premises. Upon expiration or earlier termination of this Agreement, Executive shall immediately vacate KHS, removing at such time any and all personal property of Executive. KHS may remove and store, at the expense of Executive, any personal property that Executive has not so removed.


28.6.2 No Interference. Following the expiration or earlier termination of this Agreement, Executive shall not do anything or cause any person to do anything that might interfere with any efforts by KHS to contract with any other individual or entity for the provision of services or to interfere in any way with any relationship between KHS and any person who may replace Executive.


[Signatures follow on next page]

IN WITNESS TO THE FOREGOING, the parties have entered into this Agreement as of the day and year first written above.

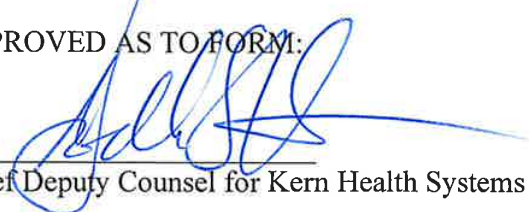
KERN HEALTH SYSTEMS

EXECUTIVE

By 
Timothy McGlew
Chairman, Kern Health Systems

By 
Emily Duran

APPROVED AS TO FORM:

By 
Chief Deputy Counsel for Kern Health Systems

KHS.Agreement.Duran.5.15.2022

POSITION DESCRIPTION

POSITION TITLE: Chief Executive Officer
REPORTS TO: Board of Directors
DEPARTMENT: Executive 110
FLSA STATUS: Exempt
PAY BAND: Executive IV

Definition

With direct accountability to the Kern Health Systems (KHS) Board of Directors responsible for the planning, administration and performance of the organization. The CEO represents the leadership role for the company with the membership, providers, government entities and community.

Distinguishing Characteristics

This is a single classification, reporting directly to the Board of Directors of Kern Health Systems (KHS) a Knox-Keene licensed Health Maintenance Organization.

Essential Functions

- ** Responsible for all aspects of strategic planning as well as day to day operations of KHS and KHS GHP operations, including establishing and meeting goals and objectives approved by the Board of Directors.
- ** Establishes a corporate culture that is customer service oriented and incorporates a Total Quality Management philosophy.
- ** Maintains good relations with all aspects of the community.
- ** Works with the Board of Directors to establish appropriate strategic and financial planning and appropriate corporate policies, procedures and protocols.
- ** Provide directions and guidelines regarding financial matters, operations and provider reimbursements.
- ** Negotiate and enter into contracts with State, providers and various vendor services and goods.
- ** Develops for Board approval and implements plans, policies, and procedures approved by the board.
- ** Ensures appropriate books and records are maintained.

Kern Health Systems
Chief Executive Officer
Page 2 of 2

- ** Ensures compliance with all regulatory requirements as well as with all applicable federal, state, and local statutes and regulations.

- ** Establishes internal controls which are appropriate for the size of the organization and the nature of its business.

- ** Hires/fires and directly manages all executive staff.

- ** Directs and oversees all aspects of Compliance and Regulatory Affairs, Government Relations, Human Resources, Operations, Finance, Health Services and Information Technology.

- ** Serves as the public spoke person on matters concerning the company.

Other Functions

- ** Performs other job-related duties as assigned by the Board of Directors.

- ** Adheres to all company policies and procedures relative to employment and job responsibilities.

Employment Standards and Minimum Qualifications:

- ** Minimum ten (10) years' experience in the health care industry.

- ** Minimum of (5) years executive level experience in Health Maintenance Organization (Executive level includes: Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Medical Officer or other comparable positions.)

- ** Experience with Medicare and Medicaid health plans preferable

- ** Knowledge of insurance principles is highly desirable.

- ** Experience in capitated managed health care and/or startup organizational development is strongly preferred.

- ** A Master's degree in health services administration, business administration, public health or public administration from an accredited university required.

Other: Possession of valid driver's license and proof of State required auto liability insurance.
Required Travel Up to 40%

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To: KHS Board of Directors

From: Emily Duran, Chief Network Administration Officer

Date: June 16, 2022

Re: Provider Network Capacity Study

Background

On an annual basis, Kern Health Systems undergoes an extensive review of the provider network capacity to ensure the appropriate levels of clinicians are contracted. The Department of Managed Health Care (DMHC) continues to closely monitor Primary Care Physician (PCP) to member ratios and provider network adequacy methodology.

Analysis

KHS monitors the PCP ratio, as well as time and distance standards on a regular basis. Slide 6 demonstrates KHS PCP capacity in compliance with the 1:2,000 ratio with the exception of one geographic area: Arvin, Lamont, and Metropolitan Bakersfield.

As a part of Annual Provider Network Reporting, DMHC reviews the Plan's ratio of enrollee to providers of certain specialty types. Plans are reviewed against other health plans, and if identified as an outlier, issues a finding. As you can see, the DMHC specialist findings seem to increase year over year however there is a key factor that is not considered by DMHC which have direct impact to access to care. DMHC does not include mid-level practitioners nor telehealth specialist as a qualified provider in their count. Slides 9 and 11 show the Specialty Care Provider growth in our network. Kern County in general has always suffered from a health professional shortage and with the growing membership assigned to our plan, it is an area of focus for KHS.

Plan

As a result of the access deficiencies identified, KHS will continue to work toward recruiting and growing provider access for our members with the following strategies:

1. Continue to fund Provider Grants to encourage provider recruitment and New Specialty care locations
2. Continuous Provider Network and Telehealth Expansion
3. Promote Medical & Mental Health Integration
4. Continue to Expand Enhanced Care Management (Health Homes) Program to increase medical care for the high-risk population and alleviate small provider practices with this population and
5. Create Diagnosis Specific Clinics to also alleviate provider practices that struggle with managing these complex members/patients.

The presentation includes the 2021 provider network capacity study, areas of deficiency and the plan to address the needs in our network.

In summary, despite the provider representation challenges, KHS continues to meet the patient care timely access standards for both PCPs and highest utilizing specialty care services. It is believed Mid-level providers (Physician Assistants and Nurse Practitioners) and Telehealth contribute to this achievement. Accounting for them in our provider / member ratios would go a long way toward maintaining the provider representation standards imposed by DMHC. Along with other California health plans serving underserved areas like ours, discussions continue with DMHC to allow health plans to add Mid-levels and Telehealth services as viable options for achieving provider /member ratios for Specialties where KHS is underrepresented.

Requested Action

Receive and File.

2021 Provider Network Capacity Report

Board of Directors
June 16th, 2022



Background / Scope

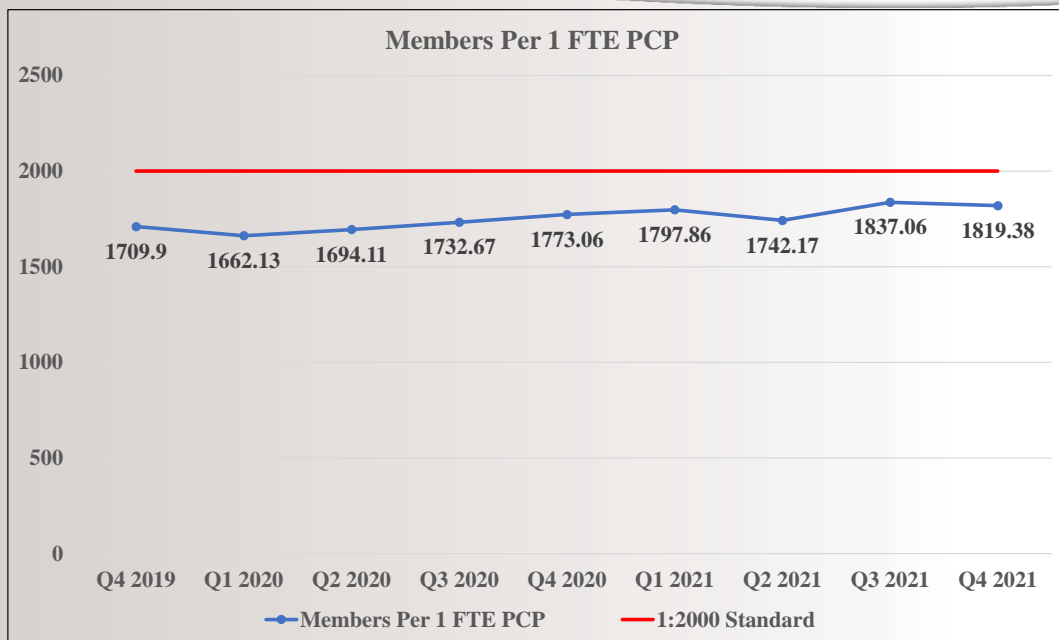
On an annual basis, Kern Health Systems (KHS) reviews network adequacy to ensure members have access to a quality group of providers that can meet the need in a timely manner.

The following were taken into consideration:

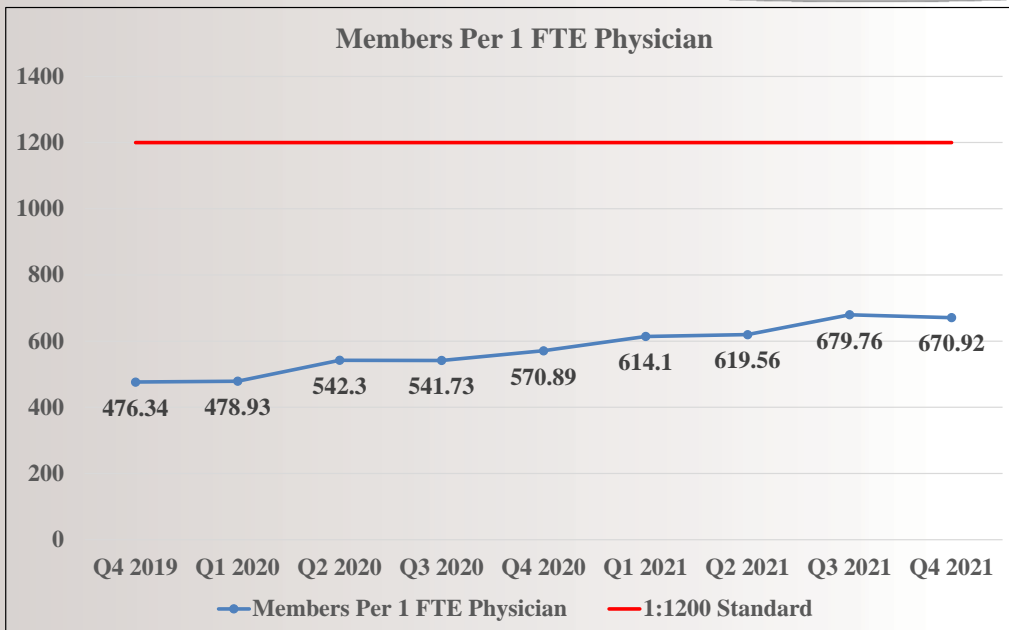
- Analysis of provider to member ratio, per state regulation
- PCP Medical Service Study Area Capacity report
- Specialty Provider Network
- Mental Health Provider Network



PCP to Enrollee Ratios

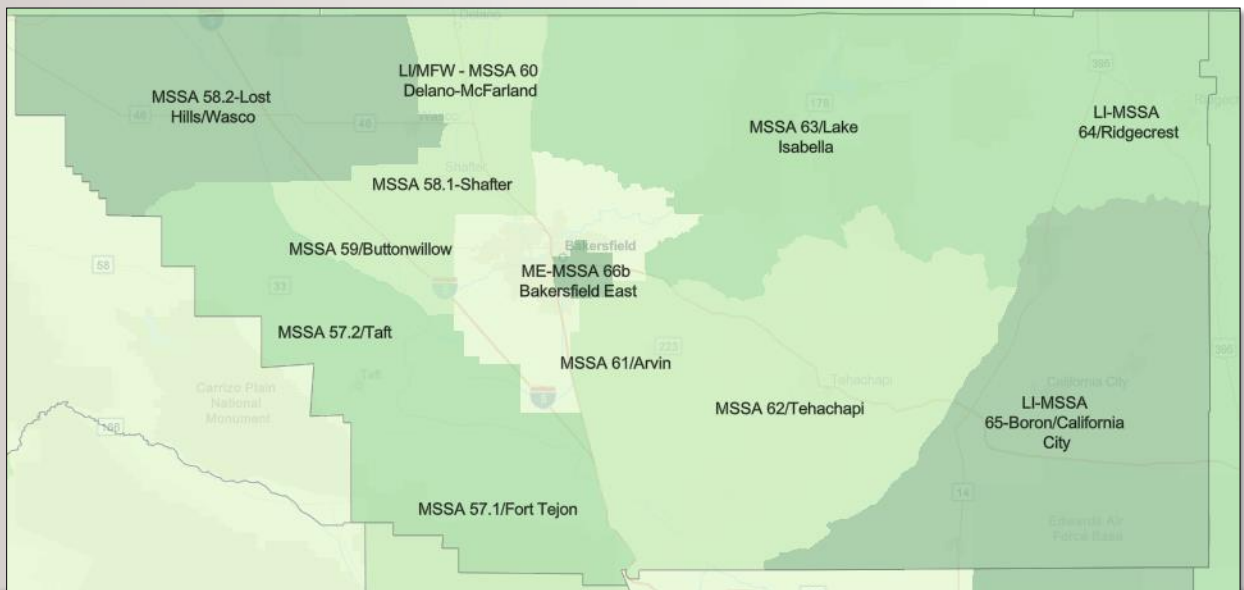


Physician to Enrollee Ratios



Primary Care – HPSA Map

Kern County – Primary Care Health Professional Shortage Areas (HPSA)



PCP Capacity, Per MSSA Region

| MSSAMS | Major Cities | Number of Primary Care Physicians | Number of Primary Care Mid-levels | Total FTE PCP | Membership Q3 2020 | Percent of KFHC Members per MSSA | Number of FTE PCPs to Serve Membership | FTE PCP Gap |
|--------------------|---|-----------------------------------|-----------------------------------|---------------|--------------------|----------------------------------|--|-------------|
| 57.1 | Frazier Park, Lebec | 2 | 1 | 1.20 | 955 | 0.32% | 0.48 | No Gap |
| 57.2 | Taft, Maricopa | 6 | 9 | 5.04 | 7,779 | 2.65% | 3.89 | No Gap |
| 58.1 | Shafter | 13 | 27 | 12.72 | 9,127 | 3.10% | 4.56 | No Gap |
| 58.2 | Lost Hills, Wasco | 9 | 18 | 8.64 | 11,334 | 3.85% | 5.67 | No Gap |
| 59 | Buttonwillow | 1 | 0 | 0.48 | 873 | 0.30% | 0.44 | No Gap |
| 60 | Delano, McFarland | 28 | 15 | 17.04 | 27,983 | 9.52% | 13.99 | No Gap |
| 61 | Arvin, Lamont | 12 | 12 | 8.64 | 19,686 | 6.69% | 9.84 | -1.20 |
| 62 | Tehachapi | 5 | 5 | 3.60 | 4,989 | 1.70% | 2.49 | No Gap |
| 63 | Lake Isabella, Wofford Heights, Kernville | 6 | 4 | 3.84 | 3,693 | 1.26% | 1.85 | No Gap |
| 64 | Ridgecrest | 28 | 12 | 16.32 | 302 | 0.10% | 0.15 | No Gap |
| 65 | California City, Mojave, Rosamond | 7 | 7 | 5.04 | 6,793 | 2.31% | 3.40 | No Gap |
| 66a, 66b, 66c, 66d | Metropolitan Bakersfield | 144 | 107 | 94.80 | 199,941 | 67.99% | 99.97 | -5.17 |

Specialist Capacity

- KHS is required to maintain a ratio of specialists to “reasonably assure” services are accessible to enrollees on an appropriate basis. Currently, there is no numerically defined ratio requirements for specialty providers.
- As a part of Annual Provider Network Reporting, the DMHC reviews the Plan’s ratio of enrollees to providers of certain specialty types. Plans are reviewed against other health plans, and if identified as an outlier, issued a finding.
- The DMHC calculation for specialist ratios does not take into account mid-level providers or providers offering services via telehealth.
- The most recent year in which the Plan has received feedback from the DMHC is Measurement Year 2020



DMHC Specialist Findings

| Specialty | MY 2015 | MY 2016 | MY 2017 | MY 2018* | MY 2019* | MY 2020* |
|--------------------|----------------|---------|--------------------|----------|----------|----------|
| Cardiology | X | X | X | N/A | N/A | X |
| Dermatology | ✓ | X | X | X | X | X |
| Endocrinology | X | ✓ | ✓ | X | ✓ | ✓ |
| Neurology | N/A | N/A | N/A | X | X | X |
| OB/GYN | ✓ | ✓ | ✓ | N/A | N/A | N/A |
| Oncology | N/A | X | X | X | X | X |
| Ophthalmology | ✓ | ✓ | X | X | X | X |
| Orthopedic Surgery | X | X | X | X | X | X |
| Psychiatry | ✓ | ✓ | ✓ | N/A | N/A | ✓ |
| Pulmonology | X | X | X | N/A | N/A | X |
| Urology | N/A | N/A | N/A | X | X | X |
| DMHC Finding - X | No Finding - ✓ | | Not Reviewed – N/A | | | |

*DMHC calculation did not take into account mid-level or telehealth providers



MY2020 DMHC Deficiencies

MY 2020 Provider Counts

DMHC calculation did not take into account mid-level providers or providers offering services via telehealth

| Specialty | DMHC Count | Midlevel Count | Telehealth Count |
|--------------------|------------|--|------------------|
| | | Providers Not Included in DMHC Ratio Calculation | |
| Cardiology | 44 | 6 | 0 |
| Dermatology | 9 | 11 | 16 |
| Neurology | 19 | 2 | 3 |
| Oncology | 26 | 9 | 0 |
| Ophthalmology | 29 | 0 | 0 |
| Orthopedic Surgery | 17 | 3 | 0 |
| Pulmonology | 14 | 3 | 0 |
| Urology | 17 | 3 | 0 |



Quarterly Access Review

Grievance

- Quarterly, the Plan reviews all access grievances found in favor of the enrollee to identify any potential access issue trends. The Plan did not identify any specialist appointment availability issues during 2021.

| Grievance Category | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 |
|--|---------|---------|---------|---------|
| Specialist Appointment Availability Grievances | 4 | 4 | Pending | Pending |

Appointment Availability Survey

- Quarterly, a random sample of 15 specialty providers are surveyed to review the Plan's compliance with the 96-hour urgent appointment and 15-day non-urgent appointment availability standard.

| Specialist Results | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 |
|--|---------|---------|---------|---------|
| Average wait time for urgent appointment (in hours) | 57 | 62 | 50 | 55 |
| Average wait time for non-urgent appointment (in days) | 11 | 11 | 6 | 6 |



Specialist Growth

≥5% Increase

≥5% Decrease

| Specialty | 2017 | 2018 | 2019 | 2020 | 2021 | 5YR % |
|----------------------|------|------|------|------|------|-------|
| Cardiology | 36 | 39 | 40 | 42 | 46 | 28% |
| Dermatology | 32 | 31 | 35 | 35 | 35 | 9% |
| Endocrinology | 12 | 17 | 19 | 20 | 24 | 100% |
| ENT/Otolaryngology | 12 | 14 | 12 | 10 | 9 | -25% |
| Gastroenterology | 15 | 16 | 20 | 22 | 24 | 60% |
| General Surgery | 36 | 42 | 59 | 68 | 62 | 72% |
| Hematology | 15 | 18 | 18 | 19 | 23 | 53% |
| Infectious Diseases | 11 | 11 | 10 | 10 | 8 | -27% |
| Nephrology | 20 | 23 | 25 | 25 | 28 | 40% |
| Neurology | 19 | 24 | 25 | 25 | 25 | 32% |
| Oncology | 13 | 20 | 23 | 24 | 27 | 108% |
| Ophthalmology | 25 | 28 | 32 | 30 | 28 | 12% |
| Orthopedic Surgery | 17 | 17 | 20 | 21 | 22 | 29% |
| Physical Med & Rehab | 16 | 21 | 27 | 24 | 10 | -38% |
| Psychiatry | 29 | 45 | 54 | 54 | 53 | 83% |
| Pulmonology | 23 | 22 | 21 | 20 | 20 | -13% |
| Urology | 8 | 9 | 13 | 17 | 16 | 100% |

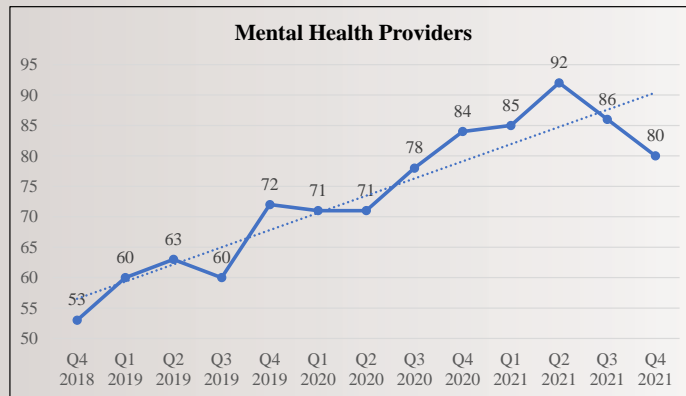


Mental Health Network

DMHC Annual Network Report Findings:

| Specialty | MY 2015 | MY 2016 | MY 2017 | MY 2018 | MY 2019 | MY 2020 |
|------------------|---------|----------------|---------|---------|---------|---------|
| Mental Health | X | X | X | ✓ | ✓ | ✓ |
| DMHC Finding - X | | No Finding - ✓ | | | | |

Continued Growth:



Service Area Expansion

- Effective January 1st, 2022, Kern Health Systems service area has expanded to include the Ridgecrest area. KHS now covers all of Kern County.
- The Plan was already contracted with multiple providers in this area, including:
 - Hospital – Ridgecrest Regional Hospital
 - Rural Health Clinic - Ridgecrest Regional RHC
 - FQHC – Omni - Ridgecrest Community Medical & Dental Center
 - Specialists offering Cardiology, Dermatology, Gastroenterology, Nephology, OB/GYN, Podiatry, Urology and more.
- During 2021, The Plan completed regulatory submissions with DHCS and DMHC to ensure it had the appropriate network for the expansion
- The Plan has an adequate network of providers to service these new members residing in Ridgecrest



Planning for Increase Demand

- 2020-21 Provider Grants
 - Provider recruitment
 - New Specialty care locations
- Continuous Provider Network Expansion
- Telehealth Expansion
- Promote Medical & Mental Health Integration
- Continue to Expand Enhanced Care Management Programs
- Diagnosis Specific Clinics
 - Transition of Care Clinic
 - Respite Care Clinic
 - Inpatient Program for Pulmonary Rehab
 - Expanded Diabetic clinics



Questions

For additional information, please contact:

Emily Duran
Chief Executive Officer
(661) 664-5000





To: KHS Board of Directors

From: Douglas A Hayward

Date: June 16th, 2022

Re: 2023 Corporate Goals

Background

Annually, Kern Health Systems establishes Corporate Goals which contribute to a variety of activities undertaken each year by the company. Included among these activities are:

- establishment of the annual Department Goals and Objectives
- planning for new Corporate Projects and
- preparation of the Capital and Operating Budgets for the year the Corporate Goals apply

To qualify as a Corporate Goal means that its accomplishment is necessary for the Company to:

- achieve critical performance milestones
- implement State mandated programs or
- improve business operations or results

Ordinarily, our three-year strategic plan would be the driver behind KHS's annual goals. Due to the pandemic and its associated uncertainty, in 2020 we made a conscious choice to delay creating a new three-year plan until things stabilized. We believe this has occurred and a new three-year strategic plan will be developed this fall. The outcome may have implications on our priorities and direction for 2023 (1st year of the new strategic plan). To the extent it impacts the 2023 Corporate Goals, management will adopt the corporate goals to account for year one of the new three-year strategic plan once it's created.

Enclosed are the 2023 Corporate Goals that new CEO, Emily Duran will present to the Board.

Requested Action

Board approval of KHS 2023 Corporate Goals.



CEO Corporate Performance Goals for Calendar Year 2023

Background

The Corporate Performance Goals for 2023 take into consideration the continued projects and initiatives as outlined in the California Advancing and Innovating Medi-Cal (CalAIM) plan. The transformational projects outlined by the Department of Health Care Services (DHCS) are an effort to reform the delivery of clinical and social support services and truly make “A Better Medi-Cal for Californians.” With this goal in mind, the corporate roadmap for KHS in 2023 will focus on continuing to realign services and create programs that will provide quality health outcomes in a more equitable delivery model.

A few important items to highlight:

- Goals are subject to change due to modifications, budget, or delayed timelines imposed by DHCS.
- A new Three-Year Strategic Plan is scheduled and expected to be adopted in late 2022 that may include other priority projects the KHS Board of Directors may wish to include.
- Safety Net Providers (Kern Medical, Omni Family Health and Clinica Sierra Vista) are a key stakeholder in accomplishing KHS goals and will be encouraged, where appropriate, to participate in their achievement or considered in their outcomes.

As KHS embarks on expanding our scope to a whole person care approach, the plan must be strategic in incorporating the key components of CalAIM. Partnerships will be critical, and resources will be leveraged. Collaborative opportunities will be maximized, and we will take advantage of any access to special funds available. The overarching goal is to continue to be the health plan of choice for our community and create a more integrated delivery system for our members.

Goal 1: Behavioral Health Program – Over the last several years, managed care plans have experienced a number of behavioral health focused services that transitioned under their scope of services. In 2018, the managed care plans assumed responsibility of Autistic Behavioral Therapy (ABA) and non-specialty mental health service delivery. Most recently, the plans are to collaborate with the specialty mental health provider to incorporate a “No Wrong Door” structure which



requires close engagement between providers in coordinating behavioral and mental health care for the member, regardless of initial screening or service entry point. KHS currently lacks the personnel to oversee the services specific to behavioral health, and with an increased focus in care integrations, the need to develop a department is essential.

Deliverables:

- Develop and incorporate a Behavioral Health department into the KHS organizational structure. Create/update policies, procedures and operationalize the department in the 1st – 2nd Quarter, 2023.
- Evaluate and ensure the mental health provider network is adequate to provide all outlined non specialty mental health services (NSMHS) and communicate with MHPs regarding DHCS requirements. Create a formal collaborative structure with Kern Behavioral Health and Recovery Services and other entities that provide behavioral and mental health services during the 2nd Quarter, 2023.
- Further evaluate and develop the implementation of Primary Care Provider Roles with Substance Use Disorder services / Medication Assisted Treatment services. Coordinate with participating Primary Care Providers, Inpatient Hospitals, Emergency Rooms, or other contracted medical settings for Medications for Addiction Treatment (MAT – aka Medication Assisted Treatment) starting in the 3rd Quarter, 2023.
- Evaluate the availability of emergency stabilization services. Coordinate with participating Primary Care Providers and Kern Behavioral Health and Recovery Services regarding access to care for substance use disorder (SUD) services in the 4th Quarter, 2023.

Goal 2: Quality and Health Equity Program – DHCS has published the 2022 Comprehensive Quality Strategy (CQS) that focuses on guiding principles of eliminating health disparities from inherent delivery system bias, using community-based partnerships; data driven improvements that address the whole person; and transparency, accountability and member involvement. These principles and strategies are meant to improve the clinical outcomes of our membership. There are also three specific focus areas that include children’s preventative care, maternity care and birth equity, and behavioral health integration.



Deliverables:

- Identify organizational structure for the role of a Health Equity Officer, as required in the DHCS CQS. This position will be responsible for carrying out the CQS strategies in collaboration with the Quality Improvement and Population Health Management departments. Project to launch 1st Quarter, 2023.
- Identify and assess members risks guiding the development of care management programs and focused strategies in the 2nd Quarter, 2023.
- Create strategies to engage members as “owners of their own care”. Member Engagement Program - Develop a robust member and community engagement program in the 2nd and 3rd Quarter, 2023
- Develop communication strategies that will focus on keeping families and communities healthy via prevention during the 3rd Quarter, 2023.
- Create early interventions for rising risk and patient centered chronic disease management by the end of the 3rd Quarter, 2023.
- Expand on programs that focus on whole person care for high-risk populations, addressing drivers of health by the end of the 4th Quarter, 2023

Goal 3: Health Information Data Exchange & Security – Kern Health Systems is accountable to the Health Insurance Portability and Accountability Act of 1995 (HIPAA) Security Rule which leverages the National Institute Standards and Technology (NIST) for Information Security (InfoSec) practices. Additionally, the plan is obligated through contracts with the State of California to ensure that the health plan maintains data and systems following these standards. As KHS continues to expand on the health information data exchanges with numerous provider groups that potentially do not have technology safeguards in place, it also raises KHS security concerns. As a result, KHS continuously scrutinizes and updates its information and cyber security protocols and practices to ensure that the best strategies and tools are being used based to provide a secure and protected environment. Over the next year, KHS will establish 24-hour monitoring of its Information Security systems to ensure that there is immediate action to avoid potential threats. After the installation of this new system, KHS will perform its annual 3rd party audit of the Information Security procedures and controls and provide an Executive presentation to key stakeholders.



Deliverables:

- Procure, install, and configure new logging and monitoring system in the 1st Quarter, 2023
- Perform annual 3rd party audit following the NIST security framework to independently evaluate Kern Health Systems starting the 2nd Quarter, 2023
- Analyze audit and perform risk management and remediation on any findings to close gaps by end of 3rd Quarter, 2023
- Provide an Executive presentation to key stakeholders on the status of the Corporate Information Security strategies and audit by end of 4th Quarter, 2023.

Goal 4: Dual Eligible Special Needs Population (DSNP) and Medicare- Promoting integrated care by incorporating mandatory Medi-Cal Managed care enrollment for individuals who are dual eligible for (Medi-Cal and Medicare) is part of the CalAIM initiative to improve health. Although this is optional for managed care plans, it is strongly recommended by DHCS. The goal is to promote integration and align enrollment of the DSNP population, increase coordination of care, and better health outcomes. KHS would be eligible to offer a Medicare Advantage product in 2025-2026 contingent on preparation, fiscal and operational feasibility, and both DHCS and CMS approvals. In order to evaluate our role and readiness for this new line of business, the process and preparation is being initiated.

Deliverables:

- KHS will embark in a detailed Medicare Advantage Fiscal and Operational Feasibility study and gap analysis. This will require the procurement of consulting services that have the expertise in Medicare implementation for Medi-Cal focused plans. This process will start in the 1st Quarter of 2023 with final reporting by 4th Quarter, 2023.
- NCQA Gap Analysis will be initiated and will encompass all KHS departments. Education and training will be provided to all stakeholders on NCQA standards and accreditation processes. The Gap Analysis will assess the current plan position against NCQA standards starting in the 1st Quarter, 2023.
- Conduct NCQA readiness and gap assessment across all Health Plan functions and relevant NCQA standards starting in the 3rd – 4th Quarter, 2023.



- Develop a deliverable document with gaps and recommendations for remediation with reference to NCQA standard requirements. Develop timeline for readiness and application process will start in the 3rd – 4th Quarter, 2023.

CY 2024-2025: NCQA Readiness: Continue implementation of NCQA gap closure plan. Start NCQA application process which is normally 12 months prior to survey. This process will include application/file preparation, operationalizing and implementing new processes and policies in clinical, contracting, and technology operations.

Goal 5 – DHCS Incentive Programs - Starting in 2021, DHCS introduced Incentive Programs to promote health plan, provider, and community service organizations collaborative participation to carry out the development of several areas of the CalAIM initiatives. These incentive programs are not a requirement and participation is voluntary, however these funds are available to assist in building program and service delivery models, including infrastructure.

Goal 5a - Incentive Payment Program (IPP)

CalAIM's Enhanced Care Management (ECM) and Community Support Services (CSS) programs launched in January 2022, requiring significant new investments in care management capabilities, CSS infrastructure, information technology (IT), data exchange, and workforce capacity for both health plans and providers. Incentive funding will be available through 2024 to help pay for these investments. In PY 1 (CY2022), KHS accomplished foundational goals in line with DHCS defined milestones. Beginning in January 2023, KHS will focus efforts on regional coordination and oversight to advance the goals of CalAIM and support successful implementation of ECM and Community Supports programs.

In PY 2 (CY2023), KHS will prioritize the following programmatic components:

- Prepare for variability in ECM / CSS eligibility and enrollment for different populations of focus and services scheduled for go-live beginning January 1st, 2023 and July 1, 2023 in accordance with each program's Policy Guide
- Improve efficiency of submission and evaluation processes to reduce administrative burdens, creating additional quality outcome reporting mechanisms required by Priority Areas 2-3 (ECM/Community Supports Capacity Building) for Incentive Payment retention



- Award KHS Provider Network as they achieve milestones outlined in their Incentive Payment Program funding applications and requested/approved by KHS
- Meaningfully incorporate feedback from regional partners, stakeholders, and entities in Kern County regarding ECM and Community Supports take-up
- Assess completeness and improvements made by the Plan and ECM and CSS Providers above the baseline benchmarks established by the Gap / Needs Assessment measures and Gap-Filling Plan in PY1

KHS will ensure incentive dollars do not overlap with other DHCS incentive programs or with services funded through the rates. All Incentive Payment measures will continue to be evaluated and reported to DHCS according to a measure set delivered to MCPs. Incentive payments will be distributed over three payment cycles each year of the incentive program following determination of the maximum potential annual incentive dollar amount for each health plan like KHS.

Deliverables:

- KHS will host CalAIM Roundtables in partnership with key stakeholders, and/or continue promoting local engagement efforts with regional partners through diverse forums starting in 1st Quarter, 2023.
- Establish quarterly performance monitoring capabilities ensuring milestones are met by KHS Provider Network and CBOs in order to award Provider proposals with earned dollars for Program Year 2023.
- Track high-priority budgeted solutions implemented, respective to each Priority Area strategy, as they are outlined in the Program Year 2 Incentive Payment Measure Set prior to an initial submission scheduled by DHCS by end of 3rd Quarter, 2023.

Goal 5b - Housing and Homelessness Incentive Program (HHIP)

Housing and Homeless Incentive Program launched in January 2022 as part of the state's overarching home and community-based services (HCBS) spending plan. MCPs can earn incentive payments for investments and progress in addressing homelessness as a social determinant of health and keeping individuals housed. HHIP is a voluntary incentive program that will enable KHS to earn incentive funds for making progress in addressing homelessness and housing insecurity as social determinants of health. Incentive funding will be available through 1st Quarter, 2024 to help pay for these investments.



Beginning in January 2023, KHS will focus efforts on regional funding, plan coordination, and fulfillment of county-wide needs through alignment with county Homeless Housing, Assistance and Prevention (HHAP) program.

In PY 2 (CY2023), KHS will prioritize the following programmatic components:

- Achieve investments in access and long-term availability of affordable housing in Kern County
- Increase continuous case management for closed loop and end-to-end housing support referrals
- Create informed data connections between healthcare and homelessness focused entities
- Improve screening and connective tools for discharge planning

Deliverables:

- Implement the “Local Homelessness Plan (LHP)” determining what is necessary to meet structural and capacity requirements to fulfill HHIP objectives by 1st Quarter, 2023.
- Complete and submit to DHCS the “MCP Submission 1” outlining implementation approach to address gaps and needs by February 2023.
- Create performance monitoring capability to measure the Local Homelessness Plan (LHP) success as defined as demonstrated performance against measure targets linked to achievement of HHIP milestones by 2nd Quarter, 2023.
- Complete and submit to DHCS the “MCP Submission 2” outlining implementation approach to address gaps and needs by December 2023.

Goal 5c - Student Behavioral Health Improvement Program (SBHIP)

The Student Behavioral Health Improvement Program launched in January 2022 and provides incentives to increase coordination among Medi-Cal MCPs, LEAs, and county mental health plans with the understanding it will significantly impact the delivery of services to this population and ultimately benefit all delivery systems. Creating a comprehensive and continuous system of care for Medi-Cal students to access the entire scope of available benefits is consistent with the national movement of increasing access to Medicaid services in schools.

In Program Year 1 (CY2022), Medi-Cal MCPs will receive an assessment allocation to initiate the SBHIP assessment. The remaining portion of the assessment funds will be released upon submission of the completed assessment package and DHCS approval of the requested items.



For Incentive Program Years 2 (calendar year 2023) and 3 (calendar year 2024), Medi-Cal MCPs will receive incentive payments from DHCS based on achieving outlined milestones and performance metrics to reward completing SBHIP component milestones and reporting all performance metrics.

In PY 2 (CY2023), KHS will prioritize the following programmatic components:

- The SBHIP Bi-Quarterly Report is a required component of the SBHIP for each targeted intervention selected. Report must be submitted by the end of every other quarter throughout the duration of the project or until the Project Outcome Report (Milestone Two) has been submitted.

Deliverables:

- Implement the “Project Plan (Milestone One)” determining what is necessary to fulfill SBHIP initiatives including each targeted intervention & the County Needs Assessment for Program Year 2, starting the 1st Quarter, 2023.
- Complete and submit to DHCS an initial Bi-Quarterly Report by end of 2nd Quarter, 2023.
- Complete and submit to DHCS a second Bi-Quarterly Report by end of 4th Quarter, 2023.

Goal 6 - Institutionalizing Telehealth Coverage Revisions as New (Permanent) Medi-Cal Benefit - Telehealth Services has shown to be an effective method for maintaining the physician / patient relationship during the pandemic. DHCS modified its benefits to expand telehealth as an alternative to office visits during the stay-at-home order. DHCS intends to make permanent and expand several telehealth provisions that were allowed during the Public Health Emergency, effective in 2023.

The final State Budget passed in July 2021 instructed DHCS to extend the Public Health Emergency (PHE) telehealth flexibilities through 2022. It also required DHCS to form a workgroup to further discuss the ongoing permanent telehealth flexibilities that will be effective beginning 2023. The details of DHCS’ proposal are included in the 2022-2023 State Budget process which concludes in the Summer. In the interim, KHS continues to work with our Provider Network to make use of the existing telehealth flexibilities.

Specifically, DHCS proposes:

- Continuing coverage of synchronous video and audio-only telehealth coverage across multiple services and delivery systems, as covered during the PHE.



- Continuing to reimburse FQHCs/RHCs at their regular rate for visits delivered via telehealth, including visits delivered via (1) synchronous video, (2) synchronous audio-only, and (3) store and forward. Continuing the exemption from site limitations for patient or provider, which allows providers and/or beneficiaries to be in locations outside of the clinic to render and/or receive care, respectively.
- Continuing parity in reimbursement levels between in-person services and select telehealth modalities (synchronous video, synchronous audio-only, or asynchronous store and forward, as applicable) across delivery systems.
- Establishing specific utilization management protocols for all telehealth services and enhancing monitoring of telehealth services to prevent fraud, waste, and abuse.
- allowing use of telehealth to meet network adequacy standards in health plans (revise the alternate access standards (AAS) submission process accordingly)

With a large portion of Kern County designated as a medically underserved geographical area, KHS is challenged with meeting access standards based on the size of our enrolled population and provider availability. Allowing including Telehealth services to our provider count will favorably impact service access and improve our scores.

Deliverables:

- Determine the impact to the participating provider network by 1st Quarter, 2023. Determine the impact to KHS, its policy, procedures, protocols, tracking and reporting by 1st Quarter, 2023
- Inform participating providers telehealth will become a permanent benefit effective 2023 under Medi-Cal by 4th Quarter, 2022
- Convey logistical information about the benefit and procedures providers will need to follow when using telehealth services and receiving payment for telehealth services by 1st Quarter, 2023
- Inform members that telehealth will be added to their Medi-Cal benefits explaining what it is, why it is beneficial and how this service will be provided and used for the member's benefit by 1st Quarter, 2023
- Post implementation, audit each activity to ensure installation and performance meets KHS and government agencies expectations (ongoing over 2023).

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

Kern Health Systems 2023 Corporate Goals

Emily Duran
Chief Executive Officer



Background

Annually, Kern Health Systems establishes Corporate Goals which contribute to a variety of activities undertaken each year by the company. Included among these activities are:

- establishment of the annual Department Goals and Objectives
- planning for new Corporate Projects and
- preparation of the Capital and Operating Budgets for the year the Corporate Goals apply

To qualify as a Corporate Goal means that its accomplishment is necessary for the Company to:

- achieve critical performance milestones
- implement State mandated programs or
- improve business operations or results

These goals are meant to contribute to KHS's Mission and align this organization with regulatory mandates. Most importantly, the goals are developed to delivery the best, quality programs to our members.



Goal 1: Behavioral Health Program

Behavioral Health Program

- Plans are to incorporate a “no wrong door” structure which requires close engagement between providers in coordinating behavioral and mental health care for members, regardless of initial screening or service entry point.

Meeting this 2023 Goal will ensure:

- KHS has the resources (department / staff) to formalize a behavioral health service delivery model
- An adequate mental health provider network is available for members
- Development and implementation of PCP roles with Substance Use Disorder services / Medication Assisted treatment services are available
- KHS engages with county specialty mental health agency to improve service delivery for our members

Goal 2: Quality and Health Equity Program

Quality and Health Equity Program

- DHCS has published the 2022 Comprehensive Quality Strategy (CQS) that focuses on guiding principles of eliminating health disparities from inherent delivery system bias.
- Three specific focus areas: Children's preventative care, maternity care & birth equity, and behavioral health integration.

Meeting this 2023 Goal will ensure:

- Implementation and improve on care management programs to identify and assess members at risk
- Create member engagement program for effective communication strategies with members
- Focus on patient centered chronic disease management
- Expand on whole person care for high-risk populations, such as Enhanced Care Management Program



Goal 3: Health Information Data Exchange & Security

Health Information Data Exchange & Security

- KHS must maintain security of systems as risks and data exchange with external parties increases
- KHS will establish 24-hour monitoring of its Information Security systems to ensure that there is immediate action to avoid potential threats.

Meeting this 2023 Goal will ensure:

- Evaluation, Procurement and installation of new logging and monitoring system
- 3rd party audit following the NIST security framework to independently evaluate KHS
- Perform risk management and remediation on any findings to close gaps
- Formalize Corporate Information Security strategies and audit

Goal 4: Dual Eligible Special Needs Population (DSNP) and Medicare

CalAIM Initiative: DSNP and Medicare

- DHCS strongly recommends implementation of DSNP Medicare program by 2025-2026
- Promoting integrated care by incorporating mandatory Medi-Cal Managed care enrollment for individuals who are dual eligible for (Medi-Cal and Medicare) to improve health.
- Align enrollment of the DSNP population, increase coordination of care, and improve health outcomes.

Meeting this 2023 Goal will ensure:

- Possible eligibility for KHS to offer a Medicare Advantage product in 2025-2026 contingent on preparation and feasibility.
- Expert feedback from consulting services that have expertise in Medicare implementation for Medi-Cal focused plans.
- NCQA Gap Analysis, preparation and roadmap.
- Due diligence on fiscal and operational impact for KHS.



Goal 5: DHCS Incentive Programs

Starting in 2021, DHCS introduced Incentive Programs to promote health plan, provider, and community service organizations collaborative participation to carry out the development of several areas of the CalAIM initiatives. These incentive programs are not a requirement and participation is voluntary, however these funds are available to assist in building program and service delivery models, including infrastructure.

- Goal 5a: Incentive Payment Program (IPP)
- Goal 5b: Housing and Homelessness Incentive Program (HHIP)
- Goal 5c: Student Behavioral Health Improvement Program (SBHIP)

Goal 5: DHCS Incentive Programs

IPP

- Incentive funding will be utilized for significant new investments in care management capabilities, Community Supports infrastructure, information technology (IT), data exchange, and workforce capacity for both health plans and providers under CalAIM's ECM & CSS programs.

HHIP

- MCP's can earn incentive payments for investments and progress in addressing homelessness as a social determinant of health and keeping individuals housed.

SBHIP

- Program intent is to create a comprehensive and continuous system of care for Medi-Cal students to access the entire scope of available benefits is consistent with the national movement of increasing access to Medicaid services in schools. Focus on increased coordination among Medi-Cal MCPs, Local Education Agencies, and county mental health plans

Meeting this 2023 Goal will ensure:

- Create a partnership with other agencies that focus on youth behavioral health services
- Improvement with efficiency in submission and evaluation processes to reduce admin. burden and creating quality outcome reporting for students that need these services



Goal 6: Institutionalizing Telehealth Coverage Revisions as New (Permanent) Medi-Cal Benefit

Telehealth Services

- DHCS modified its benefits to expand telehealth as an alternative to office visits during the stay-at-home order.
 - Continuing coverage of video and audio-only telehealth services
 - Continuing to reimburse FQHCs/RHCs at their regular rate for visits delivered via telehealth
 - Establishing UM protocols for telehealth services and enhancing monitoring of telehealth services
 - Allowing telehealth to meet network adequacy

Meeting this 2023 Goal will ensure:

- Increase in service access and improve KHS MCAS scores
- Providers and Members are informed of new benefit and access options
- Compliance with implementation to ensure installation and performance meets KHS and government expectations

Requested Action

The request is for the KHS Board of Directors to approval the 2023 Corporate Goals.





To: KHS Board of Directors

From: Robert Landis, CFO

Date: June 16, 2022

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
March 31, 2022**

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.

| Description | | Dollar Amount | % of Portfolio | Maximum Allowed Per Policy | Approximate Current Yield | Liquidity | Principal Fluctuation |
|--|-----|--------------------|----------------|----------------------------|---------------------------|-----------|--|
| Wells Fargo - Cash | | (1) \$ 2,700,000 | 0.85% | 100% | | 1 Day | None |
| Money Market Accounts | (A) | (1) \$ 18,000,000 | 5.66% | 40% | 0.21% | 1 Day | None |
| Local Agency Investment Fund (LAIF) | (B) | (2) \$ 74,000,000 | 23.26% | 50% | 0.29% | 2 Days | None |
| US T-Bills & Federal Agencies at Wells Fargo | | (1) \$ 150,000,000 | 47.14% | 100% | 0.16% | 1 Day | Subject to Interest Rate Fluctuations |
| KHS Managed Portfolio at Wells Fargo | (C) | (1) \$ 23,600,000 | 7.42% | | 0.37% | 3 Days | Subject to Interest Rate and Credit Fluctuations |
| Sub-Total | | \$ 268,300,000 | 84.32% | | 0.22% | | |

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) | \$ 49,900,000 | 15.68% | | 2.02% | 3 Days | Subject to Interest Rate and Credit Fluctuations |
| KHS Managed Portfolio at Wells Fargo | (C) | \$ - | 0.00% | | 0.00% | 3 Days | Subject to Interest Rate and Credit Fluctuations |
| Sub-Total | | \$ 49,900,000 | 15.68% | | 2.02% | | |
| Total Portfolio | | \$ 318,200,000 | 100.00% | | 0.50% | | |

| Yield Curve | Yield Curve | | | |
|-------------|-------------|--------------------|-------------------|-------|
| | Treasuries | AA Corporate Bonds | A Corporate Bonds | CD's |
| 1 year | 1.68% | 1.80% | 1.95% | 1.20% |
| 2 year | 2.40% | 2.58% | 2.72% | 2.05% |
| 3 year | 2.64% | 2.85% | 3.04% | 2.20% |
| 5 year | 2.60% | 2.98% | 3.14% | 2.50% |

- (A) Money market fund comprised of US Treasury and Repurchase Agreement Obligations.
- (B) LAIF is part of a \$20B 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 commercial paper, corporate bonds and notes.
- (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 various Risk Corridors. 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 2022 capital projects.



UBS Client Review

as of March 31, 2022

Prepared for

Kern Health Systems

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

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

Accounts included in this review

| Account | Name | Type |
|-------------------|----------------|------------------------------|
| EX-XX120 | BOND PORTFOLIO | Portfolio Management Program |
| Risk profile: | Conservative | |
| Return Objective: | Current Income | |

What's inside

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EX XX120 • BOND PORTFOLIO • Portfolio Management Program
 Prepared for **Kern Health Systems**
 Risk profile: Conservative
 Return Objective: Current Income

Portfolio review

as of March 31, 2022

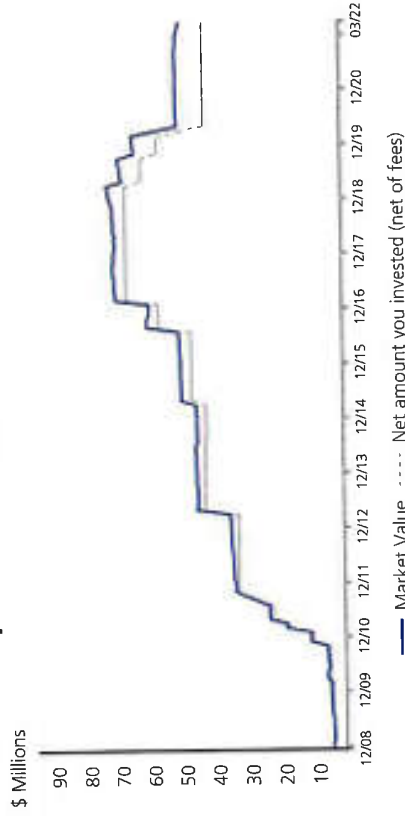
Asset allocation review

| | Value on 03/31/2022 (\$) | % of Portfolio |
|--------------------------|-----------------------------|-------------------|
| A Cash | 198,563.91 | 0.40 |
| Cash | 198,563.91 | 0.40 |
| US | 198,563.91 | 0.40 |
| B Fixed Income | 49,722,930.47 | 99.60 |
| US | 49,722,930.47 | 99.60 |
| Government | 3,897,285.56 | 7.81 |
| Corporate IG Credit | 45,825,644.91 | 91.79 |
| 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 | \$49,921,494.38 | 100% |

Balanced mutual funds are allocated in the 'Other' category



Sources of portfolio value



Portfolio value and investment results

| | Performance returns (annualized > 1 year) | | | |
|--------------------------|---|----------------------|----------------------|----------------------|
| | For the period of | | 2019 | |
| | 12/31/2021 to | 12/31/2020 to | 12/31/2019 to | 12/31/2018 to |
| | 03/31/2022 | 12/31/2021 | 12/31/2020 | 12/31/2019 |
| Opening value | 51,044,313.37 | 51,314,838.66 | 64,774,148.39 | 72,312,732.45 |
| Net deposits/withdrawals | -16,286.52 | -66,709.39 | -14,501,724.78 | -10,132,080.50 |
| Div./interest income | 153,776.90 | 815,745.40 | 1,016,268.55 | 1,519,927.03 |
| Change in accr. interest | 75,535.73 | 36,001.38 | -103,279.91 | -87,250.44 |
| Change in value | -1,335,845.10 | -1,055,562.68 | 129,426.41 | 1,161,419.85 |
| Closing value | 49,921,494.38 | 51,044,313.37 | 51,314,838.66 | 64,774,148.39 |
| Net time-weighted ROE | -2.20 | -0.53 | 1.78 | 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: April 26, 2022

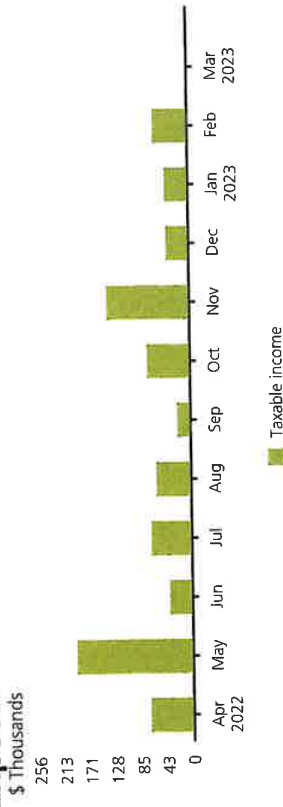
Summary of gains and losses

| | Short term (\$) | Long term (\$) | Total (\$) |
|---------------------------------------|-----------------|-------------------|-------------------|
| 2021 Realized gains and losses | 227.34 | 48,939.49 | 49,166.83 |
| Taxable | 227.34 | 48,939.49 | 49,166.83 |
| Tax-deferred | 0.00 | 0.00 | 0.00 |
| 2022 Year to date | 0.00 | -15,690.36 | -15,690.36 |
| Taxable | 0.00 | -15,690.36 | -15,690.36 |
| Tax-deferred | 0.00 | 0.00 | 0.00 |



Portfolio review - as of March 31, 2022 (continued)

Expected cash flow



Total taxable income: \$817,959.25

Total expected cash flow: \$817,959.25

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

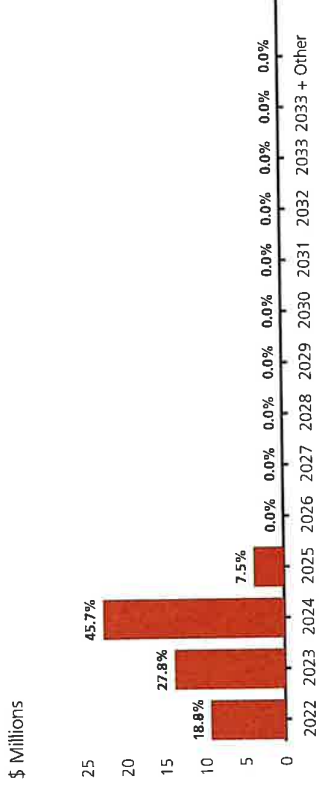
Equity sector analysis Compared to S&P 500 index

| | Value on 03/31/2022 (\$) | | | Gap (%) |
|--------------------------------|--------------------------|-----------|--------|---------|
| | Actual (%) | Model (%) | | |
| Communication Services | 0.00 | 8.93 | -8.93 | |
| Consumer Discretionary | 0.00 | 12.75 | -12.75 | |
| Consumer Staples | 0.00 | 7.29 | -7.29 | |
| Energy | 0.00 | 3.83 | -3.83 | |
| Financials | 0.00 | 10.49 | -10.49 | |
| Health Care | 0.00 | 13.75 | -13.75 | |
| Industrials | 0.00 | 7.84 | -7.84 | |
| Information Technology | 0.00 | 26.57 | -26.57 | |
| Materials | 0.00 | 2.60 | -2.60 | |
| Real Estate | 0.00 | 2.88 | -2.88 | |
| Utilities | 0.00 | 2.69 | -2.69 | |
| 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: April 26, 2022

Bond maturity schedule



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



EX XX120 • BOND PORTFOLIO • Portfolio Management Program
 Prepared for Kern Health Systems
 Risk profile: Conservative
 Return Objective: Current Income

Portfolio review - as of March 31, 2022 (continued)
Summary of performance by account

| Performance start date | Value on 03/31/2022 (\$) | % of portfolio | Performance returns (annualized > 1 year) | | | | |
|--|--------------------------|----------------|--|-------------------------------|-------------------------------|-------------------------------|-------------------|
| | | | For the period of 12/31/2021 to 03/31/2022 | 2021 12/31/2020 to 12/31/2021 | 2020 12/31/2019 to 12/31/2020 | 2019 12/31/2018 to 12/31/2019 | Net time-weighted |
| Dec 08, 2008 | 49,921,494.38 | 100.00% | -2.20% | -0.53% | 1.78% | 3.61% | |
| Dec 08, 2008 | \$49,921,494.38 | 100% | -2.20% | -0.53% | 1.78% | 3.61% | |
| Total Portfolio | | | | | | | |
| Benchmarks - Annualized time-weighted returns | | | | | | | |
| | | | For the period of 12/31/2021 to 03/31/2022 | 2021 12/31/2020 to 12/31/2021 | 2020 12/31/2019 to 12/31/2020 | 2019 12/31/2018 to 12/31/2019 | |
| Blended Index | | | -2.48% | -0.32% | 3.56% | 8.87% | |
| Blended Index 2 | | | -1.21% | -0.11% | 2.30% | 3.53% | |
| US Treasury Bill - 3 Mos | | | 0.03% | 0.04% | 0.54% | 2.21% | |
| BBG US Agg (1-3 Y) | | | -2.50% | -0.49% | 3.08% | 4.04% | |
| S&P 500 | | | -4.60% | 28.71% | 18.40% | 31.49% | |

EX-XX120 BOND PORTFOLIO•PMP•The Cohen Group Fixed Income - PIV
 Risk profile: Conservative
 Return objective: Current Income

Blended Index: 11/04/2019 - Current: 45% BBG US Corp 1-3Y Incp76; 55% BBG US Agg Gvt & CR 1-3 Y+ **Blended Index 2: Start - Current:** 30% BofA 1Y Trs Note; 40% BofA 1Y Trs Note; 40% BofA US Corp 1-3Y A-AAA; 30% US Treasury Bill - 3 Mos
 +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: April 26, 2022



Asset allocation by account

as of March 31, 2022

EX XX120 • BOND PORTFOLIO • Portfolio Management Program
 Prepared for: Kern Health Systems
 Risk profile: Conservative
 Return Objective: Current Income

| | Equities (\$/%) | | | Fixed Income (\$/%) | | | Non-Traditional (\$/%) | Commodities (\$/%) | Other (\$/%) | Total |
|------------------------|-----------------|-------------|-------------|---------------------|----------------------|-------------|------------------------|--------------------|--------------|------------------------|
| | Cash (\$/%) | U.S. | Global | International | U.S. | Global | | | | |
| 198,563.91 | 0.00 | 0.00 | 0.00 | 0.00 | 49,722,930.47 | 0.00 | 0.00 | 0.00 | 0.00 | \$49,921,494.38 |
| 0.40 | 0.00 | 0.00 | 0.00 | 0.00 | 99.60 | 0.00 | 0.00 | 0.00 | 0.00 | 100% |
| Total Portfolio | | | | | | | | | | |

EX XX120 • BOND PORTFOLIO • BSA PMP

Risk profile: Conservative
 Return objective: Current Income

| | Equities (\$/%) | | | Fixed Income (\$/%) | | | Non-Traditional (\$/%) | Commodities (\$/%) | Other (\$/%) | Total |
|------------------------|-----------------|-------------|-------------|---------------------|----------------------|-------------|------------------------|--------------------|--------------|------------------------|
| | Cash (\$/%) | U.S. | Global | International | U.S. | Global | | | | |
| 198,563.91 | 0.00 | 0.00 | 0.00 | 0.00 | 49,722,930.47 | 0.00 | 0.00 | 0.00 | 0.00 | \$49,921,494.38 |
| 0.40 | 0.00 | 0.00 | 0.00 | 0.00 | 99.60 | 0.00 | 0.00 | 0.00 | 0.00 | 100.00% |
| Total Portfolio | | | | | | | | | | |

Balanced mutual funds are allocated in the 'Other' category



Asset allocation review

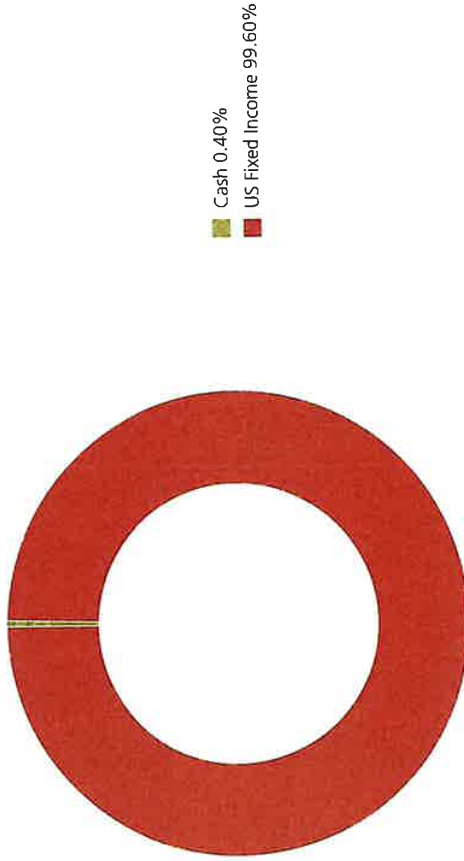
as of March 31, 2022

Summary of asset allocation

| | Market value (\$) | % of Portfolio |
|------------------------|------------------------|----------------|
| Cash | 198,563.91 | 0.40 |
| Cash | 198,563.91 | 0.40 |
| US | 198,563.91 | 0.40 |
| Fixed Income | 49,722,930.47 | 99.60 |
| US | 49,722,930.47 | 99.60 |
| Government | 3,897,285.56 | 7.81 |
| Corporate IG Credit | 45,825,644.91 | 91.79 |
| Equity | 0.00 | 0.00 |
| Commodities | 0.00 | 0.00 |
| Non-Traditional | 0.00 | 0.00 |
| Other | 0.00 | 0.00 |
| Total Portfolio | \$49,921,494.38 | 100% |

Balanced mutual funds are allocated in the 'Other' category

EX XX120 • BOND PORTFOLIO • Portfolio Management Program
 Prepared for Kern Health Systems
 Risk profile: Conservative
 Return Objective: Current Income





Bond summary

as of March 31, 2022

Bond overview

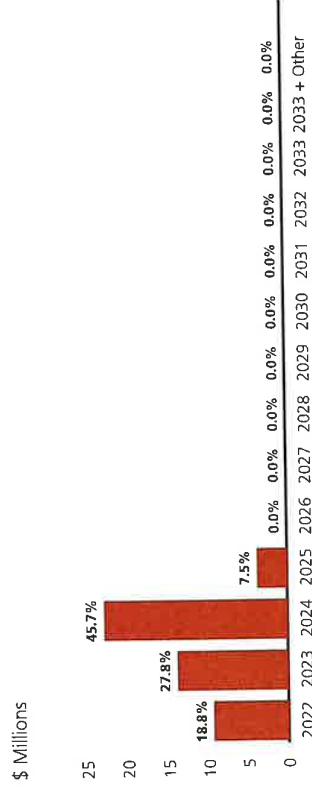
| | |
|--|-----------------|
| Total quantity | 49,839,000 |
| Total market value | \$49,430,318.75 |
| Total accrued interest | \$292,611.72 |
| Total market value plus accrued interest | \$49,722,930.47 |
| Total estimated annual bond interest | \$921,881.00 |
| Average coupon | 1.87% |
| Average current yield | 1.87% |
| Average yield to maturity | 2.22% |
| Average yield to worst | 2.02% |
| Average modified duration | 1.66 |
| Average effective maturity | 1.77 |

Credit quality of bond holdings

| Effective credit rating | Issues | Value on 03/31/2022 (\$) | % of port. |
|---------------------------------|-----------|--------------------------|-------------|
| A Aaa/AAA/AAA | 5 | 7,785,694.07 | 15.71 |
| B Aa/AA/AA | 2 | 3,859,419.28 | 7.77 |
| C A/A/A | 28 | 37,071,742.68 | 74.51 |
| D Baa/BBB/BBB | 1 | 1,006,074.44 | 2.01 |
| E Non-investment grade | 0 | 0.00 | 0.00 |
| F Certificate of deposit | 0 | 0.00 | 0.00 |
| G Not rated | 0 | 0.00 | 0.00 |
| Total | 36 | \$49,722,930.47 | 100% |



Bond maturity schedule



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

Investment type allocation

| Investment type | Taxable (\$) | Tax-exempt/deferred (\$) | Total (\$) | % of bond port. |
|-----------------------|------------------------|--------------------------|------------------------|-----------------|
| U.S. corporates | 45,825,644.91 | 0.00 | 45,825,644.91 | 92.16 |
| U.S. federal agencies | 3,897,285.56 | 0.00 | 3,897,285.56 | 7.84 |
| Total | \$49,722,930.47 | \$0.00 | \$49,722,930.47 | 100% |

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

Report created on: April 26, 2022

EX XX120 • BOND PORTFOLIO • Portfolio Management Program
 Prepared for: Kern Health Systems
 Risk profile: Conservative
 Return Objective: Current Income



Bond holdings

as of March 31, 2022

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 |
|---------------|-----------|-------------------|-------------------------|-------------------|-----------------------|--------------------|-------------------|--------------------------|---------------------------|------------------------|------------------------------|
| 2022 | 7 | 9,289,000 | 207,368.50 | 2.23% | 1.30% | 0.29% | 0.21 | 9,298,788.4 | 7,488.85 | 9,364,245.71 | 18.83% |
| 2023 | 8 | 14,100,000 | 69,150.00 | 0.50% | 2.08% | 2.08% | 1.37 | 14,126,704.35 | -339,929.35 | 13,810,959.17 | 27.89% |
| 2024 | 19 | 22,750,000 | 531,362.50 | 2.35% | 2.58% | 2.57% | 2.29 | 23,658,049.27 | -1,047,282.77 | 22,808,050.60 | 45.75% |
| 2025 | 2 | 3,700,000 | 114,000.00 | 3.06% | 2.87% | 2.85% | 2.50 | 3,890,400.42 | -168,900.42 | 3,739,675.00 | 7.53% |
| 2026 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2027 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2028 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2029 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2030 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2031 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2032 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2033 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2034 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2035 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2036 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2037 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2038 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2039 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2040 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2041 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2042 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2043 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2044 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2045 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2046 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2047 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2048 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2049 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2050 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2051 | 0 | 0 | 0 | | NA | NA | NA | | | | |
| 2051 + | 0 | 0 | 0 | | NA | NA | NA | | | | |
| Other | 0 | 0 | 0 | | NA | NA | NA | | | | |
| Total | 36 | 49,839,000 | \$921,881.00 | 1.87% | 2.22% | 2.02% | 1.66 | \$50,973,942.44 | \$-1,543,623.69 | \$49,722,930.47 | |

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

EX XX120 • BOND PORTFOLIO • Portfolio Management Program
 Prepared for: **Kern Health Systems**
 Risk profile: Conservative
 Return Objective: Current Income

Bond holdings - as of March 31, 2022 (continued)

Details of bond holdings

| Effective rating/ Underlying rating (Moody/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$) Curr. yield (%) | YTM (%) / Modified YTW (%) duration | Adjusted cost basis (\$) Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$) Accr. interest (\$) | % of bond port. |
|---|-------------------|--------------|-----------------------|-------------------------------|---|--|---|----------------------|---|------------------------|
| | 49,839,000 | 1.87% | 01/05/2024 | NA | \$921,881.00 1.87% | 2.22% 2.02% | \$50,973,942.4 \$-1,543,623.69 | NA | \$49,430,318.75 \$292,611.72 | 100% |
| Total Bond Portfolio | | | | | | | | | | \$49,722,930.47 |

| Effective rating/ Underlying rating (Moody/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$) Curr. yield (%) | YTM (%) / Modified YTW (%) duration | Adjusted cost basis (\$) Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$) Accr. interest (\$) | % of bond port. |
|---|------------------|--------------|-----------------------|-------------------------------|---|--|---|----------------------|---|-----------------------|
| Maturing 2022 | | | | | | | | | | |
| PEPSICO INC NTS B/E 02.250% | 1,089,000 | 2.25% | 05/02/2022 | 04/02/2022 | 24,502.50 | 1.94% | 1,087,301.16 | 100.025 | 1,089,272.25 | 2.20% |
| 050222 DTD050217 FC110217 | | | | 100.00 | 2.25% | -6.69% | 1,971.09 | | 10,141.31 | |
| CALL@MW+10BP | | | | | | | | | | |
| CATERPILLAR FINL SERVICE | 1,500,000 | 0.95% | 05/13/2022 | | 14,250.00 | 0.96% | 1,500,453.73 | 99.999 | 1,499,985.00 | 3.03% |
| 00.950% 051322 DTD051520 | | | | | 0.95% | 0.96% | -468.73 | | 5,462.50 | |
| FC111320 CALL@MW+15BP | 1,500,000 | 2.85% | 05/13/2022 | | 42,750.00 | 1.08% | 1,504,673.99 | 100.205 | 1,503,075.00 | 3.04% |
| IBM CORP NTS B/E 02.850% | | | | | 2.84% | 1.08% | -1,598.99 | | 16,150.00 | |
| 051322 DTD051519 FC111519 | | | | | | | | | | |
| CALL@MW+10BP | 1,000,000 | 3.00% | 05/20/2022 | | 30,000.00 | 1.12% | 1,000,862.92 | 100.254 | 1,002,540.00 | 2.03% |
| QJALCOMM INC NTS B/E 03.000% | | | | | 2.99% | 1.12% | 1,677.08 | | 10,916.67 | |
| 052022 DTD052015 FC112015 | 1,700,000 | 3.35% | 07/15/2022 | | 56,950.00 | 1.27% | 1,714,921.30 | 100.595 | 1,710,115.00 | 3.46% |
| CALL@MW+15BP | | | | | 3.33% | 1.27% | -4,806.30 | | 12,022.78 | |
| UNITEDHEALTH GROUP INC | 200,000 | 0.48% | 08/19/2022 | | 966.00 | 1.26% | 200,074.30 | 99.702 | 199,404.00 | 0.40% |
| 03.350% 071522 DTD072315 | | | | | 0.48% | 1.26% | -670.30 | | 112.70 | |
| FC011516 CALL@MW+20BP | 2,300,000 | 1.65% | 09/01/2022 | | 37,950.00 | 1.45% | 2,290,501.00 | 100.082 | 2,301,886.00 | 4.66% |
| HONEYWELL INTL INC NTS | | | | | 1.65% | 1.45% | 11,385.00 | | 3,162.50 | |
| 00.483% 081922 DTD081920 | | | | | | | | | | |
| FC021921 CALL@MW+5BP | 9,289,000 | 2.23% | 06/23/2022 | | \$207,368.50 2.23% | 1.30% 0.29% | \$9,298,788.40 \$7,488.85 | | \$9,306,777.25 \$57,968.46 | 18.83% |
| WALT DISNEY CO NTS B/E 01.650% | | | | | | | | | | |
| 090122 DTD090619 FC030120 | | | | | | | | | | |
| CALL@MW+10BP | | | | | | | | | | |

| Effective rating/ Underlying rating (Moody/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$) Curr. yield (%) | YTM (%) / Modified YTW (%) duration | Adjusted cost basis (\$) Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$) Accr. interest (\$) | % of bond port. |
|---|-----------|--------|-----------------------|-------------------------------|---|--|---|----------------------|--|-----------------------|
| Maturing 2023 | | | | | | | | | | |
| PEPSICO INC NTS B/E 00.750% | 1,500,000 | 0.75% | 05/01/2023 | | 11,250.00 | 2.06% | 1,507,095.16 | 98.599 | 1,478,985.00 | 2.99% |
| 050123 DTD050120 FC110120 | | | | | 0.76% | 2.06% | -28,110.16 | | 4,687.50 | |
| CALL@MW+10BP | | | | | | | | | | |

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: April 26, 2022

EX XX120 • BOND PORTFOLIO • Portfolio Management Program
 Prepared for: Kern Health Systems
 Risk profile: Conservative
 Return Objective: Current Income

Bond holdings - as of March 31, 2022 (continued)

| Effective rating/ Underlying rating (Moody/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$/ Curr. yield (%) | YTM (%) | Modified | Adjusted cost basis (\$/ Unreal. gr (\$) | Market price (\$) | Mkt. value (\$/ Accr. interest (\$) | % of bond port. |
|---|-----------|--------|-----------------------|-------------------------------|---|--------------|-------------|--|----------------------|--|-----------------------|
| | | | | | | YTW (%) | duration | | | | |
| Maturing 2023 | | | | | | | | | | | |
| Aaa/NR/AA+ | 3,000,000 | 0.75% | 05/11/2023 | | 22,500.00 | 1.89% | 1.09 | 3,014,341.47 | 98.755 | 2,962,650.00 | 5.99% |
| NR/NR/NR | | | | | 0.76% | 1.89% | | -51,691.47 | | 8,750.00 | |
| A2/A/A | 1,000,000 | 0.70% | 07/05/2023 | | 7,000.00 | 2.15% | 1.24 | 1,004,349.96 | 98.211 | 982,110.00 | 1.99% |
| NR/NR/NR | | | | | 0.71% | 2.15% | | -22,239.96 | | 1,672.22 | |
| A1/NR/A+ | 2,000,000 | 0.35% | 08/11/2023 | | 7,000.00 | 2.25% | 1.34 | 2,000,000.00 | 97.462 | 1,949,240.00 | 3.94% |
| NR/NR/NR | | | | | 0.36% | 2.25% | | -50,760.00 | | 972.22 | |
| A1/NR/A+ | 600,000 | 0.40% | 10/07/2023 | | 2,400.00 | 1.93% | 1.49 | 601,545.05 | 97.725 | 586,350.00 | 1.19% |
| NR/NR/NR | | | | | 0.41% | 1.93% | | -15,195.05 | | 1,160.00 | |
| NR/AAA/AA+ | 2,000,000 | 0.29% | 11/02/2023 | | 5,800.00 | 2.10% | 1.56 | 1,998,818.00 | 97.198 | 1,943,960.00 | 3.93% |
| NR/NR/NR | | | | | 0.30% | 2.10% | | -54,858.00 | | 2,400.56 | |
| Aaa/AAA/AA+ | 2,000,000 | 0.31% | 11/16/2023 | 11/16/2022 | 6,200.00 | 1.92% | 1.60 | 1,999,800.00 | 97.430 | 1,948,600.00 | 3.94% |
| NR/NR/NR | | | | 100.00 | 0.32% | 1.92% | | -51,200.00 | | 2,325.00 | |
| A1/AA-/A | 2,000,000 | 0.35% | 12/07/2023 | 11/07/2023 | 7,000.00 | 2.33% | 1.65 | 2,000,754.71 | 96.744 | 1,934,880.00 | 3.91% |
| NR/NR/NR | | | | 100.00 | 0.36% | 2.33% | | -65,874.71 | | 2,216.67 | |
| Total 2023 | | | | | \$69,150.00 | 2.08% | 1.37 | \$14,126,704.3 | | \$11,786,775.00 | 27.89% |
| | | | | | 0.50% | 2.08% | | \$-339,929.35 | | \$24,184.17 | |

| Effective rating/ Underlying rating (Moody/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$/ Curr. yield (%) | YTM (%) | Modified | Adjusted cost basis (\$/ Unreal. gr (\$) | Market price (\$) | Mkt. value (\$/ Accr. interest (\$) | % of bond port. |
|---|-----------|--------|-----------------------|-------------------------------|---|---------|----------|--|----------------------|--|-----------------------|
| | | | | | | YTW (%) | duration | | | | |
| Maturing 2024 | | | | | | | | | | | |
| A2/A+/A+ | 300,000 | 3.38% | 02/05/2024 | 01/05/2024 | 10,125.00 | 2.57% | 1.69 | 315,758.75 | 101.441 | 304,323.00 | 0.62% |
| NR/NR/NR | | | | 100.00 | 3.33% | 2.53% | | -11,435.75 | | 1,575.00 | |
| Aaa/AAA/AAA | 500,000 | 2.88% | 02/06/2024 | 12/06/2023 | 14,375.00 | 2.12% | 1.62 | 522,136.48 | 101.359 | 506,795.00 | 1.03% |
| NR/NR/NR | | | | 100.00 | 2.84% | 2.05% | | -15,341.48 | | 2,196.18 | |
| A3/A-/A- | 400,000 | 3.70% | 04/15/2024 | 03/15/2024 | 14,800.00 | 2.61% | 1.87 | 422,518.62 | 102.157 | 408,628.00 | 0.83% |
| NR/NR/NR | | | | 100.00 | 3.62% | 2.56% | | -13,890.62 | | 6,824.44 | |
| Aaa/NR/AA+ | 400,000 | 2.85% | 05/11/2024 | 03/11/2024 | 11,400.00 | 2.41% | 1.88 | 420,104.34 | 100.896 | 403,584.00 | 0.82% |
| NR/NR/NR | | | | 100.00 | 2.82% | 2.38% | | -16,520.34 | | 4,433.33 | |
| A1/AA-/AA | 2,000,000 | 0.45% | 05/12/2024 | | 9,000.00 | 2.19% | 2.07 | 1,997,660.00 | 96.428 | 1,928,560.00 | 3.90% |
| NR/NR/NR | | | | | 0.47% | 2.19% | | -69,100.00 | | 3,475.00 | |

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



EX XX120 • BOND PORTFOLIO • Portfolio Management Program
 Prepared for
Kern Health Systems
 Risk profile: Conservative
 Return Objective: Current Income



Bond holdings - as of March 31, 2022 (continued)

| | Effective rating/ Underlying rating (Moody/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$) Curr. yield (%) | YTM (%) YTW (%) | Modified duration | Adjusted cost basis (\$) Unreal. gain (\$) | Market price (\$) | Mkt. value (\$) Accr. interest (\$) | % of bond port. |
|---|---|-------------------|--------------|-----------------------|-------------------------------|---|------------------------------|----------------------|--|----------------------|---|-----------------------|
| Maturing 2024 | | | | | | | | | | | | |
| JPMORGAN CHASE & CO NTS 03.625% 051324 DTD051314 | A2/AA-/A- NR/NR/NR | 1,800,000 | 3.63% | 05/13/2024 | | 65,250.00 3.55% | 2.61% 2.61% | 2.00 | 1,913,068.91 -75,700.91 | 102.076 | 1,837,368.00 25,012.50 | 3.72% |
| FC111314 B/E | A3/A-/A- NR/NR/NR | 1,000,000 | 2.50% | 08/01/2024 | 07/01/2024 | 25,000.00 2.51% | 2.72% 2.72% | 2.24 | 1,045,055.07 -50,125.07 | 99.493 | 994,930.00 4,166.67 | 2.01% |
| BB&T CORP NTS B/E 02.500% 080124 DTD072919 FC020120 | A3/A+/A- NR/NR/NR | 1,000,000 | 2.38% | 08/15/2024 | 100.00 | 23,750.00 2.38% | 2.55% 2.55% | 2.28 | 1,041,355.65 -45,295.65 | 99.606 | 996,060.00 3,034.72 | 2.02% |
| UNITEDHEALTH GROUP INC 02.375% 081524 DTD072519 | A2/AA- NR/NR/NR | 1,400,000 | 0.63% | 09/10/2024 | | 8,750.00 0.65% | 2.41% 2.41% | 2.39 | 1,401,517.89 -60,541.89 | 95.784 | 1,340,976.00 510.42 | 2.71% |
| JOHN DEERE CAPITAL CORP 00.625% 091024 DTD091021 | A3/A-/A- NR/NR/NR | 1,000,000 | 2.40% | 10/01/2024 | 09/01/2024 | 24,000.00 2.41% | 2.52% 2.52% | 2.38 | 1,043,379.22 -46,149.22 | 99.723 | 997,230.00 12,000.00 | 2.02% |
| FC031022 NTS B/E | A3/MD/A- NR/NR/NR | 1,900,000 | 3.38% | 10/01/2024 | 07/01/2024 | 64,125.00 3.34% | 2.88% 2.83% | 2.13 | 2,013,234.10 -90,662.10 | 101.188 | 1,922,572.00 32,062.50 | 3.89% |
| PAYPAL HOLDINGS INC NTS 02.400% 100124 DTD092619 | A1/AA-/A- NR/NR/NR | 1,500,000 | 0.85% | 10/25/2024 | 09/25/2024 | 12,750.00 0.89% | 2.55% 2.55% | 2.50 | 1,501,803.58 -64,788.58 | 95.801 | 1,437,015.00 5,525.00 | 2.91% |
| FC040120 CALL@MW+15BP SIMON PPTY GROUP LP B/E 03.375% 100124 DTD091014 | A3/A-/A- NR/NR/NR | 1,000,000 | 2.85% | 10/26/2024 | 09/26/2024 | 28,500.00 2.85% | 2.84% 2.84% | 2.43 | 1,052,844.28 -52,684.28 | 100.016 | 1,000,160.00 12,270.83 | 2.02% |
| FC040115 CALL@MW+15BP BK OF NY MELLON CORP NTS 00.850% 102524 DTD102521 | A3/A-/A- NR/NR/NR | 2,000,000 | 2.20% | 11/01/2024 | 10/02/2024 | 44,000.00 2.22% | 2.63% 2.63% | 2.46 | 2,085,637.96 -107,177.96 | 98.923 | 1,978,460.00 18,333.33 | 4.00% |
| FC042522 B/E BB&T CORP MED TERM NTS 02.850% 102624 DTD102617 | A3/A-/A- NR/NR/NR | 900,000 | 3.63% | 11/15/2024 | | 32,625.00 3.54% | 2.64% 2.64% | 2.46 | 966,803.05 -44,609.05 | 102.466 | 922,194.00 12,325.00 | 1.87% |
| FC042618 B/E PNC FINL SERV GRP INC WT 02.200% 110124 DTD110119 | A3/A-/A- NR/NR/NR | 1,750,000 | 2.38% | 11/15/2024 | 09/15/2024 | 41,562.50 2.38% | 2.51% 2.51% | 2.50 | 1,824,174.88 -80,002.38 | 99.667 | 1,744,172.50 15,701.39 | 3.53% |
| FC050120 EXP NTS B/E AFLAC INC B/E 03.625% 111524 DTD110714 FC051515 | Baa2/BBB+/BBB+ NR/NR/NR | 1,000,000 | 2.95% | 11/15/2024 | 09/15/2024 | 29,500.00 2.97% | 3.15% 3.15% | 2.47 | 1,052,190.66 -57,260.66 | 99.493 | 994,930.00 11,144.44 | 2.01% |
| CALL@MW+20BP GENERAL DYNAMICS CORP 02.375% 111524 DTD091417 | A2/AA-/A- NR/NR/NR | 1,000,000 | 2.15% | 12/06/2024 | 11/06/2024 | 21,500.00 2.18% | 2.72% 2.72% | 2.56 | 1,039,248.38 -53,998.38 | 98.525 | 985,250.00 6,868.06 | 1.99% |
| FC051518 CALL@MW+10BP ORACLE CORP NTS B/E 02.950% 111524 DTD110917 FC051518 | A2/AA/AAA NR/NR/NR | 1,900,000 | 2.65% | 12/15/2024 | 10/15/2024 | 50,350.00 2.63% | 2.40% 2.38% | 2.41 | 1,999,557.45 -86,998.45 | 100.661 | 1,912,559.00 14,825.28 | 3.87% |
| CALL@MW+15BP TRUIST BANK NTS B/E 02.150% 120624 DTD120619 FC060620 | | | | | | | | | | | | |
| WAL MART STORES INC NTS 02.650% 121524 DTD102017 FC061518 CALL@MW+10BP | | | | | | | | | | | | |
| Total 2024 | | 22,750,000 | 2.36% | 09/09/2024 | | \$531,362.50 2.35% | 2.58% 2.57% | 2.29 | \$23,658,049.2 -\$1,042,282.77 | | \$22,615,766.50 \$192,284.10 | 45.75% |

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: April 26, 2022



EX XX120 • BOND PORTFOLIO • Portfolio Management Program
 Prepared for: Kern Health Systems
 Risk profile: Conservative
 Return Objective: Current Income

Bond holdings - as of March 31, 2022 (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. gl (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
|--|---|-------------------|--------------|-----------------------|-------------------------------|--|------------------------------|----------------------|---|----------------------|---|-----------------------|
| Maturing 2025 | | | | | | | | | | | | |
| JPMORGAN CHASE & CO B/E 03.125% 012325 DTD012315 | A2/AA-/A- NR/NR/NR | 2,400,000 | 3.13% | 01/23/2025 | 10/23/2024 100.00 | 75,000.00 3.11% | 2.90% 2.88% | 2.41 | 2,539,967.16 -125,279.16 | 100.612 | 2,414,688.00 14,166.67 | 4.89% |
| FC072315 BK OF NY MELLON CORP B/E 03.000% 022425 DTD022415 | A1/AA-/A NR/NR/NR | 1,300,000 | 3.00% | 02/24/2025 | 01/24/2025 100.00 | 39,000.00 2.98% | 2.81% 2.80% | 2.66 | 1,350,433.26 -43,621.26 | 100.524 | 1,306,812.00 4,008.33 | 2.64% |
| Total 2025 | | 3,700,000 | 3.08% | 02/04/2025 | | \$114,000.00 3.06% | 2.87% 2.85% | 2.50 | \$3,890,400.42 \$-168,900.42 | | \$3,721,500.00 \$18,175.00 | 7.53% |
| Total Bond Portfolio | | | | | | | | | | | | |
| | | 49,839,000 | 1.87% | 01/05/2024 | NA | \$921,881.00 1.87% | 2.22% 2.02% | 1.66 | \$50,973,942.4 \$-1,543,623.69 | NA | \$49,430,318.75 \$292,611.72 | 100% |
| | | | | | | | | | | | \$49,722,930.47 | |

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: April 26, 2022



EX XX120 • BOND PORTFOLIO • Portfolio Management Program
Prepared for
Kern Health Systems
Risk profile: Conservative
Return Objective: Current Income

Additional information about your portfolio

as of March 31, 2022

Benchmark composition

Account EX XX120

Blended Index

Start - 05/15/2017: 50% BBG US Gvt 1-3 Y; 50% BBG USAgg GvtCr 1-5Y

05/15/2017 - 05/31/2018: 100% BBG Agg Bond

05/31/2018 - 11/04/2019: 100% BBG Agg Bond

11/04/2019 - Current: 45% BBG US Corp 1-3Y Incp76; 55% BBG US Agg Gvt & CR 1-3 Y

Blended Index 2

Start - Current: 30% BofA 1Y Trs Note; 40% BofA US Corp 1-3Y A-AAA; 30% US Treasury Bill - 3 Mos



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 (for the program) 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 those 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 / \$WP/AAP sleeves (Monthly periods): The report displays a time weighted rate of return (TWR) that is calculated using the Modified Dietz Method. This calculation uses the beginning and ending portfolio values for the month and weighs each contribution/withdrawal based upon the day the cash flow occurred. Periods greater than one month are calculated by linking the monthly returns. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. All periods shown which are greater than 12 months are annualized. This applies to all performance for all assets before 09/30/2010. Advisory assets before 1/23/2010 and SWR sleeves before 04/30/2018.

Time-weighted Returns for accounts / \$WP/AAP sleeves (Daily periods): The report displays a time weighted rate of return (TWR) that is calculated by dividing the portfolio's daily gross by the net value of cash 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 program'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 1/23/2010, SWR/AAP 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 we include 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 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 may be 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 in the securities 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.

Standard Index 7 - 8 - are optional indices selected by you which may consist of a blend of indices. 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.

For strategies that are highly customized, such as Concentrated Equity Solutions (CES), benchmarks are broad market indices included for general reference and are not intended to show comparative market performance or potential portfolio with risk or return profiles similar to your account. Benchmark indices are shown for illustrative purposes only.

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



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

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

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

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

Dividend/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 contributions 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, including additional/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 '*' 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 reset. 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.

Important information on options-based strategies: Options involve risk and are not suitable for everyone. Prior to buying or selling an option investor must read a copy of the Characteristics & Risks of Standardized Options, also known as the options disclosure document (ODDO). It explains the characteristics and risks of exchange traded options. The options risk disclosure document can be accessed at the following web address: www.optionsclearing.com/about/publications/character-risks.

Consolidated Equity Solutions (CES) managers are not involved in the selection of the underlying stock positions. The Manager will advise only on the options selection in order to pursue the strategy in connection with the underlying stock position(s) deposited in the account. It is important to keep this in mind when evaluating the manager's performance since the account's performance will include the performance of the underlying equity position that is not being managed. CES uses options to seek to achieve your investment objectives regarding your concentration stock position. Options strategies change the potential

return profile of your stock. In certain scenarios, such as call writing, the call position will limit your ability to participate in any potential increase in the underlying equity position upon which the call was written. Therefore, in some market conditions, particularly during periods of significant appreciation of the underlying equity position(s), the CES account will decrease the performance that would have been achieved had the stock been held long without implementing the CES strategy.

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 accounts) 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 accounts) 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 lot information, the total cost equals the total value of all tax lots. The unit cost is an average of the total cost divided by the total number of shares. If the shares were purchased in different lots, the unit price listed does not represent the actual cost paid for each lot. The unrealized gain/loss value is calculated by combining the total value of all tax lots plus or minus the total market value of the security.

If you choose to display tax lot level information as separate line items on the Portfolio Holdings report, the tax lot information may include information from sources other than UBS FS. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. As a result, this information may not be accurate and is provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. See your monthly statement for additional information.

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS account statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party

quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

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

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

Separately Managed Accounts and Pooled Investment Vehicles (such as mutual funds, closed end funds and exchange 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



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

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

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

Equity Style: The Growth, Value and Core labels are determined by Morningstar. If an Equity Style is disclosed, it is due to non-availability of data required by Morningstar to assign 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 investments 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/allocation decisions, but should be considered 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 the annualized yield per share (Dividend/Dividend Payout) and multiplied by the quantity of shares held in the selected account(s). For savings product & sweep funds this value is not calculated and is displayed as 0.

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 ULTs.

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

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

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

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

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 payments 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, interest rate fluctuations. The effect of a call on any security and the consequential impact on its potential cash flows is not reflected in this report. Payments that occur in the same month in which the report is generated – but prior to the report run ("As of") date – are not reflected in this report. In determining the potential cash flows, UBS FS relies on information obtained from third party sources; it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information

provided by third parties. Although UBS FS generally updates this information as it is received, the Firm does not provide any assurance that the information level is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy.

Expected Cash Flow reporting for Puerto Rico Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only, if you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees 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. A. 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 bases 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 unresolvable cost bases, the gain/loss for those positions are included 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



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

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 (IRC) 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 advisors for purposes other than determining realized gains/loss for Puerto Rico income tax purposes. Neither UBS FS nor its employees or associated persons provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

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

Accounts Included in this Report: The account listing may or may not include all of your accounts with UBS FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page or listed at the top of each page. If an account number begins with "0" this denotes assets or liabilities held at other financial institutions. Information about these assets, including valuation, account type and cost basis, is based on the information you provided to us, or provided to us by third party data aggregators or custodians at your direction. We have not verified, and are not responsible for, the accuracy or completeness of this information.

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

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

Account changes: At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:
1) Have there been any changes to your financial situation or investment objectives?
2) Would you like to implement or modify any restrictions regarding the management of your account?

If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change any investment restrictions on your account.

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

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

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

Investors outside the U.S. are subject to securities and tax requirements 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.

Important information about brokerage and advisory services: As a firm providing wealth management services to clients, UBS Financial Services Inc. offers investment advisory services in its capacity as an SEC-registered investment adviser and brokerage dealer. Investment advisory services and brokerage services are separate and distinct, offer in material ways and are governed by different laws and separate arrangements. It is important that clients understand the ways in which we conduct business, that they carefully read the agreements and disclosures that we provide to them about the products or services we offer, for more information, please review client relationship summary provided at ubs.com/relationshipssummary.

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Kern Health Systems

Account Number: EBXXX20

Filtered by: Entry Date 01/01/2022-03/31/2022, Call/Redemption

Your Financial Advisor
THE COHEN GROUP
Phone: 661-663-3200/800-628-8022

| Entry Date | Settle Date | Activity | Description | Security# | Quantity | Price/Detail | Amount |
|------------|-------------|-----------------|--|-----------|--------------|--------------|--------------|
| 01/18/22 | 01/18/22 | CALL REDEMPTION | JPMORGAN CHASE & CO NTS 02.972% 011523 DTD120816 | 750QR1 | 1,150,000.00 | REDEMPTION | 1,150,000.00 |

Filtered by: Entry Date 01/01/2022-03/31/2022, Bought

| Entry Date | Settle Date | Activity | Description | Security# | Quantity | Price/Detail | Amount |
|------------|-------------|----------|---|-----------|--------------|--------------|--------------|
| 01/20/22 | 01/24/22 | BOUGHT | BK OF NY MELLON CORP B/E 03.000% 022425 DTD022415 | 657YH3 | 1,300,000.00 | \$104.134 | 1,369,992.00 |

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

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

The information is based upon the market value of your account(s) as of the close of business on March 31, 2022, is subject to daily market fluctuation and in some cases may be rounded for convenience. Your UBS account statements and trade confirmations are the official records of your accounts at UBS. We assign index benchmarks to our asset allocations, strategies in our separately managed accounts and discretionary programs based on our understanding of the allocation, strategy, the investment style and our research. The benchmarks included in this report can differ from those assigned through our research process. As a result, you may find that the performance comparisons may differ, sometimes significantly, from that presented in performance reports and other materials that are prepared and delivered centrally by the Firm. Depending upon the composition of your portfolio and your investment objectives, the indexes used in this report may not be an appropriate measure for comparison purposes, and as such, are represented for illustration only. Your portfolio holdings and performance may vary significantly from the index. Your financial advisor can provide additional information about how benchmarks within this report were selected. You have discussed the receipt of this individually customized report with your Financial Advisor and understand that it is being provided for informational purposes only. If you would like to revoke such consent, and no longer receive this report, please notify your Financial Advisor and/or Branch Manager.

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

Bank Account Statement
Wells Fargo Bank, N.A.

Statement Period
03/01/2022 - 03/31/2022

KERN HEALTH SYSTEMS
 2900 BUCK OWENS BOULEVARD
Account Value Summary USD

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 | 38,731,016.71 | 17,991,947.51 | 9% |
| Bonds | 142,757,851.45 | 173,524,023.61 | 91% |
| Stocks | 0.00 | 0.00 | 0% |
| Total Account Value | \$ 181,488,868.16 | \$ 191,515,971.12 | 100% |
| Value Change Since Last Statement Period | \$ 10,027,102.96 | | |
| Percent Increase Since Last Statement Period | 6% | | |
| Value Last Year-End | | \$ 158,053,433.16 | |
| Percent Increase Since Last Year-End | | 21% | |

Income Summary USD

| | This Period | Year-To-Date |
|-------------------------------------|----------------------|----------------------|
| Interest | \$ 147,806.25 | \$ 200,843.36 |
| Dividends/Capital Gains | 0.00 | 0.00 |
| Money Market Mutual Funds Dividends | 216.23 | 679.03 |
| Other | 0.00 | 0.00 |
| Income Total | \$ 147,822.48 | \$ 201,322.39 |

Interest Charged USD

| Description | This Period |
|-------------------------------|----------------|
| Debit Interest For March 2022 | 0.00 |
| Total Interest Charged | \$ 0.00 |

Money Market Mutual Funds Summary USD

| Description | Amount |
|--------------------------------------|-------------------------|
| Opening Balance | \$ 38,731,016.71 |
| Deposits and Other Additions | 275,334,639.58 |
| Distributions and Other Subtractions | (296,073,925.01) |
| Dividends Reinvested | 216.23 |
| Change in Value | 0.00 |
| Closing Balance | \$ 17,991,947.51 |

Important Information

This statement is provided to customers of Wells Fargo Securities, LLC ("WFS"), broker dealer 0266. 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 best prices traded. The price of CDs that mature in greater than one year and of other instruments that trade infrequently are estimates 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 1-800-371-8300.

FINRA Broker-Check Program: WFS is a member of the Financial Industry Regulatory Authority (FINRA). Under its Broker-Check program, FINRA provides certain information regarding the disciplinary history of broker-dealers and their associated persons. Information can be obtained from the FINRA Broker-Check program hotline number (1-800-289-9999) or the FINRA website (www.finra.org). A brochure describing the FINRA Broker-Check 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 § 15c3-3 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/bs/securities/regulatory>.

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

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

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

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

Non-deposit investment products recommended, offered or sold by WFS, including mutual funds, are not federally insured or guaranteed by the Federal 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 registered for the securities sold by WFS.

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

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

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

Financial Statements: WFS financial statements are available upon request.

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

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

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

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

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

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

Statement Ending:

KERN HEALTH SYSTEMS

Account Number: **[REDACTED]**

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 | | | | | | | | |
| 13063DL1Y2 | CALIFORNIA ST TXBL-VARIOUS PURPOSE-BID GROUP | 04/01/22 | 2.350% | 2,000,000.000 | 100.0000 | 2,000,000.00 | | N |
| 912796T74 | UNITED STATES TREASURY BILL | 04/05/22 | 0.000% | 30,000,000.000 | 99.9984 | 29,999,533.20 | | N |
| 313313VL9 | FED FARM CRD DISCOUNT NT | 04/12/22 | 0.000% | 20,000,000.000 | 99.9948 | 19,998,962.00 | | N |
| 912796T82 | UNITED STATES TREASURY BILL | 04/12/22 | 0.000% | 30,000,000.000 | 99.9956 | 29,998,670.70 | | N |
| 313385WA0 | FED HOME LN DISCOUNT NT | 04/26/22 | 0.000% | 20,000,000.000 | 99.9882 | 19,997,641.00 | | N |
| 912796P37 | UNITED STATES TREASURY BILL | 04/28/22 | 0.000% | 20,000,000.000 | 99.9899 | 19,997,971.20 | | N |
| 713448DU9 | PEPSICO INC | 05/02/22 | 0.674% | 1,100,000.000 | 99.9996 | 1,099,995.40 | | N |
| 29101BE32 | EMERSON ELECTRIC CO 4(2) DISCOUNTED COMMERCIAL PAPER | 05/03/22 | 0.000% | 3,000,000.000 | 99.9632 | 2,998,894.50 | | N |
| 313313WJ3 | FED FARM CRD DISCOUNT NT | 05/04/22 | 0.000% | 10,000,000.000 | 99.9616 | 9,996,158.80 | | N |
| 14913R2B2 | CATERPILLAR FINL SERVICE | 05/13/22 | 0.950% | 2,000,000.000 | 99.9993 | 1,999,985.78 | | N |
| 459200JX0 | IBM CORP | 05/13/22 | 2.850% | 2,275,000.000 | 100.2053 | 2,279,671.23 | | N |
| 747525AE3 | QUALCOMM INC | 05/20/22 | 3.000% | 500,000.000 | 100.2542 | 501,271.03 | | N |
| 90331HPD9 | US BANK NA CINCINNATI | 05/23/22 | 0.904% | 2,000,000.000 | 99.9914 | 1,999,828.12 | | Y |
| 912796V22 | UNITED STATES TREASURY BILL | 05/24/22 | 0.000% | 20,000,000.000 | 99.9569 | 19,991,387.40 | | Y |
| 48306BF75 | KAISER FOUNDATION HOSP DISCOUNTED COMMERCIAL PAPER | 06/07/22 | 0.000% | 3,000,000.000 | 99.8517 | 2,995,551.66 | | Y |
| 244199BE4 | DEERE & COMPANY | 06/08/22 | 2.600% | 1,150,000.000 | 100.1132 | 1,151,301.46 | | Y |
| 91411UFA8 | UNIVERSITY OF CALIFORNIA | 06/10/22 | 0.000% | 3,000,000.000 | 99.8333 | 2,994,999.99 | | Y |
| 74460DAB5 | PUBLIC STORAGE | 09/15/22 | 2.370% | 500,000.000 | 100.2234 | 501,116.98 | | Y |
| 90331HNL3 | US BANK NA CINCINNATI | 01/23/23 | 2.850% | 3,000,000.000 | 100.7028 | 3,021,083.16 | | Y |
| | | | | 173,525,000.000 | | 173,524,023.61 | 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.

Statement Ending:

KERN HEALTH SYSTEMS

Account Number: [REDACTED]

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 | | | | | | | | | |
| 03/03/22 | 03/03/22 | Security Receipt | 29101BE32 | EMERSON ELECTRIC CO 4(2) | 3,000,000.00 | 99.9322220 | (2,997,966.67) | 0.00 | (2,997,966.67) |
| 03/08/22 | 03/08/22 | Security Receipt | 912796T25 | UNITED STATES TREASURY BILL | 19,000,000.00 | 99.9941670 | (18,998,891.67) | 0.00 | (18,998,891.67) |
| 03/11/22 | 03/11/22 | Security Receipt | 313313VL9 | FED FARM CRD DISCOUNT NT | 20,000,000.00 | 99.9857780 | (19,997,155.56) | 0.00 | (19,997,155.56) |
| 03/11/22 | 03/11/22 | Security Receipt | 912796P37 | UNITED STATES TREASURY BILL | 20,000,000.00 | 99.9746670 | (19,994,933.33) | 0.00 | (19,994,933.33) |
| 03/17/22 | 03/18/22 | Security Receipt | 91411UFA8 | UNIVERSITY OF CALIFORNIA | 3,000,000.00 | 99.8600000 | (2,995,800.00) | 0.00 | (2,995,800.00) |
| 03/23/22 | 03/23/22 | Security Receipt | 313313WJ3 | FED FARM CRD DISCOUNT NT | 10,000,000.00 | 99.9766670 | (9,997,666.67) | 0.00 | (9,997,666.67) |
| 03/23/22 | 03/23/22 | Security Receipt | 313385WAO | FED HOME LN DISCOUNT NT | 20,000,000.00 | 99.9848890 | (19,996,977.78) | 0.00 | (19,996,977.78) |
| 03/23/22 | 03/31/22 | Security Receipt | 912796V22 | UNITED STATES TREASURY BILL | 20,000,000.00 | 99.9625000 | (19,992,500.00) | 0.00 | (19,992,500.00) |
| 03/25/22 | 04/01/22 | Security Receipt | 544351PL7 | LOS ANGELES CA TRANS | 5,000,000.00 | 100.7180000 | (5,035,900.00) | (150,000.00) | (5,185,900.00) |
| Income / Payment Activity USD | | | | | | | | | |
| 03/01/22 | 03/01/22 | Matured | 437076BV3 | HOME DEPOT INC | (3,000,000.00) | | 3,000,000.00 | 48,750.00 | 48,750.00 |
| 03/01/22 | 03/01/22 | Matured | 437076BV3 | HOME DEPOT INC | | | | | 6,000,000.00 |
| 03/01/22 | 03/01/22 | Interest | 437076BV3 | HOME DEPOT INC | | | | | 3,185,000.00 |
| 03/03/22 | 03/03/22 | Matured | 313313TU2 | FED FARM CRD DISCOUNT NT | (6,000,000.00) | | 6,000,000.00 | | |
| 03/03/22 | 03/03/22 | Matured | 313313TU2 | FED FARM CRD DISCOUNT NT | | | | | 35,831.25 |
| 03/03/22 | 03/03/22 | Matured | 478160CD4 | JOHNSON & JOHNSON | (3,185,000.00) | | 3,185,000.00 | | |
| 03/03/22 | 03/03/22 | Matured | 478160CD4 | JOHNSON & JOHNSON | | | | | 3,000,000.00 |
| 03/03/22 | 03/03/22 | Interest | 478160CD4 | JOHNSON & JOHNSON | | | | | 42,000.00 |
| 03/11/22 | 03/11/22 | Matured | 717081ERO | PFIZER INC | (3,000,000.00) | | 3,000,000.00 | | |
| 03/11/22 | 03/11/22 | Matured | 717081ERO | PFIZER INC | | | | | 5,000,000.00 |
| 03/11/22 | 03/11/22 | Interest | 717081ERO | PFIZER INC | | | | | 1,000,000.00 |
| 03/11/22 | 03/11/22 | Matured | 62479MCB7 | MUFG BANK LTD/NY DISCOUNTED | (5,000,000.00) | | 5,000,000.00 | | |
| 03/11/22 | 03/11/22 | Matured | 62479MCB7 | MUFG BANK LTD/NY DISCOUNTED | | | | | 13,750.00 |
| 03/15/22 | 03/15/22 | Matured | 24422ERM3 | JOHN DEERE CAPITAL CORP | (1,000,000.00) | | 1,000,000.00 | | |
| 03/15/22 | 03/15/22 | Matured | 24422ERM3 | JOHN DEERE CAPITAL CORP | | | | | 5,925.00 |
| 03/15/22 | 03/15/22 | Interest | 24422ERM3 | JOHN DEERE CAPITAL CORP | | | | | 10,000,000.00 |
| 03/15/22 | 03/15/22 | Interest | 74460DAB5 | PUBLIC STORAGE | | | | | 3,000,000.00 |
| 03/16/22 | 03/16/22 | Matured | 313313UH9 | FED FARM CRD DISCOUNT NT | (10,000,000.00) | | 10,000,000.00 | | |
| 03/16/22 | 03/16/22 | Matured | 313313UH9 | FED FARM CRD DISCOUNT NT | | | | | 3,000,000.00 |
| 03/17/22 | 03/17/22 | Matured | 50000ECH5 | KOCH INDUSTRIES INC DISCOUNTED | (3,000,000.00) | | 3,000,000.00 | | |
| 03/17/22 | 03/17/22 | Matured | 50000ECH5 | KOCH INDUSTRIES INC DISCOUNTED | | | | | 5,000,000.00 |
| 03/17/22 | 03/17/22 | Matured | 69447MCH8 | PACIFIC LIFE INSURANCE 4(2) | (3,000,000.00) | | 3,000,000.00 | | |
| 03/17/22 | 03/17/22 | Matured | 69447MCH8 | PACIFIC LIFE INSURANCE 4(2) | | | | | 3,000,000.00 |
| 03/21/22 | 03/21/22 | Matured | 69372BCM0 | PACCAR FINANCIAL CORP | (5,000,000.00) | | 5,000,000.00 | | |
| 03/21/22 | 03/21/22 | Matured | 69372BCM0 | PACCAR FINANCIAL CORP | | | | | 3,000,000.00 |
| 03/22/22 | 03/22/22 | Matured | 3133EMLH3 | FEDERAL FARM CREDIT BANK | (3,000,000.00) | | 3,000,000.00 | | |
| 03/22/22 | 03/22/22 | Matured | 3133EMLH3 | FEDERAL FARM CREDIT BANK | | | | | 3,000,000.00 |

KERN HEALTH SYSTEMS
 Account Number: ██████████

Money Market Fund Activity (Continued)

| Transaction Date | Activity | Shares | Price | Market Value (\$) | Dividend Amount | Share Balance |
|------------------|-----------------------|--------------------|---------------|-------------------|-----------------|--------------------|
| 03/01/22 | Reinvest | 0.04000 | | | 0.04 | 8,531.02000 |
| 03/10/22 | Purchase | 90,000,000.00000 | | 90,000,000.00 | | 90,008,531.02000 |
| 03/16/22 | Redemption | (90,000,000.00000) | | (90,000,000.00) | | 8,531.02000 |
| | Ending Balance | | 1.0000 | 8,531.02 | | 8,531.02000 |



PMIA/LAIF Performance Report as of 04/15/22



PMIA Average Monthly Effective Yields⁽¹⁾

| | |
|-----|-------|
| Mar | 0.365 |
| Feb | 0.278 |
| Jan | 0.234 |

Quarterly Performance Quarter Ended 03/31/22

| | |
|--|--------------------|
| LAIF Apportionment Rate ⁽²⁾ : | 0.32 |
| LAIF Earnings Ratio ⁽²⁾ : | 0.0000875657176851 |
| LAIF Fair Value Factor ⁽¹⁾ : | 0.988753538 |
| PMIA Daily ⁽¹⁾ : | 0.42% |
| PMIA Quarter to Date ⁽¹⁾ : | 0.29% |
| PMIA Average Life ⁽¹⁾ : | 310 |

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 03/31/22 \$207.9 billion

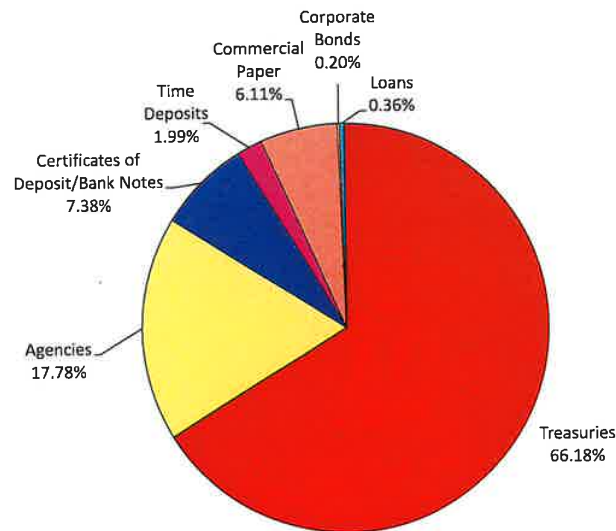


Chart does not include \$5,704,000.00 in mortgages, which equates to 0.003%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA 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: June 16, 2022

Re: Analysis of Insurance Renewals

Background

KHS carries and seeks to renew and bind the following insurance coverages:

- Crime
- Excess Crime
- Property
- Workers' Compensation
- Fiduciary Liability
- Cyber Liability
- Managed Care Errors and Omissions Liability Insurance
- Earthquake Insurance
- Flood Insurance
- Alliant Deadly Weapon Response Program

KHS utilizes Alliant Insurance Services ("Alliant") as its insurance agent to access the insurance carrier market and perform the day to day servicing of the account. Alliant has provided early indications for the expiring coverage. It is recommended that Kern Health Systems renew coverages as outlined below.

• **Crime Insurance**

Crime insures against employee theft of money and other property along with faithful performance of duty, forgery, robbery and safe burglary, computer fraud, funds transfer fraud and other social engineering. KHS Employee benefits plans are also covered for theft of funds. This coverage meets the DMHC requirement. Management recommends to renew Option 2 of the crime insurance policy.

- National Union Fire Insurance Company of Pittsburgh, PA (AIG)
- Rating: Carrier has an A XV rating from AM Best
- Term: July 1, 2022 through June 30, 2023
- Limits: \$10,000,000
- Deductible: \$2,500
- Annual Premium:
 - Option 1: \$10,830 \$250K Impersonation Fraud Limit
 - Option 2: \$18,330 (\$7,500 additional premium) \$500K Impersonation Fraud limit
- Prior year's premium was \$10,314.

No claims were filed last year.

- **Excess Crime Insurance**

KHS has additional Crime coverage limits of \$5,000,000 in excess over the above crime insurance. Management recommends renewing coverage with Zurich (incumbent).

- Zurich American Insurance Company
- Rating: Carrier has an A+ XV rating from AM Best
- Term: July 1, 2022 through June 30, 2023
- Deductible: Excess of National Union Ins. Co. of Pittsburgh, PA (AIG)
- Annual Premium: \$5,686.
- Prior year's premium was \$6,509.

No claims were filed last year.

- **Property Insurance**

The Property Coverage insures against first party losses to KHS owned property including buildings, contents, loss of income and auto physical damage. KHS has approximately \$71 million in property values (\$36M Building and \$35M Contents) which is approximately a \$10 million property value increase from expiring coverage. Management recommends renewing coverage under the Special Property Insurance Program.

- Special Property Insurance Program (SPIP)
- Rating: There are 21 carriers participating on the program and each have a separate AM Best Rating. The AM Best rating range from A+ XV to A- IX.
- Term: July 1, 2022 through June 30, 2023
- Limit per Occurrence - \$100,000,000 repair or replacement cost
 - Business Income - \$100,000,000
 - Boiler and Machinery - \$100,000,000
- All Risk Deductible: \$25,000 – Autos (Physical Damage \$5,000)
 - Annual Premium: \$211,053. Prior year's premium was \$154,649.
 - Premium increase of 36% is represented as follows:
 - Property Values increase 17% (trending 7.5% real property, 5% personal property plus 4.5% adjustment increased for replacement cost)
 - Rate increase 16%
 - Surplus Lines Taxes and Fees/ABS Fees 3%

No claims were filed last year.

- **Workers' Compensation Insurance**

Workers' Compensation coverage insures against losses from work related injuries and \$1,000,000 employers' liability. Coverage is mandated by the state. Management recommends renewing coverage with American Zurich Insurance Company.

- American Zurich Insurance Company
- Rating: Carrier has an A+ XV rating from AM Best
- Term: July 1, 2022 through June 30, 2023
- Limit per Occurrence: Statutory for Workers' Compensation and \$1,000,000 for Employer's Liability
- Deductible: N/A
- The annual premium is a function of KHS' annual estimated payroll of \$41,782,377 which is a 13% increase over the prior period. The insured has employees in 17 states, California, Arizona, Arkansas, Florida, Georgia, Idaho, Nevada, New Mexico, Oklahoma, Oregon, Utah, Tennessee, Texas, Virginia, Wisconsin, Washington, and Wyoming.

- Since 2012, KHS has filed 62 workers' compensation claims with estimated losses of \$541,393.97.
- Annual Premium Estimate: \$117,235. Prior year's estimated premium was \$102,771.
 - Premium increase of 14% is represented as follows:
 - Payroll increase 13%
 - Rate is flat
 - Surcharges/Fees increase 1%
 - 2022 Published Experience Modification Factor is 74%. Last year was 84%.
- **Fiduciary Liability Insurance**

Fiduciary coverage insures against claims for administrative errors and omissions claims, breach of duty claims and defense for employee benefit claims, such as failure to timely distribute assets, failure to choose/offer prudent investments, failure to monitor investments, breach of responsibilities and negligence in the administration of a plan.

 - Hudson Insurance Company
 - Rating: Carrier has an A XV rating from AM Best
 - Term: August 1, 2022 through August 1, 2023
 - Limit per occurrence: \$5,000,000
 - Aggregate: \$5,000,000
 - Self-Insured Retention: \$0 Non-indemnifiable losses, \$100,000 Class Action and Derivative Claims, \$25,000 All other losses
 - Annual Premium: \$14,275. Prior year's premium was \$13,002.

No claims were filed last year.

- **Cyber Liability Insurance**

Cyber Coverage insures against the damages that can occur related to computer system breaches and other breaches of sensitive information.

Alliant has extensively marketed the KHS Cyber placement (See Attachment 1) and the incumbent is the most competitive option. Management recommends renewing coverage for Cyber Liability with Coalition that includes \$5,000,000 for Breach Response coverage and \$5,000,000 for all other coverages.

- Coalition Insurance Solutions, Inc. (North American Capacity Insurance Company 31%, Arch Specialty Insurance Company 30%, Certain Underwriters at Lloyd's, London 14%, Ascot Specialty Insurance Company 15%, Chaucer Insurance Company DAC 10%)
- Rating: Carriers have a A+ XV rating from AM Best / A XV rating from AM Best
- Term: July 1, 2022 through June 30, 2023
- Per Claim Limit/Aggregate: \$5,000,000
- Self-Insured Retention: \$250,000
- Annual Premium: \$233,676. Prior year's premium was \$149,585.

No claims were filed last year.

- **Managed Care Errors and Omissions Liability Insurance**

Managed Care E&O insures against losses for KHS operations for an act, error, or omission in the performance of any health care or managed care financial, management or insurance services performed; the design, development, and marketing of such service; vicarious liability for the conduct of others performing any such service on our behalf. Alliant marketed the coverage this renewal and has presented the only competitive option for consideration– TDC National Assurance Company (incumbent) quoted \$72,546, which is a 15% premium increase over last year’s premium, 10% due to increase in enrollees and 5% market rate increase. Management recommends renewing the coverage for the Managed Care E&O with TDC.

- TDC National Assurance Company
- Rating: Carrier has an A XV rating from AM Best
- Term: July 1, 2022 through June 30, 2023
- Limit per occurrence: \$1,000,000
- Aggregate: \$3,000,000
- Self-Insured Retention: \$100,000 each claim
- Annual Premium: \$72,546. Prior year’s premium was \$62,966.

No claims were filed last year.

- **Earthquake Insurance**

Earthquake insures against the peril of earthquake for KHS owned property. Management recommends renewing the Earthquake coverage.

- Everest Indemnity Insurance Company 80% and General Security Indemnity Company of Arizona 20%
- Rating: Carrier has excellent A+ XV rating from AM Best
- Term: October 15, 2022 through October 15, 2023
- Earthquake Limit per occurrence: \$25,000,000
- Earthquake Aggregate: \$25,000,000
- Earthquake Deductible 3% Per unit (unit is defined as replacement cost of the covered Property – Building, Contents and Business Income separately), subject to a minimum of \$25,000
- All Other Perils \$25,000 Deductible
- Earthquake Annual Premium Not to Exceed: \$52,000. Prior year’s premium was \$42,786.

No claims were filed last year.

- **Flood Insurance**

Flood insures against the peril of flood for KHS owned property. Management recommends renewing the Flood Insurance coverage.

- Hartford Ins. Company of the Midwest
- Rating: Carrier has a superior A+ XV rating from AM Best
- Term: November 18, 2022 through November 18, 2023
- 2900 Buck Owens Blvd – Building and Contents
- \$500,000 Building (maximum limit available)
- \$500,000 Contents (maximum limit available)
- \$1,250.00 Deductible on both Building & Contents
- Annual Premium Not to Exceed: \$5,000. Prior year’s premium was \$2,328.

No claims were filed last year.

- **Alliant Deadly Weapon Response Program (ADWRP)**

The Alliant Deadly Weapon Response Program provides coverage for locations per our property schedule on file where a weapon used by an Active Shooter for 1st Party Property Damage/Business Interruption, Crisis Management, Funeral Expense, Counseling Services and Demolition/Clearance and Memorialization. Management recommends renewing the coverage offering.


- Underwriters at Lloyd's of London
- Rating: Carrier has an Excellent A XV rating from AM Best
- Term: July 1, 2022 to July 1, 2023
- \$1,000,000 Per Occurrence and Annual Aggregate
- \$10,000 Deductible Each Event including Claims Expenses
- Annual Premium: \$11,566. Prior year's premium was \$9,713.

No claims were filed last year.

Representatives from Alliant will be available to answer questions relating to the insurance renewals.

Requested Action

Approve.

|  Kern Health Systems Cyber Liability Marketing Log 07/01/2022 - 07/01/2023 | |
|--|---|
| Market | Status |
| Coalition | Incumbent - Quoted - see proposal, \$250K retention for premium of \$233,676 and \$500K retention for premium of \$193,810. |
| Tokio Marine | Quoted - not as competitive as incumbent, \$500K retention for premium of \$207,052 |
| Resilience | Quoted-not as competitive as incumbent, \$1 Million retention for premium of \$212,013 and \$500K retention for premium of \$240,406 but requires CPC engagement process with master service agreement. |
| XL | Declined – due to not writing new public entity business. Was on excess placement in 20/21 term. |
| AXIS | Declined – due to class of business, size and controls required. Was on excess placement in 20/21 term. |
| C&F | Declined – due to size of risk is too large. |
| Great American | Declined - due to size of risk is too large. Declined last year too. |
| AIG | Declined – due to exposure not a fit. Declined last year too. |
| Allianz | Declined – not writing Public Entity Cyber. Declined last year too. |
| Corvus | Declined - due to size of risk is too large. Declined last year too. |
| Westchester | Declined – no longer writing Public Entity Cyber risks |
| Cowbell | Declined – due to size of risk is too large. Declined last year too. |
| Beazley | Declined – no longer writing new business public entity. This carrier was on primary placement in 20/21 under SDRMA Package placement. |
| Hiscox | Declined – due to size of risk is too large |
| Sompo | Declined – no longer writing Public Entity Cyber risks |
| Markel | Declined – no longer writing Public Entity Cyber risks |



To: KHS Board of Directors

From: Alonso Hurtado, Director of Procurement and Facilities

Date: June 16, 2022

Re: New Carport Solar System Prepaid Power Purchase Financing Agreement

Background

In December 2021 Management presented data supporting expanding our current carport solar system with the goal of producing 100% of our electricity consumption. A-C Electric was selected as the winning contractor of the RFP after presenting a project meeting KHS' specifications at a cost of \$2,371,559.

Being a tax-exempt public agency, KHS cannot take advantage of the 26% federal Investment Tax Credits (ITC). Management discovered financing the project through a prepaid Power Purchase Agreement (PPA) may achieve considerable savings.

Discussion

The Prepaid PPA allows KHS as a buyer of energy with cash resources, the ability to monetize a portion of the tax attributes of the Carport Solar System. KHS would enter into a prepaid PPA contract whereby KHS prepays for the electricity delivered over the term of the PPA. The payment is equivalent to most of the costs related to the purchase of the carport system.

The prepaid PPA financier pays the remaining amount (17%) by sharing a portion of the tax attributes being realized on the transaction. Please see below chart indicating \$403,165 of savings. The prepaid PPA financier also provides maintenance and operation for the term of the PPA with an additional expected savings of \$96,000. The prepaid PPA financier is the **owner** of the Carport Solar System and transfers ownership to KHS at the end of an agreed upon term at no cost.

Financials at a Glance

| | Direct Purchase | Prepaid PPA |
|--|------------------------|----------------------|
| System Cost | \$2,371,559 | \$2,371,559 |
| CollectiveSun's 17% Contribution | | (\$403,165) |
| KHS' Operation and Maintenance for 6 years | \$96,000 | \$0 |
| Approximate Battery Storage System Credit | (\$400,000) | (\$400,000) |
| Total cost to KHS after 6 years/w Savings | (\$2,067,559) | (\$1,568,394) |

* Total additional savings to KHS by using a prepaid PPA is \$499,165

Recommendation

Management is recommending entering into a Prepaid Power Purchase Financing Agreement with CollectiveSun to save an additional \$499,165 on the New Carport Solar System.

Requested Action

Approve; Authorize Chief Executive Officer to Sign.

Kern Health Systems

New Carport Solar Panels System
Prepaid Power Purchase Agreement
Financing Option

Alonso Hurtado
Director of Procurement and Facilities
June 16, 2022



Agenda

- Background
- Prepaid PPA Basics
- Prepaid PPA Financiers Vetted
- CollectiveSun's Experience and References
- KHS Prepaid PPA Highlights
- Prepaid PPA Protections
- Financials at a Glance
- Project Schedule
- Recommendation
- Questions



Background

In December 2021 Management presented data supporting expanding our current carport solar system with the goal of producing 100% of our electricity consumption and was approved to initiate an RFP process. A-C Electric was the winning contractor of the RFP after presenting a project meeting our specifications at a cost of \$2,371,559.

Being a tax-exempt public agency, KHS cannot take advantage of the 26% federal Investment Tax Credits (ITC); however, Management discovered financing the project through a prepaid Power Purchase Agreement (PPA) may achieve considerable savings.



Prepaid PPA Basics

The prepaid PPA is a hybrid version of the PPA that allows KHS as a buyer of energy, with cash resources, the ability to monetize the tax attributes of the Solar PV system. KHS enters into a prepaid PPA contract whereby KHS prepays for the electricity delivered over the term of the PPA. The payment is equivalent to most of the costs related to the purchase of the carport system.

The prepaid PPA financier pays the remaining amount by sharing a portion of the tax attributes being realized on the transaction. The prepaid PPA financier also provides maintenance and operation for the term of the PPA. System ownership can then transfer to KHS at the end of an agreed term at no cost.



Prepaid PPA Financiers Vetted

- CollectiveSun – offered 17% toward the purchase price
- Jua Capital – offered 15% toward the purchase price
- K12 Solar – would not offer a prepaid PPA because we already had a construction contract



CollectiveSun's Experience and References

Based out of San Diego, CA, CollectiveSun has been helping nonprofits fund solar projects since 2011. Their vision is to empower all nonprofit, tax-exempt, and mission-driven organizations with the ability to access clean renewable energy solutions.

The Foursquares Church, Los Angeles, CA

Tim Gale, Director, Field Support Services, "We have had a wonderful experience with CollectiveSun and the services provided for The Foursquare Church."

Positive feedback received from local organizations:

New Life Church, Bakersfield, CA

Westside Church of Christ, Bakersfield, CA



KHS Prepaid PPA Highlights

KHS and CollectiveSun enters into a Solar Power Agreement where:

- KHS agrees to pay 83% of the total cost of the project which equates to prepaying approximately 20 years of electricity
- CollectiveSun is the system owner and pays the remaining 17% of the cost of the project
- CollectiveSun is responsible of all maintenance and operation for the first six years
- KHS has the option to own the system for \$0 after six years and assume all maintenance and operation costs (approximately \$16,000 per year)
- KHS may elect not to own the system after six years and pays CollectiveSun a monthly administrative fee of 0.15% of KHS' original investment of \$1,968,394 (\approx \$36,000 per year)



Prepaid PPA Protections

Below are some protections related to entering a prepaid PPA:

- The project is placed in a single purpose entity/LLC, shielding KHS should the financier file bankruptcy
- KHS pays 83% of the project's total cost while the financier pays the remaining 17%
- The financier places their portion (17%) in escrow at the beginning of the project securing their funds
- The financier is responsible for 100% of the cost of maintenance and operation for the term of the prepaid PPA



Financials at a Glance

| | Direct Purchase | Prepaid PPA |
|--|-----------------|---------------|
| System Cost | \$2,371,559 | \$2,371,559 |
| CollectiveSun's 17% Contribution | | (\$403,165) |
| KHS' Operation and Maintenance for 6 years | \$96,000 | \$0 |
| Approximate Battery Storage System Credit | (\$400,000) | (\$400,000) |
| Total cost to KHS after 6 years/w Savings | (\$2,067,559) | (\$1,568,394) |

* Total additional savings to KHS by using a prepaid PPA is \$499,165



Project Schedule

Below is the high-level projected timeline of the project excluding any significant material or personnel delays:

| | |
|---------------------------|--|
| Jan – Feb 2022 | Finalizing contract with A-C Electric |
| Mar –2022 | Researching potential financing options including PPA, prepaid PPA, etc. |
| Apr – 2022 | Vetting prepaid PPA financiers |
| May – 2022 | Finalizing agreement with CollectiveSun, prepaid PPA financier |
| July 15, 2022 | Complete structural drawings |
| July 18, 2022 | File for construction permit |
| August 15, 2022 | Mobilize material and prepare site for construction |
| August 22, 2022 | Begin phased construction of arrays |
| 1 st Qtr, 2023 | Project completion |



Recommendation

Request the Board of Directors to authorize the CEO to enter into a prepaid Power Purchase Agreement with CollectiveSun for the financing of a Carport Solar Panel System to take advantage of \$499,165 in additional savings over the first six years, bringing the cost of the project down from \$2,067,559 to \$1,568,394.



Questions

Please contact:

Alonso Hurtado

Director of Procurement and Facilities

661-664-5000

Alonso.Hurtado@khs-net.com





To: KHS Board of Directors

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

Date: June 16, 2022

Re: Agreement with CommGap International Language Services

Background

Appropriate linguistic services will be available for medical and non-medical points of contact including membership services, appointment services and member orientation sessions. During regular business hours, members and providers who require the assistance of an in-person interpreter can contact KHS to set up an appointment with a qualified interpreter.

Discussion

In April 2020, KHS published an RFP for the selection of vendors that can provide in-person interpreting services in multiple languages, including American Sign Language to KHS members. KHS received four (4) proposals from CommGap, Global Interpreting Network, Accommodating Ideas, and LifeSigns. As a result, KHS selected CommGap as the most cost effective vendor for all languages with the exception of ASL, where LifeSigns will continue to service as the primary agency for ASL interpreting services.

CommGap has provided high quality interpreting services through medically qualified and certified interpreters for KHS members since 2017. Their pool of interpreters represent residents of Kern County and neighboring central valley counties and provide interpreting services for more than 200 languages. CommGap has proven to provide excellent customer service and has demonstrated prompt grievance resolutions within 24 hours and their quality assurance.

Financial Impact

Not to exceed \$350,000 over the period of two (2) years

Requested Action

Approve; Authorize Chief Executive Officer to Sign.

In-Person Interpreter Services

June 16, 2022

Isabel Silva, MPH, CHES
Director of Health Education, Cultural and Linguistic Services



Agenda

- Background
- Scope of Services
- RFP Process and Responses
- Board Request



Background

- All Medi-Cal Managed Care Plans shall comply with Title 22 CCR Section 53853(c) and ensure all monolingual, non-English speaking or limited English Proficient (LEP) Medi-Cal beneficiaries and potential members receive 24-hour oral interpreter services at all key points of contact either through in-person, telephonic or video remote interpreting services.
- All Medi-Cal Managed Care Plans are required to provide interpreting services through a qualified interpreter under WIC 14029.91 and 45 CFR 92.4.
- In-person interpreters are used when telephonic and video remote interpreting services are not appropriate for the nature of the member's appointment (i.e. physical therapy, reproductive health exams, behavioral health assessments)
- Since 2017, KHS has maintained a contract with CommGap to provide non-American Sign Language (ASL) in-person interpreter services performed by qualified interpreters to members to allow LEP members to communicate with their health care team.
 - ASL Interpreting Services are performed by KHS' contracted vendor LifeSigns due to their vast pool of interpreters in Kern and neighboring counties.



Scope of Services

- Ability to perform in-person interpreting anywhere in Kern County, California and furnish own transportation to and from the interpreting site.
- Available during regular KHS business hours, after hours, weekends and holiday.
- Ability to accommodate both urgent (24-48 hours) and routine requests
- Ability to perform site translations
- Meets definition of qualified interpreter under WIC 14029.91 and 45 CFR 92.4.
- At minimum, provide services for KHS' top language requests:
 - Arabic
 - Cantonese
 - Lao
 - Mandarin
 - Punjabi
 - Spanish
 - Tagalog
 - Vietnamese



RFP Process and Responses

- In April 2020, KHS posted an RFP for In-Person Interpreting Services. CommGap International Language Services was selected as the vendor for non-ASL interpreting services based on experience, price, and current vendor.
- KHS received four (4) proposals of which two (2) proposals were for ASL interpreting services only (Accommodating Ideas and LifeSigns). Since KHS already holds a contract with LifeSigns for ASL interpreting services, only the vendors that provided non-ASL interpreting services were compared.

| Fee Schedule | CommGap | Global Interpreting Network |
|---|---|--|
| Hourly Rate- Regular Business Hours | <ul style="list-style-type: none"> • \$85.00 Spanish • \$105.00 ASL • \$95.00 Other Languages • 1.5 hour minimum; charges after 1.5 hour minimum on 15-minute increments | <ul style="list-style-type: none"> • \$125.00 Spanish • \$145.00 ASL • \$155.00 Other Languages • 2 hour minimum; charges after 2 hour minimum unknown |
| Hourly Rate - After Business Hours, Holidays & Weekends | <ul style="list-style-type: none"> • \$95.00 Spanish • \$125.00 ASL • \$115.00 Other Languages • 1.5 hour minimum; charges after 1.5 hour minimum on 15-minute increments | <ul style="list-style-type: none"> • \$125.00 Spanish • \$150.00 ASL • \$140.00 Other Languages • 2 hour minimum; charges after 2 hour minimum unknown |



Utilization History

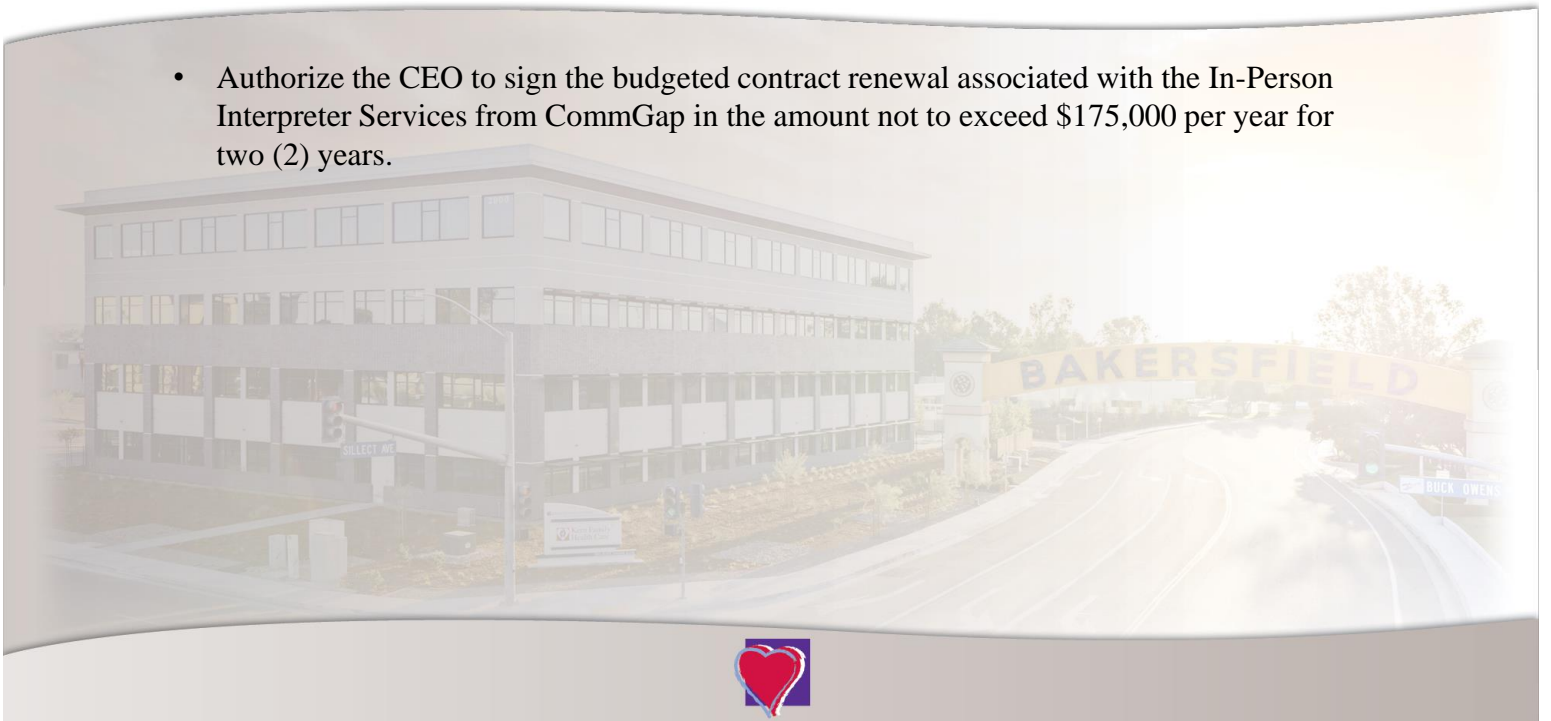
- Requests for in-person interpreting services have increased by 29% since the last contracting period.

| 2019-2020 | 2020-2021 |
|--------------|----------------|
| 910 requests | 1,178 requests |



Board Request

- Authorize the CEO to sign the budgeted contract renewal associated with the In-Person Interpreter Services from CommGap in the amount not to exceed \$175,000 per year for two (2) years.



Questions

Please contact:

Isabel Silva, MPH, CHES

661-664-5117

isabelc@khs-net.com





KERN HEALTH SYSTEMS

AGREEMENT AT A GLANCE

Department Name: HE

Department Head: Isabel Silva

Vendor Name: CommGap

Contact name & e-mail: Lelani Craig, lelani@commgap.com

What services will this vendor provide to KHS? KHS provides equal access to health services for limited English (LEP) members by arranging appropriate interpreter services in accordance with the statutory, regulatory, and contractual requirements.

| Description of Contract | |
|---|--|
| <p>Type of Agreement: <u>Professional Services</u></p> <p><input checked="" type="checkbox"/> Contract</p> <p><input type="checkbox"/> Purchase</p> <p><input checked="" type="checkbox"/> New agreement</p> <p><input type="checkbox"/> Continuation of Agreement</p> <p><input type="checkbox"/> Addendum</p> <p><input type="checkbox"/> Amendment No. _____</p> <p><input type="checkbox"/> Retroactive Agreement</p> | <p><u>Background: Appropriate linguistic services will be available for medical and non-medical points of contact including membership services, appointment services and member orientation sessions. During regular business hours, members and providers who require the assistance of an in-person interpreter can contact KHS to set up an appointment with a qualified interpreter.</u></p> <p><u>Brief Explanation: CommGap-International Language Services will provide appropriate interpreter services in accordance with the statutory, regulatory, and contractual requirements.</u></p> |
| <p><input checked="" type="checkbox"/> <u>Summary of Quotes and/or Bids attached. Pursuant to KHS Policy #8.11-1, KHS will secure competitive quotes and bids to obtain the maximum value from the expenditures. Electronic (e-mail/fax) solicitation may be used for purchases of up to Fifty Thousand Dollars or more if not budgeted (\$50,000.00) and One Hundred Thousand Dollars or more if budgeted (\$100,000.00) but must be documented on the RFQ form (Attachment A). Actual bid, sole or single source justification and/or cost price analysis documents are required for purchases over Fifty Thousand Dollars or more if not budgeted (\$50,000.00) and One Hundred Thousand Dollars or more if budgeted (\$100,000.00). Request for Proposal (RFP) shall be used to solicit bids for professional services over Fifty Thousand Dollars (\$50,000). Lowest bid price not accepted must be fully explained and justified in writing. All bids will be treated as a not to exceed amount with "change orders" used to track any changes.)</u></p> | |
| <p><u>Brief vendor selection justification: In April 2020, KHS posted and RFP, CommGap was selected as the vendor for non-ASL interpreting services based on experience, price, and is the only vendor we found who services Kern County with on-site interpreters. Other vendors provide VRI and over-the-phone but not on-site services.</u></p> <p><input type="checkbox"/> Sole source – no competitive process can be performed.</p> | |
| <p><u>Brief reason for sole source:</u></p> <p><input type="checkbox"/> Conflict of Interest Form is required for this Contract</p> <p><input type="checkbox"/> HIPAA Business Associate Agreement is required for this Contract</p> | |
| Fiscal Impact | |
| KHS Governing Board previously approved this expense in KHS' FY 2022 Administrative Budget | <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES |
| Will this require additional funds? | <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES |
| Capital project | <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES |

Form updated 11/21/19

Project type: _____

Budgeted Cost Center 312

GL# 5645

Maximum cost of this agreement not to exceed: \$350,000.00 per two years

Notes: Agreement is based on a fee-for-service billing schedule (\$175,000/year).

Contract Terms and Conditions

Effective date: 7/06/2022 Termination date: 7/05/2024

Explain extension provisions, termination conditions and required notice: _____

Approvals

Compliance DMHC/DHCS Review:

Legal Review:

Director of Compliance and Regulatory Affairs

Legal Counsel

Date

Date

Contract Owner:

Purchasing:

Approved by Isabel Silva
Department Head


Director of Procurement and Facilities

Per contract meeting 4/27/22
Date

4/21/22
Date

Reviewed as to Budget:

Recommended by the Executive Committee:


Chief Financial Officer or Controller


Chief Operating Officer

5/5/22
Date

5-6-2022
Date

IT Approval:

Chief Executive Officer Approval:

Approved by Richard Pruitt
Chief Information Officer or IT Director

Chief Executive Officer

Per meeting 4/27/22
Date

Date

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

KHS Board Chairman

Date



To: KHS Board of Directors

From: Robert Landis, CFO

Date: June 16, 2022

Re: February 2022 Financial Results

The February results reflect a \$2,882,108 Net Increase in Net Position which is a \$3,259,931 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$5.9 million favorable variance primarily due to:
 - A) \$2.5 million favorable variance primarily due to higher-than-expected budgeted membership.
 - B) \$1.6 million favorable variance in revenues earned from DHCS under the KHS Covid-19 Vaccination Incentive Program by meeting key performance measurements designed to improve the vaccination rate with our members. Under this Program, KHS has offered incentives to Providers to perform significantly expanded outreach to KHS Members that are based on achieving specified outcomes. Additionally, there are Member Incentives (not to exceed \$50 per member) for our Members that get vaccinated. This amount is offset against amounts included in 2C below.
 - C) \$.7 million favorable in Premium-Hospital Directed Payments primarily due to higher-than-expected budgeted membership offset amounts included in 2D below.
 - D) \$1.0 million favorable variance in Rate/Income Adjustments primarily due to retroactive revenue received for the prior year.
- 2) Total Medical Costs reflect a \$3.0 million unfavorable variance primarily due to:
 - A) \$2.4 million unfavorable variance in Physician Services primarily due to higher-than-expected utilization relating to Referral Specialty Services and Urgent Care Services over the last several months.
 - B) \$.9 million favorable variance in Other Professional Services primarily due to lower-than-expected utilization of Behavioral Health Autism Treatment Services.
 - C) \$2.0 million unfavorable variance in Other Medical primarily due to Vaccine Incentive Program expenses (\$1.6 million) earned by our Providers along with Incentives earned by our members offset against amounts included in 1B above.
 - D) \$.7 million unfavorable variance in Premium-Hospital Directed Payments primarily due to higher-than-expected budgeted membership offset amounts included in 1C above.
 - E) \$1.0 million favorable variance primarily from IBNR Adjustments relating to the prior year.

The February Medical Loss Ratio is 89.9% which is favorable to the 92.8% budgeted amount. The February Administrative Expense Ratio is 5.4% which is favorable to the 7.2% budgeted amount.

The results for the 2 months ended February 28, 2022, reflect a Net Increase in Net Position of \$6,152,102. This is a \$6,924,557 favorable variance to budget and includes approximately \$3.0 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 89.7% which is favorable to the 92.8% budgeted amount. The year-to-date Administrative Expense Ratio is 5.8% which is favorable to the 7.2% budgeted amount

**Kern Health Systems
Financial Packet
February 2022**

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 4-5 |
| Statement of Revenue, Expenses, and Changes in Net Position by Month - PMPM | Page 6-7 |
| Schedule of Revenues | Page 8 |
| Schedule of Medical Costs | Page 9 |
| Schedule of Medical Costs - PMPM | Page 10 |
| Schedule of Medical Costs by Month | Page 11 |
| Schedule of Medical Costs by Month – PMPM | Page 12 |
| Schedule of Administrative Expenses by Department | Page 13 |
| Schedule of Administrative Expenses by Department by Month | Page 14 |

KHS Group Health Plan – Healthy Families Line of Business

| | |
|---|---------|
| Comparative Statement of Net Position | Page 15 |
| Statement of Revenue, Expenses, and Changes in Net Position | Page 16 |

KHS Administrative Analysis and Other Reporting

| | |
|----------------------|---------|
| Monthly Member Count | Page 17 |
|----------------------|---------|

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF FEBRUARY 28, 2022 | | | |
|---|-----------------------|-----------------------|-----------------------|
| ASSETS | FEBRUARY 2022 | JANUARY 2022 | INC(DEC) |
| CURRENT ASSETS: | | | |
| Cash and Cash Equivalents | \$ 110,082,451 | \$ 98,780,766 | \$ 11,301,685 |
| Short-Term Investments | 197,029,763 | 228,854,533 | (31,824,770) |
| Premiums Receivable - Net | 114,434,059 | 111,527,905 | 2,906,154 |
| Premiums Receivable - Hospital Direct Payments | 353,942,998 | 336,264,490 | 17,678,508 |
| Interest Receivable | 172,815 | 89,670 | 83,145 |
| Provider Advance Payment | 4,487,925 | 4,950,536 | (462,611) |
| Other Receivables | 857,202 | 1,086,651 | (229,449) |
| Prepaid Expenses & Other Current Assets | 3,707,603 | 4,154,943 | (447,340) |
| Total Current Assets | \$ 784,714,816 | \$ 785,709,494 | \$ (994,678) |
| CAPITAL ASSETS - NET OF ACCUM DEPREE: | | | |
| Land | 4,090,706 | 4,090,706 | - |
| Furniture and Equipment - Net | 1,601,634 | 1,649,702 | (48,068) |
| Computer Hardware and Software - Net | 21,311,401 | 20,359,754 | 951,647 |
| Building and Building Improvements - Net | 34,476,285 | 34,552,394 | (76,109) |
| Capital Projects in Progress | 4,777,967 | 4,726,413 | 51,554 |
| Total Capital Assets | \$ 66,257,993 | \$ 65,378,969 | \$ 879,024 |
| LONG TERM ASSETS: | | | |
| Restricted Investments | 300,000 | 300,000 | - |
| Net Pension Asset | 693,712 | 693,712 | - |
| Officer Life Insurance Receivables | 1,653,011 | 1,653,011 | - |
| Total Long Term Assets | \$ 2,646,723 | \$ 2,646,723 | \$ - |
| DEFERRED OUTFLOWS OF RESOURCES | \$ 3,665,821 | \$ 3,665,821 | \$ - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 857,285,353 | \$ 857,401,007 | \$ (115,654) |
| LIABILITIES AND NET POSITION | | | |
| CURRENT LIABILITIES: | | | |
| Accrued Salaries and Employee Benefits | \$ 4,548,836 | \$ 4,347,975 | 200,861 |
| Accrued Other Operating Expenses | 2,299,389 | 2,493,846 | (194,457) |
| Accrued Taxes and Licenses | 19,639,337 | 9,745,283 | 9,894,054 |
| Claims Payable (Reported) | 37,085,879 | 37,899,721 | (813,842) |
| IBNR - Inpatient Claims | 36,378,175 | 37,478,070 | (1,099,895) |
| IBNR - Physician Claims | 19,087,713 | 16,944,268 | 2,143,445 |
| IBNR - Accrued Other Medical | 24,605,226 | 20,622,955 | 3,982,271 |
| Risk Pool and Withholds Payable | 5,953,300 | 5,487,879 | 465,421 |
| Statutory Allowance for Claims Processing Expense | 2,389,766 | 2,389,766 | - |
| Other Liabilities | 92,387,988 | 127,642,116 | (35,254,128) |
| Accrued Hospital Directed Payments | 353,942,998 | 336,264,490 | 17,678,508 |
| Total Current Liabilities | \$ 598,318,607 | \$ 601,316,369 | \$ (2,997,762) |
| NONCURRENT LIABILITIES: | | | |
| Net Pension Liability | - | - | - |
| TOTAL NONCURRENT LIABILITIES | \$ - | \$ - | \$ - |
| DEFERRED INFLOWS OF RESOURCES | \$ 5,338,319 | \$ 5,338,319 | \$ - |
| NET POSITION: | | | |
| Net Position - Beg. of Year | 247,476,325 | 247,476,325 | - |
| Increase (Decrease) in Net Position - Current Year | 6,152,102 | 3,269,994 | 2,882,108 |
| Total Net Position | \$ 253,628,427 | \$ 250,746,319 | \$ 2,882,108 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | \$ 857,285,353 | \$ 857,401,007 | \$ (115,654) |

| CURRENT MONTH MEMBERS | | | KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED FEBRUARY 28, 2022 | | | YEAR-TO-DATE MEMBER MONTHS | | |
|---------------------------------------|-------------|-------------|--|-------------|-------------|----------------------------|--|--|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE | | |
| 200,487 | 198,000 | 2,487 | Family Members | 400,418 | 394,700 | 5,718 | | |
| 84,347 | 80,430 | 3,917 | Expansion Members | 168,236 | 160,460 | 7,776 | | |
| 16,376 | 15,630 | 746 | SPD Members | 32,932 | 31,160 | 1,772 | | |
| 9,071 | 7,740 | 1,331 | Other Members | 18,037 | 15,480 | 2,557 | | |
| 13,032 | 13,000 | 32 | Kaiser Members | 25,819 | 26,000 | (181) | | |
| 323,313 | 314,800 | 8,513 | Total Members - MCAL | 645,442 | 627,800 | 17,642 | | |
| REVENUES | | | | | | | | |
| 37,126,546 | 35,174,664 | 1,951,882 | Title XIX - Medicaid - Family and Other | 74,136,160 | 70,162,803 | 3,973,357 | | |
| 29,945,915 | 28,018,147 | 1,927,768 | Title XIX - Medicaid - Expansion Members | 59,914,368 | 55,897,570 | 4,016,798 | | |
| 14,858,906 | 14,645,863 | 213,043 | Title XIX - Medicaid - SPD Members | 29,812,500 | 29,198,023 | 614,477 | | |
| 9,894,054 | 9,809,915 | 84,139 | Premium - MCO Tax | 19,793,368 | 19,563,738 | 229,630 | | |
| 17,654,496 | 16,923,733 | 730,763 | Premium - Hospital Directed Payments | 35,261,366 | 33,756,446 | 1,504,920 | | |
| 86,457 | 81,029 | 5,428 | Investment Earnings And Other Income | 416,030 | 161,547 | 254,483 | | |
| - | 54,324 | (54,324) | Reinsurance Recoveries | - | 108,324 | (108,324) | | |
| 24,013 | - | 24,013 | Rate Adjustments - Hospital Directed Payments | 254,190 | - | 254,190 | | |
| 977,794 | - | 977,794 | Rate/Income Adjustments | 1,935,269 | - | 1,935,269 | | |
| 110,568,181 | 104,707,676 | 5,860,505 | TOTAL REVENUES | 221,523,251 | 208,848,450 | 12,674,801 | | |
| EXPENSES | | | | | | | | |
| Medical Costs: | | | | | | | | |
| 19,319,317 | 16,895,847 | (2,423,470) | Physician Services | 36,857,347 | 33,693,085 | (3,164,262) | | |
| 4,902,710 | 5,767,675 | 864,965 | Other Professional Services | 9,943,743 | 11,513,579 | 1,569,836 | | |
| 5,098,972 | 5,498,232 | 399,260 | Emergency Room | 10,308,909 | 10,964,122 | 655,213 | | |
| 20,031,970 | 19,751,164 | (280,806) | Inpatient | 40,642,075 | 39,388,123 | (1,253,952) | | |
| 53,896 | 54,324 | 428 | Reinsurance Expense | 107,556 | 108,324 | 768 | | |
| 8,223,126 | 8,396,623 | 173,497 | Outpatient Hospital | 16,437,341 | 16,744,676 | 307,335 | | |
| 17,534,988 | 15,535,891 | (1,999,097) | Other Medical | 34,798,609 | 30,987,325 | (3,811,284) | | |
| 465,422 | 452,700 | (12,722) | Pay for Performance Quality Incentive | 929,435 | 902,700 | (26,735) | | |
| 17,654,496 | 16,923,733 | (730,763) | Hospital Directed Payments | 35,261,366 | 33,756,446 | (1,504,920) | | |
| 24,013 | - | (24,013) | Hospital Directed Payment Adjustment | 254,190 | - | (254,190) | | |
| 4,118 | - | (4,118) | Non-Claims Expense Adjustment | 47,656 | - | (47,656) | | |
| (1,010,781) | - | 1,010,781 | IBNR, Incentive, Paid Claims Adjustment | (1,010,154) | - | 1,010,154 | | |
| 92,302,247 | 89,276,190 | (3,026,057) | Total Medical Costs | 184,578,073 | 178,058,379 | (6,519,694) | | |
| 18,265,934 | 15,431,486 | 2,834,448 | GROSS MARGIN | 36,945,178 | 30,790,071 | 6,155,107 | | |
| Administrative: | | | | | | | | |
| 2,847,002 | 3,369,438 | 522,436 | Compensation | 5,963,844 | 6,738,877 | 775,033 | | |
| 877,498 | 1,108,544 | 231,046 | Purchased Services | 1,724,415 | 2,217,088 | 492,673 | | |
| (8,268) | 212,108 | 220,376 | Supplies | 183,640 | 424,215 | 240,575 | | |
| 571,126 | 526,572 | (44,554) | Depreciation | 1,142,252 | 1,053,144 | (89,108) | | |
| 259,997 | 366,066 | 106,069 | Other Administrative Expenses | 649,915 | 732,131 | 82,216 | | |
| (44,283) | - | 44,283 | Administrative Expense Adjustment | (46,187) | - | 46,187 | | |
| 4,503,072 | 5,582,728 | 1,079,656 | Total Administrative Expenses | 9,617,879 | 11,165,456 | 1,547,577 | | |
| 96,805,319 | 94,858,918 | (1,946,401) | TOTAL EXPENSES | 194,195,952 | 189,223,834 | (4,972,118) | | |
| 13,762,862 | 9,848,759 | 3,914,103 | OPERATING INCOME (LOSS) BEFORE TAX | 27,327,299 | 19,624,616 | 7,702,683 | | |
| 9,894,054 | 9,809,915 | (84,139) | MCO TAX | 19,788,108 | 19,563,738 | (224,370) | | |
| 3,868,808 | 38,843 | 3,829,965 | OPERATING INCOME (LOSS) NET OF TAX | 7,539,191 | 60,877 | 7,478,314 | | |
| NONOPERATING REVENUE (EXPENSE) | | | | | | | | |
| - | - | - | Gain on Sale of Assets | - | - | - | | |
| (731,992) | (333,333) | (398,659) | Provider Grants/CalAIM Initiative Grant | (968,090) | (666,666) | (301,424) | | |
| (254,708) | (83,333) | (171,375) | Health Home | (418,999) | (166,666) | (252,333) | | |
| (986,700) | (416,666) | (570,034) | TOTAL NONOPERATING REVENUE (EXPENSE) | (1,387,089) | (833,332) | (553,757) | | |
| 2,882,108 | (377,823) | 3,259,931 | NET INCREASE (DECREASE) IN NET POSITION | 6,152,102 | (772,455) | 6,924,557 | | |
| 89.9% | 92.8% | 2.9% | MEDICAL LOSS RATIO | 89.7% | 92.8% | 3.1% | | |
| 5.4% | 7.2% | 1.7% | ADMINISTRATIVE EXPENSE RATIO | 5.8% | 7.2% | 1.4% | | |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED FEBRUARY 28, 2022 | YEAR-TO-DATE | | |
|---------------------------------------|---------|----------|---|----------------|----------------|---------------|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE |
| ENROLLMENT | | | | | | |
| 200,487 | 198,000 | 2,487 | Family Members | 400,418 | 394,700 | 5,718 |
| 84,347 | 80,430 | 3,917 | Expansion Members | 168,236 | 160,460 | 7,776 |
| 16,376 | 15,630 | 746 | SPD Members | 32,932 | 31,160 | 1,772 |
| 9,071 | 7,740 | 1,331 | Other Members | 18,037 | 15,480 | 2,557 |
| 13,032 | 13,000 | 32 | Kaiser Members | 25,819 | 26,000 | (181) |
| 323,313 | 314,800 | 8,513 | Total Members - MCAL | 645,442 | 627,800 | 17,642 |
| REVENUES | | | | | | |
| 177.17 | 170.97 | 6.20 | Title XIX - Medicaid - Family and Other | 177.17 | 171.05 | 6.11 |
| 355.03 | 348.35 | 6.68 | Title XIX - Medicaid - Expansion Members | 356.13 | 348.36 | 7.77 |
| 907.36 | 937.04 | (29.68) | Title XIX - Medicaid - SPD Members | 905.27 | 937.04 | (31.76) |
| 31.89 | 32.50 | (0.62) | Premium - MCO Tax | 31.94 | 32.51 | (0.56) |
| 56.90 | 56.08 | 0.82 | Premium - Hospital Directed Payments | 56.91 | 56.09 | 0.82 |
| 0.28 | 0.27 | 0.01 | Investment Earnings And Other Income | 0.67 | 0.27 | 0.40 |
| 0.00 | 0.18 | (0.18) | Reinsurance Recoveries | 0.00 | 0.18 | (0.18) |
| 0.08 | 0.00 | 0.08 | Rate Adjustments - Hospital Directed Payments | 0.41 | 0.00 | 0.41 |
| 3.15 | 0.00 | 3.15 | Rate/Income Adjustments | 3.12 | 0.00 | 3.12 |
| 356.35 | 346.94 | 9.40 | TOTAL REVENUES | 357.51 | 347.04 | 10.47 |
| EXPENSES | | | | | | |
| Medical Costs: | | | | | | |
| 62.26 | 55.98 | (6.28) | Physician Services | 59.48 | 55.99 | (3.50) |
| 15.80 | 19.11 | 3.31 | Other Professional Services | 16.05 | 19.13 | 3.08 |
| 16.43 | 18.22 | 1.78 | Emergency Room | 16.64 | 18.22 | 1.58 |
| 64.56 | 65.44 | 0.88 | Inpatient | 65.59 | 65.45 | (0.14) |
| 0.17 | 0.18 | 0.01 | Reinsurance Expense | 0.17 | 0.18 | 0.01 |
| 26.50 | 27.82 | 1.32 | Outpatient Hospital | 26.53 | 27.82 | 1.30 |
| 56.51 | 51.48 | (5.04) | Other Medical | 56.16 | 51.49 | (4.67) |
| 1.50 | 1.50 | (0.00) | Pay for Performance Quality Incentive | 1.50 | 1.50 | (0.00) |
| 56.90 | 56.08 | (0.82) | Hospital Directed Payments | 56.91 | 56.09 | (0.82) |
| 0.08 | 0.00 | (0.08) | Hospital Directed Payment Adjustment | 0.41 | 0.00 | (0.41) |
| 0.01 | 0.00 | (0.01) | Non-Claims Expense Adjustment | 0.08 | 0.00 | (0.08) |
| (3.26) | 0.00 | 3.26 | IBNR, Incentive, Paid Claims Adjustment | (1.63) | 0.00 | 1.63 |
| 297.48 | 295.81 | (1.67) | Total Medical Costs | 297.89 | 295.88 | (2.01) |
| 58.87 | 51.13 | 7.74 | GROSS MARGIN | 59.63 | 51.16 | 8.46 |
| Administrative: | | | | | | |
| 9.18 | 11.16 | 1.99 | Compensation | 9.62 | 11.20 | 1.57 |
| 2.83 | 3.67 | 0.85 | Purchased Services | 2.78 | 3.68 | 0.90 |
| (0.03) | 0.70 | 0.73 | Supplies | 0.30 | 0.70 | 0.41 |
| 1.84 | 1.74 | (0.10) | Depreciation | 1.84 | 1.75 | (0.09) |
| 0.84 | 1.21 | 0.38 | Other Administrative Expenses | 1.05 | 1.22 | 0.17 |
| (0.14) | 0.00 | 0.14 | Administrative Expense Adjustment | (0.07) | 0.00 | 0.07 |
| 14.51 | 18.50 | 3.99 | Total Administrative Expenses | 15.52 | 18.55 | 3.03 |
| 311.99 | 314.31 | 2.32 | TOTAL EXPENSES | 313.41 | 314.43 | 1.02 |
| 44.36 | 32.63 | 11.72 | OPERATING INCOME (LOSS) BEFORE TAX | 44.10 | 32.61 | 11.49 |
| 31.89 | 32.50 | 0.62 | MCO TAX | 31.94 | 32.51 | 0.57 |
| 12.47 | 0.13 | 12.34 | OPERATING INCOME (LOSS) NET OF TAX | 12.17 | 0.10 | 12.07 |
| NONOPERATING REVENUE (EXPENSE) | | | | | | |
| 0.00 | 0.00 | 0.00 | Gain on Sale of Assets | 0.00 | 0.00 | 0.00 |
| (2.36) | (1.10) | (1.25) | Reserve Fund Projects/Community Grants | (1.56) | (1.11) | (0.45) |
| (0.82) | (0.28) | (0.54) | Health Home | (0.68) | (0.28) | (0.40) |
| (3.18) | (1.38) | (1.80) | TOTAL NONOPERATING REVENUE (EXPENSE) | (2.24) | (1.38) | (0.85) |
| 9.29 | (1.25) | 10.54 | NET INCREASE (DECREASE) IN NET POSITION | 9.93 | (1.28) | 11.21 |
| 89.9% | 92.8% | 2.9% | MEDICAL LOSS RATIO | 89.7% | 92.8% | 3.1% |
| 5.4% | 7.2% | 1.7% | ADMINISTRATIVE EXPENSE RATIO | 5.8% | 7.2% | 1.4% |

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH FEBRUARY 28, 2022 | FEBRUARY | MARCH | APRIL | MAY | JUNE | JULY | AUGUST |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|--------------------|
| | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 |
| ENROLLMENT | | | | | | | |
| Members - MCAL | 276,880 | 282,972 | 284,587 | 287,199 | 289,309 | 290,980 | 292,271 |
| REVENUES | | | | | | | |
| Title XIX - Medicaid - Family and Other | 33,365,704 | 33,587,650 | 33,739,041 | 34,872,666 | 35,878,342 | 35,761,670 | 34,569,656 |
| Title XIX - Medicaid - Expansion Members | 27,720,576 | 28,063,951 | 28,547,171 | 28,728,667 | 29,533,533 | 29,676,566 | 29,540,608 |
| Title XIX - Medicaid - SPD Members | 15,368,431 | 15,407,903 | 15,527,562 | 16,024,510 | 15,971,978 | 16,260,445 | 16,115,519 |
| Premium - MCO Tax | 9,657,982 | 9,752,737 | 9,805,142 | 9,876,747 | 9,961,634 | 10,025,153 | 10,069,582 |
| Premium - Hospital Directed Payments | 15,230,282 | 12,949,303 | 14,734,613 | 14,811,749 | 22,138,233 | 16,337,340 | 16,361,944 |
| Investment Earnings And Other Income | 116,471 | (249,580) | 205,894 | 195,233 | (408,458) | (39,267) | 567,469 |
| Rate Adjustments - Hospital Directed Payments | 21,877 | 78,150,342 | 3,134 | 79,899 | 4,445 | (29,149,066) | 7,365 |
| Rate/Income Adjustments | 594,678 | 1,527,455 | 266,498 | 595,656 | (93,658) | (294,637) | (458,866) |
| TOTAL REVENUES | 102,076,001 | 179,189,761 | 102,829,055 | 105,185,127 | 112,986,049 | 78,578,204 | 106,773,277 |
| EXPENSES | | | | | | | |
| Medical Costs: | | | | | | | |
| Physician Services | 14,731,540 | 15,058,794 | 15,642,095 | 15,744,708 | 16,190,717 | 15,305,367 | 15,819,470 |
| Other Professional Services | 4,883,941 | 5,048,627 | 5,107,193 | 4,658,383 | 4,460,451 | 4,604,443 | 4,825,412 |
| Emergency Room | 4,420,437 | 4,353,449 | 4,480,205 | 5,023,372 | 5,040,670 | 4,833,831 | 4,472,304 |
| Inpatient | 19,321,533 | 17,577,565 | 18,419,878 | 20,578,157 | 20,739,625 | 20,542,490 | 20,581,248 |
| Reinsurance Expense | 80,770 | 80,461 | 80,129 | 84,297 | 82,530 | 84,045 | 84,997 |
| Outpatient Hospital | 6,610,422 | 7,160,111 | 8,681,740 | 8,842,725 | 8,800,023 | 7,937,455 | 7,942,981 |
| Other Medical | 10,412,229 | 11,840,899 | 9,883,445 | 10,960,637 | 12,430,651 | 9,927,247 | 9,914,269 |
| Pharmacy | 9,049,621 | 10,299,227 | 9,412,697 | 9,349,484 | 10,442,688 | 9,774,211 | 10,298,442 |
| Pay for Performance Quality Incentive | 529,183 | 526,070 | 540,715 | 540,715 | 545,673 | 552,862 | 552,862 |
| Hospital Directed Payments | 15,230,282 | 12,949,303 | 14,734,613 | 14,811,759 | 22,138,233 | 16,337,330 | 16,361,944 |
| Hospital Directed Payment Adjustment | 21,878 | 77,356,953 | 3,134 | 597 | 3,943 | (29,149,382) | 7,365 |
| Non-Claims Expense Adjustment | 233,372 | 212,564 | 71,855 | 58,763 | 46,953 | (11,833) | 34,433 |
| IBNR, Incentive, Paid Claims Adjustment | 858,658 | 1,700,070 | (85,946) | 449,838 | (2,226,487) | 406,066 | (55,915) |
| Total Medical Costs | 86,383,866 | 164,164,093 | 86,971,753 | 91,103,435 | 98,695,670 | 61,144,132 | 90,839,812 |
| GROSS MARGIN | 15,692,135 | 15,025,668 | 15,857,302 | 14,081,692 | 14,290,379 | 17,434,072 | 15,933,465 |
| Administrative: | | | | | | | |
| Compensation | 2,908,104 | 2,457,160 | 2,691,957 | 2,748,394 | 2,731,289 | 2,805,915 | 2,781,896 |
| Purchased Services | 824,152 | 941,200 | 986,086 | 996,889 | 985,876 | 939,689 | 845,393 |
| Supplies | 57,416 | 4,446 | 131,712 | 57,943 | 85,576 | 156,626 | 193,504 |
| Depreciation | 422,834 | 426,541 | 426,541 | 422,382 | 425,837 | 425,522 | 427,805 |
| Other Administrative Expenses | 267,201 | 102,962 | 248,235 | 230,567 | 233,637 | 274,638 | 214,396 |
| Administrative Expense Adjustment | (271,318) | 57,294 | (5,010) | (215) | (63,654) | (1,674) | (2,367) |
| Total Administrative Expenses | 4,208,389 | 3,989,603 | 4,479,521 | 4,455,960 | 4,398,561 | 4,600,716 | 4,460,627 |
| TOTAL EXPENSES | 90,592,255 | 168,153,696 | 91,451,274 | 95,559,395 | 103,094,231 | 65,744,848 | 95,300,439 |
| OPERATING INCOME (LOSS) BEFORE TAX | 11,483,746 | 11,036,065 | 11,377,781 | 9,625,732 | 9,891,818 | 12,833,356 | 11,472,838 |
| MCO TAX | 8,904,649 | 8,933,228 | 8,905,080 | 8,905,142 | 8,904,648 | 9,894,054 | 9,894,055 |
| OPERATING INCOME (LOSS) NET OF TAX | 2,579,097 | 2,102,837 | 2,472,701 | 720,590 | 987,170 | 2,939,302 | 1,578,783 |
| TOTAL NONOPERATING REVENUE (EXPENSE) | (151,159) | (88,366) | (167,372) | (245,779) | (164,148) | (833,809) | (949,330) |
| NET INCREASE (DECREASE) IN NET POSITION | 2,427,938 | 2,014,471 | 2,305,329 | 474,811 | 823,022 | 2,105,493 | 629,453 |
| MEDICAL LOSS RATIO | 92.2% | 94.3% | 92.3% | 94.9% | 94.6% | 90.9% | 92.7% |
| ADMINISTRATIVE EXPENSE RATIO | 5.5% | 5.1% | 5.7% | 5.5% | 5.4% | 5.7% | 5.6% |

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH FEBRUARY 28, 2022 | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | JANUARY | FEBRUARY | 13 MONTH |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| | 2021 | 2021 | 2021 | 2021 | 2022 | 2022 | TOTAL |
| ENROLLMENT | | | | | | | |
| Members - MCAL | 294,672 | 295,865 | 296,989 | 298,205 | 309,342 | 310,281 | 3,809,552 |
| REVENUES | | | | | | | |
| Title XIX - Medicaid - Family and Other | 35,961,464 | 37,040,845 | 37,111,335 | 36,899,197 | 37,009,614 | 37,126,546 | 462,923,730 |
| Title XIX - Medicaid - Expansion Members | 29,932,046 | 30,140,656 | 31,001,586 | 30,241,720 | 29,968,453 | 29,945,915 | 383,041,448 |
| Title XIX - Medicaid - SPD Members | 16,075,172 | 16,206,131 | 16,254,790 | 16,506,513 | 14,953,594 | 14,858,906 | 205,531,454 |
| Premium - MCO Tax | 10,136,079 | 10,229,218 | 10,229,533 | 10,273,393 | 9,899,314 | 9,894,054 | 129,810,568 |
| Premium - Hospital Directed Payments | 16,554,814 | 16,726,476 | 16,753,272 | 16,836,470 | 17,606,870 | 17,654,496 | 214,695,862 |
| Investment Earnings And Other Income | (59,079) | 131,645 | 157,659 | (694,967) | 329,573 | 86,457 | 339,050 |
| Rate Adjustments - Hospital Directed Payments | 5,709 | 4,491 | 8,691 | (3,586) | 230,177 | 24,013 | 49,387,491 |
| Rate/Income Adjustments | 122,473 | 52,871 | 66,815 | 5,625 | 957,475 | 977,794 | 4,320,179 |
| TOTAL REVENUES | 108,728,678 | 110,532,333 | 111,583,681 | 110,064,365 | 110,955,070 | 110,568,181 | 1,450,049,782 |
| EXPENSES | | | | | | | |
| Medical Costs: | | | | | | | |
| Physician Services | 17,895,535 | 17,549,058 | 17,258,969 | 17,972,930 | 17,538,030 | 19,319,317 | 216,026,530 |
| Other Professional Services | 4,347,759 | 4,846,005 | 4,829,415 | 4,344,076 | 5,041,033 | 4,902,710 | 61,899,448 |
| Emergency Room | 3,735,609 | 4,506,067 | 4,818,883 | 4,391,622 | 5,209,937 | 5,098,972 | 60,385,358 |
| Inpatient | 20,303,427 | 23,207,054 | 21,256,426 | 17,137,562 | 20,610,105 | 20,031,970 | 260,307,040 |
| Reinsurance Expense | 84,384 | 85,133 | 86,151 | 86,147 | 53,660 | 53,896 | 1,026,600 |
| Outpatient Hospital | 7,529,697 | 7,080,379 | 7,793,785 | 6,083,159 | 8,214,215 | 8,223,126 | 100,899,818 |
| Other Medical | 10,572,454 | 10,784,127 | 12,549,269 | 11,502,354 | 17,263,621 | 17,534,988 | 155,576,190 |
| Pharmacy | 9,913,574 | 10,236,384 | 10,196,195 | 10,620,178 | - | - | 109,592,701 |
| Pay for Performance Quality Incentive | - | - | - | 1,420,000 | 464,013 | 465,422 | 6,137,515 |
| Hospital Directed Payments | 16,554,814 | 16,726,476 | 16,753,272 | 16,836,470 | 17,606,870 | 17,654,496 | 214,695,862 |
| Hospital Directed Payment Adjustment | (132,637) | 4,491 | 8,691 | (3,586) | 230,177 | 24,013 | 48,375,637 |
| Non-Claims Expense Adjustment | 20,737 | 8,907 | 24,857 | (44,256) | 43,538 | 4,118 | 704,008 |
| IBNR, Incentive, Paid Claims Adjustment | 14,595 | (924,120) | (1,378,922) | (1,022,824) | 627 | (1,010,781) | (3,275,141) |
| Total Medical Costs | 90,839,948 | 94,109,961 | 94,196,991 | 89,323,832 | 92,275,826 | 92,302,247 | 1,232,351,566 |
| GROSS MARGIN | 17,888,730 | 16,422,372 | 17,386,690 | 20,740,533 | 18,679,244 | 18,265,934 | 217,698,216 |
| Administrative: | | | | | | | |
| Compensation | 2,791,543 | 2,746,218 | 2,775,542 | 2,592,690 | 3,116,842 | 2,847,002 | 35,994,552 |
| Purchased Services | 968,021 | 991,178 | 1,095,098 | 1,355,474 | 846,917 | 877,498 | 12,653,471 |
| Supplies | (17,330) | 58,257 | 188,536 | 164,659 | 191,908 | (8,268) | 1,264,985 |
| Depreciation | 427,804 | 424,376 | 716,552 | 746,072 | 571,126 | 571,126 | 6,434,518 |
| Other Administrative Expenses | 443,524 | 348,575 | 276,718 | 605,706 | 389,918 | 259,997 | 3,896,074 |
| Administrative Expense Adjustment | 3,540 | 300 | 77,569 | (194,326) | (1,904) | (44,283) | (446,048) |
| Total Administrative Expenses | 4,617,102 | 4,568,904 | 5,130,015 | 5,270,275 | 5,114,807 | 4,503,072 | 59,797,552 |
| TOTAL EXPENSES | 95,457,050 | 98,678,865 | 99,327,006 | 94,594,107 | 97,390,633 | 96,805,319 | 1,292,149,118 |
| OPERATING INCOME (LOSS) BEFORE TAX | 13,271,628 | 11,853,468 | 12,256,675 | 15,470,258 | 13,564,437 | 13,762,862 | 157,900,664 |
| MCO TAX | 9,894,054 | 9,894,054 | 9,894,054 | 9,895,157 | 9,894,054 | 9,894,054 | 123,706,283 |
| OPERATING INCOME (LOSS) NET OF TAX | 3,377,574 | 1,959,414 | 2,362,621 | 5,575,101 | 3,670,383 | 3,868,808 | 34,194,381 |
| TOTAL NONOPERATING REVENUE (EXPENSE) | (2,438,918) | (1,027,231) | (1,516,642) | (175,210) | (400,389) | (986,700) | (9,145,053) |
| NET INCREASE (DECREASE) IN NET POSITION | 938,656 | 932,183 | 845,979 | 5,399,891 | 3,269,994 | 2,882,108 | 25,049,328 |
| MEDICAL LOSS RATIO | 90.7% | 92.6% | 91.5% | 87.4% | 89.4% | 89.9% | 91.8% |
| ADMINISTRATIVE EXPENSE RATIO | 5.6% | 5.5% | 6.1% | 6.4% | 6.1% | 5.4% | 5.7% |

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH FEBRUARY 28, 2022 | FEBRUARY | MARCH | APRIL | MAY | JUNE | JULY | AUGUST |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 |
| ENROLLMENT | | | | | | | |
| Members - MCAL | 276,880 | 282,972 | 284,587 | 287,199 | 289,309 | 290,980 | 292,271 |
| REVENUES | | | | | | | |
| Title XIX - Medicaid - Family and Other | 177.17 | 172.94 | 173.28 | 177.71 | 181.55 | 180.10 | 173.76 |
| Title XIX - Medicaid - Expansion Members | 397.58 | 382.20 | 385.72 | 381.99 | 388.41 | 387.35 | 380.84 |
| Title XIX - Medicaid - SPD Members | 816.21 | 1,005.21 | 978.42 | 1,017.24 | 1,020.90 | 1,029.14 | 1,023.27 |
| Premium - MCO Tax | 34.88 | 34.47 | 34.45 | 34.39 | 34.43 | 34.45 | 34.45 |
| Premium - Hospital Directed Payments | 55.01 | 45.76 | 51.78 | 51.57 | 76.52 | 56.15 | 55.98 |
| Investment Earnings And Other Income | 0.42 | (0.88) | 0.72 | 0.68 | (1.41) | (0.13) | 1.94 |
| Reinsurance Recoveries | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Rate Adjustments - Hospital Directed Payments | 0.08 | 276.18 | 0.01 | 0.28 | 0.02 | (100.18) | 0.03 |
| Rate/Income Adjustments | 2.15 | 5.40 | 0.94 | 2.07 | (0.32) | (1.01) | (1.57) |
| TOTAL REVENUES | 368.67 | 633.24 | 361.33 | 366.24 | 390.54 | 270.05 | 365.32 |
| EXPENSES | | | | | | | |
| Medical Costs: | | | | | | | |
| Physician Services | 53.21 | 53.22 | 54.96 | 54.82 | 55.96 | 52.60 | 54.13 |
| Other Professional Services | 17.64 | 17.84 | 17.95 | 16.22 | 15.42 | 15.82 | 16.51 |
| Emergency Room | 15.97 | 15.38 | 15.74 | 17.49 | 17.42 | 16.61 | 15.30 |
| Inpatient | 69.78 | 62.12 | 64.72 | 71.65 | 71.69 | 70.60 | 70.42 |
| Reinsurance Expense | 0.29 | 0.28 | 0.28 | 0.29 | 0.29 | 0.29 | 0.29 |
| Outpatient Hospital | 23.87 | 25.30 | 30.51 | 30.79 | 30.42 | 27.28 | 27.18 |
| Other Medical | 37.61 | 41.84 | 34.73 | 38.16 | 42.97 | 34.12 | 33.92 |
| Pharmacy | 32.68 | 36.40 | 33.07 | 32.55 | 36.10 | 33.59 | 35.24 |
| Pay for Performance Quality Incentive | 1.91 | 1.86 | 1.90 | 1.88 | 1.89 | 1.90 | 1.89 |
| Hospital Directed Payments | 55.01 | 45.76 | 51.78 | 51.57 | 76.52 | 56.15 | 55.98 |
| Hospital Directed Payment Adjustment | 0.08 | 273.37 | 0.01 | 0.00 | 0.01 | (100.18) | 0.03 |
| Non-Claims Expense Adjustment | 0.84 | 0.75 | 0.25 | 0.20 | 0.16 | (0.04) | 0.12 |
| IBNR, Incentive, Paid Claims Adjustment | 3.10 | 6.01 | (0.30) | 1.57 | (7.70) | 1.40 | (0.19) |
| Total Medical Costs | 311.99 | 580.14 | 305.61 | 317.21 | 341.14 | 210.13 | 310.81 |
| GROSS MARGIN | 56.67 | 53.10 | 55.72 | 49.03 | 49.39 | 59.92 | 54.52 |
| Administrative: | | | | | | | |
| Compensation | 10.50 | 8.68 | 9.46 | 9.57 | 9.44 | 9.64 | 9.52 |
| Purchased Services | 2.98 | 3.33 | 3.46 | 3.47 | 3.41 | 3.23 | 2.89 |
| Supplies | 0.21 | 0.02 | 0.46 | 0.20 | 0.30 | 0.54 | 0.66 |
| Depreciation | 1.53 | 1.51 | 1.50 | 1.47 | 1.47 | 1.46 | 1.46 |
| Other Administrative Expenses | 0.97 | 0.36 | 0.87 | 0.80 | 0.81 | 0.94 | 0.73 |
| Administrative Expense Adjustment | (0.98) | 0.20 | (0.02) | (0.00) | (0.22) | (0.01) | (0.01) |
| Total Administrative Expenses | 15.20 | 14.10 | 15.74 | 15.52 | 15.20 | 15.81 | 15.26 |
| TOTAL EXPENSES | 327.19 | 594.24 | 321.35 | 332.73 | 356.35 | 225.94 | 326.07 |
| OPERATING INCOME (LOSS) BEFORE TAX | 41.48 | 39.00 | 39.98 | 33.52 | 34.19 | 44.10 | 39.25 |
| MCO TAX | 32.16 | 31.57 | 31.29 | 31.01 | 30.78 | 34.00 | 33.85 |
| OPERATING INCOME (LOSS) NET OF TAX | 9.31 | 7.43 | 8.69 | 2.51 | 3.41 | 10.10 | 5.40 |
| TOTAL NONOPERATING REVENUE (EXPENSE) | (0.55) | (0.31) | (0.59) | (0.86) | (0.57) | (2.87) | (3.25) |
| NET INCREASE (DECREASE) IN NET POSITION | 8.77 | 7.12 | 8.10 | 1.65 | 2.84 | 7.24 | 2.15 |
| MEDICAL LOSS RATIO | 92.2% | 94.3% | 92.3% | 94.9% | 94.6% | 90.9% | 92.7% |
| ADMINISTRATIVE EXPENSE RATIO | 5.5% | 5.1% | 5.7% | 5.5% | 5.4% | 5.7% | 5.6% |

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH FEBRUARY 28, 2022 | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | JANUARY | FEBRUARY | 13 MONTH |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2021 | 2021 | 2021 | 2021 | 2022 | 2022 | TOTAL |
| ENROLLMENT | | | | | | | |
| Members - MCAL | 294,672 | 295,865 | 296,989 | 298,205 | 309,342 | 310,281 | 3,809,552 |
| REVENUES | | | | | | | |
| Title XIX - Medicaid - Family and Other | 179.43 | 183.53 | 183.31 | 181.56 | 177.17 | 177.17 | 178.37 |
| Title XIX - Medicaid - Expansion Members | 383.93 | 383.57 | 393.96 | 382.19 | 357.24 | 355.03 | 381.12 |
| Title XIX - Medicaid - SPD Members | 1,017.48 | 1,018.29 | 1,026.19 | 1,042.14 | 903.21 | 907.36 | 982.54 |
| Premium - MCO Tax | 34.40 | 34.57 | 34.44 | 34.45 | 32.00 | 31.89 | 34.08 |
| Premium - Hospital Directed Payments | 56.18 | 56.53 | 56.41 | 56.46 | 56.92 | 56.90 | 56.36 |
| Investment Earnings And Other Income | (0.20) | 0.44 | 0.53 | (2.33) | 1.07 | 0.28 | 0.09 |
| Reinsurance Recoveries | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Rate Adjustments - Hospital Directed Payments | 0.02 | 0.02 | 0.03 | (0.01) | 0.74 | 0.08 | 12.96 |
| Rate/Income Adjustments | 0.42 | 0.18 | 0.22 | 0.02 | 3.10 | 3.15 | 1.13 |
| TOTAL REVENUES | 368.98 | 373.59 | 375.72 | 369.09 | 358.68 | 356.35 | 380.64 |
| EXPENSES | | | | | | | |
| Medical Costs: | | | | | | | |
| Physician Services | 60.73 | 59.31 | 58.11 | 60.27 | 56.69 | 62.26 | 56.71 |
| Other Professional Services | 14.75 | 16.38 | 16.26 | 14.57 | 16.30 | 15.80 | 16.25 |
| Emergency Room | 12.68 | 15.23 | 16.23 | 14.73 | 16.84 | 16.43 | 15.85 |
| Inpatient | 68.90 | 78.44 | 71.57 | 57.47 | 66.63 | 64.56 | 68.33 |
| Reinsurance Expense | 0.29 | 0.29 | 0.29 | 0.29 | 0.17 | 0.17 | 0.27 |
| Outpatient Hospital | 25.55 | 23.93 | 26.24 | 20.40 | 26.55 | 26.50 | 26.49 |
| Other Medical | 35.88 | 36.45 | 42.25 | 38.57 | 55.81 | 56.51 | 40.84 |
| Pharmacy | 33.64 | 34.60 | 34.33 | 35.61 | 0.00 | 0.00 | 28.77 |
| Pay for Performance Quality Incentive | 0.00 | 0.00 | 0.00 | 4.76 | 1.50 | 1.50 | 1.61 |
| Hospital Directed Payments | 56.18 | 56.53 | 56.41 | 56.46 | 56.92 | 56.90 | 56.36 |
| Hospital Directed Payment Adjustment | (0.45) | 0.02 | 0.03 | (0.01) | 0.74 | 0.08 | 12.70 |
| Non-Claims Expense Adjustment | 0.07 | 0.03 | 0.08 | (0.15) | 0.14 | 0.01 | 0.18 |
| IBNR, Incentive, Paid Claims Adjustment | 0.05 | (3.12) | (4.64) | (3.43) | 0.00 | (3.26) | (0.86) |
| Total Medical Costs | 308.27 | 318.08 | 317.17 | 299.54 | 298.30 | 297.48 | 323.49 |
| GROSS MARGIN | 60.71 | 55.51 | 58.54 | 69.55 | 60.38 | 58.87 | 57.15 |
| Administrative: | | | | | | | |
| Compensation | 9.47 | 9.28 | 9.35 | 8.69 | 10.08 | 9.18 | 9.45 |
| Purchased Services | 3.29 | 3.35 | 3.69 | 4.55 | 2.74 | 2.83 | 3.32 |
| Supplies | (0.06) | 0.20 | 0.63 | 0.55 | 0.62 | (0.03) | 0.33 |
| Depreciation | 1.45 | 1.43 | 2.41 | 2.50 | 1.85 | 1.84 | 1.69 |
| Other Administrative Expenses | 1.51 | 1.18 | 0.93 | 2.03 | 1.26 | 0.84 | 1.02 |
| Administrative Expense Adjustment | 0.01 | 0.00 | 0.26 | (0.65) | (0.01) | (0.14) | (0.12) |
| Total Administrative Expenses | 15.67 | 15.44 | 17.27 | 17.67 | 16.53 | 14.51 | 15.70 |
| TOTAL EXPENSES | 323.94 | 333.53 | 334.45 | 317.21 | 314.83 | 311.99 | 339.19 |
| OPERATING INCOME (LOSS) BEFORE TAX | 45.04 | 40.06 | 41.27 | 51.88 | 43.85 | 44.36 | 41.45 |
| MCO TAX | 33.58 | 33.44 | 33.31 | 33.18 | 31.98 | 31.89 | 32.47 |
| OPERATING INCOME (LOSS) NET OF TAX | 11.46 | 6.62 | 7.96 | 18.70 | 11.87 | 12.47 | 8.98 |
| TOTAL NONOPERATING REVENUE (EXPENSE) | (8.28) | (3.47) | (5.11) | (0.59) | (1.29) | (3.18) | (2.40) |
| NET INCREASE (DECREASE) IN NET POSITION | 3.19 | 3.15 | 2.85 | 18.11 | 10.57 | 9.29 | 6.58 |
| MEDICAL LOSS RATIO | 90.7% | 92.6% | 91.5% | 87.4% | 89.4% | 89.9% | 91.8% |
| ADMINISTRATIVE EXPENSE RATIO | 5.6% | 5.5% | 6.1% | 6.4% | 6.1% | 5.4% | 5.7% |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED FEBRUARY 28, 2022 | YEAR-TO-DATE | | |
|--|------------|-----------|--|-------------------|-------------------|------------------|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE |
| REVENUES | | | | | | |
| Title XIX - Medicaid - Family & Other | | | | | | |
| 27,065,864 | 26,250,900 | 814,964 | Premium - Medi-Cal | 54,025,540 | 52,352,645 | 1,672,895 |
| 2,497,097 | 2,764,572 | (267,475) | Premium - Maternity Kick | 5,181,664 | 5,529,145 | (347,481) |
| 511,902 | 461,737 | 50,165 | Premium - Enhanced Care Management | 1,020,696 | 921,515 | 99,181 |
| 136,363 | 128,736 | 7,627 | Premium - Major Organ Transplant | 272,092 | 256,824 | 15,268 |
| 513,174 | 480,936 | 32,238 | Premium - Cal AIM | 1,024,415 | 958,833 | 65,582 |
| 423,384 | 742,688 | (319,304) | Premium - BHT Kick | 985,817 | 1,480,683 | (494,866) |
| 3,994,061 | 3,937,824 | 56,237 | Premium - Provider Enhancement | 7,974,886 | 7,851,009 | 123,877 |
| 204,917 | 199,418 | 5,499 | Premium - Ground Emergency Medical Transportation | 409,067 | 397,649 | 11,418 |
| 556,743 | 101,092 | 455,651 | Premium - Behavioral Health Integration Program | 1,113,415 | 201,545 | 911,870 |
| 1,099,528 | - | 1,099,528 | Premium - Vaccine Incentive | 1,882,069 | - | 1,882,069 |
| 123,513 | 106,760 | 16,753 | Other | 246,499 | 212,954 | 33,545 |
| 37,126,546 | 35,174,664 | 1,951,882 | Total Title XIX - Medicaid - Family & Other | 74,136,160 | 70,162,803 | 3,973,357 |
| Title XIX - Medicaid - Expansion Members | | | | | | |
| 25,421,346 | 24,381,349 | 1,039,997 | Premium - Medi-Cal | 50,814,603 | 48,640,959 | 2,173,644 |
| 412,434 | 234,964 | 177,470 | Premium - Maternity Kick | 974,843 | 469,928 | 504,915 |
| 903,259 | 817,034 | 86,225 | Premium - Enhanced Care Management | 1,804,466 | 1,629,954 | 174,512 |
| 215,928 | 204,060 | 11,868 | Premium - Major Organ Transplant | 431,659 | 407,092 | 24,567 |
| 486,147 | 447,979 | 38,168 | Premium - Cal AIM | 969,325 | 893,730 | 75,595 |
| - | - | - | Premium - BHT Kick | 3,165 | - | 3,165 |
| 1,640,342 | 1,606,604 | 33,738 | Premium - Provider Enhancement | 3,279,619 | 3,205,218 | 74,401 |
| 212,699 | 203,407 | 9,292 | Premium - Ground Emergency Medical Transportation | 425,246 | 405,803 | 19,443 |
| 224,088 | 94,165 | 129,923 | Premium - Behavioral Health Integration Program | 447,637 | 187,861 | 259,776 |
| 396,519 | - | 396,519 | Premium - Vaccine Incentive | 697,549 | - | 697,549 |
| 33,153 | 28,584 | 4,569 | Other | 66,256 | 57,024 | 9,232 |
| 29,945,915 | 28,018,147 | 1,927,768 | Total Title XIX - Medicaid - Expansion Members | 59,914,368 | 55,897,570 | 4,016,798 |
| Title XIX - Medicaid - SPD Members | | | | | | |
| 12,802,009 | 12,421,943 | 380,067 | Premium - Medi-Cal | 25,610,913 | 24,764,410 | 846,504 |
| 469,905 | 446,862 | 23,043 | Premium - Enhanced Care Management | 939,725 | 890,865 | 48,860 |
| 146,249 | 142,077 | 4,172 | Premium - Major Organ Transplant | 292,542 | 283,245 | 9,297 |
| 245,780 | 228,215 | 17,565 | Premium - Cal AIM | 491,027 | 454,970 | 36,057 |
| 449,843 | 754,793 | (304,950) | Premium - BHT Kick | 1,006,844 | 1,504,757 | (497,913) |
| 478,484 | 464,271 | 14,213 | Premium - Provider Enhancement | 957,112 | 925,572 | 31,540 |
| 143,515 | 139,732 | 3,783 | Premium - Ground Emergency Medical Transportation | 287,073 | 278,570 | 8,503 |
| 43,507 | 47,971 | (4,464) | Premium - Behavioral Health Integration Program | 87,626 | 95,635 | (8,009) |
| 79,614 | - | 79,614 | Premium - Vaccine Incentive | 139,638 | - | 139,638 |
| 14,858,906 | 14,645,863 | 213,043 | Total Title XIX - Medicaid - SPD Members | 29,812,500 | 29,198,023 | 614,477 |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED FEBRUARY 28, 2022 | YEAR-TO-DATE | | |
|---------------|------------|-------------|---|--------------------|--------------------|--------------------|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE |
| | | | PHYSICIAN SERVICES | | | |
| 3,950,940 | 3,884,017 | (66,923) | Primary Care Physician Services | 7,423,841 | 7,744,884 | 321,043 |
| 12,825,148 | 11,409,913 | (1,415,235) | Referral Specialty Services | 24,215,177 | 22,753,826 | (1,461,351) |
| 2,534,829 | 1,593,517 | (941,312) | Urgent Care & After Hours Advise | 5,200,629 | 3,176,675 | (2,023,954) |
| 8,400 | 8,400 | - | Hospital Admitting Team | 17,700 | 17,700 | - |
| 19,319,317 | 16,895,847 | (2,423,470) | TOTAL PHYSICIAN SERVICES | 36,857,347 | 33,693,085 | (3,164,262) |
| | | | OTHER PROFESSIONAL SERVICES | | | |
| 299,421 | 317,154 | 17,733 | Vision Service Capitation | 597,534 | 632,416 | 34,882 |
| 1,814,144 | 2,154,062 | 339,918 | Medical Departments - UM Allocation * | 3,688,434 | 4,308,124 | 619,690 |
| 984,520 | 1,497,481 | 512,961 | Behavior Health Treatment | 2,128,253 | 2,985,440 | 857,187 |
| 151,598 | 150,368 | (1,230) | Mental Health Services | 537,513 | 299,839 | (237,674) |
| 1,653,027 | 1,648,611 | (4,416) | Other Professional Services | 2,992,009 | 3,287,760 | 295,751 |
| 4,902,710 | 5,767,675 | 864,965 | TOTAL OTHER PROFESSIONAL SERVICES | 9,943,743 | 11,513,579 | 1,569,836 |
| 5,098,972 | 5,498,232 | 399,260 | EMERGENCY ROOM | 10,308,909 | 10,964,122 | 655,213 |
| 20,031,970 | 19,751,164 | (280,806) | INPATIENT HOSPITAL | 40,642,075 | 39,388,123 | (1,253,952) |
| 53,896 | 54,324 | 428 | REINSURANCE EXPENSE PREMIUM | 107,556 | 108,324 | 768 |
| 8,223,126 | 8,396,623 | 173,497 | OUTPATIENT HOSPITAL SERVICES | 16,437,341 | 16,744,676 | 307,335 |
| | | | OTHER MEDICAL | | | |
| 1,293,500 | 1,580,637 | 287,137 | Ambulance and NEMT | 2,614,569 | 3,151,841 | 537,272 |
| 813,833 | 681,296 | (132,537) | Home Health Services & CBAS | 1,547,352 | 1,358,479 | (188,873) |
| 755,405 | 1,106,708 | 351,303 | Utilization and Quality Review Expenses | 1,522,778 | 2,213,416 | 690,638 |
| 1,669,982 | 1,423,781 | (246,201) | Long Term/SNF/Hospice | 3,255,583 | 2,839,051 | (416,532) |
| 5,819,707 | 5,734,066 | (85,641) | Provider Enhancement Expense - Prop. 56 | 11,625,911 | 11,433,862 | (192,049) |
| 463,069 | 515,430 | 52,361 | Provider Enhancement Expense - GEMT | 926,139 | 1,027,922 | 101,783 |
| 1,628,354 | - | (1,628,354) | Vaccine Incentive Program Expense | 2,771,949 | - | (2,771,949) |
| 824,339 | 243,227 | (581,112) | Behavioral Health Integration Program | 1,648,678 | 485,041 | (1,163,637) |
| 1,561,486 | 1,725,633 | 164,147 | Enhanced Care Management | 3,584,892 | 3,442,333 | (142,559) |
| 473,613 | 474,149 | 536 | Major Organ Transplant | 946,479 | 945,553 | (926) |
| 1,257,731 | 1,157,131 | (100,600) | Cal AIM Incentive Programs | 2,498,927 | 2,307,534 | (191,393) |
| 973,969 | 893,834 | (80,135) | DME/Rebates | 1,855,352 | 1,782,293 | (73,059) |
| 17,534,988 | 15,535,891 | (1,999,097) | TOTAL OTHER MEDICAL | 34,798,609 | 30,987,325 | (3,811,284) |
| 465,422 | 452,700 | (12,722) | PAY FOR PERFORMANCE QUALITY INCENTIVE | 929,435 | 902,700 | (26,735) |
| 17,654,496 | 16,923,733 | (730,763) | HOSPITAL DIRECTED PAYMENTS | 35,261,366 | 33,756,446 | (1,504,920) |
| 24,013 | - | (24,013) | HOSPITAL DIRECTED PAYMENT ADJUSTMENT | 254,190 | - | (254,190) |
| 4,118 | - | (4,118) | NON-CLAIMS EXPENSE ADJUSTMENT | 47,656 | - | (47,656) |
| (1,010,781) | - | 1,010,781 | IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | (1,010,154) | - | 1,010,154 |
| 92,302,247 | 89,276,190 | (3,026,057) | Total Medical Costs | 184,578,073 | 178,058,379 | (6,519,694) |

KHS6/1/2022 Management Use Only * Medical costs per DMHC regulations

| CURRENT MONTH | | | KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED FEBRUARY 28, 2022 | YEAR-TO-DATE | | |
|---------------|--------|----------|--|--------------|--------|----------|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE |
| | | | PHYSICIAN SERVICES | | | |
| 12.73 | 12.87 | 0.14 | Primary Care Physician Services | 11.98 | 12.87 | 0.89 |
| 41.33 | 37.81 | (3.53) | Referral Specialty Services | 39.08 | 37.81 | (1.27) |
| 8.17 | 5.28 | (2.89) | Urgent Care & After Hours Advise | 8.39 | 5.28 | (3.11) |
| 0.03 | 0.03 | 0.00 | Hospital Admitting Team | 0.03 | 0.03 | 0.00 |
| 62.26 | 55.98 | (6.28) | TOTAL PHYSICIAN SERVICES | 59.48 | 55.99 | (3.50) |
| | | | OTHER PROFESSIONAL SERVICES | | | |
| 0.96 | 1.05 | 0.09 | Vision Service Capitation | 0.96 | 1.05 | 0.09 |
| 5.85 | 7.14 | 1.29 | Medical Departments - UM Allocation * | 5.95 | 7.16 | 1.21 |
| 3.17 | 4.96 | 1.79 | Behavior Health Treatment | 3.43 | 4.96 | 1.53 |
| 0.49 | 0.50 | 0.01 | Mental Health Services | 0.87 | 0.50 | (0.37) |
| 5.33 | 5.46 | 0.14 | Other Professional Services | 4.83 | 5.46 | 0.63 |
| 15.80 | 19.11 | 3.31 | TOTAL OTHER PROFESSIONAL SERVICES | 16.05 | 19.13 | 3.08 |
| 16.43 | 18.22 | 1.78 | EMERGENCY ROOM | 16.64 | 18.22 | 1.58 |
| 64.56 | 65.44 | 0.88 | INPATIENT HOSPITAL | 65.59 | 65.45 | (0.14) |
| 0.17 | 0.18 | 0.01 | REINSURANCE EXPENSE PREMIUM | 0.17 | 0.18 | 0.01 |
| 26.50 | 27.82 | 1.32 | OUTPATIENT HOSPITAL SERVICES | 26.53 | 27.82 | 1.30 |
| | | | OTHER MEDICAL | | | |
| 4.17 | 5.24 | 1.07 | Ambulance and NEMT | 4.22 | 5.24 | 1.02 |
| 2.62 | 2.26 | (0.37) | Home Health Services & CBAS | 2.50 | 2.26 | (0.24) |
| 2.43 | 3.67 | 1.23 | Utilization and Quality Review Expenses | 2.46 | 3.68 | 1.22 |
| 5.38 | 4.72 | (0.66) | Long Term/SNF/Hospice | 5.25 | 4.72 | (0.54) |
| 18.76 | 19.00 | 0.24 | Provider Enhancement Expense - Prop. 56 | 18.76 | 19.00 | 0.24 |
| 1.49 | 1.71 | 0.22 | Provider Enhancement Expense - GEMT | 1.49 | 1.71 | 0.21 |
| 5.25 | 0.00 | (5.25) | Vaccine Incentive Program Expense | 4.47 | 0.00 | (4.47) |
| 2.66 | 0.81 | (1.85) | Behaviorial Health Integration Program | 2.66 | 0.81 | (1.85) |
| 5.03 | 5.72 | 0.69 | Enhanced Care Management | 5.79 | 5.72 | (0.07) |
| 1.53 | 1.57 | 0.04 | Major Organ Transplant | 1.53 | 1.57 | 0.04 |
| 4.05 | 3.83 | (0.22) | Cal AIM Incentive Programs | 4.03 | 3.83 | (0.20) |
| 3.14 | 2.96 | (0.18) | DME | 2.99 | 2.96 | (0.03) |
| 56.51 | 51.48 | (5.04) | TOTAL OTHER MEDICAL | 56.16 | 51.49 | (4.67) |
| 1.50 | 1.50 | (0.00) | PAY FOR PERFORMANCE QUALITY INCENTIVE | 1.50 | 1.50 | 0.00 |
| 56.90 | 56.08 | (0.82) | HOSPITAL DIRECTED PAYMENTS | 56.91 | 56.09 | (0.82) |
| 0.08 | 0.00 | (0.08) | HOSPITAL DIRECTED PAYMENT ADJUSTMENT | 0.41 | 0.00 | (0.41) |
| 0.01 | 0.00 | (0.01) | NON-CLAIMS EXPENSE ADJUSTMENT | 0.08 | 0.00 | (0.08) |
| (3.26) | 0.00 | 3.26 | IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | (1.63) | 0.00 | 1.63 |
| 297.48 | 295.81 | (1.67) | Total Medical Costs | 297.89 | 295.88 | (2.01) |

* Medical costs per DMHC regulations

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH FEBRUARY 28, 2022 | JANUARY 2022 | FEBRUARY 2022 | YEAR TO DATE 2022 |
|--|-------------------|--------------------|-------------------------|
| PHYSICIAN SERVICES | | | |
| Primary Care Physician Services | 3,472,901 | 3,950,940 | 7,423,841 |
| Referral Specialty Services | 11,390,029 | 12,825,148 | 24,215,177 |
| Urgent Care & After Hours Advise | 2,665,800 | 2,534,829 | 5,200,629 |
| Hospital Admitting Team | 9,300 | 8,400 | 17,700 |
| TOTAL PHYSICIAN SERVICES | 17,538,030 | 19,319,317 | 36,857,347 |
| OTHER PROFESSIONAL SERVICES | | | |
| Vision Service Capitation | 298,113 | 299,421 | 597,534 |
| Medical Departments - UM Allocation * | 1,874,290 | 1,814,144 | 3,688,434 |
| Behavior Health Treatment | 1,143,733 | 984,520 | 2,128,253 |
| Mental Health Services | 385,915 | 151,598 | 537,513 |
| Other Professional Services | 1,338,982 | 1,653,027 | 2,992,009 |
| TOTAL OTHER PROFESSIONAL SERVICES | 5,041,033 | 4,902,710 | 9,943,743 |
| EMERGENCY ROOM | 5,209,937 | 5,098,972 | 10,308,909 |
| INPATIENT HOSPITAL | 20,610,105 | 20,031,970 | 40,642,075 |
| REINSURANCE EXPENSE PREMIUM | 53,660 | 53,896 | 107,556 |
| OUTPATIENT HOSPITAL SERVICES | 8,214,215 | 8,223,126 | 16,437,341 |
| OTHER MEDICAL | | | |
| Ambulance and NEMT | 1,321,069 | 1,293,500 | 2,614,569 |
| Home Health Services & CBAS | 733,519 | 813,833 | 1,547,352 |
| Utilization and Quality Review Expenses | 767,373 | 755,405 | 1,522,778 |
| Long Term/SNF/Hospice | 1,585,601 | 1,669,982 | 3,255,583 |
| Provider Enhancement Expense - Prop. 56 | 5,806,204 | 5,819,707 | 11,625,911 |
| Provider Enhancement Expense - GEMT | 463,070 | 463,069 | 926,139 |
| Vaccine Incentive Program Expense | 1,143,595 | 1,628,354 | 2,771,949 |
| Behaviorial Health Integration Program | 824,339 | 824,339 | 1,648,678 |
| Enhanced Care Management | 2,023,406 | 1,561,486 | 3,584,892 |
| Major Organ Transplant | 472,866 | 473,613 | 946,479 |
| Cal AIM Incentive Programs | 1,241,196 | 1,257,731 | 2,498,927 |
| DME | 881,383 | 973,969 | 1,855,352 |
| TOTAL OTHER MEDICAL | 17,263,621 | 17,534,988 | 34,798,609 |
| PAY FOR PERFORMANCE QUALITY INCENTIVE | 464,013 | 465,422 | 929,435 |
| HOSPITAL DIRECTED PAYMENTS | 17,606,870 | 17,654,496 | 35,261,366 |
| HOSPITAL DIRECTED PAYMENT ADJUSTMENT | 230,177 | 24,013 | 254,190 |
| NON-CLAIMS EXPENSE ADJUSTMENT | 43,538 | 4,118 | 47,656 |
| IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | 627 | (1,010,781) | (1,010,154) |
| Total Medical Costs | 92,275,826 | 92,302,247 | 184,578,073 |

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH FEBRUARY 28, 2022 | JANUARY 2022 | FEBRUARY 2022 | YEAR TO DATE 2022 |
|---|-------------------------|--------------------------|----------------------------------|
| PHYSICIAN SERVICES | | | |
| Primary Care Physician Services | 11.23 | 12.73 | 11.98 |
| Referral Specialty Services | 36.82 | 41.33 | 39.08 |
| Urgent Care & After Hours Advise | 8.62 | 8.17 | 8.39 |
| Hospital Admitting Team | 0.03 | 0.03 | 0.03 |
| TOTAL PHYSICIAN SERVICES | 56.69 | 62.26 | 59.48 |
| OTHER PROFESSIONAL SERVICES | | | |
| Vision Service Capitation | 0.96 | 0.96 | 0.96 |
| Medical Departments - UM Allocation * | 6.06 | 5.85 | 5.95 |
| Behavior Health Treatment | 3.70 | 3.17 | 3.43 |
| Mental Health Services | 1.25 | 0.49 | 0.87 |
| Other Professional Services | 4.33 | 5.33 | 4.83 |
| TOTAL OTHER PROFESSIONAL SERVICES | 16.30 | 15.80 | 16.05 |
| EMERGENCY ROOM | 16.84 | 16.43 | 16.64 |
| INPATIENT HOSPITAL | 66.63 | 64.56 | 65.59 |
| REINSURANCE EXPENSE PREMIUM | 0.17 | 0.17 | 0.17 |
| OUTPATIENT HOSPITAL SERVICES | 26.55 | 26.50 | 26.53 |
| OTHER MEDICAL | | | |
| Ambulance and NEMT | 4.27 | 4.17 | 4.22 |
| Home Health Services & CBAS | 2.37 | 2.62 | 2.50 |
| Utilization and Quality Review Expenses | 2.48 | 2.43 | 2.46 |
| Long Term/SNF/Hospice | 5.13 | 5.38 | 5.25 |
| Provider Enhancement Expense - Prop. 56 | 18.77 | 18.76 | 18.76 |
| Provider Enhancement Expense - GEMT | 1.50 | 1.49 | 1.49 |
| Vaccine Incentive Program Expense | 3.70 | 5.25 | 4.47 |
| Behaviorial Health Integration Program | 2.66 | 2.66 | 2.66 |
| Enhanced Care Management | 6.54 | 5.03 | 5.79 |
| Major Organ Transplant | 1.53 | 1.53 | 1.53 |
| Cal AIM Incentive Programs | 4.01 | 4.05 | 4.03 |
| DME | 2.85 | 3.14 | 2.99 |
| TOTAL OTHER MEDICAL | 55.81 | 56.51 | 56.16 |
| PAY FOR PERFORMANCE QUALITY INCENTIVE | 1.50 | 1.50 | 1.50 |
| HOSPITAL DIRECTED PAYMENTS | 56.92 | 56.90 | 56.91 |
| HOSPITAL DIRECTED PAYMENT ADJUSTMENT | 0.74 | 0.08 | 0.41 |
| NON-CLAIMS EXPENSE ADJUSTMENT | 0.14 | 0.01 | 0.08 |
| IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | 0.00 | (3.26) | (1.63) |
| Total Medical Costs | 298.30 | 297.48 | 297.89 |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED FEBRUARY 28, 2022 | YEAR-TO-DATE | | |
|---------------|-----------|-----------|---|--------------|------------|-----------|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE |
| 403,286 | 459,798 | 56,512 | 110 - Executive | 827,594 | 919,596 | 92,002 |
| 178,928 | 234,469 | 55,541 | 210 - Accounting | 412,169 | 468,938 | 56,769 |
| 238,917 | 359,967 | 121,050 | 220 - Management Information Systems | 574,694 | 719,934 | 145,240 |
| 65,687 | 54,298 | (11,389) | 221 - Business Intelligence | 78,729 | 108,596 | 29,867 |
| 250,898 | 383,664 | 132,766 | 222 - Enterprise Development | 558,552 | 767,328 | 208,776 |
| 427,685 | 533,193 | 105,508 | 225 - Infrastructure | 901,484 | 1,066,386 | 164,902 |
| 548,583 | 615,321 | 66,738 | 230 - Claims | 1,130,623 | 1,230,642 | 100,019 |
| 152,433 | 187,947 | 35,514 | 240 - Project Management | 324,350 | 375,894 | 51,544 |
| 126,622 | 180,989 | 54,367 | 310 - Health Services - Utilization Management | 266,158 | 361,978 | 95,820 |
| 15,545 | 14,039 | (1,506) | 311 - Health Services - Quality Improvement | 15,822 | 28,078 | 12,256 |
| 180 | 513 | 333 | 312 - Health Services - Education | 180 | 1,026 | 846 |
| 36,716 | 50,828 | 14,112 | 313- Pharmacy | 76,540 | 101,656 | 25,116 |
| 241 | 2,308 | 2,067 | 314 - Enhanced Care Management | 3,522 | 4,616 | 1,094 |
| 62,696 | 74,558 | 11,862 | 316 -Population Health Management | 127,817 | 149,116 | 21,299 |
| 24 | 333 | 309 | 317 - Community Based Services | 24 | 666 | 642 |
| 326,761 | 359,942 | 33,181 | 320 - Provider Network Management | 654,684 | 719,884 | 65,200 |
| 623,424 | 871,663 | 248,239 | 330 - Member Services | 1,377,901 | 1,743,326 | 365,425 |
| 685,514 | 721,857 | 36,343 | 340 - Corporate Services | 1,472,444 | 1,443,714 | (28,730) |
| 69,895 | 97,177 | 27,282 | 360 - Audit & Investigative Services | 139,652 | 194,354 | 54,702 |
| 27,353 | 92,450 | 65,097 | 410 - Advertising Media | 39,178 | 184,900 | 145,722 |
| 51,460 | 76,696 | 25,236 | 420 - Sales/Marketing/Public Relations | 117,991 | 153,392 | 35,401 |
| 254,507 | 303,042 | 48,535 | 510 - Human Resources | 563,958 | 606,084 | 42,126 |
| (44,283) | (92,324) | (48,041) | Administrative Expense Adjustment | (46,187) | (184,648) | (138,461) |
| 4,503,072 | 5,582,728 | 1,079,656 | Total Administrative Expenses | 9,617,879 | 11,165,456 | 1,547,577 |

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED FEBRUARY 28, 2022 | JANUARY 2022 | FEBRUARY 2022 | YEAR TO DATE 2022 |
|---|-------------------------|--------------------------|----------------------------------|
| 110 - Executive | 424,308 | 403,286 | 827,594 |
| 210 - Accounting | 233,241 | 178,928 | 412,169 |
| 220 - Management Information Systems (MIS) | 335,777 | 238,917 | 574,694 |
| 221 - Business Intelligence | 13,042 | 65,687 | 78,729 |
| 222 - Enterprise Development | 307,654 | 250,898 | 558,552 |
| 225 - Infrastructure | 473,799 | 427,685 | 901,484 |
| 230 - Claims | 582,040 | 548,583 | 1,130,623 |
| 240 - Project Management | 171,917 | 152,433 | 324,350 |
| 310 - Health Services - Utilization Management | 139,536 | 126,622 | 266,158 |
| 311 - Health Services - Quality Improvement | 277 | 15,545 | 15,822 |
| 312 - Health Services - Education | - | 180 | 180 |
| 313- Pharmacy | 39,824 | 36,716 | 76,540 |
| 314 - Enhanced Care Management | 3,281 | 241 | 3,522 |
| 316 -Population Health Management | 65,121 | 62,696 | 127,817 |
| 317 - Community Based Services | - | 24 | 24 |
| 320 - Provider Network Management | 327,923 | 326,761 | 654,684 |
| 330 - Member Services | 754,477 | 623,424 | 1,377,901 |
| 340 - Corporate Services | 786,930 | 685,514 | 1,472,444 |
| 360 - Audit & Investigative Services | 69,757 | 69,895 | 139,652 |
| 410 - Advertising Media | 11,825 | 27,353 | 39,178 |
| 420 - Sales/Marketing/Public Relations | 66,531 | 51,460 | 117,991 |
| 510 - Human Resources | 309,451 | 254,507 | 563,958 |
| Total Department Expenses | 5,116,711 | 4,547,355 | 9,664,066 |
| ADMINISTRATIVE EXPENSE ADJUSTMENT | (1,904) | (44,283) | (46,187) |
| Total Administrative Expenses | 5,114,807 | 4,503,072 | 9,617,879 |

| KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF FEBRUARY 28, 2022 | | | |
|---|----------------------|---------------------|-----------------|
| ASSETS | FEBRUARY 2022 | JANUARY 2022 | INC(DEC) |
| CURRENT ASSETS: | | | |
| Cash and Cash Equivalents | \$ 1,139,004 | \$ 1,139,004 | - |
| Interest Receivable | 400 | 200 | 200 |
| TOTAL CURRENT ASSETS | \$ 1,139,404 | \$ 1,139,204 | \$ 200 |
| LIABILITIES AND NET POSITION | | | |
| CURRENT LIABILITIES: | | | |
| Other Liabilities | - | - | - |
| TOTAL CURRENT LIABILITIES | \$ - | \$ - | \$ - |
| NET POSITION: | | | |
| Net Position- Beg. of Year | 1,136,102 | 1,136,102 | - |
| Increase (Decrease) in Net Position - Current Year | 3,302 | 3,102 | 200 |
| Total Net Position | \$ 1,139,404 | \$ 1,139,204 | \$ 200 |
| TOTAL LIABILITIES AND NET POSITION | \$ 1,139,404 | \$ 1,139,204 | \$ 200 |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED FEBRUARY 28, 2022 | YEAR-TO-DATE | | |
|-----------------------|----|-----|--|--------------|----|-------|
| | | | | | | |
| ENROLLMENT | | | | | | |
| - | - | - | Members | - | - | - |
| REVENUES | | | | | | |
| - | - | - | Premium | - | - | - |
| 200 | - | 200 | Interest | 400 | - | 400 |
| - | - | - | Other Investment Income | 2,902 | - | 2,902 |
| 200 | - | 200 | TOTAL REVENUES | 3,302 | - | 3,302 |
| EXPENSES | | | | | | |
| - | - | - | Medical Costs | - | - | - |
| - | - | - | IBNR and Paid Claims Adjustment | - | - | - |
| - | - | - | Total Medical Costs | - | - | - |
| 200 | - | 200 | GROSS MARGIN | 3,302 | - | 3,302 |
| Administrative | | | | | | |
| - | - | - | Management Fee Expense and Other Admin Exp | - | - | - |
| - | - | - | Total Administrative Expenses | - | - | - |
| - | - | - | TOTAL EXPENSES | - | - | - |
| 200 | - | 200 | OPERATING INCOME (LOSS) | 3,302 | - | 3,302 |
| - | - | - | TOTAL NONOPERATING REVENUE (EXPENSES) | - | - | - |
| 200 | - | 200 | NET INCREASE (DECREASE) IN NET POSITION | 3,302 | - | 3,302 |
| 0% | 0% | 0% | MEDICAL LOSS RATIO | 0% | 0% | 0% |
| 0% | 0% | 0% | ADMINISTRATIVE EXPENSE RATIO | 0% | 0% | 0% |

| KERN HEALTH SYSTEMS MONTHLY MEMBERS COUNT | | | |
|--|-------------------------------|----------------|----------------|
| KERN HEALTH SYSTEMS | | | |
| MEDI-CAL | 2022 MEMBER MONTHS | JAN'22 | FEB'22 |
| ADULT AND FAMILY | | | |
| ADULT | 121,590 | 60,708 | 60,882 |
| CHILD | 278,828 | 139,223 | 139,605 |
| SUB-TOTAL ADULT & FAMILY | 400,418 | 199,931 | 200,487 |
| OTHER MEMBERS | | | |
| PARTIAL DUALS - FAMILY | 1,625 | 824 | 801 |
| PARTIAL DUALS - CHILD | 0 | 0 | 0 |
| PARTIAL DUALS - BCCTP | 17 | 4 | 13 |
| FULL DUALS (SPD) | | | |
| SPD FULL DUALS | 16,395 | 8,138 | 8,257 |
| SUBTOTAL OTHER MEMBERS | 18,037 | 8,966 | 9,071 |
| TOTAL FAMILY & OTHER | 418,455 | 208,897 | 209,558 |
| SPD | | | |
| SPD (AGED AND DISABLED) | 32,932 | 16,556 | 16,376 |
| MEDI-CAL EXPANSION | | | |
| ACA Expansion Adult-Citizen | 166,002 | 82,803 | 83,199 |
| ACA Expansion Duals | 2,234 | 1,086 | 1,148 |
| SUB-TOTAL MED-CAL EXPANSION | 168,236 | 83,889 | 84,347 |
| TOTAL KAISER | 25,819 | 12,787 | 13,032 |
| TOTAL MEDI-CAL MEMBERS | 645,442 | 322,129 | 323,313 |

KHS6/1/2022
Management Use Only



To: KHS Board of Directors

From: Robert Landis, CFO

Date: June 16, 2022

Re: March 2022 Financial Results

The March results reflect a \$1,762,950 Net Increase in Net Position which is a \$2,123,963 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$29.4 million favorable variance primarily due to:
 - A) \$2.4 million favorable variance primarily due to higher-than-expected budgeted membership.
 - B) \$26.9 million favorable variance in Premium-Hospital Directed Payments (Prior Year) primarily due to receiving the final 19/20 HDP rates. This amount is offset against amounts included in 2B below. ⁽¹⁾

⁽¹⁾In 2019, the Department of Health Care Services (DHCS) implemented two statewide directed payment programs for designated public hospitals (EPP and QIP), and one statewide directed payment program for private hospitals (PHDP). Under these programs KHS pays specified Network Providers in accordance with terms approved by the Centers for Medicare & Medicaid Services (CMS) based on the performance of specified quality measures that became effective with the State fiscal year 2017/18. The payment amounts received by KHS are determined by DHCS. DHCS also determines the exact dollar amounts to pay each hospital. Both payment amounts are designed to be equal with perhaps a slight plus or minus variance occurring due to membership variances. Payments are issued by KHS within 15 days of receiving the funds in conjunction with also receiving appropriate distribution instructions.

- 2) Total Medical Costs reflect a \$27.0 million unfavorable variance primarily due to:
 - A) \$2.9 million unfavorable variance in Physician Services primarily due to higher-than-expected utilization relating to Referral Specialty Services and Urgent Care Services over the last several months
 - B) \$26.7 million unfavorable variance in Premium-Hospital Directed Payments (Prior Year) primarily due to receiving the final 19/20 HDP rates. This amount is offset against amounts included in 1B above. ⁽¹⁾
 - C) \$4.0 million favorable variance primarily from IBNR Adjustments relating to the prior year.

The March Medical Loss Ratio is 90.2% which is favorable to the 92.8% budgeted amount. The March Administrative Expense Ratio is 6.6% which is favorable to the 7.1% budgeted amount.

The results for the 3 months ended March 31, 2022 reflect a Net Increase in Net Position of \$7,915,052. This is a \$9,048,521 favorable variance to budget and includes approximately \$7.0 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 89.9% which is favorable to the 92.8% budgeted amount. The year-to-date Administrative Expense Ratio is 6.0% which is favorable to the 7.2% budgeted amount.

**Kern Health Systems
Financial Packet
March 2022**

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 4-5 |
| Statement of Revenue, Expenses, and Changes in Net Position by Month - PMPM | Page 6-7 |
| Schedule of Revenues | Page 8 |
| Schedule of Medical Costs | Page 9 |
| Schedule of Medical Costs - PMPM | Page 10 |
| Schedule of Medical Costs by Month | Page 11 |
| Schedule of Medical Costs by Month – PMPM | Page 12 |
| Schedule of Administrative Expenses by Department | Page 13 |
| Schedule of Administrative Expenses by Department by Month | Page 14 |

KHS Group Health Plan – Healthy Families Line of Business

| | |
|---|---------|
| Comparative Statement of Net Position | Page 15 |
| Statement of Revenue, Expenses, and Changes in Net Position | Page 16 |

KHS Administrative Analysis and Other Reporting

| | |
|----------------------|---------|
| Monthly Member Count | Page 17 |
|----------------------|---------|

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF MARCH 31, 2022 | | | |
|--|-----------------------|-----------------------|------------------------|
| ASSETS | MARCH 2022 | FEBRUARY 2022 | INC(DEC) |
| CURRENT ASSETS: | | | |
| Cash and Cash Equivalents | \$ 94,785,829 | \$ 110,082,451 | \$ (15,296,622) |
| Short-Term Investments | 223,445,518 | 197,029,763 | 26,415,755 |
| Premiums Receivable - Net | 113,033,689 | 114,434,059 | (1,400,370) |
| Premiums Receivable - Hospital Direct Payments | 305,379,625 | 353,942,998 | (48,563,373) |
| Interest Receivable | 58,359 | 172,815 | (114,456) |
| Provider Advance Payment | 4,217,414 | 4,487,925 | (270,511) |
| Other Receivables | 543,097 | 857,202 | (314,105) |
| Prepaid Expenses & Other Current Assets | 3,188,197 | 3,707,603 | (519,406) |
| Total Current Assets | \$ 744,651,728 | \$ 784,714,816 | \$ (40,063,088) |
| CAPITAL ASSETS - NET OF ACCUM DEPREE: | | | |
| Land | 4,090,706 | 4,090,706 | - |
| Furniture and Equipment - Net | 1,553,567 | 1,601,634 | (48,067) |
| Computer Hardware and Software - Net | 21,004,229 | 21,311,401 | (307,172) |
| Building and Building Improvements - Net | 34,400,177 | 34,476,285 | (76,108) |
| Capital Projects in Progress | 4,706,458 | 4,777,967 | (71,509) |
| Total Capital Assets | \$ 65,755,137 | \$ 66,257,993 | \$ (502,856) |
| LONG TERM ASSETS: | | | |
| Restricted Investments | 300,000 | 300,000 | - |
| Net Pension Asset | 693,712 | 693,712 | - |
| Officer Life Insurance Receivables | 1,640,053 | 1,653,011 | (12,958) |
| Total Long Term Assets | \$ 2,633,765 | \$ 2,646,723 | \$ (12,958) |
| DEFERRED OUTFLOWS OF RESOURCES | \$ 3,665,821 | \$ 3,665,821 | \$ - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 816,706,451 | \$ 857,285,353 | \$ (40,578,902) |
| LIABILITIES AND NET POSITION | | | |
| CURRENT LIABILITIES: | | | |
| Accrued Salaries and Employee Benefits | \$ 4,550,296 | \$ 4,548,836 | 1,460 |
| Accrued Other Operating Expenses | 1,980,304 | 2,299,389 | (319,085) |
| Accrued Taxes and Licenses | 29,533,163 | 19,639,337 | 9,893,826 |
| Claims Payable (Reported) | 20,976,874 | 37,085,879 | (16,109,005) |
| IBNR - Inpatient Claims | 39,835,447 | 36,378,175 | 3,457,272 |
| IBNR - Physician Claims | 19,120,035 | 19,087,713 | 32,322 |
| IBNR - Accrued Other Medical | 28,453,945 | 24,605,226 | 3,848,719 |
| Risk Pool and Withholds Payable | 6,418,722 | 5,953,300 | 465,422 |
| Statutory Allowance for Claims Processing Expense | 2,389,766 | 2,389,766 | - |
| Other Liabilities | 97,338,578 | 92,387,988 | 4,950,590 |
| Accrued Hospital Directed Payments | 305,379,625 | 353,942,998 | (48,563,373) |
| Total Current Liabilities | \$ 555,976,755 | \$ 598,318,607 | \$ (42,341,852) |
| NONCURRENT LIABILITIES: | | | |
| Net Pension Liability | - | - | - |
| TOTAL NONCURRENT LIABILITIES | \$ - | \$ - | \$ - |
| DEFERRED INFLOWS OF RESOURCES | \$ 5,338,319 | \$ 5,338,319 | \$ - |
| NET POSITION: | | | |
| Net Position - Beg. of Year | 247,476,325 | 247,476,325 | - |
| Increase (Decrease) in Net Position - Current Year | 7,915,052 | 6,152,102 | 1,762,950 |
| Total Net Position | \$ 255,391,377 | \$ 253,628,427 | \$ 1,762,950 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | \$ 816,706,451 | \$ 857,285,353 | \$ (40,578,902) |

| CURRENT MONTH MEMBERS | | | KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED MARCH 31, 2022 | | | YEAR-TO-DATE MEMBER MONTHS | | |
|--------------------------------|-------------|--------------|---|-------------|-------------|----------------------------|--|--|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE | | |
| 201,723 | 199,300 | 2,423 | Family Members | 602,141 | 594,000 | 8,141 | | |
| 85,098 | 80,830 | 4,268 | Expansion Members | 253,334 | 241,290 | 12,044 | | |
| 16,516 | 15,730 | 786 | SPD Members | 49,448 | 46,890 | 2,558 | | |
| 9,153 | 7,740 | 1,413 | Other Members | 27,190 | 23,220 | 3,970 | | |
| 13,253 | 13,000 | 253 | Kaiser Members | 39,072 | 39,000 | 72 | | |
| 325,743 | 316,600 | 9,143 | Total Members - MCAL | 971,185 | 944,400 | 26,785 | | |
| REVENUES | | | | | | | | |
| 36,539,594 | 35,361,190 | 1,178,404 | Title XIX - Medicaid - Family and Other | 110,675,754 | 105,523,993 | 5,151,761 | | |
| 29,350,530 | 28,156,871 | 1,193,659 | Title XIX - Medicaid - Expansion Members | 89,264,898 | 84,054,440 | 5,210,458 | | |
| 14,791,754 | 14,739,567 | 52,187 | Title XIX - Medicaid - SPD Members | 44,604,254 | 43,937,589 | 666,665 | | |
| 9,893,826 | 9,866,008 | 27,818 | Premium - MCO Tax | 29,687,194 | 29,429,746 | 257,448 | | |
| 17,949,134 | 17,014,754 | 934,380 | Premium - Hospital Directed Payments | 53,210,500 | 50,771,200 | 2,439,300 | | |
| (1,241,065) | 81,541 | (1,322,606) | Investment Earnings And Other Income | (825,035) | 243,088 | (1,068,123) | | |
| - | 54,648 | (54,648) | Reinsurance Recoveries | - | 162,972 | (162,972) | | |
| 26,907,309 | - | 26,907,309 | Rate Adjustments - Hospital Directed Payments | 27,161,499 | - | 27,161,499 | | |
| 493,268 | - | 493,268 | Rate/Income Adjustments | 2,428,537 | - | 2,428,537 | | |
| 134,684,350 | 105,274,579 | 29,409,771 | TOTAL REVENUES | 356,207,601 | 314,123,029 | 42,084,572 | | |
| EXPENSES | | | | | | | | |
| Medical Costs: | | | | | | | | |
| 19,919,152 | 16,994,455 | (2,924,697) | Physician Services | 56,776,499 | 50,687,540 | (6,088,959) | | |
| 5,254,779 | 5,789,447 | 534,668 | Other Professional Services | 15,198,522 | 17,303,026 | 2,104,504 | | |
| 5,150,400 | 5,530,574 | 380,174 | Emergency Room | 15,459,309 | 16,494,696 | 1,035,387 | | |
| 20,232,342 | 19,865,370 | (366,972) | Inpatient | 60,874,417 | 59,253,493 | (1,620,924) | | |
| 57,686 | 54,648 | (3,038) | Reinsurance Expense | 165,242 | 162,972 | (2,270) | | |
| 8,686,122 | 8,445,193 | (240,929) | Outpatient Hospital | 25,123,463 | 25,189,869 | 66,406 | | |
| 15,788,879 | 15,620,349 | (168,530) | Other Medical | 50,587,488 | 46,607,674 | (3,979,814) | | |
| 465,421 | 455,400 | (10,021) | Pay for Performance Quality Incentive | 1,394,856 | 1,358,100 | (36,756) | | |
| 17,949,134 | 17,014,754 | (934,380) | Hospital Directed Payments | 53,210,500 | 50,771,200 | (2,439,300) | | |
| 26,678,156 | - | (26,678,156) | Hospital Directed Payment Adjustment | 26,932,346 | - | (26,932,346) | | |
| 572,469 | - | (572,469) | Non-Claims Expense Adjustment | 620,125 | - | (620,125) | | |
| (3,987,493) | - | 3,987,493 | IBNR, Incentive, Paid Claims Adjustment | (4,997,647) | - | 4,997,647 | | |
| 116,767,047 | 89,770,191 | (26,996,856) | Total Medical Costs | 301,345,120 | 267,828,570 | (33,516,550) | | |
| 17,917,303 | 15,504,388 | 2,412,915 | GROSS MARGIN | 54,862,481 | 46,294,459 | 8,568,022 | | |
| Administrative: | | | | | | | | |
| 3,108,703 | 3,369,438 | 260,735 | Compensation | 9,072,547 | 10,108,315 | 1,035,768 | | |
| 1,098,614 | 1,108,544 | 9,930 | Purchased Services | 2,823,029 | 3,325,633 | 502,604 | | |
| 103,207 | 212,108 | 108,901 | Supplies | 286,847 | 636,323 | 349,476 | | |
| 571,126 | 526,572 | (44,554) | Depreciation | 1,713,378 | 1,579,716 | (133,662) | | |
| 346,089 | 366,066 | 19,977 | Other Administrative Expenses | 996,004 | 1,098,197 | 102,193 | | |
| 31,776 | - | (31,776) | Administrative Expense Adjustment | (14,411) | - | 14,411 | | |
| 5,259,515 | 5,582,728 | 323,213 | Total Administrative Expenses | 14,877,394 | 16,748,183 | 1,870,789 | | |
| 122,026,562 | 95,352,919 | (26,673,643) | TOTAL EXPENSES | 316,222,514 | 284,576,753 | (31,645,761) | | |
| 12,657,788 | 9,921,660 | 2,736,128 | OPERATING INCOME (LOSS) BEFORE TAX | 39,985,087 | 29,546,276 | 10,438,811 | | |
| 9,893,826 | 9,866,008 | (27,818) | MCO TAX | 29,681,934 | 29,429,746 | (252,188) | | |
| 2,763,962 | 55,653 | 2,708,309 | OPERATING INCOME (LOSS) NET OF TAX | 10,303,153 | 116,529 | 10,186,624 | | |
| NONOPERATING REVENUE (EXPENSE) | | | | | | | | |
| - | - | - | Gain on Sale of Assets | - | - | - | | |
| (934,814) | (333,333) | (601,481) | Provider Grants/CalAIM Initiative Grant | (1,902,904) | (999,999) | (902,905) | | |
| (66,198) | (83,333) | 17,135 | Health Home | (485,197) | (249,999) | (235,198) | | |
| (1,001,012) | (416,666) | (584,346) | TOTAL NONOPERATING REVENUE (EXPENSE) | (2,388,101) | (1,249,998) | (1,138,103) | | |
| 1,762,950 | (361,013) | 2,123,963 | NET INCREASE (DECREASE) IN NET POSITION | 7,915,052 | (1,133,469) | 9,048,521 | | |
| 90.2% | 92.8% | 2.6% | MEDICAL LOSS RATIO | 89.9% | 92.8% | 2.9% | | |
| 6.6% | 7.1% | 0.5% | ADMINISTRATIVE EXPENSE RATIO | 6.0% | 7.2% | 1.1% | | |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED MARCH 31, 2022 | | | YEAR-TO-DATE | | |
|---------------|---------|---------|--|----------------|----------------|----------------|--------|----------|
| | | | | | | ACTUAL | BUDGET | VARIANCE |
| | | | ENROLLMENT | | | | | |
| 201,723 | 199,300 | 2,423 | Family Members | 602,141 | 594,000 | 8,141 | | |
| 85,098 | 80,830 | 4,268 | Expansion Members | 253,334 | 241,290 | 12,044 | | |
| 16,516 | 15,730 | 786 | SPD Members | 49,448 | 46,890 | 2,558 | | |
| 9,153 | 7,740 | 1,413 | Other Members | 27,190 | 23,220 | 3,970 | | |
| 13,253 | 13,000 | 253 | Kaiser Members | 39,072 | 39,000 | 72 | | |
| 325,743 | 316,600 | 9,143 | Total Members - MCAL | 971,185 | 944,400 | 26,785 | | |
| | | | REVENUES | | | | | |
| 173.28 | 170.79 | 2.48 | Title XIX - Medicaid - Family and Other | 175.86 | 170.97 | 4.90 | | |
| 344.90 | 348.35 | (3.44) | Title XIX - Medicaid - Expansion Members | 352.36 | 348.35 | 4.01 | | |
| 895.60 | 937.04 | (41.43) | Title XIX - Medicaid - SPD Members | 902.04 | 937.04 | (34.99) | | |
| 31.66 | 32.50 | (0.84) | Premium - MCO Tax | 31.85 | 32.50 | (0.66) | | |
| 57.44 | 56.04 | 1.40 | Premium - Hospital Directed Payments | 57.09 | 56.08 | 1.01 | | |
| (3.97) | 0.27 | (4.24) | Investment Earnings And Other Income | (0.89) | 0.27 | (1.15) | | |
| 0.00 | 0.18 | (0.18) | Reinsurance Recoveries | 0.00 | 0.18 | (0.18) | | |
| 86.11 | 0.00 | 86.11 | Rate Adjustments - Hospital Directed Payments | 29.14 | 0.00 | 29.14 | | |
| 1.58 | 0.00 | 1.58 | Rate/Income Adjustments | 2.61 | 0.00 | 2.61 | | |
| 431.00 | 346.75 | 84.25 | TOTAL REVENUES | 382.15 | 346.94 | 35.21 | | |
| | | | EXPENSES | | | | | |
| | | | Medical Costs: | | | | | |
| 63.74 | 55.98 | (7.77) | Physician Services | 60.91 | 55.98 | (4.93) | | |
| 16.82 | 19.07 | 2.25 | Other Professional Services | 16.31 | 19.11 | 2.81 | | |
| 16.48 | 18.22 | 1.73 | Emergency Room | 16.59 | 18.22 | 1.63 | | |
| 64.75 | 65.43 | 0.69 | Inpatient | 65.31 | 65.44 | 0.14 | | |
| 0.18 | 0.18 | (0.00) | Reinsurance Expense | 0.18 | 0.18 | 0.00 | | |
| 27.80 | 27.82 | 0.02 | Outpatient Hospital | 26.95 | 27.82 | 0.87 | | |
| 50.53 | 51.45 | 0.92 | Other Medical | 54.27 | 51.48 | (2.79) | | |
| 1.49 | 1.50 | 0.01 | Pay for Performance Quality Incentive | 1.50 | 1.50 | 0.00 | | |
| 57.44 | 56.04 | (1.40) | Hospital Directed Payments | 57.09 | 56.08 | (1.01) | | |
| 85.37 | 0.00 | (85.37) | Hospital Directed Payment Adjustment | 28.89 | 0.00 | (28.89) | | |
| 1.83 | 0.00 | (1.83) | Non-Claims Expense Adjustment | 0.67 | 0.00 | (0.67) | | |
| (12.76) | 0.00 | 12.76 | IBNR, Incentive, Paid Claims Adjustment | (5.36) | 0.00 | 5.36 | | |
| 373.67 | 295.69 | (77.98) | Total Medical Costs | 323.29 | 295.81 | (27.48) | | |
| | | | GROSS MARGIN | | | | | |
| 57.34 | 51.07 | 6.27 | | 58.86 | 51.13 | 7.73 | | |
| | | | Administrative: | | | | | |
| 9.95 | 11.10 | 1.15 | Compensation | 9.73 | 11.16 | 1.43 | | |
| 3.52 | 3.65 | 0.14 | Purchased Services | 3.03 | 3.67 | 0.64 | | |
| 0.33 | 0.70 | 0.37 | Supplies | 0.31 | 0.70 | 0.40 | | |
| 1.83 | 1.73 | (0.09) | Depreciation | 1.84 | 1.74 | (0.09) | | |
| 1.11 | 1.21 | 0.10 | Other Administrative Expenses | 1.07 | 1.21 | 0.14 | | |
| 0.10 | 0.00 | (0.10) | Administrative Expense Adjustment | (0.02) | 0.00 | 0.02 | | |
| 16.83 | 18.39 | 1.56 | Total Administrative Expenses | 15.96 | 18.50 | 2.54 | | |
| 390.50 | 314.07 | (76.42) | TOTAL EXPENSES | 339.25 | 314.31 | (24.94) | | |
| 40.51 | 32.68 | 7.83 | OPERATING INCOME (LOSS) BEFORE TAX | 42.90 | 32.63 | 10.26 | | |
| 31.66 | 32.50 | 0.84 | MCO TAX | 31.84 | 32.50 | 0.66 | | |
| 8.84 | 0.18 | 8.66 | OPERATING INCOME (LOSS) NET OF TAX | 11.05 | 0.13 | 10.92 | | |
| | | | NONOPERATING REVENUE (EXPENSE) | | | | | |
| 0.00 | 0.00 | 0.00 | Gain on Sale of Assets | 0.00 | 0.00 | 0.00 | | |
| (2.99) | (1.10) | (1.89) | Reserve Fund Projects/Community Grants | (2.04) | (1.10) | (0.94) | | |
| (0.21) | (0.27) | 0.06 | Health Home | (0.52) | (0.28) | (0.24) | | |
| (3.20) | (1.37) | (1.83) | TOTAL NONOPERATING REVENUE (EXPENSE) | (2.56) | (1.38) | (1.18) | | |
| 5.64 | (1.19) | 6.83 | NET INCREASE (DECREASE) IN NET POSITION | 8.49 | (1.25) | 9.74 | | |
| 90.2% | 92.8% | 2.6% | MEDICAL LOSS RATIO | 89.9% | 92.8% | 2.9% | | |
| 6.6% | 7.1% | 0.5% | ADMINISTRATIVE EXPENSE RATIO | 6.0% | 7.2% | 1.1% | | |

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH MARCH 31, 2022 | MARCH | APRIL | MAY | JUNE | JULY | AUGUST | SEPTEMBER |
|---|--------------------|--------------------|--------------------|--------------------|-------------------|--------------------|--------------------|
| | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 |
| ENROLLMENT | | | | | | | |
| Members - MCAL | 282,972 | 284,587 | 287,199 | 289,309 | 290,980 | 292,271 | 294,672 |
| REVENUES | | | | | | | |
| Title XIX - Medicaid - Family and Other | 33,587,650 | 33,739,041 | 34,872,666 | 35,878,342 | 35,761,670 | 34,569,656 | 35,961,464 |
| Title XIX - Medicaid - Expansion Members | 28,063,951 | 28,547,171 | 28,728,667 | 29,533,533 | 29,676,566 | 29,540,608 | 29,932,046 |
| Title XIX - Medicaid - SPD Members | 15,407,903 | 15,527,562 | 16,024,510 | 15,971,978 | 16,260,445 | 16,115,519 | 16,075,172 |
| Premium - MCO Tax | 9,752,737 | 9,805,142 | 9,876,747 | 9,961,634 | 10,025,153 | 10,069,582 | 10,136,079 |
| Premium - Hospital Directed Payments | 12,949,303 | 14,734,613 | 14,811,749 | 22,138,233 | 16,337,340 | 16,361,944 | 16,554,814 |
| Investment Earnings And Other Income | (249,580) | 205,894 | 195,233 | (408,458) | (39,267) | 567,469 | (59,079) |
| Rate Adjustments - Hospital Directed Payments | 78,150,342 | 3,134 | 79,899 | 4,445 | (29,149,066) | 7,365 | 5,709 |
| Rate/Income Adjustments | 1,527,455 | 266,498 | 595,656 | (93,658) | (294,637) | (458,866) | 122,473 |
| TOTAL REVENUES | 179,189,761 | 102,829,055 | 105,185,127 | 112,986,049 | 78,578,204 | 106,773,277 | 108,728,678 |
| EXPENSES | | | | | | | |
| Medical Costs: | | | | | | | |
| Physician Services | 15,058,794 | 15,642,095 | 15,744,708 | 16,190,717 | 15,305,367 | 15,819,470 | 17,895,535 |
| Other Professional Services | 5,048,627 | 5,107,193 | 4,658,383 | 4,460,451 | 4,604,443 | 4,825,412 | 4,347,759 |
| Emergency Room | 4,353,449 | 4,480,205 | 5,023,372 | 5,040,670 | 4,833,831 | 4,472,304 | 3,735,609 |
| Inpatient | 17,577,565 | 18,419,878 | 20,578,157 | 20,739,625 | 20,542,490 | 20,581,248 | 20,303,427 |
| Reinsurance Expense | 80,461 | 80,129 | 84,297 | 82,530 | 84,045 | 84,997 | 84,384 |
| Outpatient Hospital | 7,160,111 | 8,681,740 | 8,842,725 | 8,800,023 | 7,937,455 | 7,942,981 | 7,529,697 |
| Other Medical | 11,840,899 | 9,883,445 | 10,960,637 | 12,430,651 | 9,927,247 | 9,914,269 | 10,572,454 |
| Pharmacy | 10,299,227 | 9,412,697 | 9,349,484 | 10,442,688 | 9,774,211 | 10,298,442 | 9,913,574 |
| Pay for Performance Quality Incentive | 526,070 | 540,715 | 540,715 | 545,673 | 552,862 | 552,862 | - |
| Hospital Directed Payments | 12,949,303 | 14,734,613 | 14,811,759 | 22,138,233 | 16,337,330 | 16,361,944 | 16,554,814 |
| Hospital Directed Payment Adjustment | 77,356,953 | 3,134 | 597 | 3,943 | (29,149,382) | 7,365 | (132,637) |
| Non-Claims Expense Adjustment | 212,564 | 71,855 | 58,763 | 46,953 | (11,833) | 34,433 | 20,737 |
| IBNR, Incentive, Paid Claims Adjustment | 1,700,070 | (85,946) | 449,838 | (2,226,487) | 406,066 | (55,915) | 14,595 |
| Total Medical Costs | 164,164,093 | 86,971,753 | 91,103,435 | 98,695,670 | 61,144,132 | 90,839,812 | 90,839,948 |
| GROSS MARGIN | 15,025,668 | 15,857,302 | 14,081,692 | 14,290,379 | 17,434,072 | 15,933,465 | 17,888,730 |
| Administrative: | | | | | | | |
| Compensation | 2,457,160 | 2,691,957 | 2,748,394 | 2,731,289 | 2,805,915 | 2,781,896 | 2,791,543 |
| Purchased Services | 941,200 | 986,086 | 996,889 | 985,876 | 939,689 | 845,393 | 968,021 |
| Supplies | 4,446 | 131,712 | 57,943 | 85,576 | 156,626 | 193,504 | (17,330) |
| Depreciation | 426,541 | 426,541 | 422,382 | 425,837 | 425,522 | 427,805 | 427,804 |
| Other Administrative Expenses | 102,962 | 248,235 | 230,567 | 233,637 | 274,638 | 214,396 | 443,524 |
| Administrative Expense Adjustment | 57,294 | (5,010) | (215) | (63,654) | (1,674) | (2,367) | 3,540 |
| Total Administrative Expenses | 3,989,603 | 4,479,521 | 4,455,960 | 4,398,561 | 4,600,716 | 4,460,627 | 4,617,102 |
| TOTAL EXPENSES | 168,153,696 | 91,451,274 | 95,559,395 | 103,094,231 | 65,744,848 | 95,300,439 | 95,457,050 |
| OPERATING INCOME (LOSS) BEFORE TAX | 11,036,065 | 11,377,781 | 9,625,732 | 9,891,818 | 12,833,356 | 11,472,838 | 13,271,628 |
| MCO TAX | 8,933,228 | 8,905,080 | 8,905,142 | 8,904,648 | 9,894,054 | 9,894,055 | 9,894,054 |
| OPERATING INCOME (LOSS) NET OF TAX | 2,102,837 | 2,472,701 | 720,590 | 987,170 | 2,939,302 | 1,578,783 | 3,377,574 |
| TOTAL NONOPERATING REVENUE (EXPENSE) | (88,366) | (167,372) | (245,779) | (164,148) | (833,809) | (949,330) | (2,438,918) |
| NET INCREASE (DECREASE) IN NET POSITION | 2,014,471 | 2,305,329 | 474,811 | 823,022 | 2,105,493 | 629,453 | 938,656 |
| MEDICAL LOSS RATIO | 94.3% | 92.3% | 94.9% | 94.6% | 90.9% | 92.7% | 90.7% |
| ADMINISTRATIVE EXPENSE RATIO | 5.1% | 5.7% | 5.5% | 5.4% | 5.7% | 5.6% | 5.6% |

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH MARCH 31, 2022 | OCTOBER 2021 | NOVEMBER 2021 | DECEMBER 2021 | JANUARY 2022 | FEBRUARY 2022 | MARCH 2022 | 13 MONTH TOTAL |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| | ENROLLMENT | | | | | | |
| Members - MCAL | 295,865 | 296,989 | 298,205 | 309,342 | 310,281 | 312,490 | 3,845,162 |
| REVENUES | | | | | | | |
| Title XIX - Medicaid - Family and Other | 37,040,845 | 37,111,335 | 36,899,197 | 37,009,614 | 37,126,546 | 36,539,594 | 466,097,620 |
| Title XIX - Medicaid - Expansion Members | 30,140,656 | 31,001,586 | 30,241,720 | 29,968,453 | 29,945,915 | 29,350,530 | 384,671,402 |
| Title XIX - Medicaid - SPD Members | 16,206,131 | 16,254,790 | 16,506,513 | 14,953,594 | 14,858,906 | 14,791,754 | 204,954,777 |
| Premium - MCO Tax | 10,229,218 | 10,229,533 | 10,273,393 | 9,899,314 | 9,894,054 | 9,893,826 | 130,046,412 |
| Premium - Hospital Directed Payments | 16,726,476 | 16,753,272 | 16,836,470 | 17,606,870 | 17,654,496 | 17,949,134 | 217,414,714 |
| Investment Earnings And Other Income | 131,645 | 157,659 | (694,967) | 329,573 | 86,457 | (1,241,065) | (1,018,486) |
| Rate Adjustments - Hospital Directed Payments | 4,491 | 8,691 | (3,586) | 230,177 | 24,013 | 26,907,309 | 76,272,923 |
| Rate/Income Adjustments | 52,871 | 66,815 | 5,625 | 957,475 | 977,794 | 493,268 | 4,218,769 |
| TOTAL REVENUES | 110,532,333 | 111,583,681 | 110,064,365 | 110,955,070 | 110,568,181 | 134,684,350 | 1,482,658,131 |
| EXPENSES | | | | | | | |
| Medical Costs: | | | | | | | |
| Physician Services | 17,549,058 | 17,258,969 | 17,972,930 | 17,538,030 | 19,319,317 | 19,919,152 | 221,214,142 |
| Other Professional Services | 4,846,005 | 4,829,415 | 4,344,076 | 5,041,033 | 4,902,710 | 5,254,779 | 62,270,286 |
| Emergency Room | 4,506,067 | 4,818,883 | 4,391,622 | 5,209,937 | 5,098,972 | 5,150,400 | 61,115,321 |
| Inpatient | 23,207,054 | 21,256,426 | 17,137,562 | 20,610,105 | 20,031,970 | 20,232,342 | 261,217,849 |
| Reinsurance Expense | 85,133 | 86,151 | 86,147 | 53,660 | 53,896 | 57,686 | 1,003,516 |
| Outpatient Hospital | 7,080,379 | 7,793,785 | 6,083,159 | 8,214,215 | 8,223,126 | 8,686,122 | 102,975,518 |
| Other Medical | 10,784,127 | 12,549,269 | 11,502,354 | 17,263,621 | 17,534,988 | 15,788,879 | 160,952,840 |
| Pharmacy | 10,236,384 | 10,196,195 | 10,620,178 | - | - | - | 100,543,080 |
| Pay for Performance Quality Incentive | - | - | 1,420,000 | 464,013 | 465,422 | 465,421 | 6,073,753 |
| Hospital Directed Payments | 16,726,476 | 16,753,272 | 16,836,470 | 17,606,870 | 17,654,496 | 17,949,134 | 217,414,714 |
| Hospital Directed Payment Adjustment | 4,491 | 8,691 | (3,586) | 230,177 | 24,013 | 26,678,156 | 75,031,915 |
| Non-Claims Expense Adjustment | 8,907 | 24,857 | (44,256) | 43,538 | 4,118 | 572,469 | 1,043,105 |
| IBNR, Incentive, Paid Claims Adjustment | (924,120) | (1,378,922) | (1,022,824) | 627 | (1,010,781) | (3,987,493) | (8,121,292) |
| Total Medical Costs | 94,109,961 | 94,196,991 | 89,323,832 | 92,275,826 | 92,302,247 | 116,767,047 | 1,262,734,747 |
| GROSS MARGIN | 16,422,372 | 17,386,690 | 20,740,533 | 18,679,244 | 18,265,934 | 17,917,303 | 219,923,384 |
| Administrative: | | | | | | | |
| Compensation | 2,746,218 | 2,775,542 | 2,592,690 | 3,116,842 | 2,847,002 | 3,108,703 | 36,195,151 |
| Purchased Services | 991,178 | 1,095,098 | 1,355,474 | 846,917 | 877,498 | 1,098,614 | 12,927,933 |
| Supplies | 58,257 | 188,536 | 164,659 | 191,908 | (8,268) | 103,207 | 1,310,776 |
| Depreciation | 424,376 | 716,552 | 746,072 | 571,126 | 571,126 | 571,126 | 6,582,810 |
| Other Administrative Expenses | 348,575 | 276,718 | 605,706 | 389,918 | 259,997 | 346,089 | 3,974,962 |
| Administrative Expense Adjustment | 300 | 77,569 | (194,326) | (1,904) | (44,283) | 31,776 | (142,954) |
| Total Administrative Expenses | 4,568,904 | 5,130,015 | 5,270,275 | 5,114,807 | 4,503,072 | 5,259,515 | 60,848,678 |
| TOTAL EXPENSES | 98,678,865 | 99,327,006 | 94,594,107 | 97,390,633 | 96,805,319 | 122,026,562 | 1,323,583,425 |
| OPERATING INCOME (LOSS) BEFORE TAX | 11,853,468 | 12,256,675 | 15,470,258 | 13,564,437 | 13,762,862 | 12,657,788 | 159,074,706 |
| MCO TAX | 9,894,054 | 9,894,054 | 9,895,157 | 9,894,054 | 9,894,054 | 9,893,826 | 124,695,460 |
| OPERATING INCOME (LOSS) NET OF TAX | 1,959,414 | 2,362,621 | 5,575,101 | 3,670,383 | 3,868,808 | 2,763,962 | 34,379,246 |
| TOTAL NONOPERATING REVENUE (EXPENSE) | (1,027,231) | (1,516,642) | (175,210) | (400,389) | (986,700) | (1,001,012) | (9,994,906) |
| NET INCREASE (DECREASE) IN NET POSITION | 932,183 | 845,979 | 5,399,891 | 3,269,994 | 2,882,108 | 1,762,950 | 24,384,340 |
| MEDICAL LOSS RATIO | 92.6% | 91.5% | 87.4% | 89.4% | 89.9% | 90.2% | 91.6% |
| ADMINISTRATIVE EXPENSE RATIO | 5.5% | 6.1% | 6.4% | 6.1% | 5.4% | 6.6% | 5.7% |

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH MARCH 31, 2022 | MARCH | APRIL | MAY | JUNE | JULY | AUGUST | SEPTEMBER |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 |
| ENROLLMENT | | | | | | | |
| Members - MCAL | 282,972 | 284,587 | 287,199 | 289,309 | 290,980 | 292,271 | 294,672 |
| REVENUES | | | | | | | |
| Title XIX - Medicaid - Family and Other | 172.94 | 173.28 | 177.71 | 181.55 | 180.10 | 173.76 | 179.43 |
| Title XIX - Medicaid - Expansion Members | 382.20 | 385.72 | 381.99 | 388.41 | 387.35 | 380.84 | 383.93 |
| Title XIX - Medicaid - SPD Members | 1,005.21 | 978.42 | 1,017.24 | 1,020.90 | 1,029.14 | 1,023.27 | 1,017.48 |
| Premium - MCO Tax | 34.47 | 34.45 | 34.39 | 34.43 | 34.45 | 34.45 | 34.40 |
| Premium - Hospital Directed Payments | 45.76 | 51.78 | 51.57 | 76.52 | 56.15 | 55.98 | 56.18 |
| Investment Earnings And Other Income | (0.88) | 0.72 | 0.68 | (1.41) | (0.13) | 1.94 | (0.20) |
| Reinsurance Recoveries | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Rate Adjustments - Hospital Directed Payments | 276.18 | 0.01 | 0.28 | 0.02 | (100.18) | 0.03 | 0.02 |
| Rate/Income Adjustments | 5.40 | 0.94 | 2.07 | (0.32) | (1.01) | (1.57) | 0.42 |
| TOTAL REVENUES | 633.24 | 361.33 | 366.24 | 390.54 | 270.05 | 365.32 | 368.98 |
| EXPENSES | | | | | | | |
| Medical Costs: | | | | | | | |
| Physician Services | 53.22 | 54.96 | 54.82 | 55.96 | 52.60 | 54.13 | 60.73 |
| Other Professional Services | 17.84 | 17.95 | 16.22 | 15.42 | 15.82 | 16.51 | 14.75 |
| Emergency Room | 15.38 | 15.74 | 17.49 | 17.42 | 16.61 | 15.30 | 12.68 |
| Inpatient | 62.12 | 64.72 | 71.65 | 71.69 | 70.60 | 70.42 | 68.90 |
| Reinsurance Expense | 0.28 | 0.28 | 0.29 | 0.29 | 0.29 | 0.29 | 0.29 |
| Outpatient Hospital | 25.30 | 30.51 | 30.79 | 30.42 | 27.28 | 27.18 | 25.55 |
| Other Medical | 41.84 | 34.73 | 38.16 | 42.97 | 34.12 | 33.92 | 35.88 |
| Pharmacy | 36.40 | 33.07 | 32.55 | 36.10 | 33.59 | 35.24 | 33.64 |
| Pay for Performance Quality Incentive | 1.86 | 1.90 | 1.88 | 1.89 | 1.90 | 1.89 | 0.00 |
| Hospital Directed Payments | 45.76 | 51.78 | 51.57 | 76.52 | 56.15 | 55.98 | 56.18 |
| Hospital Directed Payment Adjustment | 273.37 | 0.01 | 0.00 | 0.01 | (100.18) | 0.03 | (0.45) |
| Non-Claims Expense Adjustment | 0.75 | 0.25 | 0.20 | 0.16 | (0.04) | 0.12 | 0.07 |
| IBNR, Incentive, Paid Claims Adjustment | 6.01 | (0.30) | 1.57 | (7.70) | 1.40 | (0.19) | 0.05 |
| Total Medical Costs | 580.14 | 305.61 | 317.21 | 341.14 | 210.13 | 310.81 | 308.27 |
| GROSS MARGIN | 53.10 | 55.72 | 49.03 | 49.39 | 59.92 | 54.52 | 60.71 |
| Administrative: | | | | | | | |
| Compensation | 8.68 | 9.46 | 9.57 | 9.44 | 9.64 | 9.52 | 9.47 |
| Purchased Services | 3.33 | 3.46 | 3.47 | 3.41 | 3.23 | 2.89 | 3.29 |
| Supplies | 0.02 | 0.46 | 0.20 | 0.30 | 0.54 | 0.66 | (0.06) |
| Depreciation | 1.51 | 1.50 | 1.47 | 1.47 | 1.46 | 1.46 | 1.45 |
| Other Administrative Expenses | 0.36 | 0.87 | 0.80 | 0.81 | 0.94 | 0.73 | 1.51 |
| Administrative Expense Adjustment | 0.20 | (0.02) | (0.00) | (0.22) | (0.01) | (0.01) | 0.01 |
| Total Administrative Expenses | 14.10 | 15.74 | 15.52 | 15.20 | 15.81 | 15.26 | 15.67 |
| TOTAL EXPENSES | 594.24 | 321.35 | 332.73 | 356.35 | 225.94 | 326.07 | 323.94 |
| OPERATING INCOME (LOSS) BEFORE TAX | 39.00 | 39.98 | 33.52 | 34.19 | 44.10 | 39.25 | 45.04 |
| MCO TAX | 31.57 | 31.29 | 31.01 | 30.78 | 34.00 | 33.85 | 33.58 |
| OPERATING INCOME (LOSS) NET OF TAX | 7.43 | 8.69 | 2.51 | 3.41 | 10.10 | 5.40 | 11.46 |
| TOTAL NONOPERATING REVENUE (EXPENSE) | (0.31) | (0.59) | (0.86) | (0.57) | (2.87) | (3.25) | (8.28) |
| NET INCREASE (DECREASE) IN NET POSITION | 7.12 | 8.10 | 1.65 | 2.84 | 7.24 | 2.15 | 3.19 |
| MEDICAL LOSS RATIO | 94.3% | 92.3% | 94.9% | 94.6% | 90.9% | 92.7% | 90.7% |
| ADMINISTRATIVE EXPENSE RATIO | 5.1% | 5.7% | 5.5% | 5.4% | 5.7% | 5.6% | 5.6% |

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH MARCH 31, 2022 | OCTOBER | NOVEMBER | DECEMBER | JANUARY | FEBRUARY | MARCH | 13 MONTH |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2021 | 2021 | 2021 | 2022 | 2022 | 2022 | TOTAL |
| ENROLLMENT | | | | | | | |
| Members - MCAL | 295,865 | 296,989 | 298,205 | 309,342 | 310,281 | 312,490 | 3,845,162 |
| REVENUES | | | | | | | |
| Title XIX - Medicaid - Family and Other | 183.53 | 183.31 | 181.56 | 177.17 | 177.17 | 173.28 | 178.04 |
| Title XIX - Medicaid - Expansion Members | 383.57 | 393.96 | 382.19 | 357.24 | 355.03 | 344.90 | 376.97 |
| Title XIX - Medicaid - SPD Members | 1,018.29 | 1,026.19 | 1,042.14 | 903.21 | 907.36 | 895.60 | 990.74 |
| Premium - MCO Tax | 34.57 | 34.44 | 34.45 | 32.00 | 31.89 | 31.66 | 33.82 |
| Premium - Hospital Directed Payments | 56.53 | 56.41 | 56.46 | 56.92 | 56.90 | 57.44 | 56.54 |
| Investment Earnings And Other Income | 0.44 | 0.53 | (2.33) | 1.07 | 0.28 | (3.97) | (0.26) |
| Reinsurance Recoveries | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Rate Adjustments - Hospital Directed Payments | 0.02 | 0.03 | (0.01) | 0.74 | 0.08 | 86.11 | 19.84 |
| Rate/Income Adjustments | 0.18 | 0.22 | 0.02 | 3.10 | 3.15 | 1.58 | 1.10 |
| TOTAL REVENUES | 373.59 | 375.72 | 369.09 | 358.68 | 356.35 | 431.00 | 385.59 |
| EXPENSES | | | | | | | |
| Medical Costs: | | | | | | | |
| Physician Services | 59.31 | 58.11 | 60.27 | 56.69 | 62.26 | 63.74 | 57.53 |
| Other Professional Services | 16.38 | 16.26 | 14.57 | 16.30 | 15.80 | 16.82 | 16.19 |
| Emergency Room | 15.23 | 16.23 | 14.73 | 16.84 | 16.43 | 16.48 | 15.89 |
| Inpatient | 78.44 | 71.57 | 57.47 | 66.63 | 64.56 | 64.75 | 67.93 |
| Reinsurance Expense | 0.29 | 0.29 | 0.29 | 0.17 | 0.17 | 0.18 | 0.26 |
| Outpatient Hospital | 23.93 | 26.24 | 20.40 | 26.55 | 26.50 | 27.80 | 26.78 |
| Other Medical | 36.45 | 42.25 | 38.57 | 55.81 | 56.51 | 50.53 | 41.86 |
| Pharmacy | 34.60 | 34.33 | 35.61 | 0.00 | 0.00 | 0.00 | 26.15 |
| Pay for Performance Quality Incentive | 0.00 | 0.00 | 4.76 | 1.50 | 1.50 | 1.49 | 1.58 |
| Hospital Directed Payments | 56.53 | 56.41 | 56.46 | 56.92 | 56.90 | 57.44 | 56.54 |
| Hospital Directed Payment Adjustment | 0.02 | 0.03 | (0.01) | 0.74 | 0.08 | 85.37 | 19.51 |
| Non-Claims Expense Adjustment | 0.03 | 0.08 | (0.15) | 0.14 | 0.01 | 1.83 | 0.27 |
| IBNR, Incentive, Paid Claims Adjustment | (3.12) | (4.64) | (3.43) | 0.00 | (3.26) | (12.76) | (2.11) |
| Total Medical Costs | 318.08 | 317.17 | 299.54 | 298.30 | 297.48 | 373.67 | 328.40 |
| GROSS MARGIN | 55.51 | 58.54 | 69.55 | 60.38 | 58.87 | 57.34 | 57.19 |
| Administrative: | | | | | | | |
| Compensation | 9.28 | 9.35 | 8.69 | 10.08 | 9.18 | 9.95 | 9.41 |
| Purchased Services | 3.35 | 3.69 | 4.55 | 2.74 | 2.83 | 3.52 | 3.36 |
| Supplies | 0.20 | 0.63 | 0.55 | 0.62 | (0.03) | 0.33 | 0.34 |
| Depreciation | 1.43 | 2.41 | 2.50 | 1.85 | 1.84 | 1.83 | 1.71 |
| Other Administrative Expenses | 1.18 | 0.93 | 2.03 | 1.26 | 0.84 | 1.11 | 1.03 |
| Administrative Expense Adjustment | 0.00 | 0.26 | (0.65) | (0.01) | (0.14) | 0.10 | (0.04) |
| Total Administrative Expenses | 15.44 | 17.27 | 17.67 | 16.53 | 14.51 | 16.83 | 15.82 |
| TOTAL EXPENSES | 333.53 | 334.45 | 317.21 | 314.83 | 311.99 | 390.50 | 344.22 |
| OPERATING INCOME (LOSS) BEFORE TAX | 40.06 | 41.27 | 51.88 | 43.85 | 44.36 | 40.51 | 41.37 |
| MCO TAX | 33.44 | 33.31 | 33.18 | 31.98 | 31.89 | 31.66 | 32.43 |
| OPERATING INCOME (LOSS) NET OF TAX | 6.62 | 7.96 | 18.70 | 11.87 | 12.47 | 8.84 | 8.94 |
| TOTAL NONOPERATING REVENUE (EXPENSE) | (3.47) | (5.11) | (0.59) | (1.29) | (3.18) | (3.20) | (2.60) |
| NET INCREASE (DECREASE) IN NET POSITION | 3.15 | 2.85 | 18.11 | 10.57 | 9.29 | 5.64 | 6.34 |
| MEDICAL LOSS RATIO | 92.6% | 91.5% | 87.4% | 89.4% | 89.9% | 90.2% | 91.6% |
| ADMINISTRATIVE EXPENSE RATIO | 5.5% | 6.1% | 6.4% | 6.1% | 5.4% | 6.6% | 5.7% |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED MARCH 31, 2022 | YEAR-TO-DATE | | |
|--|------------|-----------|---|--------------------|--------------------|------------------|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE |
| REVENUES | | | | | | |
| Title XIX - Medicaid - Family & Other | | | | | | |
| 27,298,371 | 26,400,622 | 897,749 | Premium - Medi-Cal | 81,323,911 | 78,753,268 | 2,570,643 |
| 2,362,119 | 2,764,572 | (402,453) | Premium - Maternity Kick | 7,543,783 | 8,293,717 | (749,934) |
| 516,058 | 463,696 | 52,362 | Premium - Enhanced Care Management | 1,536,754 | 1,385,211 | 151,543 |
| 138,343 | 129,384 | 8,959 | Premium - Major Organ Transplant | 410,435 | 386,208 | 24,227 |
| 1,381,562 | 483,975 | 897,587 | Premium - Cal AIM | 2,405,977 | 1,442,808 | 963,169 |
| 775,360 | 747,380 | 27,980 | Premium - BHT Kick | 1,761,177 | 2,228,063 | (466,886) |
| 4,028,222 | 3,962,463 | 65,759 | Premium - Provider Enhancement | 12,003,108 | 11,813,472 | 189,636 |
| 207,099 | 200,605 | 6,494 | Premium - Ground Emergency Medical Transportation | 616,166 | 598,254 | 17,912 |
| 556,284 | 101,731 | 454,553 | Premium - Behavioral Health Integration Program | 1,669,699 | 303,276 | 1,366,423 |
| (849,473) | - | (849,473) | Premium - Vaccine Incentive | 1,032,596 | - | 1,032,596 |
| 125,649 | 106,760 | 18,889 | Other | 372,148 | 319,714 | 52,434 |
| 36,539,594 | 35,361,190 | 1,178,404 | Total Title XIX - Medicaid - Family & Other | 110,675,754 | 105,523,993 | 5,151,761 |
| Title XIX - Medicaid - Expansion Members | | | | | | |
| 25,829,191 | 24,503,233 | 1,325,958 | Premium - Medi-Cal | 76,643,794 | 73,144,192 | 3,499,602 |
| 614,900 | 234,964 | 379,936 | Premium - Maternity Kick | 1,589,743 | 704,892 | 884,851 |
| 918,668 | 821,149 | 97,519 | Premium - Enhanced Care Management | 2,723,134 | 2,451,103 | 272,031 |
| 219,306 | 205,088 | 14,218 | Premium - Major Organ Transplant | 650,965 | 612,180 | 38,785 |
| 2,381 | 450,207 | (447,826) | Premium - Cal AIM | 971,706 | 1,343,937 | (372,231) |
| - | - | - | Premium - BHT Kick | 3,165 | - | 3,165 |
| 1,665,132 | 1,614,594 | 50,538 | Premium - Provider Enhancement | 4,944,751 | 4,819,812 | 124,939 |
| 215,942 | 204,419 | 11,523 | Premium - Ground Emergency Medical Transportation | 641,188 | 610,222 | 30,966 |
| 224,486 | 94,633 | 129,853 | Premium - Behavioral Health Integration Program | 672,123 | 282,494 | 389,629 |
| (373,182) | - | (373,182) | Premium - Vaccine Incentive | 324,367 | - | 324,367 |
| 33,706 | 28,584 | 5,122 | Other | 99,962 | 85,608 | 14,354 |
| 29,350,530 | 28,156,871 | 1,193,659 | Total Title XIX - Medicaid - Expansion Members | 89,264,898 | 84,054,440 | 5,210,458 |
| Title XIX - Medicaid - SPD Members | | | | | | |
| 13,163,991 | 12,501,418 | 662,574 | Premium - Medi-Cal | 38,774,904 | 37,265,827 | 1,509,078 |
| 482,799 | 449,721 | 33,078 | Premium - Enhanced Care Management | 1,422,524 | 1,340,586 | 81,938 |
| 150,367 | 142,986 | 7,381 | Premium - Major Organ Transplant | 442,909 | 426,231 | 16,678 |
| (300,657) | 229,675 | (530,332) | Premium - Cal AIM | 190,370 | 684,645 | (494,275) |
| 685,075 | 759,622 | (74,547) | Premium - BHT Kick | 1,691,919 | 2,264,379 | (572,460) |
| 491,955 | 467,241 | 24,714 | Premium - Provider Enhancement | 1,449,067 | 1,392,813 | 56,254 |
| 147,556 | 140,626 | 6,930 | Premium - Ground Emergency Medical Transportation | 434,629 | 419,196 | 15,433 |
| 43,568 | 48,277 | (4,709) | Premium - Behavioral Health Integration Program | 131,194 | 143,911 | (12,717) |
| (72,900) | - | (72,900) | Premium - Vaccine Incentive | 66,738 | - | 66,738 |
| 14,791,754 | 14,739,567 | 52,187 | Total Title XIX - Medicaid - SPD Members | 44,604,254 | 43,937,589 | 666,665 |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED MARCH 31, 2022 | YEAR-TO-DATE | | |
|---------------|------------|--------------|--|--------------|-------------|--------------|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE |
| | | | PHYSICIAN SERVICES | | | |
| 3,869,340 | 3,907,168 | 37,828 | Primary Care Physician Services | 11,293,181 | 11,652,052 | 358,871 |
| 13,133,782 | 11,475,913 | (1,657,869) | Referral Specialty Services | 37,348,959 | 34,229,738 | (3,119,221) |
| 2,906,730 | 1,602,075 | (1,304,655) | Urgent Care & After Hours Advise | 8,107,359 | 4,778,750 | (3,328,609) |
| 9,300 | 9,300 | - | Hospital Admitting Team | 27,000 | 27,000 | - |
| 19,919,152 | 16,994,455 | (2,924,697) | TOTAL PHYSICIAN SERVICES | 56,776,499 | 50,687,540 | (6,088,959) |
| | | | OTHER PROFESSIONAL SERVICES | | | |
| 320,479 | 319,045 | (1,434) | Vision Service Capitation | 918,013 | 951,461 | 33,448 |
| 1,930,871 | 2,154,062 | 223,191 | Medical Departments - UM Allocation * | 5,619,305 | 6,462,186 | 842,881 |
| 1,425,684 | 1,507,003 | 81,319 | Behavior Health Treatment | 3,553,937 | 4,492,443 | 938,506 |
| 138,742 | 151,265 | 12,523 | Mental Health Services | 676,255 | 451,104 | (225,151) |
| 1,439,003 | 1,658,072 | 219,069 | Other Professional Services | 4,431,012 | 4,945,832 | 514,820 |
| 5,254,779 | 5,789,447 | 534,668 | TOTAL OTHER PROFESSIONAL SERVICES | 15,198,522 | 17,303,026 | 2,104,504 |
| 5,150,400 | 5,530,574 | 380,174 | EMERGENCY ROOM | 15,459,309 | 16,494,696 | 1,035,387 |
| 20,232,342 | 19,865,370 | (366,972) | INPATIENT HOSPITAL | 60,874,417 | 59,253,493 | (1,620,924) |
| 57,686 | 54,648 | (3,038) | REINSURANCE EXPENSE PREMIUM | 165,242 | 162,972 | (2,270) |
| 8,686,122 | 8,445,193 | (240,929) | OUTPATIENT HOSPITAL SERVICES | 25,123,463 | 25,189,869 | 66,406 |
| | | | OTHER MEDICAL | | | |
| 1,339,544 | 1,590,069 | 250,525 | Ambulance and NEMT | 3,954,113 | 4,741,910 | 787,797 |
| 841,676 | 685,409 | (156,267) | Home Health Services & CBAS | 2,389,028 | 2,043,888 | (345,140) |
| 504,541 | 1,106,708 | 602,167 | Utilization and Quality Review Expenses | 2,027,319 | 3,320,124 | 1,292,805 |
| 1,938,253 | 1,432,293 | (505,960) | Long Term/SNF/Hospice | 5,193,836 | 4,271,344 | (922,492) |
| 5,888,710 | 5,768,335 | (120,375) | Provider Enhancement Expense - Prop. 56 | 17,514,621 | 17,202,197 | (312,424) |
| 300,851 | 518,368 | 217,517 | Provider Enhancement Expense - GEMT | 1,226,990 | 1,546,290 | 319,300 |
| 173,216 | - | (173,216) | Vaccine Incentive Program Expense | 2,945,165 | - | (2,945,165) |
| 824,339 | 244,641 | (579,698) | Behavioral Health Integration Program | 2,473,017 | 729,682 | (1,743,335) |
| 1,821,649 | 1,734,565 | (87,084) | Enhanced Care Management | 5,406,541 | 5,176,899 | (229,642) |
| 496,178 | 476,895 | (19,283) | Major Organ Transplant | 1,442,657 | 1,422,448 | (20,209) |
| 1,089,466 | 1,163,858 | 74,392 | Cal AIM Incentive Programs | 3,588,393 | 3,471,392 | (117,001) |
| 570,456 | 899,209 | 328,753 | DME/Rebates | 2,425,808 | 2,681,501 | 255,693 |
| 15,788,879 | 15,620,349 | (168,530) | TOTAL OTHER MEDICAL | 50,587,488 | 46,607,674 | (3,979,814) |
| 465,421 | 455,400 | (10,021) | PAY FOR PERFORMANCE QUALITY INCENTIVE | 1,394,856 | 1,358,100 | (36,756) |
| 17,949,134 | 17,014,754 | (934,380) | HOSPITAL DIRECTED PAYMENTS | 53,210,500 | 50,771,200 | (2,439,300) |
| 26,678,156 | - | (26,678,156) | HOSPITAL DIRECTED PAYMENT ADJUSTMENT | 26,932,346 | - | (26,932,346) |
| 572,469 | - | (572,469) | NON-CLAIMS EXPENSE ADJUSTMENT | 620,125 | - | (620,125) |
| (3,987,493) | - | 3,987,493 | IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | (4,997,647) | - | 4,997,647 |
| 116,767,047 | 89,770,191 | (26,996,856) | Total Medical Costs | 301,345,120 | 267,828,570 | (33,516,550) |

KHS6/1/2022 Management Use Only * Medical costs per DMHC regulations

| CURRENT MONTH | | | KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED MARCH 31, 2022 | YEAR-TO-DATE | | |
|---------------|--------|----------|---|--------------|--------|----------|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE |
| | | | PHYSICIAN SERVICES | | | |
| 12.38 | 12.87 | 0.49 | Primary Care Physician Services | 12.12 | 12.87 | 0.75 |
| 42.03 | 37.80 | (4.23) | Referral Specialty Services | 40.07 | 37.81 | (2.26) |
| 9.30 | 5.28 | (4.02) | Urgent Care & After Hours Advise | 8.70 | 5.28 | (3.42) |
| 0.03 | 0.03 | 0.00 | Hospital Admitting Team | 0.03 | 0.03 | 0.00 |
| 63.74 | 55.98 | (7.77) | TOTAL PHYSICIAN SERVICES | 60.91 | 55.98 | (4.93) |
| | | | OTHER PROFESSIONAL SERVICES | | | |
| 1.03 | 1.05 | 0.03 | Vision Service Capitation | 0.98 | 1.05 | 0.07 |
| 6.18 | 7.10 | 0.92 | Medical Departments - UM Allocation * | 6.03 | 7.14 | 1.11 |
| 4.56 | 4.96 | 0.40 | Behavior Health Treatment | 3.81 | 4.96 | 1.15 |
| 0.44 | 0.50 | 0.05 | Mental Health Services | 0.73 | 0.50 | (0.23) |
| 4.60 | 5.46 | 0.86 | Other Professional Services | 4.75 | 5.46 | 0.71 |
| 16.82 | 19.07 | 2.25 | TOTAL OTHER PROFESSIONAL SERVICES | 16.31 | 19.11 | 2.81 |
| 16.48 | 18.22 | 1.73 | EMERGENCY ROOM | 16.59 | 18.22 | 1.63 |
| 64.75 | 65.43 | 0.69 | INPATIENT HOSPITAL | 65.31 | 65.44 | 0.14 |
| 0.18 | 0.18 | (0.00) | REINSURANCE EXPENSE PREMIUM | 0.18 | 0.18 | 0.00 |
| 27.80 | 27.82 | 0.02 | OUTPATIENT HOSPITAL SERVICES | 26.95 | 27.82 | 0.87 |
| | | | OTHER MEDICAL | | | |
| 4.29 | 5.24 | 0.95 | Ambulance and NEMT | 4.24 | 5.24 | 1.00 |
| 2.69 | 2.26 | (0.44) | Home Health Services & CBAS | 2.56 | 2.26 | (0.31) |
| 1.61 | 3.65 | 2.03 | Utilization and Quality Review Expenses | 2.17 | 3.67 | 1.49 |
| 6.20 | 4.72 | (1.48) | Long Term/SNF/Hospice | 5.57 | 4.72 | (0.85) |
| 18.84 | 19.00 | 0.16 | Provider Enhancement Expense - Prop. 56 | 18.79 | 19.00 | 0.21 |
| 0.96 | 1.71 | 0.74 | Provider Enhancement Expense - GEMT | 1.32 | 1.71 | 0.39 |
| 0.55 | 0.00 | (0.55) | Vaccine Incentive Program Expense | 3.16 | 0.00 | (3.16) |
| 2.64 | 0.81 | (1.83) | Behaviorial Health Integration Program | 2.65 | 0.81 | (1.85) |
| 5.83 | 5.71 | (0.12) | Enhanced Care Management | 5.80 | 5.72 | (0.08) |
| 1.59 | 1.57 | (0.02) | Major Organ Transplant | 1.55 | 1.57 | 0.02 |
| 3.49 | 3.83 | 0.35 | Cal AIM Incentive Programs | 3.85 | 3.83 | (0.02) |
| 1.83 | 2.96 | 1.14 | DME | 2.60 | 2.96 | 0.36 |
| 50.53 | 51.45 | 0.92 | TOTAL OTHER MEDICAL | 54.27 | 51.48 | (2.79) |
| 1.49 | 1.50 | 0.01 | PAY FOR PERFORMANCE QUALITY INCENTIVE | 1.50 | 1.50 | 0.00 |
| 57.44 | 56.04 | (1.40) | HOSPITAL DIRECTED PAYMENTS | 57.09 | 56.08 | (1.01) |
| 85.37 | 0.00 | (85.37) | HOSPITAL DIRECTED PAYMENT ADJUSTMENT | 28.89 | 0.00 | (28.89) |
| 1.83 | 0.00 | (1.83) | NON-CLAIMS EXPENSE ADJUSTMENT | 0.67 | 0.00 | (0.67) |
| (12.76) | 0.00 | 12.76 | IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | (5.36) | 0.00 | 5.36 |
| 373.67 | 295.69 | (77.98) | Total Medical Costs | 323.29 | 295.81 | (27.48) |

* Medical costs per DMHC regulations

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH MARCH 31, 2022 | JANUARY 2022 | FEBRUARY 2022 | MARCH 2022 | YEAR TO DATE 2022 |
|---|-------------------|--------------------|--------------------|-------------------------|
| PHYSICIAN SERVICES | | | | |
| Primary Care Physician Services | 3,472,901 | 3,950,940 | 3,869,340 | 11,293,181 |
| Referral Specialty Services | 11,390,029 | 12,825,148 | 13,133,782 | 37,348,959 |
| Urgent Care & After Hours Advise | 2,665,800 | 2,534,829 | 2,906,730 | 8,107,359 |
| Hospital Admitting Team | 9,300 | 8,400 | 9,300 | 27,000 |
| TOTAL PHYSICIAN SERVICES | 17,538,030 | 19,319,317 | 19,919,152 | 56,776,499 |
| OTHER PROFESSIONAL SERVICES | | | | |
| Vision Service Capitation | 298,113 | 299,421 | 320,479 | 918,013 |
| Medical Departments - UM Allocation * | 1,874,290 | 1,814,144 | 1,930,871 | 5,619,305 |
| Behavior Health Treatment | 1,143,733 | 984,520 | 1,425,684 | 3,553,937 |
| Mental Health Services | 385,915 | 151,598 | 138,742 | 676,255 |
| Other Professional Services | 1,338,982 | 1,653,027 | 1,439,003 | 4,431,012 |
| TOTAL OTHER PROFESSIONAL SERVICES | 5,041,033 | 4,902,710 | 5,254,779 | 15,198,522 |
| EMERGENCY ROOM | 5,209,937 | 5,098,972 | 5,150,400 | 15,459,309 |
| INPATIENT HOSPITAL | 20,610,105 | 20,031,970 | 20,232,342 | 60,874,417 |
| REINSURANCE EXPENSE PREMIUM | 53,660 | 53,896 | 57,686 | 165,242 |
| OUTPATIENT HOSPITAL SERVICES | 8,214,215 | 8,223,126 | 8,686,122 | 25,123,463 |
| OTHER MEDICAL | | | | |
| Ambulance and NEMT | 1,321,069 | 1,293,500 | 1,339,544 | 3,954,113 |
| Home Health Services & CBAS | 733,519 | 813,833 | 841,676 | 2,389,028 |
| Utilization and Quality Review Expenses | 767,373 | 755,405 | 504,541 | 2,027,319 |
| Long Term/SNF/Hospice | 1,585,601 | 1,669,982 | 1,938,253 | 5,193,836 |
| Provider Enhancement Expense - Prop. 56 | 5,806,204 | 5,819,707 | 5,888,710 | 17,514,621 |
| Provider Enhancement Expense - GEMT | 463,070 | 463,069 | 300,851 | 1,226,990 |
| Vaccine Incentive Program Expense | 1,143,595 | 1,628,354 | 173,216 | 2,945,165 |
| Behaviorial Health Integration Program | 824,339 | 824,339 | 824,339 | 2,473,017 |
| Enhanced Care Management | 2,023,406 | 1,561,486 | 1,821,649 | 5,406,541 |
| Major Organ Transplant | 472,866 | 473,613 | 496,178 | 1,442,657 |
| Cal AIM Incentive Programs | 1,241,196 | 1,257,731 | 1,089,466 | 3,588,393 |
| DME | 881,383 | 973,969 | 570,456 | 2,425,808 |
| TOTAL OTHER MEDICAL | 17,263,621 | 17,534,988 | 15,788,879 | 50,587,488 |
| PAY FOR PERFORMANCE QUALITY INCENTIVE | 464,013 | 465,422 | 465,421 | 1,394,856 |
| HOSPITAL DIRECTED PAYMENTS | 17,606,870 | 17,654,496 | 17,949,134 | 53,210,500 |
| HOSPITAL DIRECTED PAYMENT ADJUSTMENT | 230,177 | 24,013 | 26,678,156 | 26,932,346 |
| NON-CLAIMS EXPENSE ADJUSTMENT | 43,538 | 4,118 | 572,469 | 620,125 |
| IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | 627 | (1,010,781) | (3,987,493) | (4,997,647) |
| Total Medical Costs | 92,275,826 | 92,302,247 | 116,767,047 | 301,345,120 |

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH MARCH 31, 2022 | JANUARY 2022 | FEBRUARY 2022 | MARCH 2022 | YEAR TO DATE 2022 |
|--|-----------------|------------------|----------------|-------------------------|
| PHYSICIAN SERVICES | | | | |
| Primary Care Physician Services | 11.23 | 12.73 | 12.38 | 12.12 |
| Referral Specialty Services | 36.82 | 41.33 | 42.03 | 40.07 |
| Urgent Care & After Hours Advise | 8.62 | 8.17 | 9.30 | 8.70 |
| Hospital Admitting Team | 0.03 | 0.03 | 0.03 | 0.03 |
| TOTAL PHYSICIAN SERVICES | 56.69 | 62.26 | 63.74 | 60.91 |
| OTHER PROFESSIONAL SERVICES | | | | |
| Vision Service Capitation | 0.96 | 0.96 | 1.03 | 0.98 |
| Medical Departments - UM Allocation * | 6.06 | 5.85 | 6.18 | 6.03 |
| Behavior Health Treatment | 3.70 | 3.17 | 4.56 | 3.81 |
| Mental Health Services | 1.25 | 0.49 | 0.44 | 0.73 |
| Other Professional Services | 4.33 | 5.33 | 4.60 | 4.75 |
| TOTAL OTHER PROFESSIONAL SERVICES | 16.30 | 15.80 | 16.82 | 16.31 |
| EMERGENCY ROOM | 16.84 | 16.43 | 16.48 | 16.59 |
| INPATIENT HOSPITAL | 66.63 | 64.56 | 64.75 | 65.31 |
| REINSURANCE EXPENSE PREMIUM | 0.17 | 0.17 | 0.18 | 0.18 |
| OUTPATIENT HOSPITAL SERVICES | 26.55 | 26.50 | 27.80 | 26.95 |
| OTHER MEDICAL | | | | |
| Ambulance and NEMT | 4.27 | 4.17 | 4.29 | 4.24 |
| Home Health Services & CBAS | 2.37 | 2.62 | 2.69 | 2.56 |
| Utilization and Quality Review Expenses | 2.48 | 2.43 | 1.61 | 2.17 |
| Long Term/SNF/Hospice | 5.13 | 5.38 | 6.20 | 5.57 |
| Provider Enhancement Expense - Prop. 56 | 18.77 | 18.76 | 18.84 | 18.79 |
| Provider Enhancement Expense - GEMT | 1.50 | 1.49 | 0.96 | 1.32 |
| Vaccine Incentive Program Expense | 3.70 | 5.25 | 0.55 | 3.16 |
| Behaviorial Health Integration Program | 2.66 | 2.66 | 2.64 | 2.65 |
| Enhanced Care Management | 6.54 | 5.03 | 5.83 | 5.80 |
| Major Organ Transplant | 1.53 | 1.53 | 1.59 | 1.55 |
| Cal AIM Incentive Programs | 4.01 | 4.05 | 3.49 | 3.85 |
| DME | 2.85 | 3.14 | 1.83 | 2.60 |
| TOTAL OTHER MEDICAL | 55.81 | 56.51 | 50.53 | 54.27 |
| PAY FOR PERFORMANCE QUALITY INCENTIVE | 1.50 | 1.50 | 1.49 | 1.50 |
| HOSPITAL DIRECTED PAYMENTS | 56.92 | 56.90 | 57.44 | 57.09 |
| HOSPITAL DIRECTED PAYMENT ADJUSTMENT | 0.74 | 0.08 | 85.37 | 28.89 |
| NON-CLAIMS EXPENSE ADJUSTMENT | 0.14 | 0.01 | 1.83 | 0.67 |
| IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | 0.00 | (3.26) | (12.76) | (5.36) |
| Total Medical Costs | 298.30 | 297.48 | 373.67 | 323.29 |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED MARCH 31, 2022 | YEAR-TO-DATE | | |
|---------------|-----------|-----------|--|--------------|------------|-----------|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE |
| 429,743 | 459,798 | 30,055 | 110 - Executive | 1,257,337 | 1,379,393 | 122,056 |
| 252,864 | 234,469 | (18,395) | 210 - Accounting | 665,033 | 703,407 | 38,374 |
| 337,588 | 359,967 | 22,379 | 220 - Management Information Systems | 912,282 | 1,079,901 | 167,619 |
| 31,834 | 54,298 | 22,464 | 221 - Business Intelligence | 110,563 | 162,894 | 52,331 |
| 286,566 | 383,664 | 97,098 | 222 - Enterprise Development | 845,118 | 1,150,992 | 305,874 |
| 536,529 | 533,193 | (3,336) | 225 - Infrastructure | 1,438,013 | 1,599,579 | 161,566 |
| 591,767 | 615,321 | 23,554 | 230 - Claims | 1,722,390 | 1,845,963 | 123,573 |
| 174,210 | 187,947 | 13,737 | 240 - Project Management | 498,560 | 563,841 | 65,281 |
| 128,165 | 180,989 | 52,824 | 310 - Health Services - Utilization Management | 394,323 | 542,967 | 148,644 |
| (90) | 14,039 | 14,129 | 311 - Health Services - Quality Improvement | 15,732 | 42,117 | 26,385 |
| 2,174 | 513 | (1,661) | 312 - Health Services - Education | 2,354 | 1,539 | (815) |
| 38,879 | 50,828 | 11,949 | 313- Pharmacy | 115,419 | 152,484 | 37,065 |
| 19 | 2,308 | 2,289 | 314 - Enhanced Care Management | 3,541 | 6,924 | 3,383 |
| 63,150 | 74,558 | 11,408 | 316 -Population Health Management | 190,967 | 223,674 | 32,707 |
| 22 | 333 | 311 | 317 - Community Based Services | 46 | 999 | 953 |
| 325,559 | 359,942 | 34,383 | 320 - Provider Network Management | 980,243 | 1,079,826 | 99,583 |
| 700,611 | 871,663 | 171,052 | 330 - Member Services | 2,078,512 | 2,614,989 | 536,477 |
| 778,083 | 721,857 | (56,226) | 340 - Corporate Services | 2,250,527 | 2,165,571 | (84,956) |
| 71,016 | 97,177 | 26,161 | 360 - Audit & Investigative Services | 210,668 | 291,531 | 80,863 |
| 55,984 | 92,450 | 36,466 | 410 - Advertising Media | 95,162 | 277,350 | 182,188 |
| 70,326 | 76,696 | 6,370 | 420 - Sales/Marketing/Public Relations | 188,317 | 230,088 | 41,771 |
| 352,740 | 303,042 | (49,698) | 510 - Human Resources | 916,698 | 909,126 | (7,572) |
| 31,776 | (92,324) | (124,100) | Administrative Expense Adjustment | (14,411) | (276,972) | (262,561) |
| 5,259,515 | 5,582,728 | 323,213 | Total Administrative Expenses | 14,877,394 | 16,748,183 | 1,870,789 |

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED MARCH 31, 2022 | JANUARY 2022 | FEBRUARY 2022 | MARCH 2022 | YEAR TO DATE 2022 |
|--|-------------------------|--------------------------|-----------------------|----------------------------------|
| 110 - Executive | 424,308 | 403,286 | 429,743 | 1,257,337 |
| 210 - Accounting | 233,241 | 178,928 | 252,864 | 665,033 |
| 220 - Management Information Systems (MIS) | 335,777 | 238,917 | 337,588 | 912,282 |
| 221 - Business Intelligence | 13,042 | 65,687 | 31,834 | 110,563 |
| 222 - Enterprise Development | 307,654 | 250,898 | 286,566 | 845,118 |
| 225 - Infrastructure | 473,799 | 427,685 | 536,529 | 1,438,013 |
| 230 - Claims | 582,040 | 548,583 | 591,767 | 1,722,390 |
| 240 - Project Management | 171,917 | 152,433 | 174,210 | 498,560 |
| 310 - Health Services - Utilization Management | 139,536 | 126,622 | 128,165 | 394,323 |
| 311 - Health Services - Quality Improvement | 277 | 15,545 | (90) | 15,732 |
| 312 - Health Services - Education | - | 180 | 2,174 | 2,354 |
| 313- Pharmacy | 39,824 | 36,716 | 38,879 | 115,419 |
| 314 - Enhanced Care Management | 3,281 | 241 | 19 | 3,541 |
| 316 -Population Health Management | 65,121 | 62,696 | 63,150 | 190,967 |
| 317 - Community Based Services | - | 24 | 22 | 46 |
| 320 - Provider Network Management | 327,923 | 326,761 | 325,559 | 980,243 |
| 330 - Member Services | 754,477 | 623,424 | 700,611 | 2,078,512 |
| 340 - Corporate Services | 786,930 | 685,514 | 778,083 | 2,250,527 |
| 360 - Audit & Investigative Services | 69,757 | 69,895 | 71,016 | 210,668 |
| 410 - Advertising Media | 11,825 | 27,353 | 55,984 | 95,162 |
| 420 - Sales/Marketing/Public Relations | 66,531 | 51,460 | 70,326 | 188,317 |
| 510 - Human Resources | 309,451 | 254,507 | 352,740 | 916,698 |
| Total Department Expenses | 5,116,711 | 4,547,355 | 5,227,739 | 14,891,805 |
| ADMINISTRATIVE EXPENSE ADJUSTMENT | (1,904) | (44,283) | 31,776 | (14,411) |
| Total Administrative Expenses | 5,114,807 | 4,503,072 | 5,259,515 | 14,877,394 |

| KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF MARCH 31, 2022 | | | |
|--|---------------------|----------------------|-----------------|
| ASSETS | MARCH 2022 | FEBRUARY 2022 | INC(DEC) |
| CURRENT ASSETS: | | | |
| Cash and Cash Equivalents | \$ 1,139,004 | \$ 1,139,004 | - |
| Interest Receivable | 894 | 400 | 494 |
| TOTAL CURRENT ASSETS | \$ 1,139,898 | \$ 1,139,404 | \$ 494 |
| LIABILITIES AND NET POSITION | | | |
| CURRENT LIABILITIES: | | | |
| Other Liabilities | - | - | - |
| TOTAL CURRENT LIABILITIES | \$ - | \$ - | \$ - |
| NET POSITION: | | | |
| Net Position- Beg. of Year | 1,136,102 | 1,136,102 | - |
| Increase (Decrease) in Net Position - Current Year | 3,796 | 3,302 | 494 |
| Total Net Position | \$ 1,139,898 | \$ 1,139,404 | \$ 494 |
| TOTAL LIABILITIES AND NET POSITION | \$ 1,139,898 | \$ 1,139,404 | \$ 494 |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED MARCH 31, 2022 | YEAR-TO-DATE | | |
|-----------------------|----|-----|---|--------------|----|-------|
| | | | | | | |
| ENROLLMENT | | | | | | |
| - | - | - | Members | - | - | - |
| REVENUES | | | | | | |
| - | - | - | Premium | - | - | - |
| 494 | - | 494 | Interest | 894 | - | 894 |
| - | - | - | Other Investment Income | 2,902 | - | 2,902 |
| 494 | - | 494 | TOTAL REVENUES | 3,796 | - | 3,796 |
| EXPENSES | | | | | | |
| - | - | - | Medical Costs | - | - | - |
| - | - | - | IBNR and Paid Claims Adjustment | - | - | - |
| - | - | - | Total Medical Costs | - | - | - |
| 494 | - | 494 | GROSS MARGIN | 3,796 | - | 3,796 |
| Administrative | | | | | | |
| - | - | - | Management Fee Expense and Other Admin Exp | - | - | - |
| - | - | - | Total Administrative Expenses | - | - | - |
| - | - | - | TOTAL EXPENSES | - | - | - |
| 494 | - | 494 | OPERATING INCOME (LOSS) | 3,796 | - | 3,796 |
| - | - | - | TOTAL NONOPERATING REVENUE (EXPENSES) | - | - | - |
| 494 | - | 494 | NET INCREASE (DECREASE) IN NET POSITION | 3,796 | - | 3,796 |
| 0% | 0% | 0% | MEDICAL LOSS RATIO | 0% | 0% | 0% |
| 0% | 0% | 0% | ADMINISTRATIVE EXPENSE RATIO | 0% | 0% | 0% |

| KERN HEALTH SYSTEMS MONTHLY MEMBERS COUNT | | | | |
|--|-------------------------------|----------------|----------------|----------------|
| KERN HEALTH SYSTEMS | | | | |
| MEDI-CAL | 2022 MEMBER MONTHS | JAN'22 | FEB'22 | MAR'22 |
| ADULT AND FAMILY | | | | |
| ADULT | 182,969 | 60,708 | 60,882 | 61,379 |
| CHILD | 419,172 | 139,223 | 139,605 | 140,344 |
| SUB-TOTAL ADULT & FAMILY | 602,141 | 199,931 | 200,487 | 201,723 |
| OTHER MEMBERS | | | | |
| PARTIAL DUALS - FAMILY | 2,436 | 824 | 801 | 811 |
| PARTIAL DUALS - CHILD | 0 | 0 | 0 | 0 |
| PARTIAL DUALS - BCCTP | 23 | 4 | 13 | 6 |
| FULL DUALS (SPD) | | | | |
| SPD FULL DUALS | 24,731 | 8,138 | 8,257 | 8,336 |
| SUBTOTAL OTHER MEMBERS | 27,190 | 8,966 | 9,071 | 9,153 |
| TOTAL FAMILY & OTHER | 629,331 | 208,897 | 209,558 | 210,876 |
| SPD | | | | |
| SPD (AGED AND DISABLED) | 49,448 | 16,556 | 16,376 | 16,516 |
| MEDI-CAL EXPANSION | | | | |
| ACA Expansion Adult-Citizen | 249,830 | 82,803 | 83,199 | 83,828 |
| ACA Expansion Duals | 3,504 | 1,086 | 1,148 | 1,270 |
| SUB-TOTAL MED-CAL EXPANSION | 253,334 | 83,889 | 84,347 | 85,098 |
| TOTAL KAISER | 39,072 | 12,787 | 13,032 | 13,253 |
| TOTAL MEDI-CAL MEMBERS | 971,185 | 322,129 | 323,313 | 325,743 |



To: KHS Board of Directors

From: Robert Landis, CFO

Date: June 16, 2022

Re: April 2022 Financial Results

The April results reflect a \$3,539,727 Net Increase in Net Position which is a \$3,883,931 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$3.2 million favorable variance primarily due to:
 - A) \$2.8 million favorable variance primarily due to higher-than-expected budgeted membership.
 - B) \$.8 million favorable in Premium-Hospital Directed Payments primarily due to higher-than-expected budgeted membership offset amounts included in 2B below.
- 2) Total Medical Costs reflect a \$.7 million favorable variance primarily due to:
 - A) \$1.2 million unfavorable variance in Physician Services primarily due to higher-than-expected utilization relating to Referral Specialty Services for Family and Expansion membership.
 - B) \$.8 million unfavorable variance in Premium-Hospital Directed Payments primarily due to higher-than-expected budgeted membership offset amounts included in 1B above.
 - C) \$2.8 million favorable variance primarily from IBNR Adjustments relating to the prior year.

The April Medical Loss Ratio is 88.3% which is favorable to the 92.8 % budgeted amount. The April Administrative Expense Ratio is 6.0% which is favorable to the 7.1% budgeted amount.

The results for the 4 months ended April 30, 2022 reflect a Net Increase in Net Position of \$11,454,779. This is a \$12,932,452 favorable variance to budget and includes approximately \$9.7 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 89.5% which is favorable to the 92.8% budgeted amount. The year-to-date Administrative Expense Ratio is 6.0% which is favorable to the 7.1% budgeted amount.

**Kern Health Systems
Financial Packet
April 2022**

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 4-5 |
| Statement of Revenue, Expenses, and Changes in Net Position by Month - PMPM | Page 6-7 |
| Schedule of Revenues | Page 8 |
| Schedule of Medical Costs | Page 9 |
| Schedule of Medical Costs - PMPM | Page 10 |
| Schedule of Medical Costs by Month | Page 11 |
| Schedule of Medical Costs by Month – PMPM | Page 12 |
| Schedule of Administrative Expenses by Department | Page 13 |
| Schedule of Administrative Expenses by Department by Month | Page 14 |

KHS Group Health Plan – Healthy Families Line of Business

| | |
|---|---------|
| Comparative Statement of Net Position | Page 15 |
| Statement of Revenue, Expenses, and Changes in Net Position | Page 16 |

KHS Administrative Analysis and Other Reporting

| | |
|----------------------|---------|
| Monthly Member Count | Page 17 |
|----------------------|---------|

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF APRIL 30, 2022 | | | |
|--|-----------------------|-----------------------|----------------------|
| ASSETS | APRIL 2022 | MARCH 2022 | INC(DEC) |
| CURRENT ASSETS: | | | |
| Cash and Cash Equivalents | \$ 147,256,766 | \$ 94,785,829 | \$ 52,470,937 |
| Short-Term Investments | 164,065,350 | 223,445,518 | (59,380,168) |
| Premiums Receivable - Net | 113,671,107 | 113,033,689 | 637,418 |
| Premiums Receivable - Hospital Direct Payments | 323,289,440 | 305,379,625 | 17,909,815 |
| Interest Receivable | 19,009 | 58,359 | (39,350) |
| Provider Advance Payment | 4,054,159 | 4,217,414 | (163,255) |
| Other Receivables | 143,933 | 543,097 | (399,164) |
| Prepaid Expenses & Other Current Assets | 2,582,400 | 3,188,197 | (605,797) |
| Total Current Assets | \$ 755,082,164 | \$ 744,651,728 | \$ 10,430,436 |
| CAPITAL ASSETS - NET OF ACCUM DEP'RE: | | | |
| Land | 4,090,706 | 4,090,706 | - |
| Furniture and Equipment - Net | 1,515,487 | 1,553,567 | (38,080) |
| Computer Hardware and Software - Net | 20,699,281 | 21,004,229 | (304,948) |
| Building and Building Improvements - Net | 34,330,779 | 34,400,177 | (69,398) |
| Capital Projects in Progress | 4,882,432 | 4,706,458 | 175,974 |
| Total Capital Assets | \$ 65,518,685 | \$ 65,755,137 | \$ (236,452) |
| LONG TERM ASSETS: | | | |
| Restricted Investments | 300,000 | 300,000 | - |
| Net Pension Asset | 693,712 | 693,712 | - |
| Officer Life Insurance Receivables | 1,640,053 | 1,640,053 | - |
| Total Long Term Assets | \$ 2,633,765 | \$ 2,633,765 | \$ - |
| DEFERRED OUTFLOWS OF RESOURCES | \$ 3,665,821 | \$ 3,665,821 | \$ - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 826,900,435 | \$ 816,706,451 | \$ 10,193,984 |
| LIABILITIES AND NET POSITION | | | |
| CURRENT LIABILITIES: | | | |
| Accrued Salaries and Employee Benefits | \$ 4,699,731 | \$ 4,550,296 | 149,435 |
| Accrued Other Operating Expenses | 1,953,686 | 1,980,304 | (26,618) |
| Accrued Taxes and Licenses | 9,745,055 | 29,533,163 | (19,788,108) |
| Claims Payable (Reported) | 25,760,615 | 20,976,874 | 4,783,741 |
| IBNR - Inpatient Claims | 42,200,758 | 39,835,447 | 2,365,311 |
| IBNR - Physician Claims | 19,220,152 | 19,120,035 | 100,117 |
| IBNR - Accrued Other Medical | 27,923,417 | 28,453,945 | (530,528) |
| Risk Pool and Withholds Payable | 6,890,758 | 6,418,722 | 472,036 |
| Statutory Allowance for Claims Processing Expense | 2,389,766 | 2,389,766 | - |
| Other Liabilities | 98,557,634 | 97,338,578 | 1,219,056 |
| Accrued Hospital Directed Payments | 323,289,440 | 305,379,625 | 17,909,815 |
| Total Current Liabilities | \$ 562,631,012 | \$ 555,976,755 | \$ 6,654,257 |
| NONCURRENT LIABILITIES: | | | |
| Net Pension Liability | - | - | - |
| TOTAL NONCURRENT LIABILITIES | \$ - | \$ - | \$ - |
| DEFERRED INFLOWS OF RESOURCES | \$ 5,338,319 | \$ 5,338,319 | \$ - |
| NET POSITION: | | | |
| Net Position - Beg. of Year | 247,476,325 | 247,476,325 | - |
| Increase (Decrease) in Net Position - Current Year | 11,454,779 | 7,915,052 | 3,539,727 |
| Total Net Position | \$ 258,931,104 | \$ 255,391,377 | \$ 3,539,727 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | \$ 826,900,435 | \$ 816,706,451 | \$ 10,193,984 |

| CURRENT MONTH MEMBERS | | | KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED APRIL 30, 2022 | | | YEAR-TO-DATE MEMBER MONTHS | | |
|-----------------------|-------------|-------------|---|-------------|-------------|----------------------------|--------|----------|
| | | | | | | ACTUAL | BUDGET | VARIANCE |
| 202,755 | 200,600 | 2,155 | Family Members | 804,896 | 794,600 | 10,296 | | |
| 86,361 | 81,230 | 5,131 | Expansion Members | 339,695 | 322,520 | 17,175 | | |
| 16,363 | 15,830 | 533 | SPD Members | 65,811 | 62,720 | 3,091 | | |
| 9,212 | 7,740 | 1,472 | Other Members | 36,402 | 30,960 | 5,442 | | |
| 13,407 | 13,000 | 407 | Kaiser Members | 52,479 | 52,000 | 479 | | |
| 328,098 | 318,400 | 9,698 | Total Members - MCAL | 1,299,283 | 1,262,800 | 36,483 | | |
| | | | REVENUES | | | | | |
| 36,762,722 | 35,547,716 | 1,215,006 | Title XIX - Medicaid - Family and Other | 147,438,476 | 141,071,709 | 6,366,767 | | |
| 29,812,384 | 28,295,595 | 1,516,789 | Title XIX - Medicaid - Expansion Members | 119,077,282 | 112,350,035 | 6,727,247 | | |
| 14,924,745 | 14,833,270 | 91,475 | Title XIX - Medicaid - SPD Members | 59,528,999 | 58,770,859 | 758,140 | | |
| 9,894,054 | 9,922,100 | (28,046) | Premium - MCO Tax | 39,581,248 | 39,351,847 | 229,401 | | |
| 17,905,917 | 17,105,775 | 800,142 | Premium - Hospital Directed Payments | 71,116,417 | 67,876,976 | 3,239,441 | | |
| (326,288) | 82,053 | (408,341) | Investment Earnings And Other Income | (1,151,323) | 325,141 | (1,476,464) | | |
| - | 54,972 | (54,972) | Reinsurance Recoveries | - | 217,944 | (217,944) | | |
| 3,898 | - | 3,898 | Rate Adjustments - Hospital Directed Payments | 27,165,397 | - | 27,165,397 | | |
| 59,935 | - | 59,935 | Rate/Income Adjustments | 2,488,472 | - | 2,488,472 | | |
| 109,037,367 | 105,841,482 | 3,195,885 | TOTAL REVENUES | 465,244,968 | 419,964,512 | 45,280,456 | | |
| | | | EXPENSES | | | | | |
| | | | Medical Costs: | | | | | |
| 18,291,501 | 17,093,064 | (1,198,437) | Physician Services | 75,068,000 | 67,780,604 | (7,287,396) | | |
| 5,361,545 | 5,811,218 | 449,673 | Other Professional Services | 20,560,067 | 23,114,244 | 2,554,177 | | |
| 5,098,584 | 5,562,916 | 464,332 | Emergency Room | 20,557,893 | 22,057,613 | 1,499,720 | | |
| 20,364,608 | 19,979,576 | (385,032) | Inpatient | 81,239,025 | 79,233,069 | (2,005,956) | | |
| 56,409 | 54,972 | (1,437) | Reinsurance Expense | 221,651 | 217,944 | (3,707) | | |
| 8,458,833 | 8,493,763 | 34,930 | Outpatient Hospital | 33,582,296 | 33,683,632 | 101,336 | | |
| 16,341,907 | 15,704,807 | (637,100) | Other Medical | 66,929,395 | 62,312,481 | (4,616,914) | | |
| 472,037 | 458,100 | (13,937) | Pay for Performance Quality Incentive | 1,866,893 | 1,816,200 | (50,693) | | |
| 17,905,917 | 17,105,775 | (800,142) | Hospital Directed Payments | 71,116,417 | 67,876,976 | (3,239,441) | | |
| 3,898 | - | (3,898) | Hospital Directed Payment Adjustment | 26,936,244 | - | (26,936,244) | | |
| 62,025 | - | (62,025) | Non-Claims Expense Adjustment | 682,150 | - | (682,150) | | |
| (2,812,496) | - | 2,812,496 | IBNR, Incentive, Paid Claims Adjustment | (7,810,143) | - | 7,810,143 | | |
| 89,604,768 | 90,264,192 | 659,424 | Total Medical Costs | 390,949,888 | 358,092,763 | (32,857,125) | | |
| 19,432,599 | 15,577,290 | 3,855,309 | GROSS MARGIN | 74,295,080 | 61,871,749 | 12,423,331 | | |
| | | | Administrative: | | | | | |
| 3,075,151 | 3,369,438 | 294,287 | Compensation | 12,147,698 | 13,477,754 | 1,330,056 | | |
| 783,960 | 1,108,544 | 324,584 | Purchased Services | 3,606,989 | 4,434,177 | 827,188 | | |
| 41,533 | 212,108 | 170,575 | Supplies | 328,380 | 848,430 | 520,050 | | |
| 570,835 | 526,572 | (44,263) | Depreciation | 2,284,213 | 2,106,288 | (177,925) | | |
| 252,930 | 366,066 | 113,136 | Other Administrative Expenses | 1,248,934 | 1,464,263 | 215,329 | | |
| 164,256 | - | (164,256) | Administrative Expense Adjustment | 149,845 | - | (149,845) | | |
| 4,888,665 | 5,582,728 | 694,063 | Total Administrative Expenses | 19,766,059 | 22,330,911 | 2,564,852 | | |
| 94,493,433 | 95,846,920 | 1,353,487 | TOTAL EXPENSES | 410,715,947 | 380,423,674 | (30,292,273) | | |
| 14,543,934 | 9,994,562 | 4,549,372 | OPERATING INCOME (LOSS) BEFORE TAX | 54,529,021 | 39,540,838 | 14,988,183 | | |
| 9,894,054 | 9,922,100 | 28,046 | MCO TAX | 39,575,988 | 39,351,847 | (224,141) | | |
| 4,649,880 | 72,462 | 4,577,418 | OPERATING INCOME (LOSS) NET OF TAX | 14,953,033 | 188,991 | 14,764,042 | | |
| | | | NONOPERATING REVENUE (EXPENSE) | | | | | |
| - | - | - | Gain on Sale of Assets | - | - | - | | |
| (1,060,081) | (333,333) | (726,748) | Provider Grants/CalAIM Initiative Grant | (2,962,985) | (1,333,332) | (1,629,653) | | |
| (50,072) | (83,333) | 33,261 | Health Home | (535,269) | (333,332) | (201,937) | | |
| (1,110,153) | (416,666) | (693,487) | TOTAL NONOPERATING REVENUE (EXPENSE) | (3,498,254) | (1,666,664) | (1,831,590) | | |
| 3,539,727 | (344,204) | 3,883,931 | NET INCREASE (DECREASE) IN NET POSITION | 11,454,779 | (1,477,673) | 12,932,452 | | |
| 88.3% | 92.8% | 4.6% | MEDICAL LOSS RATIO | 89.5% | 92.8% | 3.3% | | |
| 6.0% | 7.1% | 1.1% | ADMINISTRATIVE EXPENSE RATIO | 6.0% | 7.1% | 1.1% | | |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED APRIL 30, 2022 | | | YEAR-TO-DATE | | |
|---------------------------------------|---------|---------|--|-----------|-----------|--------------|--------|----------|
| | | | | | | ACTUAL | BUDGET | VARIANCE |
| ENROLLMENT | | | | | | | | |
| 202,755 | 200,600 | 2,155 | Family Members | 804,896 | 794,600 | 10,296 | | |
| 86,361 | 81,230 | 5,131 | Expansion Members | 339,695 | 322,520 | 17,175 | | |
| 16,363 | 15,830 | 533 | SPD Members | 65,811 | 62,720 | 3,091 | | |
| 9,212 | 7,740 | 1,472 | Other Members | 36,402 | 30,960 | 5,442 | | |
| 13,407 | 13,000 | 407 | Kaiser Members | 52,479 | 52,000 | 479 | | |
| 328,098 | 318,400 | 9,698 | Total Members - MCAL | 1,299,283 | 1,262,800 | 36,483 | | |
| REVENUES | | | | | | | | |
| 173.44 | 170.62 | 2.81 | Title XIX - Medicaid - Family and Other | 175.25 | 170.88 | 4.37 | | |
| 345.21 | 348.34 | (3.13) | Title XIX - Medicaid - Expansion Members | 350.54 | 348.35 | 2.19 | | |
| 912.10 | 937.04 | (24.93) | Title XIX - Medicaid - SPD Members | 904.54 | 937.04 | (32.49) | | |
| 31.44 | 32.49 | (1.05) | Premium - MCO Tax | 31.75 | 32.50 | (0.75) | | |
| 56.90 | 56.01 | 0.89 | Premium - Hospital Directed Payments | 57.04 | 56.06 | 0.98 | | |
| (1.04) | 0.27 | (1.31) | Investment Earnings And Other Income | (0.92) | 0.27 | (1.19) | | |
| 0.00 | 0.18 | (0.18) | Reinsurance Recoveries | 0.00 | 0.18 | (0.18) | | |
| 0.01 | 0.00 | 0.01 | Rate Adjustments - Hospital Directed Payments | 21.79 | 0.00 | 21.79 | | |
| 0.19 | 0.00 | 0.19 | Rate/Income Adjustments | 2.00 | 0.00 | 2.00 | | |
| 346.49 | 346.57 | (0.08) | TOTAL REVENUES | 373.15 | 346.85 | 26.30 | | |
| EXPENSES | | | | | | | | |
| Medical Costs: | | | | | | | | |
| 58.13 | 55.97 | (2.16) | Physician Services | 60.21 | 55.98 | (4.23) | | |
| 17.04 | 19.03 | 1.99 | Other Professional Services | 16.49 | 19.09 | 2.60 | | |
| 16.20 | 18.22 | 2.01 | Emergency Room | 16.49 | 18.22 | 1.73 | | |
| 64.71 | 65.42 | 0.71 | Inpatient | 65.16 | 65.44 | 0.28 | | |
| 0.18 | 0.18 | 0.00 | Reinsurance Expense | 0.18 | 0.18 | 0.00 | | |
| 26.88 | 27.81 | 0.93 | Outpatient Hospital | 26.93 | 27.82 | 0.88 | | |
| 51.93 | 51.42 | (0.51) | Other Medical | 53.68 | 51.46 | (2.22) | | |
| 1.50 | 1.50 | (0.00) | Pay for Performance Quality Incentive | 1.50 | 1.50 | 0.00 | | |
| 56.90 | 56.01 | (0.89) | Hospital Directed Payments | 57.04 | 56.06 | (0.98) | | |
| 0.01 | 0.00 | (0.01) | Hospital Directed Payment Adjustment | 21.60 | 0.00 | (21.60) | | |
| 0.20 | 0.00 | (0.20) | Non-Claims Expense Adjustment | 0.55 | 0.00 | (0.55) | | |
| (8.94) | 0.00 | 8.94 | IBNR, Incentive, Paid Claims Adjustment | (6.26) | 0.00 | 6.26 | | |
| 284.74 | 295.56 | 10.82 | Total Medical Costs | 313.56 | 295.75 | (17.81) | | |
| GROSS MARGIN | | | | | | | | |
| 61.75 | 51.01 | 10.75 | | 59.59 | 51.10 | 8.49 | | |
| Administrative: | | | | | | | | |
| 9.77 | 11.03 | 1.26 | Compensation | 9.74 | 11.13 | 1.39 | | |
| 2.49 | 3.63 | 1.14 | Purchased Services | 2.89 | 3.66 | 0.77 | | |
| 0.13 | 0.69 | 0.56 | Supplies | 0.26 | 0.70 | 0.44 | | |
| 1.81 | 1.72 | (0.09) | Depreciation | 1.83 | 1.74 | (0.09) | | |
| 0.80 | 1.20 | 0.39 | Other Administrative Expenses | 1.00 | 1.21 | 0.21 | | |
| 0.52 | 0.00 | (0.52) | Administrative Expense Adjustment | 0.12 | 0.00 | (0.12) | | |
| 15.53 | 18.28 | 2.75 | Total Administrative Expenses | 15.85 | 18.44 | 2.59 | | |
| 300.27 | 313.84 | 13.57 | TOTAL EXPENSES | 329.42 | 314.19 | (15.22) | | |
| 46.22 | 32.73 | 13.49 | OPERATING INCOME (LOSS) BEFORE TAX | 43.74 | 32.66 | 11.08 | | |
| 31.44 | 32.49 | 1.05 | MCO TAX | 31.74 | 32.50 | 0.76 | | |
| 14.78 | 0.24 | 14.54 | OPERATING INCOME (LOSS) NET OF TAX | 11.99 | 0.16 | 11.84 | | |
| NONOPERATING REVENUE (EXPENSE) | | | | | | | | |
| 0.00 | 0.00 | 0.00 | Gain on Sale of Assets | 0.00 | 0.00 | 0.00 | | |
| (3.37) | (1.09) | (2.28) | Reserve Fund Projects/Community Grants | (2.38) | (1.10) | (1.28) | | |
| (0.16) | (0.27) | 0.11 | Health Home | (0.43) | (0.28) | (0.15) | | |
| (3.53) | (1.36) | (2.16) | TOTAL NONOPERATING REVENUE (EXPENSE) | (2.81) | (1.38) | (1.43) | | |
| 11.25 | (1.13) | 12.38 | NET INCREASE (DECREASE) IN NET POSITION | 9.19 | (1.22) | 10.41 | | |
| 88.3% | 92.8% | 4.6% | MEDICAL LOSS RATIO | 89.5% | 92.8% | 3.3% | | |
| 6.0% | 7.1% | 1.1% | ADMINISTRATIVE EXPENSE RATIO | 6.0% | 7.1% | 1.1% | | |

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH APRIL 30, 2022 | APRIL | MAY | JUNE | JULY | AUGUST | SEPTEMBER | OCTOBER |
|---|--------------------|--------------------|--------------------|-------------------|--------------------|--------------------|--------------------|
| | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 |
| ENROLLMENT | | | | | | | |
| Members - MCAL | 284,587 | 287,199 | 289,309 | 290,980 | 292,271 | 294,672 | 295,865 |
| REVENUES | | | | | | | |
| Title XIX - Medicaid - Family and Other | 33,739,041 | 34,872,666 | 35,878,342 | 35,761,670 | 34,569,656 | 35,961,464 | 37,040,845 |
| Title XIX - Medicaid - Expansion Members | 28,547,171 | 28,728,667 | 29,533,533 | 29,676,566 | 29,540,608 | 29,932,046 | 30,140,656 |
| Title XIX - Medicaid - SPD Members | 15,527,562 | 16,024,510 | 15,971,978 | 16,260,445 | 16,115,519 | 16,075,172 | 16,206,131 |
| Premium - MCO Tax | 9,805,142 | 9,876,747 | 9,961,634 | 10,025,153 | 10,069,582 | 10,136,079 | 10,229,218 |
| Premium - Hospital Directed Payments | 14,734,613 | 14,811,749 | 22,138,233 | 16,337,340 | 16,361,944 | 16,554,814 | 16,726,476 |
| Investment Earnings And Other Income | 205,894 | 195,233 | (408,458) | (39,267) | 567,469 | (59,079) | 131,645 |
| Rate Adjustments - Hospital Directed Payments | 3,134 | 79,899 | 4,445 | (29,149,066) | 7,365 | 5,709 | 4,491 |
| Rate/Income Adjustments | 266,498 | 595,656 | (93,658) | (294,637) | (458,866) | 122,473 | 52,871 |
| TOTAL REVENUES | 102,829,055 | 105,185,127 | 112,986,049 | 78,578,204 | 106,773,277 | 108,728,678 | 110,532,333 |
| EXPENSES | | | | | | | |
| Medical Costs: | | | | | | | |
| Physician Services | 15,642,095 | 15,744,708 | 16,190,717 | 15,305,367 | 15,819,470 | 17,895,535 | 17,549,058 |
| Other Professional Services | 5,107,193 | 4,658,383 | 4,460,451 | 4,604,443 | 4,825,412 | 4,347,759 | 4,846,005 |
| Emergency Room | 4,480,205 | 5,023,372 | 5,040,670 | 4,833,831 | 4,472,304 | 3,735,609 | 4,506,067 |
| Inpatient | 18,419,878 | 20,578,157 | 20,739,625 | 20,542,490 | 20,581,248 | 20,303,427 | 23,207,054 |
| Reinsurance Expense | 80,129 | 84,297 | 82,530 | 84,045 | 84,997 | 84,384 | 85,133 |
| Outpatient Hospital | 8,681,740 | 8,842,725 | 8,800,023 | 7,937,455 | 7,942,981 | 7,529,697 | 7,080,379 |
| Other Medical | 9,883,445 | 10,960,637 | 12,430,651 | 9,927,247 | 9,914,269 | 10,572,454 | 10,784,127 |
| Pharmacy | 9,412,697 | 9,349,484 | 10,442,688 | 9,774,211 | 10,298,442 | 9,913,574 | 10,236,384 |
| Pay for Performance Quality Incentive | 540,715 | 540,715 | 545,673 | 552,862 | 552,862 | - | - |
| Hospital Directed Payments | 14,734,613 | 14,811,759 | 22,138,233 | 16,337,330 | 16,361,944 | 16,554,814 | 16,726,476 |
| Hospital Directed Payment Adjustment | 3,134 | 597 | 3,943 | (29,149,382) | 7,365 | (132,637) | 4,491 |
| Non-Claims Expense Adjustment | 71,855 | 58,763 | 46,953 | (11,833) | 34,433 | 20,737 | 8,907 |
| IBNR, Incentive, Paid Claims Adjustment | (85,946) | 449,838 | (2,226,487) | 406,066 | (55,915) | 14,595 | (924,120) |
| Total Medical Costs | 86,971,753 | 91,103,435 | 98,695,670 | 61,144,132 | 90,839,812 | 90,839,948 | 94,109,961 |
| GROSS MARGIN | 15,857,302 | 14,081,692 | 14,290,379 | 17,434,072 | 15,933,465 | 17,888,730 | 16,422,372 |
| Administrative: | | | | | | | |
| Compensation | 2,691,957 | 2,748,394 | 2,731,289 | 2,805,915 | 2,781,896 | 2,791,543 | 2,746,218 |
| Purchased Services | 986,086 | 996,889 | 985,876 | 939,689 | 845,393 | 968,021 | 991,178 |
| Supplies | 131,712 | 57,943 | 85,576 | 156,626 | 193,504 | (17,330) | 58,257 |
| Depreciation | 426,541 | 422,382 | 425,837 | 425,522 | 427,805 | 427,804 | 424,376 |
| Other Administrative Expenses | 248,235 | 230,567 | 233,637 | 274,638 | 214,396 | 443,524 | 348,575 |
| Administrative Expense Adjustment | (5,010) | (215) | (63,654) | (1,674) | (2,367) | 3,540 | 300 |
| Total Administrative Expenses | 4,479,521 | 4,455,960 | 4,398,561 | 4,600,716 | 4,460,627 | 4,617,102 | 4,568,904 |
| TOTAL EXPENSES | 91,451,274 | 95,559,395 | 103,094,231 | 65,744,848 | 95,300,439 | 95,457,050 | 98,678,865 |
| OPERATING INCOME (LOSS) BEFORE TAX | 11,377,781 | 9,625,732 | 9,891,818 | 12,833,356 | 11,472,838 | 13,271,628 | 11,853,468 |
| MCO TAX | 8,905,080 | 8,905,142 | 8,904,648 | 9,894,054 | 9,894,055 | 9,894,054 | 9,894,054 |
| OPERATING INCOME (LOSS) NET OF TAX | 2,472,701 | 720,590 | 987,170 | 2,939,302 | 1,578,783 | 3,377,574 | 1,959,414 |
| TOTAL NONOPERATING REVENUE (EXPENSE) | (167,372) | (245,779) | (164,148) | (833,809) | (949,330) | (2,438,918) | (1,027,231) |
| NET INCREASE (DECREASE) IN NET POSITION | 2,305,329 | 474,811 | 823,022 | 2,105,493 | 629,453 | 938,656 | 932,183 |
| MEDICAL LOSS RATIO | 92.3% | 94.9% | 94.6% | 90.9% | 92.7% | 90.7% | 92.6% |
| ADMINISTRATIVE EXPENSE RATIO | 5.7% | 5.5% | 5.4% | 5.7% | 5.6% | 5.6% | 5.5% |

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH APRIL 30, 2022 | NOVEMBER | DECEMBER | JANUARY | FEBRUARY | MARCH | APRIL | 13 MONTH |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| | 2021 | 2021 | 2022 | 2022 | 2022 | 2022 | TOTAL |
| ENROLLMENT | | | | | | | |
| Members - MCAL | 296,989 | 298,205 | 309,342 | 310,281 | 312,490 | 314,691 | 3,876,881 |
| REVENUES | | | | | | | |
| Title XIX - Medicaid - Family and Other | 37,111,335 | 36,899,197 | 37,009,614 | 37,126,546 | 36,539,594 | 36,762,722 | 469,272,692 |
| Title XIX - Medicaid - Expansion Members | 31,001,586 | 30,241,720 | 29,968,453 | 29,945,915 | 29,350,530 | 29,812,384 | 386,419,835 |
| Title XIX - Medicaid - SPD Members | 16,254,790 | 16,506,513 | 14,953,594 | 14,858,906 | 14,791,754 | 14,924,745 | 204,471,619 |
| Premium - MCO Tax | 10,229,533 | 10,273,393 | 9,899,314 | 9,894,054 | 9,893,826 | 9,894,054 | 130,187,729 |
| Premium - Hospital Directed Payments | 16,753,272 | 16,836,470 | 17,606,870 | 17,654,496 | 17,949,134 | 17,905,917 | 222,371,328 |
| Investment Earnings And Other Income | 157,659 | (694,967) | 329,573 | 86,457 | (1,241,065) | (326,288) | (1,095,194) |
| Rate Adjustments - Hospital Directed Payments | 8,691 | (3,586) | 230,177 | 24,013 | 26,907,309 | 3,898 | (1,873,521) |
| Rate/Income Adjustments | 66,815 | 5,625 | 957,475 | 977,794 | 493,268 | 59,935 | 2,751,249 |
| TOTAL REVENUES | 111,583,681 | 110,064,365 | 110,955,070 | 110,568,181 | 134,684,350 | 109,037,367 | 1,412,505,737 |
| EXPENSES | | | | | | | |
| Medical Costs: | | | | | | | |
| Physician Services | 17,258,969 | 17,972,930 | 17,538,030 | 19,319,317 | 19,919,152 | 18,291,501 | 224,446,849 |
| Other Professional Services | 4,829,415 | 4,344,076 | 5,041,033 | 4,902,710 | 5,254,779 | 5,361,545 | 62,583,204 |
| Emergency Room | 4,818,883 | 4,391,622 | 5,209,937 | 5,098,972 | 5,150,400 | 5,098,584 | 61,860,456 |
| Inpatient | 21,256,426 | 17,137,562 | 20,610,105 | 20,031,970 | 20,232,342 | 20,364,608 | 264,004,892 |
| Reinsurance Expense | 86,151 | 86,147 | 53,660 | 53,896 | 57,686 | 56,409 | 979,464 |
| Outpatient Hospital | 7,793,785 | 6,083,159 | 8,214,215 | 8,223,126 | 8,686,122 | 8,458,833 | 104,274,240 |
| Other Medical | 12,549,269 | 11,502,354 | 17,263,621 | 17,534,988 | 15,788,879 | 16,341,907 | 165,453,848 |
| Pharmacy | 10,196,195 | 10,620,178 | - | - | - | - | 90,243,853 |
| Pay for Performance Quality Incentive | - | 1,420,000 | 464,013 | 465,422 | 465,421 | 472,037 | 6,019,720 |
| Hospital Directed Payments | 16,753,272 | 16,836,470 | 17,606,870 | 17,654,496 | 17,949,134 | 17,905,917 | 222,371,328 |
| Hospital Directed Payment Adjustment | 8,691 | (3,586) | 230,177 | 24,013 | 26,678,156 | 3,898 | (2,321,140) |
| Non-Claims Expense Adjustment | 24,857 | (44,256) | 43,538 | 4,118 | 572,469 | 62,025 | 892,566 |
| IBNR, Incentive, Paid Claims Adjustment | (1,378,922) | (1,022,824) | 627 | (1,010,781) | (3,987,493) | (2,812,496) | (12,633,858) |
| Total Medical Costs | 94,196,991 | 89,323,832 | 92,275,826 | 92,302,247 | 116,767,047 | 89,604,768 | 1,188,175,422 |
| GROSS MARGIN | | | | | | | |
| Administrative: | 17,386,690 | 20,740,533 | 18,679,244 | 18,265,934 | 17,917,303 | 19,432,599 | 224,330,315 |
| Compensation | 2,775,542 | 2,592,690 | 3,116,842 | 2,847,002 | 3,108,703 | 3,075,151 | 36,813,142 |
| Purchased Services | 1,095,098 | 1,355,474 | 846,917 | 877,498 | 1,098,614 | 783,960 | 12,770,693 |
| Supplies | 188,536 | 164,659 | 191,908 | (8,268) | 103,207 | 41,533 | 1,347,863 |
| Depreciation | 716,552 | 746,072 | 571,126 | 571,126 | 571,126 | 570,835 | 6,727,104 |
| Other Administrative Expenses | 276,718 | 605,706 | 389,918 | 259,997 | 346,089 | 252,930 | 4,124,930 |
| Administrative Expense Adjustment | 77,569 | (194,326) | (1,904) | (44,283) | 31,776 | 164,256 | (35,992) |
| Total Administrative Expenses | 5,130,015 | 5,270,275 | 5,114,807 | 4,503,072 | 5,259,515 | 4,888,665 | 61,747,740 |
| TOTAL EXPENSES | 99,327,006 | 94,594,107 | 97,390,633 | 96,805,319 | 122,026,562 | 94,493,433 | 1,249,923,162 |
| OPERATING INCOME (LOSS) BEFORE TAX | 12,256,675 | 15,470,258 | 13,564,437 | 13,762,862 | 12,657,788 | 14,543,934 | 162,582,575 |
| MCO TAX | 9,894,054 | 9,895,157 | 9,894,054 | 9,894,054 | 9,893,826 | 9,894,054 | 125,656,286 |
| OPERATING INCOME (LOSS) NET OF TAX | 2,362,621 | 5,575,101 | 3,670,383 | 3,868,808 | 2,763,962 | 4,649,880 | 36,926,289 |
| TOTAL NONOPERATING REVENUE (EXPENSE) | (1,516,642) | (175,210) | (400,389) | (986,700) | (1,001,012) | (1,110,153) | (1,016,693) |
| NET INCREASE (DECREASE) IN NET POSITION | 845,979 | 5,399,891 | 3,269,994 | 2,882,108 | 1,762,950 | 3,539,727 | 25,909,596 |
| MEDICAL LOSS RATIO | 91.5% | 87.4% | 89.4% | 89.9% | 90.2% | 88.3% | 91.2% |
| ADMINISTRATIVE EXPENSE RATIO | 6.1% | 6.4% | 6.1% | 5.4% | 6.6% | 6.0% | 5.8% |

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH APRIL 30, 2022 | APRIL | MAY | JUNE | JULY | AUGUST | SEPTEMBER | OCTOBER |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 |
| ENROLLMENT | | | | | | | |
| Members - MCAL | 284,587 | 287,199 | 289,309 | 290,980 | 292,271 | 294,672 | 295,865 |
| REVENUES | | | | | | | |
| Title XIX - Medicaid - Family and Other | 173.28 | 177.71 | 181.55 | 180.10 | 173.76 | 179.43 | 183.53 |
| Title XIX - Medicaid - Expansion Members | 385.72 | 381.99 | 388.41 | 387.35 | 380.84 | 383.93 | 383.57 |
| Title XIX - Medicaid - SPD Members | 978.42 | 1,017.24 | 1,020.90 | 1,029.14 | 1,023.27 | 1,017.48 | 1,018.29 |
| Premium - MCO Tax | 34.45 | 34.39 | 34.43 | 34.45 | 34.45 | 34.40 | 34.57 |
| Premium - Hospital Directed Payments | 51.78 | 51.57 | 76.52 | 56.15 | 55.98 | 56.18 | 56.53 |
| Investment Earnings And Other Income | 0.72 | 0.68 | (1.41) | (0.13) | 1.94 | (0.20) | 0.44 |
| Reinsurance Recoveries | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Rate Adjustments - Hospital Directed Payments | 0.01 | 0.28 | 0.02 | (100.18) | 0.03 | 0.02 | 0.02 |
| Rate/Income Adjustments | 0.94 | 2.07 | (0.32) | (1.01) | (1.57) | 0.42 | 0.18 |
| TOTAL REVENUES | 361.33 | 366.24 | 390.54 | 270.05 | 365.32 | 368.98 | 373.59 |
| EXPENSES | | | | | | | |
| Medical Costs: | | | | | | | |
| Physician Services | 54.96 | 54.82 | 55.96 | 52.60 | 54.13 | 60.73 | 59.31 |
| Other Professional Services | 17.95 | 16.22 | 15.42 | 15.82 | 16.51 | 14.75 | 16.38 |
| Emergency Room | 15.74 | 17.49 | 17.42 | 16.61 | 15.30 | 12.68 | 15.23 |
| Inpatient | 64.72 | 71.65 | 71.69 | 70.60 | 70.42 | 68.90 | 78.44 |
| Reinsurance Expense | 0.28 | 0.29 | 0.29 | 0.29 | 0.29 | 0.29 | 0.29 |
| Outpatient Hospital | 30.51 | 30.79 | 30.42 | 27.28 | 27.18 | 25.55 | 23.93 |
| Other Medical | 34.73 | 38.16 | 42.97 | 34.12 | 33.92 | 35.88 | 36.45 |
| Pharmacy | 33.07 | 32.55 | 36.10 | 33.59 | 35.24 | 33.64 | 34.60 |
| Pay for Performance Quality Incentive | 1.90 | 1.88 | 1.89 | 1.90 | 1.89 | 0.00 | 0.00 |
| Hospital Directed Payments | 51.78 | 51.57 | 76.52 | 56.15 | 55.98 | 56.18 | 56.53 |
| Hospital Directed Payment Adjustment | 0.01 | 0.00 | 0.01 | (100.18) | 0.03 | (0.45) | 0.02 |
| Non-Claims Expense Adjustment | 0.25 | 0.20 | 0.16 | (0.04) | 0.12 | 0.07 | 0.03 |
| IBNR, Incentive, Paid Claims Adjustment | (0.30) | 1.57 | (7.70) | 1.40 | (0.19) | 0.05 | (3.12) |
| Total Medical Costs | 305.61 | 317.21 | 341.14 | 210.13 | 310.81 | 308.27 | 318.08 |
| GROSS MARGIN | 55.72 | 49.03 | 49.39 | 59.92 | 54.52 | 60.71 | 55.51 |
| Administrative: | | | | | | | |
| Compensation | 9.46 | 9.57 | 9.44 | 9.64 | 9.52 | 9.47 | 9.28 |
| Purchased Services | 3.46 | 3.47 | 3.41 | 3.23 | 2.89 | 3.29 | 3.35 |
| Supplies | 0.46 | 0.20 | 0.30 | 0.54 | 0.66 | (0.06) | 0.20 |
| Depreciation | 1.50 | 1.47 | 1.47 | 1.46 | 1.46 | 1.45 | 1.43 |
| Other Administrative Expenses | 0.87 | 0.80 | 0.81 | 0.94 | 0.73 | 1.51 | 1.18 |
| Administrative Expense Adjustment | (0.02) | (0.00) | (0.22) | (0.01) | (0.01) | 0.01 | 0.00 |
| Total Administrative Expenses | 15.74 | 15.52 | 15.20 | 15.81 | 15.26 | 15.67 | 15.44 |
| TOTAL EXPENSES | 321.35 | 332.73 | 356.35 | 225.94 | 326.07 | 323.94 | 333.53 |
| OPERATING INCOME (LOSS) BEFORE TAX | 39.98 | 33.52 | 34.19 | 44.10 | 39.25 | 45.04 | 40.06 |
| MCO TAX | 31.29 | 31.01 | 30.78 | 34.00 | 33.85 | 33.58 | 33.44 |
| OPERATING INCOME (LOSS) NET OF TAX | 8.69 | 2.51 | 3.41 | 10.10 | 5.40 | 11.46 | 6.62 |
| TOTAL NONOPERATING REVENUE (EXPENSE) | (0.59) | (0.86) | (0.57) | (2.87) | (3.25) | (8.28) | (3.47) |
| NET INCREASE (DECREASE) IN NET POSITION | 8.10 | 1.65 | 2.84 | 7.24 | 2.15 | 3.19 | 3.15 |
| MEDICAL LOSS RATIO | 92.3% | 94.9% | 94.6% | 90.9% | 92.7% | 90.7% | 92.6% |
| ADMINISTRATIVE EXPENSE RATIO | 5.7% | 5.5% | 5.4% | 5.7% | 5.6% | 5.6% | 5.5% |

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH APRIL 30, 2022 | NOVEMBER 2021 | DECEMBER 2021 | JANUARY 2022 | FEBRUARY 2022 | MARCH 2022 | APRIL 2022 | 13 MONTH TOTAL |
|--|------------------|------------------|-----------------|------------------|---------------|---------------|-------------------|
| ENROLLMENT | | | | | | | |
| Members - MCAL | 296,989 | 298,205 | 309,342 | 310,281 | 312,490 | 314,691 | 3,876,881 |
| REVENUES | | | | | | | |
| Title XIX - Medicaid - Family and Other | 183.31 | 181.56 | 177.17 | 177.17 | 173.28 | 173.44 | 178.05 |
| Title XIX - Medicaid - Expansion Members | 393.96 | 382.19 | 357.24 | 355.03 | 344.90 | 345.21 | 373.95 |
| Title XIX - Medicaid - SPD Members | 1,026.19 | 1,042.14 | 903.21 | 907.36 | 895.60 | 912.10 | 983.48 |
| Premium - MCO Tax | 34.44 | 34.45 | 32.00 | 31.89 | 31.66 | 31.44 | 33.58 |
| Premium - Hospital Directed Payments | 56.41 | 56.46 | 56.92 | 56.90 | 57.44 | 56.90 | 57.36 |
| Investment Earnings And Other Income | 0.53 | (2.33) | 1.07 | 0.28 | (3.97) | (1.04) | (0.28) |
| Reinsurance Recoveries | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Rate Adjustments - Hospital Directed Payments | 0.03 | (0.01) | 0.74 | 0.08 | 86.11 | 0.01 | (0.48) |
| Rate/Income Adjustments | 0.22 | 0.02 | 3.10 | 3.15 | 1.58 | 0.19 | 0.71 |
| TOTAL REVENUES | 375.72 | 369.09 | 358.68 | 356.35 | 431.00 | 346.49 | 364.34 |
| EXPENSES | | | | | | | |
| Medical Costs: | | | | | | | |
| Physician Services | 58.11 | 60.27 | 56.69 | 62.26 | 63.74 | 58.13 | 57.89 |
| Other Professional Services | 16.26 | 14.57 | 16.30 | 15.80 | 16.82 | 17.04 | 16.14 |
| Emergency Room | 16.23 | 14.73 | 16.84 | 16.43 | 16.48 | 16.20 | 15.96 |
| Inpatient | 71.57 | 57.47 | 66.63 | 64.56 | 64.75 | 64.71 | 68.10 |
| Reinsurance Expense | 0.29 | 0.29 | 0.17 | 0.17 | 0.18 | 0.18 | 0.25 |
| Outpatient Hospital | 26.24 | 20.40 | 26.55 | 26.50 | 27.80 | 26.88 | 26.90 |
| Other Medical | 42.25 | 38.57 | 55.81 | 56.51 | 50.53 | 51.93 | 42.68 |
| Pharmacy | 34.33 | 35.61 | 0.00 | 0.00 | 0.00 | 0.00 | 23.28 |
| Pay for Performance Quality Incentive | 0.00 | 4.76 | 1.50 | 1.50 | 1.49 | 1.50 | 1.55 |
| Hospital Directed Payments | 56.41 | 56.46 | 56.92 | 56.90 | 57.44 | 56.90 | 57.36 |
| Hospital Directed Payment Adjustment | 0.03 | (0.01) | 0.74 | 0.08 | 85.37 | 0.01 | (0.60) |
| Non-Claims Expense Adjustment | 0.08 | (0.15) | 0.14 | 0.01 | 1.83 | 0.20 | 0.23 |
| IBNR, Incentive, Paid Claims Adjustment | (4.64) | (3.43) | 0.00 | (3.26) | (12.76) | (8.94) | (3.26) |
| Total Medical Costs | 317.17 | 299.54 | 298.30 | 297.48 | 373.67 | 284.74 | 306.48 |
| GROSS MARGIN | | | | | | | |
| Administrative: | 58.54 | 69.55 | 60.38 | 58.87 | 57.34 | 61.75 | 57.86 |
| Compensation | 9.35 | 8.69 | 10.08 | 9.18 | 9.95 | 9.77 | 9.50 |
| Purchased Services | 3.69 | 4.55 | 2.74 | 2.83 | 3.52 | 2.49 | 3.29 |
| Supplies | 0.63 | 0.55 | 0.62 | (0.03) | 0.33 | 0.13 | 0.35 |
| Depreciation | 2.41 | 2.50 | 1.85 | 1.84 | 1.83 | 1.81 | 1.74 |
| Other Administrative Expenses | 0.93 | 2.03 | 1.26 | 0.84 | 1.11 | 0.80 | 1.06 |
| Administrative Expense Adjustment | 0.26 | (0.65) | (0.01) | (0.14) | 0.10 | 0.52 | (0.01) |
| Total Administrative Expenses | 17.27 | 17.67 | 16.53 | 14.51 | 16.83 | 15.53 | 15.93 |
| TOTAL EXPENSES | 334.45 | 317.21 | 314.83 | 311.99 | 390.50 | 300.27 | 322.40 |
| OPERATING INCOME (LOSS) BEFORE TAX | 41.27 | 51.88 | 43.85 | 44.36 | 40.51 | 46.22 | 41.94 |
| MCO TAX | 33.31 | 33.18 | 31.98 | 31.89 | 31.66 | 31.44 | 32.41 |
| OPERATING INCOME (LOSS) NET OF TAX | 7.96 | 18.70 | 11.87 | 12.47 | 8.84 | 14.78 | 9.52 |
| TOTAL NONOPERATING REVENUE (EXPENSE) | (5.11) | (0.59) | (1.29) | (3.18) | (3.20) | (3.53) | (2.84) |
| NET INCREASE (DECREASE) IN NET POSITION | 2.85 | 18.11 | 10.57 | 9.29 | 5.64 | 11.25 | 6.68 |
| MEDICAL LOSS RATIO | 91.5% | 87.4% | 89.4% | 89.9% | 90.2% | 88.3% | 91.2% |
| ADMINISTRATIVE EXPENSE RATIO | 6.1% | 6.4% | 6.1% | 5.4% | 6.6% | 6.0% | 5.8% |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED APRIL 30, 2022 | YEAR-TO-DATE | | |
|--|------------|-----------|---|--------------------|--------------------|------------------|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE |
| REVENUES | | | | | | |
| Title XIX - Medicaid - Family & Other | | | | | | |
| 27,411,135 | 26,549,212 | 861,923 | Premium - Medi-Cal | 108,735,046 | 105,302,481 | 3,432,565 |
| 2,639,574 | 2,764,572 | (124,998) | Premium - Maternity Kick | 10,183,357 | 11,058,289 | (874,932) |
| 519,369 | 465,655 | 53,714 | Premium - Enhanced Care Management | 2,056,123 | 1,850,866 | 205,257 |
| 138,344 | 130,032 | 8,312 | Premium - Major Organ Transplant | 548,779 | 516,240 | 32,539 |
| 802,904 | 487,014 | 315,890 | Premium - Cal AIM | 3,208,881 | 1,929,822 | 1,279,059 |
| 743,468 | 752,073 | (8,605) | Premium - BHT Kick | 2,504,645 | 2,980,136 | (475,491) |
| 4,042,514 | 3,987,103 | 55,411 | Premium - Provider Enhancement | 16,045,622 | 15,800,576 | 245,046 |
| 207,552 | 201,792 | 5,760 | Premium - Ground Emergency Medical Transportation | 823,718 | 800,046 | 23,672 |
| 151,587 | 102,370 | 49,217 | Premium - Behavioral Health Integration Program | 1,821,286 | 405,646 | 1,415,640 |
| (19,008) | - | (19,008) | Premium - Vaccine Incentive | 1,013,588 | - | 1,013,588 |
| 125,283 | 107,892 | 17,391 | Other | 497,431 | 427,606 | 69,825 |
| 36,762,722 | 35,547,716 | 1,215,006 | Total Title XIX - Medicaid - Family & Other | 147,438,476 | 141,071,709 | 6,366,767 |
| Title XIX - Medicaid - Expansion Members | | | | | | |
| 25,780,668 | 24,624,829 | 1,155,839 | Premium - Medi-Cal | 102,424,462 | 97,769,021 | 4,655,441 |
| 584,906 | 234,964 | 349,942 | Premium - Maternity Kick | 2,174,649 | 939,856 | 1,234,793 |
| 917,676 | 825,263 | 92,413 | Premium - Enhanced Care Management | 3,640,810 | 3,276,366 | 364,444 |
| 218,876 | 206,115 | 12,761 | Premium - Major Organ Transplant | 869,841 | 818,295 | 51,546 |
| 323,876 | 452,435 | (128,559) | Premium - Cal AIM | 1,295,582 | 1,796,372 | (500,790) |
| - | - | - | Premium - BHT Kick | 3,165 | - | 3,165 |
| 1,661,698 | 1,622,584 | 39,114 | Premium - Provider Enhancement | 6,606,449 | 6,442,396 | 164,053 |
| 215,502 | 205,431 | 10,071 | Premium - Ground Emergency Medical Transportation | 856,690 | 815,653 | 41,037 |
| 61,761 | 95,101 | (33,340) | Premium - Behavioral Health Integration Program | 733,884 | 377,595 | 356,289 |
| 13,742 | - | 13,742 | Premium - Vaccine Incentive | 338,109 | - | 338,109 |
| 33,679 | 28,872 | 4,807 | Other | 133,641 | 114,480 | 19,161 |
| 29,812,384 | 28,295,595 | 1,516,789 | Total Title XIX - Medicaid - Expansion Members | 119,077,282 | 112,350,035 | 6,727,247 |
| Title XIX - Medicaid - SPD Members | | | | | | |
| 12,993,900 | 12,580,893 | 413,008 | Premium - Medi-Cal | 51,768,804 | 49,846,721 | 1,922,084 |
| 477,053 | 452,580 | 24,473 | Premium - Enhanced Care Management | 1,899,577 | 1,793,166 | 106,411 |
| 148,423 | 143,895 | 4,528 | Premium - Major Organ Transplant | 591,332 | 570,126 | 21,206 |
| 62,571 | 231,135 | (168,564) | Premium - Cal AIM | 252,941 | 915,780 | (662,839) |
| 597,043 | 764,452 | (167,409) | Premium - BHT Kick | 2,288,962 | 3,028,831 | (739,869) |
| 485,598 | 470,212 | 15,386 | Premium - Provider Enhancement | 1,934,665 | 1,863,025 | 71,640 |
| 145,649 | 141,520 | 4,129 | Premium - Ground Emergency Medical Transportation | 580,278 | 560,716 | 19,562 |
| 11,702 | 48,584 | (36,882) | Premium - Behavioral Health Integration Program | 142,896 | 192,495 | (49,599) |
| 2,806 | - | 2,806 | Premium - Vaccine Incentive | 69,544 | - | 69,544 |
| 14,924,745 | 14,833,270 | 91,475 | Total Title XIX - Medicaid - SPD Members | 59,528,999 | 58,770,859 | 758,140 |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED APRIL 30, 2022 | YEAR-TO-DATE | | |
|---------------|------------|-------------|--|--------------------|--------------------|---------------------|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE |
| | | | PHYSICIAN SERVICES | | | |
| 4,216,012 | 3,930,319 | (285,693) | Primary Care Physician Services | 15,509,193 | 15,582,371 | 73,178 |
| 12,603,720 | 11,541,912 | (1,061,808) | Referral Specialty Services | 49,952,679 | 45,771,650 | (4,181,029) |
| 1,462,769 | 1,611,833 | 149,064 | Urgent Care & After Hours Advise | 9,570,128 | 6,390,583 | (3,179,545) |
| 9,000 | 9,000 | - | Hospital Admitting Team | 36,000 | 36,000 | - |
| 18,291,501 | 17,093,064 | (1,198,437) | TOTAL PHYSICIAN SERVICES | 75,068,000 | 67,780,604 | (7,287,396) |
| | | | OTHER PROFESSIONAL SERVICES | | | |
| 313,381 | 320,937 | 7,556 | Vision Service Capitation | 1,231,394 | 1,272,398 | 41,004 |
| 1,799,307 | 2,154,062 | 354,755 | Medical Departments - UM Allocation * | 7,418,612 | 8,616,248 | 1,197,636 |
| 1,406,426 | 1,516,525 | 110,099 | Behavior Health Treatment | 4,960,363 | 6,008,967 | 1,048,604 |
| 134,047 | 152,162 | 18,115 | Mental Health Services | 810,302 | 603,266 | (207,036) |
| 1,708,384 | 1,667,533 | (40,851) | Other Professional Services | 6,139,396 | 6,613,365 | 473,969 |
| 5,361,545 | 5,811,218 | 449,673 | TOTAL OTHER PROFESSIONAL SERVICES | 20,560,067 | 23,114,244 | 2,554,177 |
| 5,098,584 | 5,562,916 | 464,332 | EMERGENCY ROOM | 20,557,893 | 22,057,613 | 1,499,720 |
| 20,364,608 | 19,979,576 | (385,032) | INPATIENT HOSPITAL | 81,239,025 | 79,233,069 | (2,005,956) |
| 56,409 | 54,972 | (1,437) | REINSURANCE EXPENSE PREMIUM | 221,651 | 217,944 | (3,707) |
| 8,458,833 | 8,493,763 | 34,930 | OUTPATIENT HOSPITAL SERVICES | 33,582,296 | 33,683,632 | 101,336 |
| | | | OTHER MEDICAL | | | |
| 1,466,846 | 1,599,501 | 132,655 | Ambulance and NEMT | 5,420,959 | 6,341,410 | 920,451 |
| 781,545 | 689,522 | (92,023) | Home Health Services & CBAS | 3,170,573 | 2,733,410 | (437,163) |
| 724,744 | 1,106,708 | 381,964 | Utilization and Quality Review Expenses | 2,752,063 | 4,426,832 | 1,674,769 |
| 1,975,528 | 1,440,805 | (534,723) | Long Term/SNF/Hospice | 7,169,364 | 5,712,149 | (1,457,215) |
| 5,878,051 | 5,802,604 | (75,447) | Provider Enhancement Expense - Prop. 56 | 23,392,672 | 23,004,801 | (387,871) |
| 354,994 | 521,306 | 166,312 | Provider Enhancement Expense - GEMT | 1,581,984 | 2,067,597 | 485,613 |
| 136,387 | - | (136,387) | Vaccine Incentive Program Expense | 3,081,552 | - | (3,081,552) |
| 225,048 | 246,055 | 21,007 | Behavioral Health Integration Program | 2,698,065 | 975,737 | (1,722,328) |
| 1,818,393 | 1,743,498 | (74,895) | Enhanced Care Management | 7,224,934 | 6,920,396 | (304,538) |
| 480,362 | 479,640 | (722) | Major Organ Transplant | 1,923,019 | 1,902,088 | (20,931) |
| 1,285,346 | 1,170,584 | (114,762) | Cal AIM Incentive Programs | 4,873,739 | 4,641,976 | (231,763) |
| 1,214,663 | 904,583 | (310,080) | DME/Rebates | 3,640,471 | 3,586,085 | (54,386) |
| 16,341,907 | 15,704,807 | (637,100) | TOTAL OTHER MEDICAL | 66,929,395 | 62,312,481 | (4,616,914) |
| 472,037 | 458,100 | (13,937) | PAY FOR PERFORMANCE QUALITY INCENTIVE | 1,866,893 | 1,816,200 | (50,693) |
| 17,905,917 | 17,105,775 | (800,142) | HOSPITAL DIRECTED PAYMENTS | 71,116,417 | 67,876,976 | (3,239,441) |
| 3,898 | - | (3,898) | HOSPITAL DIRECTED PAYMENT ADJUSTMENT | 26,936,244 | - | (26,936,244) |
| 62,025 | - | (62,025) | NON-CLAIMS EXPENSE ADJUSTMENT | 682,150 | - | (682,150) |
| (2,812,496) | - | 2,812,496 | IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | (7,810,143) | - | 7,810,143 |
| 89,604,768 | 90,264,192 | 659,424 | Total Medical Costs | 390,949,888 | 358,092,763 | (32,857,125) |

KHS6/1/2022 Management Use Only * Medical costs per DMHC regulations

| CURRENT MONTH | | | KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED APRIL 30, 2022 | YEAR-TO-DATE | | |
|---------------|--------|----------|---|--------------|--------|----------|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE |
| | | | PHYSICIAN SERVICES | | | |
| 13.40 | 12.87 | (0.53) | Primary Care Physician Services | 12.44 | 12.87 | 0.43 |
| 40.05 | 37.79 | (2.26) | Referral Specialty Services | 40.06 | 37.80 | (2.26) |
| 4.65 | 5.28 | 0.63 | Urgent Care & After Hours Advise | 7.68 | 5.28 | (2.40) |
| 0.03 | 0.03 | 0.00 | Hospital Admitting Team | 0.03 | 0.03 | 0.00 |
| 58.13 | 55.97 | (2.16) | TOTAL PHYSICIAN SERVICES | 60.21 | 55.98 | (4.23) |
| | | | OTHER PROFESSIONAL SERVICES | | | |
| 1.00 | 1.05 | 0.06 | Vision Service Capitation | 0.99 | 1.05 | 0.06 |
| 5.72 | 7.05 | 1.34 | Medical Departments - UM Allocation * | 5.95 | 7.12 | 1.17 |
| 4.47 | 4.97 | 0.50 | Behavior Health Treatment | 3.98 | 4.96 | 0.98 |
| 0.43 | 0.50 | 0.07 | Mental Health Services | 0.65 | 0.50 | (0.15) |
| 5.43 | 5.46 | 0.03 | Other Professional Services | 4.92 | 5.46 | 0.54 |
| 17.04 | 19.03 | 1.99 | TOTAL OTHER PROFESSIONAL SERVICES | 16.49 | 19.09 | 2.60 |
| 16.20 | 18.22 | 2.01 | EMERGENCY ROOM | 16.49 | 18.22 | 1.73 |
| 64.71 | 65.42 | 0.71 | INPATIENT HOSPITAL | 65.16 | 65.44 | 0.28 |
| 0.18 | 0.18 | 0.00 | REINSURANCE EXPENSE PREMIUM | 0.18 | 0.18 | 0.00 |
| 26.88 | 27.81 | 0.93 | OUTPATIENT HOSPITAL SERVICES | 26.93 | 27.82 | 0.88 |
| | | | OTHER MEDICAL | | | |
| 4.66 | 5.24 | 0.58 | Ambulance and NEMT | 4.35 | 5.24 | 0.89 |
| 2.48 | 2.26 | (0.23) | Home Health Services & CBAS | 2.54 | 2.26 | (0.29) |
| 2.30 | 3.62 | 1.32 | Utilization and Quality Review Expenses | 2.21 | 3.66 | 1.45 |
| 6.28 | 4.72 | (1.56) | Long Term/SNF/Hospice | 5.75 | 4.72 | (1.03) |
| 18.68 | 19.00 | 0.32 | Provider Enhancement Expense - Prop. 56 | 18.76 | 19.00 | 0.24 |
| 1.13 | 1.71 | 0.58 | Provider Enhancement Expense - GEMT | 1.27 | 1.71 | 0.44 |
| 0.43 | 0.00 | (0.43) | Vaccine Incentive Program Expense | 2.47 | 0.00 | (2.47) |
| 0.72 | 0.81 | 0.09 | Behavioral Health Integration Program | 2.16 | 0.81 | (1.36) |
| 5.78 | 5.71 | (0.07) | Enhanced Care Management | 5.79 | 5.72 | (0.08) |
| 1.53 | 1.57 | 0.04 | Major Organ Transplant | 1.54 | 1.57 | 0.03 |
| 4.08 | 3.83 | (0.25) | Cal AIM Incentive Programs | 3.91 | 3.83 | (0.08) |
| 3.86 | 2.96 | (0.90) | DME | 2.92 | 2.96 | 0.04 |
| 51.93 | 51.42 | (0.51) | TOTAL OTHER MEDICAL | 53.68 | 51.46 | (2.22) |
| 1.50 | 1.50 | (0.00) | PAY FOR PERFORMANCE QUALITY INCENTIVE | 1.50 | 1.50 | 0.00 |
| 56.90 | 56.01 | (0.89) | HOSPITAL DIRECTED PAYMENTS | 57.04 | 56.06 | (0.98) |
| 0.01 | 0.00 | (0.01) | HOSPITAL DIRECTED PAYMENT ADJUSTMENT | 21.60 | 0.00 | (21.60) |
| 0.20 | 0.00 | (0.20) | NON-CLAIMS EXPENSE ADJUSTMENT | 0.55 | 0.00 | (0.55) |
| (8.94) | 0.00 | 8.94 | IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | (6.26) | 0.00 | 6.26 |
| 284.74 | 295.56 | 10.82 | Total Medical Costs | 313.56 | 295.75 | (17.81) |

* Medical costs per DMHC regulations

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH APRIL 30, 2022 | JANUARY 2022 | FEBRUARY 2022 | MARCH 2022 | APRIL 2022 | YEAR TO DATE 2022 |
|---|-------------------------|--------------------------|-----------------------|-----------------------|----------------------------------|
| PHYSICIAN SERVICES | | | | | |
| Primary Care Physician Services | 3,472,901 | 3,950,940 | 3,869,340 | 4,216,012 | 15,509,193 |
| Referral Specialty Services | 11,390,029 | 12,825,148 | 13,133,782 | 12,603,720 | 49,952,679 |
| Urgent Care & After Hours Advise | 2,665,800 | 2,534,829 | 2,906,730 | 1,462,769 | 9,570,128 |
| Hospital Admitting Team | 9,300 | 8,400 | 9,300 | 9,000 | 36,000 |
| TOTAL PHYSICIAN SERVICES | 17,538,030 | 19,319,317 | 19,919,152 | 18,291,501 | 75,068,000 |
| OTHER PROFESSIONAL SERVICES | | | | | |
| Vision Service Capitation | 298,113 | 299,421 | 320,479 | 313,381 | 1,231,394 |
| Medical Departments - UM Allocation * | 1,874,290 | 1,814,144 | 1,930,871 | 1,799,307 | 7,418,612 |
| Behavior Health Treatment | 1,143,733 | 984,520 | 1,425,684 | 1,406,426 | 4,960,363 |
| Mental Health Services | 385,915 | 151,598 | 138,742 | 134,047 | 810,302 |
| Other Professional Services | 1,338,982 | 1,653,027 | 1,439,003 | 1,708,384 | 6,139,396 |
| TOTAL OTHER PROFESSIONAL SERVICES | 5,041,033 | 4,902,710 | 5,254,779 | 5,361,545 | 20,560,067 |
| EMERGENCY ROOM | 5,209,937 | 5,098,972 | 5,150,400 | 5,098,584 | 20,557,893 |
| INPATIENT HOSPITAL | 20,610,105 | 20,031,970 | 20,232,342 | 20,364,608 | 81,239,025 |
| REINSURANCE EXPENSE PREMIUM | 53,660 | 53,896 | 57,686 | 56,409 | 221,651 |
| OUTPATIENT HOSPITAL SERVICES | 8,214,215 | 8,223,126 | 8,686,122 | 8,458,833 | 33,582,296 |
| OTHER MEDICAL | | | | | |
| Ambulance and NEMT | 1,321,069 | 1,293,500 | 1,339,544 | 1,466,846 | 5,420,959 |
| Home Health Services & CBAS | 733,519 | 813,833 | 841,676 | 781,545 | 3,170,573 |
| Utilization and Quality Review Expenses | 767,373 | 755,405 | 504,541 | 724,744 | 2,752,063 |
| Long Term/SNF/Hospice | 1,585,601 | 1,669,982 | 1,938,253 | 1,975,528 | 7,169,364 |
| Provider Enhancement Expense - Prop. 56 | 5,806,204 | 5,819,707 | 5,888,710 | 5,878,051 | 23,392,672 |
| Provider Enhancement Expense - GEMT | 463,070 | 463,069 | 300,851 | 354,994 | 1,581,984 |
| Vaccine Incentive Program Expense | 1,143,595 | 1,628,354 | 173,216 | 136,387 | 3,081,552 |
| Behaviorial Health Integration Program | 824,339 | 824,339 | 824,339 | 225,048 | 2,698,065 |
| Enhanced Care Management | 2,023,406 | 1,561,486 | 1,821,649 | 1,818,393 | 7,224,934 |
| Major Organ Transplant | 472,866 | 473,613 | 496,178 | 480,362 | 1,923,019 |
| Cal AIM Incentive Programs | 1,241,196 | 1,257,731 | 1,089,466 | 1,285,346 | 4,873,739 |
| DME | 881,383 | 973,969 | 570,456 | 1,214,663 | 3,640,471 |
| TOTAL OTHER MEDICAL | 17,263,621 | 17,534,988 | 15,788,879 | 16,341,907 | 66,929,395 |
| PAY FOR PERFORMANCE QUALITY INCENTIVE | 464,013 | 465,422 | 465,421 | 472,037 | 1,866,893 |
| HOSPITAL DIRECTED PAYMENTS | 17,606,870 | 17,654,496 | 17,949,134 | 17,905,917 | 71,116,417 |
| HOSPITAL DIRECTED PAYMENT ADJUSTMENT | 230,177 | 24,013 | 26,678,156 | 3,898 | 26,936,244 |
| NON-CLAIMS EXPENSE ADJUSTMENT | 43,538 | 4,118 | 572,469 | 62,025 | 682,150 |
| IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | 627 | (1,010,781) | (3,987,493) | (2,812,496) | (7,810,143) |
| Total Medical Costs | 92,275,826 | 92,302,247 | 116,767,047 | 89,604,769 | 390,949,888 |

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH APRIL 30, 2022 | JANUARY 2022 | FEBRUARY 2022 | MARCH 2022 | APRIL 2022 | YEAR TO DATE 2022 |
|--|-----------------|------------------|----------------|---------------|-------------------------|
| PHYSICIAN SERVICES | | | | | |
| Primary Care Physician Services | 11.23 | 12.73 | 12.38 | 13.40 | 12.44 |
| Referral Specialty Services | 36.82 | 41.33 | 42.03 | 40.05 | 40.06 |
| Urgent Care & After Hours Advise | 8.62 | 8.17 | 9.30 | 4.65 | 7.68 |
| Hospital Admitting Team | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 |
| TOTAL PHYSICIAN SERVICES | 56.69 | 62.26 | 63.74 | 58.13 | 60.21 |
| OTHER PROFESSIONAL SERVICES | | | | | |
| Vision Service Capitation | 0.96 | 0.96 | 1.03 | 1.00 | 0.99 |
| Medical Departments - UM Allocation * | 6.06 | 5.85 | 6.18 | 5.72 | 5.95 |
| Behavior Health Treatment | 3.70 | 3.17 | 4.56 | 4.47 | 3.98 |
| Mental Health Services | 1.25 | 0.49 | 0.44 | 0.43 | 0.65 |
| Other Professional Services | 4.33 | 5.33 | 4.60 | 5.43 | 4.92 |
| TOTAL OTHER PROFESSIONAL SERVICES | 16.30 | 15.80 | 16.82 | 17.04 | 16.49 |
| EMERGENCY ROOM | 16.84 | 16.43 | 16.48 | 16.20 | 16.49 |
| INPATIENT HOSPITAL | 66.63 | 64.56 | 64.75 | 64.71 | 65.16 |
| REINSURANCE EXPENSE PREMIUM | 0.17 | 0.17 | 0.18 | 0.18 | 0.18 |
| OUTPATIENT HOSPITAL SERVICES | 26.55 | 26.50 | 27.80 | 26.88 | 26.93 |
| OTHER MEDICAL | | | | | |
| Ambulance and NEMT | 4.27 | 4.17 | 4.29 | 4.66 | 4.35 |
| Home Health Services & CBAS | 2.37 | 2.62 | 2.69 | 2.48 | 2.54 |
| Utilization and Quality Review Expenses | 2.48 | 2.43 | 1.61 | 2.30 | 2.21 |
| Long Term/SNF/Hospice | 5.13 | 5.38 | 6.20 | 6.28 | 5.75 |
| Provider Enhancement Expense - Prop. 56 | 18.77 | 18.76 | 18.84 | 18.68 | 18.76 |
| Provider Enhancement Expense - GEMT | 1.50 | 1.49 | 0.96 | 1.13 | 1.27 |
| Vaccine Incentive Program Expense | 3.70 | 5.25 | 0.55 | 0.43 | 2.47 |
| Behaviorial Health Integration Program | 2.66 | 2.66 | 2.64 | 0.72 | 2.16 |
| Enhanced Care Management | 6.54 | 5.03 | 5.83 | 5.78 | 5.79 |
| Major Organ Transplant | 1.53 | 1.53 | 1.59 | 1.53 | 1.54 |
| Cal AIM Incentive Programs | 4.01 | 4.05 | 3.49 | 4.08 | 3.91 |
| DME | 2.85 | 3.14 | 1.83 | 3.86 | 2.92 |
| TOTAL OTHER MEDICAL | 55.81 | 56.51 | 50.53 | 51.93 | 53.68 |
| PAY FOR PERFORMANCE QUALITY INCENTIVE | 1.50 | 1.50 | 1.49 | 1.50 | 1.50 |
| HOSPITAL DIRECTED PAYMENTS | 56.92 | 56.90 | 57.44 | 56.90 | 57.04 |
| HOSPITAL DIRECTED PAYMENT ADJUSTMENT | 0.74 | 0.08 | 85.37 | 0.01 | 21.60 |
| NON-CLAIMS EXPENSE ADJUSTMENT | 0.14 | 0.01 | 1.83 | 0.20 | 0.55 |
| IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | 0.00 | (3.26) | (12.76) | (8.94) | (6.26) |
| Total Medical Costs | 298.30 | 297.48 | 373.67 | 284.74 | 313.56 |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED APRIL 30, 2022 | YEAR-TO-DATE | | |
|---------------|-----------|-----------|--|--------------|------------|-----------|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE |
| 446,418 | 459,798 | 13,380 | 110 - Executive | 1,703,755 | 1,839,191 | 135,436 |
| 163,976 | 234,469 | 70,493 | 210 - Accounting | 829,009 | 937,876 | 108,867 |
| 352,426 | 359,967 | 7,541 | 220 - Management Information Systems | 1,264,708 | 1,439,868 | 175,160 |
| 45,508 | 54,298 | 8,790 | 221 - Business Intelligence | 156,071 | 217,192 | 61,121 |
| 265,813 | 383,664 | 117,851 | 222 - Enterprise Development | 1,110,931 | 1,534,656 | 423,725 |
| 343,776 | 533,193 | 189,417 | 225 - Infrastructure | 1,781,789 | 2,132,772 | 350,983 |
| 559,648 | 615,321 | 55,673 | 230 - Claims | 2,282,038 | 2,461,284 | 179,246 |
| 123,662 | 187,947 | 64,285 | 240 - Project Management | 622,222 | 751,788 | 129,566 |
| 132,502 | 180,989 | 48,487 | 310 - Health Services - Utilization Management | 526,825 | 723,956 | 197,131 |
| 186 | 14,039 | 13,853 | 311 - Health Services - Quality Improvement | 15,918 | 56,156 | 40,238 |
| 310 | 513 | 203 | 312 - Health Services - Education | 2,664 | 2,052 | (612) |
| 36,385 | 50,828 | 14,443 | 313- Pharmacy | 151,804 | 203,312 | 51,508 |
| 12,005 | 2,308 | (9,697) | 314 - Enhanced Care Management | 15,546 | 9,232 | (6,314) |
| 64,161 | 74,558 | 10,397 | 316 -Population Health Management | 255,128 | 298,232 | 43,104 |
| 17 | 333 | 316 | 317 - Community Based Services | 63 | 1,332 | 1,269 |
| 269,804 | 359,942 | 90,138 | 320 - Provider Network Management | 1,250,047 | 1,439,768 | 189,721 |
| 644,994 | 871,663 | 226,669 | 330 - Member Services | 2,723,506 | 3,486,652 | 763,146 |
| 735,005 | 721,857 | (13,148) | 340 - Corporate Services | 2,985,532 | 2,887,428 | (98,104) |
| 82,269 | 97,177 | 14,908 | 360 - Audit & Investigative Services | 292,937 | 388,708 | 95,771 |
| 38,254 | 92,450 | 54,196 | 410 - Advertising Media | 133,416 | 369,800 | 236,384 |
| 65,913 | 76,696 | 10,783 | 420 - Sales/Marketing/Public Relations | 254,230 | 306,784 | 52,554 |
| 341,377 | 303,042 | (38,335) | 510 - Human Resources | 1,258,075 | 1,212,168 | (45,907) |
| 164,256 | (92,324) | (256,580) | Administrative Expense Adjustment | 149,845 | (369,296) | (519,141) |
| 4,888,665 | 5,582,728 | 694,063 | Total Administrative Expenses | 19,766,059 | 22,330,911 | 2,564,852 |

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED APRIL 30, 2022 | JANUARY 2022 | FEBRUARY 2022 | MARCH 2022 | APRIL 2022 | YEAR TO DATE 2022 |
|--|-------------------------|--------------------------|-----------------------|-----------------------|----------------------------------|
| 110 - Executive | 424,308 | 403,286 | 429,743 | 446,418 | 1,703,755 |
| 210 - Accounting | 233,241 | 178,928 | 252,864 | 163,976 | 829,009 |
| 220 - Management Information Systems (MIS) | 335,777 | 238,917 | 337,588 | 352,426 | 1,264,708 |
| 221 - Business Intelligence | 13,042 | 65,687 | 31,834 | 45,508 | 156,071 |
| 222 - Enterprise Development | 307,654 | 250,898 | 286,566 | 265,813 | 1,110,931 |
| 225 - Infrastructure | 473,799 | 427,685 | 536,529 | 343,776 | 1,781,789 |
| 230 - Claims | 582,040 | 548,583 | 591,767 | 559,648 | 2,282,038 |
| 240 - Project Management | 171,917 | 152,433 | 174,210 | 123,662 | 622,222 |
| 310 - Health Services - Utilization Management | 139,536 | 126,622 | 128,165 | 132,502 | 526,825 |
| 311 - Health Services - Quality Improvement | 277 | 15,545 | (90) | 186 | 15,918 |
| 312 - Health Services - Education | - | 180 | 2,174 | 310 | 2,664 |
| 313- Pharmacy | 39,824 | 36,716 | 38,879 | 36,385 | 151,804 |
| 314 - Enhanced Care Management | 3,281 | 241 | 19 | 12,005 | 15,546 |
| 316 -Population Health Management | 65,121 | 62,696 | 63,150 | 64,161 | 255,128 |
| 317 - Community Based Services | - | 24 | 22 | 17 | 63 |
| 320 - Provider Network Management | 327,923 | 326,761 | 325,559 | 269,804 | 1,250,047 |
| 330 - Member Services | 754,477 | 623,424 | 700,611 | 644,994 | 2,723,506 |
| 340 - Corporate Services | 786,930 | 685,514 | 778,083 | 735,005 | 2,985,532 |
| 360 - Audit & Investigative Services | 69,757 | 69,895 | 71,016 | 82,269 | 292,937 |
| 410 - Advertising Media | 11,825 | 27,353 | 55,984 | 38,254 | 133,416 |
| 420 - Sales/Marketing/Public Relations | 66,531 | 51,460 | 70,326 | 65,913 | 254,230 |
| 510 - Human Resources | 309,451 | 254,507 | 352,740 | 341,377 | 1,258,075 |
| Total Department Expenses | 5,116,711 | 4,547,355 | 5,227,739 | 4,724,409 | 19,616,214 |
| ADMINISTRATIVE EXPENSE ADJUSTMENT | (1,904) | (44,283) | 31,776 | 164,256 | 149,845 |
| Total Administrative Expenses | 5,114,807 | 4,503,072 | 5,259,515 | 4,888,665 | 19,766,059 |

| KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF APRIL 30, 2022 | | | |
|--|---------------------|---------------------|-----------------|
| ASSETS | APRIL 2022 | MARCH 2022 | INC(DEC) |
| CURRENT ASSETS: | | | |
| Cash and Cash Equivalents | \$ 1,139,898 | \$ 1,139,004 | 894 |
| Interest Receivable | 200 | 894 | (694) |
| TOTAL CURRENT ASSETS | \$ 1,140,098 | \$ 1,139,898 | \$ 200 |
| LIABILITIES AND NET POSITION | | | |
| CURRENT LIABILITIES: | | | |
| Other Liabilities | - | - | - |
| TOTAL CURRENT LIABILITIES | \$ - | \$ - | \$ - |
| NET POSITION: | | | |
| Net Position- Beg. of Year | 1,136,102 | 1,136,102 | - |
| Increase (Decrease) in Net Position - Current Year | 3,996 | 3,796 | 200 |
| Total Net Position | \$ 1,140,098 | \$ 1,139,898 | \$ 200 |
| TOTAL LIABILITIES AND NET POSITION | \$ 1,140,098 | \$ 1,139,898 | \$ 200 |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED APRIL 30, 2022 | YEAR-TO-DATE | | |
|-----------------------|----|-----|---|--------------|----|-------|
| | | | | | | |
| ENROLLMENT | | | | | | |
| - | - | - | Members | - | - | - |
| REVENUES | | | | | | |
| - | - | - | Premium | - | - | - |
| 200 | - | 200 | Interest | 1,094 | - | 1,094 |
| - | - | - | Other Investment Income | 2,902 | - | 2,902 |
| 200 | - | 200 | TOTAL REVENUES | 3,996 | - | 3,996 |
| EXPENSES | | | | | | |
| - | - | - | Medical Costs | - | - | - |
| - | - | - | IBNR and Paid Claims Adjustment | - | - | - |
| - | - | - | Total Medical Costs | - | - | - |
| 200 | - | 200 | GROSS MARGIN | 3,996 | - | 3,996 |
| Administrative | | | | | | |
| - | - | - | Management Fee Expense and Other Admin Exp | - | - | - |
| - | - | - | Total Administrative Expenses | - | - | - |
| - | - | - | TOTAL EXPENSES | - | - | - |
| 200 | - | 200 | OPERATING INCOME (LOSS) | 3,996 | - | 3,996 |
| - | - | - | TOTAL NONOPERATING REVENUE (EXPENSES) | - | - | - |
| 200 | - | 200 | NET INCREASE (DECREASE) IN NET POSITION | 3,996 | - | 3,996 |
| 0% | 0% | 0% | MEDICAL LOSS RATIO | 0% | 0% | 0% |
| 0% | 0% | 0% | ADMINISTRATIVE EXPENSE RATIO | 0% | 0% | 0% |

| KERN HEALTH SYSTEMS MONTHLY MEMBERS COUNT | | | | | |
|--|-------------------------------|----------------|----------------|----------------|----------------|
| KERN HEALTH SYSTEMS | | | | | |
| MEDI-CAL | 2022 MEMBER MONTHS | JAN'22 | FEB'22 | MAR'22 | APR'22 |
| ADULT AND FAMILY | | | | | |
| ADULT | 244,695 | 60,708 | 60,882 | 61,379 | 61,726 |
| CHILD | 560,201 | 139,223 | 139,605 | 140,344 | 141,029 |
| SUB-TOTAL ADULT & FAMILY | 804,896 | 199,931 | 200,487 | 201,723 | 202,755 |
| OTHER MEMBERS | | | | | |
| PARTIAL DUALS - FAMILY | 3,232 | 824 | 801 | 811 | 796 |
| PARTIAL DUALS - CHILD | 0 | 0 | 0 | 0 | 0 |
| PARTIAL DUALS - BCCTP | 28 | 4 | 13 | 6 | 5 |
| FULL DUALS (SPD) | | | | | |
| SPD FULL DUALS | 33,142 | 8,138 | 8,257 | 8,336 | 8,411 |
| SUBTOTAL OTHER MEMBERS | 36,402 | 8,966 | 9,071 | 9,153 | 9,212 |
| TOTAL FAMILY & OTHER | 841,298 | 208,897 | 209,558 | 210,876 | 211,967 |
| SPD | | | | | |
| SPD (AGED AND DISABLED) | 65,811 | 16,556 | 16,376 | 16,516 | 16,363 |
| MEDI-CAL EXPANSION | | | | | |
| ACA Expansion Adult-Citizen | 334,867 | 82,803 | 83,199 | 83,828 | 85,037 |
| ACA Expansion Duals | 4,828 | 1,086 | 1,148 | 1,270 | 1,324 |
| SUB-TOTAL MED-CAL EXPANSION | 339,695 | 83,889 | 84,347 | 85,098 | 86,361 |
| TOTAL KAISER | 52,479 | 12,787 | 13,032 | 13,253 | 13,407 |
| TOTAL MEDI-CAL MEMBERS | 1,299,283 | 322,129 | 323,313 | 325,743 | 328,098 |

KERN·HEALTH SYSTEMS

February AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Current Month | Year- to - Date | Description | Department |
|------------|---|---------------|-----------------|--|-----------------------------|
| T4722 | COGNIZANT TRIZETTO SOFTWARE GROUP, INC. | 758,009.84 | 819,101.21 | JAN. 2022 PROFESSIONAL SERVICES & ANNUAL LICENSING | VARIOUS |
| T5111 | ENTISYS 360 | 725,583.85 | 750,171.53 | ACROPOLIS ANNUAL LICENSE 2022 | MIS INFRASTRUCTURE |
| T1045 | KAISER FOUNDATION HEALTH - HMO | 499,691.88 | 982,342.34 | FEB., 2022 EMPLOYEE HMO HEALTH BENEFITS PREMIUM | VARIOUS |
| T4350 | COMPUTER ENTERPRISE INC. | 344,476.76 | 567,130.30 | JAN. 2022 PROFESSIONAL SERVICES / CONSULTING SERVICES | VARIOUS |
| T4391 | OMNI FAMILY HEALTH **** | 293,254.60 | 293,254.60 | JUN. - DEC 2021 HEALTH HOMES GRANT | COMMUNITY GRANTS |
| T4982 | NGC US, LLC | 272,860.99 | 472,860.99 | PREFUND MEMBER INCENTIVES - COVID 19 INCENTIVE PROGRAM | PROVIDER NETWORK MANAGEMENT |
| T4237 | FLUIDEDGE CONSULTING, INC. | 119,294.60 | 199,517.10 | DEC. 2021 & JAN. 2022 CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING-CALAIM EXPANSION | VARIOUS |
| T4733 | UNITED STAFFING ASSOCIATES | 79,645.46 | 137,955.00 | JAN. 2022 TEMPORARY HELP - (8) MS; (1) HHP; (1) HE; (1) UM | VARIOUS |
| T4657 | DAPONDE SIMPSON ROWE PC | 66,939.31 | 101,290.81 | DEC. 2021 & JAN. 2022 LEGAL FEES | VARIOUS |
| T1180 | LANGUAGE LINE SERVICES INC. | 61,207.24 | 119,440.19 | JAN. 2022 INTERPRETATION SERVICES | MEMBER SERVICES |
| T1408 | DELL MARKETING L.P. | 59,248.01 | 530,011.03 | HARDWARE - 25 LATITUDE 5420 W/DOCKING STATIONS & 16 OPTIPLEX MICO W/ADAPTORS | MIS INFRASTRUCTURE |
| T5376 | KCHCC **** | 53,700.00 | 53,700.00 | JAN - JUNE 2022 COVID-19 VACCINE CAMPAIGN GRANT | HEALTH EDUCATION |

KERN·HEALTH SYSTEMS

February AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Current Month | Year-to - Date | Description | Department |
|------------|---|---------------|----------------|---|--------------------------|
| T2933 | SIERRA PRINTERS, INC **** | 53,207.43 | 59,264.26 | PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS | VARIOUS |
| T4585 | DELANO UNION SCHOOL DISTRICT **** | 50,000.00 | 50,000.00 | COVID-19 VACCINE CAMPAIGN GRANT | HEALTH EDUCATION |
| T4538 | CHANGE HEALTHCARE SOLUTIONS, LLC | 48,356.09 | 72,776.03 | DEC. 2021 & JAN. 2022 EDI CLAIM PROCESSING | CLAIMS |
| T5337 | CAZADOR CONSULTING GROUP INC | 47,082.70 | 47,082.70 | JAN. 2022 TEMPORARY HELP - (4) MS; (1) UM | VARIOUS |
| T5022 | SVAM INTERNATIONAL INC | 43,714.00 | 89,001.00 | NOV. & DEC. 2021 PROFESSIONAL SERVICES | IT BUSINESS INTELLIGENCE |
| T2458 | HEALTHCARE FINANCIAL, INC **** | 43,500.00 | 43,500.00 | DEC. 2021 PROFESSIONAL SERVICES | ADMINISTRATION |
| T5340 | GARTNER INC **** | 42,391.67 | 42,391.67 | ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES | MIS ADMINISTRATION |
| T4582 | HEALTHX, INC. | 41,576.00 | 83,152.00 | FEB. 2022 MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL | MIS INFRASTRUCTURE |
| T5421 | PREMIER ACCESS INSURANCE COMPANY | 36,464.08 | 72,630.37 | FEB., 2022 EMPLOYEE DENTAL BENEFITS PREMIUM | VARIOUS |
| T5420 | PAYPRO ADMINISTRATORS | 28,704.89 | 39,582.60 | FSA EMPLOYEE BENEFIT FEB 2022 | VARIOUS |
| T4699 | ZEOMEGA | 26,850.00 | 38,850.00 | JAN. 2022 PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT |
| T4193 | STRIA LLC | 26,225.37 | 73,946.94 | JAN. 2022 OCR SERVICES AND PROFESSIONAL SERVICES | VARIOUS |
| T5333 | CENTRAL CALIFORNIA ASTHMA COLLABORATIVE | 23,523.70 | 39,890.49 | DEC. 2021 & JAN. 2022 PROVIDER GRANT PROGRAM | COMMUNITY GRANTS |
| T5005 | CRAYON SOFTWARE EXPERTS LLC | 23,280.84 | 233,512.45 | DEC. 2021 ESD AZURE OVERAGE | MIS INFRASTRUCTURE |

KERN·HEALTH SYSTEMS

February AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Current Month | Year- to - Date | Description | Department |
|------------|---|---------------|-----------------|--|---------------------------|
| T3449 | CDW GOVERNMENT | 23,229.27 | 23,229.27 | HEADSETS, CABLES & ADOBE LICENSES | MIS INFRASTRUCTURE |
| T1861 | CERIDIAN HCM, INC. | 23,022.98 | 50,500.98 | DEC. 2021 & JAN. & FEB. 2022 MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT | HUMAN RESOURCES |
| T2167 | PG&E | 22,298.09 | 43,832.87 | FEB 2022 USAGE / UTILITIES | CORPORATE SERVICES |
| T5292 | ALL'S WELL HEALTH CARE SERVICES **** | 22,165.40 | 22,165.40 | JAN. 2022 TEMPORARY HELP | VARIOUS |
| T3011 | OFFICE ALLY, INC | 20,007.00 | 39,587.00 | JAN. 2022 EDI CLAIM PROCESSING | CLAIMS |
| T4731 | LOGMEIN USA, INC. **** | 17,860.81 | 17,860.81 | JAN. 2022 INTERNET SERVICES | MIS INFRASTRUCTURE |
| T4496 | VOX NETWORK SOLUTIONS, INC **** | 17,534.37 | 27,319.17 | TELSTRAT LICENSES & ANNUAL HOSTING | MIS INFRASTRUCTURE |
| T4460 | PAYSPAN, INC | 16,830.12 | 35,070.78 | JAN. 2022 ELECTRONIC CLAIMS/PAYMENTS | FINANCE |
| T5076 | MERIDIAN HEALTH SYSTEMS, P.C. | 16,770.00 | 33,800.00 | JAN. 2022 PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT-UM |
| T5300 | CENTRAL VALLEY OCCUPATION MEDICAL GROUP, INC **** | 16,160.00 | 24,160.00 | DEC. 2021 & JAN. 2022 COVID-19 TESTING | HUMAN RESOURCES |
| T1128 | HALL LETTER SHOP | 15,202.46 | 46,233.30 | MEMBER COVID -19 FLYER & MAIL PREP & NEW MEMBER PACKETS | VARIOUS |
| T5411 | EVA C BUCH **** | 15,127.75 | 15,127.75 | DEC. 2021 & JAN. 2022 RN REMOTE HOURS | UTILIZATION MANAGEMENT-UM |
| T4165 | SHI INTERNATIONAL CO. **** | 15,120.28 | 15,120.28 | HARDWARE - 2 JUNNIPER NETWORK SWITCHES WITH SUPPORT, 25 CISCO UNITY CONN & ENHANCEMENT, 75 DOU MFA SECURITY LICENSES | MIS INFRASTRUCTURE |
| T4563 | SPH ANALYTICS | 14,755.50 | 26,127.90 | INITIAL 75% 2022 PROVIDER SATISFACTION SURVEYS | MEMBER SERVICES |

KERN·HEALTH SYSTEMS

February AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
|------------|---------------------------------|------------------------|--------------|---|---------------------------|
| T5145 | CCS ENGINEERING FRESNO INC. | 13,530.00 | 31,780.00 | FEB. 2022 JANITORIAL & ADDITIONAL DAY PORTER | CORPORATE SERVICES |
| T5329 | RELAY NETWORK, LLC **** | 13,333.34 | 13,333.34 | DEC. 2021 & JAN. 2022 TEXT MESSAGING SUBSCRIPTION | CAPITAL PROJECT |
| T1005 | COLONIAL LIFE & ACCIDENT | 12,307.88 | 23,816.65 | JAN. 2022 LIFE INSURANCE PREMIUM | VARIOUS |
| T5322 | MANINDER KHALSA | 11,570.00 | 23,172.50 | JAN. 2022 PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT-UM |
| T5434 | CHARGEPOINT, INC. **** | 10,864.00 | 10,864.00 | EV CHARGERS 2YR MAINTENANCE | CORPORATE SERVICES |
| T2726 | DST PHARMACY SOLUTIONS, INC. | 10,350.74 | 138,566.76 | JAN. 2022 PHARMACY CLAIMS | PHARMACY |
| | | 4,196,829.30 | | | |
| | TOTAL VENDORS OVER \$10,000 | 4,196,829.30 | | | |
| | TOTAL VENDORS UNDER \$10,000 | 230,107.56 | | | |
| | TOTAL VENDOR EXPENSES- FEBRUARY | \$ 4,426,936.86 | | | |

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

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|--------------|--|-----------------------------|
| T1045 | KAISER FOUNDATION HEALTH - HMO | 982,342.34 | EMPLOYEE HMO HEALTH BENEFITS PREMIUM | VARIOUS |
| T4722 | COGNIZANT TRIZETTO SOFTWARE GROUP, INC. | 819,101.21 | PROFESSIONAL SERVICES & ANNUAL LICENSING | VARIOUS |
| T5111 | ENTISYS 360 | 750,171.53 | ACROPOLIS ANNUAL LICENSE 2022 | MIS INFRASTRUCTURE |
| T4350 | COMPUTER ENTERPRISE INC. | 567,130.30 | PROFESSIONAL SERVICES / CONSULTING SERVICES | VARIOUS |
| T1408 | DELL MARKETING L.P. | 530,011.03 | HARDWARE & COMPUTER EQUIPMENT & LICENSE FEES | MIS INFRASTRUCTURE |
| T4982 | NGC US, LLC | 472,860.99 | PREFUND MEMBER INCENTIVES - COVID 19 INCENTIVE PROGRAM | PROVIDER NETWORK MANAGEMENT |
| T4391 | OMNI FAMILY HEALTH | 293,254.60 | HEALTH HOMES GRANT | COMMUNITY GRANTS |
| T5005 | CRAYON SOFTWARE EXPERTS LLC | 233,512.45 | ANNUAL SOFTWARE LICENSE AND ESD AZURE OVERAGE | MIS INFRASTRUCTURE |
| T4237 | FLUIDEDGE CONSULTING, INC. | 199,517.10 | CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING-CALAIM EXPANSION | VARIOUS |
| T2469 | DST HEALTH SOLUTIONS, LLC. | 156,427.30 | ANNUAL ACG LICENSE & SUPPORT | BUSINESS INTELLEGENGE |
| T2726 | DST PHARMACY SOLUTIONS, INC. | 138,566.76 | PHARMACY CLAIMS | PHARMACY |
| T4733 | UNITED STAFFING ASSOCIATES | 137,955.00 | TEMPORARY HELP | VARIOUS |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--|--------------|---|--------------------------|
| T1180 | LANGUAGE LINE SERVICES INC. | 119,440.19 | INTERPRETATION SERVICES | MEMBER SERVICES |
| T4657 | DAPONDE SIMPSON ROWE PC | 101,290.81 | LEGAL FEES | VARIOUS |
| T5022 | SVAM INTERNATIONAL INC | 89,001.00 | PROFESSIONAL SERVICES | IT BUSINESS INTELLIGENCE |
| T4582 | HEALTHX, INC. | 83,152.00 | MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL | MIS INFRASTRUCTURE |
| T2584 | UNITED STATES POSTAL SVC. - HASLER | 80,000.00 | POSTAGE (METER) FUND | CORPORATE SERVICES |
| T4193 | STRIA LLC | 73,946.94 | OCR SERVICES AND PROFESSIONAL SERVICES | VARIOUS |
| T4054 | ASSOCIATION FOR COMMUNITY AFFILIATED PLANS | 73,600.00 | 2022 ANNUAL DUES ASSESSMENT | ADMINISTRATION |
| T4538 | CHANGE HEALTHCARE SOLUTIONS, LLC | 72,776.03 | EDI CLAIM PROCESSING (EMDEON) | CLAIMS |
| T5421 | PREMIER ACCESS INSURANCE COMPANY | 72,630.37 | EMPLOYEE DENTAL BENEFITS PREMIUM | VARIOUS |
| T4686 | CENTRIC HEALTH | 71,141.74 | 2021/2022 PROVIDER GRANT PROGRAM | COMMUNITY GRANTS |
| T4963 | LINKEDIN CORPORATION | 59,650.50 | ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES | HUMAN RESOURCES |
| T2933 | SIERRA PRINTERS, INC | 59,264.26 | PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS | VARIOUS |
| T5319 | CITIUSTECH INC. | 56,664.00 | FAST+ ANNUAL MAINTENANCE & SUPPORT | MIS INFRASTRUCTURE |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|--------------|--|--------------------|
| T5376 | KCHCC | 53,700.00 | COVID-19 VACCINE CAMPAIGN GRANT | HEALTH EDUCATION |
| T1861 | CERIDIAN HCM, INC. | 50,500.98 | MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT | HUMAN RESOURCES |
| T4585 | DELANO UNION SCHOOL DISTRICT | 50,000.00 | COVID-19 VACCINE CAMPAIGN GRANT | HEALTH EDUCATION |
| T4483 | INFUSION AND CLINICAL SERVICES, INC | 47,247.89 | HEALTH HOMES GRANT | COMMUNITY GRANT |
| T5337 | CAZADOR CONSULTING GROUP INC | 47,082.70 | TEMPORARY HELP | VARIOUS |
| T1128 | HALL LETTER SHOP | 46,233.30 | MEMBER ID CARDS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS | VARIOUS |
| T2167 | PG&E | 43,832.87 | USAGE / UTILITIES | CORPORATE SERVICES |
| T2458 | HEALTHCARE FINANCIAL, INC **** | 43,500.00 | PROFESSIONAL SERVICES | ADMINISTRATION |
| T5340 | GARTNER INC **** | 42,391.67 | ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES | MIS ADMINISTRATION |
| T5333 | CENTRAL CALIFORNIA ASTHMA COLLABORATIVE | 39,890.49 | PROVIDER GRANT PROGRAM | COMMUNITY GRANTS |
| T3011 | OFFICE ALLY, INC | 39,587.00 | EDI CLAIM PROCESSING | CLAIMS |
| T5420 | PAYPRO ADMINISTRATORS | 39,582.60 | FSA EMPLOYEE BENEFIT | VARIOUS |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|--------------|---|---------------------------|
| T5396 | NYMI INC | 39,040.00 | 150 WEARABLES/ SOFTWARE/MAINTENANCE FOR TRACING DEVICES | CORPORATE SERVICES |
| T4699 | ZEOMEGA | 38,850.00 | PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT |
| T4460 | PAYSPAN, INC | 35,070.78 | ELECTRONIC CLAIMS/PAYMENTS | FINANCE |
| T5076 | MERIDIAN HEALTH SYSTEMS, P.C. | 33,800.00 | PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT-UM |
| T5145 | CCS ENGINEERING FRESNO INC. | 31,780.00 | JANITORIAL & ADDITIONAL DAY PORTER | CORPORATE SERVICES |
| T5426 | UNIVERSAL HEALTHCARE SERVICES, INC | 28,000.00 | PROVIDER GRANT PROGRAM | COMMUNITY GRANTS |
| T4496 | VOX NETWORK SOLUTIONS, INC **** | 27,319.17 | TELSTRAT LICENSES & ANNUAL HOSTING | MIS INFRASTRUCTURE |
| T4563 | SPH ANALYTICS | 26,127.90 | 2021/2022 PROVIDER SATISFACTION SURVEYS | MEMBER SERVICES |
| T5300 | CENTRAL VALLEY OCCUPATION MEDICAL GROUP, INC **** | 24,160.00 | COVID-19 TESTING | HUMAN RESOURCES |
| T1005 | COLONIAL LIFE & ACCIDENT | 23,816.65 | LIFE INSURANCE PREMIUM | VARIOUS |
| T5317 | PRESIDIO NETWORKED SOLUTIONS GROUP LLC. | 23,612.50 | NUTANIX HARDWARE & SOFTWARE - SECURITY PROGRAM ASSESSMENT | MIS INFRASTRUCTURE |
| T5387 | NAVIA BENEFITS SOLUTIONS, INC. | 23,347.39 | FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION | VARIOUS |
| T3449 | CDW GOVERNMENT | 23,229.27 | HEADSETS, CABLES & ADOBE LICENSES | MIS INFRASTRUCTURE |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--------------------------------------|--------------|---|---------------------------|
| T5322 | MANINDER KHALSA | 23,172.50 | PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT-UM |
| T5292 | ALL'S WELL HEALTH CARE SERVICES **** | 22,165.40 | TEMPORARY HELP | VARIOUS |
| T4182 | THE LAMAR COMPANIES | 22,087.00 | OUTDOOR ADVERTISEMENT - BILLBOARDS | ADVERTISING |
| T4501 | ALLIED UNIVERSAL SECURITY SERVICES | 21,215.00 | ONSITE SECURITY | CORPORATE SERVICES |
| T4708 | HEALTH MANAGEMENT ASSOCIATES, INC. | 19,118.75 | CONSULTING SERVICES | ADMINISTRATION |
| T4902 | CHANGE HEALTHCARE TECHNOLOGIES, LLC | 18,321.82 | EDI CLAIM PROCESSING | CLAIMS |
| T4731 | LOGMEIN USA, INC. **** | 17,860.81 | INTERNET SERVICES | MIS INFRASTRUCTURE |
| T5313 | HEALTH LITERACY INNOVATIONS, LLC | 17,505.00 | LITERACY ADVISOR ANNUAL SOFTWARE LICENSE | MIS INFRASTRUCTURE |
| T2413 | TREK IMAGING INC | 16,643.70 | COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS | VARIOUS |
| T4503 | VISION SERVICE PLAN | 15,638.72 | EMPLOYEE HEALTH BENEFITS | VARIOUS |
| T5109 | RAND EMPLOYMENT SOLUTIONS | 15,411.02 | TEMPORARY HELP | VARIOUS |
| T5411 | EVA C BUCH **** | 15,127.75 | RN REMOTE HOURS | UTILIZATION MANAGEMENT-UM |
| T4165 | SHI INTERNATIONAL CO. **** | 15,120.28 | NETWORK SWITCHES WITH SUPPORT | MIS INFRASTRUCTURE |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--|--------------|---|-----------------------------|
| T2918 | STINSONS | 14,846.29 | 2022 OFFICE SUPPLIES | VARIOUS |
| T1022 | UNUM LIFE INSURANCE CO. | 14,399.60 | EMPLOYEE PREMIUM | PAYROLL DEDUCTION |
| T5121 | TPX COMMUNICATIONS | 14,316.32 | LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES | MIS INFRASTRUCTURE |
| T5329 | RELAY NETWORK, LLC | 13,333.34 | TEXT MESSAGING SUBSCRIPTION | CAPITAL PROJECT |
| T5132 | TIME WARNER CABLE LLC | 12,996.16 | INTERNET SERVICES | MIS INFRASTRUCTURE |
| T1655 | KERN, KKXX, KISV, KGEO, KGFM, KEBT, KZOZ, KKJG, KVEC, KSTT, KRQK, KPAT, | 12,000.00 | DIGITAL ADS | MARKETING |
| T2441 | LAURA J. BREZINSKI | 11,950.00 | MARKETING MATERIALS | MARKETING |
| T4216 | NEXSTAR BROADCASTING INC | 11,925.00 | ADVERTISEMENT - MEDIA | MARKETING |
| T4792 | KP LLC | 11,879.28 | PROVIDER DIRECTORIES & FORMULARY (SUPPORT/MAINT.) | PHARMACY/PROVIDER RELATIONS |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---------------------------------|----------------------------|--|---------------------------|
| T4607 | AGILITY RECOVERY SOLUTIONS INC. | 11,361.00 | PROFESSIONAL SERVICES | ADMINISTRATION |
| T4873 | L5 HEALTHCARE SOLUTIONS, INC | 11,192.50 | ANNUAL LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL | CLAIMS |
| T5434 | CHARGEPOINT, INC. **** | 10,864.00 | EV CHARGERS 2YR MAINTENANCE | CORPORATE SERVICES |
| T3986 | JACQUELYN S. JANS | 10,250.00 | CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN | ADMINISTRATION/ MARKETING |
| | | <u>7,615,812.85</u> | | |
| | TOTAL VENDORS OVER \$10,000 | 7,724,302.47 | | |
| | TOTAL VENDORS UNDER \$10,000 | 276,021.13 | | |
| | TOTAL VENDOR EXPENSES-YTD | <u>8,000,323.60</u> | | |

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

KERN·HEALTH SYSTEMS

March AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
|------------|--|---------------|--------------|--|------------------------------|
| T4982 | NGC US, LLC | 615,240.19 | 1,088,101.18 | PREFUND MEMBER INCENTIVES - COVID 19 INCENTIVE PROGRAM | PROVIDER NETWORK MANAGEMENT |
| T1045 | KAISER FOUNDATION HEALTH - HMO | 480,662.34 | 1,463,004.68 | MAR. 2022 EMPLOYEE HMO HEALTH BENEFITS PREMIUM | VARIOUS |
| T4350 | COMPUTER ENTERPRISE INC. | 410,988.91 | 978,119.21 | FEB. 2022 PROFESSIONAL SERVICES / CONSULTING SERVICES | VARIOUS |
| T4483 | INFUSION AND CLINICAL SERVICES, INC | 304,662.65 | 351,910.54 | DEC. 2021 HEALTH HOME GRANT, JAN. & FEB. 2022 DIABETIC PROGRAM GRANT & COVID-19 POP UP CLINICS | COMMUNITY GRANT |
| T1071 | CLINICA SIERRA VISTA **** | 156,233.30 | 156,233.30 | OCT. & NOV. 2021 HEALTH HOME GRANT, DEC. 2021 & JAN. 2022 PROVIDER GRANT PROGRAM 2021-2022 | COMMUNITY GRANT |
| T2488 | THE LINCOLN NATIONAL LIFE INSURANCE **** | 111,316.12 | 111,316.12 | JAN. FEB. MAR. 2022 EMPLOYEE HEALTH BENEFITS | VARIOUS |
| T4353 | TWE SOLUTIONS, INC **** | 91,450.00 | 93,041.00 | ANNUAL INFORMATION SYSTEMS INTERNAL AUDIT SOFTWARE | MIS INFRASTRUCTURE |
| T5360 | SYNERGY PHARMACY SOLUTIONS INC **** | 75,700.00 | 75,700.00 | AUG.2021 - DEC.2021 KOMOTO ASTHMA PROGRAM | POPULATION HEALTH MANAGEMENT |
| T4733 | UNITED STAFFING ASSOCIATES | 73,074.08 | 211,029.08 | FEB. & MAR. 2022 TEMPORARY HELP - (8) MS; (1) HHP; (1) HE; (1) UM | VARIOUS |
| T4052 | RAHUL SHARMA **** | 61,591.19 | 61,591.19 | FEB. 2022 PROVIDER GRANT PROGRAM 2021-2022 | COMMUNITY GRANT |
| T4237 | FLUIDEDGE CONSULTING, INC. | 60,210.00 | 259,727.10 | FEB. 2022 & MAR. 2022 CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING-CALAIM EXPANSION | VARIOUS |

KERN·HEALTH SYSTEMS

March AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
|------------|---|---------------|--------------|---|-----------------------------|
| T5022 | SVAM INTERNATIONAL INC | 55,659.00 | 144,660.00 | JAN. 2022 & FEB. 2022 PROFESSIONAL SERVICES | IT BUSINESS INTELLIGENCE |
| T1180 | LANGUAGE LINE SERVICES INC. | 55,353.64 | 174,793.83 | FEB. 2022 INTERPRETATION SERVICES | MEMBER SERVICES |
| T4737 | TEKSYSTEMS, INC **** | 48,360.00 | 48,360.00 | JAN., FEB. MAR. 2022 PROFESSIONAL SERVICES | IT BUSINESS INTELLIGENCE |
| T4582 | HEALTHX, INC. | 41,576.00 | 124,728.00 | MAR. 2022 MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL | MIS INFRASTRUCTURE |
| T4193 | STRIA LLC | 40,529.43 | 114,476.37 | FEB. 2022 OCR SERVICES AND PROFESSIONAL SERVICES | VARIOUS |
| T2584 | UNITED STATES POSTAL SVC. - HASLER **** | 40,000.00 | 120,000.00 | POSTAGE (METER) FUND | CORPORATE SERVICES |
| T5107 | CITRIX SYSTEMS, INC **** | 38,250.00 | 38,250.00 | ANNUAL SERVICE RENEWAL | MIS INFRASTRUCTURE |
| T5421 | PREMIER ACCESS INSURANCE COMPANY | 36,925.94 | 109,556.31 | MAR., 2022 EMPLOYEE DENTAL BENEFITS PREMIUM | VARIOUS |
| T5337 | CAZADOR CONSULTING GROUP INC | 36,793.22 | 83,875.92 | FEB. & MAR. 2022 TEMPORARY HELP - (4) MS; (1) UM | VARIOUS |
| T5286 | BROOKLYNNS BOX INC. **** | 30,350.00 | 30,350.00 | AUG. - DEC. 2021, JAN. & FEB. 2022 PROVIDER GRANT PROGRAM 2021-2022 | COMMUNITY GRANT |
| T5325 | WADE A MCNAIR **** | 30,000.00 | 30,000.00 | LEADERSHIP ACADEMY TRAINING | HUMAN RESOURCES |
| T4944 | CENTRAL VALLEY FARMWORKER FOUNDATION **** | 28,600.50 | 28,600.50 | COVID EDUCATION OUTREACH SPECIALIST | PROVIDER NETWORK MANAGEMENT |

KERN·HEALTH SYSTEMS

March AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
|------------|------------------------------------|---------------|--------------|---|------------------------|
| T2961 | SOLUTION BENCH, LLC **** | 27,600.00 | 27,600.00 | 2022/2023 ANNUAL M-FILES & SCANFINITY LICENSES SUPPORT | MIS INFRASTRUCTURE |
| T1005 | COLONIAL LIFE & ACCIDENT | 24,449.18 | 48,265.83 | FEB. 2022 LIFE INSURANCE PREMIUM | VARIOUS |
| T3001 | MERCER **** | 24,000.00 | 24,000.00 | 2022 COMPENSATION STUDY SERVICES | HUMAN RESOURCES |
| T4699 | ZEOMEGA | 24,000.00 | 62,850.00 | FEB. 2022 PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT |
| T4538 | CHANGE HEALTHCARE SOLUTIONS, LLC | 23,509.54 | 96,285.57 | JAN. & FEB. 2022 EDI CLAIM PROCESSING | CLAIMS |
| T5145 | CCS ENGINEERING FRESNO INC. | 22,920.00 | 54,700.00 | MAR. 2022 JANITORIAL & ADDITIONAL DAY PORTER | CORPORATE SERVICES |
| T3011 | OFFICE ALLY, INC | 22,418.25 | 62,005.25 | FEB. 2022 EDI CLAIM PROCESSING | CLAIMS |
| T4038 | POLYCLINIC MEDICAL CENTER INC **** | 22,269.48 | 22,269.48 | NOV. & DEC. 2021 & JAN. 2022 PROVIDER GRANT PROGRAM 2021-2022 | COMMUNITY GRANT |
| T2167 | PG&E | 20,397.81 | 64,230.68 | MAR 2022 USAGE / UTILITIES | CORPORATE SERVICES |
| T1861 | CERIDIAN HCM, INC. | 19,595.47 | 70,096.45 | FEB. & MAR. 2022 MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT | HUMAN RESOURCES |
| T4657 | DAPONDE SIMPSON ROWE PC | 19,415.00 | 120,705.81 | FEB. 2022 LEGAL FEES | VARIOUS |
| T3092 | LINKS FOR LIFE, INC **** | 18,600.00 | 18,600.00 | OCT. & NOV. 2021 & JAN. & FEB. 2022 COMMUNITY RESOURCES GRANT PROGRAM | COMMUNITY GRANT |

KERN·HEALTH SYSTEMS

March AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
|------------|---|---------------|--------------|---|---------------------------|
| T4460 | PAYSPAN, INC | 18,429.05 | 53,499.83 | FEB. 2022 ELECTRONIC CLAIMS/PAYMENTS | FINANCE |
| T5292 | ALL'S WELL HEALTH CARE SERVICES | 17,362.31 | 39,527.71 | FEB. & MAR. 2022 TEMPORARY HELP | VARIOUS |
| T2933 | SIERRA PRINTERS, INC | 16,501.09 | 75,765.35 | PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS | VARIOUS |
| T4722 | COGNIZANT TRIZETTO SOFTWARE GROUP, INC. | 15,920.91 | 835,022.12 | JAN. & FEB. 2022 PROFESSIONAL SERVICES & EDI CLAIM PROCESSING | VARIOUS |
| T5076 | MERIDIAN HEALTH SYSTEMS, P.C. | 14,040.00 | 47,840.00 | FEB. 2022 PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT-UM |
| T5333 | CENTRAL CALIFORNIA ASTHMA COLLABORATIVE | 13,518.05 | 53,408.54 | JAN. & FEB. 2022 PROVIDER GRANT PROGRAM | COMMUNITY GRANTS |
| T1128 | HALL LETTER SHOP | 13,411.87 | 59,645.17 | MEMBER COVID -19 FLYER & MAIL PREP & NEW MEMBER PACKETS | VARIOUS |
| T4708 | HEALTH MANAGEMENT ASSOCIATES, INC **** | 13,270.00 | 32,388.75 | JAN. & FEB. 2022 CONSULTING SERVICES | ADMINISTRATION |
| T5109 | RAND EMPLOYMENT SOLUTIONS **** | 12,687.51 | 28,098.53 | FEB. 2022 TEMPORARY HELP | VARIOUS |
| T2458 | HEALTHCARE FINANCIAL, INC | 12,000.00 | 55,500.00 | JAN. & FEB. 2022 PROFESSIONAL SERVICES | ADMINISTRATION |
| T4415 | DANIELLS PHILLIPS VAUGHAN AND BOCK **** | 12,000.00 | 17,000.00 | 2021 AUDIT FEES | FINANCE |
| T5450 | OPEN REEL **** | 12,000.00 | 12,000.00 | EMPLOYEE TRAINING VIDEO AND SOFTWARE | HUMAN RESOURCES |

KERN·HEALTH SYSTEMS

March AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
|------------|---|------------------------|--------------|---------------------------------|---------------------------|
| T2726 | DST PHARMACY SOLUTIONS, INC. | 10,161.88 | 148,728.64 | FEB. 2022 PHARMACY CLAIMS | PHARMACY |
| T5322 | MANINDER KHALSA | 10,283.00 | 33,455.50 | FEB. 2022 PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT-UM |
| T1986 | BOYS AND GIRLS CLUB OF BAKERSFIELD **** | 10,000.00 | 10,000.00 | DINNER AT THE DERBY SPONSORSHIP | MEDIA & ADVERTISING |
| | | 3,394,286.91 | | | |
| | TOTAL VENDORS OVER \$10,000 | 3,394,286.91 | | | |
| | TOTAL VENDORS UNDER \$10,000 | 320,794.49 | | | |
| | TOTAL VENDOR EXPENSES- MARCH | \$ 3,715,081.40 | | | |

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

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|--------------|--|-----------------------------|
| T1045 | KAISER FOUNDATION HEALTH - HMO | 1,463,004.68 | EMPLOYEE HMO HEALTH BENEFITS PREMIUM | VARIOUS |
| T4982 | NGC US, LLC | 1,088,101.18 | PREFUND MEMBER INCENTIVES - COVID 19 INCENTIVE PROGRAM | PROVIDER NETWORK MANAGEMENT |
| T4350 | COMPUTER ENTERPRISE INC. | 978,119.21 | PROFESSIONAL SERVICES / CONSULTING SERVICES | VARIOUS |
| T4722 | COGNIZANT TRIZETTO SOFTWARE GROUP, INC. | 835,022.12 | PROFESSIONAL SERVICES & ANNUAL LICENSING | VARIOUS |
| T5111 | ENTISYS 360 | 750,834.77 | ACROPOLIS ANNUAL LICENSE 2022 | MIS INFRASTRUCTURE |
| T1408 | DELL MARKETING L.P. | 533,481.43 | HARDWARE & COMPUTER EQUIPMENT & LICENSE FEES | MIS INFRASTRUCTURE |
| T4483 | INFUSION AND CLINICAL SERVICES, INC | 351,910.54 | HEALTH HOMES GRANT | COMMUNITY GRANT |
| T4391 | OMNI FAMILY HEALTH | 293,254.60 | HEALTH HOMES GRANT | COMMUNITY GRANTS |
| T4237 | FLUIDEDGE CONSULTING, INC. | 259,727.10 | CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING-CALAIM EXPANSION | VARIOUS |
| T5005 | CRAYON SOFTWARE EXPERTS LLC | 233,512.45 | ANNUAL SOFTWARE LICENSE AND ESD AZURE OVERAGE | MIS INFRASTRUCTURE |
| T4733 | UNITED STAFFING ASSOCIATES | 211,029.08 | TEMPORARY HELP | VARIOUS |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--|--------------|---|--------------------------|
| T1180 | LANGUAGE LINE SERVICES INC. | 174,793.83 | INTERPRETATION SERVICES | MEMBER SERVICES |
| T2469 | DST HEALTH SOLUTIONS, LLC. | 156,427.30 | ANNUAL ACG LICENSE & SUPPORT | BUSINESS INTELLIGENCE |
| T1071 | CLINICA SIERRA VISTA **** | 156,233.30 | HEALTH HOMES GRANT | COMMUNITY GRANTS |
| T2726 | DST PHARMACY SOLUTIONS, INC. | 148,728.64 | PHARMACY CLAIMS | PHARMACY |
| T5022 | SVAM INTERNATIONAL INC | 144,660.00 | PROFESSIONAL SERVICES | IT BUSINESS INTELLIGENCE |
| T4582 | HEALTHX, INC. | 124,728.00 | MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL | MIS INFRASTRUCTURE |
| T4657 | DAPONDE SIMPSON ROWE PC | 120,705.81 | LEGAL FEES | VARIOUS |
| T2584 | UNITED STATES POSTAL SVC. - HASLER | 120,000.00 | POSTAGE (METER) FUND | CORPORATE SERVICES |
| T4193 | STRIA LLC | 114,476.37 | OCR SERVICES AND PROFESSIONAL SERVICES | VARIOUS |
| T2488 | THE LINCOLN NATIONAL LIFE INSURANCE **** | 111,316.12 | VOLUNTARY LIFE, AD&D INSURANCE PREMIUM | VARIOUS |
| T5421 | PREMIER ACCESS INSURANCE COMPANY | 109,556.31 | EMPLOYEE DENTAL BENEFITS PREMIUM | VARIOUS |
| T4538 | CHANGE HEALTHCARE SOLUTIONS, LLC | 96,285.57 | EDI CLAIM PROCESSING (EMDEON) | CLAIMS |
| T4353 | TWE SOLUTIONS, INC **** | 93,041.00 | INTERNAL AUDIT SOFTWARE | MIS INFRASTRUCTURE |
| T5337 | CAZADOR CONSULTING GROUP INC | 83,875.92 | TEMPORARY HELP | VARIOUS |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--|--------------|--|------------------------------|
| T4686 | CENTRIC HEALTH | 80,897.80 | 2021/2022 PROVIDER GRANT PROGRAM | COMMUNITY GRANTS |
| T2933 | SIERRA PRINTERS, INC | 75,765.35 | PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS | VARIOUS |
| T5360 | SYNERGY PHARMACY SOLUTIONS INC.**** | 75,700.00 | 2021 KOMOTO ASTHMA PROGRAM | POPULATION HEALTH MANAGEMENT |
| T4054 | ASSOCIATION FOR COMMUNITY AFFILIATED PLANS | 73,600.00 | 2022 ANNUAL DUES ASSESSMENT | ADMINISTRATION |
| T1861 | CERIDIAN HCM, INC. | 70,096.45 | MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT | HUMAN RESOURCES |
| T2167 | PG&E | 64,230.68 | USAGE / UTILITIES | CORPORATE SERVICES |
| T4699 | ZEOMEGA | 62,850.00 | PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT |
| T3011 | OFFICE ALLY, INC | 62,005.25 | EDI CLAIM PROCESSING | CLAIMS |
| T4052 | RAHUL SHARMA **** | 61,591.19 | PROVIDER GRANT PROGRAM 2021-2022 | COMMUNITY GRANT |
| T4963 | LINKEDIN CORPORATION | 59,650.50 | ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES | HUMAN RESOURCES |
| T1128 | HALL LETTER SHOP | 59,645.17 | MEMBER ID CARDS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS | VARIOUS |
| T5319 | CITIUSTECH INC. | 56,664.00 | FAST+ ANNUAL MAINTENANCE & SUPPORT | MIS INFRASTRUCTURE |
| T2458 | HEALTHCARE FINANCIAL, INC | 55,500.00 | PROFESSIONAL SERVICES | ADMINISTRATION |
| T5145 | CCS ENGINEERING FRESNO INC. | 54,700.00 | JANITORIAL & ADDITIONAL DAY PORTER | CORPORATE SERVICES |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|--------------|--|---------------------------|
| T5376 | KCHCC | 53,700.00 | COVID-19 VACCINE CAMPAIGN GRANT | HEALTH EDUCATION |
| T4460 | PAYSPAN, INC | 53,499.83 | ELECTRONIC CLAIMS/PAYMENTS | FINANCE |
| T5333 | CENTRAL CALIFORNIA ASTHMA COLLABORATIVE | 53,408.54 | PROVIDER GRANT PROGRAM | COMMUNITY GRANTS |
| T4585 | DELANO UNION SCHOOL DISTRICT | 50,000.00 | COVID-19 VACCINE CAMPAIGN GRANT | HEALTH EDUCATION |
| T4737 | TEKSYSTEMS, INC. **** | 48,360.00 | PROFESSIONAL SERVICES | IT BUSINESS INTELLIGENCE |
| T1005 | COLONIAL LIFE & ACCIDENT | 48,265.83 | LIFE INSURANCE PREMIUM | VARIOUS |
| T5076 | MERIDIAN HEALTH SYSTEMS, P.C. | 47,840.00 | PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT-UM |
| T5420 | PAYPRO ADMINISTRATORS | 43,866.12 | FSA EMPLOYEE BENEFIT | VARIOUS |
| T5340 | GARTNER INC | 42,391.67 | ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES | MIS ADMINISTRATION |
| T5292 | ALL'S WELL HEALTH CARE SERVICES | 39,527.71 | TEMPORARY HELP | VARIOUS |
| T5396 | NYMI INC | 39,040.00 | 15 WEARABLES/ SOFTWARE/MAINTENANCE FOR TRACING DEVICES | CORPORATE SERVICES |
| T5107 | CITRIX SYSTEMS, INC. | 38,250.00 | ANNUAL SERVICE RENEWAL | MIS INFRASTRUCTURE |
| T5322 | MANINDER KHALSA | 33,455.50 | PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT-UM |
| T4708 | HEALTH MANAGEMENT ASSOCIATES, INC. | 32,388.75 | CONSULTING SERVICES | ADMINISTRATION |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--|--------------|--|-----------------------------|
| T5286 | BROOKLYNNS BOX INC. **** | 30,350.00 | PROVIDER GRANT PROGRAM 2021-2022 | COMMUNITY GRANT |
| T5325 | WADE A MCNAIR **** | 30,000.00 | LEADERSHIP ACADEMY TRAINING | HUMAN RESOURCES |
| T4944 | CENTRAL VALLEY FARMWORKER FOUNDATION **** | 28,600.50 | COVID EDUCATION OUTREACH SPECIALIST | PROVIDER NETWORK MANAGEMENT |
| T5109 | RAND EMPLOYMENT SOLUTIONS | 28,098.53 | TEMPORARY HELP | VARIOUS |
| T5426 | UNIVERSAL HEALTHCARE SERVICES, INC | 28,000.00 | PROVIDER GRANT PROGRAM | COMMUNITY GRANTS |
| T4182 | THE LAMAR COMPANIES | 27,831.00 | OUTDOOR ADVERTISEMENT - BILLBOARDS | ADVERTISING |
| T4501 | ALLIED UNIVERSAL SECURITY SERVICES | 27,780.17 | ONSITE SECURITY | CORPORATE SERVICES |
| T2961 | SOLUTION BENCH, LLC **** | 27,600.00 | 2022/2023 ANNUAL M-FILES & SCANFINITY LICENSES SUPPORT | MIS INFRASTRUCTURE |
| T4496 | VOX NETWORK SOLUTIONS, INC | 27,517.53 | TELSTRAT LICENSES & ANNUAL HOSTING | MIS INFRASTRUCTURE |
| T5387 | NAVIA BENEFITS SOLUTIONS, INC. | 27,262.65 | FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION | VARIOUS |
| T4563 | SPH ANALYTICS | 26,127.90 | 2021/2022 PROVIDER SATISFACTION SURVEYS | MEMBER SERVICES |
| T3449 | CDW GOVERNMENT | 24,409.55 | HEADSETS, CABLES & ADOBE LICENSES | MIS INFRASTRUCTURE |
| T5300 | CENTRAL VALLEY OCCUPATION MEDICAL GROUP, INC | 24,160.00 | COVID-19 TESTING | HUMAN RESOURCES |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|--------------|--|--------------------|
| T3001 | MERCER **** | 24,000.00 | PROFESSIONAL SERVICES | HUMAN RESOURCES |
| T1022 | UNUM LIFE INSURANCE CO. | 23,922.60 | EMPLOYEE PREMIUM | PAYROLL DEDUCTION |
| T5317 | PRESIDIO NETWORKED SOLUTIONS GROUP LLC. | 23,612.50 | NUTANIX HARDWARE & SOFTWARE - SECURITY PROGRAM ASSESSMENT | MIS INFRASTRUCTURE |
| T4165 | SHI INTERNATIONAL CO. | 23,601.56 | NETWORK SWITCHES WITH SUPPORT | MIS INFRASTRUCTURE |
| T4902 | CHANGE HEALTHCARE TECHNOLOGIES, LLC | 23,492.92 | EDI CLAIM PROCESSING | CLAIMS |
| T4503 | VISION SERVICE PLAN | 23,461.22 | EMPLOYEE HEALTH BENEFITS | VARIOUS |
| T4038 | POLYCLINIC MEDICAL CENTER, INC **** | 22,269.48 | PROVIDER GRANT PROGRAM 2021-2022 | COMMUNITY GRANT |
| T5121 | TPX COMMUNICATIONS | 21,648.65 | LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES | MIS INFRASTRUCTURE |
| T5329 | RELAY NETWORK, LLC | 20,000.01 | TEXT MESSAGING SUBSCRIPTION | CAPITAL PROJECT |
| T5132 | TIME WARNER CABLE LLC | 19,504.05 | INTERNET SERVICES | MIS INFRASTRUCTURE |
| T4216 | NEXSTAR BROADCASTING INC | 18,875.00 | ADVERTISEMENT - MEDIA | MARKETING |
| T3092 | LINKS FOR LIFE, INC. **** | 18,600.00 | COMMUNITY RESOURCES GRANT PROGRAM | COMMUNITY GRANT |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--|--------------|---|--------------------------------------|
| T2918 | STINSONS | 18,426.88 | 2022 OFFICE SUPPLIES | VARIOUS |
| T2413 | TREK IMAGING INC | 18,170.76 | COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS | VARIOUS |
| T4731 | LOGMEIN USA, INC. | 17,860.81 | INTERNET SERVICES | MIS INFRASTRUCTURE |
| T5313 | HEALTH LITERACY INNOVATIONS, LLC | 17,505.00 | LITERACY ADVISOR ANNUAL SOFTWARE LICENSE | MIS INFRASTRUCTURE |
| T4415 | DANIELLS PHILLIPS VAUGHAN AND BOCK **** | 17,000.00 | 2021 AUDIT FEES | FINANCE |
| T4652 | BAKERSFIELD SYMPHONY ORCHESTRA **** | 16,666.66 | COMMUNITY SPONSORSHIP | ADMINISTRATION |
| T2441 | LAURA J. BREZINSKI | 16,000.00 | MARKETING MATERIALS | MARKETING |
| T5377 | TELEHEALTHDOCS MEDICAL GROUP **** | 15,754.78 | PROVIDER GRANT PROGRAM 2021-2022 | COMMUNITY GRANT |
| T1272 | COFFEY COMMUNICATIONS INC. **** | 15,721.23 | MEMBER NEWSLETTER/WEBSITE IMPLEMENTATION | HEALTH EDUCATION/MEDIA & ADVERTISING |
| T2851 | SINCLAIR TELEVISION OF BAKERSFIELD, LLC **** | 15,560.00 | ADVERTISEMENT - MEDIA | MARKETING |
| T3986 | JACQUELYN S. JANS | 15,500.00 | CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN | ADMINISTRATION/ MARKETING |
| T4607 | AGILITY RECOVERY SOLUTIONS INC. | 15,148.00 | PROFESSIONAL SERVICES | ADMINISTRATION |
| T5411 | EVA C BUCH | 15,127.75 | RN REMOTE HOURS | UTILIZATION MANAGEMENT-UM |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|-----------------------------|---|-----------------------------|
| T4792 | KP LLC | 14,963.92 | PROVIDER DIRECTORIES & FORMULARY (SUPPORT/MAINT.) | PHARMACY/PROVIDER RELATIONS |
| T4785 | COMMGAP **** | 12,945.00 | INTERPRETATION SERVICES | HEALTH EDUCATION |
| T1655 | KERN, KKXX, KISV, KGEO, KGFM, KEBT, KZOZ, KKJG, KVEC, KSTT, KRQK, KPAT, | 12,000.00 | DIGITAL ADS | MARKETING |
| T5450 | OPEN REEL **** | 12,000.00 | EMPLOYEE TRAINING EQUIPMENT | HUMAN RESOURCES |
| T5408 | MARY HARRIS **** | 11,715.00 | PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT-UM |
| T2446 | AT&T MOBILITY **** | 11,333.52 | CELLULAR PHONE/INTERNET USAGE | MIS INFRASTRUCTURE |
| T4873 | L5 HEALTHCARE SOLUTIONS, INC | 11,192.50 | ANNUAL LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL | CLAIMS |
| T5434 | CHARGEPOINT, INC. | 10,864.00 | EV CHARGERS 2YR MAINTENANCE | CORPORATE SERVICES |
| T5336 | TEAMDYNAMIX SOLUTIONS LLC **** | 10,306.00 | SOFTWARE LICENSE | MIS INFRASTRUCTURE |
| T1986 | BOYS AND GIRLS CLUB OF BAKERSFIELD **** | 10,000.00 | COMMUNITY SPONSORSHIP | MARKETING |
| | | <u>11,242,203.30</u> | | |
| | TOTAL VENDORS OVER \$10,000 | 11,242,203.30 | | |
| | TOTAL VENDORS UNDER \$10,000 | 364,712.08 | | |
| | TOTAL VENDOR EXPENSES-YTD | <u>11,606,915.38</u> | | |

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

KERN·HEALTH SYSTEMS

April AP Vendor Report
Amounts over \$10,000.00

| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
|------------|---|---------------|--------------|--|-----------------------------|
| T4391 | OMNI FAMILY HEALTH **** | 643,208.90 | 936,463.50 | JAN, & FEB. 2022 HEALTH HOMES GRANT | COMMUNITY GRANTS |
| T1045 | KAISER FOUNDATION HEALTH - HMO | 501,487.85 | 1,964,492.53 | APR. 2022 EMPLOYEE HMO HEALTH BENEFITS PREMIUM | VARIOUS |
| T4350 | COMPUTER ENTERPRISE INC. | 348,381.60 | 1,326,500.81 | FEB. & MAR. 2022 PROFESSIONAL SERVICES / CONSULTING SERVICES | VARIOUS |
| T4982 | NGC US, LLC | 315,000.00 | 1,403,101.18 | PREFUND MEMBER INCENTIVES - COVID 19 INCENTIVE PROGRAM | PROVIDER NETWORK MANAGEMENT |
| T4483 | INFUSION AND CLINICAL SERVICES, INC | 207,415.52 | 559,326.06 | FEB. 2022 HEALTH HOME GRANT | COMMUNITY GRANT |
| T4722 | COGNIZANT TRIZETTO SOFTWARE GROUP, INC. | 87,681.22 | 922,703.34 | JAN., FEB. & MAR. 2022 PROFESSIONAL SERVICES & EDI CLAIM PROCESSING | VARIOUS |
| T1408 | DELL MARKETING LP. **** | 77,682.38 | 611,163.81 | HARDWARE - 5 7760 W/DOCKING STATIONS & 18 LATITUDE 5420 LAPTOPS W/MONITORS | MIS INFRASTRUCTURE |
| T1180 | LANGUAGE LINE SERVICES INC. | 68,776.65 | 243,570.48 | MAR. 2022 INTERPRETATION SERVICES | MEMBER SERVICES |
| T4699 | ZEOMEGA | 67,538.46 | 130,388.46 | MAR. & APR. 2022 PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT |
| T4737 | TEKSYSTEMS, INC | 55,791.00 | 104,151.00 | JAN. & MAR. 2022 PROFESSIONAL SERVICES | IT BUSINESS INTELLIGENCE |
| T4733 | UNITED STAFFING ASSOCIATES | 53,251.78 | 264,280.86 | MAR. & APR. 2022 TEMPORARY HELP - (11) MS; (1) HHP; (1) HE | VARIOUS |
| T3001 | MERCER | 52,000.00 | 76,000.00 | 2022 COMPENSATION STUDY SERVICES | HUMAN RESOURCES |
| T4193 | STRIA LLC | 44,332.64 | 158,809.01 | FEB. & MAR. 2022 OCR SERVICES AND PROFESSIONAL SERVICES | VARIOUS |

KERN·HEALTH SYSTEMS

April AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
|------------|--------------------------------------|---------------|--------------|--|---------------------------|
| T2488 | THE LINCOLN NATIONAL LIFE INSURANCE | 41,505.64 | 152,821.76 | APR. 2022 EMPLOYEE HEALTH BENEFITS | VARIOUS |
| T5447 | PROSPHIRE, LLC **** | 38,000.00 | 38,000.00 | CONSULTING - CLINICAL ADMINISTRATOR STAFF AUGMENTATION | UTILIZATION MANAGEMENT |
| T5421 | PREMIER ACCESS INSURANCE COMPANY | 37,637.97 | 147,194.28 | APR. 2022 EMPLOYEE DENTAL BENEFITS PREMIUM | VARIOUS |
| T4237 | FLUIDEDGE CONSULTING, INC. | 36,440.00 | 296,167.10 | FEB. 2022 & MAR. 2022 CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING-CALAIM EXPANSION | VARIOUS |
| T5076 | MERIDIAN HEALTH SYSTEMS, P.C. | 35,750.00 | 83,590.00 | MAR. 2022 PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT-UM |
| T5435 | TEGRIA SERVICES GROUP - US, INC **** | 33,500.00 | 33,500.00 | FEB. & MAR. 2022 PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT-UM |
| T5322 | MANINDER KHALSA | 30,940.00 | 64,395.50 | MAR. 2022 PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT-UM |
| T5337 | CAZADOR CONSULTING GROUP INC | 30,587.14 | 114,463.06 | MAR. & APR. 2022 TEMPORARY HELP - (1) MS; (1) UM; (1) QI; (1) IT | VARIOUS |
| T5022 | SVAM INTERNATIONAL INC | 30,555.00 | 175,215.00 | MAR. 2022 PROFESSIONAL SERVICES | IT BUSINESS INTELLIGENCE |
| T2509 | USPS **** | 29,202.33 | 29,467.33 | FUND MAILING PERMIT #88 | CORPORATE SERVICES |
| T3011 | OFFICE ALLY, INC | 26,378.00 | 88,383.25 | MAR. 2022 EDI CLAIM PROCESSING | CLAIMS |
| T4538 | CHANGE HEALTHCARE SOLUTIONS, LLC | 25,638.61 | 121,924.18 | MAR. 2022 EDI CLAIM PROCESSING | CLAIMS |

KERN·HEALTH SYSTEMS

April AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
|------------|--|---------------|--------------|--|------------------------------|
| T5360 | SYNERGY PHARMACY SOLUTIONS INC | 25,600.00 | 101,300.00 | JAN. & FEB. 2022 KOMOTO ASTHMA PROGRAM | POPULATION HEALTH MANAGEMENT |
| T5275 | CREATIVE FINANCIAL STAFFING, LLC **** | 24,950.80 | 24,950.80 | RECRUITMENT FEE - BUSINESS INTELLIGENCE ANALYST IV | HUMAN RESOURCES |
| T5480 | PRESS GANEY ASSOCIATES LLC **** | 22,500.00 | 22,500.00 | 50% DEPOSIT MEMBER SATISFACTION SURVEY CAHPS | ADMINISTRATION |
| T4452 | WELLS FARGO**** | 19,388.19 | 96,683.66 | ACH- MISC CREDIT CARD PURCHASES | VARIOUS |
| T2167 | PG&E | 21,498.75 | 85,729.43 | APR 2022 USAGE / UTILITIES | CORPORATE SERVICES |
| T5145 | CCS ENGINEERING FRESNO INC. | 18,750.00 | 73,450.00 | APR. 2022 JANITORIAL & ADDITIONAL DAY PORTER | CORPORATE SERVICES |
| T5292 | ALL'S WELL HEALTH CARE SERVICES | 13,318.32 | 52,846.03 | MAR. & APR. 2022 TEMPORARY HELP (1) MS; (1) UM | VARIOUS |
| T4708 | HEALTH MANAGEMENT ASSOCIATES, INC | 13,025.00 | 45,413.75 | JAN. & FEB. 2022 CONSULTING SERVICES | ADMINISTRATION |
| T4265 | SIERRA SCHOOL EQUIPMENT COMPANY **** | 12,919.54 | 12,919.54 | LOBBY FURNITURE - LAMINATE WALL PANEL & STORAGE CABINET/CREDENZA | CORPORATE SERVICES |
| T2938 | SAP AMERICA, INC **** | 12,308.32 | 12,308.32 | SAP BUSINESS OBJECTS SOFTWARE ANNUAL MAINTENANCE FEE | BUSINESS INTELLIGENCE |
| T2851 | SINCLAIR TELEVISION OF BAKERSFIELD, LLC **** | 11,970.00 | 27,530.00 | MAR. 2022 COVID-19 TELEVISION ADS | MARKETING |

KERN·HEALTH SYSTEMS

April AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
|------------|------------------------------|------------------------|--------------|--|--------------------|
| T3449 | CDW GOVERNMENT **** | 11,887.25 | 36,296.80 | ADOBE TEAM LICENSING | MIS INFRASTRUCTURE |
| T5109 | RAND EMPLOYMENT SOLUTIONS | 10,227.54 | 38,326.07 | MAR. & APR. 2022 TEMPORARY HELP (1) MS; (1) HE | VARIOUS |
| T2726 | DST PHARMACY SOLUTIONS, INC. | 10,221.47 | 158,950.11 | MAR. 2022 PHARMACY CLAIMS | PHARMACY |
| T2458 | HEALTHCARE FINANCIAL, INC | 10,000.00 | 65,500.00 | FEB. 2022 PROFESSIONAL SERVICES | ADMINISTRATION |
| | | 3,157,247.87 | | | |
| | TOTAL VENDORS OVER \$10,000 | 3,157,247.87 | | | |
| | TOTAL VENDORS UNDER \$10,000 | 297,468.59 | | | |
| | TOTAL VENDOR EXPENSES- APRIL | \$ 3,454,716.46 | | | |

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

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|--------------|--|-----------------------------|
| T1045 | KAISER FOUNDATION HEALTH - HMO | 1,964,492.53 | EMPLOYEE HMO HEALTH BENEFITS PREMIUM | VARIOUS |
| T4982 | NGC US, LLC | 1,403,101.18 | PREFUND MEMBER INCENTIVES - COVID 19 INCENTIVE PROGRAM | PROVIDER NETWORK MANAGEMENT |
| T4350 | COMPUTER ENTERPRISE INC. | 1,326,500.81 | PROFESSIONAL SERVICES / CONSULTING SERVICES | VARIOUS |
| T4391 | OMNI FAMILY HEALTH | 936,463.50 | HEALTH HOMES GRANT | COMMUNITY GRANTS |
| T4722 | COGNIZANT TRIZETTO SOFTWARE GROUP, INC. | 922,703.34 | PROFESSIONAL SERVICES & ANNUAL LICENSING | VARIOUS |
| T5111 | ENTISYS 360 | 750,834.77 | ACROPOLIS ANNUAL LICENSE 2022 | MIS INFRASTRUCTURE |
| T1408 | DELL MARKETING L.P. | 611,163.81 | HARDWARE & COMPUTER EQUIPMENT & LICENSE FEES | MIS INFRASTRUCTURE |
| T4483 | INFUSION AND CLINICAL SERVICES, INC | 559,326.06 | HEALTH HOMES GRANT | COMMUNITY GRANT |
| T4237 | FLUIDEDGE CONSULTING, INC. | 296,167.10 | CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING-CALAIM EXPANSION | VARIOUS |
| T4733 | UNITED STAFFING ASSOCIATES | 264,280.86 | TEMPORARY HELP | VARIOUS |
| T1180 | LANGUAGE LINE SERVICES INC. | 243,570.48 | INTERPRETATION SERVICES | MEMBER SERVICES |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|-------------------|-------------------------------------|---------------------|---|--------------------------|
| T5005 | CRAYON SOFTWARE EXPERTS LLC | 233,512.45 | ANNUAL SOFTWARE LICENSE AND ESD AZURE OVERAGE | MIS INFRASTRUCTURE |
| T5022 | SVAM INTERNATIONAL INC | 175,215.00 | PROFESSIONAL SERVICES | IT BUSINESS INTELLIGENCE |
| T2726 | DST PHARMACY SOLUTIONS, INC. | 158,950.11 | PHARMACY CLAIMS | PHARMACY |
| T4193 | STRIA LLC | 158,809.01 | OCR SERVICES AND PROFESSIONAL SERVICES | VARIOUS |
| T2469 | DST HEALTH SOLUTIONS, LLC. | 156,427.30 | ANNUAL ACG LICENSE & SUPPORT | BUSINESS INTELLIGENCE |
| T1071 | CLINICA SIERRA VISTA | 156,233.11 | HEALTH HOMES GRANT | COMMUNITY GRANTS |
| T2488 | THE LINCOLN NATIONAL LIFE INSURANCE | 152,821.76 | VOLUNTARY LIFE, AD&D INSURANCE PREMIUM | VARIOUS |
| T5421 | PREMIER ACCESS INSURANCE COMPANY | 147,194.28 | EMPLOYEE DENTAL BENEFITS PREMIUM | VARIOUS |
| T4699 | ZEOMEGA | 130,388.46 | PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT |
| T4582 | HEALTHX, INC. | 124,728.00 | MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL | MIS INFRASTRUCTURE |
| T4538 | CHANGE HEALTHCARE SOLUTIONS, LLC | 121,924.18 | EDI CLAIM PROCESSING (EMDEON) | CLAIMS |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|------------------------------------|--------------|----------------------------------|------------------------------|
| T4657 | DAPONDE SIMPSON ROWE PC | 120,705.81 | LEGAL FEES | VARIOUS |
| T2584 | UNITED STATES POSTAL SVC. - HASLER | 120,000.00 | POSTAGE (METER) FUND | CORPORATE SERVICES |
| T5337 | CAZADOR CONSULTING GROUP INC | 114,463.06 | TEMPORARY HELP | VARIOUS |
| T4737 | TEKSYSTEMS, INC. | 104,151.00 | PROFESSIONAL SERVICES | IT BUSINESS INTELLIGENCE |
| T5360 | SYNERGY PHARMACY SOLUTIONS INC. | 101,300.00 | 2021 KOMOTO ASTHMA PROGRAM | POPULATION HEALTH MANAGEMENT |
| T4452 | WELLS FARGO**** | 96,683.66 | ACH- MISC CREDIT CARD PURCHASES | VARIOUS |
| T4353 | TWE SOLUTIONS, INC | 93,590.40 | INTERNAL AUDIT SOFTWARE | MIS INFRASTRUCTURE |
| T3011 | OFFICE ALLY, INC | 88,383.25 | EDI CLAIM PROCESSING | CLAIMS |
| T2167 | PG&E | 85,729.43 | USAGE / UTILITIES | CORPORATE SERVICES |
| T5076 | MERIDIAN HEALTH SYSTEMS, P.C. | 83,590.00 | PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT-UM |
| T4686 | CENTRIC HEALTH | 80,897.80 | 2021/2022 PROVIDER GRANT PROGRAM | COMMUNITY GRANTS |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--|--------------|--|---------------------------|
| T3001 | MERCER | 76,000.00 | PROFESSIONAL SERVICES | HUMAN RESOURCES |
| T2933 | SIERRA PRINTERS, INC | 75,765.35 | PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS | VARIOUS |
| T4054 | ASSOCIATION FOR COMMUNITY AFFILIATED PLANS | 73,600.00 | 2022 ANNUAL DUES ASSESSMENT | ADMINISTRATION |
| T5145 | CCS ENGINEERING FRESNO INC. | 73,450.00 | JANITORIAL & ADDITIONAL DAY PORTER | CORPORATE SERVICES |
| T1861 | CERIDIAN HCM, INC. | 70,096.45 | MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT | HUMAN RESOURCES |
| WT/ACH | USPS **** | 70,000.00 | FUND KHS POSTAL ONE/EPS ACCOUNT | CORPORATE SERVICES |
| T1128 | HALL LETTER SHOP | 68,593.83 | MEMBER ID CARDS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS | VARIOUS |
| T2458 | HEALTHCARE FINANCIAL, INC | 65,500.00 | PROFESSIONAL SERVICES | ADMINISTRATION |
| T5322 | MANINDER KHALSA | 64,395.50 | PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT-UM |
| T4963 | LINKEDIN CORPORATION | 63,954.00 | ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES | HUMAN RESOURCES |

KERN HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|--------------|--|--------------------|
| T4052 | RAHUL SHARMA | 61,591.19 | PROVIDER GRANT PROGRAM 2021-2022 | COMMUNITY GRANT |
| T5333 | CENTRAL CALIFORNIA ASTHMA COLLABORATIVE | 61,559.59 | PROVIDER GRANT PROGRAM | COMMUNITY GRANTS |
| T5319 | CITIUSTECH INC. | 56,664.00 | FAST+ ANNUAL MAINTENANCE & SUPPORT | MIS INFRASTRUCTURE |
| T5376 | KCHCC | 53,700.00 | COVID-19 VACCINE CAMPAIGN GRANT | HEALTH EDUCATION |
| T4460 | PAYSPAN, INC | 53,499.83 | ELECTRONIC CLAIMS/PAYMENTS | FINANCE |
| T5292 | ALL'S WELL HEALTH CARE SERVICES | 52,846.03 | TEMPORARY HELP | VARIOUS |
| T4585 | DELANO UNION SCHOOL DISTRICT | 50,000.00 | COVID-19 VACCINE CAMPAIGN GRANT | HEALTH EDUCATION |
| T1005 | COLONIAL LIFE & ACCIDENT | 48,265.83 | LIFE INSURANCE PREMIUM | VARIOUS |
| T4708 | HEALTH MANAGEMENT ASSOCIATES, INC. | 45,413.75 | CONSULTING SERVICES | ADMINISTRATION |
| T5420 | PAYPRO ADMINISTRATORS | 44,706.12 | FSA EMPLOYEE BENEFIT | VARIOUS |
| T5340 | GARTNER INC | 42,391.67 | ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES | MIS ADMINISTRATION |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--|--------------|--|---------------------------|
| T5396 | NYMI INC | 39,040.00 | 15 WEARABLES/ SOFTWARE/MAINTENANCE FOR TRACING DEVICES | CORPORATE SERVICES |
| T5109 | RAND EMPLOYMENT SOLUTIONS | 38,326.07 | TEMPORARY HELP | VARIOUS |
| T5107 | CITRIX SYSTEMS, INC. | 38,250.00 | ANNUAL SERVICE RENEWAL | MIS INFRASTRUCTURE |
| T5447 | PROSPHIRE, LLC **** | 38,000.00 | CONSULTING - CLINICAL ADMINISTRATOR STAFF AUGMENTATION | UTILIZATION MANAGEMENT |
| T3449 | CDW GOVERNMENT | 36,296.80 | HEADSETS, CABLES & ADOBE LICENSES | MIS INFRASTRUCTURE |
| T5435 | TEGRIA SERVICES GROUP - US, INC. **** | 33,500.00 | PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT-UM |
| T5300 | CENTRAL VALLEY OCCUPATION MEDICAL GROUP, INC | 33,440.00 | COVID-19 TESTING | HUMAN RESOURCES |
| T4165 | SHI INTERNATIONAL CO. | 32,462.06 | NETWORK SWITCHES WITH SUPPORT | MIS INFRASTRUCTURE |
| T1022 | UNUM LIFE INSURANCE CO. | 32,138.80 | EMPLOYEE PREMIUM | PAYROLL DEDUCTION |
| T4503 | VISION SERVICE PLAN | 31,531.87 | EMPLOYEE HEALTH BENEFITS | VARIOUS |
| T5286 | BROOKLYNNS BOX INC. | 30,350.00 | PROVIDER GRANT PROGRAM 2021-2022 | COMMUNITY GRANT |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--------------------------------------|--------------|--|-----------------------------|
| T5325 | WADE A MCNAIR | 30,000.00 | LEADERSHIP ACADEMY TRAINING | HUMAN RESOURCES |
| T2509 | USPS **** | 29,467.33 | FUND MAILING PERMIT #88 | CORPORATE SERVICES |
| T4902 | CHANGE HEALTHCARE TECHNOLOGIES, LLC | 29,418.84 | EDI CLAIM PROCESSING | CLAIMS |
| T4038 | POLYCLINIC MEDICAL CENTER, INC | 29,068.68 | PROVIDER GRANT PROGRAM 2021-2022 | COMMUNITY GRANT |
| T5121 | TPX COMMUNICATIONS | 28,885.72 | LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES | MIS INFRASTRUCTURE |
| T4944 | CENTRAL VALLEY FARMWORKER FOUNDATION | 28,600.50 | COVID EDUCATION OUTREACH SPECIALIST | PROVIDER NETWORK MANAGEMENT |
| T5387 | NAVIA BENEFITS SOLUTIONS, INC. | 28,207.23 | FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRAT VARIOUS | |
| T5426 | UNIVERSAL HEALTHCARE SERVICES, INC | 28,000.00 | PROVIDER GRANT PROGRAM | COMMUNITY GRANTS |
| T4182 | THE LAMAR COMPANIES | 27,831.00 | OUTDOOR ADVERTISEMENT - BILLBOARDS | ADVERTISING |
| T4501 | ALLIED UNIVERSAL SECURITY SERVICES | 27,780.17 | ONSITE SECURITY | CORPORATE SERVICES |
| T4496 | VOX NETWORK SOLUTIONS, INC | 27,616.71 | TELSTRAT LICENSES & ANNUAL HOSTING | MIS INFRASTRUCTURE |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|--------------|---|--------------------|
| T2961 | SOLUTION BENCH, LLC | 27,600.00 | 2022/2023 ANNUAL M-FILES & SCANFINITY LICENSES SUPPORT | MIS INFRASTRUCTURE |
| T2851 | SINCLAIR TELEVISION OF BAKERSFIELD, LLC | 27,530.00 | ADVERTISEMENT - MEDIA | MARKETING |
| T4563 | SPH ANALYTICS | 26,127.90 | 2021/2022 PROVIDER SATISFACTION SURVEYS | MEMBER SERVICES |
| T5132 | TIME WARNER CABLE LLC | 26,005.51 | INTERNET SERVICES | MIS INFRASTRUCTURE |
| T5275 | CREATIVE FINANCIAL STAFFING, LLC. **** | 24,950.80 | RECRUITMENT FEES | HUMAN RESOURCES |
| T5317 | PRESIDIO NETWORKED SOLUTIONS GROUP LLC. | 23,612.50 | NUTANIX HARDWARE & SOFTWARE - SECURITY PROGRAM ASSESSMENT | MIS INFRASTRUCTURE |
| T2918 | STINSONS | 23,148.10 | 2022 OFFICE SUPPLIES | VARIOUS |
| T4607 | AGILITY RECOVERY SOLUTIONS INC. | 22,722.00 | PROFESSIONAL SERVICES | ADMINISTRATION |
| T5480 | PRESS GANEY ASSOCIATES LLC **** | 22,500.00 | PROVIDER AND MEMBER SATISFACTION SURVEYS | VARIOUS |
| T2441 | LAURA J. BREZINSKI | 20,050.00 | MARKETING MATERIALS | MARKETING |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|------------------------------------|--------------|---|-----------------------------|
| T5377 | TELEHEALTHDOCS MEDICAL GROUP | 21,027.06 | PROVIDER GRANT PROGRAM 2021-2022 | COMMUNITY GRANT |
| T2413 | TREK IMAGING INC | 20,994.19 | COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS | VARIOUS |
| T3986 | JACQUELYN S. JANS | 20,750.00 | CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN | ADMINISTRATION/ MARKETING |
| T5329 | RELAY NETWORK, LLC | 20,000.01 | TEXT MESSAGING SUBSCRIPTION | CAPITAL PROJECT |
| T4792 | KP LLC | 19,233.81 | PROVIDER DIRECTORIES & FORMULARY (SUPPORT/MAINT.) | PHARMACY/PROVIDER RELATIONS |
| T4216 | NEXSTAR BROADCASTING INC | 18,875.00 | ADVERTISEMENT - MEDIA | MARKETING |
| T3092 | LINKS FOR LIFE, INC. | 18,600.00 | COMMUNITY RESOURCES GRANT PROGRAM | COMMUNITY GRANT |
| T4785 | COMMGAP | 18,493.75 | INTERPRETATION SERVICES | HEALTH EDUCATION |
| T4731 | LOGMEIN USA, INC. | 17,860.81 | INTERNET SERVICES | MIS INFRASTRUCTURE |
| T5313 | HEALTH LITERACY INNOVATIONS, LLC | 17,505.00 | LITERACY ADVISOR ANNUAL SOFTWARE LICENSE | MIS INFRASTRUCTURE |
| T4415 | DANIELLS PHILLIPS VAUGHAN AND BOCK | 17,000.00 | 2021 AUDIT FEES | FINANCE |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--------------------------------------|--------------|--|--------------------------------------|
| T4652 | BAKERSFIELD SYMPHONY ORCHESTRA | 16,666.66 | COMMUNITY SPONSORSHIP | ADMINISTRATION |
| T5408 | MARY HARRIS | 16,365.00 | PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT-UM |
| T2969 | AMERICAN BUSINESS MACHINES INC **** | 16,243.59 | HARDWARE AND MAINTENANCE | CORPORATE SERVICES |
| T1272 | COFFEY COMMUNICATIONS INC. | 15,721.23 | MEMBER NEWSLETTER/WEBSITE IMPLEMENTATION | HEALTH EDUCATION/MEDIA & ADVERTISING |
| T2446 | AT&T MOBILITY | 15,195.43 | CELLULAR PHONE/INTERNET USAGE | MIS INFRASTRUCTURE |
| T5411 | EVA C BUCH | 15,127.75 | RN REMOTE HOURS | UTILIZATION MANAGEMENT-UM |
| T4265 | SIERRA SCHOOL EQUIPMENT COMPANY **** | 12,919.54 | OFFICE FURNITURE | CORPORATE SERVICES |
| T1986 | BOYS AND GIRLS CLUB OF BAKERSFIELD | 12,500.00 | COMMUNITY SPONSORSHIP | MARKETING |
| T2938 | SAP AMERICA, INC **** | 12,308.32 | SAP BUSINESS OBJECTS SOFTWARE ANNUAL MAINTENANCE FEE | BUSINESS INTELLIGENCE |
| T5401 | KERN MEDICAL SUPPLY, LLC **** | 12,262.15 | 2021/2022 PROVIDER GRANT PROGRAM | COMMUNITY GRANTS |
| T4059 | KERN VALLEY HEALTHCARE DISTRICT **** | 12,243.79 | 2022 PROVIDER QUALITY CARE GRANT | COMMUNITY GRANTS |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$10,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|-----------------------------|--|--------------------|
| T4514 | A.J. KLEIN, INC. T.DENATALE, B. GOLDNER **** | 12,067.50 | LEGAL FEES | ADMINISTRATION |
| T1655 | KERN, KKXX, KISV, KGEO, KGFM, KEBT, KZOZ, KKJG, KVEC, KSTT, KRQK, KPAT, | 12,000.00 | DIGITAL ADS | MARKETING |
| T5450 | OPEN REEL | 12,000.00 | EMPLOYEE TRAINING EQUIPMENT | HUMAN RESOURCES |
| T1152 | MICHAEL K. BROWN LANDSCAPE & MAINTENANCE CO. II | 11,319.11 | 2022 BUILDING MAINTENANCE | CORPORATE SERVICE |
| T4873 | L5 HEALTHCARE SOLUTIONS, INC | 11,192.50 | ANNUAL LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL | CLAIMS |
| T5434 | CHARGEPOINT, INC. | 10,864.00 | EV CHARGERS 2YR MAINTENANCE | CORPORATE SERVICES |
| T5336 | TEAMDYNAMIX SOLUTIONS LLC | 10,306.00 | SOFTWARE LICENSE | MIS INFRASTRUCTURE |
| | | <u>14,746,396.44</u> | | |
| | TOTAL VENDORS OVER \$10,000 | 14,746,396.44 | | |
| | TOTAL VENDORS UNDER \$10,000 | 462,530.87 | | |
| | TOTAL VENDOR EXPENSES-YTD | <u>15,208,927.31</u> | | |

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

| Vendor Name | Contract Amount | Budgeted | Department | Department Head | Services that this vendor will provide to KHS | Effective Date | Termination Date |
|-----------------------|-----------------|----------|------------|-------------------|---|----------------|------------------|
| January | | | | | | | |
| FluidEdge | \$50,000.00 | Yes | PNM | Emily Duran | Interim Program Manager for ECM and PNM dept. (Katie Sykes) | 1/3/2022 | 3/31/2022 |
| CBEI | \$93,555.00 | Yes | PM | La Vonne Banks | Project Manager/Scrum Master professional resources (Mark Stepko) | 1/3/2022 | 4/30/2022 |
| HD Dynamics | \$53,760.00 | Yes | PNM | Emily Duran | Support and consulting hours for CRM for HHP | 1/3/2022 | 12/31/2022 |
| Synplr | \$35,700.00 | Yes | IT | Richard Pruitt | Annual support for Cactus SaaS & DEA licenses | 1/6/2022 | 1/5/2023 |
| Mercer | \$95,000.00 | Yes | HR | Anita Martin | Compensation study for 75 KHS jobs | 1/20/2022 | 12/31/2022 |
| KP | \$35,000.00 | Yes | HE | Isabel Silva | Prenatal, postpartum, and COVID guides insert mailing | 1/2/2022 | 12/31/2022 |
| Lamar | \$37,336.00 | Yes | MRK | Louie Iurriria | 5 Billboard Advertisement | 1/24/2022 | 1/23/2023 |
| Jacquelyn Jans | \$63,000.00 | Yes | MRK | Louie Iurriria | Marketing and corporate image consultant | 1/2/2022 | 12/31/2022 |
| Poppyrock | \$99,600.00 | Yes | MRK | Louie Iurriria | Graphic design for KHS/KFHC members and provider | 1/2/2022 | 12/31/2023 |
| February | | | | | | | |
| Gartner | \$42,391.67 | Yes | IT | Richard Pruitt | Individual Access Advisor license | 2/1/2022 | 1/31/2023 |
| MKB Landscaping | \$30,800.00 | Yes | CS | Alonso Hurtado | Weekly landscaping services | 2/10/2022 | 2/9/2023 |
| Dell | \$56,799.22 | Yes | IT | Richard Pruitt | De'll laptops (18), Docking Stations (18), and monitors (36) | 2/9/2022 | 2/8/2026 |
| Coffey Communications | \$70,000.00 | Yes | HE | Isabel Silva | Provider Directory Print agreement | 2/15/2022 | 2/14/2023 |
| ZeOmega | \$57,818.70 | Yes | IT | Richard Pruitt | Member portal implementation | 2/9/2022 | 12/31/2022 |
| March | | | | | | | |
| Wade McNair | \$30,000.00 | Yes | HR | Anita Martin | Leadership Academy Training for new and experienced leaders | 3/1/2022 | 6/17/2022 |
| Ceridian | \$34,170.00 | Yes | HR | Anita Martin | Additional 201 bulk of hours for project driven work and configurations | 3/10/2022 | 3/9/2023 |
| HC2 | \$54,756.00 | Yes | PNM | Emily Duran | Needs assessment for CalAIM initiatives | 3/10/2022 | 3/9/2023 |
| April | | | | | | | |
| TWE Solutions | \$91,450.00 | Yes | IT | Richard Pruitt | 1,355 Cortex XDR Pro licenses and 100 Annual Forensics licenses | 4/29/2022 | 4/29/2023 |
| Citrix | \$38,250.00 | Yes | IT | Richard Pruitt | 403 Citrix ADC Premium Edition and Desktop licenses | 4/2/2022 | 4/1/2023 |
| SSI Group, LLC | \$56,000.00 | Yes | Claims | Robin Dow-Morales | EDI claims and electronic transactions | 4/4/2022 | 4/3/2024 |
| FluidEdge | \$67,200.00 | Yes | PNM | Emily Duran | Interim Program Manager, Katie Sykes | 4/2/2022 | 6/30/2022 |
| Dell | \$53,328.33 | Yes | IT | Richard Pruitt | 25 Dell 5420 Laptops and 25 Docking stations | 4/21/2022 | 4/20/2026 |
| Cognizant | \$54,000.00 | Yes | IT | Richard Pruitt | Claims Integrity Implementation for Zelis | 4/21/2022 | 3/20/2025 |
| Coffey Communications | \$89,360.00 | Yes | MRK | Louie Iurriria | KHS Digital platform agreement | 4/1/2022 | 3/31/2023 |

| 2022 TECHNOLOGY CONSULTING RESOURCES | | | | | | | | | | | | | | | | | |
|--------------------------------------|---|---------------|--------------------|------------------|------------------|------------------|------------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------------|--------------------|
| ITEM # | PROJECT Name | CAP/EXP | BUDGET | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEPT | OCT | NOV | DEC | YTD TOTAL | REMAINING BALANCE |
| 1 | Community Based Organization Referral System | CA | \$370,080 | \$15,440 | \$30,360 | \$20,160 | \$20,160 | | | | | | | | | \$86,120 | \$283,960 |
| 2 | Medical Management/Fraud, Waste, and Abuse Programs | CA | \$500,000 | \$21,120 | \$35,798 | \$25,066 | \$17,472 | | | | | | | | | \$99,456 | \$400,544 |
| 3 | Claims Workflow Conversion (QWTF) | CA | \$472,800 | | \$8,826 | \$51,501 | \$57,335 | | | | | | | | | \$117,662 | \$355,138 |
| 4 | Data Linage System | CA | \$184,800 | \$17,472 | \$0 | \$19,320 | \$0 | | | | | | | | | \$36,792 | \$148,008 |
| 5 | Analytic Software (Power BI) Migration | CA | \$124,800 | | | | | | | | | | | | | \$0 | \$124,800 |
| 6 | Communication Software Replacement | CA | \$124,800 | | | | | | | | | | | | | \$0 | \$124,800 |
| 8 | Staff Augmentation | EXP | \$7,393,315 | \$409,082 | \$359,294 | \$356,945 | \$344,059 | | | | | | | | | \$1,469,380 | \$5,923,935 |
| Totals: | | Totals | \$9,167,595 | \$463,114 | \$434,278 | \$472,992 | \$439,026 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,809,410 | \$7,358,185 |

Updated 5/12/22

KHS Board of Directors Meeting, June 16, 2022

KERN HEALTH SYSTEMS

2022 BUDGETED FTE BY DEPARTMENT

| CC | DEPARTMENT | 2022 Budgeted FTE ADDITIONS | 2022 Budgeted Dollar Amount | JAN 2022 | FEB 2022 | MARCH 2022 | APRIL 2022 | MAY 2022 | JUNE 2022 | JULY 2022 | AUGUST 2022 | SEPT 2022 | OCT 2022 | NOV 2022 | DEC 2022 | TOTAL 2022 | Remaining Balance |
|--------------|---------------------------------|-----------------------------|-----------------------------|----------|--------------|---------------|---------------|----------|-----------|-----------|-------------|-----------|----------|----------|----------|---------------|-------------------|
| 220 | INFORMATION TECHNOLOGY | 2 | 332,948 | - | - | 11,985 | 13,986 | | | | | | | | | 25,971 | 306,977 |
| 221 | BUSINESS INTELLIGENCE | 1 | 99,502 | - | - | - | - | | | | | | | | | - | 99,502 |
| 222 | ENTERPRISE DEVELOPMENT | 3 | 499,425 | - | - | - | - | | | | | | | | | - | 499,425 |
| 230 | CLAIMS | 2 | 163,395 | - | - | - | - | | | | | | | | | - | 163,395 |
| 314 | ENHANCED CARE MANAGEMENT | 1 | 88,105 | - | - | - | 5,037 | | | | | | | | | 5,037 | 83,068 |
| 316 | POPULATION HEALTH MANAGEMENT | 6 | 532,141 | - | - | - | - | | | | | | | | | - | 532,141 |
| 311 | QUALITY IMPROVEMENT | 1 | 113,819 | - | - | - | - | | | | | | | | | - | 113,819 |
| 312 | HEALTH EDUCATION | 3 | 288,098 | - | - | 1,519 | 5,994 | | | | | | | | | 7,513 | 280,585 |
| 317 | COMMUNITY SUPPORT SERVICES | 2 | 119,270 | - | - | - | 6,113 | | | | | | | | | 6,113 | 113,157 |
| 320 | PROVIDER NETWORK MANAGEMENT | 1 | 84,838 | - | - | - | 2,492 | | | | | | | | | 2,492 | 82,346 |
| 330 | MEMBER SERVICES/ENGAGEMENT | 6 | 482,067 | - | - | - | 2,990 | | | | | | | | | 2,990 | 479,077 |
| 360 | COMPLIANCE & REGULATORY AFFAIRS | 2 | 227,490 | - | - | 7,428 | 7,451 | | | | | | | | | 14,879 | 212,611 |
| 510 | HUMAN RESOURCES | 1 | 95,039 | - | 6,516 | 7,702 | 6,402 | | | | | | | | | 20,620 | 74,418 |
| TOTAL | | 31 | 3,126,136 | 0 | 6,516 | 28,634 | 50,465 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 85,615 | 3,040,521 |

Major Organ Transplant Update

Evaluation (118 total)

- 5 Bone Marrow
- 3 Heart
- 67 Kidney
- 42 Liver
- 1 Intestine

Waitlisted (32 total)

- 27 Kidney
- 3 Liver
- 1 Bone Marrow
- 1 Corneal

Post-transplant FY 2022 (3 total)

- 1 Liver
- 1 Bone Marrow
- 1 Corneal

Post transplant 2021 (9 total)

- 9 kidney

TOTAL 162

**KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
NEW VENDOR CONTRACTS
June 16, 2022**

| Legal Name DBA | Specialty | Address | Comments | Contract Effective Date |
|---|----------------------|---|---|-------------------------------|
| PAC 05/04/2022 | | | | |
| All Desert Respiratory dba: High Desert Respiratory | DME | 217 S. Mt. Vernon Avenue Ste. 15 Bakersfield CA 93307 | | 6/1/2022 |
| PAC 06/01/2022 | | | | |
| Angel Congregate Living Inc | SNF/CLF | 385336 Desert View Drive Palmdale CA 93551 | | 7/1/2022 |
| Baz Allergy, Asthma & Sinus Center, Inc. dba: Baz Allergy, Asthma & Sinus Center | Allergy & Immunology | 7471 N. Fresno Street Fresno CA 93720 | | 7/1/2022 |
| High Desert Medical and Sleep Supplies Inc | DME | 112 North China Lake Blvd Ridgecrest CA 93555 | | 7/1/2022 |
| InfuSystem Inc | DME | 3851 W Hamlin Road Rochester Hills, MI 48309 | | 7/1/2022 |
| Kavish Prajapati Inc dba: Wible Pharmacy | DME/Pharmacy | 3045 Wible Road Bakersfield CA 93304 | | 7/1/2022 |
| Montana HemeOncology LLC | Hematology/Oncology | 4500 Gosford Road Ste. 106 Bakersfield CA 93313 | Existing Provider - Wilbur Montana MD | 7/1/2022 |
| Sabol & Walker Chiropractic Inc dba: Active Life Chiropractor | Physical Therapy | 3015 Calloway Drive D6 Bakersfield CA 93312 | | 7/1/2022 |
| Sandeep S. Walia MD, A Professional Medical Corporation | Ophthalmology | 215 China Grade Loop Bakersfield CA 93308 | | 7/1/2022 |
| Scott R. Boynton | Podiatry/Wound Care | BHH Center for Wound Healing 3012 Sillect Ave Ste. B Bakersfield CA 93308 | | 7/1/2022 |

**KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
TERMED CONTRACTS
June 16, 2022**

| Legal Name DBA | Specialty | Address | Comments | Term Effective Date |
|---------------------------------------|-----------------|--|------------------------------------|---------------------------|
| L & L Pharmacy, Inc. | Pharmacy | 4570 California Avenue Ste. 110 Bakersfield CA | Site Closed | 4/5/2022 |
| Sarwa Aldoori MD | Family Practice | 4040 San Dimas Street Ste. A Bakersfield CA | KHS Termed Contract | 4/20/2022 |
| Sienna Hospitalist Group | Hospitalist | 6424 Lynch Canyon Dr Lake Isabella, CA | Voluntary Term | 5/25/2022 |
| Quest Imaging Medical Associates, Inc | Radiology | 9602 Stockdale Hwy Bakersfield, CA | Billing done by AH- Bakersfield | 5/31/2022 |



To: KHS Board of Directors

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

Date: June 16, 2022

Re: CMO BOARD REPORT

Medical Cost and Utilization Trend Analyses: (Attachment A)

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

The metrics of performance for the physician services: cost per service, visits per 1000 and PMPM incurred costs are near budget or lower for all Aid codes including the SPDs. The top diagnosis for outpatient utilization is related to routine care: General Examinations, Routine Child Exam and Pregnancy related visits.

Concerning is the second reason for use of professional services which is Chronic Kidney Disease and end stage Renal Disease. Our data shows that Hypertension and Diabetes are the top chronic diseases in our population which would explain the high numbers of patients with Chronic Kidney Disease. KHS has a CDC certified Diabetic Prevention Program which will be expanded to include other provider sites such as Kern Medical. We have also started conversations with other providers on a strategy to improve the management of Hypertension for our members. As we move into Population Health Management, patients with Hypertension and Diabetes are one of the target populations under this program.

Controlling these 2 chronic conditions and ensuring early identification of Chronic Kidney Disease, will improve the health outcomes of these subpopulation groups of our membership.

Inpatient Services

The metrics for measuring the inpatient utilization are down for all Aid codes. This is the first time since the beginning of the pandemic that Covid-19 is not on the top 10 reasons for inpatient utilization.

In the month of April 2022, the most frequent reason for inpatient utilization was for pregnancy and delivery related diagnosis.

The top hospital used for inpatient services is now Kern Medical and Bakersfield Memorial Hospital is a close second. (**Attachment B**)

Obstetrics Metrics:

KHS is consistently showing around 400+ deliveries each month lead by births at KM and BMH. (**Attachment C**) The precipitous drop in KM births may be from delays in receiving claims which may take up to 45 days after the delivery month before the full impact of births is determined for each hospital. We continue to work with our hospital partners to ensure the timely receipt of claims which improves our data accuracy and the hospital's cash flow.

Hospital Outpatient

Hospital outpatient utilization is stable for all Aid codes. We are focusing on the appropriate management of chronic conditions by primary care to reduce the numbers of Provider Preventable Admissions (PPA). We are working with our network to ensure that members are getting appropriate care when needed augmented with other services (medical, behavioral, or social) to prevent further deterioration in their conditions leading to a hospital admission or utilization of hospital Observation level of care which counts here as outpatient hospital utilization.

Emergency Room (ER)

The PMPM cost and number of ER visits continue to be below expected benchmarks. This is a “positive” effect of COVID-19. During the pandemic people avoided crowds and only went to ERs with serious illness. It appears this may have had a lasting impact on ER access for non-emergent medical conditions. The top diagnosis for ER visit is upper respiratory and urinary tract infections.

Most of the ER visits are occurring at BMH (**Attachment D**).

Managed Care Accountability Set (MCAS)

This is a set of performance 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 15 measures subject to a 50% Minimum Performance Level (MPL) benchmark. The members eligible for each measure are part of the denominator. The denominator defines the population being measured and may be the whole population or a subset. Measure compliance (numerator) is determined by the target process, condition, event, or outcome expected for the target population (denominator). Measure compliance requires a patient encounter, that, when completed, provides input as to whether the measurement was met or not for that patient. The level of compliance is shown as the percentage (%) of members who have met the compliance requirements for the specific measure. Each year, DHCS may add or remove required measures. They also establish the minimum performance level (MPL) using National Committee for Quality Assurance (NCQA) benchmarks. 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. A Member Rewards and Engagement Program was also implemented to outreach to members not compliant with specific MCAS measures, educate them about the needed services, and offer a reward for obtaining the needed services.

The trending report is near real-time trending on how we are performing compared to the previous measurement year. The 4 boxes in green show measures where our performance exceeds previous year's performance for the time frame. The Yellow boxes (5) are measures showing performance is within 5% when comparing the YTD performance through the same period last year. The 7 red boxes are the measures showing performance with a gap greater than 5% when comparing the YTD performance through the same period last year.

The information on the report is for measurement year 2022. We have until December 31st, 2022, to provide the needed services to our members and improve our performance on all the measures. KHS continue to perform internal assessment of the MCAS performance and develop new focus and strategies to improve our performance and achieve at least the new minimum performance levels imposed by DHCS. The KHS staff has an active corporate project that is focused on this initiative.

We have submitted all the required information to the State for measuring year 2021. Overall, we believe we improved over 2020's, The final report will be out this fall and will be shared with the Board when available.



Kern Health Systems

KHS Medical Management Performance Dashboard (Critical Performance Measurements)



Governed Reporting System

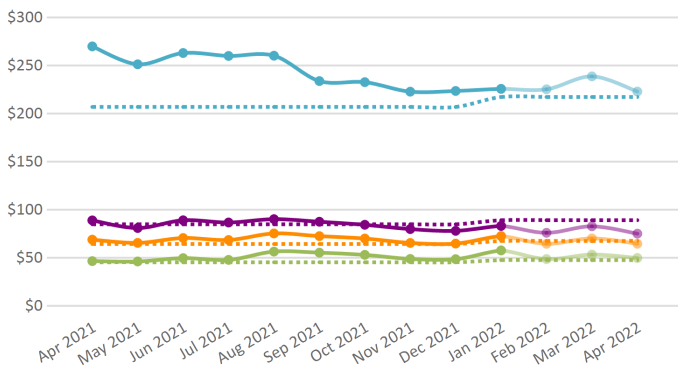


Physician Services

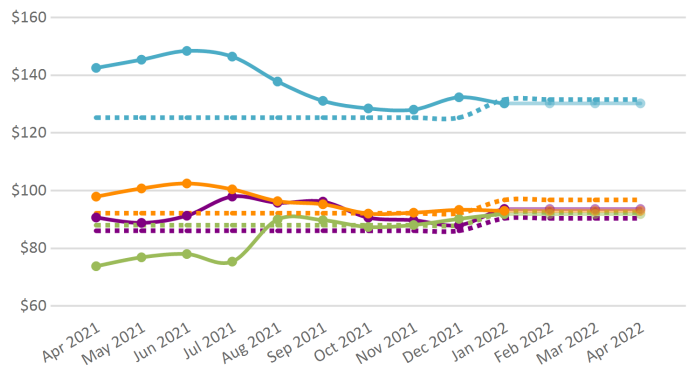
(Includes: Primary Care Physician Services, Referral Specialty Services, Other Professional Services and Urgent Care)

- 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

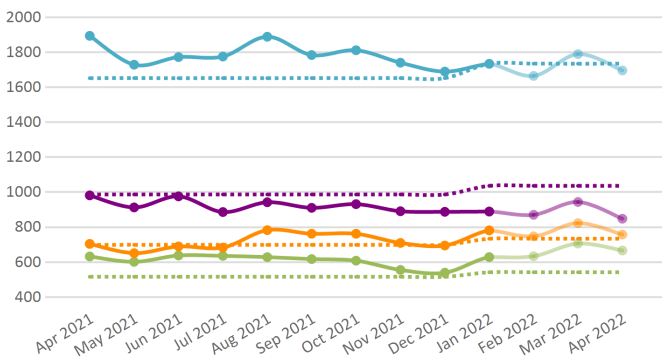
Professional Services Incurred by Aid Group PMPM



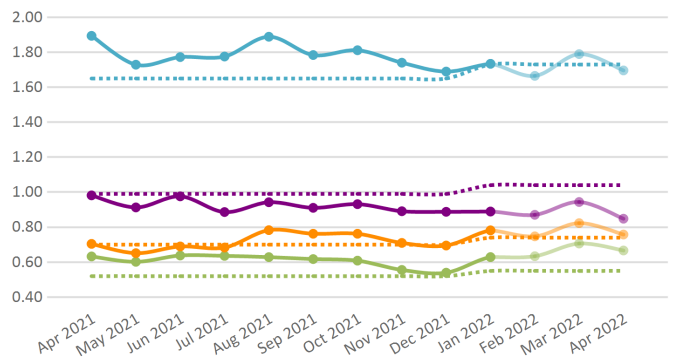
Cost per Professional Service Visit by Aid Group



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



Professional Service Visits per Member per Month by Aid Group





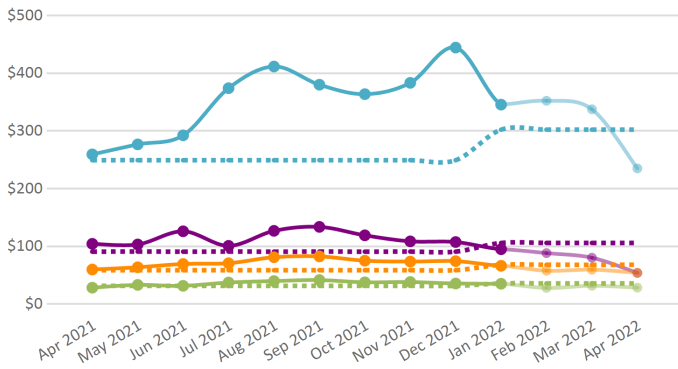
Governed Reporting System

Inpatient

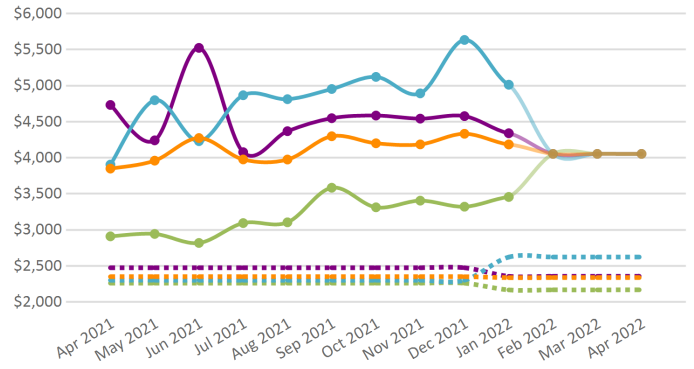
(Includes: Inpatient Hospital Claims)

- 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

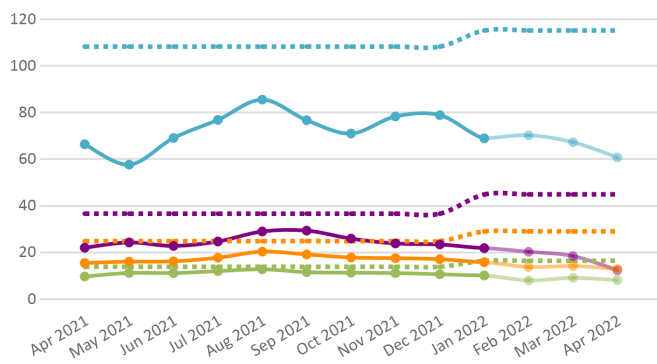
Inpatient Services Incurred by Aid Group PMPM



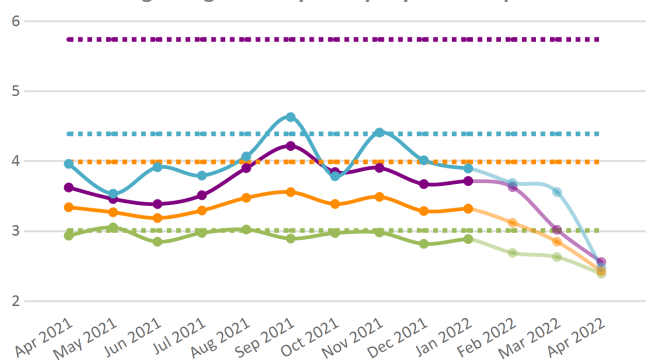
Cost Per Bed Day by Aid Group



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



Average Length of Stay in Days by Aid Group





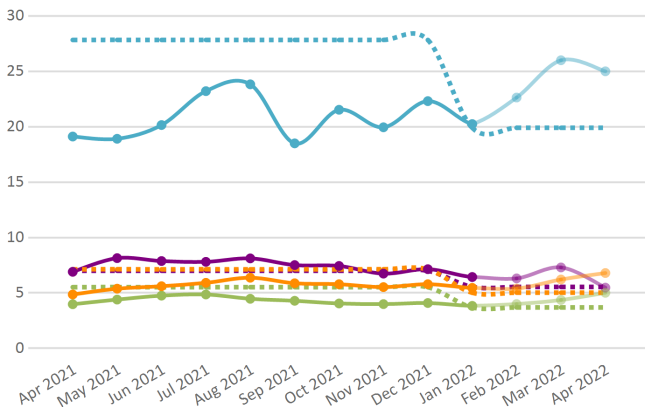
Governed Reporting System

Inpatient

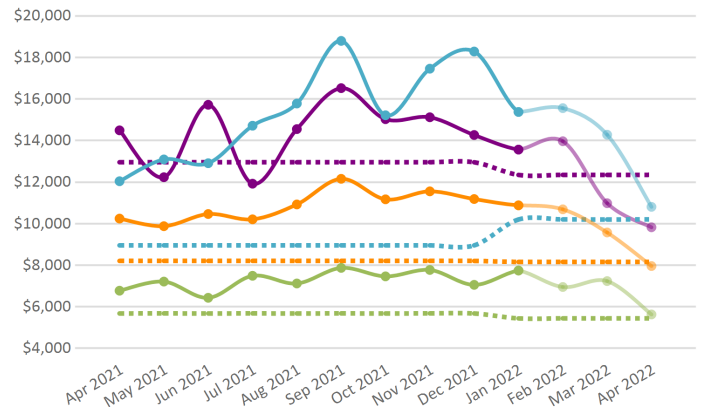
(Includes: Inpatient Hospital Claims)

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

Incurred Admits per 1,000 per Month by Aid Group



Cost per Admit by Aid Group





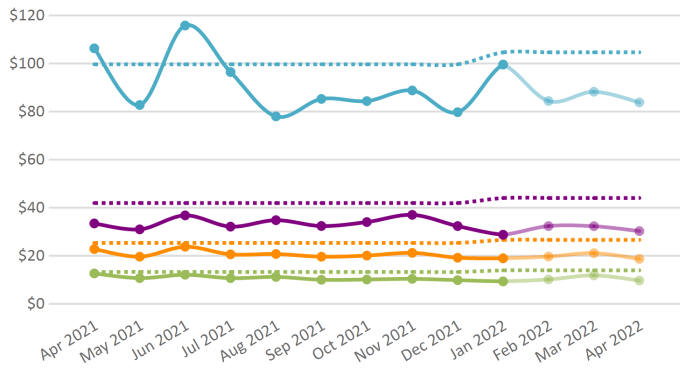
Governed Reporting System

Outpatient Hospital

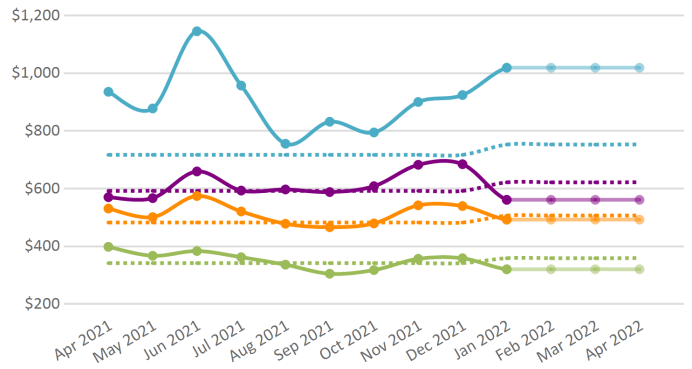
(Includes: Outpatient Diagnostic, Outpatient Surgery, Outpatient Observation, and Outpatient Other)

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

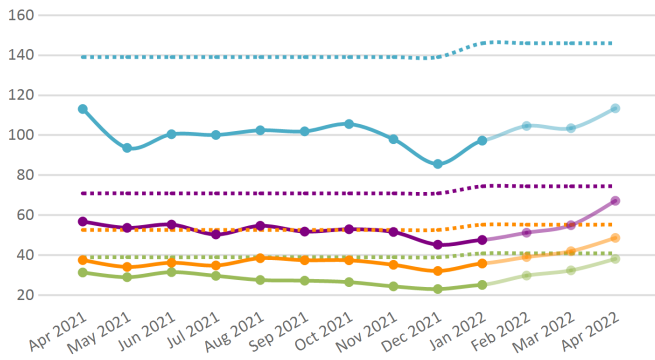
Outpatient Services Incurred by Aid Group PMPM



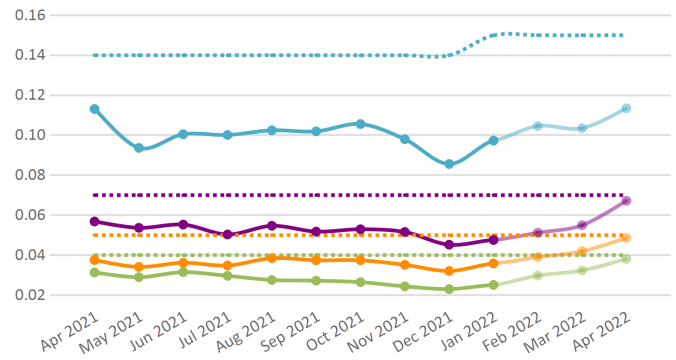
Cost Per Outpatient Visit by Aid Group



Outpatient Visits per 1,000 per Month by Aid Group



Outpatient Visits per Member per Month by Aid Group





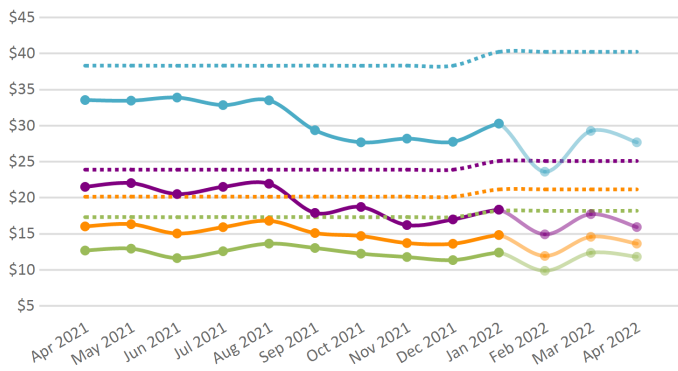
Governed Reporting System



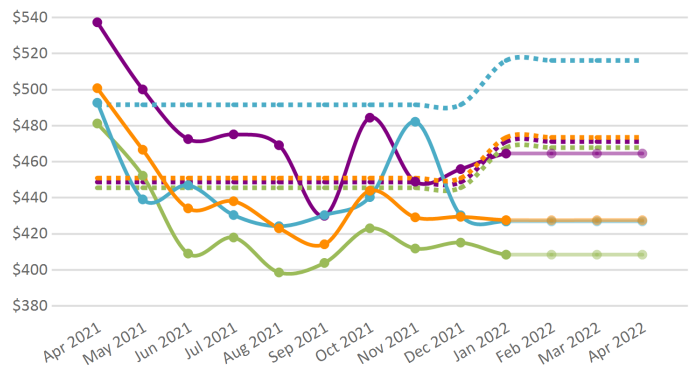
Emergency Room

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

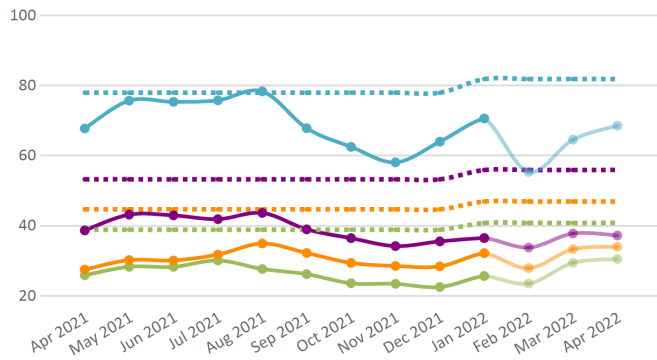
ER Services Incurred by Aid Group PMPM



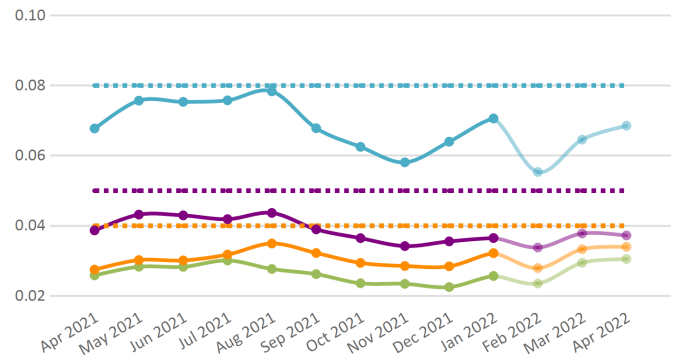
Cost Per ER Visit by Aid Group



ER Visits per 1,000 per Month by Aid Group



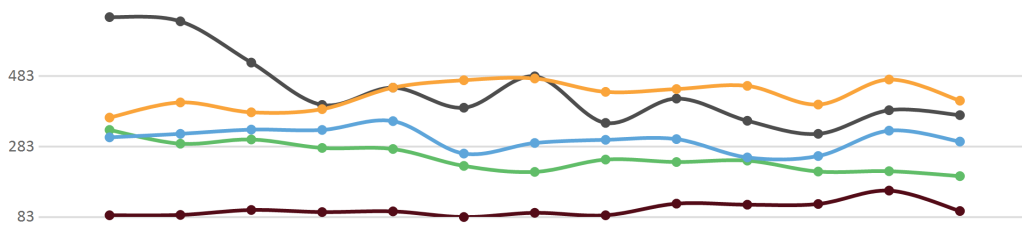
ER Visits per Member per Month by Aid Group



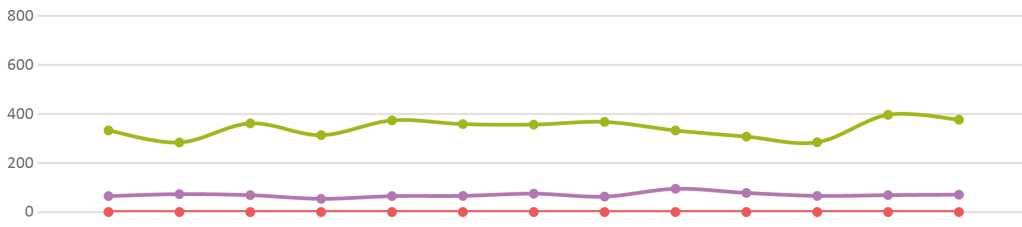


Governed Reporting System

Inpatient Admits by Hospital



| | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 | Apr-22 |
|-------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| BAKERSFIELD MEMORIAL | 650 | 638 | 521 | 401 | 450 | 393 | 482 | 350 | 419 | 356 | 319 | 386 | 372 |
| KERN MEDICAL | 365 | 408 | 380 | 389 | 450 | 471 | 476 | 438 | 446 | 455 | 402 | 473 | 413 |
| ADVENTIST HEALTH | 309 | 319 | 331 | 330 | 355 | 263 | 293 | 302 | 304 | 252 | 256 | 328 | 297 |
| MERCY HOSPITAL | 330 | 291 | 303 | 279 | 276 | 228 | 211 | 246 | 239 | 243 | 212 | 213 | 199 |
| GOOD SAMARITAN HOSPITAL | 88 | 89 | 103 | 97 | 99 | 83 | 95 | 88 | 121 | 118 | 120 | 158 | 100 |

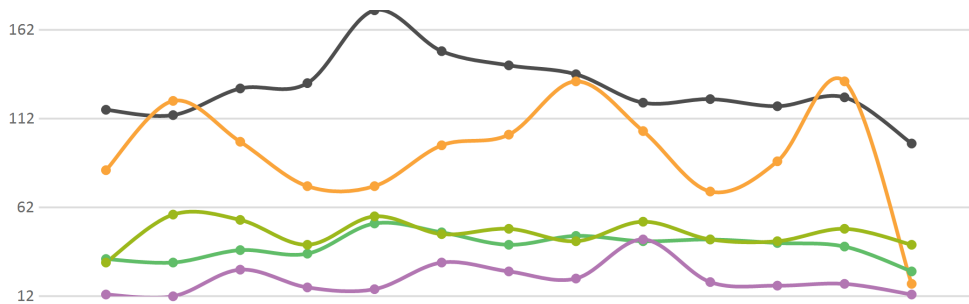


| | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 | Apr-22 |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| DELANO REGIONAL HOSPITAL | 65 | 73 | 69 | 54 | 65 | 66 | 75 | 63 | 95 | 78 | 66 | 69 | 71 |
| OUT OF AREA | 333 | 284 | 362 | 314 | 374 | 359 | 357 | 368 | 333 | 308 | 285 | 397 | 377 |
| BAKERSFIELD HEART HOSP | 63 | 46 | 36 | 44 | 35 | 38 | 34 | 49 | 39 | 33 | 38 | 37 | 22 |

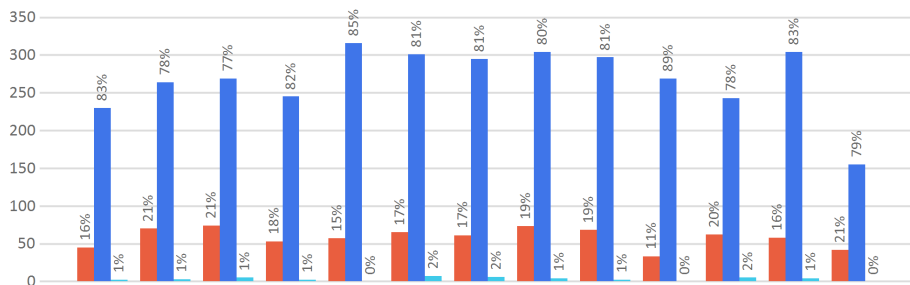


Governed Reporting System

Obstetrics Metrics



| | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 | Apr-22 |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| BAKERSFIELD MEMORIAL | 117 | 114 | 129 | 132 | 173 | 150 | 142 | 137 | 121 | 123 | 119 | 124 | 98 |
| KERN MEDICAL | 83 | 122 | 99 | 74 | 74 | 97 | 103 | 133 | 105 | 71 | 88 | 133 | 19 |
| MERCY HOSPITAL | 33 | 31 | 38 | 36 | 53 | 48 | 41 | 46 | 43 | 44 | 42 | 40 | 26 |
| OTHER | 31 | 58 | 55 | 41 | 57 | 47 | 50 | 43 | 54 | 44 | 43 | 50 | 41 |
| DELANO REGIONAL HOSPITAL | 13 | 12 | 27 | 17 | 16 | 31 | 26 | 22 | 44 | 20 | 18 | 19 | 13 |

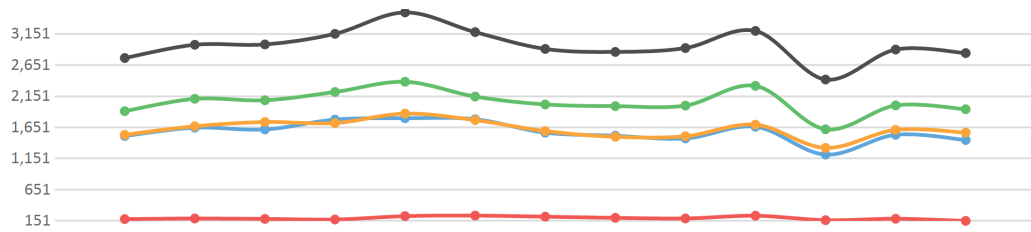


| | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 | Apr-22 |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| VAGINAL DELIVERY | 230 | 264 | 269 | 245 | 316 | 301 | 295 | 304 | 297 | 269 | 243 | 304 | 155 |
| C-SECTION DELIVERY | 45 | 70 | 74 | 53 | 57 | 65 | 61 | 73 | 68 | 33 | 62 | 58 | 42 |
| PREVIOUS C-SECTION DELIVERY | 2 | 3 | 5 | 2 | 0 | 7 | 6 | 4 | 2 | 0 | 5 | 4 | 0 |

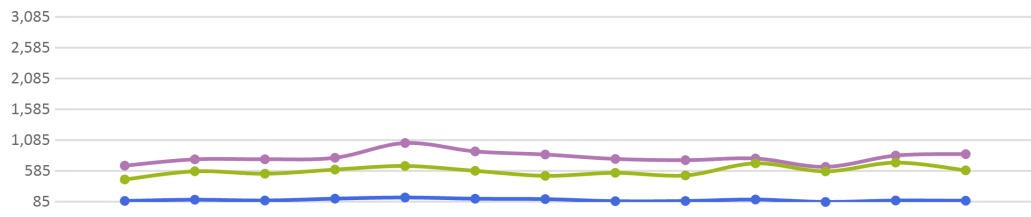


Governed Reporting System

Emergency Visits by Hospital



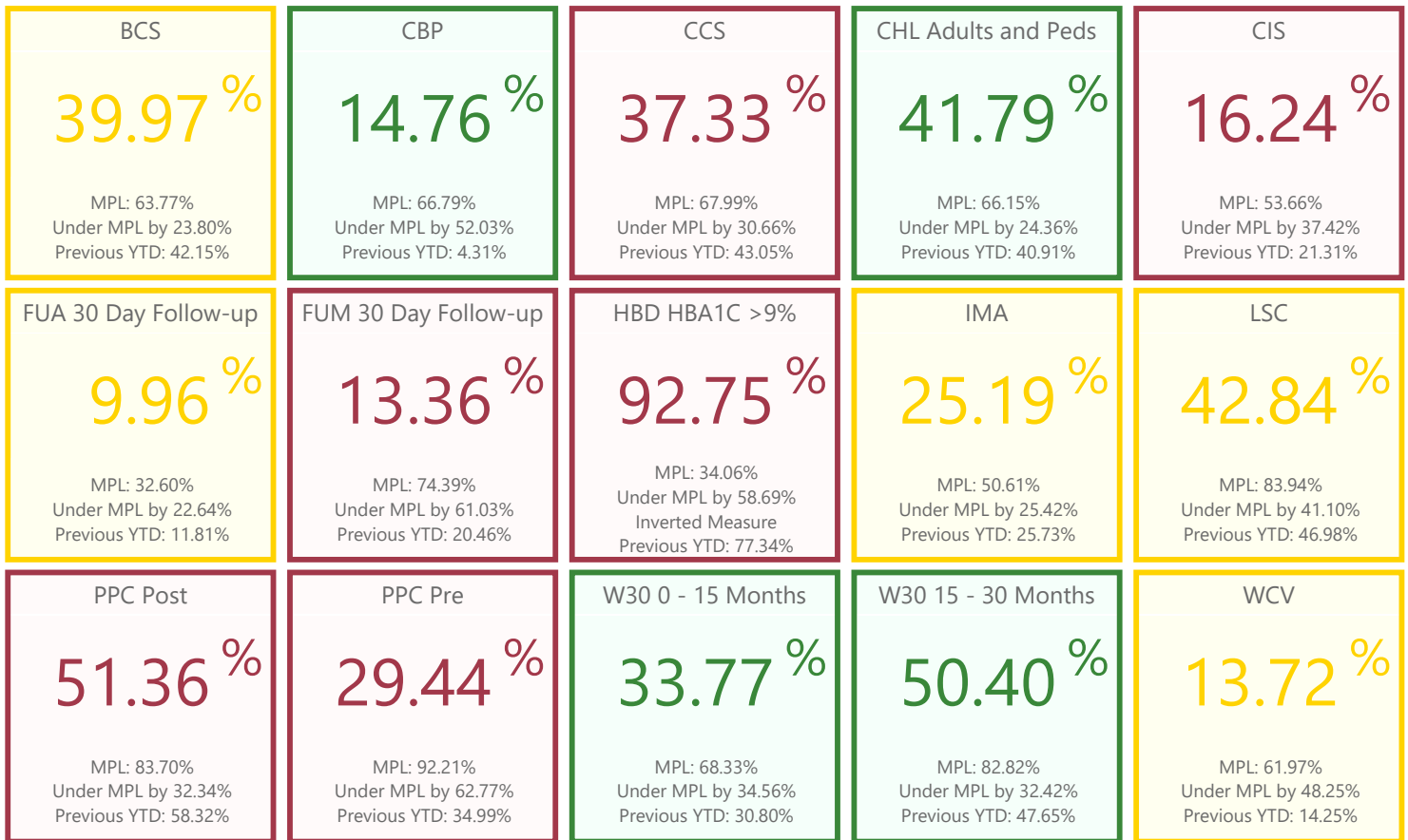
| | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 | Apr-22 |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| BAKERSFIELD MEMORIAL | 2,765 | 2,978 | 2,983 | 3,153 | 3,497 | 3,181 | 2,911 | 2,863 | 2,925 | 3,200 | 2,420 | 2,901 | 2,844 |
| MERCY HOSPITAL | 1,912 | 2,110 | 2,087 | 2,220 | 2,384 | 2,146 | 2,020 | 1,993 | 2,002 | 2,318 | 1,621 | 2,004 | 1,943 |
| KERN MEDICAL | 1,533 | 1,670 | 1,738 | 1,721 | 1,873 | 1,768 | 1,592 | 1,500 | 1,509 | 1,695 | 1,323 | 1,612 | 1,568 |
| ADVENTIST HEALTH | 1,514 | 1,647 | 1,618 | 1,777 | 1,798 | 1,783 | 1,567 | 1,518 | 1,474 | 1,662 | 1,215 | 1,533 | 1,449 |
| BAKERSFIELD HEART HOSP | 179 | 189 | 183 | 173 | 227 | 236 | 218 | 200 | 190 | 234 | 162 | 185 | 151 |



| | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 | Apr-22 |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| DELANO REGIONAL HOSPITAL | 673 | 776 | 777 | 801 | 1,040 | 904 | 854 | 782 | 762 | 789 | 654 | 837 | 860 |
| OUT OF AREA | 449 | 582 | 542 | 610 | 668 | 589 | 508 | 557 | 515 | 711 | 581 | 723 | 597 |
| KERN VALLEY HEALTHCARE | 101 | 121 | 108 | 138 | 157 | 137 | 131 | 97 | 100 | 124 | 85 | 108 | 105 |



MCAS MY2022 Performance Trending Metrics through May 2022



Measure rates are thru claims only - no supplemental data nor medical record reviews are included

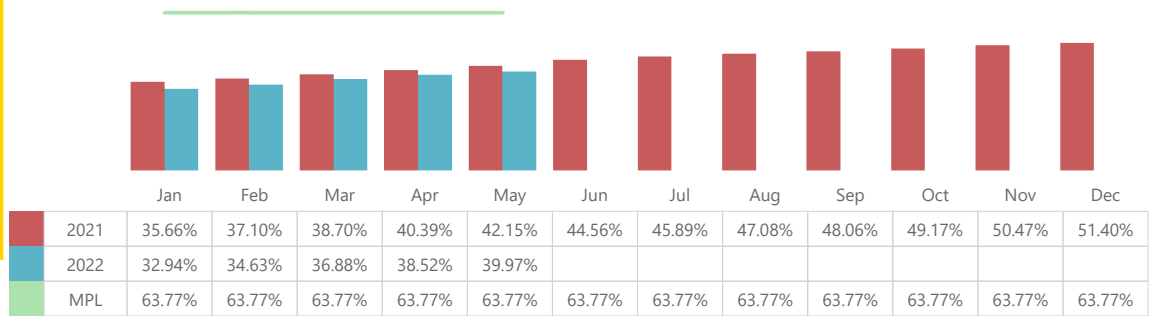
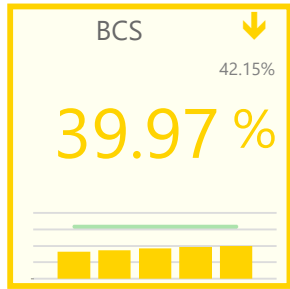


Governed Reporting System

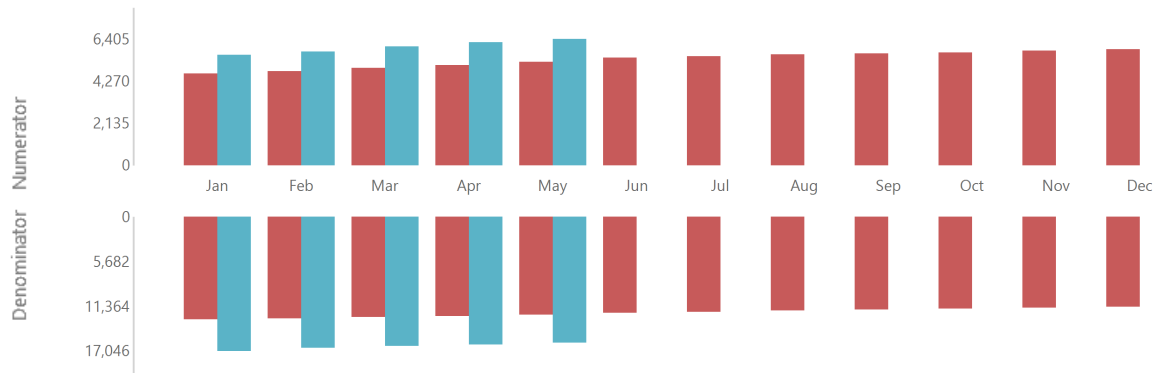
MCAS MY2022 Performance Trending Metrics through May 2022

Breast Cancer Screening

The percentage of women 50–74 years of age who had one or more mammograms any time on or between October 1 two years prior to the measurement year and December 31 of the measurement year.



6,405
16,024



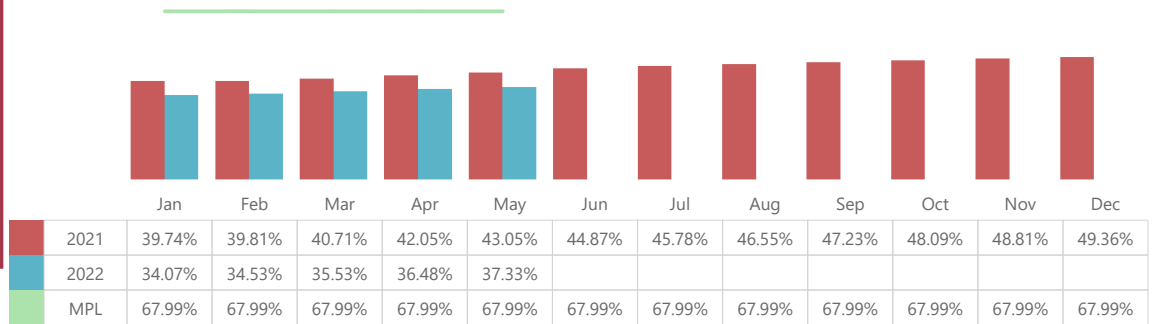
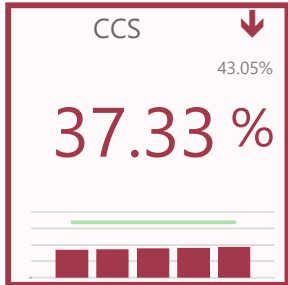


Governed Reporting System

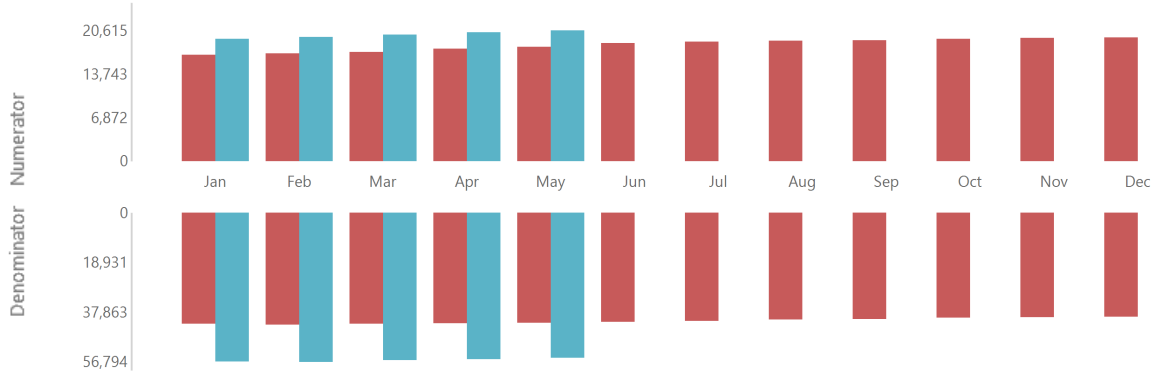
MCAS MY2022 Performance Trending Metrics through May 2022

Cervical Cancer Screening

The percentage of women 21–64 years of age who were screened for cervical cancer using either of the following criteria: • Women 21–64 years of age who had cervical cytology performed within the last 3 years. • Women 30–64 years of age who had cervical high-risk human papillomavirus (hrHPV) testing performed within the last 5 years. • Women 30–64 years of age who had cervical cytology/high-risk human papillomavirus (hrHPV) cotesting within the last 5 years.



20,615
55,221

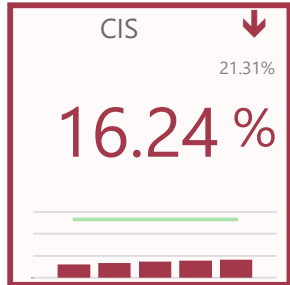




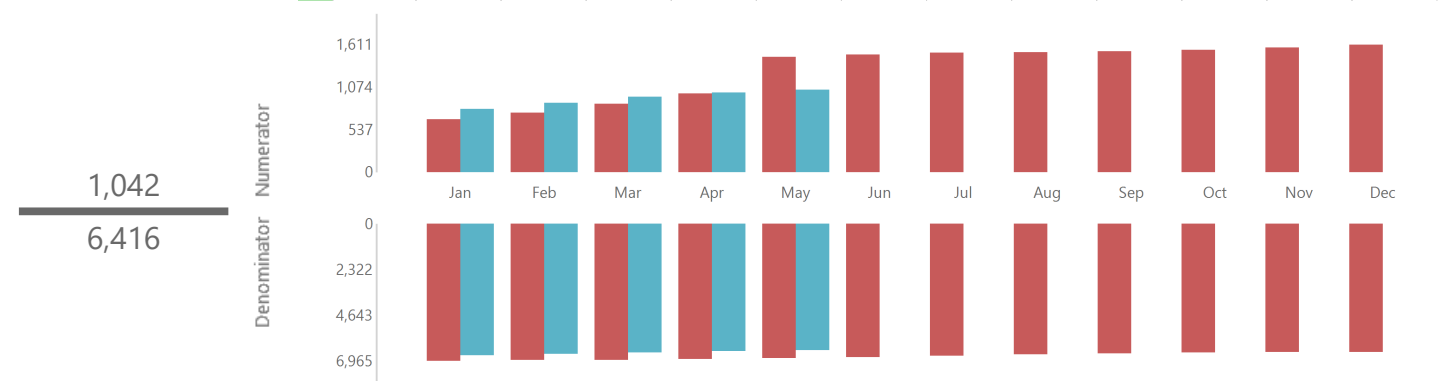
MCAS MY2022 Performance Trending Metrics through May 2022

Childhood Immunization Status

The percentage of children 2 years of age who had four diphtheria, tetanus and acellular pertussis (DTaP); three polio (IPV); one measles, mumps and rubella (MMR); three haemophilus influenza type B (HiB); three hepatitis B (HepB), one chicken pox (VZV); four pneumococcal conjugate (PCV); one hepatitis A (HepA); two or three rotavirus (RV); and two influenza (flu) vaccines by their second birthday.



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2021 | 9.59% | 10.78% | 12.43% | 14.47% | 21.31% | 21.88% | 22.45% | 22.79% | 23.15% | 23.61% | 24.09% | 24.71% |
| 2022 | 11.93% | 13.27% | 14.49% | 15.58% | 16.24% | | | | | | | |
| MPL | 53.66% | 53.66% | 53.66% | 53.66% | 53.66% | 53.66% | 53.66% | 53.66% | 53.66% | 53.66% | 53.66% | 53.66% |



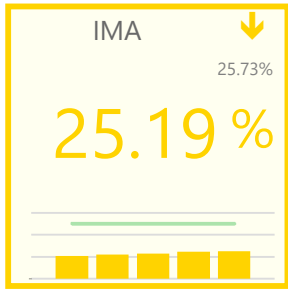


Governed Reporting System

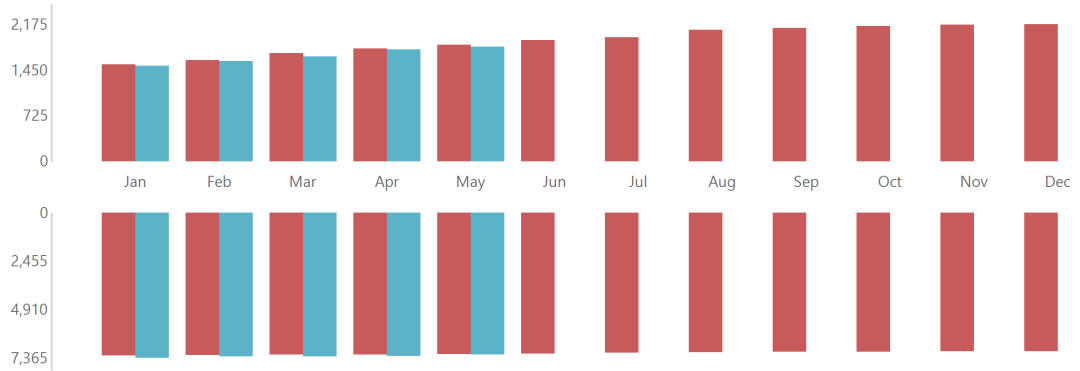
MCAS MY2022 Performance Trending Metrics through May 2022

Immunizations for Adolescents

The percentage of adolescents 13 years of age who had one dose of meningococcal vaccine, one tetanus, diphtheria toxoids and acellular pertussis (Tdap) vaccine, and have completed the human papillomavirus (HPV) vaccine series by their 13th birthday. The measure calculates a rate for each vaccine and two combination rates.



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2021 | 21.16% | 22.16% | 23.79% | 24.84% | 25.73% | 26.93% | 27.66% | 29.43% | 29.88% | 30.41% | 30.70% | 30.91% |
| 2022 | 20.56% | 21.77% | 22.79% | 24.36% | 25.19% | | | | | | | |
| MPL | 50.61% | 50.61% | 50.61% | 50.61% | 50.61% | 50.61% | 50.61% | 50.61% | 50.61% | 50.61% | 50.61% | 50.61% |



1,816
7,210

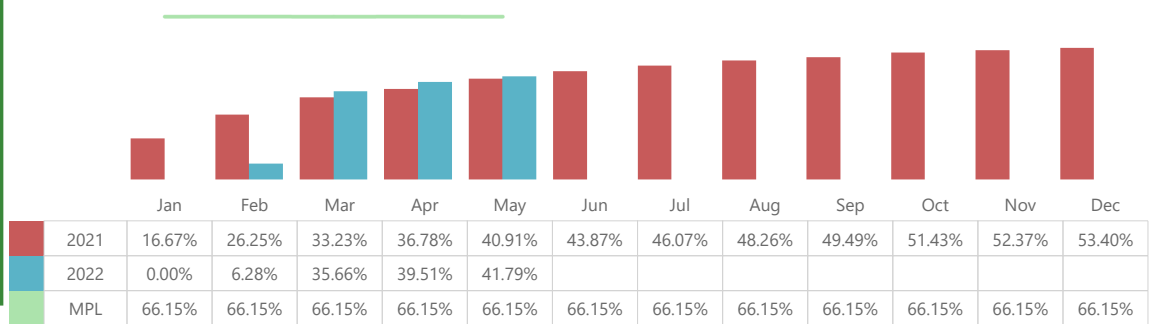
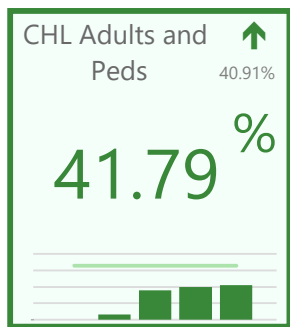


Governed Reporting System

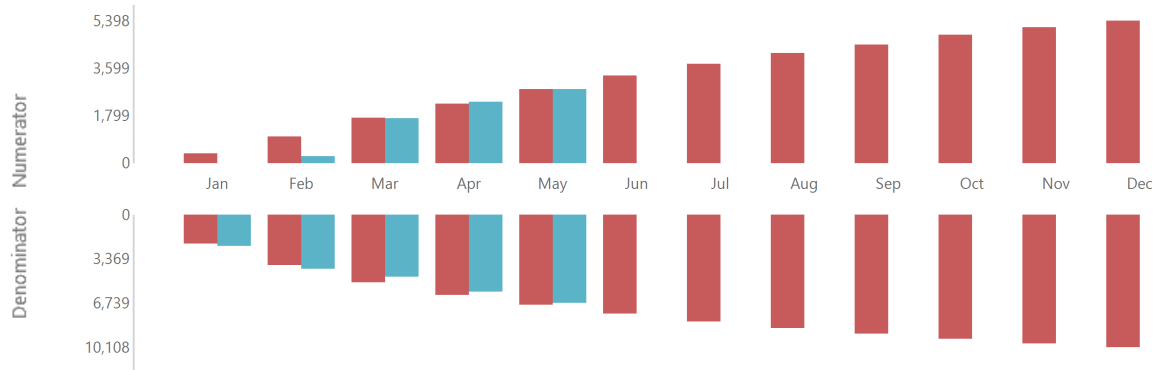
MCAS MY2022 Performance Trending Metrics through May 2022

Chlamydia Screening in Women

The percentage of women 16–24 years of age who were identified as sexually active and who had at least one test for chlamydia during the measurement year.



2,805
 6,712





Governed Reporting System

MCAS MY2022 Performance Trending Metrics through May 2022

Lead Screening in Children

The percentage of children 2 years of age who had one or more capillary or venous lead blood test for lead poisoning by their second birthday.



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2021 | 40.77% | 42.98% | 44.79% | 46.11% | 46.98% | 47.90% | 48.80% | 49.24% | 49.57% | 49.76% | 49.92% | 50.05% |
| 2022 | 37.45% | 39.29% | 40.27% | 41.36% | 42.84% | | | | | | | |
| MPL | 73.11% | 73.11% | 73.11% | 73.11% | 73.11% | 73.11% | 73.11% | 73.11% | 73.11% | 73.11% | 73.11% | 73.11% |

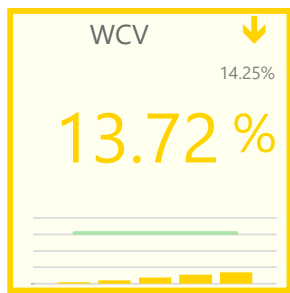




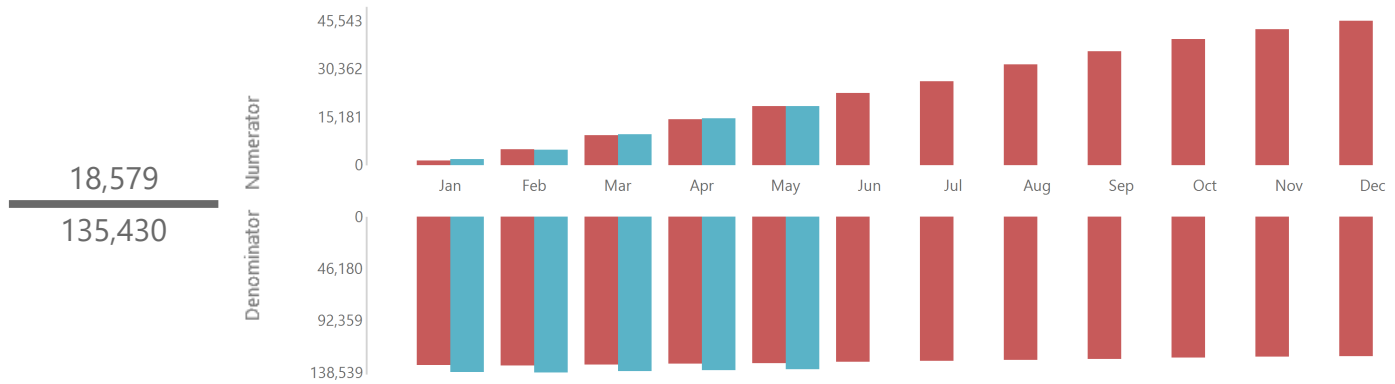
MCAS MY2022 Performance Trending Metrics through May 2022

Child and Adolescent Well-Care Visits

The percentage of members 3–21 years of age who had at least one comprehensive well-care visit with a PCP or an OB/GYN practitioner during the measurement year.



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2021 | 1.11% | 3.72% | 7.14% | 11.02% | 14.25% | 17.61% | 20.65% | 25.04% | 28.47% | 31.73% | 34.43% | 36.78% |
| 2022 | 1.38% | 3.51% | 7.02% | 10.79% | 13.72% | | | | | | | |
| MPL | 61.97% | 61.97% | 61.97% | 61.97% | 61.97% | 61.97% | 61.97% | 61.97% | 61.97% | 61.97% | 61.97% | 61.97% |



18,579
135,430

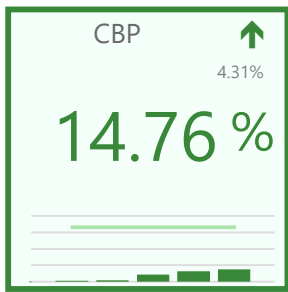


Governed Reporting System

MCAS MY2022 Performance Trending Metrics through May 2022

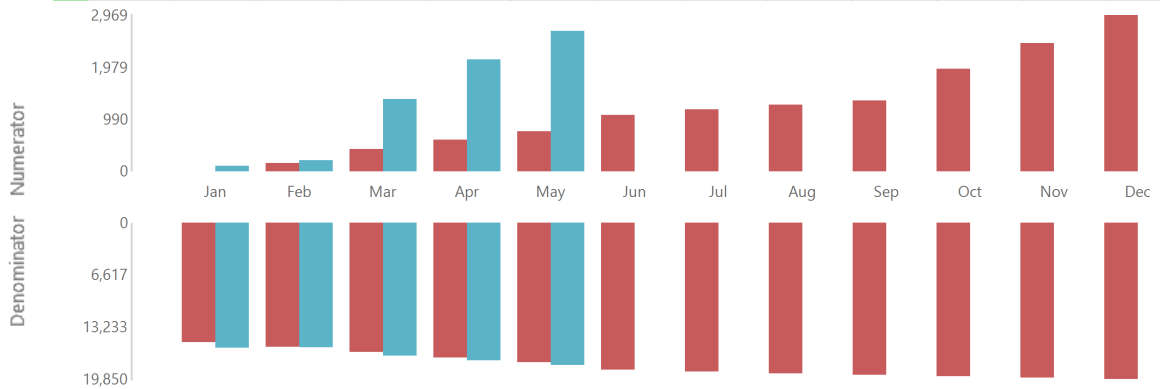
Controlling High Blood Pressure

The percentage of members 18–85 years of age who had a diagnosis of hypertension (HTN) and whose BP was adequately controlled (<140/90 mm Hg) during the measurement year.



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2021 | 0.00% | 0.99% | 2.56% | 3.51% | 4.31% | 5.77% | 6.22% | 6.64% | 6.96% | 10.00% | 12.40% | 14.96% |
| 2022 | 0.66% | 1.31% | 8.15% | 12.19% | 14.76% | | | | | | | |
| MPL | 66.79% | 66.79% | 66.79% | 66.79% | 66.79% | 66.79% | 66.79% | 66.79% | 66.79% | 66.79% | 66.79% | 66.79% |

2,667
18,064

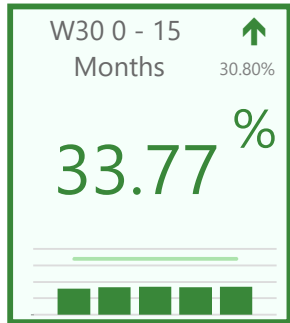




MCAS MY2022 Performance Trending Metrics through May 2022

Well-Child Visits in the First 30 Months of Life

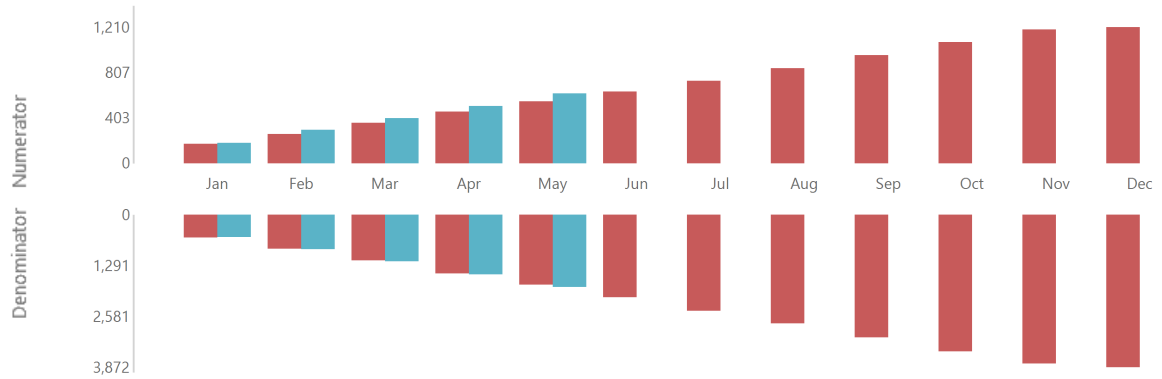
The percentage of members who had the following number of well-child visits with a PCP during the last 15 months. Well-Child Visits in the First 15 Months. Children who turned 15 months old during the measurement year: Six or more well-child visits.



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2021 | 29.33% | 29.77% | 31.03% | 30.81% | 30.80% | 30.40% | 30.02% | 30.54% | 30.76% | 30.97% | 31.45% | 31.25% |
| 2022 | 31.64% | 33.52% | 33.90% | 33.44% | 33.77% | | | | | | | |
| MPL | 68.33% | 68.33% | 68.33% | 68.33% | 68.33% | 68.33% | 68.33% | 68.33% | 68.33% | 68.33% | 68.33% | 68.33% |

619

1,833



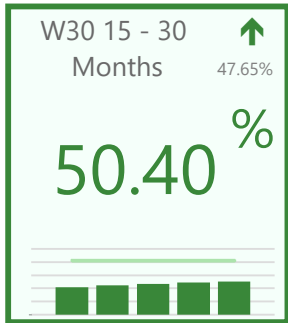


Governed Reporting System

MCAS MY2022 Performance Trending Metrics through May 2022

Well-Child Visits in the First 30 Months of Life

The percentage of members who had the following number of well-child visits with a PCP during the last 15 months. Well-Child Visits for Age 15 Months–30 Months. Children who turned 30 months old during the measurement year: Two or more well-child visits.



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2021 | 38.39% | 41.98% | 44.41% | 46.39% | 47.65% | 48.91% | 50.24% | 51.09% | 51.42% | 51.70% | 51.88% | 51.96% |
| 2022 | 41.67% | 44.74% | 46.83% | 48.94% | 50.40% | | | | | | | |
| MPL | 82.82% | 82.82% | 82.82% | 82.82% | 82.82% | 82.82% | 82.82% | 82.82% | 82.82% | 82.82% | 82.82% | 82.82% |

3,308
6,563

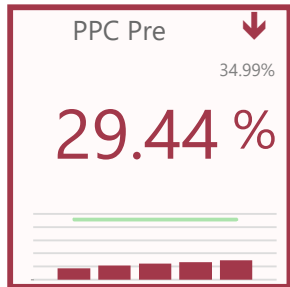




MCAS MY2022 Performance Trending Metrics through May 2022

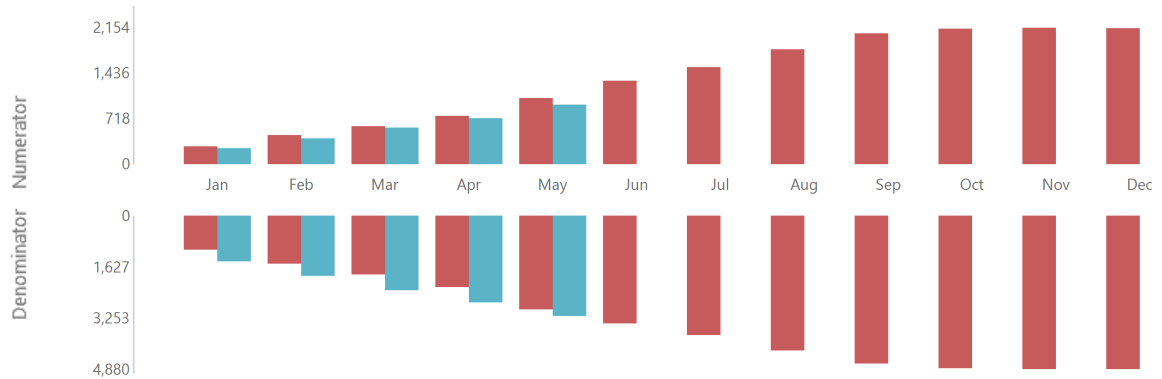
Prenatal Care

The percentage of deliveries of live births on or between October 8 of the year prior to the measurement year and October 7 of the measurement year. Timeliness of Prenatal Care. The percentage of deliveries that received a prenatal care visit in the first trimester, on or before the enrollment start date or within 42 days of enrollment in the organization.



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2021 | 25.62% | 29.74% | 31.80% | 33.39% | 34.99% | 38.38% | 40.17% | 42.28% | 43.94% | 44.14% | 44.26% | 44.00% |
| 2022 | 17.20% | 21.14% | 24.27% | 26.29% | 29.44% | | | | | | | |
| MPL | 92.21% | 92.21% | 92.21% | 92.21% | 92.21% | 92.21% | 92.21% | 92.21% | 92.21% | 92.21% | 92.21% | 92.21% |

939
3,189



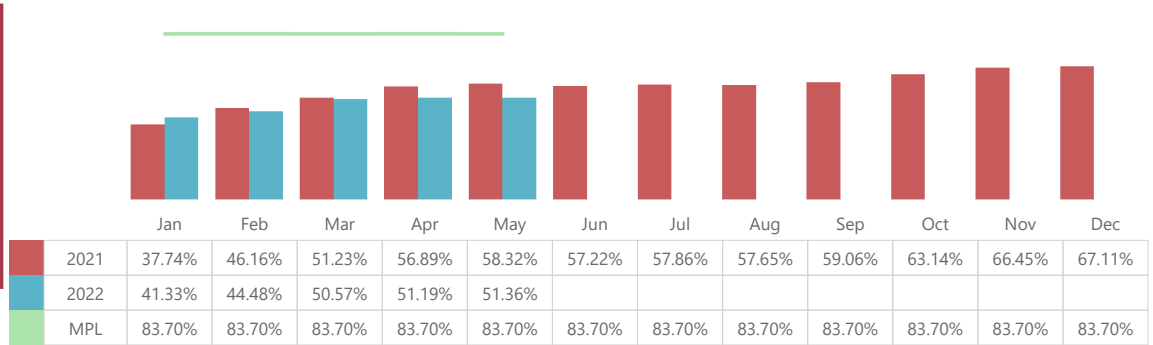
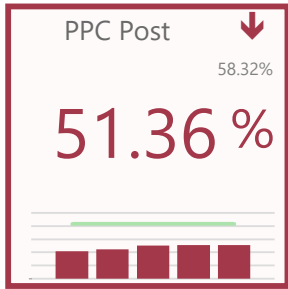


Governed Reporting System

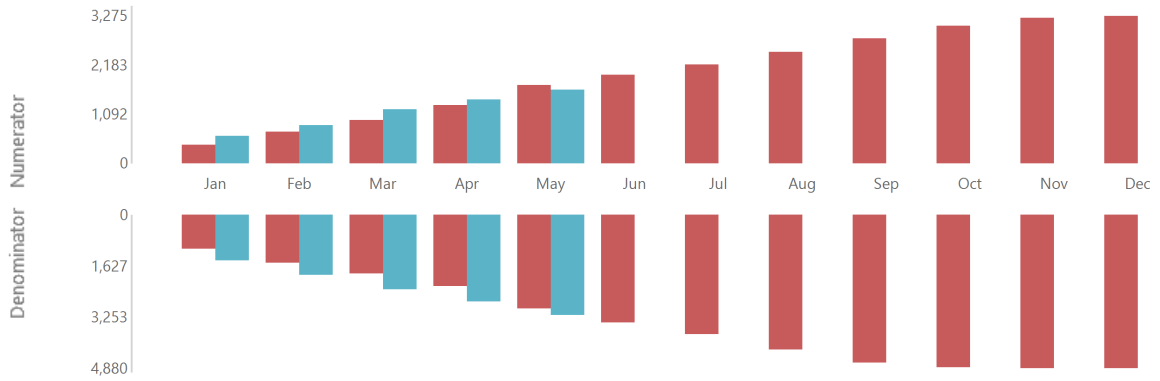
MCAS MY2022 Performance Trending Metrics through May 2022

Postpartum Care

The percentage of deliveries of live births on or between October 8 of the year prior to the measurement year and October 7 of the measurement year. Postpartum Care. The percentage of deliveries that had a postpartum visit on or between 7 and 84 days after delivery.



1,638
3,189





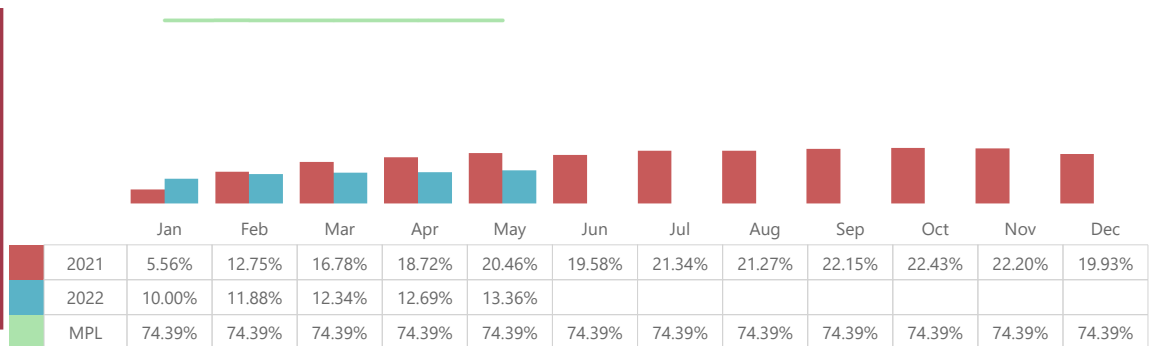
MCAS MY2022 Performance Trending Metrics through May 2022

Follow-Up After Emergency Department Visit for Mental Illness

The percentage of ED visits for which the member received follow-up within 30 days of the ED visit (31 total days).

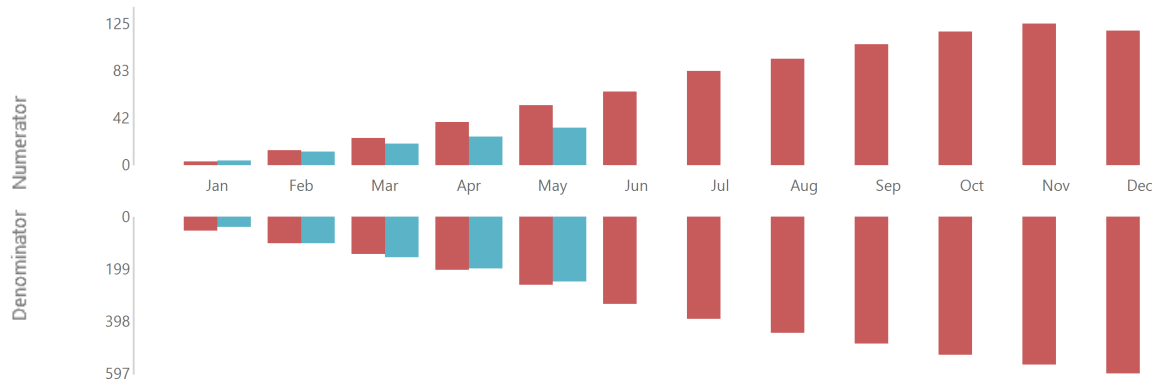
FUM 30 Day Follow-up ↓ 20.46%

13.36%



33

247



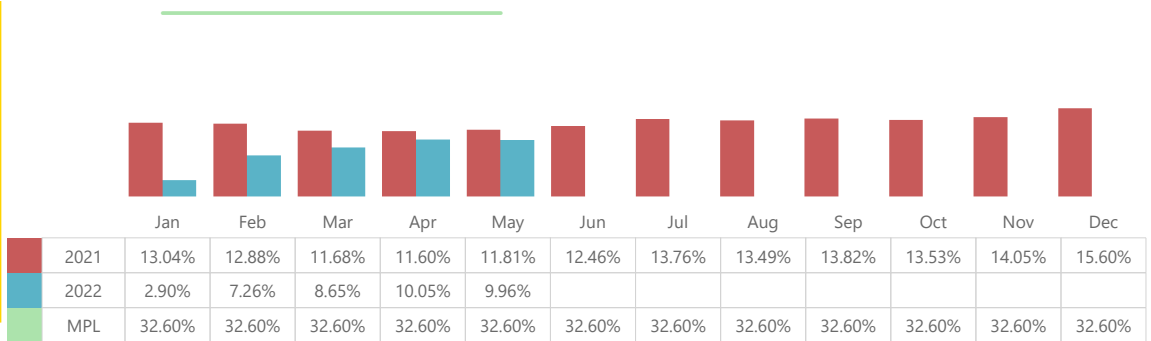
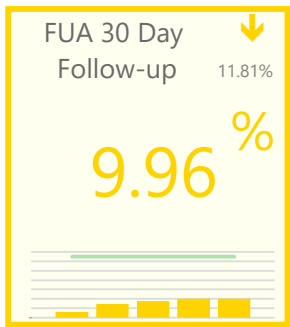


Governed Reporting System

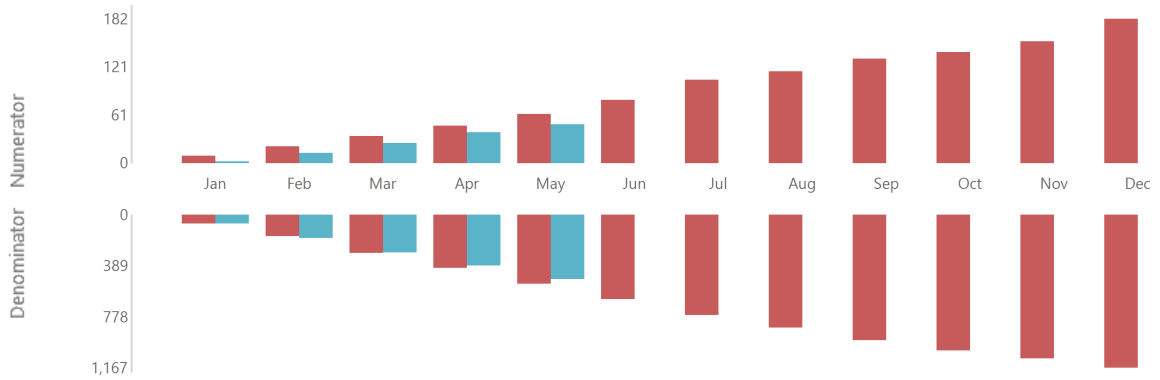
MCAS MY2022 Performance Trending Metrics through May 2022

Follow-Up After Emergency Department Visit for Substance Use

The percentage of ED visits for which the member received follow-up within 30 days of the ED visit (31 total days).



49 / 492



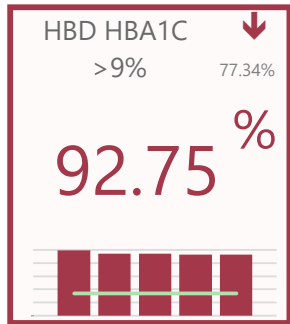


MCAS MY2022 Performance Trending Metrics through May 2022

Hemoglobin A1c Testing & Control for Patients With Diabetes

The percentage of members 18–75 years of age with diabetes (type 1 and type 2) who had recent HbA1c level is >9.0% or is missing a result, or if an HbA1c test was not done during the measurement year.

Inverted Measure - a lower rate is desired for this measure.



11,677
12,590

Numerator
Denominator

KERN HEALTH SYSTEMS
CHIEF EXECUTIVE OFFICER'S REPORT
June 16th, 2022
BOARD OF DIRECTORS MEETING

COMPLIANCE AND REGULATORY ACTIVITIES

The June Compliance and Regulatory Affairs Report showing recent activities is included under Attachment A to this report.

PROGRAM DEVELOPMENT ACTIVITIES (UPDATES)

CalAIM

As outlined in the 2022 Corporate Goals and the Project Portfolio, there are several CalAIM initiatives being worked on this year. This includes further expanding ECM and Community Supports to offer additional services to additional members, taking on responsibility for Long Term Care services, and aligning our Population Health Management program with DHCS' CalAIM requirements. DHCS has conducted internal and external policy development throughout Q1 and Q2. There were a few relevant policy documents shared by DHCS in April and May. We expect to see ongoing policy guidance released publicly throughout the remainder of the year. Internal implementation efforts are also progressing for the various initiatives. Concurrently, staff are participating in policy development discussions for future CalAIM transitions in 2023 and beyond.

Youth Behavioral Health Initiative

The State Budget for 2021-2022 included five years of funding for several initiatives aimed at improving behavioral health services for students. This includes \$400 million statewide over three years in incentives funding to build infrastructure, partnerships, and capacity for school behavioral health services. Beginning early 2022, KHS convened several stakeholders in Kern County including local education agencies, behavioral health, Medi-Cal health plans, and Kern County Superintendent of Schools to collectively identify specific school districts, student populations, and interventions to build infrastructure and support behavioral services on or near campuses. Nine school districts representing most regions of the county agreed to participate. A needs assessment process is underway and will culminate in a Q4 project plan submission to DHCS requesting approval for the identified interventions.

Kern Health Systems
Board of Directors Meeting
CEO Report June 2022
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Med-Cal Benefits and Newly Eligible Populations

The State Budget for 2021-2022 included several population and benefit changes that DHCS is implementing this year. This includes expanding Medi-Cal to undocumented immigrants aged 50 and older by 5/1/22, expanding eligibility to 12 months for postpartum individuals effective 4/1/22, adding Community Health Workers (CHWs) as a provider type by 7/1/22, and adding Doula Services as a benefit by 1/1/23. Related to the older adult expansion, members received transition notices in April and March. KHS began seeing enrollment in May, with more members joining in June and even more expected in July. There are an estimated 4,500 eligible members in Kern County. The addition of Doula Services and CHWs is still under policy development at the State level. At this time DHCS has not formally delayed the implementation of CHW services beyond 7/1, but KHS is awaiting more guidance from the State regarding these services. Staff continue to engage with DHCS and internally on these items.

Medi-Cal COVID-19 Public Health Emergency (PHE) Operational Unwinding Plan

On May 17, DHCS released the Medi-Cal COVID-19 PHE Operational Unwinding Plan. The two primary purposes of the plan are to: 1) describe DHCS' approach to unwinding or making permanent the temporary flexibilities implemented across the Medi-Cal program during the PHE; and 2) describe DHCS' approach to resuming normal Medi-Cal eligibility operations following the end of the PHE. The PHE is currently set to expire on July 15, 2022, and the U.S. Department of Health and Human Services (HHS) has committed to providing at least a 60-day notice prior to the official PHE end date.

Since the initiation of the PHE, DHCS implemented more than 100 programmatic flexibilities to help minimize the strain to the Medi-Cal program, its beneficiaries, and California's health care providers and systems. While many of these programmatic flexibilities will terminate on or around the end of the PHE, some will continue due to the positive impact they have made on the Medi-Cal program. Additionally, under the continuous coverage requirement in the Families First Coronavirus Response Act, states are required to maintain enrollment of nearly all Medicaid enrollees through the end of the month in which the PHE ends. When continuous coverage requirements expire, states must conduct a full redetermination for all beneficiaries who would otherwise have been subject to redetermination.

The Operational Unwinding Plan is intended to inform the public of DHCS' approach to return Medi-Cal to a normal state of operations including information about the DHCS Coverage Ambassadors campaign to aid with redetermining Medi-Cal beneficiaries' eligibility.

Kern Health Systems
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LEGISLATIVE SUMMARY UPDATE

2022 Legislative Session

Friday 5/27 marked essentially the halfway point of the current legislative session. This was the deadline for bills to pass a floor vote and switch over to the opposite house. Any bills that failed to advance are considered stalled for this session. The next major deadline comes at the end of June, before the legislature goes on their summer recess. KHS staff remains engaged with our Trade Associations in reviewing and discussing relevant bills.

Attachment B includes the 2022 summary bill list.

State Budget Revision

The Governor's May Revision to the State Budget was released on 5/13. This is an update to the January draft budget with new revenue projections and spending proposals. Generally, the budget forecasts a large surplus of funds for the state, to the tune of \$97 billion. 94% of that surplus is proposed to be spent on one-time initiatives rather than committed to ongoing items. Much of it is proposed to be spent on an "inflation relief package" that includes, among other things, payments to registered vehicle owners to offset rising gas prices. In terms of Medi-Cal items, there aren't many significant new programs included in the May Revise that we hadn't already seen in the January proposal. That said, there are several important proposals related to PHE unwinding, CalAIM, Medi-Cal coverage for undocumented, provider incentives, and the Kaiser direct contracting proposal. The legislature and administration have until June 15th to come to an agreement on the budget items. Additional detailed legislative language will follow later in the summer. The following are some of the items being proposed in the budget:

- **Public Health Emergency Unwinding** - Includes additional County workload costs related to Medi-Cal redeterminations. Also funds enrollment navigators and an outreach campaign.
- **CalAIM** – Partially delays the Long-Term Care carve-in to 7/1/23, specifically for certain intermediate care facilities. Also includes additional new enrollees which will be mandatorily enrolled into Managed Care on 1/1/23.
- **Medi-Cal for undocumented immigrants** – Would expand Medi-Cal coverage to the remaining cohort of adults between ages 26-49 regardless of immigration status, beginning in January 2024.

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- **Office of Health Care Affordability** – Would create a new State office charged with increasing the transparency of pricing, developing specific cost targets for different sectors of the health care industry, and imposing financial consequences for entities failing to meet these targets.
- **Kaiser Direct Contracting** – DHCS proposes to enter into a direct contract with Kaiser Permanente as a Medi-Cal managed care plan within new geographic regions of the State, effective January 1, 2024.
- **Equity and Practice Transformation Payments** – Would allocate \$700 million over 5 years in incentive payments to providers with the goal of advancing equity; address gaps in preventive care, maternity, and behavioral health care measures; reduce COVID-19 driven disparities; support upstream interventions to address social drivers of health and improve early childhood outcomes; and prepare practices to accept risk-based contracts and move towards value-based care.

RETURN TO WORK PLAN UPDATE

It is with caution and a safety focus that KHS moves forward with Phase 3 of the Return-to-Work Plan, which includes more staff physically reporting to the office. Over the last several weeks, the return-to-work taskforce has engaged in planning efforts to phase more staff back into the office. The planning includes evaluation of technology and equipment, seating assignments, social distancing set-up in common areas, and an evaluation of positions that are being classified as 1) on-site essential, 2) full-time remote (off-site), and 3) hybrid potential. The goal is to ensure that staff are safe, productive, and most importantly delivering the best quality and timely service to our members and providers.

Starting on July 11, 2022, our office will reopen to members and all leadership (supervisors and above) will be reporting to the office full time. The leaders will be charged with reorganizing their department's assigned work area and prepare for staff to return. On August 15, half of the line staff will report to the office on a temporary hybrid schedule and the last group will return on September 12, 2022. A hybrid work schedule will allow for staff to re-adjust to the office setting, as well as maintain a balance of staff reporting to the office at the same time to maintain social distancing. One important note, KHS reserves the right and has enforced the provision that staff

Kern Health Systems
Board of Directors Meeting
CEO Report June 2022
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who request to be in the office due to distractions at their home office are quickly accommodated on-site AND staff with low performance issues are scheduled to return on-site immediately. KHS will continue to accommodate staff with compromised immune systems to remote work until their health status improves and is verified by their physician.

The State of California has extended SB 114, CA Supplemental Paid Sick Leave through September 30, 2022. This requires employers to pay employees up to 40 hours of sick leave for the following:

- vaccine related illnesses
- illnesses with COVID-19 symptoms and the employee is seeking a medical diagnosis, or is quarantined by the CDPH/medical provider, or
- the care of a family member* who is quarantined or is caring for a child whose school or place of care is closed or unavailable due to COVID-19.

In addition, employees are covered for up to an additional 40 hours of sick leave for the following:

- the employee tests positive for COVID-19, or
- the care of a family member* who tested positive for COVID-19.

** A family member includes a child, parent, spouse, registered domestic partner, grandparent, grandchild, or sibling.*

Cal/OSHA Emergency Temporary Standards (ETS) has also extended COVID-19 paid time off provision through December 31, 2022. This requires employers to pay for sick leave (up to 40 hours) for staff that contract COVID at the workplace. Therefore, KHS will continue to use contact tracing, maintain social distancing, and wear masks, as safeguards. KHS also continues to monitor local COVID-19 cases and if at any time there is a significant spike in cases, we can quickly rearrange work schedules for staff while maintaining a quality service delivery level.

KHS STRATEGIC PLAN UPDATE

The new KHS three-year strategic plan will be developed to guide management with planning, development and implementation of initiatives scheduled for launch between CY 2023 to 2025. These initiatives will focus on the continued implementation of the CalAIM projects that include expansion of Enhanced Care Management and Community Supports Services, focus on Population Health Management programs, Long Term Care eligible population, as well as Dual Eligible Special Needs Population (D-SNP) evaluation and operational preparation with CMS to enroll Medicare eligible members with dual coverage (est. 25,000 Kern County eligible beneficiaries with Dual Eligibility) and NCQA preparation.

The timeline for the strategic planning activities is as follows:

- **June-July 2022** - KHS administrative staff engages in 3rd party consultant that will lead strategic planning process
- **August 2022** - KHS Board to receive overview of the process to be undertaken culminating with a new three-year Strategic Plan
- **September 2022** - Board members will receive background information and questionnaire in preparation for upcoming Board of Directors strategic planning retreat.
- **October 2022** - Board to participate in a one-day strategic planning retreat to be held onsite at Kern Health Systems
- **November-December 2022** - from information and feedback obtained during the retreat, a draft version of the 2023 -2025 Three Year Strategic Plan will be sent to Board members for comment.
- **February 2023 Board Meeting** - Board to adopt the 2023 -2025 Three Year Strategic Plan

Kern Health Systems
 Board of Directors Meeting
 CEO Report June 2022
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KHS JUNE 2022 ENROLLMENT

Medi-Cal Enrollment

As of June 1, 2022, Medi-Cal enrollment is 215,495 which represents an increase of 0.6% from May enrollment.

Seniors and Persons with Disabilities (SPDs)

As of June 1, 2022, SPD enrollment is 16,360, which represents an increase of 1.2% from May enrollment.

Expanded Eligible Enrollment

As of June 1, 2022, Expansion enrollment is 88,357, which represents an increase of 1.9% from May enrollment.

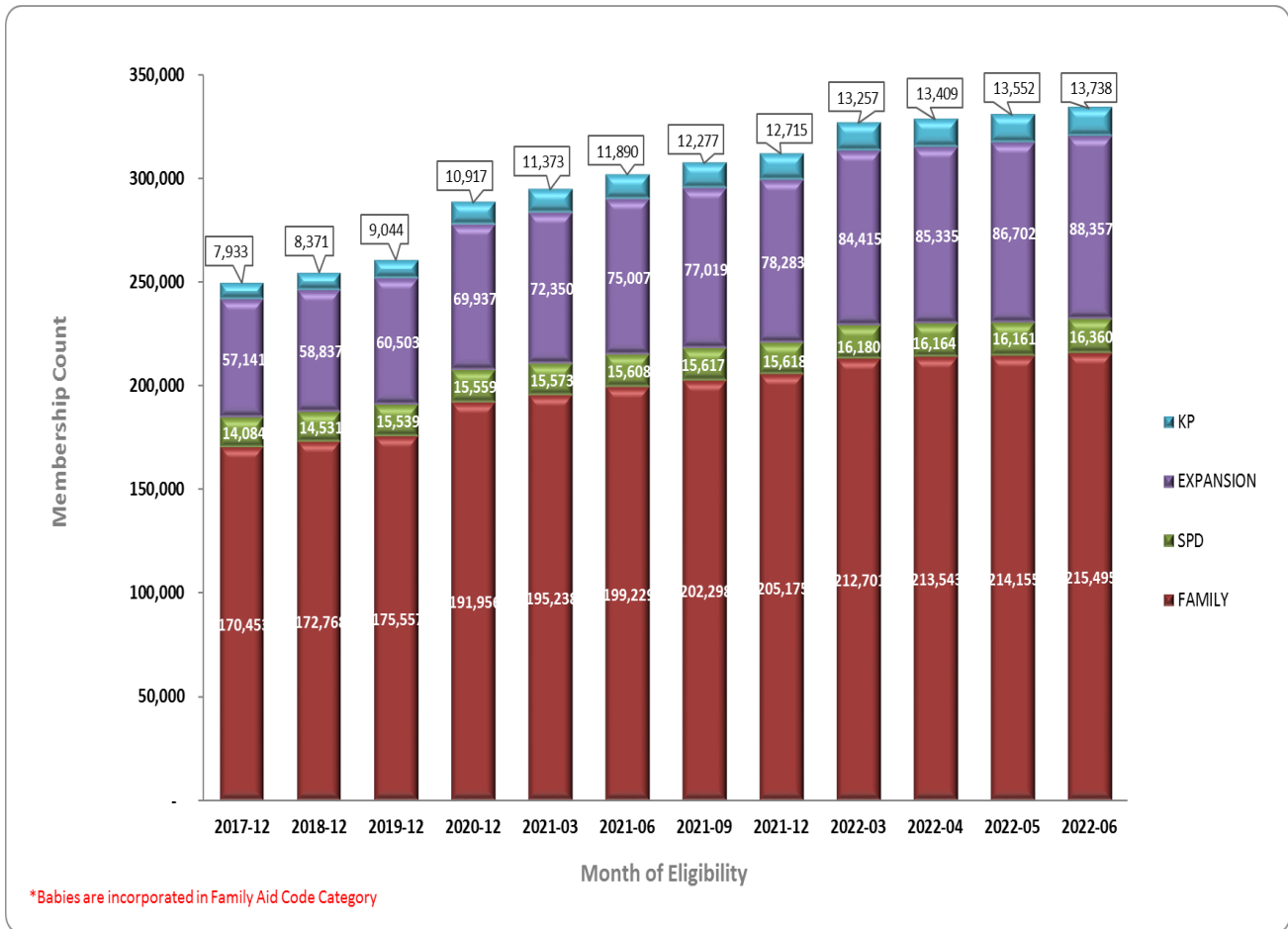
Kaiser Permanente (KP)

As of June 1, 2022, Kaiser enrollment is 13,738 which represents an increase of 1.4% from May enrollment.

Total KHS Medi-Cal Managed Care Enrollment

As of June 1, 2022, total Medi-Cal enrollment is 333,950 which represents an increase of 1.0% from May enrollment.

| Membership as of Month of Eligibility | FAMILY | SPD | EXPANSION | KP | BABIES | Member Total |
|--|---------------|------------|------------------|-----------|---------------|---------------------|
| 2017-12 | 170,006 | 14,084 | 57,141 | 7,933 | 447 | 249,611 |
| 2018-12 | 172,290 | 14,531 | 58,837 | 8,371 | 478 | 254,507 |
| 2019-12 | 175,128 | 15,539 | 60,503 | 9,044 | 429 | 260,643 |
| 2020-12 | 191,549 | 15,559 | 69,937 | 10,917 | 407 | 288,369 |
| 2021-03 | 194,852 | 15,573 | 72,350 | 11,373 | 386 | 294,534 |
| 2021-06 | 198,833 | 15,608 | 75,007 | 11,890 | 396 | 301,734 |
| 2021-09 | 201,782 | 15,617 | 77,019 | 12,277 | 516 | 307,211 |
| 2021-12 | 204,729 | 15,618 | 78,283 | 12,715 | 446 | 311,791 |
| 2022-03 | 212,278 | 16,180 | 84,415 | 13,257 | 423 | 326,553 |
| 2022-04 | 213,083 | 16,164 | 85,335 | 13,409 | 460 | 328,451 |
| 2022-05 | 213,706 | 16,161 | 86,702 | 13,552 | 449 | 330,570 |
| 2022-06 | 215,072 | 16,360 | 88,357 | 13,738 | 423 | 333,950 |



Visual Proportional Membership by Aide Category for Month of Eligibility

Eligibility Redetermination Remains On Hold

The U.S. Department of Health & Human Services’ public health emergency order remains in place. As a result, the Department of Health Care Services continues to freeze Medi-Cal redeterminations. Thus, the Kern County Department of Human Services’ suspension of their “automated discontinuance process” for Medi-Cal Redeterminations continues. The automated discontinuance process was in place locally prior to the public health emergency order when Medi-Cal beneficiaries did not complete the Annual Eligibility Redetermination process. However, Kern DHS continues working new Medi-Cal applications, reenrollments, renewals, and family additions which only add to our enrollment numbers.

KHS MARKETING AND PUBLIC RELATIONS

KHS Sponsorships

KHS will share sponsorship in the following events in June and July:

- KHS donated \$1,500 to Friends of Mercy Foundation to sponsor their “32nd Annual Mercy Charity Golf Classic”.
- KHS donated \$2,500 to Bakersfield Ronald McDonald House to sponsor their “Walk for Kids”.
- KHS donated \$1,000 to Epilepsy Society of Kern County to sponsor their “Annual Mud Volleyball Tournament”.
- KHS donated \$1,000 to Bakersfield College Foundation to sponsor “Something’s Coming – Evening with the BC Chamber Singers and Friends”.
- KHS donated \$2,000 to Alzheimer’s Association to sponsor their “2022 Community Forums”.
- KHS donated \$1,000 to the City of Wasco to sponsor their “Bike Rodeo”.
- KHS donated \$1,000 to the Kern County Black Chamber of Commerce to sponsor their “Midwest Invitational Black Rodeo”.
- KHS donated \$1,500 to Latina Leaders of Kern County to sponsor their “Awards & Installation Dinner”.
- KHS donated \$1,000 to the Bakersfield Chamber of Commerce to sponsor the “2022 State of the City”.
- KHS donated \$2,000 to United Way of Kern County to sponsor their “Community Professional Development Conference”.
- KHS donated \$2,500 to Magdalene Hope to sponsor their “Pink & Blue Gala”.

Kern Health Systems
Board of Directors Meeting
CEO Report June 2022
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- KHS donated \$1,000 to the Independent Living Center of Kern County to sponsor their “2022 ADA Conference”.
- KHS donated \$3,000 to the Community Garden at MLK to help them sustain the garden that generations have benefitted from and to make improvements this year.
- KHS donated \$2,500 to “Laborers of the Harvest” to support their food distributions in Taft two days per week.
- KHS donated \$6,000 to Friends of Mercy Foundation to support a Medi-Cal Expansion for Older Adults media campaign coordinated by the Outreach Enrollment Retention Utilization Committee (OERUC) of the Community Health Initiative of Kern County.
- KHS donated \$16,200 to Dignity Health Sports Complex, managed by Gameday Sports Academy, to sponsor 15 children from low-income families for one year. This facility offers athletic programs to children of low-income families who cannot afford the fees. They use sports to accomplish other important human development skills such as “conflict mediation”. They focus on K – 8th grade since high school students have ample opportunity to participate in a variety of team sports.

Employee Newsletter

KHS Employee Newsletter can be seen by clicking the following link:

- <https://vimeo.com/700154793/b56a09a64b>

Member Newsletter

Click on the link below to access the Spring 2022 KFHC Member Newsletter.

- [Kern Family Health Care | Family Health | Spring 2022 \(flippublication.com\)](#)



Compliance and Regulatory Affairs Update

Board of Directors Meeting

Jane MacAdam
Director of Compliance and Regulatory Affairs
June 16, 2022
Attachment A

STATE REGULATORY AFFAIRS

All Plan Letters and Regulatory Guidance released since the April 2022 Kern Health Systems Board of Directors' meeting:

The Department of Health Care Services (DHCS) released four new All Plan Letters (APL) and revised three previously release APL during this time period.

- APL17-020 American Indian Health Programs (Revised 04/13/2022 & 04/19/2022)

The two Revised APL Attachments provide rates and a list of American Indian Health Program Providers

- APL21-004 Standards for Determining Threshold Languages, Nondiscrimination Requirements, and Language Assistance Services (Revised 05/03/2022)

This APL informs Plans of the dataset for threshold and concentration languages and clarifies the standards specified in state and federal law and managed care plans contracts. This APL also provides guidance on federal and state requirements regarding nondiscrimination, discrimination grievance procedures, language assistance, and communications with individuals with disabilities as set forth in the federal regulations.



Continued...

STATE REGULATORY AFFAIRS *(continued)*

- APL21-008 Tribal Federally Qualified Health Center Providers (Revised 04/13/2022 & 04/19/2022)

The two Revised APL Attachments provide rates and a list of Federally Qualified Health Center Providers

- APL 22-006 Medi-Cal Managed Care Health Plan Responsibilities for Non-Specialty Mental Health Services (Issued 04/08/2022)

The APL explains the responsibilities of Medi-Cal managed care health plans (MCPs) for the provision or arrangement of clinically appropriate and covered non-specialty mental health services (NSMHS) and the regulatory requirements for the Medicaid Mental Health Parity Final Rule (CMS-2333-F). This APL also delineates MCP responsibilities for referring to, and coordinating with, County Mental Health Plans (MHPs) for the delivery of specialty mental health services (SMHS).

- APL 22-007 California Housing and Homelessness Incentive Program California Housing and Homelessness Incentive Program (Issued 05/05/2022)

The purpose of this APL is to provide Medi-Cal managed care health plans (MCPs) with guidance on the incentive payments linked to the Housing and Homelessness Incentive Program (HHIP) implemented by the California Department of Health Care Services (DHCS) in accordance with the Medi-Cal Home and Community Based Services (HCBS) Spending Plan.



Continued...

STATE REGULATORY AFFAIRS (continued)

- APL 22-007 California Housing and Homelessness Incentive Program
California Housing and Homelessness Incentive Program (Issued 05/05/2022)

The purpose of this APL is to provide Medi-Cal managed care health plans (MCPs) with guidance on the incentive payments linked to the Housing and Homelessness Incentive Program (HHIP) implemented by the California Department of Health Care Services (DHCS) in accordance with the Medi-Cal Home and Community Based Services (HCBS) Spending Plan.

- APL 22-008 Non-Emergency Medical and Non-Medical Transportation Services and Related Travel Expenses (Issued 05/08/2022)

This APL provides Medi-Cal managed care health plans (MCPs) with guidance regarding Non-Emergency Medical Transportation (NEMT) and Non-Medical Transportation (NMT) services. In addition, this APL clarifies MCP responsibilities regarding the coverage of transportation for pharmacy services with the implementation of Medi-Cal Rx, Medi-Cal enrollment requirements for transportation providers, as well as MCP coverage of transportation related travel expenses.

In addition to the APLs, DHCS is kicking off Operational Readiness Activities related to the 2024 Contract, which includes substantial updates. Additional information will be provided in future Board Meetings related to these efforts.



STATE REGULATORY AFFAIRS (continued)

The Department of Managed Health Care (DMHC) released two new All Plan Letters (APLs) during this time period.

- APL 22-014 - SB510 COVID-19 Testing (Issued 04/25/2022)

On October 8, 2021, Governor Gavin Newsom signed Senate Bill (SB) 510, which requires health care service plans (health plans) to cover, among other things, the costs associated with COVID-19 diagnostic and screening testing and immunization against COVID-19 without cost sharing, prior authorization, utilization management, or in network requirements.² SB 510 took effect on January 1, 2022. This All Plan Letter (APL) sets forth the Department of Managed Health Care's (DMHC or Department) guidance regarding how plans shall comply with SB 510.

- APL 22-015 – Financial Reporting Regulation (Issued 06/01/2022)

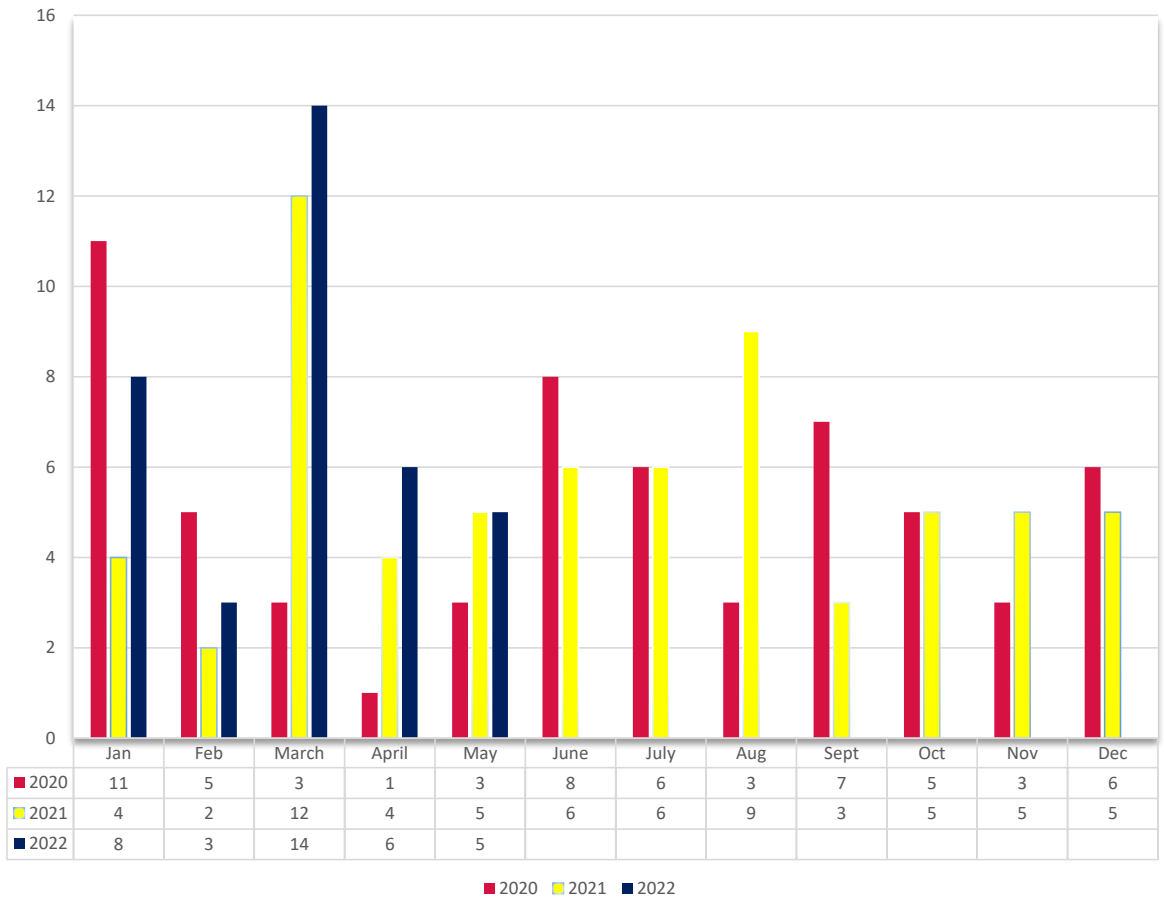
This APL notifies health care service plans (health plans) about the recent amendments to the annual, quarterly, and monthly financial reporting requirements. The promulgated regulations become effective July 1, 2022. This APL discusses the significant amendments and provides guidance for health plan reporting.

Note: DMHC released an additional three APLs that were not applicable to Kern Health Systems (KHS).





Number of Regulatory All Plan Letters and Guidance Letters Received by the Plan by Month/Year

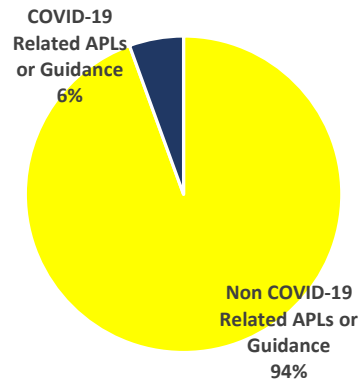


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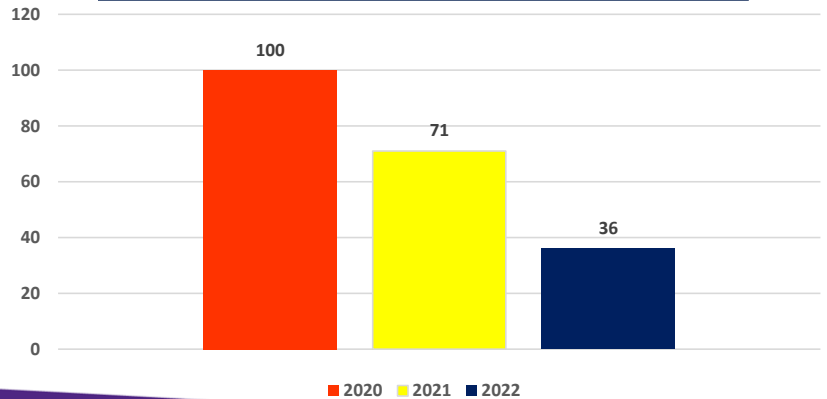
COVID-19 Impact 2022

Regulatory All Plan Letters and Guidance

Percentage of COVID-19 vs. Non-COVID-19
Related APLs or Guidance for 2022



Comparison of All Plan Letters and Guidance Letters
Received by the Plan for Years 2020, 2021, & 2022



**Number of Regulatory Reports & Filings
Submissions to Government Agencies
April 2022 and May 2022**

| Regulatory Agency | April 2022 | | May 2022 | |
|-------------------|------------|----------|----------|----------|
| | Ad Hoc | Standard | Ad Hoc | Standard |
| DHCS | 17 | 15 | 21 | 14 |
| DMHC | 0 | 5 | 0 | 8 |



Regulatory Audits

Department of Managed Health Care (DMHC)

2020 DMHC Non-Routine Survey:

- The Plan is waiting for the DMHC to provide the Preliminary Report of the Non-Routine Survey.

2022 DMHC Routine Fiscal and Administrative Affairs Audit – March 2022:

The DMHC initiated a routine Fiscal and Administrative Affairs (Financial) Audit in March of 2022.

- KHS has continued participating in the audit and the auditors are completing their review.

DMHC Routine Medical Survey – January 2023:

KHS is scheduled for a DMHC Routine Medical Survey in January of 2023.



Regulatory Audits (continued)

Department of Health Care Services (DHCS)

2021 Medical Audit – September 2021

The DHCS conducted a Routine Medical Survey of Kern Health Systems from September 13, 2021 through September 24, 2021. The survey period was from August 1, 2019 through July 31, 2021.

- DHCS continues to review the KHS Corrective Action Plan submitted 03/11/2022 and additional supporting documentation has been provided.
- Compliance continues to monitor the elements of the Corrective Action Plan with future deliverable dates and meet with key stakeholders
- Compliance is initiating internal monitoring and auditing activities to validate the corrective actions taken.



Compliance Department Fraud, Waste, & Abuse Activity April 2022 and May 2022



The Compliance Department maintains communications with State and Federal agencies and cooperates with their related investigations and requests for information.

State Medi-Cal Program Integrity Unit, US Department of Justice, and the Kern County Deputy Attorney's Office Requests for Information for the months of April 2022 and May 2022

Providers:

The Plan received four requests for information from the State Medi-Cal Program Integrity Unit - related to potential provider fraud, waste, or abuse during this time period.

Members:

During months of April 2022 and May 2022, the Plan did not receive any requests for information from the State Medi-Cal Program Integrity Unit related to Plan Members.

The Plan is not provided with an outcome in relation to the information requests by the two regulatory agencies.

Continued...

Fraud, Waste & Abuse Allegations Reported to the Plan April 2022 and May 2022

The Plan investigates and reports information and evidence of alleged fraud, waste, & abuse cases to appropriate state and federal officials.

Information compiled during an investigation is forwarded to the appropriate state and federal agencies as required.

Providers:

During months of April 2022 and May 2022, the Compliance Department received twenty-one allegations of Provider fraud from the public. The Plan is investigating the allegations.

Members:

During months of April 2022 and May 2022, the Compliance Department received fourteen allegations of fraud, waste, or abuse involving Plan Members.

The Plan continues to investigate the allegations and required reporting to DHCS has been submitted timely in all cases.





Compliance Department HIPAA Breach Activity April 2022 and May 2022

Summary of Potential Protected Health Information (“PHI”) Disclosures for April 2022 and May 2022

The Plan is dedicated to ensuring the privacy and security of the PHI and personally identifiable information (“PII”) that may be created, received, maintained, transmitted, used or disclosed in relation to the Plan’s members. The Plan 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 April and May 2022, the Compliance Department investigated and reviewed three allegations of privacy concerns. All three were closed as non-breaches.

Attachment B

Legislative Summary – June 2022

| Title | Description | Status |
|--|--|--|
| <p>AB 552 (Quirk-Silva)</p> | <p>This bill would authorize the Integrated School-Based Behavioral Health Partnership Program, which the bill would establish, to provide prevention and early intervention for, and access to, behavioral health services for pupils. The bill would authorize a county behavioral health agency and the governing board or governing body of a local educational agency to agree to collaborate on conducting a needs assessment on the need for school-based mental health and substance use disorder services, and implement an integrated school-based behavioral health partnership program, to develop a memorandum of understanding outlining the requirements for the partnership program, and to enter into a contract for mental health or substance use disorder services.</p> <p>The bill would require a county behavioral health agency to provide, through its own staff or through its network of contracted community-based organizations, one or more behavioral health professionals that meet specified contract, licensing, and supervision requirements to serve pupils with serious emotional disturbances or substance use disorders, or who are at risk of developing a serious behavioral health condition.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB552</p> | <p>05/04/22 - Referred to Coms. on ED. and HEALTH.</p> |

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| <p>AB 1130 (Wood)</p> | <p>This bill would establish, within HCAI, the Office of Health Care Affordability to analyze the health care market for cost trends and drivers of spending, develop data-informed policies for lowering health care costs for consumers and purchasers, set and enforce cost targets, and create a state strategy for controlling the cost of health care and ensuring affordability for consumers and purchasers.</p> <p>The bill would require the board to establish a statewide health care cost target, as defined, for the 2025 calendar year and specific targets for each health care sector and geographic region by 2028. The bill, starting in 2026, would authorize the office to take progressive actions against health care entities for failing to meet the cost targets, including performance improvement plans and escalating administrative penalties.</p> <p>The bill would require the office to set priority standards for various health care metrics, including health care quality and equity, alternative payment models, primary care and behavioral health investments, and health care workforce stability.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1130</p> | <p>02/14/22 - Read second time, amended, and re-referred to Com. on HEALTH.</p> |
| <p>AB 1355 (Levine)</p> | <p>This bill would require the department to establish the Independent Medical Review System (IMRS) for the Medi-Cal program, commencing on January 1, 2022, which generally models the above-described requirements of the Knox-Keene Health Care Service Plan Act. The bill would provide that any Medi-Cal beneficiary grievance involving a disputed health care service is eligible for review under the IMRS, and would define “disputed health care service” as any service covered under the Medi-Cal program that has been denied, modified, or delayed by a decision of the department, or by one of its contractors that makes a final decision, in whole or in part, due to a finding that the service is not medically necessary.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1355</p> | <p>05/23/22 - From committee chair, with author's amendments : Amend, and re-refer to committee.</p> |
| <p>AB 1892 (Flora)</p> | <p>Existing law prohibits Medi-Cal reimbursement for prosthetic and orthotic appliances from exceeding 80% of the lowest maximum allowance for California established by the federal Medicare program.</p> <p>This bill would instead require reimbursement for these appliances to be set at least at 80% of the lowest maximum allowance for California established by the federal Medicare program and would require that reimbursement to be adjusted annually.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1892</p> | <p>05/26/22 - In Senate. Read first time. To Com. on RLS. for assignment.</p> |

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| <p>AB 1900 (Arambula)</p> | <p>Under existing law, certain medically needy persons with higher incomes qualify for Medi-Cal with a share of cost, if they meet specified criteria. Under existing law, the share of cost for those persons is generally the total after deducting an amount for maintenance from the person’s monthly income. Existing law requires the department to establish income levels for maintenance at the lowest levels that reasonably permit a medically needy person to meet their basic needs for food, clothing, and shelter, and for which federal financial participation will still be provided under applicable federal law. Under existing law, for a single individual, the amount of the income level for maintenance per month is based on a calculation of 80% of the highest amount that would ordinarily be paid to a family of 2 persons, without any income or resources, under specified cash assistance provisions, multiplied by the federal financial participation rate, adjusted as specified.</p> <p>This bill, to the extent that any necessary federal authorization is obtained, would increase the above-described income level for maintenance per month to be equal to the income limit for Medi-Cal without a share of cost for individuals who are 65 years of age or older or are disabled, generally totaling 138% of the federal poverty level.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1900</p> | <p>05/26/22 - In Senate. Read first time. To Com. on RLS. for assignment.</p> |
| <p>AB 1929 (Gabriel)</p> | <p>This bill would require the department to establish a community violence prevention and recovery program, under which violence preventive services would be provided by qualified violence prevention professionals, as defined, as a covered benefit under the Medi-Cal program, in order to reduce the incidence of violent injury or reinjury, trauma, and related harms, and promote trauma recovery, stabilization, and improved health outcomes. Under the bill, the services would be available to a Medi-Cal beneficiary who (1) has been violently injured as a result of community violence, as defined, (2) for whom a licensed health care provider has determined that the beneficiary is at significant risk of experiencing violent injury as a result of community violence, or (3) has experienced chronic exposure to community violence. The bill would authorize the department to meet these requirements by ensuring that qualified violence prevention professionals are designated as community health workers.</p> <p>The bill would set forth training and certification and continuing education requirements for those professionals, as specified, and would require the department to approve one or more training and certification programs with certain curriculum components. The bill would require an entity that employs or contracts with a qualified violence prevention professional to take specified actions to ensure the professional’s compliance with these requirements.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1929</p> | <p>05/26/22 - In Senate. Read first time. To Com. on RLS. for assignment.</p> |

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| <p>AB 1930 (Arambula)</p> | <p>This bill, during the one-year post pregnancy eligibility period, and as part of comprehensive perinatal services under Medi-Cal, would require the department to cover additional comprehensive perinatal assessments and individualized care plans and to provide additional visits and units of services in an amount, duration, and scope that are at least proportional to those available on July 27, 2021, during pregnancy and the initial 60-day post pregnancy period in effect on that date. The bill would require the department to collaborate with the State Department of Public Health and a broad stakeholder group to determine the specific number of additional comprehensive perinatal assessments, individualized care plans, visits, and units of services to be covered.</p> <p>The bill would also require the department to seek any necessary federal approvals to allow a nonlicensed perinatal health worker rendering those preventive services to be supervised by (1) an enrolled Medi-Cal provider that is a clinic, hospital, community-based organization (CBO), or licensed practitioner, or (2) a CBO that is not an enrolled Medi-Cal provider, so long as an enrolled Medi-Cal provider is available for Medi-Cal billing purposes.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1930</p> | <p>05/27/22 - In Senate. Read first time. To Com. on RLS. for assignment.</p> |
| <p>AB 1944 (Lee)</p> | <p>This bill would require the agenda to identify any member of the legislative body that will participate in the meeting remotely. The bill would also require an updated agenda reflecting all of the members participating in the meeting remotely to be posted, if a member of the legislative body elects to participate in the meeting remotely after the agenda is posted.</p> <p>This bill would authorize, upon a determination by a majority vote of the legislative body, a member to be exempt from identifying the address of the member's teleconference location in the notice and agenda or having the location be accessible to the public, if the member elects to teleconference from a location that is not a public place, including, beginning January 1, 2024, that at least a quorum of members of the legislative body participates from a single physical location that is clearly identified on the agenda, open to the public, and situated within the boundaries of the territory over which the local agency has jurisdiction..</p> <p>This bill would require all open and public meetings of a legislative body that elects to use teleconferencing to provide a video stream accessible to members of the public and an option for members of the public to address the body remotely during the public comment period through an audio-visual or call-in option.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1944</p> | <p>05/27/22 - In Senate. Read first time. To Com. on RLS. for assignment.</p> |

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| <p>AB 1995 (Arambula)</p> | <p>This bill would eliminate the premiums and subscriber contributions for low-income children whose family income exceed 160% FPL, subscribers to Medi-Cal Access Program and those employed persons with disabilities who are eligible for Medi-Cal benefits.</p> <p>This bill would, as of July 1, 2022, prohibit the department from imposing copayments on recipients of specified services, to the extent allowable by federal law.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1995</p> | <p>05/27/22 - In Senate. Read first time. To Com. on RLS. for assignment.</p> |
| <p>AB 2080 (Wood)</p> | <p>Would prohibit a contract issued, amended, or renewed on or after January 1, 2023, between a health care service plan or health insurer and a health care provider or health facility from containing terms that, among other things, restrict the plan or insurer from steering an enrollee or insured to another provider or facility or require the plan or insurer to contract with other affiliated providers or facilities.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2080</p> | <p>CAHP Oppose Unless Amended</p> <p>05/27/22 - In Senate. Read first time. To Com. on RLS. for assignment.</p> |
| <p>AB 2117 (Gipson)</p> | <p>This bill would define “mobile stroke unit” to mean a multijurisdictional mobile facility that serves as an emergency response critical care ambulance under the direction and approval of a local emergency medical services (EMS) agency, and as a diagnostic, evaluation, and treatment unit, providing radiographic imaging, laboratory testing, and medical treatment under the supervision of a physician in person or by telehealth, for patients with symptoms of a stroke, to the extent consistent with any federal definition of a mobile stroke unit, as specified.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2117</p> | <p>05/25/22 - In committee: Set, first hearing. Hearing canceled at the request of author.</p> |

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| <p>AB 2242 (Santiago)</p> | <p>This bill, on or before July 1, 2023, would require the State Department of Health Care Services to convene a stakeholder group of entities, including the County Behavioral Health Directors Association of California and the California Hospital Association, among others, to create a model care coordination plan to be followed when discharging those held under temporary holds or a conservatorship.</p> <p>The bill would require the model care coordination plan and process to outline who would be on the care team and how the communication would occur to coordinate care. The bill would require the model care coordination plan to require that an individual exiting a temporary hold or a conservatorship be provided with a detailed treatment plan that includes a scheduled first appointment with a behavioral health professional.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2242</p> | <p>05/27/22 - In Senate. Read first time. To Com. on RLS. for assignment.</p> |
| <p>AB 2317 (Ramos)</p> | <p>This bill would include inpatient psychiatric services to individuals under 21 years of age provided in a licensed children’s crisis psychiatric residential treatment facility as mental health services provided under the Medi-Cal program.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2317</p> | <p>05/24/22 - In Senate. Read first time. To Com. on RLS. for assignment.</p> |
| <p>AB 2352 (Nazarian)</p> | <p>Requires a health care service plan or health insurer that provides prescription drug benefits and maintains one or more drug formularies to furnish specified information about a prescription drug upon request by an enrollee or insured, or their prescribing provider. The bill would require the plan or insurer to respond in real time to that request and ensure the information is current no later than one business day after a change is made. The bill would prohibit a health care service plan or health insurer from, among other things, restricting a prescribing provider from sharing the information furnished about the prescription drug or penalizing a provider for prescribing a lower cost drug.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2352</p> | <p>CAHP Oppose Unless Amended</p> <p>05/24/22 - In Senate. Read first time. To Com. on RLS. for assignment.</p> |

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| <p>AB 2402 (Blanca Rubio)</p> | <p>Under this bill, a child under 5 years of age would be continuously eligible for Medi-Cal, including without regard to income, until the child reaches 5 years of age. The bill would prohibit the redetermination of Medi-Cal eligibility before the child reaches 5 years of age, unless the department or county possesses facts indicating that the family has requested the child's voluntary disenrollment, the child is deceased, the child is no longer a state resident, or the child's original enrollment was based on a state or county error or on fraud, abuse, or perjury, as specified.</p> <p>Would remove the requirement for providing income information at the end of the 12 months, and would instead require that the infant remain continuously eligible for the Medi-Cal program until they are 5 years of age, as specified, to the extent that any necessary federal approvals are obtained and federal financial participation is available.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2402</p> | <p>05/26/22 - In Senate. Read first time. To Com. on RLS. for assignment.</p> |
| <p>AB 2449 (Rubio)</p> | <p>This bill would, until January 1, 2028, authorize a local agency to use teleconferencing without complying with specified Brown Act teleconferencing requirements that each teleconference location be identified in the notice and agenda and that each teleconference location be accessible to the public if at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the local agency's jurisdiction. Under this exception, the bill would authorize a member to participate remotely only under specified circumstances and for a period of three consecutive months.</p> <p>The bill would impose prescribed requirements for this exception relating to notice, agendas, the means and manner of access, and procedures for disruptions. The bill would require the legislative body to implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with federal law.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2449</p> | <p>05/27/22 - In Senate. Read first time. To Com. on RLS. for assignment.</p> |
| <p>AB 2516 (Aguiar-Curry)</p> | <p>Under "comprehensive clinical family planning services", this bill would add coverage of the HPV vaccine per FDA guidelines.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2516</p> | <p>CAHP Opposed</p> <p>05/26/22 - In Senate. Read first time. To Com. on RLS. for assignment.</p> |

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| <p>AB 2581 (Salas)</p> | <p>Effective 1/1/23, would require a health care service plan that provides coverage for mental health and substance use disorders and credentials health care providers of those services for the health care service plan's networks, to assess and verify the qualifications of a health care provider within 60 days after receiving a completed provider credentialing application. Upon receipt of the application by the credentialing department, the health care service plan shall notify the applicant within seven business days, to verify receipt and inform the applicant whether the application is complete.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2581</p> | <p>05/24/22 - In Senate. Read first time. To Com. on RLS. for assignment.</p> |
| <p>AB 2680 (Arambula)</p> | <p>This bill would require the department to create the Community Health Navigator Program to make direct grants to qualified community-based organizations, as defined, to conduct targeted outreach, enrollment, retention, and access activities for Medi-Cal-eligible individuals and families. The bill would specify the basis for issuing a grant, including specified factors in the applicant's service area. The bill would require the department to contract with a private foundation to administer the grant application and allocation process. The bill would require the department to contract with specified providers to furnish training and technical assistance to grant recipients. The bill would also require the department to coordinate and partner with Covered California and counties that elect to participate, on an approach for outreach, enrollment, retention, and access activities for marketing to eligible individuals, including development of a joint application tracker system to allow specified persons and entities to track application and referrals between commercial and Medi-Cal enrollment progress and facilitation of quarterly meetings on enrollment and access barriers and solutions, among other requirements.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2680</p> | <p>05/26/22 - In Senate. Read first time. To Com. on RLS. for assignment.</p> |
| <p>AB 2697 (Aguiar-Curry)</p> | <p>This bill would require the department to implement a community health workers (CHW) and promotores benefit under the Medi-Cal program, subject to receipt of any necessary federal approvals and the availability of federal financial participation. Under the bill, CHW and promotores services would be preventive services, as defined under federal law, and would be designed for certain target populations based on health conditions and need for services, for Medi-Cal beneficiaries in the managed care or fee-for-service delivery system.</p> <p>The bill would require CHW and promotores, as defined, to provide health education and navigation, as specified. Under the bill, provision of the services would be subject to referral by a physician or other licensed practitioner of the healing arts within their scope of practice under state law. The bill would require the department, in collaboration with CHW and promotores stakeholders, to implement and evaluate the benefit, including the development of detailed policy guidance, letters, manuals, and other</p> | <p>05/26/22 - In Senate. Read first time. To Com. on RLS. for assignment.</p> |

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| | <p>documents.</p> <p>If the benefit is implemented, the bill would require a Medi-Cal managed care plan to develop an annual outreach and education plan for enrollees and another for providers, including notices and materials containing specified information about the CHW and promotores benefit. The bill would require these outreach and education efforts to, among other things, meet cultural and linguistic appropriateness standards and be subject to review and approval by the department, as specified. The bill would also require a Medi-Cal managed care plan to conduct an annual assessment of CHW and promotores capacity and enrollee need, and to share the assessments with the department, including specified data.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2697</p> | |
| <p>AB 2724 (Arambula)</p> | <p>This bill would authorize the department to enter into one or more comprehensive risk contracts with an alternate health care service plan (AHCSPP), as defined, to serve as a primary Medi-Cal managed care plan for specified eligible beneficiaries in geographic regions designated by the department. The bill would authorize the department to contract with an AHCSPP as a Medi-Cal managed care plan in any geographic region of the state for which federal approval is available and for which the AHCSPP maintains appropriate licensure or an approved exemption from the Department of Managed Health Care. The bill would, among other things, prohibit the AHCSPP from denying enrollment to any of those eligible beneficiaries, unless the department or the Department of Managed Health Care has ordered the AHCSPP to cease enrollment in a service area. The bill would require the contract with the AHCSPP to include the same standards and requirements, except with respect to enrollment, as for other Medi-Cal managed care plans, as specified. The bill would require the Health Care Options Program, which is an entity overseen by the department for Medi-Cal managed care education and enrollment, to disenroll any member of an AHCSPP if the member meets any one of the reasons for disenrollment enumerated in specified regulations. Under the bill, except where an AHCSPP is already contracted with the department as a Medi-Cal managed care plan as of January 1, 2022, contracts entered into pursuant to these provisions would be effective no sooner than January 1, 2024, as specified.</p> <p>The bill would require the AHCSPP to enter into a memorandum of understanding (MOU) with the department, which would include specified standards or requirements and the AHCSPP's commitment to increase enrollment of new Medi-Cal members and any requirements related to the AHCSPP's collaboration with and support of applicable safety net providers. The bill would require the department to post the MOU and a specified implementation report on its internet website.</p> <p>The bill would require the AHCSPP to work with federally qualified health centers (FQHCs) in AHCSPP service areas selected by the AHCSPP and the</p> | <p>05/27/22 - In Senate. Read first time. To Com. on RLS. for assignment.</p> |

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| | <p>department, at the request of the FQHC, to provide assistance with population health management and clinical transformation. The bill would require the department and the AHCSP to identify the highest need specialties and geographic areas where the AHCSP would provide outpatient specialty care and services to address related needs, as specified.</p> <p>This bill would, commencing no sooner than January 1, 2024, expand managed care plans under the Whole Child Model program to also include the above-described AHCSPs.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2724</p> | |
| <p>AB 2727 (Wood)</p> | <p>Existing law states the intent of the Legislature to provide, to the extent practicable, through the Medi-Cal program, for health care for those aged and other persons, including family persons who lack sufficient annual income to meet the costs of health care, and whose other assets are so limited that their application toward the costs of that care would jeopardize the person or family's future minimum self-maintenance and security.</p> <p>This bill would, commencing on the date that the resource disregards are implemented, remove from that statement of legislative intent the above-described assets as an eligibility criterion. The bill would also make other changes to that statement.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2727</p> | <p>05/24/22 - Read second time, amended, and re-referred to Com. on HEALTH.</p> |
| <p>AB 2786 (Stone)</p> | <p>This bill would expand the Children's Crisis Continuum pilot program to provide services to a child or youth who meets the eligibility requirements to enroll in the Medi-Cal program and who meets medical necessity standards for the care components in the pilot program. The bill would include respite care as a component of the continuum of services provided by the pilot program to allow primary caregivers of pilot program eligible youth and resource family caregivers of foster youth to access periods of relief from full-time caregiving duties. The bill would extend the date for proposals to be submitted to no later than January 31, 2023, and the date for grant funds to be disbursed to no later than March 31, 2023. The bill would extend the deadline for the issuance of guidance through all-county letters or similar instructions to March 1, 2023.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB2786</p> | <p>05/24/22 - In Senate. Read first time. To Com. on RLS. for assignment.</p> |

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| <p>SB 245 (Gonzalez)</p> | <p>Effective 1/1/23, the bill would prohibit a health care service plan and a health insurer from imposing utilization management or utilization review on the coverage for outpatient abortion services. The bill’s requirements would also apply to Medi-Cal managed care plans.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB245</p> | <p>CAHP Oppose</p> <p>03/22/22 - Chaptered by Secretary of State. Chapter 11, Statutes of 2022.</p> |
| <p>SB 853 (Wiener)</p> | <p>This bill would expand prohibitions to prohibit limiting or excluding coverage of a dose of a drug or dosage form. The bill would require a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2023, that covers prescription drug benefits to provide coverage for a drug, dose of a drug, or dosage form during utilization review and any appeals if that drug has been previously approved for a medical condition of the enrollee or insured and has been prescribed by a health care provider. The bill would prohibit a plan or insurer from seeking reimbursement for that coverage if the final utilization review decision is to deny coverage for the prescription drug, dose, or dosage form.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB853</p> | <p>CAHP Oppose</p> <p>05/26/22 - In Assembly. Read first time. Held at Desk.</p> |

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| <p>SB 858 (Wiener)</p> | <p>This bill would increase the base amount of the civil penalty from \$2,500 per violation to not less than \$25,000 per violation, which would be adjusted annually commencing January 1, 2024, as specified. The bill would multiply the amounts of other specified civil and administrative penalties by 4, commencing January 1, 2023, and would also annually adjust those penalties, commencing January 1, 2024. The bill would authorize the director to impose a corrective action plan to require future compliance with the act, under certain circumstances. If a health care service plan fails to comply with the corrective action plan in a timely manner, the bill would require the department to monitor the health care service plan through medical surveys, financial examinations, or other means necessary to ensure timely compliance.</p> <p>The bill would require the director, when assessing administrative penalties against a health care service plan, to determine the appropriate amount of the penalty for each violation, based upon consideration of specified factors, such as the nature, scope, and gravity of the violation, whether the violation is an isolated incident, and the amount of the penalty necessary to deter similar violations in the future. The bill would require the director to provide a written explanation of the amount of the penalty, including the factors the director relied upon in assessing that amount.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB858</p> | <p>CAHP Oppose</p> <p>05/25/22 - In Assembly. Read first time. Held at Desk.</p> |
| <p>SB 912 (Limón)</p> | <p>This bill, by 7/1/23, would expand the Medi-Cal schedule of benefits to include biomarker testing for the purposes of diagnosis, treatment, appropriate management, or ongoing monitoring of a Medi-Cal beneficiary's disease or condition if the test is supported by medical and scientific evidence, as prescribed. The bill would specify that it does not require a health care service plan or health insurer to cover biomarker testing for screening purposes unless otherwise required by law. The bill would subject restricted use of biomarker testing for the purpose of diagnosis, treatment, or ongoing monitoring of a medical condition to state and federal grievance and appeal processes.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB912</p> | <p>CAHP Oppose</p> <p>05/26/22 - In Assembly. Read first time. Held at Desk.</p> |

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| <p>SB 923 (Wiener)</p> | <p>This bill would require, by 1/1/24, a Medi-Cal managed care plan to require its staff and contracted providers to complete evidence-based cultural competency training for the purpose of providing trans-inclusive health care, as defined, for individuals who identify as TGI. The bill would specify the required components of the training and would make use of any training curricula subject to approval by the respective departments. The bill would require an individual to complete a refresher course if a complaint has been filed, and a decision has been made in favor of the complainant, against that individual for not providing trans-inclusive health care, or on a more frequent basis if deemed necessary.</p> <p>The bill would require DMHC/DHCS to develop and implement procedures, and would authorize them to impose sanctions, to ensure compliance with the above-described provisions.</p> <p>This bill would require those plans, by July 31, 2023, to also include a list of in-network providers who offer and have provided gender-affirming services, as specified.</p> <p>This bill would require, no later than March 1, 2023, the California Health and Human Services Agency to convene a working group that includes representatives from various departments, TGI-serving organizations, residents who identify as TGI, and health care providers to develop a quality standard for patient experience in order to measure cultural competency related to the TGI community and recommend training curriculum to provide trans-inclusive health care</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB923</p> | <p>CAHP Oppose Unless Amended</p> <p>05/27/22 - Referred to Com. on HEALTH.</p> |
| <p>SB 958 (Limón)</p> | <p>This bill would prohibit a health care service plan or health insurer, or its designee, from requiring a vendor to dispense an infused or injected medication directly to a patient with the intent that the patient will transport the medication to a health care provider for administration. The bill would authorize a plan or insurer, or its designee, to arrange for an infused or injected medication to be administered in an enrollee's or insured's home when the treating health care provider and patient determine home administration is in the best interest of the patient. The bill would prohibit a plan or insurer from requiring an infused or injected medication to be supplied by a vendor specified by the plan or insurer, or its designee, as a condition of coverage, unless specified criteria are met.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB958</p> | <p>CAHP Oppose</p> <p>05/27/22 - Referred to Com. on HEALTH.</p> |

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| <p>SB 964 (Wiener)</p> | <p>Existing law requires the department, by July 1, 2022, to establish statewide requirements for counties to use in developing certification programs for the certification of peer support specialists, as specified. Existing law authorizes a county, or an agency that represents a county, to develop a peer support specialist certification program and certification fee schedule, both of which are subject to department approval.</p> <p>This bill would repeal those provisions authorizing a county to develop a peer support specialist certification program and instead would require the department, by July 1, 2023, to provide for a statewide certification for peer support specialists. The bill would require the department to amend the Medicaid state plan to include a certified peer support specialist as a provider type for purposes of the Medi-Cal program and to include peer support specialist services as a distinct service type under the Medi-Cal program.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB964</p> | <p>05/27/22 - Referred to Coms. on HEALTH and HIGHER ED.</p> |
| <p>SB 966 (Limón)</p> | <p>Under existing law, to the extent that federal financial participation is available, FQHC and RHC services are reimbursed on a per-visit basis, as specified. "Visit" is defined as a face-to-face encounter between an FQHC or RHC patient and any of specified health care professionals, including a physician, a licensed clinical social worker, or a marriage and family therapist.</p> <p>This bill would also include, within the definition of a visit, a face-to-face encounter between an FQHC or RHC patient and an associate clinical social worker or associate marriage and family therapist when supervised by a licensed behavioral health practitioner as required by the Board of Behavioral Sciences, as specified. The bill would make this provision operative 60 days after the termination of the national emergency declared on March 13, 2020.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB966</p> | <p>05/26/22 - In Assembly. Read first time. Held at Desk.</p> |

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| <p>SB 979 (Dodd)</p> | <p>When the Governor declares a state of emergency, existing law requires a health care service plan and a health insurer to provide an enrollee or insured who has been displaced or has the immediate potential to be displaced by that emergency access to medically necessary health care services. Existing law requires health care service plans and health insurers operating in a county included in a declaration of emergency to notify the Department of Managed Health Care and the Department of Insurance whether the plan has experienced or expects to experience a disruption to its operation, among other things. Existing provides for health care service plans and health insurers to take specified actions, including relaxing time limits for prior authorization, precertification, or referrals.</p> <p>This bill would revise those provisions to specifically apply to a declaration by the Governor of a state of emergency that affects or may affect the health of enrollees. The bill would additionally apply the provisions to health emergencies declared by the State Public Health Officer and to emergencies that otherwise affect enrollees and insureds or health providers, as determined by the Department of Managed Health Care or the Department of Insurance.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB979</p> | <p>05/27/22 - Referred to Com. on HEALTH.</p> |
| <p>SB 987 (Portantino)</p> | <p>This bill would require a Medi-Cal managed care plan to make a good-faith effort to contract with at least one National Cancer Institute (NCI) Designated Cancer Center, as specified, and ensure that any beneficiary diagnosed with a complex cancer diagnosis, as defined, is referred to an NCI-Designated Cancer Center within 15 business days of the diagnosis, unless the beneficiary selects a different cancer treatment provider.</p> <p>This bill would require a Medi-Cal managed care plan to give a request for treatment pursuant to a complex cancer diagnosis to receive an expedited authorization decision, as specified.</p> <p>The bill would require contracts between Medi-Cal managed care plans and primary care providers to require the diagnosing or treating provider who determines cancer stage or response to treatment to inform enrollees who receive a complex cancer diagnosis of the right to receive care through an NCI-Designated Cancer Center. The bill would require a Medi-Cal managed care plan to provide written and verbal notice to an enrollee of their right to access care through an NCI-Designated Cancer center, and would require the department, in consultation with others, to develop a standard written notice and a process for verbally notifying enrollees of their right to access cancer treatment care through an NCI-Designated Cancer Center.</p> <p>The bill would, beginning January 1, 2023, require each applicable Medi-Cal managed care plan to reimburse an NCI-Designated Cancer Center provider furnishing services to a Medi-Cal beneficiary with a complex cancer diagnosis</p> | <p>CAHP Oppose</p> <p>05/27/22 - Referred to Com. on HEALTH.</p> |

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| | <p>enrolled in that plan, and require each NCI-Designated Cancer Center to accept the payment amount for those services, with the amount being set by the department upon consultation with the plans and centers if the plan and center do not otherwise have an agreed-upon contracted rate.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB987</p> | |
| <p>SB 1014 (Hertzberg)</p> | <p>This bill would require the department to authorize a new supplemental payment program for FQHCs pursuant to federal law, to be named the Enhanced Clinically Integrated Program (ECIP). Under the bill, the nonfederal share of ECIP funding would be subject to an appropriation. The bill would require the department to request at least this amount to fund the program on an ongoing basis in future fiscal years.</p> <p>Under the bill, participation in ECIP would be optional for FQHCs, supplemental funding under ECIP would be provided in addition to all other funding received by FQHCs, as specified, and participation in ECIP would result in total payments to participating FQHCs that are greater than the prospective payment system (PPS) rate otherwise required to be paid to the FQHC. The bill would, subject to an appropriation, require the department, no later than July 1, 2023, to make funding available for the purpose of direct compensation of health center workers.</p> <p>The bill would require ECIP to improve quality and access to care by allocating funds, if appropriated, to FQHCs that meet certain standards relating to wage thresholds and commitment to participation in bona fide labor-management cooperation committees, as specified. The bill would set forth various requirements for funding allocations to, and uses by, participating FQHCs.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1014</p> | <p>05/27/22 - Referred to Com. on HEALTH.</p> |
| <p>SB 1019 (Gonzalez)</p> | <p>This bill would require a Medi-Cal managed care plan to conduct annual outreach and education to its enrollees regarding the mental health benefits that are covered by the plan, and to also develop annual outreach and education to inform primary care physicians regarding those mental health benefits.</p> <p>The bill would require that the outreach and education efforts be informed by stakeholder engagement and the plan’s Population Needs Assessment, as specified, and that the efforts meet cultural and linguistic appropriateness standards and incorporate best practices in stigma reduction. The bill would require the department to review annual outreach and education efforts, to approve them if specified conditions are met, and to consult with stakeholders to develop the standards for the review and approval. The bill would condition implementation of the outreach and education efforts on the department’s approval.</p> | <p>05/27/22 - In Assembly. Read first time. Held at Desk.</p> |

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| | <p>The bill would require the department, once every 3 years, assess enrollee experience with mental health benefits covered by Medi-Cal managed care plans. The bill would require the department, by January 1, 2024, to develop survey tools and methodologies relating to the assessment of consumer experience, including best practice methods for data collection and reporting, as specified.</p> <p>The bill would require the department, once every 3 years, to publish reports on its internet website on consumer experience with mental health benefits covered by Medi-Cal managed care plans.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1019</p> | |
| <p>SB 1089 (Wilk)</p> | <p>This bill, for purposes of Medi-Cal reimbursement for covered optometric services, would authorize a provider to obtain eyeglasses from a private entity, as an alternative to a purchase of eyeglasses from the Prison Industry Authority. The bill would condition implementation of this provision on the availability of federal financial participation.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1089</p> | <p>05/27/22 - Referred to Coms. on HEALTH and PUB. S.</p> |
| <p>SB 1180 (Pan)</p> | <p>Existing law establishes, until January 1, 2023, certain time and distance and appointment time standards for specified Medi-Cal managed care covered services, consistent with federal regulations relating to network adequacy standards, to ensure that those services are available and accessible to enrollees of Medi-Cal managed care plans in a timely manner, as specified.</p> <p>This bill would extend the operation of those standards to January 1, 2026, and would require the department to seek input from stakeholders, as specified, prior to January 1, 2025, to determine what changes are needed to these provisions.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1180</p> | <p>05/26/22 - In Assembly. Read first time. Held at Desk.</p> |
| <p>SB 1184 (Cortese)</p> | <p>Authorizes a provider of health care or a health care service plan to disclose medical information to a school-linked services coordinator. The bill would define the term “school-linked services coordinator” as an individual located on a school campus or under contract by a county behavioral health provider agency for the treatment and health care operations and referrals of students and their families that holds any of certain credentials, including a services credential with a specialization in pupil personnel services.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1184</p> | <p>05/24/22 - In Assembly. Read first time. Held at Desk.</p> |

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| <p>SB 1191 (Bates)</p> | <p>Would add pharmacogenomic testing as a covered benefit under Medi-Cal. The bill would define pharmacogenomic testing as laboratory genetic testing, by a laboratory with specified licensing, accreditation, and certification, to identify how a person’s genetics may impact the efficacy, toxicity, and safety of medications. The bill would cover the benefit under Medi-Cal if a medication is being considered for use, or is already being administered, and is approved for use, in treating a Medi-Cal beneficiary’s condition and is known to have a gene-drug or drug-drug-gene interaction that has been demonstrated to be clinically actionable, as specified, if the medication is ordered by an enrolled Medi-Cal clinician or pharmacist.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1191</p> | <p>05/26/22 - In Assembly. Read first time. Held at Desk.</p> |
| <p>SB 1207 (Portantino)</p> | <p>The bill would extend the deadline for establishment of the maternal mental health program to July 1, 2023. The bill would revise the requirements of the program to include quality measures to encourage screening, diagnosis, treatment, and referral. The bill also would encourage health care service plans and health insurers to include coverage for doulas, incentivize training opportunities for contracting obstetric providers, and educate enrollees and insureds about the program.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1207</p> | <p>CAHP Opposed</p> <p>05/27/22 - Referred to Com. on HEALTH.</p> |
| <p>SB 1338 (Eggman)</p> | <p>This bill would enact the Community Assistance, Recovery, and Empowerment (CARE) Act, which would authorize specified persons to petition a civil court to create a voluntary CARE agreement or a court-ordered CARE plan and implement services, to be provided by county behavioral health agencies, to provide behavioral health care, including stabilization medication, housing, and other enumerated services to adults who are suffering from schizophrenia spectrum and psychotic disorders and meet other specified criteria.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB1338</p> | <p>CAHP Concerns</p> <p>05/26/22 - In Assembly. Read first time. Held at Desk.</p> |

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| SB 1419 (Becker) | <p>This bill would require health care service plans and health insurers to establish and maintain API, as described by the federal regulations, for the benefit of enrollees, insureds, and contracted providers.</p> <p>This bill would additionally prohibit the representative of a minor from inspecting the minor's patient records when the records relate to certain services, including medical care related to the prevention or treatment of pregnancy, as specified.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1419</p> | 05/27/22 - Referred to Coms. on HEALTH and JUD. |
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**Kern Health System Board of Directors
Resolution No. 061622-02**

Resolution to Honor Doug Hayward, Chief Executive Officer, Kern Health Systems

WHEREAS Doug Hayward will retire from his KHS position as Chief Executive Officer (CEO) effective July 6th, 2022. KHS desires to recognize Mr. Hayward for his over 10 years of dedicated service to Kern Health Systems

WHEREAS Doug Hayward joined Kern Health Systems in January 2012 as Chief Executive Officer; and

WHEREAS During Doug's tenure, Kern Health Systems through Kern Family Health Care membership grew 200% currently serving over 330,000 Kern County residents and

WHEREAS Through Doug's commitment to safety-net and community health care providers, Kern Health Systems partners with more than 2,000 primary care providers and specialists and provided over \$100 million in Provider Grants and Covid-19 relief payments and

WHEREAS, with Doug's leadership, Kern Health Systems currently employs over 450 employees and

WHEREAS, Doug has successfully guided Kern Health Systems through significant Medi-Cal health plan changes and challenges; and

WHEREAS Doug has embodied the organizational values and mission of Kern Health Systems by implementing programs and processes that have served and cared for Kern County's most vulnerable population; and

WHEREAS Doug's recognition of Kern Health Systems role as corporate citizen expanded and enhanced the community grant program to aid non-profit community-based organizations with fulfilling their mission to the Kern County community

WHEREAS Doug's commitment to high quality service and effective management has served for the betterment of our community; and

WHEREAS through Doug's leadership, Kern Health Systems, as a Medi-Cal health plan, is strategically positioned to face new challenges in the continuation of providing quality and timely health care services to Kern County.

NOW, THEREFORE, IT IS RESOLVED that the Governing Board of Kern Health Systems hereby honors and commends Chief Executive Officer, Doug Hayward, for his 10+ years of dedicated service to Kern Health Systems, and the Board expresses its sincerest appreciation to Doug for his accomplishments and extends its best wishes for his retirement on July 6, 2022.

Adopted: June 16, 2022

Cindy Stewart, Secretary
Kern Health Systems Board of Directors

SUMMARY

FINANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Friday, April 8, 2022

8:00 A.M.

COMMITTEE RECONVENED

Members: Deats, Martinez, McGlew, Melendez, Rhoades
ROLL CALL: 4 Present; 1 Absent – Rhoades

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

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

COMMITTEE ACTION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

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

SUMMARY

Finance Committee Meeting
Kern Health Systems

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- CA-3) Minutes for KHS Finance Committee meeting on February 4, 2022 -
APPROVED
Martinez-Deats: 4 Ayes; 1 Absent – Rhoades
- DIRECTOR MELENDEZ LEFT THE DAIS DURING THE DISCUSSION OF ITEM 4
AND DID NOT RETURN
- 4) Report by Daniells Phillips Vaughan & Bock on the audited financial statements of Kern Health Systems for the year ending December 31, 2021 (Fiscal Impact: None) – NANCY BELTON, DANIELLS PHILLIPS VAUGHN & BOCK, HEARD; RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Martinez-Deats: 3 Ayes; 2 Absent – Melendez, Rhoades
- 5) Proposed Agreement with Zipari, Inc, for Technical Support and Maintenance for KHS' Provider and Member Portal, from June 7, 2022, through June 7, 2025, (Fiscal Impact: \$1,986,734; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Martinez-McGlew: 3 Ayes; 2 Absent – Melendez, Rhoades
- 6) Proposed Agreement with Cognizant, for the purchase of the QNXT Claims Workflow, from April 14, 2022, through April 14, 2027 (Fiscal Impact: \$793,758; Budgeted) - APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Martinez-Deats: 3 Ayes; 2 Absent – Melendez, Rhoades
- 7) Proposed Agreement with SHI, for Cisco Phone System Licensing, from April 22, 2022, through April 22, 2025, (Fiscal Impact: \$188,716 per three years; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Martinez-Deats: 3 Ayes; 2 Absent – Melendez, Rhoades
- 8) Proposed Agreement with FindHelp, for a Community Supports Services Referral System, from April 18, 2022, through April 18, 2025, (Fiscal Impact: \$255,012; Budgeted) - APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Deats-Martinez: 3 Ayes; 2 Absent – Melendez, Rhoades
- 9) Proposed Agreement with SS&C Health, Inc., for Pharmacy Billed Medical Supplies from June 1, 2022 to March 30, 2023, (Fiscal Impact: \$300,000 annually estimated; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Deats-Martinez: 3 Ayes; 2 Absent – Melendez, Rhoades
- 10) Report on Kern Health Systems financial statements for December 2021 and January 2022 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Martinez-Deats: 3 Ayes; 2 Absent – Melendez, Rhoades

SUMMARY

Finance Committee Meeting
Kern Health Systems

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- 11) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for December 2021 and January 2022, IT Technology Consulting Resources for the period ended December 31, 2021, HR Hiring Report for the period ending February 28, 2022 and Major Organ Transplant Report for the period ending February 28, 2022 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Martinez-Deats: 3 Ayes; 2 Absent – Melendez, Rhoades

ADJOURN TO FRIDAY, JUNE 10, 2022 AT 8:00 A.M.

Deats

